



IKE Performance Update for the Q3 FY24 Period to 31 December 2023

We're IKE, the Pole OS™ Company

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Agenda

Q3 FY24 performance

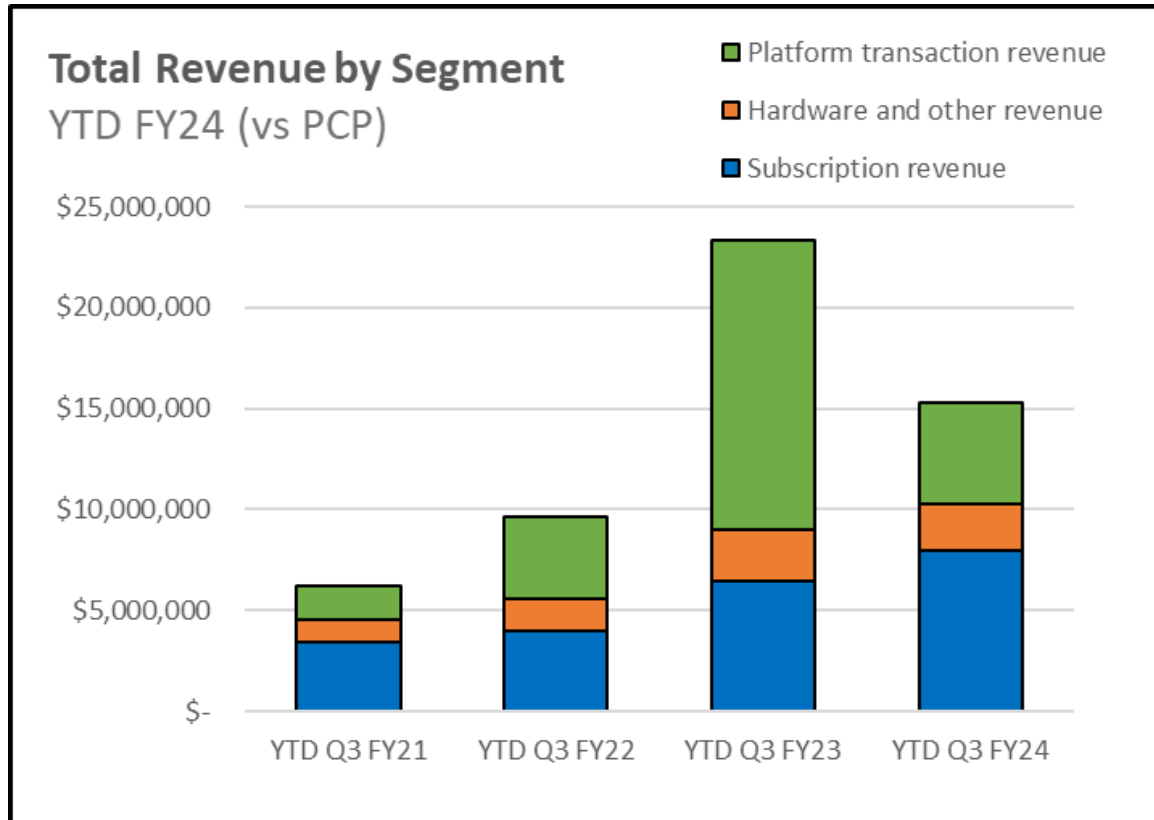
IKE PoleForeman product release, and broader sales update

Addressable market and IKEA's value proposition

Q&A



Revenue 1H FY24 of ~\$15.3m (-34% pcp)



Takeaways:

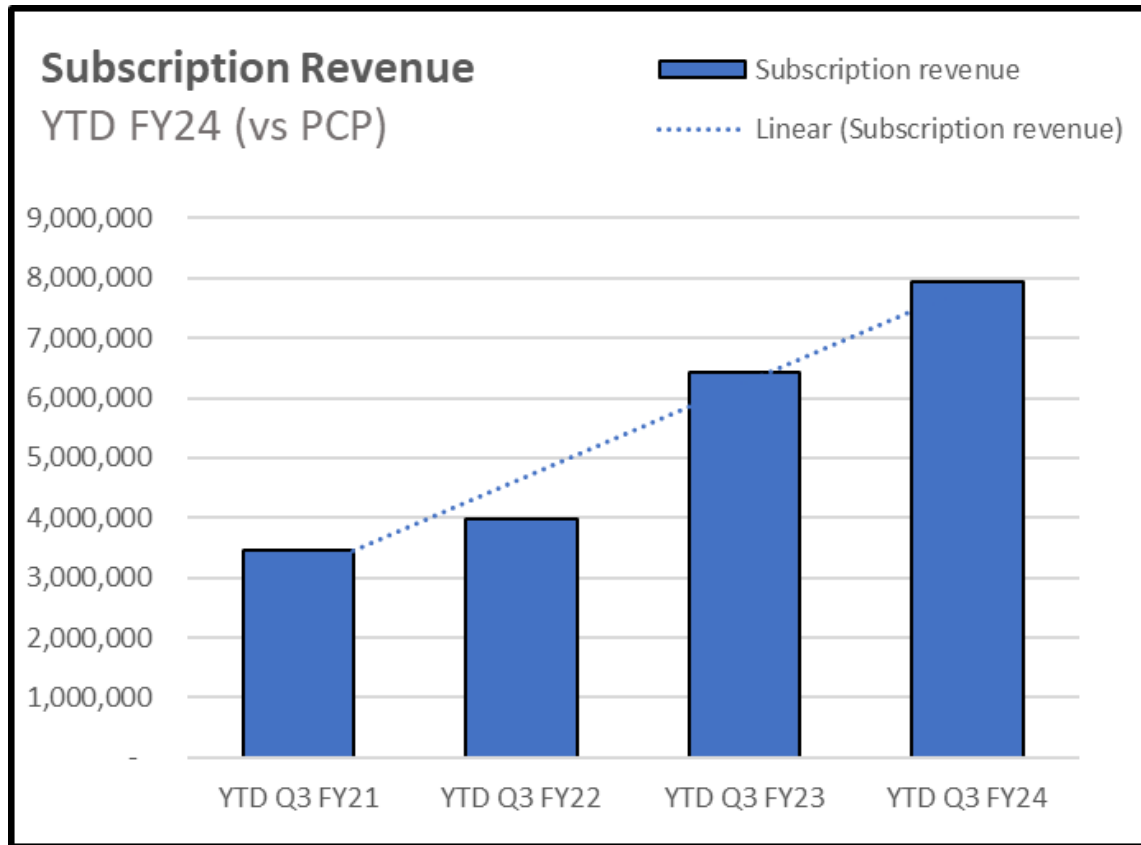
- Four-year revenue CAGR of 35%
- Recurring subscription and reoccurring transaction revenues (shown by the green and blue segments in this chart) dominate IKE's revenue mix, at 85% YTD.
- An expectation for healthy contract growth in the FY25 period and beyond.



Subscription revenue growth has continued to be strong (+24% pcq)

Takeaways:

- Significant growth in underlying subscription revenue.
- Four-year subscription revenue CAGR of 32%.
- During FY25, this is expected to increase materially due to sales of IKE's next-generation structural analysis product, called IKE PoleForeman.

