



For immediate release, 28 January 2025

3Q25 Performance Update

Continued strong growth of annual subscription revenue exit run rate (+43% vs pcg).

Record ~NZ\$44m in contracts closed in the nine-month period.

Total cash & net receivables growth of +NZ\$4m in the quarter.

Gross margin dollar growth of +42% vs pcg and gross margin percentage growth to 68% (pcg 58%).

ikeGPS Group Limited (IKE) (NZX: IKE / ASX: IKE) is pleased to release a performance update for the recent quarter and the nine-month period to 31 December 2024. All figures are in NZD, rounded to the nearest decimal, unaudited and subject to minor change.

Highlights for the nine-month period:

- + Exit run rate of annual platform subscription revenue grew to NZ\$15.7m (+43% vs pcg).
- + Total recognized revenue in the period of NZ\$18.5m (+21% vs pcg), with recognized revenue in 3Q of NZ\$6.3m. Comprising the above was:
 - + Subscription revenue of NZ\$10.2m (+29% vs pcg).
 - + Transaction revenue of NZ\$5.8m (+14% vs pcg).
 - + Hardware and other services revenue of NZ\$2.5m (+9% vs pcg).
- + Gross margin of NZ\$12.6m (+42% vs pcg), with gross margin in 3Q of \$4.5m.
 - + Gross margin percentage of 68% (up from pcg of 58%), driven by revenue mix continuing to shift to high margin subscription products.
- + Total cash and net receivables grew +NZ\$4m in the quarter to NZ\$13.6m.
 - + Comprising NZ\$9.2m in cash and NZ\$4.4m in net receivables (NZ\$5.9m receivables, with payables of NZ\$1.5m) and no debt. This is a result of continued overall growth, from winning numerous large subscription contracts in the prior quarters and associated collection timing, and ongoing operating cost control.
 - + The 31 December 2024 cash position is +NZ\$1.2m on the same time in the year prior.

Commenting on company progress through the recent quarter, IKE CEO Glenn Milnes said:

"3Q25 was another strong quarter marked by significant subscription contracts closed with tier-1 North American customers, driving continued growth in ARR run rates. This resulted in the addition of 1,270 new subscription seat licenses during the quarter, bringing the total to over 7,000, a +181% increase compared to the prior year. Notable subscription customer wins in the quarter included with a 100+ year-old electric utility that delivers power to more than three million customers in the south of the U.S., an enterprise agreement with a national engineering group with 150 offices and 8,000 employees globally, and a U.S. communications company with >\$50B revenue where IKE is initially supporting their overhead infrastructure operations across California.

We have closed a record ~NZ\$44m in total contracts over the past nine months, spanning approximately 640 deals. It is important to note that some of these subscription and transaction

contracts will be recognized over a multi-year period, with the execution of certain transaction contracts dependent on IKE customers completing their associated engineering.

Our balance sheet remains strong. The cash and net receivables position increased NZ\$4m in the quarter. This is a result of continued overall growth, from winning numerous large subscription contracts in the prior quarters and the associated collection timing, and ongoing operating cost control. Our current cash position of NZ\$9.2m exceeds the level reported at the same time last year. This has been achieved while investing significantly into building five new products and while we have continued our expansion in the market with new customer wins running at around one per week.

The investment into product and market development is yielding returns. For example, since the launch of the IKE PoleForeman product 13 months ago, Total Contract Value (TCV) has surpassed NZ\$16m, driven by adoption among tier-1 electric utilities in the U.S. market. This has significantly contributed to ARR growth. The highly sticky nature of these customers ensures substantial lifetime contract value. To date, 109 customers have subscribed to the platform, including 59 existing customers and 50 new ones. This growth has driven the issuance of over 7,000 subscription seat licenses, each representing a distribution network design engineer using IKE's software. We expect more major customers to close in the near term and that by the end of FY25 IKE PoleForeman will be the Standard for structural analysis in eight of the ten largest electric utilities in North America.

