

**THE GO2 PEOPLE LTD (SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
ACN 616 199 896 ("Company")**

**NOTICE OF GENERAL MEETING OF SHAREHOLDERS AND EXPLANATORY STATEMENT**

**For a General Meeting of Shareholders to be held on Thursday, 9<sup>th</sup> November 2023 at  
11:00am(AEDT)  
at Nicols and Brien Chartered Accountants, Level 2, 350 Kent Street, Sydney, New South  
Wales, Australia.**

## TO SHAREHOLDERS

Dear Shareholder

6<sup>th</sup> October 2023

As you may be aware, on 28 April 2023 the Company's Shares were suspended from quotation on the official list of the Australian Securities Exchange ("**ASX**") due to non-payment of debts due by a customer.

On 1 May 2023, Mr Robert Michael Kirman and Mr Robert Conry Brauer of McGrathNicol, were appointed Voluntary Administrators of the Company.

A proposal by Alt Finance Pty Ltd, for the restructure and recapitalisation of the Company via a Deed of Company Arrangement and Creditors Trust, was submitted to the Voluntary Administrators ("**Recapitalisation Proposal**") on 26<sup>th</sup> June 2023. A creditors' meeting was convened by the Voluntary Administrators to consider the Recapitalisation Proposal. Creditors accepted the Recapitalisation Proposal on the 4<sup>th</sup> July 2023, and the Deed of Company Arrangement was signed on 25<sup>th</sup> July 2023. The Deed Administrator is David Levi, of Levi Consulting. The role of Mr Kirman and Mr Brauer has accordingly ended.

The Recapitalisation Proposal requires, and is subject to, various approvals being obtained from the Shareholders ("**Resolutions**"). Accordingly, the Deed Administrator has called a General Meeting of the Company to consider the Resolutions ("**Meeting**"). The Meeting will be held at 11.00am (Sydney Time) on Thursday, 9th November 2023. A summary of the Resolutions being put forward at the Meeting are as follows:

- (1) The company to consolidate shares 1:48;
- (2) The company to allot and issue 90,948,124 shares to raise \$181,898.00; and
- (3) New Directors be appointed to the Company.

Enclosed with this letter are the Notice of General Meeting ("**Notice**"), the Explanatory Statement, a Proxy Form and Independent Expert's Report.

The Recapitalisation Proposal is also subject to the following conditions ("**Conditions**"), summarised as follows:

- (a) Payment to the Deed Administrator from the Recapitalisation Fund to extinguish creditor claims in full;
- (b) the Deed Administrator retiring from office upon collection and disbursement of the Recapitalisation Fund and all existing creditors' claims as at the date of voluntary administration extinguished;
- (c) the Shareholder Resolutions being approved without amendment; and
- (d) creditors with a security interest registered on the PPSR Register remove such interest from the personal property securities register established by the Personal Property Securities Act, 2009.

If the Conditions are not met or waived by 31<sup>st</sup> December 2024 or such other date as agreed by the Deed Administrators and Alt Finance Pty Ltd or if it appears the terms of the Deed of Company Arrangement cannot be fulfilled, then the Deed Administrator may take steps to place the Company into Liquidation.

Alt Finance Pty Ltd's role will cease when the Deed of Company Arrangement is effectuated.

In considering the Resolutions, Shareholders should bear in mind the Company's current financial circumstances. As mentioned above, the Company's Shares have been suspended from quotation on the ASX since 28 April 2023 and the Company requires recapitalisation in order to continue its operations and to seek reinstatement of its Shares to official quotation on the ASX. The Company will have to comply with Chapters 1 and 2 of the ASX Listing Rules. Re-compliance with Chapters 1 and 2 is warranted as it is contemplated that there will be a change to the Company's business after it comes out of external administration. Alt Finance Pty Ltd will not be lodging an In-Principle Advice as to suitability of the proposal to re-quote the shares. As stated above, Alt Finance Pty Ltd's role will cease upon effectuation of the Deed of Company Arrangement. Alt Finance Pty Ltd's role as Deed Proponent ceases upon effectuation of the DOCA. However, Alt Finance Pty Ltd may have a continuing interest in the restructured company, as a shareholder only, if shareholders approve Resolution 3. ASX has absolute discretion in deciding whether or not to re-admit the company to the official list and to quote its securities. This means the Company may not be reinstated and the shares may never be quoted. Re-quotation is a difficult and complex exercise. Also, new shares that are issued under the Resolutions proposed in this notice of meeting may be subject to escrow.

Ultimately, if the Resolutions are approved and implemented, the Company will be debt free, and in a position to seek opportunities to create shareholder wealth.

If the Resolutions are not approved and the Conditions have not been met by the time stated in the Deed of Company Arrangement, the Deed of Company Arrangement may terminate in which case the Company may be placed into Liquidation. It is expected that there will be no return to Shareholders in a Liquidation.

#### Preparation of and responsibility for this document

The Deed Administrator has given his consent to convene the meeting and to despatch this Notice and the Explanatory Statement but expresses no opinion about any of the contents (including, but not limited to, any statements regarding the Recapitalisation Proposal).

The Deed Administrator has not independently verified any of the information contained in this Notice or Explanatory Statement. Neither the Deed Administrator nor any servants, representatives, agents or employees of the Deed Administrators' firm make any representations or warranties (express or implied) as to the accuracy, reasonableness or completeness of the information contained in this Notice or the Explanatory Statement.

To the fullest extent permitted by law, all such parties and entities expressly disclaim any and all liability for, based on or relating to, any such information contained in or omissions from this Notice and the Explanatory Statement.

The Deed Administrator makes no recommendation about how shareholders should vote on the resolutions contained in this Notice and has not undertaken any due diligence in relation to the Recapitalisation Proposal and has relied upon correspondence with Alt Finance Pty Ltd and its advisors.

The ASX does not take any responsibility for the contents of this Notice of Meeting, and the fact that the ASX may re-admit the Company's securities to quotation on its official list is not to be taken in any way as an indication of the merits of the Company.

#### Investment Decisions

This document does not take into account the individual investment objectives, financial situation or particular needs of any other person. Shareholders should seek professional advice from a licensed financial advisor, accountant, stockbroker, lawyer or other appropriate adviser.

Yours faithfully

A handwritten signature in black ink, appearing to read 'David', is positioned below the closing 'Yours faithfully'.

Mr David Levi –Deed Administrator  
The GO2 People Ltd (ACN 616 199 896)  
(Subject to Deed of Company Arrangement)

## BUSINESS OF THE MEETING

### Agenda

#### **Resolution 1 – Consolidation of Existing Shares and Options**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to the passing of Resolutions 2 to 6 for the purposes of Section 254H of the Corporations Act, approval is given for the Company’s existing ordinary shares and options be consolidated on a 1:48 basis, (“Consolidation”), with any fractions rounded down.”

#### **Resolution 2 – Allotment and Issue of Shares to Australian Business Facilitators Pty Ltd – ACN 632 894 449**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That subject to the passing of Resolutions 1, and 3 to 6, for the purposes of Chapter 2E of the Corporations Act Item 7 of Section 611 of the Corporations Act, approval is given for the Company to issue 90,000,000Shares (post consolidation), at \$0.002 per Share to Australian Business Facilitators Pty Ltd to raise \$180,000.00 on the terms and conditions set out in the Explanatory Statement”.

**Note:** The maximum level of voting power of Australian Business Facilitators Pty Ltd (ABF) will be 90% if this resolution is passed along with all other resolutions.

**Voting exclusion statement:** The Company will disregard any votes cast in favour of the resolution by or on behalf of:

- Australian Business Facilitators Pty Ltd; or
- an associate of Australian Business Facilitators Pty Ltd.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and

- the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### **Resolution 3 – Allotment and Issue of Shares to Alt Finance Pty Ltd**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That subject to the passing of Resolutions 1, 2, 4, 5 and 6, for the purposes of ASX Listing Rule 7.1, approval is given for the Company to issue 948,124 Shares (post consolidation), at \$0.002 per Share to Alt Finance Pty Ltd or its nominee, to raise \$1,898.00 on the terms and conditions set out in the Explanatory Statement".

**Note:** The maximum level of voting power will be 1% (approx.) if this resolution is passed along with all other resolutions.

**Voting exclusion statement:** The entity will disregard any votes cast in favour of the resolution by or on behalf of:

- the named person or class of persons excluded from voting: ; or
- an associate of that person or those persons.

Alt Finance Pty Ltd or their nominee is excluded from voting as the resolution refers to the shares potentially being issued to a nominee. Alt Finance Pty Ltd is a person who is expected to participate in, or who will obtain material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity.)

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### **Resolution 4 – Appointment of Miss Dorota Bondaruk as a Director**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, subject to the passing of Resolutions 1 to 3 and 5 to 6, Miss Dorota Bondaruk, being eligible and having consented to act, be elected as a director of the Company, with effect from close of the General Meeting."

**Resolution 5 – Appointment of Mr Vasilios (Bill) Argyros as a Director**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, subject to the passing of Resolutions 1 to 4 and 6, Mr Vasilios Argyros, being eligible and having consented to act, be elected as a director of the Company, with effect from close of the General Meeting.”

**Resolution 6 – Appointment of Mr Thomas Murmylo as a Director**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, subject to the passing of Resolutions 1 to 5, Mr Thomas Murmylo, being eligible and having consented to act, be elected as a director of the Company, with effect from close of the General Meeting.”

DATED: 6<sup>th</sup> October 2023

By order of the Board



Mr David Levi  
Deed Administrator  
The GO2 People Ltd (Subject to Deed of Company Arrangement)  
ACN 616 199 896

## NOTES:

1. A Shareholder of the Company who is entitled to attend and vote at a general meeting of Shareholders is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
3. For the purposes of Regulation 7.11.37 of the Corporations Act, the Deed Administrators have determined that the shareholding of each Shareholder for the purposes of ascertaining their voting entitlements for the Meeting will be as it appears on the Company's share register at 7.00 p.m. (Sydney Time) on Tuesday 7<sup>th</sup> November 2023 (the Entitlement Time). Accordingly, only those persons registered as holders of Shares at the Entitlement Time will be entitled to attend and vote at the Meeting. Transactions registered after that time will be disregarded in determining Shareholders entitled to attend and vote at the Meeting.
4. In accordance with Section 250BA of the *Corporations Act 2001* the Company specifies the following information for the purposes of receipt of proxy appointments:

### **Mail and physical address**

Level 2, 350 Kent Street,  
Sydney NSW 2000  
AUSTRALIA

Facsimile: +61 2 9299 2239  
Email: [steve@nicolsandbrien.com.au](mailto:steve@nicolsandbrien.com.au)

The instrument appointing the proxy must be received by the Company at the address specified above at least forty-eight (48) hours before the time notified for the meeting (proxy forms can be lodged by facsimile). Any proxy form received after that time will not be valid for the scheduled meeting.

For any questions, please call Steve Nicols on phone +61 2 9299 2289.



## EXPLANATORY STATEMENT

### 1. GENERAL INFORMATION

This Explanatory Statement has been prepared for the Shareholders of The GO2 People Ltd (Subject to Deed of Company Arrangement) (**Company**)(**GO2P**) in connection with the Resolutions 1-6 (inclusive) to be considered at the General Meeting of the Company's Shareholders to be held at 11.00a.m (AEST) (Sydney Time) on Thursday, 9<sup>th</sup> November 2023 ("**Meeting**").

The purpose of this Explanatory Statement is to provide information to Shareholders which is considered to be material to them in deciding whether or not to pass the Resolutions in the Notice of General Meeting of the Company ("**Notice**").

Shareholders should read this Explanatory Statement in full because individual sections do not give a comprehensive review of the Resolutions. In addition, this Explanatory Statement should be read in conjunction with the accompanying Notice.

In considering the Resolutions, Shareholders must bear in mind the current financial circumstances of the Company. In this regard, Shareholders should note that reports have been made by the Company's appointed Voluntary Administrators in accordance with the Corporations Act. The reports set out in detail the financial position of the Company, the actions and investigations to be taken by the Administrators and the reasons for the current status of the Company. The Voluntary Administrators' reports are available by contacting Nicols + Brien Chartered Accountants on phone: (02) 9299 2289. They will arrange for copies to be sent. The Voluntary Administrators' reports are also available at <https://www.mcgrathnicol.com/creditors/go2-group/>.

If all of the Resolutions are passed and the Recapitalisation Proposal is completed, the Company will be debt free and solvent. Completion of the proposal will not be enough to meet the ASX Listing Rule requirements for re-quotations. Re-quotations is a difficult exercise (among other things, the company will be required to re-comply with Chapters 1 and 2 of the ASX Listing Rules), and the completion of the Recapitalisation Proposal will not guarantee the reinstatement of the company to the official list of the ASX. ASX has absolute discretion in deciding whether or not to re-admit the company to the official list and to quote its securities. This means the Company may not be reinstated and the shares may never be quoted. Also, new shares that are issued under the resolutions proposed in this notice of meeting, may be subject to escrow. If Shareholders do not approve the Resolutions and as a consequence the Recapitalisation Proposal is rejected, the Company will likely go into liquidation and it is likely that there will be no return to Shareholders.

#### 1.1 Background

A general background in respect of the appointment of the Voluntary Administrators is set out in the letter by the Deed Administrator to Shareholders accompanying the Notice ("**Letter**").

#### 1.2 History of the Company

The GO2 Group was a leading national provider of recruitment and workplace training services headquartered in Perth, Western Australia, comprising of three primary businesses: GO2 Recruitment, Hunter Executive Search Consultants, and Skill Hire.

The GO2 People Ltd was incorporated on 30 November 2016, and listed on the ASX in October 2017. In March 2021, GO2 acquired Hunter and in June 2021 acquired Skill Hire and its subsidiary, Nara Training and Assessing.

Between December 2021 – January 2022 directors conducted a review which identified instances where superannuation was paid late, with a potential resulting liability of \$2.6m

plus penalties. The GO2 Group self-reported to the ATO and commenced negotiations of payment plans for each affected entity.

On 4 November 2022 the ATO payment plans were approved for GO2PA and GO2R.

On 15 November 2022 the GO2 Group announced a \$3.25m capital raise through a non-renounceable Rights Issue to be followed by a Shortfall Placement. The Rights Issue Offer Document disclosed a potential claim raised by the Hunter vendors in respect of non-disclosure of historical superannuation liabilities at the time of the Hunter sale. The capital raise resulted in only \$145k, of which \$120k was raised from the Directors.

On 1 May 2023 The Directors formed the view that due to the ongoing non-payment by the material debtor and the resulting inability of Skill Hire WA to accept and enter into the ScotPac facility, the GO2 Group did not have sufficient cashflow to continue trading and meet its ongoing liabilities. Rob Brauer and Rob Kirman of McGrathNicol were appointed Administrators of the GO2 Group on 1 May 2023.

The Voluntary Administrators called a meeting of creditors pursuant to Section 439A of the Corporations Act, recommending the proposal of Alt Finance Pty Ltd to re-capitalize the company. The creditors passed the requisite resolution, and a Deed of Company Arrangement was entered into on 25 July 2023. Mr David Levi of Levi Consulting, is the Deed Administrator. The Deed is conditional upon resolutions 1-3 listed herein being passed without alteration.

### **1.3 Summary of the terms of the Recapitalisation Proposal**

Set out below is a detailed summary of the Recapitalisation Proposal.

