GeoOp Limited

INTERIM REPORT

FOR THE SIX MONTHS ENDED

31 DECEMBER 2017

CONTENTS

DIRECTORS' REPORT

Dear Shareholder,

GeoOp Limited (GEO, Company) is pleased to provide its interim financial result for the six months to 31 December 2017.

Highlights

- **H1 financial result affected by ASX IPO process.** Revenues increased by $0.10m to $2.20m, a 4.8% increase over the prior corresponding period (PCP). EBITDA[1] for the period was $(2.20)m, with Underlying EBITDA[2] (which removes costs of $0.66m associated with the ASX IPO process and associated restructure) of $(1.55)m (PCP: ($1.74m)).

- **Geo.Tools Pty Ltd confirms its eligibility for the Australian based Research and Development tax incentive.** In March 2018 Geo.Tools Pty Ltd, a wholly owned subsidiary of GeoOp Pty Limited, determined its eligibility for the Australian based Research and Development tax incentive. An application for the incentive was successfully lodged with Aus Industry in March 2018, and is expected to result in a cash inflow exceeding $360,000 by end of April 2018.

- **Since balance date GEO has reduced its net operating cash burn (after grants) to less than $0.14m per month and is initiating strategies to accelerate growth from FY19.** New CEO Kylie O'Reilly is focusing on revitalizing the Company's sales and marketing capabilities to capitalise on the launch of its upgraded GeoService app in Q4.

- **GeoService annualised subscription revenues grew by 18.1%** on PCP to $1.21m, with annual ARPUs[3] increasing by 10.5% to $92.38. GeoSales subscription revenues declined by 12.3% on PCP to $0.71m, due to the timing of sales campaigns using the GeoSales application, and a poor sales performance in the USA. The GeoSales sales pipeline shows an improvement in quality and sales trajectory in H2. GeoCare is in beta testing, with plans to bring into production in Q4.

- **Material Reduction in Operating Costs.** A restructuring in Q2, implemented after termination of the ASX listing, has materially reduced operating costs from Q3. Average operating cash burn for the first half, excluding the IPO and restructuring costs, was $0.22m per month (PCP: $0.28m, H1 FY16, $0.45m). Since balance date operating cash burn has averaged less than $0.17m per month (before R&D grants), and approximately $0.14m per month (after grants).

- **Interim funding was put in place to enable a smooth transition to the NZX Main Board**. In Q2, a $0.2m Director loan was repaid and a $1.50m working capital facility was put in place with the Company's major shareholder group, North Ridge Partners / Wentworth Trust, which at reporting date was drawn to $0.45m (refer note 11).

- **Leadership transition completed.** Dr. Anna Cicognani resigned on 24 January 2018 and was replaced on 1 February 2018 by Ms. Kylie O'Reilly who was appointed CEO. Mr. Mark Rushworth was appointed an independent Non-Executive Director on 1 February 2018, replacing Ms. Vivienne Brownrigg who resigned on 15 March 2018. Kylie O'Reilly has a proven management track record with more than 20 years' experience in guiding technology and media companies through rapid and continuous growth cycles. Mark Rushworth is Chairman of fintech start-up Genoapay, is a Non-Executive Director of NZX-listed Freightways, and was previously CEO of Paymark, Pacific Fibre and iHug.

- **Strategies are being activated to deliver growth.** The new GeoService application will offer an improved user experience, easier sign-ups and improved retention. A digital marketing partner is being engaged to restructure Geo's digital marketing funnel to drive more leads and improve conversions. New partner channels are being launched, including a global app marketplace, and integrations with existing channel partners are being enhanced.

Highlights (cont.)

Six months ended	31 Dec 2017 $'000	31 Dec 2016 $'000	Variance $'000	Variance %
Revenues				
- GeoService Subscriptions	**1,214**	1,028	+186	+18%
- GeoSales Subscriptions	**711**	810	-99	-12%
- Training & Implementation Fees	**104**	117	-13	-11%
- Other Revenues (incl. grants)	**171**	145	+26	+18%
Total Revenues	**2,200**	2,100	+100	+5%
Statutory net (loss) from operations	**(2,806)**	(2,189)	(617)	+28%
Statutory EBITDA [1]	**(2,204)**	(1,744)	-460	-26%
Underlying EBITDA (excluding ASX IPO costs) [2]	**(1,549)**	(1,744)	+195	+11%
Licenses				
- GeoService	**26,482**	25,448	+1,034	+4%
- GeoSales	**1,141**	1,542	-401	-26%
Annualised ARPU – Whole dollars				
- GeoService	**$92.38**	$83.63	+$8.76	+11%
- GeoSales	**$1,043.38**	$1,127.81	-$84.43	-8%

Note 1: EBITDA is defined as statutory net loss from operations less interest, tax, depreciation and amortisation. EBITDA does not have a standardised meaning prescribed by NZ GAAP and therefore may not be comparable to similar financial information presented by other entities.

