

For Immediate Release

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- IKE Wins Electric Utility Target Account in California –

Roll out follows recent major fiber & telecommunications customer win

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

- A second phase deployment of IKE4 systems into an investor-owned utility in California.
- Revenue from the order will be approximately \$0.6M.
- Approximately 50% of revenue will be recognized in FY18, with the balance recognized in outer periods as subscription revenue.
- IKE recently upgraded its FY18 IKE4 guidance from 40% to 70% YoY growth, or from approximately 300 to 360 IKE system sales in the year ending March 2018. This equated to an approximately \$1m revenue upgrade.
- IKE has received orders for approximately 305 IKE4 systems YTD. Should various pipeline deals conclude through the balance of 2H FY18 then IKE expects that full year volumes could materially exceed 360.

IKE CEO Glenn Milnes commented, “Specific to the electric utility side of the market, we are pleased to be further deploying our cloud-based pole system across an organization considered to be a thought leader in the U.S. industry. On entering the U.S. market several years ago, we focused initial sales efforts on California and have now been successful selling into all four of the investor-owned utilities – who are the largest asset owners in the State.”

“As we have said, the initial IKE4 sales process takes 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 electric utility customer conducted a five-system pilot over the past 12 months. They have moved forward with this larger deployment because with IKE4 they can bring more make-ready-engineering and pole auditing capability in-house, as opposed to contracting external engineering groups. This customer assessed that IKE4 halves their costs for distribution asset analysis alongside standardizing the way that their field teams collect data and manage their network information in the back office. The IKE4 upgrade in October was on the back of winning a first phase deployment for 112 systems into one of the world’s largest communications & fiber companies, who standardized on IKE4 to speed up deployment of their U.S. fiber network based on a similar assessment of productivity and cost benefits.”

Milnes added “Advances with other target account customers in the U.S. market provides us with confidence for the potential to win more larger scale deployments. In terms of our overall business IKE4 is the biggest contributor to our FY18 financial targets for revenue 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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