



# IKE 1H FY25 Financial Performance & Update

We're IKE, the Pole OS™ Company

Glenn Milnes, CEO and Brian Musfeldt, CFO

[glenn.milnes@ikegps.com](mailto:glenn.milnes@ikegps.com), [brian.musfeldt@ikegps.com](mailto:brian.musfeldt@ikegps.com)

November 2024

CONFIDENTIAL





# Important Notice

## Information in this Presentation:

- Is for general information purposes only, and is not an offer or invitation for subscription, purchase, or recommendation of securities in ikeGPS Group Limited (IKE);
- Should be read in conjunction with, and is subject to, IKE's FY24 financial results (audited), FY25 financial results for the six months to September 2024, recent market releases, and information published on IKE's website ([www.ikegps.com](http://www.ikegps.com));
- Includes forward-looking statements about IKE and the environment in which IKE operates, which are subject to uncertainties and contingencies outside of IKE's control – IKE's actual results or performance may differ materially from these statements;
- Includes statements relating to past performance, which should not be regarded as a reliable indicator of future performance; and
- May contain information from third parties believed to be reliable, however no representations or warranties are made as to the accuracy or completeness of such information.
  - All information in this presentation is current at the date of this presentation, unless otherwise stated.
  - All currency amounts are in NZ dollars unless stated otherwise.

Receipt of this Document and/or attendance at this presentation constitutes acceptance of the terms set out above in this Important Notice.



# Agenda

1H Financial Performance Headlines

October 2024 performance update

Outlook

Addressable market and IKE's value proposition

Q&A



An exit run rate of ~NZ\$13.2m annualized subscription revenue (+34% vs pcp).  
Gross margin improves to ~NZ\$8.1m (+31% vs pcp), with a Gross Margin percentage of ~67%.  
Record ~NZ\$33m in contracts won in the period, across ~415 deals.

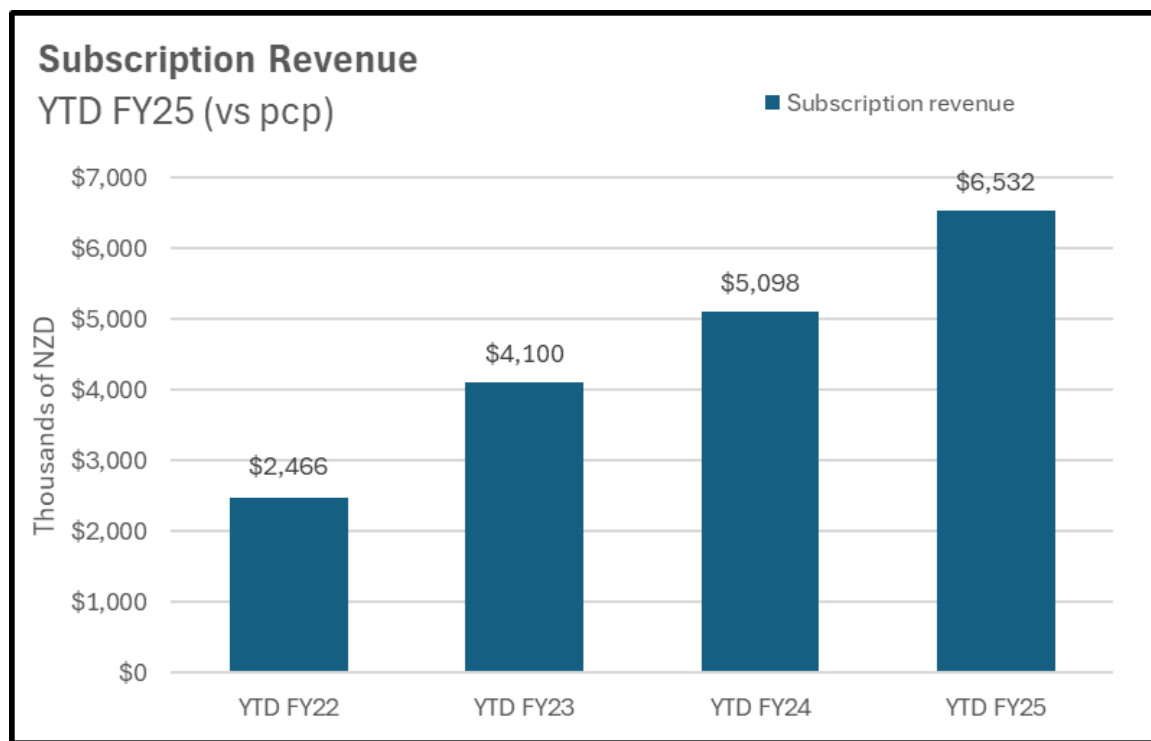
## 1H FY25 performance highlights:

- Exit run rate of annual platform subscription revenue grew to ~NZ\$13.2m (+34% vs pcp).
- Total recognized revenue in the six-month period of ~NZ\$12.2m (+16% vs pcp).
  - Recognized subscription revenue of ~NZ\$6.5m (+28% vs pcp).
  - Recognized transaction revenue of ~NZ\$4.0m (+6% vs pcp).
  - Recognized hardware and other services revenue of ~NZ\$1.7 (in-line with pcp).
- Gross margin of ~NZ\$8.1m (+31% vs pcp), with a gross margin percentage of ~67% (up from pcp of ~59%).
- Net loss was ~NZ\$6.9m (pcp ~NZ\$6.4m).
  - Non-cash items included in this Net loss amount totaled ~\$3.7M (pcp ~NZ\$2.2m).
  - Cash used in Operating activities of ~NZ\$2.6m (~51% lower vs pcp).



# Subscription revenue growth has continued to be consistently strong with a three-year CAGR of 38%

In 1H, a total of ~\$33M of contracts closed

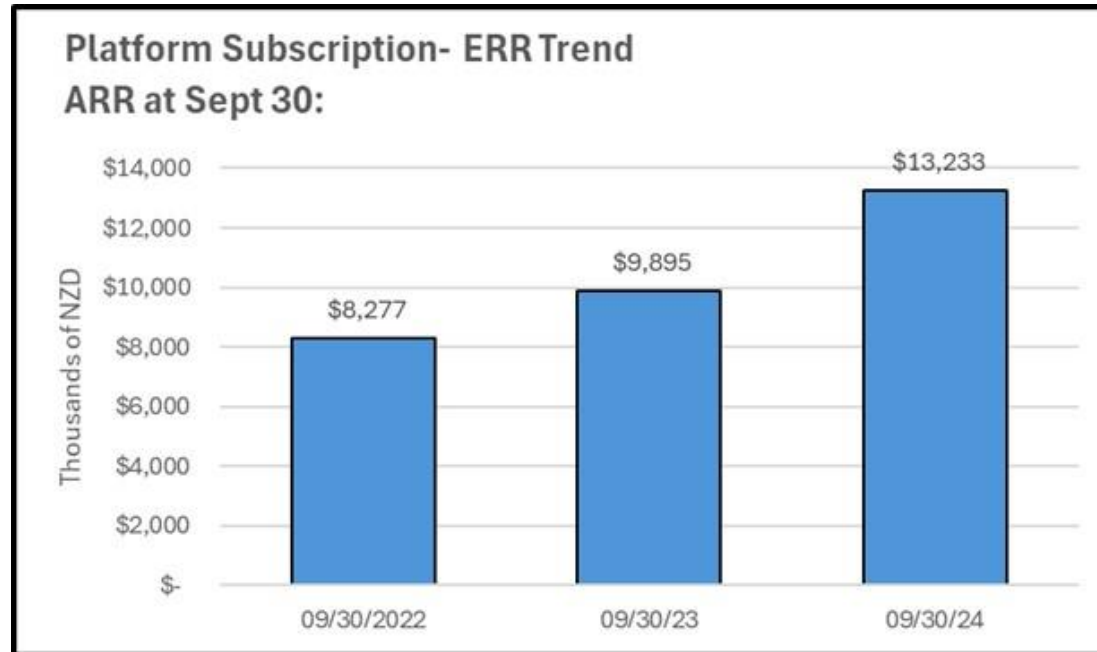


## Takeaways:

- Significant growth in underlying subscription revenue.
- Three-year subscription revenue CAGR of +38%.
- During FY25, this is expected to increase materially by ~40% vs pcp.



# Exit Run Rate (ERR) of annual platform subscription has grown to NZ\$13.2m as at 30 September 2024

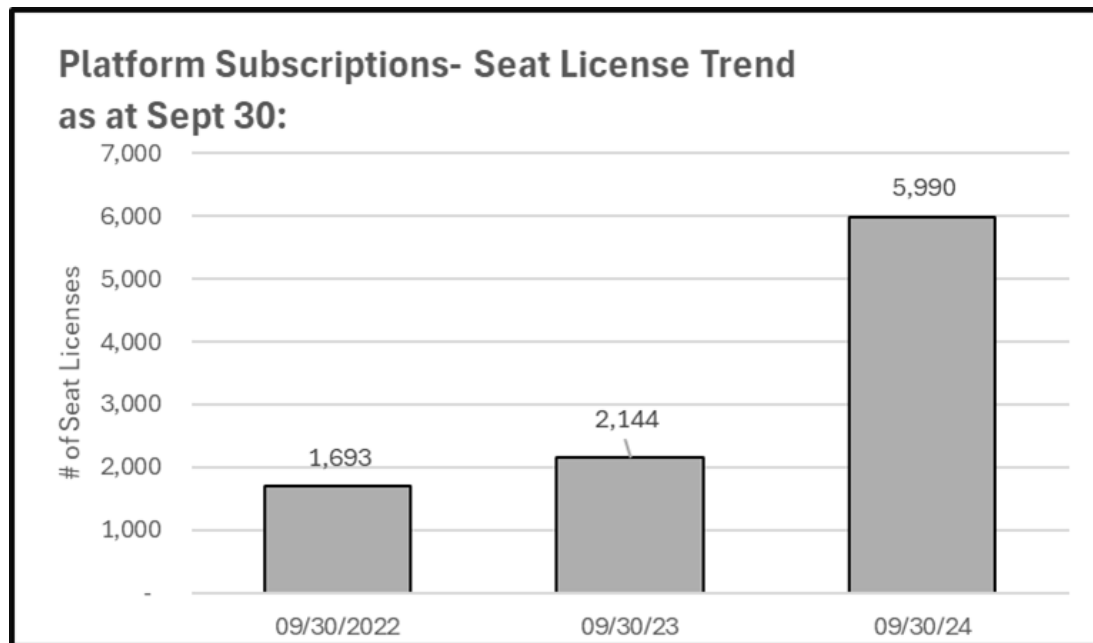


## Takeaways:

- +34% YoY growth in the exit run rate (ERR) of annual platform subscription revenue.
- As stated, during the FY25 period this metric is expected to continue to grow materially (by ~40% vs pcp) driven by continued growth of IKE Office Pro subscription sales and the successful sell-through of IKE's next-generation IKE PoleForeman subscription product, with TCV of ~NZ\$12.5m already closed.



