

GEOCENTRIC OYJ Q2 2013 INTERIM REPORT 30.8.2013 at 15:00

INTERIM REPORT 1-6/2013

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1. SUMMARY OF KEY FIGURES AND RESULTS

The key figures summarizing the Company's financial position and financial results were as follows (teuros unless indicated otherwise):

In period	<u>4-6/2013</u>	<u>1-6/2013</u>	<u>4-6/2012</u>	<u>1-6/2012</u>	<u>2012</u>
Net sales	0	0	0	0	0
Operating Result	-84	-177	-172	-327	-589
Basic earnings per share (eur)	-0,00	-0,00	-0.00	-0.00	-0.00
At the end of the period					
Total assets	649		789		947
Shareholders' equity	-1253		374		-606
Total liabilities	1902		415		1553

2. OPERATIONAL REVIEW

The Company has continued to act as a holding company. The Company is currently a minority shareholder in its former subsidiary GeoSolutions Holdings N.V. ("GHNV") with a current holding of approximately 24%.

GHNV carries on its indirect business as a developer and provider of solutions, products and technologies for location based services and LBS-enabled social networks through its 40% holding in the Joint Venture ("JV") with a major Chinese public media company, Sina Corp ("Sina") focusing on the Chinese market. The business model is via licensing of intellectual property in terms of software technology and branded trademarks, and revenue generation from services, which generate advertising and subscription revenue.

The Company did not have any net sales in the reporting period or in period 1-6/2012.

The Company's other operating income was in 1-6/2013 6 teuros compared 0 teuros in 1-6/2012.

Because of the saving measures the total operating expenses were significantly lower in the reporting period compared to the comparison period, decreasing to 183 teuros in 1-6/2013, from 327 teuros in 1-6/2012.

The Company's financial expenses were 235 teuros in 1-6/2013 (1 teuros in 1-6/2012).

The Company's result from 1-6/2013 also includes its proportional share of GHNV's result, which was -250 teuros (-266 teuros in 1-6/2012).

As a result of the above factors, the total result before taxes was -662 teuros in 1-6/2013, compared to -594 teuros in 1-6/2012. Earnings per share for the reporting period were -0.00 euros per share.

3. MATERIAL EVENTS IN THE PERIOD

The main events in the period 4-6/2013 were as follows:

The Company continued to act as a holding company to its approximately 24% shareholding in GHNV.

During early 2013 the Company negotiated upon acquiring a new business based on signed term sheet regarding the acquisition of Sinophi Healthcare Limited, a company operating in the field of private specialty healthcare, especially in China. The planned transaction involved acquisition of the entire share capital, shares and votes of Sinophi Healthcare Limited in exchange for newly issued shares of the Company representing 90 % of the Company's shares and votes after the acquisition.

Despite the substantial efforts the negotiations with Sinophi Healthcare Limited terminated on March 2013. As a result of the termination Company commenced negotiations with another acquisition target based on a similar deal structure that was negotiated with Sinophi. The Company also requested additional short term funding from its key investors and received signed confirmation for this short-term funding. This short-term funding enables the Company to complete the acquisition or, in the event of non-completion, orderly wind-down of its business. The Company has received in March 2013 a commitment from an independent advisory group to make a loan and fund the Company with up to €250,000, which arrangement the Board of Directors has accepted. This commitment is from the same independent advisory group that has previously made secured loans to the Company. This investor and the Company are also working with other parties and negotiating a business plan under which the Company would acquire minority holding in another business. If this acquisition would be successful, the investor would defer repayment on the prior secured loans, which would keep the Company solvent and operating. The Company has already received 97 teuros for the Company's imminent working capital needs. The remaining financing will be funded periodically through the remainder of 2013. This financing is secured

by the shares of GHNV owned by the Company. The investor is in addition entitled to receive special subscription rights entitling to Company's shares to the amount agreed in the financing terms and a one-off investment fee payable in Company's shares to be issued to the investor without charge.

