

# PROSPECTUS

Initial Public Offering of Shares of  
Trimantium GrowthOps Limited  
ACN 621 067 678



**Lead Manager**  
D2MX Pty Ltd (ABN 98 113 959 596)  
A member of the Sequoia Financial Group



[www.growthops.com.au](http://www.growthops.com.au)

# IMPORTANT NOTICES

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## Offer

This Prospectus is issued by Trimantium GrowthOps Limited (ACN 621 067 678) (**GrowthOps**) for the purpose of Chapter 6D of the Corporations Act 2001 (Cth) (**Corporations Act**). The Offer contained in this Prospectus is an initial public offering to acquire fully paid ordinary shares (**Shares**) in GrowthOps. See Section 7 of this Prospectus for further information on the Offer.

## References to GrowthOps and the Acquisitions

GrowthOps was incorporated on 14 August 2017 in Victoria, Australia. In connection with the Offer, GrowthOps will acquire AJF Partnership, IECL, KDIS, Digital Moshi, Voodoo Creative, Jtribe, Khemistry and 3wks (together, the **GrowthOps Businesses**), which will become wholly owned subsidiaries of GrowthOps (the **Acquisitions**). Completion of the Acquisitions is conditional on Completion occurring. The Acquisitions will take effect prior to Listing.

Vendors will receive convertible redeemable preference shares (**CRPS**), which will be issued at the Final Price, as well as cash in exchange for shares in the GrowthOps Businesses. As such, these CRPS have not been issued as at the Prospectus Date and will only be issued in connection with the Acquisitions.

Unless otherwise specified, this Prospectus is prepared as if the Acquisitions have occurred. For example, the Investment Overview in Section 1, the Industry Overview in Section 0, the Business Overview in Section 3 and the Financial Information in Section 4 represent the business operations of GrowthOps after completion of the Acquisitions.

Refer to Section 9.1.1 for a description of the Acquisitions.

## Lodgement, Listing and Expiry

This Prospectus is dated 10 November 2017 (**Prospectus Date**) and was lodged with ASIC on that date.

GrowthOps will apply to ASX within seven days after the Prospectus Date for admission of GrowthOps to the Official List and quotation of all of its Shares on the ASX.

None of ASIC, the ASX, or their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

## Expiry Date

This Prospectus expires on the date which is 13 months after the date of this Prospectus (**Expiry Date**). No Shares will be issued on the basis of this Prospectus after the Expiry Date.

## Not investment or financial product advice

The information contained in this Prospectus is not financial product advice and does not take into account the investment objectives, financial situation or particular needs of any prospective investor.

It is important that you read this Prospectus carefully and in full before deciding whether to invest in GrowthOps. If you have any questions, you should consult your financial, accounting, legal, tax and/or other professional advisers before deciding whether to invest in Shares.

In particular, you should consider the best estimate assumptions underlying the pro forma Historical Financial Information and Forecast Financial Information (see Section 4) and the risk factors (see Section 5) that could affect the business, financial condition and financial performance of GrowthOps. You should carefully consider these risk factors in light of your investment objectives, financial situation and particular needs (including financial and taxation issues) and consult your financial, accounting, legal, tax and/or other professional advisers before deciding whether to invest in Shares. There may be risks in addition to these that should be considered in light of your personal circumstances.

No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by GrowthOps or its directors. You should rely only on information in this Prospectus.

## Exposure Period

The Corporations Act prohibits GrowthOps from processing Applications to subscribe for Shares under this Prospectus in the seven-day period after the Prospectus Date (**Exposure Period**). The Exposure Period may be extended by ASIC by up to a further seven days. The purpose of the Exposure Period is to enable the Prospectus to be examined by market participants prior to the raising of the funds. The examination may result in the identification of deficiencies in this Prospectus, in which case any Application may need to be dealt with in accordance with section 724 of the Corporations Act. Applications received during the Exposure Period will not be processed until after the expiry of that period. No preference will be given to Applications received during the Exposure Period.

## No cooling-off rights

Cooling-off rights do not apply to an investment in Shares issued under the Prospectus. This means that,

in most circumstances, you cannot withdraw your Application once it has been accepted.

### **Obtaining a copy of this Prospectus**

During the Exposure Period, an electronic version of this Prospectus without an Application Form will be available at [www.growthops.com.au](http://www.growthops.com.au) for Australian investors only. Application Forms will not be made available until after the Exposure Period has expired.

During the Offer Period, this Prospectus will be available to investors in electronic form at [www.growthops.com.au](http://www.growthops.com.au). The Offer constituted by this Prospectus in electronic form at [www.growthops.com.au](http://www.growthops.com.au) is available only to persons within Australia. The Prospectus is not available to persons in other jurisdictions (including the United States). If you access the electronic version of this Prospectus, you should ensure that you download and read the Prospectus in its entirety.

You may, before the Closing Date, obtain a paper copy of this Prospectus (free of charge) by telephoning the GrowthOps Offer Information Line on 1300 145 328 (within Australia) 8:30 am to 5:00 pm (Sydney Time), Monday to Friday. If you are eligible to participate in the Offer and are calling from outside Australia, you should call +61 3 9415 4250 from 8:30 am to 5:00 pm (Sydney Time), Monday to Friday.

If you are an eligible investor under the Broker Firm Offer, a paper copy of this Prospectus may be available through your Broker, or may be obtained by calling the GrowthOps Offer Information Line.

Applications may only be made during the Offer Period on an Application Form attached to or accompanying this Prospectus.

The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to a paper copy of the Prospectus or the complete and unaltered electronic version of this Prospectus.

Refer to Section 9 for further information.

### **Statements of past performance**

This Prospectus includes information regarding the past performance of the Group. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

### **Financial information**

Section 4 sets out in detail the financial information referred to in this Prospectus. The basis of preparation of the financial information is set out in Section 4.

All references to FY15, FY16, FY17 and FY18 appearing in this Prospectus are to the financial years ended 30 June 2015, 30 June 2016, 30 June 2017, or 30 June 2018 respectively, unless otherwise indicated. Historical Financial Information is presented on both an actual and pro forma basis and has been prepared in accordance with the recognition and measurement

principles prescribed by the Australian Accounting Standards. This Prospectus also includes Forecast Financial Information based on the best estimate assumptions of the Directors. The basis of preparation and presentation of the Forecast Financial Information, to the extent applicable, is consistent with the basis of preparation and presentation for the Historical Financial Information. The Forecast Financial Information presented in this Prospectus is presented on both a statutory and pro forma basis and is unaudited.

The financial information in this Prospectus should be read in conjunction with, and is qualified by reference to, the information contained in Section 4.

All financial amounts contained in this Prospectus are expressed in Australian dollars, unless otherwise stated. Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding.

### **Forward looking statements**

This Prospectus contains forward looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'expects', 'intends' and other similar words that involve risks and uncertainties. The Forecast Financial Information is an example of forward looking statements. These forward looking statements speak only as of the date of this Prospectus, and GrowthOps does not undertake to publicly update or revise any forward looking statement.

Any forward looking statements are subject to various risks that could cause GrowthOps' actual results to differ materially from the results expressed or anticipated in these statements. Forward looking statements should be read in conjunction with, and are qualified by reference to, risks as set out in Section 5, general assumptions as set out in Section 4, specific assumptions as set out in Section 4, the sensitivity analysis as set out in Section 4, and other information in this Prospectus. Such forward looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of GrowthOps, the Directors and management. GrowthOps cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward looking statements.

### **Selling restrictions**

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of Shares, in any jurisdiction outside Australia. The distribution of this Prospectus outside Australia (including electronically) may be restricted by

law and persons who come into possession of this Prospectus outside Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus may not be distributed to, or relied upon by, persons in the United States.

Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States unless the Shares have been registered under the US Securities Act or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable securities laws. See Section 9.7 for more detail on selling restrictions that apply to the Offer in jurisdictions outside of Australia.

#### **Defined terms and abbreviations**

Defined terms and abbreviations used in this Prospectus have the meanings defined in the Glossary or are defined in the context in which they appear. Unless stated or otherwise implied, references to time in this Prospectus are to Eastern Standard Time.

#### **Disclaimer**

Except as required by law, and only to the extent so required, none of GrowthOps or any other person warrants or guarantees the future performance of GrowthOps, or any return on any investment made pursuant to this Prospectus.

#### **Offer management**

The Offer is being arranged and managed by D2MX Pty Ltd (ABN 98 113 959 596) (**Lead Manager**). The Lead Manager has not authorised, permitted or caused the issue or lodgement, submission, despatch or provision of this Prospectus and there is no statement in this Prospectus which is based on any statement made by

the Lead Manager or by any of its affiliates, officers or employees.

To the maximum extent permitted by law, the Lead Manager and each of its respective affiliates, officers, employees and advisers expressly disclaim all liabilities in respect of, and make no representations regarding, and take no responsibility for, any part of this Prospectus other than references to their names and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Prospectus.

#### **Investigating Accountant's Report on Financial Information and financial services guide**

The provider of the Investigating Accountant's Report on the Financial Information is required to provide Australian retail clients with a financial services guide in relation to review under the Corporations Act. The Investigating Accountant's Report and accompanying financial services guide are provided in Section 8.

#### **Enquiries**

For further information in relation to the Offer or how to apply for Shares, please call your Broker or the GrowthOps Offer Information Line on 1300 145 328 (within Australia) or +61 3 9415 4250 (outside Australia) from 8:30am to 5:00pm (Sydney Time), Monday to Friday (Business Days only).

Instructions on how to apply for Shares are set out in Sections 1.8 and 7 of this Prospectus and on the reverse of the Application Form.

If you have any questions about whether to invest in GrowthOps you should consult your financial, accounting, legal, tax and/or other professional advisers before deciding whether to invest in Shares.

