GeoOp Limited

UNAUDITED INTERIM REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

GEOOP LIMITED
GROUP INTERIM REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

CONTENTS

GEOOP LIMITED
INTERIM FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

CHAIRPERSON AND CHIEF EXECUTIVE OFFICER REPORT

Dear GeoOp shareholder

Welcome to the GeoOp Limited interim financial report for the 6 months ended 31 December 2015. GeoOp Limited (GEO) is pleased to report the continuation of improvement in business performance.

Mark Weldon, Chairperson

"This result shows a continued strengthening in the GEO business. Revenue growth of 97% in recurring subscription revenue, growth in the ARPU of 7.2% from $69 to $74 per license holder is also a strong result, while total licenses grew 59% against the comparative period. The Board is pleased with the execution against the plan, and the business is well on track to deliver against its strategy of profitable growth."

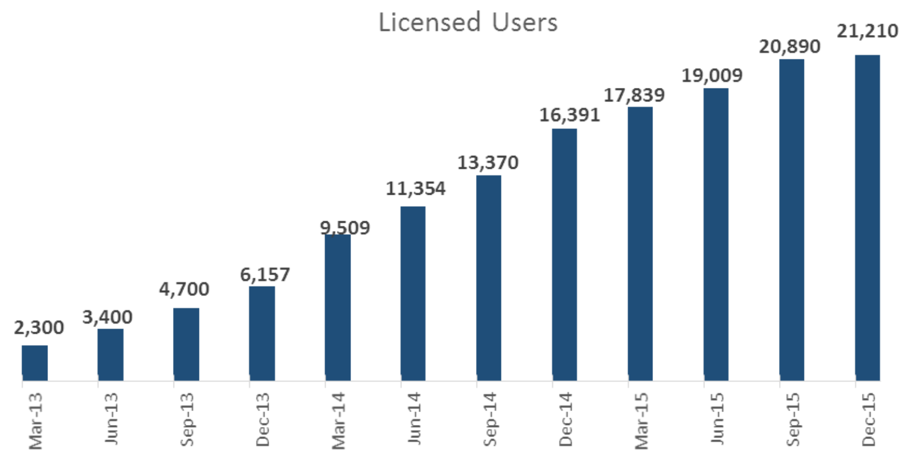
KEY HIGHLIGHTS OF THE FINANCIAL RESULTS

Six months ended	31 December 2015	30 September 2014[1]	change inc/(dec)	% change inc/(dec)
Revenues ($000's)	1,007	529	478	90%
Net loss ($000's)	(1,885)	(2,714)	(829)	(31%)
Net cash outflow from operating activities ($000's)	(1,488)	(2,643)	(1,155)	(44%)

- Total Revenue grew by $0.478m, which is a 90% growth rate. Excluding Callaghan grant revenue, total operating revenue grew by 97% (growth of $0.382m to $0.752m).
- Net loss reduced by 31% to ($1.88m) due to additional revenues of $0.478m and cost reductions of ($0.3m) through a reduction in general & administrative expenses by $0.6m, offset in part by an increased investment in sales and marketing to drive top line growth.
- Net cash outflow from operations reduced by 44% to ($1.49m), due to revenue growth and the receipt of grant monies under the Callaghan program.

<u>Licensed Users Growth</u>

- Licensed users have grown 59% for the 15 month period since September 2014 which represents an equivalent compound average growth rate (CAGR) of 35% p.a

