

THE GO2 PEOPLE RELEASES 31 DECEMBER 2020 HALF YEAR REPORT

Highlights

- Positive EBITDA result for the December Half Year highlighting a significant turnaround from negative result in the corresponding period for Half Year FY20.
- 12.5% increase of recruitment margins on corresponding period last year, from 9.6% to 10.87%.
- Achieved stabilised annualized overheads of \$1m representing a significant reduction from \$2.5m for the same period on FY20.
- Executed and renewed multiple service agreements with key strategic clients.
- Executed SPA to acquire strategic target Hunter Executive, subject to shareholder approval.
- Hunter Executive transactions is earnings accretive and enhances the GO2 Group's overall offering.

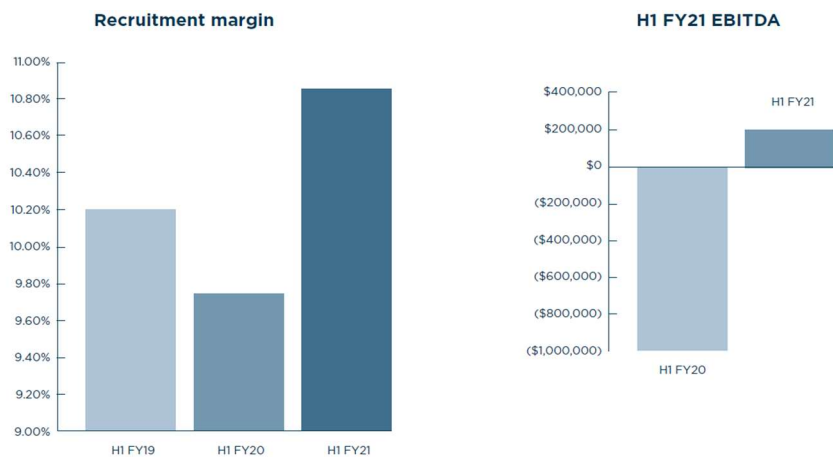
26th February 2021: The GO2 People Ltd (ASX:GO2) ("The GO2 People" or "the Company") is pleased to release its FY21 Half Year Report, highlighting continued improvement in its financial performance and the path ahead.

Managing Director, Billy Ferreira: "We're pleased with our half year result, it clearly signifies the overall improvements made across the business. Most importantly, it has given us a renewed platform for growth for the second half of FY21 and beyond. Whilst continuing to focus on cash generation and profitability above all else the strategic acquisition of Hunter Executive enhances the Group's offering which we believe will assist our drive to consistently improve shareholder value."



Summary

In the Half Year ended 31 December 2020 the Company continued the momentum developed in FY20, delivering positive EBITDA of \$204k in H1 FY21, a significant improvement on a negative \$1m result on the corresponding period in FY20. Quality service of key clients and operational efficiencies in its recruitment processes, has seen GO2's Half Year margin increase to 10.87%. Furthermore, the Company executed multiple service agreements with key clients during H1 FY21, which will provide the platform for the continued execution of the GO2 strategic plan.



Overheads remained stable over the Half Year with under \$200k per month incurred in staff and admin costs. This represents a 50% reduction on the average monthly cost base for the period to 31 December 2020 vs the previous Half Year.



Annual operating cost reduction FY19-FY21



Hunter Acquisition

GO2 announced on 4 January 2021 the acquisition of Hunter Executive Search Consultants. Hunter is a leading Australian recruitment company specialising in permanent and contract placements for the Executive, Engineering, Resources, Environment and Water industries. Like GO2, Hunter has a strong ethos on working ethically, honestly and responsibly to provide its clients and candidates with a service that is second to none.

The GO2 and Hunter businesses are highly synergistic, and the acquisition represents significant cross-sell opportunities into the respective clients and key operating sectors which are expected to drive organic growth within the Group. GO2 will continue to focus on blue collar labour hire whilst Hunter will complement this with the introduction of their white collar permanent and contract recruitment service which will see the Company offer a full suite of recruitment services.

Whilst the acquisition is subject to Shareholder approval, with the general meeting to be held on 10th March 2021, GO2 and Hunter are preparing to close out the other conditions precedent to the transaction and are working collaboratively on key clients and job orders in the interim.





Further details on the transaction and agreement can be found in the announcement of 4 January 2021 "GO2 to Acquire Hunter Executive Search Consultants".

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Approved by: The Board of The GO2 People Ltd

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About The GO2 People

The GO2 People Ltd (ASX:GO2) is a leading provider of recruitment and training services to industry throughout Australia. The day to day operations of the company are underpinned by strong core values and an ethical approach to business principles which drive innovation, collaboration and an ongoing commitment to continuous improvement.

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.

GO2 Skills & Training is a nationally Registered Training Organisation (RTO 40927), delivering both accredited and non-accredited workplace training and education courses.

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



