NZX AND MEDIA RELEASE 1 March 2023

RESULTS FOR THE SIX MONTHS TO 31 DECEMBER 2022

SOFT Q2 – SUBSEQUENT RECOVERY & CONFIDENT OUTLOOK

GEO (NZX.GEO) today announces its financial results for the first half of the 2023 financial year.

Financial & Operational Highlights for the Six Months to 31 December 2022[1]:

- **Revenues:** $1.63m down 3.3% on PCP[2] due to soft Q2.
- **Expenses:** $4.99m up 57% on PCP reflecting increased tech and product spend and completion of 18-month investment program (tech costs now trending down).
- **EBITDA:** $2.74m loss +180% on PCP.
- **Platform:** Funds raised in 2021 have been used to re-engineer every customer touchpoint, enabling GEO to focus on a single, scalable platform driving faster revenue growth with reduced churn.
- **Revenue drivers:** Before platform upgrades, new customer additions were the sole revenue lever - today GEO has three levers to drive growth:
    1. new customer sales;
    2. product price increases; and
    3. new revenue-generating product features.
- **New revenue features:** Automated SMS notifications and payment platform are being rolled out between now and 30 June. These are GEO's first incremental revenue streams outside of base subscriptions and are features with strong market validation and existing customer usage.
- **Balance sheet:** GEO previously guided $3.5m in incremental capital needed to break even. Subject to no material change to market conditions this outlook remains unchanged, with capital raising at an advanced stage:
    1. after extensive diligence, Pioneer Capital will provide a $2.5m high-yield debt facility conditional upon equity issue below.
    2. $1m+ pro rata equity issue to follow.
- **Outlook:** The Board has strong confidence in the outlook with a significant component of CY23 growth already locked in (initial product price increases rolled out and new incremental product feature revenues). Calendar year end expectations of $385k minimum MRR (representing >40% MRR Growth), cash burn run rate $110k and year-end cash balance ~$1.2m.
- **Post balance date:** MRR up 7% since 31 December 2022 as new platform allowed for progressive pricing increases.

[1] All figures are for the six months ended 31 December 2022 unless otherwise stated
[2] Prior Corresponding Period

Financial Result Summary

RESULTS FOR THE SIX MONTHS ENDED	UNAUDITED 31 DEC 2022 $'000	UNAUDITED 31 DEC 2021 $'000	VARIANCE $'000	VARIANCE %
Revenues from continuing operations				
Recurring subscription revenue	1,485	1,543	(58)	(3.8%)
Training & implementation fees	-	2	(2)	(100%)
Other revenues (incl. grants)	148	143	5	3.5%
Total revenues excl. discontinued operations	**1,633**	**1,688**	**(55)**	**(3.3%)**
Annual Recurring Revenue – at 31 Dec	**3,157**	**3,147**	10	**0.3%**
Earnings				
Statutory net (loss) after tax	(3,377)	(1,544)	(1,833)	(118.7%)
EBITDA	(2,736)	(980)	(1,756)	(179.2%)
Adjusted Operational Cash Flows[1]				
Operating cash flows	(1,687)	(786) *	(901)	114.6%
Investing cash flows (excl. flows to/from term deposits)	(713)	(522) *	1,069	36.6%
Total Operating & Investing Cash Flows	**(2,400)**	**(1,308)**	**(1,092)**	**83.5%**

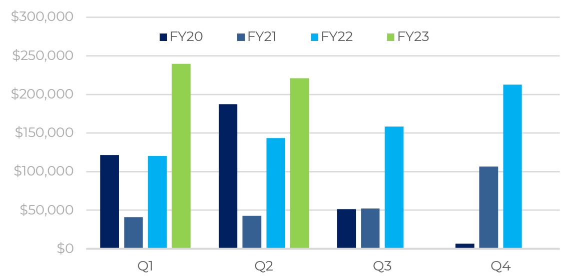
** Comparative figures have been updated to conform to changes in presentation in the current year.*

