



## Quarterly Operating Update

GEO (NZX.GEO) provides a market update for the quarter to 30 September 2022:

- **Rollout of significant platform and app releases** commenced during September, reflecting stepped up investment in *Product and Technology* teams in 2022 and an accelerated product road map.
- **Continuing strong sales** delivered the second highest quarterly new licence result.
- **Retention levels showing early improvements** and trending to longer term targeted levels.
- **Additional high margin revenues** sought from new features (currently in development) are planned from Q3 FY23 and targeted to deliver up to a third of total revenues by Q4 FY25.
- **Cash flow breakeven projected for second half of calendar 2024**, requiring ~\$3.5m of incremental capital. Discussions are underway with debt and convertible note investors to deliver minimally dilutive funding.

### Platform and product

GEO's product and development team was significantly expanded following the capital raise completed in 2021, with the express purpose of accelerating GEO's product roadmap. Major upgrade releases commenced from August 2022 and included technology platform upgrades, a new interface and mobile app. These upgrades are aimed at returning retention to targeted levels and are already proving effective at improving churn outcomes.

The upgrades also provide the technical underpinnings for future high margin revenue-generating features that will be released from Q3 FY23. Based on existing customer usage and research, GEO expects these new revenue streams to represent up to a third of total customer revenues within three years.

### Markets & Customers

*The ANZ market* has substantially normalised with the removal of all remaining COVID restrictions. While some of GEO's customers continue to see supply chain and staffing constraints, the Company has reported its second-best quarter in ANZ, a 30% increase on PCP.

*The UK market*, despite experiencing the seasonally slower summer holiday period in July and August, delivered record customer sales (albeit off a low base). Customer conversion rates have improved by 300% since April, providing strong early validation of GEO's in-market UK presence.

### Business performance

GEO continued to deliver strong new customer results, with its second-highest new customer licence result and just slightly down the previous quarter's record levels.

Importantly, retention rates have trended higher in September, with further improvement in October.

Customer feedback following the rollout of product enhancements has been strongly positive, contributing to the improvements in retention. This remains the short-term key to delivering net revenue growth, and these early improvements following the launch of the new *Geo* interface and app are encouraging.



## **People and Talent**

Following the expansion in GEO's Product and Engineering team and UK launch earlier in 2022, the Company has completed its recruitment programme and with a stable, right-sized team is now focused on achieving profitability.

## **Commentary**

GEO CEO Tim Molloy said:

*"A combination of the new Geo platform and App are providing an improved customer experience and we are pleased with the adoption and feedback from customers, and reduced churn.*

*We continue to execute vigorously and are targeting cash flow breakeven in H2 of calendar 2024.*

## **Next Reporting Date**

GEO expects to report its half year FY23 financial results on 28 February 2023 and will conduct an investor webinar at that time.

## **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](http://www.geoop.com)