**THIS PROSPECTUS IS IMPORTANT AND SHOULD BE READ IN ITS ENTIRETY.**

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# CHAIRMAN'S LETTER



Dear Investors,

On behalf of the Directors, I am pleased to offer you the opportunity to become a shareholder in Trimantium GrowthOps Limited (**Company**) (**GrowthOps**).

GrowthOps delivers business transformation services to its clients across Australia and the Asia Pacific region. We work with clients to generate ideas for a new product, service or growth strategy, and then take those ideas from concept to reality. How? By using our entrepreneurial and management consulting skills to help identify opportunities; our technology skills to build innovative technology products; and our creative talent to reach customers and gain mindshare.

We are a company created by the merging of eight profitable businesses, founded by entrepreneurs (**Partners**) who are focused on achieving revenue and market share growth for our clients. These businesses will transition over time to one brand, Trimantium GrowthOps, where they will each contribute a unique service as part of the GrowthOps end-to-end value proposition to clients. To that end, we have carefully selected the businesses to ensure alignment of purpose and relevance to the contemporary challenges facing our clients.

Our Partners share an agile approach to problem-solving, not just in developing software solutions, but in solving real business problems, operating across the converging sectors of management consulting, technology services and advertising and creative, which we define collectively as the business transformation services industry.

GrowthOps differentiates itself from perceived peers by being significantly employee-owned, entrepreneurial, and technology platform agnostic. Our focus is on building long-term value for clients through the development of new profit streams and intellectual property. The alternative to engaging GrowthOps is for our clients to coordinate a myriad of

individual specialist firms across areas such as management consulting, marketing, advertising, business analysis, finance, technology, design and engineering, who we believe are not structured to share risk and return with their clients.

GrowthOps is being created in response to a confluence of economic trends affecting Australia and Asia. The combination of the disruptive potential of technology, globalisation, increased automation in the workplace, and a flexible labour market has created a fertile environment for new, often unencumbered, international and local entrants to move quickly and take market share from incumbents. We believe this reality drives demand for GrowthOps' services in two ways:

- local incumbents needing a partner to develop product-level innovation and business units that can defend against these new threats; and
- new entrants seeking a partner to facilitate their market entry and interface with key local participants to maximise their chances of success.

In a fast-changing, technology-driven future, mature organisations face threats to their market leadership. With GrowthOps, they can complement their existing portfolio of service providers and innovation initiatives with an entrepreneurial partner designed to deliver a new product, service, or growth strategy quickly.

We believe that GrowthOps provides a compelling value proposition to our clients in addressing the new market realities, which we expect to translate into an opportunity for significant growth for the Company.

I recommend that you closely review the details of this Prospectus before making your investment decision. On behalf of the Board of Directors, I look forward to the prospect of welcoming you as a shareholder.

Yours sincerely,

A handwritten signature in black ink that reads "Dominique Fisher".

**Dominique Fisher**  
Non-Executive Chairman

# FOUNDER AND MANAGING DIRECTOR'S LETTER

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Dear Investor,

We have scoured Australia and Asia to find, and ultimately bring together, a talented team comprising 15 entrepreneurs with deep expertise across the three business areas that we believe are critical to building out a new product, service or growth strategy: management consulting, technology services and advertising and creative.

Each member of this team believes in the potential of the GrowthOps business model to provide effective solutions that help companies and government organisations throughout Australia and Asia grow their long-term value and impact. These entrepreneurs have been chosen for their cultural and professional alignment with each other and, in turn, have chosen to align their financial interests significantly with those of prospective shareholders and participate in the future growth prospects of the Company. They believe the GrowthOps whole is worth much more than the sum of its parts.

In order to ideate, develop and launch a new product, service or growth strategy, corporate enterprises and governments need a structure that facilitates the entrepreneurial process, which usually means going to external service providers. These services are most effective where there is accountability, collaboration between specialist teams and proven entrepreneurial credentials. GrowthOps provides its clients with an end-to-end solution of specialist capabilities and a single point of accountability that aims to reduce the friction associated with using multiple service providers. These specialist capabilities include, among other things, assessment of market opportunities and threats; technology-based new product design and development; system integration; leadership and change management coaching; brand strategy and positioning; and conception and implementation of creative content.

**We believe it is not the strongest or biggest company that will survive continual technological change and the rise and mobility of international disruptors, but the company most willing and able to adapt.**

GrowthOps serves clients in established industries characterized by large addressable markets and medium-to-high barriers to entry. In these sectors,

Yours sincerely,

A handwritten signature in black ink that reads "Phillip Kingston".

**Phillip Kingston**  
Founder and Managing Director

mature businesses face challenges to implementing growth initiatives because their existing organisations and processes have not necessarily been structured with the flexibility required to do so. New entrants to these sectors also face challenges, as they must navigate industries that are often dominated by a handful of entrenched businesses and gain market share quickly, in order to compete at scale.

**GrowthOps has been designed to work with these clients to achieve transformative growth.**

By partnering its team of proven entrepreneurs with those clients who we believe have the potential to achieve significant growth and then strategically aligning all parties' incentives, GrowthOps believes it can maximise clients' probability of success. This type of partnership combines the strengths of these clients, including recognised brands, established distribution channels and relatively low cost of capital, with the strengths of our entrepreneurial team, including agility, focus and expertise in advising and creating impactful business solutions.

**In summary, GrowthOps offers a comprehensive set of capabilities that is focused on the goal of delivering enterprise value growth for its clients.**

GrowthOps is forecast to generate pro forma revenue of \$61.3 million, pro forma EBITDA of \$14.3 million and pro forma NPATA of \$9.8 million in FY18 (see Section 4). GrowthOps generates a significant portion of its revenue from fixed, monthly service and retainer-based fees. In the medium-to-longer term, we also expect to earn revenue that is based on the business outcomes that we drive for our clients. This is a deliberate shift to a business model that more closely aligns with the results achieved for our clients.

The purpose of this Offer is to fund our ongoing historical growth rates, to give GrowthOps the balance sheet strength to increase the size of projects it can undertake, and to complete the consolidation of the GrowthOps Businesses outlined in this Prospectus.

Please review the details of this Prospectus carefully before making your investment decision. We hope you can join us on our exciting growth journey in Australia and Asia.

# KEY OFFER STATISTICS AND IMPORTANT DATES

Key Offer Statistics <sup>1</sup>	
Indicative Offer Price Range <sup>2</sup>	\$1.00 – \$1.17
Total number of Shares offered under the Prospectus <sup>3</sup>	60 million – 70 million
Total proceeds of the Offer	\$70.0 million
Total number of Shares held by Existing Shareholders at Completion, based on the midpoint of the Indicative Offer Price Range <sup>4</sup>	33.9 million
Total number of Shares on issue immediately at Completion, based on midpoint of Indicative Offer Price Range	98.5 million
Total number of CRPS on issue to Vendors immediately following Completion, based on the midpoint of the Indicative Offer Price Range	44.1 million
Indicative market capitalisation on a fully diluted basis <sup>3</sup>	\$142.6 million - \$166.4 million

Key Dates	
Prospectus lodgement date	10 November 2017
Retail Offer opens	24 November 2017
Retail Offer ends	6 December 2017
Bookbuild to determine Final Price and number of Shares offered	7 December 2017
Announcement of Final Price and number of Shares offered	8 December 2017
Settlement	12 December 2017
Expected Completion (Issue of Shares under the Offer)	13 December 2017
Expected dispatch of holding statements	18 December 2017
Expected commencement of trading of the Shares on ASX on a deferred settlement basis	15 December 2017
Expected commencement of trading of the Shares on ASX on a normal settlement basis	19 December 2017

## DATES MAY CHANGE

The above timetable is indicative only and dates may change.

<sup>1</sup> Under the Offer, the Company will offer New Shares with an aggregate issue price of \$70.0 million divided by the Final Price. The number of New Shares to be offered (and the Final Price at which they will be offered) will be determined by the Company, in consultation with the Lead Manager as part of the bookbuild. These Shares will be available for investors under the Institutional Offer, Broker Firm Offer and Priority Offer. The Final Price and number of Shares to be issued will be announced by the Company following the bookbuild and before listing on ASX. Note that Shares may not trade at the Final Price after Listing.

<sup>2</sup> The Indicative Offer Price Range is the indicative range for the Final Price. The Company, in consultation with the Lead Manager reserves the right to change the Indicative Offer Price Range at any time. The Final Price may be set below, within or above the Indicate Offer Price Range. Share may trade below the lower end of the Indicative Offer Price Range (refer to Section 7.2 for more details).

<sup>3</sup> Based on the Indicative Offer Price Range and the key Offer assumptions set out in Section 7.

<sup>4</sup> These Shares will be subject to voluntary escrow arrangements. Further details can be found in Section 7.6.



The Company, in agreement with the Lead Manager, reserves the right to vary any and all of the above dates and times without notice including, subject to the Corporations Act, to close the Offer early, to extend the Closing Date, or to accept late Applications, either generally or in particular cases. The Company reserves the right to cancel or withdraw the Offer before Completion, in each case without notifying any recipient of this Prospectus or Applicant. If the Offer is cancelled or withdrawn before the issue of Shares, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act.

Investors are encouraged to submit their Application Form as soon as possible after the Offer opens.

All times are Sydney times.

## HOW TO INVEST

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Applications for Shares under the Offer can only be made by completing and lodging the Application Form attached to or accompanying this Prospectus.

Instructions on how to apply for Shares are set out in Sections 1.8 and 6 of this Prospectus and on the back of the Application Form.