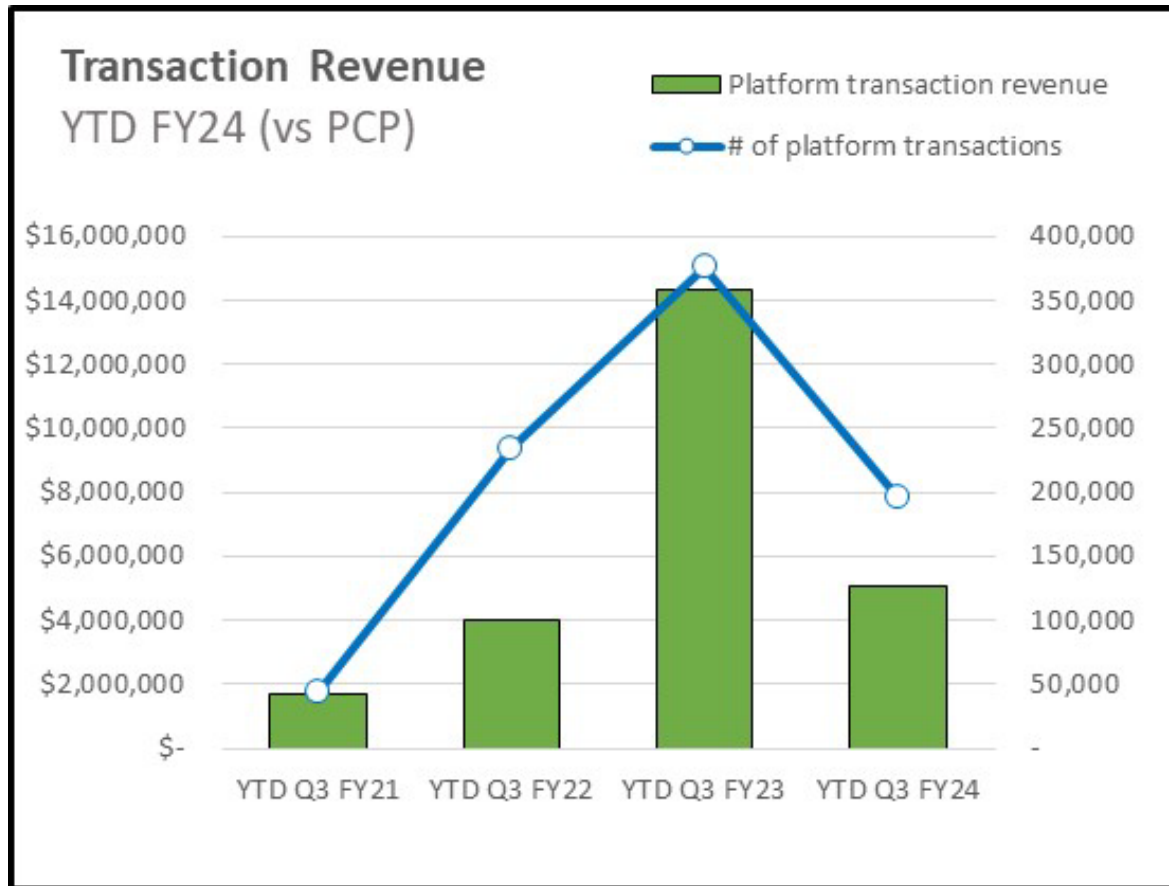




But transaction revenue was down vs pcp (-65% pcp)

Takeaways:

- Four-year transaction revenue CAGR of 45%, but 65% lower than pcp YTD FY24 vs pcp due to FY23 seeing outside customer growth and activity.
- Based on guidance from long-term customers IKE expects transaction volumes and associated revenue to build into FY25.





At-a-Glance

Q3 FY24 performance headlines

Headlines:

- YTD revenue of ~NZ\$15.3m (-34% pcp).
 - Subscription revenue of NZ\$7.9m (+24% vs pcp).
 - Transaction revenue of NZ\$5.1m (-65% vs pcp).
- YTD gross margin approximately of ~NZ\$8.8m (-28% vs pcp), with a gross margin percentage of ~58% (up from pcp of ~53%).