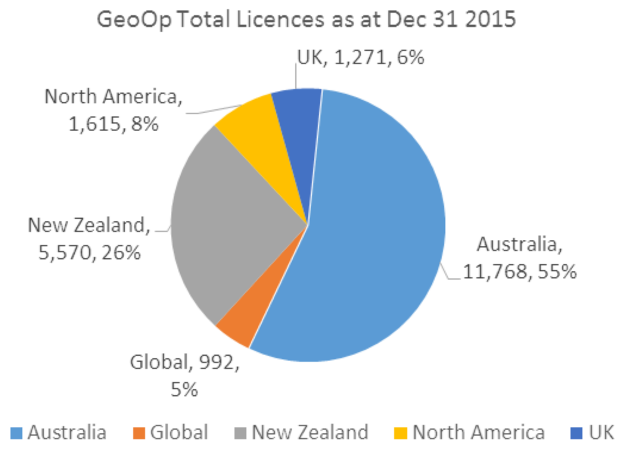


1 In June 2014, the Group elected to change its balance date to 30 June to better align with the seasonality in the business. As a result, the consolidated interim financial statements are for a period of six months to 31 December 2015 and provide comparative information for the six month period to 30 September 2014 and as at 30 June 2015 for the Statement of Financial Position

CHAIRPERSON AND CHIEF EXECUTIVE OFFICER REPORT (CONTINUED)

Geographic Customer Spread

The worldwide footprint of users has also widened, with the product achieving growth, particularly in Australia where its sales efforts are primarily focused. As at 31 December 2015, the geographic spread is as shown:



Average Revenue Per User ("ARPU")

Average Revenue Per licensed business user increased from $69 to $74 over the 15 months to 31 December 2015, due to incremental pricing adjustments and a focus on directed selling to more profitable customer profiles.

MONTHLY CASH BURN

Monthly operational net cash burn at 31 December 2015 has averaged $0.325m per month over the prior 6 months compared to the comparative result at 30 September 2014 of $0.465m. This improvement is due to revenue growth and cost controls.

CASH BALANCES AND CAPITAL RAISING

Cash as at 31 December 2015 was $2.70m. (30 June 2015: $1.47m)

GEO undertook a capital raising during the period which raised $2,453,000 of which 14% was provided by the directors and management. Participants in the capital raising received a warrant for every 3 shares purchased, which entitles the holder to buy additional shares at $0.48 on three dates being 30 April 2016, 31 July 2016 and 31 October 2016. The warrants, totalling approximately 1,700,000 shares, will potentially provide GEO with additional funding of $817,000 if fully exercised.

The capital raising was also supported by a significant Australian based investor which provides GEO with access to strategic relationships within the technology sector and a potential access to new capital channels in the future.

Following the capital raising, GEO completed a successful share purchase plan which raised $628,000 from existing third party shareholders.

ACHIEVEMENTS DURING THE 6 MONTHS TO 31 DECEMBER 2015

During the half year, GEO announced several key achievements:

Product developments and Partnerships

- A global channel partnership with US-based AppDirect to access the platforms and customer bases of partners such as Deutsche Telekom, Swisscom and Samsung. GEO is the only mobile workforce management solution on the AppDirect platform. Through AppDirect, the GEO partnership with Telstra is already generating strong user growth.

CHAIRPERSON AND CHIEF EXECUTIVE OFFICER REPORT (CONTINUED)

Product Developments and Partnerships (Continued)

- Enhancements to the platform and integrations with MYOB (Australasia) and Intuit Quickbooks (USA). With GEO already integrated into Xero, these additional enhancements enable GEO users to seamlessly access their accounting system of choice.

- A partnership agreement with IT solutions company MyCloudCure as its implementation partner in the United States and Canada to assist in the continued growth of GEO's business in North America.

- The development of the partnership with fully managed payments platform, PromisePay, leading to the launch of the easy-to-use and secure payments solution, GeoPay. This now allows GEO's clients to collect payments from their customers quickly and safely, which leads to improving their cashflow and user experience.

- The formation of a partnership with online business and consumer based marketplace, Tradebusters® to help Australian tradespeople develop their business skills.

- The release of an enhancement called JobShare. This allows GEO's customers to share job details with their customers, so they can see details of the job by clicking on a link.

Awards

- Winner of the Cloud Platform; Technology category at the 2015 AUT Excellence in Business Support Awards.
- No.1 ranking in the category in GetApp's Q3 GetRank. GetApp, the largest cloud-based business app marketplace, which ranks the top 25 operations management solutions every quarter.

