



**GEOOP LIMITED (NZX:GEO)  
Preliminary Results  
Friday, 11 September 2015**

**GeoOp grows revenue by 254% to \$1.7 million for the 15 month period to 30 June 2015**

GeoOp Limited (GEO) is pleased to report its preliminary results for the 15 month period to 30 June 2015, showing strong customer growth, strong revenue growth and significant milestone achievement. GEO is focused on getting to profitable growth.

GEO grew its total revenue by 254% to \$1.7 million in the 15 months to 30 June 2015, up from \$0.5 million in the 12 months to 31 March 2014. Licenced users grew to 19,009 at 30 June 2015, up 100% on the 31 March 2014 equivalent of 9,509 licenced users.

Licenced users by key geography at 30 June 2015 were: Australia 9,588, New Zealand 5,466, North America 1,335, UK 1,235 and Rest of World 1,385. Over 70% of the licensed user base is outside NZ, which shows how easy it is to support and adopt GEO. GEO experienced growth across all its key markets (NZ, AU and US) during the period.

GEO continued to invest significantly in the platform over the period, building new features (such as payments to be launched soon) and expanding the ecosystem to include other leading SaaS applications, such as QuickBooks. GEO also added key new people to its board and the management team, amongst them a new Chief Operating Officer. This investment has allowed GEO to rapidly scale and positions the business strongly for the future.

GEO is a growth technology business and its monthly operational cash burn continues to decrease each quarter as revenue growth is achieved.

In June 2014, GEO changed its balance date to 30 June and this is the first set of results for that period. Accordingly, financial information reported for the period to 30 June 2015 is for a 15 month period and the comparative is for the 12 month period to 31 March 2014. The financial results for the 15 month period to 30 June are in the process of being audited.

Financial and business highlights for the 15 month period to 30 June 2015 are as follows:

- Total revenue of \$1.729m, up 254% from \$0.488m in FY14;
- Annualised monthly recurring revenue at 30 June 2015 of \$1.4m, up 130% from \$0.61m at March 2014;
- Licenced users of 19,009, an increase of 100% over the March 2014 equivalent of 9,509;
- Monthly operational net cash burn at July 2015 was around \$325,000 per month, which has reduced from March 2014 as revenue has grown and staff numbers have reduced;
- Net loss after tax was \$5.828m (15 months) compared to \$4.586m in FY14 (12 months). On a 12 month like-for-like basis the net loss after tax was largely unchanged, but is expected to reduce in the 12 months to 30 June 2016 as GEO drives towards profitable growth; and
- \$1.475m of cash resources at 30 June 2015 (before the strategic Placement which raised an additional \$2.4 million, as announced on 24 August 2015, and the share purchase plan which closes on 25 September 2015).

Mark Weldon, Chairperson of GEO said: "The last 15 months have been a period of significant achievement for the Company and the Board is very pleased with what has been created and achieved by our team. We are moving from an early stage business to a growth business with a

proven model. This was supported by the new funding we recently raised predominantly from new strategic, offshore investors providing patient capital. We have focused on building a solid platform and infrastructure for growth and are achieving this whilst continuing to strongly grow both licence numbers and revenue”.

Anna Cicognani, CEO of GEO said: “We are focusing on profitable growth on all dimensions: customers, businesses, revenue and a lean cost model. Our main objectives continue to be improving the top and bottom lines, and keeping our customers happy. In addition to our direct sales strategy, we recently began a new phase of developing additional channels to market through expanding our product ecosystem with integrations to Intuit’s Quickbooks and signing a strategic channel partnership agreement with Telstra in Australia and AppDirect globally”.

#### *Expanding the Board and leadership team*

During the period we welcomed two new independent directors to the Board, both with technology backgrounds. The new directors appointed were Richard Suhr (ex Google Enterprise, Asia Pacific, now a Partner at EY across Asia Pacific) and Jodi Mitchell (CEO of SimpliHealth, a NZ based SaaS business).

In February 2015, Anna Cicognani joined as CEO, and recently the Company announced the appointment of a Chief Operating Officer (COO), Jude Manuel. Anna is based in GEO’s Sydney office and Jude will shortly be based in GEO’s Auckland office.

