



REDKNEE
Looking Beyond

Q4 FY16 - Investor Conference Call

December 13, 2016

TSX: RKN



This presentation does not constitute or form part of any offer for sale or subscription or any solicitation for any offer to buy or subscribe for any securities or to form the basis of or be relied on in connection with any contract or commitment. This is not, and under no circumstances is to be construed as, a prospectus, an offering memorandum, an advertisement, an offer, an invitation or a solicitation to enter into a transaction or other investment business.

No representation or warranty is made to the fairness, accuracy, completeness or correctness of these materials. Each recipient or reader must make their own investigation and assessment of the matters contained here. In particular, no representation or warranty is given, and no responsibility or liability is accepted, as to the achievement or reasonableness of any future projections or the assumptions underlying them, or any forecasts, estimates, or statements as to prospects contained or referred to in these presentation materials.

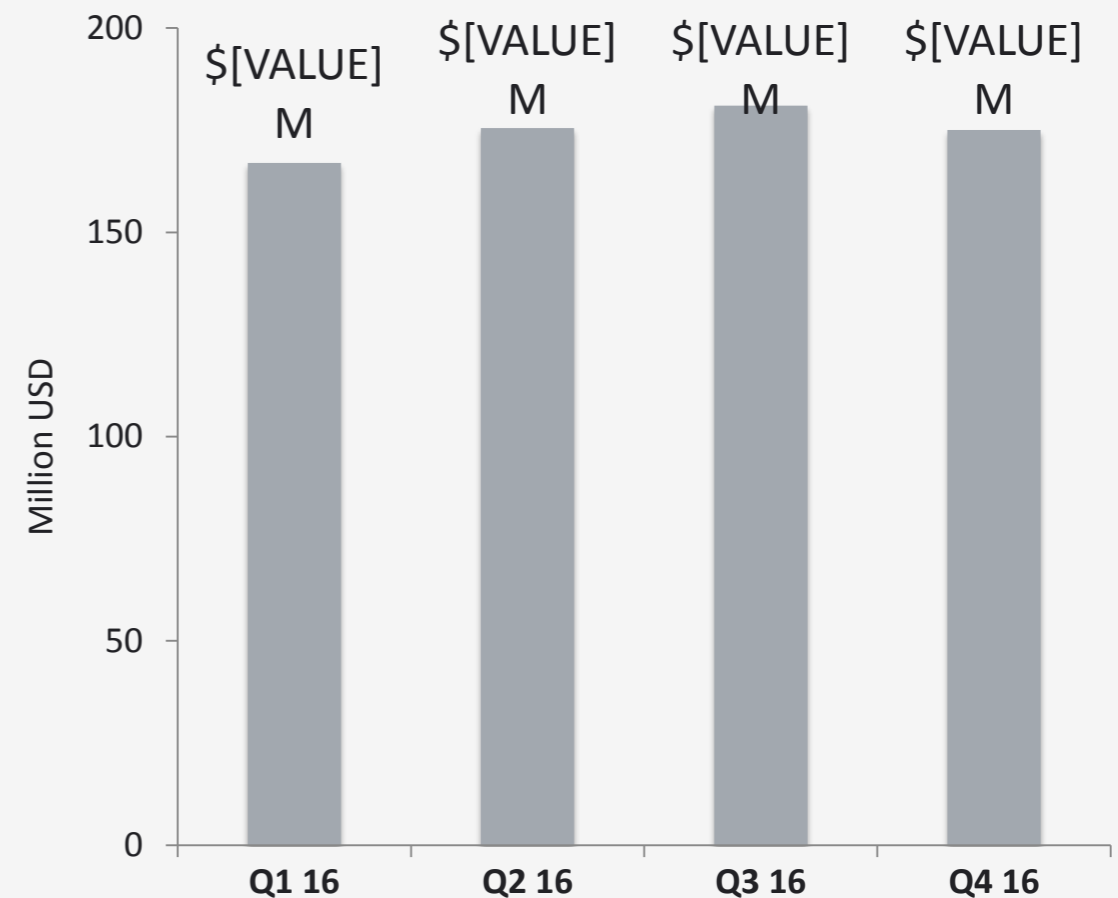
Certain statements in this document may constitute "forward-looking" statements which involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this document, such statements use such words as "may," "will," "expect," "continue," "believe," "plan," "intend," "would," "could," "should," "anticipate" and other similar terminology. Forward-looking statements are provided for the purpose of providing information about management's current expectations and plans relating to the future. Persons reading this news release are cautioned that such information may not be appropriate for other purposes. Such forward-looking statements include statements respecting annual expense reduction by Fiscal 2017, additional new customer contracts, financial guidance for Fiscal 2016 and 2017; market opportunity for solutions for Internet of Things, as well as statements regarding Redknee's future plans, objectives or performance for the current period and subsequent periods and regarding the markets for our products. These statements reflect current assumptions and expectations regarding future events and operating performance and speak only as of the date of this document. Such forward-looking statements involve known and unknown risks, uncertainties and other factors and assumptions that may cause the actual