JOINT CHAIRPERSON AND CHIEF EXECUTIVE OFFICER STATEMENT

"In addition to the strong topline results, the GEO business added underlying strength to its future prospects over this period. The integration with MYOB and partnerships with MyCloudCure and TradeBusters have been key for us, as well as adding GeoPay, our on-the-spot payment and collection system."

OUTLOOK

The focus will remain on products, sales and lean operations as the Profitable Growth Strategy continues across the business. Integrations, and building further channels to market, will remain a key part of the strategy, coupled with GEO's direct sales approach.

FUTURE CAPITAL REQUIREMENTS AND GOING CONCERN

GEO still remains in the start-up phase of its operations and continues to invest for growth. Access to future cash inflows through business growth, capital raising or strategic initiatives are an integral part of GEO's growth strategy.

The interim financial report has been compiled on a going concern basis based on GEO obtaining future access to funding through the channels described above. This is detailed fully in the interim financial report, in *note 2 –Summary of Accounting Policies.*

CHAIRPERSON AND CHIEF EXECUTIVE OFFICER REPORT (CONTINUED)

ANNOUNCEMENT OF ACQUISITION OF INTERFACEIT PTY LIMITED

On 11 March 2016, GEO announced that it will acquire all of the shares of InterfaceIT Pty Limited (InterfaceIT), subject to approval by GEO's shareholders. The expected date of acquisition is June 2016.

The purchase price is NZ$9,000,000 which may increase based on the performance of the merged entity over the 12 months following completion. The purchase price will be satisfied by the issue of NZ$6,000,000 of shares (subject to performance adjustment) in GEO at a price of NZ$0.40 per share and by the issue of 3,000,000 unlisted convertible notes with a face value of NZ$1.00 each, such notes having a 0% coupon and converting (at the 90 day volume weighted average price per share over the preceding 90 trading days), or otherwise repaid, two years after completion, (unless converted earlier.)

The current owners of InterfaceIT will be entitled to appoint one director to the board of GEO.

InterfaceIT, www.interfaceit.com (IIT) is the developer of a class-leading mobile sales application that is in use by major corporations and more than 2,000 sales professionals in New Zealand, Australia, the USA and Canada.
Interface IT core product will become part of GEO's tools for workforce management.

This is an important strategic acquisition representing a step further in creating a variate proposition for businesses which want to become more efficient and manage their staff better, especially mobile staff. IIT has customers in Australia and the US. The US presence will play in favour of GEO's geographic expansion.

There are significant synergy benefits identified across the combined entity. A detailed analysis shows a 15% cost-out synergy, with up to another 5% across the combined entity. Revenue synergies have also been identified, and are realizable.

The combined entity is expected to reach break-even in the second half of 2017, with a significantly reduced cash outflow over 2016 and the first half of 2017, as a result of the transaction.

DIVIDEND

The directors have resolved that no dividend will be declared for the six-month reporting period to 31 December 2015.

Signed on behalf of the Board on 11 March 2016 by

Mark Weldon
Chairperson

Anna Cicognani
Chief Executive Officer

GEOOP LIMITED
CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 31 December 2015

	6 mths Unaudited 31 Dec 15 $000	6 mths Unaudited 30 Sept 14 $000
Revenues		
Operating revenue	752	382
Other income	255	147
	1,007	529
Expenses		
Research and development	1,030	1,073
Sales and marketing	757	499
General operating and administration	1,105	1,671
	2,892	3,243
(Loss) before tax	(1,885)	(2,714)
Income tax expense	-	-
Net (loss) for the period	(1,885)	(2,714)
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Profit/(Loss) on translation of foreign operations	50	(3)
Total comprehensive (loss) for the period, net of tax attributable to shareholders	(1,835)	(2,717)
(Loss) per Share:		
Basic (loss) per share (cents)	(5.77)	(23.9)
Diluted (loss) per share (cents)	(5.56)	(23.9)

Calculated on a weighted average basis of the number of shares and warrants on issue.

