NZX and Media Release 27 August 2021

UNAUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2021

GEO DELIVERING STRONG GROWTH IN NEW CUSTOMERS & IMPROVED RETENTION

GEO (NZX.GEO) today announces its financial results for the year ended 30 June 2021 and details the continuation of the strong growth trends in new customer numbers and revenue retention resulting from the Company's 'Scaling Programme'.

Summary

- Net losses from operations improve 12.9% to $(1.8)m[(1)], EBITDA[(2)] losses improve 35.6% to $(0.8)m and operating and investing cash outflows improve 10.9% to $(1.3)m on a 17.2% reduction in Group revenues (significantly due to the divestment of *Geo for Sales*). Subscription revenues for the continuing *Geo* product reduce by 7.3% versus the prior year, largely due to the annual recurring revenue (ARR) reduction in the prior year (and therefore lower starting ARR for FY21) but end the year growing strongly.
- FY21 saw strong and consistent improvements in new customer ARR and revenue retention trends, particularly in the second half (H2) as marketing spend was progressively increased on improved metrics:
  - new customer numbers up 286% in H2 on prior corresponding period (PCP) and up 87% on H1 FY21;
  - new licence sales up 174% in H2 vs PCP and up 75% on H1 FY21;
  - new customer ARR up 107% in H2 vs PCP and up 60% on H1 FY21;
  - five of the six largest new customer months in the last three years were delivered in H2; and
  - ARR retention rate improved to 90.5% across FY21, up from 87.2% in PCP.
- Costs reduced significantly in FY21 through a combination of permanent efficiencies, and temporary reductions in salaries, rent and marketing spend in H1 due to COVID. Marketing spend across FY21 was down 32% on FY20, principally due to reductions during the H1 lockdowns, with the run rate spend largely restored by June 2021. Other direct costs and overheads were reduced by 21%.
- Operating and investing cash outflows improved by 11% on FY20 and averaged $(0.14)m per month in H2 (in line with previous indications given).
- The *Geo for Sales* platform was considered non-core and was also impacted by early COVID restrictions. The platform and customer base were sold to SalesRabbit USA during the year.
- The new customer growth run rate (before customer churn) grew progressively during H2 to an annualised run rate of 24% for June 2021. GEO plans to double its investment in customer acquisition marketing across FY22 while maintaining ARR retention above 90%, providing a clear path to achieving the Company's target of 30-40% top line growth.
- Scaling up in other markets such as the UK is now underway.
- As at 30 June 2021, GEO had $0.9m of cash at hand and $0.3m in annual R&D grants due. The Company has a range of options available to fund its growth programme including $0.5m in headroom under its 2019 convertible note facility.

GEO (NZX.GEO), a global provider of Software-as-a-Service (SaaS) mobile workforce solutions, today announces its unaudited financial results for the financial year to 30 June 2021.

The FY21 financial year was impacted in H1 by the initial phases of the COVID pandemic, with customer acquisition activities temporarily reduced and management focusing heavily on optimising processes across product and development and go-to-market teams, as well as delivering efficiencies in the Company's cost base. This set the foundation for a strong H2 as marketing spend was progressively increased as GEO delivered record new customer results and high ARR retention.

1. All figures are for the twelve months ended 30 June 2021 unless otherwise stated.
2. Earnings before Interest, Tax, Depreciation and Amortisation.

