



IKE FY19 Results. FY20 Outlook.

Growth in the U.S.
Communications & Electric
Utility market





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FY19 Results



Planning



Field Ops



IKE Analyze



Deliverables

The Year of IKE Analyze



FY19 Results Highlights

- + Revenue growth in the core Communications & Electric Utility segment:
 - + Total recognised revenue of \$8.0m, 4% higher than PCP of \$7.7m.
 - + Revenue in IKE's core Communications and Electric Utilities segment grew 27% against PCP, to approximately \$7.4m.
- + Gross margin growth:
 - + Gross margin in the period of \$5.4m, 34% higher than PCP of \$4.0m.
 - + Gross Margin percentage improved to 67%, an increase against PCP of 51%.
- + Lower operating expenses:
 - + Operating expenses were \$10.6m (PCP of \$10.8m), reflecting continued investment into Sales & Marketing and Research & Engineering, and a lower Corporate expense profile.
- + Reduced Net Loss
 - + Net loss after tax was \$5.1m, a 24% improvement against PCP of \$6.7m.
- + Record sales into the U.S. Communications and Electric Utility market, with approximately \$7.4m revenue including;
 - + \$1.9m revenue generated from annual software subscriptions, with subscription renewal rates of approximately 91%.
 - + \$1.4m revenue generated from the new 'IKE Analyze' solution.
- + Cash and receivables:
 - + IKE ended the period with cash of \$3.5m and receivables of \$1.4m.





FY19 Results Highlights cont.

- + Transition to the IKE Analyze business model was completed in FY19
 - + As a result IKE expects that approximately 80% of FY20 revenue will be derived from either recurring subscription or transaction sources.
 - + Ultimate revenue opportunity per IKE Analyze customer is significant, representing the potential for hundreds of thousands, and eventually, millions of dollars of revenue per annum.
- + Progress with Target Accounts included:
 - + AT&T Inc., the largest communications company operating across North America, has written the 'IKE Standard' into its Articles for aerial make-ready-engineering.
 - + Seven of the largest 15 Communications & Cable companies operating in the U.S. market are engaged in deployments or pilots of IKE Analyze. Entities include:
 - + Charter Communications Inc. - the largest cable company in the U.S.
 - + Crown Castle Inc. - the largest provider of shared communications infrastructure in the U.S.
 - + Cox Communications Inc.- the 6th largest cable company in the U.S.
- + The platform to deliver a strong FY20 performance.
 - + Considered that IKE is as well positioned as it has been with respect to customer engagement and market offering.





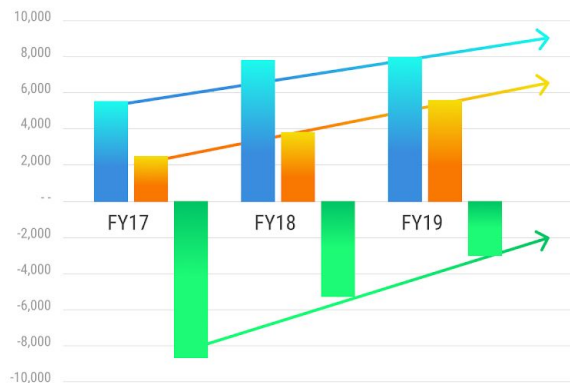
Positive Overall Momentum

Positive Trending of Revenue, Gross Profit, and EBITDA

Particularly within the Core Communications and Utility Segment

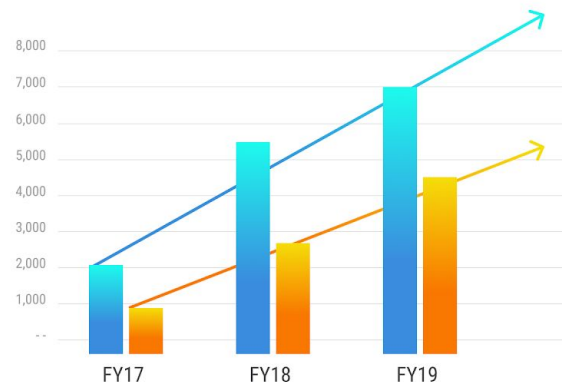
IKE

Trended Revenue, Gross Profit and EBITDA (\$'000)



Comms & Utilities Business Unit

Trended Revenue & Gross Profit (\$'000)





Profit & Loss

	<u>2019</u>	<u>2018</u>
	<u>\$'000's</u>	<u>\$'000's</u>
Continuing operations		
Operating revenue	7,996	7,732
Cost of sales	(2,646)	(3,754)
Gross profit	5,350	3,978
Other income	102	125
Operations cost	(643)	(477)
Sales and marketing expenses	(3,226)	(3,231)
Research and engineering expenses	(3,210)	(3,019)
Corporate costs	(3,443)	(4,011)
Foreign exchange (losses)/gains	(39)	(71)
Expenses	(10,561)	(10,809)
Operating loss	(5,109)	(6,706)



Commentary & Outlook;

The importance of the FY19 transition to IKE Analyze



Field Data Collection



Analysis



Management



IKE seeks to be...

The industry standard for scaling utility pole applications faster, safer, and with uncompromising accuracy.



Field Data Collection



Analysis



Management



There has been exponential growth in usage of the the IKE platform over the past four years;

>450 organizations have processed >9M aerial asset records on the platform.....





Achieving dramatic productivity and quality improvements....

