

For Immediate Release

10 April 2018

## IKE Q4 and FY18 headline performance update

ikeGPS (IKE) advises the following as relates to Q4 and FY18 performance for the period to March 2018 (all figures NZD):

- Sales momentum of the IKE product into the U.S. electric utility and communications market, the largest contributor to overall IKE revenue and gross margin, continued in Q4 FY18:
  - o Total IKE sales (including 46 rental units) for FY18, subject to audit, are expected to be approximately 476 systems (approximately 2.3 times growth over PCP), exceeding recently upgraded guidance.
  - o Progress with IKE target accounts in Q4 FY18 included:
    - Initial sales and deployment into Verizon Communications Inc., the second largest communications company in the U.S. market and one of the largest fibre investors.
    - Initial sales and deployment into Cox Communications Inc., another fibre and cable operator with a large national infrastructure footprint.
    - Follow-on orders from AT&T Inc., the largest communications company in the U.S., and now with approximately 120 systems deployed.
      - Through Q4 FY18 IKE's deployment team trained more than 500 AT&T engineers across four regions in the U.S. around IKE system use.
    - A fourth and fifth phase order of 30 total IKE4 systems from an engineering services company supporting various national fibre & communications companies.
      - This customer has now grown to have approximately 80 IKE systems deployed by the end of Q4 FY18.
  - o More generally trials and usage reports with target accounts include data showing that, against existing work practices, IKE4 increases efficiency for field engineering by approximately two times and increases efficiency in the back-office for make-ready engineering and design by approximately five times.
- Cash:
  - o Closing cash at 31 March 2018 was approximately \$2.6m. IKE will provide further commentary around the achievement of its cashflow targets and the material improvement in overall cash use against PCP after the completion of its FY18 audit.
- The new 'IKE Analyze' product:
  - o In Q4 FY18 IKE executed on plans to deliver initial projects and build capability to position IKE Analyze with enterprise customers, targeting to substantially grow revenue from this product in FY19.
- Stanley Smart Measure Pro:
  - o As advised previously there were no further units sold or shipped in Q4 FY18.
- Spike:
  - o As noted in previous guidance Spike sales, primarily into the Signage market, were below expectation totalling approximately 2,200 units.
    - IKE remains positive on the long-term prospects for Spike, notably the partnership and joint-product with Esri that launched in Q4 FY18. Esri is the most widely deployed software in the geospatial market and is used by more than 350,000 organisations including the world's largest cities and many national governments. The impact on unit volumes and revenue is expected in FY19 and beyond.



IKE CEO, Glenn Milnes, commented, “Q4 FY18 was another positive period for our business with IKE4 showing efficacy when deployed at volume across target enterprise accounts such as AT&T, and in winning new contracts across several more of the largest communications businesses in the U.S. market. The scale of the ultimate revenue opportunity within these accounts is significant. We expect to next update the market with audited FY18 financial information late May. Alongside these results we will also provide guidance for FY19, where we expect to see continued revenue and margin growth.”

ENDS

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.

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