The essential terms of the Recapitalisation Proposal are as follows:

- (a) Entering into a Deed of Company Arrangement and Creditors Trust;
- (b) Consolidation of shares and options on a 1:48 basis;
- (c) Placement to exempt, professional and sophisticated investors, whom will subscribe in aggregate for 90,948,124 shares to raise \$181,898.00;
- (d) The proposed New Directors for the Company will be appointed.
- (e) Alt Finance Pty Ltd will pay \$100,000.00 into a Deed of Company Arrangement Fund and pay some of the Voluntary Administrator's costs, and pay the ASX Yearly Listing Fee for 23/24. These monies will be reimbursed by the company to Alt Finance Pty Ltd from the capital raising of \$181,898.00 if the shareholders pass the resolutions 1 to 6, leaving the company with \$10,000 cash at bank, and no liabilities. These payments are to effectuate the Deed of Company Arrangement.

The Alt Finance Pty Ltd Recapitalisation Proposal was submitted to the Voluntary Administrators on 26 June 2023. It was accepted by the creditors of the company on 4<sup>th</sup> July 2023 and the Deed of Company Arrangement was signed on 25<sup>th</sup> July 2023. The DOCA and recapitalisation proposal also needs shareholder approval. The Resolutions put forward in the Meeting are for the purposes of implementing the Recapitalisation Proposal. The key terms of the DOCA are that a Recapitalisation Fund will be created to pay unsecured creditors, and from which costs, charges and expenses of the Voluntary Administrators and the Deed Administrator will be paid. The Deed Administrator then retire; the conditions precedent requires shareholders to pass all resolutions of the recapitalisation proposal, in particular 1 to 3.

The Recapitalisation Proposal involves the simultaneous completion or "effectuation" of the Deed of Company Arrangement via a Creditors Trust mechanism when the shareholders pass all the resolutions. The Company will also be released from all Creditors Claims estimated at \$9,160,369.00 and will have nil liabilities once Completion occurs. The costs, changes, and expenses of Alt Finance Pty Ltd and related parties will be paid by Australian

Business Facilitators Pty Ltd, i.e. not The GO2 People Ltd (Subject to Deed of Company Arrangement).

#### **1.4 New Directors**

*Proposed Director Miss Dorota Bondaruk – Bachelor of Science in Logistics from the University of Technology, Bialystok, Poland.*

Miss Bondaruk has over 10 years of experience in business management, accounting, and professional service industries. Miss Bondaruk currently works as an accountant in Sydney.

During the last 3 years, Miss Bondaruk has not held any other listed company directorships.

*Proposed Director Mr Vasilios (Bill) Argyros*

Has over 25 years' experience in the wagering and betting industry. Mr Argyros was head of trading at Global Sportsbet from 1998 to 2005. He currently maintains a strong interest in poker tournaments, wagering and sports generally.

*Proposed Director Mr Thomas Murmylo – Master of International Taxation from University of Sydney, Chartered Tax Advisor (Tax Institute of Australia)*

Mr Murmylo has over 15 years' experience in advising clients with complex business structures and tax advice. He is the founder of a well-established Sydney based accounting, tax and consulting practice. Mr Murmylo is a director of ABF which, if the resolution is approved, will have 90% voting power in the company.

During the last 3 years, Mr Murmylo has held the following ASX listed company directorships: BIR Financial Limited 24 October 2022 to 1 April 2023.

#### **1.5 ASX Listing**

The Company is admitted to the Official List of ASX. However, trading in the Company's Shares was suspended on 28 April 2023. Trading in the Shares will not recommence until all Resolutions are passed and not until the Company complies with Chapters 1 and 2 of the Listing Rules, or until ASX advises otherwise.

The intention of the New Directors with regard to the business of the Company is to use the working capital to be injected into the Company via the Recapitalisation Proposal for the purposes described in Section 1.11 of this Statement. The New Directors' plan is to identify and assess potential acquisition opportunities of a material asset subject to approval by ASX, Shareholders and regulatory bodies, where relevant. There is no certain timeframe as to when this may occur, but it is anticipated to be in the second quarter of 2024. The Company is also mindful of the ASX's automatic removal policy, which deals with lodgement of all overdue statutory reports as well as a maximum 2-year suspension rule. Furthermore, ASX may remove the company if it fails to lodge any of the documents referred to in listing rule 17.5 for a continuous period of 1 year after the deadline for lodgement of that document (or the earlier of this or the 2-year period) (GN33 at section 3.4).

#### **1.6 Advantages and Disadvantages of the Recapitalisation Proposal**

##### Advantages

- 1.6.1 The passing and consummation of Resolutions 1 to 6 as part of the recapitalisation proposal would result in a net cash position of approximately \$10,000 (assuming the capital raising of the \$181,898.00 referred to above) and having a company with no liabilities, compared with the current position whereby the Company has no assets, and significant debts of approximately \$9,160,369.00.

- 1.6.2 If the proposals per Resolutions 1 to 6 are consummated as part of the recapitalisation process, the net cash asset backing of a GO2share rises from nil cents to approximately \$0.0001 per share.
- 1.6.3 If Resolutions 1 to 6 are passed together with the completion of the recapitalisation proposal, the Company's chances to continue to investigate opportunities are enhanced as, without the recapitalisation, it is likely that the Company may be wound up and deregistered. The Company would need to find a new business and raise additional funds so that it could meet the Listing Rules.
- 1.6.4 The proposed Directors bring additional expertise to the Company in that such Directors have finance and corporate experience and/or experience as Directors or Managers of trading entities. Paragraph 1.4 above discloses the background of the proposed directors.

#### Disadvantages

- 1.6.5 A significant dilution of existing shareholders will occur. i.e., they will own approximately 9% as compared to 100% now of the expanded issued capital of the Company after the passing of Resolutions 1 to 6 (the passing of Resolutions 1 to 6 are dependent on all resolutions being passed). However, we note that GO2 will be partly recapitalised with approximately \$10,000 in net cash (assuming completion of the \$181,898.00 total capital raising), will have no debt and will have the opportunity to consider the acquisition of other assets or businesses. It is assumed that all investors will obtain a benefit particularly if the Company's shares can be re-quoted on ASX (the Company will need to re-comply with Chapters 1 and 2 of the ASX Listing Rules). Re-quotations on the ASX is a difficult and complex exercise. ASX has absolute discretion in deciding whether or not to re-admit the company to the official list and to quote its securities. This means the Company may not be reinstated and the shares may never be quoted. Also, any new shares that are issued under the resolutions proposed in this notice of meeting, may be subject to escrow.

The dilution effect of the transaction on existing members' interests, also affects the voting power of ABF if approval is given for the transaction and ABF's voting power in the company increases to 90%. This means ABF will be able to unilaterally pass or block both ordinary and special resolutions. ABF will be able to compulsorily acquire the remaining 10% of shares as the 90% holder under Part 6A.2 of the Corporations Act.

- 1.6.6 The Company would only have approximately net cash of \$10,000 after the issue of the 90,948,124 shares for a total capital raising of \$181,898.00 as per Resolutions 2 and 3. The Company would still need to find a new business and raise additional funds so that it could meet the Listing Rules. In the absence of a superior offer (made before shareholders vote on Resolutions 1 to 6) the shell value does not exist and it is quite possible in the absence of any other recapitalisation proposal, the Company could be placed into Liquidation.
- 1.6.7 If the Company seeks new business opportunities, there is no guarantee that such businesses will be profitable.

#### Interests of Other Groups

- 1.6.8 The following groups will benefit from the transaction, namely creditors as they will receive a dividend payment under the DOCA; Deed Administrator will receive remuneration of \$16,500 under the DOCA; executives will retain their shares, albeit consolidated 1:48.

### **1.7 Conclusion**

The Resolutions 1 to 6 set out in the Notice are important and affect the future of the Company. All of the Resolutions 1 to 6 need to be approved in order to implement the Recapitalisation Proposal. Shareholders are therefore urged to give careful consideration to the Notice the contents of this Statement.

## 1.8 Capital Raising

The Company intends to raise \$181,898.00 by issuing 90,948,124 shares each to exempt, professional and sophisticated investors.

Funds raised under the Placement will be used in accordance with the table set out in Section 1.11 below.

## 1.9 Financial Effect of Placement

The completion of the Placement will increase the Company's cash balance by \$181,898.00 and also increase the Company's issued capital by the same amount.

The Company's only asset will be the cash raised under the Placement, less any amounts expended in accordance with the table set out in Section 1.11 below.

The Company has not presented pro forma financial information in relation to the transactions as recent historical audited financial information is not available owing to the Company being in Administration. In addition, the Deed Administrator is of the opinion that to present a financial position based on this historical information would not be representative of the Company's current financial position.

## 1.10 Control Implications

The Company is seeking shareholder approval under Corporations Act, Section 611 and Item 7 for the purposes of Resolution 2.

A table showing the impact of the various issues of securities pursuant to this Notice on the aggregated Shareholding interests of existing Shareholders is set out below (on a post Consolidation basis).

	Before		After	
	# Shares	% of Shares	# of Shares	% of Shares (Approx.)
<b>Change as a result of Share issue only</b>				
Existing Shareholders (Resolution 1)	434,490,076	100%	9,051,876	9%
Australian Business Facilitators Pty Ltd (Resolution 2)	0	0%	90,000,000	90%
Alt Finance Pty Ltd (Resolution 3)	0	0%	948,124	1%
		TOTAL	100,000,000	100%

## 1.11 Purpose of funds to be raised under the Recapitalisation Proposal

The Recapitalisation Proposal seeks to raise the sum of \$181,898.00 through issues of Shares to sophisticated, professional or other exempt investors who do not require a

disclosure document under section 708 of the Corporations Act. The purpose of these capital raisings are to:

- (a) pay for the Voluntary Administration, Deed of Company Arrangement (“DOCA”). The payments to creditors will remove the Company from Administration and to extinguish all liabilities; and
- (b) provide working capital to meet the administration costs of the Company.

An estimated budget is set out below.

***Estimated Use of Funds – Expenditure Budget***

<b>Total funds raised \$181,898.00</b>	<b>\$</b>
Voluntary Administration costs and Deed of Company Arrangement	121,500.00
ASX Yearly Listing Fee 2023/2024	23,339.00
Independent Experts Report, printing and mail out of this notice, ASIC, Share Registry.	27,059.00
Working Capital for the company	10,000.00
<b>Total funds utilised (\$)</b>	<b>\$181,898.00</b>

The Company's arrangement with Alt Finance Pty Ltd is that the Company will effectuate its Deed of Company Arrangement when Alt Finance Pty Ltd pays the Deed of Company Arrangement amount and then it will reimburse Alt Finance Pty Ltd from the \$181,898.00 raised. Alt Finance Pty Ltd will incur costs and expenses to third parties to achieve the Recapitalisation Proposal. Therefore, Alt Finance Pty Ltd is taking a risk that it may not be reimbursed payments to third parties if the Recapitalisation Proposal fails. To date, Alt Finance Pty Ltd has paid \$21,500.00 to the Voluntary Administrators and \$23,339.00 to ASX. Alt Finance Pty Ltd will also pay all costs associated with preparing, calling, holding the Shareholders meeting. The costs, charges, and expenses of Alt Finance Pty Ltd will be paid by Australian Business Facilitators Pty Ltd, i.e. not The GO2 People Ltd (Subject to Deed of Company Arrangement).

## **2. RESOLUTION 1 CONSOLIDATION OF CAPITAL**

### **2.1 Background**

If this Resolution is passed and excluding any Securities issued pursuant to the other Resolutions, the number of shares and options on issue will be reduced from 434,490,076 to 9,051,876 (subject to rounding down).

### **2.2 Legal requirements**

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

### **2.3 Fractional entitlements**

Not all Security Holders will hold that number of Shares which can be evenly divided by 48. Where a fractional entitlement occurs, the Company will round that fraction down to the nearest whole Security. This means some shareholders holding less than 48 shares will be rounded down to zero.

### **2.4 Taxation**

It is not considered that any taxation implications will exist for Security Holders arising from the Consolidation. However, Security Holders are advised to seek their own tax advice on the effect of the Consolidation and the Company accepts no responsibility for the individual taxation implications arising from the Consolidation.

## 2.5 Holding statements

From the date of the Consolidation, all previous holding statements for Security will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a pre-consolidation basis.

After the consolidation become effective, the Company will arrange for new holding statements for Securities to be issued to holders of those Securities.

It is the responsibility of each Security Holder to check the number of Securities held prior to disposal or exercise (as the case may be).

## 2.6 Proposed capital structure

### Current Capital Structure shares

	Shares	Percentage %
Current Shares on Issue	434,490,076	100

### Proposed Capital Structure

	Shares	Percentage % (Approx.)
Existing Shares Consolidated 1:48	9,051,876	9%
Resolution 2 Issue of Shares to Australian Business Facilitators Pty Ltd	90,000,000	90%
Resolution 3 Issue of shares to Alt Finance Pty Ltd	948,124	1%
TOTALS	100,000,000	100%

## 2.7 Indicative timetable

If this Resolution is passed, the Consolidation will take effect in accordance with the following timetable (as set out in Appendix 7A (paragraph 7) of the ASX Listing Rules).

Action	Date
Company announces Consolidation, lodges Appendix 3A.3 with ASX and sends out Notice of Meeting	11 <sup>th</sup> October 2023
Company announces on ASX that Shareholders have approved the Consolidation and Effective Date of Consolidation	9th November 2023

Effective Date	10th November 2023
Last day for trading in pre-consolidated shares	13th November 2023
Record Date	15th November 2023
Last day for company to register transfers on a pre consolidation basis	15th November 2023
First day for the company to update its register and to send holding statements	16th November 2023
Last day for the company to update its register and to send holding statements	22 <sup>nd</sup> November 2023

### **3. Resolution 2 – Allotment and Issue of Placement of Shares**

#### **3.1 General**

Resolution 2 seeks Shareholder approval for the issue 90 million Shares at an issue price of \$0.002per Shares to raise\$181,898.00(**Placement**).

#### **3.2 Technical information required for Shareholders**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period. However, Exception 8 of Listing Rule 7.1 allows an exception if an issue of securities is approved for the purposes of Item 7 of Section 611of the Corporations Act, as is the case now.

The following information is provided in relation to the Placement:

- (a) the maximum number of Shares to be issued is 90million;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the issue price will be \$0.002per Share;
- (d) the Shares will be issued to Australian Business Facilitators Pty Ltd
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the Placement towards funding the recapitalisation of the Company (including payment under the DOCA) with remaining funds being used for working capital purposes.

#### **3.3 Section 611 of the Corporations Act and Listing Rules**

As stated above, Exception 8 of Listing Rule 7.1 is being relied upon.



Shareholder approval of Resolution 2 is required under Item 7 of Section 611 of the Corporations Act given Resolution 2 involves the issue of more than 20% of all Shares then on issue.

Pursuant to Section 606(1) of the Corporations Act, a person must not acquire a relevant interest in issued voting shares in a listed company if the person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person and because of the transaction, that person's or someone else's voting power in the company increases;

- (a) From 20% or below to more than 20%; or
- (b) From a starting point above 20% and below 90%.

The voting power of a person in a body corporate is determined in accordance with Section 610 of the Corporations Act. The calculation of a person's voting power in a company involves determining the voting shares in the company in which the person and the person's associates have a relevant interest.

The "associate" reference includes a reference to a person in concert with whom a primary person is acting or proposes to act,

A person has a relevant interest in securities if they:

- (a) are the holder of the securities;
- (b) have the power to exercise, or control the exercise of, a right to vote attached to securities; or
- (c) have power to dispose of, or control the exercise of a power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

## **Chapter 2E of the Corporations Act**

Section 208(1) of the Corporations Act requires that for a public company to give a financial benefit to a related party of the public company, it must either fall within certain exceptions or obtain shareholder approval. A related party includes a party that does or may control a public company. Accordingly, Australian Business Facilitators Pty Ltd is a related party of the Company for the purposes of Chapter 2E of the Corporations Act.

