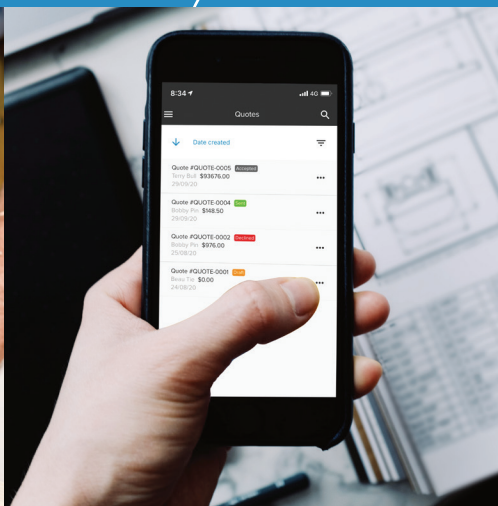


# Geo

## ANNUAL REPORT



# 2021





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# CHAIR AND CEO REPORT

*“Our core Geo product is proving competitive and the roadmap is now tightly aligned to both the market opportunity and market feedback. It’s working and momentum is building quickly”*

## Dear fellow shareholders

We are pleased to present GEO's FY21 annual report. After establishing momentum in FY20, we saw this translated into rapidly improving results in FY21. GEO is well-placed to build on these growth trends.

## Overview of Financial Result

In FY21, GEO reported 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 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.

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, reductions in Director Fees and reduced levels of travel and other miscellaneous costs.

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 the temporary impact of COVID) consistent with previous guidance given.

## CEO Commentary

I am extremely pleased with the progress the Company has made in FY21. We are now firmly established in our growth phase.

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 the 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

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.

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.

Signed



ROGER SHARP  
Chair (until 31 August 2021)



TIM MOLLOY  
Chief Executive Officer







# FINANCIAL OVERVIEW

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

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 provide an appropriate metric for measuring value creation.

## QUARTERLY TREND SUMMARY (FY20 – FY21)

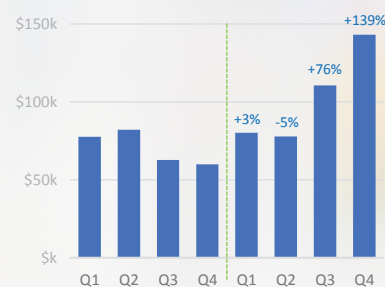
### NEW CUSTOMERS



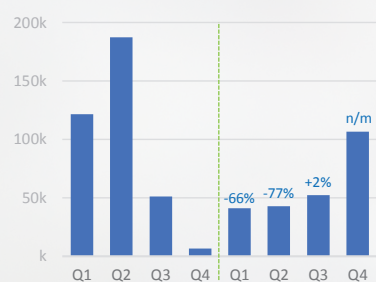
### NEW LICENCES



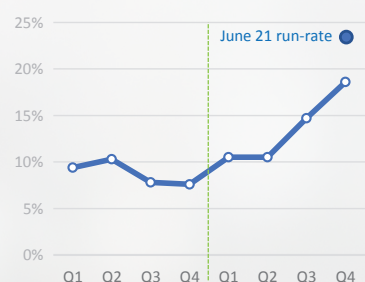
### NEW ARR



### MARKETING SPEND



### ARR GROWTH RATE - NEW CUSTOMERS (ANNUALISED)



### ARR RETENTION RATE (ANNUALISED)



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







# BOARD



**Rod Snodgrass** | *Independent Chairman (from 1 September 2021)*

Rod has extensive experience in strategy, innovation, digital growth and disruption. He was previously the Chief Customer Officer of Vector and prior to that was a member of the Spark leadership team for 10 years, holding senior positions including CEO of Spark Ventures, Chief Product Officer and Chief Strategy Officer. Rod is also a Non-Executive Director of Forsyth Barr, SMX, Vital Communications as well as a number of private growth companies. He is also a founder of strategy consultancy The Exponential Agency, holds a BCA from Victoria University, an Executive Management Diploma from Darden Business School, and is a Fellow Chartered Accountant and Member of the New Zealand Institute of Directors.



**Roger Sharp** | *Non-Executive Director (formerly Chairman until 31 August 2021)*

For more than 30 years Roger has invested in, advised and run growth companies across several continents. His technology investment banking firm North Ridge Partners has invested and participated in or led numerous technology turnarounds, including Software of Excellence, Tru-Test Corporation, travel.com.au, Asia Pacific Digital and GEO. Roger is currently Chair of Webjet, Iress and Lotto New Zealand. He was previously Global Head of Technology for ABN AMRO Bank in London and CEO of ABN AMRO Asia in Hong Kong.



**Shailesh (Sal) Manga** | *Independent Non-Executive Director*

Sal's background includes senior leadership roles in global and New Zealand companies over the past 15 years. His broad consulting experience with the world's most well-known technology brands has given a unique and informed perspective on Innovation and Product Design. Sal's current role is the Chief Digital Officer of Vector and he also sits on the Board of Optimal Workshop of which he is one of the owners. As well as governance, he focuses on working with Product Managers and the Customer Research team to help ensure that products have strong customer centric roadmaps that drive commercial success.

# MANAGEMENT



**Tim Molloy** | *Chief Executive Officer*

As a former CEO, CSO and non-executive director, Tim has a strong operational and growth focus with M&A and capital markets skills. Tim has delivered outstanding results for private equity-backed high growth service and technology businesses. Tim grew Exonet Business Software, a New Zealand-based software platform, before selling it to MYOB in 2007. Tim spent four years in senior roles at MYOB including Head of Corporate Development and Head of Online, participating in the successful private equity buyout and exit of MYOB to Bain Capital for A\$1.2bn. Subsequently he was appointed CEO of Console, a Macquarie Capital-backed SaaS property management and trust accounting solutions business.



**Scott Player** | *Chief Revenue Officer*

Scott brings more than two decades of leadership experience in building and running marketing and software businesses in Australia. He has broad experience in cross-channel sales and marketing and has led numerous revenue growth programmes throughout his career. Prior to joining GEO, Scott co-founded two software-as-a-service businesses (Hey You and Ordermentum) and co-founded three digital marketing services businesses (Airborne, Researchify, Acquirely).



**Peter Hynd** | *Chief Financial Officer*

With 25 years' experience in advising, financing and investing in emerging companies, Peter has a specialist focus on technology companies. Peter is a partner with GEO's major shareholder, North Ridge Partners, and was appointed as GEO's CFO in May 2020. Prior to North Ridge Partners, Peter was a small cap financier with Ernst & Young, Burdett Buckridge Young and Paterson Ord Minnett. He is a Chartered Accountant and has been a director of a number of private and public companies.



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# FINANCIAL REPORT





# DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of Geo Limited (the "Company") are pleased to present to shareholders the financial statements for Geo Limited and its subsidiaries ("GEO" or "the Group") for the year ended 30 June 2021.

The Directors are responsible for presenting financial statements in accordance with New Zealand law and generally accepted accounting practice, which present fairly in all material respects the financial position of the Group as at 30 June 2021 and the results of its operations and cash flows for the year ended on that date.

The financial statements of the Group have been prepared using accounting policies which have been consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting standards have been followed.

The Directors believe that proper accounting records have been kept which enable with reasonable accuracy the determination of the financial position of the Group and facilitate compliance of the financial statements with the Companies Act 1993, NZX Listing Rules, Financial Reporting Act 2013 and Financial Markets Conduct Act 2013.

The Directors ensure that they have taken adequate steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the financial statements.

This Annual Report and the Financial Statements are signed on behalf of the Board on 29 September 2021 by:



Rod Snodgrass  
Chairman



Roger Sharp  
Non-Executive Director



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2021

STATED IN NEW ZEALAND DOLLARS	NOTE	2021 \$'000	2020 \$'000
<b>Revenue</b>			
Revenue from contracts with customers	3(a)	3,074	3,317
Other income	3(b)	623	764
<b>Total revenue and other income</b>		<b>3,697</b>	<b>4,081</b>
<b>Expenses</b>			
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)
<b>Total expenses</b>	<b>3(c)</b>	<b>(5,577)</b>	<b>(6,210)</b>
Finance expense	3(d)	(103)	(48)
<b>(Loss) from operations before tax</b>		<b>(1,983)</b>	<b>(2,177)</b>
Income tax benefit	4 (a)	-	-
<b>Net (loss) from continuing operations for the year</b>		<b>(1,983)</b>	<b>(2,177)</b>
Profit (loss) on discontinued operations, net of tax	12	193	123
<b>Net (loss)</b>	<b>13</b>	<b>(1,790)</b>	<b>(2,054)</b>
<b>Other comprehensive income</b>			
Items that may be reclassified subsequently to profit or loss:			
Gain/(loss) on translation of foreign operations		8	(239)
<b>Total comprehensive income for the year, net of tax attributable to shareholders</b>		<b>(1,782)</b>	<b>(2,293)</b>

Earnings per share attributable to the ordinary equity holders:

<b>Profit or loss</b>			
Basic (loss) per share (cents)	13	(1.79)	(2.52)
Diluted (loss) per share (cents)	13	(1.37)	(2.21)
<b>Profit or loss from continuing operations</b>			
Basic (loss) per share (cents)	13	(1.98)	(2.67)
Diluted (loss) per share (cents)	13	(1.52)	(2.34)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2021

STATED IN NEW ZEALAND DOLLARS	NOTE	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)
<b>Total comprehensive income</b>		-	-	<b>(239)</b>	-	<b>(2,054)</b>	<b>(2,293)</b>
<b>Transactions with Owners in their capacity as owners</b>							
Issue of shares	11	116	(113)	-	-	-	3
Share buyback	11	(50)	-	-	-	-	(50)
Convertible note	14(b)	-	-	-	202	-	202
Share based payment	20	-	196	-	-	-	196
<b>Balance at 30 June 2020</b>		<b>32,874</b>	<b>146</b>	<b>284</b>	<b>202</b>	<b>(33,022)</b>	<b>484</b>
Loss for the year		-	-	-	-	(1,790)	(1,790)
Gain/(loss) on translation of foreign operations		-	-	8	-	-	8
<b>Total Comprehensive Income</b>		-	-	<b>8</b>	-	<b>(1,790)</b>	<b>(1,782)</b>
<b>Transactions with Owners in their capacity as owners</b>							
Issue of shares	11	1,935	(116)	-	-	-	1,819
Convertible note	14(b)	-	-	-	34	-	34
Share-based payment	20	-	263	-	-	-	263
<b>Balance at 30 June 2021</b>		<b>34,809</b>	<b>293</b>	<b>292</b>	<b>236</b>	<b>(34,812)</b>	<b>818</b>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

STATED IN NEW ZEALAND DOLLARS	NOTE	2021 \$'000	2020 \$'000
<b>Current assets</b>			
Cash and cash equivalents	5	927	313
Trade and other receivables	6	504	781
Other assets	6	-	30
<b>Total current assets</b>		<b>1,431</b>	<b>1,124</b>
<b>Non-current assets</b>			
Property, plant & equipment	7	225	336
Intangible assets	8	2,027	1,994
Other assets	6	50	30
<b>Total non-current assets</b>		<b>2,302</b>	<b>2,360</b>
<b>Total assets</b>		<b>3,733</b>	<b>3,484</b>
<b>Current liabilities</b>			
Trade and other payables	10(a)	704	822
Contract liabilities and other deferred income	10(b)	696	827
Lease liabilities	15	116	102
<b>Total current liabilities</b>		<b>1,516</b>	<b>1,751</b>
<b>Non-current liability</b>			
Provision for long service leave		19	14
Related party loans – convertible note	14(b)	1,264	1,003
Lease liabilities	15	116	232
<b>Total non-current liabilities</b>		<b>1,399</b>	<b>1,249</b>
<b>Total liabilities</b>		<b>2,915</b>	<b>3,000</b>
<b>Net assets</b>		<b>818</b>	<b>484</b>
<b>Equity</b>			
Share capital	11	34,809	32,874
Share-based payments reserve	20	293	146
Related party loans – convertible note	14(b)	236	202
Accumulated losses		(34,812)	(33,022)
Foreign currency translation reserve		292	284
<b>Total equity</b>		<b>818</b>	<b>484</b>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2021

STATED IN NEW ZEALAND DOLLARS	NOTE	2021 \$'000	2020 \$'000
<b>Cash flows from operating activities</b>			
<i>Cash was provided from (applied to):</i>			
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)
<b>Net cash inflow (outflow) from operating activities</b>	<b>18</b>	<b>(641)</b>	<b>(439)</b>
<b>Cash flows from investing activities</b>			
<i>Cash was provided from (applied to):</i>			
Bonds matured/(purchased)		10	(2)
Purchase of property, plant and equipment	7	(6)	(4)
Sale of property, plant and equipment		-	3
Capitalised development costs – application software	8	(769)	(912)
Capitalised trademark costs and other intangibles	8	(26)	(83)
Payment of contract acquisition costs	8	(29)	-
Sale of discontinued operations		180	-
<b>Net cash inflow (outflow) from investing activities</b>		<b>(640)</b>	<b>(998)</b>
<b>Cash flows from financing activities</b>			
<i>Cash was provided from (applied to):</i>			
Related party loans received	14(b)	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	11(ii)	-	(50)
Issue of ordinary shares	11	2,005	-
<b>Net cash inflow (outflow) from financing activities</b>		<b>1,892</b>	<b>985</b>
<b>Net increase/ (decrease) in cash held</b>		<b>611</b>	<b>(452)</b>
Cash and cash equivalents at start of the period		313	1,024
Exchange gains/ (losses) on cash and cash equivalents		3	(259)
<b>Balance at end of the year</b>		<b>927</b>	<b>313</b>
<b>Comprised of:</b>			
<b>Cash and cash equivalents</b>	<b>5</b>	<b>927</b>	<b>313</b>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

## 1. CORPORATE ENTITY

### Reporting Entity and Statutory Base

Geo 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 is an FMC reporting entity for the purpose of the Financial Markets Conduct Act 2013 and the Financial Reporting Act 2013. The Company's shares publicly trade on the NZX Main Board.

