



**FOR IMMEDIATE RELEASE, 4 May 2023**

**IKE Delivers Strong FY23 Growth With \$30.8M Revenue (+93% vs pcg)  
Multi-year Growth Rates and Momentum Demonstrate Operating Leverage**

**IKE performance update for Q4 and FY23**

ikeGPS Group Limited (IKE) (NZX: IKE / ASX: IKE) is pleased to release an update for the 12-month period to 31 March 2023 (all figures in NZD).

IKE will host a webinar 4 May 2023 at 10.30am AEDT/ 12.30pm NZT to discuss the results. To register, please click [https://us02web.zoom.us/webinar/register/WN\\_ZPTqOEyYQJ-pU\\_I4qWRFdA](https://us02web.zoom.us/webinar/register/WN_ZPTqOEyYQJ-pU_I4qWRFdA).

**Highlights:**

- + FY24 revenue of ~\$30.8m (+93% vs pcg).
  - + This result is ~\$6m ahead of internal budgets set at the beginning of the financial year and above upgraded analyst consensus.
- + FY23 gross margin approximately of ~\$16.4m (+67% vs pcg), with a gross margin percentage of ~53%.
- + Total cash and receivables as at 31 March 2023 of \$23.2m, comprised of \$18m cash and \$5.2m receivables, with payables of \$2.3m and no debt.

**Commentary and outlook**

IKE CEO Glenn Milnes commented, "The FY23 period saw continued strong momentum across IKE. We have achieved very significant revenue and gross margin growth and have closed the period materially ahead of all internal stretch targets.

Our balance sheet remains extremely strong, noting that the USD and AUD fx rates impact our reported NZD position each quarter. Operating leverage is evident via the scalability of our software products and our disciplined approach to managing operating expenses.

Our pipeline is strong, and Q4 sales highlights included winning about one new enterprise customer per week, including another of the largest tier-1 electric utilities operating on the East Coast of the US, who selected IKE's next-gen structural analysis product, called Next-Gen PoleForeman. This customer win means an initial 100 subscription licenses for distribution network design, for three-years, displacing the incumbent competitor who had served this account for more than 20 years.

Another business development milestone in Q4 included advancing an pole-specific integration and AI automation project at scale via IKE Insight with one of the largest digital data collection businesses for global infrastructure.

We expect growth to continue in FY24, noting the potential for Q1 FY24 transaction revenue to be below the Q4 FY23 run rate because of the engineering practices of utilities in certain territories where one or two larger IKE customers are building fiber networks.

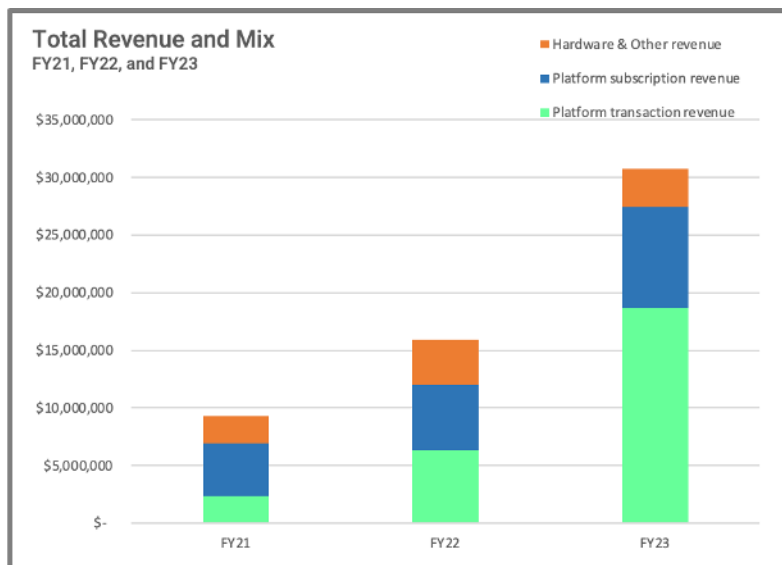
Macro-market tailwinds across North America remain highly supportive, driven by the multi-year investment being made into building overhead fiber networks, and additively, the forecasted

\$300B investment by electric utilities into building & maintaining distribution network capacity and associated network hardening. To meet carbon-zero targets in the U.S. by 2050, analysts forecast that the approximately 50% of the energy in the U.S. needs to be on the electrical grid, from a position of just 20% today. IKE's product suite drives productivity in support of these network engineering and capacity activities.

We are executing on sizable sales opportunities and expect healthy growth in the FY24 period and beyond."

Momentum across the business is set out in the following table and charts:

	FY23	PCP (FY22)	% Change
<b>Total Revenue</b>	\$30.8m	\$16.0m	+93%
<b>Platform Transactions</b>			
# of billable transactions	491k	349k	+41%
Platform transaction revenue	\$18.7m	\$6.4m	+192%
Gross Margin	\$7.2m	\$2.9m	+148%
Gross Margin %	39%	45%	
<b>Platform Subscriptions</b>			
# of enterprise customers	379	319	+19%
Platform subscription revenue	\$8.8m	\$5.6m	+57%
Gross Margin	\$7.7m	\$5.0m	+54%
Gross Margin %	88%	89%	
<b>Hardware &amp; Other</b>			
Hardware & Services revenue	\$3.3m	\$4.0m	-18%
Gross Margin	\$1.5m	\$1.9m	-21%
Gross Margin %	45%	50%	

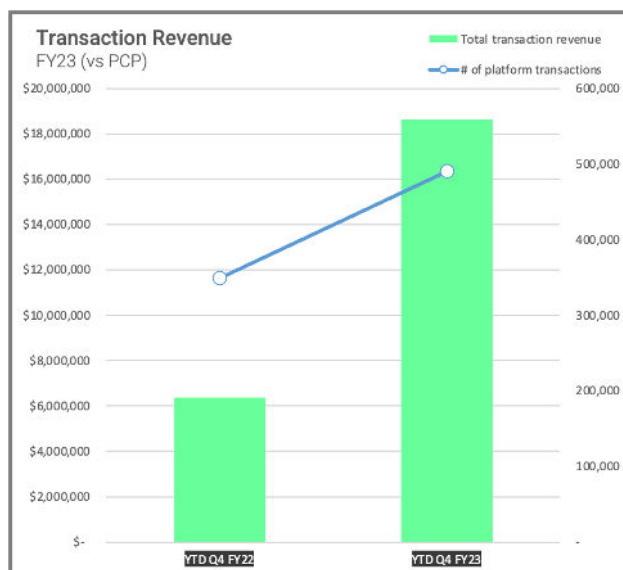


#### Takeaways

93% total FY23 revenue growth against PCP.

Recurring subscription and reoccurring transaction revenues (shown by the green and blue segments) dominate IKE's revenue mix, at >\$27m.

This element continues to grow due to the investment into extending software products, underpinning more predictable growth with higher quality revenue.



#### Takeaways

Significant growth in transaction revenue has continued, with >490k assets engineered on the IKE platform under the transaction model.

This is one indicator of platform usage by IKE customers, and is expected to remain a growth driver for the business.

Note: IKE has previously charted 'closed contracts' alongside 'recognized revenue'. We note that this will no longer be presented due to many customers maturing in how they buy - now rolling over their usage of the IKE platform month over month or quarter over quarter vs placing longer dated forward transaction contracts.

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## About IKE

We're IKE, the PoleOS™ Company. 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.

The IKE platform allows electric utilities, communications companies, and their engineering service providers to increase speed, quality, and safety for the 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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