



MEASURING UP

FY17 Results & Commentary. FY18 Guidance.



Get the measure of your world

IMPORTANT NOTICE

This presentation is given on behalf of ike^{GPS} Group Limited (Company Number NZ 1292732, NZX:IKE)

Information in this Presentation:

- is for general information purposes only, and is not an offer or invitation for subscription, purchase, or recommendation of securities in ikeGPS Limited;
- should be read in conjunction with, and is subject to, ike's FY17 financial statements, market releases, and information published on ike's website (www.ikegps.com);
- includes forward-looking statements about ike and the environment in which ike operates, which are subject to uncertainties and contingencies outside of ike's control – ike's actual results or performance may differ materially from these statements;
- includes statements relating to past performance, which should not be regarded as a reliable indicator of

future performance; and

- may contain information from third parties believed to be reliable – however, no representations or warranties are made as to the accuracy or completeness of such information.

All information in this presentation is current at the date of this presentation, unless otherwise stated.

All currency amounts are in NZ dollars unless stated otherwise.

Receipt of this Document and/or attendance at this presentation constitutes acceptance of the terms set out above in this Important Notice.

INVESTOR CALENDAR



**Audited Financial
Statements**

30 May*



Annual Report

30 June*

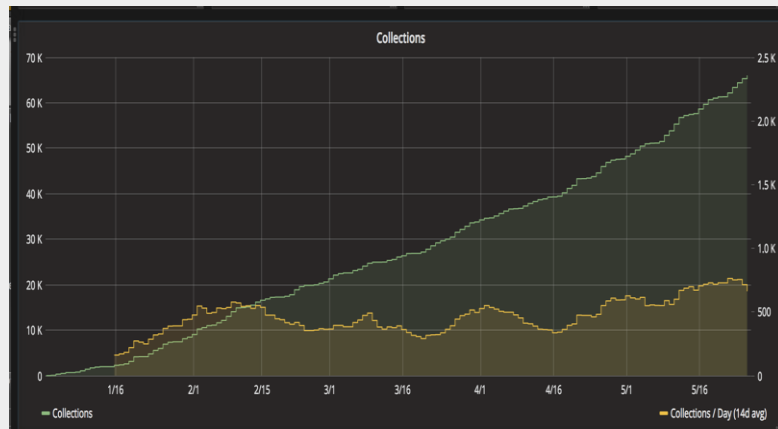


**Annual General
Meeting**

29 August*

*Dates New Zealand time

IKE4 IS NOW ADDRESSING MORE OF THE 'POLE VALUE CHAIN'



Calendar 2017 pole collections YTD

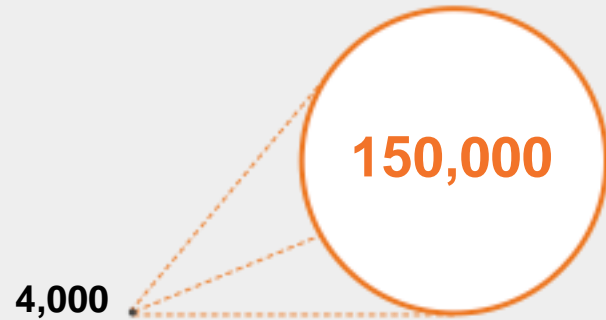


The IKE4 cloud today manages more than 150,000 pole records, and is growing exponentially”

A CONTINUING FOCUS ON THE \$300M-500M SIGNAGE MARKET, WITH SPIKE



signage businesses relying on Spike every day to improve their business processes, saving time & money



another 146,000 to serve

NEW SPIKE VERTICALS, SUCH AS ARCHITECTURE, ENGINEERING AND CONSTRUCTION, BEING ADDRESSED



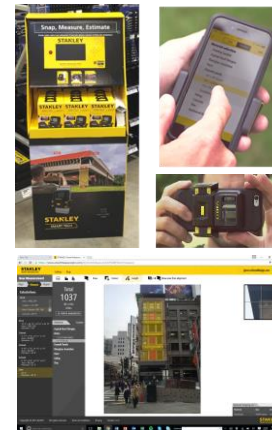
“Spike recently won the Pinnacle Award at the National Hardware Show, the largest global event for the building and home improvement industry”