The registered office of the Company is located on Level 21, ANZ Centre, 171 Featherston Street, Wellington, New Zealand.

The financial statements represented are those for Geo Limited and its subsidiaries ("the Group").

The financial statements of the Group for the year ended 30 June 2021 were authorised for issue in accordance with a resolution of the Directors on 29 September 2021.

The principal activity of the Group is the development and commercial deployment of cloud-based mobile workforce productivity technologies.

## 2. BASIS OF ACCOUNTING

### 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.

Other than where described below, or in the notes, the financial statements have been prepared using the historical cost convention. Cost is based on the fair values of the consideration given in exchange for assets.

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

### 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 a convertible note agreement to provide funding of \$1,500,000 (up to \$2,000,000 by agreement) via a convertible note (Note 14). 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 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 funding facilities 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.



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

Directors note that while the Group's revenues from its core Geo product have remained largely stable throughout the COVID-19 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.

### Critical Judgements in Applying Accounting Policies

In the application of NZ IFRS, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the estimates. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### Key Sources of Estimation Uncertainty and Key Judgements

Judgements made by management in the application of NZ IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

The significant judgements, estimates and assumptions made by management in the preparation of these financial statements are outlined below:

- the application of the going concern assumption (refer to page 13-14);
- the determination of cash generating units (CGU) for impairment testing (refer to Note 8);
- the determination of whether impairment indicators exist for cash generating units (CGU) (Note 8);
- capitalised development costs - determining whether the intangible assets to which the development expenditure relates meet the criteria for capitalisation. Judgement is required to ensure that costs capitalised as intangible assets meet each of the six criteria set out in Note 8 "Intangible Assets". This includes assessment of whether the software will generate future economic benefits given the Group is currently loss-making;
- the determination of useful lives of intangibles (Note 8); and
- the determination of equity and debt components of convertible note (Note 14(b)).

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be relevant under the circumstances.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

## Significant Accounting Policies

Significant accounting policies applied in the preparation of the consolidated financial statements are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below. These policies have been consistently applied unless otherwise stated.

## Comparatives

Certain comparative information has been reclassified to conform with the current period's presentation as a result of discontinued operation disclosures.

## Basis of Consolidation

The consolidated financial statements prepared are issued in the name of the legal entity and parent, Geo Limited (the "Parent"). The consolidated financial statements incorporate the financial statements of the Parent and entities controlled by the Parent. Control is achieved when the Parent:

- has power over the investee;
- is exposed, or has the rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Subsidiaries are fully consolidated from the date on which the Parent obtains control over subsidiaries and are de-consolidated from the date that control ceases. Inter-company transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.

## Financial Instruments

Financial assets and financial liabilities are recognised on the Group's Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit or Loss and Other Comprehensive Income.

## Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value depending on the classification of the financial assets.

### *Classification of financial assets*

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

### *Amortised cost and effective interest method*

The effective interest method is a method of calculating the amortised cost of debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial assets. If, in the subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

### *Derecognition of financial assets*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

## **Financial Liabilities and Equity**

### *Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

## **Financial Liabilities**

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

### *Financial liabilities at FVTPL*

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in consolidated statement of profit or loss and other comprehensive income.

### *Financial liabilities measured subsequently at amortised cost*

Financial liabilities that are not classified at FVTPL are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

The carrying amount and fair value of financial assets and financial liabilities are disclosed in Note 19(f).

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

### Foreign Exchange Translation Reserve

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. New Zealand dollars) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve (in respect of translating the net assets of foreign operations) are reclassified to profit or loss on the disposal of the foreign operation.

### Foreign Operations

The results and financial position of all foreign operations that have a functional currency different from New Zealand Dollars are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses of the statement of profit or loss and other comprehensive income are translated at average exchange rates for the period; and
- all resulting exchange differences are recognised as other comprehensive income and accumulated in the foreign currency translation reserve.

### Consolidated Statement of Cash Flows

For the purpose of the consolidated cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments net of outstanding bank overdrafts.

The consolidated cash flow statement is prepared exclusive of GST, which is consistent with the method used in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Definition of terms used in the consolidated cash flow statement:

- operating activities include all transactions and other events that are not investing or financing activities;
- investing activities are those activities relating to the acquisition and disposal of current and non-current investments and any other non-current assets; and
- financing activities are those activities relating to changes in the equity and debt capital structure of the Group and those activities relating to the cost of servicing the Group's equity.

### Significant Events and Transactions – the Effects of COVID-19

In March 2020, the World Health Organisation declared the outbreak of a novel coronavirus (COVID-19) as a pandemic. During the year, the virus continued to spread globally giving rise to economic downturn impacting the Group's customers. While the ultimate disruption caused by the outbreak has been uncertain, it has resulted in an adverse impact on the Group's financial position, performance, and cash flows primarily related to a significant drop in *Geo for Sales* revenue. As a direct impact of the pandemic, the Group:

- anticipated reduced levels of business enquiry and new licence sales and increased levels of customer churn, and reduced the staffing levels and discretionary overhead expenses of the business to preserve cash;
- reduced full-time headcount by approximately 25%;
- reduced external marketing spend and associated customer acquisition costs to minimal levels;
- the board and senior employees took a temporary 20% reduction in salaries;
- divested *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; and
- continued focus on growth strategy and support customers throughout the evolving COVID-19 environment.

Subsequent to balance date, New South Wales, Victoria and New Zealand have been subjected to further restrictions due to COVID-19 the impact of which is not yet known. Most of GEO's customers in trade are expected to continue working during these restrictions.



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

### *Use of estimates and judgements*

As discussed in the respective notes, the effects of COVID-19 have required significant judgments and estimates to be made, including:

- whether rent concessions satisfy the criteria to be accounted for using the practical expedient introduced by the amendments to IFRS 16;
- assessing whether the entity has reasonable assurance as to whether it will comply with the conditions attached to government grants and subsidies;
- calculating the recoverable amount for cash generating units in the process of assessing any potential impairment as at the period end; and
- determining which information obtained subsequent to year end provides evidence of conditions that existed as at the end of the reporting period ('adjusting events after the reporting period') and which do not ('non-adjusting events after the reporting period'). For disclosure of non-adjusting events after the reporting period, refer to Note 21.

Additionally, while the changes in the following estimates and judgments have not had a material impact on the Group, the effects of COVID-19 have required revisions to:

- estimates of customer churn and retention; and
- estimates of expected credit losses attributable to accounts receivable arising from sales to customers on credit terms, including the incorporation of forward-looking information to supplement historical credit loss rates.

### **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.

### *COVID-19 related rent concessions: amendments to IFRS 16: Leases*

On 28 May 2020, the IASB issued amendments to IFRS 16: COVID-19-Related Rent Concessions. These amendments introduce a practical expedient available to lessees in accounting for rent concessions (e.g. rent holidays and deferrals of lease payments) that are a direct consequence of the COVID-19 pandemic and that satisfy certain other criteria.

If a reporting entity elects to utilise the practical expedient, the rent concession is not accounted for as a lease modification, regardless of whether the rent concession meets the definition of a lease modification in IFRS 16. Instead, the reporting entity applies the other requirements of IFRS 16. In many cases, this will result in the reporting entity accounting for the adjustment to the lease liability as a variable lease payment, and therefore, the adjustment is recorded in profit or loss, without the requirement to determine a revised discount rate. If not for the practical expedient, entities would have to review all lease contracts to determine whether a rent concession met the definition of a lease modification. If the concession did meet that definition, the adjustment to the lease liability would require a revised discount rate be determined and the adjustment would be recorded against the right-of-use asset. No practical expedient is available for lessors.

The amendments are effective for annual reporting periods beginning on or after 1 June 2020.

In order to apply the practical expedient, the rent concession should arise as a direct consequence of the COVID-19 pandemic and satisfy the following criteria:

- revised consideration must be either the same or less than the consideration before the change;
- the discount on rentals must not go beyond 30 June 2021. Therefore, if the lease term ends in December 2021 and the lessor gives a discount on all payments until December 2021, then the practical expedient may not be applied to the lease; and
- no other significant change in terms and conditions of the lease.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

As a result of the COVID-19 pandemic, GEO was granted discount of 15% - 50% on its rent liability by the lessor from 1 July 2020 to 31 December 2020. The Group has applied the practical expedient as permitted by the new IFRS 16 amendment and not accounted for the discount as lease modification, as the Group met all three conditions mentioned above to do so. Therefore, the Group has accounted for the discount as rent concession directly through profit & loss. This practical expedient can be applied to the financial statements for the period starting on or after 1 June 2020, but even earlier than that if the financial statements have not been authorised for issue on 11 June 2020. The Group has applied this practical expedient earlier from 1 April 2020. The effect of applying the practical expedient is disclosed in Note 3(b).

### 3. PROFIT OR LOSS BREAKDOWN

#### (a) Revenue from Contracts with Customers

	2021 \$'000	2020 \$'000
Subscription revenue (i)	3,074	3,317
	<b>3,074</b>	<b>3,317</b>

##### Accounting policy

- (i) Subscription revenue relates to revenue received from customers subscribing to the Group's technology platform hosted in the cloud and mobile application software. Subscription revenue for most customers is billed on a monthly or annual basis and paid in advance by customers. Revenue is recognised over time as benefits are simultaneously received and consumed. Consideration received prior to the service being rendered is deferred and recognised in the Consolidated Statement of Financial Position as a contract liability and included within contract liabilities and other deferred income. Revenue for which services have been rendered but invoices not issued is recognised within the Consolidated Statement of Financial Position as a contract asset and included within trade and other receivables.

The Group has assessed that the disaggregation of revenue by operating segment is appropriate and has disclosed revenue by segment/ product in the segmentation report in Note 17.

#### (b) Other Income

	2021 \$'000	2020 \$'000
Government grants (i)	424	545
Interest revenue (ii)	1	4
COVID-19 Government subsidies(iii)	189	201
Rent concessions (iv)	9	14
	<b>623</b>	<b>764</b>

##### Accounting policy

- (i) Government grants are recognised in the period the corresponding research and development amortisation expense is incurred and when it is highly probable that the grant will be received and that the Group will comply with all attached conditions. Government grants are from Callaghan Innovation and Australian research and development tax incentive. These grants relate to Group's research and development investment. Grant revenue recognised for the year 2021 is less than 2020 due to reduction in development resources and research and development activities conducted by the Group.
- (ii) Interest revenue is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.
- (iii) COVID-19 Government subsidies are accrued and recognised as subsidies against wages expense on a time basis when it is determined that the Group has satisfied the criteria to receive the subsidies. COVID-19 government subsidies relate to ATO cash boost on PAYG account and the JobKeeper subsidy.
- (iv) Rent concessions are recognised in the period the expense is incurred at the fair value of the rent concession received as a direct consequence of COVID-19.



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

### (c) Expenses

	NOTE	2021 \$'000	2020 \$'000
Amortisation of intangible assets	8	798	682
Auditors' fees for audit of the financial statements		54	53
Other assurance services		(1)	5
Professional services		-	17
Taxation compliance services		12	17
Depreciation of property, plant & equipment	7	117	126
Employee benefits		1,533	2,062
Contractors		822	1,054
Superannuation to defined contribution plans		171	233
Share based payments	20	263	196
Net foreign exchange differences		106	(187)
Loss on disposal of assets		19	-
Bad debt expense		-	55
Loan fee – related party loan		18	57
Other operating expenses		1,665	1,840
<b>Total expenses</b>		<b>5,577</b>	<b>6,210</b>

### (d) Finance expense

	2021 \$'000	2020 \$'000
Interest – related party loan	88	27
Interest – lease liability	15	21
<b>Total finance expense</b>	<b>103</b>	<b>48</b>

## 4. TAXATION

### Accounting policy

#### Goods and Services Tax (GST)

All items in the Consolidated Statement of Profit or Loss and Other Comprehensive Income are stated exclusive of GST.

All items in the Consolidated Statement of Financial Position are stated exclusive of GST with the exception of receivables and payables, which include GST.

Cash flows are included in the Consolidated Statement of Cash Flows on a net basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

#### Current Tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income. Current tax for current and prior periods is recognised as a liability (or asset) to the extent it is payable (or refundable).

#### Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax is based on the expected manner of realisation of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

### (a) Reconciliation of income tax expense to prima facie tax payable Including discontinued operation

	2021 \$'000	2020 \$'000
Loss before tax	(1,790)	(2,054)
Benefit at 28%	501	575
Non-deductible expenses	(39)	(41)
Future benefit of tax losses not recognised	(446)	(516)
Effect of different tax rates of subsidiaries operating in other jurisdictions	(16)	(35)
Income tax benefit	-	-

### (b) Deferred Tax Balances

The Group has an unrecognised deferred tax asset arising from tax losses of \$5,810,000 measured at 28% (2020: \$5,012,000). The Group has not recognised any deferred tax asset in the balance sheet in relation to tax losses as there is uncertainty around probable future taxable profits. The carry forward of losses are subject to confirmation by the relevant tax authority.

