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31 May 2021

Solid performance in COVID-impacted FY21.

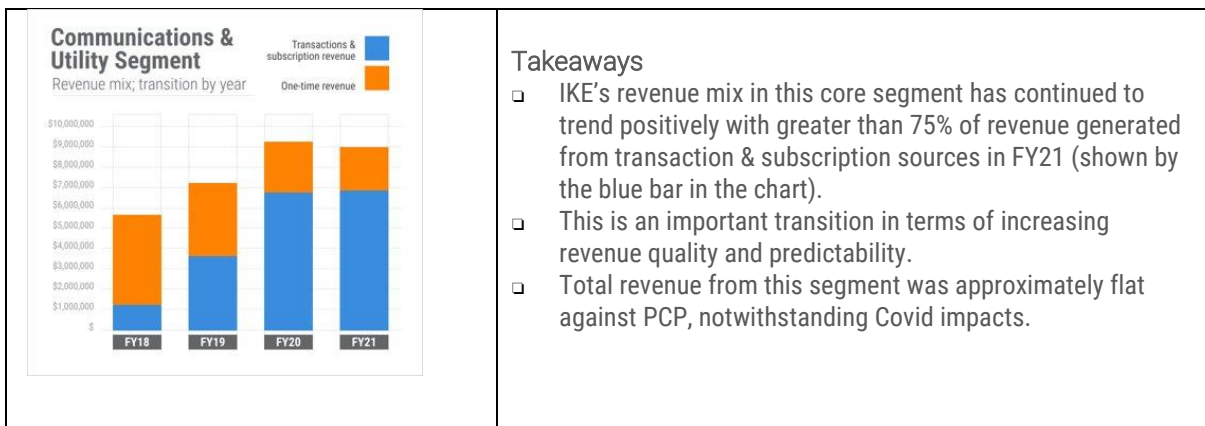
Record run rates for new contracts closed over the five months from January to May 2021.

ikeGPS (IKE) is pleased to release key metrics from its performance for the FY21 year and to provide an update on other recent performance metrics (all figures NZD). The financial results presented are based on figures which are unaudited. The audit is currently in process.

The IKE platform allows electric utilities, communications companies, and their engineering service providers to increase speed, quality, and safety for the construction and maintenance of distribution assets and networks.

Financial highlights for the FY21 year to March 2021:

- + Revenue in the year of approximately \$9.3m (pcp of \$9.8m).
 - o This performance is as previously announced, is at analyst expectations, and reflects a solid outcome in the context of the Q1 and Q3 periods being disrupted by COVID-19 impacts on customers and associated pole projects across North America.
- + Gross margin of approximately \$5.9m (pcp of \$6.9m) with a gross margin percentage of approximately 64% (pcp of 71%).
- + Loss of \$7.4m (pcp of \$6.1m)
- + Total cash and receivables 31 March 2021 of approximately \$14m, with no debt.



Additional key metrics within total FY21 revenue of \$9.3m were:

- o Total subscription revenue = \$4.6m
- o Total enterprise subscription customers = 282
- o Total transaction revenue = \$2.3m
- o Total number of billed pole transactions = 53,000

These metrics will be reported quarterly moving forward.

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Highlights for the Q4 FY21 period to March 2021, and Q1 FY22 update.

Approximately \$8.8m of new contracts closed in the five months to 31 May 2021.

- + IKE has closed approximately \$8.8m of new contracts in calendar 2021 as the North America market has emerged from COVID-19 impacts and network projects are accelerated.
- + The final quarter of FY21 to March was strong, with record new contracts closed as project deferrals through calendar 2020 were eased.
 - o Approximately \$5.4m of contracts were closed in Q4. A majority of the associated revenue is expected to be recognized through IKE's FY22 period to March 2022.
 - o New contracts won are supporting network projects for some important underlying customers including AT&T Inc. (the world's largest communications company), Crown Castle International Inc. (the largest shared communication infrastructure company operating in the U.S.), Corning Optical Communications Inc. (the world's largest fiber optics manufacturer), ALLO Communications (a communications business operating across the states of Nebraska and Colorado), and a Fortune 100 electric utility group.
 - o Several deferred projects from Q3, as detailed above, came online as specific constraints of COVID-19 eased.
- + Sales momentum has continued in the initial eight weeks of Q1 FY22 to June 2021.
 - o Approximately \$3.4m of contracts have closed in the quarter to date. A majority of the associated revenue is expected to be recognized through IKE's FY22 period to March 2022.

Market and customer development overview

The core revenue engine for IKE is generated from platform subscriptions and additively when certain processes are used to analyse an asset using the IKE platform (transactions). In the Q1 period to June 2020 and Q3 period to December 2020, materially less engineering activity occurred on certain network projects while COVID-19 response measures were put in place. However, and positively, many deferred contracts are now transitioning to delivery and new network projects are now being initiated.

IKE targets sales into North America's approximately 200 communications companies, approximately 3,000 electric utilities, and their approximately 1,000 engineering service providers. Once a customer, IKE then aims to embed and expand the use of IKE platform products inside of these accounts over time. Several recent customer expansion examples help to explain this model and point to larger future revenue opportunities. Examples:

- + In May 2021 IKE signed an extension to an important agreement with a Fortune 100 U.S. electric utility group to help assess and design its power distribution infrastructure. This follow-on contract is expected to generate an additional approximately \$1.2m revenue in IKE's FY22 (the period ending 31 March 2022). In total, the value of this customer contract is now approximately \$1.9m, increasing more than four-fold since October 2020.

