

Update on Capital Raising & Debt Facility Heads of Agreement Executed.

HIGHLIGHTS

- GO2 has executed an Indicative Non-Binding Heads of Agreement for a debt facility of up to \$2m for the purposes of financing the IPW acquisition, resulting in less equity dilution as part of the current capital raising.
- A combination of the debt facility and anticipated commitments received as part of the equity capital raising, are expected to be sufficient to finance the purchase of IPW.
- A new capital raise minimum of \$1.3 million in equity has been set as a result of the debt facility offer.
- A supplementary prospectus has been released via the ASX detailing new changes to the offer.
- A new offer closing date has been set for August 28th, 2019 on the back of new information released to the market.
- Following capital raising close and issue of new shares, GO2 will resume trading on the ASX.
- Successful integration of IPW with GO2 and profitability on the core GO2 business is Management's priority.

Monday August 19th 2019: The GO2 People Limited (ASX:GO2) ("GO2" or "the Company") is pleased to provide an update on its capital raising for the acquisition of Industry Pathways Pty Ltd ("IPW").



Update on Capital Raising

The Company has completed a national investor roadshow through its corporate advisers, Vested Equities and Bletchley Park Capital. Feedback has been positive, with investors supportive of the proposed acquisition of IPW, the clear operational synergies and GO2's transition to cash positive in July 2019.

Debt Facility

GO2 is pleased to advise that it has signed an Indicative Non-Binding Heads of Agreement ("HOA") for a \$2m Debt Facility ("Debt Facility") with Institute of Global Capital Pty Ltd (ACN 618 424 016) or its nominee (**Lender**).

Key terms of the Debt Facility are as follows:

Term	Particulars
Borrower	The GO2 People Ltd
Lender	The Institute of Global Capital Pty Ltd (or its nominee)
Loan	For a minimum amount of \$1,000,000 and a maximum of \$2,000,000
Security	The loan will be secured by a general security agreement in favour of Lender and the Lender's interest will be registered on the Personal Property Security Register
Term	Two (2) years
Interest rate	Interest is payable monthly for the first twelve months of the loan is 16% per annum, and thereafter 20% per annum for the remainder of the term
Repayment	The loan is to be repaid in full at the end of the term or repaid early in increments not less than \$100,000, the loan can only be repaid after the first six months



The advance of the Loan is subject to satisfaction (or waiver by the Lender) of the following conditions precedent:

- (a) **(Due Diligence)**: completion of due diligence by the Lender on the Company;
- (b) **(Material adverse change)**: no material adverse change in relation to the financial condition, assets, liabilities, results of operations, profitability or prospects of the Company or IPW having occurred;
- (c) **(Call Options Issuance)**: the Company issuing the Lender up to 8,000,000 unlisted options exercisable at \$0.10 on or before 5.00pm on 31 August 2022 (AEST);
- (d) **(Board appointment)**: the Company appointing a Lender's nominee as a non-executive director of the Company;
- (e) **(Board Approval)**: the Directors approving entry into the Loan;
- (f) **(Execution of Loan Documents)**: execution of the loan agreement, general security agreement, inter creditor deed and call option deed in a form acceptable to the Lender.
- (g) **(minimum Equity Raise)**: The Company must as soon as practicable, but in any case, by no later than 30 August 2019, raise additional capital of no less than \$1,300,000 by way of equity raise

The Loan Agreement is otherwise on terms and conditions considered standard for an agreement of its nature. At this stage this is a Heads of Agreement and is non-binding with respect to the provision of a Loan.

The Debt Facility, in unison with the equity raise, will provide capital raising completion certainty and allows management to focus on integration and synergies from the IPW acquisition.



New Capital Raise Minimum

On the back of the funds available from the Debt Facility, a new capital raise minimum has been set. Whilst the approval, under ASX Listing Rule 7.1, granted at the Company's General Meeting of Shareholders to issue up to 53,333,334 Ordinary Shares is still valid, the Company will seek to utilise both the Debt Facility & Equity commitments whilst not exceeding a total of \$4m raised.

Total Funds raised through the Debt Facility and Capital Raise do not materially change the use of funds as first announced and summarized in the table below

Item	Amount raised under Capital Raise Offer		
	\$1,300,000 (Minimum Subscription)	\$2,000,000	\$4,000,000 (Full Subscription)
Loan Drawdown	\$2,000,000	\$2,000,000	-
Total Funds Available	\$3,300,000	\$4,000,000	\$4,000,000
Use of Funds			
Cash consideration for the Acquisition	\$2,000,000	\$2,000,000	\$2,000,000
Estimated expenses of the Acquisition and Capital Raising (including the estimated expenses of the Offers)	\$270,000	\$319,000	\$350,000
Expenditure on the IPW business	\$454,000	\$1,000,000	\$1,000,000
Corporate administration and working capital	\$576,000	\$681,000	\$650,000
TOTAL	\$3,300,000	\$4,000,000	\$4,000,000



Supplementary Prospectus & New Offer Closing Date

The Company has released a supplementary prospectus on this day, August 19th, 2019, which includes the terms of the loan and a new capital raise minimum. On the back of the new information available to investors the Company has decided to extend the offer closing date to Monday August 28th, and will refund any applications received prior to the date of the supplementary prospectus.

Outlook

GO2 are pleased to confirm that the Company expects to have sufficient funds to settle the IPW acquisition and looks forward to closing the current offer and resume trading. The Company also looks forward to welcoming new shareholders onto our share register and updating investors over the coming months in relation to the integration of GO2 and IPW.

For more information, please contact:

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About The GO2 People

The GO2 People Ltd (ASX:GO2) is a leading provider of vertically integrated recruitment and building services to industry throughout Australia. The 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 several national and multinational blue chip organisations across the construction, resources and industrial sectors. The Building Division delivers small low risk projects, through a range of building and project management services, to key strategic clients in remote and regional areas of Australia. GO2 Skills & Training is a nationally Registered Training Organisation (RTO 40927), delivering both accredited and non-accredited workplace training and education courses.