## 5. CASH AND CASH EQUIVALENTS

### Accounting policy

Cash and cash equivalent comprise cash on hand, demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

	2021 \$'000	2020 \$'000
Cash at bank	927	313

\$69,000 NZD (2020: \$180,000 NZD) was held in Australian dollars, \$89,000 NZD (2020: \$24,000 NZD) was held in USD with the balance of \$769,000 (2020: \$109,000) held in NZD. One bank guarantee (not included in the amount above) over the lease premises are held by NAB totalling \$30,323 (2020: two bank guarantees - \$40,057). At 30 June 2021, \$32,000 (2020: \$32,000) direct debit facility was held in Australian dollars with NAB.

## 6. TRADE AND OTHER RECEIVABLES

### Accounting policy

Trade and other receivables are measured at initial recognition at fair value, plus transaction costs (if any) and are subsequently measured at amortised cost using the effective interest rate method less impairment losses. The Group has applied NZ IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected credit loss allowance for all trade receivables. In applying the 'simplified approach' the Group has used a provision matrix using the following steps to determine the expected credit loss rates.

PROVISION MATRIX STEPS	KEY JUDGEMENTS	OUTCOME
Step 1 – Determine the appropriate grouping of receivables into categories of shared credit risk characteristics	Determine the appropriate grouping of receivables	Management determined the grouping of receivables to be by product, <i>Geo</i> and <i>Geo for Sales</i> .
Step 2 - Determine the period over which historical loss rates are obtained to develop estimates of expected future loss rates.	Determine the period to collect reliable historical data	Reliable historical data on trade receivables for a period of three years was compiled to work out the trend and assess the loss rates



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

Step 3 - Determine the historical loss rates.	No major judgement required, other than reviewing the historical loss rates	Historical loss rate was computed using observable data for a period of three years, categorising into the aging groups and the total credit losses relating to those sales categorised into product groups.
Step 4 - Consider forward looking macro-economic factors and adjust historical loss rates to reflect relevant future economic conditions.	<p>Judgement required in accessing the trade receivable profile and considering macroeconomic factors such as:</p> <ul style="list-style-type: none"> <li>• economic output;</li> <li>• unemployment;</li> <li>• inflation;</li> <li>• savings and investments;</li> <li>• diversity of customers;</li> <li>• organisational restructure and resourcing.</li> </ul>	Management considered the macroeconomic factors that could affect the credit risk of the customers e.g. diverse range of customers, geographical location, organisation restructure, impact of COVID-19 pandemic; and made adjustment to the expected credit loss rate determined in step 3.
Step 5 - Calculate the expected credit losses	No major judgement required after Step 4	The expected credit loss of trade receivables is determined by multiplying the expected credit loss rate determined in step 4 to the gross receivable balance at each age-band of receivable in each product category.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the consolidated statement of profit or loss and other comprehensive income. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited to the consolidated statement of profit or loss and other comprehensive income.

	2021 \$'000	2020 \$'000
<b>Current assets</b>		
Trade receivables	71	59
Allowance for expected credit losses	(6)	(8)
Grants receivable	313	570
Prepayments	88	97
Sundry debtors	4	63
GST receivable	34	-
NZX and rental bond	-	30
	<b>504</b>	<b>811</b>
<b>Non-current asset</b>		
NZX and rental bond	50	30
	<b>50</b>	<b>30</b>

Trade receivables relate to the monthly or annual subscriptions charged for GEO's services. These are on an average credit period of 30 days. In accepting a new customer, the Group assesses the customer's credit quality and reviews credit performance monthly.

Grants receivable relate to Australian research and development tax incentive. Grants are recognised when there is reasonable assurance that the grant will be received and that the Group will comply with all attached conditions.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

(a) Aging profile of trade receivables:

	GROSS \$'000	2021 IMPAIRMENT \$'000	NET \$'000	GROSS \$'000	2020 IMPAIRMENT \$'000	NET \$'000
Not past due	61	1	60	46	1	45
Past due 1 - 30 days	1	-	1	2	-	2
Past due 31 - 60 days	4	-	4	9	7	2
Past due 61 - 90 days	-	-	-	2	-	2
Past due over 90 days	5	5	-	-	-	-
<b>Total</b>	<b>71</b>	<b>6</b>	<b>65</b>	<b>59</b>	<b>8</b>	<b>51</b>

As at 30 June 2021, \$61,000 or 86% (2020: \$46,000 or 78%) of trade receivables were not past due.

## 7. PROPERTY, PLANT & EQUIPMENT

### Accounting policy

All items of Property, Plant and Equipment are stated at historical cost less accumulated depreciation and accumulated impairment.

Depreciation on assets is charged on a straight-line basis to allocate the differences between their original cost and residual values over their estimated useful lives, as follows:

CATEGORY	ESTIMATED USEFUL LIFE
Office Equipment	1 - 8 years
Computer Equipment	1 - 5 years
Fixtures & Fittings	4 - 15 years
Office furniture	4 - 15 years
Right-of-use-asset	Term of lease

The assets' residual values and useful lives are reviewed and adjusted if appropriate at each balance date. If an asset's carrying amount is greater than its estimated recoverable amount, the carrying amount is immediately written down to its recoverable amount.

	OFFICE EQUIPMENT \$'000	COMPUTER EQUIPMENT \$'000	FIXTURES & FITTINGS \$'000	RIGHT-OF- USE ASSETS \$'000	TOTAL \$'000
<b>At 30 June 2019</b>					
Cost	5	85	4	-	94
Accumulated depreciation and impairment	(4)	(51)	(2)	-	(57)
Carrying amount at beginning of year	1	34	2	-	37
<b>Year ended 30 June 2020</b>					
Transition balance <sup>(i)</sup>	-	-	-	424	424
Additions	-	-	4	-	4
Disposal (net of accumulated depreciation)	-	(3)	-	-	(3)
Depreciation	(1)	(16)	(1)	(108)	(126)
Carrying amount at 30 June 2020	-	15	5	316	336



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

	OFFICE EQUIPMENT \$'000	COMPUTER EQUIPMENT \$'000	FIXTURES & FITTINGS \$'000	RIGHT-OF- USE ASSETS \$'000	TOTAL \$'000
<b>At 30 Jun 2020</b>					
Cost	5	71	8	424	508
Accumulated depreciation and impairment	(5)	(56)	(3)	(108)	(172)
<b>Carrying amount at end of year</b>	<b>-</b>	<b>15</b>	<b>5</b>	<b>316</b>	<b>336</b>
<b>Year ended 30 June 2021</b>					
Additions	-	6	-	-	6
Disposal (net of accumulated depreciation)	-	-	-	-	-
Depreciation	-	(8)	(1)	(108)	(117)
<b>Carrying amount at end of year</b>	<b>-</b>	<b>13</b>	<b>4</b>	<b>208</b>	<b>225</b>
<b>At 30 June 2021</b>					
Cost	5	77	8	424	514
Accumulated depreciation and impairment	(5)	(64)	(4)	(216)	(289)
<b>Carrying amount at 30 June 2021</b>	<b>-</b>	<b>13</b>	<b>4</b>	<b>208</b>	<b>225</b>

The Group's right-of-use assets are for the Group's premises in Sydney, Australia. The Sydney premises lease has a term of four years expiring on 31 May 2023 with no rights of renewal.

<sup>(i)</sup> Transition balance refers to the adjustment required as a result of the Group adopting NZ IFRS 16 at 1 July 2019.

### 8. INTANGIBLE ASSETS

#### Accounting policy

##### Application Software

Costs that are directly associated with the development of software are recognised as internally generated intangible assets where the following criteria are met:

- completing the intangible asset so that it will be available for use or sale is technically feasible;
- there is an intention to complete the intangible asset and use or sell it;
- there is an ability to use or sell the intangible asset;
- the intangible asset is expected to generate probable future economic benefits;
- there are available technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised as internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets and other intangibles are reported at cost less accumulated amortisation and accumulated impairment losses. With the exception of goodwill, the useful lives of the Group's intangible assets are assessed to be finite.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

### Contract acquisition assets

In accordance with NZ IFRS 15: Revenue from Contracts with Customers, the Group capitalises incremental costs of obtaining customer contracts. Costs that can be capitalised consist of sales commissions that have a direct relationship to new revenue contracts obtained. Costs capitalised are amortised over the average period of benefit associated with the costs. The period of benefit for the contract acquisition asset is determined to be four years. Management has determined this as appropriate with reference to estimated customer lifespans and the useful lives of the software sold to which the commissions relate.

The useful life of internally generated and acquired intangible assets is as follows:

CATEGORY	ESTIMATED USEFUL LIFE
Application software	2 – 7 years
Trademarks	10 years
Contract acquisition asset	4 years
Other intangibles	2 – 7 years
Website	2 – 3 years

### Impairment Consideration

Intangible assets with indefinite useful lives and intangible assets that are not yet available for use are tested for impairment annually, or more frequently if events or changes in circumstances indicate that they might be impaired, by estimating the asset's recoverable amount. Other assets are assessed for indicators of impairment at each reporting date. Where an indicator of impairment exists, the Group estimates the recoverable amount. The recoverable amount is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (cash-generating unit) is estimated to be less than the carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately. Impairment losses on goodwill are not reversed.

	TRADE-MARKS \$'000	WEBSITE \$'000	APPLICATION SOFTWARE \$'000	CONTRACT ACQUISITION ASSETS \$'000	OTHER INTANGIBLES \$'000	TOTAL \$'000
<b>At 30 June 2019</b>						
Cost	94	2	8,638	-	37	8,771
Accumulated amortisation and impairment	-	(2)	(7,080)	-	-	(7,082)
<b>Carrying amount at beginning of year</b>	<b>94</b>	<b>-</b>	<b>1,558</b>	<b>-</b>	<b>37</b>	<b>1,689</b>
<b>Year ended 30 June 2020</b>						
Additions	2	-	919	-	54	975
Disposal (net of accumulated amortisation)	-	-	-	-	-	-
Amortisation	-	-	(659)	-	(23)	(682)
Foreign exchange movements	-	-	(128)	-	-	(128)
Foreign currency translation reserve	-	-	139	-	1	140
<b>Carrying amount at 30 June 2020</b>	<b>96</b>	<b>-</b>	<b>1,829</b>	<b>-</b>	<b>69</b>	<b>1,994</b>
<b>At 30 June 2020</b>						
Cost	96	2	9,696	-	92	9,886
Accumulated amortisation and impairment	-	(2)	(7,867)	-	(23)	(7,892)
<b>Carrying amount at end of year</b>	<b>96</b>	<b>-</b>	<b>1,829</b>	<b>-</b>	<b>69</b>	<b>1,994</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

	TRADE-MARKS \$'000	WEBSITE \$'000	APPLICATION SOFTWARE \$'000	CONTRACT ACQUISITION ASSETS \$'000	OTHER INTANGIBLES \$'000	TOTAL \$'000
<b>Year ended 30 June 2021</b>						
Additions	12	-	767	56	16	851
Disposal (net of accumulated amortisation)	(17)	-	(4)	-	-	(21)
Amortisation	(5)	-	(777)	(3)	(13)	(798)
Foreign exchange movements	-	-	(3)	-	-	(3)
Foreign currency translation reserve	-	-	4	-	-	4
<b>Carrying amount at end of year</b>	<b>86</b>	<b>-</b>	<b>1,816</b>	<b>53</b>	<b>72</b>	<b>2,027</b>
<b>At 30 June 2021</b>						
Cost <sup>(i)</sup>	91	2	5,251	56	108	5,508
Accumulated amortisation and impairment <sup>(i)</sup>	(5)	(2)	(3,435)	(3)	(36)	(3,481)
<b>Carrying amount at 30 June 2021</b>	<b>86</b>	<b>-</b>	<b>1,816</b>	<b>53</b>	<b>72</b>	<b>2,027</b>

<sup>(i)</sup>Cost and accumulated amortisation and impairment for Application Software has reduced by \$5,212,000 due to write off of *Geo for Sales* application software which was already written down to zero in the balance sheet as a result of divesting *Geo for Sales* platform in October 2020.

### (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.

At the start of the year, the Group had two CGUs: *Geo* and *Geo for Sales*. 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.

The Group performs an impairment assessment annually unless there is an internal or external indicator for impairment in which case an assessment is performed at an earlier point in time.

Management has conducted the annual formal impairment assessment on the *Geo* CGU.

The recoverable amount of the *Geo* CGU was calculated on the basis of a value-in-use discounted cashflow model. Future cash flows were projected for six years based on Board-approved budget, forecast and detailed business plan using the following key estimates which were stress tested:

Key estimates used for value-in-use calculations:

	2021	2020
Revenue growth rate	12% - 38%	(0.1%) - 51%
Pre-tax discount rate	9.6%	12%
Terminal growth rate	2%	2%

Management determined budgeted revenue growth rate based on both past experience and future expectation of the CGU performance. In determining the growth rates, management has considered new data tracking available across all aspects of the customer acquisition and retention processes, historical average growth rates and a detailed analysis of market opportunities for the CGU. The discount rates used were pre-tax and reflected specific risks relating to the CGU. The terminal growth rate is determined based on the long-term anticipated growth rate of the business.