# 179% YoY increase in subscription seat licenses, evidencing the impact of new product introductions with very sticky customers

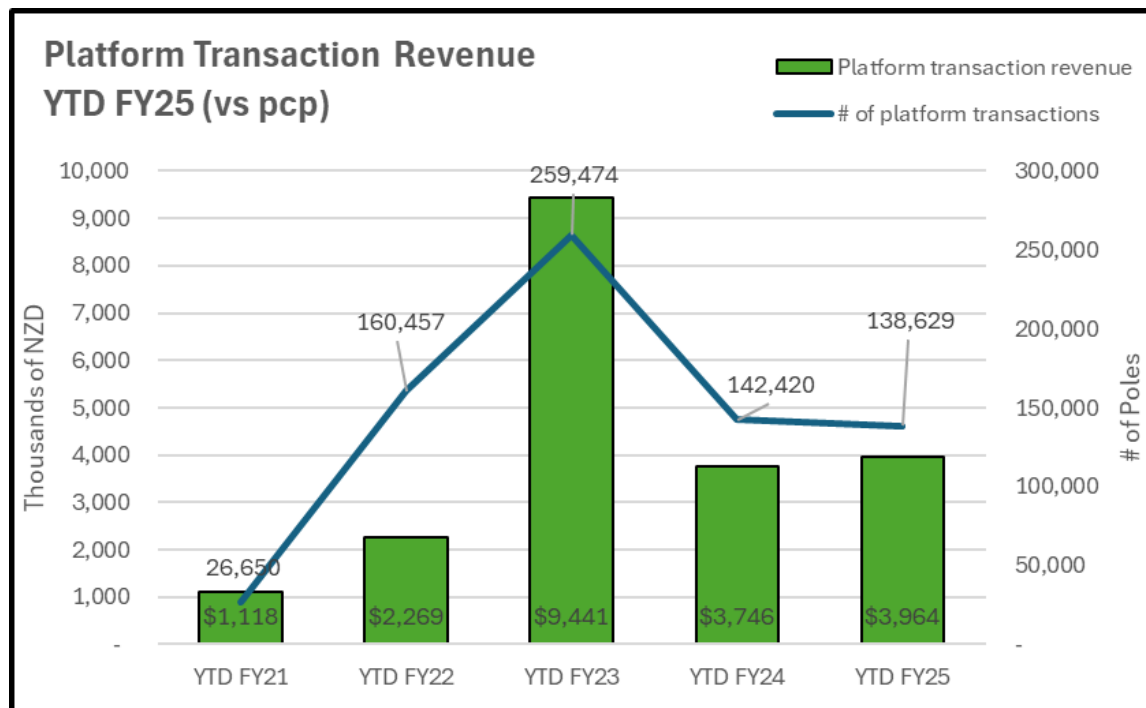


## Takeaways:

- Subscription seat license growth of +179% over the past year.
- Seat count growth has accelerated at a fast pace due to customer additions and upsells, as well as selling customers onto a new per-seat subscription model when adopting the new IKE PoleForman product (released late FY 2024).



# Three-year transaction revenue CAGR of 20%, and improved margin profile



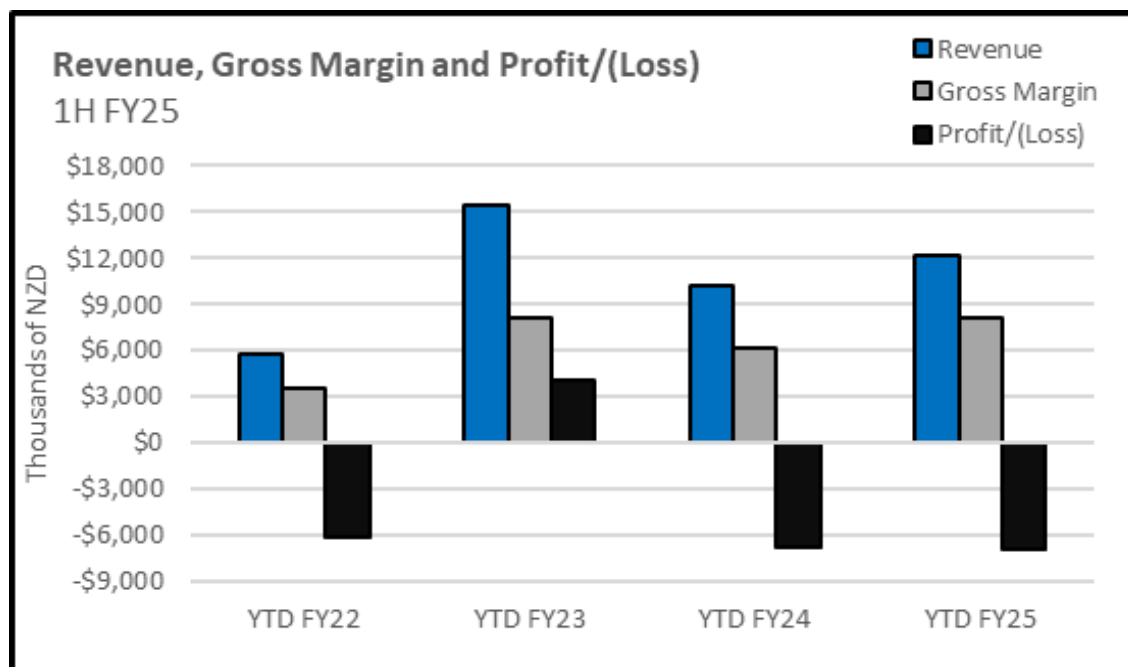
## Takeaways:

- Three-year transaction revenue CAGR of +20%.
- Noting gross margin increased +107% vs pcp.
- Based on contracts signed in Q2 FY25, IKE expects transaction volumes and associated revenue to continue to build into 2H FY25.





# Revenue, gross margin, and profit/(loss)



## Takeaways:

- Revenue 1H FY25 of ~NZ\$12.2m (+32% pcp)
- Gross margin percentage 1H FY25 of ~67% (up from ~59% pcp)
- Net loss was ~NZ\$6.9M (pcp ~NZ\$6.4M). Net loss includes non-cash items of ~NZ\$3.7m (pcp ~NZ\$2.2m)
- Cash used in operations improves to ~NZ\$2.6m, a decrease of 51% vs. pcp.



# Key metrics table

	1H FY25	1H FY24	% Change
<b>Total Revenue</b>	\$12.2m	\$10.5m	+16%
<b>Platform Subscriptions</b>			
Total # of Subscription Customers	413	368	+12%
Total Number of Seat Licenses	5,990	2,144	+179%
Platform Subscription Revenue	\$6.5m	\$5.1m	+28%
Gross Margin	\$5.7m	\$4.5m	+27%
Gross Margin %	87%	87%	
<b>Platform Transactions</b>			
# of Billable Transactions	160k	142k	+13%
Platform Transaction Revenue	\$4.0m	\$3.7m	+6%
Gross Margin	\$1.5m	\$0.7m	+107%
Gross Margin %	37%	19%	
<b>Hardware &amp; Other</b>			
Hardware & Services Revenue	\$1.7m	\$1.7m	0%
Gross Margin	\$1.0m	\$1.0m	0%
Gross Margin %	58%	60%	

## Customer Number Reconciliation:

Since 31 December 2023, IKE has changed its reporting of customer numbers from 'All Enterprise Customers' to 'Subscription Customers', reflecting only customers with recurring subscription revenue. The reconciliation between these two metrics will be reported until 31 December 2024. Reconciliation is as follows:

Customer Recon	1H FY25	1H FY24	
Total # of Enterprise Customers	436	392	+11%
Less: Non-Subscription Customers	(23)	(24)	-4%
Total # of Subscription Customers	413	368	+12%

## Other Takeaways:

- Total cash and receivables as at 30 September 2024 of ~NZ\$11.1m, comprised of ~NZ\$6.8m cash and ~NZ\$4.3m receivables, with payables of NZ\$1.0m and no debt.
- As context, cash has reduced ~NZ\$3m over the past 12 months during a period of substantial investment into building five new products, three of which have now been launched to market, and through a period of substantial recurring revenue and customer growth.
- Investment into product development is paying back, an example being IKE PoleForeman. This new product has been in-market for ~nine months and to date the product has generated ~\$12.5m in Total Contract Value and has increased IKE's ARR by ~NZ\$4.0m.



# Consolidated Interim Statement of Profit or Loss

Unaudited  
6 months to  
September 2024

Unaudited  
6 months to  
September 2023

Continuing operations		NZ\$000	NZ\$000
Operating revenue	4	12,172	10,519
Cost of sales		(4,071)	(4,344)
<b>Gross profit</b>		<b>8,101</b>	<b>6,175</b>
Other income	4	-	97
Foreign exchange gains		(398)	223
Movement of fair value assets and liabilities	4	(55)	73
<b>Total other income, gains, and (losses)</b>		<b>(453)</b>	<b>393</b>
Support costs		(753)	(678)
Sales and marketing expenses		(4,589)	(3,970)
Research and engineering expenses		(5,868)	(5,308)
Corporate costs		(3,608)	(3,594)
<b>Expenses</b>	<b>4</b>	<b>(14,818)</b>	<b>(13,550)</b>
<b>Operating profit/(loss)</b>		<b>(7,170)</b>	<b>(6,982)</b>
Net finance income/(expense)		59	132
<b>Net profit/(loss) before income tax</b>		<b>(7,111)</b>	<b>(6,850)</b>
Income tax expense		-	-
<b>Profit/(loss) attributable to owners of ikeGPS Group</b>		<b>(7,111)</b>	<b>(6,850)</b>
<b>Other comprehensive gains</b>			
Exchange differences on translation of foreign operations		130	443
<b>Comprehensive income/(loss)</b>		<b>(6,981)</b>	<b>(6,407)</b>
Basic and diluted earnings/(loss) per share		\$ (0.04)	\$ (0.04)



