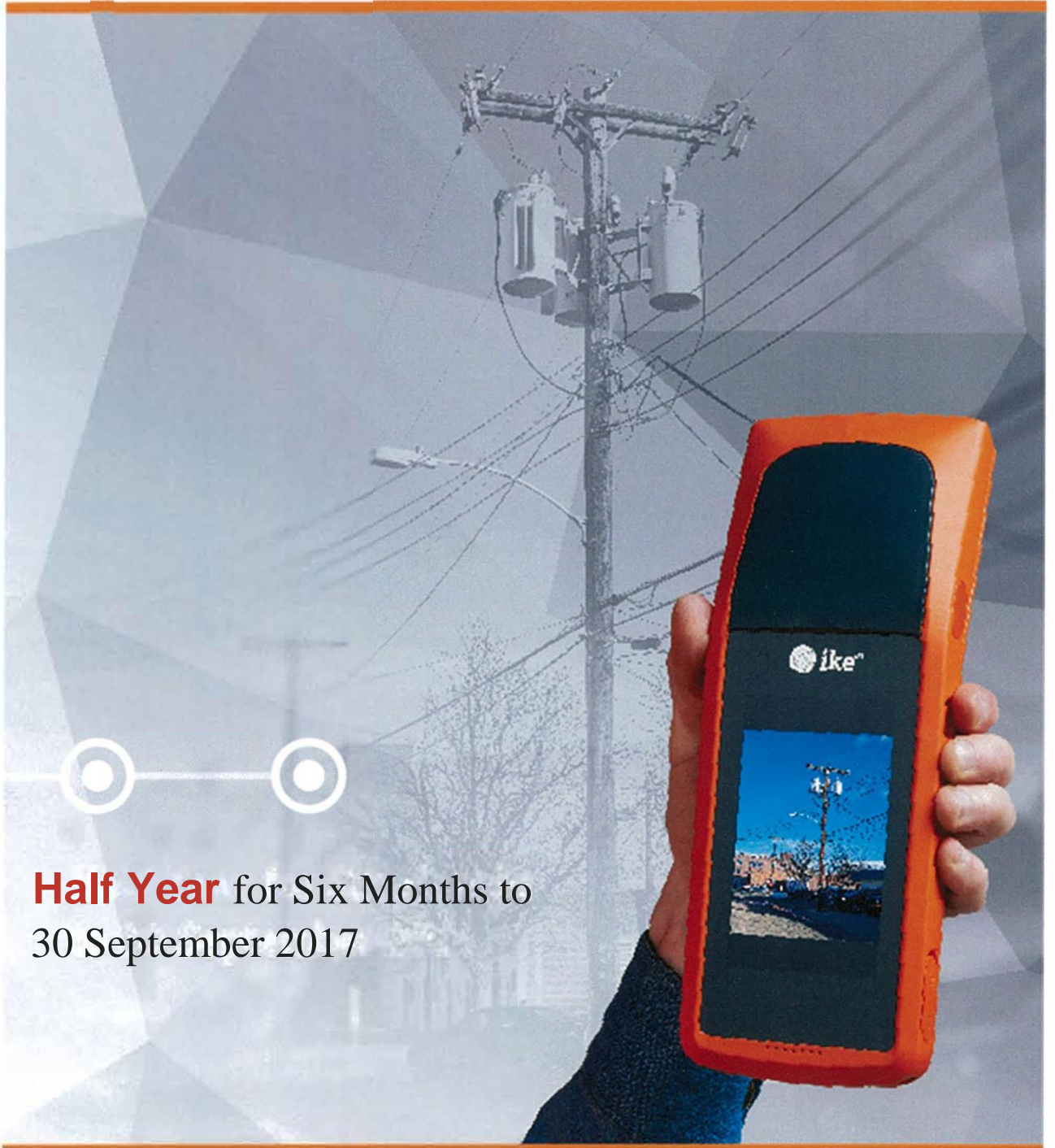




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Half Year for Six Months to
30 September 2017