1st Place Winner

STANLEY SMART MEASURE PRO ADOPTED IN THREE NEW EUROPEAN MARKETS



Strong sales in FY 17



Orders received for 39,500 units, with 30,500 units shipped in the period

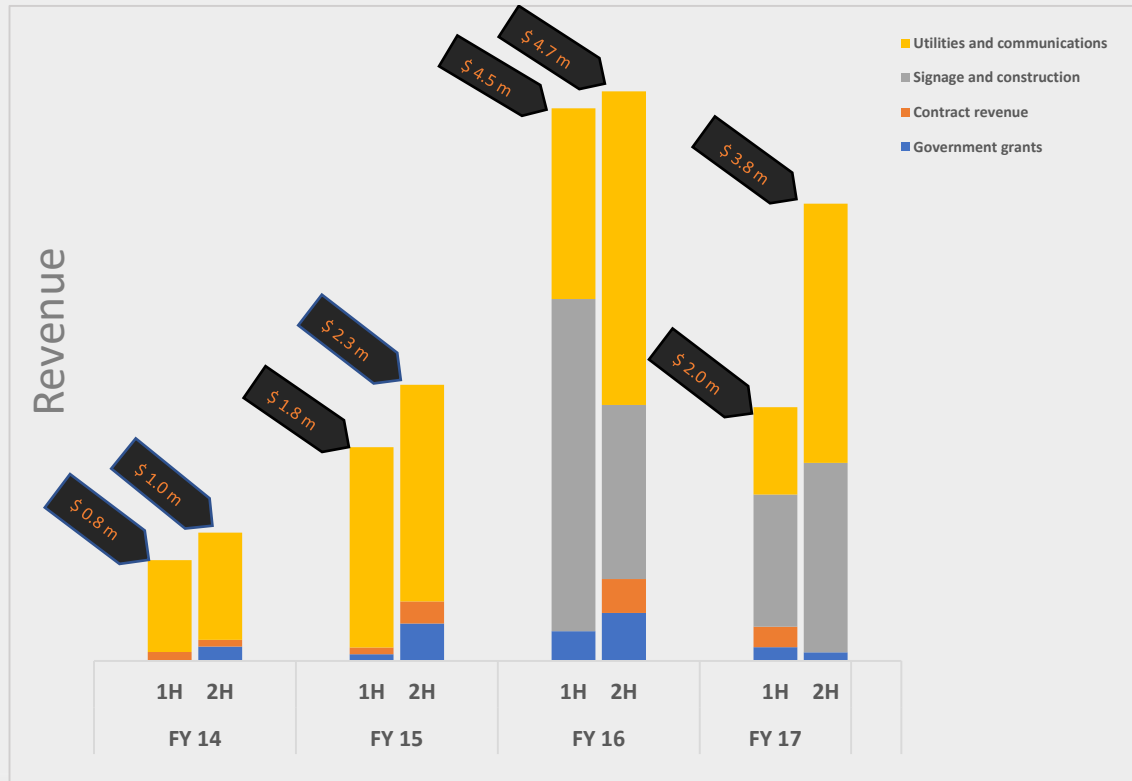


Results

RESULT AFTER TAX

	YEAR ENDED FY 14	YEAR ENDED FY 15	YEAR ENDED FY16	YEAR ENDED FY17
	Audited	Audited	Audited	Audited
	FY14A	FY15A	FY16A	FY17A
	\$'000's	\$'000's	\$'000's	\$'000's
Revenue and other income	1,884	4,026	9,214	5,840
Expenditure	(3,600)	(9,215)	(17,392)	(14,385)
Loss before depreciation, amortisation, financing and tax	(1,716)	(5,189)	(8,178)	(8,545)
Depreciation and amortisation	(363)	(807)	(1,306)	(1,972)
Foreign exchange (losses) / gains	(158)	625	280	(135)
Other expenses from IPO	-	(272)	-	(134)
Loss before financing and tax	(2,237)	(5,643)	(9,204)	(10,787)
Net finance income / (expenses)	(49)	565	361	69
Income tax (expense) / benefit	24	(3)	7	(9)
Loss attributable to owners of ikeGPS Group	(2,262)	(5,081)	(8,836)	(10,727)

REVENUE MOMENTUM RE-ESTABLISHED FOLLOWING A DIFFICULT FIRST HALF



GROUP OPERATING RESULTS & NET ASSETS

	FY2014	FY2015	FY2016	FY2017
	\$'000's	\$'000's	\$'000's	\$'000's
Total operating revenue & government grants	1,834	4,026	9,214	5,840
Net loss before other comprehensive income	(2,262)	(5,081)	(8,836)	(10,727)
Net assets	3,949	22,122	13,241	10,636