Note 2: During the period the Company undertook a comprehensive process to migrate the Company's share market listing to the Australian Stock Exchange, and incurred material costs (including legal and accounting firms and lead manager costs). Underlying EBITDA is defined as EBITDA less the costs of this process ($0.56m) and associated restructure costs ($0.10m). Underlying EBITDA does not have a standardised meaning prescribed by NZ GAAP and therefore may not be comparable to similar financial information presented by other entities.

Note 3: ARPU is defined as average revenue per user. ARPU does not have a standardised meaning prescribed by NZ GAAP and therefore may not be comparable to similar financial information presented by other entities.

GeoService

GeoService subscription revenues increased to $1.21m (up 18.1% vs PCP), licensed users increased to 26,482 (up 4.1% vs PCP) and ARPUs increased to $92.38 (up 10.5% vs PCP). The ARPU for new GeoService licenses currently exceeds $125.

GeoSales

GeoSales subscription revenues declined by 12.3%, licensed users reduced to 1,141 (-26.0% vs PCP) and ARPUs were ~$1,043. Please note that:

- During H1, management actively exited low functionality/low ARPU licenses with a single client in the USA to enable more focus on higher ARPU clients. The result was a high headline reduction in license numbers, however revenues were significantly less affected.
- The revenue reduction also reflects the timing of client sales campaigns using the GeoSales application, and a poor sales performance in the USA, whose pipeline shows an improvement in quality and sales trajectory in H2.

DIRECTORS' REPORT

Awards and Grants

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

Subsequent to year end GEO confirmed, through its subsidiaries, it's eligibility for the Australian based Research and Development tax incentive (Refer note 11).

The Company was pleased to be recognized in the 2017 Technology Investment Network (TIN) Report.

Capital Raising and Cash Balances

Cash as at 31 December 2017 was $0.25m (30 June 2016: $0.86m). The $1.50m working capital facility was undrawn by $1.05m at reporting date (Refer note 11). A further cash injection of approximately $400,000 from the Australian based Research and Development tax incentive (refer note 11) and New Zealand based Callaghan Innovation grant is forecast to be received by the end of April 2018. The Company announced in Q2 that it would undertake a modest rights issue and placement in Q4 2018.

Going Concern

The business has announced that it intends to raise additional capital to improve its cash position, and until that process is completed it has the ongoing support of its major shareholder group North Ridge Partners / Wentworth Trust through the $1.5m line of credit put in place in October 2017. The Directors believe that appropriate action is being taken to reduce cash burn, focus on revenue generation, maximise grant income and streamline the organization to ensure it is in a strong position to start the new year.

Outlook

GeoOp remains focused on profitable growth. Directors have acted to carefully reduce cash burn, which is now at its lowest point ever, and believe that the H1 result is not reflective of the higher growth rates that Geo can achieve with improvements to sales and marketing. In Q4 a range of growth initiatives will be launched to unlock higher growth rates, including improved digital marketing, a revitalized approach to sales, new partner channels and the new GeoService user experience.

Since Balance Date

In December 2017 shareholders approved the Company entering into a facility agreement of up to $1,500,000 to fund its operations pending an equity raising in 2018 (see Note 6). As at 31 December 2017 the Company had drawn down $454,000 of this loan facility. Since balance date, and before the date of signing the Company had drawn down an additional $801,000 of the facility.

Dr. Anna Cicognani resigned on 24 January 2018 and on 1 February 2018 was replaced by Kylie O'Reilly as CEO. Kylie has a proven management track record with more than 20 years' experience in guiding technology and media companies through rapid and continuous growth cycles.

