



17 October 2017

GEO SHARES TO RESUME TRADING ON NZAX

Summary

- GeoOp Limited (**GEO, Company**) announces that it is terminating its initial public offering (IPO) and listing on the Australian Securities Exchange (**ASX**) and that its shares will resume trading today on the New Zealand Alternative Exchange (**NZAX**)
- All IPO application funds, which are being held in trust by Link Market Services, will be returned within five working days.
- GEO will shortly complete a major development phase and important product upgrades and market rollouts are targeted for Q3 FY18 for both its existing GeoService product and new GeoCare product.
- The completion of this major development phase is allowing the Company to reduce its spend and sustain growth while increasing ARPUs. Cash burn is reducing materially as a result.
- GEO's major shareholder, North Ridge Partners (and related parties, together **NRP**), has agreed to provide medium term funding in the form of a convertible loan of up to NZ\$1.5m to allow the Company to move through this important period.
- Mr Peter O'Connell who joined the Board as an additional Australian-based director for the ASX IPO will step down as the Company reverts to NZAX.

Background

On 29 June 2017 the Company's shares were suspended at the Company's request to enable it to launch the IPO and complete an orderly transition to ASX.

At a Special Meeting on 14 July 2017, GEO shareholders voted in favour of listing on ASX and subsequently delist from NZAX upon completion of the IPO.

On 11 August the Company lodged a Prospectus with the Australian Securities and Investments Commission to raise a minimum of A\$2m and list its securities on ASX.

Just prior to the close of the IPO, ASX advised that it required a higher minimum raise, notwithstanding the Company's representations in the Prospectus that A\$2m would provide it with adequate capitalisation to list on ASX and meet its business objectives. The Company, its advisors and ASX have had extended dialogue in an attempt to agree an appropriate minimum raise. The Company prepared a Supplementary Prospectus in the expectation that agreement would be reached.

GEO has spent considerable time and effort working through these matters, but has been unable to reach an outcome that addressed ASX requirements without materially changing the IPO or restricting the Company's operational plans. After careful consideration, on 16 October the GEO Board of Directors decided to discontinue discussions with ASX, cancel the IPO, return funds to shareholders and revert to NZAX.

Convertible Loan



GEO's major shareholder NRP has agreed to provide a two year, secured convertible loan facility (**Facility**) of up to NZ\$1.5m to provide the Company with funding, subject to meeting operational milestones, as it rolls out its new offerings. The Facility is expected to fund GEO's operations for the remainder of FY18.

The Facility is available in draw downs and is, subject to shareholder approval, expected to be converted to equity or repaid when the Company completes its next equity raising (which will not occur until calendar 2018). The Company's intention is to offer all shareholders the opportunity to participate in its next equity issue in the expectation that the majority, if not all, of its convertible note facilities will be converted to equity.

It is expected that shareholders will have the opportunity to vote on the conversion of the Facility at the Company's Annual General Meeting later this year.

Business Update

GEO's new enterprise platform will soon combine its renewed infrastructure with a refreshed user experience and interface for the job management application, GeoService. The new design will improve usability and flow-through, delivering new functionality and flexibility in the application.

The Company has continued to invest in the North American market and has seen expansion of its field sales management tool, GeoSales both in USA and ANZ.

GeoCare, a product designed to address the needs of NDIS providers, is being marketed more widely and is showing positive initial signs of adoption. A "soft" launch is scheduled in Sydney in November.

The Company continues to innovate and by improving both customer support and product quality has maintained a high retention rate across its customer base.

GEO expects to release its Q1 results in November.

Cash Burn

The Company is progressively reducing its operating costs through a range of measures as it completes its development programme. As a result, monthly cash burn is expected to reduce materially in the coming months.

Further information will be provided about the horizon to break even when Q1 results are released.

Board

Mr Peter O'Connell, who was appointed to the Board as an additional Australian-based director in anticipation of its ASX listing, has resigned with effect from 20 October.

Chair Roger Sharp said:

"After nine months of preparation, having registered a prospectus with ASIC and carefully assessing the Company's funding needs, GEO was ready to list on ASX.

Despite difficult equity markets conditions for technology stocks in Australia, GEO was on track to secure more than the minimum capital required to successfully close the Offer. However, very shortly before the close of the Offer and despite GEO meeting standard minimum market capitalisation hurdles, ASX required that GEO increase the minimum level to be raised under its general discretion to review applicants.



We have spent considerable time and effort to work through these matters, but ultimately have been unable to reach an outcome that addressed ASX requirements without materially changing the Offer or restricting GEO's operational plans.

Given these circumstances we have decided to provide our shareholders and applicants in the IPO with certainty, and will immediately revert to NZAX. We note that NZX is considering creating a single board and that there will potentially be a future opportunity to migrate to ASX should the Company deem appropriate.

We are disappointed but resolute and will continue to build this business.”

Further information

For further information contact:

Anna Cicognani
CEO and Managing Director
ceo@geoop.com