Pursuant to Resolution 2 the company is seeking shareholder approval for the issue of 90 million shares to raise \$180,000.00.

The following information is provided:

- (a) The related party is Australian Business Facilitators Pty Ltd. ABF is a Sydney based investment company holding shares in unlisted securities and receives dividends from same. The nature of the related party relationship is the fact that Mr Thomas Murmylo is proposed to be one of the new directors of the company. Mr Thomas Murmylo holds 100% of the voting power in ABF. If the transaction is approved, ABF will have control of the company.
- (b) The maximum number of shares, being the nature of the financial benefits being provided to be issued, will be 90 million shares. The nature of the financial benefit is further explained by noting ABF will control an ASX Listed and Suspended company and the basis for this is the absence of any viable alternative to implementing the DOCA and hence avoiding probable Liquidation of the company.

The alternative, i.e. probable Liquidation of the company, is inferior and not desirable for existing shareholders. The Voluntary Administrator considered alternatives, and was not able to elicit any other offer apart from the current transaction. The Voluntary Administrator recommended the Deed of Company Arrangement (DOCA), which is conditional upon this current transaction proceeding. The other alternative being to raise capital, was attempted by directors as noted in paragraph 1.2 above, and was not successful.

The impact on the company if the financial benefit is given will be very beneficial, in that the company will remove \$9,160,369 in debt, and have \$10,000 cash at bank. Another impact on the company is that it will change business activities and strategic direction because its previous business was loss making and not successful. The impact on the company if the financial benefit is not given will be that the company will remain insolvent, with \$9,160,369 in debt, and will probably go into liquidation. Shareholders will lose all value. Another impact on the company if the financial benefit is not given will be the lost opportunity for the solvent company to seek out new opportunities to enhance shareholder value.

- (c) The shares will be issued after the share consolidation takes place, being on or about 30 October 2023;
- (d) The issue price will be \$0.002per share;
- (e) The funds raised will be used for the same purposes as all other funds raised under the capital raising as set out in Section 1.11 this explanatory statement;
- (f) The shares issued under the capital raising will be fully paid ordinary shares in the capital of the company issued on the same terms and conditions as the company's existing shares;
- (g) The value of the financial benefit is calculated by the number of securities being issued multiplied by the issue price under General Placement and is set out below:

Securities	Value per Security	Financial Benefit	Amount Paid
90millionShares	\$0.002	\$180,000	\$180,000

The company's shares have been suspended from trading since 28 April 2023 with the last trading price of the company prior to going into administration being \$0.014.

The company will be issuing shares at \$0.002and the Directors therefore consider that \$0.002is a more appropriate valuation for the cost of the shares being issued, the subject of Resolution 2

- (h) The current relevant interests of Australian Business Facilitators Pty Ltd in the securities of the company are nil.
- (i) The remuneration and emoluments from the company to Australian Business Facilitators Pty Ltd for the previous financial year and the proposed remuneration and emoluments for the current financial year are also \$Nil.

Related Party	Financial Year ended 30 June 2021	Financial Year ended 30 June 2022
Australian Business Facilitators Pty Ltd	\$Nil	\$Nil

- (j) The trading history of the shares on ASX in the 12 months before the date of this notice is set out below:

	Price	Date
Highest	1.2 cents	29 September 2022
Lowest	0.9 cents	2 January 2023
Last	1.4 cents	8 March 2023

Shareholders should note that the company's securities were suspended from quotation on 28 April 2023 and remain suspended.

- (k) The primary purpose of the issue of the shares is to raise fresh capital; and
- (l) none of the current Directors have an interest in the outcome of Resolution 2. The Directors make a positive recommendation because the company is subject to Deed of Company Arrangement and currently insolvent.
- (m) the Directors and the Deed Administrator is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the company to pass Resolution 2.

#### **Information required by Item 7 of the Section 611 of the Corporations Act**

Also set out below are the matters required to be disclosed in accordance with Item 7(b) of Section 611 of the Corporations Act.

- (a) *the identity of the person proposing to make the acquisition and their associates:*

It is proposed that 90 million Shares be issued to Australian Business Facilitators Pty Ltd as per Resolution 2. Australian Business Facilitators Pty Ltd, nor related parties, does not have relevant interests in any Shares existing as at the date of this notice.

- (b) *the maximum extent of the increase in that persons voting power in the company that would result from the acquisition:*

If Resolution 2 is passed, Australian Business Facilitators Pty Ltd's voting power in the Company will increase from 0% to 90% (approx).

- (c) *the voting power that the relevant allottees would have as a result of the acquisition:*

If Resolution 2 is passed, Australian Business Facilitators Pty Ltd's voting power in the Company will be 90% (approx.).

- (d) *the maximum extent of the increase in the voting power of each of the allottee's associates that would result from the acquisition.*

As Australian Business Facilitators Pty Ltd has no holding or any relevant interest in existing Shares there is no increase in its voting power in the Company as a result of the acquisition.

- (e) *the voting power that each of the allottee's associates would have as a result of the acquisition:*

As Australian Business Facilitators Pty Ltd has no associates holding any relevant interest in existing shares, there is no increase in its voting power in the Company as a result of the acquisition.

#### Other Required Information – ASIC regulatory Guide 74

The following further information is disclosed:

- (a) The Company will review its current business activities. As part of the process, it is proposed that 3 New Directors will be elected to the Board. These elections form the subject of separate Resolutions. The current Directors and company secretary will be resigning;
- (b) In accordance with the Recapitalisation Proposal, the Company intends to raise capital to:
  - (i) pay for the DOCA and recapitalisation costs and expenses so as to remove the Company from Administration and to extinguish all debt of the Company; and
  - (ii) meet the administration and working capital costs of the Company.

The Company will have sufficient funds if all Resolutions are passed and share capital raised in order to meet the aims of the Recapitalisation Proposal;

- (c) There is no current intention to redeploy any other fixed assets of the Company or to change the Company's existing policies in relation to financial matters or dividends. At present, the Company does not pay a dividend. The dividend policy of the Company will be assessed in accordance with the future profitability of the Company's business; and
- (d) Proposed directors Miss Bondaruk, Mr Argyros and Mr Murmylo do not intend to inject further capital into the company. However this will change if the company seeks re-quotations on ASX.
- (e) An Independent Expert's Report or IER is enclosed, and shareholders are urged to read it in full,

The Corporations Act provides that an independent expert's report of the transaction (as contemplated by Resolution 2 must be provided to Shareholders. The IER provides an opinion as to whether the acquisition of the voting power referred to in Resolution 2 and this section, is fair and reasonable to the non-associated Shareholders of the Company.

The IER is enclosed with the Notice and is attached to Annexure A.

Stantons International Audit and Consulting Pty Ltd has concluded that the acquisition of the voting power by Australian Business Facilitators Pty Ltd as contemplated by Resolution 2 (**"Acquisition"**) **is fair and reasonable to the Shareholders of the Company.**

The advantages and disadvantages of the Recapitalisation Proposal are outlined in the IER and are provided to enable non-associated Shareholders of the Company to determine whether they are better off if the Acquisition proceeds than if not.

Shareholders are urged to carefully read the IER in deciding how to vote on the Resolutions, particularly Resolution 2

- (f) Australian Business Facilitators Pty Ltd will only have a right to compulsorily acquire the shares of minority shareholders pursuant to Section 664C of the Corporations Act if they own 90%. However, they have no intention whatsoever to compulsorily acquire the shares of minority shareholders.

## **Other required information – ASIC Regulatory Guide 76**

The following further information is disclosed:

- (a) The related party is Australian Business Facilitators Pty Ltd. Mr Thomas Murmylo is a director and shareholder of Australian Business Facilitators Pty Ltd.
- (b) The nature of the financial benefit is the issue of 90 million Ordinary Shares in the capital of the Company as set out in this Explanatory Memorandum;
- (c) The Directors of the Company are unable to make a recommendation in relation to whether Shareholders should or should not vote in favour of the Resolution as their powers are suspended whilst the company is under DOCA;
- (d) No Directors have an interest in the outcome of the Resolution. However Mr Thomas Murmylo one of the proposed incoming directors, has a material personal interest in the outcome of the transaction.

All other information that is reasonably required by Shareholders to decide whether or not it is in the Company's interests to pass a resolution and that is known to the Company, is set out in this Explanatory Memorandum and in the Independent Expert's Report.

### **Resolution 3 – Allotment and Issue of Shares to Alt Finance Pty Ltd**

This Resolution is proposed to be approved by Shareholders in accordance with ASX Listing Rule 7.1 and Resolution 3, seeks approval for the issue of 948,124(post consolidation) shares to Alt Finance Pty Ltd or its nominee at an issue price of \$0.002 to raise \$1,898.00.

### **ASX Listing Rules**

ASX Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue during any 12-month period any equity securities, or other securities with rights of conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of ordinary shares on issue at the commencement of that 12-month period.

One circumstance where an issue is not taken into account in the calculation of this 15% threshold is where the issuer has the prior approval of Shareholders in general meeting.

The GO2 People Ltd is proposing to issue 948,124 shares under Resolution 3, ("the Issue").

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

Resolution 3 seeks the required shareholder approval to the Issue under and for the purposes of Listing Rule 7.1.

If Resolution 3 is passed, The GO2 People Ltd will be able to proceed with the Issue and will receive \$1,898.00. In addition, the Issue will be excluded from the calculation of the number of equity securities that The GO2 People Ltd can issue without shareholder approval under Listing Rule 7.1.

To this end, Resolution 3 seeks shareholder approval to the Issue under and for the purposes of Listing Rule 7.1.

If Resolution 3 is passed, the Issue can proceed without using up any of The GO2 People Ltd's 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

If Resolution 3 is not passed, the Issue can still proceed but it will reduce, to that extent, The GO2 People Ltd's capacity to issue equity securities without shareholder approval under Listing Rule 7.1 for 12 months following the Issue.

An approval of security holders is not effective under the Listing Rules unless the notice of meeting includes everything that the Listing Rules require it to include: Listing Rule 14.6.

Listing Rule 7.3.1. In the case of an issue under a reverse takeover, it is sufficient to describe the class or classes of security holders in the reverse takeover target who will be issued securities in the entity (see the note to Listing Rule 7.3.1.)

It is acceptable for an entity to name those investors whose identity is likely to be material to a decision by security holders to approve, the issue and to describe the basis on which other investors will be identified or selected to participate in the issue.

Noting that if the investor is a related party, any issue of, or agreement to issue, equity securities to them will require a separate security holder approval under Listing Rule 10.11 unless the issue or agreement falls within an exception in Listing Rule 10.12.

### **Information required by ASX Listing Rules**

- (a) The following information is provided to Shareholders in accordance with Listing Rule 7.3 for the purpose of obtaining shareholder approval under Listing Rule 7.1 for Resolution 3;
- (b) The maximum number of shares to be issued by the Company to Alt Finance Pty Ltd or its nominee is 948,124 (post consolidation) shares at an issue price of \$0.002 to raise \$1,898.00;
- (c) It is anticipated that the issue of the shares will occur on one date and will not be later than three months after the date of the meeting;
- (d) It is proposed that the 948,124 (post consolidation) shares be issued to Alt Finance Pty Ltd or its nominee;
- (e) The new shares will rank equally with the existing shares;
- (f) The funds raised from the issue of the shares will be used in accordance with the Recapitalisation Proposal and for the purposes set out in Section 1:11 of this Statement;
- (g) The date of allotment of the shares will be the same date on which they are issued;
- (h) The price, or other consideration that the company will receive for the issue of shares is \$0.002 per share ie \$1,898.00; and
- (i) The shares are being issued under an agreement, ie the DOCA, referred to in section 1.3 above of the Explanatory Statement. One of the key terms of the DOCA is shareholder approval to issue fresh shares to raise funds for the DOCA fund, by Alt Finance Pty Ltd or its nominee.

## **4. Resolution 4 to 6 – Appointment of new Directors**

### **4.1 General**

The Corporations Act provides that:

- (a) the Company must have at least 3 directors, per Section 201A(2) of the Corporations Act;

- (b) the Company's Shareholders may appoint new Directors of the Company by resolution passed in general meeting, per Section 201G of the Corporations Act; and
- (c) the appointment of a person as a Director at a general meeting is subject to the Company receiving his or her consent to the nomination, per Section 201D of the Corporations act.

Having received nominations for the following persons to be appointed as new Directors of the Company, and having received consents to act as a Director from each such person, Resolutions 4 to 6 respectively seek Shareholder approval for the appointment of the following persons as Directors effective from the close of the General Meeting:

- (a) Miss Dorota Bondaruk – Resolution 4;
- (b) Mr Vasilios (Bill) Argyros – Resolution 5;
- (c) Mr Thomas Murmylo – Resolution 6

A summary of experience of each of the proposed Directors is set out in paragraph 1.4 above.

## **5. ENQUIRIES**

Shareholders are invited to contact Mr Steven Nicols of Alt Finance Pty Ltd on phone + 61 2 9299 2289 if they have any queries in respect of the matters set out in these documents.

## **TIME AND PLACE OF MEETING AND HOW TO VOTE**

### **Venue**

A General Meeting of the shareholders of The GO2 People Ltd (Subject to Deed of Company Arrangement) will be held at 11.00am (Sydney Time) on Thursday, 9 November 2023.

### **How to Vote**

You may vote by attending the Meeting in person, by proxy or authorised representative.

### **Voting in Person**

To vote in person, attend the Meeting on the date and at the place set out above. The Meeting will commence at 11.00 a.m. (Sydney Time).

### **Voting by Proxy**

To vote by proxy, please complete and sign the proxy form enclosed with this Notice of General Meeting as soon as possible and either:

- send the proxy by email to [steve@nicolsandbrien.com.au](mailto:steve@nicolsandbrien.com.au) or by facsimile to the Company on facsimile number (International: + 61 2 9299 2239); or
- deliver the proxy to the Company at c/- Level 2, 350 Kent Street, Sydney, New South Wales, Australia.

so that it is received not later than 7pm (Sydney Time) on Tuesday, 7<sup>th</sup> November 2023.

**Your proxy form is enclosed.**



## GLOSSARY

**GO2** means the company.

**ASIC** means Australian Securities and Investments Commission.

**ASX** means ASX Limited(ACN 008 624 691) or the financial market known as the Australian Securities Exchange, operated by ASX Limited, as the context requires

**ASX Listing Rules** or **Listing Rules** means the Listing Rules of ASX.

**Board** means the board of directors of the Company.

**Company** means The GO2 People Ltd (Subject to Deed of Company Arrangement) (ACN 616 199 896).

**Constitution** means the Company's constitution.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Creditor** means a creditor of the Company as at the date of the Notice.

**Creditor's Trust** means the trust to be established in accordance with the terms of the Recapitalisation Proposal and the DOCA for the purpose of satisfying approved Creditor's claims, to be known as GO2 Creditors Trust.

**Deed Administrator** means David Levi from Levi Consulting.

**Deed of Company Arrangement or DOCA** means the Deed of Company Arrangement between Deed Administrators and the Company dated 25<sup>th</sup> July 2023 and includes any variation to such.

**Director** means a director of the Company.

**Dollar or \$** means Australian dollars.

**Explanatory Statement** or **Statement** means the explanatory statement to the Notice of General Meeting.

**Glossary** means this glossary.

**IER** means Independent Experts Report annexed hereto

**Meeting** means the general meeting of the Shareholders convened by the Notice to be held on Thursday, 9th November 2023.

