



Wellington Drive Technologies Limited

ANNUAL MEETING

21 April 2017

ADDRESSES TO THE MEETING

Wellington®

'Get Connected' ASM 2017



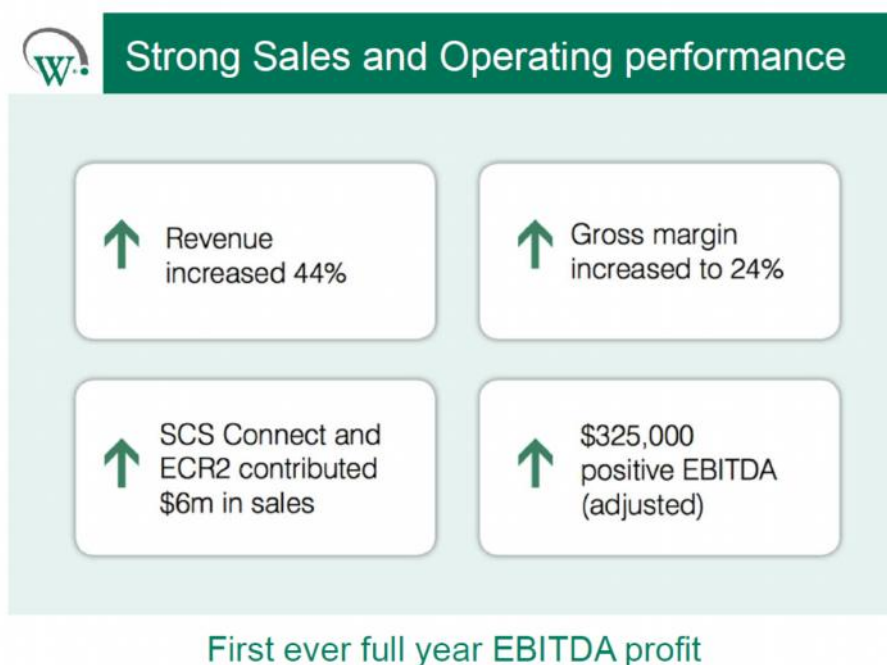


**Notes:**

There are statements in this document that are “forward-looking statements”. As these forward-looking statements are predictive in nature, they are subject to a number of risks and uncertainties relating to Wellington, its operations, the markets in which it competes and other factors (some of which are beyond the control of Wellington). As a result of the foregoing, actual results and conditions may differ materially from those expressed or implied by such statements. In particular, Wellington's operations and results are significantly influenced by the extent to which energy efficient motor technology is promoted in Wellington's key markets, competitor product development and demand and pricing, fluctuations in key commodity prices or costs in the countries of Wellington's suppliers, availability of key components, relative exchange rates and profitability of customers, all of which can have a substantial impact on Wellington's results of operations and financial condition. Other risks include customer concentration risk and misuse of Wellington's intellectual property.

EBITDA (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. The Company considers that it is a useful financial indicator because it avoids the distortions caused by the differences in amortisation and impairment policies. EBITDA is calculated as the loss before interest and taxation, less depreciation, amortisation and impairment.

Chairman – Tony Nowell



2016 was the year Wellington achieved its first ever EBITDA profit, as well as significant revenue growth and continued margin expansion.

We believe this is a sure sign that the turnaround activity of the past five years has completed and that we are now well into the next phase of the Company's development and growth journey.

The strategy we have embarked upon is delivering the desired results as we develop a range of 'Internet of Things' products and services for large food and retail brands, underpinned by our expertise in refrigeration motors and our rapidly developing capability in connected control systems.

Energy saving technology remains an important core business and the Company sold a record 1.4 million motors in 2016, a year on year volume increase of 33% which included 1.2 million EC motors.

This strong growth was achieved by ensuring that relationships with existing bottle cooler customers were expanded and by the addition of new customers in the supermarket and food service sectors.

Revenue grew in all of our sales regions, with Latin America and the USA a particular highlight due to the enthusiastic adoption of our new ECR2 and SCS Connect products. New motor customers were also added in Europe and Asia.