Financial Year Summary

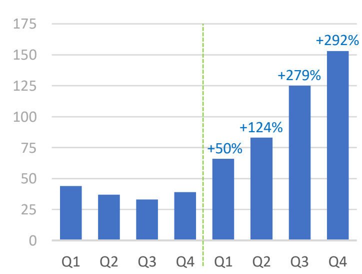
YEAR ENDED 30 JUNE	2021 $'000	2020 $'000	VARIANCE $'000	VARIANCE %
Revenues				
Geo Subscription Revenue	3,074	3,317	(243)	-7.3%
Geo for Sales Subscription Revenue	69	664	(595)	-89.6%
Recurring Revenues (Subscriptions)	3,143	3,981	(838)	-21.0%
Training & Implementation Fees	6	28	(22)	-78.6%
Other Revenues (incl. grants)	803	764	39	+5.1%
Total Revenues incl. discontinued operations	3,952	4,773	(821)	-17.2%
Less Discontinued operations	(255)	(692)	437	-63.2%
Total Revenue excl. discontinued operations	3,697	4,081	(384)	-9.4%
***Geo* Annual Recurring Revenue - at 30 June**	**3,147**	**3,173**	**(26)**	**-0.8%**
Earnings				
Statutory Net (Loss) after Tax	(1,790)	(2,054)	264	-12.9%
EBITDA	(772)	(1,198)	426	-35.6%
Operating & Investing Cash Flows				
Operating Cash Flows	(641)	(439)	(202)	-46.0%
Investing Cash Flows	(640)	(998)	358	-35.9%
Total Operating & Investing Cash Flows	(1,281)	(1,437)	156	-10.9%

Under legacy pricing schedules used prior to FY21, average revenue per licence varied significantly across the Company's customer base, meaning that licence numbers did not provide a consistent indicator of revenue impact.

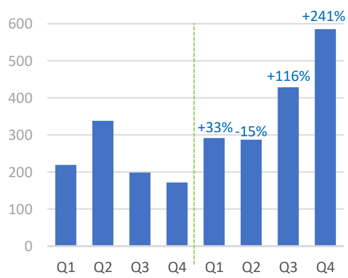
During FY21 GEO implemented a simplified pricing structure. In its future reporting, the Company will prioritise Annualised Recurring Revenues, which are more comparable across both new and existing customers and an appropriate metric for measuring value creation.

Quarterly Trend Summary (FY20 – FY21)

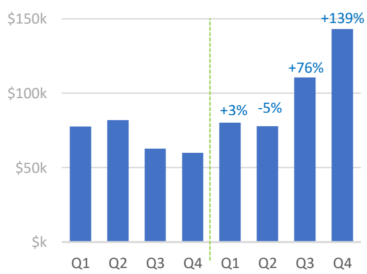
NEW CUSTOMERS



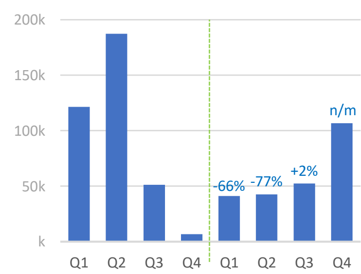
NEW LICENCES



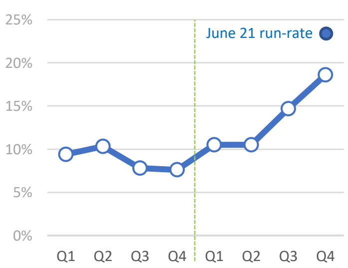
NEW ARR



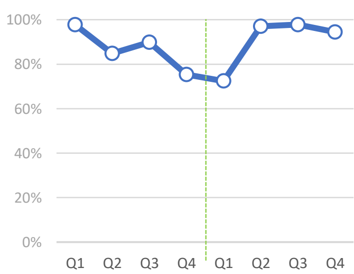
MARKETING SPEND



ARR GROWTH RATE - NEW CUSTOMERS (ANNUALISED)



ARR RETENTION RATE (ANNUALISED)



* percentages show change on prior corresponding period. n/m = not meaningful

Commentary

Revenues

GEO reports a 12.9% improvement in net loss from operations, a 35.6% improvement in EBITDA and a 10.9% improvement in operating and investing cash outflows.

Group revenue for the financial year fell 17.2% to $4.0m (FY20 $4.8m), largely due to the divestment of the *Geo for Sales* business operations in October 2020.

