



# IKE Financial Results for the 1H FY24 Period to 30 September 2023

We're IKE, the Pole OS™ Company

Glenn Milnes, CEO

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

November 2023

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 FY23 financial results (audited), 1H FY24 financial results (unaudited), 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 FY24 financial results

Q3 update:

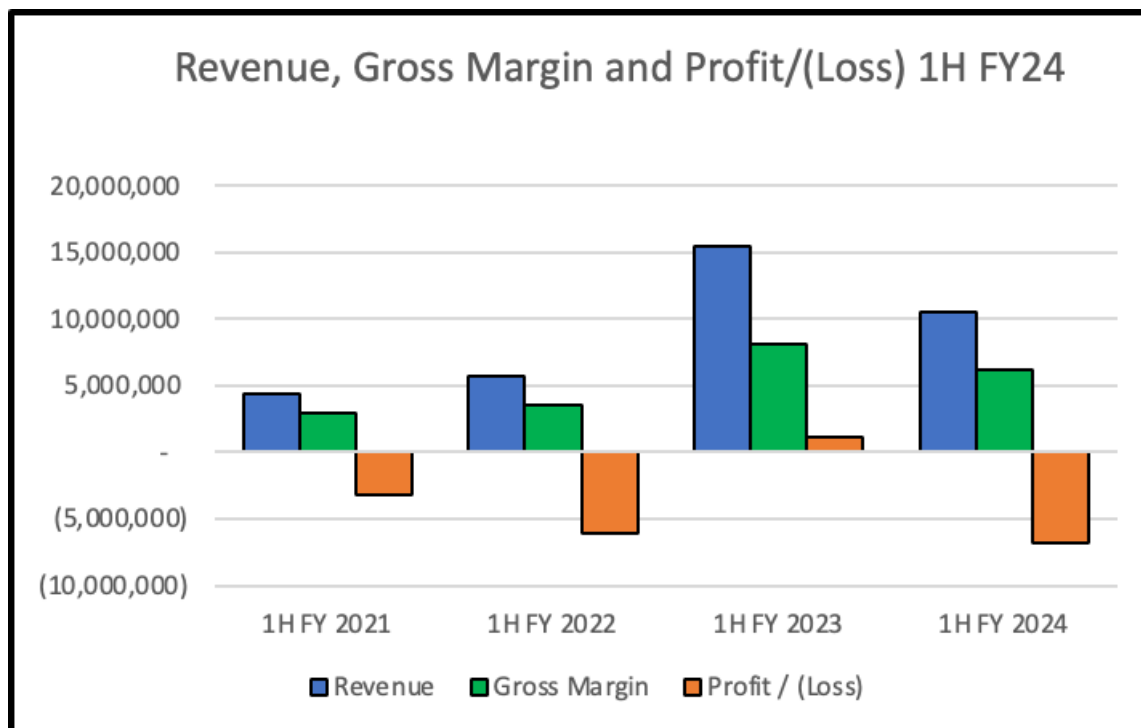
- New IKE PoleForeman product in general market release
- Cost-down initiative implemented
- Talent: Roz Buick appointed as non-executive director

Addressable market, and IKE's value proposition

Q&A



# 1H FY24 Financial Performance

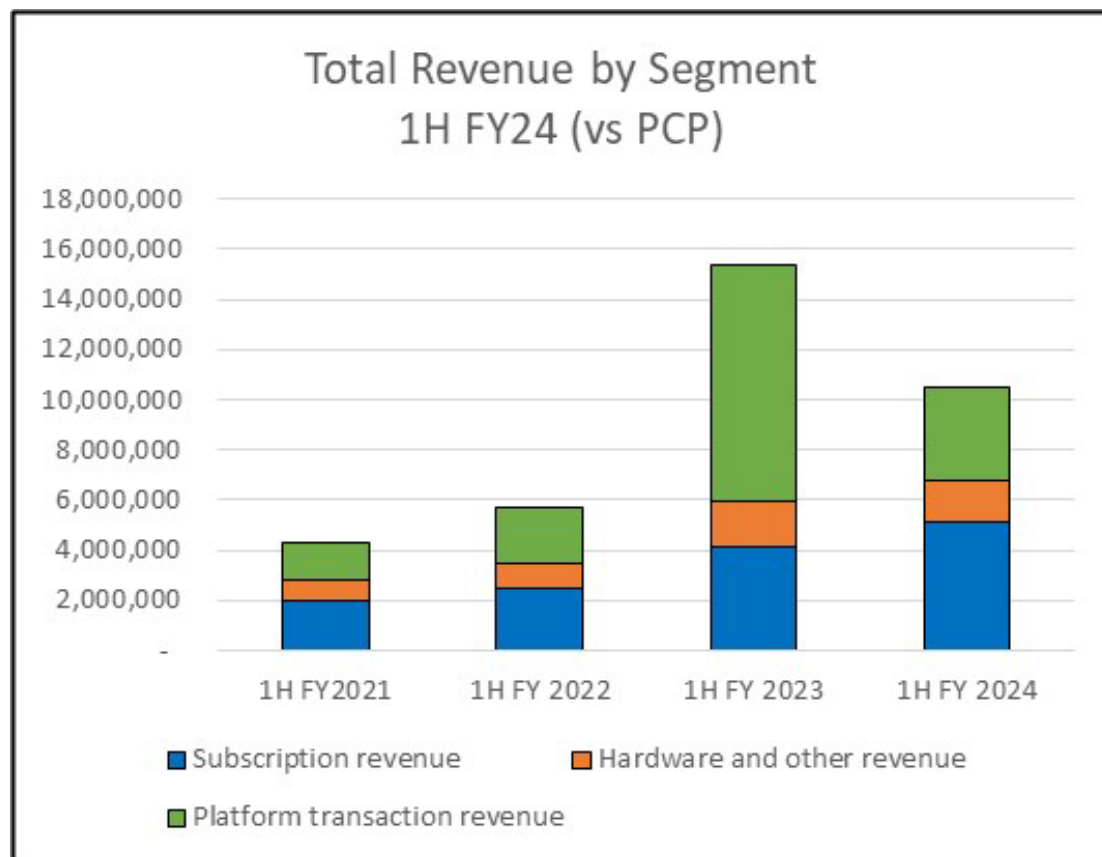


## Takeaways:

- Revenue 1H FY24 of ~\$10.5m (-32% vs pcp).
  - Subscription revenue was ~\$5.1m (+24% vs pcp).
  - Transaction revenue was ~\$3.7m (-60% vs pcp).
- Gross margin 1H FY24 of ~\$6.2m (- ~ 24% or vs pcp), reflected in the revenue mix above
- Gross margin percentage 1H FY24 of ~59% (up from pcp of 53%).
- Net loss was ~ \$6.85m (pcp \$1.1m profit). This change was primarily due to:
  - Lower total gross margin dollars by ~\$2m
  - Lower foreign exchange and asset fair value movements by ~\$4.7M
- Cash and receivables at 30 September 2023 of ~\$16.3m, comprised of \$10.2m cash and \$6.1m receivables, with payables of \$1.2m and no debt.



# Revenue by segment 1H FY24



## Takeaways:

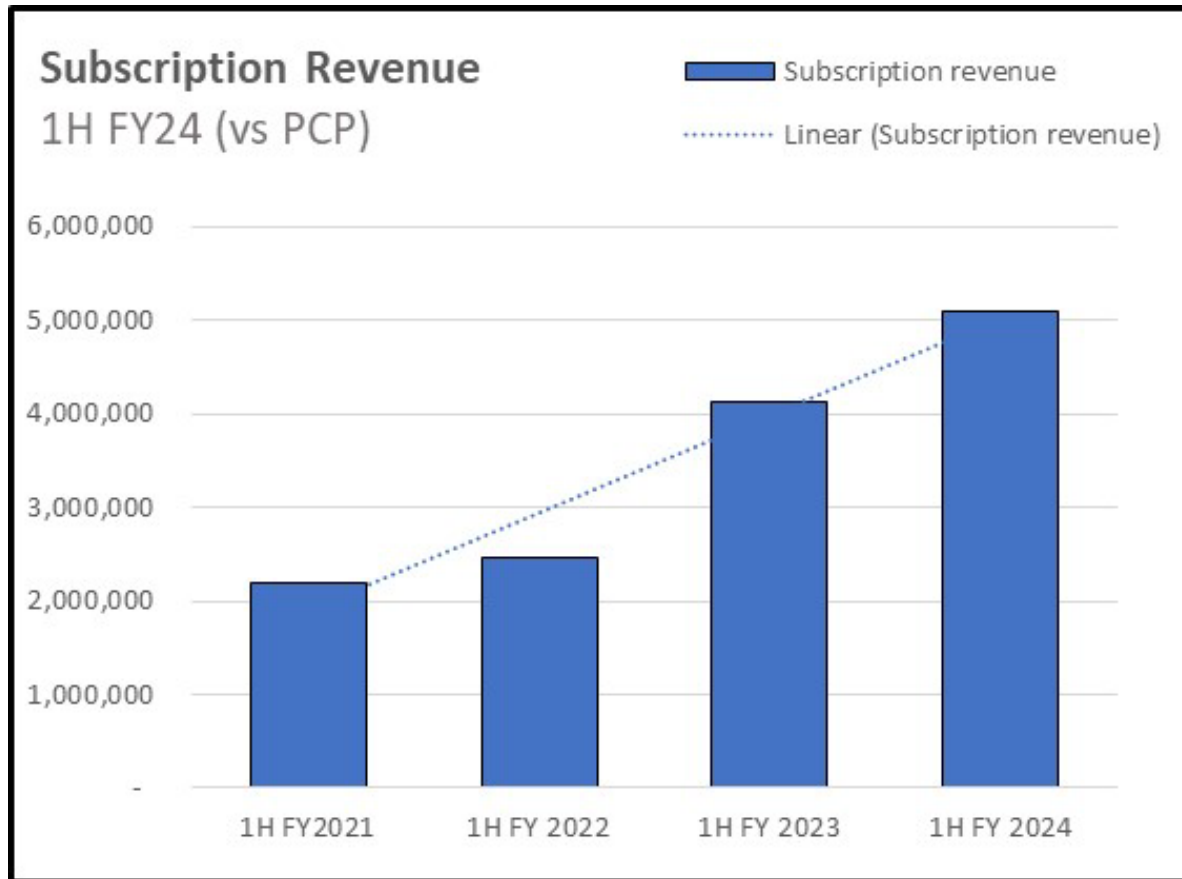
- Four-year revenue CAGR of 34%.
- Recurring subscription and reoccurring transaction revenues (shown by the Green and Blue segments in this chart) dominate IKE's revenue mix, at 84% YTD.
- Four-year transaction revenue CAGR of 49%, but 60% lower in 1H FY24 vs pcp due to 1H FY23 seeing outsize customer growth and activity.
- An expectation for healthy contract growth in the 2H FY24 period and beyond.



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

## Takeaways:

- Significant growth in underlying subscription revenue.
- During FY24 and FY25, this is expected to increase materially with IKE's next-generation PoleForeman product recently released in FY24, that is forecast to be adopted by the existing customer footprint of tier-1 utilities currently using the legacy version.





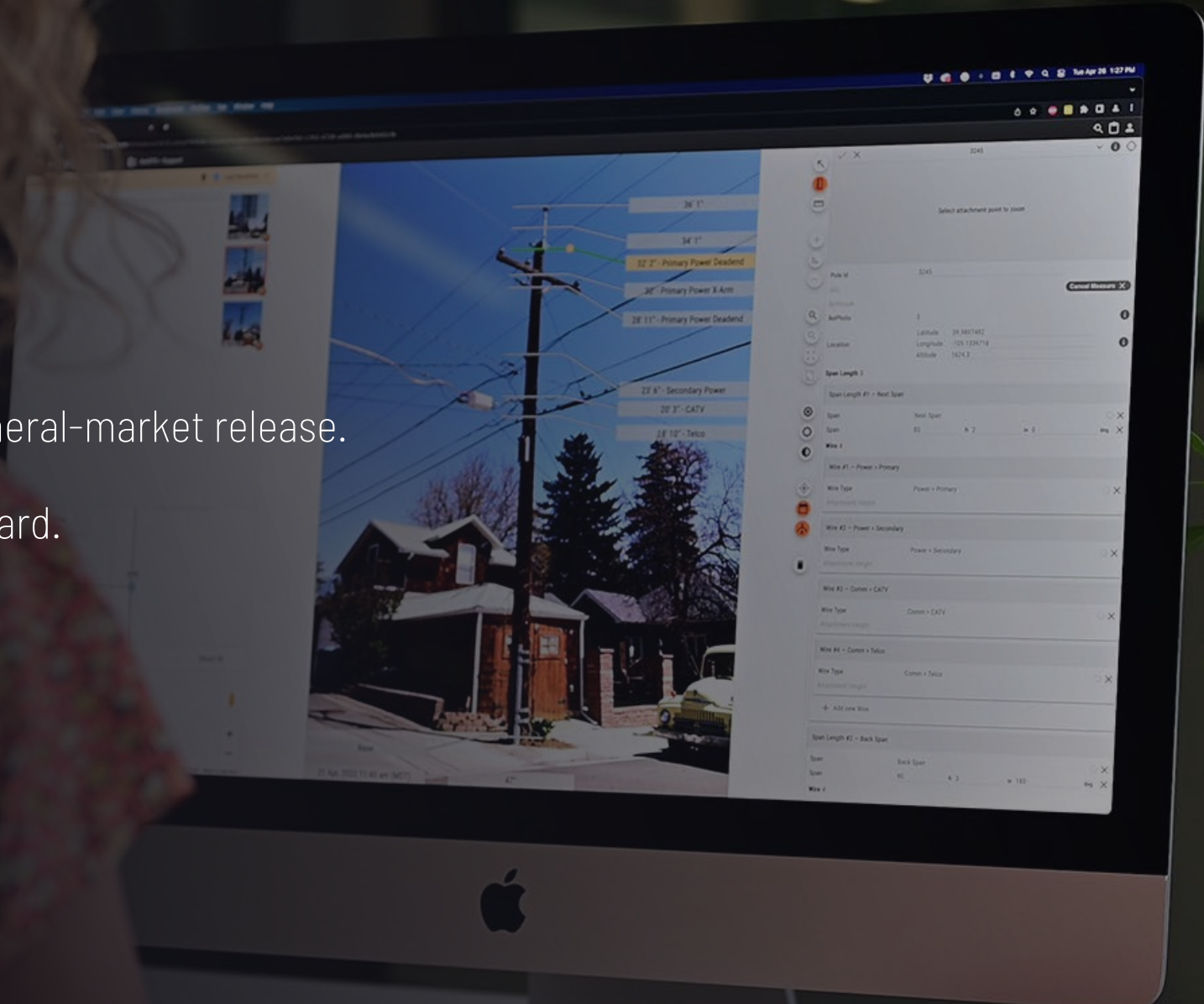
# 1H FY24 Key Metrics

	1H FY24	PCP (1H FY23)	% Change
<b>Total Revenue</b>	\$10.5m	\$15.4m	-32%
Total # of customers	408	361	+13%
<b>Platform Transactions</b>			
# of billable transactions	144k	259k	-44%
Platform transaction revenue	\$3.7m	\$9.4m	-60%
Gross Margin	\$0.7m	\$3.6m	-80%
Gross Margin %	19%	38%	
<b>Platform Subscriptions</b>			
Platform subscription revenue	\$5.1m	\$4.1m	+24%
Gross Margin	\$4.5m	\$3.6m	+23%
Gross Margin %	87%	88%	
<b>Hardware &amp; Other</b>			
Hardware & Services revenue	\$1.7m	\$1.9m	-11%
Gross Margin	\$1.0m	\$0.9m	+5%
Gross Margin %	60%	50%	