#### *Operational initiatives*

The period to 30 June 2015 has seen significant investment in the Product and Sales areas of the business. This investment focuses on making the product appeal to a wider audience of customers while building the platform to cater for continued growth. GEO continues to implement both its direct and channel sales strategies to attract new licenced users.

GEO modified its pricing plan in June 2015 and during the months of July and August 2015 it has seen its average revenue per user (ARPU) increase above \$6.14 per user.

Over the period there has been a focus on maintaining a lean operation as the business drives towards profitability. As revenue has grown, GEO has substantially reduced its monthly cash burn. Employee numbers at the end of June 2015 are 40, compared to 45 in the business at March 2014. At July 2015, GEO had a net operating loss for the month of \$325,000. As revenue continues to grow and the business contains its cost base, this is expected to further reduce with the net loss after tax expected to reduce in the 12 months to 30 June 2016.

#### *Awards and customer feedback*

In 2014, GEO was recognised for its commitment to research and development (R&D) by receiving a Growth Grant from Callaghan Innovation. R&D Growth Grants support firms with a proven track record in R&D and GEO is very pleased to be associated with Callaghan Innovation.

Customer feedback from companies adopting GEO has been positive. Customers have indicated they save 105 minutes per day per person on average, avoid losing 5 jobs a month and get paid 8 days faster.

### *Capital raising*

On 24 August 2014, GEO announced a placement of approximately \$2.4 million at NZ\$0.48c per share, primarily from new strategic investors based off-shore providing patient capital (the "Placement"). The large global market opportunity that exists for GEO in the mobile workforce management sector has attracted new long term investors.

The Placement price of NZ\$0.48c represented a premium of approximately 9.1% to GEO's last 5 day volume weighted average price ("VWAP") prior to the Placement of NZ\$0.44c per share. The Placement is followed by a share purchase plan ("SPP") for all eligible GEO shareholders. The SPP offer document was posted to all eligible GEO shareholders on 8 September 2015 and the SPP closes on 25 September 2015.

GEO is set 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), and through the significant partnership with AppDirect, into the global market (including the US and Europe).

### *Outlook*

Our focus will continue to be on product, sales and lean operations as we drive towards profitability. Importantly, we will continually improve the product so that it provides greater value to customers, increases sales, improves customer retention and further increase ARPU. We are positioned to become a workforce productivity platform which appeals to a range of businesses who are looking to grow efficiently. GEO will continue with its policy of not paying dividends while it continues to invest for growth.

Integrations and building further channels to market will remain a key part of this strategy, coupled with GEO's direct sales approach.

GEO believes it is a part of the mobility trend globally and with 65 million mobile workers in the Western World, there is a large target market opportunity to tap into.

GEO is excited about its future prospects as it moves from an early stage business to a growth business with new long term and supportive capital recently raised.

### *Investor calendar*

22 Oct 2015 – Annual Report released

16 Nov 2015 – Annual General Meeting

## Condensed Consolidated Statement of Financial Position

(unaudited, amounts in thousands of NZD)

As at 30 June 2015

	30 Jun 15 \$000	31 Mar 14 \$000
<i>Current assets</i>		
Cash and cash equivalents	1,475	4,539
Accounts receivable	453	201
	<u>1,928</u>	<u>4,740</u>
<i>Non current assets</i>		
Property, plant & equipment	121	172
Intangible assets	781	215
Term investments	-	3,165
Related party loans	331	308
Other receivables	89	90
	<u>1,322</u>	<u>3,950</u>
<b>Total assets</b>	<u>3,250</u>	<u>8,690</u>
<i>Current liabilities</i>		
Trade and other payables	573	423
	<u>573</u>	<u>423</u>
<b>Total net assets</b>	<u>2,677</u>	<u>8,267</u>
<i>Owners equity</i>		
Share capital	13,434	12,984
Share based payments reserve	186	385
Accumulated losses	(10,925)	(5,097)
Foreign currency translation reserve	(18)	(5)
	<u>2,677</u>	<u>8,267</u>
<b>Total equity</b>	<u>2,677</u>	<u>8,267</u>

## Condensed Consolidated Statement of Comprehensive Income

(unaudited, amounts in thousands of NZD)