GEOOP LIMITED
CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
For the six months ended 31 December 2015

	Share Capital $000	Share Based Payments Reserve $000	Foreign Currency Translation Reserve $000	Accumulated Losses $000	Total Equity $000
GROUP (UNAUDITED 31 December 2015)					
Balance at 1 July 2015	13,434	186	(18)	(10,925)	2,677
Loss for the six months	-	-	-	(1,885)	(1,885)
Currency translation movements	-	-	50	-	50
Total Comprehensive Income	-	-	50	(1,885)	(1,835)
Transactions with Owners					
Issue of shares, net of transaction costs	3,115	-	-	-	3,115
Transfer to share based payment reserve	118	(118)	-	-	-
Share based writeback	-	(22)	-	-	(22)
Balance at 31 December 2015	16,667	46	32	(12,810)	3,935

	Share Capital $000	Share Based Payments Reserve $000	Foreign Currency Translation Reserve $000	Accumulated Losses $000	Total Equity $000
GROUP (UNAUDITED 30 September 2014)					
Balance at 1 April 2014	12,984	385	(5)	(5,097)	8,267
Loss for the six months	-	-	-	(2,714)	(2,714)
Currency translation movements	-	-	(3)	-	(3)
Total Comprehensive Income	-	-	(3)	(2,714)	(2,717)
Transactions with Owners					
Issue of shares	-	-	-	-	-
Share based expense	-	42	-	-	42
Balance at 30 September 2014	12,984	427	(8)	(7,811)	5,592

GEOOP LIMITED
CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
As at 31 December 2015

	Notes	Unaudited 31 Dec 15 $000	Audited 30 June 15 $000
Current assets			
Cash and short term deposits		2,700	1,475
Accounts receivable		268	453
		2,968	1,928
Non current assets			
Property, plant & equipment		106	121
Intangible assets		944	781
Related party loans		341	331
Other receivables		89	89
		1,480	1,322
Total assets		4,448	3,250
Current liabilities			
Trade and other payables		513	573
Total net assets		3,935	2,677
Owners equity			
Share capital	4	16,667	13,434
Share based payments reserve	5	46	186
Foreign currency translation reserve		32	(18)
Accumulated losses		(12,810)	(10,925)
Total equity		3,935	2,677

GEOOP LIMITED
CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
For the six months ended 31 December 2015

	Notes	6 mths Unaudited 31 Dec 15 $000	6 mths Unaudited 30 Sept 14 $000
Cash flows from operating activities			
Cash was provided from (applied to):			
Receipts from customers		960	393
Interest received		27	101
Payments to suppliers & employees		(2,759)	(3,137)
Grants received		284	-
Net cash outflow from operating activities	3	(1,488)	(2,643)
Cash flows from investing activities			
Cash was provided from (applied to):			
Purchase of property, plant and equipment		(2)	(14)
Capitalised development costs		(273)	(142)
Proceeds from acquisition of government stock and bonds		-	82
Net cash outflow from investing activities		(275)	(74)
Cash flows from financing activities			
Cash was provided from (applied to):			
Issue of ordinary shares		3,081	-
Transaction costs of shares issued		(143)	-
Net cash inflow from financing activities		2,938	-
Net (decrease)/increase in cash held		1,175	(2,717)
Foreign currency translation		50	-
Add cash and cash equivalents at start of the period		1,475	4,539
Balance at end of the period		2,700	1,822
Comprised of:			
Cash and cash equivalents		2,700	1,822

GEOOP LIMITED
CONDENSED NOTES TO AND FORMING PART OF THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the six months ended 31 December 2015

1. CORPORATE ENTITY

Reporting Entity and Statement of Compliance

GeoOp Limited (the "Company") and its subsidiaries ("GEO" or the "Group") is a for profit entity incorporated and domiciled in New Zealand, registered under the Companies Act 1993 and whose shares publicly trade on the New Zealand Stock Exchange (NZAX:GEO). The registered office of the Company is located on level 3, 12 Heather Street, Auckland, New Zealand.