Outlook

FY2018 KPI's

Metric	Expectation at commencement of FY2018	Projected Performance and update YTD
Customer and market growth	<ul style="list-style-type: none"> - Greater than 40% growth in IKE 4 new unit sales against FY17, with additive revenue from existing IKE4 customers converting 2nd year cloud subscriptions - Greater than 50% growth in Spike new units sales against FY17, with additive revenue from new cloud subscriptions 	<ul style="list-style-type: none"> - Growth trajectory re-established through FY18. - Q1 FY18 on track to meet or exceed targets
Cash	<ul style="list-style-type: none"> - Transition to cash breakeven in FY18 	<ul style="list-style-type: none"> - Cash breakeven in FY18
Gross margins, EBITDA, pricing & business models	<ul style="list-style-type: none"> - Gross margins on IKE-branded products improving by up to 5% margin points over FY17 actual of 69% - EBITDA to improve significantly against FY17 - IKE4 and Spike revenues continues to develop a higher bias to recurring revenue via cloud-based software subscriptions 	<ul style="list-style-type: none"> - 5% point Gross Margin improvement on ike-branded products (IKE4 and Spike), verse FY17
Operating expenditure	<ul style="list-style-type: none"> - Operating costs will decrease in absolute dollar terms against FY17. - Sales and marketing costs will be at a similar level to FY17 as investment toward acquiring customers and growing market share continues - Engineering and corporate costs will decrease 	<ul style="list-style-type: none"> - Lower absolute operating expenditure and increased operating efficiencies

MOMENTUM AND GROWTH OPPORTUNITIES

FY18 markets & revenue component

Today

Electric Utility and Communications market, via IKE 4

- Sales, marketing, integration and delivery teams in place
- Quality and depth of sales pipeline increasing. More than 15 target accounts with potential to grow to greater than \$1m revenue
- Several market tailwinds driving more infrastructure owners to have the need to measure and model their distribution structures: such as fibre roll-outs and increasing regulation

Signage and other new markets such as AEC, via Spike

- Distribution channels, product & brand recognition developed further in the Signage market in the U.S., and emerging in Europe
- Opportunity for larger enterprise sales in FY18
- New vertical market opportunities provide upside potential in the Architecture, Engineering and Construction market, with new distribution partners coming onboard

Construction and Contractor market, via Stanley Smart Measure Pro

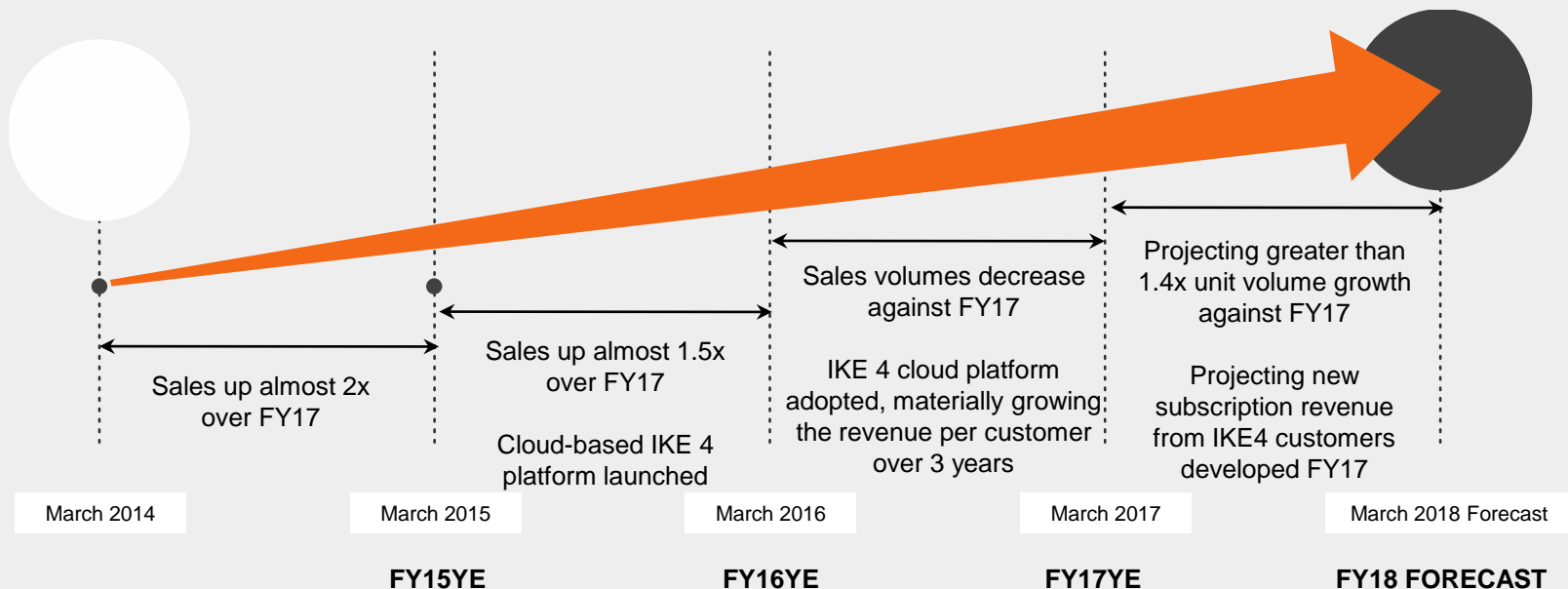
- Sell through rate across three European markets at approximately 500 units per week
- Will update the market with product-specific guidance when more certainty is available on the likely volume outturn for the year