# Q3 FY24 updates

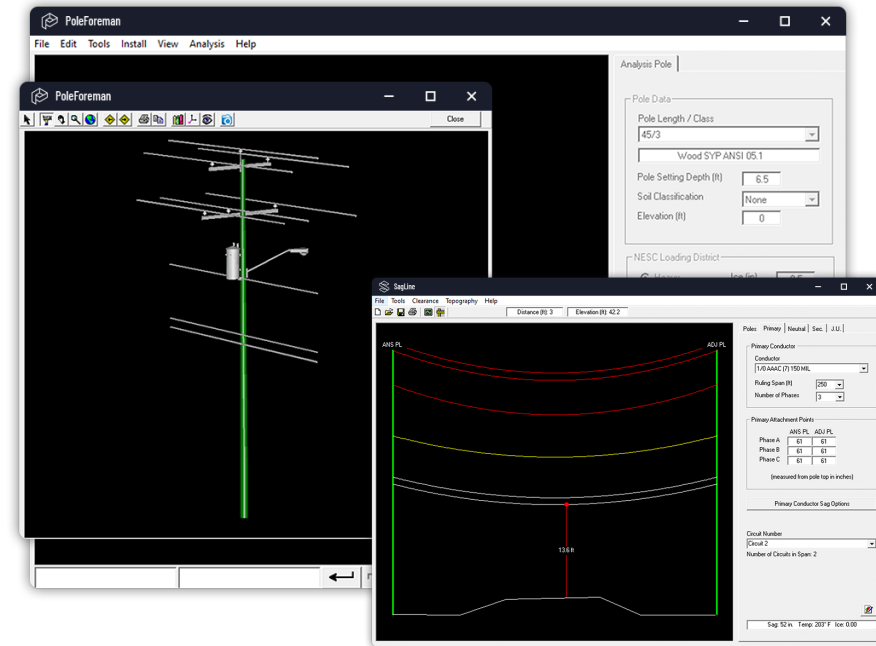
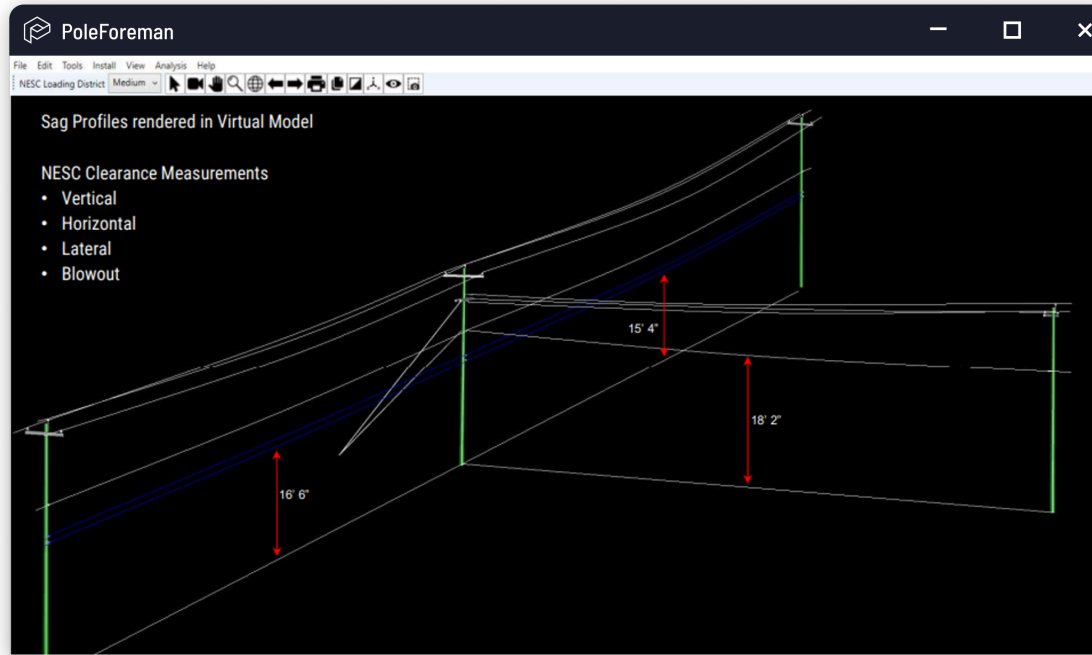
Next-generation PoleForeman general-market release.  
Cost-down initiative.  
Roz Buick appointed to the IKE Board.





# Next-gen IKE PoleForeman released for general-market availability

Expected to increase recurring subscription revenue substantially from the legacy PoleForeman customer footprint



Designed with a customer council including the Standards Group leaders within:





# A Cost-Down Program Has Been Implemented

- In Q3 we reduced IKE's cost base to maintain the timeframe towards both EBITDA and cash positive operations.
- Regrettably, this included releasing team members representing approximately 19% of total employee numbers. Most of the impacted roles are U.S. based back-office and service positions. We have also reduced other contractor cost items.
- In total we expect the impact of this process to reduce annualized costs by approximately \$4m.
- As consistently stated, management and the Board remain cognizant of the importance of maintaining a strong balance sheet position, executing against immediate revenue growth opportunities, whilst retaining the ability to manage costs appropriately.

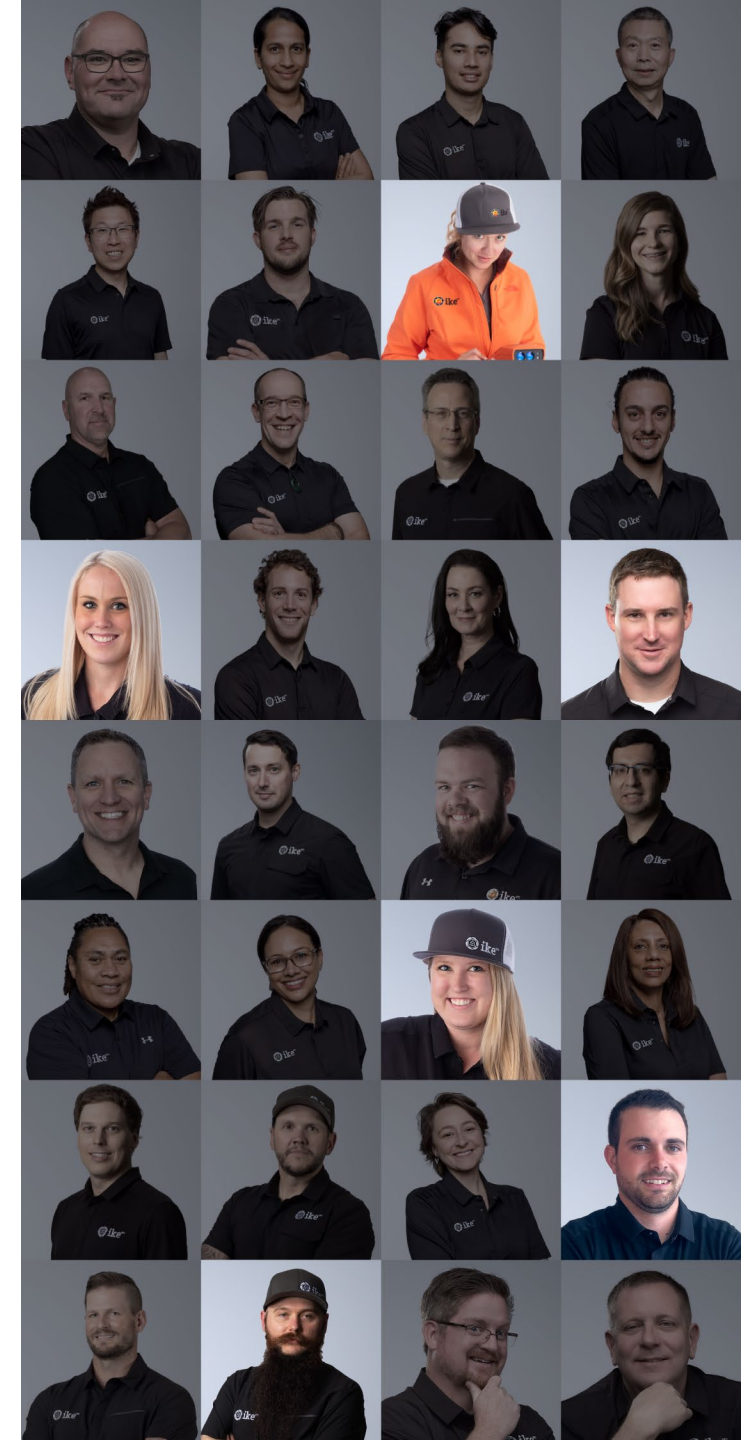


# Talent: added to the IKE team



## Roz Buick, Appointed as Non-executive Director

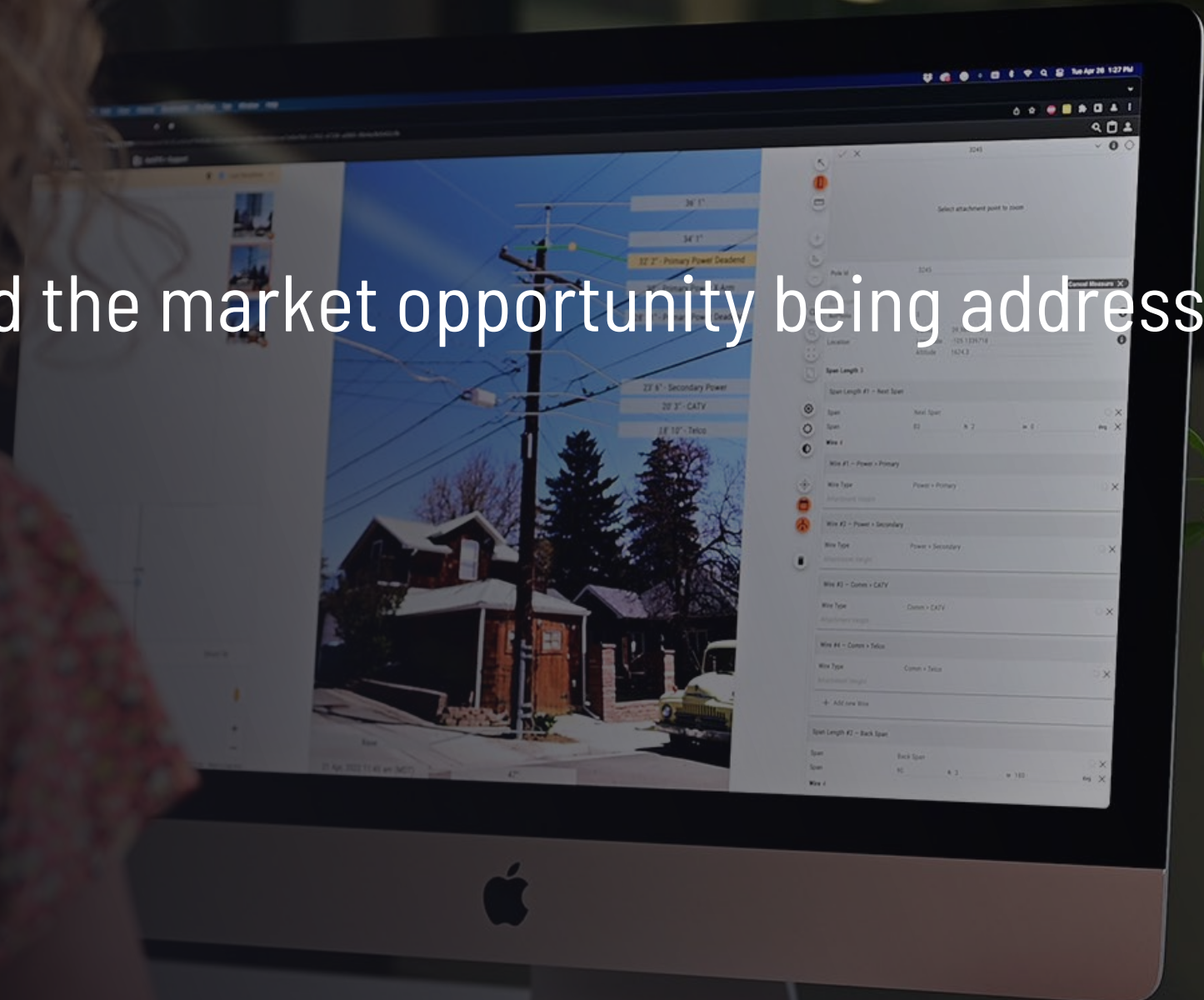
- Roz brings more than 25-years' experience from executive leadership positions across global utility, engineering, construction, real estate and agriculture markets with companies including Oracle Inc. and Trimble Inc.
- An industry leader who has led businesses through new growth strategies that are market differentiating and innovative, both with product and go to market strategies.
- Roz's past roles include:
  - At Oracle, Senior Vice President of Strategy, Product, Development and Marketing, Construction & Engineering Global Business. Based in Colorado, USA
  - At Trimble Inc. Senior Vice President, overseeing and managing the global Buildings business strategy and entire construction continuum including businesses for Architects & Designers, Structural Steel & Concrete Engineers & Contractors, General Contractors, Specialty Mechanical Electrical & Plumbing Contractors and Real Estate & Workplace professionals. Based in Colorado, USA.
  - Board director at Grupo Protexa (Mexico & Latin America an energy & utilities EPC business) and a variety of other global technology entities.