The principal activity of the Company is the development and commercial deployment of cloud based mobile workforce productivity technologies.

The unaudited consolidated interim financial statements represented are those for GEO and its subsidiaries ("the Group").

In June 2014, the Group elected to change its balance date to 30 June to better align with the seasonality in the business. As a result, the consolidated interim financial statements are for a period of six months to 31 December 2015 and provide comparative information from the six month period to 30 September 2014 and as at 30 June 2015 for the Statement of Financial Position.

GEO is a FMC reporting entity for the purpose of the Financial Markets Conduct Act 2013 and the Financial Reporting Act 2013 and is listed on the NZX alternative market ("NZAX").

The Board of Directors approved these financial statements on 11 March 2016.

2. SUMMARY OF ACCOUNTING POLICIES

Basis of Preparation

The unaudited consolidated interim financial statements are prepared in accordance with Generally Accepted Accounting Practice (NZ GAAP) and comply with the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), as appropriate for interim financial statements (NZ IAS 34). These interim financial statements do not include all of the notes of the type normally included in an annual financial report. Accordingly, the interim financial statements should be read in conjunction with the Group Annual Report for the year ended 30 June 2015.

The financial statements are presented in thousands of New Zealand dollars.

The same accounting policies and methods of computation are followed in these interim financial statements as were applied in the preparation of the Group's financial statements for the year ended 30 June 2015.

The financial statements have been prepared on the basis of historical cost and on a going concern basis. Cost is based on the fair values of the consideration given in exchange for assets

(i) Going concern

For the 6 months to 31 December 2015 operating revenues grew to $752,000, which is a 97% increase from the comparative 6 months to 30 September 2014. Licensed users have increased by 59% over the past 15 months which is a compound average growth rate (CAGR) of 35% p.a.

Given the Group still remains in the start-up phase of its operations and is investing for growth, it has recorded a net loss of ($1,885,000) for the 6 months ended 31 December 2015 (6 months to September 2014: ($2,714,000)) with equity of $3,935,000 as at 31 December 2015 (as at 30 June 2015: $2,677,000).

As at 31 December 2015, the Group has cash and cash equivalents of $2,700,000 (as at 30 June 2015: $1,475,000), and the net cash outflow from operating activities for the 6 months to 31 December 2015 was ($1,488,000) (6 months to September 2014: ($2,643,000)). The Company raised $2,938,000 (net of costs) during the 6 months to 31 December 2015 (2014: $nil) through a combination of private share placements and a share purchase plan.

GEOOP LIMITED
CONDENSED NOTES TO AND FORMING PART OF THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)
For the six months ended 31 December 2015

2 SUMMARY OF ACCOUNTING POLICIES (CONTINUED)
(i) Going Concern (continued)

On 11 March 2016, the Company announced that it will acquire all of the shares of InterfaceIT for a mix of ordinary shares and convertible notes (subject to shareholder approval). The directors consider that the merged businesses will achieve cost and revenue synergies and enable additional capital to be raised.

The above factors support the directors' opinion that the increase in revenues, net cash inflows and capital raising opportunities will enable the Group to continue operating and satisfy its going concern requirements.

The going concern assumption is dependent on the transaction being approved by shareholders and raising sufficient cash through the issuance of further share capital via private placement, or other funding alternatives. This dependency on a future capital raising creates a material uncertainty with respect to meeting the Group's cash requirements. Notwithstanding this dependency on raising further capital the directors are confident that the Group remains a going concern and are confident of being able to raise further share capital from market feedback to date.

Accordingly the directors believe the going concern assumption is valid and have reached this conclusion having regard to the circumstances which they consider likely to affect the Company during the period of one year from the date these financials are approved, and to circumstances which they believe will occur after that date which could affect the validity of the going concern assumption

If the Group was unable to continue in operational existence, and pay debts as and when they become due and payable, adjustments would have to be made to reflect the situation that assets may need to be realised and liabilities extinguished, other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheet.