# Consolidated Interim Balance Sheet

	Unaudited September 2024	Audited March 2024
ASSETS	NZ\$000	NZ\$000
<b>Current assets</b>		
Cash and cash equivalents	6,761	10,242
Trade and other receivables	4,357	5,114
Prepayments	1,518	782
Contract costs	827	696
Financial instruments	-	10
Inventory	1,098	1,865
<b>Total current assets</b>	<b>14,561</b>	<b>18,709</b>
<b>Non-current assets</b>		
Property, plant and equipment	2,221	2,857
Intangible assets	5	13,085
Inventory	161	205
Lease assets	1,052	1,245
<b>Total non-current assets</b>	<b>14,638</b>	<b>17,392</b>
<b>Total assets</b>	<b>29,199</b>	<b>36,101</b>



# Consolidated Interim Balance Sheet cont.

		Unaudited September 2024	Audited March 2024
		NZ\$000	NZ\$000
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		905	1,226
Employee entitlements		1,578	1,664
Current tax payable		8	-
Provision	10	256	272
Other liabilities	6	-	279
Financial instruments		18	-
Lease liabilities		329	324
Deferred income		7,351	7,403
<b>Total current liabilities</b>		<b>10,445</b>	<b>11,168</b>
<b>Non-current liabilities</b>			
Lease liabilities		821	1,009
Deferred income		4,383	3,827
<b>Total non-current liabilities</b>		<b>5,204</b>	<b>4,836</b>
<b>Total liabilities</b>		<b>15,649</b>	<b>16,004</b>
<b>Total net assets</b>		<b>13,550</b>	<b>20,097</b>
<b>EQUITY</b>			
Share capital	8	105,784	105,542
Share based payment reserve		3,934	3,901
Accumulated losses		(97,259)	(90,307)
Foreign currency translation reserve		1,091	961
<b>Total equity</b>		<b>13,550</b>	<b>20,097</b>



Progress update since the release of the quarterly performance update mid-October 2024





# October to mid-November update

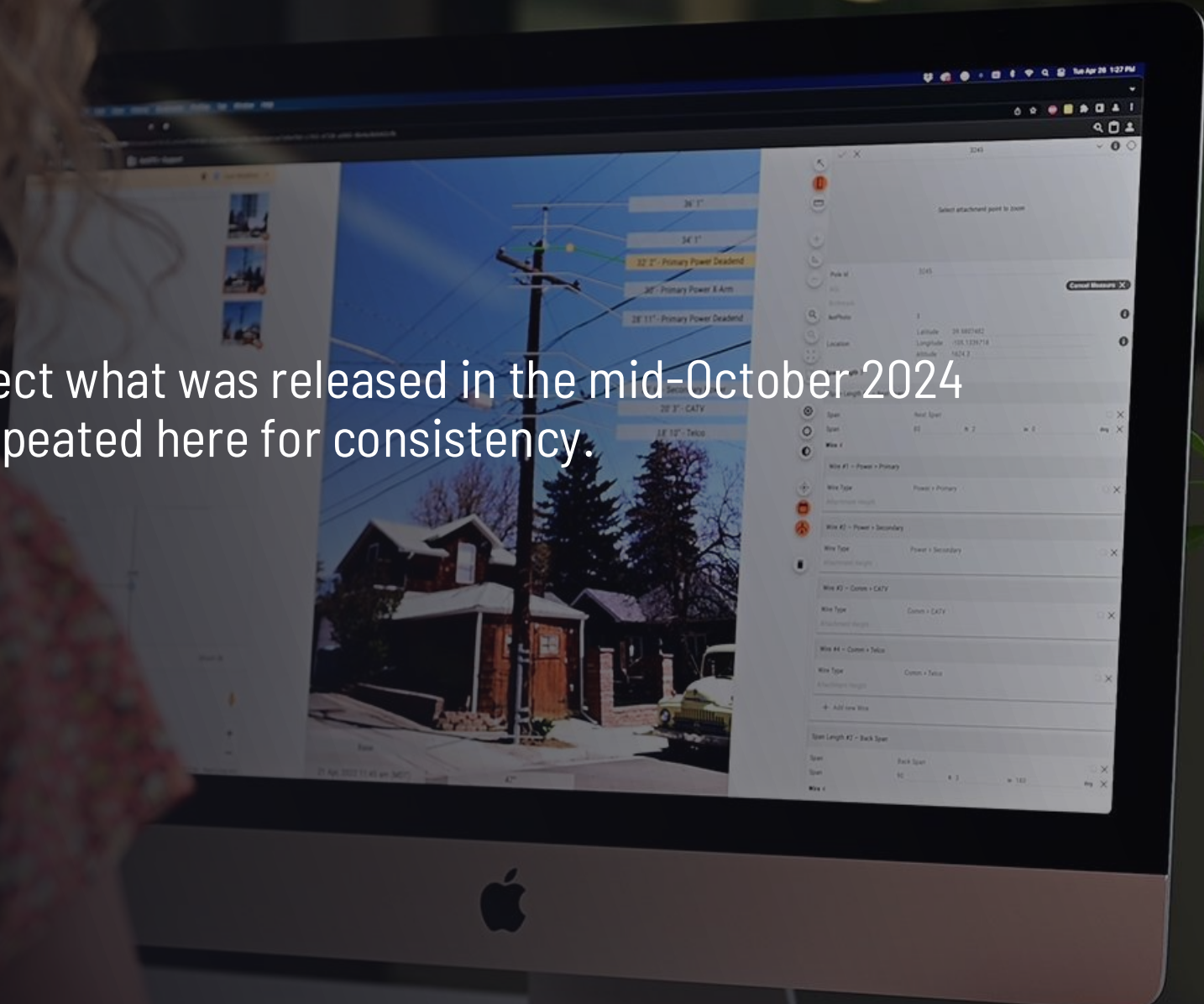
- Continued sales momentum
  - In the period from 1 October to mid-November, an additive ~NZ\$2.8m of Total Contract Value closed from sales of the IKE PoleForeman subscription product. This equates to an additional ~NZ\$0.7m of ARR added from IKE PoleForeman only.
  - In the period from 1 October to mid-November, ~NZ\$6.6m in contracts closed across all products, with a healthy pipeline of further sales opportunities.
- Two important items were also advanced from a product perspective since September. AI & automation capabilities have been launched inside of IKE's core IKE Office Pro product. This will initially drive productivity and increase the gross margin of IKE's tech-enabled IKE Analyze business process but is expected to become an additional up-sell subscription product for the many hundreds of external IKE Office Pro enterprise customers.
- IKE has also continued to collaborate closely with its customer council of leaders of North American electric utility businesses, representing companies delivering power to over seventy million customers. This key customer collaboration targets our development efforts, and based on their inputs, to drive more subscription product adoption.





# Update & Outlook

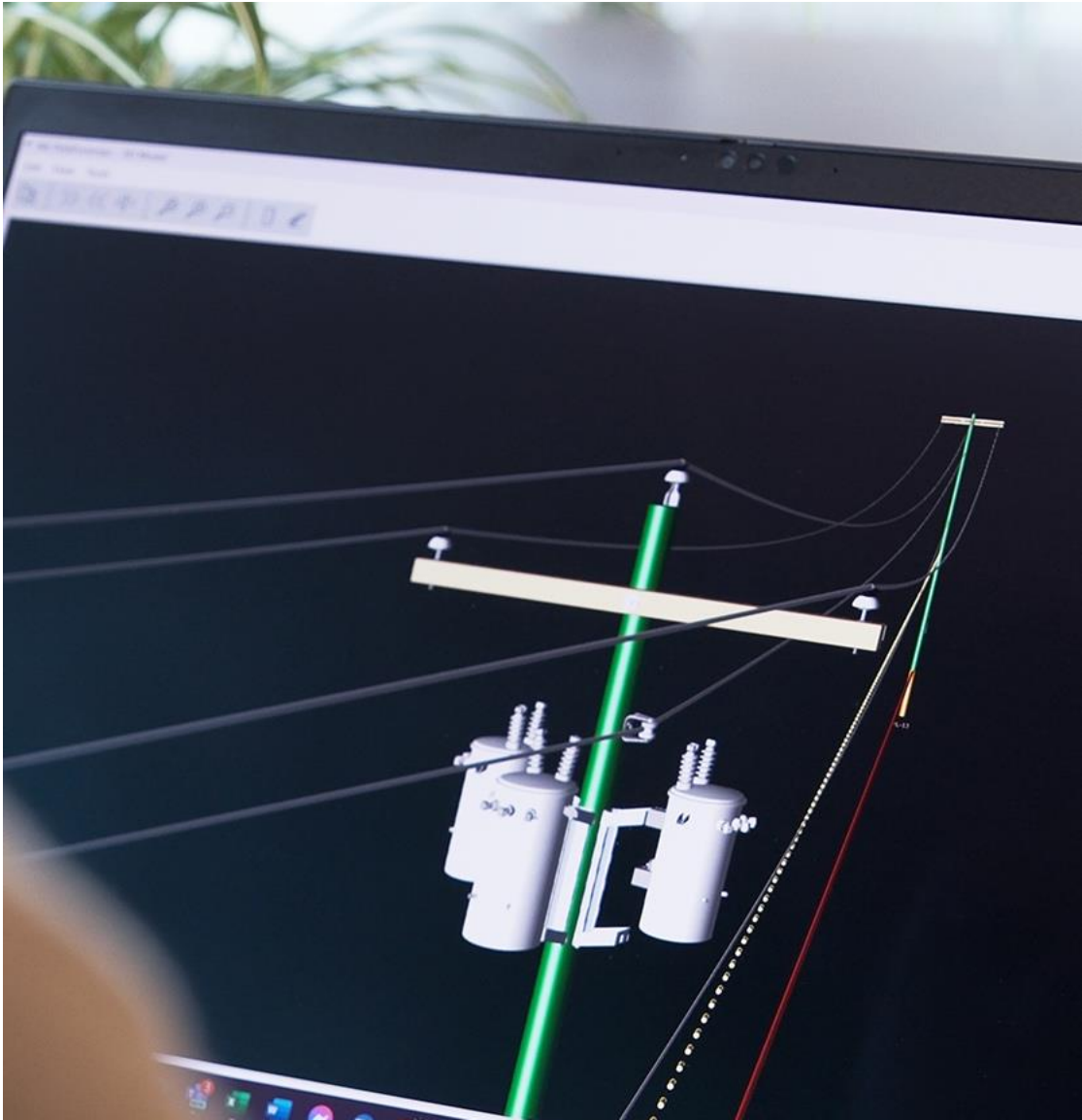
The commentary below reflect what was released in the mid-October 2024 performance update. It is repeated here for consistency.





