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GEOOP LIMITED (NZX:GEO)
Monday, 24 August 2015

GeoOp announces strategic placement at a premium to the current share price

The Board of GeoOp Limited (“Geo”) announces a placement of approximately NZ\$2.4 million at NZ\$0.48c per share, primarily from new strategic investors based off-shore (the “Placement”). The large global market opportunity that exists for Geo in the mobile workforce management sector has attracted these new investors.

The Placement price of NZ\$0.48c represents a premium of approximately 9.1% to Geo’s last 5 day volume weighted average price (“VWAP”) of NZ\$0.44c per share.

The Placement will provide Geo with further working capital to accelerate growth, particularly in the Australian and US markets, and execute its strategic plan focused on achieving profitability.

The Placement will be followed by a share purchase plan (“SPP”) for all eligible Geo shareholders at a price of NZ\$0.48c per share (further details below).

Investors

The new investors will provide Geo with patient expansion capital while broadening and deepening Geo’s investor base. Geo will also be able to leverage the new investors’ market and industry networks, where appropriate, to assist Geo achieve its medium and longer term strategic objectives.

Investors in the Placement include:

- A specialised small-cap value fund in Australia that invests in companies with strong growth prospects. This fund will become one of Geo’s largest shareholders;
- Value-adding investors in the trades and services industries and in Geo’s wider network;
- Some experienced off-shore and domestic technology investors;
- Anna Cicognani, the CEO of Geo, who has subscribed for NZ\$100,000 of shares. Anna was recently confirmed as Geo’s CEO and the board is supportive of Anna acquiring Geo shares to enhance her incentive and shareholding;
- Some other Geo senior management team members, who have elected to increase their shareholdings in Geo; and
- All five directors of Geo: Leanne Graham (Executive Director), Richard Suhr (Independent Director), Viv Brownrigg (Independent Director), Jodi Mitchell (Independent Director) and Mark Weldon (Chairperson) who, in aggregate, have subscribed for around NZ\$235,000 of shares.

Mark Weldon, Chairperson of Geo, said: “We are very pleased to have introduced new long term and supportive shareholders to provide the foundation for the next phase of Geo’s growth. One of the new off-shore investors becomes one of Geo’s largest shareholders. This provides external certification that Geo has a significant international market opportunity, a strong product, a sound strategy in place and the board and management team to execute.”

Anna Cicognani, CEO of Geo, said: “I am thrilled to be Geo’s CEO and I am very excited by the opportunity that Geo offers. We intend to transform into the workforce productivity SaaS platform of choice, and we have a clear plan to create value for all of our shareholders. My participation in the Placement further aligns me with other Geo shareholders. The SPP offers a significant opportunity for our 1,500+ shareholders to participate at the same share price as new certifying investors and to potentially increase their shareholding percentage in the Company.”

The Placement

The Placement has raised c. NZ\$2.4 million at NZ\$0.48 per share. Participants in the Placement will also receive 1 warrant for every 3 shares subscribed for in the Placement. The warrant is exercisable at each holder's election on three dates prior to, and including, 31 October 2016 at NZ\$0.48 per share. The warrants will also potentially provide Geo with additional funding in the future of around \$800,000 if exercised in full. This will potentially provide Geo with up to NZ\$3.2 million from the Placement.

The Placement (including the warrant) raised the maximum allowable under the NZAX Listing Rules, without requiring shareholder approval.

Share Purchase Plan

The SPP will provide an opportunity for Geo's eligible shareholders (around 1,500 in total) to participate at the same price as the Placement of NZ\$0.48c per share (terms of the SPP will be subject to legal requirements).

Further details of the SPP will be sent to Geo shareholders shortly.

Reasons for the Capital Raising

Geo listed on the NZAX market on 31 October 2013, raising NZ\$10 million at NZ\$1.00 per share. The volume weighted average price of Geo over the last 12 months is approximately NZ\$0.53c per share (*Source: NZX*).

Since listing, Geo has managed its costs in accordance with its plan and has proven its business model. Today's announcement also follows the recent announcements relating to significant growth in licence user numbers (19,000 at 30 June 2015, compared to 4,500 at the time of listing, representing 322% growth over a 20 month period), key integrations with MYOB & Intuit, an enhanced channel partnership with Telstra and confirmation of Anna Cicognani as full time CEO.

Geo is poised for future growth and raising new capital will enable it to push further into the Australian market, which is currently Geo's largest customer market (and where the CEO and Chief Revenue Officer are based). Geo plans to strengthen its team in Australia and expand further in the US market.

Geo and its advisors considered various funding alternatives for Geo to raise new growth capital, including a rights issue. The Board concluded that a rights issue would not provide the benefits to Geo which the placement to new strategic investors offered.

Geo was advised on the capital raising by Cameron Partners Limited (NZ alliance partner of global investment bank, Rothschild) and Bell Gully lawyers.

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