Subscription revenues for the Company's *Geo* platform were down 7.3% to $3.1m, while year-end ARR remained stable at $3.1m (vs June 2020 levels). *Geo* revenues were impacted in early FY21 by the initial phases of COVID with existing customer ARR reducing modestly due to licence downgrades and temporary customer retention initiatives (i.e. subscription pauses or free months for affected customers).

These impacts proved to be temporary with customers returning to normal subscription payments and net existing customer upgrades commencing in Q2. ARR retention metrics reflect the temporary impact, with a dip in Q4 FY20 and Q1 FY21, before a rebound led to an average annualised ARR retention rate of 96.4% during Q2-Q4 of FY21. ARR retention across the full financial year was 90.4%, up from 87.0% in the prior year.

At the same time, customer acquisition spend was being progressively increased leading to significant and consistent quarter-on-quarter increases in new customers won. New customer ARR run rate in Q4 was up 103% on the average levels in FY20. In H2 the Company experienced five of its six largest new customer months in the last three years. The annualised ARR growth run rate from new customers was 18.6% for the final quarter of FY21 and 24.3% for June 2021.

Cost Base

The Company's cost base was reduced through a combination of permanent operational efficiencies identified as part of the Company's 'Scaling Programme', and some temporary cost reductions resulting from the initial COVID lockdown period in mid-2020.

External marketing spend was down 32% in FY21, but despite this reduction vastly improved customer acquisition metrics drove a 46% increase in new customer ARR vs FY20. Run rate marketing spend has now returned to pre-COVID levels and GEO intends to double this investment across FY22.

Other direct costs were reduced by 21% over FY20 levels, reflecting carefully targeted reductions in staff numbers and temporary salary reductions for senior team members during the initial period of COVID.

General overhead costs were reduced by 20% vs FY20, with sustained savings gained across administrative staffing, and reductions in Director Fees and reduced levels of travel and other miscellaneous costs.

Cash Flows and Capital Position

Investing and operating cash outflows improved by 11%, with timing-driven movements in working capital balances at year end largely offsetting bottom line improvements. GEO's monthly operating and investing cash burn stabilised at ~$0.14m in H2 (after temporary impact of COVID) consistent with previous guidance given.

CEO Commentary FY21

GEO CEO Tim Molloy said:

“I am extremely pleased with the progress the Company has made in FY21. We are now firmly established in our growth phase, with five of the six largest new customer months in the last three years delivered in H2.

“The market is still large and mostly untapped. Tradies and home services businesses continue to discover the benefits of systematising their own operations with software and continue to need our solutions.

“The *Geo* platform is highly competitive and continues to evolve in direct response to customer feedback.

"Our Sales and Marketing operations are now securing new business for *Geo* on cost-effective metrics, profitably acquiring new customers in defined segments and geographies. Our customer acquisition run rate in Q4 FY21 was 300% higher than the average across FY20, providing us with the confidence to continue to increase marketing and customer acquisition spend to drive higher growth rates in FY22.

“Retention of existing customers has been a focus area in FY21, with annualised ARR retention rates averaging 96% for Q2-Q4 (after initial COVID lockdown impact). GEO continues to target long term retention rates in excess of 90%.

“The Company proved its resilience through COVID lockdowns in FY21, and while we cannot predict the timing of the current lockdowns, our experience is that these will only result in temporary impacts for GEO. Tradies and home services businesses have been working, while discretionary consumer spending on home improvement and maintenance has surged.

"To continue creating shareholder value the fastest path is to now accelerate sales and marketing investment and to cautiously scale other markets where customers can be won on attractive metrics. In recent months we have been testing the UK market, and are now accelerating our customer acquisition programme there within the Company's existing cost structure.

“Our teams have adjusted very well to the new working environment. I would like to pay tribute to their vision, focus and day-to-day engagement in our strategic ambitions.

Chair Commentary FY21

GEO Chair Roger Sharp said:

"GEO performed well in H2, delivering a strong growth trajectory.

