



For immediate release, 22 April 2025

4Q25 Performance Update to 31 March 2025

Continued growth of annual subscription revenue exit run rate (+48% vs pcg).

ARR growth in FY26 expected to continue at similar, strong levels.

~NZ\$12m in contracts closed in the fourth quarter.

Total cash & net receivables growth of +NZ\$1.8m in the quarter, to NZ\$15.4m.

Unsolicited, non-binding acquisition approach received at NZ\$1 per share, or ~NZ\$165-170m EV.

ikeGPS Group Limited (IKE) (NZX: IKE / ASX: IKE) is pleased to release a performance update for the recent quarter and 12-month period to 31 March 2025. All figures are in NZD, rounded to the nearest decimal, unaudited and subject to minor change.

Highlights for the quarter and 12-month period to 31 March 2025:

- + Exit run rate of annual platform subscription revenue grew to NZ\$17.6m (+48% vs pcg).
- + Total recognized revenue in the period of NZ\$25.2m (+19% vs pcg), with recognized revenue in 4Q of NZ\$6.6m. Comprising the above was:
 - + Subscription revenue of NZ\$14.4m (+34% vs pcg).
 - + Transaction revenue of NZ\$7.6m (+3% vs pcg).
 - + Hardware and other services revenue of NZ\$3.2m (+5% vs pcg).
- + Gross margin of NZ\$17.4m (+37% vs pcg), with gross margin in 4Q of NZ\$4.8m.
 - + Gross margin percentage of 69% (up from pcg of 60%), driven by revenue mix continuing to shift to high margin subscription software products.
- + Total cash and net receivables grew +NZ\$1.8m in the quarter to NZ\$15.4m.
 - + This comprises NZ\$10.3m in cash and NZ\$5.1m in net receivables (NZ\$6.1m in receivables with payables of NZ\$1.0m) 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 March 2025 cash position is consistent with the level 12 months prior.

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

"4Q25 was another strong operating quarter marked by significant subscription contracts closed with tier-1 North American customers, driving continued growth in ARR run rates. This has resulted in the addition of nearly 1,300 new subscription seat licenses, bringing the total to over 8,500. This is a greater than 100% increase compared to the prior year.

Looking ahead to FY26 (the period beginning 1 April 2025) based on contracts in place and broader momentum in the company we expect our ARR to continue to increase very strongly at growth levels of 35% or greater, positioning us well for the medium and long term.

Today, eight of the ten largest electric utilities in the U.S. are Standardized on IKE software for distribution network structural analysis.

Notable subscription customer wins in 4Q25 period included new multi-year subscription contracts with two additional major U.S. Investor-Owned Electric Utilities. The total initial value of these subscription contracts closed was ~NZ\$3m. This includes an agreement with the third largest electric utility in North America. The expectation is that, based on use of IKE's distribution network design software, these subscription commitments will extend to an additive ~NZ\$1m p.a. of ARR.

One of these customer commitments means over 700 engineers at this electric utility will use IKE PoleForeman's advanced capabilities for structural analysis and the design of distribution assets, to meet grid resiliency and network capacity targets over the coming decades. An expected consequence of these Distribution Standards department decisions is that additional engineering companies and communications groups, working across these power utility's networks, will also adopt IKE PoleForeman long term. Overall, these two companies referenced deliver power to more than 6.5m U.S. homes & businesses.

Our balance sheet remains strong. The cash and net receivables position increased again this quarter, by~NZ\$1.8m. This is a result of continued overall growth, from winning numerous large subscription contracts and the associated collection timing, and ongoing operating cost control. Our current cash position of NZ\$10.3m is consistent with 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 over one per week.

The investment into product and market development is yielding returns. For example, since the launch of the IKE PoleForeman product late calendar 2023, Total Contract Value (TCV) closed has surpassed NZ\$17m, driven by adoption among tier-1 electric utilities in the U.S. market. 127 customers have subscribed to the platform, including 68 existing customers and 59 new ones. This growth has driven the issuance of over 8,500 subscription seat licenses, each representing a distribution network design engineer using IKE's software. The highly sticky nature of these customers ensures substantial lifetime contract value.

Total recognized subscription revenue for FY25 grew by ~34% compared to the prior year, and the exit run rate for annual platform subscription revenue is up +48% as at 31 March 2025 compared to the same time in the prior year.