# INVESTMENT OVERVIEW



# 1 INVESTMENT OVERVIEW

## 1.1 INTRODUCTION

Topic	Summary	For more information
<b>What is GrowthOps?</b>	<p>We are an entrepreneurial advisory and operations partner for organisations seeking to develop new products, services and growth strategies.</p> <p>Our aim is to help organisations maximise their long-term value and impact, through growth-focused and technology-driven solutions.</p> <p>Our capabilities are offered in three major focus areas: management consulting, technology services, and advertising and creative. Our services include, among other things:</p> <ul style="list-style-type: none"> <li>evaluating market opportunities and threats, in order to craft effective growth strategies for clients;</li> <li>training executives on how to prepare their workforces to be competitive in fast-changing markets;</li> <li>training technology teams on how to lead agile processes;</li> <li>developing software and integrating systems with major cloud platforms like Amazon Web Services (<b>AWS</b>) and Google Cloud;</li> <li>designing and maintaining websites and mobile applications;</li> <li>managing social media assets; and</li> <li>creating advertising campaigns and brand strategies that are deployed across digital and traditional marketing channels.</li> </ul> <p>We operate throughout Australia and Asia with over 270 personnel across 14 offices.</p>	Section 3
<b>What is the Offer?</b>	<p>The Offer is an initial public offering of between 60.0 million and 70.0 million New Shares by the Company. The New Shares are expected to be issued at the Final Price within the Indicative Offer Price Range of between \$1.00 and \$1.17. Both the Final Price and number of New Shares expected to be issued at Completion will be determined by the Company in consultation with the Lead Manager, following the bookbuild and before Listing.</p>	Section 7
<b>Why is the Offer being conducted?</b>	<p>The purpose of the Offer is to:</p> <ul style="list-style-type: none"> <li>provide GrowthOps with access to equity capital markets, which it expects will give it added financial flexibility to pursue further growth opportunities;</li> <li>provide the GrowthOps Businesses with the various benefits of an increased profile that arises from being a listed entity;</li> <li>provide a liquid market for Shares; and</li> <li>fund the acquisition of the GrowthOps Businesses.</li> </ul>	Section 7.1.2
<b>What are the Acquisitions?</b>	<ul style="list-style-type: none"> <li>GrowthOps was incorporated in August 2017.</li> <li>Each of the GrowthOps Businesses will be acquired by GrowthOps prior to Listing. These businesses are: IECL, KDIS, Digital Moshi, 3wks,</li> </ul>	Sections 3 and 9.1.1

Topic	Summary	For more information
	<p>Voodoo Creative, Khemistry, AJF Partnership and jtribe (on a pro forma consolidated basis, collectively, the <b>GrowthOps Group</b>).</p> <ul style="list-style-type: none"> <li>The Vendors who currently own the GrowthOps Businesses will receive 50% of the consideration for the sale of the relevant GrowthOps Business in cash and 50% in convertible redeemable preference shares issued by GrowthOps (<b>CRPS</b>).</li> </ul>	
How do the CRPS work?	<ul style="list-style-type: none"> <li>The CRPS represent 50% of the consideration paid by GrowthOps for the Acquisition of the GrowthOps Businesses. At the mid-point of the Indicative Offer Price Range, 44,104,800 CRPS would be issued to the Vendors on Completion.</li> <li>Conversion of the CRPS into Shares is subject to performance and retention hurdles: <ul style="list-style-type: none"> <li><b>Performance</b> – Each CRPS can convert into a minimum of 0 Shares and a maximum of 2 Shares, depending on the performance of the relevant GrowthOps Business in FY18. If a GrowthOps Business meets its FY18 forecast, each relevant CRPS will convert into 1 Share.</li> <li><b>Retention</b> – Conversion will be staggered so that 50% of the CRPS will convert on the first anniversary of Completion and a further 25% on each of the second and third anniversaries of Completion. Conversion will only occur if the Partner who represents the relevant Vendor continues to be employed by GrowthOps at the time (other than in exceptional circumstances).</li> </ul> </li> <li>This means that if each GrowthOps Business meets the forecast that was used to prepare the Forecast Financial Information for GrowthOps and all Partners remain employed by GrowthOps for three years from Completion, the CRPS will convert into approximately 44,104,800 Shares.</li> <li>If 44,104,800 CRPS are issued to the Vendors on Completion, the maximum number of Shares into which the CRPS could convert over the three-year period would be 88,209,600. For this to occur, each GrowthOps Business must have exceeded its target performance for FY18 by approximately 50%.</li> </ul>	Sections 7.1.4 and 9.1.1

## 1.2 KEY FEATURES OF THE INDUSTRY IN WHICH GROWTHOPS OPERATES

Topic	Summary	For more information
What is the industry in which GrowthOps operates?	<ul style="list-style-type: none"> <li>GrowthOps operates in an emerging, rapidly evolving and fast-growing market: the business transformation services industry, which we define as the convergence of management consulting, technology services, and advertising and creative agencies.</li> <li>We believe that these industries are converging because major software and internet-based technologies are changing the way companies do business.</li> </ul> <p><b>Technology Services</b></p> <ul style="list-style-type: none"> <li>Provision of IT expertise, typically to enterprises and government organisations.</li> <li>Technology services include writing, modifying, testing or providing user support for software.</li> <li>Plan and design computer systems that integrate computer hardware, software, cloud and telecommunications technologies.</li> <li>Also known as “IT consulting” or “computer design services.”</li> </ul> <p><b>Advertising and Creative Agencies</b></p> <ul style="list-style-type: none"> <li>Preparation of the creative content for advertising campaigns, creation of brand strategy and positioning, and distribution of advertising.</li> <li>Includes digital marketing as well as print and traditional media.</li> </ul> <p><b>Management Consulting</b></p> <ul style="list-style-type: none"> <li>Provision of advice and strategies to solve a range of complex business issues. These issues include financial performance, business strategy and operational structure.</li> <li>Training staff at all levels of an organization in leadership and change management skills.</li> </ul>	Section 2
What is the industry size?	GrowthOps operates in a combined addressable market of approximately \$85 billion in estimated total revenue across the management consulting, technology services and advertising and creative industries in Australia, and additional addressable markets in Asia.	Section 2

Topic	Summary	For more information
<b>What are the key industry drivers and trends?</b>	<p>The key drivers in the business transformation services industry and overall macroeconomic trends include:</p> <ul style="list-style-type: none"> <li>• Increased access to, and adoption of, existing technologies including the rapid adoption of cloud computing.</li> <li>• Growth in automation.</li> <li>• Reduced half-life of technologies and increased iteration cycles.</li> <li>• Provision of mobile engagement in addition to traditional technological platforms.</li> <li>• Accelerated adoption of emerging technologies such as AI / Machine Learning, Internet of Things (IoT) and Serverless Computing.</li> <li>• Growth in business and consumer confidence providing a positive backdrop for corporate and government organisations deciding to invest in long-term, technology-driven growth with related advertising spend and overall marketing budgets.</li> <li>• Corporate and government investment in technology and innovation.</li> <li>• Asian markets, and particularly mid-cap clients, currently with limited options for business transformation services.</li> <li>• Need to enable staff at all levels of an organisation to effect rapid change and ensure that senior leadership has the capabilities to successfully implement growth solutions.</li> </ul>	Section 2.2

## 1.3 BUSINESS OVERVIEW

Topic	Summary	For more information
What is the GrowthOps revenue model?	<p>We generate revenue from the provision of services to our clients, with a fee for service model, including:</p> <ul style="list-style-type: none"> <li>• Retainer or monthly service fees;</li> <li>• Fees for the delivery of an agreed project scope; and</li> <li>• Time and materials.</li> </ul> <p>32% and 50% of GrowthOps FY17 revenues, respectively, were generated through retainer and other repeat business.</p> <p>Our businesses are independently profitable and have significant growth potential through additional revenue that we believe we can earn from existing clients and a strong pipeline of opportunities from new clients.</p> <p>None of the GrowthOps Businesses directly compete against each other.</p> <p>In the medium-to-longer term, we expect to further align our incentives with those of our clients. In addition to our existing revenue streams, we intend to selectively pursue joint ventures and equity-like fee arrangements with clients, so that we may share in the business outcomes we are able to achieve for them.</p>	Section 4
What are the benefits of the GrowthOps Businesses coming together?	<p>Bringing together the GrowthOps Businesses is expected to create value in the following ways:</p> <ul style="list-style-type: none"> <li>• <b>Larger capability set capturing additional revenue from existing and new clients.</b> GrowthOps Businesses are specialists and have often received requests for proposals or briefs which are outside their capabilities or include other requirements they cannot currently satisfy. Together, GrowthOps can propose a combined offering to existing and new clients. GrowthOps Businesses have already begun collaborating.</li> <li>• <b>Access to more geographic markets.</b> GrowthOps Businesses have specialist expertise that can be leveraged into other markets in Australia and Asia through the existing footprint of other members of the GrowthOps Group.</li> <li>• <b>Capture greater share of existing revenues through reduced subcontracting.</b> GrowthOps Businesses have been mandated for projects where they have had to sub-contract work to third parties, given elements of the work were outside their capability set. This subcontracting results in revenue leakage.</li> <li>• <b>Greater balance sheet strength allowing businesses to win larger contracts.</b> Acting individually, it is more difficult for the GrowthOps Businesses to successfully bid for large projects.</li> </ul>	Section 3.2

Topic	Summary	For more information
What services does GrowthOps provide?	<p>GrowthOps will offer end-to-end growth solutions, including, but not limited to the following capabilities:</p> <ul style="list-style-type: none"> <li>• Analysis of market threats and opportunities</li> <li>• Leadership development</li> <li>• Change management training</li> <li>• Cloud services</li> <li>• Software development</li> <li>• System integration</li> <li>• Positioning and brand strategy</li> <li>• Marketing communications</li> </ul>	Section 3
What are the legacy Businesses that comprise GrowthOps?	<p>Our Partners and their businesses possess skills and relationships across the entrepreneurial value chain, including management consulting, technology and advertising and creative services:</p> <ul style="list-style-type: none"> <li>• <b>Institute of Executive Coaching and Leadership (IECL):</b> Leadership development and executive coaching provider.</li> <li>• <b>KDIS:</b> Advisor and supplier of technology and digital marketing solutions for large organisations.</li> <li>• <b>Digital Moshi:</b> Enterprise IT consulting, cloud and software solutions firm, focused on the Asian market.</li> <li>• <b>3wks:</b> Enterprise cloud and software solutions provider.</li> <li>• <b>Voodoo Creative:</b> Branding, graphic design and digital services.</li> <li>• <b>Khemistry:</b> Creator and producer of content across tv, digital and AR/VR media channels.</li> <li>• <b>AJF Partnership:</b> Creative agency.</li> <li>• <b>jtribe:</b> Designer and developer of mobile applications on iOS, Android &amp; web platforms.</li> </ul>	Section 3