The Managing Director and a Member of the Board of Directors Michael Po resigned from Company.

The Company received a flagging notice regarding acquisition and/or disposal of the Company's shares between ANSA McAL Limited, Schroder & Co (Parent company being Schroders Plc) and Schroder Investment Management Limited.

4. MATERIAL EVENTS AFTER THE END OF THE PERIOD

After the reporting period the Company has continued to pursue possible options open to it in order continue the operations and continued to negotiate with another acquisition target under which the Company would acquire minority holding in another business. Meanwhile the creditors of the valid loans, matured on April 30, 2013, are exercising forbearance, and have not made legal demand due to the Company's failure to make repayment by the maturity date.

5. REVIEW OF THE FINANCIAL POSITION AND THE FINANCIAL RESULTS

The key figures summarizing the Company's financial position and financial results were as follows (teuros unless indicated otherwise):

In period	<u>4-6/2013</u>	<u>1-6/2013</u>	<u>4-6/2012</u>	<u>1-6/2012</u>	<u>2012</u>
Net sales	0	0	0	0	0
Operating Result	-84	-177	-172	-327	-589
Basic earnings per share (eur)	-0,00	-0,00	-0.00	-0.00	-0.00
At the end of the period					
Total assets	649		789		947
Shareholders' equity	-1253		374		-606
Total liabilities	1902		415		1553
Cash	45		33		96

6. SUFFICIENT LIQUIDITY

The Company has, during the reporting period, retained sufficient liquidity.

The Company received a commitment for additional short-term funding from its key investors enabling the Company to complete the acquisition of a minority holding in another business, or in the event of non-completion, orderly wind-down of its business. Thus the financing provides the funding of the Company through 2013.

The Company does not have sufficient funds to finance its operations beyond 2013 unless it succeeds to raise additional financing.

7. OUTLOOK

Market Outlook

The future business outlook of the Company's associate company, GHNV, is currently almost completely focused on the China market. In partnership with Sina, China's third largest internet company, the immediate focus is to leverage the now very large +300M Sina user base to spread the use of the GyPSii platform and applications to as many mobile phone users as possible over the next few years. The JV will combine the IP of GeoSolutions B.V., a 100% owned subsidiary of GHNV, with Sina's large user base, marketing and sales activities to develop the China market for the Tuding and Weilingdi products and the GyPSii Location Based Services Platform. Seeding this market should give rise to opportunities in 2013 and beyond for income to the JV based on advertising, IP licensing and small to medium business subscriptions. The China market for mobile technology is experiencing extremely rapid growth compared to the rest of the world. This is expected to continue alongside China's economic expansion well into the decade. This strong growth of mobile technology is a natural pull for the Sina and GyPSii products.

Outside of China, GHNV is exploring opportunities to leverage its IP and products in other developing countries with similar user demographics and similarly strong smart phone growth as China. This involves creating other potential partnerships with a business model similar to the JV with Sina.

Financial and Business Development Outlook

The Company's currently remaining business comprises solely its 24% minority holding in GHNV. This in turn currently is focused mainly on its 40% holding in the Joint Venture with Sina ("JV"). The current projections indicate that the JV will become profitable over the next few years, however, it may be several years before dividends may flow from the JV to the Company via GHNV. Unless the Company decides to start some new operational activities of its own, it is likely that the Company will not generate any income of its own and will not recognize dividend income from the JV until the JV turns profitable or becomes liquid through merger or acquisition and starts to distribute profits. Therefore, despite minimized operational costs, the Company is likely to make losses through this period. The Company may also sell part or all of its holding in GHNV in the future, which may generate an accounting and distributable profit.