For the fifteen month period ended 30 June 2015

	15 mths 30 Jun 15 \$000	12 mths 31 Mar 14 \$000
<b>Revenues</b>		
Operating revenue	1,212	365
Other revenue	517	123
	<u>1,729</u>	<u>488</u>
<b>Expenses</b>		
Research and development	2,353	752
Sales and marketing	2,284	1,078
General operating and administration	2,920	3,244
	<u>7,557</u>	<u>5,074</u>
<b>(Loss) before tax</b>	<u>(5,828)</u>	<u>(4,586)</u>
Income tax expense	-	-
<b>Net (loss) for the period</b>	<u>(5,828)</u>	<u>(4,586)</u>
<b>Other comprehensive income</b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
(Loss) on translation of foreign operations	(13)	(5)
<b>Total comprehensive (loss) for the period, net of tax attributable to shareholders</b>	<u>(5,841)</u>	<u>(4,591)</u>
<b>(Loss) per Share:</b>		
Weighted average basic and diluted (loss) per share (cents)	(21.3)	(23.9)

## Condensed Consolidated Statement of Movements In Equity

(unaudited, amounts in thousands of NZD)

For the fifteen month period ended 30 June 2015

	Share Capital \$000	Share Based Payments Reserve \$000	Foreign Currency Translation Reserve \$000	Accumulated Losses \$000	Total Equity \$000
Balance at 1 April 2013	319	84	-	(511)	(108)
Loss for the year	-	-	-	(4,586)	(4,586)
Currency translation movements	-	-	(5)	-	(5)
<b>Total Comprehensive Income</b>	-	-	(5)	(4,586)	(4,591)
<i>Transactions with Owners</i>					
Issue of shares	12,665	-	-	-	12,665
Share based payment expense	-	301	-	-	301
<b>Balance at 31 March 2014</b>	<u>12,984</u>	<u>385</u>	<u>(5)</u>	<u>(5,097)</u>	<u>8,267</u>

	Share Capital \$000	Share Based Payments Reserve \$000	Foreign Currency Translation Reserve \$000	Accumulated Losses \$000	Total Equity \$000
Balance at 1 April 2014	12,984	385	(5)	(5,097)	8,267
Loss for the fifteen months	-	-	-	(5,828)	(5,828)
Currency translation movements	-	-	(13)	-	(13)
<b>Total Comprehensive Income</b>	-	-	(13)	(5,828)	(5,841)
<i>Transactions with Owners</i>					
Share based payment expense	-	251	-	-	251
Issue of shares	450	(450)	-	-	-
<b>Balance at 30 June 2015</b>	<u>13,434</u>	<u>186</u>	<u>(18)</u>	<u>(10,925)</u>	<u>2,677</u>

## Condensed Consolidated Statement of Cash Flows

(unaudited, amounts in thousands of NZD)

For the fifteen month period ended 30 June 2015

	15 mths 30 Jun 15 \$000	12 mths 31 Mar 14 \$000
<b>Cash flows from operating activities</b>		
<i>Cash was provided from (applied to):</i>		
Receipts from customers	1,290	397
Interest received	253	60
Payments to suppliers & employees	(6,879)	(3,998)
<b>Net cash (outflow) from operating activities</b>	<u>(5,336)</u>	<u>(3,541)</u>
<b>Cash flows from investing activities</b>		
<i>Cash was provided from (applied to):</i>		
Purchase of property, plant and equipment	(23)	(198)
Capitalised development costs	(801)	(215)
Proceeds from sale/(acquisition) of government stock	3,096	(3,255)
<b>Net cash inflow/(outflow) from investing activities</b>	<u>2,272</u>	<u>(3,668)</u>
<b>Cash flows from financing activities</b>		
<i>Cash was provided from (applied to):</i>		
Issue of ordinary shares	-	11,831
Transaction costs of shares issued	-	(155)
Proceeds (repayment) of borrowings	-	(3)
<b>Net cash inflow (outflow) from financing activities</b>	<u>-</u>	<u>11,673</u>
Net (decrease)/increase in cash held	(3,064)	4,464
Foreign currency translation	-	(5)
Add cash and cash equivalents at start of the period	4,539	80
<b>Balance at end of the period</b>	<u>1,475</u>	<u>4,539</u>

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