Financial Statements



Contents

Consolidated interim statement of profit or loss and other comprehensive income	1
Consolidated interim statement of changes in equity	2
Consolidated interim balance sheet	3
Consolidated interim statement of cash flows	4
Notes to the consolidated interim financial statements	5 - 9

Consolidated interim statement of profit or loss and other comprehensive income

		Unaudited 6 months to September 2017	Unaudited 6 months to September 2016
		\$'000's	\$'000's
Continuing operations			
Operating revenue		3,451	1,970
Cost of sales		(1,936)	(902)
Gross profit		1,515	1,068
Other income		72	114
Operations cost	5	(239)	(466)
Sales and marketing expenses	5	(1,545)	(1,762)
Research and engineering expenses	5	(1,663)	(2,382)
Corporate costs	5	(1,934)	(2,528)
Foreign exchange (losses)/gains		(625)	(888)
Expenses		(6,006)	(8,026)
Operating loss		(4,419)	(6,844)
Net finance income		(12)	15
Net loss before income tax		(4,431)	(6,829)
Income tax credit (expense)/credit		(22)	(7)
Loss attributable to owners of ikeGPS Group		(4,453)	(6,836)
Other comprehensive loss			
Items that may subsequently be recognised through profit or loss			
Exchange differences on translation of foreign operations		562	830
Comprehensive loss		(3,891)	(6,006)
Basic loss per share		\$ (0.06)	\$ (0.13)
Diluted loss per share		\$ (0.06)	\$ (0.13)

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Consolidated interim statement of changes in equity

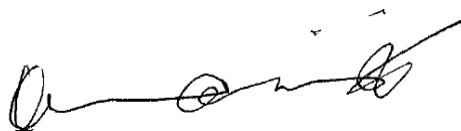
	Share capital \$'000's	Accumulated losses \$'000's	Share based payment reserve \$'000's	Foreign currency translation reserve \$'000's	Total \$'000's
Opening balance at 1 April 2016	37,352	(24,036)	275	(350)	13,241
Loss for the year	-	(6,836)	-	-	(6,836)
Currency translation differences	-	-	-	830	830
Total comprehensive income/(loss)	-	(6,836)	-	830	(6,006)
Issue of ordinary shares	7,893	-	-	-	7,893
Recognition of vesting of share-based options	-	-	93	-	93
Total transactions with owners	7,893	-	93	-	7,986
Balance at 30 September 2016	45,245	(30,872)	368	480	15,221

	Share capital \$'000's	Accumulated losses \$'000's	Share based payment reserve \$'000's	Foreign currency translation reserve \$'000's	Total \$'000's
Opening balance at 1 April 2017	45,252	(34,763)	399	(252)	10,636
Loss for the year	-	(4,453)	-	-	(4,453)
Currency translation differences	-	-	-	562	562
Total comprehensive income/(loss)	-	(4,453)	-	562	(3,891)
Issue of ordinary shares	4,012	-	-	-	4,012
Recognition of vesting of share-based options	-	-	49	-	49
Share based payment reserve movement	-	-	(2)	-	(2)
Total transactions with owners	4,012	-	47	-	4,059
Balance at 30 September 2017	49,264	(39,216)	446	310	10,804

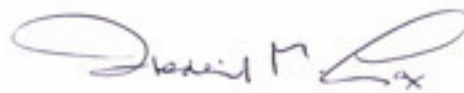
The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Consolidated interim balance sheet

	Unaudited September 2017 \$'000's	Audited March 2017 \$'000's
ASSETS		
Current assets		
Cash and cash equivalents	3,414	2,730
Trade and other receivables	2,288	986
Prepayments	444	598
Inventory	1,379	2,513
Total current assets	7,525	6,827
Non-current assets		
Property, plant and equipment	1,121	1,370
Intangible assets	3,780	4,048
Deferred tax asset	18	19
Total non-current assets	4,919	5,437
Total assets	12,444	12,264
LIABILITIES		
Current liabilities		
Trade and other payables	878	1,250
Employee entitlements	210	228
Deferred revenue	552	150
Total current liabilities	1,640	1,628
Total liabilities	1,640	1,628
Total net assets	10,804	10,636
EQUITY		
Share capital	6	49,264
Share based payment reserve	446	399
Accumulated losses	(39,216)	(34,763)
Foreign currency translation reserve	310	(252)
Total equity	10,804	10,636



