



FOR IMMEDIATE RELEASE, 21 July 2022

Q1 FY23 Update

Revenue of \$6.8m (+162% vs pcip)

New signed contracts of ~\$8m

Continued demonstration of operating leverage

Strong balance sheet

IKE performance update for Q1 FY23

ikeGPS Group Limited (IKE) (NZX: IKE / ASX: IKE) is pleased to release an update for Q1 of FY23 to 30 June 2022 (all figures in NZD). IKE will host a webinar Friday 22 July 2022 at 9am AEST / 11am NZT to discuss this performance. Please [click here to register](#).

Highlights for the quarter:

- + Revenue in Q1 FY23 of ~\$6.8m (+162% vs pcip). Within this, recurring Subscription and reoccurring Transaction revenue was ~\$5.7m (+167% vs pcip).
- + Gross margin in Q1 FY23 of ~\$3.9m (+116% vs pcip) representing a Q1 FY23 gross margin percentage of ~57%.
- + Signed contracts in Q1 FY23 of ~\$8m (+31% vs pcip). The signed contract backlog has continued to grow and it is estimated that \$13-15m of this backlog will be delivered and recognized as revenue in the FY23 period.
- + Cash and receivables as at 30 June 2022 was ~\$27.7m, comprised of \$23.3m cash and \$4.4m receivables, with no debt. This position is just ~\$1.2m lower than six months prior (at 31 December 2021) evidencing the operating leverage in the business.

Commentary and outlook

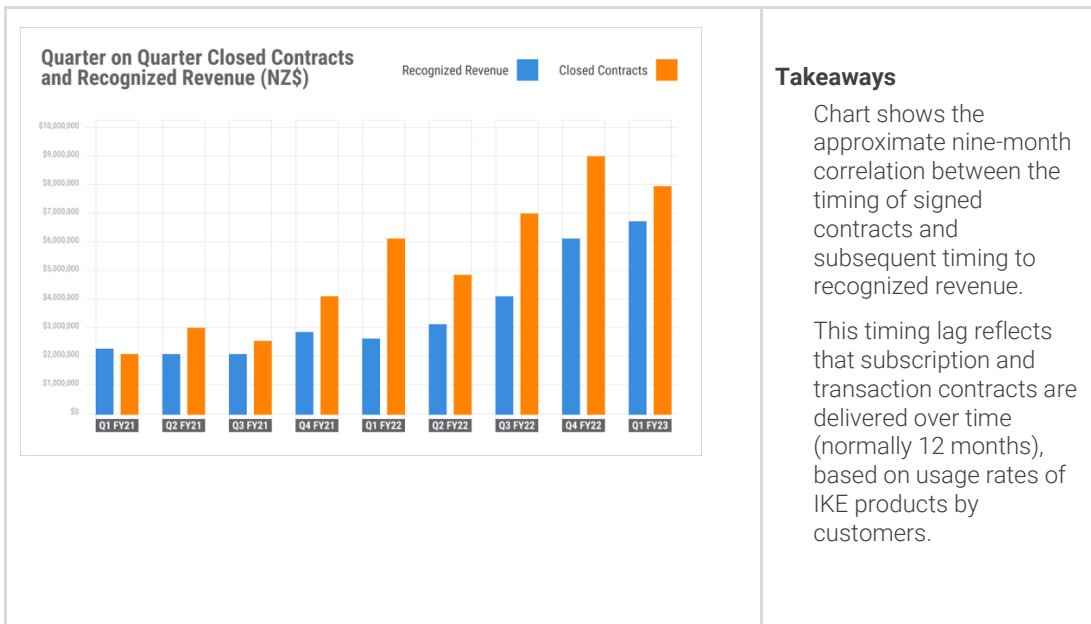
IKE CEO Glenn Milnes commented, "The past quarter was another outstanding period of growth at IKE. It included the material expansion of various existing customers and saw several new and important tier-1 enterprise groups onboarded, including one the five largest engineering companies serving the electric utility market across the U.S. The first phase of this contract includes supporting a 10-year network hardening program for a electric utility in the South-West. Market development activity also featured training 325 engineers on IKE products and workflows at a major investor-owned utility in the southern U.S.

