



## GeoOp (NZAX:GEO) announces acquisition of SaaS business InterfaceIT Pty Limited

**11 March 2016**

### Introduction

GEO has entered into a conditional agreement to acquire all of the shares in InterfaceIT Pty Limited (**InterfaceIT**), an Australian software development company that provides cloud-based programs for managing in-field, face-to-face sales teams.

InterfaceIT, [www.interfaceit.com](http://www.interfaceit.com) (IIT), is the developer of a class-leading mobile sales application that is used by blue-chip corporations across New Zealand, Australia, the United States and Canada. Similar to GEO, IIT has a focus on the mobile workforce, enabling productivity growth for companies and their workforces.

IIT's SaaS application combines geographic and demographic data to enable field forces to complete highly targeted personal interactions across diverse industries such as utilities, solar and renewable energy, telecommunications, media, food and beverage, market research and political canvassing. Customers include Trust Power (NZ), Simply Energy (AU), Aussie Farmers Direct and Telstra (AU) and SunRun (USA).

The application enables enterprise and SME customers to allocate territory to their sales representatives, provides them with sales collateral and tracks their performance and efficiency, all in real time. It integrates with its clients' enterprise systems to create a seamless bridge between face-to-face sales, customer sign-up and administration, while improving customer sign-up speed and reducing the cost of sales.

GEO and IIT are approximately the same size, and are complementary in operating model, sales model and service model. IIT's application serves multiple industries that use, or have need for, GEO's mobile workforce productivity suite. Cross-sales are anticipated over time as the product suites are integrated.

Mark Weldon, Chairperson of GEO, said: "This is an exciting step - and the right step - for GEO. The acquisition of InterfaceIT provides the business with additional scale, additional distribution, a strong base in the United States, realisable cost synergies, and an accelerated path to profit for the business. The acquisition is in the best interests of all shareholders, and the Board is very pleased to recommend this transaction."



Roger Sharp, Chairperson of InterfaceIT, and its major shareholder North Ridge Partners ([www.northridgepartners.com](http://www.northridgepartners.com)), said: “We have been observing GEO for quite some time. We very much like the product, the business, the leadership, and the prospects of the company. There is strong industrial logic in merging InterfaceIT with GEO, we are confident of the prospects for the combined business, and we look forward to contributing to the creation of a suite of market-leading workforce productivity applications.”

Anna Cicognani, CEO of GEO, said: “InterfaceIT is a well-run company that is a strong workforce productivity fit with GEO. We look forward to welcoming the stakeholders in InterfaceIT, who have a successful track record in active technology investing, as future shareholders in GEO. We expect they will bring additional capability to the business and help drive its journey to profitable growth.”

Since its inception in 2012, InterfaceIT has been a joint venture between Jordan Muir, an experienced sales professional and entrepreneur who conceived the application, and North Ridge Partners (NRP). NRP is an independent merchant bank that advises and invests in technology companies throughout the Asia-Pacific region.

The core InterfaceIT mobile sales application will become part of GEO’s tools for workforce management and business productivity. This is an important strategic acquisition representing a step further in creating a multi-product proposition for businesses that 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, which, through partnerships with AppDirect and MyCloudCure, will continue to increase its presence and market share in the US territories, starting with a focus on the West Coast.

Significant synergy benefits have been identified across the combined entity. A detailed analysis shows around 10-15% cost-out synergies and realisable revenue synergies. The combined entity is expected to have significantly reduced cash requirements and time to break even.

### **Terms of the Acquisition**

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 in GEO at a price of NZ\$0.40 per share (subject to the performance adjustment) 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 a two year term (at which time they will, at the option of the holder, be repaid or convert (at the 90 day volume weighted average price per share over the preceding 90 trading days). The notes may convert earlier, at the



option of the holder, at the 90 day volume weighted average price per share over the preceding 90 trading days or, if GEO undertakes a capital raise, at the capital raise price.

The maximum fully diluted holding in GEO of the current shareholders in InterfaceIT due to this transaction is **30.47%**, subject to any shares issued for the performance adjustment reflecting the future performance of the merged entity.

The transaction is conditional on shareholder approval under the NZAX Listing Rules, the Takeovers Code and as a major transaction under the Companies Act 1993, with no more than 500,000 shares being notified by shareholders as subject to a buyout under section 110 of the Companies Act 1993.

A shareholders' meeting to approve the transaction will be called in due course.

### **Governance**

InterfaceIT will nominate a director for appointment to the Board, and such director is required to be nominated and approved at the shareholders' meeting referred to above.

### **Financial Analysis**

Revenues of the combined entities were \$4.3M at December 2015, including Callaghan grant revenue for GEO.

Operating costs of the combined entities were \$8.4M at December 2015.

Combined losses were \$4.2M at December 2015.

The Companies have agreed to continue a cost reduction plan within the first 12 months of the two entities being operationally combined.

### **Cash reserves**

The cash in the bank for the combined entities was \$2.7m at 31 December 2015.



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### **About GeoOp (NZX:GEO)**

GeoOp (geoop.com) is a publicly listed New Zealand-based software company that offers complete mobile workforce management to businesses all over the world. It's neatly wrapped into a low-cost, easy-to-use service with premium support. GeoOp supports businesses in their journey to be more productive and find time for more important things, providing intuitive software for devices that are already in the hands of field workers.

### **About Interface IT**

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InterfaceIT has been a joint venture between Jordan Muir, an experienced sales professional and entrepreneur who conceived the application, and North Ridge Partners ([www.northridgepartners.com](http://www.northridgepartners.com)).

### **About North Ridge Partners**

North Ridge Partners, [www.northridgepartners.com](http://www.northridgepartners.com) (NRP), is an independent merchant bank that advises and invests in technology companies through Asia-Pacific. NRP is a joint venture between its management team and the Victor Smorgon Group, and has offices in Singapore, Sydney and Melbourne and an extensive international partner network. NRP has led and executed more than 100 technology advisory roles, financings and mergers and acquisitions since its formation in 2002. As an investor, NRP was previously the major shareholder in Software of Excellence International Limited (NZX: SOE) and travel.com.au Limited (ASX: TVL) prior to their respective sales to Henry Schein Inc. and Wotif Group Holdings Limited. NRP is currently a cornerstone shareholder in both Tru-Test Corporation Limited and Asia Pacific Digital Limited (ASX: DIG).