Mark Rushworth was appointed an independent Non-Executive Director on 1 February 2018. Mark is Chairman of fintech start-up Genoapay, is a Non-Executive Director of NZX-listed Freightways, and was previously CEO of Paymark, Pacific Fibre and iHug. On 15 March 2018 Vivienne Brownrigg resigned as a Non-Executive Director as part of a planned transition.

On 7 March 2018 the Company announced the appointment of Rochelle Lewis as Chief Financial Officer, and Ross O'Neill as Company Secretary effective 1 April 2018.

In March 2018 Geo.Tools Pty Ltd, a wholly owned subsidiary of GeoOp Pty Limited, determined its eligibility for the Australian based Research and Development tax incentive. An application for the incentive was successfully lodged with AusIndustry in March 2018, and is expected to result in a cash inflow exceeding $350,000 by end of April 2018.

DIRECTORS' REPORT

Since Balance Date (continued)

271,619 ordinary shares in the Company were issued to the former CEO on 30 January 2018 reflecting a salary sacrifice scheme entered during the six months ending 31 December 17.

Joint Chair and CEO Statement

"GEO enters calendar 2018 with a renewed focus on product, sales and marketing. We have left the distraction effect of the ASX IPO process behind us, have adjusted our management and governance composition accordingly, and have been developing strategies to accelerate growth.

The development cycle for the new GeoService application is advanced, with a beta version to be released to customers in Q4. This new application will offer a vastly improved user experience and has been designed based on feedback from dozens of customers. It will make sign-ups quicker and easier, it should reduce churn, and it will enable us to take out further cost over time as the legacy platform is shut down.

A "growth sprint" will be undertaken with a digital marketing partner over the next three months to restructure Geo's digital marketing funnel to drive more leads and improve conversions.

New partner channels are being launched, including a global app marketplace, and enhanced integrations are being prioritized with existing channel partners.

Finally, we are pleased with the reduction in cash burn, which has halved in the past year and is now a quarter of the level three years ago. With reinvigorated sales and marketing, we expect this trend to continue. A more detailed review of the Company's sales and marketing plans and financial outlook will be released with the final H1 report on 31 March 2018".

Signed on behalf of the Board on 16 March 2018

Roger Sharp
Chair

Consolidated interim statement of profit or loss and other comprehensive income

For the six months ended 31 December 2017

(Stated in New Zealand Dollars)	Note	6 mths Unaudited 31 Dec 17 $'000	6 mths Unaudited 31 Dec 16 $'000
Revenue			
Operating revenue		2,029	1,955
Grant and Interest revenue		160	145
Other revenue		11	-
Total Revenue		2,200	2,100
Expenses			
Research and development		(1,297)	(1,253)
Sales and marketing		(933)	(1,014)
General operating and administration		(2,174)	(1,577)
Depreciation and amortisation		(602)	(445)
Total Expenses		(5,006)	(4,289)
(Loss) from operations before tax		(2,806)	(2,189)
Income Tax benefit		-	-
Net (loss) from operations for the period		(2,806)	(2,189)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
(Loss) on translation of foreign operations		(23)	-
Total comprehensive (loss) for the period, net of tax attributable to shareholders		(2,829)	(2,189)
(Loss) per Share:			
Basic and diluted (loss) per share (cents)		(7.36)	(3.77)

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

The above consolidated interim statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated interim statement of changes in equity

For the six months ended 31 December 2017

Unaudited (Stated in New Zealand Dollars)	***Note***	**Share Capital $'000**	**Share Based Payments Reserve $'000**	**Foreign Currency Translation Reserve $'000**	**Accumul-ated Losses $'000**	**Total Equity $'000**
Balance at 1 July 2016		20,861	88	(135)	(13,223)	7,591
Loss for the period		-	-	-	(2,189)	(2,189)
Currency translation movements		-	-	(20)	-	(20)
Total Comprehensive Income		-	-	(20)	(2,189)	(2,209)
Transactions with Owners						
Issue of shares		4,127	-	-	-	4,127
Net share-based payment expense		118	24	-	-	142
Balance at 31 December 2016		25,106	112	(155)	(15,412)	9,651
Balance at 1 July 2017		25,978	81	153	(16,786)	9,426
Loss for the period		-	-	-	(2,806)	(2,806)
Currency translation movements		-	-	(23)	-	(23)
Total Comprehensive Income		-	-	(23)	(2,806)	(2,829)
Transactions with Owners						
Issue of shares	7	691	-	-	-	691
Net share-based payment expense		-	171	-	-	171
Balance at 31 December 2017		26,669	252	130	(19,592)	7,459