"The growth now being delivered demonstrates that GEO's scaling programme is working. With the path forward now clear, I am pleased to welcome Rod Snodgrass to the Chair role with effect from 1 September 2021.

Thanks to the GEO executive team and to my fellow board members for an extraordinary turnaround. With their laser-like focus on execution driven by clear metrics, Tim Molloy, Scott Player, Peter Hynd, Minas Kamel and the team are now able to plot future growth and the creation of value with confidence.

For more information:

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ABOUT GEO
Geo is a leading SaaS business that provides smart software platforms for tradies, field and home service businesses. The market for Geo’s products is growing quickly as the global mobile workforce expands. Geo’s simple yet powerful software platform helps business owners reduce the complexity of running their business whilst saving time and improving cashflow. For more information: www.geoworkforcesolutions.com

Results announcement

Geo

Results for announcement to the market		
Name of issuer	Geo Limited	
Reporting Period	12 months to 30 June 2021	
Previous Reporting Period	12 months to 30 June 2020	
Currency	NZD	
	Amount (000s)	**Percentage change**
Revenue from contracts with customers	$3,074	-7.3%
Total Revenue	$3,697	-9.4%
Net profit/(loss) from continued operations	$(1,983)	-8.9% (improvement)
Net profit/(loss) attributable to security holders	$(1,782)	-22.3% (improvement)
Interim/Final Dividend		
Amount per Quoted Equity Security	No dividends paid or proposed	
Imputed amount per Quoted Equity Security	Not Applicable	
Record Date	Not Applicable	
Dividend Payment Date	Not Applicable	
	Current period	**Prior comparable period**
Net tangible assets per Quoted Equity Security	-$0.011	-$0.018
A brief explanation of any of the figures above necessary to enable the figures to be understood	Refer to attached 'Results Announcement' documents	
Authority for this announcement		
Name of person authorised to make this announcement	Tim Molloy	
Contact person for this announcement	Tim Molloy	
Contact phone number	+61 411 592 180	
Contact email address	tim.molloy@geoworkforcesolutions.com	
Date of release through MAP	27 August 2021	

Unaudited financial statements accompany this announcement.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2021

STATED IN NEW ZEALAND DOLLARS	2021 $'000	2020 $'000
Revenue		
Revenue from contracts with customers	3,074	3,317
Other income	623	764
Total Revenue and Other income	**3,697**	**4,081**
Expenses		
Research and development	(1,179)	(1,302)
Sales and marketing	(1,131)	(1,700)
General operating and administration	(2,352)	(2,400)
Depreciation and amortisation	(915)	(808)
Total Expenses	**(5,577)**	**(6,210)**
Finance expense	(103)	(48)
(Loss) from operations before tax	**(1,983)**	**(2,177)**
Income tax benefit	-	-
Net (loss) from continuing operations for the year	**(1,983)**	**(2,177)**
Profit (loss) on discontinued operations, net of tax	193	123
Net (loss)	**(1,790)**	**(2,054)**
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Gain/(loss) on translation of foreign operations	8	(239)
Total comprehensive income for the year, net of tax attributable to shareholders	**(1,782)**	**(2,293)**
Earnings per share attributable to the ordinary equity holders		
Profit or loss		
Basic (loss) per share (cents)	(1.79)	(2.52)
Diluted (loss) per share (cents)	(1.37)	(2.21)
Profit or loss from continuing operations		
Basic (loss) per share (cents)	(1.98)	(2.67)
Diluted (loss) per share (cents)	(1.52)	(2.34)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2021