Our margin percentage profile strengthened during the 12-month period, increasing to 69% from 60%. This improvement reflects a shift in the product mix towards higher-margin subscription revenue. This trend is expected to persist.

As disclosed in late January, in the quarter we were approached, on a confidential and non-binding basis, by a potential acquirer about the acquisition of 100% of IKE's shares, to be effected by way of a scheme of arrangement. The proposal was conditional on a number of material matters, including the potential acquirer undertaking detailed due diligence. After seeking appropriate advice from legal and financial advisers, the Board of IKE assessed that the indicative valuation range presented by the potential acquirer was sufficient to justify granting this short period of exclusive due diligence with a view to the Potential Acquirer providing a subsequent firm offer that was sufficiently compelling to justify putting before all of IKE's shareholders. The firm offer from the potential acquirer equated to approximately NZ\$1.00 per IKE share, an approximately +62% premium to IKE's share price at the time, equating an enterprise value of approximately NZ\$165-170m.

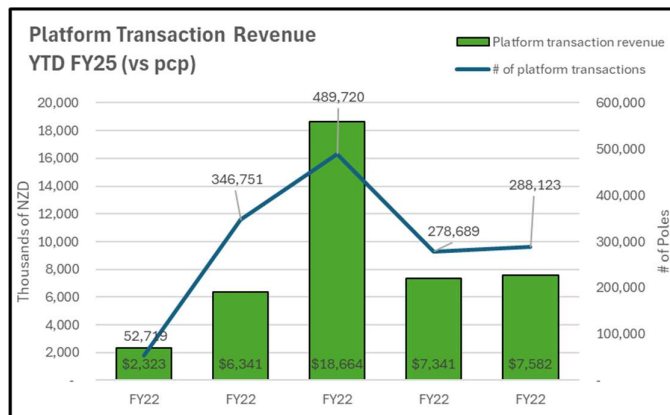
The current construct of IKE's share register is such that without the key support of its largest few shareholders, no takeover transaction can be successful. Having then taken direct, confidential soundings under stand-still agreements from these specific shareholders, IKE's Board determined that a transaction at this price had no realistic chance of securing sufficient support. IKE's Board therefore concluded that continuing to devote resources and incurring the very significant costs to progress this specific process would not be in the best interests of the Company and its shareholders, and accordingly ceased discussions.

Looking forward, macro-market tailwinds in North America remain highly supportive of IKE's business and are expected to drive growth over the coming decades, and 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:

