

THE GO2 PEOPLE JUNE FY21 QUARTER ACTIVITIES REPORT AND APPENDIX 4C

Highlights

- Positive net cash from operating activities for FY21
- \$6.4M cash and cash equivalents at end of June quarter v \$1.3M at previous quarter
- Skill Hire acquisition completed in month of June 2021 and integration progressing well
- Hunter Executive integration successfully completed in Q4FY21
- Increased job orders across all operating States
- Strong tailwinds in key operating sectors

30th July 2021: The GO2 People Ltd (ASX:GO2) ("The GO2 People" or "the Company") is pleased to release its June FY21 Quarter Activities Report and Appendix 4C. During the Quarter, the Company successfully completed the acquisition of Skill Hire Pty Ltd and the finalised the operational integration into the Group of recently acquired Hunter Executive.

Quarterly Cashflow

Pleasingly, the Company recorded positive cash from operations for FY21, assisted by the reduced cash burn of the GO2 operation. The Company recorded positive net cash from operating activities of \$188K in FY21 compared to a \$3M net cash loss from operations in FY20.

Additionally, the Company ended the June Quarter with \$6.4M cash at bank versus \$1.3M for the March Quarter. This was largely due to the successful acquisition of Skill Hire and the inclusion of Skill Hire's cash balance at completion into the GO2 balance sheet.

The Group saw a jump in receipts from customers from \$6.9M in the March Quarter to \$10.8M in the final Quarter of FY21. This was a result of the inclusion of Hunter Executive into the Group for the full Quarter, and Skill Hire for the month of June 2021.



Cashflow from operations was negative \$349K for the June Quarter, largely due to the timing of receipts from clients, an operating loss for the quarter and one-off costs such as:

- Legal and Accounting costs associated with the Skill Hire Transaction; and
- Redundancies and Termination Payments paid as part of restructuring and integration.

The integration of the Hunter Executive and Skill Hire businesses is progressing well with the merging of key operational locations in Perth already completed. The Company expects the full impact of both recent acquisitions to be evident in FY22.

Payments to related parties as disclosed at Item 6 relate to payments to Directors for agreed services/fee and salary arrangements split as follows:

Non-Executive Director	\$ 20,531
Executive Directors	\$176,654

GO2 Recruitment

GO2 Recruitment job orders from clients remained strong. Sourcing suitable candidates, given the restrictions brought on by COVID-19, remains an ongoing challenge. To counter this, the recruitment division will leverage increased capability within the Group through recent acquisitions, Skill Hire and Hunter Executive, to access industry best talent and on-sell additional services.

GO2 Skills & Training

GO2's Training Division made progress developing digital marketing capability to attract more consumers to its online training courses in Q4FY21. Additionally, it successfully deployed contracted trainers to various client sites to deliver face to face onsite training for a number of its clients. The business also began integration with Skill Hire's training division, to access operational synergies and increase its offering to clients.

Hunter Executive

Hunter Executive was successfully integrated into the Group during Q4FY21. The business experienced high demand from its client base through the Quarter. In a significant win for Hunter, the team secured a 12-month preferred supplier contract with Curtin University for Permanent, On-hire, and Executive Search recruitment.



Skill Hire

The Company completed the acquisition of Skill Hire in early June 2021. Post completion, attention quickly turned to the integration of Skill Hire into the Group with a focus on streamlining the operation to access synergies and maximise productivity with an eye on continued strategic growth. A key integration milestone was achieved in June with the consolidation of the GO2 Recruitment and GO2 Skills and Training operating premises into the existing Skill Hire head office, in Perth.

Issued by: The GO2 People Ltd
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 Staffing, Training and Employment services throughout Australia. The Company is a strategic collective of brands, delivering tailored employment solutions through a full suite of specialist services to Business, Government and Individuals.

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



Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

The GO2 People Ltd

ABN

45 616 199 896

Quarter ended ("current quarter")

June 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	10,845	29,776
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(9,430)	(24,902)
(c) advertising and marketing	(38)	(94)
(d) leased assets	152	-
(e) staff costs	(1,177)	(3,237)
(f) administration and corporate costs	(605)	(1,081)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(96)	(274)
1.6 Income taxes paid		-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(349)	188



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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
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2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(38)	(50)
(d) investments	(430)	(430)
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(g) entities	-	-
(h) businesses	-	-
(i) property, plant and equipment	-	-
(j) investments	-	-
(k) intellectual property	-	-
(l) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (Cash received from acquisition)	5,512	5,677
2.6 Net cash from / (used in) investing activities	5,044	5,197

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	133



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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(21)	(34)
3.5	Proceeds from borrowings	1,316	2,248
3.6	Repayment of borrowings	(860)	(2,566)
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	435	(219)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,310	1,274
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(349)	188
4.3	Net cash from / (used in) investing activities (item 2.6 above)	5,044	5,197
4.4	Net cash from / (used in) financing activities (item 3.10 above)	435	(219)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	6,440	6,440



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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	6,440	1,310
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)		

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(197)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

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7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	16,174	2,757
7.2	Credit standby arrangements	74	74
7.3	Other (please specify)	-	-
7.4	Total financing facilities	16,248	2,831
7.5	Unused financing facilities available at quarter end		13,417
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <p>The Company's subsidiaries GO2 Recruitment Pty Ltd and GO2 People Australia Pty Ltd, have 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 an agreed margin.</p> <p>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 and Toyota Financial Services.</p> <p>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.</p>		

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8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(349)
8.2	Cash and cash equivalents at quarter end (item 4.6)	6,440
8.3	Unused finance facilities available at quarter end (item 7.5)	Refer 7.5 and 7.6 above
8.4	Total available funding (item 8.2 + item 8.3)	6,440
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	18.5
<p><i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i></p>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
<p><i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i></p>		

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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.

Date: 30 July 2021

Authorised by: The Board of Go2 People Ltd
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

