

Rakon Limited 2018 Annual Shareholders' Meeting

rakon
Enabling the connected future



Agenda

- ◀ Welcome & Introduction
- ◀ Meeting Order & Process
- ◀ Chair's Address
- ◀ Chief Executive's Review
- ◀ Shareholder Questions
 - 2018 Annual Report
- ◀ Ordinary Business and Resolutions
 - Resolutions
 - Election of Directors
 - Auditor's Remuneration
- ◀ General Business
- ◀ Meeting Close



Bryan Mogridge
Chair



Brent Robinson
Chief Executive

A. Chair's Address

Bryan Mogridge

B. Chief Executive's Review

Brent Robinson

Chief Executive's Review

< FY2018, Key Events & Achievements

- ❑ **Centum Rakon India acquisition completed**
 - Buyout of JV partner Centum Electronics completed on 2 May; Rakon has 100% ownership
 - Strategic decision in line with our manufacturing strategy to have a low-cost operating platform
 - Key support agreement reached; services for up to 18 months provides continuity
- ❑ **Transfer of technology license to Siward mostly complete**
 - Partnership well established and ready to be leveraged for the benefit of both parties
- ❑ **Argenteuil France site sold March 2018**
 - New facility in Gennevilliers opened in February



Chief Executive's Review



< FY2018, Financial Snapshot

- **Strong profit posted from improvement in core business and other non-recurring gains**
 - Sale of property in France
 - Gain from partial sale of Thinextra shares and net dilution gain
- **7% increase in total revenue with growth from space & defence and global positioning markets**
 - Gross profit up 29% due to revenue growth and mix of business
- **Strong positive movement in cash position**
 - Net cash of NZ\$7.4 million vs. net debt of NZ\$4.5 million in FY2017