Topic	Summary	For more information
<b>What is GrowthOps' growth strategy?</b>	<p>GrowthOps expects its near-term growth to be driven in large part by organic opportunities arising from the benefits of Listing as well as potential revenue synergies captured through collaboration.</p> <p>Although the Company has not included revenue synergies in its FY18 forecast, the GrowthOps management team will seek to implement synergies as part of our integration plan as soon as possible. We intend to provide real-time connectivity and data to help drive top-line growth, as well as effectively manage costs and appropriately hire to achieve that growth.</p> <p>The Company also expects near-term growth to be driven in large part by the continued transition of corporate and government clients to public cloud infrastructure, and their resulting need for cloud native applications:</p> <ul style="list-style-type: none"> <li>• Generates incremental revenues through maintenance contracts and additional transition services for existing clients.</li> <li>• Drives demand for Google Cloud Partners (<b>GCP</b>), Amazon Web Services (<b>AWS</b>) and Salesforce products in Australia and Asia, for which GrowthOps is an execution partner.</li> <li>• Creates more touch points and opportunities for revenue synergies with change management, other technology services and creative offering.</li> </ul> <p>In addition, we intend to leverage our team's combined 40+ years of operations experience and deep relationships in the Asian region to:</p> <ul style="list-style-type: none"> <li>• Extend existing client workstreams into whole-of-enterprise level services relationships.</li> <li>• Capitalise on fast-growing cloud vendors' expansion into Asia (AWS, GCP and ServiceNow).</li> <li>• Capture market share as the regional economy matures, and demand from mid-cap clients for our technology services grows.</li> </ul> <p>We have also identified a pipeline of potential acquisitions, including a Salesforce.com integration partner (See Section 3.5 for further detail), that will:</p> <ul style="list-style-type: none"> <li>• Complement our current service offering; and</li> <li>• Further leverage the adoption of cloud computing in Australia and Asia.</li> </ul>	Section 3.3
<b>What is GrowthOps' dividend policy?</b>	Given our focus on growth and the costs associated with achieving that growth, the Company does not intend to pay dividends for the foreseeable future.	Section 4.9.1
<b>Does GrowthOps have any debt facilities?</b>	<p>GrowthOps currently does not have any debt facilities. Following Completion, GrowthOps will seek to put in place new debt facilities to finance:</p> <ul style="list-style-type: none"> <li>• working capital needs; and</li> <li>• further acquisitions to enhance our capability offering.</li> </ul>	Section 4.9

Topic	Summary					For more information
What is the key financial information? <sup>1</sup>	Historical			Forecast		Section 4
	Pro forma			Pro forma	Statutory	
	\$m	FY15	FY16	FY17	FY18	
	Revenue	46.0	45.7	53.0	61.3	
	EBITDA	7.3	8.3	12.1	14.3	
	EBIT	4.4	5.1	9.0	11.2	
	NPAT	3.1	3.6	6.6	8.0	
	NPATA	4.9	5.4	8.4	9.8	
	Revenue growth (%)		-0.7%	16.0%	15.7%	
	EBITDA margin (%)	15.9%	18.2%	22.8%	23.3%	
	NPATA margin (%)	10.7%	11.8%	15.8%	16.0%	
	NPATA growth (%)		10.2%	55.6%	16.7%	

<sup>1</sup> Key financial information contains Forecast Financial Information set out in Section 4, prepared on the basis of the best estimate assumptions set out in Section 4.6 and should be read in conjunction with the discussion of the pro forma Historical Financial Information in Section 4 including the sensitivities set out in Section 4.8, and the risk factors set out in Section 5. This table contains non-IFRS financial measures, which are discussed in Section 4.2.6.

## 1.4 KEY INVESTMENT HIGHLIGHTS

Topic	Summary	For more information
<b>Entrepreneurial and advisory operations partner offering clients a single-source, growth solution</b>	<ul style="list-style-type: none"> <li>• GrowthOps will consolidate the eight GrowthOps Businesses that, together, have the capability to create, execute and go to market with a new technology-driven product or service designed to generate high value outcomes including significant growth for our clients.</li> <li>• Each of the GrowthOps Businesses is independently profitable, and brings to GrowthOps a unique capability set and existing revenue base built on deep client relationships. The average trading history of the GrowthOps Businesses is 11 years.</li> <li>• GrowthOps will ultimately operate under one brand with one clear purpose—providing a single-source solution for clients seeking to achieve quantifiable business transformation and growth.</li> <li>• GrowthOps has already re-branded two of the GrowthOps Businesses and expects to re-brand most of the GrowthOps Businesses within 12 months of the completion of the Offer.</li> <li>• GrowthOps expects to improve efficiency and remove the friction that can occur between different service providers working on the same project.</li> </ul>	Section 3
<b>Committed Board, management team and business leaders whose financial interests are directly aligned with other shareholders</b>	<ul style="list-style-type: none"> <li>• GrowthOps brings together 15 entrepreneurs (<b>Partners</b>), all of whom have built profitable businesses.</li> <li>• These Partners believe in the Group and view the IPO as a catalyst for expansion into new markets and bigger opportunities.</li> <li>• We believe that this entrepreneurial background differentiates the Company from traditional peers in the management consulting, technology services and advertising and creative sectors. Our Partners are experienced in building and operating businesses, and iterate rapidly based on customer feedback.</li> <li>• The Partners will remain significant shareholders in the Company following Completion, with economic incentives that are aligned, via the CRPS, to those of New Shareholders.</li> <li>• GrowthOps will be led by a Board and management team with complementary and relevant experience to the business of GrowthOps.</li> </ul>	Section 3.4

Topic	Summary	For more information
<b>Foundation to deliver high-value services for our clients</b>	<ul style="list-style-type: none"> <li>• The GrowthOps Businesses have been carefully selected by the management team, both for the complementary nature of their capabilities and for the common cultural elements we believe they share, including: <ul style="list-style-type: none"> <li>◦ Partners who are joining GrowthOps because they want to be part of our larger platform and contribute and share in the Company's future growth;</li> <li>◦ entrepreneurial approach to day-to-day responsibilities and deliverables;</li> <li>◦ focus on achieving real business outcomes rather than simply delivering to a scope;</li> <li>◦ agile processes for delivering work that allow for rapid iteration based on feedback from clients;</li> <li>◦ ability to collaborate within small, multi-disciplinary teams; and</li> <li>◦ highly motivated and talented staff who want to work in a high-impact, results-oriented environment.</li> </ul> </li> <li>• Historically, these businesses have delivered a service or product, often in collaboration with other service providers as part of a project.</li> </ul>	
<b>Established, diversified client base generating significant repeat business</b>	<ul style="list-style-type: none"> <li>• Significant number of client relationships with ASX-listed companies, multinational corporate enterprises and governments.</li> <li>• High proportion of retainer and repeat business.</li> <li>• Diverse revenue streams from strong client relationships across various industries in Australia and high-growth Asian markets.</li> <li>• None of the GrowthOps Businesses directly compete with each other today.</li> </ul>	Section 3.3
<b>Business mix that, following the Offer, will be well-positioned to grow organically</b>	<ul style="list-style-type: none"> <li>• Business model is designed to enable GrowthOps to leverage its management consulting, technology services and creative and advertising specialties to deliver growth solutions for our clients.</li> <li>• Greater balance sheet strength supporting the GrowthOps Businesses in winning larger contracts.</li> <li>• Larger capability set generating incremental revenue from the GrowthOps Group's existing client base.</li> <li>• Access to more geographic markets and client industries.</li> <li>• Larger footprint and capability enabling the Company to compete for the next generation of top-tier engineering and creative talent.</li> </ul>	Section 4

Topic	Summary	For more information
<b>Favourable industry dynamics and trends</b>	<ul style="list-style-type: none"> <li>Sophisticated foreign entrants (e.g. Amazon, Netflix, Uber and Alibaba) as well as venture-funded start-ups are forcing mature organisations to evaluate their technology and growth strategies.</li> <li>Increased demand for technology services driven by significant growth of cloud infrastructure and continued adoption of mobile, as well as other emerging technologies such as augmented reality/virtual reality (AR/VR) artificial intelligence (AI) and automation, and the Internet of Things (IoT).</li> <li>Exposed to increased government and corporate investment in technology.</li> <li>Geographic footprint provides access to high-growth Asian markets.</li> <li>Next-generation talent is gravitating to modern entrepreneurial cultures where there is competitive compensation, creativity and opportunities for professional growth.</li> </ul>	Section 0
<b>Track record of profitability and conservative capital structure</b>	<ul style="list-style-type: none"> <li>Each of the GrowthOps Businesses is profitable in its own right.</li> <li>Each of the GrowthOps Businesses forecasting revenue growth from FY17 to FY18.</li> <li>Strong cash flow conversion and no leverage expected at Completion.</li> </ul>	Section 4

## 1.5 KEY RISKS

Topic	Summary	For more information
<b>Key personnel</b>	<p>GrowthOps' success is dependent to a significant degree upon the efforts, contributions and client relationships of a number of key management personnel who are associated with the GrowthOps Businesses.</p> <p>There is a risk that there will be significant difficulties in effectively and harmoniously bringing together the different entrepreneurial personalities and management styles of the key management personnel, and in combining the corporate cultures of each GrowthOps Business. These factors may lead to a decrease in productivity and potentially one or more key management personnel leaving GrowthOps.</p>	Section 5.2.1