9.4 Million

Photos
of poles to date

1.7 Million

Poles
in IKE Office

75%

Reduce
personnel requiring field visit

0

Zero
revisits to the pole

2x Faster

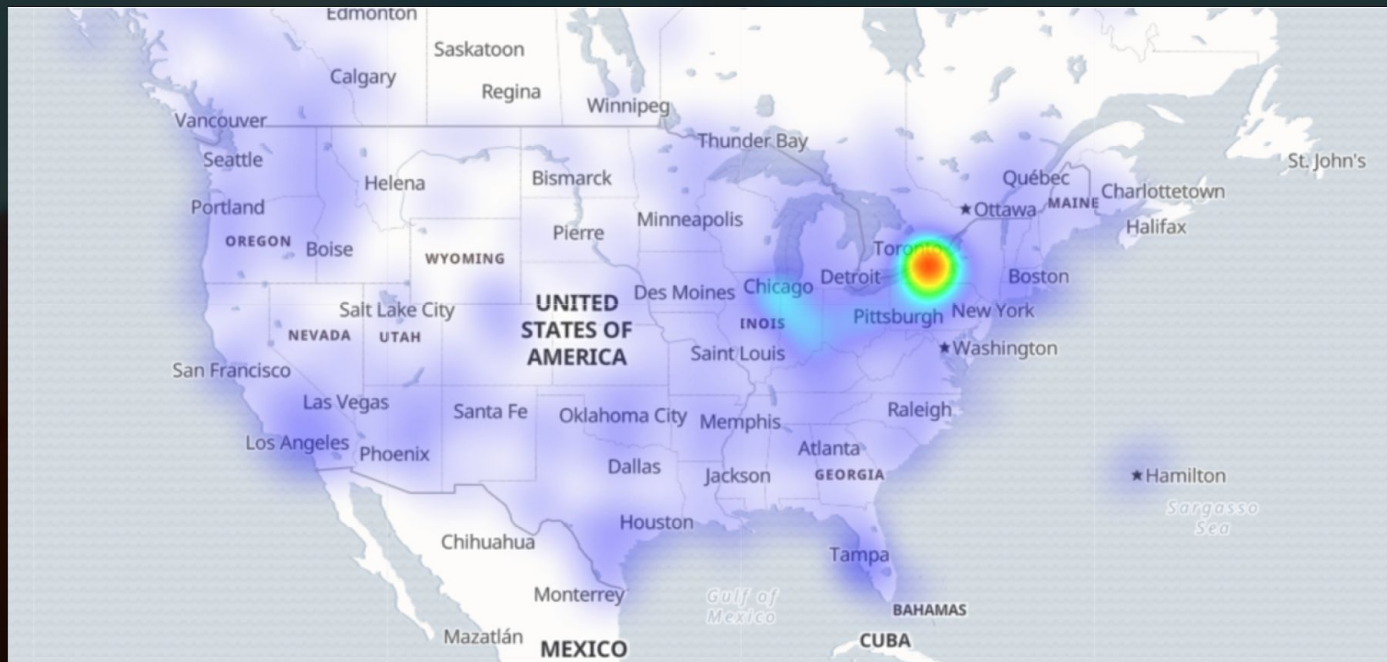
Improve
workflows from end to end

8x

Reduce
permit request rejections



And with the IKE Standard being applied across the North American market.....

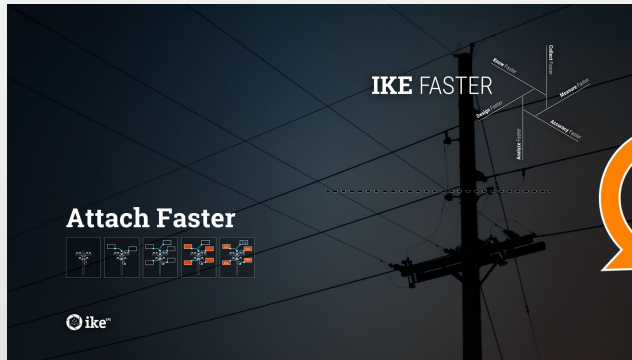




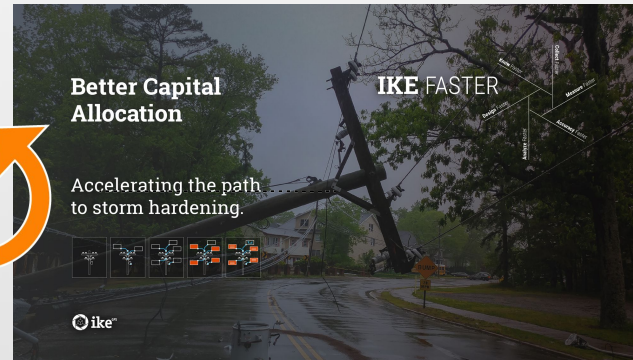
These metrics signaled a significant opportunity; driving the FY19 IKE Analyze strategy.....

Executed through FY19, IKE has expanded its market offering and business model from the sale of field data collection devices and subscription pole software, to establishing **IKE Analyze** as the extended platform for scaling communications and utility pole applications....

Communications



Electric Utilities



Joint Use



IKE Analyze was developed in response to customer demand, and market timing factors.....

Communication Infrastructure Providers (CIPs)

Pain point IKE solves;

- + Need to bring networks and services online faster while standardizing costs and data quality across multiple geographic markets.

