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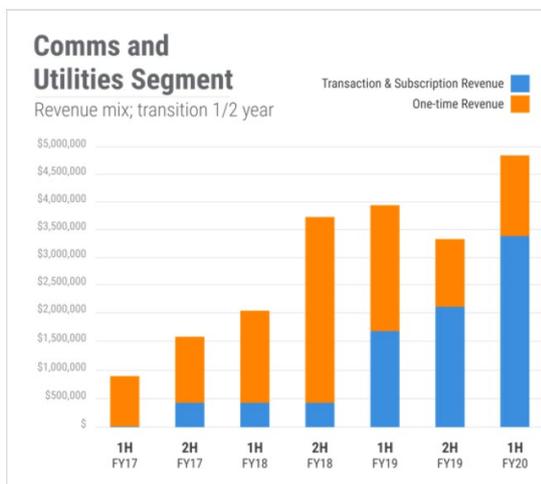
27 January 2020

Q3 FY20 performance update.

ikeGPS (IKE) today released metrics and commentary for its Q3 FY20 period for the nine months to 31 December 2019:

- + Record revenue of approximately \$7.3m in the nine months YTD.
- + Record gross margin of approximately \$5.2m in the nine months YTD.
- + Gross margin percentage of 72%.
- + EBITDA of approximately (\$1.5m) in the nine months YTD.
- + Total cash and receivables at 31 December 2019 of approximately \$6.9m.
- + Demand for the IKE platform in Q3 was strong.
 - o New contracts signed in Q3 were for approximately \$3.2m.
 - o Some seasonality in IKE Analyze transaction volume was experienced due to winter conditions in North America slowing some pole projects in the quarter. IKE anticipates substantial Q4 transaction volume and revenue recognition growth against Q3 based on the contracted backlog.

The charts below, as released November 2019 for the six-month period ended 30 September 2019, set out momentum in the business;



Takeaways;

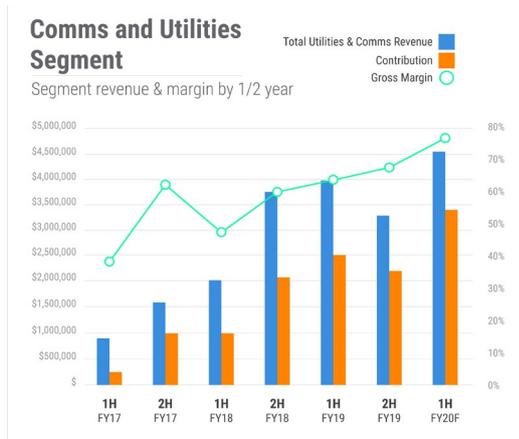
- IKE's revenue mix has shifted materially the past 12 months.
- Greater than 70% of revenue is expected from transaction & recurring sources in FY20 (the blue bar).
- This is an important transition in terms of increasing revenue quality and predictability to underpin growth.
- Noting that 2H FY19 represented the launch of IKE Analyze, which delivers a lower upfront revenue component but a higher long-term revenue profile per customer.

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Takeaways;

- The expansion of the IKE Analyze product is driving revenue and gross margin growth.
- High customer retention rates exceeding 90% have supported subscription revenue growth.
- The above factors have translated to gross margin percentage growth from 51% in FY18 to forecast for greater than 70% FY20F.

IKE CEO Glenn Milnes commented;

- + Q3 was a busy and productive period for our business.
- + We acquired certain assets of PowerLine Technology Inc. (PLT), one of the leading structural analysis software companies in North America. Post-acquisition activities have been positive.
 - All major PLT customers have renewed their annual software licenses in November and December 2019, translating to approximately \$0.6m revenue that will be recognized over 12 months.
 - IKE Analyze cross-sell opportunities with PLT customers have emerged.
- + We closed an oversubscribed capital raise of \$6.5m. In addition to supporting the acquisition this capital has enabled our sales & delivery team to be scaled further, with six new hires joining this team in the quarter.
- + From a leadership perspective we were pleased to announce various appointments;
 - Mark Ratcliffe, former CEO of Chorus and Chief Operating Officer Wholesale & Technology of Telecom New Zealand, as a new independent non-executive director.
 - U.S. based Chris Ronan, former marketing leadership roles with Dell, Ford Motor Company, Southwest Airlines, and Emirates Team NZ, as Chief Marketing & Brand Officer.
 - U.S. based Norwood Keel, former director-level product roles at Microsoft and Trimble, as SVP Product.
- + We have seen continued market tail winds and engagement from our core Communications and Utility segment. This has included the emergence of a substantial new market opportunity for IKE Analyze around 5G mobile network developments where important lead customers are contracted.
- + We are focusing on revenue expansion opportunities across the eco-systems of the largest communications and cable companies in the U.S. market, and developing new pipeline sales opportunities.
- + Market timing, forward contracts, and ongoing transactional revenue provides confidence in outlook for full year FY20 and beyond.
- + More broadly, we are winning customers because our solution enables networks to be deployed faster, more cost-effectively, and with a higher quality data standard.

ENDS

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IKE 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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