**New Directors** means the Directors to be appointed under Resolutions 4, 5 and 6.

**Notice** means this notice of general meeting of the Shareholders in respect of the Meeting to be held on Thursday, 9th November 2023.

**Recapitalisation Fund** means the funds available from Recapitalisation Proposal.

**Recapitalisation Proposal** means the Recapitalisation Proposal submitted by Alt Finance Pty Ltd on 26 June 2023 to the Administrators relating to the restructure and recapitalisation of the Company.

**Resolutions** means the resolutions described in the Notice.

**Shareholder** means the holder of Shares.

**Shares** means ordinary class shares in the capital of the Company.

**Sydney Time** means time in Sydney NSW Australia from time to time.

**Trustee** means the Trustee of the Creditors Trust, namely Mr David Levi from Levi Consulting.

**Voluntary Administrators** means Mr Robert Michael Kirman and Mr Robert Conry Brauer from McGrath Nicol.

**PROXY FORM  
APPOINTMENT OF PROXY  
The GO2 People Ltd  
(Subject to Deed of Company Arrangement)  
ACN 616 199 896**

**GENERAL MEETING**

I/We

being a Member of The GO2 People Ltd (Subject to Deed of Company Arrangement) entitled to attend and vote at the Meeting, hereby

Appoint

Name of proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the General Meeting to be held on Thursday, 9th November 2023 at 11.00 a.m. (Sydney Time) and at any adjournment thereof. If no directions are given, the Chairman will vote in favour of all of the resolutions.

---

**Voting on Business of the General Meeting**

	FOR	AGAINST	ABSTAIN
Resolution 1 Consolidation of shares and options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Allotment and Issue of Shares to Australian Business Facilitators Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Allotment and Issue of Shares to Alt Finance Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Election of Miss Dorota Bondaruk as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Election of Mr Vasilios (Bill) Argyros as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Election of Mr Thomas Murmylo as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**OR**

If you do **not** wish to direct your proxy how to vote, please place a mark in this box

☐

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of the interest. The Chairman will vote in favour of all of the resolutions if no directions are given.

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the % of voting rights this proxy represents is

%

Dated this                      day of                      20

Individuals and joint holders    Companies (affix common seal if appropriate)

Signature
Signature

Director
Sole Director and Sole Company Secretary

## Instructions for Completing 'Appointment of Proxy' Form

1. A Shareholder entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a Shareholder of the Company. In the case of joint holders, all must sign.
3. Corporate Shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
  - 2 directors of the company;
  - a director and a company secretary of the company; or
  - For a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a Proxy Form will not prevent individual shareholders from attending the Meeting, if they wish. Where a Shareholder completes and lodges a valid proxy form and attends the Meeting, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. You may fax the Proxy form to: Facsimile No. +61 2 9299 2239 or mail Level 2, 350 Kent Street, Sydney NSW 2000, Australia, or email to [steve@nicolsandbrien.com.au](mailto:steve@nicolsandbrien.com.au).
7. The instrument appointing the proxy must be received by the Company at the address specified above at least forty-eight (48) hours before the time notified for the meeting (proxy forms can be lodged by facsimile).
8. Any questions, please call Steve Nicols on phone +61 9299 2289, or email to [steve@nicolsandbrien.com.au](mailto:steve@nicolsandbrien.com.au).



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26 September 2023

David Levi  
Deed Administrator  
The GO2 People Ltd (Subject to Deed of Company Arrangement)  
c/- Levi Consulting Pty Ltd  
GPO Box 4681  
Sydney NSW 2001

Dear David,

## Independent Expert's Report Relating to Recapitalisation Transaction

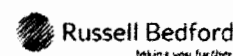
### 1 Executive Summary

#### Opinion

- 1.1 In our opinion, the proposed transaction including the proposal outlined in Resolution 2 of the attached Notice of Meeting ("**NoM**") relating to the issue by The GO2 People Ltd (Subject to Deed of Company Arrangement) ("**GO2**" or the "**Company**") of up to 90,000,000 ordinary shares to Australian Business Facilitators Pty Ltd ("**ABF**") is considered **FAIR** and **REASONABLE** to the non-associated shareholders of GO2 as at the date of this report.

#### Introduction

- 1.2 Stantons Corporate Finance Pty Ltd ("**Stantons**") was engaged by the Deed Administrator of GO2, Mr David Levi (the "**Deed Administrator**") of Levi Consulting Pty Ltd ("**Levi Consulting**") to prepare an Independent Expert's Report ("**IER**") to provide an opinion on the fairness and reasonableness of the proposal outlined in Resolution 2 of the attached NoM and Explanatory Statement ("**ES**"). The NoM will be released ahead of a general meeting of GO2 shareholders to be held in or around October 2023 (the "**Meeting**").
- 1.3 GO2 is an Australian Securities Exchange ("**ASX**") listed company that historically operated a recruitment, training and employment services business. In August 2021 the Company was issued a statement by the Australian Taxation Office ("**ATO**") showing an amount of \$863,000 owing on its Superannuation Guarantee Employer Account. Subsequently, the Company commissioned an external review and identified further potential liabilities of \$2,600,000 plus penalties relating to late superannuation payments.
- 1.4 An attempt to raise capital in December 2022 was largely unsuccessful. A material debtor owing \$959,622 to the Company failed to make a payment in April 2023. Subsequently, the directors formed the view that the Company did not have sufficient cash flows to continue trading.
- 1.5 On 1 May 2023, Messrs Robert Kirman and Robert Brauer of McGrathNicol were appointed voluntary administrators of the Company ("**Voluntary Administrators**" or "**VA**"). A creditors' meeting was held on 4 July 2023, at which a restructure and recapitalisation proposal by Alt Finance Pty Ltd ("**Alt Finance**") was accepted. A Deed of Company Arrangement ("**DOCA**") was signed on 25 July 2023, with David Levi of Levi Consulting being appointed as Deed Administrator. The Company has 7 subsidiaries, 6 of which were subject to separate DOCA agreements with a different proponent and the other is in liquidation.



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- 1.6 The Alt Finance restructure and recapitalisation proposal includes the following terms (collectively defined as the "**Transaction**"):
- The Company will consolidate its outstanding shares on a 1:48 basis (the "**Consolidation**")
  - The Company must enter into a DOCA and creditors' trust
  - The Company will undertake a placement of 90,000,000 post-consolidation ordinary shares at \$0.002 per share to ABF to raise \$180,000
  - Alt Finance (or its nominee) will subscribe for 948,124 post-consolidation ordinary shares at \$0.002 per share, raising \$1,898
  - Alt Finance will provide \$21,500 to the Voluntary Administrators and \$100,000 to the Deed Administrator or creditors' trust and be reimbursed from the funds raised under the placement.
- 1.7 The Transaction is subject to several other conditions, including all current, future and contingent debts of the Company being extinguished on effectuation of the DOCA.
- 1.8 We note the trading subsidiaries of GO2 each entered into DOCA agreements with Intowork Australia Limited ("**Intowork**"), which proposed to acquire 6 of the Company's subsidiaries. The other subsidiary, Skill Hire Australia Pty Ltd, is in liquidation. The Alt Finance proposal relates to the listed parent company only. Accordingly, the trading subsidiaries of GO2 are not included in the Transaction. The sale of the 6 subsidiaries to Intowork has been completed and GO2 holds no investments besides shares in Skill Hire Australia Pty Ltd.

### Purpose

- 1.9 As a result of the Transaction, ABF has the potential to acquire an interest of up to approximately 90% in the ordinary shares of GO2 (assuming all resolutions are passed).
- 1.10 Under Section 606 ("**s606**") of the Corporations Act 2001 ("**TCA**"), unless certain exemptions apply, a person must not acquire a relevant interest in issued voting shares in a company if, as a result of the transaction, that person's or someone else's voting power in the company increases:
- a) from 20% or below to more than 20%; or
  - b) from a starting point that is above 20% and below 90%.
- 1.11 Under Section 611 (Item 7) of TCA, s606 does not apply in relation to any acquisition of shares approved by a resolution passed at a general meeting by shareholders who are not associated with the transaction (the "**Non-Associated Shareholders**"). For such a meeting, an independent expert is typically required to report on the fairness and reasonableness of the transaction.
- 1.12 Pursuant to Chapter 2E of TCA, a public company must, unless certain exemptions apply, obtain approval from its members to give a financial benefit to a related party of the company. Section 228 of TCA specifies that this includes an entity that the company believes is likely to control the company in the future. ABF is therefore considered a related party of GO2 for the purposes of Chapter 2E of TCA.
- 1.13 Accordingly, GO2 intends to seek approval for Resolution 2 from Non-Associated Shareholders at the Meeting, pursuant to both Item 7 of s611 and Chapter 2E of TCA.
- 1.14 The proposed Transaction is described in the NoM and ES to be forwarded to shareholders ahead of the Meeting. This IER provides an opinion on the fairness and reasonableness of the Transaction, including Resolution 2, to Non-Associated Shareholders and is attached to the NoM.

### *Basis of Evaluation*

- 1.15 With regard to the Australian Securities and Investments Commission ("ASIC") Regulatory Guide 111: Content of Expert Reports ("RG111"), we have assessed the Transaction as:
- fair if the value of a GO2 share after the Transaction, on a minority interest basis, is greater than the value of a GO2 share prior to the Transaction on a control basis; and
  - reasonable if it is fair, or if despite not being fair there are sufficient reasons for Non-Associated Shareholders to accept the offer.

### **Valuations**

#### *GO2 Pre-Transaction Share Value*

- 1.16 We assessed the fair market value of a GO2 ordinary share prior to the Transaction using a net asset based methodology, on a post-Consolidation basis. Our assessed fair market value as at 26 September 2023 is as follows:

**Table 1. Pre-Transaction Net Asset Valuation of GO2 Shares (Post-Consolidation)**

	Ref	Value
GO2 pre-Transaction net assets/(liabilities) (\$)	Table 10	(9,315,368)
Number of shares outstanding (post-Consolidation)	Table 10	9,051,876
<b>Pre-Transaction net assets per share (\$)</b>		<b>(1.02911)</b>
<b>Pre-Transaction assessed value per share (\$) (control)</b>		<b>nil</b>

Source: Stantons analysis

- 1.17 As GO2 has a pre-Transaction position of net liabilities and no operating business, we assessed the fair value of a GO2 post-consolidation ordinary share prior to the Transaction, on a control basis, to be nil.

#### *GO2 Post-Transaction Share Value*

- 1.18 Our net assets based valuation of GO2, post-Transaction, as at 26 September 2023, on a minority interest basis, is set out below.

**Table 2. GO2 Post-Transaction Valuation**

	Ref	Value
Pre-Transaction net assets (\$)	Table 13	(9,315,368)
Creditor claims extinguished (\$)	Table 13	9,315,368
Funds raised (\$)	Table 5	181,898
Less: funds utilised (\$)	Table 5	(171,898)
<b>GO2 post-Transaction net assets (\$)</b>		<b>10,000</b>
Number of shares outstanding	Table 6	100,000,000
<b>Post-Transaction value per share (\$) (control)</b>		<b>0.00010</b>
Minority discount	7.4	23.1%
<b>Post-Transaction value per share (\$) (minority)</b>		<b>0.00008</b>

Source: Stantons analysis

- 1.19 We assessed the fair value of a GO2 post-Transaction ordinary share on a minority interest basis to be approximately \$0.00008.



## Fairness Assessment

- 1.20 Our fairness assessment of the Transaction is as set out below.

**Table 3. Fairness Assessment**

	Ref	Preferred
Pre-Transaction GO2 share value (control) (\$)	Table 1	nil
Post-Transaction GO2 share value (minority) (\$)	Table 2	0.00008
<b>Opinion</b>		<b>Fair</b>

Source: Stantons analysis

- 1.21 As the value of a post-Transaction ordinary share in GO2 on a minority interest basis is greater than the pre-Transaction value on a control basis, we consider Resolution 2 of the NoM to be **FAIR** to the Non-Associated Shareholders for the purposes of s611 and Chapter 2E of the Corporations Act.

## Reasonableness Assessment

- 1.22 As the Transaction (including Resolution 2) is considered fair, with regard to RG111.12, it is also considered reasonable. For informative purposes, we also considered the following advantages and disadvantages of the Transaction to Non-Associated Shareholders.

**Table 4. Reasonableness Assessment of the Transaction**

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>▪ The Transaction is fair</li> <li>▪ Eliminates debt burden on Non-Associated Shareholders</li> <li>▪ The Company will likely avoid a potential liquidation which is expected to result in shareholders receiving a certain outcome of nil</li> <li>▪ May facilitate relisting on ASX</li> <li>▪ Exposure to potential future business activities</li> <li>▪ Leaves the Company in a position of positive net assets</li> </ul>	<ul style="list-style-type: none"> <li>▪ Dilution of existing shareholders</li> <li>▪ Eliminates the possibility of a potentially superior offer to recapitalise the Company</li> <li>▪ ABF obtains a significant level of control</li> </ul>

Source: Stantons analysis

- 1.23 Non-Associated Shareholders should note that we have not considered the tax circumstances of individual shareholders. Shareholders should consult their tax advisor in this regard.

## Conclusion

- 1.24 In our opinion, the Transaction subject to Resolution 2 is **FAIR** and **REASONABLE** to the Non-Associated Shareholders of GO2.
- 1.25 This opinion must be read in conjunction with the more detailed analysis included in this report, together with the disclosures, Financial Services Guide, and appendices to this report.

## Financial Services Guide

Dated 26 September 2023

### Stantons Corporate Finance Pty Ltd

Stantons Corporate Finance Pty Ltd (ABN 42 128 908 289 and AFSL Licence No 448697) ("**Stantons**" or "**we**" or "**us**" or "**ours**" as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

### Financial Services Guide

In the above circumstances, we are required to issue to you, as a retail client, a Financial Services Guide ("**FSG**"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- a) who we are and how we can be contacted;
- b) the services we are authorized to provide under our **Australian Financial Services Licence, Licence No: 448697**;
- c) remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- d) any relevant associations or relationships we have; and
- e) our complaints handling procedures and how you may access them.

### Financial services we are licensed to provide

We hold an Australian Financial Services Licence which authorises us to provide financial product advice in relation to:

- Securities (such as shares, options and debt instruments)

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

### General Financial Product Advice

In our report, we provide general financial product advice, not personal financial product advice, because it has been prepared without considering your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product. Where you do not understand the matters contained in the Independent Expert's Report, you should seek advice from a registered financial adviser.

### Benefits that we may receive

We charge fees for providing reports. These fees will be agreed with, and paid by, the person who engages us to provide the report. Fees will be agreed on either a fixed fee or time cost basis. Our fee for preparing this report is expected to be up to A\$15,000 exclusive of GST.

You have a right to request further information in relation to the remuneration, the range of amounts or rates of remuneration and you can contact us for this information.

Except for the fees referred to above, neither Stantons, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

### **Remuneration or other benefits received by our employees**

Stantons employees and contractors are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report.

### **Referrals**

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

### **Associations and relationships**

Stantons is ultimately a wholly owned subsidiary of Stantons International Audit and Consulting Pty Ltd, a professional advisory and accounting practice. From time to time, Stantons and Stantons International Audit and Consulting Pty Ltd (that trades as Stantons International) and/or their related entities may provide professional services, including audit, accounting and financial advisory services, to financial product issuers in the ordinary course of its business.

### **Complaints resolution**

#### *Internal complaints resolution process*

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to:

The Complaints Officer  
Stantons Corporate Finance Pty Ltd  
Level 2  
40 Kings Park Road  
WEST PERTH WA 6005

When we receive a written complaint, we will record the complaint, acknowledge receipt of the complaints within 10 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

#### *Referral to External Dispute Resolution Scheme*

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ("AFCA"). AFCA has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about AFCA are available at the AFCA website [www.afca.org.au](http://www.afca.org.au) or by contacting them directly via the details set out below.

