



Fellow Shareholders,

I am very excited to provide you with an annual review of RFI's progress and what we have accomplished since my last letter to shareholders.



Fiscal 2024 Recap

Our fiscal 2024 marked a year of meaningful progress and strong team execution across our business. I would characterize it as the year that progress accelerated on our multi-year strategy to transform the Company from a components supplier to a high-value solutions provider for both our traditional customer base and customers in new end markets. Despite a prolonged recovery in the wireless ecosystem, our team delivered steadily improving performance throughout fiscal 2024, culminating in a strong fourth quarter and a return to operating profitability.

By the end of fiscal 2024, our focus on operational discipline and strategic growth yielded results, as demonstrated by us:

- Paying down our debt significantly to just over \$8 million as of fiscal year end.
- Shipping a large amount of lower margin products that had been in our backlog for quite a while. Backlog is a general indicator of both future revenues and profitability, and we entered fiscal 2025 with a much fresher backlog consisting of more current bookings with a more favorable, higher margin product mix.
- Expanding our strong product offering with innovative turnkey solutions in applications for small cells, Distributed Antenna Systems (DAS), industrial connectivity, and Direct Air Cooling (DAC).
- Repositioning our go-to-market strategy by bolstering our sales efforts with experienced and well-connected leadership. This has resulted in us building a

greater presence with our wireless carrier ecosystem customers, which should lead us to capturing a greater share of customers' bills of material. Some of our successes included projects related to their ongoing operating and maintenance budgets, which will provide an additional and more consistent source of revenue compared to capital spending allocations. Our sales team also began to tackle new end markets, including aerospace, transportation, energy and industrials with purpose and enthusiasm. They have made great headway in executing our strategic objective to diversify our customer base in exciting new markets.

By the end of fiscal 2024, we had the right products and solutions, the right positioning within our customer organizations, and the right team to set us up for further success and make fiscal 2025 a breakout year for RFI.

Halfway into Fiscal 2025—All Systems Go

At the time of this letter, we just reported a very successful first half of fiscal 2025. Our first half net sales jumped nearly 30% to \$38 million year-over-year. We reported an operating profit of \$162 thousand versus the comparable period's \$2.5 million loss, and our adjusted EBITDA was \$2.0 million against an adjusted EBITDA loss of \$529 thousand in the first half of 2024. We believe these results reflect three key points: 1) our intense focus on profitability, 2) we have reached the inflection point where RFI's repositioning from a components company to an integrated solutions provider is printing through our financial results, and 3) this is just the beginning of the market opportunity we can win.

Our sales are now more diverse both by product and customer than ever before. We are driving growth in wireless, aerospace, public safety, and industrial OEM customers, while also identifying applications in markets such as energy, transportation, wireline telecom, data centers, and new industrial cases.

We are seeing repeat and new customer wins across most of our product categories, and our expanded portfolio of innovative solutions has opened the door to diversifying the end markets we can serve.

Where And Why We Are Winning

Advanced Interconnect Solutions

As one example of new end markets, in the first quarter of 2025, we won a large interconnect opportunity from a leading aerospace company. Since then, we have received multiple additional orders from this customer. We believe this repeat business builds our credibility

and reputation in an industry that demands the highest degree of precision for mission-critical success.

Integrated Small Cell Solutions

Our small cell solutions are gaining momentum as we begin to see some larger installations move forward. In June, we announced \$1.7 million in follow-on orders from a Tier 1 wireless carrier for fully integrated small cell shrouds that we expect to be deployed in densely populated areas for faster, more reliable wireless connectivity. We believe we are achieving success in the small cell category because our products are technologically advanced and highly configurable, saving customers time and effort while minimizing costly installation errors and reducing maintenance expenses.