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

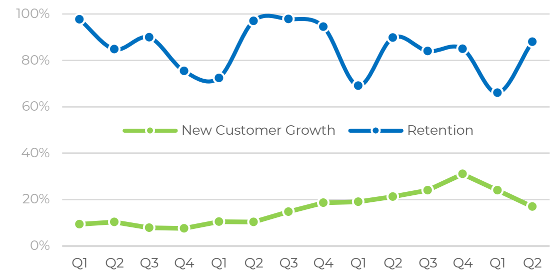
Revenues and Customer Activity

New Customer Activity - Quarterly Trend Summary (Q1FY20 – Q2FY23)

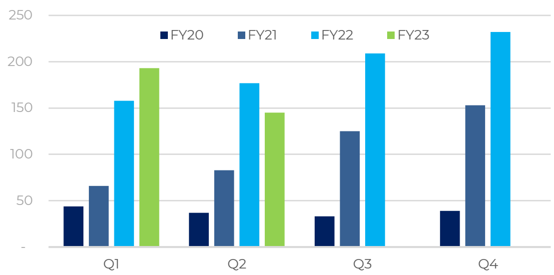
MARKETING SPEND



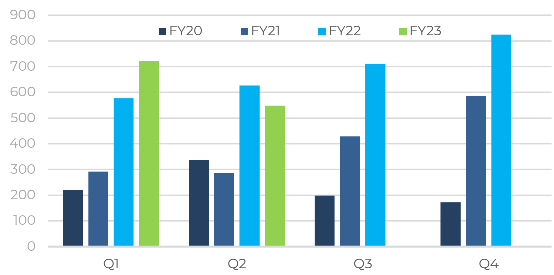
ANNUALISED NEW CUSTOMER GROWTH RATE / RETENTION



NEW CUSTOMERS



NEW LICENCES



New Customer Activity

FY23 commenced strongly with 25% increase in Q1 new licence sales vs PCP, before a slowdown in Q2 saw annualised new customer licence growth drop to 17% (down 12% on PCP). This proved to be a short-term lull with early trading in Q3 (Jan, Feb) rebounding and currently showing an 18% improvement over PCP.

Customer Retention

Annualised retention dipped in Q1 partly due to churn of one large legacy health customer who required specific new health system integrations. This is not a focus industry segment for GEO and product development work is carefully focused on our priority industry segments. Customer retention reverted to target levels in Q2 following the release of new features, which have received positive feedback across the customer base.

Revenues

Subscription revenues declined 3.8% against PCP at $1.5 million, while closing ARR for the period was in line with PCP.

Total revenues declined 3.3% ($0.1 million) versus PCP.

EBITDA and Net Profit

The Company's EBITDA loss from continuing operations increased by 180% from $(1.0) million to $(2.7) million, primarily due to the investment in expanding Product & Engineering resourcing to rapidly drive the launch of the new product platform. Costs will be managed and moderated as new features come to market.

Customer acquisition / marketing spend increased by 51% on PCP. This included investment in the new technology marketing stack and the new GEO website, which are now substantially complete. Total marketing costs will reduce as future costs will now substantially be directed at customer acquisition only.

Statutory net loss after tax increased by 119% to $(3.4) million.

Cash

Adjusted operating and investing cash burn increased by $1.1 million versus PCP to $(2.4) million, broadly in line with EBITDA.

The Company ended the period with net cash & equivalents of $1.2 million, down $2.8 million from 30 June 2022.

CEO Review of Period

GEO CEO Tim Molloy said:

"This financial result reflects the significantly increased investment we committed to which has transformed every customer touchpoint with GEO – new combined Android & Apple app, new web consoles, a modern interface design and new customer-facing websites. The underlying technology infrastructure of the platform has also been upgraded.

"At the same time, the slowdown in new customer sales in Q2 and the resulting financial result is clearly disappointing. We understand the need to deliver rapidly improved bottom line results from this investment phase.

"I'm pleased to report that our new product and tech is already delivering increasing revenues and an improved customer experience in CY23. Having made the investment, we now need to deliver the results and, over the next few months, we will reduce our cash burn through a combination of revenue growth and lower expenses."

