

Rakon Limited
Interim Report
30 September 2025

Rakon Limited
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Rakon Limited
Unaudited Consolidated Interim Statement of Comprehensive Income
For the period ended 30 September 2025

		Unaudited six months ended 30 September 2025 \$'000s	Unaudited six months ended 30 September 2024 \$'000s
Revenue	4	54,235	41,657
Cost of sales		(27,771)	(25,913)
Gross profit		26,464	15,744
Other gains/(losses) - net	5	(1,134)	(1,490)
Other operating income		105	21
Operating expenses			
Selling and marketing		(5,947)	(5,989)
Research and development		(7,209)	(7,864)
General and administration		(16,398)	(16,195)
Total operating expenses		(29,554)	(30,048)
Operating loss		(4,119)	(15,773)
Finance income		181	246
Finance costs		(584)	(455)
Share of net profit of associate		553	922
Loss before income tax benefit		(3,969)	(15,060)
Income tax benefit		1,015	4,693
Loss after income tax benefit for the period attributable to the equity holders of Rakon Limited		(2,954)	(10,367)
Other comprehensive income/(losses)			
Items that may be reclassified subsequently to profit or loss			
Increase in fair value cash flow hedges		2,801	2,430
Cost of hedging		(677)	(19)
Income tax relating to components of other comprehensive income		(595)	(675)
Exchange differences on translation of foreign operations		1,916	(2,444)
Items that will not be reclassified subsequently to profit or loss			
Changes in fair value of equity investments – Thinextra		(16)	(30)
Other comprehensive income/(losses) for the period, net of tax		3,429	(738)
Total comprehensive income/(losses) for the period attributable to the equity holders of Rakon Limited		475	(11,105)
Earnings per share attributable to the equity holders of Rakon Limited		Cents	Cents
Basic earnings per share		(1.3)	(4.6)
Diluted earnings per share		(1.3)	(4.5)

The accompanying notes form an integral part of these financial statements.

Rakon Limited
Unaudited Consolidated Interim Statement of Changes in Equity
For the period ended 30 September 2025

	Share capital \$'000s	Retained earnings \$'000s	Other reserves \$'000s	Total equity \$'000s
Balance at 1 April 2025	181,592	(5,193)	(21,848)	154,551
Loss after income tax benefit for the period	-	(2,954)	-	(2,954)
Currency translation differences	-	-	1,916	1,916
Cash flow hedges, net of tax	-	-	1,529	1,529
Changes in fair value of equity investments at fair value through other comprehensive income - Thinextra	-	-	(16)	(16)
Employee share schemes				
Share options	-	-	316	316
Balance at 30 September 2025 (Unaudited)	181,592	(8,147)	(18,103)	155,342

	Share capital \$'000s	Retained earnings \$'000s	Other reserves \$'000s	Total equity \$'000s
Balance at 1 April 2024	181,592	1,126	(23,432)	159,286
Loss after income tax benefit for the period	-	(10,367)	-	(10,367)
Currency translation differences	-	-	(2,444)	(2,444)
Cash flow hedges, net of tax	-	-	1,736	1,736
Changes in fair value of equity investments at fair value through other comprehensive income - Thinextra	-	-	(30)	(30)
Employee share schemes				
Share options	-	-	162	162
Balance at 30 September 2024 (Unaudited)	181,592	(9,241)	(24,008)	148,343

The accompanying notes form an integral part of these financial statements.

Rakon Limited
Unaudited Consolidated Interim Balance Sheet
As at 30 September 2025

	Note	Unaudited six months ended 30 September 2025 \$'000s	Unaudited six months ended 30 September 2024 \$'000s
Assets			
Current assets			
Cash and cash equivalents		12,415	15,323
Trade and other receivables		54,445	53,496
Inventories	6	56,637	46,387
Derivative financial instruments		268	134
Financial assets at fair value through profit or loss		31	-
Income tax asset		1,779	1,159
Total current assets		125,575	116,499
Non-current assets			
Property, plant and equipment		45,198	41,514
Intangible assets		21,791	19,855
Right-of-use assets		7,948	9,110
Interest in associate		14,093	13,662
Trade and other receivables		2,880	2,731
Financial assets at fair value through other comprehensive income - Thinextra		318	334
Derivative financial instruments		906	807
Deferred tax asset		12,197	12,937
Total non-current assets		105,331	100,950
Total assets		230,906	217,449
Liabilities			
Current liabilities			
Borrowings	7	1,237	1,439
Trade and other payables		45,525	29,218
Income tax liabilities		1,673	1,046
Lease liabilities		2,507	2,612
Provisions		324	869
Derivative financial instruments		2,404	2,920
Total current liabilities		53,670	38,104
Non-current liabilities			
Borrowings	7	10,333	10,965
Provisions		3,575	3,314
Lease liabilities		6,401	7,489
Derivative financial instruments		1,585	2,886
Deferred tax		-	140
Total non-current liabilities		21,894	24,794
Total liabilities		75,564	62,898
Net assets		155,342	154,551
Equity			
Share capital		181,592	181,592
Other reserves		(18,103)	(21,848)
Accumulated losses		(8,147)	(5,193)
Total equity		155,342	154,551