Australian Financial Complaints Authority Limited  
GPO Box 3  
MELBOURNE VIC 3001

Telephone: 1800 931 678

Stantons confirm that it has arrangements in place to ensure it continues to maintain professional indemnity insurance in accordance with s.912B of the Corporations Act 2001 (as amended). In particular our Professional Indemnity insurance, subject to its terms and conditions, provides indemnity up to the sum

insured for Stantons and our authorised representatives / representatives / employees in respect of our authorisations and obligations under our Australian Financial Services Licence. This insurance will continue to provide such coverage for any authorised representative / representative / employee who has ceased work with Stantons for work done whilst engaged with us.

**Contact details**

You may contact us using the details set out above or by phoning (08) 9481 3188 or faxing (08) 9321 1204.

**Table of Contents**

<b>1</b>	<b>Executive Summary .....</b>	<b>1</b>
<b>2</b>	<b>Summary of Transaction .....</b>	<b>9</b>
<b>3</b>	<b>Scope .....</b>	<b>12</b>
<b>4</b>	<b>Profile of GO2 .....</b>	<b>14</b>
<b>5</b>	<b>Valuation Methodology .....</b>	<b>21</b>
<b>6</b>	<b>Pre-Transaction Valuation of GO2 Shares.....</b>	<b>22</b>
<b>7</b>	<b>Post-Transaction Valuation of GO2 Shares.....</b>	<b>24</b>
<b>8</b>	<b>Fairness Evaluation .....</b>	<b>25</b>
<b>9</b>	<b>Reasonableness Evaluation.....</b>	<b>26</b>
<b>10</b>	<b>Conclusion.....</b>	<b>27</b>

## 2 Summary of Transaction

### Background

- 2.1 In August 2021, GO2 was issued a statement by the ATO showing an amount of \$862,851.62 owing on its Superannuation Guarantee Employer Account, which an internal investigation revealed to be for charges for the period for the financial years from 2015 to 2019. Subsequently, the Company commissioned an external review and identified further potential liabilities of \$2,600,000 plus penalties relating to late superannuation payments.
- 2.2 The Company attempted to raise capital in December 2022 through a rights issue, which was largely unsuccessful and raised only \$145,049, including \$120,000 from directors.
- 2.3 A material debtor owing \$959,622 to the Company failed to make a payment of approximately \$479,000 on 22 April 2023 after being subject to a winding up application submitted by a third party. Subsequently on 1 May 2023, due to the ongoing non-payment by the debtor, the directors formed the view that the Company did not have sufficient cash flows to continue trading.
- 2.4 On 1 May 2023, Messrs Robert Kirman and Robert Brauer of McGrathNicol were appointed Voluntary Administrators of the Company. A second meeting of creditors was held on 6 June 2023 at which DOCA proposals relating to 6 of the Company's subsidiaries to Intowork was agreed. A reconvened creditors' meeting was held on 4 July 2023, at which a restructure and recapitalisation proposal by Alt Finance was accepted. A DOCA was signed on 25 July 2023, with David Levi of Levi Consulting being appointed as Deed Administrator. The Company had 7 subsidiaries of which 6 were subject to separate DOCA agreements with Intowork.
- 2.5 The sale of the 6 subsidiaries to Intowork has been completed. The consideration paid by Intowork is nil. The other subsidiary, Skill Hire Australia Pty Ltd, has been placed into liquidation.

### Transaction Terms

- 2.6 The Alt Finance restructure and recapitalisation Transaction proposal includes the following terms:
  - The Company will undertake the Consolidation of its outstanding shares on a 1:48 basis (subject to shareholder approval for Resolution 1)
  - The Company must enter into a DOCA and creditors' trust, which will be used to pay unsecured creditors and from which costs, charges and expenses of the Voluntary Administrators and Deed Administrator are to be paid
  - The Company will undertake a placement of 90,000,000 post-consolidation ordinary shares at \$0.002 per share to ABF to raise \$180,000
  - Alt Finance (or its nominee) will subscribe for 948,124 post-consolidation ordinary shares at \$0.002 per share, raising \$1,898
  - Alt Finance will provide \$21,500 to the Voluntary Administrators and \$100,000 to the Deed Administrator or creditors' trust and be reimbursed from the funds raised under the placement
- 2.7 We note that the costs of the Transaction include an ASX listing fee of \$23,339 and other costs of \$27,059.
- 2.8 The Transaction is subject to several other conditions, including:
  - payment to the Deed Administrator from the creditor's trust;
  - the Deed Administrator retiring from office upon collection and disbursement of the creditor's trust and all existing creditors' claims as at the date of the Voluntary Administration extinguished; and
  - all creditors with a security interest registered on the Personal Properties Security Register ("PPSR") remove such interest from the PPSR.

- 2.9 It is a condition of the Transaction for all other resolutions proposed at the Meeting to be passed, comprising:
- Resolution 1 – Consolidation of the Company's existing shares on a 1:48 basis
  - Resolution 3 – the allotment and issue of 948,124 shares to Alt Finance
  - Resolutions 4 , 5 and 6 – the appointment of Miss Dorota Bondaruk, Mr Vasilios Argyros and Mr Thomas Murmylo as directors of the Company
- 2.10 We note the subsidiaries of GO2 each entered into DOCA agreements with Intowork except Skill Hire Australia Pty Ltd, which has been placed into liquidation. The Alt Finance proposal relates to the listed parent company only. Accordingly, the subsidiaries of GO2 are not included in the Transaction.
- 2.11 Set out below is a summary of the sources and uses of funds involved in the Transaction. Alt Finance has an agreement with the Company to pay all costs and expenses required to complete the Transaction, including the payments of \$21,500 and \$100,000 that form part of the Transaction. Alt Finance will be reimbursed from the placement funds raised from ABF such that \$10,000 remains in the Company for working capital purposes. To date Alt Finance has incurred costs of \$21,500 to the Voluntary Administrator and \$23,339 to ASX for listing fees.

**Table 5. Estimated Sources and Use of Funds Raised Under Transaction**

Source of Funds	Amount (\$)	Use of Funds	Amount (\$)
Placement funds raised	181,898	Reimbursement of Voluntary Administrator and Deed Administrator fees and costs paid by Alt Finance	121,500
		ASX listing fee	23,339
		IER, NoM, ASIC and share registry	27,059
		Working capital retained by Company	10,000
<b>Total Source of Funds</b>	<b>181,898</b>	<b>Total Uses of Funds</b>	<b>181,898</b>

Source: NoM

## Equity Structure

2.12 The impact of the Transaction on the equity capital structure of the Company is as set out below.

**Table 6. Equity Structure Impact of Transaction**

Security	Ordinary shares	Post-Transaction percentage (%)	Fully diluted percentage (%)
<b>Ordinary shares</b>			
Current outstanding ordinary shares	434,490,076		
<i>1:48 Consolidation</i>			
<b>Post-Consolidation ordinary shares</b>	<b>9,051,876</b>	<b>9.05%</b>	<b>8.83%</b>
<b>Transaction</b>			
Shares issued to ABF	90,000,000	90.00%	87.81%
Shares issued to Alt Finance	948,124	0.95%	0.93%
<b>Total shares issued</b>	<b>90,948,124</b>	<b>90.95%</b>	<b>88.73%</b>
<b>Total post Transaction ordinary shares</b>	<b>100,000,000</b>	<b>100%</b>	<b>97.56%</b>
<b>Performance rights</b>			
Current outstanding performance rights	44,947,500	-	-
<i>1:48 Consolidation</i>			
<b>Post-Consolidation performance rights</b>	<b>936,406</b>	<b>-</b>	<b>0.93%</b>
<b>Fully diluted post-Transaction ordinary shares</b>	<b>100,936,406</b>	<b>-</b>	<b>100%</b>

Source: Administrators' Report



### 3 Scope

#### Purpose of the Report

##### *s611*

- 3.1 If Resolution 2 is approved, ABF has the potential to acquire an interest of up to 90.0% in GO2's post-Consolidation ordinary shares.
- 3.2 An acquisition of securities that enables a shareholder to increase its relevant interest in the voting shares of a public company:
- from below 20% to above 20%; or
  - from a starting point that is above 20% and below 90%,
- is prohibited under s606 of TCA, except in certain circumstances.
- 3.3 One of the exceptions to s606 is where the acquisition is approved at a general meeting of the company in accordance with Item 7 of s611 of TCA. Approval for the proposed Transaction is therefore being sought at the Meeting in accordance with Item 7 of s611.
- 3.4 Item 7 of s611 requires shareholders to be provided with all information known to the Company, and to the potential acquirer (of a 20% or more interest), that is material to the shareholders' decision. Regulatory Guide 74: Acquisitions Approved by Members ("RG74") issued by ASIC provides additional guidance on the information to be provided to shareholders. RG74 states that the directors of the target company should usually provide shareholders with an IER on the proposed transaction.
- 3.5 Pursuant to ASIC's RG111, an issue of shares under Item 7 of s611 where the effect on a company's shareholding is comparable to a takeover bid should be treated as such. In this case, an IER should apply the analysis outlined in RG111.10 to RG111.17 to report on the fairness and reasonableness of the transaction as if it were a takeover bid under Chapter 6 of TCA (RG111.25).

##### *Chapter 2E*

- 3.6 Under Chapter 2E of the Corporations Act a public company must obtain approval from its members to give a financial benefit to a related party of the company. Under Section 228 of the Corporations Act, this includes an entity that the company believes is likely to control the company at any time in the future. ABF is therefore considered a related party of GO2 for the purpose of Chapter 2E of TCA.

##### *Purpose*

- 3.7 GO2 intends to seek approval for Resolution 2 from the Non-Associated Shareholders at the Meeting expected to be held in or around October 2023.
- 3.8 Accordingly, the Deed Administrator of GO2 has engaged Stantons to prepare an IER to assess the fairness and reasonableness of the proposal contained in Resolution 2 pursuant to both s611 and Chapter 2E of TCA, as outlined in the NoM and ES.

#### Basis of Evaluation

- 3.9 In determining the fairness and reasonableness of the Transaction, we have had regard to the guidelines set out by ASIC's RG111 and RG 112.
- 3.10 RG111 requires a separate assessment of whether a transaction is "fair" and whether it is "reasonable".
- 3.11 We therefore considered the concepts of "fairness" and "reasonableness" separately. The basis of assessment selected and the reasons for that basis are discussed below.
- 3.12 We note that under RG111 the Transaction is considered to be a control transaction.

***Fairness***

3.13 To assess whether the proposed Transaction is fair in accordance with RG111, we compared:

- the fair market value of a post-Consolidation ordinary share in GO2 prior to the Transaction, on a control basis; with
- the fair market value of a post-Consolidation ordinary share in GO2 subsequent to the Transaction, on a minority interest basis.

3.14 The value of a GO2 ordinary share is assessed at fair market value, which is defined by the International Glossary of Business Valuation Terms as:

3.15 *"The price, expressed in terms of cash equivalents, at which property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arm's length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts."*

3.16 While RG111 contains no explicit definition of value, we believe the above definition of fair market value is consistent with RG111.11 and common market practice.

***Reasonableness***

3.17 In accordance with RG111.12, we have defined the proposed Transaction as being reasonable if it is fair, or if despite not being fair we believe that there are sufficient reasons for the Non-Associated Shareholders to accept the proposal.

3.18 We therefore considered whether the advantages to Non-Associated Shareholders of approving the proposed Transaction outweigh the disadvantages.

**Individual Circumstances**

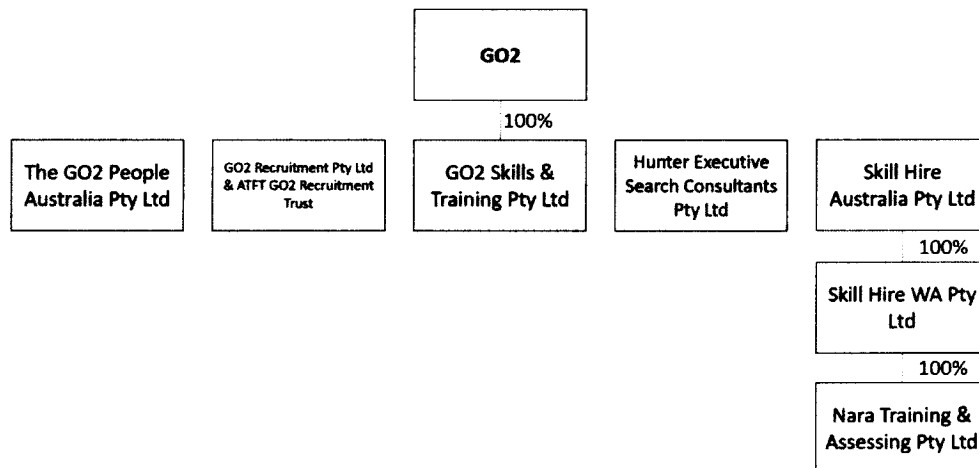
3.19 We have evaluated the Transaction for Non-Associated Shareholders generically. We have not considered the effect on the circumstances of individual investors. Due to their personal circumstances, individual investors may place different emphasis on various aspects of the Transaction from those adopted in this report. Accordingly, individuals may reach a different conclusion to ours on whether the Transaction is fair and reasonable. If in doubt, investors should consult an independent financial adviser about the impact of the Transaction on their specific financial circumstances.

## 4 Profile of GO2

### History and Principal Activities

- 4.1 GO2 was incorporated on 30 November 2016 and listed on the ASX in October 2017. The Company historically operated 3 business groups:
- Skill Hire provided services relating to recruitment, training, apprenticeships and programs connected to the Department of Employment Workplace Relations;
  - GO2 Recruitment provided labour hire services to a range of blue collar industries; and
  - Hunter Executive Search specialised in white collar work placements for sectors including engineering, manufacturing, mining and resources, environmental, building services, geosciences, government and not-for-profits.
- 4.2 The Company's corporate structure included 7 subsidiaries as set out below.

Figure 1. GO2 Group Structure



Source: Administrators' Report

- 4.3 GO2 is the ASX listed parent company for the GO2 Group and does not actively trade in its own right.
- 4.4 In August 2021 the Company was issued a statement by the Australian Taxation Office showing amounts of \$862,851.62 owing on its Superannuation Guarantee Employer Account. Subsequently, the Company commissioned an external review and identified further potential liability of \$2,600,000 plus penalties relating to late superannuation payments. The Company self-reported to the ATO and commenced negotiations of payment plans for the affected entities.
- 4.5 In January 2023, the Company commenced discussions with Bankwest, for an increase in their overdraft facility, and Scottish Pacific Business Finance Pty Ltd ("ScotPac"), for a refinancing of loans held by Skill Hire WA Pty Ltd ("SHWA") for a facility that would pay out Bankwest and provide an additional \$1,000,000 in working capital.
- 4.6 The Company attempted to raise additional capital via a non-renounceable rights issue in December 2022, which was partially underwritten by directors up to \$120,000. The rights issue was largely unsuccessful, raising a total of only \$145,049, including the \$120,000 underwritten by directors.
- 4.7 On 21 April 2023, the Company became aware that a winding up application had been made against a material debtor to SHWA. The debtor owed \$959,622 to the Company and failed to make a payment on 26 April 2023.

