NZX and Media Release

29th August 2023

UNAUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2023

GEO Reports Return to Record Customer Acquisitions and Reduced Churn Following Successful Platform Rebuild

Cost-out programme delivers material reduction in cash burn after year end.

Geo Limited (NZX.GEO) today announces its unaudited financial results for the year ended 30 June 2023 financial year.

Financial & Operational Highlights for the Year Ended 30 June 2023[1]:

- **Revenues:** \$3.50m down 0.2% on PCP[2]. Implementation of new billing system led to one-off decrease in monthly revenue recognition, revenue up 1.5% on a like-for-like basis.
- **Expenses:** \$9.56m up 45.1% on PCP reflecting increased tech and product spend related to 18-month tech platform investment programme. Conclusion of the programme allowed for material cost reductions in August 2023, returning cost base to prior levels.
- **EBITDA:** \$(4.81)m +139.6% on PCP.
- **Balance sheet:** In March 2023 the Company raised \$3.74m with \$1.24m from a pro rata rights issue and \$2.5m via a loan from Pioneer Capital.
- **Outlook:** GEO has entered FY24 with confidence. Guidance provided in March 2023 for the period to 31 December 2023 for monthly cash burn run rate remains at ~\$110k, with year-end MRR now estimated at ~\$360k. These targets are underpinned by:
  - **Increasing revenues:** price increases rolled out in Q3FY23, increased sales velocity delivered in Q4FY24, new revenue-generating product features rolled out and higher customer retention due to product improvements; and
  - **Reducing costs** - material reductions in headcount and cash salary cuts were implemented after balance date.

[1] All figures are for the year ended 30 June 2023 unless otherwise stated
[2] Prior Corresponding Period

Financial Year Summary

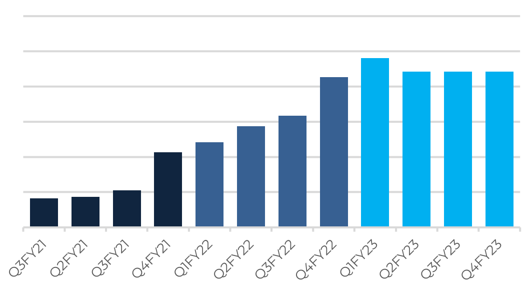
RESULTS FOR THE YEAR ENDED	UNAUDITED 30 JUN 2023 $'000	AUDITED 30 JUN 2022 $'000	VARIANCE $'000	VARIANCE %
Revenues from continuing operations				
Recurring subscription revenue	3,072	3,113	(41)	(1.3%)
Other revenues (incl. grants)	429	395	34	7.9%
Total revenues excl. discontinued operations	**3,501**	**3,508**	**(7)**	**(0.2%)**
Annual Recurring Revenue – at 30 June 2023	3,265	3,332	(67)	(0.2%)
Earnings				
Statutory net (loss) after tax	(6,124)	(3,180)	(2,852)	(89.7%)
EBITDA	(4,813)	(2,009)	(2,712)	(135.1%)
Operating & Investing Cash Flows[1]				
Operating cash flows	(4,368)	(1,648)	(2,720)	(165.1%)
Investing cash flows (excl. flows to/from term deposits)	(1,273)	(1,091)	(182)	(16.7%)
Total Operating & Investing Cash Flows	**(5,641)**	**(2,739)**	**(2,902)**	**(106.0%)**

[1] Adjusts Investing cash flows for cash transfers to/from term deposit.

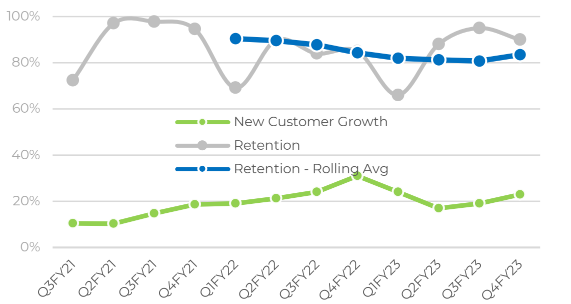
Revenues and Customer Activity

New Customer Activity - Quarterly Trend Summary (Q1FY20 – Q4FY23)