Applications;

- + Fiber network deployments
- + 5G network deployments

Market opportunity for IKE;

- + Bottom up;
 - >\$225m revenue opportunity over 5 years from the largest 15 players in the U.S.
 - >200 CIPs in the North American market.
- + Top down;
 - >\$300B forecast investment into fiber networks in the U.S over next 5+ years.
 - 5G network investment forecast to grow to >\$50B per annum by 2025.

Engineering Service Providers

Pain point IKE solves;

- + Need to maximize efficiency and profits. Typically doing >50% of the network development work required by the CIPs and Electric Utilities.

Applications;

- + Fiber network deployments
- + 5G network deployments

Market opportunity for IKE;

- + >1,000 groups in the U.S.
- + An IKE Analyze force multiplier; using IKE tools for field engineering, driving asset data back to the IKE Analyze platform.

Electric Utilities

Pain point IKE solves;

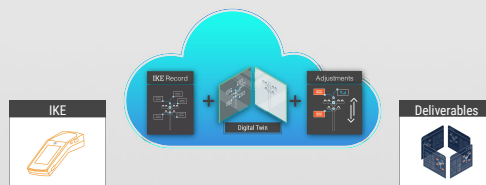
- + Need to meet the demands of sharply increasing pole attachment permit requests.
- + Need a faster and standardized way to assess and ensure poles are not compromised.

Applications;

- + Joint-use requests from CIPs
- + Network hardening requirements to protect against storm and fire risk.
- + In some cases, building their own fiber network.

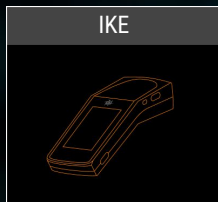
Market opportunity for IKE;

- + The largest potential market for IKE in the longer term;
 - >3,200 electric utilities in North America
 - >\$750M per annum Total Addressable Market
- + IKE expects that this segment will develop more slowly than the CIP and Engineering Service Provider market





IKE Analyze increases the value of IKE's offering to customers;
and substantially extends IKE's revenue model.....



Annual Subscription

- + IKE Device
- + IKE Field s/w
- + IKE Integration (Any module)
- + Software updates & maintenance
- + Technical Support
- + Hot Swap*
- + Training*
- + Joint Use Coordinator Support

* = Customer Paid Shipping





IKE Analyze increases the value of IKE's offering to customers;
and substantially extends IKE's revenue model.....





Increasing Value



Analysis Levels

HOA



PLA



MRA



38'6" - Tip

37'2" - Single Cross Arm

37'6" - Primary > #4 Copper

36'4" - Down Guy > 3/8"

35'6" - Cutout Arrestor

35'4" - Secondary > duplex #4

29'4" - Proposed fiber

13" - Base Offset



HOA

Height of Attachment
Route Surveys
Pole locates
Joint Use
Billing compliance
Network confirmation



38'6" - Tip

37'2" - Single Cross Arm

37'6" - Primary > #4 Copper

36'4" - Down Guy > 3/8"

38'6" - Tip

37'2" - Single Cross Arm

37'6" - Primary > #4 Copper

36'4" - Down Guy > 3/8"

35'6" - Catfish Arrestor

13" - Base Offset

37'11" - Down Guy > 3/8"

37'1" - Primary > #4 Copper

38'3" - Primary > #4 Copper

32'4" - Primary > #4 Copper

31'2" - Double Cross Arm

30'8" - Down Guy > 3/8"

29'4" - Proposed fiber

38'9" - Span Guy > 1/2"

34'1" - Primary > 1/0 ACSR

33'7" - Davit Insulator

31'2" - Span Guy > 1/2"

29'8" - Davit Insulator



Increasing Value

PLA

Pole Loading
Pole integrity
Clearance Analysis
NESC compliance

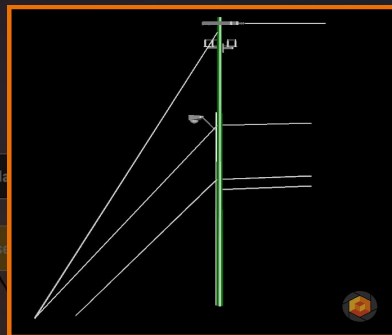
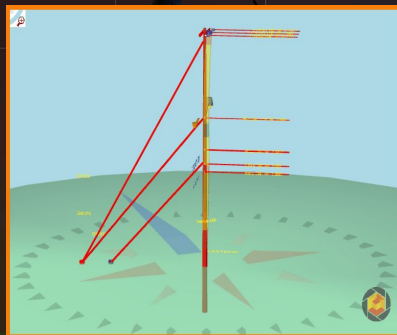
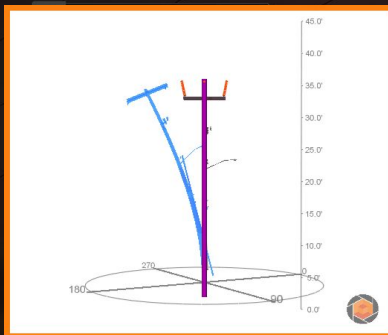


38'6" - Tip

37'2" - Single Cross Arm

37'6" - Primary > #4 Copper

36'4" - Down Guy > 3/8"