Director Date: 28 November 2017
NZ (New Zealand Time)



Director Date: 28 November 2017
NZ (New Zealand Time)

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Consolidated interim statement of cash flows

		Unaudited 6 months to September 2017 \$'000's	Unaudited 6 months to September 2016 \$'000's
Cash flows from operating activities			
Cash receipts from customers		2,500	2,919
Cash paid to suppliers and employees		(5,024)	(7,902)
Interest and tax paid		(38)	(5)
Net cash used in operating activities	7	(2,562)	(4,988)
Cash flows from investing activities			
Purchases of property, plant and equipment		(9)	(110)
Additions to intangible assets		(697)	(463)
Interest received		5	20
Net cash used in investing activities		(701)	(553)
Cash flows from financing activities			
Proceeds from issuance of shares on listing	6	4,012	7,795
Net cash from financing activities		4,012	7,795
Net (decrease) in cash and cash equivalents		749	2,254
Cash and cash equivalents at beginning of year		2,730	5,292
Effect of exchange rate fluctuations on cash held		(65)	(62)
Cash and cash equivalents		3,414	7,484

The accompanying notes form part of, and should be read in conjunction with, these financial statements.

Notes to the consolidated interim financial statements

1. Reporting Entity

Ike GPS Limited (the "Company") is a limited liability company domiciled and incorporated in New Zealand, registered under the Companies Act 1993 and listed on the New Zealand Stock Exchange ("NZX") and Australian Stock Exchange ("ASX"). The Company is an FMC reporting entity for the purposes of the Financial Markets Conduct Act 2013. The financial statements for the period ended 30 September 2017 comprise the Company and its subsidiaries (together referred to as the "Group") which include ikeGPS Limited and ikeGPS Inc.

The principal activity of the Group is that of design, marketing and sale of integrated GPS data capture devices and related software.

The financial statements were authorised for issue by the Directors on 28 November 2017.

2. Basis of preparation

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with NZ IAS 34 Interim Financial Reporting and IAS 34 Interim Financial Reporting.

Basis of measurement

The financial statements have been prepared on the historical cost basis with the exception of certain financial instruments which are measured in accordance with the specific relevant accounting policy.

Critical estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2017.

Going concern

These financial statements have been prepared based on the Group being a going concern, which assumes the Group has the ability and intention to continue operations for a period of at least 12 months from the date of the financial statements. The following condition indicates the existence of a material uncertainty that may cast significant doubt on the validity of this assumption.

The Group had net operating cash outflows for the six months ended 30 September 2017 of \$2,562,000 (twelve months ended 31 March 2017: \$9,021,000), and a cash balance of \$3,414,000. If this level of cash usage continued the Group would not be able to fund its operations without the need to raise additional capital.

Notes to the consolidated interim financial statements

2. Basis of preparation (continued)

The approved base business plan for FY18 includes the prudent management of costs while focusing effort on realising the significant sales opportunities for the entity's products.

The plan takes into consideration:

- an expectation of increased sales of its IKE4 and Spike products
- increased subscription revenue associated with IKE4 and Spike
- a material reduction in the level of development related costs,
- the ability of the Group to manage its growth activities and associated costs.

To support operating cashflow, the group recently completed a share placement and share purchase program raising \$4,012,000.

Although the Company is not currently engaged in pursuing raising additional capital, the dual listing on the NZX and ASX provides the Company with the potential option to pursue capital raise opportunities from a wider market in order to among other things; expand existing business, additional working capital, and acquire or establish new businesses. The Directors believe that additional capital could be raised should circumstances necessitate.

On this basis, the Directors believe that the Group has sufficient funding to continue operations for at least the next 12 months from the date of authorising the financial statements, and hence consider the use of the going concern basis appropriate.

The Group's ability to improve its financial capacity and cash flow generated from its operations cannot be assured.