Chairman Comments

Chairman Rod Snodgrass said,

"We are watching the impact of the new platform and features closely. This year our job is to lock in significant revenue increases and reduce costs to keep the faith with our shareholders who have waited a long time for GEO to reach its potential. We accept that the company has paused to invest and now look forward with confidence given the huge amount of heavy lifting that is now behind us.

"The guidance we have provided on revenue growth and cash burn is not given lightly."

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	6 months to 31 December 2022	
Previous Reporting Period	6 months to 31 December 2021	
Currency	NZD	
	Amount (000s)	**Percentage change**
Revenue from contracts with customers	$1,485	-3.8%
Total Revenue	$1,633	-3.3%
Net profit/(loss) from continued operations	($3,377)	-118.7%
Total net profit/(loss) attributed to security holders	($2,769)	-89.9%
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	$0.0013	$0.024
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	1 March 2023	

Unaudited financial statements accompany this announcement.

Consolidated interim statement of profit or loss and other comprehensive income

For the six months ended 31 December 2022

(Stated in New Zealand Dollars)	Note	6 months Unaudited 31 Dec 2022 $'000	6 months Unaudited 31 Dec 2021 $'000
Revenue and other income from continuing operations			
Revenue from contracts with customers	3(a)	1,485	1,545
Other income	3(b)	148	143
Total Revenue and Other income		**1,633**	**1,688**
Expenses			
Research and development		(898)	(519)
Sales and marketing		(1,348)	(891)
General operating and administration		(2,123)	(1,255)
Depreciation and amortisation		(625)	(514)
Total Expenses	**3(c)**	**(4,994)**	**(3,179)**
Finance expense	3(d)	(16)	(50)
(Loss) from operations before tax		**(3,377)**	**(1,541)**
Income tax benefit		-	-
Net (loss) from continuing operations for the period		**(3,377)**	**(1,541)**
Profit/(loss) on discontinued operations		-	(3)
Net (loss)		**(3,377)**	**(1,544)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Gain on translation of foreign operations		608	86
Total comprehensive (loss) for the period, net of tax attributable to shareholders		**(2,769)**	**(1,458)**

Earnings per share attributable to the ordinary equity holders:		
Profit or loss		
Basic (loss) per share (cents)	(1.88)	(1.18) *
Diluted (loss) per share (cents)	(1.88)	(1.19) *
Profit or loss from continuing operations		
Basic (loss) per share (cents)	(1.88)	(1.18) *
Diluted (loss) per share (cents)	(1.88)	(1.19) *

** Comparative figures have been updated to correct error in prior period. Refer note 11.*

The above consolidated interim statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated interim statement of changes in equity

For the six months ended 31 December 2022

Unaudited (Stated in New Zealand Dollars)	Note	Share Capital $'000	Share Based Payments Reserve $'000	Foreign Currency Translation Reserve $'000	Related Party Loans – Equity Instrument $'000	Accumulated Losses $'000	Total Equity $'000
Balance at 1 July 2021		**34,809**	**293**	**292**	**236**	**(34,812)**	**818**
(Loss) for the period		-	-	-	-	(1,544)	(1,544)
Gain on translation of foreign operations		-	-	86		-	86
Total Comprehensive Income		**-**	**-**	**86**	**-**	**(1,544)**	**(1,458)**
Transactions with Owners in their capacity as owners							
Issue of shares		6,829	(191)	-	-	-	6,638
Share based payment		-	193	-	-	-	193
Balance at 31 December 2021		**41,638**	**295**	**378**	**236**	**(36,356)**	**6,191**
Balance at 1 July 2022		**41,670**	**504**	**(204)**	**236**	**(37,992)**	**4,214**
(Loss) for the period		-	-	-	-	(3,377)	(3,377)
Gain on translation of foreign operations		-	-	608	-	-	608
Total Comprehensive Income		**-**	**-**	**608**	**-**	**(3,377)**	**(2,769)**
Transactions with Owners in their capacity as owners							
Issue of shares	8	1,369	(119)	-	-	-	1,250
Convertible Note		-	-	-	(236)	-	(236)
Share based payment	9(b)	-	172	-	-	-	172
Balance at 31 December 2022		**43,039**	**557**	**404**	**-**	**(41,369)**	**2,631**