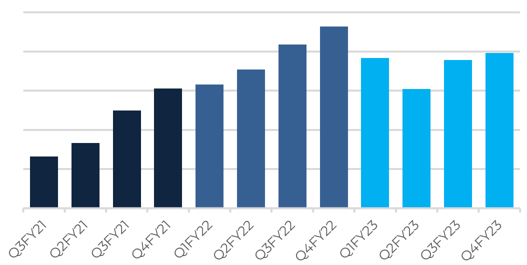
MARKETING SPEND



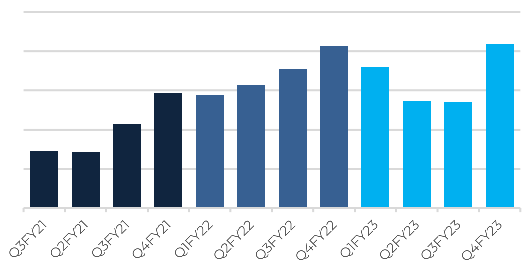
ANNUALISED NEW CUSTOMER GROWTH RATE / RETENTION



NEW CUSTOMERS



NEW LICENCES



New Customer Activity

Following substantial platform investment, Q4FY23 new licence sales set a four-year high, with a 17% increase in average customer size over PCP driving this growth. GEO continues to see the average licence per new customer increasing in Q1FY24.

Customer Retention

Annualised retention dipped below target in Q1FY23 primarily due to churn of one large legacy health customer and who now requires specialist health sector features. Customer retention reverted to target levels in Q2-Q4, averaging 91% annualised levels.

Revenues

Subscription revenues declined 1.3% against PCP at $3.1 million, although this was partly impacted by GEO rolling out a new billing system (and daily revenue recognition approach) in July 2022 that led to a one-off reduction in July monthly revenue. Adjusting for this factor, underlying subscription revenue growth would have been +1.5%. Closing ARR for the period was in line with PCP.

GEO targets MRR to be $358k (up 36% on PCP) at December 2023, as a result of price increases, increased sales velocity delivered in Q4FY23 and new revenue-generating product features rolled out in early FY24.

EBITDA and Net Profit

The Company's EBITDA loss increased from $2.01 million to $4.81 million, primarily due to expanded Product & Engineering resourcing to rapidly drive the launch of the new product platform through FY23. After balance date and following the release of the new platform, material reductions in headcount and cash salary cuts were implemented.

Customer acquisition / marketing spend increased by 42% on PCP. This included investment in the new technology marketing stack and the new GEO website. Total marketing costs will therefore also reduce in FY24 as marketing efforts are focused on direct customer acquisition only.

Statutory net loss after tax increased by 92% to $(6.1) million.

GEO maintains its target of a net cash burn of $110k (down 34.9% on PCP) as at 31 December 2023, as a result of revenue initiatives outlined above and the major cost reductions enabled by the conclusion of the GeoOp re-platform investment programme.

Cash

Adjusted operating and investing cash burn increased by $2.9 million versus PCP to $5.6 million, broadly in line with EBITDA.

The Company ended the period with net cash & equivalents of $0.9 million, down $1.9 million from 30 June 2022. GEO had undrawn funding available under the Pioneer facility of $1.0 million at 30 June 2023. The Company notes that it incurred a technical breach of a Pioneer funding facility covenant by not drawing down on it prior to 30 June 2023, resulting in the facility having to be classified as a current liability. Pioneer waived the technical breach on 21 July 2023. The Company expects the facility to be reported as a Non-Current Liability in future.

CEO Commentary FY23

Tim Molloy said:

"In FY23, we enhanced GeoOp's capabilities, requiring a significant additional investment across both front and back-end capabilities. This has now revitalised our GeoOp platform and allowed for rollout of new revenue generating features. We also initiated market entry in the UK and pleasingly delivered record Q4FY23 new customer acquisition results with a strong contribution from the UK.

"We've diversified our revenue streams with SMS, and payment solutions launched from Q3FY23. While it remains very early in the rollout and revenue contribution of these new features, we are targeting long term that these can provide ~15% of overall revenues.

"Despite challenging SaaS equity market conditions, we secured $3.7M in funding in Q3FY23.

"Following the completion of major platform improvements and acknowledging external economic uncertainty, we've rapidly reduced our cost base post balance date. This positions GEO to meet operating cash targets previously set out for end of CY23.

"I would like to thank the GEO team for their dedication, hard work and focus as we continue to advance your company."