13" - Base Offset



MRA

Make-Ready Adjustments
Fiber deployments
Design Suggestions
Network hardening



38'6" - Tip

37'2" - Single Cross Arm

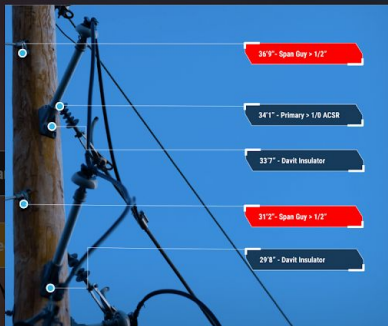
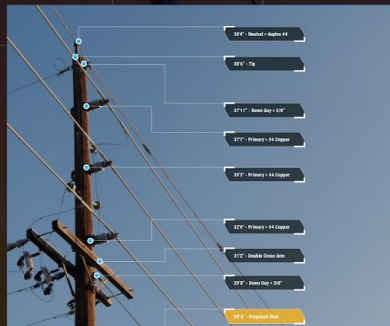
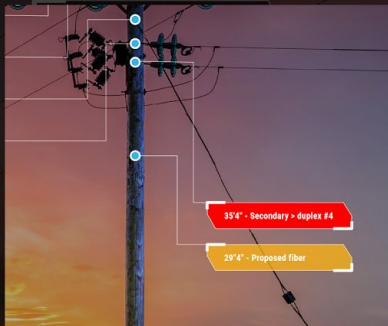
37'6" - Primary > #4 Copper

36'4" - Down Guy > 3/8"

