



NZX AND MEDIA RELEASE

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Geo response to COVID-19 pandemic

Software-as-a-Service (SaaS) mobile workforce solutions provider GEO (**GEO, Company**) (NZX:GEO) today advises the measures it is implementing to address the changing work environment and a likely downturn in trading conditions arising from the present COVID-19 outbreak. These measures comprise:

1. Keeping our people safe through remote working;
2. Preserving cash through overhead reduction;
3. Reducing reliance on capital markets, and
4. Exploring longer term opportunities that will present post Covid-19

Keeping our people safe through remote working

Geo has successfully implemented a remote working program, with all employees now operating to a normal work rhythm from their homes. As a technology company whose applications, key productivity and collaboration tools are all cloud-based, Geo has rapidly established a normal remote work cadence, which will be maintained for the foreseeable future.

Preserving cash through overhead reductions

GEO anticipates tougher trading conditions during the COVID-19 outbreak, including reduced levels of business enquiry and license sales. After extensive evaluation, the Company is reducing the size of its business and its overheads to match those conditions and preserve cash.

Full-time headcount is being reduced by ~25%. Product and development will be maintained at close to current levels. Sales and marketing expenditure and salaries are being reduced to lower levels while business confidence is low. The board and all employees going forward are taking 20% voluntary pay reductions until normal trading resumes.

Reducing reliance on capital markets

The present uncertainty in capital markets has caused the company to rethink its capital raising programme.

In November 2019 shareholders approved the issue of up to \$2.0 million of convertible notes¹, of which \$1.5 million was underwritten by GEO's major shareholder North Ridge Partners and a further \$0.5 million was to be available for issue (but not committed).

The \$1.5 million is being drawn as needed, and based on current forward visibility and overhead savings, is expected to provide adequate funding through to the end of calendar 2020. The company is currently unlikely to issue the second tranche of notes within FY20, and notes that a range of support payments are now being offered by the Governments of Australia and New Zealand, which it is presently quantifying.

It should be noted that GEO's board and senior management have assessed the Company's runway and cash usage *based on the currently known economic environment, which is fluid and subject to change*.

¹ The notes convert to GEO ordinary shares at a price of 10 cents per share and carry a 6% interest rate.



Exploring longer term opportunities

Geo notes that only six weeks after the initial outbreak, China appears to be in the early stages of recovery and confidence and business activity is increasing. Geo will use the opportunity afforded by the next few months to re-engineer and simplify its go-to-market so that it can scale rapidly and more efficiently in the recovery. The Company is standing by its clients during the epidemic and intends emerging as a stronger company.

Chief Executive Officer Tim Molloy said: "GEO has carefully assessed and will continue to assess the impact of COVID-19 on all aspects of our business. We have changed the way we work with initiatives such as working from home and social distancing, and have also restructured the business to match the new realities we face."

"GEO offers a fundamentally attractive proposition to companies that operate mobile workforces. We have built a great product and we offer tremendous value to what is a large and currently unserved addressable market.

"Few companies are immune from the current market downturn. Our focus has therefore been to put in place a plan that will give us funding certainty and position GEO to take advantage of the opportunities we expect to emerge when the Australian and New Zealand economies recover."

For more information:

Investors

Tim Molloy
Chief Executive Officer
Tel: +61 411 592 180
Email tim.molloy@geoworkforcesolutions.com

Media

Richard Inder
The Project
+64 21 645 643
richard@theproject.co.nz

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*.

For more information: www.geoworkforcesolutions.com