# What IKE does, and the market opportunity being addressed

Product and Market Re-cap





# 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

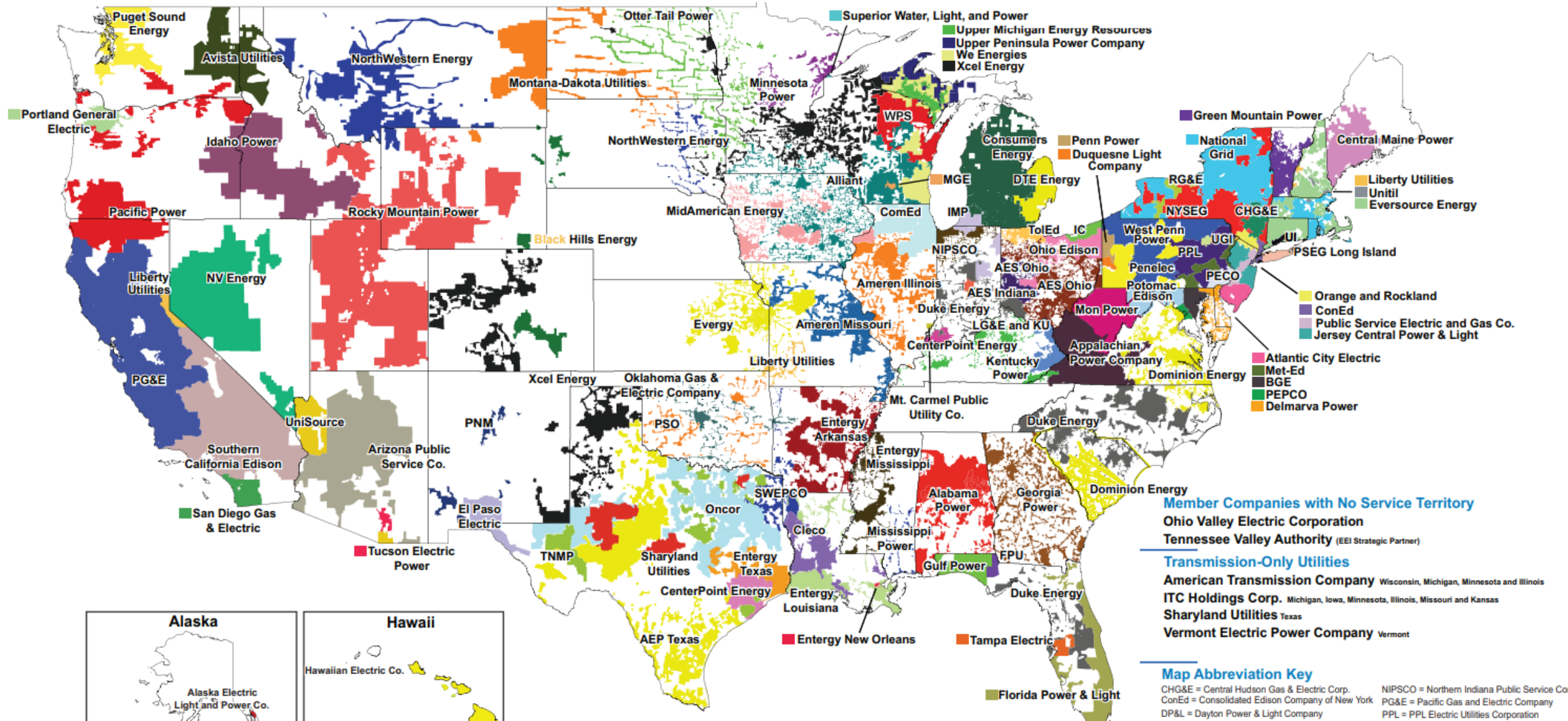
- Grid resiliency requirements
- Grid capacity requirements
- Significant legal liability risks
- Regulatory and Engineering code compliance
- An ageing workforce, requiring tech vs more people

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



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

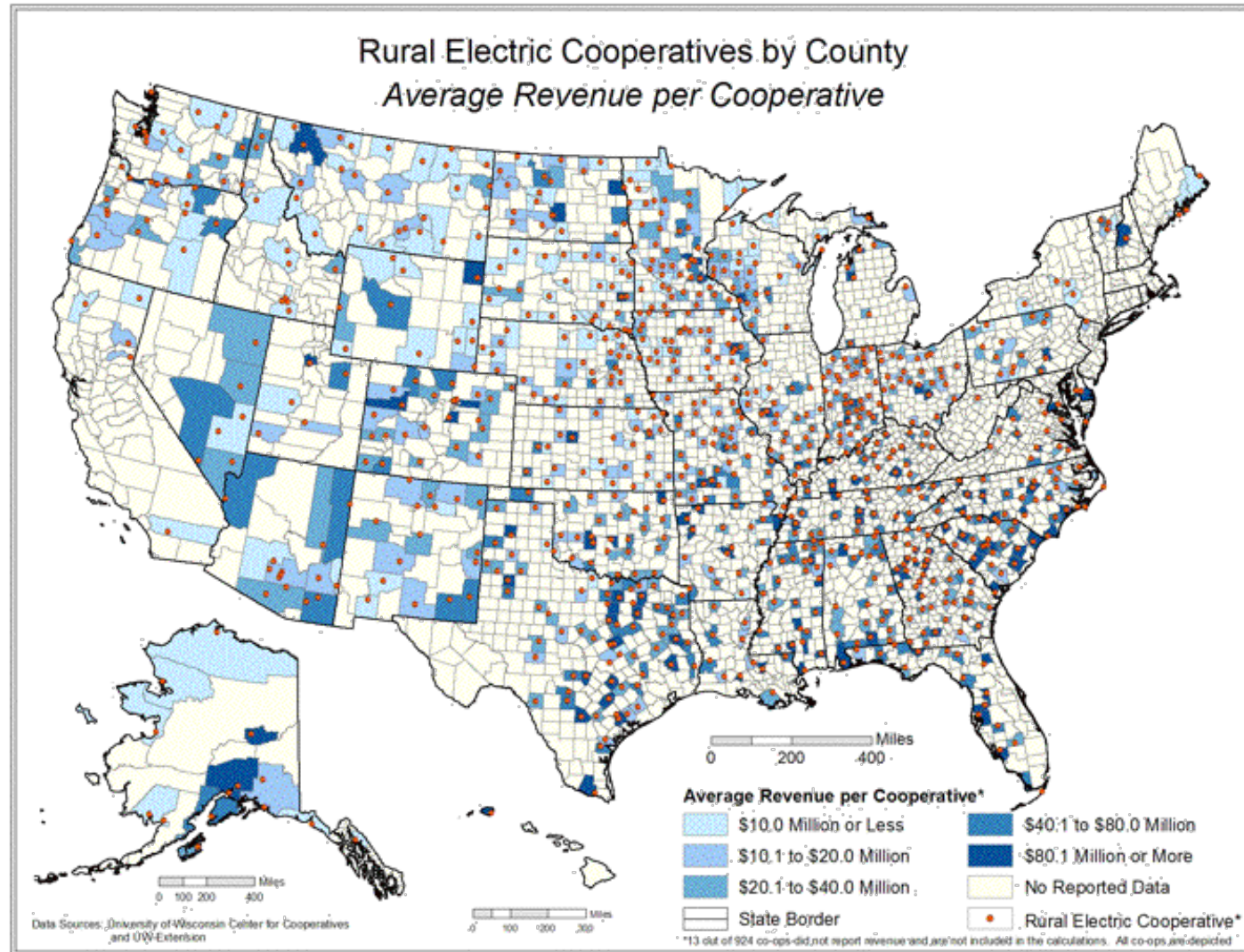
IKE is the Standard within 6 of the 10 largest today, but with a huge expansion opportunity.....