Topic	Summary	For more information
<b>Integration of the GrowthOps Businesses</b>	<p>The GrowthOps Businesses are of different sizes, with different cultures, work methods, processes, systems, technologies and controls. In addition, the key management personnel have different personalities with different approaches to management and different working styles. There is a risk that these differences may render certain of the GrowthOps Businesses incompatible with each other to a greater or lesser extent, which may in turn obstruct the ability of the GrowthOps Businesses to effectively integrate and collaborate with each other.</p> <p>The success of the GrowthOps business model and, in particular, the ability to realise the expected growth opportunities associated with the Acquisitions, depends in part on the effective and timely integration of each of the GrowthOps Businesses following completion of the Acquisitions. While GrowthOps has given due consideration to the benefits of the Acquisitions, they remain GrowthOps' estimate of the growth opportunities which are expected to flow from the Acquisitions. There is a risk that the actual growth opportunities which are capable of being realised may be less than expected or may be delayed, or that they may not materialise at all or cost more to achieve than originally expected.</p>	Section 5.2.2
<b>Short sales horizon and difficult to predict future revenue</b>	<p>GrowthOps' forecast revenue consists of a portion of revenue arising from existing contracts with clients, a portion of revenue which is expected to arise based on historical trends and track records with existing clients and a portion of revenue arising from the expected conversion of pipeline opportunities. There are varying degrees of uncertainty associated with each of these revenue streams, which can make it difficult to predict GrowthOps' future revenue.</p> <p>In addition, as the GrowthOps Businesses integrate, GrowthOps intends to implement certain customer relationship and pipeline management processes in order to efficiently deploy the resources of the Group. Since much of the historical work undertaken by the GrowthOps Businesses has been on an ad hoc project basis, this will represent a change in operating practice for certain of those GrowthOps Businesses. If GrowthOps cannot successfully implement these processes, the Company may not have strong visibility on its future revenues and therefore struggle to deploy resources effectively, or fail to achieve future revenue synergies between the GrowthOps Businesses.</p>	Section 5.2.3
<b>Contracts and commercial relationships</b>	<p>GrowthOps' ability to conduct its business and generate revenue derives from contracts and relationships with its clients and other third parties, a number of which will come up for review and renewal in the ordinary course of business during the Forecast Period.</p> <p>It is not possible for GrowthOps to guarantee that relationships with clients and third parties will be maintained and will be developed as planned, due to such relationships being subject to any number of external factors.</p>	Section 5.2.4
<b>Managing and supporting growth</b>	<p>Certain of the GrowthOps Businesses are in a period of rapid growth. There is a risk that it will not be possible to effectively and efficiently maintain the quality and delivery of GrowthOps' services and products, or the profitability and performance of the GrowthOps Businesses during this rapid growth period.</p> <p>In addition, GrowthOps' ability to achieve its forecast growth is dependent to a significant extent upon its ability to attract and retain a significant number of additional appropriately qualified and experienced personnel at reasonable cost to support that growth.</p>	Section 5.2.5

Topic	Summary	For more information
<b>Acquisition due diligence</b>	<p>The data or information provided to and relied upon by GrowthOps as part of its financial, tax and legal due diligence process in respect of the Acquisitions may prove to be incomplete, incorrect, inaccurate or misleading. If this is the case, there is a risk that the actual financial position and performance of the GrowthOps Businesses (and therefore GrowthOps) may be materially different from the financial position and performance expected by GrowthOps and reflected in this Prospectus.</p> <p>Similarly, the Acquisition Agreements were prepared on the basis of GrowthOps' due diligence findings. As a result, there is a risk that unforeseen or unknown issues and risks may arise, which may not have been adequately provided for in the Acquisition Agreements.</p> <p>There is also a residual risk that the capped indemnities in place are insufficient and/or GrowthOps' recourse under the indemnities is limited (e.g. if the provider of the indemnity is unable to settle valid claims including costs).</p>	Section 5.2.6
<b>Client acceptance and medium-to-longer term business plan</b>	<p>In the medium-to-longer term, GrowthOps aims to align incentives with those of our clients by selectively pursuing joint ventures and equity-like fee arrangements. This client engagement model has not yet been put into practice and may not be directly comparable to any other known business models being used in the market at present, meaning there is no certainty that GrowthOps' clients will be receptive to and accepting of GrowthOps' business proposition and that the business model will allow GrowthOps to realise the benefits associated with its projected growth opportunities.</p>	Section 5.2.7
<b>Change of control</b>	<p>A number of third party contracts to which a GrowthOps Business is a party (including client contracts) contain change of control provisions which may be triggered by the Acquisitions.</p> <p>For certain of the relevant contracts, GrowthOps has sought the consent of the applicable counterparty to the change of control arising from the Acquisitions. In a number of cases, the Company has made the commercial decision to not request consent for change of control.</p> <p>To the extent that a required consent is not obtained (including where the company has not sought consent), the counterparty may be entitled to terminate the contract. In addition, where a counterparty is providing consent, the counterparty may seek to renegotiate the relevant contract on terms which are less favourable to GrowthOps.</p> <p>Change of control provisions may similarly be triggered upon the occurrence of a takeover offer or other acquisition of GrowthOps after Listing.</p>	Section 5.2.8
<b>Maintenance of reputation</b>	<p>GrowthOps' success is reliant on its reputation and the reputation of the GrowthOps Businesses. Reputational damage could arise due to any number of circumstances, including inadequate service delivery, conflicts of interest, failing to deliver on a client's desired outcomes, or the mere perception of the existence of any of these circumstances.</p> <p>As a proportion of GrowthOps' sales are derived from renewed contracts with long term clients (and as the GrowthOps business model relies on the further development of existing client relationships), reputational damage may severely impact on GrowthOps' relationships with existing clients and consequently result in a fall in revenue.</p>	Section 5.2.9

Topic	Summary	For more information
<b>Industry and technology risk</b>	<p>GrowthOps operates in the IT consulting industry and relies in part on the competitive position of key technologies it supports (including but not limited to Google Cloud and Amazon Web Services), and the continued development of marketable technologies. There is a risk that the rate of such advancements may slow, which may negatively affect GrowthOps' profitability.</p> <p>There is also a risk that there may be certain developments in the IT consulting industry which supersede, and render obsolete, the existing products and services offered by GrowthOps, which would also negatively affect GrowthOps' profitability.</p>	Section 5.2.10
<b>Other important risks</b>	A number of other key risks are included in Section 5, including other commercial, operational and general risks.	Section 5



## 1.6 DIRECTORS AND MANAGEMENT

Topic	Summary	For more information
<b>Who are the Directors?</b>	<ul style="list-style-type: none"><li>• Dominique Fisher, Independent Non-Executive Chairman and Chair of the Nomination and Remuneration Committee</li><li>• Phillip Kingston, Managing Director and Founder</li><li>• Melissa Field, Independent Non-Executive Director and Chair of the Audit and Risk Committee</li><li>• Paul Mansfield, Executive Director and Managing Partner</li></ul>	Section 6
<b>Who are the key management personnel of GrowthOps?</b>	<ul style="list-style-type: none"><li>• Phillip Kingston, Founder and Managing Director</li><li>• Dustine Pang, Chief Financial Officer and Company Secretary</li><li>• Paul Mansfield, Managing Partner</li></ul>	Section 6.2

## 1.7 SIGNIFICANT INTERESTS OF KEY PEOPLE AND RELATED PARTY TRANSACTIONS

Topic	Summary
Who are the Shareholders before the Offer and are they retaining an interest post Completion?	The Existing Shareholders shareholding in GrowthOps before and after Completion, based on an illustrative Final Price at the midpoint of the Indicative Offer Price Range of between \$1.00 and \$1.17, is as specified in the table below:

<sup>4</sup> Under the Offer, the Company will offer New Shares with an aggregate issue price of \$70.0 million divided by the Final Price. The percentages in this table reflect the midpoint of the Indicative Offer Price Range of between \$1.00 and \$1.17, and are for illustrative purposes only. The final number of New Shares to be offered (and the Final Price at which they will be offered) will be determined by the Company in consultation with the Lead Manager as part of the bookbuild, and before Listing.

<sup>5</sup> Calculated as if 100% of the CRPS converted into Shares on Completion so as to provide New Shareholders with guidance on how the GrowthOps capitalisation structure may develop over time. The maximum number of Shares that all CRPS issued on Completion can convert to over three years is 95,871,138. However, note that, contractually, the conversion of CRPS into Shares is subject to certain conditions (see Section 9.1.1 for further detail) and occur in the following increments: 50% of the CRPS will convert into Shares on the first anniversary of Completion, 25% of the CRPS will convert into Shares on the second anniversary of Completion and the remaining 25% of the CRPS will convert into Shares on the third anniversary of Completion. The number of Shares which the CRPS convert into will adjust according to the financial performance of the relevant GrowthOps Business for FY18. These figures assume the financial performance of each GrowthOps Business for FY18 is consistent with the forecasts used to prepare the Forecast Financial Information. To the extent the financial performance of a particular GrowthOps Business for FY18 is above or below its forecast for FY18, the CRPS for that GrowthOps Business will convert into a greater or small number of Shares, as applicable.

<sup>6</sup> The beneficiaries of TC Special Operations Trust 7 are the current shareholders of Trimantium Capital.

<sup>7</sup> The beneficiaries of TGO Trust 2 are any director, officer, employee or contractor of Trimantium Capital and its affiliates other than a director, officer or employee of Trimantium Capital who is a current officer or director of the Company.

<sup>8</sup> The named beneficiaries of TGO Trust 1 are Dominique Fisher, Melissa Field and Paul Mansfield.

