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COMPANY UPDATE

JANUARY 2018

The GO2 People Ltd

ACN 616 199 896

www.thego2people.com.au

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CHAIRMAN'S MESSAGE



CHAIRMAN'S MESSAGE

Dear Shareholder,

On behalf of the Board of The GO2 People Ltd, I am pleased to provide shareholders with this company update, which covers our first two months of operations since listing on the ASX. Although only a relatively short time, we have already achieved some of the significant steps in our growth plan. These include:

- Opening a Sydney labour hire office in late November 2017, with candidate placements and revenue already tracking ahead of target;
- Opening a Toowoomba labour hire office in November, 2017, with a strong pipeline of enquiry and potential projects;
- The placement of our first candidates in South Australia; and
- A strong pipeline of building work underway, work committed and forward enquiry.

Targeting less-crowded markets for building opportunities, such as mine site construction works and the country town retirement village market, enables us to build long term relationships and earn improved margins. It also enables us to realise synergies across our business, by building wider relationships with key clients across both building and labour hire, and enables us to deploy our labour hire pool in our building projects – both their initial construction and their longer-term maintenance.

Of course, this has all been made possible by the range of institutional and individual investors who supported us in our recent successful \$10m capital raising. Having a bolstered balance sheet enables us to say yes to clients with a national footprint who we previously couldn't service in other locations, and it also gives us the confidence and financial resources to take on larger and more profitable building jobs. We expect that all of these opportunities will materialise into revenue and earnings over the forthcoming year.

In striving towards our target of organically tripling our revenue over our first 3 years from listing, our focus will remain on the generation of earnings and maintenance of a prudent capital management policy which we hope to include dividends and returns for shareholders, and the prudent management of our cash and working capital reserves.

Investors will note our negative cash flow from operations in our first reporting quarter. This is largely attributable to an increase in debtors, corresponding with our increased revenue over the quarter and our focus on larger labour hire opportunities with national clients – which has been made possible by our capital raise and listing. A minor impact has also resulted from the timing of payments versus billing for building work, and the payment of some prior quarter expenses post-listing. We expect cash flow from operations to stabilise over the coming quarter, and with our bolstered cash at bank and unused borrowing facilities post-listing we are confident that we can achieve our organic growth plans over the medium term with our current resources.

Meanwhile, we are also identifying and being presented with a number of opportunities to accelerate our growth plans via acquisition, and we are adopting a cautious and rigorous approach to the assessment of these opportunities to ensure that any such strategy will be accretive to shareholders.

On behalf of the Board and Management I'd like to take this opportunity to thank investors for their support of the Company, and I look forward to bringing you further updates and announcements shortly.



Darren Cooper
Chairman, The GO2 People Limited

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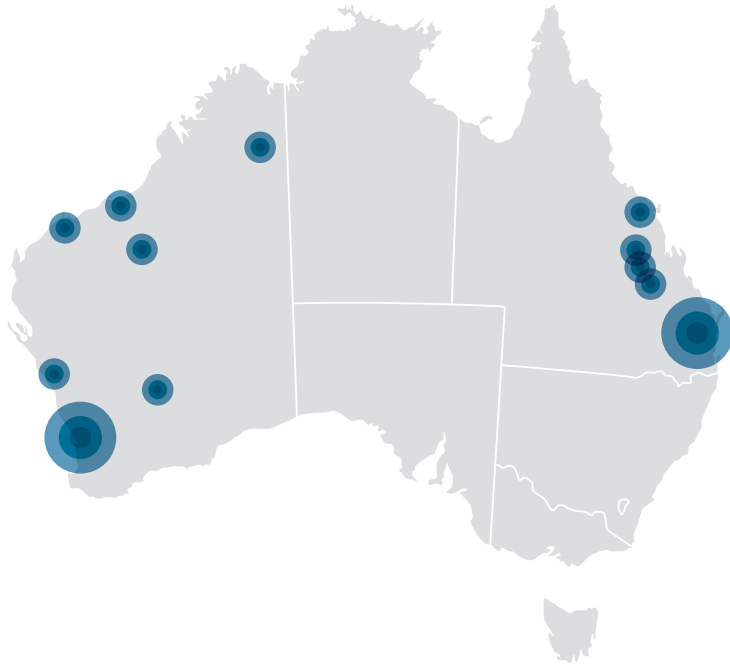
GROWTH



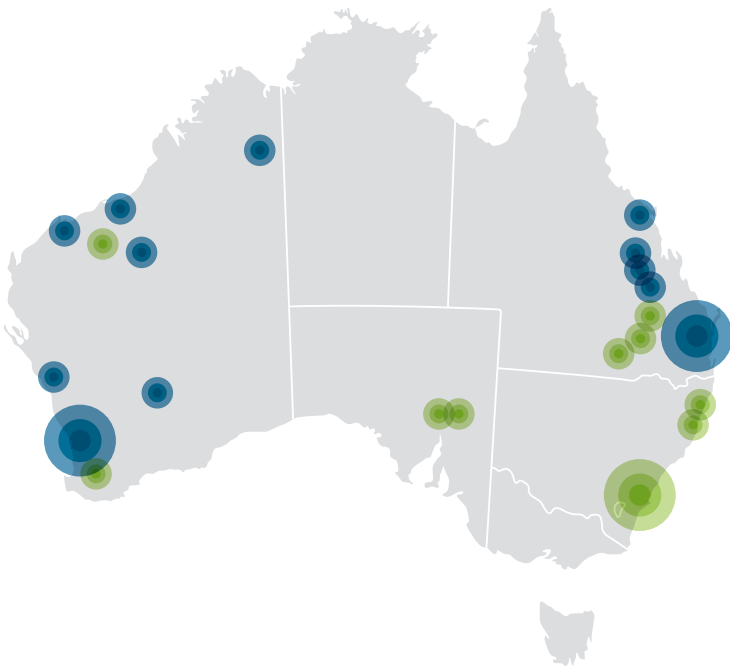
WORKFORCE LOCATIONS

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October
2017



December
2017



GEOGRAPHICAL GROWTH

NSW

- New NSW office opened in Parramatta with the appointment of a NSW State Manager. Ahead of schedule, leveraging off national preferred supplier agreements, the NSW team have a number of good prospects with new clients to the business targeting strategic markets.