- 4.8 We note that on 24 April 2023 ScotPac agreed to offer the Company a debtor funding facility, though the Company was not in a position to enter the facility by this time due to solvency issues caused by the non-payment of the material debtor.
- 4.9 Subsequently, on 1 May 2023 the directors formed the view that the Company did not have sufficient cash flows to continue trading.
- 4.10 On 1 May 2023, Messrs Robert Kirman and Robert Brauer of McGrathNicol were appointed Voluntary Administrators of the Company. On appointment, the Voluntary Administrators took urgent action to try to arrange funding so that the Company could continue to operate.
- 4.11 On 1 May 2023 an agreement was reached with Intowork for a \$3,000,000 facility to provide funds so that the Company may continue operating. An initial drawdown of \$1,000,000 was made, with the remaining facility being conditional upon the Company entering an exclusivity agreement with Intowork to present a sale proposal. The Voluntary Administrators also attempted to negotiate a debtor facility with ScotPac but were unable to agree to commercial terms. Subsequently, the Company extended the facility with Intowork for a further \$735,000.
- 4.12 Intowork submitted a proposal on 29 May 2023 to acquire GO2's subsidiaries (except for Skill Hire Australia Pty Ltd, which has been placed into liquidation). A second meeting of creditors was held on 6 June 2023 at which the creditors voted to accept the Intowork proposals. We have been advised that no consideration was paid by Intowork. The transaction with Intowork has completed.
- 4.13 At a creditors' meeting held on 4 July 2023, a restructure and recapitalisation proposal by Alt Finance was accepted. A DOCA was signed on 25 July 2023, with David Levi of Levi Consulting being appointed as Deed Administrator.
- 4.14 As outlined in the *Administrators' Report to Creditors pursuant section 75-225 of Insolvency Practice Rules* dated 29 May 2023 ("**Administrators' Report**"), the directors believe the Company's financial difficulties:
- "can be attributed to (i) the material historical SGC outstanding and associated ongoing payment plans, (ii) growth in the labour hire division resulting in a significant increase in weekly wages, (iii) an unsuccessful capital raise which only resulted in additional cash being raised of \$145k, of which \$120k was raised from the directors, and (iv) a bad debt totalling circa \$959k owing to a material debtor, who subsequently had a winding-up application filed against it by a third party on 20 April 2023."*
- 4.15 Prior to appointment of the Voluntary Administrator, the Company had explored options for a sale or recapitalisation. On appointment, the Voluntary Administrator arranged urgent funding support via the Intowork facility. The agreement provided Intowork with a period of exclusivity to present a sale proposal. The terms of the exclusivity agreement did allow for the Voluntary Administrators to undertake a parallel sale process to seek expressions of interest from other parties.
- 4.16 The sale and recapitalisation process undertaken is described in Section 6.3 of the Administrators' Report.

### Board of Directors

- 4.17 The board of directors of GO2 prior to the Company entering administration were as follows.

Table 7. GO2 Board of Directors

Director	Position	Date Appointed
Darren Cooper	Non-Executive Chairman	28 July 2017
Shawn Murphy	Managing Director	27 July 2022
John Manning	Non-Executive Director	22 November 2021

Source: Administrators' Report

- 4.18 On completion of the Transaction, and pursuant to the passing of Resolutions 4, 5 and 6 at the Meeting, the current Board of Directors will be replaced by Ms Dorota Bondaruk, Mr Vasilios Argyros and Mr Thomas Murmylo. Further details on the proposed new directors are available in the ES to the NoM.

## Financial Performance

- 4.19 GO2's audited consolidated Statement of Profit or Loss and Other Comprehensive Income for the financial years ended 30 June 2021 and 30 June 2022 and reviewed for the half year to 31 December 2022 are set out below.

**Table 8. GO2 Consolidated Statement of Profit or Loss**

	Audited 12 months to 30 June 2021 (\$'000)	Audited 12 months to 30 June 2022 (\$'000)	Reviewed 6 months to 31 December 2022 (\$'000)
Revenue	29,684	73,716	43,021
Cost of sales	(25,281)	(53,089)	(36,508)
<b>Gross profit/(loss)</b>	<b>4,403</b>	<b>20,627</b>	<b>6,513</b>
Share of profits of associates accounted for using the equity method	16	21	-
Other income	706	151	177
<b>Expenses</b>			
Employee benefits expense	(3,745)	(15,328)	(4,234)
Depreciation and amortisation expense	(475)	(1,994)	(903)
Selling and marketing expense	(74)	(583)	(308)
Corporate and administration expense	(2,760)	(7,269)	(2,693)
<b>Total expenses</b>	<b>(7,054)</b>	<b>(25,174)</b>	<b>(8,138)</b>
<b>Loss before finance costs, movement in fair value of contingent consideration and income tax expense</b>	<b>(1,929)</b>	<b>(4,375)</b>	<b>(1,448)</b>
Finance costs	(302)	(1,078)	(779)
Movement in fair value of contingent consideration	(457)	-	-
<b>Loss before income tax expense</b>	<b>(2,688)</b>	<b>(5,453)</b>	<b>(2,227)</b>
Income tax expense	-	-	-
<b>Loss after income tax expense for the year attributable to the owners of GO2</b>	<b>(2,688)</b>	<b>(5,453)</b>	<b>(2,227)</b>
Other comprehensive income for the year, net of tax	-	-	-
<b>Total comprehensive income for the year attributable to the owners of GO2</b>	<b>(2,688)</b>	<b>(5,453)</b>	<b>(2,227)</b>

Source: GO2 Annual Report - 30 June 2022 and Half Year Report - 31 December 2022

## Financial Position

4.20 The Company's audited consolidated Statement of Financial Position as at 30 June 2021 and 30 June 2022 and reviewed as at 31 December 2022 is set out below.

Table 9. GO2 Consolidated Statement of Financial Position

	Audited as at 30 June 2021 (\$'000)	Audited as at 30 June 2022 (\$'000)	Reviewed as at 31 December 2022 (\$'000)
<b>Current assets</b>			
Cash and cash equivalents	1,246	2,510	867
Trade and other receivables	8,414	10,046	7,391
Term deposits	5,131	19	19
Prepayments and deposits	238	346	875
<b>Total current assets</b>	<b>15,029</b>	<b>12,921</b>	<b>9,152</b>
<b>Non-current assets</b>			
Investments accounted for using the equity method	122	142	161
Plant and equipment	1,302	1,196	1,176
Right of use assets	1,937	3,552	3,209
Intangible and goodwill	11,954	11,864	11,606
Loan to associates	54	56	56
<b>Total non-current assets</b>	<b>15,369</b>	<b>16,810</b>	<b>16,208</b>
<b>Total assets</b>	<b>30,398</b>	<b>29,731</b>	<b>25,360</b>
<b>Current liabilities</b>			
Trade and other payables	(8,541)	(9,450)	(5,238)
Borrowings	(3,083)	(2,622)	(2,125)
Lease liabilities	(1,067)	(802)	(815)
Income tax payable	(1,508)	(1,824)	(887)
Employee benefits	(1,038)	(1,141)	(962)
Contingent consideration	(1,207)	-	-
ATO payables	(1,048)	(4,423)	(1,849)
Deferred consideration	-	(3,533)	(3,510)
Contract liabilities	(835)	(624)	(213)
<b>Total current liabilities</b>	<b>(18,327)</b>	<b>(24,419)</b>	<b>(15,599)</b>
<b>Non-current liabilities</b>			
Lease liabilities	(939)	(2,821)	(2,547)
Employee benefits	(142)	(47)	(37)
Deferred consideration	(3,250)	-	-
ATO payables	(3,407)	(2,358)	(8,630)
Income tax	-	-	(550)
<b>Total non-current liabilities</b>	<b>(7,738)</b>	<b>(5,226)</b>	<b>(11,764)</b>
<b>Total liabilities</b>	<b>(26,065)</b>	<b>(29,645)</b>	<b>(27,363)</b>
<b>Total net assets/(liabilities)</b>	<b>4,333</b>	<b>86</b>	<b>(2,003)</b>
<b>Equity</b>			
Issued capital	23,395	24,602	24,740
Reserves	20	-	-
Accumulated losses	(19,082)	(24,516)	(26,743)
<b>Total equity</b>	<b>4,333</b>	<b>86</b>	<b>(2,003)</b>

Source: GO2 Annual Report - 30 June 2022 and Half Year Report - 31 December 2022

- 4.21 The estimated recoverable value of the Company's assets determined by the Voluntary Administrator and the estimated creditor's claims by the Deed Administrator are set out below. We note that this is an unconsolidated position for the GO2 parent entity only. We have adjusted the position to show the estimated value available to shareholders (refer to paragraph 4.22 below). The outstanding creditor's claims estimated by the Deed Administrator as at 26 September 2023 are \$9,315,368.

**Table 10. GO2 Estimated Realisable Value (Unconsolidated)**

	Estimated recoverable value (\$'000)	Adjustments (\$'000)	Estimated value to shareholders (\$'000)	Source
<b>Assets</b>				
Cash	146	(146)	-	VA
Investment in subsidiaries	-	-	-	VA
<b>Total assets</b>	<b>146</b>	<b>(146)</b>	<b>-</b>	
<b>Liabilities</b>				
<b>Secured creditors</b>				
Intowork loan	(155,000)	-	(155,000)	DA
<b>Total secured creditors</b>	<b>(155,000)</b>	<b>-</b>	<b>(155,000)</b>	DA
<b>Preferential creditors</b>				
ATO Superannuation Guarantee charge	(6,070)	-	(6,070)	DA
Employee superannuation entitlement	(7,875)	-	(7,875)	DA
Employee annual leave entitlement	(6,249)	-	(6,249)	DA
<b>Total preferred creditors</b>	<b>(20,194)</b>	<b>-</b>	<b>(20,194)</b>	
<b>Unsecured Creditors</b>				
Trade creditors	(150,280)	-	(150,280)	DA
ATO	(8,192)	-	(8,192)	DA
Skill Hire vendors	(5,598,014)	-	(5,598,014)	DA
Hunter vendors	(3,343,744)	-	(3,343,744)	DA
Directors	(30,667)	-	(30,667)	DA
Office of State Revenue	(1,620)	-	(1,620)	DA
Related parties (excluding GO2 Group entities)	(7,660)	-	(7,660)	DA
<b>Total unsecured creditors</b>	<b>(9,140,174)</b>	<b>-</b>	<b>(9,140,174)</b>	
<b>Total creditor claims</b>	<b>(9,315,368)</b>	<b>-</b>	<b>(9,315,368)</b>	
<b>Net recoverable assets</b>	<b>(9,315,222)</b>	<b>(146)</b>	<b>(9,315,368)</b>	

Source: Administrators' Report and Deed Administrator

- 4.22 The Voluntary Administrator reported that the Company's bank account contained \$146,000 as at 1 May 2023 and was frozen on entering administration. The recoverable value presented above was for the benefit of creditors. We have been advised that all remaining cash is held by the Voluntary Administrator and will be transferred to the creditors' trust. Accordingly, we adjusted the cash position to reflect that nil value will be available to shareholders.
- 4.23 The Company's primary asset was investments in subsidiaries. The shares in the subsidiaries (except Skill Hire Australia Pty Ltd) have been sold to Intowork for nil consideration. Skill Hire Australia Pty Ltd has been placed into liquidation. The estimated recoverable value of Skill Hire Australia Pty Ltd is set out in Table 11.
- 4.24 The amounts owed to the Skill Hire vendors relates to a deferred payment owed to the vendors of Skill Hire Australia Pty Ltd for the acquisition of that entity by GO2 around March 2021 and potential claims for breach of warranty and/or indemnity pursuant to the share sale agreements with the vendors.

- 4.25 Set out below is the estimated book value as at 31 March 2023 and estimated recoverable value as at 1 May 2023 for Skill Hire Australia Pty Ltd, as detailed in the Administrators' Report.

**Table 11. Skill Hire Australia Pty Ltd Estimated Recoverable Value**

Cash	Book value as at 31 March 2023 (\$'000)	Low estimated recoverable value (\$'000)	High estimated recoverable value (\$'000)
<b>Assets</b>			
Intercompany loans receivable	323.4	-	-
Investments	1,101.8	-	-
Other assets	121.7	-	-
<b>Total assets</b>	<b>1,546.9</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>			
Unsecured creditors	(42.6)	(42.9)	(39.0)
Intercompany loans payable	(2,149.4)	(2,149.4)	(57.0)
<b>Total liabilities</b>	<b>(2,192.0)</b>	<b>(2,192.3)</b>	<b>(96.0)</b>
<b>Net assets/(liabilities)</b>	<b>(645.1)</b>	<b>(2,192.3)</b>	<b>(96.0)</b>

Source: Administrators' Report

- 4.26 The Administrators' Report specifies that unsecured creditors of Skill Hire Australia Pty Ltd are expected receive nil in a liquidation scenario as Skill Hire Australia Pty has nil realisable assets. Accordingly, it is not expected that there will be any funds available to GO2 following the liquidation.

## Capital Structure

### Ordinary Shares

- 4.27 As at 26 September 2023, GO2 had 434,490,076 ordinary shares on issue. Immediately following the Consolidation, the Company will have 9,051,876 ordinary shares on issue.
- 4.28 The Company's top 10 shareholders as at 4 May 2023 were as follows.

**Table 12. GO2 Top 10 Shareholders**

Shareholder	Number of shares (pre-Consolidation)	Number of shares (post-Consolidation)	Percentage of total shares
BC Fund II Pty Ltd	70,096,000	1,460,333	16.13%
Asstock Pty Ltd	48,279,000	1,005,813	11.11%
Shoreside Holdings Pty Ltd	48,279,000	1,005,813	11.11%
Gregor McNally	30,593,000	637,354	7.04%
Nicole & Ben Oakley	30,593,000	637,354	7.04%
Everglades Investment	27,500,000	572,917	6.33%
Goldfinch Discretionary	27,500,000	572,917	6.33%
Shawn Murphy	13,429,000	279,771	3.09%
Darren Cooper	10,500,000	218,750	2.42%
Shane Wormall	10,000,000	208,333	2.30%
<b>Total top 10 shareholders</b>	<b>316,769,000</b>	<b>6,599,354</b>	<b>72.91%</b>
Other shareholders	117,721,076	2,452,522	27.09%
<b>Total Securities (as at 4 May 2023)</b>	<b>434,490,076</b>	<b>9,051,876</b>	<b>100.00%</b>

Source: Administrators' Report



*Performance Rights*

- 4.29 The Company has a total of 44,947,500 performance rights issued to directors and employees, comprising:
- 28,190,625 performance rights that vest subject to a performance hurdle of achievement against budgeted results for the Company's combined EBIT for FY23 and FY24, measured at 30 June 2024 against the Company's audited annual financial statements for the relevant years; and
  - 16,756,875 performance rights that vest subject the holder remaining employed with the Company until 1 December 2024.
- 4.30 We have been advised that the performance rights will lapse on 1 December 2024 as the vesting conditions will not be fulfilled.

## 5 Valuation Methodology

### Available Methodologies

- 5.1 In assessing the value of GO2, we have considered a range of common market practice valuation methodologies in accordance with RG111, including those listed below.
- Capitalisation of future maintainable earnings ("**FME**")
  - Discounted future cash flows ("**DCF**")
  - Asset based methods ("**Net Assets**")
  - Quoted market prices or analysis of traded share prices
  - Common industry rule-based methodologies, including revenue-based multiples
- 5.2 Each of these methods is appropriate in certain circumstances and often more than one approach is applied. The choice of methods depends on several factors such as the nature of the business being valued, the return on the assets employed in the business, the valuation methodologies usually applied to value such businesses and the availability of required information. A detailed description of these methods and when they are appropriate is provided in Appendix B.

