



FOR IMMEDIATE RELEASE

4 May 2020

IKE receives PPP funding.

ikeGPS (IKE) today announced that it has received a loan of approximately \$825,000 under the U.S. Federal Government CARES Act Paycheck Protection Program (PPP) via its bank, Silicon Valley Bank.

The PPP authorizes loans through certified financial institutions to “small businesses” – being those with less than 500 employees, to continue to employ and pay their employees during the Covid-19 crisis. A condition of the loan is that the recipient certifies that current economic conditions made the loan necessary to support the ongoing operations of their business.

Under the PPP structure the loan principal amount is forgivable so long as the proceeds are used to cover payroll costs, rent, and utility costs over the 8-week period after the loan is made. Loan forgiveness is contingent upon recipients requesting forgiveness, providing supporting documentation, and certifying compliance to the forgiveness conditions as per the PPP legislation. IKE will request forgiveness of the maximum loan principal amount available under the conditions. Recipients would be responsible to repay any amount of the loan that is not forgiven. The interest amount is 1% per annum.

IKE CEO Glenn Milnes, commented.

- + “This PPP funding is important additional support for our U.S. operation, and we are pleased to have been able to access this program effectively.
- + As an update to the situation specific to IKE’s customers and target market group, consisting of North American communications companies, electric utilities, and their associated engineering service providers who are maintaining or constructing networks.
- + All shelter-at-home type orders across the U.S. continue to exempt companies deemed “Critical Businesses” that include IKE.
- + Our market did experience a substantial slow-down in activity in March and through April due to the sudden uncertainty created by Covid-19, however, our customers and their operations are expected to be less impacted than many other industries over the coming three to six months. Customer and market feedback is that they intend to prioritize network development activities through this period and associated field engineering.
- + Notwithstanding this mitigating factor and these U.S. Critical Business provisions, we are continuing to closely monitor risks related to Covid-19, with a focus on IKE’s resiliency across people, supply chain, customers, and technology.
- + Consistent with our prior release we are conservatively planning for slow market activity Q1 FY21 (the three-month period to June 2020) and with the potential for this to cross into Q2 FY21. The situation is changing rapidly, and these statements are in the context of what is known at this point-in-time.
- + Operationally, we are also now transitioning our U.S. operation from a full remote situation to having up to 50% of staff back in our Colorado office, with specific health and safety protocols in place.
- + More broadly, we have confidence in the substantial growth opportunity for IKE in the medium term due to large macro-market tail winds - including an estimated US\$300B of fiber network deployment and estimate \$50B of 5G mobile network deployment in North America over the coming three to five years. The IKE solution enables these networks to be deployed faster, more cost-effectively, and with a higher quality data standard.”

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ENDS

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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