**Rakon releases FY25 Guidance**

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**Rakon releases FY25 Guidance with a focus on Strategic Growth in Space and AI Computing**

Rakon Limited (NZX:RAK), a world leading manufacturer of frequency control and timing solutions, has released full-year FY25 guidance.

Based on current revenue projections, FY25 Underlying EBITDA[1] is expected to be in the range of $5-15 million for the financial year to 31 March 2025 (FY24: $13.5million). This reflects growth in the Space and AI computing hardware segments, offset by a slow recovery in Telecommunications and Positioning, albeit with positive market indications in Telecommunications now being seen.

As previously advised, the first half of FY25 has continued to be challenging for the Telecommunications (excluding AI computing hardware) and Positioning segments, as customers navigate the impacts of macroeconomic conditions in each market while continuing to draw down their stockpiled inventory. While improvement is expected over the medium term, with the potential for the market to level out on a year-on-year basis during the second half, Rakon's 1H25 orders to date have reduced, leading to lower revenue year-on-year.

Positively, Rakon's Tier-1 Telecom infrastructure customers, making up the majority of the market, are reporting a return to growth in the North American market as their customers' (mobile network operators) inventory levels normalised in 2024 and they selectively increased capex investment during Q2. However, globally, mobile operator capex and 5G infrastructure investment levels remain low.

Rakon expects product orders in the Telecommunications segment will track up in Q3 and Q4 FY25, leading into FY26. Rakon expects the Positioning segment to stay flat in 2H25. However, as indicated at the FY24 results, Rakon's Space and defence segment is continuing along its current growth path with a strong order book for Space. This includes the two new subsystems contracts announced earlier in 2024, which will have a $5 million revenue benefit in FY25.

Rakon's AI computing hardware products, first launched in late 2023, are already generating revenue and high customer interest from some of the largest global computer hardware companies. Rakon anticipates that this segment could rival its current Telecommunications

[1] Non-GAAP disclosures: Refer to note 4 of the FY2024 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).

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segment revenues in the next five years, as part of the company's strategy to diversify revenue and provide increased protection through the cycles.

Rakon has continued to gain market share and has maintained a near 100% design win rate on targeted projects across all markets, which the company sees as a clear precursor that it is poised to capture larger market shares as conditions improve.

Rakon has also continued to focus on cutting costs and driving efficiencies to navigate the current cycle and made good progress in driving further cost savings across operating and capital expenditure to improve resilience and competitiveness.

The company is progressing well with transferring select product lines from its France and New Zealand manufacturing facilities to its new India facility – a key area of focus for FY25. This will bring some margin improvement later in the current financial year by increasing manufacturing cost efficiencies and is expected to bring more benefit as this transfer program continues into the future.

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About Rakon

Rakon is a global high technology company and a world leader in its field. The company designs and manufactures advanced frequency control and timing solutions. Its three core markets are Telecommunications, Positioning and Space and Defence. Rakon's products are found at the forefront of communications where speed and reliability are paramount. Its products create extremely accurate electric signals which are used to generate radio waves and synchronise time in the most demanding communication applications.

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