The above consolidated interim statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated interim statement of financial position

As at 31 December 2022

(Stated in New Zealand Dollars)	Note	Unaudited 31 Dec 2022 $'000	Audited 30 June 2022 $'000
Current assets			
Cash and cash equivalents	4	1,251	2,786
Term Investment	5	-	1,260
Trade and other receivables		453	635
Total current assets		**1,704**	**4,681**
Non-current assets			
Property, plant & equipment	6	84	136
Intangible assets	7	2,391	2,244
Other assets		51	52
Total non-current assets		**2,526**	**2,432**
Total assets		**4,230**	**7,113**
Current liabilities			
Trade and other payables		889	855
Contract liabilities and other deferred income		629	637
Related party loans – convertible notes		-	1,264
Lease liabilities		53	120
Total current liabilities		**1,571**	**2,876**
Non-current liability			
Liability for long service leave		28	23
Total non-current liability		**28**	**23**
Total liabilities		**1,599**	**2,899**
Net assets		**2,631**	**4,214**
Equity			
Share capital	8	43,039	41,670
Share based payments reserve	9	557	504
Related party loans – convertible note		-	236
Accumulated losses		(41,369)	(37,992)
Foreign currency translation reserve		404	(204)
Total equity		**2,631**	**4,214**

The above consolidated interim statement of financial position should be read in conjunction with the accompanying notes.

Geo

Consolidated interim statement of cash flows

For the six months ended 31 December 2022

(Stated in New Zealand Dollars)		6 months Unaudited 31 Dec 2022 $'000	6 months Unaudited 31 Dec 2021 $'000
Cash flows from operating activities			
Cash was provided from (applied to):			
Receipts from customers		1,469	1,581
Grants received		318	311
Interest received		13	4
Payments to suppliers & employees		(3,431)	(2,626)
Payment of contract acquisition costs	7	(56)	(56) *
Net cash (outflow) from operating activities		**(1,687)**	**(786)**
Cash flows from investing activities			
Cash was provided from (applied to):			
Term Deposit matured		1,260	-
Purchase of property, plant and equipment	6	(17)	(10)
Capitalised development costs – application software	7	(633)	(512)
Capitalised trademark costs and other intangibles	7	(63)	-
Net cash inflow/ (outflow) from investing activities		**547**	**(522)**
Cash flows from financing activities			
Cash was provided from (applied to):			
Related party loans paid		(250)	-
Related party loans interest paid		(14)	(45)
Principal paid on lease liabilities		(67)	(58)
Interest paid on lease liabilities		(2)	(5)
Capital raising costs	8	-	(384)
Issue of ordinary shares	8	-	7,022
Net cash (outflow)/ inflow from financing activities		**(333)**	**6,530**
Net (decrease)/ increase in cash held		(1,473)	5,222
Cash and cash equivalents at start of the period		2,786	927
Exchange (loss)/gains on cash and cash equivalent		(62)	86
Balance at end of the period		**1,251**	**6,235**
Comprised of:			
Cash and cash equivalents	4	**1,251**	**6,235**

** Comparative figures have been updated to conform to changes in presentation in the current year.*

The above consolidated interim statement of cash flows should be read in conjunction with the accompanying notes

Notes to the consolidated interim financial statements

For the six months ended 31 December 2022

1. BASIS OF PREPARATION

These unaudited interim financial statements of Geo Limited (the "Company") and its subsidiaries ("Geo" or "the Group") included in the Preliminary announcement have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and comply with New Zealand Equivalent to International Accounting standard 34: *Interim Financial Reporting*.

The company is registered under the New Zealand Companies Act 1993 and listed on the New Zealand Stock Exchange (NZX: GEO) and is required to be treated as an FMC Reporting Entity under the Financial Market Conducts Act 2013 and Financial Reporting Act 2013.

The financial statements are presented in thousands of New Zealand dollars and are unaudited.

Theses consolidated interim financial statements were approved by the Board of Directors on 28 February 2023.

2. ACCOUNTING POLICIES

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 2022.

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 2022 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

These interim 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 $3,377,000 for the six months ended 31 December 2022 (loss of $1,544,000 for the six months ended 31 December 2021).

