

GO2 MARKET UPDATE ON HUNTER EXECUTIVE ACQUISITION AND OPTIONS EXERCISED

Highlights

- **General Meeting of Shareholders to approve acquisition of Hunter Executive Search Consultants confirmed for 10 March 2021.**
- **Conditions Precedent to Hunter Executive transaction progressing towards completion.**
- **3,323,639 Options exercised and will convert to Fully Paid Ordinary Shares with remaining options now expired.**

February 5th, 2021: The GO2 People Ltd (ASX:GO2) ("The GO2 People" or "the Company") is pleased to provide an update on the acquisition of Hunter Executive Search Consultants Pty Ltd ("Hunter"), and confirmation of the total of 4c Options exercised.

As announced on 04 January 2021, GO2 has entered into an agreement to acquire Hunter. Since this announcement GO2 has finalised the acquisition agreement and has attended to satisfying several conditions precedent to the acquisition, including the required waivers by the ASX. The Company will now hold a General Meeting of Shareholders to approve the transaction which has been set for March 10th 2021. The Notice of Meeting will be distributed to shareholders today with a copy to follow this release.

The final terms of the acquisition agreement are as set out in the Notice of Meeting but also summarised below:

The acquisition of the Hunter Sale Shares will be acquired for scrip consideration in the form of two separate issues of Shares (**Consideration Shares**) to the Vendors.

The aggregate initial scrip consideration will be such number of Shares equivalent to \$900,000 (**Purchase Price**) to be issued at a deemed issue price to be calculated using the formula set out 0 below to each of the



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Vendors in their Respective Proportions on the Initial Calculation Date (**Initial Scrip Consideration**).

The aggregate deferred scrip consideration will be such number of Shares equivalent to 3 times the net profit (being operating profit before interest and dividends) of Hunter Executive for FY21, less \$900,000 (**Deferred Scrip Consideration**).

Accordingly, the total value of the Consideration Shares to be issued to the Vendors is equivalent to 3 times the net profit of Hunter Executive for the current financial year, payable in 2 tranches, which the Company believes is an appropriate and equitable multiple for the total purchase price for Hunter Executive and for its business.

Issue Prices of Consideration Shares

The Initial Scrip Consideration will be issued at a deemed price per Consideration Share equivalent to the 7 Day VWAP, subject to:

- (i) if the 7 Day VWAP is less than 3 cents, the deemed issue price per Share of the Initial Scrip Consideration will be 3 cents per Share; alternatively
- (ii) if the 7 Day VWAP is greater than 5 cents, the deemed issue price per Share of the Initial Scrip Consideration will be 5 cents per Share.

The Deferred Scrip Consideration will be issued on the Deferred Calculation Date at a deemed issue price per Share equivalent to the 14 Day VWAP, subject to:

- (i) if the 14 Day VWAP is less than 3 cents, the deemed issue price per Share of the Initial Scrip Consideration will be 3 cents per Share; alternatively
- (ii) if the 14 Day VWAP is greater than 8 cents, the deemed issue price per Share of the Initial Scrip Consideration will be 8 cents per Share.

Pre-Completion distribution

Prior to Completion, the parties have agreed the amount of working capital of Hunter Executive as at the Completion Date must be \$150,000 (**Working Capital Amount**). The Vendors shall be entitled to receive as a one-time distribution, an amount equal to the:



- (i) Hunter Executive's cash on hand as at the Completion Date; less
- (ii) Working Capital Amount.

In addition to the update on the Hunter transaction, the Company is pleased to advise it received notices of exercise of 3,323,639 Options prior to their expiry on January 29th 2021. These Options were issued as part of the Entitlement Issue released on November 28th 2019. The remaining options have now expired.

The Options that were exercised will convert to Fully Paid Ordinary Shares and will be issued and allotted in the coming days and all remaining options have now expired. Funds received through the exercised options will assist the Company with the execution of its strategic plan.

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 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



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