3. RECONCILIATION OF NET LOSS WITH CASH FLOWS FROM OPERATING ACTIVITIES

	6 mths Unaudited 31 Dec 15 $000	6 mths Unaudited 30 Sept 14 $000
Net loss for the period	(1,885)	(2,714)
Adjustments for non-cash items		
Amortisation of capitalised development costs	110	63
Depreciation	17	31
Related party benefit	(10)	(9)
Share based payments expense (net of writeback)	59	41
Other gains and losses	95	43
	271	169
Movements in working capital		
Accounts receivable and other receivables	186	(142)
Accounts payable and accruals	(60)	44
	236	(98)
Net cash inflow / (outflow) from operating activities	(1,488)	(2,643)

GEOOP LIMITED
CONDENSED NOTES TO AND FORMING PART OF THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)
For the six months ended 31 December 2015

4. SHARE CAPITAL

		Notes	Number of shares	$000's
Balance at 31 March 2014			27,270,167	12,984
Movements during the fifteen months				
Issue of shares to directors & employees			201,301	118
Transfer from share based payment reserve			-	332
Balance at 30 June 2015			27,471,468	13,434
Movements during the six month period				
Issue of shares in lieu of directors fees and salaries	- related parties	i	224,604	97
Issue of shares under a share placement plan	- related parties	ii	713,919	343
Issue of shares under a share placement plan	- other parties	ii	4,396,665	2,110
Issue of shares under a share purchase plan	- related parties	iii	-	-
Issue of shares under a share purchase plan	- other parties	iii	1,408,072	628
Issue of shares under a long term incentive scheme	- related parties	iv	178,571	80
Transaction costs for the issue of new shares			-	(143)
Transfer from share based payments reserve			-	118
Balance at 31 December 2015			34,393,299	16,667

All shares have been issued as fully paid and have no par value. In the 6 months to 31 December 2015, the Company issued the following:

i. On 31 July 2015 the Company issued 224,604 ordinary shares in lieu of directors' fees and salaries to the directors and Chief Financial Officer, which were accrued at 30 June 2015

ii. On 24 August 2015 the Company completed a placement of 5,110,584 ordinary shares at an issue price of NZ$0.48 per share, raising NZ$2,453,000.

   Warrants
   Participants in the placement also received 1 warrant for every 3 shares subscribed for in the placement. The warrant is exercisable at each holder's election on three dates 30 April 2016, 31 July 2016 or 31 October 2016 at NZ$0.480 per share. The warrants, totalling 1,703,528 shares, will potentially provide the Company with additional funding in the future of approximately $817,000 if exercised in full.

iii. On 30 September 2015 the Company completed a share purchase plan of 1,408,072 ordinary shares to existing shareholders at an issue price of NZ$0.446 per share, raising NZ$628,000.

GEOOP LIMITED
CONDENSED NOTES TO AND FORMING PART OF THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)
For the six months ended 31 December 2015

4. SHARE CAPITAL (CONTINUED)

iv. On 13 November 2015 the Company agreed a long term incentive scheme with the Chief Executive Officer, Anna Cicognani. The details of the long term incentive scheme are:

a. An allocation of a maximum of 1,078,571 shares will be awarded to the Chief Executive Officer, being 178,571 shares vesting immediately upon signing and 900,000 being awarded upon the Company's share price achieving certain share price targets (based on end-of-day pricing on a specific trading day).

b. Share price targets are

Share price target	Allocation of shares
$0.50	50,000
$0.70	50,000
$1.00	200,000
$1.30	100,000
$1.60	100,000
$1.90	100,000
$2.20	100,000
$2.50	200,000
TOTAL	900,000

c. The scheme remains in place during the tenure of the Chief Executive Officer role and ceases upon cessation of employment.

The Company allotted 178,571 shares to the Chief Executive Officer on 13 November 2015, being the date of inception of the scheme.