STATED IN NEW ZEALAND DOLLARS	SHARE CAPITAL $'000	SHARE BASED PAYMENT RESERVE $'000	FOREIGN CURRENCY TRANSLATION RESERVE $'000	RELATED PARTY LOANS – CONVERTIBLE NOTE $'000	ACCUMULATED LOSSES $'000	TOTAL EQUITY $'000
Balance at 1 July 2019	32,808	63	523	-	(30,968)	2,426
Loss for the year	-	-	-	-	(2,054)	(2,054)
Gain/(loss) on translation of foreign operations	-	-	(239)	-	-	(239)
Total Comprehensive Income	**-**	**-**	**(239)**	**-**	**(2,054)**	**(2,293)**
Transactions with Owners in their capacity as owners						
Issue of shares	116	(113)	-	-	-	3
Share buyback	(50)	-	-	-	-	(50)
Convertible Note	-	-	-	202	-	202
Share based payment	-	196	-	-	-	196
Balance at 30 June 2020	**32,874**	**146**	**284**	**202**	**(33,022)**	**484**
Loss for the year	-	-	-	-	(1,790)	(1,790)
Gain/(loss) on translation of foreign operations	-	-	8	-	-	8
Total Comprehensive Income	**-**	**-**	**8**	**-**	**(1,790)**	**(1,782)**
Transactions with Owners in their capacity as owners						
Issue of shares	1,935	(116)	-	-	-	1,819
Convertible Note	-	-	-	34	-	34
Share-based payment	-	263	-	-	-	263
Balance at 30 June 2021	**34,809**	**293**	**292**	**236**	**(34,812)**	**818**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

STATED IN NEW ZEALAND DOLLARS	2021 $'000	2020 $'000
Current assets		
Cash and cash equivalents	927	313
Trade and other receivables	504	781
Other assets	-	30
Total current assets	**1,431**	**1,124**
Non-current assets		
Property, plant & equipment	225	336
Intangible assets	2,027	1,994
Other assets	50	30
Total non-current assets	**2,302**	**2,360**
Total assets	**3,733**	**3,484**
Current liabilities		
Trade and other payables	704	822
Contract liabilities and other deferred income	696	827
Lease liabilities	116	102
Total current liabilities	**1,516**	**1,751**
Non-current liability		
Provision for long service leave	19	14
Related party loans – convertible note	1,264	1,003
Lease liabilities	116	232
Total non-current liabilities	**1,399**	**1,249**
Total liabilities	**2,915**	**3,000**
Net assets	**818**	**484**
Equity		
Share capital	34,809	32,874
Share-based payments reserve	293	146
Related party loans – convertible note	236	202
Accumulated losses	(34,812)	(33,022)
Foreign currency translation reserve	292	284
Total equity	**818**	**484**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2021

STATED IN NEW ZEALAND DOLLARS	2021 $'000	2020 $'000
Cash flows from operating activities		
Cash was provided from (applied to):		
Receipts from customers	3,148	4,254
Grants received	562	684
Receipt of COVID-19 government subsidies	189	140
Interest received	3	4
Payments to suppliers & employees	(4,543)	(5,521)
Net cash inflow (outflow) from operating activities	**(641)**	**(439)**
Cash flows from investing activities		
Cash was provided from (applied to):		
Bonds matured/(purchased)	10	(2)
Purchase of property, plant and equipment	(6)	(4)
Sale of property, plant and equipment	-	3
Capitalised development costs – application software	(769)	(912)
Capitalised trademark costs and other intangibles	(26)	(83)
Payment of contract acquisition costs	(29)	-
Sale of discontinued operations	180	-
Net cash inflow (outflow) from investing activities	**(640)**	**(998)**
Cash flows from financing activities		
Cash was provided from (applied to):		
Related party loans received	277	1,148
Related party loans interest paid	(88)	-
Capital raising costs	(185)	-
Principal paid on lease liabilities	(102)	(92)
Interest paid on lease liabilities	(15)	(21)
Capital reduction – small share buyback	-	(50)
Issue of ordinary shares	2,005	-
Net cash inflow (outflow) from financing activities	**1,892**	**985**
Net increase/ (decrease) in cash held	**611**	**(452)**
Cash and cash equivalents at start of the period	313	1,024
Exchange gains/ (losses) on cash and cash equivalents	3	(259)
Balance at end of the year	**927**	**313**
Comprised of:		
Cash and cash equivalents	**927**	**313**

BASIS OF PREPARATION

The consolidated financial statements of the Group are prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") and comply with the New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS"). The financial statements comply with International Financial Reporting Standards ("IFRS"), Part 7 of Financial Markets Conduct Act 2013 and the NZX Listing rules.