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

After using various stress test scenarios detailed below and the valuation obtained, management concluded that no impairment is required for the Geo CGU.

	SCENARIO 1	SCENARIO 2	SCENARIO 3
Revenue growth rate	15% - 38%*	15% - 38%*	12% - 30%
Pre-tax discount rate	9.6%	9.6%	9.6%
Terminal growth rate	2%	2%	2%

\*Scenario 1 assumes a growth rate of 15% for year 4 - 6 as opposed to scenario 2 which assumes a growth rate of 20% for year 4 - 6.

The discount rate would have to change by 13.7% based on Scenario 1, 17% based on Scenario 2 and 6.3% based on Scenario 3 in order for there to be an impairment of the CGU.

### (b) Trademarks, Website and Other Intangibles

As at 30 June 2021, the Geo CGU had trademarks with a carrying value of \$86,000 (2020: \$96,000) of, website \$Nil (2020: \$Nil) and other intangibles \$72,000 (2020: \$69,000). There was no impairment indicator for the Geo CGU.

## 9. SUBSIDIARIES

SUBSIDIARY	EQUITY INTEREST 2021	EQUITY INTEREST 2020	BALANCE DATE	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITY
Geo Workforce Solutions Pty Ltd (formerly Geo.tools Pty Ltd)	100%	100%	30 June	Australia	Software developer and supplier
GeoOp Trustees Limited	100%	100%	30 June	New Zealand	Trustee Company
Geo for Sales Pty Ltd (formerly Interface IT Operations Ltd)	100%	100%	30 June	Australia	Software developer and supplier
Interface IT Pty Ltd	100%	100%	30 June	Australia	Holding Company
Interface IT Inc (wound up during FY21)	100%	100%	30 June	United States	Software developer and supplier

## 10. TRADE AND OTHER PAYABLES AND CONTRACT LIABILITIES

### Accounting policy

#### (a) Trade and Other Payables

Accounts payable are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method.

### Employee Benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and benefits are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured at the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date and reported as a non-current liability.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

	2021 \$'000	2020 \$'000
Trade and other payables	53	290
Accruals	566	413
Employee benefits	85	119
<b>Total trade and other payables</b>	<b>704</b>	<b>822</b>

The average credit period on trade and other payables represents an average of 30 days credit (2020: 30 days credit). The Group has financial risk policies in place to ensure that all payables are paid within payment terms.

### (b) Contract Liabilities and Other Deferred Income

	2021 \$'000	2020 \$'000
Deferred income (government grant)	287	406
Contract liability (subscription revenue)	409	421
<b>Total contract liabilities and other deferred income</b>	<b>696</b>	<b>827</b>

#### Contract Liability

##### (i) Revenue recognised in relation to carried-forward contract liability

The following table shows the amount of revenue recognised in the current reporting period that relates to carried forward contract liability balance at beginning of the period.

	2021 \$'000	2020 \$'000
Subscription revenue	421	466

##### (ii) Revenue expected to be recognised in relation to unsatisfied performance obligations

The following table shows the revenue expected to be recognised in the future relating to performance obligations that were unsatisfied (or partially satisfied) at the balance sheet date.

EXPECTED TIMING OF RECOGNITION	2022 \$'000	2021 \$'000
<b>As at 30 June 2021</b>		
Subscription revenue	409	421

## 11. SHARE CAPITAL

#### Accounting policy

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

All shares are ordinary shares, they have been fully paid and have no par value. Fully paid ordinary shares carry one vote per share, carry a right to dividends and a pro-rate share of net assets on a wind up.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

	NOTE	NUMBER OF SHARES	\$'000
Balance at 1 July 2019		81,008,233	32,808
<i>Movements during the year</i>			
Issue of shares under placement – related parties	i	661,564	66
Capital reduction – small share buyback	ii	(498,702)	(50)
Issue of shares under placement – related parties	iii	500,000	50
Balance at 30 June 2020		81,671,095	32,874
<i>Movements during the year</i>			
Issue of shares under share purchase plan – related parties	i	1,210,898	79
Issue of shares under share purchase plan - other parties	i	6,481,402	421
Issue of shares under placement - other parties	ii	23,153,847	1,505
Issue of shares under placement - related parties	iii	938,000	94
Issue of shares under placement	iv	221,251	22
Transaction costs for the issue of new shares			(186)
Balance at 30 June 2021		113,676,493	34,809

### 2020

In the year to 30 June 2020, the Company issued shares as follows:

- i. on 16 September 2019, the Company issued 661,564 shares at \$0.10 per share to directors and former director in satisfaction of accrued and unpaid directors fees being 250,000 shares to Rod Snodgrass, 119,897 shares to Shailesh Manga and 291,667 shares to Mark Rushworth;
- ii. on 18 December 2019, the Company repurchased and cancelled 498,702 shares held by shareholders with less than \$200 minimum holdings at a volume weighted average price of \$0.1077 to reduce administration and transaction costs and improve capital structure; and
- iii. on 6 March 2020, the Company issued 500,000 shares at \$0.10 per share to the CEO, Timothy Molloy as a sign on bonus pursuant to the CEO's employment contract.

### 2021

During the year ended 30 June 2020, the Company issued shares as follows:

- i. on 9 December 2020, the Company issued 7,692,300 shares at \$0.065 per share under share purchase plan to related and non-related parties as follows:
  - 1,210,898 shares were issued to North Ridge Partners Pty Ltd and Wentworth Financial Pty Ltd as trustee for Wentworth Trust, entities where director, Roger Sharp, is a director and shareholder;
  - 6,481,402 shares were issued to non-related parties under a capital raising process;
- ii. on 5 November 2020 and 9 December 2020, the Company issued 23,153,847 shares at \$0.065 per share under placement as follows:
  - 323,077 shares were issued to the CEO, Tim Molloy;
  - 323,077 shares were issued to the CRO, Scott Player;
  - 153,847 shares were issued to director, Rod Snodgrass;
  - 2,307,693 shares were issued to Wentworth Financial Pty Ltd as trustee for Wentworth Trust, entity where director, Roger Sharp, is a director and shareholder;
  - 20,046,153 shares were issued to non-related parties under a capital raising process;
- iii. on 22 December 2020, the Company issued 938,000 shares at \$0.10 per share to two directors in satisfaction of accrued and unpaid directors fees for the year ended 30 June 2020, being 469,000 shares to Rod Snodgrass and 469,000 to Shailesh Manga; and
- iv. on 22 December 2020, the Company issued 221,251 shares at \$0.10 per share to the former CEO and CFO as follows:
  - 128,400 shares to former CEO, Kylie O'Reilly in lieu of short-term incentives for 2019.
  - 92,851 shares to former CFO, Rochelle Lewis in lieu of short-term incentive for 2019.



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

### 12. DISCONTINUED OPERATIONS

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.

*The post-tax gain on disposal of discontinued operations were determined as follows:*

	2021 \$'000
Cash consideration received	180
Other consideration received	-
<b>Total consideration received</b>	<b>180</b>
Cash disposed of	-
<b>Net cash inflow on disposal of discontinued operation</b>	<b>180</b>

*Net assets disposed (other than cash):*

	2021 \$'000
Property, plant and equipment	-
Intangibles	5,212
Less impairment of intangibles	(5,212)
	-
Pre-tax gain on disposal of discontinued operation	180
Related tax expense	(50)
Future benefit of tax losses not recognised	50
<b>Gain on disposal of discontinued operation</b>	<b>180</b>

*Result of discontinued operations:*

	2021 \$'000	2020 \$'000
Revenue	75	692
Expenses other than finance costs	(62)	(569)
Finance costs	-	-
Tax (expense)/ credit	-	-
Gain from selling discontinued operations after tax	180	-
<b>Profit/ (loss) for the year</b>	<b>193</b>	<b>123</b>

	2021 \$'000	2020 \$'000
<b>Earnings per share from discontinued operations</b>		
Basic earnings/(loss) per share (cents)	0.19	0.15
Diluted earnings/(loss) per share (cents)	0.15	0.13

#### Statement of cash flows

*The statement of cashflows include the following amounts relating to discontinued operation:*

	2021 \$'000	2020 \$'000
Operating activities	13	123
Investing activities	180	-
Financing activities	-	-
<b>Net cash from discontinued operations</b>	<b>193</b>	<b>123</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

### 13. EARNINGS PER SHARE

#### Accounting policy

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares.

- Basic EPS is calculated by dividing the Group profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares on issue during the period.
- Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of shares on issue for the effects of any potential dilutive issue of ordinary shares.

	2021	2020
Net (loss) from continuing operations for the year (\$'000)	(1,983)	(2,177)
Profit on discontinued operation, net of tax (\$'000)	193	123
<b>Net (loss) for the year (\$'000)</b>	<b>(1,790)</b>	<b>(2,054)</b>
Weighted average number of ordinary shares issued	100,265,619	81,402,443
Weighted average potential ordinary shares (convertible note and share options)	30,345,294	11,480,220
<b>Weighted average number of ordinary shares for diluted earnings (loss) per share</b>	<b>130,610,913</b>	<b>92,882,663</b>
<b>Earnings per share from continuing operations</b>		
Basic earnings (loss) per share (cents)	(1.98)	(2.67)
Diluted earnings (loss) per share (cents)	(1.52)	(2.34)
<b>Earnings per share</b>		
Basic earnings (loss) per share (cents)	(1.79)	(2.52)
Diluted earnings (loss) per share (cents)	(1.37)	(2.21)

### 14. RELATED PARTY TRANSACTIONS

#### a. Remuneration

##### Directors

At reporting date, the Directors of Geo Limited (the "Company") controlled 19.50% (2020: 29.75%) of the voting shares in the Company.

- (i) Roger Sharp, non-executive director (and former Chair) of the Company held (directly and indirectly) 17.97% (2020: 29.75%) of the shares in the Company at balance date.
  - a. During the year, the Company paid North Ridge Partners Pty Ltd, a company of which Roger Sharp is a director and shareholder:
    - i. \$66,250 (2020: \$71,250) for director and Chair fees in cash;
    - ii. \$118,000 for the provision of the Company's Chief Financial Officer (Peter Hynd, appointed 6 May 2020) (2020: \$13,900); and
    - iii. \$70,000 consulting fees for acting as the Company's strategic and financial advisor in relation to potential corporate actions including capital raising, equity and debt investments (2020: \$50,000);
  - b. The amount owed to Mr. Sharp in respect of director's fees at year end was \$6,250 (2020: \$5,000).
- (ii) Mark Rushworth was appointed as an independent non-executive director on 1 February 2018 and resigned on 2 August 2019. During the year Mr. Rushworth was paid \$Nil (2020: \$9,722) in director's fees in cash and \$Nil (2020: \$29,000) in shares, in lieu of director's fees. The amount owed to Mr. Rushworth at year end was \$Nil (2020: \$Nil) in cash and \$Nil (2020: \$Nil) in shares.
- (iii) Rod Snodgrass was appointed as an independent non-executive director on 15 October 2018. During the year Mr. Snodgrass was paid \$13,213 (2020: \$16,516) in director's fees in cash and \$46,900 (2020: \$25,000) in shares, in lieu of director's fees. The amount owed to Mr. Snodgrass at year end was \$8,250 (2019: \$7,150) in cash and \$45,225 (2020: \$76,900) in shares. During the year, Mr. Snodgrass was not paid for any further consultancy service fees (2020: \$15,000 in cash and \$30,000 in shares accrued in lieu of 2020 consultancy fees).

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

- (iv) Shailesh Manga was appointed as an independent non-executive director on 25 March 2019. During the year Mr. Manga was not paid any director's fees in cash (2020: \$Nil) and \$46,900 (2020: \$11,990) in shares, in lieu of director's fees. The amount owed to Mr. Manga at year end was \$34,375 (2020: \$19,525) in cash and \$45,225 (2020: \$46,900) in shares.

### Key Management Personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly and include the Chief Executive Officer and the executive team.

The following table summarises remuneration earned by key management personnel and directors:

	2021 \$'000	2020 \$'000
Directors' fees - cash portion paid and accrued	97	104
- shares issued and accrued	90	94
- other consultancy	-	15
Short term employee benefits and contractors	1,037	790
Share based options	159	-
Share based payments expense	-	30
	1,383	1,033

Increase in short-term employee benefits and contractors has resulted from accounting for both the current and former CEO remuneration until August 2020 and accrual of short-term incentive for the current CEO.

### b. Related Party Loan Payable

#### Accounting policy

Related party loans are measured at initial recognition at fair value, less transaction costs (if any) and are subsequently measured at amortised cost using the effective interest rate method.

The Group has applied NZ IAS 32 to evaluate if the convertible note (related party loan) is a debt or equity instrument and determined that it is a compound financial instrument which has both debt and equity component. The Group has used the following steps to determine the debt and equity components of the compound financial instrument:

1. Identify the various components of the compound financial instrument.
2. Determine the fair value of the compound financial instrument as a whole.
3. Determine the fair value of the liability component of the convertible note by determining the fair value of future cash flows with the same parameters (maturity, coupon rate) but without the option to convert into issuer's shares. The Group has assumed an interest rate of 12.87% for FY21 and 13.13% for FY20 as appropriate.
4. Determine the fair value of the equity component which is fair value of compound financial instrument as a whole less fair value of the liability component.
5. Allocate transaction costs to liability and equity components proportionally.