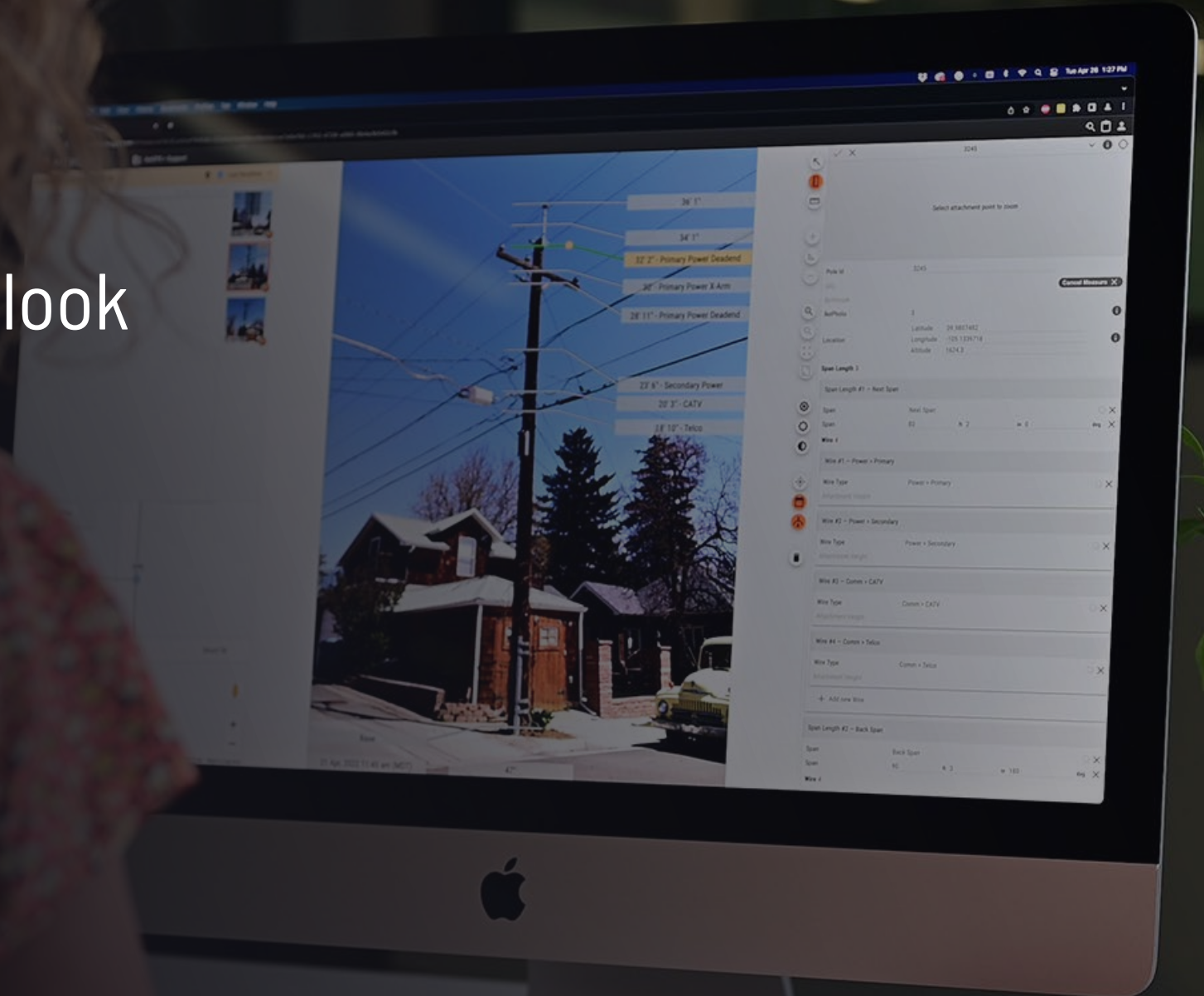


Q3 FY24 Key Metrics

	YTD FY24	PCP (YTD FY23)	% Change
Total Revenue	NZ\$15.3m	NZ\$23.3m	-34%
Platform Transactions			
# of Billable Transactions	197k	376k	-48%
Platform Transaction Revenue	NZ\$5.1m	NZ\$14.3m	-65%
Gross Margin	NZ\$0.7m	NZ\$5.3m	-87%
Gross Margin %	14%	37%	
Platform Subscriptions			
Total # of Subscription Customers	368	356	3%
Platform Subscription Revenue	NZ\$7.9m	NZ\$6.4m	+24%
Gross Margin	NZ\$6.9m	NZ\$5.7m	+21%
Gross Margin %	87%	88%	
Hardware & Other			
Hardware & Services Revenue	NZ\$2.3m	NZ\$2.5m	-9%
Gross Margin	NZ\$1.3m	NZ\$1.3m	-3%
Gross Margin %	55%	51%	



Q3 Update and Outlook



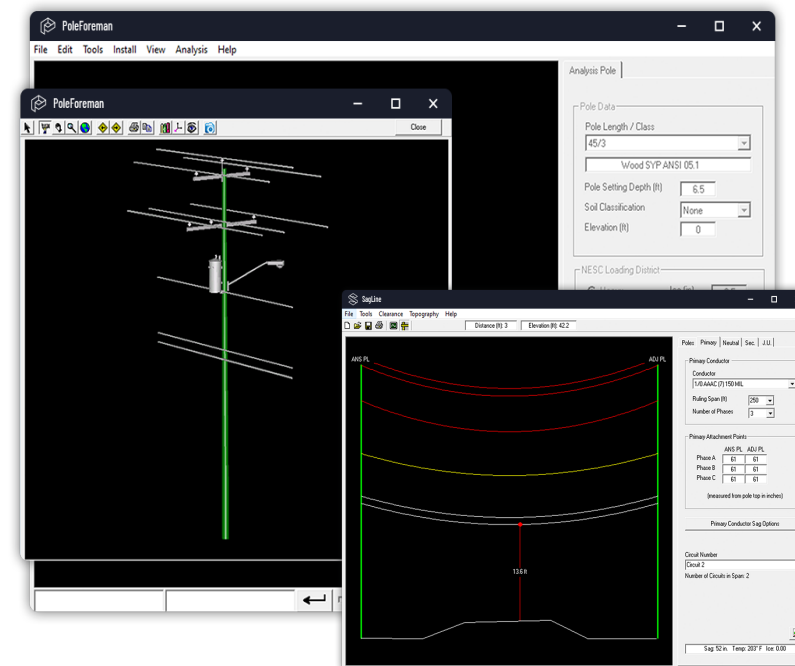


Q3 Update and Outlook

Next gen structural analysis product released. Early adoption from tier-1 infrastructure groups.

Subscription sales highlights for our IKE PoleForeman included:

- ~NZ\$3.7m five-year subscription contract with a Fortune 150 Company and one of the ten largest Investor-Owned-Utilities (IoU's) in the U.S.
 - Over 1,000 engineers at this utility will use IKE PoleForeman for network design.
 - **tenfold increase** in annual recurring revenue from this customer.
- ~NZ\$0.45k three-year subscription contract with large U.S. electric utility
 - **five-fold increase** in annual recurring revenue from this customer.
- ~NZ\$0.5m three-year subscription contract with national engineering firm
- *Additional subscription contracts from U.S. utility groups are imminent over the coming months.*



Subscription sales highlights for our IKE Office Pro product included:

- ~NZ\$0.2m 12-month subscription with one of the largest communications groups in North America,
- ~NZ\$0.3m 12-month subscription contract with a national engineering group
- ~NZ\$0.25m 12-month subscription contract with national engineering group.



Q3 Update and Outlook continued.....

Uptick in transaction contract wins vs 1H. Run rate of one new enterprise customer per week in North America.

Transaction sales highlights included:

- An agreement with a U.S. electric utility expected to generate ~NZ\$1.3m transaction revenue over the next three years, with ~NZ\$0.4m revenue expected over the coming 12 months.
- One of our 'slowed' long-term communications customers has resumed some volume, placing orders that are expected to generate ~NZ\$0.5m transaction revenue over the coming quarter and with an expectation for another ~NZ\$0.5m in the following quarter.

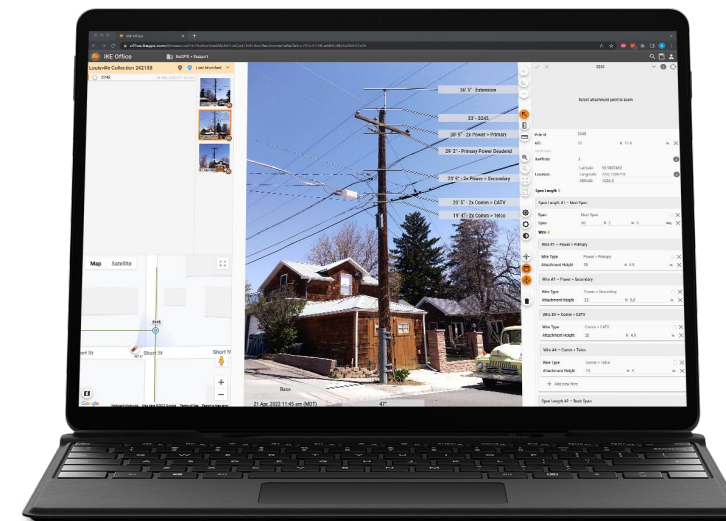
Overall, IKE has won approximately 40 new enterprise customers in the U.S. market over the past nine months, continuing a win rate of approximately one new customer per week.

The benefit (~NZ\$4.0m p a) from the Q3 cost-down program impacts from Q4

Total cash and receivables as of 31 December 2023 of NZ\$15.2m comprised of NZ\$8.0m cash and NZ\$7.2m receivables, with payables of NZ\$0.8m and no debt.

- As of 31 January 2023, cash increased to NZ\$11.0m and receivables decreased to NZ\$3.5m.