# IKE PoleForeman as the Standard for Distribution Network Design.

New SaaS Product to Market <https://ikegps.com/ike-poleforeman/>



## Takeaways:

- The new IKE PoleForeman product has been in-market for ~nine months and to date has generated ~\$12.5m in Total Contract Value and has increased IKE's ARR by ~NZ\$4.0m.
- In total, ~84 customers have initially subscribed to this new platform, of which ~50 were existing customers and ~34 are new customers. Far exceeding our adoption rate expectations.
- This translates to several thousand new seat licenses, each representing a distribution network design engineer utilizing the software.
- We expect further major customers to close in the near term and that IKE PoleForeman will ultimately be the Standard for structural analysis in eight-of-the-ten largest electric utilities in North America.



# AI-based automation products in-market Q2.

Built to drive dramatic productivity improvements into specific distribution-network engineering workflows.



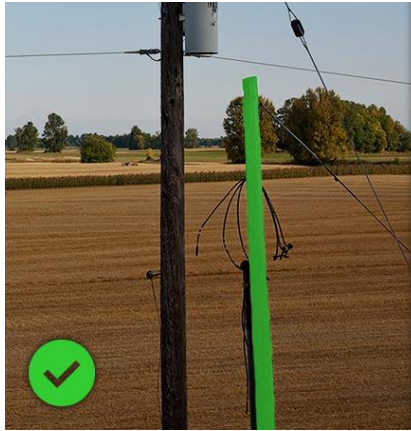
# AI-based automation products in-market Q2.

## Double-Wood Detective AI Product



### Detect

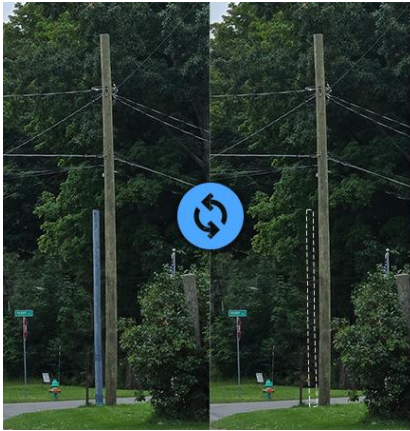
Locate undetected instances of double wood



### Validate

Confirm instances of double wood from existing records.

Broomfield	BR001	82	Confirmed
Broomfield	BR002	102	Confirmed
Broomfield	BR003	24	N/A
Broomfield	BR004	10	N/A
Broomfield	BR005	45	Confirmed
Boulder	BO001	181	Confirmed
Boulder	BO002	5	N/A
Boulder	BO003	12	No
Boulder	BO004	40	N/A
Boulder	BO005	85	No
Boulder	BO006	38	Confirmed
Arvada	AR001	71	N/A
Arvada	AR002	42	N/A
Arvada	AR003	5	N/A
Arvada	AR004	10	N/A



### Change detection

Capture changes to double wood records, such as pole removal status.

FL Collier	BR001	82	Yes
FL Collier	BR002	102	Yes
FL Collier	BR003	24	N/A
FL Collier	BR004	10	N/A
FL Collier	BR005	45	Yes
FL Collier	BO001	181	Yes
FL Collier	BO002	5	N/A
Lowland	BO003	12	Removed
Lowland	BO004	40	N/A
Lowland	BO005	85	No
Lowland	BO006	38	Yes
Lowland	AR001	71	N/A
Lowland	AR002	42	N/A
Lowland	AR003	5	N/A
Lowland	AR004	10	N/A



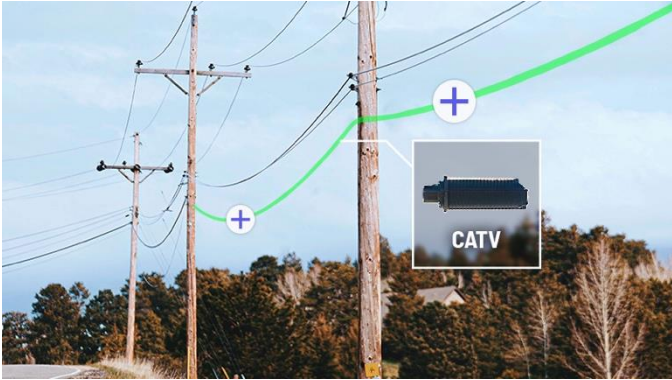
# AI-based automation products in-market Q2.

## Joint-Use Ticket Automation AI Product



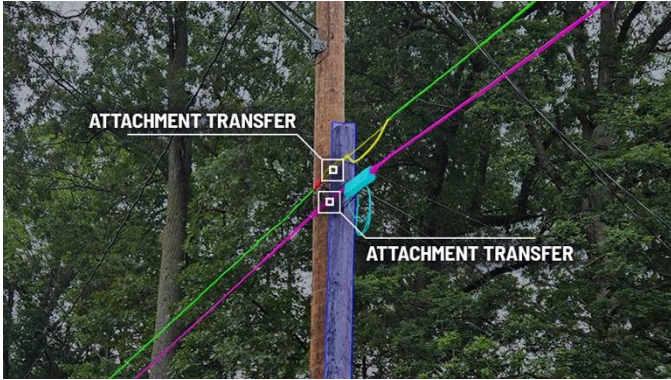
### Violation reporting

Address common issues that arise during inspections and audits, such as NESC infractions and double wood.



### Make-ready construction

Prep poles for new attachments while maintaining safety and compliance with standards.



### Pole transfers

Transfer attachments from an existing pole to a newly installed one.





# Appendices

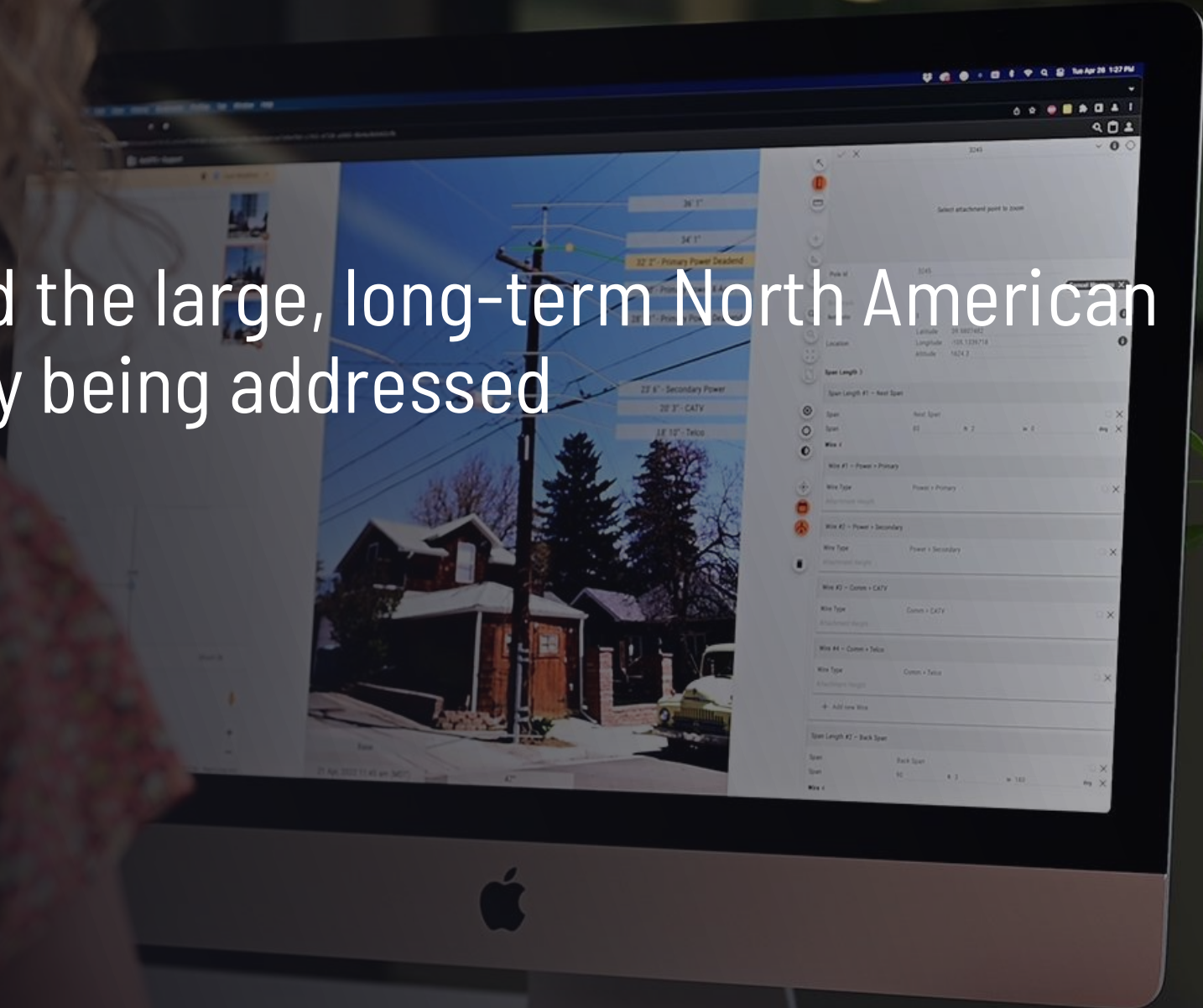
Manaakitanga: We Rise By Lifting Others





# What IKE does, and the large, long-term North American market opportunity being addressed

Customer and Market re-cap





# Selling and Delivering Directly from Colorado, USA HQ

Meet some of the IKE people representing the next generation CX of our industry



## Liz Etzel

Product Manager: Knows virtually every customer and is persnickety about exemplary customer experience.



## Jessica Walker

IKE Analyze Manager: Delivers every customer project on time and on scope. Started at IKE as an analyst.



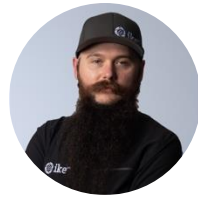
## Blake Collins

Solutions Engineering Manager: From the field to the office, Blake speaks and geeks on the complexities of utility pole dynamics.



## Sara Deere

Systems Engineer: Current holder of the world-record for running customer field teams with the least recollects.