	2021 \$'000	Total \$'000	2020 \$'000	Total \$'000
Opening balance	1,205		-	
Related party loan - debt component	261	1,264	1,003	1,003
Related party loan - equity component	34	236	202	202
Closing balance	1,500	1,500	1,205	1,205

On 23 August 2019, GEO entered into a facility agreement in the form of a convertible note of up to \$1,500,000, extendible by mutual agreement to \$2,000,000 with its major shareholder, North Ridge Partners Pty Limited to fund the Company's working capital requirements.



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

The facility is unsecured with a three-year term, with six monthly conversion windows unless redeemed for cash or converted to equity sooner. Interest on the loan is 6% annualised, compounded daily and payable quarterly in arrears. If the Company completes an equity raise, the principal and any capitalised interest may be paid by way of the issue of shares at \$0.10 per share. At any point prior to the conversion date, the Company may elect to repurchase the convertible notes at a premium.

The Company has agreed to pay the holder an additional cash fee of 5% of the amount drawn down under the agreement. The Company has recognised a loan facility fee to North Ridge Partners Pty Ltd of \$75,000 (2020: \$57,400) proportionally allocated to liability and equity components. Interest accrued and paid on the related party loan was \$88,000 (2020: \$27,000) as at the balance date.

### 15. LEASE LIABILITIES

#### Accounting policy

Under NZ IFRS 16 all qualifying leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the consolidated statement of profit or loss and other comprehensive income over the lease period. The right-of-use asset is depreciated over the asset's lease term on a straight-line basis.

The lease payments are discounted using the incremental borrowing rate of 5.36%, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. The Group has determined the appropriate incremental borrowing rate with reference to property yield rates and discount rates used for valuation of similar premises obtained from listed property investment companies.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset.

The Group has leases for property and office equipment. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The consolidated statement of comprehensive income includes operating expenses of \$3,400 (2020: \$3,600) which relates to short term leases or leases of low value.

#### Lease liabilities

	2021 \$'000	2020 \$'000
<b>LAND AND BUILDINGS</b>		
At 1 July	334	422
Rent concession	(9)	(14)
Interest expense	14	21
Lease payments	(100)	(99)
Foreign exchange movements	(7)	4
<b>At 30 June</b>	<b>232</b>	<b>334</b>

The maturity of the lease liabilities is as follows:

	2021 \$'000	2020 \$'000
Less than 1 year	116	102
Later than 1 year but not more than five years	116	232
	<b>232</b>	<b>334</b>

Right-of-use asset balances are included in Note 7.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

### 16. CONTINGENT ASSETS, LIABILITIES AND CAPITAL COMMITMENT

#### Accounting policy

##### (a) Contingent Assets and Contingent Liabilities

Contingent assets and contingent liabilities are disclosed at the point at which the contingency is evident.

Contingent assets are disclosed if it is probable that the benefits will be realised. Contingent liabilities are disclosed if the possibility that they will crystallise is not remote.

There were no material contingent assets or contingent liabilities at 30 June 2021 (2020: \$Nil).

##### (b) Capital Expenditure Commitments

Capital commitments are future expenses to be incurred on contracts entered into before balance date.

As at 30 June 2021 there were no capital expenditure commitments (2020: \$Nil).

### 17. SEGMENTAL REPORTING

#### Accounting policy

The accounting policies of the reportable segments are the same as the Group's accounting policy described. 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. The chief operating decision maker for the Group is the Chief Executive Officer.

#### 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 years ended 30 June 2021 and 30 June 2020 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 *Geo* and *Geo for Sales*.

*Geo* 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.

*Geo for Sales* is a field sales management solution, it was introduced to GEO's product suite in 2016 through the acquisition of Interface IT. It allows managers to allocate selling regions to staff, provides detailed geographic and demographic information and monitor sales performance in real time. 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.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

### Segment Revenues and Results

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

	GEO \$'000	GEO FOR SALES \$'000	TOTAL \$'000
<b>Year ended 30 June 2021</b>			
Revenue from contracts with customers	3,074	75	3,149
<b>Total segment revenue</b>	<b>3,074</b>	<b>75</b>	<b>3,149</b>
Discontinued operations	-	(75)	(75)
<b>Group's revenue per consolidated statement of comprehensive income</b>	<b>3,074</b>	<b>-</b>	<b>3,074</b>
Hosting and infrastructure costs	(677)	(29)	(706)
Sales and marketing	(243)	-	(243)
Staffing	(2,345)	(29)	(2,374)
Internal software	(34)	(4)	(38)
Discontinued operations	-	62	62
<b>Total segment expenses</b>	<b>(3,299)</b>	<b>-</b>	<b>(3,299)</b>
<b>Segment earnings</b>	<b>(225)</b>	<b>-</b>	<b>(225)</b>
<b>Year ended 30 June 2020</b>			
Revenue from contracts with customers	3,317	692	4,009
<b>Total segment revenue</b>	<b>3,317</b>	<b>692</b>	<b>4,009</b>
Discontinued operations	-	(692)	(692)
<b>Group's revenue per consolidated statement of comprehensive income</b>	<b>3,317</b>	<b>-</b>	<b>3,317</b>
Hosting and infrastructure costs	(730)	(237)	(967)
Sales and marketing	(363)	(3)	(366)
Staffing	(2,993)	(328)	(3,321)
Internal software	(75)	(1)	(76)
Discontinued operations	-	569	569
<b>Total segment expenses</b>	<b>(4,161)</b>	<b>-</b>	<b>(4,161)</b>
<b>Segment earnings</b>	<b>(844)</b>	<b>-</b>	<b>(844)</b>

Segment revenue reported above represents revenue generated from external customers. There were no intersegment sales in the current year (2020: nil).

Reconciliation of segment earnings to statement of comprehensive income:

	2021 \$'000	2020 \$'000
Segment earnings	(225)	(844)
Add: Other revenue	623	764
Less: General operating and administration	(1,466)	(1,289)
Less: Amortisation of intangible assets	(798)	(682)
Less: Depreciation of property, plant and equipment	(117)	(126)
<b>Group profit before tax and discontinued operations</b>	<b>(1,983)</b>	<b>(2,177)</b>

### Segment Assets and Liabilities

The segment asset and liabilities are assessed by the chief operating decision makers at a group level for both years ended 30 June 2021 and 30 June 2020.



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

### Information About Major Customers

None of the customers contributed 10% or more to the Group's revenue in either 2021 or 2020.

### 18. RECONCILIATION OF NET LOSS WITH CASH FLOWS FROM OPERATING ACTIVITIES

	2021 \$'000	2020 \$'000
Net loss from operations for the year	(1,790)	(2,054)
<i>Adjustments for non-cash items:</i>		
Amortisation of intangible assets	798	682
Depreciation of property, plant and equipment	117	126
Loss on disposal of assets	19	-
Share based payment expenses	263	196
Rent concessions	(9)	(14)
Unrealised foreign exchange loss/ (gain)	4	20
Other non-cash items	(118)	(39)
	1,074	971
<i>Add/(deduct) financing activities:</i>		
Lease and related party interest repayments	103	-
<i>Movements in working capital:</i>		
Accounts receivable and other receivables	(277)	334
Accounts payable and accruals	249	310
	(28)	644
Net cash (outflow) from operating activities	(641)	(439)

### 19. FINANCIAL RISK MANAGEMENT

The Group is subject to a number of financial risks including liquidity risk, credit risk and market risk. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. Specific risk management objectives and policies are set out below:

#### Accounting policy

##### (a) Capital Risk Management

The capital structure of the Group consists of equity raised by issue of ordinary shares, convertible notes, equity reserves and accumulated losses.

The Group manages its capital to ensure that the Group will be able to continue as a going concern while also considering the dilutionary impact of capital initiatives to maximise the return to stakeholders. Capital comprises issued capital, convertible notes and retained losses as disclosed.

The Group's Board of Directors reviews the capital structure on a regular basis to ensure that entities in the Group are able to continue as going concern (see Note 2). The Directors consider that funding growth in recurring subscription revenues, given the high margin of incremental revenues, is the appropriate strategy to reduce the Company's current cash burn run rate and to move to a cash generative position within an appropriate timeframe.

The Group is not subject to externally imposed capital requirements.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

### (b) Liquidity Risk Management

Liquidity risk is the risk that the Group will not have sufficient funds to meet commitments as they fall due.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities (Refer Note 2). The Group has also appointed North Ridge Partners Pty Limited as the Company's strategic and financial advisor in relation to potential corporate actions including capital raising, equity and debt investments.

All financial liabilities have maturity within 12 months other than related party loans and lease liabilities.

The table below analyses the Group's financial liabilities into maturity groupings based on the remaining period from the end of financial year to the contractual maturity date.

#### Financial Liabilities

	2021 \$'000	2020 \$'000
Less than 12 months	643	738
Later than 12 months	1,380	1,235
<b>Total financial liabilities</b>	<b>2,023</b>	<b>1,973</b>

Financial liabilities include:

- \$1,264,000 (2020: \$1,003,000) liability component of related party loan (convertible note agreement) treated as compound financial instrument;
- \$232,000 (2020: \$334,000) lease liability recorded in the statement of financial position as required under NZ IFRS 16: Leases.

### (c) Interest Rate Risk

Interest rate risk is the risk that changes in interest rates negatively impact the Group's financial performance, its cash flows or the value of its financial instruments.

The Group's interest rate risk arises from its cash balances that are placed on deposit at variable rates. The Group does not enter into forward rate agreements.

Management regularly reviews the company's banking arrangements to ensure the best returns on funds.

Interest rates on cash and cash equivalents ranged from 0% to 0.55% (2020: 0% to 2.30%).

### (d) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Financial instruments which potentially subject the Group to credit risk principally consist of cash at bank and accounts receivable. The Board monitors and manages the exposure to credit risk.

The maximum exposures to credit risk at balance date are:

	2021 \$'000	2020 \$'000
Cash and short-term deposits	927	313
Trade receivable	65	51
Grants receivable	313	570
Sundry debtors	4	63
Other receivables - current	-	30
Other receivables - non-current	50	30
<b>Total financial assets subject to credit risk</b>	<b>1,359</b>	<b>1,057</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

The Group's bank accounts are held with ASB Bank, BNZ Bank and National Australia Bank. At 30 June 2021, the credit risk associated with receivables is considered minor with a major grant receivable from ATO. The Group's bank accounts are held with reputable banks in New Zealand and Australia. The Group does not have any other concentrations of credit risk.

The Group does not require any collateral or security to support financial instruments.

### (e) Foreign Exchange Risk

The Group is exposed to foreign currency movements against the New Zealand Dollar. International sales are made in the Australian, USA and UK markets primarily. The Company's Australian operations are funded directly from New Zealand.

As a result, the financial statements can be affected by movements in these foreign exchange rates.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	ASSETS		LIABILITIES	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Currency of Australia	392	662	541	582
Currency of USA	16	7	6	8
Currency of UK	1	1	-	3

The following sensitivity analysis is based on the foreign currency risk exposures in existence at the reporting date. As at 30 June 2021, had the New Zealand Dollar moved, as illustrated in the table below, with all other variables held constant, post-tax profit and loss and equity would have been affected as follows:

	2021			
	AUD \$'000	USD \$'000	OTHER \$'000	TOTAL \$'000
<i>Increase in the value of the NZD by 10%</i>				
Impact on profit or (loss)	(320)	(1)	-	(321)
Impact on equity	(1,222)	-	-	(1,222)
<i>Decrease in the value of the NZD by 10%</i>				
Impact on profit or (loss)	320	1	-	321
Impact on equity	1,222	-	-	1,222

	2020			
	AUD \$'000	USD \$'000	OTHER \$'000	TOTAL \$'000
<i>Increase in the value of the NZD by 10%</i>				
Impact on profit or (loss)	(366)	(1)	-	(367)
Impact on equity	(1,086)	(6)	-	(1,092)
<i>Decrease in the value of the NZD by 10%</i>				
Impact on profit or (loss)	366	1	-	367
Impact on equity	1,086	6	-	1,092

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

### (f) Fair Value of Financial Instruments

There are no significant differences between the fair values and the carrying amounts of financial assets and liabilities in the Consolidated Statement of Financial Position as at balance date.

	FINANCIAL ASSETS AT AMORTISED COST \$'000	FINANCIAL LIABILITIES AT AMORTISED COST \$'000	TOTAL CARRYING VALUE \$'000
<b>30 June 2021</b>			
<b>Assets</b>			
Cash and cash equivalents	927	-	927
Trade receivables	382	-	382
Other assets – non-current	50	-	50
<b>Total financial assets</b>	<b>1,359</b>	<b>-</b>	<b>1,359</b>
<b>Liabilities</b>			
Accounts payable	-	527	527
Lease liabilities	-	232	232
Related party loans – convertible note	-	1,264	1,264
<b>Total financial liabilities</b>	<b>-</b>	<b>2,007</b>	<b>2,007</b>
<b>30 June 2020</b>			
<b>Assets</b>			
Cash and cash equivalents	313	-	313
Trade receivables	684	-	684
Other assets – current	30	-	30
Other assets – non-current	30	-	30
<b>Total financial assets</b>	<b>1,057</b>	<b>-</b>	<b>1,057</b>
<b>Liabilities</b>			
Accounts payable	-	636	636
Lease liabilities	-	334	334
Related party loans – convertible note	-	1,003	1,003
<b>Total financial liabilities</b>	<b>-</b>	<b>1,973</b>	<b>1,973</b>

## 20. SHARE BASED PAYMENTS

The share-based payment reserve is used to record the accumulated value of unexercised share options and vested share rights which have been recognised in the statement of comprehensive income. Share options are recognised in the reserve before they vest.