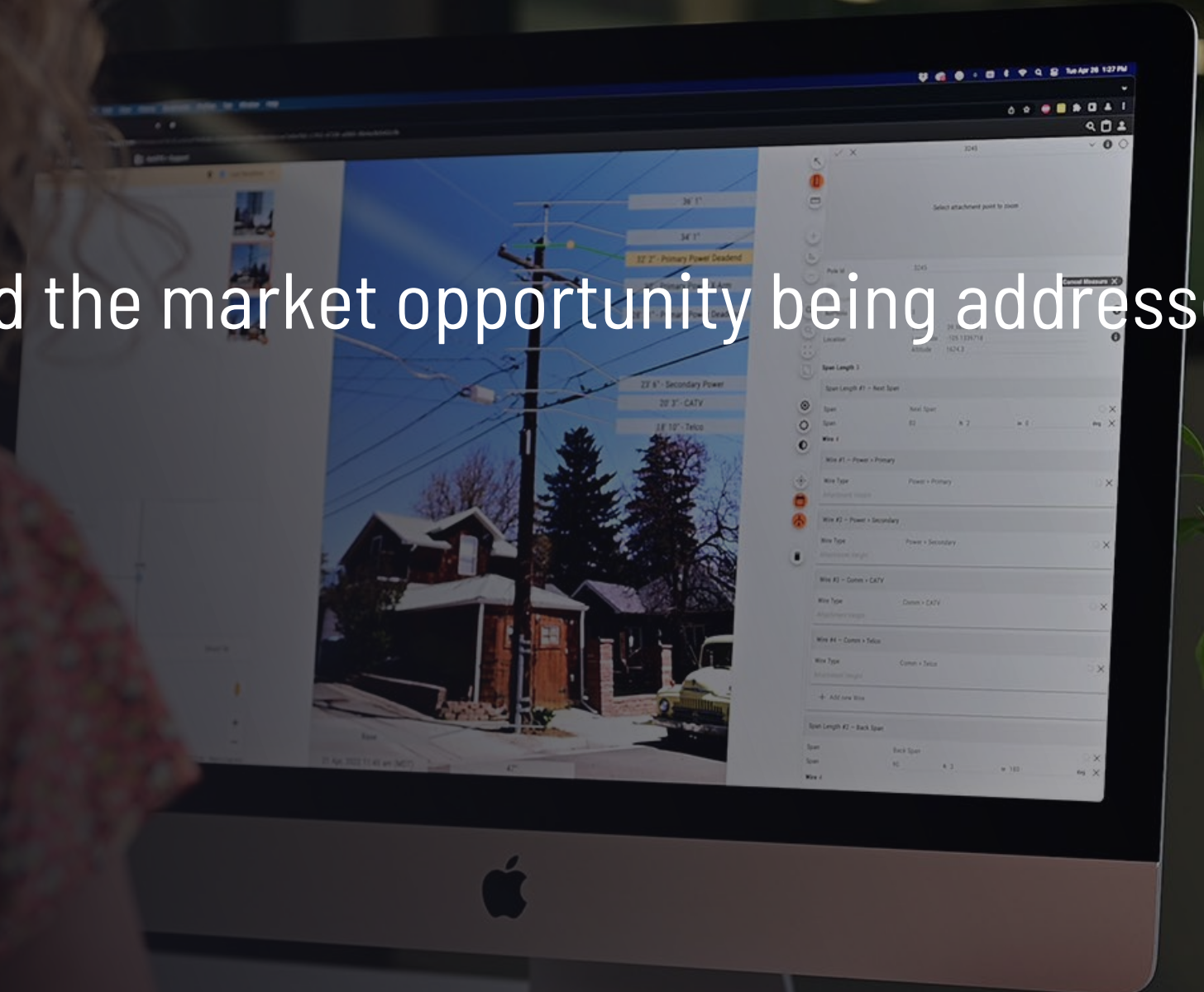
Training and Education business, acquired in 1H FY24, off to a strong start.





What IKE does, and the market opportunity being addressed

Product and Market re-cap



IKE has a Suite of Distribution Network Software Products

Built to address distribution network problems in North America



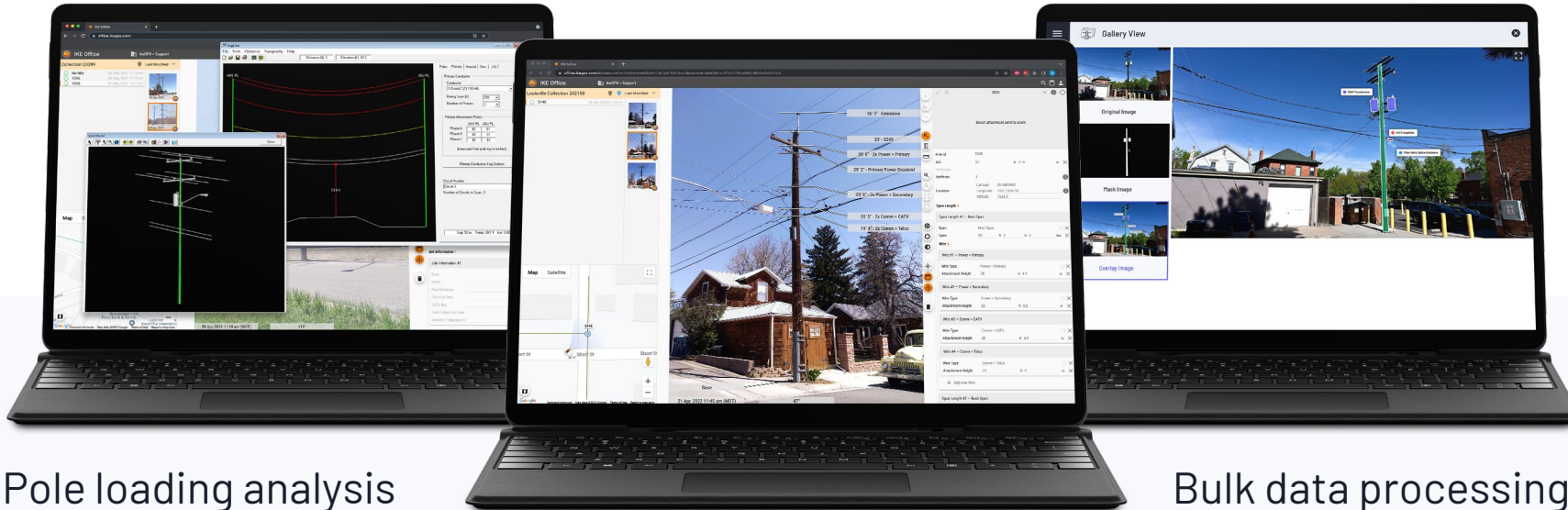
IKE Structural



IKE Office Pro



IKE Insight



Pole loading analysis and structural design

Digitization of network assessment

Bulk data processing for distribution network decision making



IKE Analyze

Technology & automation driven capability to accelerate engineering

Business model upshot

- A recurring Subscription to access any IKE Solution
- Additive, reoccurring Fees based on usage (license seats or transactions)
- Optional value-added products, such as IKE Analyze and IKE University