8. ASSESSMENT OF SIGNIFICANT OPERATIONAL RISKS

As a minority shareholder of GHNV the Company does not have the control over the activities of GHNV and is dependent on the actions of the other shareholders of GHNV. The Company's future value and cash flow is highly dependent on the success of the JV with Sina in China. There is no certainty that these efforts will succeed. As agreed in the Subscription and Shareholders' Agreement between GHNV and its shareholders, GHNV has decided to issue an option pool to its Board and management of up to 15% of its issued share capital. This may decrease the Company's current ownership of GHNV down to approximately 21%.

The global financial crisis and current global recession have had and may continue to have a negative impact also on the GyPSii business although the business is now almost exclusively focussed on China, which continues to enjoy strong economic growth.

There is no certainty of the success regarding the implementation and realisation of the GHNv business plan. According to the business strategy, GHNv is pursuing entrance also to new business segments with competitive situations new to it, or which may be only in the early market phase. Unless GHNv is able to successfully respond to these developments it may significantly impair its operating results affecting consequently to operating results of the Company.

A key driver of the GHNv business model is sufficient and sufficiently rapid growth of users of the services, and the speed of adoption of mobile, UGC and location based advertising of which there is no certainty.

Since 1997, the Company has not paid dividends and, in the future, there may be restrictions on the ability to distribute dividends. Regarding future dividend payments, there is also uncertainty about the ability of the Company to accrue distributable capital. According to the financial statements of the Company, there was no distributable capital in the latest balance sheet of the Company.

The Company's business plan has been prepared by assuming that the Company can derive long term value from its holding in GHNv but this potential value creation is uncertain. As the financing is secured by a pledge on the shares of GHNv held by the Company, the Company does not expect to have any net income from its business, and the Company defaulted on its obligation to repay the secured loan upon the maturity of the loan on April 30, 2013, it needs to raise additional external financing to repay the loan despite the additional loan of €250,000 described above in "Material events in the period". If the Company does not succeed to raise such external funding, there is a risk that the creditor could by virtue of the pledge demand realization of all or part of the GHNv shares owned by the Company to received funds for repayment of the loan.

In addition, the Company will need further external funding to secure sufficient liquidity in the long term and also to enable further investments in GHNv. Should the new financing be delayed or prove to be unavailable, this could cause an insolvency risk and/or further dilution of Company's holding in GHNv. The Company's go-forward budget and cash sufficiency estimates have been prepared assuming further decreased cost levels. Should the actual cost levels be higher, the Company would need to raise additional external capital and the availability of this additional capital is uncertain.

Trading with the Company's shares on NASDAQ OMX Helsinki stock exchanges has been suspended since April 3, 2012 on Company's request. Also a substantial portion of the Company's shares have not been applied for public trading due to the lack of financial resources to complete the process before sufficient long-term funding has been secured. The Company may not guarantee that the trading with its shares will continue and that the currently unlisted but issued shares will be listed before the long-term funding has been secured. If the unclear situation continues, there is a substantial risk and likelihood that the Company's shares will be de-listed.

As reported to the market on 15 August 2012, SoftTech Support

Services Ltd, a company domiciled in the United Kingdom and owned by the Company's ex-CFO Robin Halliday, has filed a claim against GeoSentric Oyj. The amount of the claim is approximately EUR 40,000. The Company has rejected the claim and will take all necessary actions to respond. Should the Company have to pay the full or a substantial amount of the claim, the Company would need to raise additional external capital and the availability of this capital is uncertain.

There are significant financial risks related to the Company's business, competition and industry and it is possible that investors may lose all or a part of their invested capital.

Schroders & Co Limited and investor groups led by Horizon Group, have influence on GeoSentric. As a result of the directed share offering closed in November 2011, Jeffrey Crevoiserat, a Board member of the Company, has a substantial holding in the Company. The Company trusts that the regulation and information obligation binding public companies, supported by the compliance with the corporate governance recommendations, together with the continuous external auditing activity maintained by a skilled and reputable auditing firm suffice to pre-empt a misuse of control power.

9. REVIEW OF R&D ACTIVITIES

The Company did not have any R&D-activities in the reporting period.

