



GEOOP KEEPS TURNAROUND MOMENTUM AND RESUMES GROWTH

15 MARCH 2017

GEO HALF YEAR FINANCIAL RESULTS TO DECEMBER 31, 2016

GeoOp Limited (GEO) is pleased to announce its financial result through to 31 December 2016.

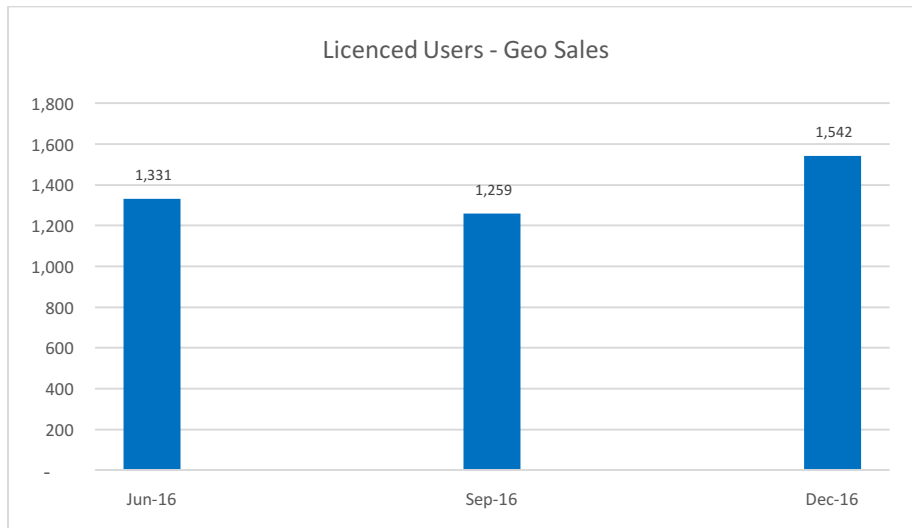
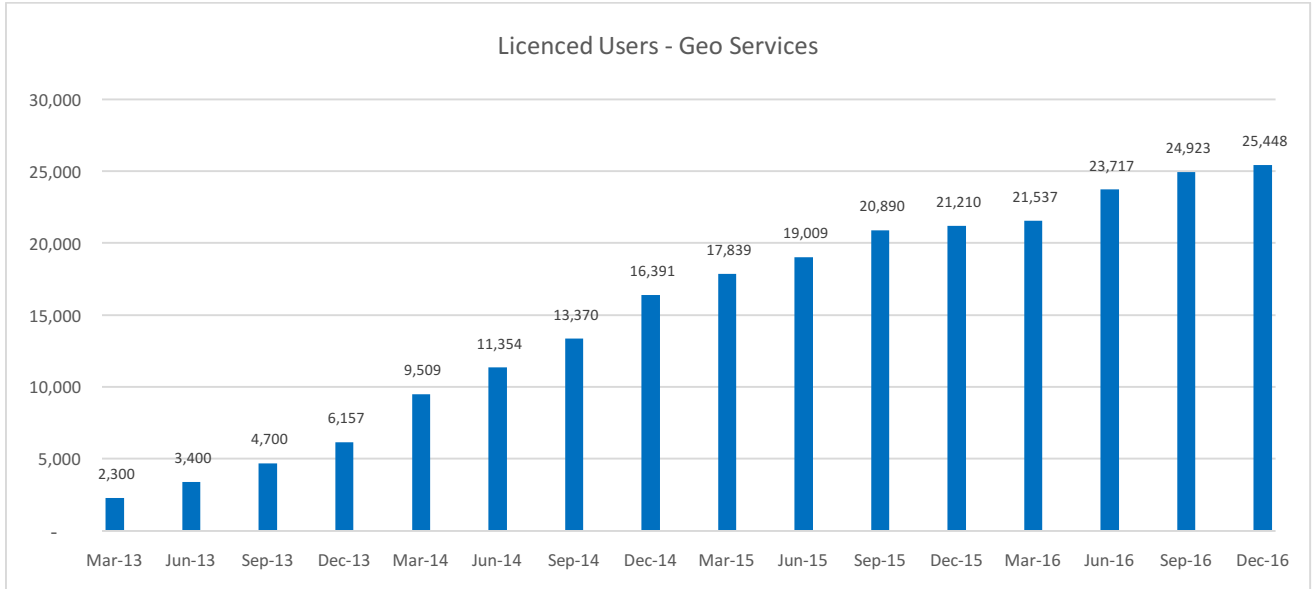
HIGHLIGHTS