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

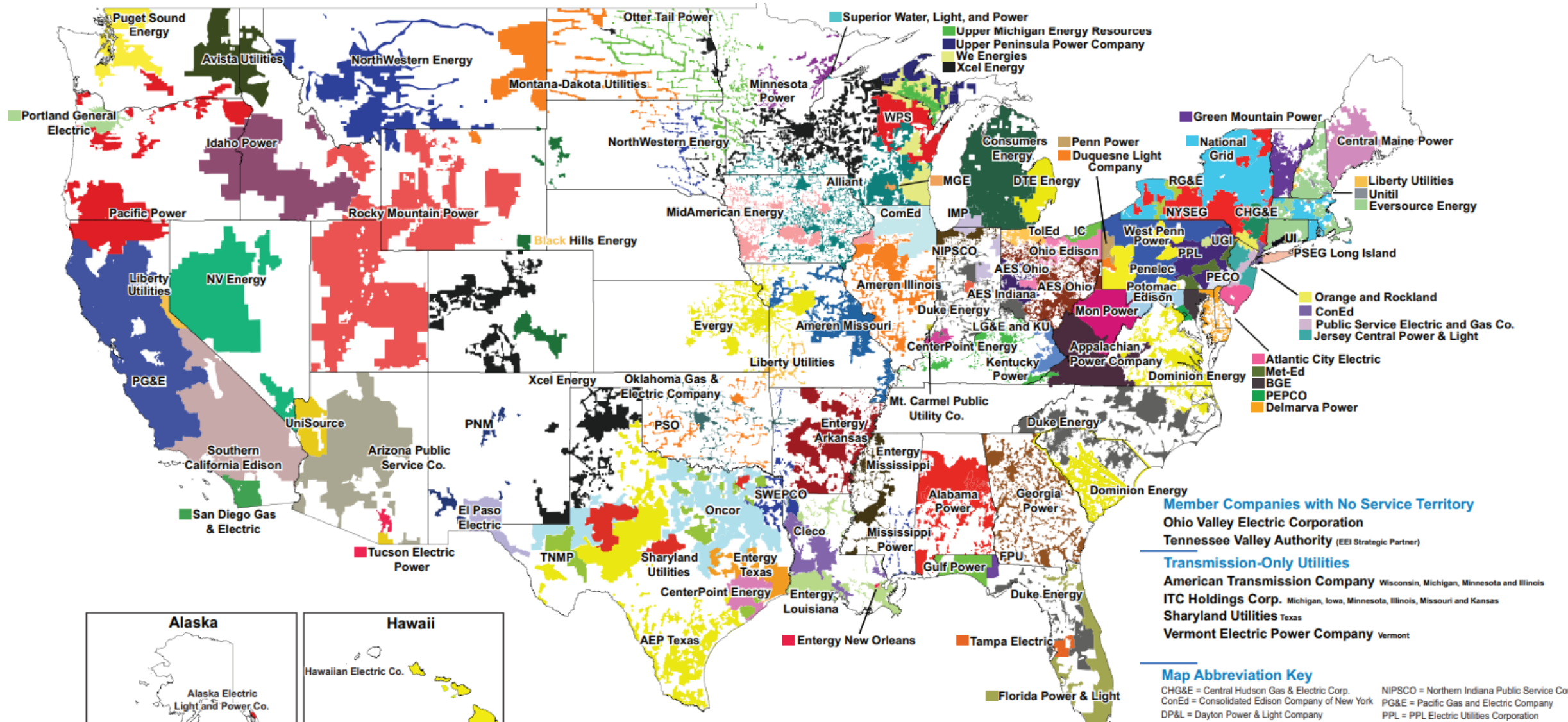
- Grid resiliency requirements
- Grid capacity requirements
- Significant legal liability risks
- Regulatory and Engineering code compliance
- An ageing workforce, requiring tech vs more people

IKE products dramatically improve the engineering design & maintenance process



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

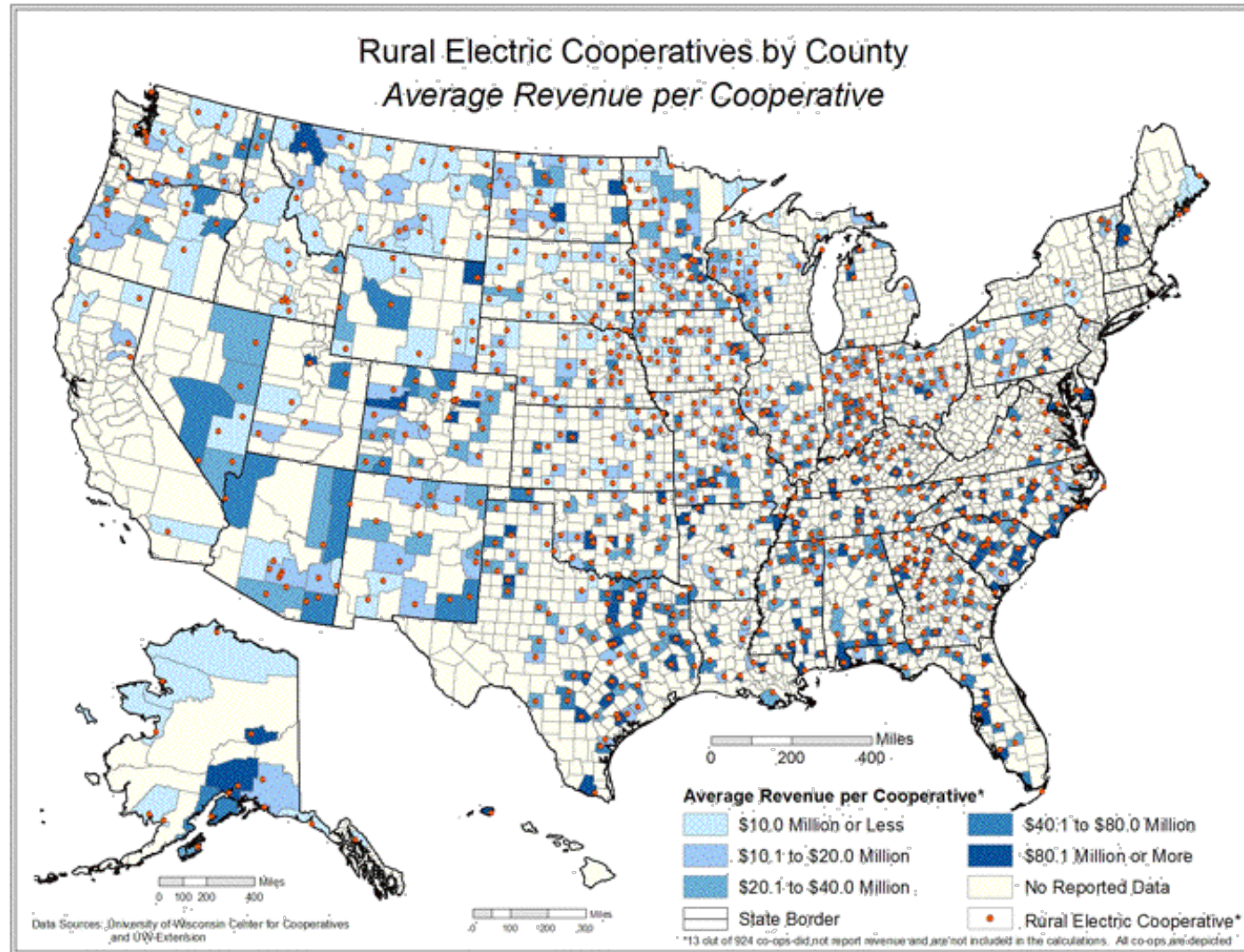
IKE is the Standard within 7 of the 10 largest today, with a huge expansion opportunity.....