For more information:
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ABOUT GEO

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

Results announcement

Geo

Results for announcement to the market		
Name of issuer	Geo Limited	
Reporting Period	12 months to 30 June 2023	
Previous Reporting Period	12 months to 30 June 2022	
Currency	NZD	
	Amount (000s)	**Percentage change**
Revenue from contracts with customers	$3,072	-1.3%
Total Revenue	$3,501	-0.2%
Net profit/(loss) from continued operations	($6,124)	-92.6%
Total net profit/(loss) attributed to security holders	($5,792)	-57.6%
Interim/Final Dividend		
Amount per Quoted Equity Security	No dividends paid or proposed	
Imputed amount per Quoted Equity Security	Not Applicable	
Record Date	Not Applicable	
Dividend Payment Date	Not Applicable	
	Current period	**Prior comparable period**
Net tangible assets per Quoted Equity Security	($0.0073)	$0.013
A brief explanation of any of the figures above necessary to enable the figures to be understood	Please refer to accompanying results announcement	
Authority for this announcement		
Name of person authorised to make this announcement	Tim Molloy	
Contact person for this announcement	Tim Molloy	
Contact phone number	+61 411 592 180	
Contact email address	tim.molloy@geoop.com	
Date of release through MAP	29th August 2023	

Unaudited financial statements accompany this announcement.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2023

STATED IN NEW ZEALAND DOLLARS	Unaudited 2023 $'000	Audited 2022 $'000
Revenue and other income from Continuing operations		
Revenue from contracts with customers	3,072	3,113
Other income	429	395
Total revenue and other income	**3,501**	**3,508**
Expenses		
Research and development	(1,906)	(1,228)
Sales and marketing	(2,805)	(2,122)
Other expenses	(3,603)	(2,166)
Depreciation and amortisation	(1,246)	(1,072)
Total expenses	**(9,560)**	**(6,588)**
Finance expense	(65)	(100)
(Loss) from operations before tax	**(6,124)**	**(3,180)**
Income tax benefit	-	-
Net (loss) for the year	**(6,124)**	**(3,180)**
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Gain/(loss) on translation of foreign operations	332	(496)
Total comprehensive income for the year, net of tax attributable to shareholders	**(5,792)**	**(3,676)**
Earnings per share attributable to the ordinary equity holders:		
Profit or (loss)		
Basic (loss) per share (cents)	(3.22)	(2.13)
Diluted (loss) per share (cents)	(3.22)	(2.13)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023

STATED IN NEW ZEALAND DOLLARS	SHARE CAPITAL $'000	SHARE BASED PAYMENT RESERVE $'000	FOREIGN CURRENCY TRANSLATION RESERVE $'000	WARRANTS $'000	RELATED PARTY LOANS – CONVERTIBLE NOTE $'000	ACCUMULATED (LOSSES) $'000	TOTAL EQUITY $'000
Balance at 1 July 2021	34,809	293	292	-	236	(34,812)	818
(Loss) for the year	-	-	-	-	-	(3,180)	(3,180)
(Loss) on translation of foreign operations	-	-	(496)	-	-	-	(496)
Total comprehensive income	-	-	(496)	-	-	(3,180)	(3,676)
Transactions with Owners in their capacity as owners							
Issue of shares	6,861	(224)	-	-	-	-	6,637
Share based payment	-	435	-	-	-	-	435
Balance at 30 June 2022 *(audited)*	**41,670**	**504**	**(204)**	**-**	**236**	**(37,992)**	**4,214**
(Loss) for the year	-	-	-	-	-	(6,124)	(6,124)
Gain on translation of foreign operations	-	-	332	-	-	-	332
Total Comprehensive Income	**-**	**-**	**332**	**-**	**-**	**(6,124)**	**(5,792)**
Transactions with Owners in their capacity as owners							
Issue of shares	2,062	(119)	-	-	-	-	1,943
Issue of shareholder warrants	-	-		127			127
Exercise of shareholder warrants	0	-	-	-	-	-	0
Convertible Notes	236	-	-	-	(236)	-	-
Share-based payment	-	337	-	-	-	-	337
Balance at 30 June 2023 *(unaudited)*	**43,968**	**722**	**128**	**127**	**-**	**(44,116)**	**829**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

