NZX AND MEDIA RELEASE **28 February 2019**

UNAUDITED FINANCIAL RESULTS FOR THE SIX MONTHS TO 31 DECEMBER 2018

Geo reports strong revenue growth

SUMMARY

Revenues

- Group revenues[1] rise 24% to $2.53 million, boosted by a 29% uplift in subscription revenues, principally generated by increased subscription prices on Geo's core mobile workforce management solutions.
- *Geo* subscription revenues rise 44% to $1.75m, while *Geo for Sales* revenues rise 5% to $0.75 million.
- *Geo* Monthly Average Revenue per User (ARPU) rises 111% from $7.70 in December 2017 to $16.15 at December 2018, with a 29% reduction to 18,736 licenses.
- *Geo for Sales* Monthly ARPU rises 11% from $86.95 in December 2017 to $96.62 at December 2018, with a 5% increase to 1,196 licenses.

Earnings

- Underlying EBITDA[2] loss reduces by 59% to $0.64 million.
- The second half outlook for *Geo for Sales* is below target and as a result the associated $3.2m of intangibles is written down to zero.
- Statutory net loss (including *Geo for Sales* non-cash impairment) is $4.5 million.

Cash

- Increased customer revenues and focused cost management lead to a 31% reduction in operating and investing cash burn (before grant receipts).
- Underlying average cash burn of $126k per month is in line with internal targets and is projected to improve further in the second half.
- Cash balance of $1.96 million at 31 December 2018.

Outlook

- Geo expects its sales and marketing initiatives to progressively drive increases in product licenses, customers and revenue growth in the second half of the financial year.
- The Company expects to report FY19 revenue growth of 25-30% and to achieve an EBITDA break-even run-rate by mid-calendar 2019.
- Geo confirms that it is on track to achieve positive cash flows within current cash reserves.

Geo Limited (NZX.GEO), a global provider of Software-as-a Service (SaaS) mobile workforce solutions delivers strong growth in revenues as initiatives put in place at the beginning of the 2018 calendar year continue to bear fruit.

Total revenues for the six months to 31 December 2018 increased by 24% to $2.53 million over the prior corresponding period (PCP), with subscription revenues growing by 29%.

Subscription revenues from the core *Geo* workforce management solution rose 44% to $1.75 million from $1.21 million in PCP. Sales growth in the core *Geo* product was largely the result of the migration of customers to subscription plans reflecting market-rate pricing. *Geo* ARPUs rose 111% from $92 to $194 with a corresponding 29% reduction to 18,736 licenses as at 31 December 2018.

Geo for Sales subscription revenues increased 5% to $0.75 million from $0.71 million in PCP. *Geo for Sales* ARPUs

[1] All figures are for the six-month period ending 31 December 2018 unless otherwise stated.

[2] Underlying EBITDA is EBITDA less non-operational revenue and expenses and does not have a standardised meaning prescribed by NZ GAAP. In FY19 it excludes the impact of write down of intangible assets of $3.2m for Geo for Sales. In FY18 it excludes the impact of ASX migration costs ($0.56m) and associated restructure costs ($0.10m)

rose 11% from $1,043 to $1,159 with a 5% increase in licenses to 1,196 as at 31 December 2018. While delivering modest growth in the first half, the outlook for the *Geo for Sales* product has fallen below target and the remaining $3.2m of intangibles has been written down.
Statutory net loss is $4.5 million (inclusive of the non-cash impairment write down of $3.2 million).
Underlying EBITDA losses[2] narrowed by 59% from $1.55 million to $0.64 million due to significant growth in revenues and focused cost management, as well as a $0.5 million increase in capitalisation of research and development expenditure reflecting the product development cycle[3].

