



## FOR IMMEDIATE RELEASE

14 April 2020

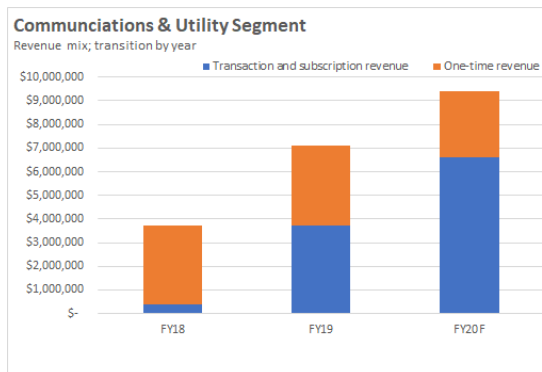
### FY20 performance update.

Covid-19 and IKE's 'essential' status.

ikeGPS (IKE) today released approximate performance metrics for its FY20 period for the 12 months to 31 March 2020, and commentary with respect to its assessment of potential Covid-19 impacts.

Preliminary headline FY20 performance;

- + Record revenue of approximately \$9.8m in the 12-month period (growth of approximately 23% against PCP).
- + Record gross margin of approximately \$7.1m in the 12-month period (growth of approximately 33% against PCP).
- + Gross margin percentage of approximately 72%, with this increase due to IKE's revenue mix shifting to a bias of transaction and recurring sources over the past approximately 18 months.
- + EBITDA in the period is expected to be a materially improved result against PCP, noting it will be negative for the full 12 months.
- + Total cash and receivables at 31 March 2020 of approximately \$6.0m. No debt.



Takeaways;

- + IKE's revenue mix has shifted materially the past 18 months.
- + Approximately 70% of revenue came from transaction & recurring sources in FY20 (the blue bar).
- + This is an important transition in terms of increasing revenue quality and predictability.

Relating to Covid-19 impacts. IKE CEO Glenn Milnes, commented.

- + "IKE's customers and target customer group consist of North American communications companies, electric utilities, and their associated engineering service providers who are maintaining or constructing networks.
- + 'Shelter-at-home' orders across the U.S. are exempting companies deemed "Critical Businesses" that include IKE and our target customers involved in "Critical Infrastructure, including utilities and electricity, communications, and any business that produces products critical or incidental to the construction or operation of the categories of products included in the above classification".
- + This market did experience a substantial slow-down in activity in March 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.

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- + Customer and market feedback is that, broadly, they intend to prioritize network maintenance and development activities through this period and associated field engineering where it is safe to do so, noting that the current exemptions across the U.S. and the ability to continue to operate differ from the level-4 situation in New Zealand.
- + 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.
- + We are conservatively planning for the scenario of 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 have transitioned our offices to remote working in the U.S. and New Zealand. Due to the cloud-based nature of our systems and delivery processes, this shift has been mostly smooth, and our people and products are expected to continue to deliver the highest levels of performance, availability, and security. Our fuller customer update can be seen at <https://ike4.ikegps.com/our-covid-19-response/>.
- + More broadly, we have confidence in the substantial and continuing growth opportunity for IKE in the medium and long 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."

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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