35'4" - Secondary > duplex #4

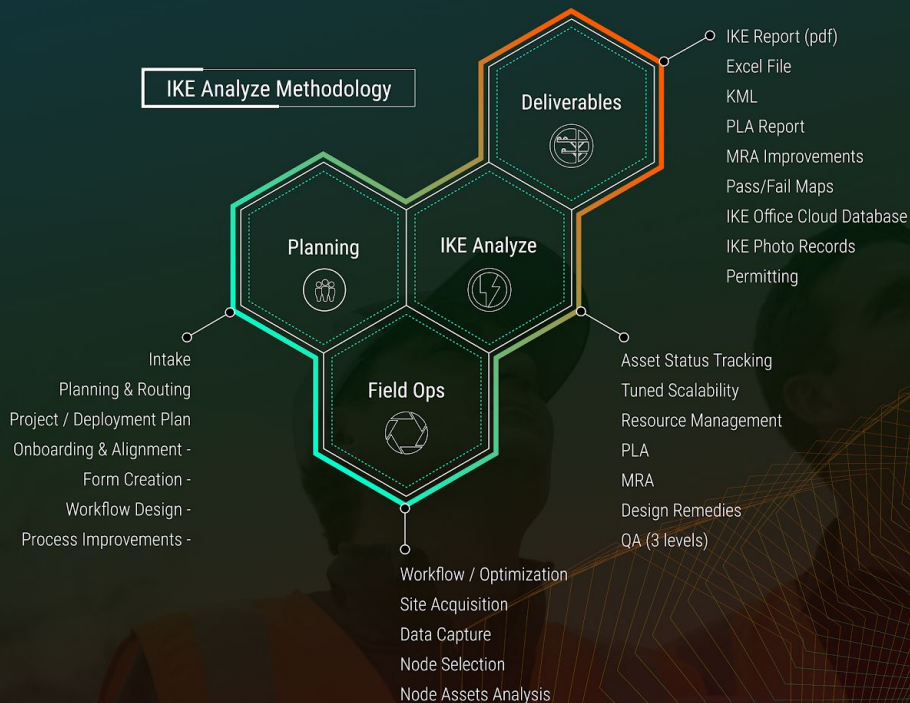
23'4" - Proposed fiber

13" - Base Offset

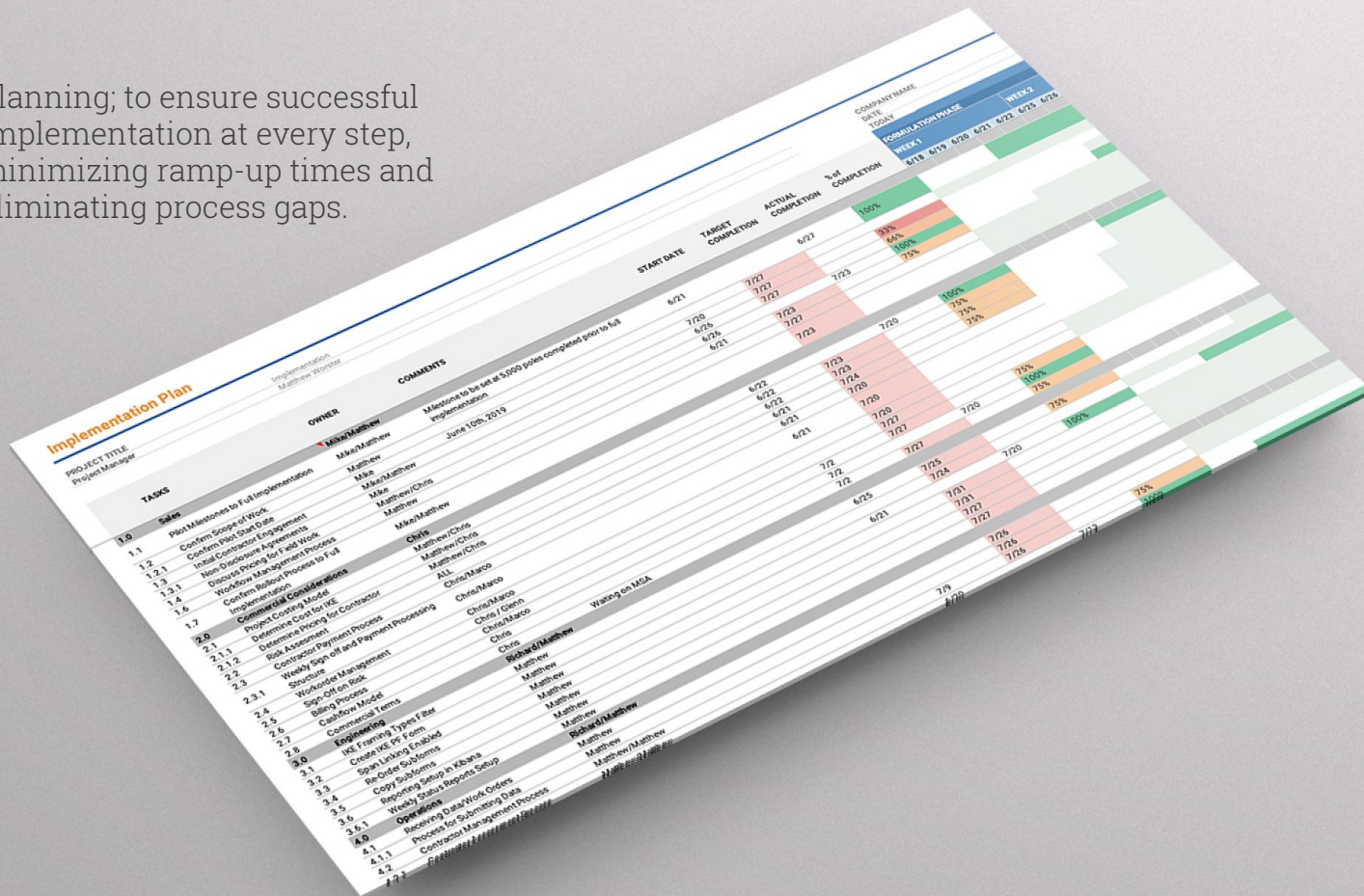




The depth of the IKE Analyze offering matters, underpinning higher value customer engagements.
Focused on People, Process and Technology.....



Planning; to ensure successful implementation at every step, minimizing ramp-up times and eliminating process gaps.





Training; Ike has the people, process and technology to train across all aspects of the solution.

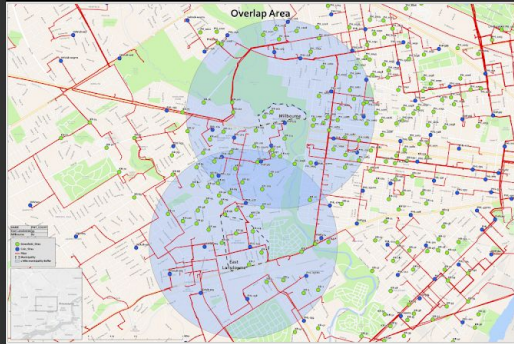


Workflow management; Starting with a customer deliverable and finding the most efficient way to refine workflows.

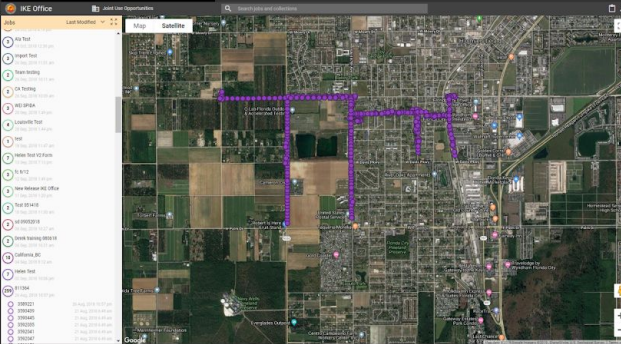


Schedule & route planning to ensure 'One-Trip to the Field' efficiency. Data management to ensure quality.

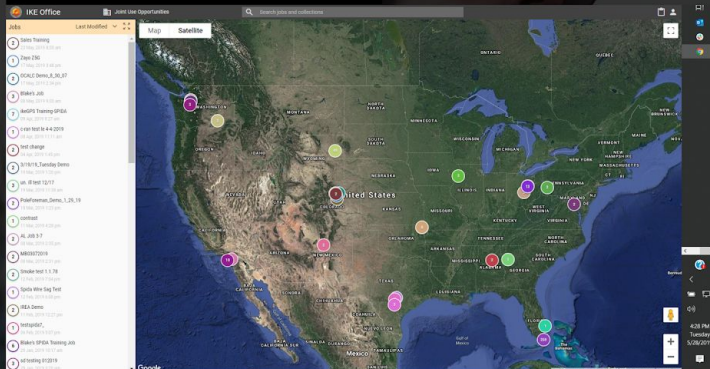
Site Acquisition



Site Acquisition



Site Acquisition // Data Management



Google Earth // KML

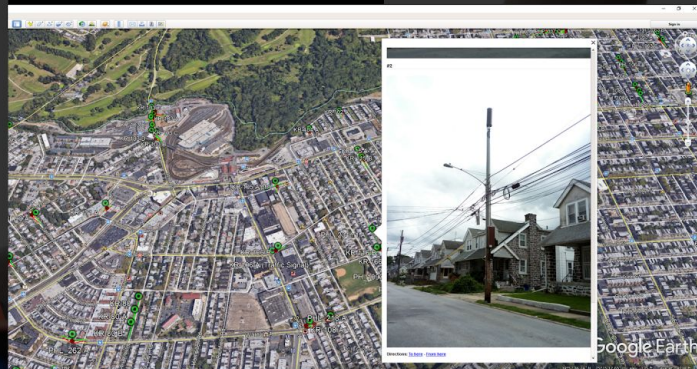




Photo-Verifiable Accuracy; evidence of assets as they exist in the field.