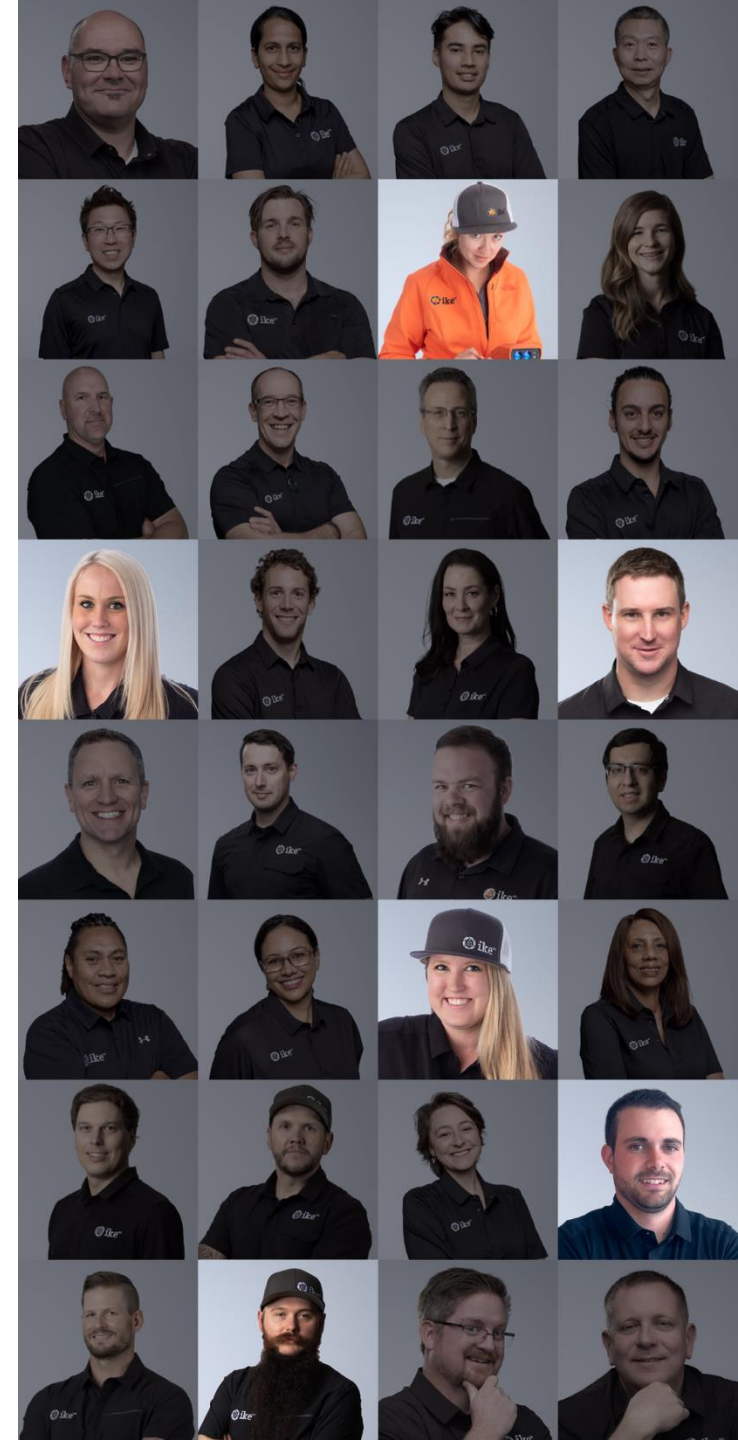
## Dan Allan

Design Director: Loves CX, and lives its importance when delivery brand and CX specific to poles.



## Spencer Hankin

Senior GIS Manager: The brightest data analyst in the Pole GIS universe, and customers like Crown Castle know it.







# IKE has developed Software Products to Engineer a Network through its Lifecycle

<Network Planning> <Assessment & Digitization> <Network Design> <Network Maintenance & Resilience>



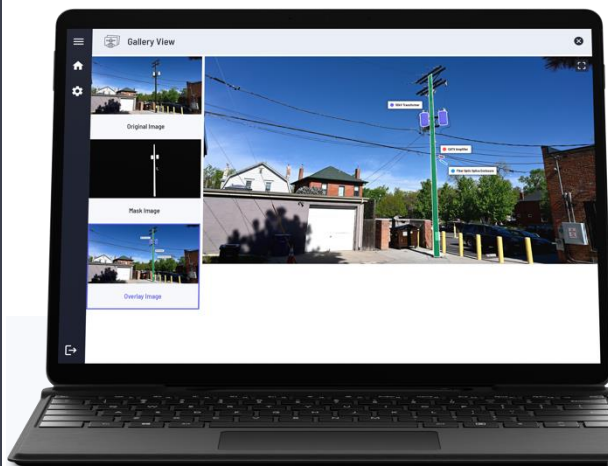
IKE Insight



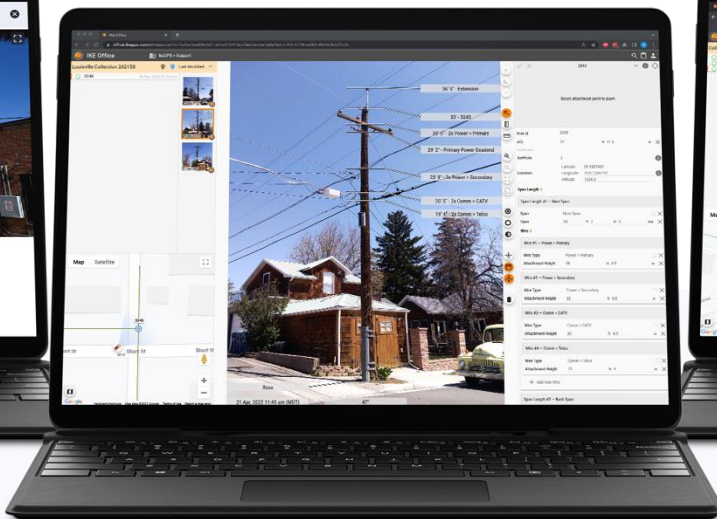
IKE Office Pro



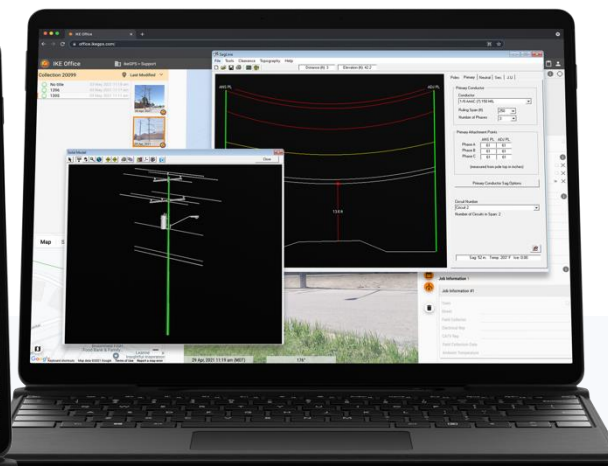
IKE Structural



AI for whole-of-network distribution **Planning**



Digitizing network **Assessment**



Pole loading analysis and structural **Design, Maintenance & Resilience**

## Business model upshot

- A recurring Subscription to access any IKE Solution
- Additive, reoccurring revenue based on usage (license seats or transactions)
- Optional value-added products , such as IKE Analyze (driving further transaction revenue) and training & education service via IKE University



IKE Analyze

Technology & automation capability to accelerate customers engineering processes







# More than 3,000 electric utilities and 200M distribution assets across the U.S. **Investing in decades-long grid resiliency and grid capacity programs**

## Facing common challenges

- Grid resiliency requirements
- Grid capacity requirements
- Significant legal liability risks
- Regulatory and Engineering code compliance
- An ageing workforce, requiring tech vs more people

**IKE products dramatically improve the engineering design & maintenance process**



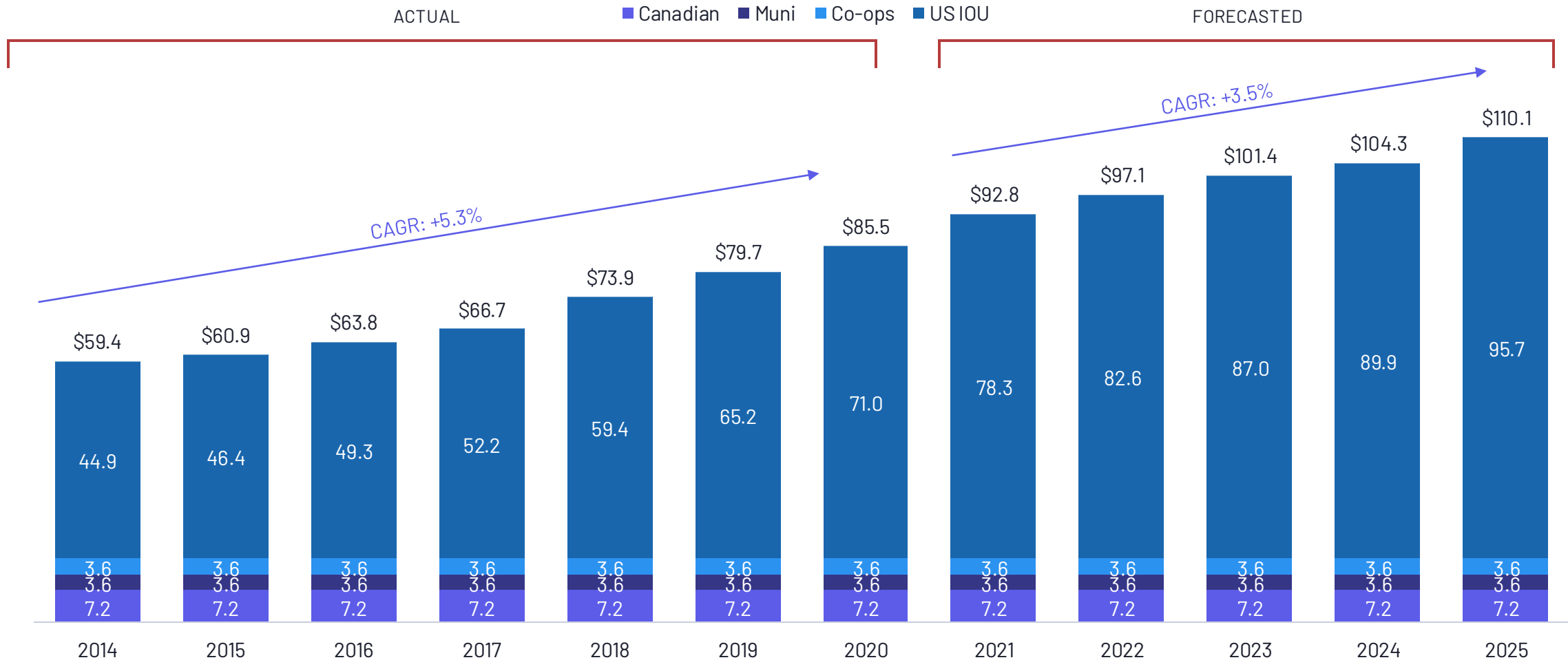


# 25-year Macro-Market Tail Wind for Grid Resiliency & Expansion (\$B's)

An Electric Utility Industry, Spending 100's of Billions, in Need for Productivity Solutions, such as IKE

