Agenda

- Welcome & Introduction
- Items of Business
- Chair’s Address
- Chief Executive’s Review
- Shareholders’ Questions
  - Annual Report and Business Update
- Ordinary Resolutions
  - Re-elect Lorraine Witten
  - Re-elect Keith Oliver
  - Re-elect Tony Tseng
  - Authorise directors to fix remuneration of auditor
- General Business
- Meeting Close / Afternoon Tea
A. Chair’s Welcome and Address

Bruce Irvine
Chair’s Address

Financial Snapshot

Revenue\(^1\) ($m)

Reported Underlying EBITDA\(^2\) ($m)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021</th>
</tr>
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<tbody>
<tr>
<td>Revenue</td>
<td>95</td>
<td>101</td>
<td>114</td>
<td>119</td>
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<tr>
<td>EBITDA</td>
<td>4.0</td>
<td>12.1</td>
<td>13.3</td>
<td>14.8</td>
<td>16 – 18*</td>
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</table>

Notes:

\(^1\) All figures are presented in New Zealand dollars unless otherwise indicated.

\(^2\) Refer to note 4 of the FY2020 audited financial statements for an explanation of how ‘Non-GAAP Financial Information’ is used, including a definition of ‘Underlying EBITDA’ and reconciliation to NPAT.

* FY2021 is a provisional estimate.
Chair’s Address

Financial Results for FY2020 Show Steady Improvement
- Provisional FY2021 forecast shows trend continuing
- Subject to headwinds of COVID-19 and geopolitical tensions

Strategy Refresh
- Indicates Rakon's focus on markets, customers, products and capabilities is right
- Disciplined approach should see sustained improvement in results and shareholder value

Governance
- Ongoing focus on ensuring good governance practices
- Reviewed risk management framework and crisis management practice was well tested in responding to COVID-19 pandemic, with particular focus on health & safety
- Rakon team responded well to COVID-19 business uncertainty and agreed reduction in salaries and fees
B. Chief Executive’s Review
Brent Robinson
Chief Executive’s Review

FY2020, Financial Snapshot

- Revenue of $119m vs. $114m in FY2019
  - Growth in Telecommunications
  - Decline in Space & Defence and Global Positioning

- Net Profit After Tax and Underlying EBITDA
  - Net profit after tax of $4.0m vs. $3.4m in FY2019
  - Underlying EBITDA
    - As reported: $14.8m vs. $13.3m in FY2019
    - FY2020 includes $3.1m related to IFRS 16 Leases

- Operating Cash Flow $9.4m

Notes:
All figures are presented in New Zealand dollars unless otherwise indicated
1 Refer to note 4 of the FY2020 audited consolidated financial statements for an explanation of how ‘Non-GAAP Financial Information’ is used, including a definition of ‘Underlying EBITDA’ and reconciliation to NPAT
Chief Executive’s Review

FY2020 Key Achievements

- Increased share with major Tier One Telecommunications customers
- New products being developed for emerging 5G mmWave equipment requirements
- Rakon India fully embedded into the global manufacturing strategy
- New product introductions
  - Ramping up for 5G deployments: world’s smallest OCXO Mercury+™ and leading ultra-stable TCXOs employing Neptune™ and Kepler™ technologies
- Customers demonstrating strong preference for Rakon's quartz-based products over silicon-based competition
  - XMEMS™ released: key quartz-based technology for future products
Chief Executive’s Review

**XMEMS™: Rakon's Core Technology for Future Products**

Rakon has developed its proprietary photolithography process for over a decade releasing **XMEMS™** during FY2020.

**XMEMS™** is Rakon's advanced quartz-based resonator technology with products already released and in the pipeline.

The technology is made with Rakon’s **NanoQuartz™** photolithographic microfabrication process on quartz wafers.

**Quartz material for crystal resonator**

**Nano measurement & tuning**
Chief Executive's Review

The XMEMS™ Difference

All critical dimensioning is performed at the wafer level which achieves IMPROVED ACCURACIES.

XMEMS™ Resonator Processing

- Quartz material preparation
- Cutting & lapping of wafer

- Wafer thinning
- Blank geometry formation
- Frequency targeting
- Electrode pattern formation
- Crystal assembly process

Conventional Resonator Processing

- Wafer lapping to target frequency
- Wafer dicing (Blank singulation)
- Blank dimension lapping
- Blank contouring
- Chemical polishing & frequency targeting
- Electrode pattern formation

All critical dimensioning is performed on a singulated blank resulting in a LOWER ACCURACY.