IKE Office

Joint Use Opportunities

OCALC Demo_8_30_07

Last Modified

1395

17 May, 2019 2:34 pm

1385

26 Feb, 2019 12:34 pm

Map

Satellite

1395

1385

36' 11" - Primary > #4 COPPER 7 ...

27' 7" - Proposed Attachment

24' 10" - Metal Risers > 3" Metal

23' 7" - Secondary > TRIPLEX 4 ...

22' 4" - Streetlights > Streetlight, 8...

16' 5"

16' 5" - CATV > CATV 1.0 > Static

14' 11" - Telco > TELE 1.0 > Static

Base

1395

Select attachment point to zoom

Pole Number

1

Pole Id

1395

Pole Tag Photos

1

Pole Type

Douglas Fir > 4 > 45

Pole Owner

UTILITY > POWER

GLC (")

29.5

AGL

36' 11"

Location

39.92423, -105.08779

Pole iKephoto

4

Equipment 2

Equipment #1 - Streetlights > Streetlight, 8 ft. Arm 8.0 ft arm

Type

Streetlights > Streetlight, 8 ft. Arm 8.0 ft arm

Orientation

24.099

Quantity

1

Owner

UTILITY > POWER

Attachment Height

22' 4"

Bottom Height

Measure Height

Note

Equipment #2 - Metal Risers > 3" Metal

Type

Metal Risers > 3" Metal

Orientation

12.754

Quantity

1

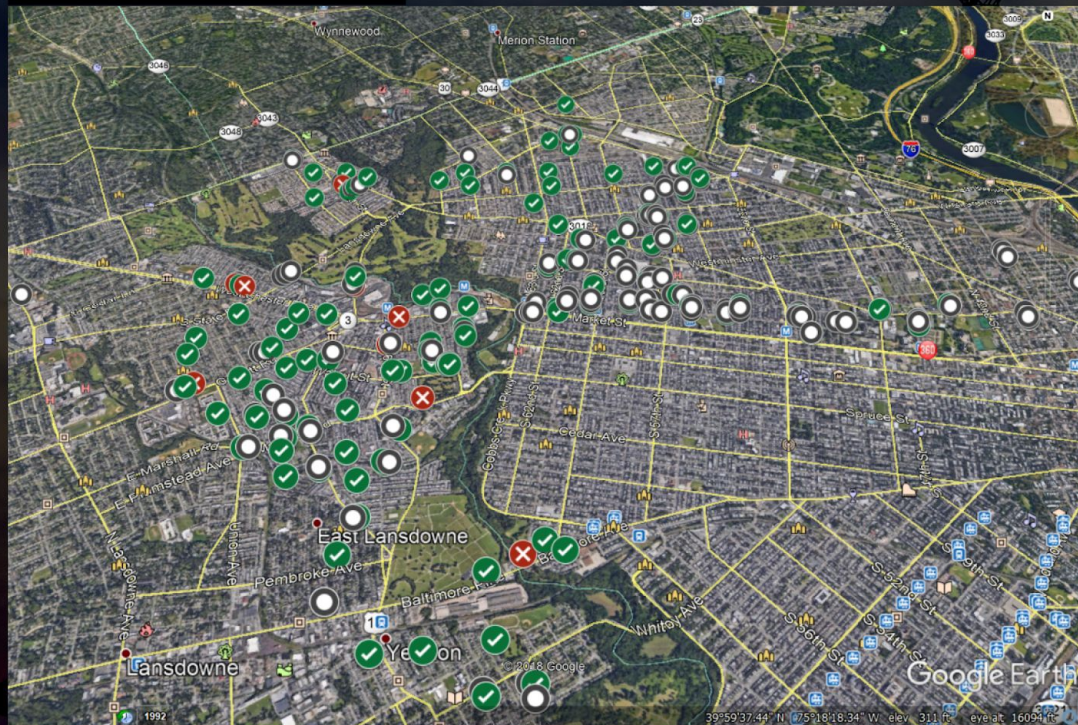
Owner

UTILITY > POWER



Visual Representation of a network; to ID where assets are at risk.

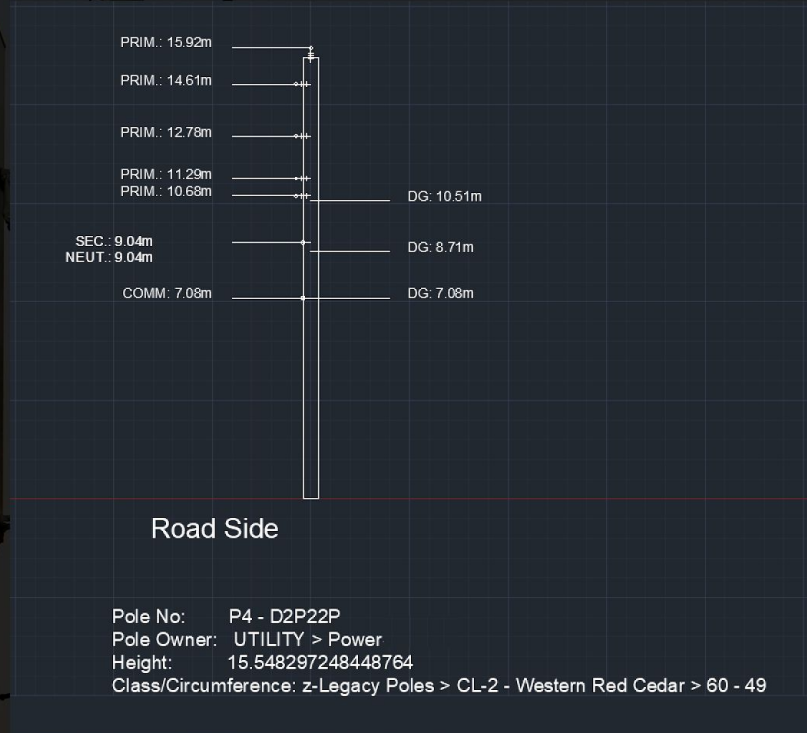
Pass / Fail Maps





Adaptability; to customize CAD outputs specific to the application.