results, performance or achievements to differ materially. Such factors include, but are not limited to, assumptions respecting : (i) the conversion of sales pipeline into orders and orders into revenue based on the extent and timing of historical conversion; (ii) the anticipated mix of the sale of products and services of the Company and associated margin being consistent with that realized in the past; (iii) the ability of Redknee to bring new products and services to market and to increase sales; (iv) the strength of the Company's product development pipeline; (v) the estimated size and growth prospects of the markets Redknee seeks to address; (vi) the Company's competitive position in those markets and its ability to take advantage of future opportunities in those markets; (vii) the benefits of the Company's products and services to be realized by its customers; (viii) the demand for the Company's products and services and the extent of deployment of the Company's products and services; (ix) the Company's financial condition and capital requirements; (x) the stability of general economic and market conditions; (xi) currency exchange rates and interest rates; and (xii) capital markets continuing to provide the Company with access to capital. The risks and uncertainties that may affect forward-looking statements include, but are not limited to: the failure of demand for Redknee's products to develop as anticipated, the failure to obtain customer orders or meet customer requirements, the inability of Redknee's products to perform as expected, the inability of Redknee to achieve anticipated cost savings in the time frames and to the extent anticipated, unanticipated negative impacts on customer service or product development as a result of costs savings implemented, a material adverse change in the affairs of Redknee, and the factors discussed under the "Risk Factors" section of Redknee's most recently filed AIF which is available on SEDAR at www.sedar.com and on Redknee's web-site at www.redknee.com. Other unknown or unpredictable factors or underlying assumptions subsequently proving to be incorrect could cause actual results to differ materially from those in the forward-looking statements. Redknee does not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any change in its expectations or any change in events, conditions or circumstances on which any such statement is based, except as required by law.