<div><p>Subscription Revenue YTD FY25 (vs pcg)</p><table><thead><tr><th>Period</th><th>Subscription revenue (Thousands of NZD)</th></tr></thead><tbody><tr><td>FY22</td><td>\$5,632</td></tr><tr><td>FY22</td><td>\$8,790</td></tr><tr><td>FY22</td><td>\$10,713</td></tr><tr><td>FY22</td><td>\$14,380</td></tr></tbody></table></div>	Period	Subscription revenue (Thousands of NZD)	FY22	\$5,632	FY22	\$8,790	FY22	\$10,713	FY22	\$14,380	<p>Takeaways (NZ\$000)</p> <p>Significant growth in underlying subscription revenue.</p> <p>YoY subscription CAGR of 34%</p> <p>Three-year subscription revenue CAGR of +37%.</p>
Period	Subscription revenue (Thousands of NZD)										
FY22	\$5,632										
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<div><p>Platform Subscription- ERR Trend ARR at Mar 31:</p><table><thead><tr><th>Date</th><th>ARR (Thousands of NZD)</th></tr></thead><tbody><tr><td>4/30/2022</td><td>\$5,860</td></tr><tr><td>3/31/2023</td><td>\$8,991</td></tr><tr><td>3/31/2024</td><td>\$11,845</td></tr><tr><td>3/31/2025</td><td>\$17,564</td></tr></tbody></table></div>	Date	ARR (Thousands of NZD)	4/30/2022	\$5,860	3/31/2023	\$8,991	3/31/2024	\$11,845	3/31/2025	\$17,564	<p>Takeaways</p> <p>+48% YoY growth in the exit run rate (ERR) of annual platform subscription revenue.</p>
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<div><p>Platform Subscriptions- Seat License Trend as at Mar 31:</p><table><thead><tr><th>Date</th><th># of Seat Licenses</th></tr></thead><tbody><tr><td>4/30/2022</td><td>1,421</td></tr><tr><td>3/31/2023</td><td>1,880</td></tr><tr><td>3/31/2024</td><td>4,200</td></tr><tr><td>3/31/2025</td><td>8,539</td></tr></tbody></table></div>	Date	# of Seat Licenses	4/30/2022	1,421	3/31/2023	1,880	3/31/2024	4,200	3/31/2025	8,539	<p>Takeaways</p> <p>Subscription seat license growth of +103% YoY.</p> <p>Seat count growth has accelerated at a fast pace due to customer additions and upsells, as well as selling customers onto a per-seat subscription model when adopting the new IKE PoleForman product (released late FY24).</p>
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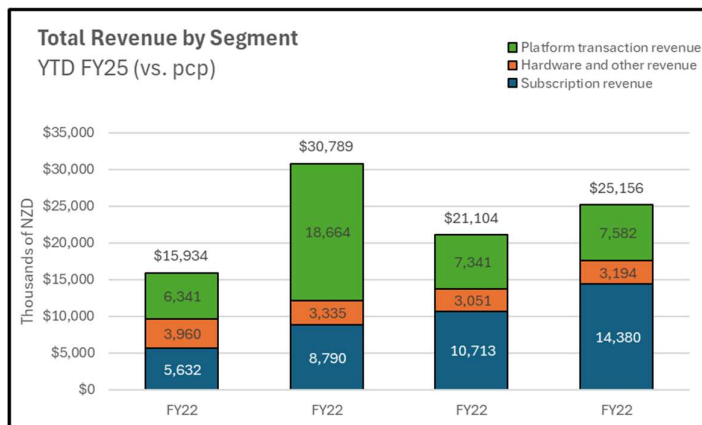


Takeaways

Three-year transaction revenue CAGR of +6%.

Gross margin increased to 32% vs 24% pcp.

IKE expects transaction volumes and associated revenue to continue to build through the end of FY26.



Takeaways (NZ\$000)

Recurring subscription and reoccurring transaction revenues (shown in the green and blue segments in this chart) dominate IKE's revenue mix, at 87% for YTD FY25.

An expectation for healthy revenue growth in the full FY26 period, including ~35% or greater growth in subscription ARR.

	YTD FY25	YTD FY24	% Change
Total Revenue	\$25.2m	\$21.1m	+19%
Platform Subscriptions			
Total # of Subscription Customers	395	395	+0%
Total Number of Seat Licenses	8,539	4,200	+103%
Platform Subscription Revenue	\$14.4m	\$10.7m	+34%
Gross Margin	\$12.8m	\$9.2m	+39%
Gross Margin %	89%	86%	
Platform Transactions			
# of Billable Transactions	288k	279k	+3%
Platform Transaction Revenue	\$7.6m	\$7.3m	+3%
Gross Margin	\$2.4m	\$1.8m	+40%
Gross Margin %	32%	24%	
Hardware & Other			
Hardware & Services Revenue	\$3.2m	\$3.1m	+5%
Gross Margin	\$2.2m	\$1.7m	+26%
Gross Margin %	68%	56%	

**The Company added 72 new subscriptions customers during FY 2025 (15 in 4Q25), or approximately 1.4 new customers per week. Approximately 40 legacy PoleForeman customers, representing total ~NZ\$100k of ARR did not convert to the new IKE Poleforman platform upon the Company discontinuing support for the Company's legacy application in 4Q25. As such, we have recorded these customers as lost on the table above, reducing our customer count from 420 at the end of 3Q25 and keeping our customer count flat at 395 year-over-year. We do expect some of these customers will eventually adopt the new platform based on project timing, and budgeting cycles, but note the average ARR lost from these customers was under \$3k per customer.*

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.

Contact:

Glenn Milnes

CEO

+1 720-418-1936

glenn.milnes@ikegps.com

Simon Hinsley

Investor Relations

+61-401-809-653

simon@nwrcommunications.com.au



ikeGPS Group Limited

329 Interlocken Parkway, Suite 120, Broomfield CO 80021, USA

Office: +1 303 222 3218

www.ikegps.com