Our field teams began to sell the new ECR2 motor and SCS Connect products while our development teams started to focus on the next iterations of the ECR2 and SCS, using feedback from customers to help determine how to best enhance those platforms.

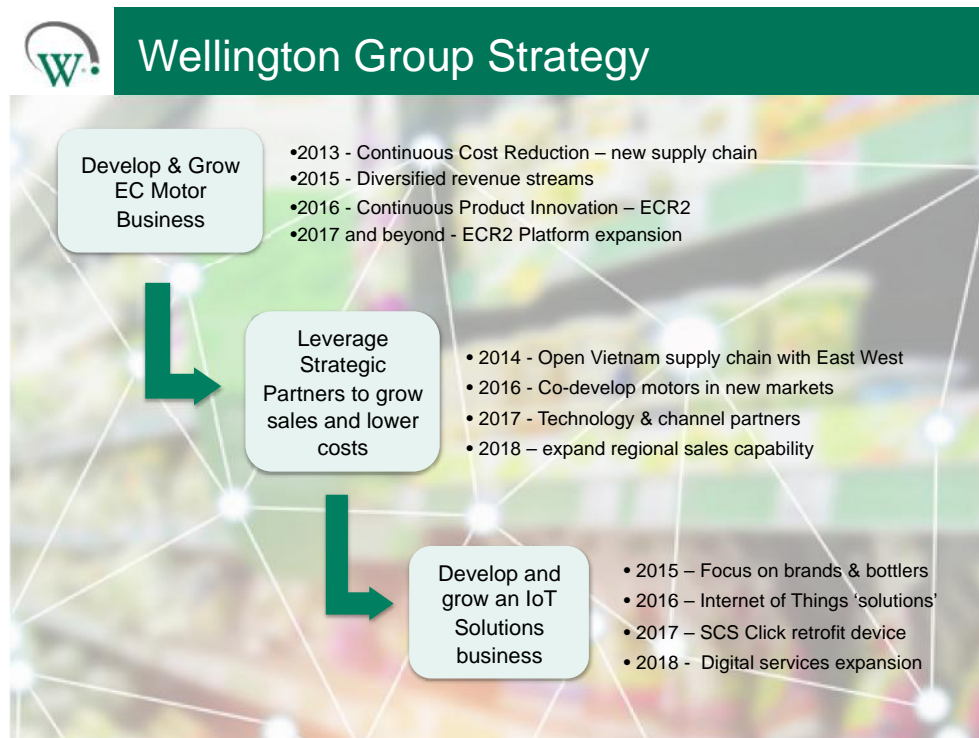
The level of change in our supply chain settled down last year, allowing us to intensify our focus on product delivery and execution. The supply chain structural improvements worked on in previous years helped us achieve a Gross Margin of 24%, up from 21.4% in 2015.

Growth performance in 2016 exceeded our expectations with revenue growing to \$35 million, a 44% increase over 2015 and doubling the 2014 revenue. The new SCS Connect and ECR2 products contributed \$6 million to reported revenue.

The board was especially pleased with this very encouraging first year of sales for our two new products, the SCS Connect controller and the ECR2 motor.

Wellington achieved a full year adjusted EBITDA profit of \$325,000 an improvement of \$2.3 million on 2015. EBIT improved by \$0.5 million to a \$1.3 million loss.

What does this result mean for the company's strategic direction?



Wellington's mission continues to be the delivery of solutions for its customers' commercial refrigeration energy efficiency, system control and connectivity problems.

We believe the strategy that we are pursuing supports this mission and will continue to ensure Wellington leads the competition and builds a world-class 'profitable' company.



The three pillars of the company's strategy have been refined following the successful launch of our new products and we are focusing more on customer deployment programmes and added value services that will enhance those products:



Strategic Pillars

1. Develop and grow the EC Motor business
2. Work with strategic partners to grow sales and lower costs
3. Develop and grow an Internet of Things solutions business

First – We will continue to develop and grow the EC Motor business by focusing on customer driven product development. Our 'bottle cooler' market growth plans will be complimented with plans to sell ECR2 to supermarket and food service equipment manufacturers and enter new geographical markets. We will continue to look for ways to diversify motor revenue streams. Operational excellence continues to be focused on simplifying business processes; increasing inventory turns performance, and further cost reduction in the supply chain.