The accompanying notes form an integral part of these financial statements.

Rakon Limited
Unaudited Consolidated Interim Statement of Cash Flows
For the period ended 30 September 2025

	Unaudited six months ended 30 September 2025 \$'000s	Unaudited six months ended 30 September 2024 \$'000s
Cash flows from operating activities		
Receipts from customers	58,361	56,247
Payments to employees	(27,657)	(27,961)
Payments to suppliers and others	(25,123)	(20,996)
R&D grants received	1,603	1,596
Income tax paid	(775)	(359)
Interest paid	(307)	(459)
Interest received	181	246
Other income received	72	19
Net cash flow from operating activities	6,355	8,333
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,276)	(5,477)
Purchase of intangibles	(2,060)	(1,436)
Net cash outflow from investing activities	(7,336)	(6,913)
Cash flows from financing activities		
Repayment of borrowings	(860)	(783)
Lease liabilities payments	(1,701)	(937)
Net cash outflow from financing activities	(2,561)	(1,720)
Net decrease in cash and cash equivalents	(3,542)	(300)
Cash and cash equivalents at the beginning of the period	15,323	17,831
Effects of exchange rate changes on cash and cash equivalents	634	(1,724)
Cash and cash equivalents at the end of the period	12,415	15,807

The accompanying notes form an integral part of these financial statements.

Rakon Limited
Notes to the Unaudited Financial Statements
30 September 2025

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Rakon Limited
Notes to the Unaudited Financial Statements
30 September 2025

1. General information

Rakon Limited ('the Company') and its subsidiaries ('the Group') are a global technology company that design and manufacture advanced frequency control and timing solutions for a wide range of applications. Rakon's core markets are Telecommunications, Aerospace & Defence, and Global Positioning.

The Company is a limited liability company, incorporated and domiciled in New Zealand, and is listed on the New Zealand Stock Exchange (NZX code: RAK). The registered office is located at 8 Sylvia Park Road, Mt Wellington, Auckland. Rakon is registered under the Companies Act 1993 and is an FMC reporting entity under Part 7 of the Financial Markets Conduct Act 2013.

These financial statements have been prepared in accordance with the requirements of Part 7 of the Financial Markets Conduct Act 2013 and the NZX (Main Board) Listing Rules. The unaudited interim financial statements were approved for issue by the Board of Directors on 27 November 2025.

2. Statement of significant accounting policies

These unaudited interim financial statements for the half-year ended 30 September 2025 have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), including NZ IAS 34 Interim Financial Reporting, as well as other applicable New Zealand accounting standards and authoritative notices. The consolidated financial statements also comply with International Financial Reporting Standards (IFRS).

The Group is a profit-oriented entity for the purposes of NZ GAAP. These financial statements comprise Rakon and its subsidiaries and have been prepared on a going concern basis. The interim financial statements are presented in New Zealand dollars, rounded to the nearest thousand unless otherwise indicated.

The preparation of financial statements in accordance with NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

This unaudited interim financial statement does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 31 March 2025 and any public announcements made by the Company during the interim reporting period.

3. Segment information

The Chief Operating Decision Maker (CODM) for the Group is the Chief Executive Officer. The CODM is responsible for allocating resources and assessing the performance of operating segments. The operating segments are presented in a manner consistent with the internal reporting provided to the CODM.

Significant judgement has been applied in determining reportable operating segments. Ownership of product intellectual property has been used as the key factor to identify reportable segments and aggregation criteria, based on synergies between businesses, regardless of geography.

The CODM assesses segment performance based on 'Underlying EBITDA', a non-GAAP measure defined as:

- Earnings before interest, tax, depreciation, amortisation, impairment, employee share schemes, non-controlling interests,
- Adjustments for associate's share of interest, tax & depreciation,
- Loss on disposal of assets, and other cash and non-cash items.