# 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

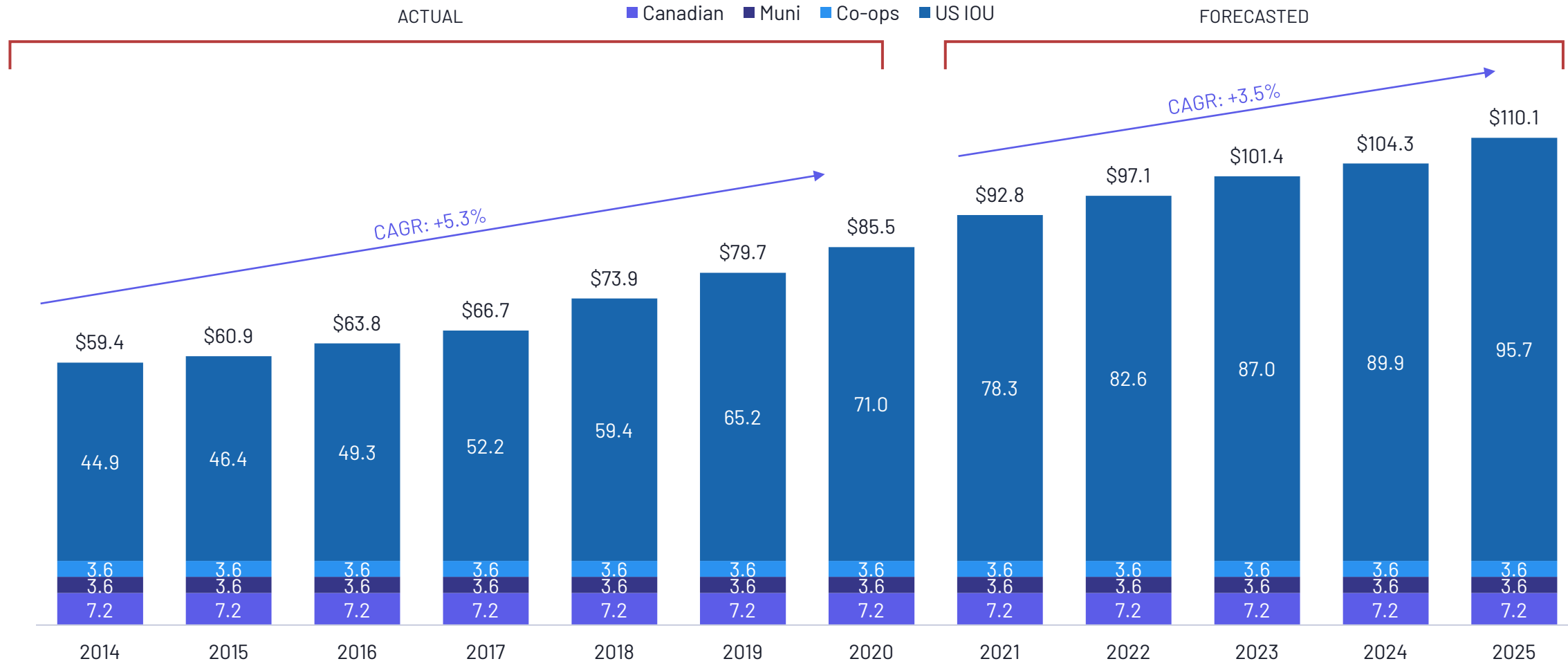


# 25-year Macro-Market Tail Wind for Grid Resiliency & Expansion (\$B's)

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





# IKE has a Suite of Distribution Network Software Products



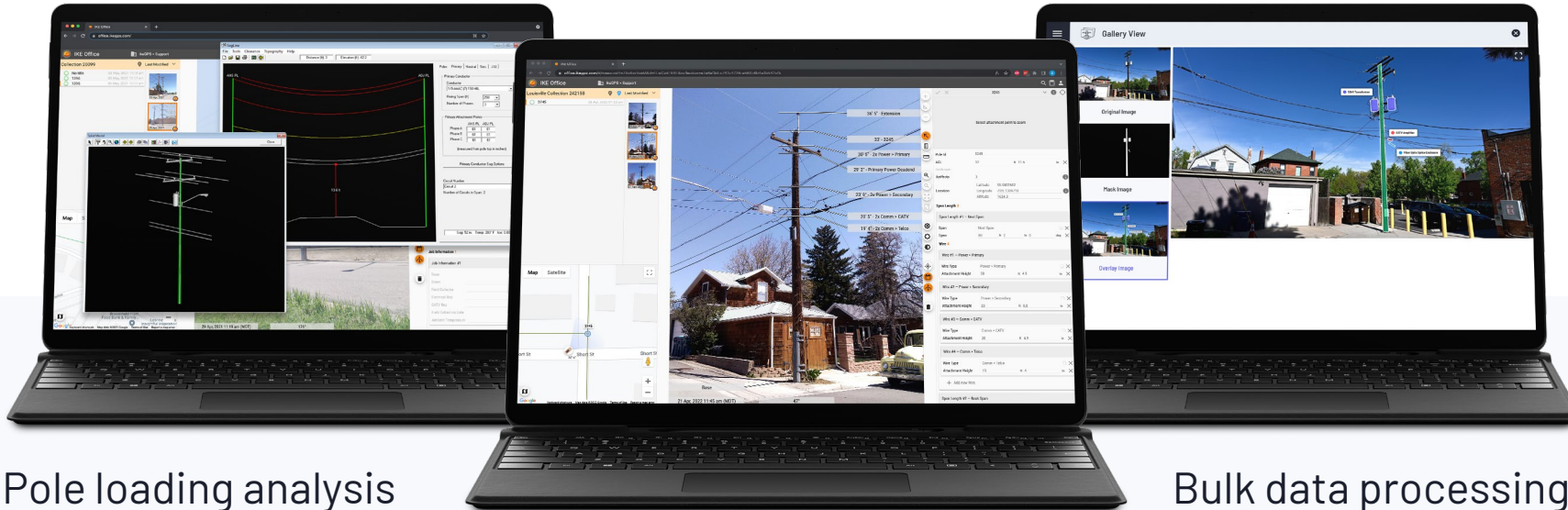
IKE Structural



IKE Office Pro



IKE Insight



Pole loading analysis and structural design

Digitization of network assessment

Bulk data processing for distribution network decision making

## 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



IKE Analyze

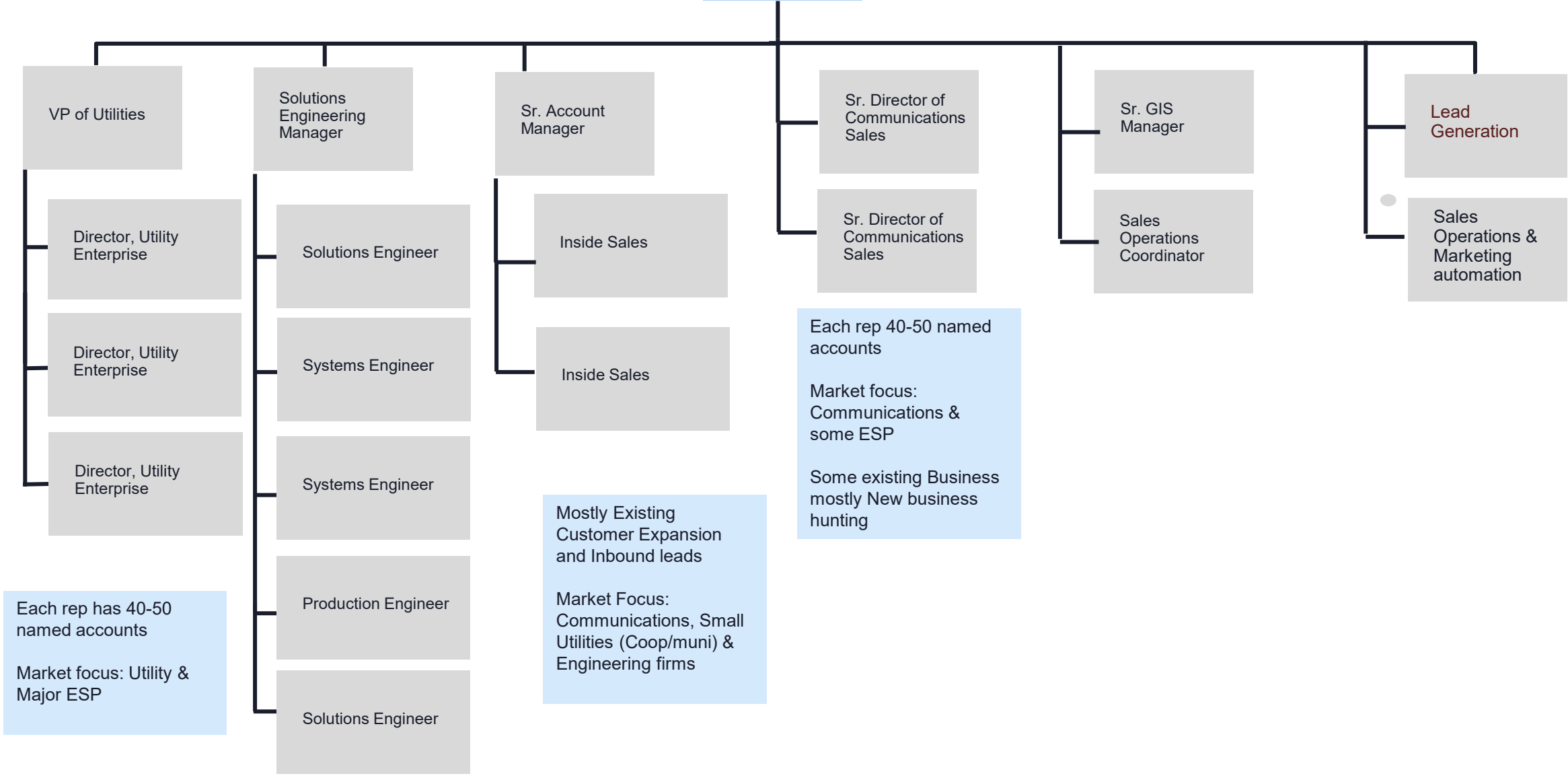
Technology & automation driven capability to accelerate engineering



# IKE Goes to Market Directly

With a deepened team of industry 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 Sales Motion that Starts with Strategy & Playbooks

## Go-to-Market Strategy

### Market Opportunity

Addressable Market

NA Electric Distribution Utility Spend (Forecast)

Industry Drivers and Macro-Market Trends

Industry Convergence

### GTM Strategy Defined

IOU's, Coops, Public Power

Utility Service Providers/Engineering firms

Strategic Account Focus / Regions 40-50 accounts each - with account plans

Define Ideal Customer Profiles (ICP) & Personas, Pains & Gains

Create thematic messaging in marketing & sales

Three verticals - different messaging resonates

Utilities - "Defendable Data"

Communications - "Faster, Safer, Truer"

Engineering - "Increased Accuracy & Improved Productivity"

