

Bruce Irvine
Chairman
Rakon Limited

28 May 2020

Dear Bruce,

The undersigned * who represent approximately 14% of Rakon NZ's share capital believe the company is significantly undervalued and the Company is failing to highlight this value to outside investors.

Rakon listed to take advantage of the capital markets to grow its business on a global basis, and we believe did not list to languish below asset value as it has done for a considerable period now.

While the refreshed board (since March 2017), has no doubt been very busy ensuring good governance practice has been installed, shareholders have seen no resultant benefit.

More importantly (from shareholders perspective) there is no evidence of any change in shareholder communication and disclosure, which inevitably improves investor awareness and share price performance over time.

Unfortunately, Rakon has essentially been ex-communicated by all forms of market commentator and analysts, due to a lack of proper engagement by the Company or the Board.

Directors may or may not be aware other companies in the same technology sector enjoy significantly better valuation ratings than Rakon

We contend, given the long history of disappointments, it is most unlikely a bumper result from the company's enviable position in the global 5G space will change sentiment (and valuation) to any great degree.

Shareholder frustration (and possibly director frustration as well) will continue unless more immediate focus on shareholder value is taken.

Two recent articles in the Australian Financial Review alluded to interest in Rakon from private equity firms, see below:-

<https://www.afr.com/street-talk/aussie-pe-runs-numbers-on-kiwi-comms-biz-rakon-20191124-p53djp>

<https://www.afr.com/street-talk/crescent-capital-partners-mulls-life-as-a-rakon-teur-20200226-p544ea>

Rather than, as you have said “*wait and see if there is any fire with this smoke*” **we respectfully ask the board to immediately initiate a process to market the company to the international investing community**

We contend this action will potentially create competitive tension while crystalizing Rakon’s true market price for all shareholders to consider.

This process should be quickly and efficiently executed through an international tender conducted by an investment bank with the necessary credentials.

I would be happy to discuss this further at any time.

Kind regards

Mike Daniel

Phone number deleted

*Shareholder list