Toowoomba

- New office in Toowoomba with the addition of locally based staff to take advantage of growing region, servicing the local region's major projects. There is a strong demand to service Infrastructure, Construction and Mining clients
- Growing brand awareness with strategic partnerships within the region
- Forecast and planned Major projects include Solar Farms, Coal Mine expansion, Inland Rail, 2nd Range crossing

South Australia

- SA presence - placement of our first employees into South Australia at Olympic Dam and Carpeteena. Using national client leverage, GO2 have been engaged as a strategic partner supporting a tier 1 client with the Carrapateena Mining Project as well as sub-contractors

New Zealand

- A comprehensive appraisal process has commenced to evaluate the commercial potential of acquiring a NZ labour hire business.
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BUILDING
PIPELINE



BUILDING PIPELINE



- Contract extensions for Altura Project lifting the original contract price of \$950,000 to over \$2.8m.



- Award of \$18m Stage 1 of Meadowbrooke Lifestyle Estate retirement village in WA. Project to commence in early 2018 with stage 1 due for completion in 2 years



- Letter of Intent for Sunny West Lifestyle Estate, expected \$16m revenue due for commencement in FY19 after council approvals, subsequent confirmation of specifications and a formal contract award.

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COMMUNITY



COMMUNITY



- GO2 is on track to receive Mates in Construction Accreditation status in Q1 2018. GO2 is committed to helping reduce the high level of suicide among Australian construction workers.



- Set up of LEGO2 Pty Ltd, a joint venture with Lomwest Enterprises tasked with conducting research and development in the Indigenous Housing space. Prototype expected later in 2018.
- Appointment of a full time dedicated national Indigenous Coordinator.



- New National HSEQ Manager employed with the implementation of an improvement plan.
- Decrease in LTIFR (reduction of 4.84) and TIFR (reduction of 3.92)
- ISO accreditation expected in 2018

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THE GO2 PEOPLE



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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

The GO2 People Limited

ABN

45 616 199 896

Quarter ended ("current quarter")

31 December 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	8,510	18,545
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(9,692)	(16,282)
(c) advertising and marketing	(53)	(67)
(d) leased assets	-	-
(e) staff costs	(1,045)	(1,946)
(f) administration and corporate costs	(397)	(782)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(154)	(341)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(2,831)	(873)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(68)	(192)
(b) businesses (see item 10)	(150)	(150)
(c) investments	-	-

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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash inflows from loans to other entities	195	195
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(23)	(147)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	10,026	10,026
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(1,088)	(1,387)
3.5 Proceeds from borrowings	1,243	1,996
3.6 Repayment of borrowings	(2,956)	(5,198)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	7,225	5,437

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	510	464
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(2,831)	(873)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(23)	(147)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	7,225	5,437

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	4,881	4,881

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	4,881	4,881
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,881	4,881

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash inflow from loans to these parties included in item 2.3

**Current quarter
\$A'000**

(36)

195

- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

6.1 Relates to Director Fees paid as Wages and Salaries, as per agreed contracts

6.2 Relates to a partial repayment of a Loan provided to a related entity of a director of the Company, GO2 Skills and Training, the loan was provided in the year prior to the Company's listing.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

**Current quarter
\$A'000**

-

-

- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements	104	104
8.3 Other - Debtors funding facility	10,000	4,783
- Finance Lease facilities	618	618

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

The Company's subsidiary GO2 Recruitment Pty Ltd, has an agreement with Scottish Pacific (BFS) Pty Ltd for the assignment of all debts owed by its customers for the provision of services (Debtors funding facility). The agreement secures the debts to Scottish Pacific BFS Pty Ltd for the funding provided. Interest charges are variable linked to BBSY rates plus and agreed margin.

The Company has a number of finance leases/hire purchase agreements, secured only over light vehicles or mobile plant and equipment funded. Interest charges are fixed at the time of entry into the arrangement. The facilities are provided by Westpac Equipment Finance, National Australia Bank and Toyota Financial Services.

Credit standby arrangements related to the Bank Guarantee facility provided by Westpac, the Bank Guarantees issued support the Company's rental bonds required on its leased properties. This facility is secured over Term Deposit Accounts holding an amount equivalent to the bank guarantee issued. The Term Deposits are not included in the total cash and cash equivalents reported at item 5.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	(11,951)
9.3 Advertising and marketing	(26)
9.4 Leased assets	-
9.5 Staff costs	(1,002)
9.6 Administration and corporate costs	(284)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	(13,263)

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10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	Terra Firma Constructions Pty Ltd	
10.2 Place of incorporation or registration	WA	
10.3 Consideration for acquisition or disposal – cash	\$150,000	
Consideration for acquisition or disposal – shares issued	3,000,000 shares in GO2 People Limited	
10.4 Total net assets	\$59,000	
10.5 Nature of business	Construction	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 
(Company secretary)

Date: 31 January 2018

Print name: Matthew Thomson

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

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