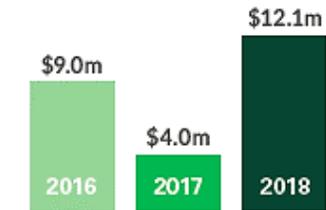
Net Profit



Revenue



Underlying EBITDA



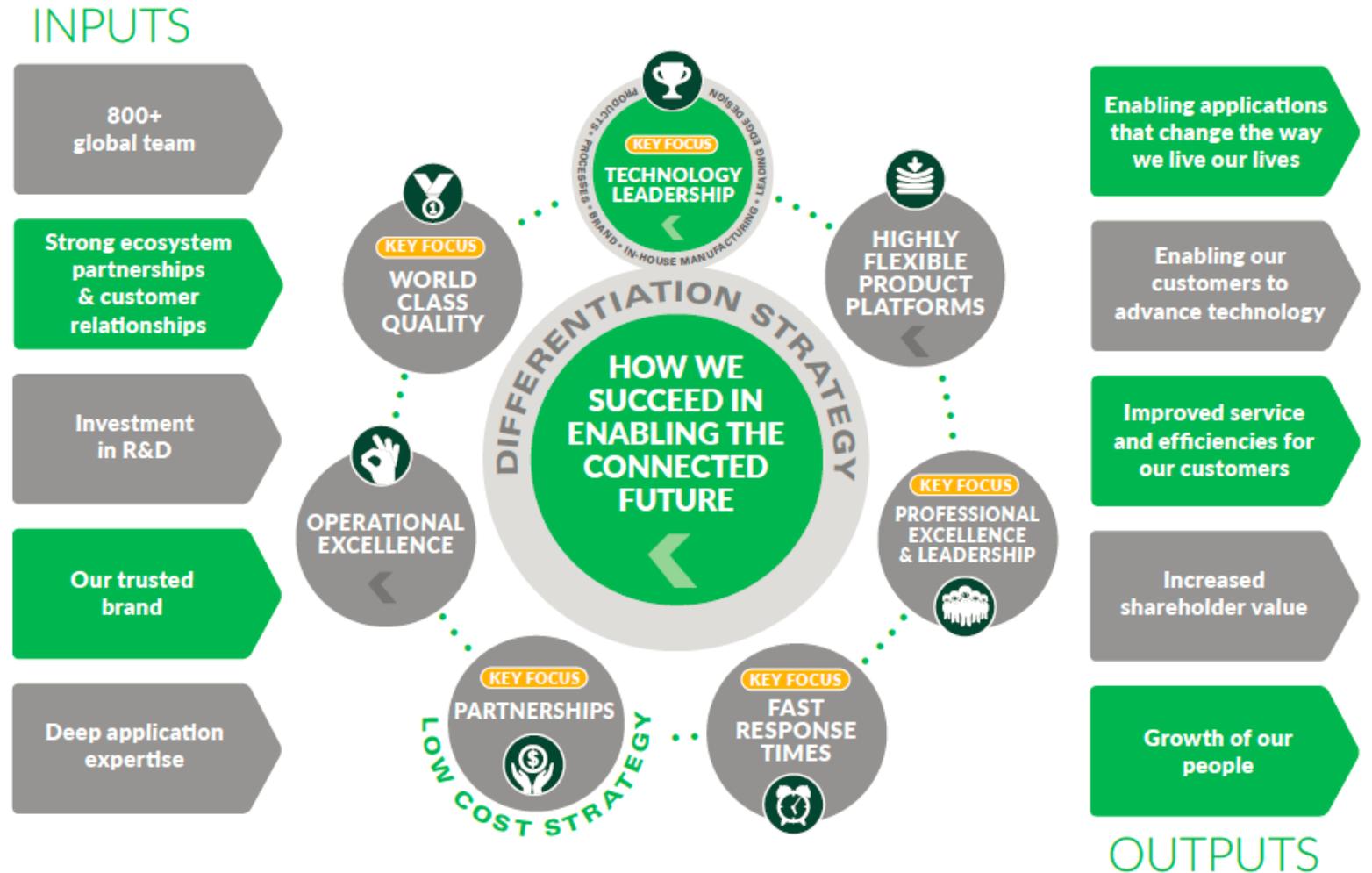
Operating Expenses



Chief Executive's Review

Business & Strategic Focus

- An extensive review of Rakon's strategic focus was undertaken in advance of FY2018, with a refreshed strategic plan implemented and adopted across the global business



Chief Executive's Review

< FY2019, Opportunities

□ Telecommunications: 5G

- Rakon developing a compelling product offering
 - Starting to see design wins for Remote Radio Heads (RRH) and base stations
- Industry predictions are for double digit compounding growth over the next 5 years (hardware value)

□ Space & Defence

- Growth continues in defence
 - Strong demand from US
 - Ultra stable TCXOs
 - New design wins with high value radar products
- Growth in deep space radio applications