The net cash outflow from operating activities for half year ended 31 December 2022 was $1,687,000 (2021: net cash outflow of $786,000)

As at 31 December 2022, the Group was in a net asset position of $2,631,000 (30 June 2022: $4,214,000). The significant decrease in net assets position is reflected by 73% growth in Research and Development cost to $898,000 (31 December 2021: $519,000), Sales and marketing cost increased by 51.3% to $1,348,000 (31 December 2021: $891,000) and General operating expense also increased by 69.2% to $2,123,000 (31 December 2021: $1,255,000). This reflects a decrease in cash at bank of $1,251,000 (30 June 22: $2,786,000).

Given available cash and the current cashflow run rate, the Group will not have sufficient cash to fund its operations for the next 12 months. The Group, therefore, will need to raise additional capital to continue operations for at least 12 months from the date of signing these financial statements.

The uncertainty of meeting forecasted financial performance and dependency on raising and continuing to meet associated covenants of future funding 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.

Notes to the consolidated interim financial statements

For the six months ended 31 December 2022

a) Going Concern (cont'd)

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, including the following material factors:

1. Successful completion of capital raise – Pioneer Capital have agreed to provide a $2.5m debt facility. This facility will be contingent on a separate $1m+ equity raise that the Group is currently finalising the terms for and the Group continuing to meet certain covenants attached to this $2.5m debt facility;
2. Timely launch of new products and pricing initiatives – The Group has invested significantly in the Product and Engineering teams over the last 18 months to reengineer the platform which will allow The Group to launch new features that will provide new revenue opportunities to drive growth
3. Continued UK operations growth – Following the relocation of ANZ Sales Leader in April 2022, The Group has built up a deep understanding of the UK market and is now positioned to use new products to execute on The Group's growth strategy

b) Comparatives

Certain comparative information has been reclassified to conform with the current period's presentation:

- Consolidated Statement of Profit or Loss and Other Comprehensive Income - potential ordinary shares have been excluded from the weighted average calculation for the number of ordinary shares for the purpose of diluted earnings per share as they are considered anti-dilutive as per NZ IAS 33. Refer Note 11.

- Consolidated Statement of Cash Flows – acquisition of contract assets reclassified from investing to operating activities.

3. Profit or Loss Breakdown

a) Revenue from Contracts with Customers

	31 Dec 2022 Unaudited $'000	31 Dec 2021 Unaudited $'000
Subscription revenue	1,485	1,543
Implementation Fee	-	2
	1,485	**1,545**

b) Other income

	31 Dec 2022 Unaudited $'000	31 Dec 2021 Unaudited $'000
Government grants	135	139
Interest revenue	13	4
	148	**143**

Notes to the consolidated interim financial statements

For the six months ended 31 December 2022

3. Profit or Loss Breakdown (cont'd)

c) Expenses

	31 Dec 2022 Unaudited $'000	31 Dec 2021 Unaudited $'000
Amortisation of intangible assets	561	455
Auditors' fees for audit of the financial statements	45	27
Audit Year 30 June 2022	16	-
Taxation compliance services	6	6
Depreciation of property, plant & equipment	64	58
Employee benefits	1,053	584
Contractors	591	512
Superannuation	126	96
Share Based Payments	172	193
Net foreign exchange differences	719	133
Other Operating expenses	1,641	1,115
	4,994	**3,179**

d) Finance expense

	31 Dec 2022 Unaudited $000	31 Dec 2021 Unaudited $000
Interest – related party loan	14	45
Interest – lease liability	2	5
	16	**50**

4. Cash and cash Equivalents

Unaudited	31 Dec 2022 Unaudited $'000	30 June 2022 audited $'000
Cash at bank	1,251	2.,786

5. Term Investments

Unaudited	31 Dec 2022 Unaudited $'000	30 June 2022 audited $'000
Investment in term deposit	-	1,260