The above consolidated interim statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated interim statement of financial position

As at 31 December 2017

(Stated in New Zealand Dollars)	Note	Unaudited 31 Dec 17 $'000	Audited 30 June 17 $'000
Current assets			
Cash and cash equivalents		246	864
Trade and other receivables		642	786
Total current assets		888	1,650
Non-current assets			
Property, plant & equipment		83	86
Intangible assets	4	9,562	9,798
Related party loan		183	372
Other receivables		100	100
Total non-current assets		9,928	10,356
Total assets		10,816	12,006
Current liabilities			
Trade and other payables		1,427	1,090
Convertible note	5	1,466	1,466
Related party loan	6	454	-
Total current liabilities		3,347	2,556
Non-current liabilities			
Provision for long service leave		10	24
Total non-current liabilities		10	24
Total liabilities		3,357	2,580
Net assets		7,459	9,426
Equity			
Share capital	7	26,669	25,978
Share based payments reserve	8	252	81
Accumulated losses		(19,592)	(16,786)
Foreign currency translation reserve		130	153
Total equity		7,459	9,426

The above consolidated interim statement of financial position should be read in conjunction with the accompanying notes.

Signed on behalf of the Board on 16 March 2018 by:

Roger Sharp	Tim Ebbeck
Chairman	Chair of Audit and Risk Committee

Consolidated interim statement of cash flows

For the six months ended 31 December 2017

(Stated in New Zealand Dollars)	*Note*	6mths Unaudited 31 Dec 17 $'000	6 mths Unaudited 31 Dec 16 $'000
Cash flows from operating activities			
Cash was provided from (applied to):			
Receipts from customers		2,213	1,923
Grants received		239	138
Interest received		3	8
Payments to suppliers & employees		(3,942)	(3,876)
Net cash (outflow) from operating activities	3	(1,487)	(1,807)
Cash flows from investing activities			
Cash was provided from (applied to):			
Purchase of property, plant and equipment		(15)	(8)
Capitalised development costs	4	(147)	(111)
Capitalised website & trademark costs	4	(23)	-
Net cash (outflow) from investing activities		(185)	(119)
Cash flows from financing activities			
Cash was provided from (applied to):			
Related party loans repaid		200	-
Related party loans received	6	454	-
Capital raising costs		-	(113)
Issue of ordinary shares		400	2,658
Net cash inflow from financing activities		1,054	2,545
Net decrease in cash held		(618)	619
Add cash and cash equivalents at start of the period		864	1,068
Balance at end of the year		246	1,687
Comprised of:			
Cash and cash equivalents		246	1,687

The above consolidated interim statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements (continued)

For the six months ended 31 December 2017

1. CORPORATE ENTITY

Reporting Entity

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. The Company's shares are publicly traded on the New Zealand Stock exchange, on 8 December 2017 the Company migrated from the NZX Alternative Market to the NZX Main (NZX: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 consolidated interim financial statements represented are those for GeoOp Limited and its subsidiaries.

The Company is a FMC reporting entity for the purpose of the Financial Markets Conduct Act 2013 and the Financial Reporting Act 2013.

The Board of Directors approved these financial statements on 16 March 2018.

2. SUMMARY OF ACCOUNTING POLICIES

Basis of Preparation

The consolidated interim financial statements of the Group are prepared in accordance with Generally Accepted Accounting Practice (NZ GAAP) and NZ IAS 34, Interim Financial Reporting. In complying with NZ IAS 34, these Interim Financial Statements also comply with IAS 34, Interim Financial Reporting. These interim financial statements do not include all 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 2017.

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 2017.

Accounting policies are selected and applied in a manner that ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand ($000), except as otherwise indicated.

These financial statements are unaudited.

Going Concern

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

For the six months to 31 December 2017, operating revenue was up 3.79% to $2,029,000 (31 Dec 16: $1,955,000). The number of licenced users grew to 27,623 (31 December 16: 26,990), which represents 2% growth. During the last financial year management focused on further increasing subscription revenue by continuing to expand the Group's customer base whilst it also focused on further investment in the development of its software (see note 4).