The CODM also receives information about segment revenue on a monthly basis.

In February 2025, Rakon announced an organisational transformation, including a realignment of its global Business Units. The Company is progressing well in its transition to a market-based structure comprising two global Business Units: Aerospace & Defence (Aerospace and Defence) and Commercial (Telecom, AI, Positioning, and Other). These changes will be reflected in segment reporting once fully implemented. To date, there have been no changes to the internal reporting provided to the CODM as a result of this process.

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30 September 2025

3. Segment information (continued)

a. Segment results

Information relating to each reportable segment is set out below.

Unaudited six months ended 30 September 2025

	NZ \$'000s	France/ India \$'000s	France HiRel \$'000s	T'maker \$'000s	Other ¹ \$'000s	Total \$'000s
Segment revenue by market						
Telecommunications	19,126	5,673	199	-	20	25,018
Aerospace & Defence	5,657	1,618	12,828	-	4	20,107
Global Positioning	6,122	84	94	-	4	6,304
Other	502	88	2,216	-	-	2,806
Total segment revenue by market	31,407	7,463	15,337	-	28	54,235
Underlying EBITDA	944	(4,137)	1,909	1,781	3,100	3,597
Total assets ²	103,400	53,089	58,164	14,737	1,516	230,906
Additions of property, plant and equipment and intangibles	3,218	1,441	3,217	-	-	7,876
Total liabilities ³	38,598	20,768	14,768	-	1,430	75,564

Unaudited six months ended 30 September 2024

	NZ \$'000s	France/ India \$'000s	France HiRel \$'000s	T'maker \$'000s	Other ¹ \$'000s	Total \$'000s
Segment revenue by market						
Telecommunications	11,965	5,148	203	-	(518)	16,798
Aerospace & Defence	6,942	1,236	8,838	-	(214)	16,802
Global Positioning	5,462	40	175	-	(147)	5,530
Other	1,009	59	1,521	-	(62)	2,527
Total segment revenue by market	25,378	6,483	10,737	-	(941)	41,657
Underlying EBITDA	(6,630)	(4,570)	(15)	1,928	2,023	(7,264)
Total assets ²	94,249	49,135	36,201	12,963	1,345	193,893
Additions of property, plant and equipment and intangibles	3,725	2,230	958	-	-	6,913
Total liabilities ³	23,546	13,622	7,782	-	600	45,550

¹ Revenue is gains/(losses) on cash flow hedges apportioned to each segment based on hedged currency.

² Segment assets are measured in the same way as in the financial statements. These assets are presented as it is regularly provided to the CODM.

³ Segment liabilities are measured in the same way as in the financial statements. These liabilities are presented as it is regularly provided to the CODM.

3. Segment information (continued)

b. Reconciliation of Underlying EBITDA to net profit after tax for the period

Underlying EBITDA is a non-GAAP measure that has not been presented in accordance with GAAP. The Directors present Underlying EBITDA as a useful non-GAAP measure to investors, in order to understand the underlying operating performance of the Group and each operating segment, before the adjustment of specific cash and non-cash items and before cash impacts relating to the capital structure and tax position. Underlying EBITDA is considered by the Directors to be the closest measure of how each operating segment within the Group is performing. Management uses the non-GAAP measure of Underlying EBITDA internally, to assess the underlying operating performance of the Group and each operating segment.

	Unaudited six months ended 30 September 2025 \$'000s	Unaudited six months ended 30 September 2024 \$'000s
Underlying EBITDA	3,597	(7,264)
Depreciation and amortisation	(5,133)	(4,277)
Adjustment for associate share of interest, tax and depreciation	(1,237)	(1,016)
Finance costs - net	(403)	(209)
Redundancy costs	(443)	(396)
Long term incentive scheme	(419)	(164)
One-off costs relating to acquisition proposal ¹	-	(1,708)
Other non-cash items	69	(26)
Loss before income tax benefit	(3,969)	(15,060)
Income tax benefit	1,015	4,693
Net loss after tax for the period	(2,954)	(10,367)

¹ In the prior year, the Group incurred \$1,708,000 in legal and consulting costs related to an acquisition proposal. These costs are recorded under general and administration expenses within operating expenses.

