

The GO2 People Ltd Continues Growth Posting Strong First Quarter FY19 Revenue

Highlights

- Group revenue increase of 50% on corresponding quarter last year
- Recruitment revenue up 30% on June 18 Quarter
- Victorian office is open and Victorian operations contributing to Group revenue
- GO2 Skills & Training strategic acquisition Binding Term Sheet executed
- Safety performance continues to improve – zero LTI's since listing
- Debtor finance facility extended with Scottish Pacific for 12 months providing additional working capital at a reduced cost of funds

October 31, 2018: Leading provider of vertically integrated recruitment and building services The GO2 People Limited (ASX:GO2) ("The GO2 People" or "the Company") is pleased to release its Appendix 4C for the three month period ended September 30, 2018.

The GO2 People have posted a strong start to FY19 and are on track to achieve continued revenue growth and improved EBITDA as it aggressively pursues its aim to triple its business operations three years from its public listing.

On the back of weekly average revenue of \$1m, group revenue increased 50% on the same corresponding period last year, providing a solid foundation for the Company to achieve continued growth in FY19.

Recruitment revenue was up 30% on the June Quarter and workforce personnel numbers have grown to above 400 consistently week to week. The Victorian office is now up and running and contributing revenue which is expected to grow in line with its targets for FY19.



Building revenue for the full year will depend on new contract wins, with a number of government and mining projects currently tendered and awaiting client award. Building was awarded its first (albeit relatively small) government contract in Western Australia during the Quarter and multiple opportunities exist in this sector, and others, which the Company continues to pursue in line with its strategic plan.

As previously announced, during the quarter the Company executed a binding term sheet for the proposed strategic acquisition of GO2 Skills & Training Pty Ltd. The proposed acquisition falls in line with the Company's strategic plan, offering value-added services to both clients and candidates and a competitive advantage to the Company itself through increased capability and revenue diversification. The Company is seeking shareholder approval for the acquisition at its Annual General Meeting to be held on 29 November 2018.

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

Further, the Company renewed its debtor finance facility with Scottish Pacific (BFS) Pty Ltd during the Quarter, securing a reduced interest rate and an increase in the advance rate to provide additional working capital to the Group. The agreement will remain in place for 12 months to April 2019.

Managing Director, Billy Ferreira: "We are pleased with the continued growth of the Company and the execution of our strategic plan. The growth profile remains solid across the sectors we are operating in and we continue to make inroads and secure market share based on the quality of our service delivery. Our pipeline of current and tendered works provides for an optimistic outlook in FY19 and provided we win work as expected in the Building division we remain on track to achieve our target of tripling the business from its listing date."

For more information, please contact:

Paul Goldfinch
Co-Founder
0479 193 903
paulg@thego2people.com.au





About The GO2 People

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

The company's Recruitment Division provides tailored staffing solutions to a range of industries with a client base that includes a number of national and multinational blue chip organisations across the construction, resources and industrial sectors. The Building Division is a multidisciplinary construction company offering a full range of building, civil, construction and project management services in remote and regional areas of Australia.

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

To learn more please visit: www.thego2people.com.au



Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

The GO2 People Limited

ABN

45 616 199 896

Quarter ended ("current quarter")

30 September 2018

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	13,503	13,503
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(11,776)	(11,776)
	(c) advertising and marketing	(58)	(58)
	(d) leased assets	-	-
	(e) staff costs	(1,470)	(1,470)
	(f) administration and corporate costs	(477)	(477)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(144)	(144)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-



Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3months) \$A'000
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(422)	(422)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(18)	(18)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash inflows from loans to other entities	45	45
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	27	27

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-



Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3months) \$A'000
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	399	399
3.6	Repayment of borrowings	(570)	(570)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(171)	(171)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	2,611	2,611
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(422)	(422)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	27	27
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(171)	(171)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	2,045	2,045



5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,045	2,045
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,045	2,045

6. Payments to directors of the entity and their associates

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash inflow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

(72)

45

6.1 Relates to Director Fees paid as Wages and Salaries, as per agreed contracts

6.2 Relates to a partial repayment of a Loan provided to a related entity of a director of the Company, GO2 Skills and Training, the loan was provided in the year prior to the Company's listing.

7. Payments to related entities of the entity and their associates

7.1 Aggregate amount of payments to these parties included in item 1.2

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

-

-



8. Financing facilities available

Add notes as necessary for an understanding of the position

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other - Debtors funding facility
- Finance Lease facilities

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

The Company's subsidiary GO2 Recruitment Pty Ltd, has an agreement with Scottish Pacific (BFS) Pty Ltd for the assignment of all debts owed by its customers for the provision of services (Debtors funding facility). The agreement secures the debts to Scottish Pacific BFS Pty Ltd for the funding provided. Interest charges are variable linked to BBSY rates plus and agreed margin.

The Company has a number of finance leases/hire purchase agreements, secured only over light vehicles or mobile plant and equipment funded. Interest charges are fixed at the time of entry into the arrangement. The facilities are provided by Westpac Equipment Finance, National Australia Bank and Toyota Financial Services.

Credit standby arrangements related to the Bank Guarantee facility provided by Westpac, the Bank Guarantees issued support the Company's rental bonds required on its leased properties. This facility is secured over Term Deposit Accounts holding an amount equivalent to the bank guarantee issued. The Term Deposits are not included in the total cash and cash equivalents reported at item 5.

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
104	104
10,000	6,787
911	911

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	(13,188)
9.3 Advertising and marketing	(22)
9.4 Leased assets	-
9.5 Staff costs	(1,412)
9.6 Administration and corporate costs	(347)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	(14,969)



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

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:

(Company secretary)

Date:

Print name: Matthew Thomson

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.



3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