Where IKE sells: U.S. Market-Map of >2,800 Municipalities and Co-Operatives

All of which represent sales opportunities for all IKE products



Takeaways

- Market timing is everything
- IKE is in the right place, and the right time, with the right technology, team and execution capability
- Overlay on these maps, >2,000 engineering companies that serve the electric utilities

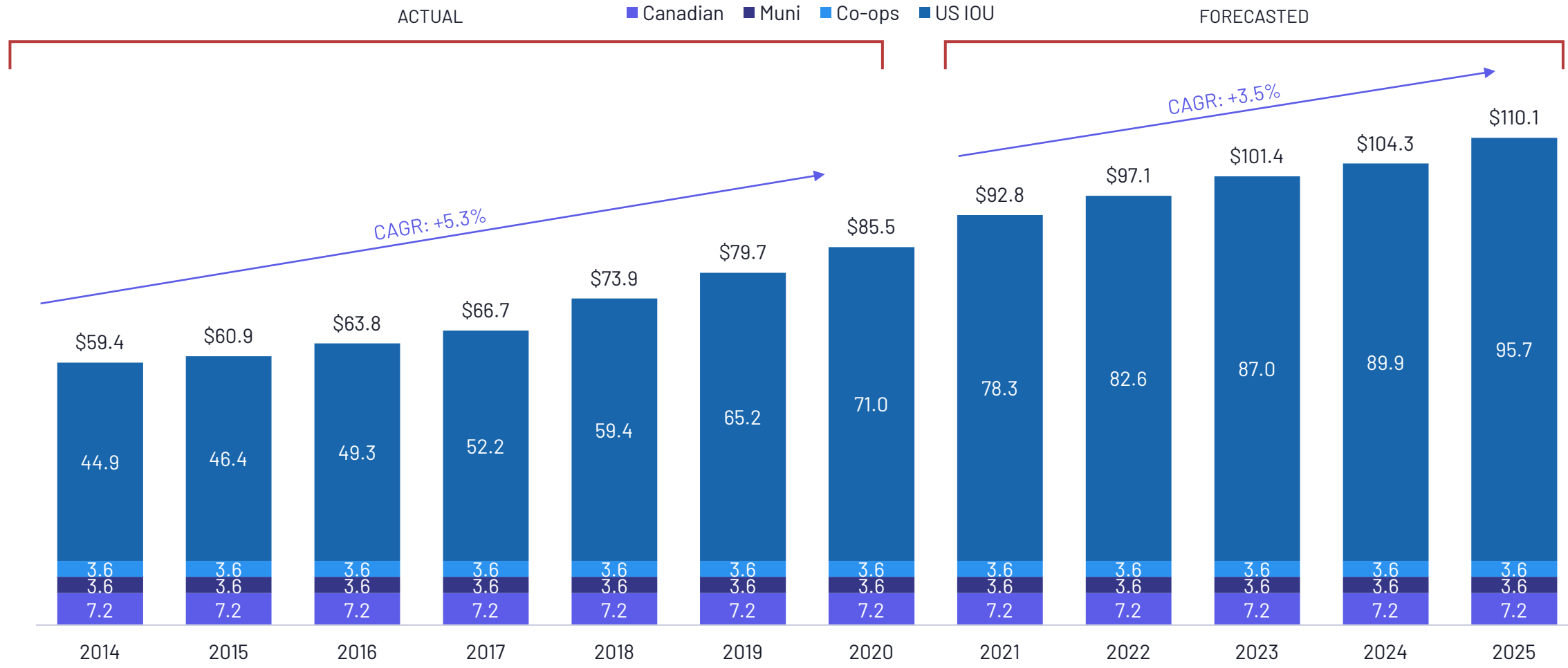


25-year Macro-Market Tail Wind for Grid Resiliency & Expansion (\$B's)

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



7 of the 10 largest Investor-Owned Utilities have standardized on IKE products

IKE Lands-then-Expands

Communications



Electric Utilities



Engineering & Project Management



Takeaways

- 7 of the 10 largest Investor-Owned Utilities (“IOUs”) in North America, all multi-billion dollar businesses
- >400 customers in North America, with 60 logos added in FY23 or 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

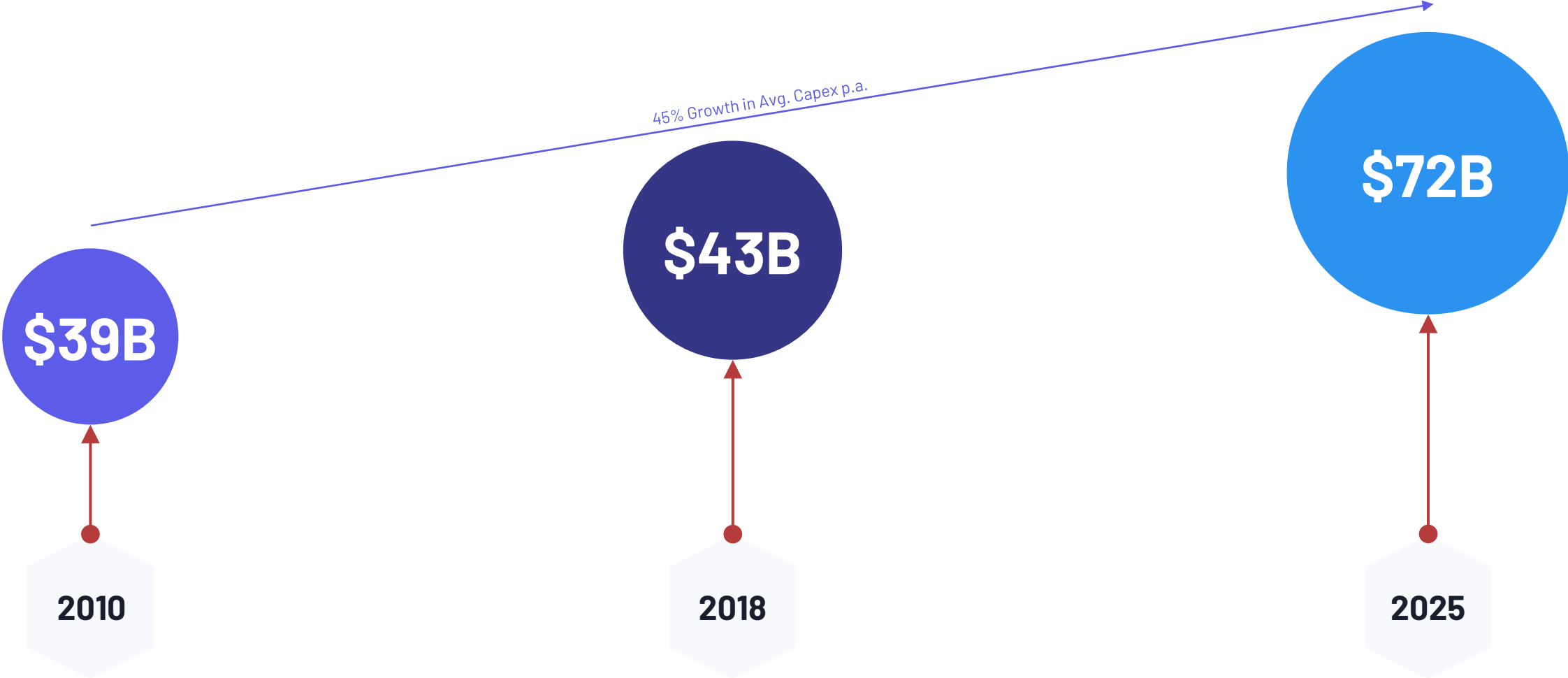
IKE dramatically speeds up the network deployment process.