No responsibility or liability is accepted by any person for any loss howsoever arising from any use of, or in connection with, these presentation materials or their contents or otherwise. In issuing these materials, Redknee does not undertake any obligation to update information or to correct any inaccuracies which may become apparent in these materials. These materials are supplied to you for your own information and may not be distributed, published, reproduced or otherwise made available to any other person, in whole or in part, for any purpose. In particular, they should not be distributed to or otherwise made available to persons where such distribution or availability may lead to a breach of any law or regulatory requirements.

Q4 FY16 HIGHLIGHTS

	Q4	FY 2016
Revenue:	\$40.7M (Q4 15: \$59.8M)	\$171.1M (FY 15: \$222.7M)
Gross Margin:	57% (Q4 15: 58%)	54% (FY 15: 59%)
Recurring Revenue:	63% (Q4 15: 44%)	60% (FY 15: 46%)
Adjusted EBITDA:	\$3.0M (Q4 15: \$7.7M)	\$3.5M (FY 15: \$34.4M)
Cash from Operations:	\$5.4M (Q4 15: -\$5.2M)	\$7.4M (FY 15: -\$0.8M)
Order Backlog:	\$175.0M	

ORDER BACKLOG



Highlights:

- Signed a multi-million cloud contract to deliver Redknee's real-time monetization solution to a leading retailer in LATAM
- Won a multi-million dollar contract with a Tier 1 CSP in EMEA to enhance customer satisfaction
- Recognized as a Visionary in Gartner's 2016 Magic Quadrant for Integrated Revenue and Customer Management (IRCM) report
- Redknee Unified was certified by the Hewlett Packard Enterprise (HPE) OpenNFV Partner Program
- Completed the successful implementation of its multi-play monetization solution at Omantel, a leading operator in the Middle East
- MGI Telecom implemented Redknee Unified to support its growth strategy

Customer	Region	Value	Closed
Tier 1 CSP	LATAM	>\$5M	Q1/17
Afghan Wireless Communication Company	EMEA	Not disclosed	Q4/16
Tier 1 CSP	EMEA	Multi-million dollar	Q4/16
Tier 1 CSP	EMEA	Multi-million dollar	Q4/16
Tbaytel	NA	Multi-million dollar	Q4/16

CONTINUE TO BE IN ACTIVE DISCUSSIONS AND EXPECT ADDITIONAL NEW CONTRACTS IN FISCAL 2017

REVENUE BREAKDOWN BY QUARTER

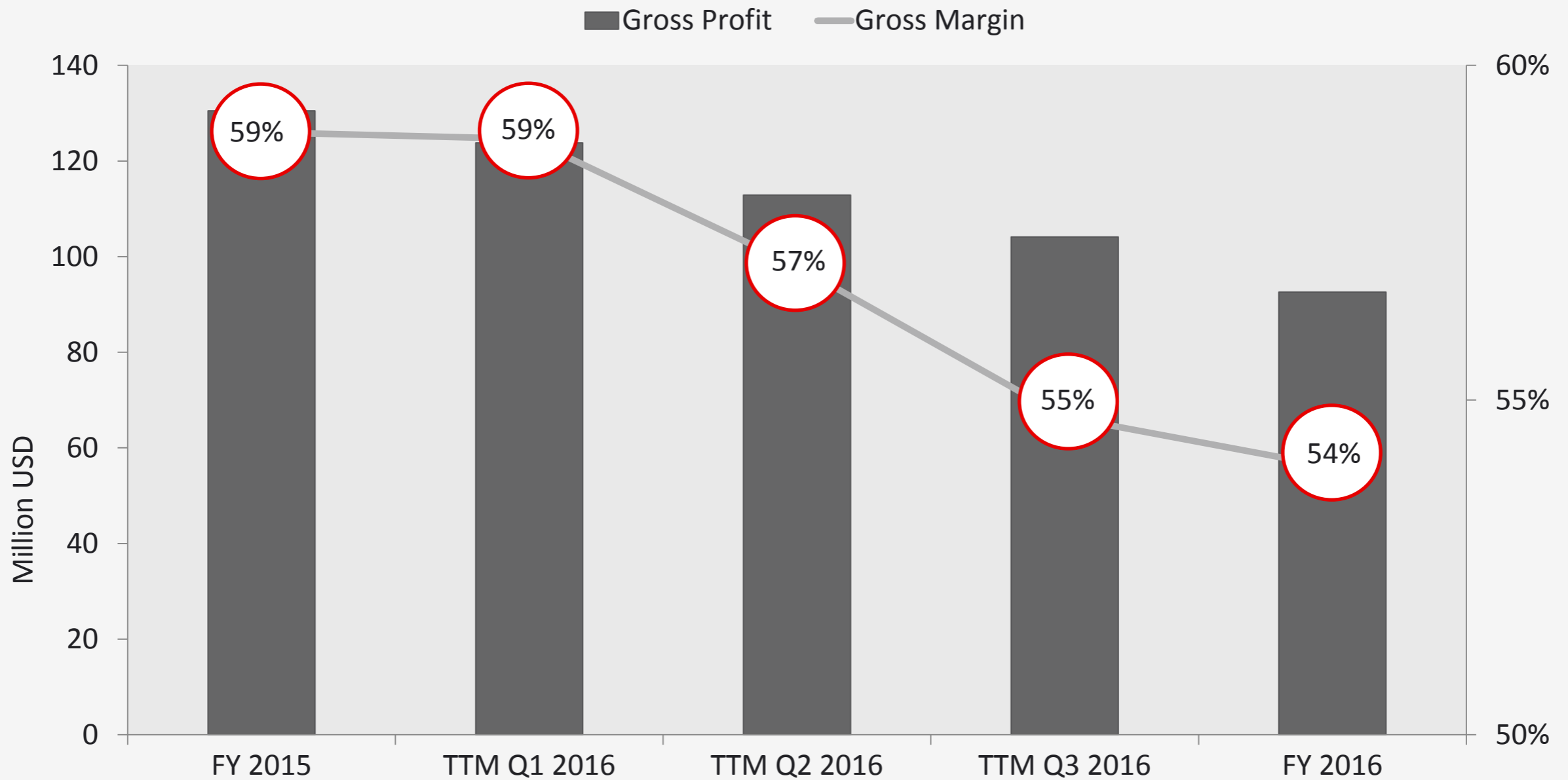
(US\$ MILLIONS)