Contract and other revenue

- Callaghan Innovation contract projected to deliver approximately \$180k other income

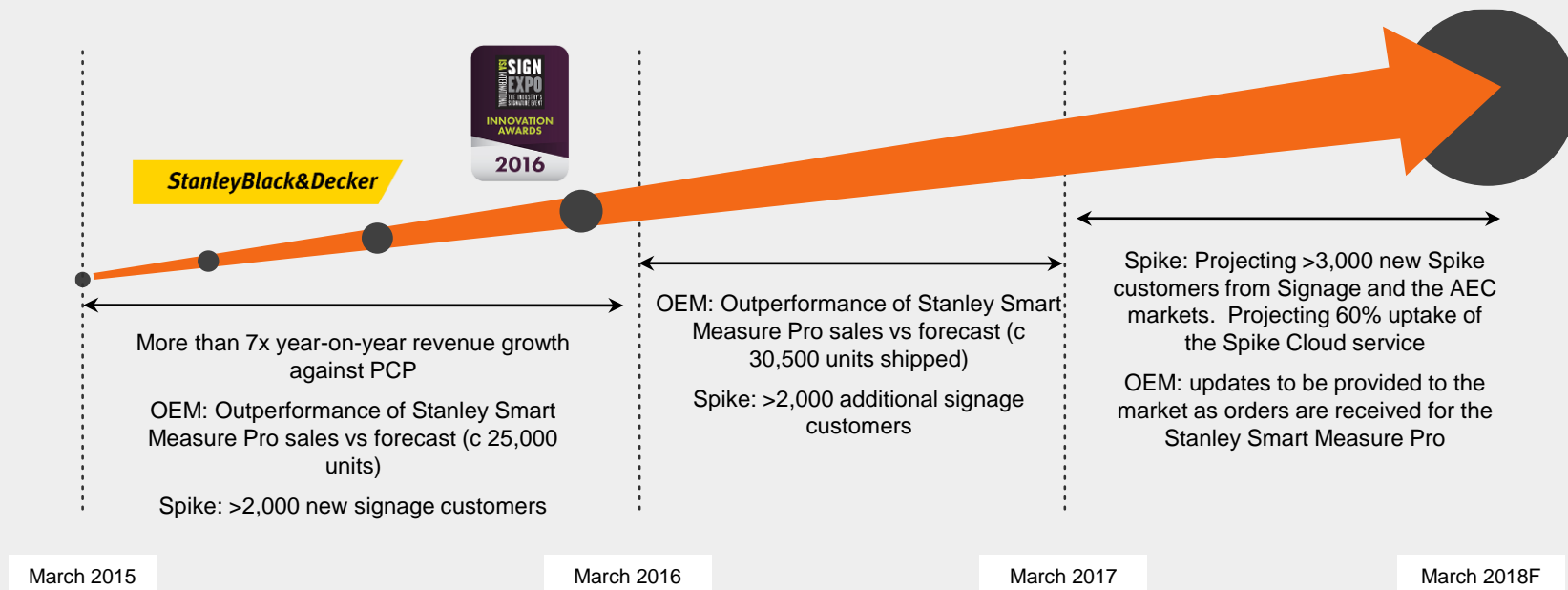
RE-INITIAITING IKE4 SALES MOMEMENTUM

- Sales to the electric utility solution disappointed in FY17, particularly 1H FY17, with unit levels decreasing for the full year against FY17
- However, numerous major customer opportunities were developed through 2H FY17
- Total addressable market estimated at \$700m per annum
- New cloud component of the solution delivering recurring revenue in FY18 and beyond