Second – With an increasing focus on the Internet of Things, we will leverage strategic partners to grow sales by accessing new IoT and digital technologies through these strategic partnerships. We will also continue to improve margins through lower cost product design and supply chain solutions and expand geographical reach with complimentary sales partnerships.

And third – now that we have launched our new 'cloud connected' SCS Connect product, this strategic pillar continues to evolve. We will now develop and grow an IoT solutions business by developing and delivering low cost wireless refrigeration controllers for retail brands, supermarket retailers and manufacturers. We will take our new SCS Connect software platform to market and build on that platform with an expanded range of digital services, delivering sales success by helping to improve the total cost and sales performance of our customers' refrigerator.

The board and management team believe our strategy continues to be relevant and provides the right direction for the business as we continue to grow and improve profits.



So how did our business perform in 2016?

I will now hand the microphone to our CFO Howard Milliner and Senior Vice President, Steve Hodgson to take you through our financial and operating performance.

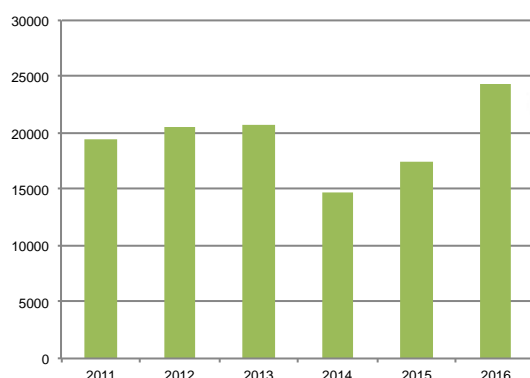
CFO – Howard Milliner

Good afternoon everyone. I am going to start with overall revenue achievements and how each region performed



Strong Revenue Growth

Revenue - Refrigeration USD



- ü Growth in all Regions
- ü ECR2 sales
- ü SCS Connect sales
- ü 15 new customers added

2016 – 40% Revenue Growth

2016 was a year of positive revenue growth momentum in all our business regions.

In US Dollar terms, revenue in 2016 was \$US24.4 million compared to \$US17.4 million in 2015. Of the record 1.4 million motors shipped in 2016, well over 100,000 were the new ECR2.

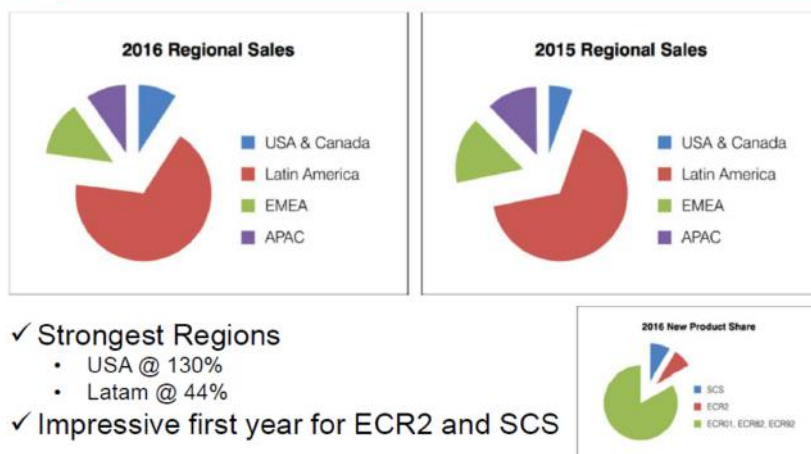
Since we discontinued the ventilation business in 2013 and experienced the end-market related weakness in 2014 the revenue trend has been one of steady growth.

The team has added customers and products, both of which have contributed to this growth. Fifteen new customers were added globally in 2016 with two of these customers being attracted by our new SCS Connect products.

Importantly most of these new customers are focused in the very large supermarket display case and food service market, as we expand beyond our traditional beverage market core.



Revenue Breakdown



Positive growth in all Regions
.....New products fuelling growth

Our Latin American business grew by 44% versus 2015, from US\$11.5 million to US\$16.6 million. We added two new motor customers in the region as well as experiencing stronger demand from existing bottle cooler customers, with motor volumes growing by 30%.