Topic	Summary	For more information															
Will any Shares be subject to restrictions on disposal following Completion	<p>Each of TGO Holdings as trustee for TC Special Operations Trust 7, TGO Holdings as trustee for TGO Trust 2, GrowthOps Holdings as trustee for TGO Trust 1, Trimantium Capital and Management Shareholder (the <b>Escrowed Shareholders</b>) have agreed to enter into voluntary escrow arrangements under which they will be restricted from dealing with Shares they hold on Completion of the Offer.</p> <p>Under the terms of the voluntary escrow arrangements and subject to customary exceptions, the Shares held by the Escrowed Shareholders on Completion of the Offer will be subject to escrow restrictions until the date which is two Business Days after the date on which GrowthOps' financial results for FY18 are released to the ASX by GrowthOps.</p>	Section 7.6															
What significant benefits and interest are payable to Directors and other persons connected with GrowthOps or Offer and what significant interests do they hold?	<p>On Completion, the following Directors will hold interests in Shares:</p> <table> <tr> <th>Name</th><th>Relationship</th><th>Interest at Completion of the Offer</th></tr> <tr> <td>Dominique Fisher<sup>1</sup></td><td>Independent Non-Executive Chairman</td><td>0.7%</td></tr> <tr> <td>Phillip Kingston<sup>2</sup></td><td>Founder and Managing Director</td><td>20.1%</td></tr> <tr> <td>Melissa Field<sup>1</sup></td><td>Independent Non-Executive Director</td><td>0.3%</td></tr> <tr> <td>Paul Mansfield<sup>1</sup></td><td>Executive Director and Managing Partner</td><td>1.7%</td></tr> </table> <p><sup>1</sup> Shares held indirectly as a named beneficiary of TGO Trust 1.</p> <p><sup>2</sup> Shares held indirectly as a Shareholder of Trimantium Capital and a beneficiary of TC Special Operations Trust 7.</p> <p>Directors may apply for additional Shares under the Offer. Final Directors' shareholdings will be notified to ASX following Listing. The Directors may hold their interests in Shares directly or indirectly through holdings of companies or trusts. Each Directors' interests noted above are subject to vesting conditions and until the vesting conditions are satisfied, the Director does not have a present interest in the Shares.</p> <p>All Non-Executive Directors will receive directors' fees.</p> <p>Phillip Kingston and Paul Mansfield will receive remuneration as Executive Directors.</p> <p>Trimantium Capital, in which Phillip Kingston has an interest, will receive \$618,000 as consideration of for the sale of KDIS comprised of a 50% cash component and 50% in the form of CRPS.</p> <p>Advisers, service providers, GrowthOps executives and other persons are entitled to fees for services or hold Shares as set out in Section 6.</p>	Name	Relationship	Interest at Completion of the Offer	Dominique Fisher <sup>1</sup>	Independent Non-Executive Chairman	0.7%	Phillip Kingston <sup>2</sup>	Founder and Managing Director	20.1%	Melissa Field <sup>1</sup>	Independent Non-Executive Director	0.3%	Paul Mansfield <sup>1</sup>	Executive Director and Managing Partner	1.7%	Section 6.4.1.6
Name	Relationship	Interest at Completion of the Offer															
Dominique Fisher <sup>1</sup>	Independent Non-Executive Chairman	0.7%															
Phillip Kingston <sup>2</sup>	Founder and Managing Director	20.1%															
Melissa Field <sup>1</sup>	Independent Non-Executive Director	0.3%															
Paul Mansfield <sup>1</sup>	Executive Director and Managing Partner	1.7%															

## 1.8 OVERVIEW OF THE OFFER

Topic	Summary	For more information																					
<b>What is the Offer?</b>	<p>The Offer is an initial public offering of between 60.0 million and 70.0 million New Shares with an Indicative Offer Price Range of between \$1.00 and \$1.17 per Share. The Offer will raise approximately \$70 million (before costs and expenses).</p> <p>The New Shares being offered under the Offer will represent between 59.0% and 73.8% of the total Shares on issue immediately following Completion of the Offer; and 45.3% of the total Shares on issue if 100% of the CRPS converted to Shares, in line with FY18 forecasts based on the midpoint of the Indicative Offer Price Range.</p> <p>Each New Share issued pursuant to this Prospectus will, from the time they are issued, rank equally with Shares already on issue. A summary of the rights and liabilities attaching to the Shares is set out in Section 7.11.</p>	Section 7																					
<b>Who is the issuer of this Prospectus?</b>	Trimantium GrowthOps Limited (ACN 621 067 678), a company incorporated in Victoria, Australia.	Section 3																					
<b>What is the proposed use of funds raised under the Offer?</b>	<table> <tr> <th>Use of proceeds</th><th>\$ (M)</th><th>%</th></tr> <tr> <td>Payments of cash proceeds to Vendors</td><td>47.8</td><td>68.4%</td></tr> <tr> <td>Repayment of loans to Trimantium Capital</td><td>2.9</td><td>4.1%</td></tr> <tr> <td>Transaction costs related to the Offer<sup>9</sup></td><td>5.2</td><td>7.4%</td></tr> <tr> <td>Funds set aside for the acquisition of Salesforce Partner, or similar acquisitions (see Section 3.5)</td><td>9.8</td><td>14.0%</td></tr> <tr> <td>Increase in cash balance</td><td>4.3</td><td>6.1%</td></tr> <tr> <td><b>Total uses</b></td><td><b>70.0</b></td><td><b>100%</b></td></tr> </table>	Use of proceeds	\$ (M)	%	Payments of cash proceeds to Vendors	47.8	68.4%	Repayment of loans to Trimantium Capital	2.9	4.1%	Transaction costs related to the Offer <sup>9</sup>	5.2	7.4%	Funds set aside for the acquisition of Salesforce Partner, or similar acquisitions (see Section 3.5)	9.8	14.0%	Increase in cash balance	4.3	6.1%	<b>Total uses</b>	<b>70.0</b>	<b>100%</b>	Section 7.1.3
Use of proceeds	\$ (M)	%																					
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Increase in cash balance	4.3	6.1%																					
<b>Total uses</b>	<b>70.0</b>	<b>100%</b>																					
<b>Will the Shares be quoted on the ASX?</b>	<p>Yes, the Company will, within seven days of the Prospectus Date, apply to the ASX for admission to the Official List and for quotation of the Shares on the ASX under the code "TGO" (which may be changed prior to Listing).</p> <p>Completion of the Offer is conditional upon the ASX approving this application. If approval is not given within three months after the Prospectus Date (or any longer period permitted by law), the Offer will be withdrawn, and all Application Monies received will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.</p>	Section 7.10.1																					
<b>How is the Offer structured?</b>	The Offer comprises the:	Sections 7.3 and 7.4																					

<sup>9</sup> GrowthOps intends to acquire Unit Co Pty Ltd for \$1 and the assumption of its outstanding liabilities. Unit Co Pty Ltd, a controlled entity of Trimantium Capital, has loans outstanding of \$5.0 million to Trimantium Capital and associated parties which relate to costs incurred in preparation for and the development of the current GrowthOps IPO, which will be repaid from the proceeds of the IPO. These costs comprise \$2.1m of pre-IPO costs paid to advisers which form part of the transaction costs of this Offer, and \$2.9 million incurred in developing the GrowthOps opportunity and its associated knowledge base.

Topic	Summary	For more information
	<ul style="list-style-type: none"> <li>• Broker Firm Offer, which consists of an offer of New Shares to Australian resident retail investors who have received a firm allocation from their Broker;</li> <li>• Institutional Offer, consisting of an offer to Institutional Investors in Australia and a number of other eligible jurisdictions, made under this Prospectus; and</li> <li>• Priority Offer, consisting of an offer of Shares to persons in Australia who have received a personalised invitation to apply for New Shares.</li> </ul> <p>There is no general public offer of New Shares.</p>	
<b>Is the Offer underwritten?</b>	The Offer is not underwritten.	
<b>Who is the Lead Manager?</b>	The Lead Manager is D2MX Pty Ltd (ABN 98 113 959 596)	Section 9.1.3
<b>Is there any brokerage, commission or stamp duty payable by Applicants?</b>	No brokerage, commission or stamp duty is payable by Successful Applicants on subscription or acquisition of Shares under the Offer.	Section 6.4.2.5
<b>What are the tax implications of investing in the Shares?</b>	You may be subject to Australian income tax or withholding tax on any future dividends paid. The tax consequences of any investment in the Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to invest.	Section 9.6
<b>What is the minimum and maximum Application size under the Offer?</b>	The minimum and maximum Applications under the Broker Firm Offer are as determined by the Applicant's Broker. The Lead Manager, in consultation with GrowthOps, reserve the right to reject any Application or to allocate a lesser number of Shares than that applied for at the Final Price, in their absolute discretion.	Section 7.3.1.2
<b>How can I apply?</b>	<p>Broker Firm Offer Applicants should complete and lodge the Application Form attached to or accompanying this Prospectus and lodge it with the Broker who invited them to participate in the Broker Firm Offer. Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the reverse of the Application Form.</p> <p>Applicants under the Priority Offer must apply in accordance with the instructions provided in their personalised invitation.</p> <p>The Lead Manager has separately advised Institutional Investors of the Application procedure under the Institutional Offer.</p>	Sections 7.3.1.2, 7.3.2.2 and 7.4.2
<b>When can I sell my Shares on ASX?</b>	<p>It is expected that trading of the Shares on the ASX will commence on or about 15 December 2017, initially on a deferred settlement basis.</p> <p>It is expected that the dispatch of initial holding statements by standard post will occur on or about 18 December 2017 and that Shares will commence</p>	Section 7.10.3