MOBILE SOLUTION SALES MOMENTUM (update)




- Spike continues to win deployments across the signage market
 - Total addressable market estimated at \$300-500m
- Sales and distribution programmes focusing on new verticals such as Architecture, Engineering and Construction (AEC) and Government markets
- Cloud and subscription products introduced in FY17, to be monetized in FY18



APPROACH TO WINNING IN THE MARKET

Competitive landscape	Approach	Achieved in FY17
Aggressive price discounting on hardware, focused horizontally	Hybrid software & hardware offerings allow premium pricing & recurring revenue. Focused expertise for defined niche vertical markets	New products and industry-specific software enhancements: <ul style="list-style-type: none"> - IKE4 solution, grows revenue and absolute margin against predecessor product, IKE3, by approximately 150% over three year period - Spike cloud presents opportunity to grow revenue & margin further on a per unit sale - Improved margin on Stanley Smart Measure Pro hardware unit
Walled garden	Developing an open and integrated ecosystem, while maintaining value for IKE	IKE4 Cloud and Spike Software Development Kit released: <ul style="list-style-type: none"> - Enabling integration into incumbent mobile apps and work flows
Treat customer service as a cost	Superior customer experience to drive adoption	<ul style="list-style-type: none"> - Field training and integration teams creating competitive advantage in the Electric Utility and Communications market

MULTIPLE GROWTH OPPORTUNITIES

Market	Business model	Go-To-Market approach	FY18 momentum	TAM
Electric utilities market / IKE4 solutions 	<p>Year 1 (per solution)</p> <ul style="list-style-type: none"> US\$8,795 for mobile software & device US\$1,995-2,990 cloud subscription <p>Year 2 onward</p> <ul style="list-style-type: none"> US\$1,995-2,990 per annum (cloud subscription) 	<ul style="list-style-type: none"> Direct sales & service in US. Direct account management in US. Partner network ex-US markets. <p>Typical enterprise account opportunity \$50k to \$1m+</p>	<ul style="list-style-type: none"> >300 US electric utilities and engineering companies relying on the IKE4 solution every day Engagement with >15 accounts with the potential to grow to >\$1m in revenue The IKE4 Cloud, the Pole Depot, managing more than 0.15m asset records 	<p>\$700m p a in US</p> <p>3,200 electric utilities, >1,000 utility engineering companies in the US</p>
Signage & AEC markets / Spike mobile solutions 	<p>Year 1 (per solution)</p> <ul style="list-style-type: none"> US\$499 for Spike device, mobile app and cloud subscription <p>Year 2 onward:</p> <ul style="list-style-type: none"> US\$50-199 per annum (cloud subscription) 	<ul style="list-style-type: none"> Web & e-commerce. Sign supply resellers (globally). Franchise partnerships. <p>Highly scalable, low touch</p>	<ul style="list-style-type: none"> >4,000 US sign companies relying on the Spike solution every day <ul style="list-style-type: none"> >60% cloud usage European Signage market distribution established Multiple new AEC distributors 	<p>\$300-500m TAM for signage market</p> <p>150,000 signage businesses</p> <p>Very large, unquantified TAM for AEC</p>
Construction market / Stanley Smart Measure Pro 	<p>Year 1 (per solution)</p> <ul style="list-style-type: none"> US\$149-219 MSRP for mobile app and device US\$19 per month (cloud subscription) <p>Year 2 onward:</p> <ul style="list-style-type: none"> US\$19 per month (cloud subscription) 	<ul style="list-style-type: none"> ikeGPS as OEM Fortune 500 brand in Stanley Black & Decker Big Box retail stores for distribution Mobile app and web marketing to drive subscriptions <p>Highly scalable, low touch</p>	<ul style="list-style-type: none"> Successful launch through Lowe's stores across North America Sell through rates approximately 1,000 units per week Launching into European markets through 2016 & 2017 	<p>Very large, unquantified TAM</p>

A CLOSER LOOK AT THE IKE4 SOLUTION.....