Equity settled share-based payments to employees, directors and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out below.

The fair value determined at the grant date of equity-settled share-based payments is expensed on a straight-line basis over the vesting period with a corresponding increase in equity, based on the Group's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled share-based payment reserve.



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

### (a) Share Based Payments Reserve

	2021 \$'000	2020 \$'000
Opening balance	146	63
Share based payment	263	196
Transfer to issued share capital	(116)	(113)
Closing balance	293	146

### (b) Share Based Payments

	2021 \$'000	2020 \$'000
CEO Sign on bonus	-	50
2019 Short term incentive	-	22
2020 CEO Short term incentive	38	-
Directors' fees	90	94
Other payments	(30)	30
Employee share option scheme	165	-
Total for the year	263	196

#### CEO Sign on bonus

During the year ended 30 June 2020, the Company issued 500,000 shares at \$0.10 per share to the CEO, Timothy Molloy as a sign on bonus pursuant to the CEO's employment contract.

#### 2019 Short term incentive

During the year ended 30 June 2020 shares were accrued for the former Chief Financial Officer (\$9,000) and former Chief Executive Officer (\$13,000). These shares related to 2019 short term incentive payments.

#### 2020 CEO Short term incentive

During the year shares were accrued for Chief Executive Officer (\$38,000). These shares related to 2020 short term incentive payments.

#### Directors' fees

The Independent Directors of GEO are able to elect to receive up to two-thirds of their fees in GEO ordinary shares. The fair value of the shares issued is determined as the lesser of the volume weighted average prices over five and twenty business days preceding the date of issue. Where shares are issued in lieu of cash the Company may elect to add an increment of up to 50% of the value of shares issued, to compensate for the risks of being remunerated in shares in lieu of cash.

During the year, director fees were accrued for Rod Snodgrass and Shailesh Manga for \$90,000 in shares. (2020: \$94,000)

#### Other payments

On 23 August 2019, the Company announced that Rod Snodgrass, Non-Executive Director, would assist the CEO with the acceleration of Geo licence growth for three months and be remunerated \$15,000 per month, comprising \$5,000 cash and \$10,000 in GEO shares at \$0.10 per share. On 30 June 2020, \$30,000 worth of shares were accrued but not issued. Subsequently these shares worth \$30,000 were forgiven in the current year by Rod Snodgrass.

#### Employee share option scheme

During the year the Group introduced an employee share options scheme to drive longer-term performance and alignment between individual personnel and shareholders. The options were offered to some employees and key executive members of the Group. Options are only vested on the satisfaction of the performance hurdles/vesting condition and the employees must remain in service throughout the vesting period. In accordance with the terms of the issue of the options, the holders are entitled to acquire shares at the exercise price during the exercise period.

The fair value of the options at grant date was determined using Black-Scholes-Merton pricing model taking into account the terms and conditions on which the share options were granted and expensed over the vesting period.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2021

The Group has no legal or constructive obligations to repurchase or settle the options in cash. Details of the share options are outlined below (2020: there were no share options granted):

GRANT DATE	PERSONNEL ENTITLED	EXERCISE PRICE (\$)	NUMBER OF OPTIONS	FINAL EXERCISE DATE
16/12/2020	Key Executives	\$0.15	3,805,500	16/12/2023
16/12/2020	Key Executives	\$0.15	3,805,500	30/06/2024
16/12/2020	Key Executives	\$0.15	3,805,500	30/06/2025
16/12/2020	Key Executives	\$0.15	1,268,500	1/07/2025
30/03/2021	Key Executives	\$0.15	2,273,530	31/03/2025
30/03/2021	Key employees	\$0.15	568,382	31/03/2025
30/03/2021	Key employees	\$0.15	568,382	31/03/2025

Movements in the number of options outstanding and their related weighted average exercise prices are as follows:

	EXERCISE PRICE (\$)	NUMBER OF OPTIONS
Outstanding at beginning of year		-
Granted - 16/12/2020	\$0.15 as above	12,685,000
Granted - 30/03/2021	\$0.15 as above	3,410,294
Forfeited/expired	-	-
Outstanding at the end of the year		16,095,294

Share-based payments expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At balance date, management estimated the number of options that are expected to vest to be 16,095,294, based on the non-market vesting and service conditions. Hence, \$165,000 share-based payments expense in relation to the employee share option scheme was recognised as at 30 June 2021. The following table lists the significant inputs into the model used to calculate the fair value of options grants.

INPUTS	ASSUMPTIONS
Weighted average fair values at the measurement date (\$)	\$0.013 - \$0.041
Dividend yield (%)	0%
Expected volatility (%)	60%
Risk-free interest rate (%)	0.23%
Expected life of share options (years)	3 - 4.5 years
Exercise price (\$)	\$0.15
Share price at grant date (\$)	\$0.07 - \$0.11
Model Used	Black-Scholes

The volatility input is measured as the standard deviation of continuously compounded share returns and is based on a statistical analysis of GEO's share price over a period consistent with the options expected life.

## 21. SIGNIFICANT EVENTS SUBSEQUENT TO REPORTING DATE

The following events occurred after 30 June 2021:

- Rod Snodgrass, independent director was appointed the Chair of the company effective 1 September 2021, replacing Roger Sharp who stepped down as Chair for the Company but remains on the Board as a non-executive director.
- Appointment of Ana Wight as an independent director and also chair of the Company's Audit and Risk Committee effective 1 January 2022.

There were no other significant events after the balance date.

# INDEPENDENT AUDITOR'S REPORT



BDO Wellington Audit Limited

## TO THE SHAREHOLDERS OF GEO LIMITED

### Opinion

We have audited the consolidated financial statements of Geo Limited ("the Company") and its subsidiaries (together, "the Group"), which comprise the consolidated statement of financial position as at 30 June 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS").

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ("ISAs (NZ)"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Company or any of its subsidiaries.

### Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the consolidated financial statements, which indicates that the Group incurred a net loss from operations of \$1,790,000 (2020: \$2,054,000), and net cash outflow from operating activities of \$641,000 (2020: \$439,000). As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How the matter was addressed in our audit
<p><b>Intangible assets – Internally developed application software</b></p> <p>The Group's internally developed application software for the year ending 30 June 2021 had a carrying value of \$1,816,000 after additions of \$767,000 were capitalised during the year.</p> <p>The Group's process for capitalising internally developed software involves judgment such as estimating time staff have spent developing the software and determining the value added to the software for that time spent. Given the material nature and high degree of judgment in determining these factors the capitalisation of internally developed software was a risk for our audit.</p> <p>See note 8 to the consolidated financial statements where the Group's capitalised costs and accounting policy for capitalising internally generated intangible assets are disclosed.</p>	<p>Our work focused on the Group's process for determining what should be capitalised and how much should be capitalised. Our procedures around this included the following:</p> <ul style="list-style-type: none"> <li>• assessing the nature of a sample of projects against the requirements of NZ IAS 38 to determine if they were capital in nature;</li> <li>• assessing the procedures applied by the Group to review the rates applied to capitalise payroll costs;</li> <li>• assessing capitalised costs with reference to actual payroll information for a sample of employees and contractors; and</li> <li>• assessing the adequacy of the disclosures related to the capitalised development costs in the consolidated financial statements.</li> </ul>
<p><b>Intangible assets – Geo cash generating unit (CGU) impairment assessment</b></p> <p>Intangible assets make up \$2,027,000 of the Group's \$3,733,000 total assets, the most significant of which is the capitalised application software.</p> <p>NZ IAS 36 requires that finite life intangible assets be tested for impairment whenever there is an indication that they may be impaired. The impairment assessment model used requires significant judgment such as forecasting revenue growth rates, discount rates, and a terminal growth rate.</p> <p>See note 8a to the consolidated financial statements where the Group's impairment assessment and policy is disclosed.</p> <p>The assessment as to whether there are any indicators of impairment requires judgment including consideration of both internal and external sources of information.</p>	<p>We assessed and challenged the factors that the Group considered in their impairment assessment. This included having regard to:</p> <ul style="list-style-type: none"> <li>• significant changes in the extent or manner in which the associated software is used;</li> <li>• assessing forecast cashflows associated to the capitalised development costs including comparing forecasted revenue growth rates to historic growth and industry benchmarks;</li> <li>• performing sensitivity testing over growth rates, discount rates, and margins forecasted;</li> <li>• amortisation periods applied by the Group to developed software relative to its experience of software lifecycle; and</li> <li>• assessing the adequacy of disclosures related to impairment considerations in the consolidated financial statements.</li> </ul>

## Other Information

The directors are responsible for the other information. The other information comprises the Annual Report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## INDEPENDENT AUDITOR'S REPORT



### Directors' Responsibilities for the Consolidated Financial Statements

The directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at: : <https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-1/>.

This description forms part of our auditor's report.

### Who We Report To

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Mark Bewley.

*BDO Wellington Audit Limited*

BDO Wellington Audit Limited  
Wellington  
New Zealand  
29 September 2021

## NON-GAAP FINANCIAL INFORMATION

For the year ended 30 June 2021

GEO's standard profit measure prepared under NZ GAAP is net profit after tax (NPAT). GEO has used a non-GAAP profit measure of earnings in this document (defined detailed and reconciled to GAAP measures below) and intends to do so in the future allowing investors to compare periods. The directors and management believe this measure provides useful information to readers to assist in understanding the Company's financial performance and position.

These measures are also used internally to evaluate performance of the business to establish operational goals and to allocate resources. Non-GAAP profit measures are not prepared in accordance with NZ GAAP (and therefore do not comply with International Financial Reporting Standards) and are not uniformly defined. Therefore, the non-GAAP profit measures reported in this document may not be comparable with those that other companies report and should be viewed in isolation.

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

1. Government grants of \$562k were received (cash) in FY21 vs \$684k in FY20. FY21 includes \$180k gain on disposal of discontinued operations (Geo for Sales).
2. EBITDA is the statutory net loss from operations less interest, tax, depreciation, amortisation and write down of intangibles and does not have a standardised meaning prescribed by NZ GAAP.

# CORPORATE GOVERNANCE

For the year ended 30 June 2021

The objective of the Board of Geo Limited ("GEO") is to enhance shareholder value. The Board considers there is a strong link between good corporate governance and the achievement of this objective.

The Board considers that its corporate governance framework complies with the NZX Corporate Governance Code 2019 (NZX Code), except as stated within this report. In this regard, there are a few areas where GEO continues to make progress to ensure compliance with the NZX Code. The information in this report is current as at the date of release of the 2021 Annual Report and has been approved by the Board of GEO.

The key corporate governance documents referred to in this report are available on GEO's website at [www.geoworkforcesolutions.com](http://www.geoworkforcesolutions.com).

GEO is listed on the NZX Main Board and is subject to regulatory control and monitoring by both the NZX and the Financial Markets Authority (FMA).

## PRINCIPLE 1 – CODE OF ETHICAL BEHAVIOUR

Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation.

GEO is committed to maintaining the highest ethical standards by Directors, staff and suppliers. GEO has a Code of Ethics to guide executives, management and employees in carrying out their duties and responsibilities. A copy of this is available on GEO's website.

The Code covers such matters as:

- expected conduct;
- confidentiality;
- use of assets;
- corporate social responsibility; and
- acceptance of gifts.

The Code requires Directors and employees to promptly report material breaches of the Code. In addition, GEO has adopted a Whistleblowing Policy that sets out the processes by which suspected serious wrongdoing can be reported, and the whistleblower is protected.

GEO has a process to enable training for all new and existing employees to ensure awareness and understanding of the Code.

GEO has a Securities Trading Policy to explain expectations and requirements for dealing in GEO securities and to protect from the risk of breaching insider trading laws. A copy of this is available on GEO's website.

Details of Directors' share dealings are on page 54 of the 2021 Annual Report.

## PRINCIPLE 2 – BOARD COMPOSITION AND PERFORMANCE

To ensure an effective Board, there should be a balance of independence, skills, knowledge, experience and perspectives.

The business and affairs of GEO are managed directly by the Board of Directors. The Board:

- establishes long-term goals and strategic plans to achieve those goals;
- reviews and adopts the annual budgets for financial performance and monitors results monthly;
- ensures preparation of the annual and half-yearly financial statements;
- manages risk by ensuring that GEO has implemented adequate systems of internal controls together with appropriate monitoring of compliance activities; and
- works with management to create shareholder value.

## CORPORATE GOVERNANCE

### For the year ended 30 June 2021

GEO's Board operates under a written Board Charter which sets out the structure of the Board; the procedures for the nomination, resignation and removal of Directors; outlines the responsibilities and roles of the Chairman and Directors; and identifies procedures to ensure that the Board meets regularly, conducts its meetings in an efficient and effective manner and that each Director is fully empowered to perform his or her duties as a Director of the Company and to fully participate in meetings of the Board. A copy of the Charter is available on GEO's website.

Management of GEO is undertaken by the executive team under the leadership of the Chief Executive Officer (CEO), through a set of delegated authorities that are reviewed as necessary.