## Sales Playbooks

### Company Overview & Sales Roles

### Product & Pricing

Value Propositions

Pain relievers & Gain creators by product

Price maximization

### Strategic Sales Processes

### Target Audience

Background

Conditions driving need

Targeted Titles & Personas

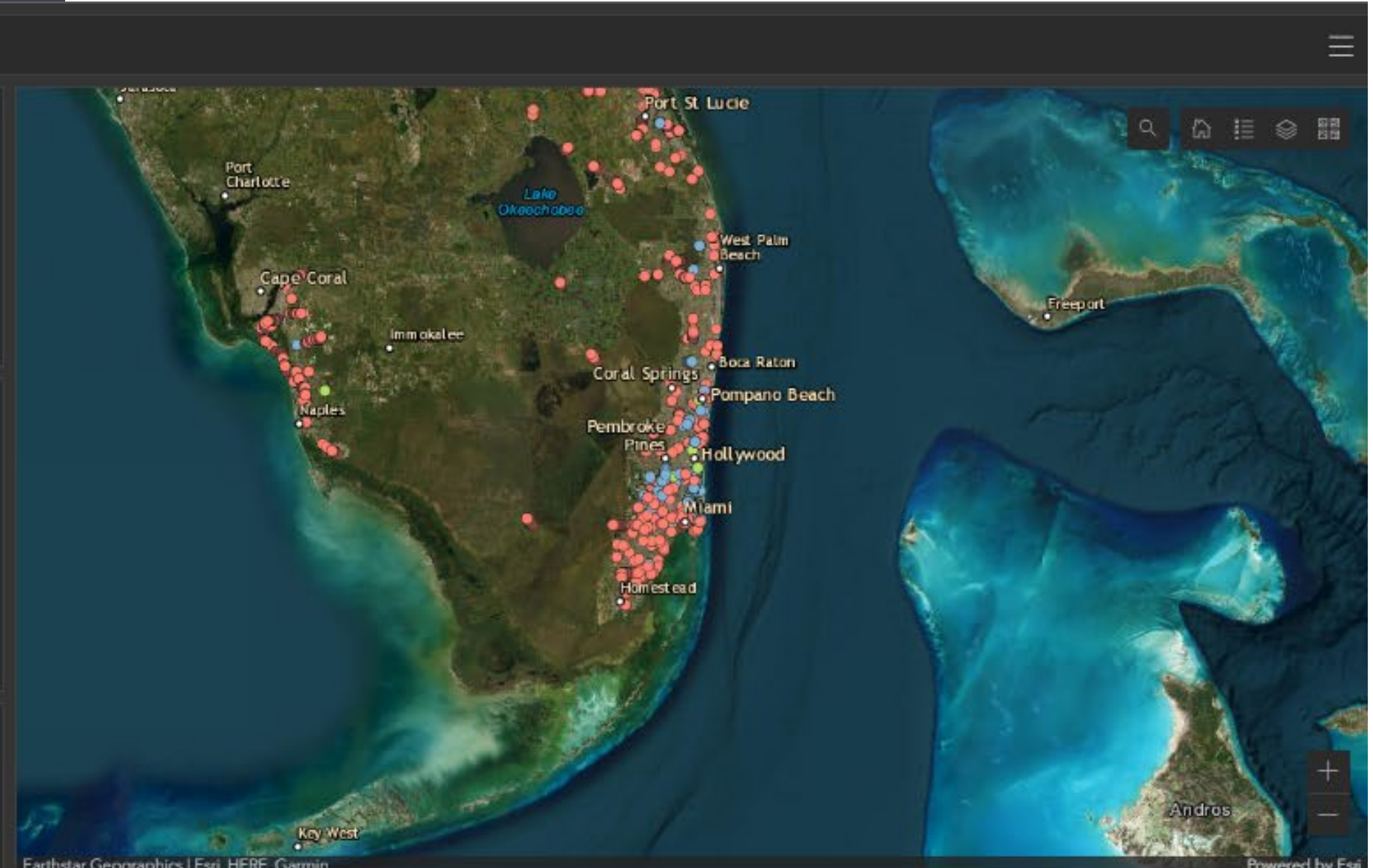
What to say/how to position

Competition and Differentiation

Overview of Sales tools & resources

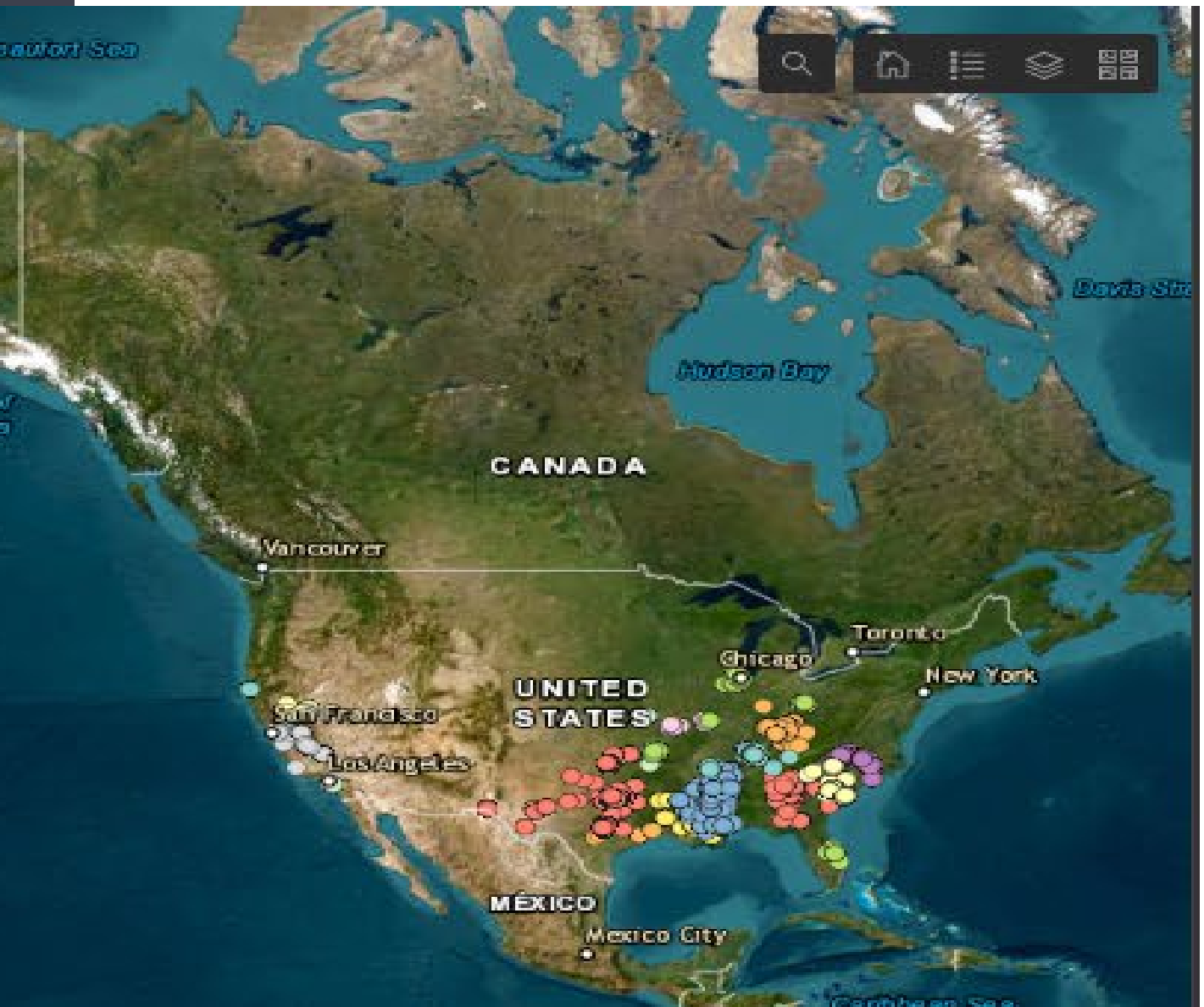


# A Map-View of Usage, and how IKE customers deploy our software Crown Castle in Florida





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





# 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

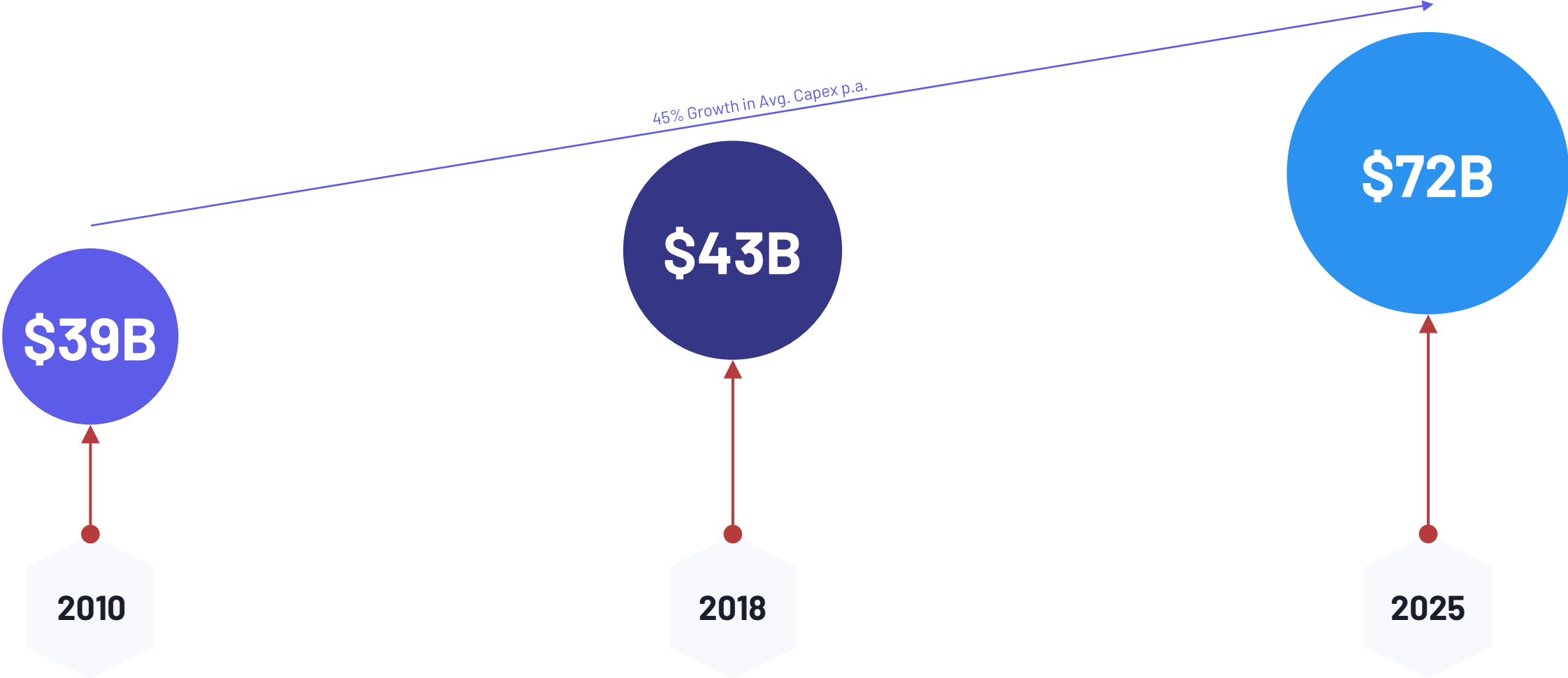
**IKE dramatically speeds up the network deployment process.**



# 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 fast-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 fast-growing footprint of the tier-2 fiber companies

### Opportunities to:

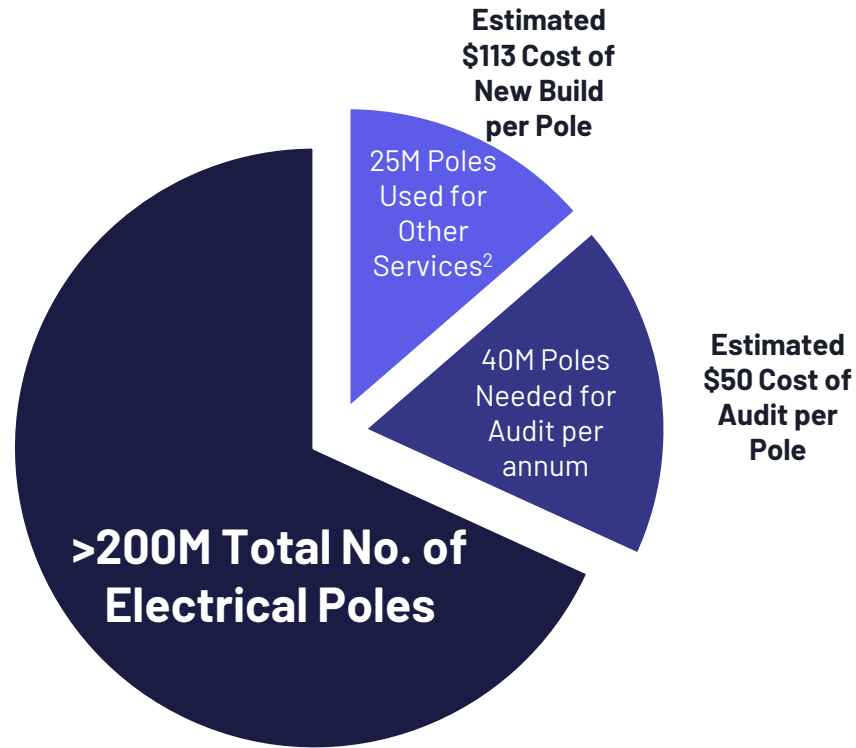
- Grow, upsell and cross-sell IKE products into existing customer base
- Win new logos in the North American market
- Expand into international markets over time



# Overall.. an Addressable Market Opportunity That is Expected to Grow Strongly

## Utilities

\$NZD

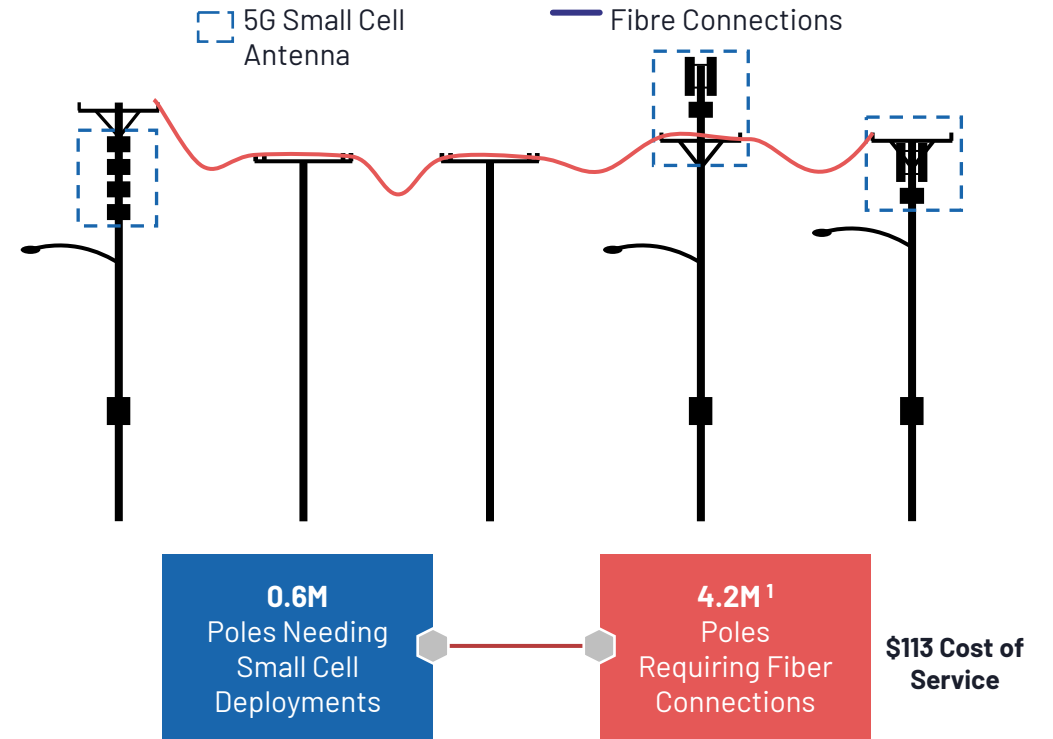


**\$4.8B Electric Utilities Opportunity**

**\$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

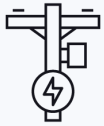
Note: Market analysis does not include opportunity that will arise from growth of pole infrastructure



# Market Tailwinds Summary



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%+

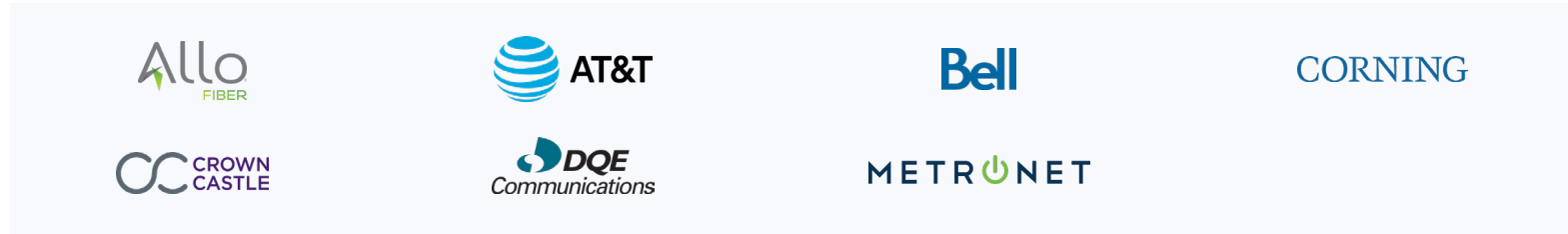
Of US energy consumption will be comprised of electricity on the distribution grid by 2050 to attain carbon net zero targets, and power the new EV market, compared to current levels of just 20% =

Engineering requirements to build capacity on the network.

# Sticky Infrastructure Customers Making Long-Term Work-Practice Decisions

## IKE Lands-then-Expands

### Communications



### Electric Utilities



### Engineering & Project Management



### Takeaways

- 6 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
- **>5,000 enterprise target accounts to pursue overall**

### Opportunities to:

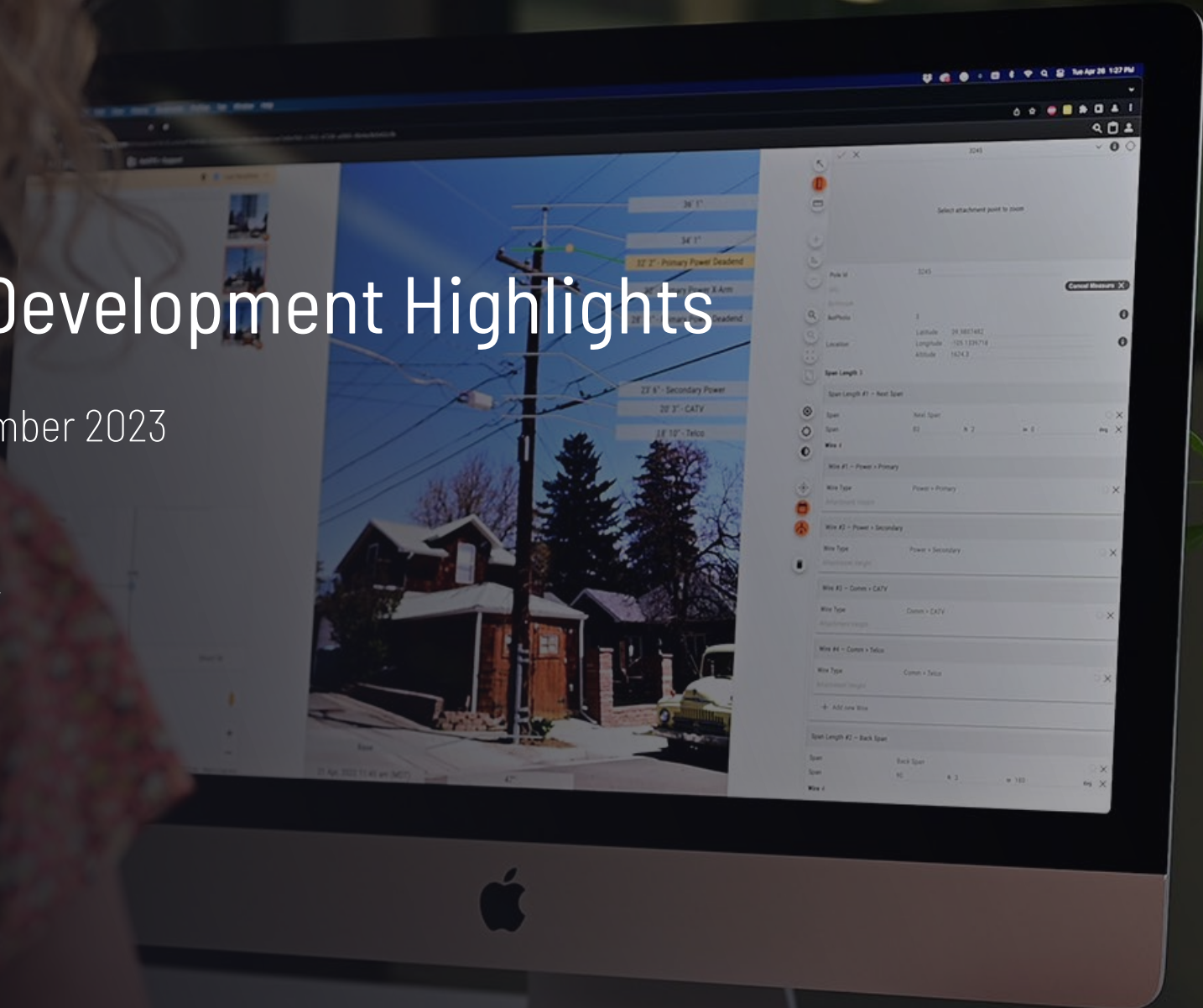
- Grow, upsell and cross-sell IKE products into existing customer base
- Win new logos in the North American market
- Expand into international markets