Total subscription revenue for FY25 is expected to grow by ~40% or greater compared to the prior year. This guidance depends partly on the timing of customer deployments 4Q and associated revenue recognition from closed software contracts. As a key leading indicator, the exit run rate for annual platform subscription revenue is up +43% year-to-date compared to the prior year.

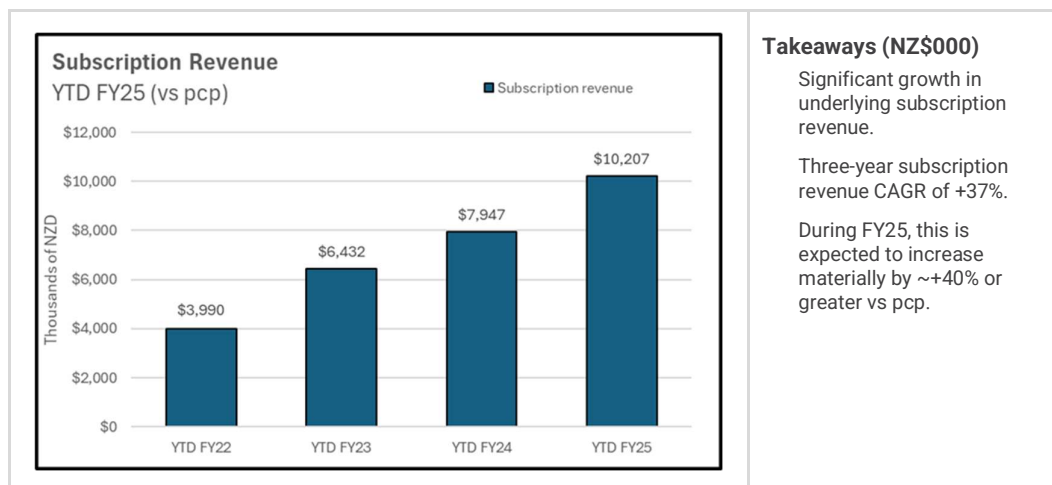
Transaction revenue is expected to grow compared to the prior year, supported by existing contracts. This segment has a broader range of potential outcomes, reflecting higher risk with both upside and downside variability. IKE earns incremental transaction revenue, in addition to base subscription revenue, when customers engineer additional network assets within the system.

Our margin profile strengthened during the period, increasing to 68% from 58% in the prior year. This improvement reflects a shift in the product mix towards higher-margin subscription revenue. This trend is expected to persist.

Macro-market tailwinds in North America remain highly supportive of IKE's business and are expected to drive growth over the coming decades. Our North American-based team continues to capitalize on significant sales opportunities."

Performance summary

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



Platform Subscription- ERR Trend ARR at Dec. 31:

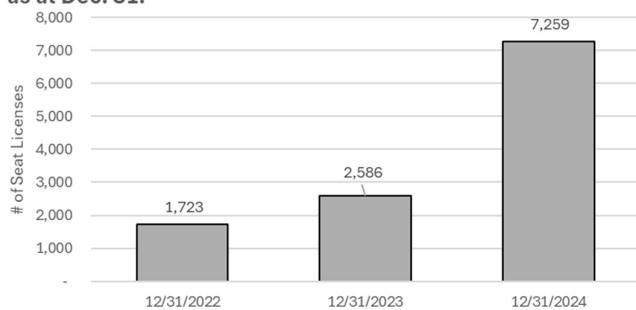


Takeaways

+43% YoY growth in the exit run rate (ERR) of annual platform subscription revenue.

As stated, during the full FY25 period this metric is expected to continue to grow materially (by ~+40% or greater vs pcp) driven by continued growth of IKE Office Pro subscription sales and successful sell-through of IKE's next-generation IKE PoleForeman subscription product, with TCV of NZ\$16.5m already closed.