\$NZD in B

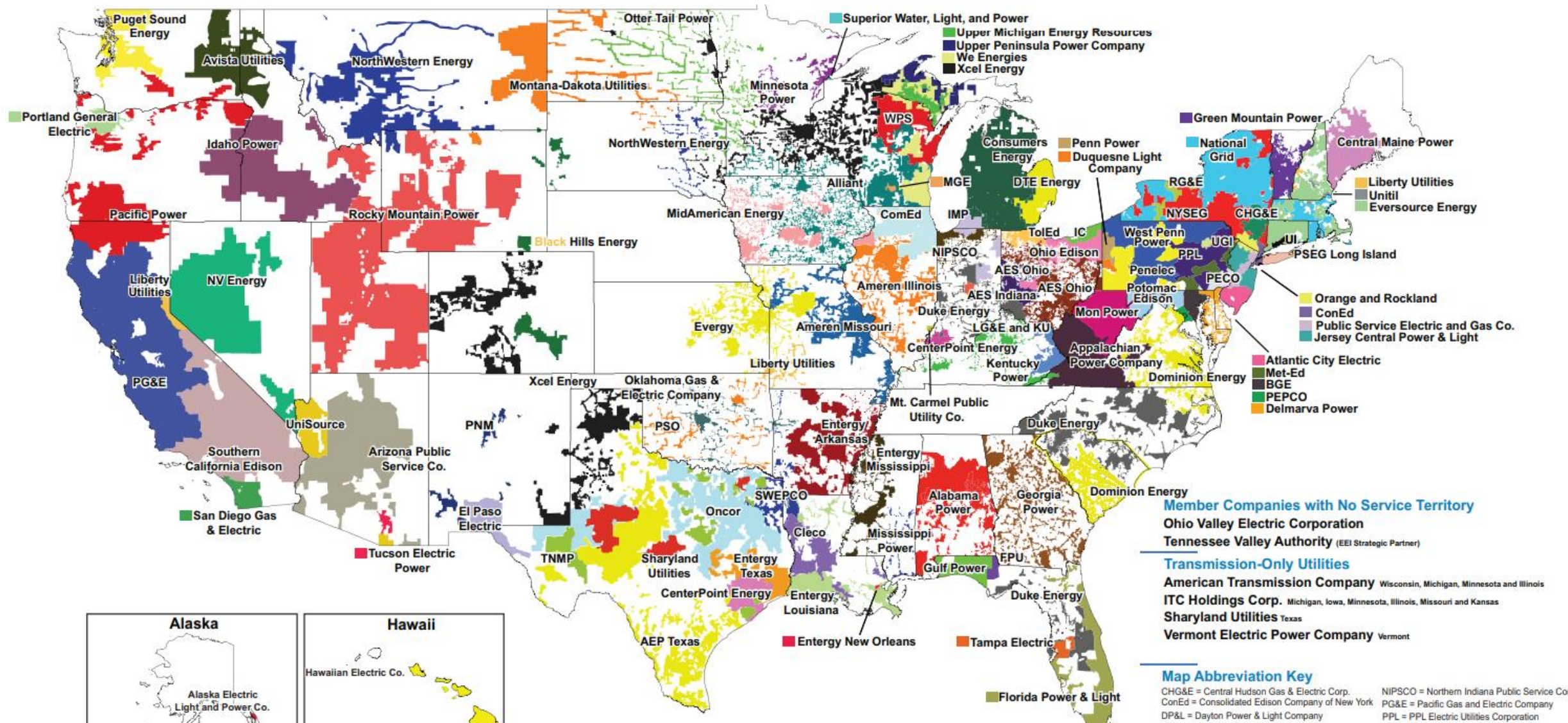
## U.S. AND CANADIAN ELECTRIC DISTRIBUTION CAPITAL EXPENDITURES





# Where IKE sells: U.S. Market-Map of Investor-Owned Utilities (multi- $\$$ B companies)

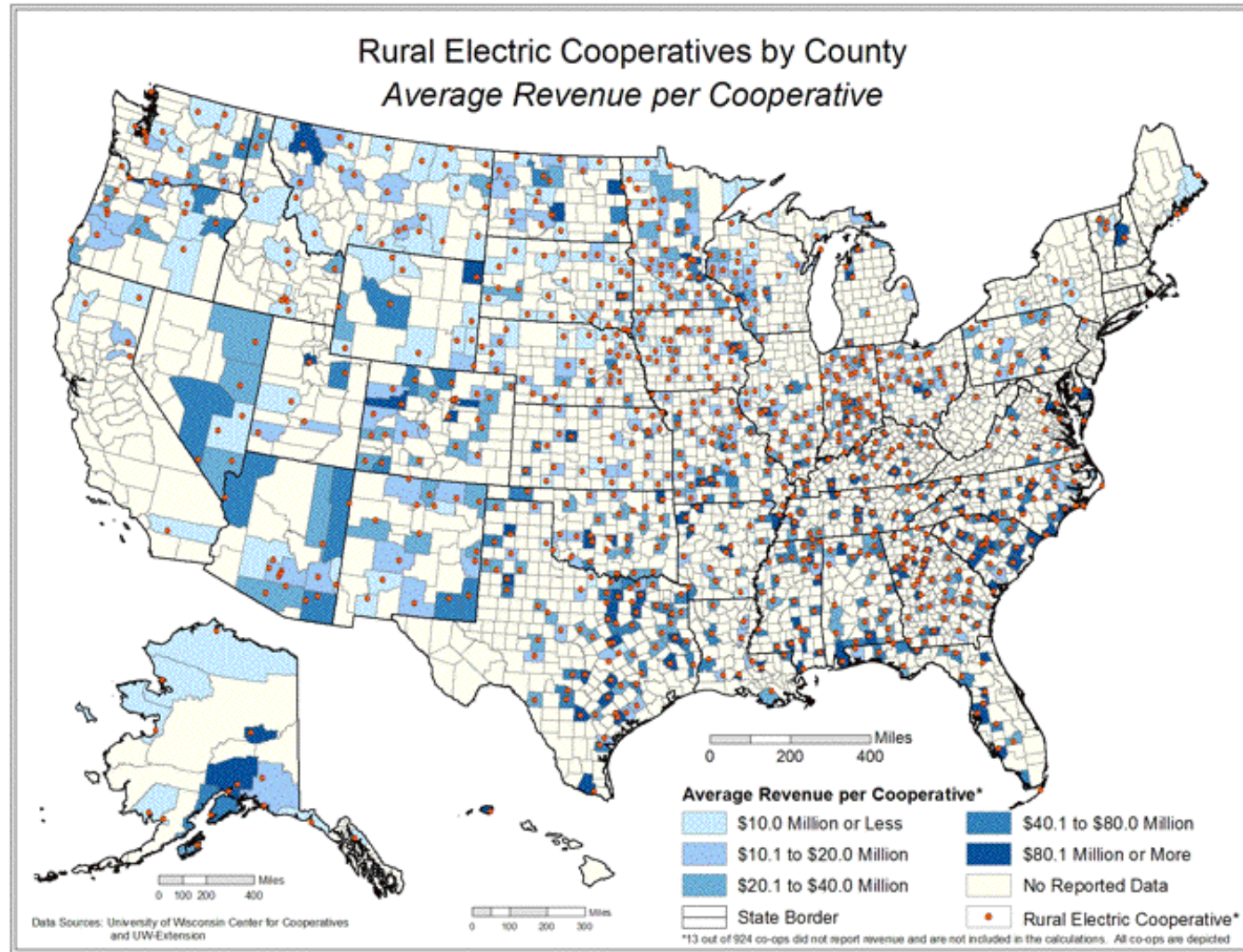
A huge expansion opportunity.....





# Plus >2,800 Municipalities and Co-Operatives

All of which represent sales opportunities for IKE products



## Takeaways

- Market timing is everything
- IKE is in the right place, at the right time, and with the right technology, team and execution capability
- Today, IKE has a presence in approximately 6% of addressable customers, but is estimated to be only 20% penetrated. So an opportunity to:
  - Develop an additional 80% revenue per annum from the existing customer footprint as 'White Space' via cross-sell and up-sell, **plus to**
  - Sell to the other 94% of the market via 'Green Field' new logo opportunities

# 8 of the 10 largest Investor-Owned Utilities have standardized on IKE

## IKE Lands-then-Expands

### Communications



### Electric Utilities



### Engineering & Project Management



### Takeaways

- 8 of the 10 largest Investor-Owned Utilities (“IOUs”) in North America, all multi-billion dollar businesses
- >400 customers in North America, with 59 new logos added in FY24 or approx. 1 per week in FY24 YTD
- **>5,000 enterprise target accounts to pursue overall**

### Opportunities to:

- Grow, upsell and cross-sell IKE products into existing customer base
- Win new logos in the North American market
- Expand into international markets





# IKE solutions make fiber and 5G network deployments faster

- >\$300B expected investment into fiber network development in the U.S over next 5+ years
- >\$50B expected investment into 5G network development in the U.S. over the next 5+ years
- An additional >\$60B expected investment into rural broadband development as part of the Biden administrations new Infrastructure bill
- >200 Communications companies competing to build a networks and win underlying customers
- >2,000 engineering service providers supporting network development