2. SUMMARY OF ACCOUNTING POLICIES (continued)

Going concern (continued)

The company has continued to invest in product and market development after its attempted ASX listing did not proceed, recording a net loss from operations of $2,806,000 for the half-year to 31 December 2017 (31 Dec 16: $2,189,000). Net cash outflow from operations for the half-year was $1,487,000 (31 Dec 16: $1,807,000) and capitalised development costs were $147,000 (31 Dec 16: $111,000). Additional research and development activities has been undertaken in the half-year and are expected to continue in future financial years in both New Zealand and Australia.

A further cash injection of approximately $400,000 from the Australian based Research and Development tax incentive (refer note 11) and New Zealand based Callaghan Innovation grant is forecast to be received by the end of April 2018. The Company announced in Q2 that it would undertake a modest rights issue and placement in Q4 2018.

As at 31 December 2017 the Group is in a net asset position of $7,459,000 (30 Jun 17: $9,426,000). Due to the Group being a technology-focused business, a large portion of the Group's assets is represented by intangibles, including $4,863,000 of software assets (30 Jun 17: $5,085,000) and $4,634,000 of goodwill (30 Jun 17: $4,668,000). Net current liabilities at the end of the period were $2,459,000 (30 Jun 17: $906,000).

The business has announced that it intends to raise additional capital to improve its cash position, and until that process is completed it has the ongoing support of its major shareholder group North Ridge Partners / Wentworth Trust through the $1.5m line of credit put in place in October 2017. The Directors believe that appropriate action is being taken to reduce cash burn, focus on revenue generation, maximise grant income and streamline the organization to ensure it is in a strong position to start the new year.

The dependency on future capital raising creates a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern, and therefore that the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, nor to the amounts and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

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

	6 months Unaudited 31 Dec 17 $'000	**6 months Unaudited 31 Dec 16 $'000**
Net loss for the period	(2,806)	(2,189)
Adjustments for non-cash items		
Amortisation	584	445
Depreciation	18	28
Share based payments expense	458	166
Other	(197)	59
	863	698
Movements in working capital		
Accounts receivable and other receivables	144	(31)
Other Assets	-	(20)
Related party loans	(11)	(10)
Accounts payable and accruals	323	(255)
	456	(316)
Net cash (outflow) from operating activities	(1,487)	(1,807)

4. INTANGIBLE ASSETS

Unaudited	Trademarks $000	Website $000	Application Software $'000	Goodwill $'000	Total $'000
At 30 June 2016					
Cost	-	-	6,700	4,633	11,333
Accumulated amortisation	-	-	(800)	-	(800)
Carrying amount at beginning end of year	-	-	5,900	4,633	10,533
Year ended 30 June 2017					
Additions	28	19	317	-	364
Foreign currency translation reserve	-	-	39	35	74
Amortisation	-	(2)	(1,171)	-	(1,173)
Carrying amount at end of year	28	17	5,085	4,668	9,798
At 30 June 2017					
Cost	28	19	7,056	4,668	11,771
Accumulated amortisation	-	(2)	(1,971)	-	(1,973)
Carrying amount at end of year	28	17	5,085	4,668	9,798
Six months ended 31 December 2017					
Additions	23	-	147	-	170
Amortisation	-	(3)	(581)	-	(584)
Foreign currency translation reserve	-	-	212	(34)	178
Carrying amount at end of year	51	14	4,863	4,634	9,562
At 31 December 2017					
Cost	51	19	7,455	4,634	12,159
Accumulated amortisation	-	(5)	(2,592)	-	(2,597)
Carrying amount at end of year	51	14	4,863	4,634	9,562

(a) Application Software

The Application Software arises from capitalised development expenditure relating to the continued development of the Group's technology platform hosted in the cloud and mobile application software.

(b) Goodwill - Impairment Consideration

The Company has two cash generating units: GeoOp Limited and Interface IT Pty Ltd. Goodwill is allocated to the Interface IT Pty Ltd cash generating unit.

Goodwill impairment is assessed on an annual basis. Goodwill impairment has not been assessed for the six months ended 31 December 2017.

For the six months ended 31 December 2017

5. CONVERTIBLE NOTE

	Unaudited 31 Dec 17 $000	Audited 30 June 17 $000
Unsecured		
Unlisted convertible notes	1,466	1,466

3,000,000 unlisted convertible notes of $1 each were issued as part consideration to the vendors on the acquisition of Interface IT Pty Ltd on 1 June 2016. During the year ended 30 June 2017 1,534,000 of these notes were converted to ordinary shares.

