

## Termination of IPW Share Sale Agreement

September 6 2019: Leading provider of vertically integrated recruitment and building services The GO2 People Limited (ASX:GO2) ("The GO2 People" or "the Company") advises that the Company has received a notice of termination of the Share Sale Agreement from the Vendor of Industry Pathways Pty Ltd ("IPW"), and provides an update on the reinstatement to trading of the Company's Shares on the ASX and outlook for the Company .

### Share Sale Agreement Termination

Subsequent to the Company's ASX Release on 2 September 2019, in which the Company advised that it had been notified by the Lead Manager to the Capital Raising that it had received commitments for the \$1.3m minimum subscription, the Company received a notice of termination of the Share Sale Agreement from the Vendor of IPW. As a result, the proposed acquisition of IPW is now at an end.

As noted in the Company's previous announcements, Capital Raising Prospectus (dated 31 July 2019) and the Supplementary Prospectus (dated 19 August 2019), the proposed acquisition of IPW contained a number of Conditions Precedent ("CP's"). These CP's required completion, waiver or extension by 5pm 2<sup>nd</sup> September 2019 in order for the acquisition to formally proceed.

As of 2 September 2019, the Company had not satisfied all of the CP's. Through frequent discussions with the IPW Vendor, it had not received any indication that the time for completion would not be extended, particularly given the minimum subscription had been committed.

The Company is disappointed and surprised by this termination, given its belief that the balance of the CP's could be met within a number of days. Nevertheless, as a result of the termination of the IPW acquisition, the related Capital Raising and debt facility will also no longer proceed.

### Resumption of Trading on the ASX

Given the proposed acquisition of IPW is now at an end, the Company has requested the reinstatement of trading of its Shares from the commencement of trading on Monday 9<sup>th</sup> September 2019.





## Outlook

The Company is focused on continued organic growth in its core Recruitment Division. The Company believes it is well placed for ongoing EBITDA growth for several reasons:

- GO2 has shown a clear pathway to positive EBITDA following a recent operational review and reduction of overheads of \$1.5m p.a.
- We have moved away from pursuing aggressive revenue growth and remain focused on generating positive EBITDA and free cashflows.
- The Company's sectors are highly fragmented with many smaller operators who cannot compete with the Company national, corporatized business model.
- The Company's renewed focus on servicing higher margin clients is expected to drive organic growth.

The Company's focus remains on realising its vision of a national, vertically integrated labour hire and training business which generates positive and growing free cash flow for shareholders. In the short-medium term, the Board and Management will focus their efforts on growing the profitability of the GO2 business and increasing the exposure of the Company across Australia.

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 training services to industry throughout Australia.

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)