Direct Air Cooling (DAC) Systems

Our DAC systems are also gaining momentum in the market. In this category, we continue to push the boundaries with new innovations to deliver efficient, cost-effective cooling solutions that reduce energy consumption while lowering repair and replacement costs compared to traditional HVAC systems. We recently launched next-gen systems that feature advanced control capabilities and a NEMA 4 certification for more rugged environments. These new developments expand our opportunity set into wireline telecom, edge data centers, as well as energy and transportation applications. For example, AI is driving the overall demand for data centers, and more equipment is being pushed to the edges of the network into the small buildings, cabinets, and enclosures that house equipment. This equipment must be cooled to operate effectively and consistently, and our DAC systems offer highly-efficient, climate-durable cooling that is both eco-friendly and at a lower cost than traditional solutions. Our patented systems are built to stand the rigor of outdoor environments, plus they have state-of-the-art technology that can reduce operating expenses by up to 70% over conventional HVAC systems, as well as help companies achieve their green initiatives. Importantly, DAC solutions are often funded by operating and maintenance budgets that are not correlated with capex spending, which further diversifies our revenue opportunities within overall customer budgets.

Major Opportunities Ahead

In each of the product categories just addressed, I believe the momentum we are seeing is just the tip of the spear. Stadium buildouts offer another opportunity that is starting to unfold. RFI has meaningful experience with wireless buildouts in stadiums and venues that are finally regaining the momentum lost during the Covid pandemic. The new generation of

stadiums are a far cry from their predecessors—they are not just places to watch a game, they are fan-centric destination experiences with high demand for smart technology integration. This includes high-speed connectivity, massive HD video boards, LED lighting, and immersive sound systems that turn a venue into a digital playground, which also happens to be our playground as well!

This revitalized market is expected to be worth \$42 billion by 2029. Examples include sporting events like the World Cup, the Olympics, the NFL Super Bowl, and new MLB baseball stadiums in markets like Las Vegas, as well as new venues on the horizon for college campuses, amateur sports, medical facilities, and casinos, to name a few, and we expect to win our fair share of this business.

Currently, we have over 100 venues in our sales pipeline, and an experienced sales team dedicated to further penetrating this market. We are a technology leader developing new solutions for DAS that are needed to enhance wireless capabilities in stadiums as well as airports and other high-traffic venues.

It's also important to note that our prior acquisitions have been transformative in creating new opportunities with high-value solutions. Well-established brands like Microlab have market currency, and the talented team members who joined us in product, engineering, and sales are leading the charge to optimize untapped potential.

Executing Well on What's in Our Control

While we are certainly set up to have a breakout year, a looming uncertainty is what to expect in the back half of fiscal 2025 given the volatility and rapidly changing environment surrounding tariffs and geopolitical and international relations and the impact of these on the supply chain. So far, we are handling it with our usual calm and pragmatic approach.

For quite some time, we have been actively working to drive even greater diversification across our supply chain, and the majority of what we produce and deliver is domestically sourced. Although we currently have some exposure to tariffs from certain products and components that can only be sourced in Asia, the exposure is limited at this time.

The majority of our products at RFI are made in the U.S. by an entirely American workforce. We are very proud of our team, and I firmly believe in the integrity and quality of what we make and how we make it.

That said, what's happening with tariffs is beyond our control. While we continue to tweak our supply chain and pricing policies to anticipate and manage any potential new cost pressures, the RFI team has done a great job navigating this challenging and dynamic

situation. I really appreciate their flexibility, resilience, and positive attitude. We clearly see plenty of opportunity ahead and are prepared to seize it.

RFI has navigated through tough and uncertain times in the past and emerged as a stronger and smarter organization. Currently, we have a broader range of opportunities than ever before, and we are focused on making steady progress in entering new end markets and winning more opportunities with key customers.

We are executing well and doing what we said we would do with enthusiasm and optimism. We believe we have never had a greater team or platform for growth, setting the stage for us to realize RFI's full potential.

In closing, our team's hard work, strategic execution, and ability to adapt have positioned us for success. We are excited about what's ahead and how this can translate into long-term value creation for our stakeholders. I want to thank all our employees for their outstanding contributions this year—their dedication and resilience will continue to drive our momentum. To our shareholders, thank you for your continued trust and support. Together, we are building a stronger future, and I look forward to what we will accomplish for the remainder of 2025 and beyond.

Sincerely,

A handwritten signature in black ink, appearing to read 'RD', with a horizontal line extending to the right.

Robert Dawson

Chief Executive Officer