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- The customer will utilise the IKE platform to assess approximately of 350,000 power pole assets, a sub-segment of its network of approximately 1.3m poles.
- This follow-on agreement followed a successful pilot and phase-1 programme and went live immediately.
- This Group has five other similar electric utility companies in its portfolio in the U.S.
- + In January 2021 IKE signed a contract with an engineering service provider (ESP) that is delivering network projects for AT&T. AT&T has standardized on IKE for certain pole-based engineering tasks.
 - This ESP initially contracted to use the IKE platform to deliver analysis on approximately 100,000 poles over 12-18 months, that will generate approximately \$420k of revenue for IKE through FY22 and FY23.
 - In April 2021, this ESP additionally contracted to the IKE Analyze product to accelerate some advanced engineering assessment of 3,000 poles, that will generate approximately an additional \$120k revenue for IKE over the coming approximately six months.
- + In May 2021, IKE signed a customer contract with another AT&T-focused ESP.
 - This ESP has initially contracted to use the IKE platform to support pole project delivery in two states for AT&T, in California and Arizona.
 - It is expected that this will initially generate over \$300k of transaction and subscription revenue for IKE over the coming 12 months.
 - This ESP has won multi-year contracts to deliver projects into AT&T across 13 states.
- + In March 2021, IKE signed a material contract with an ESP linked to Crown Castle International Inc. (CCI). CCI has standardized on the IKE Platform for specific pole engineering applications.
 - This ESP's use of the IKE Platform for CCI and other network projects is expected to translate to approximately \$700k subscription and transaction revenue per annum.
 - Concurrently, CCI has continued to roll out the IKE Platform internally for its own engineering teams. To date, CCI have deployed approximately 55 IKE systems internally for their own engineering operations.

Broader market tailwinds continue to support the growth potential of IKE's business, with more than \$300b forecast to be invested into fiber and 5G infrastructure over the next five plus years, with the potential for more the \$80b of government funding for rural broadband initiatives, and with more than 3,000 electric utilities needing to address the challenges of network assessments, strengthening, engineering, and maintenance. The IKE platform delivers network assessment, execution and maintenance processes that are faster, safer, and to a higher quality data standard.

Research coverage

Bell Potter (<https://bellpotter.com.au>), one of Australia's largest full-service financial advisory firms, initiated research coverage on IKE in January 2021. Their associated report outlines the growth potential of the business.

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Product and market extensions

A focus in 2H FY21 was the acquisition and integration of certain assets of Visual Globe LLC, a US-based Artificial Intelligence (AI) and low code/no code software company that specializes in the automated analysis of power poles from very large data sets:

- + This strategic acquisition complements IKE's existing offering and aligns with the Company's vision to be the Pole OS company and the standard for collecting, analyzing and managing power pole information.
- + Visual Globe's AI platform provides the potential for IKE to grow its addressable market within the electric utility and communication industries and to significantly increase the number of transactions that can process efficiently on its platform. New market applications specific to pole projects include NESC Violation assessment, Right of Way encroachment assessment, As-builts for future change detection, Joint Use assessment, and others.
- + The addition of Visual Globe's technology and team will enable IKE to process and analyze large volumes of pole data that can be collected from new additional sources including drones and smartphones, making the Company's platform even more attractive to electric utilities and communications groups in the North American market.

Team and Talent. Brand and Customer Experience.

- + In calendar 2021 IKE has made several important appointments, including;
 - o Eileen Healy as non-executive director. Based in San Francisco, Eileen is a communications industry leader and serial entrepreneur who has founded two high-tech startups addressing the U.S. communications market: Healy & Co, an innovative company providing outsourced engineering to the U.S. utility market. Customers include AT&T Mobility, T-Mobile, Vodafone, Verizon Wireless, Frontier Communications, and FirstNet. She also founded and sold Telecompetition Inc., a data analytics company.
 - o Tom DuBois as VP Product Management. Tom brings product leadership experience from several silicon-valley based growth companies and has also held executive roles at Electronic Arts, Google, and most recently Intel – from where he joined IKE.
 - o Jareth Hosskings as Head of Engineering. Jareth has been appointed to lead all of IKE's engineering teams across the IKE Office, IKE Structural (PoleForeman), and IKE Insight (formerly Visual Globe) solutions. Most recently Jareth was Head of Engineering at AgilityCIS, where he led an engineering team of 75 developers operating across a number of countries specializing in software products for the utility sector.
 - o In September 2020, Bruce Harker however stood down as non-executive director. The Board, and all of the IKE team, wish to thank Bruce for his considerable contribution to the business.



- + Meaningful brand and customer experience milestones achieved through the FY21 period included:
 - o The launch of a scalable online training, education and deployment platform, called IKE University.
 - o The U.S.-based IKE team shifted to 100% remote working at the onset of the COVID-19 pandemic. The company has worked consistently on implementing and improving remote working best practices and performance. Although IKE intends to return aspects of its operations to in-office – it is believed remote working excellence can be a source of competitive advantage for attracting and retaining talent moving forward.

IKE CEO, Glenn Milnes, commented, “The far-reaching impacts of COVID-19 across North America in 2020 created a period of challenge and high uncertainty for our business and our industry. IKE’s plan throughout this pandemic however has been to seek to get on the ‘front foot’ wherever possible. This has been in terms of strengthening our people, processes, products, and financial position so to be able to execute on growth initiatives, such as acquisitions. These strategic objectives were executed on through the 2020 year. Positively, our customers and our market have bounced forward strongly since January 2021 and we are pleased that IKE has emerged in the strongest position it has ever been – in terms talent, an extended product portfolio that allows more value to be delivered to customers across new pole applications, balance sheet strength, sales performance run rates and sales pipeline. We are excited about the growth potential for FY22”.

ENDS

About ikeGPS

IKE - the Pole OS company, seeks to be the standard for collecting, analysing and managing pole and overhead asset information for electric utilities, communications companies, and their engineering service providers.

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