# 1H FY24 Business Development Highlights

The six-month period to 30 September 2023

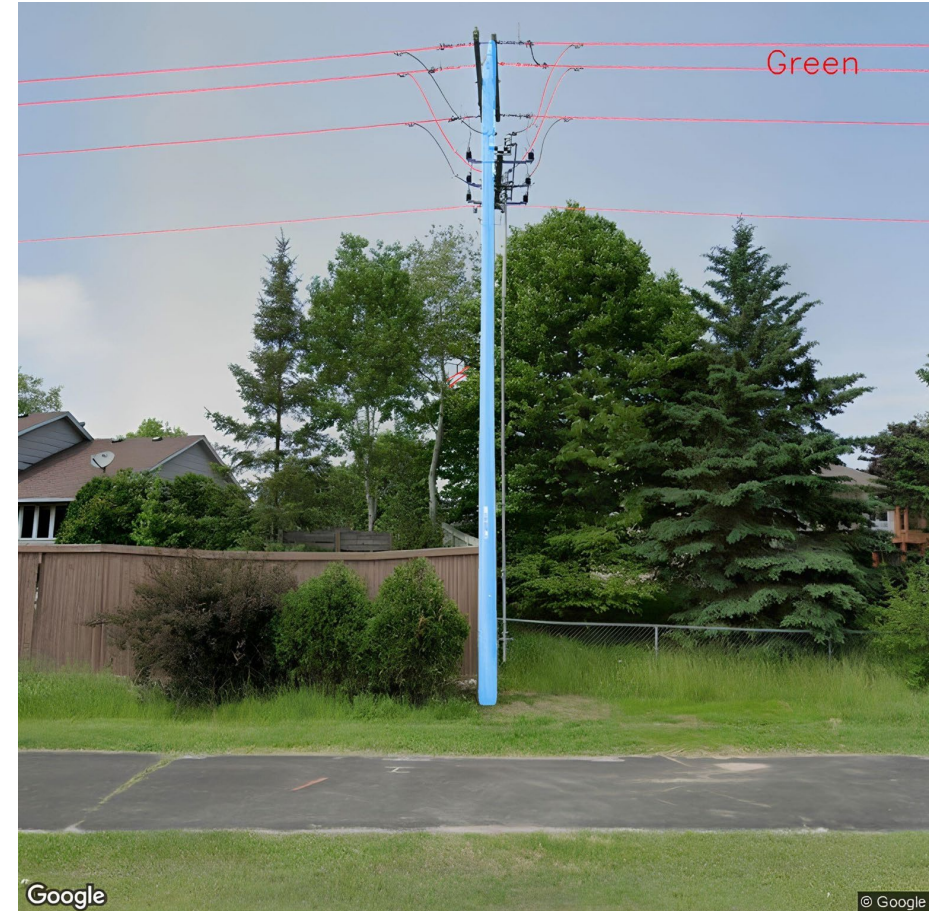
*Revenue: 1H update and 2H outlook  
New products in-market  
Important customer wins  
Talent and team development*





# 1H, Revenue Update and 2H Outlook

- As signaled, revenue in 1H FY24 was below pcp due to timing delays of engineering programs across three of IKE's largest national infrastructure customers. Specifically, this resulted in:
  - Ongoing growth in recurring subscription revenue, but
  - Lower reoccurring transaction revenue in the period vs pcp
  - Overall, lower revenue in 1H FY24 vs pcp
- Importantly, the delayed long-term customers referred to are not 'lost' and these groups are guiding for high levels of IKE product usage over the coming periods
- In addition, the company continued to see ongoing strong growth in recurring subscription revenue vs pcp
- IKE's additive sales opportunity pipeline supports the potential for substantially increased contracts and revenue in the 2H FY24 period, and beyond, from existing customers and new logos





# 1H, Important Customer Win Examples

Win run-rate of approximately one new U.S. enterprise customer per week.



## Tier-1 Comms customer win

- National fiber business.
- Supporting a network program across California
- Expectation for ~\$1.5m in subscription revenue over the coming 18-24 months
- Opportunities to expand into other States



## Tier-1 Investor-Owned Utility win

- One the of the 10 largest IoU's in North America
- Adopting next-gen IKE PoleForeman product and business model
- Displacing incumbent competitor
- Multi-year subscription contract >\$400k

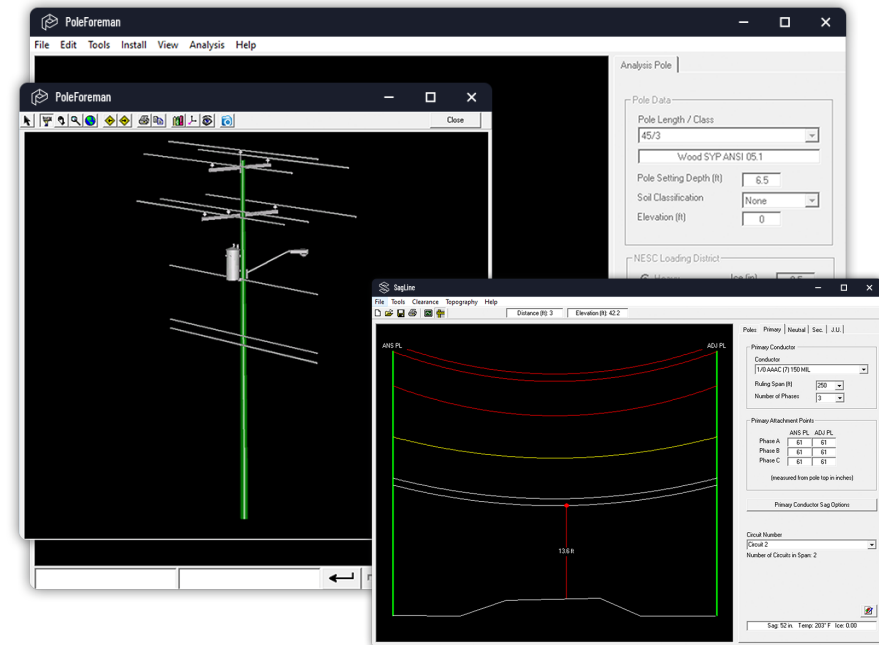
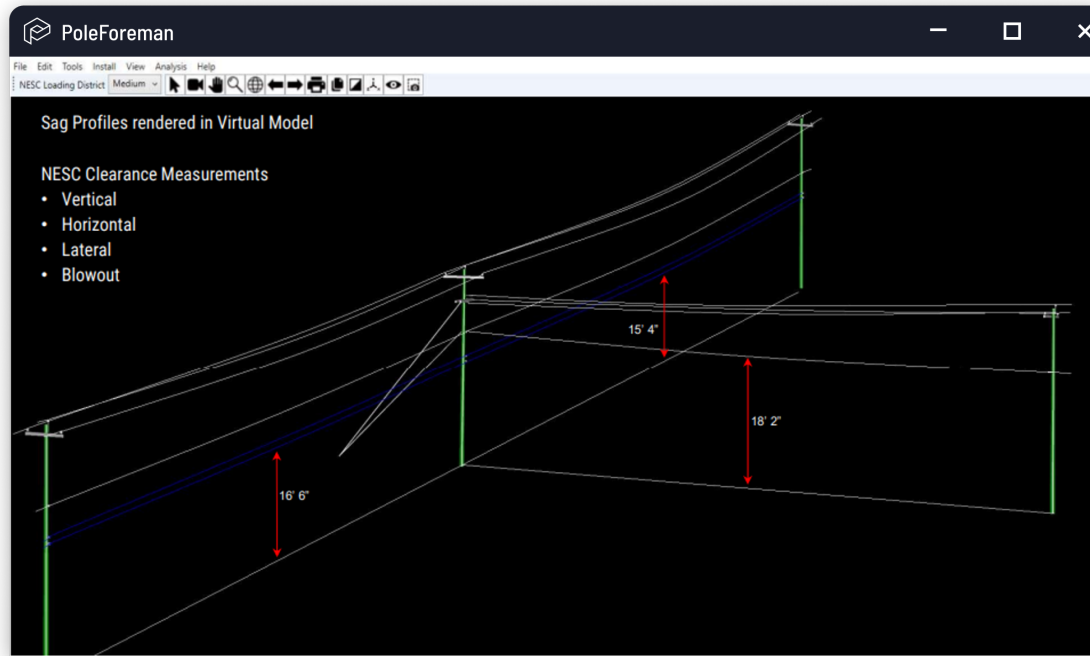


## Tier-1 Engineering customer win

- One of the largest national EPC's serving the electric utility market in North America
- Initially, supporting a decade-long contract for a utility in New Mexico
- Opportunities to expand substantially across this EPC's national footprint over time

# 1H, Product Innovation Delivery

Expected to increase recurring subscription revenue substantially from the legacy PoleForeman customer footprint

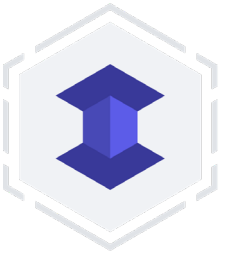


Launched this quarter, and designed with a customer council including the Standards Group leaders within:

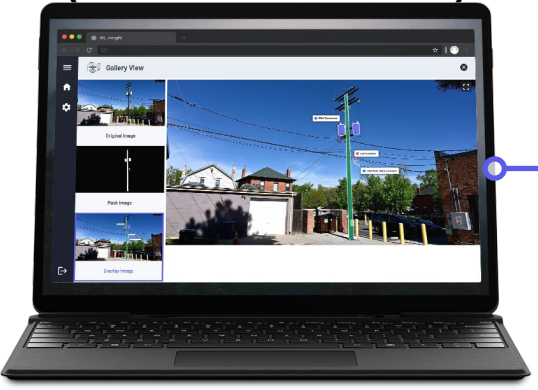




# 1H Product Innovation Delivery



## IKE Insight



Data source and image agnostic

 Existing Data Images	 Drones	 Thermal Imagery
 Field Devices	 Lidar	 Satellite

**Takeaway:**  
 Faster Network Viability Assessment and More Profitable Deployment.  
 Via automated analysis of bulk data for joint-use and overhead network deployment,  
**at whole-of-network scale.**

Integrates with existing applications, data, and systems,

API & Multiple File Types

JSON

KML

CSV

and more...

Dashboards

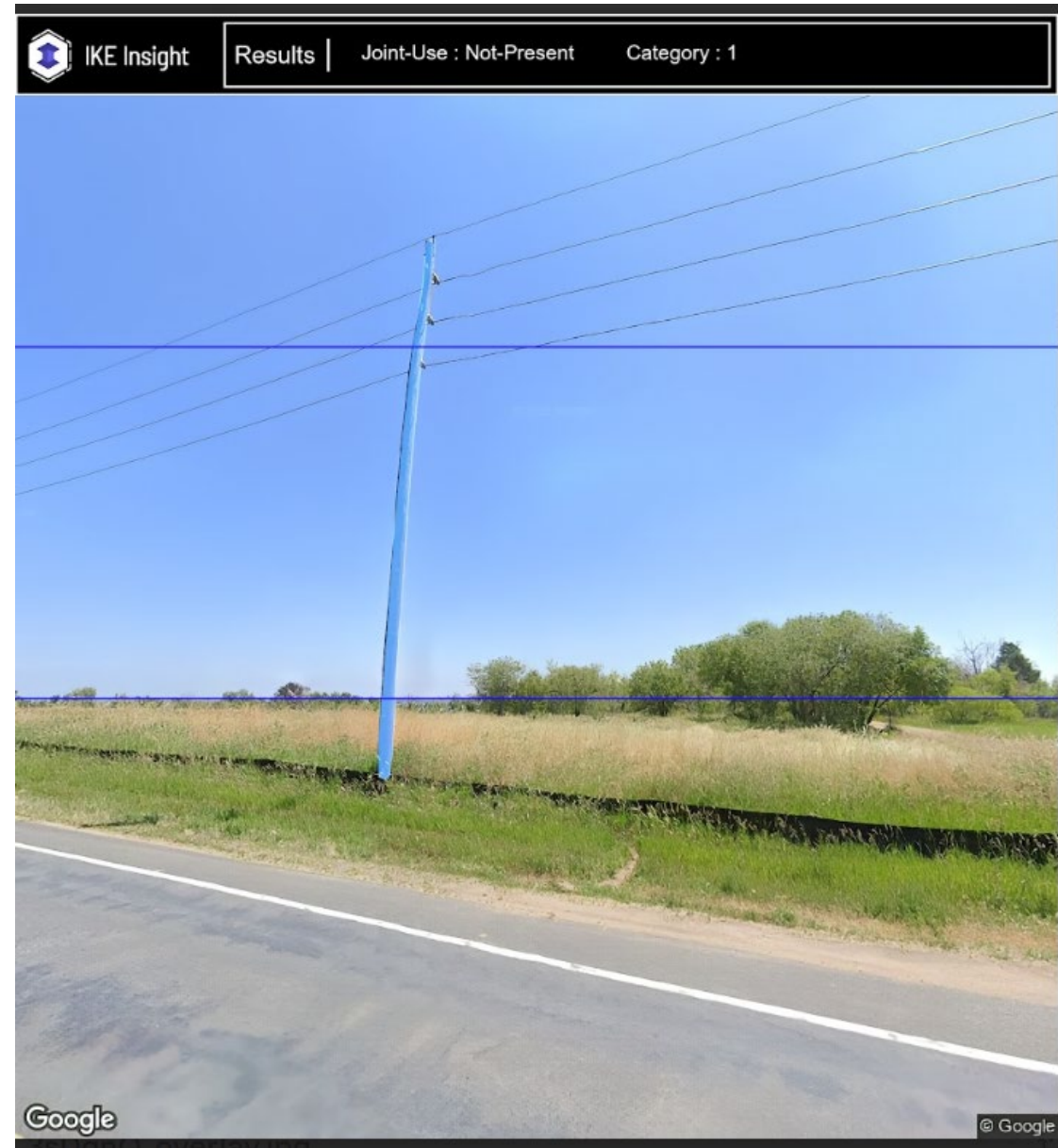




# Example Analysis for Network Viability Assessment

At whole of network scale

- IKE Insight determines pole categories relative to make-ready requirements (category-logic can be set by the customer through the Insight rules application)
  - **Category 1: (0 or 1) wire detected in the bottom 80% of pole**
  - **Category 2:** (2 or 3) wires detected in the bottom 80% of pole
  - **Category 3:** (3) wires detected in bottom 80% of pole AND transformer or streetlight detected anywhere on pole
  - **Category 4:** (4) or more wires detected in bottom 80% of pole