The USA and Canada region saw 130% growth versus 2015, with US\$2.2 million of revenue compared to \$1.0 million in 2015. Two new customers for the ECR2 motor product contributed the majority of this growth. In addition several smaller but strategically important customers starting buying ECR2 motors through our USA distribution partner, East West.

Our Asia Pacific region saw revenues of US\$2.3 million, relatively flat versus 2015, with a 9% increase on the US\$2.1m recorded in 2015. We won eight new customers in this region; two of those for SCS and the balance for EC motors, including several smaller Chinese display case manufacturers.

In EMEA, revenues grew by 17% to US\$3.2 million, versus US\$2.8 million in 2015. This growth resulted from three new customer wins in Europe and increased volumes from a new Italian customer won at the end of 2015. Of particular note was the expansion of our business with UK distribution partner Axair, who had success in developing new display case relationships, which drove demand for our motors.

Across all of our regions we had two notably weak markets; Brazil, which continued to stagnate due to difficult economic conditions in that country; and Turkey where demand was weak in the latter half of the year as a result of continuing political and economic issues in that country also. While we expect these difficult trading conditions could continue in 2017 it should be noted that we are seeing demand increasing for SCS Connect training and trials, which could translate to an increase in 2017 or 2018 sales.



Now on to Gross Margin performance



Gross Margin Continues to Improve

- ✓ 2016 24.8%
- ✓ Q1 2017 26%
- ✓ Targeting margin growth in 2017



Supply Chain and New Products

Our supply base is now relatively stable as we have completed our factory transitions and product launches; and with steadily improving supply chain management processes the business was able to deliver further improvements in product manufacturing costs.

Gross Margin for the year was 24.6%, increasing from 21.4% in 2015. This was a result of continuing cost reduction programmes with all major suppliers and component pricing benefits being realised from the increased volumes. The Gross Margin improvement was also assisted by revenue from new products.

You have heard us talk in the past of a 25% gross margin target. Our 2016 and Q1 2017 performance indicates that we have achieved this target and are now setting our sights on further improvement, which will come mainly from new products and services expansion.

The opportunity to remove further significant cost from the EC motor products is becoming harder to realise, however we could still see benefit from further component cost reductions as volumes increase.



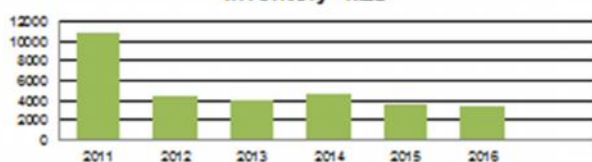
Productivity and cost reduction continues to be a point of strength.



Operational Excellence

Inventory Turns – 8 Times

Inventory - NZD



Opex – Modest investment to deliver growth

Operating Costs (excluding depreciation, amortisation & impairment) - NZD 000's



Productivity – Inventory Turns

While we were very happy with our growth performance over the last two years, it is important to know that our team is always working towards operational excellence. For Wellington that means continually driving for high inventory turns with best practice inventory management process, and ensuring we are efficient in the way we deploy our human and capital resources.

In 2016 we saw our operating costs increase by 15%, from \$7.4 million to \$8.5 million. 2016 was also the year that we started to hire new skills to support SCS Connect software development and customer field support. It was critical that we matched our new technologies and market entry plans with skills that could support those plans. Ten new people were added to the business between fourth quarter 2015 and the end of 2016.

The increase in operating expenses also included usual market-related salary adjustments, predominantly for non-management staff to ensure retention of key skills, as well as a notable rise in travel spend to support market development and expansion, particularly in relation to SCS Connect.

Even though we added new skills, our operating cost as a percentage of revenue improved to 24% from 30% in 2015 reflecting an overall increase in productivity, as measured by revenue per employee, which increased from \$450,000 to \$588,000.

Inventory performance was again an operational highlight of the business with inventory turns improving to 7.8 times from 7.0 times in 2015. A new inventory management programme was introduced with one of the Company's main suppliers, which contributed to this improved performance.