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4. Revenue

The Group designs, manufactures and sells frequency control solutions for a wide range of applications. Revenue is derived from both the transfer of goods over time and at a point in time at an amount that reflects the consideration the Group expects to be entitled to in exchange for products and services excluding any applicable taxes. Arrangements are agreed with customers, set out in the terms and conditions which cover the pricing, settlement of liabilities, return policies and any other negotiated performance obligations.

a. Reportable segment revenue from contracts with customers

Unaudited six months ended 30 September 2025

	NZ \$'000s	France/ India \$'000s	France HiRel \$'000s	Other \$'000s	Total \$'000s
Products transferred at a point in time	31,404	7,465	4,964	29	43,862
Products and services transferred over time	-	-	10,373	-	10,373
Sales to external customers	31,404	7,465	15,337	29	54,235

Unaudited six months ended 30 September 2024

	NZ \$'000s	France/ India \$'000s	France HiRel \$'000s	Other \$'000s	Total \$'000s
Products transferred at a point in time	25,378	6,483	4,945	(940)	35,866
Products and services transferred over time	-	-	5,791	-	5,791
Sales to external customers	25,378	6,483	10,736	(940)	41,657

b. Revenue by geography

The Group's trading revenue is derived in the following regions. Revenue is allocated based on the country in which the customer is located.

	Unaudited six months ended 30 September 2025 \$'000s	Unaudited six months ended 30 September 2024 \$'000s
Asia	21,184	13,804
North America	18,021	17,557
Europe	13,651	8,953
Others	1,379	1,343
Total segment revenue by geography	54,235	41,657

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30 September 2025

5. Other gains/(losses) - net

	Unaudited six months ended 30 September 2025 \$'000s	Unaudited six months ended 30 September 2024 \$'000s
Gain/(loss) on disposal of property, plant and equipment, intangible and right-of-use-assets	45	(1)
Financial asset at fair value through profit or loss	(219)	1,093
Revaluation of foreign denominated monetary assets and liabilities ¹	(960)	(2,582)
Total other gains/(losses) - net	(1,134)	(1,490)

¹ Includes realised and unrealised gains arising from bank balances, accounts receivable and accounts payable.

6. Inventories

At 30 September 2025, the inventory provision was \$7.4m (March 2025: \$9.1m). This comprised \$300k of provision and \$2.0m of provisioned inventory was scrapped.

	Unaudited six months ended 30 September 2025 \$'000s	Audited year ended 31 March 2025 \$'000s
Opening balance	9,082	6,891
Additional provision	269	3,566
Scrapped	(2,000)	(1,375)
Closing balance	7,351	9,082

7. Borrowings

In April 2024, the Company entered into an agreement with Hong Kong Banking Group, providing the Group with access to a borrowing facility equivalent to NZ\$48m for capital investment and working capital requirements. The facility is guaranteed by Group assets and is subject to regular financial covenants. As at 30 September 2025, NZ\$8.3m of the facility had been utilised.

a. Line of credits

The Group maintains the following line of credits:

	Unaudited six months ended 30 September 2025 \$'000s	Audited year ended 31 March 2025 \$'000s
Current		
French Government loan	1,228	1,396
Other borrowings	9	43
Current borrowings	1,237	1,439
Non-current		
French Government loan	-	688
Other borrowings	2,024	1,885
HSBC revolving credit facility	8,309	8,392
Non-current borrowings	10,333	10,965

7. Borrowings (continued)

Crédit Agricole Provence Côte D'Azur

The bank borrowings include a balance of €0.6m for a French government-backed loan made available to Rakon France (March 2025: €1.1m). In May 2021, the Company exercised its option to extend this loan for an additional five years. Repayment is spread equally over the final four years, ending in June 2026. The effective interest rate is 0.55% for the remaining term. There are no covenants on the loan, and no additional security is required.

8. Contingencies

There have been no material changes to contingent liabilities or assets since 31 March 2025.

9. Related party transactions

During the period, the Group engaged Brent Robinson, a director, to provide consulting services totaling \$65,000. Apart from this engagement, the Group did not enter into any other material contracts with related parties or involving Directors' interests. No amounts owed by related parties were written off or forgiven during the period.

10. Subsequent events

On 1 October 2025, the Group drew down an additional US\$5.5m from its borrowing facility with Hong Kong and Shanghai Banking Corporation Limited (HSBC). The facility bears interest at a base rate Secured Overnight Financing Rate (SOFR) plus 2.0% margin. The funds will be used to support working capital requirements and planned capital expenditure.

In November 2025, the Group reviewed and refinanced its debt facilities with HSBC.