### Selected Methodology

- 5.3 Our primary valuation methodology to value GO2's shares is a Net Assets based approach on a net realisation basis.
- 5.4 In selecting an appropriate valuation methodology to value the shares of GO2, we considered the following factors:
- GO2 Group was loss making for the years ended 30 June 2021, 30 June 2022 and half year ended 31 December 2022. GO2 is a holding company and will not have any ongoing operations after the sale of the operating subsidiaries. Therefore, neither an FME nor DCF approach is appropriate.
  - GO2 has been suspended from trading on ASX since 28 April 2023, and subsequently most of the Company's operating subsidiaries have entered DOCA agreements and have been sold to Intowork. Accordingly, the trading history was not considered to be reflective of the current position of GO2, and market-based methodologies are not considered appropriate.
  - Accordingly, a net realisable assets approach is considered the most appropriate methodology. As the Company has no ongoing operations (and its operating subsidiaries are proposed to be sold) it is not appropriate to consider the net assets value on a going concern basis.

### Secondary Methodology

- 5.5 Due to the lack of appropriate alternative valuation methodologies, we have not considered a secondary methodology.

## 6 Pre-Transaction Valuation of GO2 Shares

### GO2 Pre-Transaction Net Asset Valuation

- 6.1 To assess the value of a GO2 ordinary share prior to the Transaction, we used a Net Assets approach, which sums the realisable values of GO2's assets and liabilities to arrive at a net value of the Company.
- 6.2 In relation to our approach, we note the following:
- The Net Assets approach assumes a 100% control interest in the company
  - All cash in the Company was transferred to the bank account of the Voluntary Administrator on appointment and is to be transferred to the creditors' trust. Therefore, there will not be any recoverable value to shareholders
  - The subsidiaries (other than Skill Hire Australia Pty Ltd) have been sold to Intowork and therefore there is no value recoverable to shareholders of GO2. The expected recoverable value of Skill Hire Australia Pty Ltd is nil
  - As per the Administrators' Report, none of the Company's assets (aside from cash) are considered to have any realisable value. Furthermore, as creditors rank in priority to the Non-Associated Shareholders, in light of the above we believe it is unlikely any return would be available to shareholders from the Company's non-cash assets, and the realisable value is accordingly considered to be nil. The estimated recoverable value of GO2's assets to shareholders is presented in Table 10
  - We have been advised by the Deed Administrator that GO2 has not been involved in any material transactions subsequent to the date of the Voluntary Administrators assessment of the Company's realisable value of assets and liabilities, being 1 May 2023
  - The 1 for 48 Consolidation of GO2's existing capital is assumed to have occurred. We note this is subject to shareholder approval for Resolution 1 of the NoM (but in any case, does not affect the pre-Transaction value)
  - The existing performance rights have no value as they will lapse unfulfilled and are therefore not included in the valuation.
- 6.3 Our post-Consolidation, pre-Transaction Net Assets based valuation of GO2 shares, as at the valuation date of 26 September 2023, is set out below.

**Table 13. Valuation of GO2 Shares Prior to Transaction (Post-Consolidation)**

	Ref	Low value (\$)
<b>Total assets (\$)</b>	Table 10	-
<b>Liabilities</b>		
Creditors' claims (\$)	Table 10	(9,315,368)
<b>Total liabilities (\$)</b>		<b>(9,315,368)</b>
<b>Pre-Transaction net assets (\$)</b>		<b>(9,315,368)</b>
Number of shares outstanding (post-consolidation)	Table 6	9,051,876
<b>Pre-Transaction net assets per share (\$) (control)</b>		<b>(1.02911)</b>
<b>Pre-Transaction assessed value per share (\$) (control)</b>		<b>nil</b>

Source: Stantons analysis

- 6.4 As our assessed Net Asset value of a post-Consolidation ordinary share of GO2 prior to the Transaction on a controlling interest basis is negative, the fair value to a Non-Associated Shareholder is considered to be nil.

## 7 Post-Transaction Valuation of GO2 Shares

### Evaluation Methodology

7.1 Our assessed value of a GO2 ordinary share following the Transaction is as follows. We note that key assumptions of the valuation include:

- the Net Assets approach assumes a 100% control interest in the company;
- the existing creditors' claims estimated to be \$9,315,368 will be extinguished in accordance with the terms of the DOCA and Creditors' Trust Deed, leaving the Company with no liabilities;
- the Company will retain approximately \$10,000 in cash for working capital purposes; and
- the value of the performance rights was excluded as they will lapse unfulfilled and therefore have no value.

**Table 14. GO2 Post-Transaction Share Value**

	Ref	Value
Pre-Recapitalisation Proposal net assets (\$)	Table 13	(9,315,368)
Creditors' claims extinguished (\$)	Table 13	9,315,368
Funds raised (\$)	Table 5	181,898
Less: funds utilised (\$)	Table 5	(171,898)
<b>GO2 post-Transaction Net Assets (\$)</b>		<b>10,000</b>
Number of shares outstanding	Table 6	100,000,000
<b>Post-Transaction value per share (\$) (control)</b>		<b>0.00010</b>
Minority discount	7.4	23.1%
<b>Post-Transaction value per share (\$) (minority)</b>		<b>0.00008</b>

Source: Stantons analysis

7.2 Our assessed Net Assets value of a GO2 ordinary share post-Transaction, on a minority interest basis, is \$0.00008.

### *Discount for Minority Interest*

7.3 We note a Net Asset valuation assumes a 100% interest in the company. As the interest of the Non-Associated Shareholders in GO2 post-Transaction will represent a minority interest, we applied a discount to the control value.

7.4 Generally, historical evidence of control premiums offered on takeovers for small cap companies are in the range of 20% to 40%<sup>1</sup> (although outcomes outside this are not uncommon) with 30% a commonly accepted benchmark where a 100% interest is being acquired. We have considered the factors in Appendix C and concluded that a control premium of 30% is appropriate to apply in this circumstance. Accordingly, we applied a minority interest discount of 23.1% (being the inverse of a 30% control premium) to the value of a GO2 post-Transaction share.

<sup>1</sup> "Control Premium Study 2017", RSM

## 8 Fairness Evaluation

8.1 In determining the fairness and reasonableness of the Transaction, including Resolution 2, we have had regard to the guidelines set out by ASIC's RG111.

8.2 As per RG111, we consider the Transaction is fair if:

- the value of a post-Consolidation GO2 share prior to the Transaction, on a control basis, is less than;
- the value of a post-Consolidation GO2 share subsequent to the Transaction, on a minority interest basis.

8.3 Our assessment of the fairness of the Transaction is set out below.

**Table 15. Fairness Assessment**

	Ref	Value
Pre-Transaction share value (control) (\$)	Table 13	nil
Post-Transaction share value (minority) (\$)	Table 14	0.00008
<b>Opinion</b>		<b>Fair</b>

*Source: Stantons analysis*

8.4 As the value of a GO2 ordinary share post-Transaction on a minority interest basis is greater than the value pre-Transaction on a control basis, the Transaction, including Resolution 2 of the NoM, is considered to be **FAIR** to the shareholders of GO2.

## 9 Reasonableness Evaluation

9.1 Under RG111, a transaction is considered "reasonable" if it is "fair". As the issue of 90,000,000 ordinary shares to ABF outlined in Resolution 2 of the NoM is considered **FAIR**, it is also considered **REASONABLE**.

9.2 For information purposes for Non-Associated Shareholders, we note below some of the advantages and disadvantages of the Transaction.

### **Advantages**

#### *The Transaction is considered fair*

9.3 As per our assessment in Section 8, the Transaction is fair to Non-Associated Shareholders.

#### *Eliminates debt burden on Non-Associated Shareholders*

9.4 The Transaction will leave the Company with no liabilities, with creditors' claims estimated to be approximately \$9,315,368 being extinguished after receiving any available distributions from the Creditors' Trust.

#### *The Company avoids potential liquidation*

9.5 If the conditions of the Transaction are not met, the Company will remain subject to the terms of the DOCA and may enter liquidation. Under a liquidation scenario, it is unlikely that existing shareholders would receive any consideration.

#### *The Company may gain readmission to ASX*

9.6 Subject to compliance with Chapters 1 and 2 of the ASX Listing Rules, the Company may regain quotation on the ASX. This would increase the liquidity of the ordinary shares held by existing shareholders.

#### *Potential for the Company to explore business opportunities*

9.7 Avoiding a liquidation event and eliminating the debts provides the Company with an opportunity to survive and seek new business activities.

#### *Leaves the Company in a position of net assets*

9.8 On completion of the Transaction the Company will have \$10,000 in cash and no liabilities, meaning the Company will be in a position of net assets.

### **Disadvantages**

#### *Dilution of Non-Associated Shareholders*

9.9 If the Transaction is approved, the collective interest of the Non-Associated Shareholders would be diluted to 9.05% of the ordinary shares.

#### *Removes the possibility of a superior offer*

9.10 Completion of the Transaction will remove the possibility of the Company receiving a different superior offer. We note the Company had attempted to undertake an alternative sale or recapitalisation prior to appointing the Voluntary Administrators. The Voluntary Administrator ran a sale process alongside the Intowork negotiations as describe in Section 6.3 of the Administrators' Report and did not receive any other offers for GO2.

#### *ABF obtains control of the Company*

9.11 Non-Associated Shareholders will be ceding control of the Company to ABF, who will obtain an 90.0% interest. This would allow ABF to have effective control of the Company, including the ability to pass any special resolutions.

## 10 Conclusion

### Opinions

- 10.1 The Transaction, including the proposal outlined in Resolution 2 of the NoM that allows for the issue of up to 90,000,000 ordinary shares to ABF, is considered **FAIR** and **REASONABLE** to the Non-Associated Shareholders of GO2 as at the date of this report.

### Shareholders Decision

- 10.2 Stantons was engaged to prepare an IER setting out whether in its opinion the proposal to allow the Transaction is fair and reasonable and to state reasons for that opinion. Stantons have not been engaged to provide a recommendation to shareholders as to whether to approve the Transaction.
- 10.3 The decision whether to approve Resolution 2 is a matter for individual shareholders based on each shareholder's views as to the value, their expectations about future market conditions and their particular circumstances, including risk profile, liquidity preference, investment strategy, portfolio structure, and tax position. If in any doubt as to the action they should take in relation to the proposed Resolution 2, shareholders should consult their own professional advisor.
- 10.4 Similarly, it is a matter for individual shareholders as to whether to buy, hold or sell shares in GO2. This is an investment decision upon which Stantons does not offer an opinion and is independent on whether to accept the proposal under Resolution 2. Shareholders should consult their own professional advisor in this regard.
- 10.5 Non-Associated Shareholders should note that we have not considered the tax circumstances of individual shareholders. Shareholders should consult their tax advisor in this regard.

### Source Information

- 10.6 In making our assessment as to whether the proposed Transaction, including the terms under Resolution 2, is fair and reasonable to Non-Associated Shareholders, we have reviewed published available information and other unpublished information of the Company that is relevant to the current circumstances. Statements and opinions contained in this report are given in good faith, but in the preparation of this report, we have relied in part on information provided by the Deed Administrator.
- 10.7 Information we have received includes, but is not limited to:
- Drafts of the NoM and ES to shareholders of GO2 to 26 September 2023
  - GO2 Annual Reports for the financial years ended 30 June 2021 and 30 June 2022
  - GO2 Interim Report for the half year ended 31 December 2022
  - ASX announcements made by the Company to 26 September 2023
  - The Administrators' Report prepared by the Deed Administrator, dated 29 May 2023
  - The Addendum to the Administrators Report, dated 27 June 2023
  - The Recapitalisation Proposal by Alt Finance, dated 21 June 2023
  - The Creditors' Trust Deed, to be executed on effectuation of the DOCA
- 10.8 Our report includes the appendices, our declarations, and our Financial Services Guide.



Yours Faithfully

**STANTONS CORPORATE FINANCE PTY LTD**



**James Turnbull, CFA**  
**Authorised Representative**

## APPENDIX A

### GLOSSARY

	Definition
<b>ABF</b>	Australian Business Facilitators Pty Ltd
<b>Administrators' Report</b>	<b>The Administrators' Report to creditors dated 29 May 2023</b>
<b>AFCA</b>	Australian Financial Complaints Authority
<b>Alt Finance</b>	<b>Alt Finance Pty Ltd</b>
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASX</b>	<b>Australian Securities Exchange</b>
<b>ATO</b>	Australian Taxation Office
<b>Chapter 2E</b>	<b>Chapter 2E of the Corporations Act</b>
<b>Company</b>	The GO2 People Ltd (Subject to Deed of Company Arrangement)
<b>Consolidation</b>	<b>The 48 to 1 consolidation of GO2's existing capital (subject to Resolution 1)</b>
<b>DCF</b>	Discounted future cash flows valuation methodology
<b>Deed Administrator</b>	<b>David Levi of Levi Consulting Pty Ltd</b>
<b>DOCA</b>	Deed of Company Arrangement
<b>ES</b>	<b>Explanatory Statement</b>
<b>FME</b>	Capitalisation of future maintainable earnings valuation methodology
<b>GO2</b>	<b>The GO2 People Ltd (Subject to Deed of Company Arrangement)</b>
<b>IER</b>	Independent Expert's Report
<b>Intowork</b>	<b>Intowork Australia Ltd</b>
<b>Levi Consulting</b>	Levi Consulting Pty Ltd
<b>Meeting</b>	<b>The meeting at which shareholders will vote on Resolution 2</b>
<b>Net Assets</b>	Asset based valuation methodologies
<b>Notice</b>	<b>Notice of Meeting</b>
<b>Non-Associated Shareholders</b>	The GO2 shareholders who are not excluded from voting on the proposal contemplated under Resolution 2
<b>PPSR</b>	<b>Personal Property Security Register</b>
<b>RG74</b>	ASIC Regulatory Guide 74: Acquisitions Approved by Members
<b>RG111</b>	<b>ASIC Regulatory Guide 111: Content of Expert Reports</b>
<b>s606</b>	Section 606 of the Corporations Act
<b>s611</b>	<b>Section 611 of the Corporations Act</b>
<b>ScotPac</b>	Scottish Pacific Business Finance Pty Ltd
<b>SHWA</b>	<b>Skills Hire WA Pty Ltd</b>
<b>Stantons</b>	Stantons Corporate Finance Pty Ltd
<b>TCA</b>	<b>The Corporations Act 2001 Cth</b>
<b>Transaction</b>	The proposal outline at paragraph 1.6 including the placement of 90,000,000 shares to ABF subject to approval for Resolution 2
<b>Voluntary Administrators</b>	<b>Mr Robert Kirman and Mr Rober Brauer of McGrath Nicol</b>

## APPENDIX B

### VALUATION METHODOLOGIES

#### Introduction

In preparing this report we have considered several valuation approaches and methods. These approaches and methods are consistent with:

- Market practice
- The methods recommended by the Australian Securities and Investments Commission in Regulatory Guide 111
- The International Valuation Standards
- The International Glossary of Business Valuation Terms

A valuation approach is a general way of determining an estimate of value of a business, business ownership interest, security or intangible asset. Within each valuation approach there are a number of specific valuation methods, which are specific ways to determine an estimate of value.

There are three general valuation approaches as follows:

#### i) **Income Approaches**

Provides an indication of value by converting future cash flows to a single present value. Examples of an income approach are:

- The discounted cash flow method ("DCF")
- The capitalisation of future maintainable earnings method ("FME")

#### ii) **Asset/Cost Approaches**

Provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or construction.