The notes are fully paid, having a 0% coupon and a two-year term at which time they will, at the option of the holder, be repaid or converted to ordinary shares (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.

On 12 December 2017 the Company amended the convertible notes so that the note holders will be deemed to advance loans to the Company to repay the notes when due on the same terms as the related party loan set out in 6, below. Once advanced, the interest may be either capitalised into the loan, or paid monthly by way of the issue of shares at market price (subject to shareholder approval). If the Company completes an equity raise, the principal and any capitalised interest may be paid by way of the issue of shares at the equity raise price (subject to shareholder approval). The minimum issue price is $0.15 per share.

6. RELATED PARTY LOAN PAYABLE

	Unaudited 31 Dec 17 $000	Audited 30 June 17 $000
Related party loan	454	-

On 12 December 2017 the Company entered into a facility agreement of up to $1,500,000 with its major shareholder group North Ridge Partners / Wentworth Trust to fund the company’s working capital requirements, pending a rights issue and/or placement in 2018. Interest may be either capitalised into the loan or paid monthly by way of the issue of shares at market price (subject to shareholder approval). If the Company completes an equity raise, the principal and any capitalised interest may be paid by way of the issue of shares at the equity raise price (subject to shareholder approval) at a minimum issue price of $0.15 per share.

Interest on the loan is 5% annualised, calculated daily, until 1 June 2018 and then 15% afterward if not redeemed for cash or converted to equity, subject to a three-month extension if a capital raise is underway.

For the six months ended 31 December 2017

7. SHARE CAPITAL

		Number of shares	$'000
Balance at 30 June 2016		49,393,299	20,861
Movements during the year			
Issue of shares on conversion of notes – related parties		4,195,395	839
Issue of shares under rights issue - related parties		2,945,020	589
Issue of shares under rights issue - other parties		6,787,325	1,357
Issue of shares under rights issue from conversion of loans – related parties		2,529,167	510
Issue of shares on conversion of notes – related parties		3,474,720	695
Issue of shares under placement		1,625,000	322
Issue of shares under placement – deferred settlement – other parties		3,000,000	600
Deferred rights issue – other parties		1,000,000	200
Transaction costs for the issue of new shares		-	(113)
Transfer from share-based payments reserve		-	118
Balance at 30 June 2017 - Audited		74,950,084	25,978
Movements during the year			
Issue of shares from treasury stock	i	-	78
Cancellation of treasury stock		(292,830)	-
Deferred rights issue	ii	2,000,000	400
Shares split	iii	(38,328,627)	-
Issue of shares under placement – related parties	iv	574,931	213
Balance at 31 December 2017 - Unaudited		38,903,558	26,669

All shares have been issued as fully paid and have no par value. In the six months ended 31 December 2017, the Company issued equity as follows:

i. On 7 July 2017, the company issued shares to the CTO and the then CFO from treasury stock.

ii. The Company issued 2,000,000 ordinary shares at an issue price of $0.20 per share under a placement as deferred settlement under the capital raising process completed on 20th October 2016.

iii. On 19 July 2017 a consolidation of the Company's share capital on a 2 for 1 new share basis was undertaken.

iv. On 27 October 2017 574,931 shares were issued in accordance with the agreement with the then CEO on long term incentives.

For the six months ended 31 December 2017

8. RESERVES

(a) Share Based Payments Reserve

	Share Based Payments Reserve $000
Movements during the year	
Balance at 30 June 2016	88
Share based payment expenses	111
Transfer to issued share capital	(118)
Balance at 30 June 2017 - Audited	81
Movements during the six-month period	
Share based payment expenses	458
Transfer to issued share capital	(206)
Balance at 31 December 2017 - Unaudited	252

9. SUBSIDARIES

Subsidiary	Equity interest		Balance Date	Country of Incorporation	Principal Activity
	31 Dec 17	30 June 17			
geo.tools Pty Limited (previously GeoOp Pty Limited)	100%	100%	30 June	Australia	Limited risk distributor
GeoOp Trustees Limited	100%	100%	30 June	New Zealand	Trustee
Interface IT Pty Ltd	100%	100%	30 June	Australia	Sales Software supplier
Interface IT Inc	100%	100%	30 June	United States	Sales Software supplier

10. SEGMENT REPORTING

Identification of reportable segments

Information reported to the chief operating decision makers for the purposes of resource allocation and assessment of segment performance focuses on the type of product delivered. The directors of the company have chosen to organise the Group around differences in products and services. No operating segments have been aggregated in arriving at the reportable segments of the Group.