Notes to the consolidated interim financial statements

For the six months ended 31 December 2022

6. Property, plant and equipment

Unaudited	Office Equipment $'000	Computer Equipment $'000	Fixtures and Fittings $'000	Right-of-use assets $'000	Total $'000
At 1 July 2021					
Cost	5	77	8	424	514
Accumulated depreciation	(5)	(64)	(4)	(216)	(289)
Carrying amount at beginning of year	**-**	**13**	**4**	**208**	**225**
Year ended 30 June 2022					
Additions	-	26	3	-	29
Disposal (net of accumulated Depreciation)	-	(1)	-	-	(1)
Depreciation	-	(11)	(1)	(108)	(120)
FX translation on accumulated amortisation	-	(2)	-	(7)	(9)
Foreign Currency translation reserve	-	2	-	10	12
Carrying amount at 30 June 2022	**-**	**27**	**6**	**103**	**136**
At 1 July 2022					
Cost	5	105	11	434	555
Accumulated depreciation	(5)	(78)	(5)	(331)	(419)
Carrying amount at beginning of year	**-**	**27**	**6**	**103**	**136**
Period ended 31 December 2022					
Additions	-	17	-	-	17
Depreciation	-	(9)	(1)	(54)	(64)
FX translation on accumulated amortisation	-	2	-	9	11
Foreign Currency translation reserve	-	(3)	-	(13)	(16)
Carrying amount at 31 Dec 2022	**-**	**34**	**5**	**45**	**84**
At 31 December 2022					
Cost	5	119	11	421	556
Accumulated depreciation	(5)	(85)	(6)	(376)	(472)
Carrying amount at 31 December 2022	**-**	**34**	**5**	**45**	**84**

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.

Notes to the consolidated interim financial statements

For the six months ended 31 December 2022

7. Intangible assets

Unaudited	Trade marks $'000	Application Software $'000	Contract Acquisition Assets $'000	Other Intangibles $'000	Total $'000
At 1 July 2021					
Cost	91	5,251	56	108	5,508
Accumulated amortisation and impairment	(5)	(3,435)	(3)	(36)	(3,481)
Carrying amount at beginning of year	**86**	**1,816**	**53**	**72**	**2,027**
Year ended 30 June 2022					
Additions	-	1,061	140	-	1,201
Disposal (net of accumulated amortisation)	-	-	-	(61)	(61)
Amortisation	(15)	(904)	(27)	(6)	(952)
Foreign exchange on accumulated amortisation	-	(54)	(1)	(1)	(56)
Foreign currency translation reserve	1	79	2	3	85
Carrying amount at 30 June 2022	**72**	**1,998**	**167**	**7**	**2,244**
At 1 July 2022					
Cost	92	6,391	198	50	6,731
Accumulated amortisation and impairment	(20)	(4,393)	(31)	(43)	(4,487)
Carrying amount at beginning of year	**72**	**1,998**	**167**	**7**	**2,244**
Period ended 31 December 2022					
Additions	10	633	56	53	752
Disposal (net of accumulated amortisation)	-	-	-	-	-
Amortisation	(7)	(523)	(28)	(3)	(561)
Foreign exchange on accumulated amortisation	-	63	2	1	66
Foreign currency translation reserve	(1)	(102)	(5)	(2)	(110)
Carrying amount at 31 December 2022	**74**	**2,069**	**192**	**56**	**2,391**
At 31 December 2022					
Cost	101	6,922	249	101	7,373
Accumulated amortisation and impairment	(27)	(4,853)	(57)	(45)	(4,982)
Carrying amount at 31 December 2022	**74**	**2,069**	**192**	**56**	**2,391**

Notes to the consolidated interim financial statements

For the six months ended 31 December 2022

7. Intangible assets (cont'd)

Impairment Consideration of Application Software

The Application Software arises from capitalised development expenditure relating to continued development of the Group's technology platform hosted in the cloud and mobile application software.

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

Based on internal and external sources of information, including central banks across key markets increasing interest rates throughout the period, which had a number of macroeconomic consequences, including a general decrease in the valuation of comparable companies, Management decided to assess whether the Geo CGU may be impaired as at 31 December 2022.