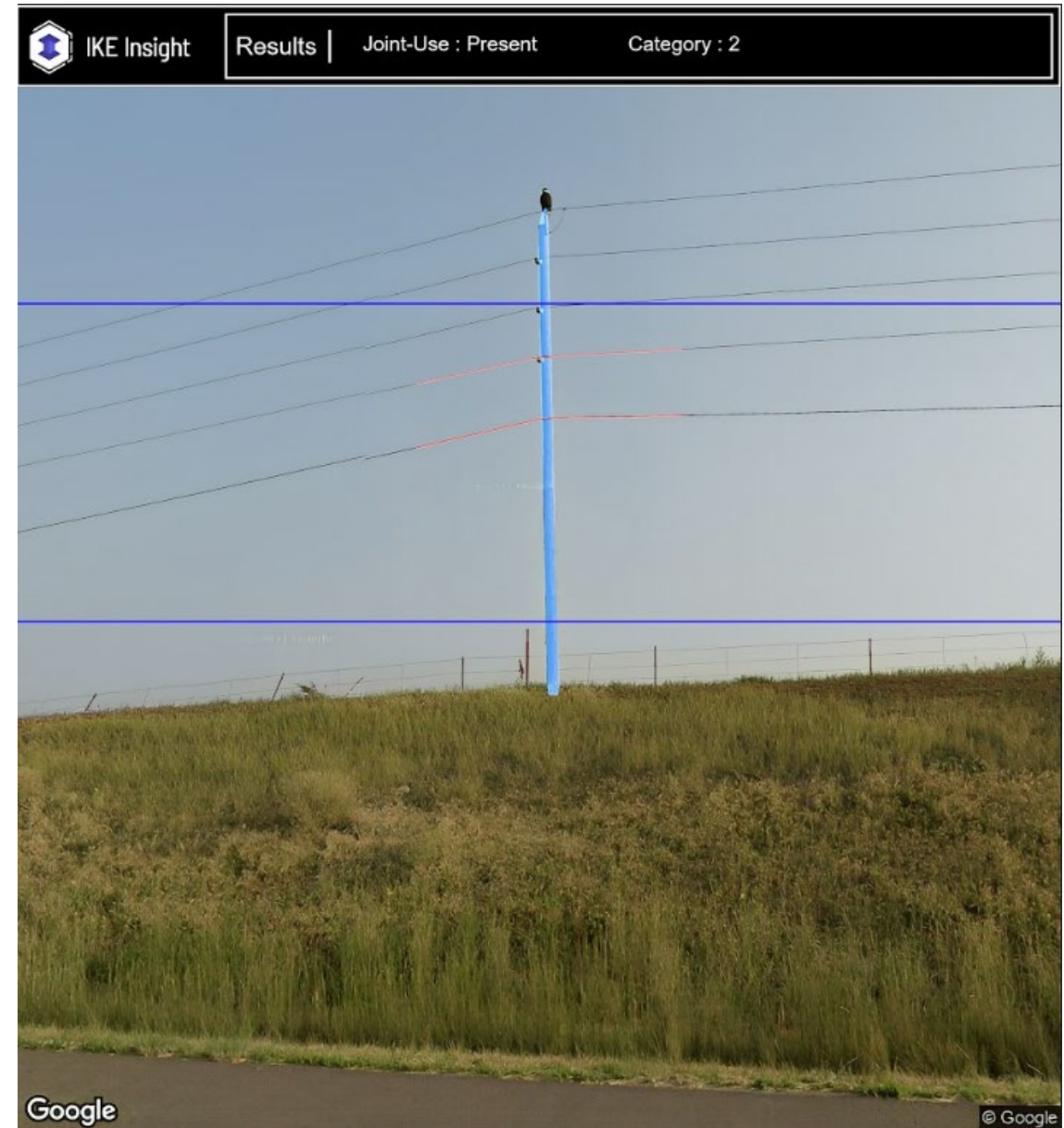




# Example Analysis for Network Viability Assessment

At whole of network scale

- IKE Insight determines pole categories relative to make-ready requirements (category-logic can be set by the customer through the Insight rules application)
  - **Category 1:** (0 or 1) wire detected in the bottom 80% of pole
  - **Category 2:** (2 or 3) wires detected in the bottom 80% of pole
  - **Category 3:** (3) wires detected in bottom 80% of pole AND transformer or streetlight detected anywhere on pole
  - **Category 4:** (4) or more wires detected in bottom 80% of pole

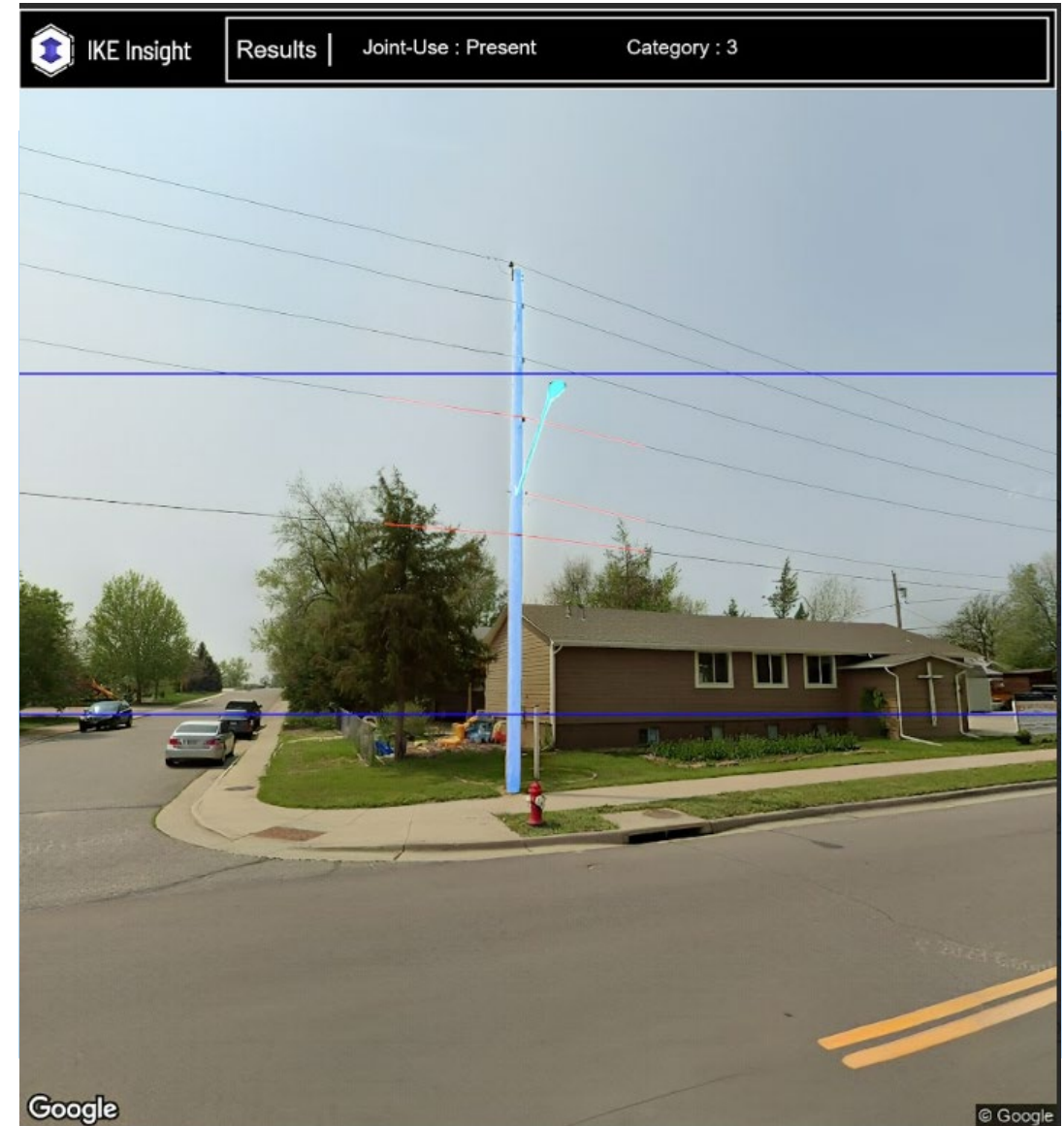




# Example Analysis for Network Viability Assessment

At whole of network scale

- IKE Insight determines pole categories relative to make-ready requirements (category-logic can be set by the customer through the Insight rules application)
  - **Category 1:** (0 or 1) wire detected in the bottom 80% of pole
  - **Category 2:** (2 or 3) wires detected in the bottom 80% of pole
  - **Category 3:** (3) wires detected in bottom 80% of pole AND transformer or streetlight detected anywhere on pole
  - **Category 4:** (4) or more wires detected in bottom 80% of pole

