

The GO2 People Release Quarterly 4C and Update

Highlights

- **The GO2 People consolidated its operations during Q4, increasing revenues by 6% on the previous quarter.**
- **Restructuring and subsequent costs included in Q4 positioned the Company for its first EBITDA positive month in July 2019.**
- **Targeting positive cashflow from operations in FY20.**
- **Focus on core recruitment business and impending integration of IPW.**
- **Company roadshows and new investor relations program has increased GO2 exposure in the market.**

July 31, 2019: The GO2 People Ltd (ASX:GO2) ("The GO2 People" or "the Company") is pleased to release its Appendix 4C for the three month period ended June 30th, 2019 and provide a brief operational update.

Following the recent restructuring of the Company, much of Q4 FY19 focused on consolidation of the core recruitment business and the impending integration of Industry Pathways Pty Ltd ("IPW").

Restructuring costs incurred in Q4 FY19 were to position the Company with the aim of being EBITDA positive from July 2019. These restructuring costs were incurred and paid during the quarter, impacting the cashflow from operations.

The Company saw a moderate increase of 6% in revenue on the previous Quarter which contributed to full year revenue growth of 5% for FY19.

The Recruitment Division focused heavily on converting new business opportunities across the country, along with an emphasis on continuing to increase workforce numbers with its already-established client base.



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Planning for the impending integration of IPW occurred throughout the Quarter, and initial testing of cross-selling opportunities began. The Company is excited about the growth profile and cross-selling opportunities the acquisition will provide.

New corporate advisors, Vested Equities and Bletchley Park Capital ("BPC") were appointed to lead a roadshow for the Company during Q4 FY19, which involved presenting the upcoming capital raise to a number of new potential investors. In addition, a new investor relations program was developed and implemented which has seen significant increase in the exposure the Company has to the investment community.

Managing Director, Billy Ferreira: "During the Quarter, we have made structural changes to drive positive earnings in our core business and we've set the platform for the integration of IPW. Our team have responded positively to recent changes and we look forward to a successful FY20."

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



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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")

30 June 2019

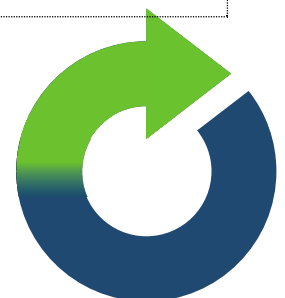
Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	11,862	55,014
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(10,296)	(46,869)
(c) advertising and marketing	(26)	(144)
(d) leased assets	-	-
(e) staff costs	(1,466)	(5,750)
(f) administration and corporate costs	(163)	(1,043)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(123)	(590)



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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12months) \$A'000
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	(212)	618

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(3)	(96)
(b) businesses (see item 10)	-	(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)	-	-
2.6 Net cash from / (used in) investing activities	(3)	(136)



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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12months) \$A'000
3.	Cash flows from financing activities		
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	1,003	1,269
3.6	Repayment of borrowings	(630)	(3,423)
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	373	(2,154)
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	781	2,611
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(212)	618
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3)	(136)



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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	373	(2,154)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	939	939

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	939	781
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)	939	781

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6. Payments to directors of the entity and their associates	Current quarter \$A'000
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	

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
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

- 8.1 Loan facilities
- 8.2 Credit standby arrangements
- 8.3 Other - Debtors funding facility
 - Finance Lease facilities

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	104	104
	15,000	5,516
	551	551

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	(8,146)
9.3	Advertising and marketing	(25)
9.4	Leased assets	-
9.5	Staff costs	(959)
9.6	Administration and corporate costs	(352)
9.7	Other (provide details if material)	-
9.8	Total estimated cash outflows	(9,482)

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity		
10.2	Place of incorporation or registration		
10.3	Consideration for acquisition or disposal – cash Consideration for acquisition or disposal – shares issued		
10.4	Total net assets		
10.5	Nature of business		



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:
2019

(Company secretary)

Date: 31 July

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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