Management has used the current 'rolling forecast' for FY23 and FY24 as an internal source, which is based on actual results to 31 December 2022 and a reasonable extrapolation of customer acquisition strategies and spend levels through FY23 detailed bottom-up forecasting. Key assumptions used in the forecast are from detailed historical data as tracked over the last 12 months and expected growth from key initiatives being implemented.

Impairment Testing

The recoverable amount of the Geo CGU of $8.1 million at 31 December 2022 was calculated on the basis of fair value less costs of disposal in accordance with NZ IFRS 13: Fair Value Measurement. This valuation methodology yields a higher recoverable amount than that obtained using a value in use valuation approach and therefore is the required approach to be used in calculating impairment under NZ IAS 36: Impairment of Assets. Fair value was determined using a revenue multiple of 2.6x. The revenue multiple applied is classified as level two on the fair value hierarchy and was based on 12-month trailing revenue multiples of comparable companies, adjusted for a small company discount of 25% and a control premium of 25%.

A sensitivity analysis has been performed over the key inputs to the determined revenue multiple, being the publicly traded multiples of comparable companies, the control premium and small company discount adjustments. With all other variables held constant, the comparable company revenue multiple of 2.6x would need to decrease by 74% to 0.7x before the recoverable amount of the Geo CGU would be less than its carrying value. With all other variables held constant, the smaller company discount would need in increase from 25% to 74% before the recoverable amount of the Geo CGU would be less than its carrying value. With all other variables held constant, no possible decreases to the control premium would result in the recoverable amount being less than the carrying value.

The Directors have determined the valuation as being a reasonable basis for the impairment assessment based on the assumption that the conditions listed in Note 2(a) Going Concern, which if met will enable the ongoing/continued use of the Geo CGU.

8. Share Capital

	Note	Number of shares	$'000
Balance at 1 July 2021		**113,676,493**	**34,809**
Movements during the year			
Issue of shares under placement - related parties		675,000	90
Issue of shares under share purchase plan - other parties		20,276,581	2,636
Issue of shares under placement - related party		845,694	101
Issue of shares under placement - related parties		500,001	65
Issue of shares under share purchase plan - other parties		33,230,772	4,320
Issue of shares under placement - related parties		275,423	33
Transaction costs for the issue of new shares			(384)
Balance at 30 June 2022 – Audited		**169,479,964**	**41,670**
Movements during the period			
Issue of shares under placement – related party	i	12,500,000	1,250

Issue of shares under placement to directors	ii	483,509	49
Issue of shares under share purchase plan – other parties	iii	662,174	70
Balance at 31 December 2022 – Unaudited		**183,125,647**	**43,039**

Notes to the consolidated interim financial statements

For the six months ended 31 December 2022

8. Share Capital (cont'd)

During the six months ended 31 December 2022, the Company issued shares as follows:

i. On 23 August 22, the company issued 12,500,000 shares at $0.10 per share to settle the convertible note agreement with North Ridge Partners Limited.

ii. On 16 November 2022, the company issued 483,509 shares at $0.10 to the Directors in satisfaction of accrued and unpaid directors fees for the year ended 30 June 2022, being 185,965 to Rod Snodgrass, 148,772 to Shailesh Manga and 148,722 to Ana Wight.

iii. On 16 November 2022, the company issued 662,174 shares to the CEO, Tim Molloy and CRO Scott Player as follows:
   - 264,050 shares at $0.10 per share in lieu of CEO's short term incentive entitlements for FY 22
   - 198,002 shares at $0.12 per share in lieu of CRO's short term incentive entitlements for FY 21
   - 200,122 shares at $0.10 per share in lieu of CRO's short term incentive entitlements for FY 22

9. 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.

a) Share Based Payments Reserve

Unaudited	31 Dec 2022 Unaudited $'000	30 June 2022 Audited $'000
Opening balance	504	293
Share based payment	172	435
Transfer to issued share capital	(119)	(224)
Closing balance	**557**	**504**

b) Share Based Payments

Unaudited	31 Dec 2022 Unaudited $'000	30 June 2022 Audited $'000
2021 CEO short term incentive	-	63
2022 CEO short term incentive	-	26
2021 CRO short term incentive	-	24
2022 CRO short term incentive	-	20
Director fees	49	81
Employee share option scheme	123	221
Total for the period	**172**	**435**

Directors' fees

The Independent Directors of GEO are able to elect to receive 50% of their fees in GEO ordinary shares. The fair value of the shares issued is determined having regard to the volume weighted average price over twenty business days following the six-month period to which the service was provided.