□ Global Positioning

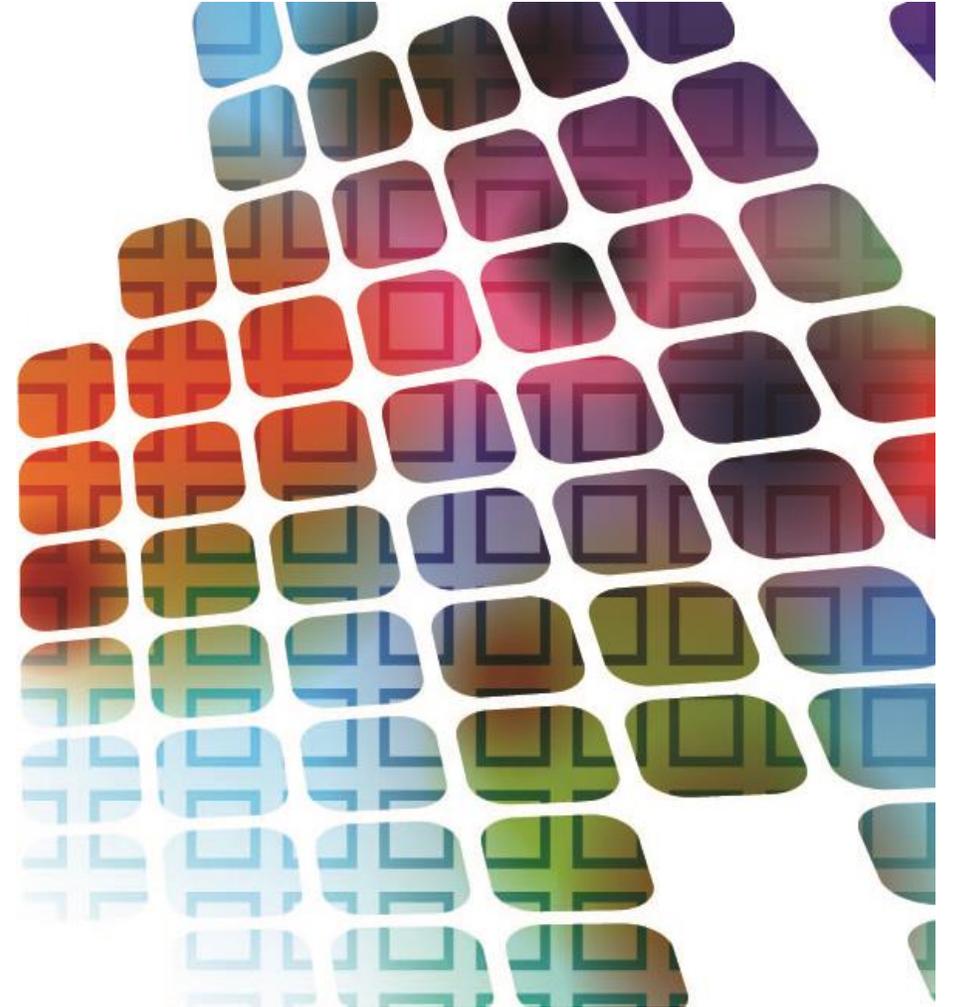
- Industrial
- China's BeiDou Navigation Satellite System (BDS)



Chief Executive's Review

< FY2019 and Beyond; Key Priorities

- ❑ Centum Rakon India integration and execution
- ❑ Continuing to build our strategic alliance with Siward
 - IoT translating into orders
- ❑ Building on global management capability
- ❑ Opportunities with 5G
 - Increasing market share

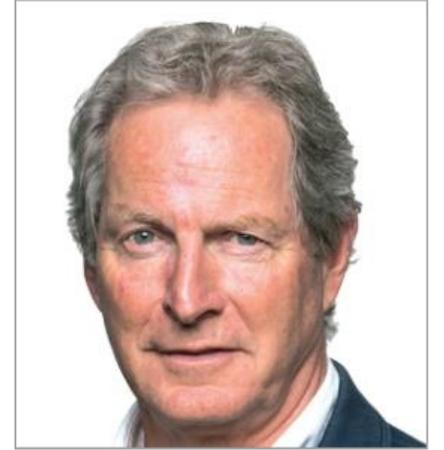


Chief Executive's Review



◀ Governance

- ❑ Chair Bryan Mogridge retiring
- ❑ Bruce Irvine to be the new Chair
- ❑ Search for new Director underway



Chief Executive's Review

◀ The Future



On the visible horizon, all the markets we serve point to increasing demand for Rakon products

Whatever the application be, within every node, within every network, a stable and reliable timing and frequency reference is required for the successful transfer of data

Rakon products provide this timing, enabling the connectivity for today's applications as well as the technological possibilities of the future



Brent Robinson
Chief Executive Officer / Managing Director

C. Shareholder Questions and 2018 Annual Report

D. Ordinary Business and Resolutions

Business of Meeting – Resolutions



◀ D.1. Resolution on Re-election of Director

- That **Bruce Robertson Irvine**, who retires by rotation and is eligible for re-election, be elected as a director of the Company



Business of Meeting – Resolutions



◀ D.2. Resolution on Auditor's Remuneration

- To record the reappointment of PricewaterhouseCoopers as the Company's Auditor and to authorise the Directors to fix the Auditor's remuneration



Business of the Annual Shareholders' Meeting

General Business

Meeting Closed

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