- Total Revenue grew by \$1.01m to \$2.10m, an increase of 109% over the prior corresponding period (PCP), of which \$896k or 89% was attributable to the acquisition of InterfaceIT Pty Limited (IIT) and the GeoSales product (previously iKnock), and \$198k or 20% was attributable to organic growth of the GeoServices product.
- GeoServices delivered organic recurring revenue growth of 37% with ARPU (Average Revenue Per User) increasing by 9% to \$84.48. With new pricing now in market, this is expected to grow further.
- GeoSales delivered revenue of \$896k, down 28% on pre-acquisition PCP due to the previously disclosed loss of a major client in the USA. Since the integration of IIT, GeoSales growth has been restored, with Q2 revenues up 17% on Q1.
- The strong performance in GeoServices and recovery in GeoSales resulted in 11% quarter on quarter growth for the Company (Q2 vs Q1).
- The integration of IIT was successful. Cash expenses were 8% or \$337k lower than pro forma PCP after new investments were made in sales, marketing and infrastructure. The 8% cost reduction for the period was mainly achieved in Q2 therefore the annualised improvement is expected to be higher.
- EBITDA for the period, which improved 3% to (\$1,724k) included one-off integration costs, moving to AWS and launching a new Enterprise suite.
- The Company's average monthly cash burn (excluding financing costs and one-off grants) has reduced from highs of approximately \$480k in H1 2015 to \$290k in Q2 2017, following the integration of IIT.
- A capital raising was undertaken during the period, securing commitments for \$3.95m through a combination of a \$2.55m rights issue and a \$1.40m placement with deferred settlement terms.
- After balance date GEO completed the migration of its infrastructure to Amazon Web Services (AWS) and launched its new Enterprise Platform, eliminating operational and subscription costs and consolidating its resources. These two milestones mark a significant step forward in the Company's technology and product assets, providing state of the art flexibility for product development, redundancy and scalability.

Six months ended	31 December 2016	31 December 2015	change increase (decrease)	% variance positive (negative)
Revenues (\$000)	2,100	1,007	1,093	109%
EBITDA (\$000)	(1,724)	(1,785)	61	3%
ARR (Annual reoccurring revenue, \$000)	3,674	1,504	2,170	144%
Licences	26,990	21,210	5,780	27%

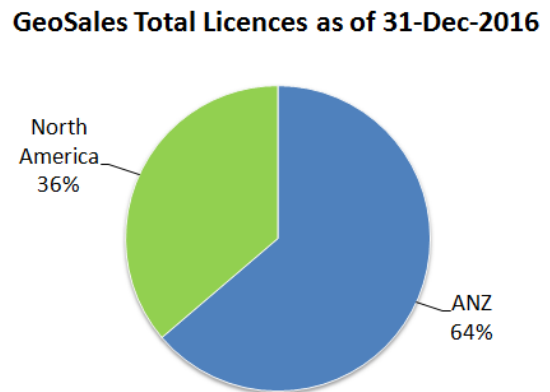
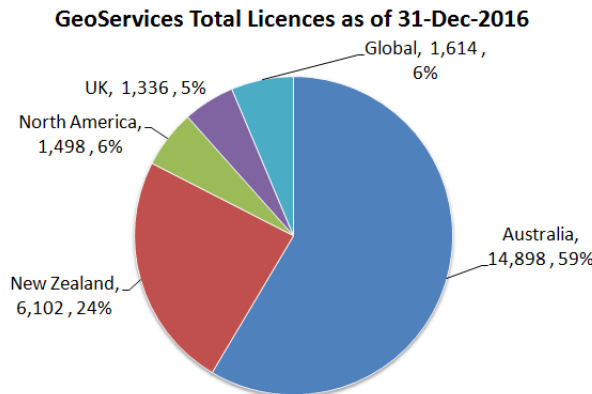
Licensed Users Growth

- Licensed users across the group have grown 27% on a PCP basis for the six months to 31 December 2016.
- The graph below shows licence numbers, for both the GeoServices and GeoSales products.



Geographic Customer Spread

Growth continues on a global basis in both business units, with the majority of licences coming from Australia and New Zealand.





Average Revenue Per User ("ARPU")

The GeoServices ARPU increased from \$77.29 to \$84.48 or 9%, per licence per year.

