



FOR IMMEDIATE RELEASE

30 May 2022

\$16m revenue in FY22 (+71% PCP).

\$26m of signed contracts in FY22.

Strong, sustainable cash and balance sheet position.

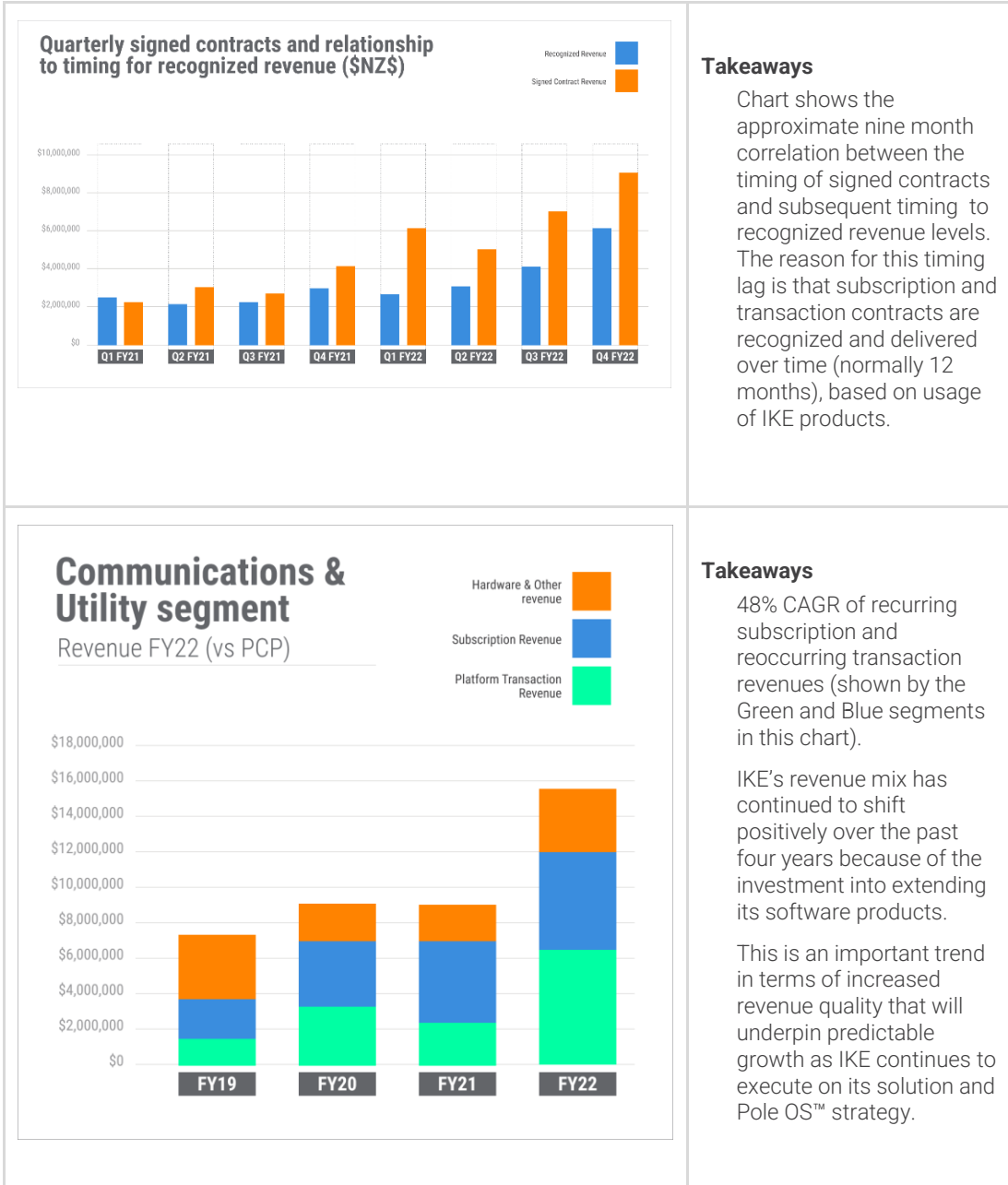
FY22 audited financial results

ikeGPS Group Limited (IKE) (NZX: IKE / ASX: IKE) is pleased to release its FY22 audited financial results for the period to 31 March 2022 (all figures NZD). These results are in line with the pre-announced numbers communicated to the market 3 May 2022.

Highlights to March 2022:

- + FY22 revenue of ~\$16m (+71% vs pcp).
- + 2H FY22 revenue of ~\$10.3m (+108% vs pcp)
- + FY22 Subscription and Transaction revenue of ~\$12.m (+73% vs pcp). ~75% of IKE's revenue in FY22 came from these recurring and re-occurring sources.
- + FY22 signed contracts of ~\$26m (+122% vs pcp).
- + FY22 gross margin of ~\$9.9m (pcp of \$5.9m), with FY22 gross margin percentage 62% (pcp of 64%).
- + FY22 EBITDA loss of ~\$5.3m (pcp -\$5.5m)
- + FY22 Net Loss of ~\$7.9m (pcp -\$7.5m)
- + 2H FY22 Net Loss of ~\$1.7m (pcp -\$4.9m)
- + Total cash and receivables 31 March 2022 of ~\$29.4m, comprised of \$24.4m cash and \$5m receivables. This is approximately the same total position as December 2021. No debt.