Topic	Summary	For more information
	<p>trading on the ASX on a normal settlement basis on or about 19 December 2017.</p> <p>It is the responsibility of each Applicant to confirm their holding before trading Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk.</p>	
<b>What is the allocation policy?</b>	The allocation of Shares between the Broker Firm Offer, Institutional Offer, and Priority Offer will be determined by the Company, in consultation with the Lead Manager having regard to the allocation policies outlined in Sections 7.3.1.4, and 7.3.2.4 and 7.4.4.	Sections 7.3.1.4, 7.3.2.4 and 7.4.4
<b>Can the Offer be withdrawn?</b>	<p>The Company reserves the right not to proceed with the Offer at any time before the issue of New Shares to Successful Applicants.</p> <p>If the Offer does not proceed, Application Monies will be refunded.</p> <p>No interest will be paid on any Application Monies refunded as a result of the withdrawal of the Offer.</p>	Section 7.7
<b>What can I do if I have questions about the Offer?</b>	<p>Please call the GrowthOps Offer Information Line on 1300 145 328 (within Australia) or +61 3 9415 4250 (outside Australia) from 8:30am to 5:00pm (Sydney Time), Monday to Friday (Business Days only).</p> <p>If you are unclear in relation to any matter or are uncertain as to whether GrowthOps is a suitable investment for you, you should seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest.</p>	Section 7

# INDUSTRY OVERVIEW



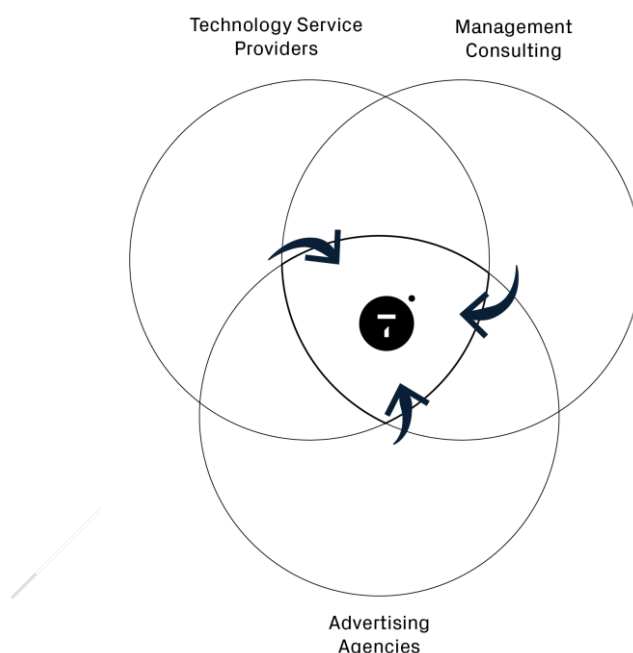
## 2 INDUSTRY OVERVIEW

### 2.1 INTRODUCTION

#### 2.1.1 INDUSTRY DESCRIPTION

GrowthOps is a partner for large organisations seeking business transformation and entrepreneurial growth. We operate within the rapidly evolving market of **business transformation services**, in which three industries and capability sets that were once siloed are now in the process of converging into an approximately \$85bn addressable market:

- **Technology services (\$45.9bn market size)** – provision of IT expertise, typically to enterprises and government organisations. Industry services include writing, modifying, testing or providing user support for software. Industry companies also plan and design computer systems that integrate computer hardware, software, cloud and telecommunications technologies. Also known as “IT consulting” or “computer design services”.
- **Management consulting (\$27.1bn market size)** – provision of advice, strategies and leadership training that is required to solve a range of complex business issues. These issues include financial performance, business strategy and operational structure.
- **Advertising and creative agencies (\$12.2bn market size)** – preparation of the creative content for advertising campaigns, creation of brand strategy and positioning, distribution of advertising, which includes digital marketing as well as print and traditional media.



**Figure 2.1: Trimantium GrowthOps operates in a rapidly evolving market landscape in the intersection of technology services, management consulting, and advertising agencies.**

#### 2.1.2 WHAT IS DRIVING THE CONVERGENCE OF THE TECHNOLOGY, MANAGEMENT CONSULTING AND ADVERTISING AGENCY INDUSTRIES?

We believe that these three industries are converging because the needs of their clients are converging. Core business and corporate development functions at many companies today are being performed with: i) earlier input from disparate teams within the organisation; and ii) using entrepreneurial methods such as forming strategic partnerships or joint ventures with start-ups; funding incubators or accelerator programs; and deploying corporate venture capital directly into investments in promising new market entrants.

In deciding to develop a new product or service, or pursue a strategic investment or acquisition, we see successful management teams collaborating from the outset with key internal teams. For example, technology may opine on the



form and functionality of new products or services, and provide guidance on how the company will scale and support them in the future. Technology teams are also critical in valuing the intellectual property and capabilities of potential acquisitions or strategic investments. Advertising and brand strategy professionals are involved earlier in the corporate and business development processes as well. In an increasingly data-driven decision-making environment, these teams confirm or question the prospective customer demand for a new product or service, and provide key market insights for building the business case. Senior management continues to make the ultimate strategic decisions. But the factors in these decisions have become more complicated as technology-savvy customers expect more engagement and functionality from new products and services. These decisions must also be made against the backdrop of a competitive landscape where the continued rollout of mobile, cloud and workplace automation technologies, as well as the rapid adoption of other emerging technologies is changing the business environment frequently.

To defend against disruption by technology-enabled competitors and grow within this competitive landscape, companies are also experimenting with more entrepreneurial approaches to corporate and business development. Many mature organisations are seeking growth opportunities through a portfolio of initiatives, including:

- Internal initiatives within the organisations to develop new products or services and recruitment of staff to lead these initiatives;
- Acquisitions of entrepreneurial or technology-enabled businesses;
- Partnerships such as strategic alliances or joint ventures; and
- Investments such as corporate venture capital, and supporting incubators and accelerators.

Initiative	Description	GrowthOps' Related Observations
<b>Internal initiatives</b>	Actions within the organisation and/or recruitment of talent with entrepreneurial experience	<ul style="list-style-type: none"> <li>✓ Provides company's own employees with opportunities for professional development and may help them keep skills current</li> <li>✗ Large organisations may not be able to compete with start-ups for top-tier technical talent on equity incentives and excitement offered</li> <li>✗ Internal technology teams are less likely to champion solutions that may threaten their own job security</li> </ul>
<b>Acquisitions</b>	Acquiring entrepreneurial or technology-enabled businesses	<ul style="list-style-type: none"> <li>✓ Allows larger businesses to jumpstart an area where they might have fallen behind or, alternately, remove a threat from the market</li> <li>✗ Technology acquisitions can be difficult to assess, value and integrate due to the significantly different technology expertise required (as compared to traditional M&amp;A)</li> <li>✗ Cultural differences between a target and acquirer may be hard to overcome</li> </ul>
<b>Strategic partnerships or joint ventures</b>	Strategic partnerships or alliances to pursue technology-enabled initiatives	<ul style="list-style-type: none"> <li>✓ Allows mature organisations to partner with smaller, more nimble participants as a toehold for potential acquisition</li> <li>✓ Syndicates risk of untested products and services</li> <li>✗ Organisation may not have adequate control or oversight of strategic decisions</li> <li>✗ Value creation from strategic partnership may remain outside of the organisation, and does not translate to a lasting transformation of culture, ability and methodologies of the organisation's core business</li> </ul>

Initiative	Description	GrowthOps' Related Observations
<b>Corporate venture capital, incubators and accelerators</b>	Investments into high potential early-stage companies and start-ups	<ul style="list-style-type: none"> <li>• Number of corporate venture capital programs and sponsored incubators and accelerators has increased in the past decade, suggesting that companies are looking to invest to find growth opportunities</li> <li>✖ Such programs face challenges such as structural and incentive alignment, conflicts with the parent company and lack of authentic access to the entrepreneurial and technology community</li> <li>✖ These initiatives often end up looking more like a marketing or business development extension of the parent organisation</li> </ul>

### 2.1.3 MARKET TRENDS

Recognising the convergence of business functions under way at their major clients and the need for a more entrepreneurial approach to corporate and business development, traditional providers of management consulting, advertising and technology services (or system integration) have been adding capabilities to their existing platforms through major acquisitions. In recent years, these service providers have acquired numerous smaller participants from the highly fragmented global market of entrepreneurial technology-enabled service providers.

### 2.1.4 ACQUISITIONS BY TECHNOLOGY SERVICE PROVIDERS (OR SYSTEM INTEGRATION)

Technology service providers	Platform brand	Bolt-on acquisitions of capability (since 2010)	Selected notable acquisitions / strategic investments
<b>Accenture</b>	Accenture Interactive	Over 38	<ul style="list-style-type: none"> <li>▪ The Monkeys (May 2017, Australia)</li> <li>▪ Maud (May 2017, Australia)</li> <li>▪ Reactive (Feb 2015, Australia)</li> </ul>
<b>IBM</b>	IBM iX	Over 30	<ul style="list-style-type: none"> <li>▪ Bluewolf (Mar 2016, Australia)</li> </ul>
<b>Cognizant</b>	Cognizant Digital	Over 16	<ul style="list-style-type: none"> <li>▪ Odecee (Nov 2014, Australia)</li> </ul>
<b>RXP</b>	RXP	16	<ul style="list-style-type: none"> <li>▪ The Works (Aug 2017, Australia)</li> </ul>
<b>Melbourne IT</b>	Melbourne IT Enterprise	7	<ul style="list-style-type: none"> <li>▪ WME Group (May 2017, Australia)</li> <li>▪ InfoReady (Mar 2016, Australia)</li> <li>▪ Outware Systems (Jun 2015, Australia)</li> </ul>

