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ASX ANNOUNCEMENT
26th October 2020

THE GO2 PEOPLE APPENDIX 4C & QUARTERLY ACTIVITIES REPORT FOR SEPTEMBER QUARTER FY21

Highlights

- **EBITDA, operational cashflow and NPAT all positive for the Quarter**
- **In excess of 150 students processed through online training platform during Q1**
- **A 25% increase in QLD Labour Hire employees vs prior quarter**
- **Strong demand from key clients in WA with large volume of open job orders**
- **Company receiving benefits of government stimulus initiatives**

26th October, 2020: The GO2 People Ltd (ASX:GO2) ("The GO2 People" or "the Company") is pleased to release its Quarterly Activities Report and Appendix 4C for the FY21 September Quarter.

Managing Director, Billy Ferreira: "We're very pleased to have achieved a number of positive metrics in the opening Quarter of FY21. Positive EBITDA, NPAT and operational cashflow highlight the impact of good capital management and a focus on high quality service delivery to key clients. The Company is seeing increased activity in its predominant operational sectors of mining and infrastructure, and the training business continues to develop its offering."

Q1 Summary

In the September Quarter FY21, the Company continued the momentum developed in H2 FY20, showing continued improvement in its financial performance by delivering another positive EBITDA Quarter – this being the 3rd consecutive Quarter. Pleasingly, the continued focus on profitability over top line growth has delivered positive NPAT for the first time further indicating the progress the Company continues to make.

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Furthermore, the Company has reported positive operational cashflow of $276k for Q1 FY21, making it the fourth consecutive cashflow positive quarter.

Receipts from customers remained in line with the previous quarter whilst the company continues to see solid job order demand from its key clients in both Western Australia and Queensland. Queensland average weekly labour hire employee numbers have increased 25% on the previous Quarter, with a number of large infrastructure projects to be the core focus as the Qld State Government looks to stimulate economic activity and job creation in the State.

In Western Australia, there is a significant number of open job orders in the mining sector, this indicates the ongoing requirement for new workers across multiple projects. Several large infrastructure projects will commence in the coming months in WA, which are expected to create additional labour demand in the Company's target markets. It is expected labour hire revenues in Western Australia will begin to increase in the December FY21 Quarter as rosters return to normal and mobilisation to mine sites becomes easier, subsequently leading to additional man hours being worked on a weekly basis.

The Training Division is now generating regular revenue from online training and the Company has engaged external digital marketing expertise to deliver marketing initiatives aimed at increasing its consumer sales for online training. In addition to the ongoing development of online training courses, GO2 continues to build out its training scope and take advantage of the operational synergies that exist between the recruitment and training divisions.

Government incentives through Cashflow Boost and Job Keeper have been received during the quarter and included in operational cashflows. With the continuation of Job Keeper payments through the December quarter, operational spending on overheads for December is expected to be in line with the June quarter. With additional demand for Labour Hire, operating costs for the December quarter will increase which may require increased use of the Company's working capital facilities.

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The Board of Directors are also assessing additional growth opportunities, both organic and via merger and / or acquisition, which have been presented to the Company. The Company looks forward to providing further updates to shareholders as we work towards the realisation of creating a profitable national recruitment and training business.

Please see below the Appendix 4C for the FY21 September Quarter, 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	$139,793

Issued by: The GO2 People Ltd
Approved by: The Board of The GO2 People Ltd

For more information, please contact:

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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.

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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

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Appendix 4C

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

Name of entity	
The GO2 People Ltd	
ABN	**Quarter ended ("current quarter")**
45 616 199 896	September 2020

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	7,540	7,540
1.2	Payments for		
	(a) research and development		
	(b) product manufacturing and operating costs	(6,709)	(6,709)
	(c) advertising and marketing	(17)	(17)
	(d) leased assets	(49)	(49)
	(e) staff costs	(234)	(234)
	(f) administration and corporate costs	(196)	(196)
1.3	Dividends received (see note 3)	-	
1.4	Interest received	-	
1.5	Interest and other costs of finance paid	(63)	(63)
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**	**276**	**276**

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(12)	(12)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(12)**	**(12)**

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	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(3)	(3)
3.5	Proceeds from borrowings	167	167
3.6	Repayment of borrowings	(464)	(464)
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**	**(300)**	**(300)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,274	1,274
4.2	Net cash from / (used in) operating activities (item 1.9 above)	276	276
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(12)	(12)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(300)	(300)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**1,238**	**1,238**

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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	1,238	1,274
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)**	**1,238**	**1,247**

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	160
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 *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.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	15,335	3,140
7.2	Credit standby arrangements	70	70
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	15,491	3,210

7.5	**Unused financing facilities available at quarter end**	12,200

7.6 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.

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 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 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.

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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)	276
8.2	Cash and cash equivalents at quarter end (Item 4.6)	1,238
8.3	Unused finance facilities available at quarter end (Item 7.5)	Refer Item 7
8.4	Total available funding (Item 8.2 + Item 8.3)	
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	N/A as cashflow positive for the quarter

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

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?

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?

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:

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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: .....26 October 2020.....

Authorised by: ....
Matthew Thomson – CFO and Joint Company Secretary

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.

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