Geo results for the six months ended	31 Dec 2018 $'000	31 Dec 2017 $'000	Variance $'000	Variance %
Revenues				
- Geo Subscription Revenues	1,745	1,214	+531	+44%
- Geo for Sales Subscription Revenues	745	711	+34	+5%
Recurring Revenues (Subscriptions)	**2,490**	**1,925**	**+565**	**+29%**
Training & Implementation Fees	36	104	(68)	-65%
Revenues	2,526	2,029	+497	24%
Other income (incl. grants)	156	171	(15)	-9%
Total Income	2,682	2,200	+482	+22%
Statutory Net (Loss)	(4,522)	(2,806)	(1,716)	-61%
EBITDA[3]	(642)	(2,204)	(1,562)	+71%
Underlying EBITDA[2]	(642)	(1,549)	+907	+59%
Licenses				
- Geo	18,736	26,482	(7,746)	-29%
- Geo for Sales	1,196	1,141	+55	5%
Monthly ARPU				
- Geo	$16.15	$7.70	+$8.45	+111%
- Geo for Sales	$96.62	$86.95	+$9.67	+11%

Commentary by the Chairman and Chief Executive
Chairman Roger Sharp said: "Geo has achieved a significant outcome in the first half of the 2019 financial year. The decisions taken at the start of 2018 to migrate *Geo* customers to subscription plans that better reflect market pricing and value, as well as focused management of costs, are driving significant operational improvements.
"Geo is now approaching EBITDA break even. We are debt-free and at 31 December our cash balances were $2.0 million. Geo is on track to achieve positive cash flow within these cash reserves.
"With most of our customers now on the new pricing plans we are focussed on growing customer numbers."

[3] EBITDA is statutory net loss from operations less interest, tax, depreciation and amortisation and does not have a standardised meaning prescribed by NZ GAAP.
[4] Geo increased the capitalisation of development costs in H1 to $648k ($147k in PCP) reflecting the primary focus on new product development in FY19.

Geo Chief Executive Kylie O'Reilly said she was pleased with the significant progress Geo had made in growing revenues and improving profitability in the first half of the 2019 financial year.

"The move to market pricing on the core *Geo* platform is driving increases in average revenues per user, which are up by 111% to $194 per license per annum from the same period a year ago. This move has had a positive impact on cash flows and on the lifetime value of our customers.

"This shift has driven a one-off reduction in license numbers as some customers either downgraded licenses to lower price bands or exited the *Geo* platform, and licenses in the field reduced by 16.2% from 22,362 at the start of FY19 to 18,736 at 31 December 2018. This reduction was expected, license retention has stabilised and is settling at a markedly lower level.

"Our attention has turned to delivering new customer growth, while driving development and innovation based on our customers' needs.

"We have been trialling several different online channels to optimise the return on our digital marketing spend. We have proven in the past few months that we can drive significant increases in traffic to our website, and are now optimising our customer experience and internal processes to improve conversions from trials to new customers.

"We also expect our Direct channels to contribute growth in the coming months.

"Before 30 June 2019 all Geo products will be withdrawn from telecom company Telstra's App Market which has increasingly become a low growth sales channel. We believe it is operationally and financially beneficial to the Company to manage these customers directly.

"The introduction of a payments module to our mobile workforce solutions remains an attractive medium-term initiative with validated customer demand. In the first half of the financial year we selected US-based Stripe as our new payments partner to facilitate trials in the 2020 financial year.

"Finally, we continue to manage our cash reserves prudently. The increase in customer receipts and focused cost management has led to a 31% reduction in operating and investing cash burn (excluding grant receipts) compared to the same period last year, and we expect this to continue to trend downwards. The first half did not include any significant receipts of government grants with annual Australian R&D grants due to be received in the second half."

OUTLOOK

Ms O'Reilly said she expected the enhancements to Geo's brand, digital marketing initiatives and expansion of sales channels, to drive growth in customer numbers and licenses in the second half of the 2019 financial year.

"Geo is in good shape and we are looking towards the end of the financial year and beyond with confidence. Our immediate goal is to accelerate our sales and marketing initiatives and deliver new customer acquisitions. The Company expects to report FY19 revenue growth of 25-30% and to achieve an EBITDA break-even run-rate by mid-calendar 2019.