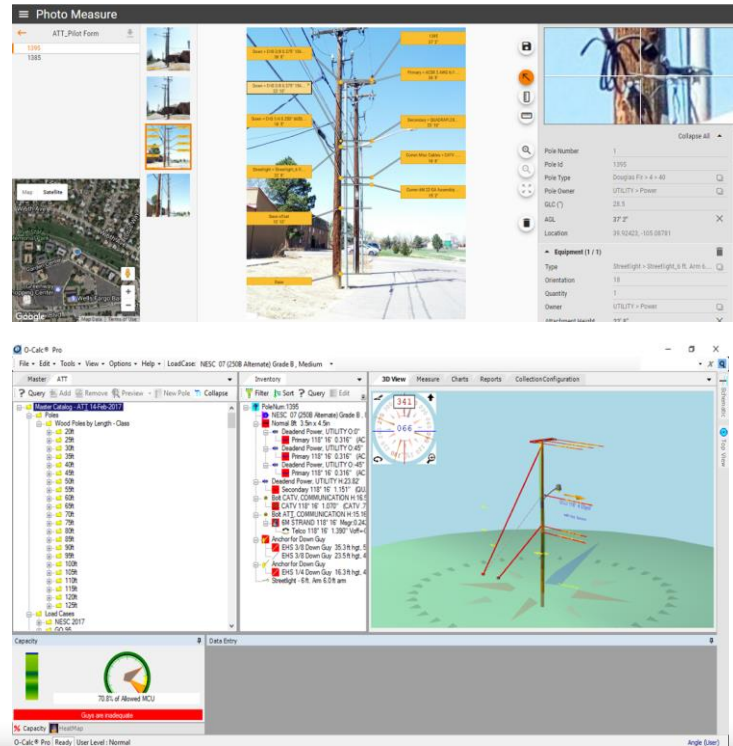
THE VALUE OF MANAGING POLE DATA IN THE IKE4 CLOUD

The IKE4 cloud is the 'Pole Depot' for an asset owner or any pole project. This facilitates:

A common standard for how pole data is captured and analyzed for pole loading analysis or joint-use.

A central location for multiple parties to submit and retrieve information about a specific pole, enabling an asset owner to optimize and manage multiple engineering or attachers using their assets.

The IKE4 solution grows revenue and margin against the predecessor product, IKE3, by approximately 150%.



DELIGHTED CUSTOMERS

Largest Californian Electric Utility; Joe M, Customer Project Planner, Northeast Project Management Design Team:

- *“So I took a pole that I used the IKE4 to collect my field data with, and the results were astonishing! I got my span lengths, GPS coordinates, attachment heights and delta changes ...check this out: (see picture)”*

“This is an example of just how good this solution is...people have no excuse now not to do it fast and right!”

One of largest U.S. telecommunications company's; Adam W, OSP Lead Engineer:

- *“I want to thank you and the IKE team for our experience with IKE4 and its integration. **We are very pleased with the solution's performance in the field and the seamless transfer of data to the cloud for Pole Load Analysis.** We are excited about this exceptional product and are confident it will help our company grow and win.”*



PATIENT ACCOUNT DEVELOPMENT

The case study of Avista Utilities

In September 2015 Avista Utilities, WA, took first steps to evaluate ike technology. Guided by Steve Schulte – Joint Use department, and Nancy Carroll – Real Estate department, Avista Utilities purchased three IKE's. The solution exceeded expectations.

“IKE 4 is a real game changer for the safe and accurate measurement, and then management, of utility assets” – Steve Schulte, Joint Use department

In January 2017 Avista Utilities purchased 22 IKE 4 systems and made the commitment to use IKE4 across their organization.



Avista joint-use team IKE4 training

MARKET ENGAGEMENT AND THE ECOSYSTEM OPPORTUNITY FOR IKE4

>3,200

Target U.S. Electric Utilities

>1,000

Target U.S. Engineering Firms

>500

Target U.S. Electric Utilities

>300

U.S. customers using the IKE3
or IKE4 platform every day to measure
and manage their pole data

>15

Target accounts engaged around
the IKE4 platform with the potential
to grow to more than \$1m revenue

Example of how IKE is developing the IKE4 market & ecosystem

Inside sales team: addressing smaller accounts (1-5 unit deals).

Today this team is running at sales of 20 units per month (approximately \$300k per month).

In-region account management: addressing large enterprise account opportunities (\$1m+)

An example opportunity and account development process:

- Customer description:
 - A national communications company deploying mobile and fiber services using overhead infrastructure.
 - Customer has >300 regional offices and has >200 engineering firms contracting to it to deliver pole services.
- IKE's objective is to be the defined standard for the Group nationally
 - An IKE4 pilot project was completed May 2017 in four regional offices demonstrating IKR4 value and benefits



Get the measure of your world

THANKS

