



For immediate release, 7 February 2025

Recent Unsolicited, Non-binding Acquisition Approach and Discontinued Discussions

ikeGPS Group Limited (IKE) (NZX: IKE / ASX: IKE) advises that in late 2024 it received an unsolicited, confidential, non-binding approach from a large, credible private equity group ("Potential Acquirer") to potentially seek to acquire IKE.

Following negotiations, entry into a short period of exclusive due diligence, and soundings under confidentiality & stand-still agreements from several major shareholders, IKE considers that the Potential Acquirer's final offer of approximately NZ\$1.00 per IKE share representing an approximately +62% premium to IKE's share price as of 5 February 2025, has no realistic chance to secure sufficient support from shareholders to effect a scheme of arrangement. Accordingly, IKE has discontinued discussions with the potential acquirer.

Further details:

- + IKE was approached, on a confidential and non-binding basis, by the Potential Acquirer, about the acquisition of 100% of IKE's shares, to be effected by way of a scheme of arrangement. The proposal was conditional on a number of material matters including the Potential Acquirer undertaking detailed due diligence.
- + After seeking appropriate advice from its legal and financial advisers, the Board of IKE assessed that the indicative valuation range presented by the Potential Acquirer was sufficient to justify granting this short period of exclusive due diligence with a view to the Potential Acquirer providing a subsequent firm offer that was sufficiently compelling to justify putting before all of IKE's shareholders.
- + The firm offer from the Potential Acquirer was received late-January. This equated to approximately NZ\$1.00 per IKE share, an approximately +62% premium to IKE's current share price. This equated to an enterprise value of approximately NZ\$165-170m.
- + The current construct of IKE's share register is such that without the key support of its largest few shareholders, no takeover transaction can be successful. Having undertaken direct, confidential discussions, under stand-still agreements from these specific shareholders, IKE's Board determined that a transaction at this price has no realistic chance of securing sufficient support.
- + IKE's Board therefore concluded that continuing to devote resources and incurring the very significant costs to progress this specific process would not be in the best interests of the Company and its shareholders and has accordingly ceased discussions.

IKE continues to focus on its growth strategy targeting the delivery of distribution network software for the North American and other international electric utility and communications markets. The IKE Board considers that the Company's delivery of this strategy will support the valuation expectations of its shareholders in the medium term. IKE also believes that the increasing levels of M&A activity in this space is being driven by the multi-decade market tailwinds tied to the requirement to increasing electrical grid resilience and capacity.

IKE's latest performance update for the 3Q FY25 period to December 2024 can be viewed at <https://www.nzx.com/announcements/445776>.

IKE also notes that the month of January 2025 continued to be strong operationally with approximately NZ\$2.6m of contracts closed, a strong cash and net receivables position of NZ\$14.5m (NZ\$8.4m cash plus NZ\$6.1m net receivables) that is expected to continue to increase by the end of the current quarter, and a strong sales opportunity pipeline with more tier-1 electric utility customers expected to materially increase run rate ARR in the short term.

IKE will keep the market informed of any further developments in compliance with its continuous disclosure obligations but does not expect to provide any further information on the above approach nor respond to any speculation.

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About IKE

We are IKE, the PoleOS™ Company. IKE aims to be the Standard for collecting, analysing and managing pole and overhead asset information for electric utilities, communications companies, and their engineering service providers.

The IKE platform enables customers to enhance speed, quality, and safety in the design, construction, and maintenance of distribution assets.

The core revenue engine for IKE is driven by the number of enterprise customers subscribing to the IKE platform and the volume of assets (called Transactions) being processed through IKE's software.

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