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ABOUT GEO

Geo is a leading SaaS business that provides advanced mobile workforce management platforms for field sales and service teams. The market for Geo's products is growing quickly as the global mobile workforce expands. Geo helps its customers boost profits, save time and increase efficiency – *making it easier out there*. The business is listed on NZX, has offices in Auckland, Sydney and Melbourne and employs around 40 people in 5 countries.
For more information: www.geoworkforcesolutions.com/

Geo Limited (GEO)
Results for announcement to the market

Reporting Period	Six months to 31 December 2018	
Previous Reporting Period	Six months to 31 December 2017	
	Amount ($'000)	Percentage change Incr. / (decrease.)
Revenue from ordinary activities	2,526	+24%
Profit (loss) from ordinary activities after tax attributable to security holders	(4,522)	-61%
Net profit / (loss) attributable to security holders	(4,298)	-52%
Interim / Final Dividend	Amount per Security	Imputed Amount per Security
Dividend	No dividends paid or proposed	Not applicable
Record Date	Not applicable	
Dividend Payment Date	Not applicable	
Comments	Refer to attached 'Results Announcement' documents	
Details of Dividend Reinvestment Plan	Not applicable	
	Reporting Period	Previous Reporting Period
Net Tangible Assets per Security	$0.024	-$0.054
Acquisitions / disposals during period	No entities over which control has been gained or lost	
Details of associates and joint venture entities	No associates or joint ventures.	

Consolidated interim statement of profit or loss and other comprehensive income

For the six months ended 31 December 2018

(Stated in New Zealand Dollars)	6 months Unaudited 31 Dec 2018 $'000	6 months Unaudited 31 Dec 2017 $'000
Revenue	2,526	2,029
Other income	156	171
	2,682	**2,200**
Expenses		
Research and development	890	1,297
Sales and marketing	761	933
General operating and administration	1,673	1,619
ASX Listing Costs	-	555
Write down of intangible assets	3,231	-
Depreciation and amortisation	649	602
Total Expenses	**7,204**	**5,006**
(Loss) from operations before tax	(4,522)	(2,806)
Income Tax benefit	-	-
Net (loss) from operations for the year	**(4,522)**	**(2,806)**
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Gain/ (Loss) on translation of foreign operations	224	(23)
Total comprehensive (loss) for the period, net of tax attributable to shareholders	**(4,298)**	**(2,829)**
(Loss) per Share:		
Basic and diluted (loss) per share (cents)	(5.89)	(7.30)

Calculated on a weighted average basis of the number of shares and warrants on issue

Consolidated interim statement of changes in equity

For the six months ended 31 December 2018

Unaudited **(Stated in New Zealand Dollars)**	**Share Capital $'000**	**Share Based Payments Reserve $'000**	**Foreign Currency Translation Reserve $'000**	**Accumulated Losses $'000**	**Total Equity $'000**
Balance at 1 July 2017	25,978	81	153	(16,786)	9,426
Loss for the year	-	-	-	(2,806)	(2,806)
Currency translation movements	-	-	(23)	-	(23)
Total Comprehensive Income	**-**	**-**	**(23)**	**(2,806)**	**(2,829)**
Transactions with Owners					
Issue of shares	691	-	-	-	691
Net share-based payment expense	-	171	-	-	171
Balance at 31 December 2017	**26,669**	**252**	**130**	**(19,592)**	**7,459**
Balance at 1 July 2018	**28,719**	**84**	**346**	**(25,473)**	**3,676**
Loss for the period	-	-	-	(4,522)	(4,522)
Currency translation movements	-	-	224	-	224
Total Comprehensive Income	**-**	**-**	**224**	**(4,522)**	**(4,298)**
Transactions with Owners					
Issue of shares	4,051	(84)	-	-	3,967
Net share-based payment expense	-	41	-	-	41
Balance at 31 December 2018	**32,770**	**41**	**570**	**(29,995)**	**3,386**

