

**For Immediate Release**

**27 October 2017**

**- IKE Wins Major New Utility Deal in U.S. Market –  
Guidance for YoY growth for IKE4 upgraded from 40% to 70%**

IKE advises that it has won a material sales deployment for the IKE4 platform into a target utility account. The headlines are:

- A first phase deployment of approximately 112 IKE4 systems into one of the largest fiber and communications companies operating in the U.S. market.
- Recognised revenue from the initial deployment will be approximately \$1.3m in FY18 with ongoing recurring revenue of approximately \$400k per annum, plus any associated services revenue.
- IKE has upgraded its FY18 IKE4 guidance from 40% to 70% YoY growth, or from approximately 300 to 360 IKE4 system sales.
- IKE has received orders for approximately 260 IKE systems YTD, which is approximately 1.2 x the volume of system sales made in the prior full year to March FY17.

IKE CEO Glenn Milnes commented, “Specific to the U.S. fiber, communications and electric utility market we are pleased to be rolling out our cloud-based pole system across one of the largest global fiber and communications companies, in doing so becoming this Group’s standard for collecting and managing their pole information. As context, in the U.S. this infrastructure owner has approximately 10m overhead distribution assets, 400 engineering offices, 1,800 distribution field engineers and contracts approximately 200 engineering companies to perform network engineering on its behalf.”

“As we have said previously the initial IKE4 sales process is long and the timing to close deals is lumpy, and it continues to take patient account management to move these very large infrastructure businesses from historic work practices to the IKE technology solution to manage their critical infrastructure. This sale is the result of approximately 15 months of trials and engagement, however once inserted into these types of businesses we expect the follow-on sales processes to be faster.”

Milnes added, “There is expected to be more than US\$175B invested into expanding U.S. fiber infrastructure over the next four years and the IKE4 system has been designed to speed up associated network assessment and make-ready-engineering processes. We are now engaged across four of the six largest players in this fiber market and this deployment, alongside additional sales and pilots through 1H FY18 into other large asset owners, provides us with confidence in the potential to win more of these larger scale deployments. In terms of our overall business, IKE4 is the biggest contributor to our FY18 financial targets for gross margin growth and to progress to cash breakeven operation. We continue to project that these core metrics will be met.”

**Further detail**

IKE seeks to be the data standard for collecting, managing and analysing pole and overhead asset information for electric utilities, communications companies and their engineering service providers. IKE’s target accounts are defined as larger enterprise sales opportunities estimated to each have the potential to generate greater than \$1M revenue.

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