Momentum across the IKE business is set out in the charts and table below:



	FY22	PCP (FY21)	% Change
Total revenue	\$16.0m	\$9.3m	+71%
Platform Transactions			
# of billable transactions	349k	53k	+559%
Platform transaction revenue	\$6.4m	\$2.3m	+178%
Gross Margin	\$2.9m	\$0.4m	+574%
FY22 Gross Margin %	45%	19%	
Platform Subscriptions			
# of enterprise customers	347	282	+23%
Platform subscription revenue	\$5.6m	\$4.6m	+23%
Gross Margin	\$5.0m	\$4.4m	+14%
FY22 Gross Margin %	88%	96%	
Hardware & Other			
Hardware & Services revenue	\$4.0m	\$2.4m	+67%
Gross Margin	\$2.0m	\$1.1m	+82%
Gross Margin %	50%	46%	

Outlook

- + The level of signed contracts in the year to March 2022 of ~\$26m provides the foundation for strong potential revenue growth in FY23.
- + IKE's sales pipeline has also continued to develop robustly. This pipeline consists of opportunities to expand within existing customer accounts, noting the majority of IKE's FY22 revenue performance came from growing existing customers, and from opportunities to win new enterprise accounts.
- + IKE's focus for FY23 continues on four core themes:
 - + The delivery of signed contracts in the backlog. IKE expects ~\$15-17m of the signed contract backlog in place today to be recognized in the FY23 period, noting that these signed contracts are based on our customers delivering network projects and that the timing of the associated revenue depends on this customer execution.
 - + In addition to the delivery of the backlog above, to close and recognize revenue in FY23 from new contracts.
 - + To continue to build out sales and delivery capability. IKE serves some of the largest infrastructure and engineering groups in North America and it is important to have the right scale of people and processes to optimize customer experience, that in turn underpins account growth and long term customer relationships.
 - + To continue to enhance its three software products via software engineering. This product development will focus on automation and analytics capability so to deliver more productivity & value to customers, and to increase ARPU.

Customer and market commentary

- + IKE targets North America's ~3,000 electric utilities, ~200 communications companies, and their more than 2,000 engineering service providers. Once a customer, IKE's objective is to embed and expand the use of its software inside of these large enterprise and infrastructure accounts.
- + IKE has approximately ~350 accounts today, or ~5% of the total number of potential customers above, pointing to the large, long term growth opportunity and TAM.
- + IKE's products are relevant to several macro-market tailwinds, including:
 - + More than US\$350b forecasted to be invested into fibre and 5G infrastructure over the next five plus years by fibre and communications companies..
 - + An additional US\$60b of investment into rural broadband network development as part of the Biden administration's \$1 trillion Infrastructure bill.
 - + More than 3,000 electric utilities are needing to address the challenges of network hardening, development and maintenance over the coming ten-plus years. Further pressures on electric utilities include the regulatory requirement to allow communications companies to attach their fibre and 5G networks onto their power assets, and an aging workforce that is driving a need to introduce technology to replace people.
- + IKE's products deliver network engineering outcomes that are faster, safer, and to a higher quality (digitized) data standard.

IKE CEO, Glenn Milnes, said:

"The 2H FY22 period saw strong levels of contract wins, revenue growth, and pipeline growth. This momentum has continued into Q1 FY23.

Our balance sheet is strong and in Q4 FY22 we operated on a neutral basis maintaining our cash & receivables position of ~\$29.4m, demonstrating the operating leverage in the business as revenue scales without the requirement for significant increases in our cost base.

Our infrastructure-oriented customer base is sticky and we believe the next decade will see increasing levels of investment into distribution network development across North America, which is the engineering work where IKE delivers productivity outcomes. We are still early in terms of market penetration and are excited about the potential to create value for our customers and shareholders in the years ahead."

Conference call Tuesday 31 May 2022, 1pm NZT / 11am AEST

The Company invites shareholders and investors to join this conference call at the following link, where Glenn Milnes, CEO and Managing director, will speak to IKE's FY22 results and FY23 outlook : https://us02web.zoom.us/webinar/register/WN_L_zDYII2QHGwrCZLCGPO_A.

Investors are invited to submit questions prior to the event to simon@nwrcommunications.com.au or on the call itself.

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About ikeGPS

We're IKE, the PoleOS™ Company. 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.

The IKE platform allows electric utilities, communications companies, and their engineering service providers to increase speed, quality, and safety for the construction and maintenance of distribution assets.

The core revenue engine for IKE is driven by the number of enterprise customers subscribing to the IKE platform and the volume of assets (called Transactions) being processed through IKE's software.

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