You would have heard us talk every year about the focus we put on inventory velocity, as we believe it is the key indicator on how effectively a manufacturing business uses its working capital and how well it is driving towards operational excellence. Inventory turns of around 8 times is close to industry leading when compared to our peer group.

Lastly Cash and working capital performance

The Company was pleased to be able to gain debt support from its major shareholder SuperLife in September 2016, with a \$2 million one year debt facility secured. This debt facility expires in September 2017 and the board is working through the options on how to best maintain the appropriate level of working capital support.

Operating cash flow was essentially breakeven compared to the positive \$0.834 million in 2015, a result of timing issues and pressure on working capital from the strong 44% sales growth.

The company invested \$1.9 million in new product development, most of which related to the completion of our new SCS Connect product and the related development of new SCS software and data solutions.

The cash balance at the end of 2016 was \$2.1 million with \$1.5 million drawn down under the SuperLife debt facility for a net cash position of \$0.6 million.

So in summary, 2016 was a year of significant improvement for the company, all financial metrics continue to trend in the right direction, our revenue growth and margin expansion delivered the company's first ever EBITDA profit, and we think we can do even better in 2017.

Thanks you all, and I will now hand you over to Steve Hodgson, our Senior Vice President Commercial. Steve heads-up our customer facing activities and will present our operating performance in more detail and also some of the exciting growth opportunities the company has in front of it.

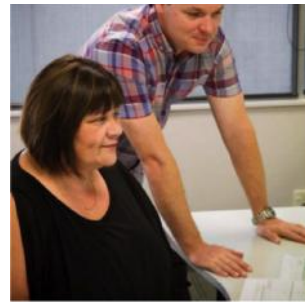
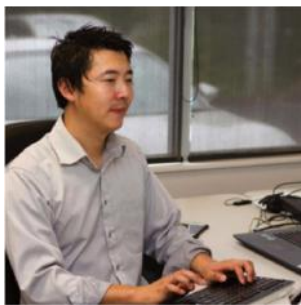


Senior Vice President-Commercial – Steve Hodgson

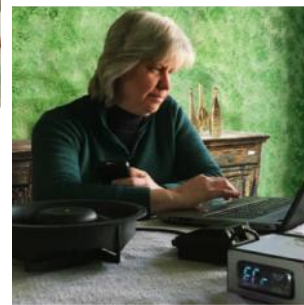


Our People are our Main Asset

Software
Development



Field Engineering
and Customer
Support



Supplier
Management

1

Global customer delivery team

Thank you Howard. Hello everyone.

Before I start I would just like to welcome two guests in the audience; David Burden, who is one of the two founders of our newest strategic partner, iProximity; and Matt Greenfield, who is the Vice President for strategic partner East West's Asia operations. Both David and Matt will be wandering around after the meeting if you want to say hello and ask any questions.

It is important that I start with a slide that highlights some important people in our team. These are three of our team-members who make a difference every day and have helped us deliver the results you see.

Our Wellington team makes the difference and along with the extended teams in our suppliers, they are the reason why we continue to improve financial performance, deliver innovative new products, win new customers, and provide great service to our customers. This is particularly true today with the company growing so rapidly – almost everyone in the Wellington team is having to 'do more' to deal with increased demand from customers.

A few of that team are in the audience today – thanks guys!

Tony has reviewed our strategic focus and Howard our financial performance so I wanted to share with you how we did against our 2016 annual priorities and talk about our operational focus in 2017.



I am also going to discuss our medium term strategy a little more and in particular give you an insight into what we mean by 'expanded SCS Connect digital services.'

Wellington is now moving quite quickly in a new direction – we are no longer just a refrigeration motor company. In a hardware sense we supply refrigeration components – motors and controllers – along with an expanding array of peripherals. However the features that differentiate our products and cause customers to chose 'Wellington' products are increasingly provided by the software and the connected services that we are supplying along with the hardware. I don't think it is an exaggeration to say that Wellington is one of the companies that is leading the commercial refrigeration market into a connected, 'Internet of Things' future.

We believe that this Internet of Things strategy (which from now on I will just call IoT), will continue to drive our growth over the next few years. It is also going to give us new margin opportunities to sell additional services, such as the digital marketing services offered by iProximity.