10. INVESTMENTS

The Company did not have any investments in the reporting period.

11. PERSONNEL AND ORGANIZATION

The number of employed personnel in the Company in the reporting period and in the comparison period averaged 3. All personnel have been subject to forced leaves from September 2012.

12. FINANCING AND STRUCTURAL ARRANGEMENTS

The Company has received in March 2013 a commitment from an independent advisory group to make a loan and fund the Company with up to €250,000, which arrangement the Board of Directors has accepted. This commitment is from the same independent advisory group that has previously made secured loans to the Company. This investor and the Company are also working with other parties and negotiating a business plan under which the Company would acquire minority holding in another business.

13. BOARD AUTHORIZATION

The Annual General Meeting on June 27, 2013 authorized the Board to issue at maximum 5,000,000,000 new shares, option rights or special subscription right. The authorization has not yet been used.

14. COMPANY'S SHARES AND SHAREHOLDERS

The shares of GeoSentric Oyj are listed on the NASDAQ OMX Helsinki (NASDAQ OMX: GEO1V) and issued in the book entry system held by Euroclear Finland, address PL 1110, FIN-00101 Helsinki, Finland. The ISIN-code of the share is FI 0009004204. The Company's shares have been on the surveillance list since February 11, 2003. As of April 3, 2012 the trading with Company's shares has been suspended on the request of the Company. Of the total share amount 924,656,354 have are subject to public trading. Remaining share amount shall be applied for public trading.

The Company does not have any Company's shares owned by or administered on behalf of the Company.

At the end of the reporting period the Company's registered share capital was 8,955,761.65 Euros and share amount 3,601,668,118, consisting of 3,490,246,354 registered shares and 111,421,764 un-registered shares (registration pending).

15. ABOUT THE COMPANY

GeoSentric is an investor in a business GeoSolutions Holdings N.V., a former subsidiary of GeoSentric, and a Dutch company which together with its subsidiaries and affiliates is a developer of location-based technologies, delivering products and services with a market-leading mobile digital lifestyle application and geo-mobility social networking platform: connecting people, places and communities across networks and devices. GyPSii provides a geo-location social networking platform and services for mobile and web Internet-connected devices, and provides applications and bundled ODM/OEM solutions, built on the convergence of location based services, social networking, search, mobile & Web 2.0 technologies. For more information, visit www.geosentric.com or www.gypsii.com or www.gypsii.com.cn.

The Company is based in Salo, Finland.

GeoSentric (NASDAQ OMX Helsinki-GEO1V) is listed on the NASDAQ OMX Exchange in Helsinki. The Company has been on the surveillance list since February 2003.

GeoSentric Oyj

For more information, please contact: investors@gypsii.com

Distribution:
NASDAQ OMX Helsinki
Principal news media

GEOCENTRIC OYJ INTERIM REPORT 2Q/2013 (Unaudited)

GROUP STATEMENT OF COMPREHENSIVE INCOME

1000 EUR	Note	2Q/2013	1-2Q/2013	2Q/2012	1-2Q/2012	2012
Other operating income		3	6	0	0	4
General & Administrative expenses	4	87	183	172	327	593
Operating result		-84	-177	-172	-327	-589
Financial expenses	5	-58	-235	-1	-1	-487
Share of Associate Company result	6	-100	-250	-133	-266	-526
Result before taxes		-242	-662	-306	-594	-1602
Result for the period		-242	-662	-306	-594	-1602
Comprehensive income		-242	-662	-306	-594	-1602
Earnings per share, eur:						
Basic earnings per share		-0,00	-0,00	-0,00	-0,00	-0,00
Diluted earnings per share		-0,00	-0,00	-0,00	-0,00	-0,00