Optical mask pattern (top)

Wafer being processed

Optical mask pattern (bottom)
Chief Executive's Review

Main Types of XMEMS™ Resonators

<table>
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<tr>
<th>Bi-mesa</th>
<th>Inverted-mesa</th>
<th>Innovative structures</th>
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<tbody>
<tr>
<td>![Bi-mesa Image]</td>
<td>![Inverted-mesa Image]</td>
<td>![Innovative structures Image]</td>
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Chief Executive’s Review

**XMEMS™ Benefits**

- Leading performance in the smallest profiles.  
  XMEMS™ technology will be deployed across all core industries for high-end applications
  - Enables industry leading products & performance
  - Enables new products not possible with conventional mechanical processing methods
    - When coupled with our proprietary ASICs this enables unseen levels of performance and new applications
    - Suitable for miniaturisation
  - Lower manufacturing cost and better performance

**XMEMS™ technology** will be available throughout Rakon’s high performance product portfolio from OCXOs & TCXOs through to VCXOs, to support customers' next generation system requirements
Markets
Chief Executive’s Review

Telecommunications

- **Update**
  - Continuing strong growth, revenue up 15% FY2020 vs. FY2019
  - 43% of growth came from 5G segment
  - FY2020: increased share with major Tier One customers
  - FY2021 Q1 near-term demand strong but delivery hampered by COVID-19 impacts
    - Rakon India (RI) impacted by lockdown restrictions in July
      - Continuing to manage risks; RI has essential service status

- **Outlook**
  - Overall demand still expected to be up as 5G deployment begins, but affected by:
    - Intensifying geopolitical uncertainty
    - 5G deployment pushing out
      - China delaying speed of initial roll-out plans
      - Europe unclear
    - Second wave impact from COVID-19 which is unknown
Chief Executive’s Review

Space and Defence

- **Update**
  - Rakon’s Space revenue dropped in FY2020
    - Predominantly due to phasing of long-term contracts
    - European Space business was up with some of the traditional geostationary satellite business returning
  - Defence lost some gains with revenue down in FY2020
  - For Q1 both Space and Defence tracking at the same level as last year

- **Outlook**
  - Expecting some revenue growth in both Space & Defence including Rakon India winning new contracts
  - Low Earth Orbit (LEO) satellite business continuing to gain momentum
    - Product development continuing, including higher value subsystems
Global Positioning
Chief Executive’s Review

Global Positioning

- Update
  - FY2020: commodity, lower margin end of this market declined for Rakon
  - FY2020: industrial high precision GNSS business was flat while revenue from the emergency locator beacon market grew
  - For Q1 the revenue is down, mainly due to the aircraft industry being affected by COVID-19

- Outlook
  - Demand increasing in high precision markets requiring low noise and excellent g-sensitivity for applications like autonomous vehicles and this trend is expected to continue
  - Avionics demand down significantly due to COVID-19
Chief Executive's Review

Strategy

- Recently reviewed and refreshed
- 3 key focus areas

- Exploit highly efficient, lean, low cost manufacturing platforms
- End-to-end dual source strategy

- Invest in XMEMS™ and advanced ASICs for next generation requirements
- Move away from commoditised products

- Cultivating innovation
- Developing succession
Closing Comments

- Steady progress over last 4 years
- COVID-19 has impacted revenue in FY2021 but with the longer-term demand for 5G, business is still expected to grow
- Over the last decade Rakon has built a strong position within the frequency control and timing industry and established an enviable ecosystem of customer relationships that should see your company perform well into the future
C. Shareholders’ Questions
D. Resolutions
Ordinary Resolution

Resolution 1: Re-election of Director

- That **Lorraine Mary Witten**, who retires by rotation and is eligible for re-election, be elected as a director of Rakon Limited

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<thead>
<tr>
<th>Proxy votes lodged</th>
<th>For</th>
<th>%</th>
<th>Against</th>
<th>%</th>
<th>Discretionary</th>
<th>%</th>
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Ordinary Resolution

− Resolution 2: Re-election of Director
  − That Keith William Oliver, who retires by rotation and is eligible for re-election, be elected as a director of Rakon Limited

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<thead>
<tr>
<th></th>
<th>Proxy votes lodged</th>
<th>For</th>
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Ordinary Resolution

Resolution 3: Re-election of Director

That Yin Tang (Tony) Tseng, who retires by rotation and is eligible for re-election, be elected as a director of Rakon Limited

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<thead>
<tr>
<th>Proxy votes lodged</th>
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<th>%</th>
<th>Against</th>
<th>%</th>
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Ordinary Resolution

Resolution 4: Fixing Remuneration of Auditor

- That the directors are authorised to fix the remuneration of Rakon Limited’s auditor, PricewaterhouseCoopers, for the following year

<table>
<thead>
<tr>
<th>Auditor:</th>
<th>Proxy votes lodged</th>
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<th>Against</th>
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F. General Business and Shareholders’ Questions
Meeting Closed
This presentation contains not only a review of operations, but also some forward looking statements about Rakon Limited and the environment in which the company operates. Because these statements are forward looking, Rakon Limited's actual results could differ materially.

Although management and directors may indicate and believe that the assumptions underlying the forward looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward looking statements will be realised.

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