Looking forward it is appropriate to now think about Wellington as having two business streams. The first is our energy efficient EC motors. The ECR2 platform has opened up new opportunities for growth in this business segment, allowing us to sell into markets other than bottle coolers for carbonated soft drinks, including food service and supermarket display case equipment.

The second stream is our new IoT business.

This will be underpinned by the core SCS Connect hardware, software and cloud based data services, but increasingly this core will be complimented by a growing range of digital services.

And while our customer base in the near term will be dominated by the leading beverage brands that purchase bottle coolers - over time we intend to take SCS into other customer segments – such as beer – and into other types of commercial refrigeration equipment – such as ice cream freezers and food service equipment.

So we see no shortage of opportunity in the future.

We are going to leave that future for now – and come right back to the present day, because the next thing I would like to do is review the performance of the business in 2016;



I will start with the key lessons we learned from last year's performance.



2016 – Lessons Learned

Opportunity for Improvement

- Customer support required for SCS greater than expected
- Commodity cost risks (steel, copper, plastic resin)
- Management of supplier capacity



What went right

- ü New customer adoption of ECR2
- ü Production of SCS for new customers
- ü North America growth rate (over 100%)



There are two lessons in particular that I would like to highlight:

During 2016 we have found that the level of support and training that customers need to deploy the SCS Connect in their fleets is greater than we expected. We responded to this need in 2016 by hiring more people and we are continuing to do more of this in 2017. Some of the skills we are hiring include field engineers with deep experience in refrigeration controllers who have delivered formal training to hundreds of customer staff.

The second key learning from 2016 is the complexity of planning our supplier capacity in this environment where we are growing quickly. The ability to install base capacity in advance of need is key, so that we have flexibility for upside and don't let customers down (or turn away revenue). This takes careful planning and also capital investment, in machines such as winding equipment for ECR2 and surface mount equipment for SCS hardware.

We doubled capacity for ECR2 in 2016 and intend to add another 50% in 2017. One of the reasons we have an outsourced supply chain is contract manufacturers are often able to share the investment in equipment, particularly if they can use it on other customers – so it's a very capital efficient model.



So how did we do against last year's priorities?

In 2016, the focus of our priorities was towards new revenue generation, continuing to develop a more diversified customer base and becoming less reliant on one or two large customers. We made significant progress in all five main priority areas.

Those five priorities were:

Number 1 - Further improve customer diversification by expanding the geographical customer base;

Number 2 - Develop new customer relationships and grow revenues in the supermarket display case and food services equipment segments;

Number 3 - Sell the new ECR2 motor targeting supermarket customers and bottle cooler customers;

Number 4 - Sell the SCS Connect refrigeration fleet management solution to large global beverage brands and expand the marketing process outside the beverage market; and

And Number 5 - Further optimise the electronics supply chain to lower costs and reduce electronic component lead-times.

Two of the highlights of meeting these priorities were:

Firstly.....selling the ECR2 to Supermarket and Bottle Cooler manufacturers



ECR 2 – The Most Advanced EC Motor



**~100,000
Shipped in 2016**

- ü Two new customers in North America
- ü Food Service & display case grew 40%
- ü Large bottle cooler customer adopts
 - ü Product enhanced for 'food safe'
 - ü ECR2 Fanpack added

During 2016, shipments of ECR2 commenced to a large new supermarket display case and food service equipment manufacturer in North America with that customer planning on increasing its usage further in 2017. Revenues in the supermarket display case and food service segment grew around 40% year over year.

Our largest bottle cooler customer for ECR2 started purchasing in first quarter 2016, and has steadily moved their cooler products from shaded pole motors to ECR2 through 2016.

We have recently released a new version of ECR 2 with a plastic housing which is approved under the USA National Sanitation Foundation (NSF) food safety and quality accreditation. This allows the ECR2 to be sold into a wider range of food service refrigerators in the US market.

Late in 2016 work was completed on a new ECR2 Fanpack to provide customers with a drop-in solution for a complete air-flow assembly. This is an ECR2 product enhancement specifically designed to increase penetration of the supermarket refrigeration customer base. Several customers are testing this product and we expect sales to commence in the second half of 2017 after this testing is complete.



