

RAK 1H26 RESULTS FOR THE SIX MONTHS TO 30 SEPTEMBER 2025

1H26: Strong first half growth and strategic momentum

Rakon Limited (NZX: RAK), a global leader in frequency control and timing solutions, today released its financial results for the six months ended 30 September 2025 (1H26), delivering a strong return to growth with double-digit increases across revenue, margins and earnings.

The company reported 30% year-on-year revenue growth, a sharp lift in gross margin to 48.8%, and a 149% increase in Underlying EBITDA¹, reflecting strengthening demand across all of its markets. FY26 Underlying EBITDA¹ guidance remains unchanged at \$15m to \$24m.

Highlights:

- Double-digit increases in revenue, gross margin percentage and Underlying EBITDA¹:
 - Revenue \$54.2m, +30.2% YoY – broad-based growth across all major markets
 - Gross Margin 48.8%, +11 percentage points from 37.8% in 1H25 – driven by scale, mix and India cost efficiencies
 - Underlying EBITDA¹ \$3.6m, +149% YoY – strong operating leverage and disciplined cost base.
- Market momentum across the portfolio:
 - Aerospace & Defence (Revenue: \$20.1m, +20% YoY): Fifth consecutive period of record growth; demand accelerating with a \$75m+ global contracted Aerospace and Defence (A&D) order book – the highest in Rakon’s history – and a rapidly expanding multi-year pipeline
 - Telecommunications (Revenue: \$25.0m; +49% YoY): Rebounded strongly as orders recovered and customer inventory normalised
 - AI & Data Centre (currently reported as a part of Telecommunications): Delivered 50% YoY revenue growth; meaningful FY26 revenue expected as Tier-1 programmes scale
 - Positioning (Revenue: \$6.3m, +14% YoY): Stable, profitable niche with growth opportunities.
- Cost discipline delivering margin expansion: Efficiency programmes and global manufacturing optimisation have reduced the cost base while enabling increased strategic investment capacity across New Zealand, India and France.
- Strategic execution accelerated in 1H26:
 - France A&D cleanroom expansion completed, unlocking capacity to fulfil rapidly expanding global demand and support the \$75m+ A&D order book. In addition, India production is now in full volume for transferred product lines, already delivering approximately \$2m of margin uplift from the first 25% of the planned NZ-to-India transfer. As around 80% of total

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production migrates over the next three quarters, these benefits are expected to expand substantially, underpinning Rakon's long-term margin and capacity strategy.

- Approval under the Government of India's Electronics Component Manufacturing Scheme (ECMS) - one of the very few companies outside India to secure this status. While the designation provides a minimum \$3.5m government grant, its greater value lies in materially accelerating Rakon's global innovation and manufacturing roadmap.
- *See attached "Rakon announces recent strategic milestones in global strategy" document for more detail on the cleanroom expansion and ECMS approval.*

Rakon continues to execute strongly on its FY26–FY28 roadmap, focusing on markets with the highest long-term growth potential: Aerospace & Defence, AI & Data Centre, and next-generation Telecom infrastructure.

The company is lifting market share in core segments, scaling capacity globally, and driving cost and operational efficiencies across New Zealand, India and France. Together, these actions are expanding margins, accelerating growth, and positioning Rakon to capture significant global demand over the next three years.

CEO of Rakon, Sinan Altug, commented: "1H26 marks a clear return to growth for Rakon. Revenue grew 30% year-on-year, gross margin lifted to 48.8%, and Underlying EBITDA rose 149%. We saw strong contributions across the portfolio — Telecom rebounded, Aerospace & Defence delivered its fifth consecutive period of growth, and our AI & Data Centre business began generating meaningful revenue.

"The global transformation undertaken in the past two years is now delivering tangible results. The India Centre of Excellence is in volume production, already providing margin benefits, and will scale rapidly as more production transfers from New Zealand. This shift continues to free New Zealand to focus on innovation and new product introductions while India scales to meet global demand. Our expanded France facility underpins delivery of Rakon's \$75m+ global Aerospace & Defence order book — the largest in our history — supported by coordinated manufacturing across France, India and New Zealand.

"With growing demand, expanding capacity and a stronger operating model, Rakon is well positioned to accelerate into 2H26 and deliver sustained long-term value."

1H26 Financial Performance

Revenue grew +30% YoY to \$54.2m, reflecting strong contributions across all major markets.

Gross margin rose by +11 percentage points to 48.8%, reflecting higher volumes, richer product mix and early benefits from Rakon's global manufacturing optimisation.

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Operating expenses remained tightly controlled, with FY25 restructuring delivering ~\$1.5m in annualised savings that have been redeployed into the A&D capacity expansion in France. Revenue growth materially outpaced cost increases in 1H26, driving operating leverage and bringing opex as a percentage of revenue down for the half by -17.6ppt YoY.

Underlying EBITDA¹ rose +149% to \$3.6m, reflecting strong operating leverage across the business. Net loss after tax improved by \$7.4m YoY to \$(3.0)m. This momentum is expected to continue into 2H26, supported by higher volumes, improved margins and increased manufacturing efficiency.

Rakon maintains a robust balance sheet, supporting disciplined investment in expanded manufacturing capacity for high-demand A&D, Telecom and AI & Data Centre products. Working capital efficiency improved in the half, while preserving the ability to meet rising customer demand. In November, Rakon completed the renewal of its debt facility with global banking and financial services group, HSBC.

Outlook

Rakon enters 2H26 with strong momentum and reaffirms FY26 Underlying EBITDA¹ guidance of \$15m–\$24m. Earnings are expected to skew heavily toward 2H26, consistent with Rakon's historic seasonality and the timing of major programme deliveries.

Growth is expected across all major segments, led by sustained strength in Aerospace & Defence, expanding programmes in AI & Data Centre, and a steady Telecom recovery as global 5G investment resumes. Operational efficiencies and the scale-up of India and France manufacturing are expected to deliver further margin expansion in the second half.

Management remains focused on delivering the FY26–FY28 roadmap, as Rakon moves from stabilising to scaling. The company continues to target \$250m revenue and \$75m Underlying EBITDA¹ by FY30, underpinned by strong growth markets, operating leverage, and a globally scalable manufacturing footprint².

1 Non-GAAP disclosures: Refer to note 4 of the FY2025 consolidated financial statements for an explanation of how 'Non-GAAP Financial Information' is used, including a definition of Underlying EBITDA' and reconciliation to net profit after tax (NPAT).

2 The FY30 Aspiration data should not be interpreted as guidance. See Disclaimer on "Important Notice" slide in 1H26 Investor Presentation for more information.

All numbers are stated in New Zealand dollars (NZ\$) and relate to the six months ended 30 September 2025 (1H26), with comparisons to the six months ended 30 September 2024 (1H25) unless stated otherwise.

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Further information on Rakon's 1H26 results, performance and outlook is available in the Investor Presentation provided today.

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Authorised for release to the NZX by Rakon's Board of Directors.

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About Rakon

Rakon's products help people to connect, explore and innovate. They are the 'heartbeat' for electronic systems, delivering fast, precise and stable timing in everything from mobile networks and autonomous vehicles to satellite constellations and AI data centres. Whether connecting to a 5G tower or to a rover exploring Mars, our technology is relied on to deliver the highest performance in even the most extreme conditions. Thanks to our constant drive to innovate, we continue to empower our customers to create the next-generation of life-transforming technologies. For more information visit www.rakon.com.