CAD Integration



Automated Permit Applications; eliminating manual input errors & dramatically speeding up permitting.



IKE REPORT



PHIL_234m1 A

PH0602 (1 of 1)

Status: PLS Complete - Final

Type: Standard Pole - 2 + 42

Owner: UTILITY - POWER

Tp: 34 'F

Location: Loc: 75.03594, Hgt: 75.25647, Alt: 17 'F Meter: Clock

Twp Photos

RT Photos

Equipment P1: Streetlights - Streetlight L.R. Arm 8.0 ft. arm

Orientation: 11.56°

Quantity: 1

Owner: UTILITY - POWER

Attachment Height: 17' 8"

Equipment K2: Antenna - Amphimed 60MSP100(3)g

Orientation: 1

Quantity: 1

Owner: COMMUNICATION - CROWN CASTLE Attachment Height: 17' 8"

Equipment K3: House - 2 x 4. Room

Orientation: 23

Quantity: 1

Owner: COMMUNICATION - CROWN CASTLE Attachment Height: 17' 8"

Equipment H4: Misc. Equipment - 8002 Power Supply Box

Orientation: 192

Quantity: 1

Owner: COMMUNICATION - CROWN CASTLE Attachment Height: 17' 8"

Spec P1: Back Sign

Spec Length: 107' 11" w/ 171.22°

Environment: RESIDENTIAL - SUBURBAN

Wire P1: Secondary - TRIPLE X 1/0 - Static

Construction: ON_POLE

Insulator: Span 2' 0"

Quantity: 1

Owner: UTILITY - POWER

Attachment Height: 17' 10"

[illegible]



The transition to IKE Analyze is important for customers, and shareholders

- + IKE now delivers **more value to every customer**;
 - speeding multiple aspects of the network assessment & make-ready-engineering process.
 - an IKE Analyze customer represents the potential for hundreds of thousands, and eventually, millions of dollars of revenue per annum.
- + IKE Analyze demands **deeper, longer term customer (& revenue) relationships**;
 - with the IKE platform becoming embedded in customer workflows.
- + IKE Analyze realizes lower upfront revenue but is expected to facilitate **10-20x greater revenue from every IKE solution in use** vs. IKE's historical business model;
- + IKE's **revenue mix** evolves favorably;
 - becoming substantially weighted towards ongoing **transaction & subscription revenue**.
- + **Market timing is optimal**;
 - with the potential to play a role in speeding up network deployment processes in markets experiencing investment super-cycles;
 - **Fiber network deployment**;
 - >\$300B expected investment in the U.S. over the next 5+ years.
 - **Utilities network hardening** initiatives.
 - >\$10B per annum expected investment in coming years.
 - **5G mobile network deployment**;
 - Expected to grow to a market investment size >\$50B per annum by 2025.



IKE goes to market directly; selling & delivering into the largest infrastructure companies in North America

Pole People



Glenn Milnes

Chief Executive Officer & Managing Director



Leon Toorenburg

Chief Technology Officer



Chris Birkett

Chief Financial & Operating Officer



Dan McGrady

Director of Customer Success



Mike McGill

Senior VP, Utility & Communication Business Unit



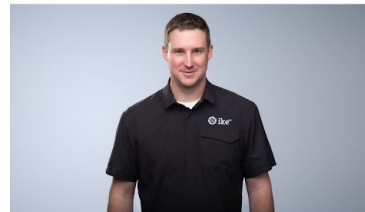
Liz Etzel

Support Engineer



Matthew Worster

VP, Ike Analyze



Blake Collins

Solutions Engineering Manager



Working with the Biggest Names in the Business

Proof Points



Comcast

SDGE

verizon[✓]

CC CROWN
CASTLE

COX
COMMUNICATIONS

AT&T

DQE

Charter
Spectrum

COX

CABLE ONE

SOUTHERN CALIFORNIA
EDISON

CYIENT

✓ verizon wireless

AVISTA
Corp.

ComEd.
An Exelon Company

PG&E

LA
DWP





Fiber Deployment Application; CableOne Inc.



Annual Revenue: \$1.1B

Subscribers: 1M

States: 21

Metrics	Before	After (IKE Analyze)
Make Ready Engineering Completion	30 Days	5 Days
Approval times to attach	30 Days	10 Days



Fiber Deployment Application; AT&T Inc.