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

The financial statements are in the process of being audited and the opinion is expected to note that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern (refer to further detail below). The audit opinion is not expected to be modified in respect of this matter.

KEY ACCOUNTING POLICIES AND CHANGES

Going Concern

The consolidated financial statements have been prepared using the going concern assumption which assumes that the Group has the intention and ability to continue its operations for the foreseeable future.

The Group incurred a net loss of $1,790,000 for the year ended 30 June 2021 (loss of $2,054,000 for the year ended 30 June 2020).

The net cash outflow from operations and investing activities for the year was $1,281,000 (2020: net cash outflow of $1,437,000).

On 23 August 2019, the Group entered an agreement to provide funding of $1,500,000 (up to $2,000,000 by agreement) via a convertible note. As at 30 June 2021, the Group had fully drawn down $1,500,000 of convertible notes under the facility (2020: $1,148,000).

Directors note that at the time of time of this report, several known future circumstances and capital initiatives are in process and are expected to lead to a material improvement in net current assets, including:

- forecast receipt of approximately $310,000 in Australian government research and development grants by October 2021;
- ability to place the remaining $500,000 of available capacity under the existing convertible note facility; and
- the Group has historically funded its operations and prior development of its software-as-a-service platform via capital raisings conducted through the public equity markets. Based on this prior support and regular communications with both existing shareholders and external investors, the Directors have cause to believe that equity market funding will continue to be available in the future to allow the Group to continue to meet its commitments.

Given available cash and the current cashflow run rate, the Group has sufficient cash to fund its operations until November 2021 (excluding any further placement of convertible notes under existing facility capacity). The Group, therefore, will need to secure new revenue opportunities and raise additional capital to continue operations for at least 12 months from the date of signing these financial statements.

Directors note that while the Group's revenues from its core *Geo* product have remained largely stable throughout the COVID period and new customer sales have grown materially over the 2021 financial year there remain uncertainties in meeting the forecasted financial performance. In addition to this, the going concern assumption is also dependent on raising sufficient cash through future capital raising initiatives. The uncertainty of meeting forecasted financial performance and dependency on future fund raising creates a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern, and therefore 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 assets amounts, nor to the amounts and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

Notwithstanding the uncertainty to meet forecasted financial performance and dependency on raising further funding the Directors are confident that the Group remains a going concern and are confident of being able to meet forecasted financial performance and raise further funding from the equity capital markets consistent with prior history. Accordingly, the Directors believe the going concern assumption is valid and have reached this conclusion having regard to the circumstances which they consider likely to affect the Group during the period of one year from the date these financial statements are approved.

Comparatives

Certain comparative information has been reclassified to conform with the current period's presentation as a result of discontinued operation disclosures. The discontinued operations relates to the sale of *Geo for Sales* customer base.

During the year and as per GEO's announcement on 27 October 2020, GEO divested its *Geo for Sales* product by way of a sale of the *Geo for Sales* customer base and a perpetual exclusive licence of the technology platform. GEO received an upfront base payment of NZ$180,000.

The decision to divest the *Geo for Sales* product was driven by an increasing focus on the core Geo product and the economic impact of COVID-19 which materially reduced recurring revenue for Geo for Sales product by 51.1% in FY20 and ongoing impact in the current financial year.

Adoption of New or Revised Standards and Interpretations

No new or amended standards and interpretation that impact the financial statements have been adopted in the current year.

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2021 reporting periods of the Group. These standards are not expected to have a material impact on the current or future reporting periods, nor on foreseeable future transactions.