Directors have direct access to and may rely upon GEO's senior management and external advisers. Directors have the right, with the approval of the Chairman, to seek independent legal or financial advice at the expense of GEO for the proper performance of their duties.

#### *Board Composition and Appointment*

The number of elected Directors and the procedure for their retirement and re-election at Annual Shareholders' Meetings are set out in the Constitution of the Company.

The Remuneration and Nomination Committee assists the Board in reviewing the criteria for selection of Directors and making recommendations to the Board to ensure the most appropriate balance of skills, qualifications, experience and background to effectively govern GEO.

All directors are required to retire (though may be re-elected) not later than the third annual meeting following the director's appointment, or after three years, whichever is longer. Any Directors appointed since the previous annual meeting must also retire and are eligible for election.

The Board currently comprises three Directors: Independent Chairman, Roderick Snodgrass, independent non-executive Director, Shailesh Manga and non-executive Director, Roger Sharp. The CEO, Tim Molloy, is not currently a member of the Board. The biographies of the Directors and CEO are available on GEO's website.

In determining Director independence, the Board has applied the factors in establishing whether individual directors have "disqualifying relationships" as defined by the NZX Listing Rules. Having applied these factors, the Board has determined that:

- Messrs Snodgrass and Manga do not have disqualifying relationships and therefore meet the criteria to be classified as independent directors; and
- Mr Sharp has a disqualifying relationship and therefore does not meet the criteria to be classified as an independent director. His disqualifying relationship arises by virtue of the significant shareholding he and his associates hold in the Company.

The Board supports the separation of the roles of Chairman and CEO on a permanent basis, although does allow for the appointment of an Executive Chairman on a non-permanent basis if circumstances warrant.

Directors' interests disclosed in FY21 are described on page 56 of the 2021 Annual Report.

In compliance with the NZX Code, GEO provides written agreements to new Directors.

The Company encourages all Directors to undertake appropriate training and education so that they may best perform their duties. This may include attending presentations on changes in governance, legal and regulatory frameworks; attending technical and professional development courses; site visits and briefings from key executives; and attending presentations from industry experts and key advisers. In addition, updates are provided to the Board on relevant industry and company issues.

At appropriate times the Board considers individual and collective performance, together with the skill sets, training and development and succession planning required to govern the business. An evaluation of Board performance was undertaken in August 2019. A further evaluation of Board performance will be undertaken later in the 2021 calendar year.

#### *Diversity*

While GEO does not have a formal Diversity Policy, the Company recognises the value of diversity of thinking and skills. This can arise through several different characteristics including but not limited to the following: gender, ethnic background, religion, age, marital status, culture, disability, economic background, education, language and sexual orientation. Different backgrounds, communication styles, life-skills and interpersonal skills are also considered of value in building diverse teams.



## CORPORATE GOVERNANCE

### For the year ended 30 June 2021

As at 30 June 2021, 22% of the Company's employees and contractors were female. None of its officers (being the CEO and CFO and direct reports with key functional responsibility) were female. The Company currently has no female Directors, however the appointment of Ana Wight as an independent director and also chair of the company's Audit and Risk Committee effective 1 January 2022 was announced on 19 August 2021.

	2021	2020
<b>Directors</b>		
Male	3	3
Female	-	-
<b>Officers</b>		
Male	3	2
Female	-	-

#### Board Meetings and Attendance

The Board meets as often as it deems appropriate, including sessions to review the performance of the business versus plans and to consider the strategic direction of GEO and its forward-looking business plans. Video and/or phone conferences are mostly used since COVID-19 travel restrictions are in place.

The table below sets out Director attendance at Board and committee meetings during FY21.

		2021	2020
<b>Total number of meetings</b>	<b>12</b>	<b>12</b>	<b>5</b>
Roger Sharp	12	12	5
Rod Snodgrass	12	12	4
Shailesh Manga	12	10	5

### PRINCIPLE 3 – COMMITTEES

The Board should use committees where this will enhance its effectiveness in key areas, while still retaining Board responsibility.

The Board has delegated a number of its responsibilities to committees to assist in the execution of the Board's responsibilities. These committees review and analyse policies and strategies that are within their terms of reference. They examine proposals and, where appropriate, make recommendations to the full Board. Committees do not take action or make decisions on behalf of the Board unless specifically mandated by prior Board authority to do so.

The committees meet as required and have charters which are approved and reviewed by the Board. Copies of committee charters can be found on the GEO website.

Minutes of each committee meeting are forwarded to all members of the Board, who are all entitled to attend any committee meeting. Each committee is empowered to seek any information it requires from employees in pursuing its duties and to obtain independent legal or other professional advice.

The membership and performance of each committee will be evaluated as part of the Board performance evaluation later in the 2021 calendar year.

The current committees of the Board are the Audit and Risk Management Committee, and the Remuneration and Nomination Committee. From time to time, special purpose committees may be formed to review and monitor specific projects with senior management.

In the case of a takeover offer, GEO will form an Independent Takeover Committee to oversee disclosure and response and engage expert legal and financial advisors to provide advice on procedure. A formal Takeover Response Policy can be found on GEO's website.

## CORPORATE GOVERNANCE

For the year ended 30 June 2021

### *Audit and Risk Management Committee*

The Audit and Risk Management Committee provides a forum for the effective communication between the Board and external auditors, and to review and manage risk. The Committee reviews the annual and half-yearly financial statements prior to their approval by the Board, the effectiveness of internal control, risk, and management information systems, and the efficiency and effectiveness of the audit function.

The Committee must be comprised solely of Directors of GEO, have a minimum of three members, have a majority of independent Directors and have at least one Director with an accounting or financial background. The makeup of the current members of this committee complies with this recommendation.

Members as at 30 June 2021 were Rod Snodgrass (Chair), Roger Sharp and Shailesh Manga. The Committee Chair is not the Chair of the Board.

Management may attend meetings at the invitation of the Committee. The Committee routinely has committee-only time with the external auditors without management present.

### *Remuneration and Nomination Committee*

The Remuneration and Nomination Committee is responsible for:

- remuneration: overseeing management succession planning, establishing employee incentive schemes, reviewing and approving the compensation arrangements for senior management, and recommending to the full Board the compensation of Directors; and
- nominations: ensuring the Board comprises Directors who collectively satisfy the Board's skill matrix (as updated from time-to-time), who contribute actively to the development of strategy, who ensure that key personnel are in place to successfully manage the business, who contribute to the Board's and its committees' reviews of their own performance and ensure that effective induction and training programmes are in place for new and existing Directors.

Members as at 30 June 2021 were Shailesh Manga (Chair), Roger Sharp and Rod Snodgrass. A majority of members are independent Directors.

Management may attend meetings only at the invitation of the Committee.

## PRINCIPLE 4 – REPORTING AND DISCLOSURE

The Board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures.

GEO's Directors are committed to keeping investors and the market informed of all material information about the Company and its performance, in a timely manner. GEO has adopted a Continuous Disclosure Policy to ensure that material information is identified, reported, assessed and, where required, disclosed to the market in a timely manner. A copy of the Policy is available on the GEO's website.

In addition to all information required by law, GEO also seeks to provide meaningful information to ensure stakeholders and investors are well informed, including financial and non-financial information.

### *Financial Information*

Senior Management is responsible for implementing and maintaining appropriate accounting and financial reporting principles, policies, and internal controls designed to ensure compliance with accounting standards and applicable laws and regulations.

The Board's Audit and Risk Management Committee oversees the quality and integrity of external financial reporting, including the accuracy, completeness, balance and timeliness of financial statements. It reviews GEO's full and half year financial statements and makes recommendations to the Board concerning accounting policies, areas of judgement, compliance with accounting standards, stock exchange and legal requirements, and the results of the external audit.

For the financial year ended 30 June 2021, the Directors believe that proper accounting records have been kept that enable the determination of the Company's financial position with reasonable accuracy and facilitate compliance of the financial statements with the Financial Markets Conduct Act 2013. The CEO and Chief Financial Officer have confirmed in writing to the Board that GEO's external financial reports present a true and fair view in all material aspects.

GEO's full and half year financial statements are available on the Company's website.

## CORPORATE GOVERNANCE

For the year ended 30 June 2021

### *Non-financial information*

GEO sets out, reports against and discusses its strategic objectives in a variety of communications including the Chair and CEO's commentary in shareholder reports. The Company recognises that financial reporting should be balanced, clear and objective.

Further, it provides non-financial disclosure at least annually, including any consideration of material exposure to environmental, economic and social sustainability risks, as well as other key risks.

### PRINCIPLE 5 – REMUNERATION

The remuneration of Directors and executives should be transparent, fair and reasonable.

Remuneration of Directors and senior executives is a key responsibility of the Remuneration and Nomination Committee. External advice is sought as required to ensure that remuneration is benchmarked to the market for senior management, Director and Board positions. GEO's guidelines in regard to remuneration are set out in a Remuneration Policy.

### *Director Remuneration*

The total remuneration pool available for Directors has been fixed by shareholders at a current maximum of \$250,000 per annum for all non-executive Directors. The Board determines the level of remuneration paid to Directors from that pool. Directors also receive reimbursement for reasonable travelling, accommodation and other expenses incurred in the course of performing their duties.

Any proposed increases in non-executive Director fees and remuneration will be put to shareholders for approval. If independent advice is sought by the Board, it will be disclosed to shareholders as part of the approval process.

GEO shareholders have approved the payment of up to two-thirds of Directors' fees in GEO shares. Where such fees are paid in shares, a loading is applied. The fair value of shares issued during FY21 was calculated using the applicable 20-day volume weighted average price.

### *Board Role Approved Remuneration*

The fees payable to a non-executive Chairman currently amount to \$75,000 per annum, inclusive of all committee participation.

The fees payable to a non-executive Director currently amount to \$45,000 per annum, plus an incremental \$5,000 for chairing Board committees.

No additional Directors' fees are paid for membership (as opposed to chairing) of Board committees.

Details of individual Directors' remuneration are provided on pages 31-32 and 40 of the 2021 Annual Report.

### *Executive Remuneration*

In general, executive remuneration comprises a fixed base salary and an at-risk short-term incentive payable annually. The CEO and selected executives also receive a long-term incentive in the form of a share plan. At-risk short-term incentives are paid against targets agreed with executives at the commencement of the period and are based on financial measures including earnings targets and progress against objectives related to the strategic plan and other personal objectives.

Executives' remuneration and entitlements are detailed under Employees' Remuneration information on page 32 of the 2021 Annual Report and are consistent with GEO's Remuneration Policy.

### CEO Remuneration

The review and approval of the CEO's remuneration is the responsibility of the Board.

The CEO's remuneration comprises a fixed base salary including superannuation, an at-risk short-term incentive payable annually and a long-term incentive plan. At-risk short-term incentives are paid against targets agreed with the CEO and are based on financial measures including earnings targets and progress against objectives related to the strategic plan and other personal objectives.

## CORPORATE GOVERNANCE

For the year ended 30 June 2021

Remuneration received by the current and former CEO of GEO was as follows:

	2021 \$'000	2020 \$'000
<b>Timothy Molloy - appointed 10 February 2020</b>		
Salary	374	110
Superannuation	27	9
Short-term incentives (STI)	126	-
Share-based payment	38	50
	<b>565</b>	<b>169</b>
<b>Kylie O'Reilly – former CEO resigned 10 February 2020</b>		
Salary	80	322
Superannuation	4	26
Share-based payment	-	13
<b>Total</b>	<b>84</b>	<b>361</b>

The CEO, Timothy Molloy, entered an employment contract with effect from 10 February 2020 with fixed remuneration (including superannuation) of A\$330,000 plus incentives increasing to A\$380,000 with effect from 1 January 2021. The incentives comprise an annual short-term incentive (STI) and a long-term incentive plan (LTI).

The STI enables payment of up to 50% of salary, subject to meeting performance hurdles relating to profitability and meeting operational targets and is payable (at the Board's discretion) in cash and/or shares.

The LTI consists of participation in GEO's Employee Share Option Plan whereby share options to acquire ordinary shares in GEO are issued in accordance with a vesting schedule and are exercisable at a price of \$0.15 per option.

### PRINCIPLE 6 – RISK MANAGEMENT

Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The Board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks.

The Board has overall responsibility for the Company's system of risk management and internal control. The Board delegates day-to-day management of the risk to the CEO. In addition, the Audit and Risk Management Committee provides an additional and more specialised oversight of GEO's risks in addition to the oversight provided by the Board.

The Audit and Risk Management Committee's Charter details the specific responsibilities of the Committee in regard to risk assurance.

#### *Risk Identification*

The executive team is required to regularly identify the major risks affecting the business and develop structures, practices and processes to manage and monitor these risks. It reports to the Board through a series of Risk Grids which are reviewed at each Board meeting.

#### *Induction and Training*

The Company's executive team runs an onboarding process for new employees during which the code of ethics, expense and securities trading policies, inter alia, are provided and explained on the first day of employment.

#### *Insurance*

GEO maintains insurance policies that it considers adequate to meet its insurable risks.

#### *Health and Safety*

The Board recognises that effective management of health and safety is essential for the operation of a successful business, and its intent is to prevent harm and promote wellbeing for employees, contractors and customers. The Board is responsible for ensuring that the systems used to identify and manage health and safety risks are fit for purpose, being effectively implemented, regularly reviewed and continuously improved.