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

PROJECTED INVESTMENTS INTO 5G & FIBER OPTIC INFRASTRUCTURE

\$NZD



Source: Bell Potter Initiation of Coverage Report, GSMA, American Tower
Note: Labeled Capex Figures reflect Houlihan Lokey Estimates



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

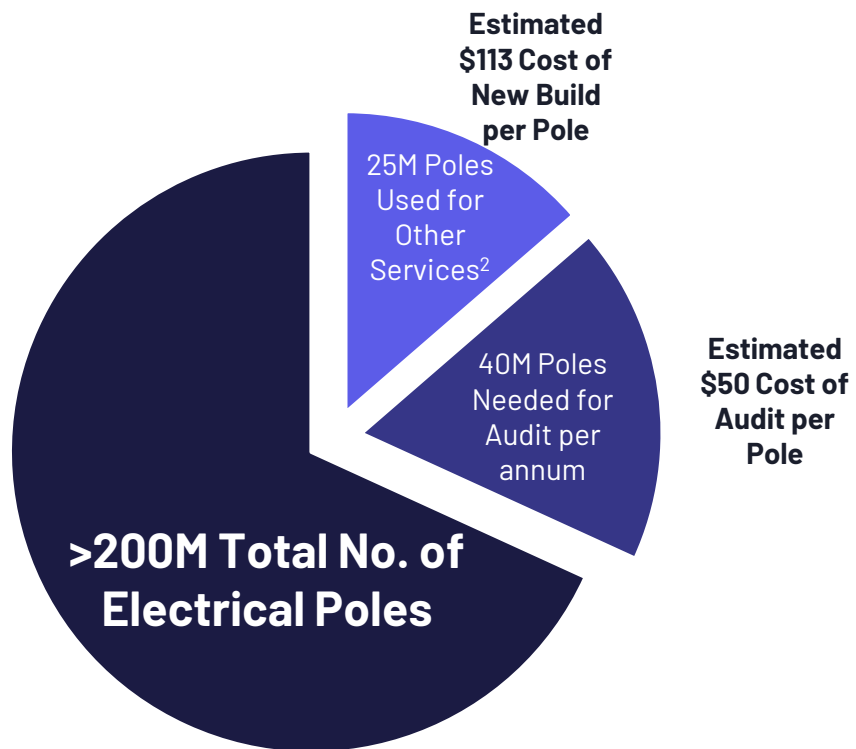
Opportunities to:

- 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.. an Addressable Market Opportunity That is Expected to Grow Strongly

Utilities

\$NZD

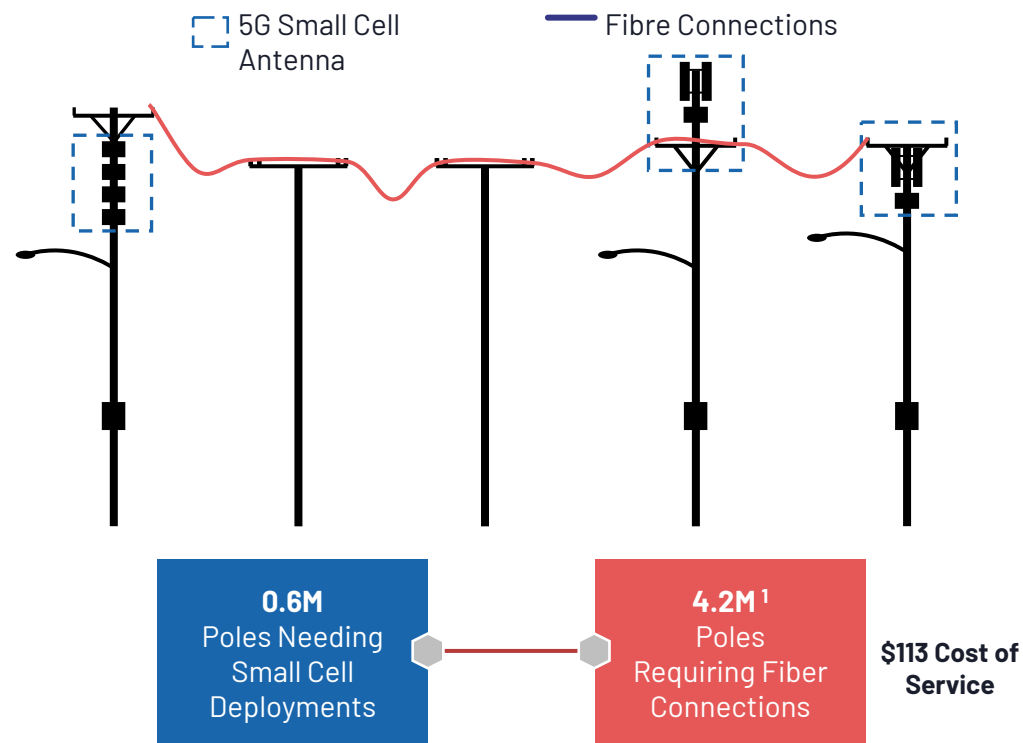


\$4.8B Electric Utilities Opportunity

\$5.4B TAM

5G and Fibre

\$NZD



\$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



Extensive Market Tailwinds Over the Coming Two 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%+