For both the six-month period ended 31 December 2017 and year ended 30 June 2017 financial information about geographical areas is not available and the cost to develop it has been deemed to be excessive.

Types of services provided

The group has identified two main products being GeoService and GeoSales.

GeoService is a mobile workforce management and costing solution that helps users create, schedule and assign jobs to field workers in real time. On site, workers can generate quotes, record job details and attach photos, signatures and files immediately. Once the jobs have been completed, workers can send invoices and organise fast payment. All customer records are available anywhere, at any time.

GeoSales is a market-leading field sales management solution. It allows managers to allocate selling regions to staff, provides detailed geographic and demographic information and monitor sales performance in real time.

Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment.

Unaudited

	GeoService $'000	GeoSales $'000	Total $'000
Six Months ended 31 December 2017			
Operating income	1,236	793	2,029
Grant income	135	22	157
Total segment income	1,371	815	2,186
Research and development	(765)	(532)	(1,297)
Sales and marketing	(672)	(262)	(934)
Total segment expenses	(1,437)	(794)	(2,231)
Segment earnings	(65)	21	(44)

For the six months ended 31 December 2017

10. SEGMENT REPORTING (continued)

Six Months ended 31 December 2016	GeoService $'000	GeoSales $'000	Total $'000
Operating income	1,059	895	1,954
Grant income	138	-	138
Total segment income	1,197	895	2,092
Research and development	(952)	(301)	(1,253)
Sales and marketing	(791)	(223)	(1,014)
Total segment expenses	(1,743)	(524)	(2,267)
Segment earnings	(546)	371	(175)

Segment revenue reported above represents revenue generated from external customers. There were no intersegment sales in the current period (30 June 2017: nil).

The accounting policies of the reportable segment are the same as the Group's accounting policy described in note 2. Segment profit represents the profit before tax earned by each segment without allocation of general and administration costs, director costs, capital raising costs, interest income, amortisation and depreciation. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and assessment of segment performance.

Reconciliation of segment earnings to statement of comprehensive income:

	6 months Unaudited 31 Dec 17 $000	6 months Unaudited 31 Dec 16 $000
Segment earnings	(44)	(175)
Add: Other revenue	11	-
Add: Interest received	3	8
Less: General operating and administration	(2,174)	(1,549)
Less: Amortisation	(584)	(445)
Less: Depreciation	(18)	(28)
Net Profit before Tax	(2,806)	(2,189)

For the six months ended 31 December 2017

11. SUBSEQUENT EVENTS

In December 2017 shareholders approved the Company entering into a facility agreement of up to $1,500,000 to fund its operations pending an equity raising in 2018 (see Note 6). As at 31 December 2017 the Company had drawn down $454,000 of this loan facility. Since balance date, and before the date of signing the Company had drawn down an additional $801,000 of the facility.

Dr. Anna Cicognani resigned on 24 January 2018 and on 1 February 2018 was replaced by Kylie O'Reilly as CEO. Kylie has a proven management track record with more than 20 years' experience in guiding technology and media companies through rapid and continuous growth cycles.

Mark Rushworth was appointed an independent Non-Executive Director on 1 February 2018. Mark is Chairman of fintech start-up Genoapay, is a Non-Executive Director of NZX-listed Freightways, and was previously CEO of Paymark, Pacific Fibre and iHug. On 15 March 2018 Vivienne Brownrigg resigned as a Non-Executive Director as part of a planned transition.

On 7 March 2018 the Company announced the appointment of Rochelle Lewis as Chief Financial Officer, and Ross O'Neill as Company Secretary effective 1 April 2018.

In March 2018 Geo.Tools Pty Ltd, a wholly owned subsidiary of GeoOp Pty Limited, determined its eligibility for the Australian based Research and Development tax incentive. An application for the incentive was successfully lodged with AusIndustry in March 2018, and is expected to result in a cash inflow exceeding $350,000 by end of April 2018.

271,619 ordinary shares in the Company were issued to the former CEO on 30 January 2018 reflecting a salary sacrifice scheme entered during the six months ending 31 Dec 17.