#### iii) **Market Approaches**

Provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available. The main examples of the market approach are:

- Analysis of recent trading
- Industry rules of thumb

#### 1. **Discounted Cash Flow Method**

Of the various methods noted above, the DCF method has the strongest theoretical basis. The DCF method estimates the value of a business by discounting expected future cash flows to a present value using an appropriate discount rate. A DCF valuation requires:

- A forecast of expected future cash flows
- An appropriate discount rate
- An estimate of terminal value

It is necessary to project cash flows over a suitable period (generally regarded as being at least five years) to arrive at the net cash flow in each period. For a finite life project or asset this would need to be done for the life of the project. This can be a difficult exercise requiring a significant number of assumptions such as revenue and cost drivers, capital expenditure requirements, working capital movements and taxation.

The discount rate used represents the risk of achieving the projected future cash flows and the time value of money. The projected future cash flows are then valued in current day terms using the discount rate selected.

A terminal value reflects the value of cash flows that will arise beyond the explicit forecast period. This is commonly estimated using either a constant growth assumption or a multiple of earnings (as described under FME below). This terminal value is then discounted to current day terms and added to the net present value of the forecast cash flows to provide an estimate for the overall value of the business.

The DCF method is often sensitive to a number of key assumptions such as revenue growth, future margins, capital investment, terminal growth and the discount rate. All these assumptions can be highly subjective, sometimes leading to a valuation conclusion presented that is too wide to be useful.

A DCF approach is usually preferred when valuing:

- Early-stage companies or projects
- Limited life assets such as a mine or toll concession
- Companies where significant growth is expected in future cash flows
- Projects with volatile earnings

It may also be preferred if other methods are not suitable, for example if there is a lack of reliable evidence to support an FME approach. However, it may not be appropriate if:

- Reliable forecasts of cash flow are not available and cannot be determined
- There is an inadequate return on investment, in which case a higher value may be realised by liquidating the assets than through continuing the business

A DCF approach is not recommended when assets are expected to earn below the cost of capital. Also, when valuing a minority interest in a company, care needs to be taken if a DCF based on earnings for the whole business is prepared, as the holder of a minority interest would not have access to, or control of, those cash flows.

## **2. Capitalisation of Future Maintainable Earnings Method**

The FME method is a commonly used valuation methodology that involves determining a future maintainable earnings figure for a business and multiplying that figure by an appropriate capitalisation multiple. This methodology is generally considered a short form of a DCF, where a single representative earnings figure is capitalised, rather than a stream of individual cash flows being discounted. The FME methodology involves the determination of:

- A level of future maintainable earnings
- An appropriate capitalisation rate or multiple

Any of the following measures of earnings can be used:

**Revenue** – mostly used for early stage, fast growing companies that do not make a positive EBITDA or as a cross-check of a valuation conclusion derived using another method.

**EBITDA** – most appropriate where depreciation distorts earnings, for example in a company that has a significant level of depreciating assets but little ongoing capital expenditure requirement.

**EBITA** – in most cases EBITA will be more reliable than EBITDA as it takes account of the capital intensity of the business

**EBIT** – whilst commonly used in practice, multiples of EBITA are usually more reliable as they remove the impact of amortisation which is a non-cash accounting entry that does not reflect a need for future capital investment (unlike depreciation)

**NPAT** – relevant in valuing businesses where interest is a major part of the overall earnings of the group (e.g., financial services businesses such as banks).

Multiples of EBITDA, EBITA and EBIT are commonly used to value whole businesses for acquisition purposes where gearing is in the control of the acquirer. In contrast, NPAT (or P/E) multiples are often used for valuing minority interests in a company as the investor has no control over the level of debt.

A normalised level of maintainable earnings needs to be determined for the selected earnings measure. This excludes the impact of any gains or losses that are not expected to reoccur and allows for the full year impact of any changes (such as acquisitions or disposals) made part way through a given financial year.

The selected multiple to apply to maintainable earnings reflects expectations about future growth, risk and the time value of money captured in a single number. Multiples can be derived from three main sources.

- Using the comparable trading multiples, market multiples are derived from the trading prices of stocks of companies that are engaged in the same or similar lines of business that are actively traded on a free and open market, such as the ASX
- The comparable transactions method is a method whereby multiples are derived from transactions of significant interests in companies engaged in the same or similar lines of business.
- It is also possible to build a multiple from first principles based on an appropriate discount rate and growth expectations.

It is important to use the same earnings periods (historical, current or forecast) for calculating comparable multiples, as the period used for determining FME. For example, a multiple based on historical earnings of comparable companies should be applied to historical earnings of the subject of the valuation and not to forecast earnings.

The capitalisation of earnings method is widely used in practice. It is particularly appropriate for valuing companies with a relatively stable historical earnings pattern which is expected to continue. The method is less appropriate for valuing companies or assets if:

- There are no (or very few) suitable alternative listed companies or transaction benchmarks for comparison
- The asset has a limited life
- Future earnings or cash flows are expected to be volatile
- There are negative earnings, or the earnings of a business are insufficient to justify a value exceeding the underlying net assets
- Working capital requirements are not expected to remain stable

### **3. Asset or Cost Approaches**

The asset approach to value assumes that the current value of all assets (tangible and intangible) less the current value of the liabilities should equate to the current value of the entity. Specifically, an asset approach is defined as a general way of determining a value indication of a business, business ownership interest, or security using one or more methods based on the value of the assets net of liabilities. A cost approach is defined as a general way of determining a value indication of an individual asset by quantifying the amount of money required to replace the future service capability of that asset.

The asset-based valuation methods estimate the value of a company based on the realisable value of its net assets, less its liabilities. There are a number of asset-based methods including:

- Orderly realisation
- Forced liquidation
- Net assets on a going concern

The orderly realisation of assets method estimates fair market value by determining the amounts that would be distributed to shareholders, after payments of all liabilities including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner. The forced liquidation method is similar to the orderly realisation of assets except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the company may not be contemplated, these methods in their strictest form may not necessarily be appropriate. The net assets on a going concern basis method estimates the fair market values of the net assets of a company but does not take account of realisation costs.

The asset/cost approach is generally used when the value of the business' assets exceeds the present value of the cash flows expected to be derived from the ongoing business operations, or the nature of the business is to hold or invest in assets. It is important to note that the asset approach may still be the relevant approach even if an asset is making a profit. If an asset is making less than the economic rate of return and there is no realistic prospect of it making an economic return in the foreseeable future, an asset/cost approach will be the most appropriate method.

An asset-based approach is a suitable method of valuation when:

- An enterprise is loss making and not expected to become profitable in the foreseeable future
- Assets are employed profitably but earn less than the cost of capital
- A significant portion of the company's assets are composed of liquid assets or other investments (such as marketable securities and real estate investments)
- It is relatively easy to enter the industry (e.g., small machine shops and retail establishments)

Asset based methods are not appropriate if:

- The ownership interest being valued is not a controlling interest, has no ability to cause the sale of the company's assets and the major holders are not planning to sell the company's assets
- A business has (or is expected to have) an adequate return on capital, such that the value of its future income stream exceeds the value of its assets

An asset-based approach is often considered as a floor value for a business assuming the business has the option to realise all its assets and liabilities.

#### **4. Analysis of Recent Trading**

The most recent share trading history provides evidence of the fair market value of the shares in a company where they are publicly traded in an informed and liquid market. There should also be some similarity between the size of the parcel of shares being valued and those being traded. Where a company's shares are publicly traded then an analysis of recent trading prices should be considered, at least as a cross-check to other valuation methods.

#### **5. Industry Specific Rule of Thumb**

Industry specific rules of thumb are used in certain industries. These methods typically involve a multiple of an operating figure such as traffic for internet businesses or number of beds for a nursing home. These methods are typically fairly crude and therefore only appropriate as a cross-check to a valuation determined by an alternative method.

#### **Selecting an Appropriate Valuation Approach and Method**

The choice of an appropriate valuation approach and methodology is subjective and depends on several factors such as whether a methodology is prescribed, the company's historical and projected financial performance, stage of maturity, the nature of the company's operations and availability of information. The selection of an appropriate valuation method should be guided by the actual practices adopted by potential acquirers of the company involved and the information available.

## APPENDIX C

### CONTROL PREMIUM

#### Background

The difference between a control value and a minority value is described as a control premium. The opposite of a control premium is a minority discount (also known as a discount for lack of control). A control premium is said to exist because the holder of a controlling stake has several rights that a minority holder does not enjoy (subject to shareholders agreements and other legal constraints), including to:

- Appoint or change operational management
- Appoint or change members of the board
- Determine management compensation
- Determine owner's remuneration, including remuneration to related party employees
- Determine the size and timing of dividends
- Control the dissemination of information about the company
- Set the strategic focus of the organisation, including acquisitions, divestments, and restructuring
- Set the financial structure of the company (debt / equity mix)
- Block any or all the above actions

The most common approach to quantifying a control premium is to analyse the size of premiums implied from prices paid in corporate takeovers. Another method is the comparison between prices of voting and non-voting shares in the same company. We note that the size of the control premium should generally be an outcome of a valuation and not an input into one, as there is significant judgement involved.

Based on historical takeover premia that have been paid in Australian acquisitions in the period 2005-2015, the majority of takeovers have included a premium in the range of 20-50%, with 30% being the most commonly occurring. This is in line with standard industry practice, which tends to use a 30% premium for control as a standard.

#### Intermediate Levels of Ownership

There are several intermediate levels of ownership between a portfolio interest and 100% ownership. Different levels of ownership/strategic stakes will confer different degrees of control and rights as shown below.

- 90% - can compulsorily purchase remaining shares if certain conditions are satisfied
- 75% - power to pass special resolutions
- <50% - gives control depending on the structure of other interests (but not absolute control)
- <25% - ability to block a special resolution
- <20% - power to elect directors, generally gives significant influence, depending on other shareholding blocks
- < 20% generally has only limited influence

Conceptually, the value of each of these interests lies somewhere between the portfolio value (liquid minority value) and the value of a 100% interest (control value). Each of these levels confers different degrees of control and therefore different levels of control premium or minority discount.

## **APPENDIX D**

### **AUTHOR INDEPENDENCE AND INDEMNITY**

This annexure forms part of and should be read in conjunction with the report of Stantons Corporate Finance Pty Ltd trading as Stantons Corporate Finance dated 26 September 2023, relating to the proposed Transaction.

At the date of this report, Stantons Corporate Finance Pty Ltd does not have any interest in the outcome of the proposal. There are no relationships with The GO2 People Ltd (Subject to Deed of Company Arrangement) other than Stantons Corporate Finance Pty Ltd acting as an independent expert for the purposes of this report. Stantons Corporate Finance Pty Ltd undertook an independence assessment and considered that there are no existing relationships between Stantons Corporate Finance Pty Ltd and the parties participating in the Transaction detailed in this report which would affect our ability to provide an independent opinion. Stantons Corporate Finance Pty Ltd has prepared reports previously for transactions in which Benelong Capital Partners Pty Ltd was a party, including 3 independent expert reports in the past 24 months. The fee (excluding disbursements) to be received for the preparation of this report is based on time spent at normal professional rates plus out of pocket expenses. Our fee for preparing this report is expected to be up to A\$15,000 exclusive of GST. The fee is payable regardless of the outcome. Except for that fee, neither Stantons Corporate Finance Pty Ltd nor Mr James Turnbull have received, nor will or may they receive any pecuniary or other benefits, whether directly or indirectly for or in connection with the preparation of this report.

Stantons Corporate Finance Pty Ltd does not hold any securities in The GO2 Ltd (Subject to Deed of Company Arrangement). There are no pecuniary or other interests of Stantons Corporate Finance Pty Ltd that could be reasonably argued as affecting its ability to give an unbiased and independent opinion in relation to the proposal. Stantons Corporate Finance Pty Ltd and Mr James Turnbull have consented to the inclusion of this report in the form and context in which it is included as an annexure to the Notice of Meeting.

### **QUALIFICATIONS**

We advise Stantons Corporate Finance Pty Ltd is the holder of an Australian Financial Services License (No 448697) under the Corporations Act 2001 relating to advice and reporting on mergers, takeovers and acquisitions involving securities. Stantons Corporate Finance Pty Ltd has extensive experience in providing advice pertaining to mergers, acquisitions and strategic financial planning for both listed and unlisted businesses.

Mr James Turnbull, the person with overall responsibility for this report, has experience in the preparation of valuations for companies, particularly in the context of listed company corporate transactions, including the fairness and reasonableness of such transactions. The professionals employed in the research, analysis and evaluation leading to the formulation of opinions contained in this report, have qualifications and experience appropriate to the tasks they have performed.

### **DECLARATION**

This report has been prepared at the request of The GO2 People Ltd (Subject to Deed of Company Arrangement) to assist Non-Associated Shareholders of The GO2 People Ltd (Subject to Deed of Company Arrangement) to assess the merits of the Transaction to which this report relates. This report has been prepared for the benefit of The GO2 People Ltd (Subject to Deed of Company Arrangement) shareholders and those persons only who are entitled to receive a copy for the purposes under the Corporations Act 2001 and does not provide a general expression of Stantons Corporate Finance Pty Ltd's opinion as to the longer-term value of The GO2 People Ltd (Subject to Deed of Company Arrangement), its subsidiaries and/or assets. Stantons Corporate Finance Pty Ltd does not imply, and it should not be construed, that it has carried out any form of audit on the accounting or other records of The GO2 People Ltd (Subject to Deed of Company Arrangement) or their subsidiaries, businesses, other assets and liabilities. Neither the whole, nor any part of this report, nor any reference thereto, may be included in or with or attached to any document, circular, resolution, letter or statement, without the prior written consent of Stantons Corporate Finance Pty Ltd to the form and context in which it appears.



**DISCLAIMER**

This report has been prepared by Stantons Corporate Finance Pty Ltd with due care and diligence. However, except for those responsibilities which by law cannot be excluded, no responsibility arising in any way whatsoever for errors or omission (including responsibility to any person for negligence) is assumed by Stantons Corporate Finance Pty Ltd (and Stantons International Audit and Consulting Pty Ltd, the parent company of Stantons Corporate Finance Pty Ltd, its directors, employees or consultants) for the preparation of this report.

**DECLARATION AND INDEMNITY**

Recognising that Stantons Corporate Finance Pty Ltd may rely on information provided by The GO2 People Ltd (Subject to Deed of Company Arrangement) and its officers (save whether it would not be reasonable to rely on the information having regard to Stantons Corporate Finance's experience and qualifications), The GO2 People Ltd (Subject to Deed of Company Arrangement) has agreed:

- (a) to make no claim by it or its officers against Stantons Corporate Finance Pty Ltd (and Stantons International Audit and Consulting Pty Ltd) to recover any loss or damage which The GO2 People Ltd (Subject to Deed of Company Arrangement) may suffer as a result of reasonable reliance by Stantons Corporate Finance Pty Ltd on the information provided by The GO2 People Ltd (Subject to Deed of Company Arrangement); and
- (b) to indemnify Stantons Corporate Finance Pty Ltd against any claim arising (wholly or in part) from The GO2 People Ltd (Subject to Deed of Company Arrangement), or any of its officers, providing Stantons Corporate Finance Pty Ltd with any false or misleading information or in the failure of The GO2 People Ltd (Subject to Deed of Company Arrangement) or its officers in providing material information, except where the claim has arisen as a result of wilful misconduct or negligence by Stantons Corporate Finance Pty Ltd.

A final draft of this report was presented to The GO2 People Ltd (Subject to Deed of Company Arrangement) for a review of factual information contained in the report. Comments received relating to factual matters were considered, however the valuation methodologies and conclusions did not change as a result of any feedback from The GO2 People Ltd (Subject to Deed of Company Arrangement).