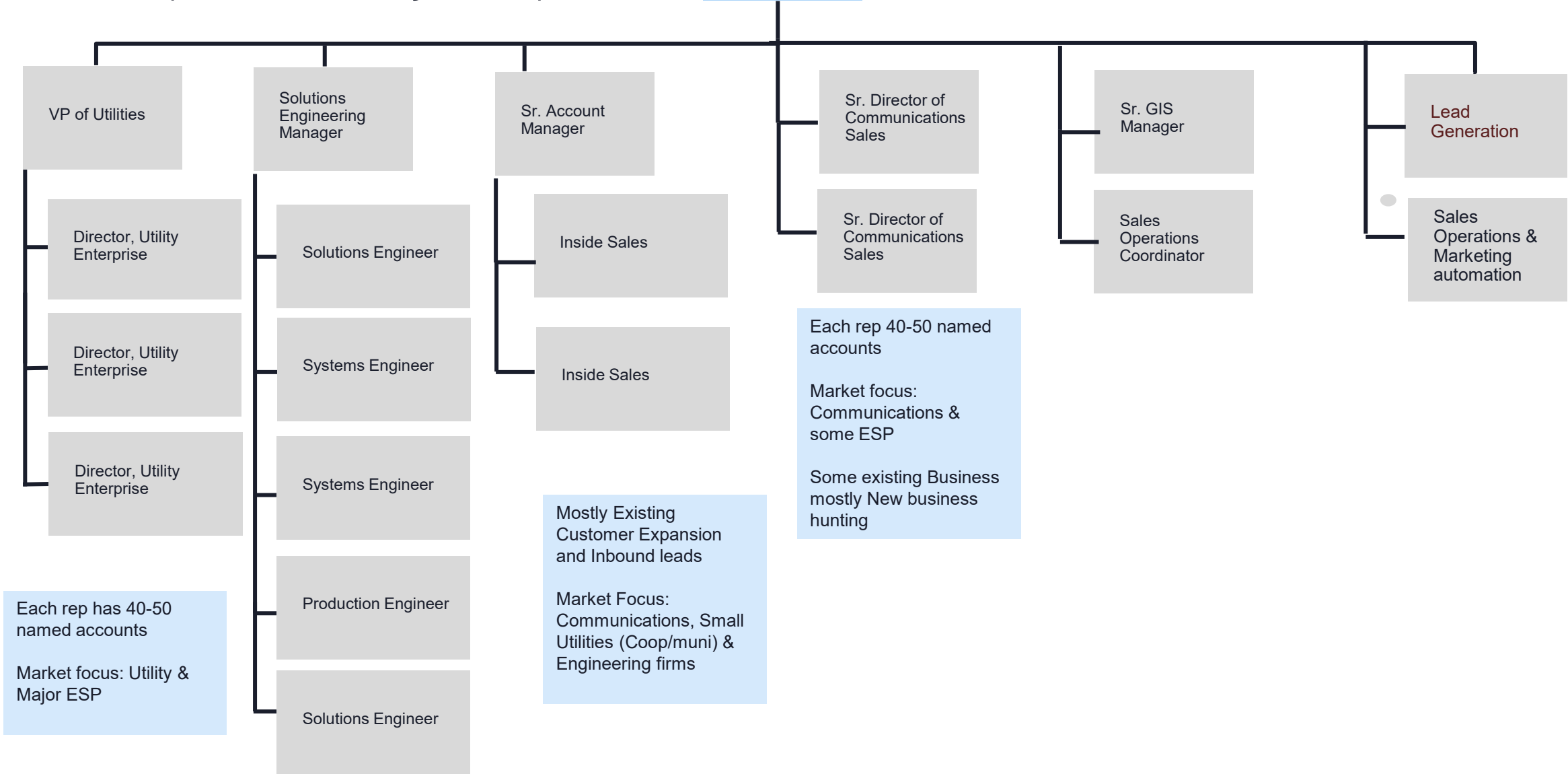
Of US energy consumption will be comprised of electricity on the distribution grid by 2050 to attain carbon net zero targets, and power the new EV market, compared to current levels of just 20% = engineering requirements to build capacity on the network.



IKE Goes to Market Directly

With a deepened team of segment experts

SVP of Sales



Each rep has 40-50 named accounts
Market focus: Utility & Major ESP

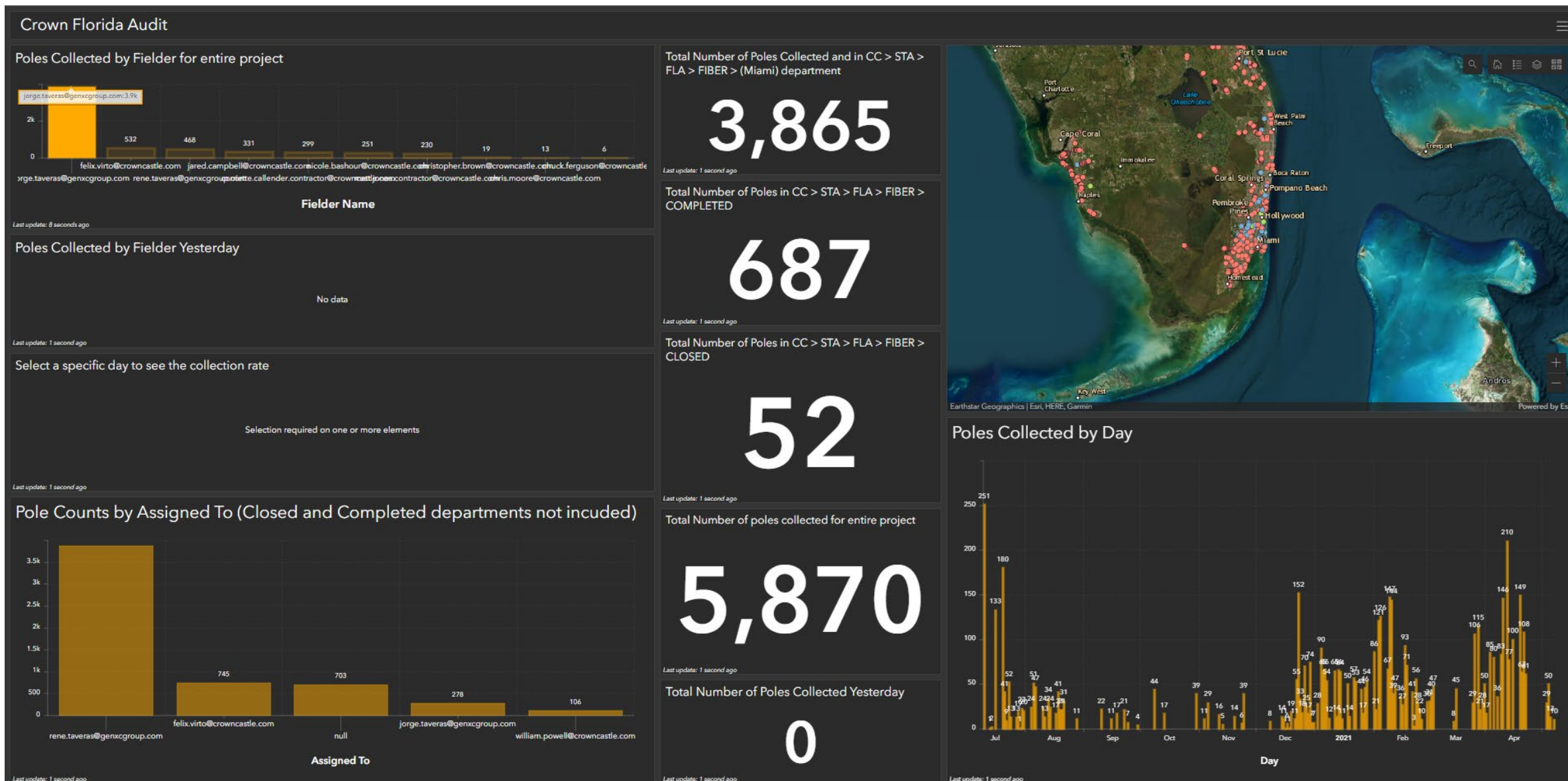
Mostly Existing Customer Expansion and Inbound leads
Market Focus: Communications, Small Utilities (Coop/muni) & Engineering firms

Each rep 40-50 named accounts
Market focus: Communications & some ESP
Some existing Business mostly New business hunting



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





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”

