



## **GEO Special Meeting Called for ASX Listing/IPO and Shares Suspended**

### **GEOOP LIMITED (NZX: GEO)**

29 June 2017

Geo has previously announced that it intends to de-list from the NZAX, list on the ASX and undertake an IPO in Australia and New Zealand. Geo will send to shareholders today the Notice of Special Meeting (notice attached; meeting scheduled for 14 July 2017) required for shareholders to vote on such NZAX de-listing, ASX listing, the issue of shares for the IPO and the associated adoption of a new constitution to apply if the ASX listing proceeds (the "Transaction"). There will not be a period of dual-listing.

The IPO will involve between AUS\$3m and AUS\$6m of new ordinary shares to be issued at a price within the range of AUS\$0.170 to AUS\$0.195 per share (potentially together with free attaching options with an exercise price of not less than AUS\$0.30 per option, the potential terms of which have been provided in the attached notice).

GEO requested that NZX exercise its discretion, and NZX has confirmed that it will exercise its discretion, to suspend quotation of the quotation of Geo's ordinary shares on NZAX, with immediate effect (the "Suspension"). The Suspension will remain in place until the date of the special meeting (inclusive) and if shareholders vote to proceed with the Transaction at the special meeting, the Suspension will continue for a further period until the earlier of:

- (a) the date on which Geo formally delists from NZAX; or
- (b) the date on which GEO declares, for whatever reason, that the ASX listing is no longer proceeding.

Geo requested the Suspension because its directors consider it is in the best interests of both the company and its shareholders as a whole, including for the following reasons:

- (a) Geo must achieve a post-IPO capitalisation of AU\$15m under the ASX listing requirements in order for the ASX Listing to proceed. Preliminary discussions with investors indicated a target IPO raising of AU\$3m-AU\$6m, with a discount potentially required to the pre-IPO price in order to attract demand. Geo has deliberately set low and high targets for the IPO. Balancing the need to raise enough capital to fund the operation of the business and meet ASX's listing requirements, Geo's Directors wish to avoid raising capital at dilutive pricing that would prejudice existing shareholders.
- (b) In isolation, Geo should have been able to mitigate against pricing and dilution risk through completing the IPO at the low end of the range (AU\$3m) if confronted with a large offer discount. However, this would have presented a dilemma because if the pre-IPO price falls before the IPO is priced and investors require a higher offer discount, Geo may have had to raise more than it would otherwise wish to raise at a lower price to meet the ASX admission criterion.
- (c) The main challenge is that Geo's shares are highly illiquid and there is usually a wide bid-offer spread. The typical traded value is around NZ\$5,000 per day (based on 60-day VWAP, excluding the impact of deferred participation in a recent share placement). This led to the distinct possibility that small share sales could force the IPO pricing down and cause it to be conducted at unnecessarily low pricing (potentially materially dilutive to existing shareholders) and also potentially leaving Geo under the minimum ASX listing threshold.
- (d) The Suspension allows Geo to price the IPO in an orderly manner, protect the interests of its shareholders, give greater certainty to the IPO proceeding and eliminate the potential impacts of market manipulation.

Geo will update the market on the outcome of the Special Meeting on 14 July 2017.

ENDS –

For further information, please contact Anna Cicognani, Chief Executive and Managing Director – [ceo@geoop.com](mailto:ceo@geoop.com)

(Attachment: Notice of Special Meeting)