STATED IN NEW ZEALAND DOLLARS	Unaudited 2023 $'000	Audited 2022 $'000
Current assets		
Cash and cash equivalents	909	2,786
Term investments	10	1,260
Trade and other receivables	840	635
Total current assets	1,759	4,681
Non-current assets		
Property, plant & equipment	126	136
Intangible assets	2,441	2,244
Other assets	41	52
Total non-current assets	2,608	2,432
Total assets	4,367	7,113
Current liabilities		
Trade and other payables	1,023	855
Loan – Pioneer facility*	1,545	-
Contract liabilities and other deferred income	756	637
Related party loans – convertible note	-	1,264
Pioneer warrants outstanding	92	-
Lease liabilities	66	120
Total current liabilities	3,482	2,876
Non-current liability		
Liability for long service leave	29	23
Lease liabilities	27	-
Total non-current liabilities	56	23
Total liabilities	3,538	2,899
Net assets	829	4,214
Equity		
Share capital	43,968	41,670
Share-based payments reserve	722	504
Shareholder Warrant Reserve	127	-
Related party loans – convertible note	-	236
Accumulated losses	(44,116)	(37,992)
Foreign currency translation reserve	128	(204)
Total equity	829	4,214

*The Company incurred a technical breach of a Pioneer funding facility covenant by not drawing down on the facility prior to 30 June 2023, resulting in the loan being classified as a current liability. Pioneer waived the technical breach on 21 July 2023. The Company expects the facility to be reported as a Non-Current Liability in future.

Geo

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2023

STATED IN NEW ZEALAND DOLLARS	Unaudited 2023 $'000	Audited 2022 $'000
Cash flows from operating activities		
Cash was provided from (applied to):		
Receipts from customers	3,084	3,086
Grants received	315	316
Interest received	27	6
Payments to suppliers & employees	(7,699)	(4,916)
Payment of contract acquisition costs	(109)	(140)
Net cash (outflow) from operating activities	**(4,383)**	**(1,648)**
Cash flows from investing activities		
Cash was provided from (applied to):		
Bonds matured/(purchased)	-	(1)
Cash matured/(put) on term deposit	1,261	(1,260)
Purchase of property, plant and equipment	(22)	(29)
Capitalised development costs – application software	(1,167)	(1,061)
Capitalised trademark costs and other intangibles	(69)	-
Sale of discontinued operations	-	-
Net cash (outflow) from investing activities	**3**	**(2,351)**
Cash flows from financing activities		
Cash was provided from (applied to):		
Loan	1,545	-
Related party loans repaid	(250)	-
Related party loans interest paid	(62)	(90)
Capital raising costs	(160)	(384)
Principal paid on lease liabilities	(118)	(120)
Interest paid on lease liabilities	(3)	(10)
Issue of ordinary shares	1,216	7,021
Net cash inflow from financing activities	**2,168**	**6,417**
Net increase in cash and cash equivalents	**(2,212)**	**2,418**
Cash and cash equivalents at start of the period	2,786	927
Exchange (losses)/gains on cash and cash equivalents	335	(559)
Balance at end of the year	**909**	**2,786**

BASIS OF PREPARATION

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

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

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

KEY ACCOUNTING POLICIES AND CHANGES

Going Concern

The unaudited interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, the interim financial statements should be read in conjunction with the Group's Annual Report for the year ended 30 June 2023.

The same accounting policies and methods of computation are followed in these interim financial statements as were applied in the preparation of the Group's financial statements for the year ended 30 June 2023 unless otherwise stated. Accounting policies are selected and applied in a manner that ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

a) 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 $6,124,000 for the year ended 30 June 2023 (loss of $3,180,000 for the year ended 30 June 2022).

The net cash outflow from operations and investing activities (excluding cash invested on term deposit) for the year ended 30 June 2023 was $5,641,000 (net cash outflow of $2,739,000 for the year ended 30 June 2022).

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 $398,000 in Australian government research and development grants by October 2023;
- the Group has issued warrants which will enable shareholders to exercise in future. The Group anticipates it may raise further capital from warrants issued to existing shareholders, 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 the current cashflow run rate, the Group has sufficient cash to fund its operations through FY24 and remain compliant with agreed loan covenants. As a result of new revenue opportunities, the Group may not have to raise additional capital to continue operations for at least 12 months from the date of signing these financial statements.

Directors note that while the Group's revenues from its core Geo product have remained relatively stable despite macroeconomic uncertainty, there remain uncertainties in meeting the forecasted financial performance. If growth beyond June 2024 is below forecast, the Group may not be able to meet loan covenants with respect to minimum revenue in FY25.

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 if necessary.

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.

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 except for change in revenue recognition method compared to last year.

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2023 reporting period 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.