During the period, directors fees were accrued for Rod Snodgrass, Ana Wight and Shailesh Manga for $48,750 in shares. (30 June 2022: $81,000)

Notes to the consolidated interim financial statements

For the six months ended 31 December 2022

9. Share Based Payments (cont'd)

Employee share option scheme

GEO 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.

The Group has no legal or constructive obligations to repurchase or settle the options in cash. Details of the share options as at 31 December 2022 are outlined below (30 June 2022: 21,498,631 share options were 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
29/11/2021	Key employees	$0.15	1,705,147	31/03/2025
29/11/2021	Key employees	$0.15	1,705,147	31/03/2025
29/11/2021	Key employees	$0.25	2,561,425	31/03/2025
31/12/2021	Key employees	$0.15	(568,382)	Forfeited
30/09/2022	Key employees	$0.20	1,728,697	1/10/2024
30/09/2022	Key employees	$0.20	1,728,697	1/10/2025
30/09/2022	Key employees	$0.20	1,728,723	1/10/2026

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		21,498,631
Granted – 30/09/2022	$0.20 as above	5,186,117
Outstanding at the end of the period		**26,684,748**

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 six months ended 31 December 2022, management estimated the number of options that are expected to vest to be 26,684,748 based on the non-market vesting and service conditions. Hence, $123,000 share-based payments expense in relation to the employee share option scheme was recognised as at 31 December 2022.

10. Discontinued Operations

During the 2021 financial year (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. Below is the impact of discontinued operations as at 31 December 2021 reported under consolidated statement of profit or loss and other comprehensive income.

Notes to the consolidated interim financial statements

For the six months ended 31 December 2022

10. Discontinued Operations (cont'd)

Result of discontinued operations:

	31 Dec 2022 Unaudited $'000	31 Dec 2021 Unaudited $'000
Revenue	-	-
Expense other than finance cost	-	(3)
Finance costs	-	-
Tax (expense)/credit	-	-
Gain from selling discontinued operations after tax	-	-
Profit/(loss) for the period	**-**	**(3)**

11. 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.

	31 Dec 2022 Unaudited $'000	31 Dec 2021 Unaudited $'000
Net (loss) from continuing operations for the year ($'000)	(3,377)	(1,541)
Profit on discontinued operation, net of tax ($'000)	-	(3)
Net (loss) for the year ($'000)	**(3,377)**	**(1,544)**
Weighted average number of ordinary shares issued	179,642,158	130,197,327
Weighted average potential ordinary shares (convertible note and share options)	26,684,748	33,998,631
Weighted average number of ordinary shares for diluted earnings (loss) per share	**179,642,158**	**130,197,327**
Earnings per share from continuing operations		
Basic earnings (loss) per share (cents)	(1.88)	(1.18)
Diluted earnings (loss) per share (cents)	(1.88)	(1.19)
Earnings per share		
Basic earnings (loss) per share (cents)	(1.88)	(1.18)
Diluted earnings (loss) per share (cents)	(1.88)	(1.19)

Notes to the consolidated interim financial statements

For the six months ended 31 December 2022

11. Earnings Per Share (cont'd)

The following potential ordinary shares are anti-dilutive and are therefore excluded from the weighted average number of ordinary shares for the purpose of diluted earnings per share as per NZ IAS 33.

	31 Dec 2022 Unaudited $'000	31 Dec 2021 Unaudited $'000
Convertible notes	-	12,500,000
Share Options	26,684,748	21,498,631
Total potential ordinary shares deemed anti-dilutive	**26,684,748**	**33,998,631**

12. Contingencies

There were no other material contingent assets or contingent liabilities at 31 December 2022.

13. Events after reporting period

The Group agreed terms with Pioneer Capital to provide a $2.5m secured high yield debt facility after the reporting period. There were no other significant events after reporting date.