GROUP STATEMENT OF FINANCIAL POSITION

1000 EUR	Note	30.6.2013	30.6.2012	31.12.2012
ASSETS				
Non-current assets				
Property, plant and equipment		2	1	3
Investment in Associate Company	6	570	722	820
		572	723	823
Current assets				
Trade receivables and other receivables		32	33	28
Cash and cash equivalents		45	33	96
		77	66	124
Total assets		649	789	947
EQUITY AND LIABILITIES				
Shareholders' equity				
Share capital	7	8956	8956	8956
Share premium account	7	13631	13631	13631
Invested distributable equity account	7	29056	29056	29056
Retained earnings		-52896	-51269	-52249
Total shareholders' equity		-1253	374	-606
Current liabilities				

Trade payables and other payables		497	227	436
Interest bearing debt	9	1405	188	1117
Total liabilities		1902	415	1553
Total shareholders' equity and liabilities		649	789	947

GROUP CASH FLOW STATEMENT

1000 EUR	1-2Q/2013	1-2Q/2012	2012
Cash flow from operations			
Result for the period	-662	-594	-1602
Adjustments	457	304	888
Changes in working capital:			
Change of trade and other receivables	-4	17	22
Change of trade and other liabilities	61	100	309
Paid interests	0	0	0
Received interest payments	0	0	0
Cash flow from operations, net	-148	-173	-383
Cash flow from investments, net	0	0	-360
Cash flow from financing			
Proceeds from long term borrowings, liability	97	75	708
Net cash flow from financing	97	75	708
Change in cash	-51	-98	-35
Cash at beginning of period	96	131	131
Cash at end of period	45	33	96

GROUP STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital (1000 eur)	Share premium account (1000 eur)	Inv distributed equity account (1000 eur)	Accrued result (1000 eur)	Total (1000 eur)
Shareholders' equity 31.12.2011	8956	13631	29056	-50712	931
Result for the period	0	0	0	-594	-594
Comprehensive income	0	0	0	-594	-594
Equity portions of liabilities	0	0	0	37	37
Shareholders' equity 30.6.2012	8956	13631	29056	-51269	374
Shareholders' equity 31.12.2012	8956	13631	29056	-52249	-606
Result for the period	0	0	0	-662	-662
Comprehensive	0	0	0	-662	-662

income					
Booked expense of stock options	0	0	0	15	15
Shareholders' equity 30.6.2013	8956	13631	29056	-52896	-1253

KEY FIGURES

	2Q/2013	1-2Q/2013	2Q/2012	1-2Q/2012	2012
Net sales, 1000 EUR	0	0	0	0	0
Operating result, 1000 EUR	-84	-177	-172	-327	-589
Result before taxes, 1000 EUR	-242	-662	-306	-594	-1602
Gross investments, 1000 EUR	0	0	0	0	360
Average personnel	3	3	3	3	3
Earnings per share, EUR	-0,00	-0,00	-0,00	-0,00	-0,00
Equity per share, EUR	-0,00	-0,00	0,00	0,00	-0,00
Weighted average number of shares in period, 1000 pcs	3490246	3490246	3490246	3490246	3490246
Number of shares at the end of the period, 1000 pcs	3490246	3490246	3490246	3490246	3490246

1. BASE INFORMATION OF THE COMPANY

Prior to August 4, 2011, GeoSentric wholly owned its subsidiary, GeoSolutions Holdings NV ("GHNV"). On August 4, 2011, its holding in GHNV became a minority holding and GeoSentric's sole business then became holding its minority investment in GHNV. GHNV is a developer and provider of solutions, products and technologies for location based services and LBS-enabled social networks. It develops a leading geo-integration platform for mobile devices, personal navigation devices, web browsers, and other internet-connected devices, which provides applications and bundled ODM/OEM solutions for consumer and B2B markets, built on the convergence of location based services, social networking, search, mobile & Web 2.0 technologies. Its intellectual property is delivered as software and services in products which include the GyPSii product platform ("GyPSii"). It has deep expertise and technology IP in User Generated Content Management, Location Based Services, Open Social Networking, Ad-Targeting and Integration, for Social Media markets and users on mobile phones, the web personal navigation and internet connected devices. GeoSentric is based in Salo, Finland. GeoSentric is listed in NASDAQ OMX Helsinki Ltd (NASDAQ OMX: GEO1V). Trading has been suspended as of April 3, 2012. The parent company of the group is GeoSentric Oyj. The registered domicile is Salo, Finland, with street address Meriniitynkatu 11, 24100 Salo, Finland, and mail address PL 84, FIN-24101 Salo, Finland. A copy of the group financial statements is available at the internet address www.geosentric.com or at the company head office at address Meriniitynkatu 11, FIN-24100 Salo, Finland.

