

The GO2 People Ltd Posts Continued Growth and Achieves Important Milestones During Q2 FY19

Highlights

- Group revenue to Dec 31st 2018 up 37% on same period in FY18
- Recruitment Division continues to grow within expectations
- Operational positive cashflow for the quarter
- GO2 Building successfully completed first WA State Government contract
- GO2 Building awarded first remote WA Local Government contract
- GO2 Building received ISO Accreditation for Health, Safety, Environment, Quality
- GO2 Skills & Training Acquisition Completed
- Launch of Dream Now Indigenous Traineeship Program
- ZERO LTI's since listing

January 31, 2019: Leading provider of vertically integrated recruitment and building services The GO2 People Limited (ASX:GO2) ("The GO2 People" or "the Company") is pleased to release its Appendix 4C for the three month period ended December 31st, 2018.

The GO2 People has continued its solid start to FY19 and remains on track to achieve continued revenue growth and improved EBITDA as it pursues its aim to triple its business operations three years from its public listing.

Group revenue for the six months to December 31st 2018 has increased by 37% on the same corresponding period last year, providing a solid foundation for the Company to achieve continued growth during H2 FY19.



The Recruitment Division recorded strong revenue growth to December 31st 2018, this has been on the back of consistency in workforce personnel numbers since the beginning of FY19. Existing recruitment clients have facilitated this rise, and a number of recently executed service agreements across the country, with large national and multi-national construction and mining contractors, is expected to provide further growth opportunities. The recent addition of professional recruitment services has improved the Division's overall capability and has resulted in the execution of Terms and Conditions by three new clients.

During Q2 FY19, GO2 Building successfully completed its first Western Australia State Government contract whilst also being awarded its first Western Australia Local Government contract for the Shire of East Pilbara. Although both are relatively small contracts, winning and successfully executing these initial Government contracts plays an important part in the Company's strategy to become an accredited Government supplier, as multiple opportunities exist in this sector. Importantly, GO2 Building also received its ISO Accreditation for Health, Safety, Environment and Quality in November 2018 also ticking off an important internal milestone for the team.

Building revenue for the full year will depend on new contract wins, with a number of government and mining projects currently tendered and awaiting client award during the third quarter of FY19. These include meaningful discussions and invites to tender with Tier One Miners in Western Australia.

The Company completed the acquisition of GO2 Skills & Training Pty Ltd in Q2 FY19. The acquisition falls in line with the Company's strategic plan, offering value added services to both clients and candidates and a competitive advantage to the Company itself through increased capability and revenue diversification. The integration of GO2 Skills & Training into The GO2 People has been seamless and the Company expects to see benefits of the acquisition flow into the Group in the coming months.

Another milestone achieved during Q2 FY19 was the launch of the Company's Dream Now Indigenous Traineeship Program in December 2018. Further increasing GO2's strategic presence in the Indigenous sector and strengthening ties in the Indigenous Community, Dream Now will provide real employment and education opportunities to Indigenous people. The Dream Now initiative will increase the Company's capability to meet the significant demand for the provision of Indigenous workers to existing, and potential new clients, and major projects throughout the country.



Importantly, the Company continued its consistent safety performance in the second Quarter FY19, maintaining zero LTI's since listing in October 2017. A major focus of GO2, improvement in this area is expected to result in reduced workers compensation premiums (and therefore improved labour hire margins) year to year.

Managing Director, Billy Ferreira: "As a group, we continue to achieve important internal milestones in line with our strategic plan, which are important metrics we use to hold ourselves accountable. Combined with revenue growth and responsible capital management, we are very confident that we will achieve our target of tripling the business from its listing date."

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



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 2018

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	15,632	30,474
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(13,259)	(26,360)
(c) advertising and marketing	(24)	(82)
(d) leased assets	-	-
(e) staff costs	(1,312)	(2,782)
(f) administration and corporate costs	(220)	(697)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(185)	(343)
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	632	210

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(54)	(72)
	(b) businesses (see item 10)	-	-
	(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	30	75
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(24)	3

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	126	525
3.6	Repayment of borrowings	(1,291)	(1,861)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6months) \$A'000
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(1,165)	(1,336)

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	2,045	2,611
4.2	Net cash from / (used in) operating activities (item 1.9 above)	632	210
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(24)	3
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1,165)	(1,336)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	1,488	1,488

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	1,488	1,488
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)	1,488	1,488

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	30
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	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 <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	6,133
- Finance Lease facilities	835	835
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	(11,600)
9.3 Advertising and marketing	(22)
9.4 Leased assets	-
9.5 Staff costs	(1,457)
9.6 Administration and corporate costs	(184)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	(13,263)

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	GO2 Skills & Training Pty Ltd	
10.2	Place of incorporation or registration	Queensland	
10.3	Consideration for acquisition or disposal – cash Consideration for acquisition or disposal – shares issued	\$465,000 via assumption of loan balances	
10.4	Total net assets	(\$16,165)	
10.5	Nature of business	Provider of training and leadership courses	

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 2019

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.