	Q2 15	Q3 15	Q4 15	Q1 16	Q2 16	Q3 16	Q4 16	\$ Change	% Change
Software	18.7	10.8	16.7	9.7	4.7	2.7	6.1	(10.7)	(64%)
<i>% of revenue</i>	35%	23%	28%	19%	12%	7%	15%		
Services	10.1	10.7	15.3	13.0	11.6	9.6	9.0	(6.3)	(41%)
<i>% of revenue</i>	19%	23%	26%	26%	29%	24%	22%		
Third Party	2.4	3.4	4.0	2.5	0.8	4.8	1.6	(2.4)	(60%)
<i>% of revenue</i>	4%	7%	7%	5%	2%	12%	4%		
Support	22.5	21.7	23.7	25.0	22.7	23.4	23.9	0.2	1%
<i>% of revenue</i>	42%	47%	40%	50%	57%	58%	60%		
Total Revenue	53.7	46.7	59.8	50.1	39.8	40.5	40.7	(19.1)	(32%)
Recurring Revenue¹	24.8	24.6	26.0	25.9	25.1	25.6	25.7	(0.3)	(1%)
<i>% of revenue</i>	46%	53%	44%	52%	63%	63%	63%		

¹ Recurring revenue includes support and maintenance agreements, term based product licenses, subscription, cloud service and long term service agreements.

*The above noted information is based on management estimates and is unaudited

GROSS MARGIN SUMMARY



Q4 FY 2016
57%

Q4 & FY16 OPERATING COSTS

(US\$ MILLIONS)	Q4 FY16	Q4 FY15	\$ CHANGE	% CHANGE	FY16	FY15	\$ CHANGE	% CHANGE
S & M	6.6	8.9	(2.3)	(26%)	29.5	34.1	(4.6)	(13%)
<i>% of Revenue</i>	<i>16%</i>	<i>15%</i>			<i>17%</i>	<i>15%</i>		
G & A	7.6	8.0	(0.4)	(5%)	30.9	28.4	2.5	9%
<i>% of Revenue</i>	<i>19%</i>	<i>13%</i>			<i>18%</i>	<i>13%</i>		
R & D	10.3	13.1	(2.8)	(21%)	45.5	48.0	(2.5)	(5%)
<i>% of Revenue</i>	<i>25%</i>	<i>22%</i>			<i>27%</i>	<i>22%</i>		
Restructuring Costs	6.2	(0.1)	6.3		35.2	1.1	34.1	
<i>% of Revenue</i>	<i>15%</i>	<i>-</i>			<i>21%</i>	<i>0.5%</i>		
Acquisition Costs	3.7	1.0	2.7	271%	4.8	6.2	(1.4)	(22%)
<i>% of Revenue</i>	<i>9%</i>	<i>2%</i>			<i>3%</i>	<i>3%</i>		
Adjusted Total OPEX ¹	24.5	30.0	(5.5)	(18%)	105.9	110.5	(4.6)	(4%)
<i>% of Revenue</i>	<i>60%</i>	<i>50%</i>			<i>62%</i>	<i>50%</i>		

¹ Adjusted Total OPEX = Total OPEX less acquisition and restructuring costs.