2. ACCOUNTING PRINCIPLES FOR THE FINANCIAL STATEMENTS

Accounting principles:

The group interim report has been prepared in accordance with International Financial Reporting Standards ("IFRS") and has been prepared to the accounting standard IAS 34, Interim Reports. An interim report shall be read together with the financial statements for year 2012.

Accounting principles:

The used preparation principles have been presented in the Financial Statements from year 2012. IASB has published new standards and interpretations and changes in existing standards, application of which is mandatory on 1.1.2013 or thereafter, and which the group has not adopted earlier voluntarily. The group will adopt these standards (and their amendments) and interpretations from 1.1.2013 onwards, but they have not had effect on the interim report.

3. SEGMENT INFORMATION

The group has only one distinct segment, location based services.

4. COSTS BY CATEGORY

1000 EUR	2Q/2013	1-2Q/2013	2Q/2012	1-2Q/2012	2012
Total expense of indirect employees	26	52	121	172	329
Depreciations	1	1	0	0	1
Other operating expenses	60	130	51	155	263
Expenses by cost category, total	87	183	172	327	593

5. FINANCIAL EXPENSES

1000 EUR	1-2Q/2013	1-2Q/2012	2012
Interest expense from liabilities valued at amortized cost	44	1	17
Other financing expenses	191	0	470
Total	235	1	487

6. INVESTMENT IN ASSOCIATE COMPANY

1000 EUR	1-2Q/2013	1-2Q/2012	2012
Value of investment at a beginning of period	820	988	988
Additions	0	0	358
Subtractions	0	0	0
Share of result in period	-250	-266	-526
Value of investment at end of period	570	722	820

Domicile of GeoSolutions Holdings N.V. is Holland.

GeoSentric's interest at the end of period	24 %	24 %	24 %
Assets at end of period	3143	3782	2717
Liabilities at end of period	76	109	127
Net sales	3	13	21
Result	-1039	-1107	-2186

7. SHAREHOLDERS' EQUITY

	Number of shares (1000)	Share capital (1000 eur)	Share premium account (1000 eur)	Invested distributed equity account (1000 eur)	Total (1000 eur)
	(1000)	(1000eur)	(1000eur)	(1000eur)	(1000eur)
31.12.2012	3490246	8956	13631	29056	51643
30.06.2013	3490246	8956	13631	29056	51643

According to the Company's articles of association registered there is no maximum for the shares and there is only one category of shares at the Company. Also the clause about maximum amount of share capital has been removed. The shares carry no nominal value. All outstanding shares are fully paid.

8. OPTION RIGHTS

Option program 2007-1: Share subscription period have ended with 51,250 option rights, shares have not paid.

Option program 2007-6: Share subscription period have ended with all 35,305,555 option rights, shares have not paid.

Cost of options booked in the period according to IFRS 2. Consideration is given as options. The counter-item of costs bookings in income statement is shareholders' equity.