Platform Subscriptions- Seat License Trend as at Dec. 31:

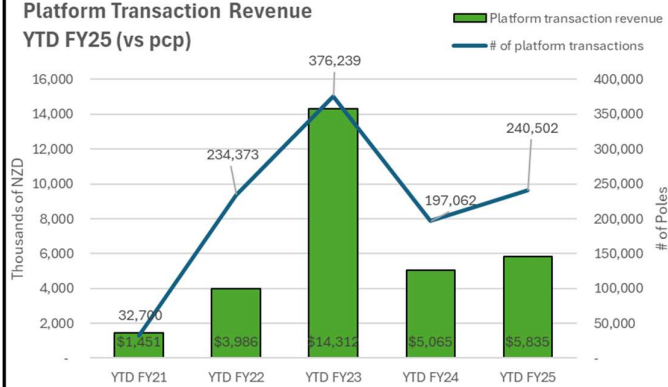


Takeaways

Subscription seat license growth of +181% 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 PoleForeman product (released late FY24).

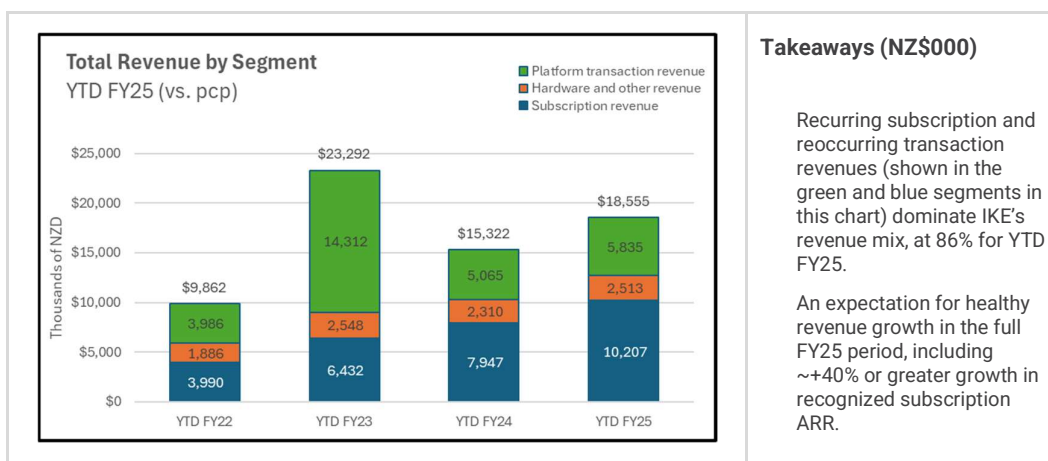
Platform Transaction Revenue YTD FY25 (vs pcp)



Takeaways

Three-year transaction revenue CAGR of +14%, noting that gross margin increased to 35% vs 14% pcp.

Based on contracts in place, IKE expects transaction volumes and associated revenue to continue to build through the end of FY25.



	YTD FY25	YTD FY24	% Change
Total Revenue	\$18.5m	\$15.3m	+21%
Platform Subscriptions			
Total # of Subscription Customers	420	368	+14%
Total Number of Seat Licenses	7,259	2,586	+181%
Platform Subscription Revenue	\$10.2m	\$7.9m	+29%
Gross Margin	\$9.0m	\$6.9m	+30%
Gross Margin %	88%	87%	
Platform Transactions			
# of Billable Transactions	241k	197k	+22%
Platform Transaction Revenue	\$5.8m	\$5.1m	+14%
Gross Margin	\$2.0m	\$0.7m	+186%
Gross Margin %	35%	14%	
Hardware & Other			
Hardware & Services Revenue	\$2.5m	\$2.3m	9%
Gross Margin	\$1.6m	\$1.3m	23%
Gross Margin %	63%	55%	

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	YTD FY25	YTD FY24	
Total # of Enterprise Customers	443	392	+13%
Less: Non-Subscription Customers	(23)	(24)	-4%
Total # of Subscription Customers	420	368	+14%

ENDS

About IKE

We are IKE, the PoleOS™ Company. IKE aims to become the standard for collecting, analyzing and managing pole and overhead asset information for electric utilities, communications companies, and their engineering service providers.

The IKE platform enables electric utilities, communications companies, and their engineering service providers to enhance speed, quality, and safety in 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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