BALANCE SHEET & BACKLOG

(US\$ MILLIONS)	FY 16	FY 15	% CHANGE
Cash and Investments	\$41.7	\$61.0	(32%)
A/R	\$43.2	\$67.4	(36%)
DSO	92 days	96 days	(4 day)
Unbilled Revenue	\$27.3M	\$38.3M	(29%)
Deferred Revenue	\$19.6M	\$14.2M	38%
Working Capital	\$(15.5)M	\$87.9M	(118%)
Backlog	\$175.0M	\$158.5M	10%



Reiterating previously provided financial guidance for Fiscal 2017:

Revenue: \$170M to \$180M

Adjusted EBITDA: \$15M to \$20M

1 | REDKNEE SOLUTIONS

- Receives \$80 million to repay ~\$53 million in debt, as well as for restructuring costs and working capital

2 | CONSTELLATION SOFTWARE

- Receives 800,000 cumulative, retractable, Preferred shares at \$100 per share
- Receives 10-year common share purchase warrants equal to \$120 million
- Can appoint 4 nominees to Redknee's Board of Directors

3 | APPROVAL

- Required: simple majority of votes cast
- Largest shareholder, Invesco Canada, all Directors and certain officers have agreed to vote their shares in favor of the transaction (Total: 35.9% of outstanding common shares)

FINANCIAL FLEXIBILITY IS SIGNIFICANTLY IMPROVED

- Proceeds will be used to repay approximately US\$53 million under senior secured credit facility
- Balance will go towards funding restructuring costs, as well as working capital

OPPORTUNITY TO PARTICIPATE IN LONG-TERM GROWTH

- Provides Redknee's shareholders with the opportunity to participate in long-term growth potential of Company

STRONG STRATEGIC PARTNER AND ANCHOR SHAREHOLDER

- Will provide enhanced support as Company continues to execute on business plans and growth strategy

DEAL STRUCTURE PRESERVES POSSIBILITY OF PREMIUM CHANGE OF CONTROL TRANSACTION

- Entirely within authority of independent directors to facilitate and recommend, and common shareholders to accept or not (independent of Constellation)

1 SOFTWARE & SERVICE BUSINESS MODEL

- Driving gross margin improvement, while growing our recurring revenues to increase our revenue predictability

2 DISCIPLINED COST MANAGEMENT

- Continuing the cost structure realignment programs with our core and the acquired businesses, while ensuring high customer satisfaction & retention

3 CASH FLOW GENERATION

- Continue to improve by focusing on working capital optimization, and disciplined collections

1 BUSINESS-CRITICAL MONETIZATION PLATFORM

- Continue to secure contracts for our core Telecom Platform and Redknee Connected Suite
- Leverage our technologies to diversify our customer base beyond communication vertical

2 MARKET SHARE GROWTH

- Customer-for-life and expanding share of wallet with existing customers

3 SUSTAINABLE RECURRING REVENUE GROWTH

- Focus on growing recurring revenues to drive EBITDA margins
- Term licenses, cloud services and support are the key recurring revenue sources

To ask a question following the presentation,
please dial now:

➤ NORTH AMERICA, DIAL TOLL-FREE:

1 (888) 231-8191

➤ OUTSIDE NORTH AMERICA DIAL:

1 (647) 427-7450

Please provide the operator the conference
name **“Redknee Solutions”** or:

Conference ID: 4579855

A replay of today's call will be available in the IR section of Redknee's website at www.redknee.com or by dialing:

➤ NORTH AMERICA, DIAL TOLL-FREE:
1 (855) 859-2056

➤ OUTSIDE NORTH AMERICA DIAL:
1 (416) 849-0833

➤ Conference ID: 4579855

REDKNEE SOLUTIONS INC.

2560 Matheson Blvd East, Suite 500
Mississauga, ON
Canada L4W 4Y9

David Charron

Chief Financial Officer
investor_relations@redknee.com
www.redknee.com

INVESTOR RELATIONS:

NATIONAL | Equicom

Lawrence Chamberlain

416-848-1457
lchamberlain@national.ca



REDKNEE
Looking Beyond