



25th August 2017

Media Release

For Immediate Release

Wellington Drive announces further significant revenue growth and profit improvement.

The Company's 2017 Interim Report is now released. Highlights for the first half of 2017 include:

- ✓ **Significant revenue growth:** NZ Dollar revenue was \$23.8 million, a 27% increase compared to the same period last year. In US Dollar terms revenue increased by 34% to US\$17.1m from US\$12.7m.
- ✓ **Gross margin continues to improve:** Gross Margin increased to 24.9% from 22.4% reflecting continuing supply chain cost improvements and increasing sales of higher margin products.
- ✓ **Profit Improvement:** Earnings before interest, tax, depreciation, amortisation and impairment ("EBITDA") improved to a profit of \$1 million for the half. Earnings before interest and taxation was a profit of \$181,000 which is an improvement of \$884,000 compared to the same period last year.
- ✓ **Significant reduction in net loss:** The loss for the period was \$522,000, an improvement on the \$1,243,000 loss for the same period last year.
- ✓ **SCS Connect revenues continue to grow:** Sales of SCS Connect in the half were double that for the previous 12 months to December 2016.
- ✓ **Exclusive partnership with iProximity:** An exclusive worldwide distribution agreement was signed with iProximity, an Australian based digital marketing company. In partnership with iProximity we launched our new *Smarter Cooler* product that combines Wellington's SCS Connect System with iProximity's iPx™ beacon management platform to engage and interact with customers at their point of purchase in front of the cooler.
- ✓ **Smartshares Limited loan facility extension:** The \$2 million loan facility expiry has been extended out to March 2019.

Greg Allen, CEO commented; "There are many exciting developments underway, in particular with the launch of our *Smarter Cooler* offering, the strengthening of our software development capability and the addition of new market leading proximity based digital marketing solutions in partnership with iProximity. Our continued financial performance improvement, with the Company's first ever EBIT profit result demonstrates the success of our strategy. The Company is transitioning 'Beyond the Device', moving from hardware only to supplying 'Cloud Connected' refrigeration controllers and now adding a range of digital services for food and beverage brands – it is taking us firmly into the digital economy.

For further information visit www.wdtl.com.

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