GeoSales has a much higher ARPU, currently averaging around \$1,102 per licence per year. The ARPU is expected to vary over time, as the product is sold in various geographies and currencies, and particularly as large clients are won.

ACQUISITION UPDATE

Interface IT was successfully integrated into the GEO business with a reduction in cash expenses of 8% on PCP basis and a quarter on quarter uplift in revenues of 11% in Q2.

CAPITAL RAISING AND CASH BALANCES

GEO undertook a successful capital raising to raise \$3.95m through a combination of a \$2.55m rights issue and a \$1.40m placement, which has deferred settlement terms. The capital raising was well supported by institutional investors in New Zealand and Australia.

Cash as at 31 December 2016 was \$1.69m (30 June 2016: \$1.07m). The remaining \$1.20m in funds from the placement are due to be settled on or before 31 March 2017.

AWARDS AND GRANTS

GEO was pleased to be recognized in the Deloitte Fast 50 awards in 2016.

GEO kindly acknowledges Callaghan Innovation and NZTE for their support during the period through a growth grant and introducing business opportunities.

FUTURE CAPITAL REQUIREMENTS AND GOING CONCERN

Subject to continuation of current market conditions the Company is planning to list on the Australian Stock Exchange during 2017. Preparations are underway.

The going concern assumption remains dependent on raising sufficient cash through the issuance of further share capital. Notwithstanding this dependency, the Directors are confident that the Group remains a going concern and are confident of being able to raise further share capital.

OUTLOOK

GeoOp remains focused on profitable growth.

The Company is considering further acquisitions that are central to its core business of providing best-in-class productivity tools and related services to mobile workforces.

DIVIDEND

The directors have resolved that no dividend will be declared for the six-month reporting period to 31 December 2016.

SINCE BALANCE DATE

GEO has migrated its infrastructure to Amazon Web Services (AWS) reducing operational and subscription costs and consolidating its resources. The new Enterprise Platform is now fully operational with new customers signing up since January 2017. New pricing has also been rolled out for new customers. These two milestones mark a significant advance in the Company's technology and product assets, as they provide state of the art flexibility for product development, redundancy and scalability.

JOINT CHAIR AND CEO STATEMENT

“GEO is well positioned for its journey towards profitability. With a new platform, new scalable infrastructure, and a new product line following the acquisition of InterfacelT in June 2016, GEO has strengthened its market position and customer base.

Following the integration of IIT and its main product, GeoSales, strong organic revenue growth resumed in Q2. Your management team remains focused on delivering further growth from all revenue streams.

The Company achieved net cost savings of 8% through the merger of GEO and IIT since June 2016, and has reinvested some of the savings achieved in infrastructure, product, sales and marketing to build a solid base for future growth. The outcome of this investment resulted in a 11% quarter on quarter revenue growth in the second quarter.

Since balance date the Company has fully migrated to Amazon Web Services and has launched its new SaaS platform, completing a technology stack rebuild. The combination of these developments will provide significantly improved speed to market, flexibility and reliability.

We are pleased with the progress made during the first half.”

Signed on behalf of the Board on 15 March 2017 by



Roger Sharp
Chair



Anna Cicognani
Chief Executive Officer and Managing Director



GEOOP LIMITED
CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
 For the six months ended 31 December 2016

	6 mths Unaudited 31 Dec 16 \$000	6 mths Unaudited 31 Dec 15 \$000
Revenues		
Operating revenue	1,955	752
Other income	145	255
	<u>2,100</u>	<u>1,007</u>
Expenses		
Research and development	1,253	1,030
Sales and marketing	1,014	757
General operating and administration	1,577	995
Amortisation	304	110
	<u>4,148</u>	<u>2,892</u>
(Loss) before tax	<u>(2,048)</u>	<u>(1,885)</u>
Income tax expense	-	-
Net (loss) for the period	(2,048)	(1,885)
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Profit/(Loss) on translation of foreign operations	-	50
Total comprehensive (loss) for the period, net of tax attributable to shareholders	(2,048)	(1,835)
(Loss) per Share:		
Basic and Diluted (loss) per share (cents)	(3.53)	(5.77)