The Company allotted 50,000 share under the scheme on 29th January 2016, based on the share price target of $0.50 being achieved on 15 January 2016.

In the 15 month period to 30 June 2015, GEO acquired 500,077 shares issued under the Management Incentive Share Scheme and initially held these as treasury stock. 415,629 were subsequently issued to GeoOp Trustees Limited during the period, which were accrued at 30 June 2015.

GEOOP LIMITED
CONDENSED NOTES TO AND FORMING PART OF THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)
For the six months ended 31 December 2015

5. RESERVES

	Share Based Payments Reserve $000's	Translation Reserve $000's
Balance at 31 March 2014	385	(5)
Movements during the fifteen months		
Currency translation movements	-	(13)
Share based payments expenses	251	-
Transfer to share capital	(450)	-
Balance at 30 June 2015	186	(18)
Movements during the six month period		
Currency translation movement	-	50
Share based payments (writeback)	(22)	-
Reversal of previous period transfer to share capital	(118)	-
Balance at 31 December 2015	46	32

6. CAPITAL COMMITMENTS, CONTINGENT LIABILITIES

There were no capital commitments or contingent liabilities as at 31 December 2015 (30 June 2015: $nil)

7. INVESTMENT IN SUBSIDIARY

Subsidiary	Percentage Held 2015	Percentage Held 2014	Balance Date	Principal Activity
GeoOp Pty Limited	100%	100%	30 June	Limited risk distributor
GeoOp Trustees Limited	100%	-	30 June	Trustee

8. SEGMENTAL REPORTING

The Chief Executive and members of the executive management team are the Group's chief operating decision makers. They have determined that based on the information they use for the purposes of allocating resources and assessing performance, the Group itself forms a single operating segment, the development and deployment of cloud based application software. The segment result is reflected in the financial statements. Financial information about geographical areas is not available and the cost to develop it has been deemed to be excessive.

9. SUBSEQUENT EVENTS

On 29 December 2015, the Company announced a selective buyback of 133,350 shares for a total sum of NZ$1.00 (for the entire parcel of shares) which were previously issued to the former Chief Financial Officer (resigned 18 December 2015), under the terms of the Management Incentive Scheme. The buyback of shares was transacted on 29th January 2016.

On 29 January 2016, the Company issued 50,000 shares to the Chief Executive Officer, Anna Cicognani, under the terms of a Long Term Management Incentive Scheme. These shares were issued at NZ$nil per share.

GEOOP LIMITED
CONDENSED NOTES TO AND FORMING PART OF THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)
For the six months ended 31 December 2015

9 SUBSEQUENT EVENTS (CONTINUED)

Announcement of acquisition of InterfaceIT

On 11 March 2016, GEO announced that it will acquire all of the shares of InterfaceIT Pty limited (InterfaceIT), subject to approval by GEO's shareholders. The expected date of acquisition is June 2016.

The purchase price is NZ$9,000,000 which may increase based on the performance of the merged entity over the 12 months following completion. The purchase price will be satisfied by the issue of NZ$6,000,000 of shares (subject to performance adjustment) in GEO at a price of NZ$0.40 per share and by the issue of 3,000,000 unlisted convertible notes with a face value of NZ$1.00 each, such notes having a 0% coupon and converting (at the 90 day volume weighted average price per share over the preceding 90 trading days), or otherwise repaid, two years after completion, (unless converted earlier.)

The current owners of InterfaceIT will be entitled to appoint one director to the board of GEO.

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Interface IT core product will become part of GEO's tools for workforce management.

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There are significant synergy benefits identified across the combined entity. A detailed analysis shows a 15% cost-out synergy, with up to another 5% across the combined entity. Revenue synergies have also been identified, and are realizable.

The combined entity is expected to reach break-even in the second half of 2017, with a significantly reduced cash outflow over 2016 and the first half of 2017, as a result of the transaction.

10. AUDIT

These condensed interim financial statements are not required to be audited.