Annual Revenue: \$133B

Subscribers: 143M (mobility)

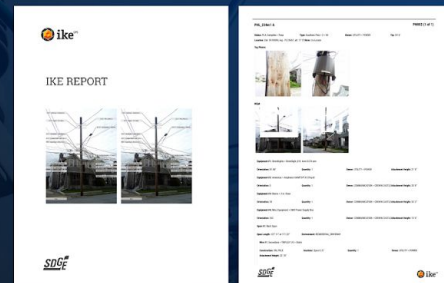
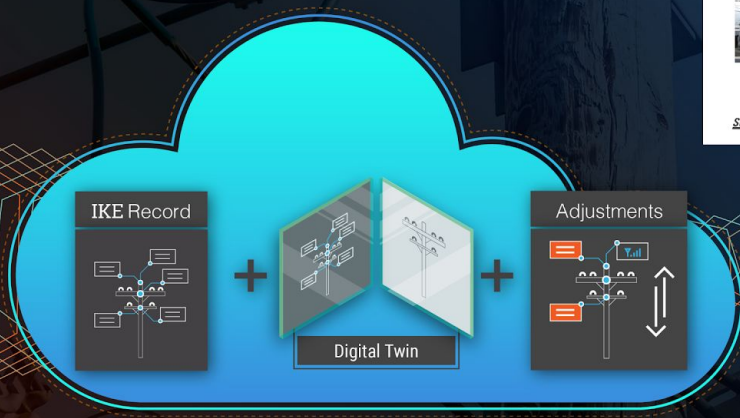
States: 22

Metrics	Before	After (IKE Analyze)
5G (field visits)	3	1
Fiber deployment completion times	30 Days	10 Days



Electric Utility Application; San Diego Gas & Electric Joint-Use

The IKE Analyze Fast Lane for Joint-Use Permitting

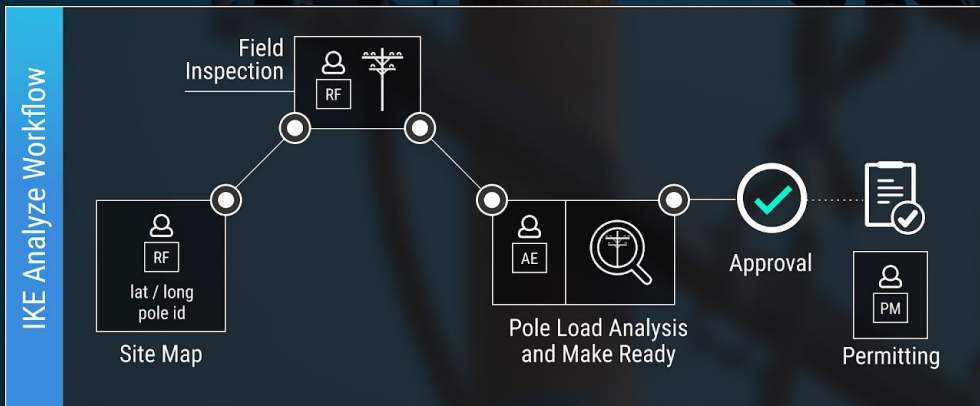
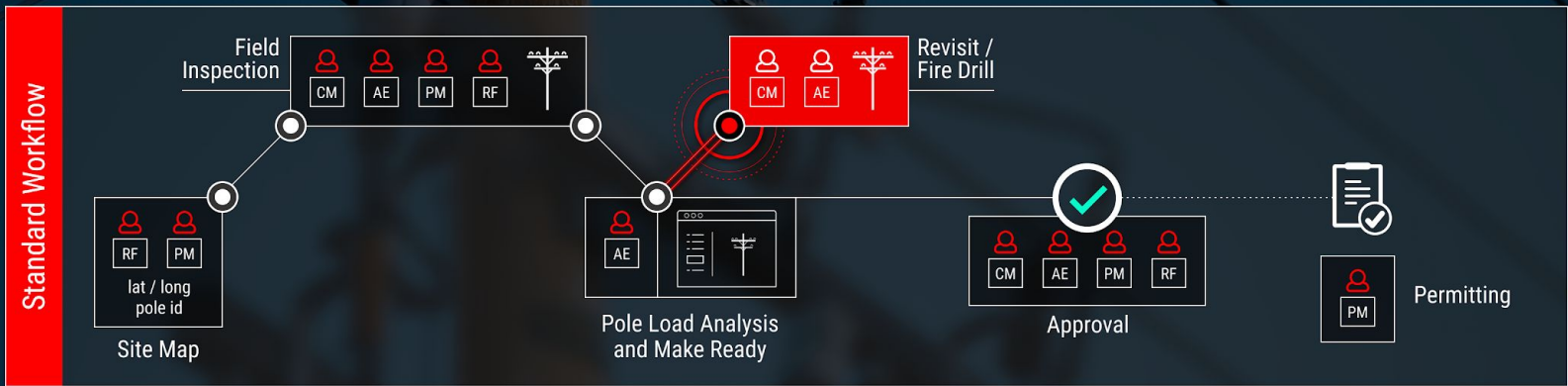


Metric	Before	After, with IKE Analyze
Approval Time	+ 45 Days	30 Days
Rejection Time	> 40%	< 5%



5G Application; National shared-communications infrastructure group. IKE Analyze Process // Reduced Time & Cost + Accuracy & Quality

Success Stories



2x
More Data Fielded

75%
Fewer People in the Field

3x
Faster End-to-End Delivery



Investor Calendar



Audited Financial
Statements

30 May*



Annual Report

30 June*



Annual General
Meeting

6 September*

_____*Dates New Zealand Time_____



Thanks...

Dedicated to Serving Communications Companies & Electric Utilities.

Who are focused on:

- Faster network deployments.
- Improving network and data quality.
- Keeping crews out of harm's way.
- Meeting the demands of regulators.