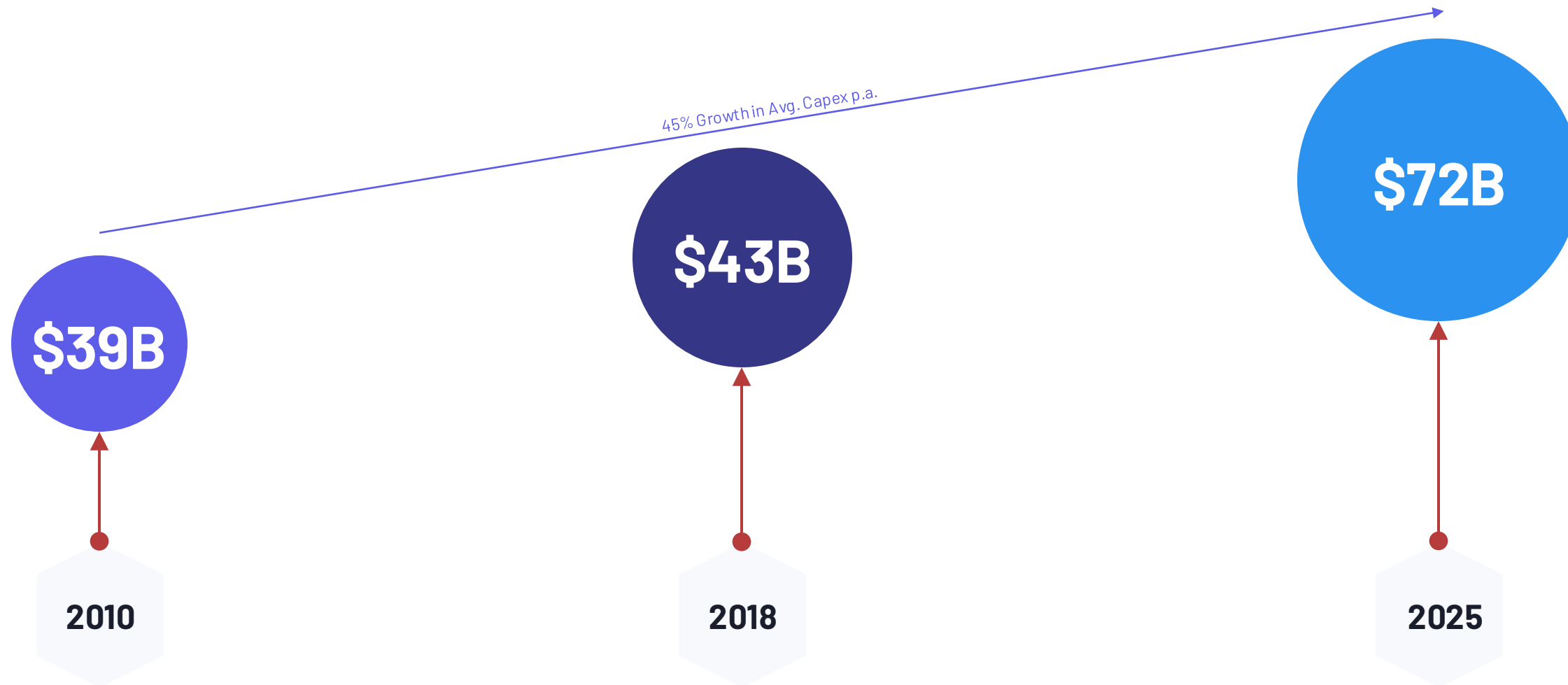
**IKE dramatically speeds up the network deployment process.**



# Fiber and 5G Investment Super-Cycle in North America Still In Its Early Stages

PROJECTED INVESTMENTS INTO 5G & FIBER OPTIC INFRASTRUCTURE

\$NZD



45% Growth in Avg. Capex p.a.

\$72B

\$43B

\$39B

2010

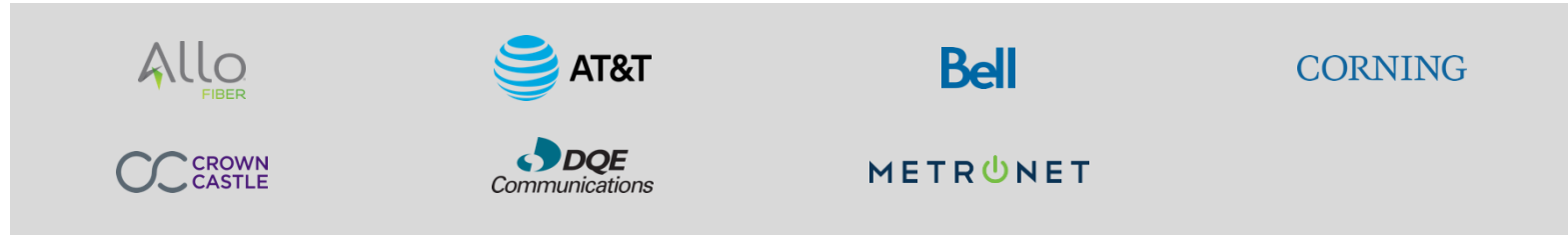
2018

2025

# Some of the largest U.S. Communication groups have Standardized on IKE

## And a growing footprint of tier-2 fiber businesses

### Communications



### Electric Utilities



### Engineering & Project Management



### Takeaways

- Several of the largest comms group in North America: AT&T (\$107B), Crown Castle (\$39B), Bell Canada (\$47B)
- A growing footprint of the tier-2 fiber companies

### Opportunities to:

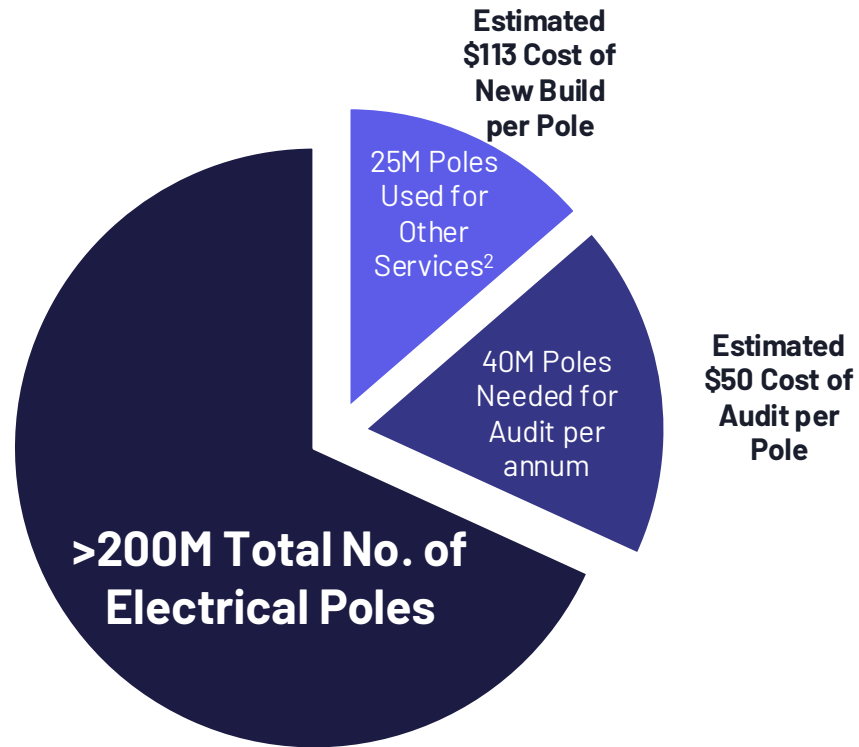
- Grow, upsell and cross-sell IKE products into existing customer base
- Win new logos in the North American market
- Expand into international markets over time



# Overall.. a Large Addressable Market Opportunity That is Expected to Grow

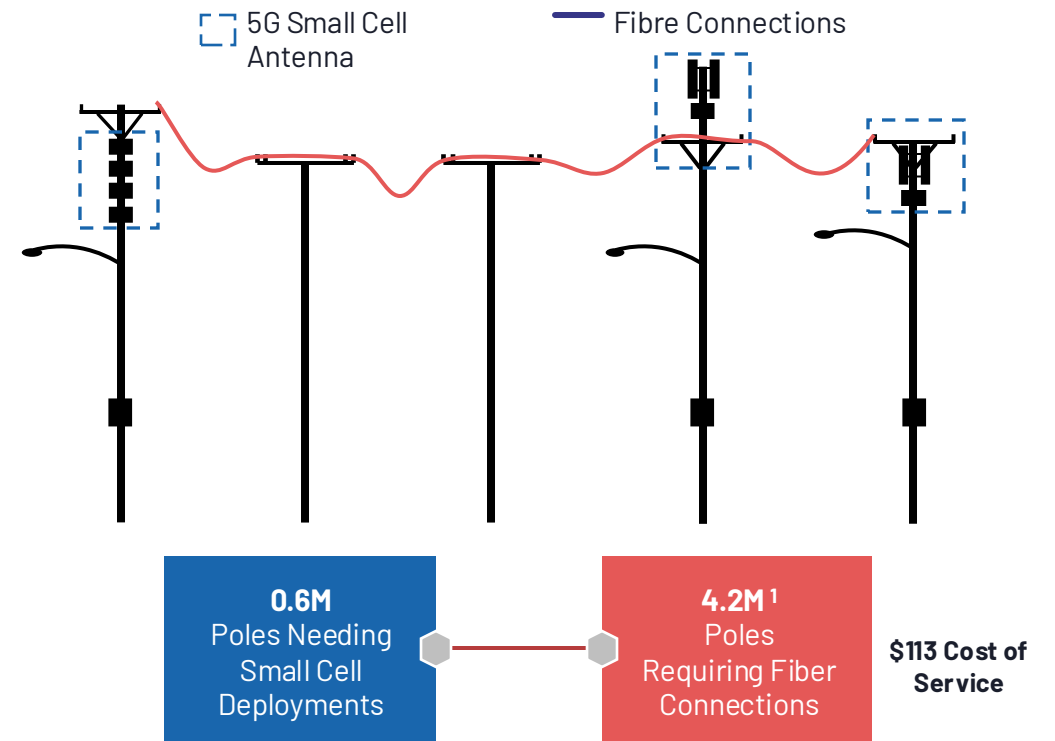
## Utilities

\$NZD



## 5G and Fibre

\$NZD



**\$4.8B Electric Utilities Opportunity**

**\$5.4B TAM**

**\$550M Fiber / 5G Market Opportunity**

(1) Assumed 80% discount rate on range of fibre deployments

(2) Other services include design planning, grid hardening/resiliency programs, NESC violations, joint use attachment audit, billing audits, etc.