Health and safety procedures are in place which GEO believes are appropriate for the size and nature of its business.



## CORPORATE GOVERNANCE

### For the year ended 30 June 2021

GEO has successfully implemented a remote working program, with all employees currently operating to a normal work rhythm from their homes to address the changing work environment due to COVID-19 pandemic.

No health and safety incidents have been reported during FY21.

The Board is satisfied that major risks are reviewed through its existing risk review framework, which it continually reviews and strengthens. More details of GEO's financial risk management are available on pages 36 to 39 of the 2021 Annual Report.

#### PRINCIPLE 7 – AUDITORS

The Board should ensure the quality and independence of the external audit process.

The Board is committed to ensuring audit independence, both in fact and appearance, so that GEO's external financial reporting is viewed as being highly objective and without bias.

The Audit and Risk Management Committee reviews the quality and cost of the audit undertaken by the Company's external auditors and provides a formal channel of communication between the Board, senior management and external auditors.

An External Auditor Independence Policy has been adopted and sets out the services that may or may not be performed by the external auditor.

The Audit and Risk Management Committee approves the auditor's terms of engagement, audit partner rotation (at least every five years) and audit fee and reviews and provides feedback in respect of the annual audit plan. The Audit and Risk Management Committee periodically has time with the external auditor without management present. The Committee also assesses the auditor's independence on an annual basis.

For the financial year ended 30 June 2021, BDO Wellington Audit Limited was the statutory auditor for GEO.

All audit work at GEO is fully separated from non-audit services to ensure that appropriate independence is maintained. There were no other services provided by BDO in FY21. The amount of fees paid to BDO for audit and non-audit work to Deloitte are identified on Note 3(c) of the 2021 Annual Report.

BDO has provided the Committee with written confirmation that, in its view, it was able to operate independently during the year.

BDO Wellington Audit Limited attended the FY20 Annual Shareholders' Meeting and was available to answer questions from shareholders at that meeting.

GEO has a number of internal controls which are overseen by the Audit and Risk Management Committee and/or the Board. These include controls for information systems, cyber risk and information security, business continuity management, insurance, health and safety, conflicts of interest, and prevention and identification of fraud. The Company does not have an internal audit function.

#### PRINCIPLE 8 – SHAREHOLDER RIGHTS AND RELATIONS

The Board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer.

The Board is committed to open and regular dialogue and engagement with shareholders. GEO seeks to ensure that investors understand its activities by communicating effectively with them and giving them access to clear and balanced information.

GEO has a calendar of communications and events for shareholders, including but not limited to:

- half and full Year Results Announcements and Annual Report;
- market announcements;
- Annual Shareholders' Meeting;
- scheduled and ad hoc investor presentations to institutional investors and retail brokers;
- easy access to information through the GEO website [www.geoworkforcesolutions.com](http://www.geoworkforcesolutions.com); and
- access to management and the Board via a dedicated email address.

## CORPORATE GOVERNANCE

### For the year ended 30 June 2021

Shareholders are actively encouraged to attend the Annual Shareholders' Meeting and may raise matters for discussion at this event and may vote on major decisions that affect GEO. Voting is by poll, upholding the 'one share, one vote' philosophy.

In accordance with the Companies Act 1993, GEO's Constitution and the NZX Main Board Listing Rules, GEO refers major decisions that may change the nature of the Company to shareholders for approval.

All shareholders are given the option to elect to receive electronic communications from the Company.

In addition to shareholders, GEO has a wide range of stakeholders and maintains open channels of communication for all audiences, including brokers, the investing community, regulators, staff, customers and suppliers.

# ADDITIONAL INFORMATION

For the year ended 30 June 2021

## 1. DIRECTORS' REMUNERATION

Remuneration received by Directors of GEO was as follows:

	REMUNERATION		DIRECTOR'S FEE	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Mark Rushworth (resigned 2 August 2019)	-	-	-	3
Roger Sharp	-	-	68	70
Rod Snodgrass	-	-	60	62
Shailesh Manga	-	-	60	62
<b>Total</b>	<b>-</b>	<b>-</b>	<b>188</b>	<b>197</b>

Roger Sharp's Director's fee (and formerly as Chairman) is paid to North Ridge Partners Pty Ltd, a company of which Roger Sharp is a Director and shareholder.

During the year, consultancy fees of \$70,000 (2020: \$50,000) and CFO service fee of \$118,000 (2020: \$13,900) was paid to North Ridge Partners Pty Ltd. No other additional remuneration or benefits were paid to the directors of the Company or its subsidiaries.

## 2. DIRECTORS' SHAREHOLDINGS

Details of Director shareholdings (or the relevant associated entity in which the Director has a relevant interest) as at 30 June 2021 are set out below:

	ORDINARY SHARES HELD BY DIRECTORS AND ASSOCIATED ENTITIES	
	2021	2020
Roger Sharp	20,429,227	24,298,261
Mark Rushworth (resigned 2 August 2019)	-	816,322
Rod Snodgrass	1,145,963	523,116
Shailesh Manga	588,897	119,897

## 3. DIRECTOR SHARE DEALING

During the year to 30 June 2021, the following persons who were or are Directors (or the relevant associated entity in which the Director has a relevant interest) acquired or disposed of equity securities in GEO:

DATE	DIRECTOR	ASSOCIATED ENTITY	CLASS OF SHARE	ACQUIRED / (SOLD)
09 Dec 2020	Roger Sharp	Wentworth Financial Pty Ltd	Ordinary	605,449
09 Dec 2020	Roger Sharp	North Ridge Partners Pty Ltd	Ordinary	605,449
17 Dec 2020	Roger Sharp	Wentworth Financial Pty Ltd	Ordinary	2,307,693
17 Dec 2020	Rod Snodgrass	N/A	Ordinary	153,847
21 Dec 2020	Roger Sharp	Wentworth Financial Pty Ltd	Ordinary	(605,449)
21 Dec 2020	Roger Sharp	North Ridge Partners Pty Ltd	Ordinary	(605,449)
22 Dec 2020	Shailesh Manga	Shailesh Manga and Janine Manga as trustees of Manga Family Trust	Ordinary	469,000*
22 Dec 2020	Rod Snodgrass	N/A	Ordinary	469,000*
05 Mar 2021	Roger Sharp	Wentworth Financial Pty Ltd	Ordinary	58,377

\*Shares issued in lieu of directors' fees

## ADDITIONAL INFORMATION

For the year ended 30 June 2021

### 4. INSURANCE AND INDEMNITIES

In accordance with Section 162 of the Companies Act 1993 and GEO's constitution, GEO indemnifies and insures directors and officers against liability to other parties that may arise from their position. Details are recorded in the interests register as required by the Companies Act 1993.

### 5. USE OF COMPANY INFORMATION

The Board received no notices during the year from directors requesting to use the Company or Group information received in their capacity as directors which would not have been otherwise available to them.

### 6. EMPLOYEE REMUNERATION

During the year to 30 June 2021, employees, excluding executive directors, within the Group received remuneration and benefits which exceeded \$100,000 as follows:

The table includes base salary, short-term incentives and contributions paid to superannuation fund. The table does not include accrued benefits and annual short-term incentive (STI) and a long-term incentive plan (LTI).

	NUMBER OF EMPLOYEES	
	2021	2020
\$100,000 – \$110,000	3	1
\$110,001 – \$120,000	1	2
\$120,001 – \$130,000	-	-
\$130,001 – \$140,000	2	2
\$140,001 – \$150,000	2	2
\$150,001 – \$160,000	1	1
\$160,001 – \$170,000	-	1
\$170,001 – \$180,000	-	1
\$180,001 – \$190,000	-	1
\$190,001 – \$200,000	-	-
\$200,001 – \$210,000	1	-
\$360,001 – \$370,000	-	1
\$370,001 – \$380,000	1	-
<b>Total</b>	<b>11</b>	<b>12</b>

### 7. DONATIONS

No donations were made by GEO during the year ended 30 June 2021 (2020: \$Nil)

GEO facilitates an employee support scheme, GeoAssist, which collects donations periodically from employees for redistribution to employees' families in need.

## ADDITIONAL INFORMATION

For the year ended 30 June 2021

### 8. SUBSIDIARIES

At 30 June 2021, GEO has the following wholly owned subsidiary companies with the following Directors:

ENTITY	DIRECTORS
Geo Workforce Solutions Pty Ltd (Formerly Geo.Tools Pty Ltd)	Timothy Molloy
GeoOp Trustee Limited	Roger Sharp
InterfacelT Pty Ltd	Timothy Molloy
Geo for Sales Pty Ltd (Formerly InterfacelT Operations Pty Ltd)	Timothy Molloy

### 9. INTEREST REGISTER

Directors have given notices disclosing interests pursuant to section 140(1) of the Companies Act 1993. Changes to interests notified and recorded in GEO's Interests Register during the financial year ended 30 June 2021 are set out below:

DIRECTOR	DATE OF DISCLOSURE	NATURE OF DISCLOSURE
Roger Sharp	18 February 2021	Iress Limited - Chair
Rod Snodgrass	29 September 2020	Forsyth Barr Limited – Director/ Shareholder
	29 September 2020	Willamswarn Limited – Director/ Shareholder
	29 September 2020	Vital Communications Ltd - Director
	29 September 2020	iLabb Limited – Director/ Shareholder
	28 April 2021	SuperGenerous – Director/ Shareholder
	04 May 2021	Eqalis – Director/ Shareholder

### 10. SUBSTANTIAL PRODUCT HOLDER

According to disclosed substantial product holder notices, the substantial product holders in GEO as at 30 June 2021 were as follows:

SUBSTANTIAL PRODUCT HOLDER	DATE OF DISCLOSURE	NUMBER OF ORDINARY SHARES	PERCENTAGE OF ORDINARY SHARES ON ISSUE
Roger Sharp (through relevant interests in North Ridge Partners Pty Limited, Wentworth Financial Pty Ltd and various investment management agreements)	1 March 2021	20,429,227	17.97%
Forsyth Barr Custodians (through Trustees of Lindsay Investment Trust)	24 October 2019	6,849,121	8.39%

The above table is required to describe the substantial product holders as at 30 June 2021 based on disclosures received by GEO and NZX as at that date and reflects the percentage ownership at the time of those disclosures.



## ADDITIONAL INFORMATION

For the year ended 30 June 2021

### 11. TWENTY LARGEST EQUITY SECURITY HOLDERS

The names of the 20 largest holders of ordinary issued shares as at 27 September 2021 are listed below.

	TOTAL UNITS	% OF ISSUED CAPITAL
Wentworth Financial Pty Ltd	11,573,047	10.18
New Zealand Depository Nominee	7,112,603	6.26
Forsyth Barr Custodians	6,273,919	5.52
VBS Investments Pty Limited	6,040,747	5.31
Hirvi Limited	4,300,000	3.78
JKM Family Investments Pty	4,068,714	3.58
FNZ Custodians Limited	3,974,277	3.50
Hobson Wealth Custodian	3,323,476	2.92
Blair Richard Watson Tallott	3,150,000	2.77
Allan Michael Nobilo	2,794,050	2.46
Carnethy Investments Pty	2,542,446	2.24
Jarden Securities Limited	2,127,152	1.87
New Zealand Central Securities	1,908,598	1.68
Philip Hadfield Hardie Boys	1,818,462	1.60
Custodial Services Limited	1,692,310	1.49
Adam Dixon & Louise Metcalfe	1,615,385	1.42
Sandhurst Trustees Ltd	1,615,385	1.42
Kirsten Jillian Roberts	1,500,000	1.32
North Ridge Partners Pty Ltd <Co Investor No3 Pipe Fund A/C>	1,452,581	1.28
Leveraged Equities Finance	1,393,593	1.23
<b>Total</b>	<b>70,276,745</b>	<b>61.83</b>

### 12. SPREAD OF SECURITY HOLDERS

The spread of security holders of ordinary issued shares as at 27 September 2021 are listed below.

	SHAREHOLDERS		ISSUED CAPITAL	
	NUMBERS	%	NUMBER	%
1 – 1,000	14	1.86	6,176	0.01
1,001 – 5,000	257	34.08	891,127	0.78
5,001 – 10,000	121	16.05	945,074	0.83
10,001 – 50,000	205	27.19	5,180,837	4.56
50,001 – 100,000	38	5.04	2,804,826	2.47
100,001 and above	119	15.78	103,848,453	91.35
<b>Total</b>	<b>754</b>	<b>100.00</b>	<b>113,676,493</b>	<b>100.00</b>

# CORPORATE DIRECTORY

## Geo Limited Registered Office

Bell Gully  
Level 21, ANZ Centre 171 Featherston Street  
Wellington 6011  
New Zealand  
Website: [www.geoworkforcesolutions.com](http://www.geoworkforcesolutions.com)

## Directors

Rod Snodgrass  
Shailesh Manga  
Roger Sharp

## Registry

Link Market Services Limited  
PO Box 91976  
Auckland 1142  
New Zealand  
Telephone: +64 9 375 5998  
Fax: +64 9 375 5990

## Legal Advisors

Bell Gully  
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171 Featherston Street  
PO Box 1291  
Wellington 6140  
New Zealand

## Auditors

BDO Wellington Limited  
Level 4, Chartered Accountants House  
50 Customhouse Quay  
PO Box 10-340  
Wellington, 6143  
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Geo

[geoworkforcesolutions.com](http://geoworkforcesolutions.com)