1000 EUR	1-2Q/2013	1-2Q/2012	2012
Key persons	15	38	66

9. FINANCIAL LIABILITIES

1000 EUR	Nominal loan value 2Q/2013	2Q/2013	2Q/2012	2012
Current:				
Cbl 2004A	113	113	113	113
Loan 2012	708	1195	75	1004
Loan 2013	97	97	0	0
Current total		1405	188	1117

Convertible bond loan 2004A:

This loan with a nominal principal of 1130 teuros was raised on year 2004 and was converted during the conversion period before 31.12.2008 in all 1017 teuros. The remaining amount of loan is 113 teuros. The interest is 4%. No interest was paid. The loan capital, interest and other benefit may be paid in case of dismantling or bankruptcy of company only with priority after the other creditors. The principal may be returned otherwise only providing that a full coverage for the bound equity and other non-distributable items in the confirmed financial statements for the latest expired financial year is retained. Interest or other benefits may be paid only in case the paid amount may be used for profit distribution in the confirmed balance sheet for latest expired financial period.

Secured Loan 2012

The Company has received on year 2013 loan for the amount of 350 teuros from an independent advisory business. The shares of GeoSolutions Holdings N.V. owned by the Company secure the financing. The loan matured on April 30, 2013 and accrues interest 12% per annum, which is payable in the Company shares. The Company has to pay redemption premium that is 100%. The investor is in addition entitled to receive special subscription rights entitling to Company's shares to the amount agreed in the financing terms and a one-off investment fee payable in Company's shares to be issued to the investor without charge. Value of special subscription rights and one-off investment fee is about 174 teuros, which have been booked as cost.

Additional Secured Loan 2012

The Company has received on year 2012 loan for the amount of 358 teuros from independent investment company, which participated in GeoSolutions Holdings N.V.'s equity funding ground to its full prorata share of approximately 24%. Received shares of GeoSolutions Holdings N.V. owned by the Company secure the financing. The loan matured on April 30, 2013 and accrues interest 12% per annum, which is payable in the Company shares. The Company has to pay redemption premium that is 38.44%.

Secured Loan 2013

The Company has received in March 2013 a commitment from an independent advisory group to make a loan and fund the Company with up to 250 euros. This commitment is from the same independent advisory group that has previously made secured loans to the Company. This investor and the Company are also working with other parties and negotiating a business plan under which the Company would acquire minority holding in another business. If this acquisition would be successful, the investor would defer repayment on the prior secured loans, which would keep the Company solvent and operating. The Company has already received 97 euros for the Company's imminent working capital needs. The remaining financing will be funded periodically through the remainder of 2013. This financing is secured by the shares of GHNV owned by the Company. The interest is 12% per annum. The investor is in addition entitled to receive special subscription rights entitling to Company's shares to the amount agreed in the financing terms and a one-off investment fee payable in the Company's shares to be issued to the investor without charge.

10. COLLATERAL COMMITMENTS AND CONTINGENCIES

1000 EUR	2Q/2013	2Q/2012	2012
Contingent liability	0	0	0
Collateral for own liabilities:			
Pledged non-current financial assets	570	0	820

Quarrels and trials:

Company's ex-CFO has filed a claim against the company through his fully owned company SoftTech Support Services Ltd. Amounting to €40k. The company has rejected the claim. The Company does not have any other pending or threatening legal proceedings, which the Company would consider to have material impact on the Company's financial position or profitability.

11. RELATED PARTY TRANSACTIONS

The parent and subsidiary company relations in the group are as follows: Parent company is GeoSentric Oyj, no subsidiaries. Associate is GeoSolutions Holdings N.V. with minority holding of 24.34%.

The Managing Director and a Member of the Board of Directors Michael Po has resigned from Company.

The Annual General Meeting on June 27, 2013 elected Victor Franck and Jeffrey Crevoiserat to continue on the Board and Michael Peralta to join the Board as a new member. The Board elected Victor Franck to continue as a Chairman of the Board.

Related party transactions have been presented in the Financial Statements from year 2012. No essential changes have taken place in the reporting period.

12. EVENTS AFTER THE END OF THE PERIOD

GeoSentric has continued the negotiations to secure company's long-term financing and continuity of its business operations.