



25 August 2021

Market Announcement

For immediate release

Wellington Drive Technologies achieves a first half profit

Wellington Drive Technologies (Wellington and the Company), a leading provider of Internet of Things (IoT) solutions and energy efficient motors to the retail food and beverage industry, today released its unaudited financial statements for the six months ended 30 June 2021. The Company's Interim Report, with management discussion and analysis, can be found on the NZX website, under the Ticker NZX:WDT at <https://www.nzx.com/instruments/wdt>.

The result for months ended 30 June 2021 (H1-2021) is in line with the Company's announcement on 26 July 2021.

- Revenue was \$30.6m, a 49.2% increase.
- EBITDA (adjusted) improved by \$2.0m.
- The net profit was \$0.62m.
- Cash at bank at 30 June was \$6.1m.

US\$ invoicing, which is a better indicator of activity, was US\$22.8m, an increase of 70.5% over H1-2020.

The Company achieved an EBITDA¹ surplus of \$1.83m, compared to \$1.14m last year, and a net profit of \$0.62m, a \$1.40m improvement on the same period last year. This result includes a \$0.3m expense arising from a change in fair value of the contingent consideration payable for the acquisition of iPX and \$0.4m for the agreed part repayment to staff of 2020 salary reductions. If these one-off charges are excluded, underlying EBITDA for H1-2021 was \$2.5m, a \$2.0m increase over the same period last year and the underlying profit was \$1.3m, a \$2.7m increase.

Customer demand is buoyant. As reported previously, the Company is managing several operating constraints including a tight IT labour market, supply shortages of some electronic components, increased component costs, constraints on shipping, increased shipping costs and more recently, the closure of the production line in Vietnam due to a COVID-19 closure. It is pleasing to now advise that production in Vietnam has recommenced following a temporary Government imposed COVID-19 closure. It will take a few weeks for production to be back to normal levels. Notwithstanding these ongoing challenges, the Company is maintaining its full year 2021 guidance of US\$ invoicing in the range of US\$45m to US\$50m and EBITDA¹ earnings to be in the range of NZ\$3.5m to NZ\$4.5m before deduction of non-recurring charges.

CEO Greg Balla commented, "It is great to see the strong results, as our team is doing an excellent job managing the impact of COVID-19, while launching exciting new solutions to the global market. Connect™ Monitor, launched in March, and Connect™ Network, will be launched in November, allowing our customers to connect their existing refrigeration fleet to Wellington's Cloud and leveraging the data and analytics to

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make better decisions on the utilisation and operational efficiency of the refrigeration units and their support services. This is significant for our customers as having the whole fleet connected, not just new units, increases the already significant impact of these solutions 10 fold.”

About Wellington Drive Technologies

Wellington is a leading provider of IoT solutions, cloud-based fleet management platforms, energy-efficient electronic motors and connected refrigeration control solutions. It serves some of the world's leading food and beverage brands and refrigerator manufacturers and offers proximity-based marketing for Smart Cities to the Australian market. Wellington's services and products improve sales, decrease costs and reduce energy consumption. Headquartered in Auckland with a global reach, Wellington is listed on the New Zealand stock exchange under the ticker symbol NZ:WDT

For further information visit www.wdtl.com

EBITDA¹ (i.e. Earnings before interest, taxation, depreciation, amortisation and impairment) is a non- GAAP earnings figure that equity analysts tend to focus on for comparable company performance analysis. Wellington considers that it is a useful financial indicator because it avoids the distortions caused by differences in amortisation and impairment policies.

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