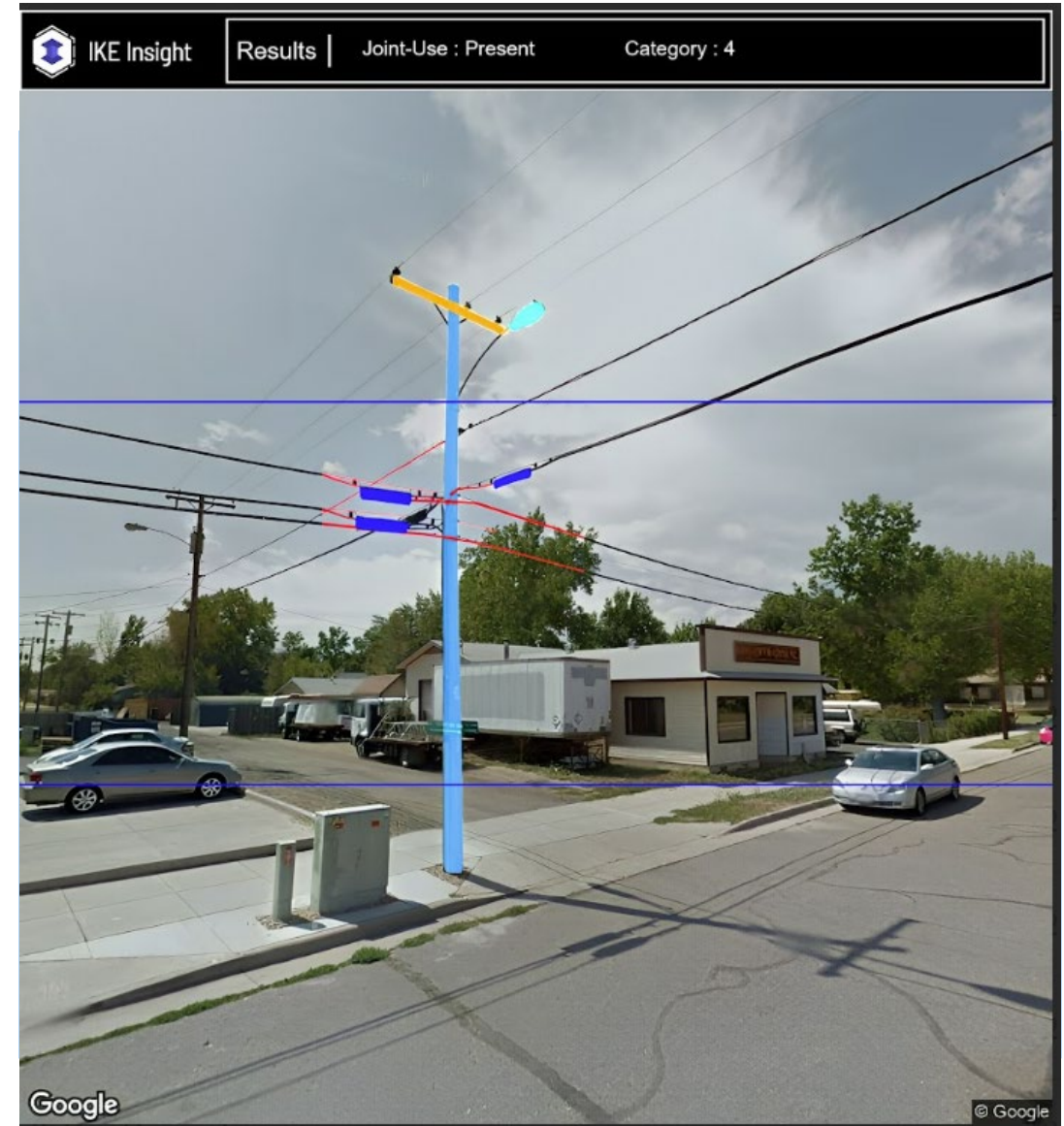




# Example Analysis for Network Viability Assessment

At whole of network scale

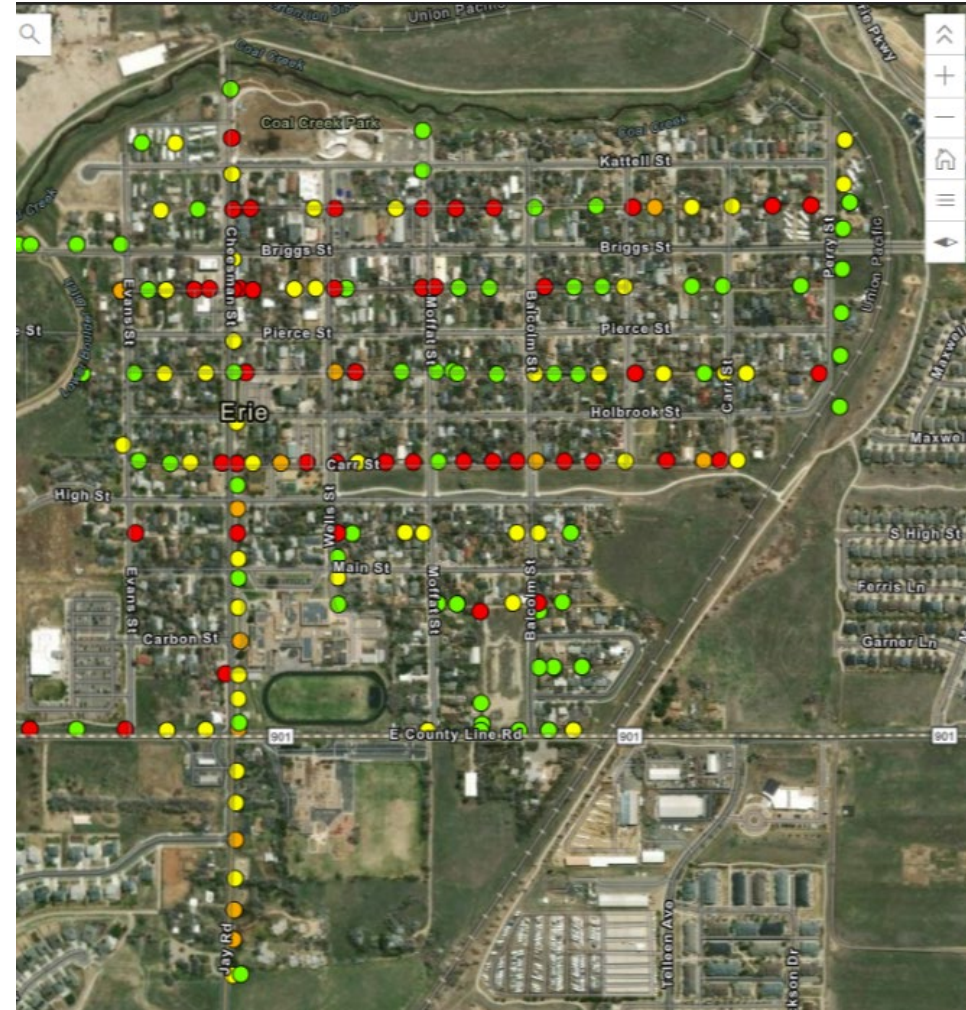
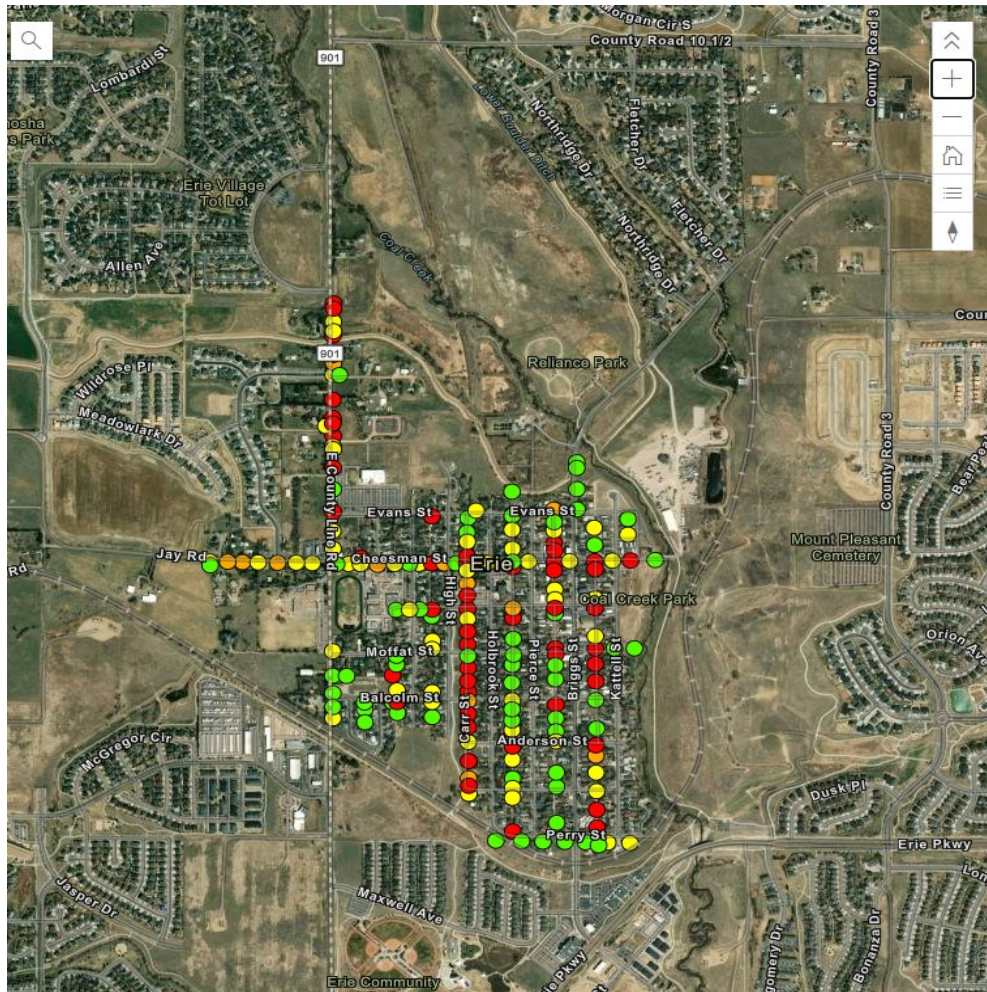
- IKE Insight determines pole categories relative to make-ready requirements (category-logic can be set by the customer through the Insight rules application)
  - **Category 1:** (0 or 1) wire detected in the bottom 80% of pole
  - **Category 2:** (2 or 3) wires detected in the bottom 80% of pole
  - **Category 3:** (3) wires detected in bottom 80% of pole AND transformer or streetlight detected anywhere on pole
  - **Category 4:** (4) or more wires detected in bottom 80% of pole





# Resulting in Visual Dashboards to Optimize a Network Deployment

## Example from Erie, CO market





# 10x Faster. 4x Cost reduction.

Dramatically faster fiber network deployment



## Takeaways:

- With IKE Insight, a 200,000 fiber attachment program payback:
- deploy >6 months faster
  - save >\$1m in pre-survey assessment costs alone.



# 1H, Capability added to the IKE team

More tier-1 hires expected in 2H



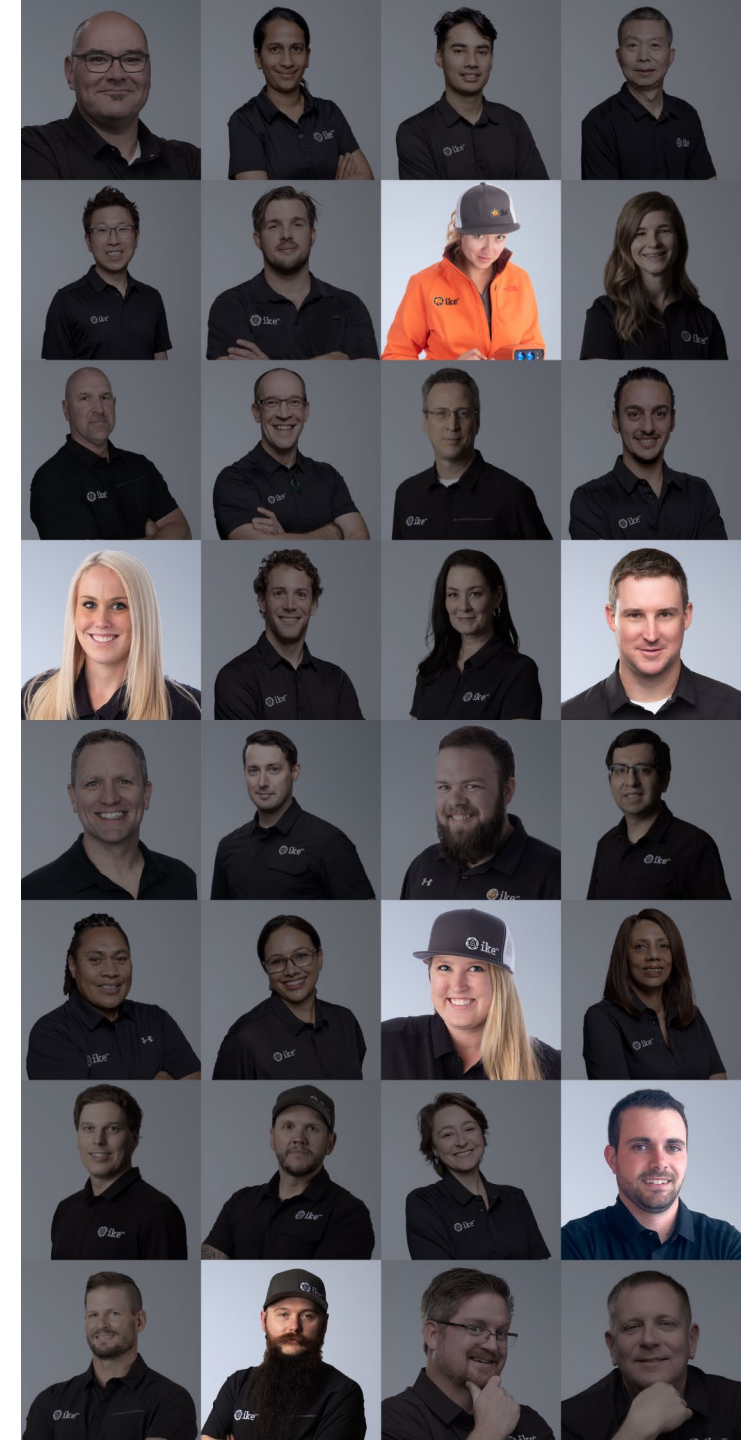
## Brett Willitt, SVP Product

- Former President of structural analysis and structure management software company SPIDA Software (SPIDA). -
- SPIDA was acquired by NASDAQ listed Bentley Systems Inc. in 2021, where he subsequently led segments of Bentley's' global distribution network software division.
- Prior, held other prominent positions in the energy industry, including Product Engineering Manager at Osmose Utilities Services and Joint-Use product manager at FirstEnergy Utility.
- Began his career as a network planning engineer for Verizon.
- Holds a BS in Civil Engineering from Clarkson University.



## Roz Buick, Non-executive Director

- Former CFO of Also Energy Inc., where he was part of the executive team that grew the business at more than 30% CAGR over six years and led its sale to NYSE-listed STEM Inc. for US\$652m.
- Prior, Brian held CFO roles with companies including Zayo Bandwidth Inc. – a high-growth national fibre business, MST Global inc. – an industrial network and software provider for critical communication and network solutions, and Intermap Technologies Inc.
- Holds an MBA from Colorado State University, and began his career as a Certified Public Accountant with six years at KPMG / Arthur Anderson focused on the technology & software segment.

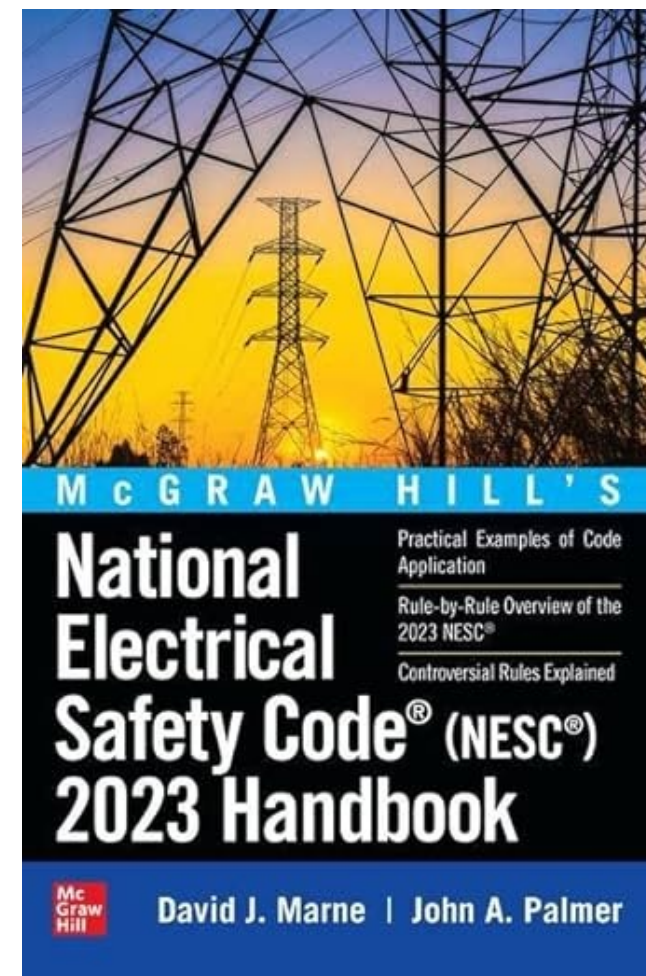




# 1H acquisition, extending IKE's training & education capability

The assets of Marne & Associates . Expanding sales & brand channel for product cross-sales

- Marne & Associates specialize in training utilities, communications companies, and engineering groups for the **application of the National Electrical Safety Code (NESC)** in the day-to-day work at a utility, the application of NESC Rules for Joint-Use Construction (for engineers and line workers), Occupational Safety and Health Administration (OSHA 1910.269) for Power Workers, and OSHA 1910.268 (for Communication Workers).
- While IKE is a software & technology company, we have established an important sales channel via education & training capability. This acquisition further allows us to add value to, engage with, learn from, and ultimately cross-sell our products to end-users (who are the future decision makers) within utilities, engineering companies, and communications groups.







# 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”