Consolidated interim statement of financial position

As at 31 December 2018

(Stated in New Zealand Dollars)	Unaudited 31 Dec 2018 $'000	Audited 30 June 2018 $'000
Current assets		
Cash and cash equivalents	1,961	1,995
Trade and other receivables	1,302	1,297
Related party loans	-	194
Total current assets	**3,263**	**3,486**
Non-current assets		
Property, plant & equipment	51	86
Intangible assets	1,462	4,720
Other assets	20	31
Total non-current assets	**1,533**	**4,837**
Total assets	**4,796**	**8,323**
Current liabilities		
Trade and other payables	1,399	1,642
Convertible note	-	1,466
Related party loan	-	1,528
Total current liabilities	**1,399**	**4,636**
Non-current liability		
Provision for long service leave	11	11
Total non-current liability	11	11
Total liabilities	**1,410**	**4,647**
Net assets	**3,386**	**3,676**
Equity		
Share capital	32,770	28,719
Share based payments reserve	41	84
Accumulated losses	(29,995)	(25,473)
Foreign currency translation reserve	570	346
Total equity	**3,386**	**3,676**

Geo

Consolidated interim statement of cash flows

For the six months ended 31 December 2018

(Stated in New Zealand Dollars)	6 months Unaudited 31 Dec 2018 $'000	6 months Unaudited 31 Dec 2017 $'000
Cash flows from operating activities		
Cash was provided from (applied to):		
Receipts from customers	2,716	2,213
Grants received	34	239
Interest received	28	3
Payments to suppliers & employees	(3,362)	(3,942)
Net cash (outflow) from operating activities	**(584)**	**(1,487)**
Cash flows from investing activities		
Cash was provided from (applied to):		
Bonds matured	11	-
Purchase of property, plant and equipment	(32)	(15)
Capitalised development costs	(648)	(147)
Capitalised website & trademark costs	(32)	(23)
Net cash (outflow) from investing activities	**(701)**	**(185)**
Cash flows from financing activities		
Cash was provided from (applied to):		
Related party loans repaid	(1,528)	-
Related party loans received	194	654
Capital raising costs	(130)	-
Issue of ordinary shares	2,715	400
Net cash inflow from financing activities	**1,251**	**1,054**
Net (decrease) in cash held	(34)	(618)
Add cash and cash equivalents at start of the period	1,995	864
Balance at end of the year	**1,961**	**246**
Comprised of:		
Cash and cash equivalents	1,961	246

BASIS OF PREPARATION

These unaudited interim financial statements included in the Preliminary announcement are prepared in accordance with Generally Accepted Accounting Practice (NZ GAAP) and NZ IAS 34, Interim Financial Reporting.

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

ACCOUNTING POLICIES

The same accounting policies and methods of computation are followed in these financial statements as were applied in the preparation of the Group's financial statements for the year ended 30 June 2018.

The Group has assessed the impact of the new accounting standards detailed below and considered the impact as immaterial and will reflect the adjustments in the full year results for 30 June 2019.

a) *NZ IFRS 15 Revenue from contracts with customers* replaces *NZ IAS 18 Revenue. NZ* IFRS 15 establishes a single and comprehensive framework which sets out how much revenue is to be recognised, and when. The core principle is that the Group should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

b) *NZ IFRS 9 Financial Instruments* replaces *NZ IAS 39: Financial Instruments: Recognition and Measurement*, brings together three aspects of accounting for financial instruments: classification and measurement, impairment, and hedge accounting. *NZ IFRS 9* introduces a new impairment model based on expected credit losses, resulting in the recognition of a loss allowance before the credit loss is incurred. Under this approach, the Group need to consider current conditions and reasonable and supportable forward-looking information that is available without undue cost or effort when estimating expected credit losses.