

## The GO2 People Ltd Releases Appendix 4C and Provides Company Update for Q3 FY19

### Highlights

- **Group Revenue for FY19 Grows in Line with Expectations**
- **Recruitment Division Continues to Grow in NSW**
- **Operational Positive Cashflow for the Quarter**
- **Investment in Indigenous-Owned Facilities Management & Maintenance Business**
- **Investment in Indigenous-Owned Recruitment Business**
- **“Dream Now” - Trainees Assigned to Existing Construction and Mining Clients**
- **Post Quarter-End Business Acquisition and Capital Raise commencement**

April 30, 2019: Leading provider of vertically integrated recruitment, training and building services The GO2 People Limited (ASX:GO2) ("The GO2 People" or "the Group") is pleased to release its Appendix 4C and provide an update for the three month period ended March 31st, 2019.

The GO2 People remains on track to achieve its revenue growth as it pursues its aim to triple its business operations three years from its public listing. Group revenue for the nine months to March 2019 has increased by 19% on the same corresponding period last year, providing a solid foundation for the Company to achieve its FY19 target. Expansion into NSW and Victoria continues to help grow revenue whilst existing recruitment clients have stabilised revenue in the foundation states of WA and Queensland.

The recently-acquired GO2 Skills and Training contributed \$257k of revenue from existing GO2 Recruitment clients for the quarter, demonstrating some of the synergistic benefits expected on acquisition. Whilst relatively small at this stage, the Training Division will seek to further grow its client base off the back of this model and access more cross selling opportunities through recruitment clients.



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The Group has now also posted two consecutive operational cash flow positive quarters, which is attributable to improvements in collections, reduction in the debtor days outstanding (a key KPI for the group), and the collection of large debtor balances outstanding as at 31 December 2018 which arose due to the Christmas period.

The Dream Now Indigenous Traineeship Program was successfully launched during Q3 FY19 and saw 10 Indigenous people employed by GO2. These employees were put through various entry level construction qualifications and then assigned to projects with existing recruitment clients on a labour hire basis. It is anticipated that another intake of Indigenous employees will occur during Q4 FY19. The Dream Now program allows the Company to provide real employment opportunities to Indigenous people and, importantly, begin to fill a gap in the construction and mining sectors.

In line with the Company's strategic plan, GO2 invested in two Indigenous-owned businesses based in Western Australia, both businesses complement the current GO2 business and are highly synergistic, there are multiple cross pollination opportunities. Following the initial integration of these businesses which is currently progressing well, GO2 expects both businesses to contribute positively to the Group's pathway to profitability in FY20.

The first, Indigi Personnel Services Pty Ltd ("Indigi"), is a recruitment business that focuses on the provision of Indigenous workforce personnel to the mining and construction sectors. GO2 will provide both front and back end support to Indigi to enhance its capability in order to service the need of major mining and construction companies to meet their Indigenous employment targets.

The second investment represents GO2's move into the Facilities Management and Maintenance sector. Acquiring a 49% stake in Giraffe Facilities Maintenance ("Giraffe" or "Giraffe FM"), GO2 will provide back end support to service existing contracts and help to seek new business opportunities of a recurring revenue nature.

Post the March Quarter the Group released an announcement (13 April 2019) on a third acquisition and associated capital raise "The GO2 People Ltd to Acquire RTO Industry Pathways Pty Ltd". Aligned to the overall GO2 strategic plan, IPW is a profitable business delivering innovative training to the mining and health sectors.



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To complete the transaction, GO2 has appointed Gobarralong Capital Pty Ltd ("GC") as Lead Manager in a share placement to raise a minimum of \$2.7m up to a maximum of \$4.0 million. The Placement will be conducted via two tranches, with the second tranche placement requiring shareholder approval. Aside from the cash consideration the placement will also provide additional working capital to fund growth initiatives and to pay for associated transaction costs.

**Managing Director, Billy Ferreira:** "Whilst remaining on track to achieve our goals in FY19, the Company has also been busy putting important strategic foundations in place to achieve meaningful profits in FY20, such as the investment in Indigi and Giraffe. Having developed a platform to provide consistent top line growth in the coming years, our focus for the business is firmly on profitability in FY20 and beyond. With the addition of Industry Pathways to the Group in the very near future, we are excited about the path ahead."

For more information, please contact:

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#### About The GO2 People

The GO2 People Ltd (ASX:GO2) is a leading provider of vertically integrated recruitment and building services to industry throughout Australia.

The company's Recruitment Division provides tailored staffing solutions to a range of industries with a client base that includes a number of national and multinational blue chip organisations across the construction, resources and industrial sectors. The Building Division is a multidisciplinary construction company offering a full range of building, civil, construction and project management services in remote and regional areas of Australia. GO2 Skills & Training is a nationally Registered Training Organisation (RTO 40927), delivering both accredited and non-accredited workplace training and education courses.

The day to day operations of the company are underpinned by strong core values and an ethical approach to business principles which drive innovation, collaboration and an ongoing commitment to continuous improvement.

To learn more please visit: [www.thego2people.com.au](http://www.thego2people.com.au)



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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 March 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	12,192	48,483
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(9,495)	(41,672)
(c) advertising and marketing	(36)	(118)
(d) leased assets	-	-
(e) staff costs	(1,502)	(4,284)
(f) administration and corporate costs	(183)	(880)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(124)	(467)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-



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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9months) \$A'000
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>852</b>	<b>1,062</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(21)	(93)
(b) businesses (see item 10)	(115)	(115)
(c) investments	-	-
(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	-	75
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(136)</b>	<b>(133)</b>



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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9months) \$A'000
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
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	-	-
3.5	Proceeds from borrowings	355	880
3.6	Repayment of borrowings	(1,778)	(3,639)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(1,423)</b>	<b>(2,759)</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	1,488	2,611
4.2	Net cash from / (used in) operating activities (item 1.9 above)	852	1,062
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(136)	(133)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1,423)	(2,759)



Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>781</b>	<b>781</b>

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	781	1,488
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>781</b>	<b>1,488</b>

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<b>6. Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to these parties included in item 1.2	(72)
6.2 Aggregate amount of cash inflow from loans to these parties included in item 2.3	-
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

<b>7. Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
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	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	





**8. Financing facilities available**  
*Add notes as necessary for an understanding of the position*

	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities		
8.2 Credit standby arrangements	104	104
8.3 Other - Debtors funding facility	15,000	5,151
- Finance Lease facilities	724	724

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.

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9. Estimated cash outflows for next quarter		\$A'000
9.1	Research and development	-
9.2	Product manufacturing and operating costs	(12,837)
9.3	Advertising and marketing	(22)
9.4	Leased assets	-
9.5	Staff costs	(1,250)
9.6	Administration and corporate costs	(184)
9.7	Other (provide details if material)	-
<b>9.8</b>	<b>Total estimated cash outflows</b>	<b>(14,293)</b>

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	Giraffe Australia Pty Ltd	
10.2	Place of incorporation or registration	WA	
10.3	Consideration for acquisition or disposal – cash Consideration for acquisition or disposal – shares issued	\$155,000 for 49% of all shares on issue.	
10.4	Total net assets	2,092	
10.5	Nature of business	Provision of Facilities Management services in Perth Metro and Remote WA	



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### 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:

Date:

(Company secretary)

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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