Operating leverage is in place via the scalability of our software and our disciplined approach to operating expenses. Management and the Board remain cognisant of the importance to maintain a fortress balance sheet position, and driving this operational leverage to get to positive cash flow is front of mind.

The outlook remains robust. Following 71% revenue growth in FY22, we expect FY23 to be another significant period of growth. This is driven by the estimate that \$13-15m of our signed contract backlog will be delivered and recognised as revenue in the next three quarters of FY23 (noting that the ultimate timing of these contracts is subject to the execution speed of our customers). In addition, our sales opportunity funnel is strong and we anticipate a healthy run rate of new contracts will also close and be recognised in the FY23 period."

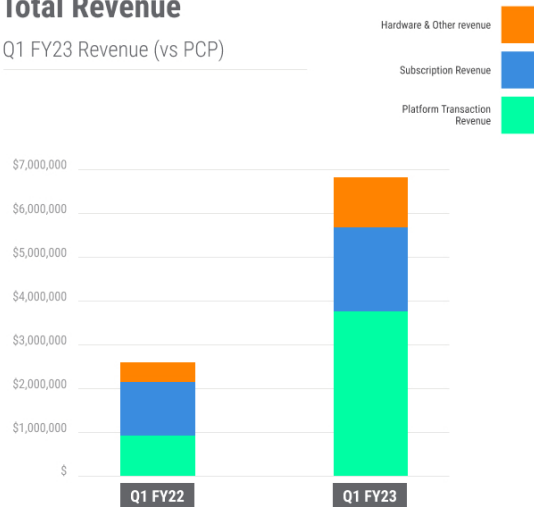
Momentum across the business is set out in the following table and charts:

	Q1 FY23	PCP (Q1 FY22)	% Change
Total revenue	\$6.8m	\$2.6m	+162%
Platform Transactions			
# of billable transactions	109k	58k	+87%
Platform transaction revenue	\$3.8m	\$1.0m	+299%
Gross Margin	\$1.6m	\$0.5m	+225%
FY22 Gross Margin %	41%	52%	
Platform Subscriptions			
# of enterprise customers	349	299	+17%
Platform subscription revenue	\$1.8m	\$1.2m	+59%
Gross Margin	\$1.6m	\$1.1m	+53%
FY22 Gross Margin %	89%	92%	
Hardware & Other			
Hardware & Services revenue	\$1.1m	\$0.5m	+138%
Gross Margin	\$0.7m	\$0.2m	+219%
Gross Margin %	61%	45%	



Total Revenue

Q1 FY23 Revenue (vs PCP)



Takeaways

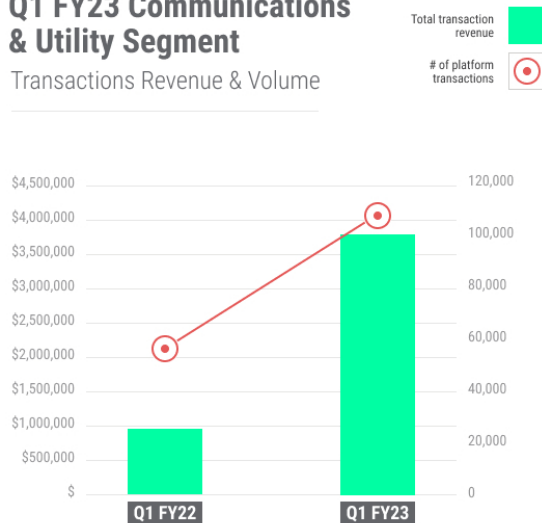
Recurring subscription and reoccurring transaction revenues (shown by the Green and Blue segments in this chart) dominate IKE's revenue mix.

This revenue element continues grow positively because of the investment into extending software products.

This is an important trend in terms of increased revenue quality that underpins predictable growth as IKE continues to execute on its solution, and Pole OS™, strategy.

Q1 FY23 Communications & Utility Segment

Transactions Revenue & Volume



Takeaways

Significant growth in transaction revenue has continued.

This is one of the primary indicators of platform usage by IKE customers, and is expected to remain a growth driver for the business.

As above, IKE will host a webinar Friday 22 July 2022 at 9am AEST / 11am NZT where CEO, Glenn Milnes, will discuss the highlights of the quarter. Please [click here to register](#).

ENDS

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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