Source: Management Estimates, Bell Potter Initiation of Coverage Report, Houlihan Lokey Estimates

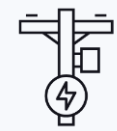
Note: Market analysis does not include opportunity that will arise from growth of pole infrastructure



# Market Tailwinds Over the Coming Decades



Requirement for harder and higher capacity distribution power networks across all of North America



**>3,200**

Electric Utilities in North America with long-term, recurring distribution network hardening, joint use, and capacity needs for electrical distribution

7+ year macro-market tailwind of fiber deployment, much of it engineered on distribution power poles



**>\$350B**

Investment forecast in fiber in the US by 2025, representing >30M attachments; communications infrastructure providers seeking partners to manage new fiber attachments for every pole

Small Cell Deployments across North America, much of it engineered on distribution power poles



**800,000+**

Small cell site expansions are expected by 2025 as communications infrastructure providers look to speed up 5G rollout while reducing cost and time of deployment

Infrastructure development via Engineering Service Providers



**>1,000**

Engineering Service Providers in the US subcontracted by telecom and utilities providers to assist in infrastructure development and deployment

Massive engineering requirements for an evolving distribution network supporting an increase in global consumption of electricity

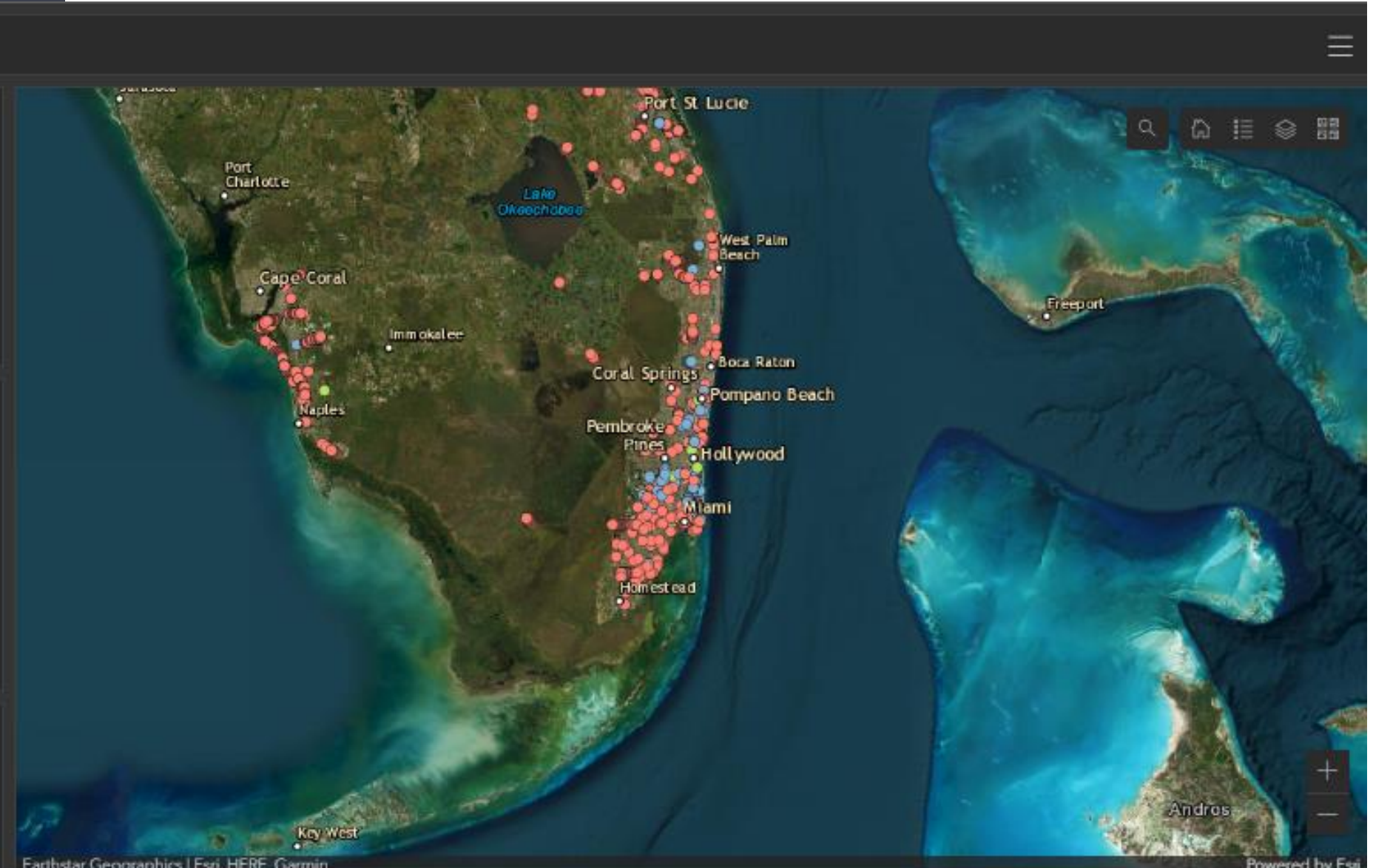


**50%+**

Of US energy consumption will be comprised of electricity on the distribution grid by 2050 to attain carbon net zero targets, and power the new EV market, compared to current levels of just 20%, this equals an engineering requirements to build capacity on the network.



# A Map-View of Usage, and how IKE customers deploy our software Crown Castle in Florida





# A map-view of Usage, and how IKE customers deploy our software AT&T in 7 example States







# A strengthened team of North American industry experts

Key directors and senior leaders appointed through this past year

## **Roz Buick**

### **Non-executive Director**

Roz brings more than 25 years' experience from executive leadership positions across global utility, engineering, construction, real estate and agriculture markets with companies including Oracle Inc. and Trimble Inc. Roz is an industry leader who has led businesses through new growth strategies that are market differentiating and innovative, both with product and go to market strategies

## **Ani Adzhemyan**

### **Chief Marketing Officer**

Ani brings 19 years of experience in marketing, focusing on the industrial and energy sectors. Prior to IKE, Ani held a range of marketing roles with technology leaders like IBM, GE, ABB, and Hitachi Energy.

## **Brett Willet**

### **SVP Product**

Brett has over 25 years in grid asset management. Before IKE, he served as a Senior Director at Bentley Systems Inc., following its acquisition of SPIDA Software in 2021, where he was President. Brett's utility industry experience includes roles such as Product Engineering Manager at Osmose Utilities Services, Inc., and Joint Use Program Manager at FirstEnergy Corp.

## **Brian Musfeldt**

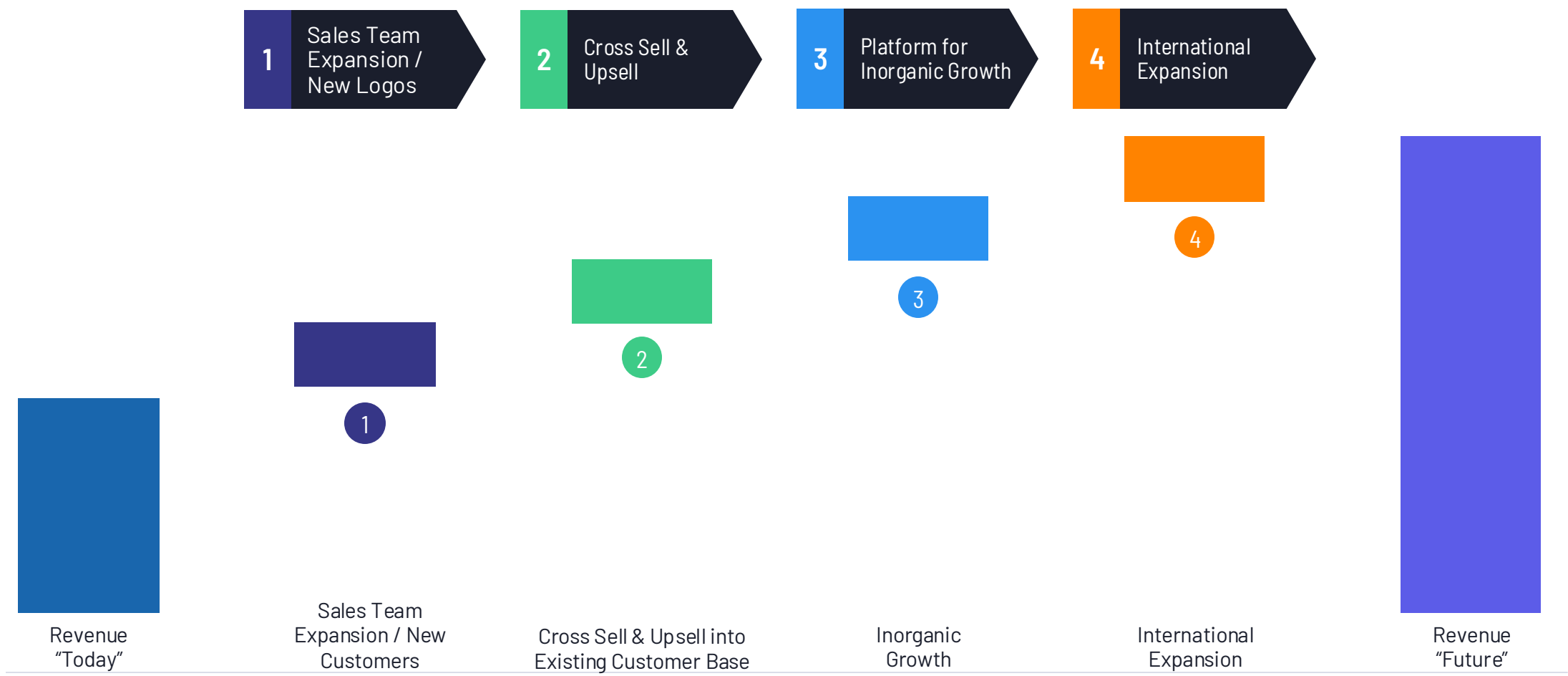
### **CFO**

Brian brings over 25 years of experiences relevant to IKE's industry and growth trajectory. Most recently he was CFO of Also Energy Inc. Prior to this, Brian has held CFO roles with companies including Zayo Bandwidth Inc, MST Global Inc, and Intermap Technologies Inc. Brian began his career as a Certified Public Accountant with six years at KPMG / Arthur Anderson as an audit manager focused on the high-tech & manufacturing sectors.





# Multiple Avenues Supporting Future Growth Potential





Thanks

Manaakitanga: We Rise By Lifting Others





## Q&A

---

### We're IKE, The PoleOS™ Company

IKE seeks to be the standard for collecting, analyzing and managing pole and outside plant (“OSP”) information for electric utilities, communications companies, and their engineering service providers

The IKE platform allows its customers to increase speed, improve quality, and deliver safety in the assessment, construction, and maintenance of distribution poles and other OSP assets

IKE's purpose is Manaakitanga, which means “to rise by lifting others”