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 2016

	Share Capital \$000	Share Based Payments Reserve \$000	Foreign Currency Translation Reserve \$000	Accumulated Losses \$000	Total Equity \$000
Balance at 1 July 2015	13,434	186	(18)	(10,925)	2,677
Loss for the year	-	-	-	(1,885)	(1,885)
Currency translation movements	-	-	50	-	50
Total Comprehensive Income	-	-	50	(1,885)	(1,835)
<i>Transactions with Owners</i>					
Issue of shares, net of transaction costs	3,115	-	-	-	3,115
Transfer to share based payment reserve	118	(118)	-	-	-
Share based payment expense	-	(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 Translatio n Reserve \$000	Accumulated Losses \$000	Total Equity \$000
Balance at 1 July 2016	20,861	88	(135)	(13,646)	7,168
Loss for the six months	-	-	-	(2,048)	(2,048)
Currency translation movements	-	-	(20)	-	(20)
Total Comprehensive Income	-	-	-	-	-
<i>Transactions with Owners</i>					
Issue of shares	4,127	-	-	-	4,127
Share based payment expense	118	24	-	-	142
Balance at 31 December 2016	25,106	112	(155)	(15,694)	9,369

GEOOP LIMITED
CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
As at 31 December 2016

	Unaudited 31 Dec 16 \$000	Audited 30 June 16 \$000
Current assets		
Cash and short term deposits	1,687	1,068
Accounts receivable	715	684
	<u>2,402</u>	<u>1,752</u>
Non current assets		
Property, plant & equipment	80	100
Intangible assets	9,907	10,110
Related party loans	361	351
Other receivables	120	100
	<u>10,468</u>	<u>10,661</u>
Total assets	<u>12,870</u>	<u>12,413</u>
Current liabilities		
Trade and other payables	965	1,220
Convertible note	1,466	3,000
	<u>2,431</u>	<u>4,220</u>
Non Current liabilities		
Provision for long service leave	70	25
Contingent consideration	1,000	1,000
	<u>1,070</u>	<u>1,025</u>
Total liabilities	<u>3,501</u>	<u>1,025</u>
Total net assets	<u>9,369</u>	<u>7,168</u>
Owners equity		
Share capital	25,106	20,861
Share based payments reserve	112	88
Foreign currency translation reserve	(155)	(135)
Accumulated losses	(15,694)	(13,646)
Total equity	<u>9,369</u>	<u>7,168</u>

GEOOP LIMITED
CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
For the six months ended 31 December 2016

	6 mths Unaudited 31 Dec 16 \$000	6 mths Unaudited 31 Dec 15 \$000
Cash flows from operating activities		
<i>Cash was provided from (applied to):</i>		
Receipts from customers	1,923	960
Interest received	8	27
Payments to suppliers & employees	(3,876)	(2,759)
Grants received	138	284
Net cash outflow from operating activities	<u>(1,807)</u>	<u>(1,488)</u>
Cash flows from investing activities		
<i>Cash was provided from (applied to):</i>		
Purchase of property, plant and equipment	(8)	(2)
Capitalised development costs	(111)	(273)
Net cash outflow from investing activities	<u>(119)</u>	<u>(275)</u>
Cash flows from financing activities		
<i>Cash was provided from (applied to):</i>		
Issue of ordinary shares	2,658	3,081
Transaction costs of shares issued	(113)	(143)
Net cash inflow from financing activities	<u>2,545</u>	<u>2,938</u>
Net (decrease)/increase in cash held	619	1,175
Foreign currency translation	-	50
Add cash and cash equivalents at start of the period	1,068	1,475
Balance at end of the period	<u>1,687</u>	<u>2,700</u>
Comprised of:		
Cash and cash equivalents	1,687	2,700

GEOOP LIMITED (NZX:GEO)

Interim results for the 6 months ended 31 December 2016

13 March 2016

GeoOp Limited (GEO)		
Results for announcement to the market		
Reporting Period	Six months to 31 December 2016	
Previous Reporting Period	Six months to 31 December 2015	
	Amount (000s)	Percentage change inc/(dec)
Revenue from ordinary activities	2,100	109%
Profit (loss) from ordinary activities after tax attributable to security holders	(2,048)	(9%)
Net profit (loss) attributable to security holders	(2,048)	(12%)
Interim/Final Dividend	Amount per security	Imputed amount per security
	No dividends proposed	Not applicable
No dividends or distributions were made during the period		
Record Date	Not applicable	
Dividend Payment Date	Not applicable	
Comments:	Refer other attached documents: - results announcement	

	31 Dec 2016	31 Dec 2015
Net tangible assets per security	\$0.04	\$0.09