The Second highlight from our 2016 priorities was selling the SCS Connect to large global beverage brands and expanding the marketing process outside the beverage market



In August 2016 we announced the signing of a large global brand's Master Terms and Conditions for the supply of our SCS Connect solution. This agreement allowed the company to be considered as an approved supplier and has formed the basis for future supply agreements in that brand's bottler network.

In December 2016 we also announced that our company had been selected as an approved supplier of connectivity hardware for use in that brand's coolers.

This announcement signalled that the SCS Connect solution had passed the trial phase with a large end customer and was moving towards mass adoption.

These achievements were significant milestones in the development of the SCS connectivity business and were the precursors to the adoption of SCS in 2017 by a number of bottlers in that brand network.

Now looking ahead to this year's priorities:



2017 Strategic Priorities

1. Successfully deliver the SCS Connect production programme
2. Develop market opportunities for SCS Connect beyond carbonated soft drink
3. Technology & channel partnerships to broaden SCS digital services offering
4. Start development projects for the next phase of EC Motor product roadmap
5. Upgrade company-wide management information system to support growth

**Focus on long term growth
and profits**

Our focus has moved away from operational turnaround, although we intend to maintain and build upon the operational disciplines implemented over the last five years.

Having grown around 30% in 2015 and 40% last year, and with a target to repeat that type of growth rate in 2017, our priorities are now firmly focused on continuing a strong growth rate and achieving net profitability.

The five main priorities for 2017 are:

Number 1 - Successfully deliver the SCS Connect production programme

Number 2 - Develop market opportunities for SCS Connect beyond carbonated soft drink

Number 3 – Expand technology & channel partnerships to broaden SCS digital services offering

Number 4 - Start development projects for the next phase of the EC Motor product roadmap

Number 5 - Upgrade our company-wide management information system to support growth



The first two priorities are designed to ensure we deliver the planned sales growth in the SCS Connect business, both in our traditional CSD (carbonated soft drink) market and in new markets.

The third priority is built around expanding the range of services we offer with our SCS – I will talk more about that later.

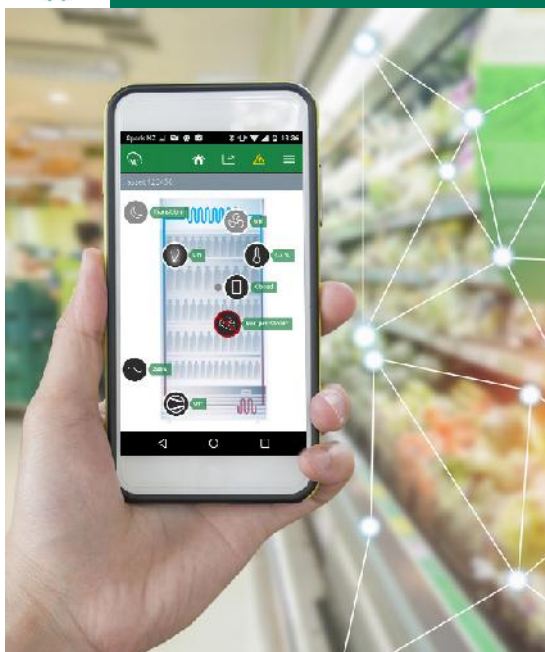
Priority four and five are designed to help us set our sights on the next step in sales growth over the coming three to five years; with further new product development and business systems that can support the company as its heads above \$50 million in revenue in the coming years.

We look forward to updating shareholders further on how we are performing against these priorities over the coming quarters.

.....before I finish my comments I would like to provide an explanation of what we mean by ‘SCS Connect Digital Services’ - and use our recently formed relationship with iProximity as an example.



The SCS System – A *Smarter Cooler*



**Cooler Optimisation
Asset Tracking
Maintenance Management**



Our Bluetooth based SCS Connect controller is a ‘thing’ in the Internet of Things eco-system. Its wireless capability, and software functionality allows it to connect to and communicate with the groups of people who regularly interact with a cooler; such as retailers, service technicians, sales people and consumers.