These consolidated financial statements do not reflect adjustments in the carrying values of the assets and liabilities, the reported revenues and expenses, and the balance sheet classifications used, that would be necessary if the Group were unable to realise its assets and settle its liabilities in the normal course of operations. Such adjustments could be material.

3. Significant accounting policies

The interim financial statements have been prepared using the same accounting policies and methods of computation as set out in the 31 March 2017 annual financial statements. All accounting policies have been applied consistently to all periods presented in these interim financial statements.

4. Operating segments.

The segment reporting format reflects the Group's management and internal reporting structure. "Contribution" represents gross profit after allocating cost of goods sold and selling expenses. Reporting of overheads and balance sheet position is not undertaken at a level lower than the Group as a whole. Geographically, revenue is substantially generated in the United States.

Notes to the consolidated interim financial statements

4. Operating segments (continued)

	Unaudited 6 months to September 2017			Unaudited 6 months to September 2016		
	Utility	New Business	Group	Utility	New Business	Group
	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's
Operating revenue	2,202	1,249	3,451	861	1,110	1,971
Contribution	268	(139)	129	(466)	(29)	(495)
Net attributable (other corporate income and expenses)			(4,560)			(6,334)
Net loss before tax			(4,431)			(6,829)

5. Operating expenses

Operating expenses

	Unaudited 6 months to September 2017	Unaudited 6 months to September 2016
	\$'000's	\$'000's
Amortisation of development asset	952	731
Amortisation of patents and software	15	15
Depreciation	114	223
Total amortisation and depreciation	1,081	969
Employee benefit expense	3,367	4,330
Employee benefit expense capitalised ^{1.}	(698)	(463)
Operating lease expenses	208	217
Direct selling and marketing ^{2.}	439	512
Other operating expenses ^{3.}	984	1,573
Total operating expenses	5,381	7,138

1. Relates to employee benefit expense and external contractors and consultants expenses that are directly attributable to the development of intangible assets and have been capitalised.
2. Direct selling and marketing includes expenses incurred mainly in relation to promotional activities such as commissions, travel and other direct marketing expenses.
3. Major other operating expenses are facilities, IT costs, advisory and engineering overheads.

Notes to the consolidated interim financial statements

6. Contributed equity

Share Capital

	Unaudited 6 months to September 2017 \$'000's	Unaudited 6 months to September 2016 \$'000's
On Issue 01 April	45,252	37,352
Issued under ESOP	-	98
Issued under share placement	3,725	5,245
Issued under share purchase plan	387	3,000
Less listing costs offset against issue proceeds	(100)	(450)
Total share capital	49,264	45,245

Share Capital on issue

	Unaudited 6 months to September 2017	Unaudited 6 months to September 2016
Fully paid total shares at 01 April	64,270,910	50,378,506
Ordinary shares issued on settlement of options	-	150,000
New shares offered	14,179,345	13,742,404
Fully paid ordinary shares	78,450,255	64,270,910

7. Cash used in operations

	Unaudited 6 months to September 2017 \$'000's	Unaudited 6 months to September 2016 \$'000's
Loss for the year	(4,453)	(6,836)
Less Investment interest received	(5)	(18)
Non-cash items included in net loss		
Depreciation	215	223
Amortisation of intangible assets	967	746
Deferred tax expense	(1)	7
Share option expense	49	193
Write off of obsolete materials and assets	288	-
Foreign exchange (gains)/losses	625	888
	2,138	2,039
Add/(less) movement in working capital items		
Decrease/(Increase) trade and other receivables	(1,348)	804
Decrease/(Increase) in inventories	935	(139)
Decrease/(Increase) in prepayments	154	(667)
Increase/(Decrease) in trade and other payables	(372)	(250)
Increase/(Decrease) in deferred revenue	402	30
Increase/(Decrease) in employee entitlements	(18)	31
	(247)	(191)
Net cash used in operating activities	(2,562)	(4,988)

Notes to the consolidated interim financial statements

8. Related parties

The Group issued 14,179,345 new ordinary shares under share placement and share purchase plan. Total of 2,628,450 (18.5% of total shares issued) were acquired by Related Parties (being Directors or Officers of the Group).

9. Subsequent events

There are no subsequent events.

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