These people require a number of tools to help them do their jobs more effectively, or in the case of consumers, to use mobile devices while looking for product information, promotions and pricing.

Food and beverage brands are looking to engage with consumers at the 'point of sale' (in our case the cooler) via mobile devices so they can promote their products and develop their branding message. Increasing consumer engagement is one of their core strategic imperatives.



The SCS System – A *Smarter Cooler*

Consumer Engagement Via the Coolers

Expanding SCS Connect Digital Services to enable "The Smarter Cooler"

The image shows a hand holding a smartphone displaying a 'hello LOCAL' app interface. The app screen features a yellow background with a pink circle containing the text 'hello LOCAL'. Below this, it says 'Great offers, discounts, coupons and information based on where you are!' and 'Powered by iProximity'. At the bottom of the app screen are two buttons: 'Login & Social' and 'New User?'. In the background, a cooler with a digital display showing '20' and a blue signal icon is visible, along with a shopping cart and a person's hand holding a phone.

Our SCS Connect hardware, software toolset, including mobile apps, cloud based data platform and new digital marketing suite, provided by iProximity and delivered with our SCS Connect provide a way to do all of this.

We are already trialling some of these new digital marketing services with major brands.

I can answer further questions on this after the meeting alongside David from iProximity.

Finally a few comments to close.



We had a strong 2016, a real turning point in our journey.

Q1 2017 looks like it is off to a good start also, with 30% growth in revenue to almost \$13m and an EBITDA outcome of \$600k, a \$500k improvement on last year's result.

There are still risks and challenges in front of us, particularly with some of the uncertainties that we all see around the world today, but we have an increasingly diversified product and customer portfolio, operating in many geographical markets and with substantial growth opportunities, so we are well placed to counter these risks.

Your Wellington team continues to focus on improving sales, improving supply chain performance, developing the next range of products and services and serving customers to ensure they are delighted with our solutions.

We can see 2017 being even better than 2016 with early forecast models showing SCS and ECR 2 volumes more than doubling versus last year. Our legacy motors also continue to sell well.

Many of you may have read a recent interview with our CEO, carried out by the National Business Review. The interviewer asked Greg what his vision was for the company. His response was that we had got our heads around achieving \$50m in revenue, and over the next 5 years we could be well on our way to \$100m.



I can tell you this is very much our shared vision. Having earned the right to grow – we are now completely focussed on delivering that growth.

Thanks again for coming along today.

Back now to Tony to make his closing comments and then complete the formal business of the meeting.

Chairman – Tony Nowell

Thanks Steve, before I move to the formal business of the meeting I want to share with you our expectations for 2017.



2017 Outlook

Q1 2017

- Positive EBITDA
- Continued sales growth of ECR2 and SCS

Full Year Outlook

- Revenue growth of 30-40%
- EBITDA profit in the 'low millions'

Balance Sheet

- Repayment of SuperLife debt facility
- Exploring options for working capital debt support

2017 Priority

.... *New product sales,
EBITDA profit*

As Steve mentioned the Company is experiencing a strong start to 2017 year.

The \$NZ 13m revenue recorded in first quarter 2017 is 30% up on Q1 2016. Some Q1 2017 revenue has been pushed into the second quarter. The strong growth in revenue is expected to continue.

Regardless, the \$600k EBITDA performance is materially better than Q'1 2016, and we expect no change to our full year estimate; to achieve revenue growth in the 30% to 40% range and EBITDA profit in the low millions of dollars.



Our strategy to expand the motor product range, further develop the SCS Connect solution and develop new customers for those products in new markets, will continue at pace.

To support that plan we will continue to add new skills in the software development, sales leadership and customer support areas. We will also be seeking further partnerships to help us further the development of the SCS digital and cloud services component of our SCS Connect offering. An example of such is the recently announced iProximity relationship, which Steve discussed earlier.

The board and management team are proud to have delivered the company's first ever EBITDA profit. The next phase of the Company's journey is to become a leader in providing IoT solutions for commercial refrigeration customers, to further expand the ECR motor range and in turn to deliver the revenue growth and net profit momentum that has now begun.

Finally we would like to express appreciation to our shareholders, employees, customers and suppliers for their continued loyalty and support.