### 2.1.5 ACQUISITIONS BY MANAGEMENT CONSULTING FIRMS

Management consulting firms	Platform brand	Bolt-on acquisitions of capability (since 2010)	Selected notable acquisitions / strategic investments
<b>BCG</b>	BCG Digital Ventures	1	<ul style="list-style-type: none"> <li>▪ S&amp;C (Jul 2014, Australia)</li> </ul>
<b>Deloitte</b>	Deloitte Digital	Over 30	<ul style="list-style-type: none"> <li>▪ Strut Digital (May 2017, Australia)</li> <li>▪ Plenary Networks (Oct 2016, Australia)</li> <li>▪ Cinder Agency (Oct 2016, Australia)</li> <li>▪ Sixtree (Jul 2016, Australia)</li> </ul>
<b>PwC</b>	PwC Digital Services	Over 15	<ul style="list-style-type: none"> <li>▪ Thinkerbell (Aug 2017, Australia)</li> <li>▪ Pond (Apr 2017, Sweden)</li> <li>▪ NSI DMCC (Nov 2016, Dubai)</li> </ul>

Management consulting firms	Platform brand	Bolt-on acquisitions of capability (since 2010)	Selected notable acquisitions / strategic investments
			<ul style="list-style-type: none"> <li>▪ Fluid (Feb 2016, Hong Kong)</li> <li>▪ Appian Group (Apr 2015, Australia)</li> <li>▪ Stamford Interactive (Feb 2014, Australia)</li> </ul>

#### 2.1.6 ACQUISITIONS BY ADVERTISING AGENCIES

Advertising holding companies	Platform brand	Bolt-on acquisitions of capability (since 2010)	Selected notable acquisitions / strategic investments
Publicis Groupe	SapientRazorfish	Over 35	<ul style="list-style-type: none"> <li>▪ Sapient (US\$3.7bn, Feb 2015, Global, US)</li> <li>▪ LBi (Sep 2012, Netherlands)</li> <li>▪ Rokkan Media (Dec 2012, US)</li> <li>▪ Rosetta (May 2011, US)</li> </ul>
WPP	WPP Digital	Over 15 in YTD 2017	<ul style="list-style-type: none"> <li>▪ Hug Digital (Aug 2017, UAE)</li> <li>▪ Design Bridge (Aug 2017, UK)</li> <li>▪ Dis/Play (Aug 2017, Denmark)</li> <li>▪ Thjnk (Jul 2017, Germany)</li> <li>▪ Deeplocal (Apr 2017, US)</li> <li>▪ STW Communications (May 2016, Australia)</li> </ul>
Dentsu	Isobar	39 in 2016 alone	<ul style="list-style-type: none"> <li>▪ Accordant (May 2017, Australia)</li> <li>▪ SVG Media (Apr 2017, India)</li> <li>▪ With Collective (Sep 2016, Australia)</li> <li>▪ Scorch (Jun 2016, Australia)</li> </ul>

We believe that these industries and areas of expertise will converge further as the pace of technological innovation accelerates.

## 2.2 MARKET GROWTH DRIVERS

The opportunity is large with a combined addressable market of approximately \$85 billion in estimated total revenue across the consulting, technology services and advertising agency industries in Australia. We believe that growth in this addressable market will be driven by the following factors:

- **Increased access to, and adoption of, existing technologies.** Increased access to mobile and cloud-based technologies, both among consumers and businesses, is expected to continue to drive scale, thereby reducing the costs of both operating and using those systems. As recently as 2015-2016, less than one-third of Australian businesses were estimated to use paid cloud services. Cloud computing is a high-value product and high-margin service. Globally, the adoption of cloud services is occurring at a significant rate of growth—led by software vendors such as AWS and Google Cloud Platform, all of which are expanding in the Australian market.

As the cost of existing technologies decreases, corporate users will have more resources to allocate to external providers of services that help them grow their core businesses. In addition, with widespread adoption of existing technologies like cloud and mobile, we believe that corporate and government users will have an even more compelling reason to optimise their businesses to benefit from the automation and operating improvements that that these technologies can provide.

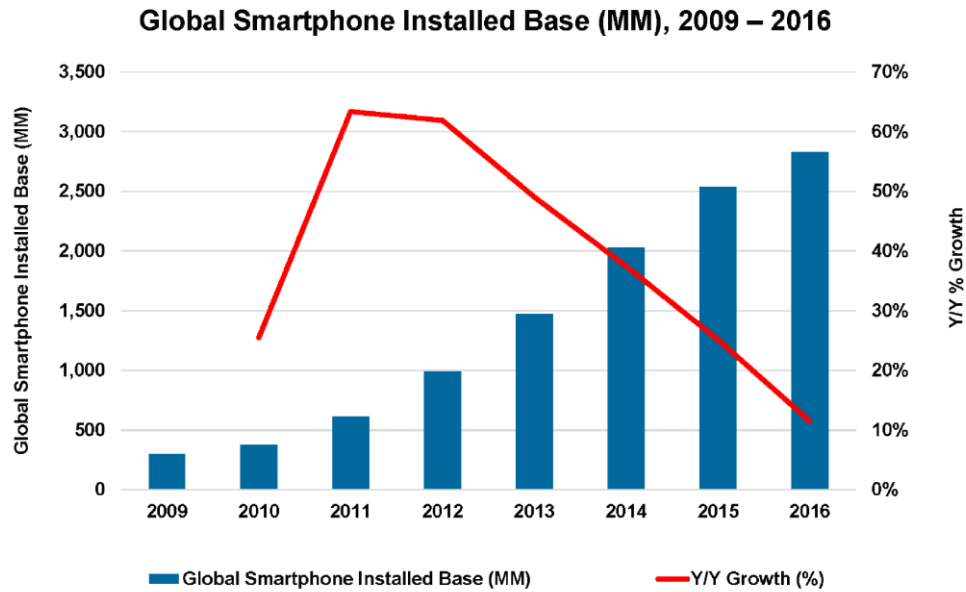


Figure 2.2: Worldwide mobile smartphone adoption from 2008 – 2016.

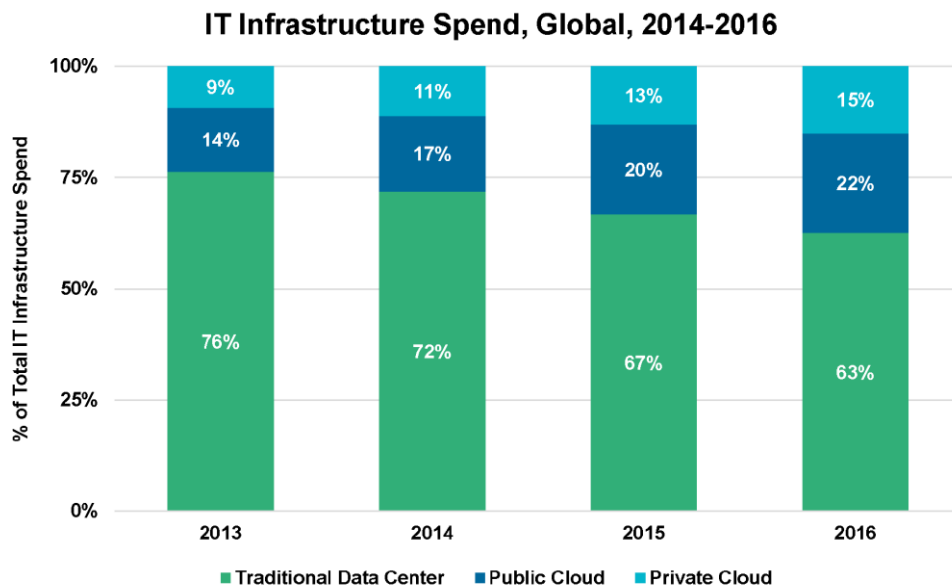


Figure 2.3: Worldwide cloud adoption compared to traditional centers (2013 – 2016).

- Growth in automation.** Manual, maintenance-based technology tasks are being increasingly automated in Australia and Asia, particularly as cloud infrastructure providers move toward a 'serverless' model. The process of automation in technology involves combining systems that may previously have operated in isolation so that they can self-operate or self-regulate without manual intervention. Automation is expected to increase operational efficiencies for enterprises through labour reduction, as well as increased quality. Management believes that automation is likely to decrease Australia's reliance on offshore labour and will likely lead to the repatriation of significant IT roles with high-skill requirements, as companies seek out qualified individuals to automate tasks that had previously been outsourced. GrowthOps anticipates that these benefits will continue with the growth of adoption of automation technology in Australia, and thereby benefiting the business transformation services industry.

- **Reduced shelf life of technologies and increased iteration cycles:** GrowthOps believes that the shelf life of software (i.e. the time from rollout to obsolescence) will become shorter as engineering knowledge, tools and the "building blocks" of software are increasingly easier to learn, adopt, access and implement. This is driven by various trends that are combining to streamline software development, including:
  - the rapid rise of cloud computing and new online learning communities (such as Treehouse, General Assembly, and Stackoverflow);
  - open source software which is readily available for free on the internet (such as Kubernetes, which allows developers access to Google's sophisticated infrastructure automation tools);
  - subscription-based SaaS (Software-as-a-Service) tools available at low costs (such as Atlassian JIRA, which manages the software development process);
  - APIs (Application Programming Interfaces) that give software engineers the ability to easily add ('plug and play') custom features instead of building them from scratch (such as Twilio for telecommunications and Stripe for payments); and
  - a shift in architecture towards smaller and inter-connected software (called "Mesh App and Service Architecture").

Ultimately, we believe that these trends will allow software engineers to more rapidly implement solutions, connect them to existing systems, and re-build 'legacy' or old software with greater speed, reliability, and scalability.

- **Consumers are increasingly demanding mobile engagement in addition to traditional technological platforms.** This consumer behaviour is expected to drive growth of the technology consulting sector, as businesses continue to adapt the way they interact with customers to ensure they are technologically relevant. Additional trends like augmented reality, virtual reality, image processing and voice services are also expected continue to drive growth for the foreseeable future. As an example, this trend has been observed in the banking and finance industry, where banks have invested in the development of mobile software in response to consumer adoption of this technology.
- **Accelerated adoption of emerging technologies such as AI / Machine Learning, Internet of Things (IoT) and Serverless Computing. Technology continues to evolve rapidly.** As areas in the industry like AI and Machine Learning (i.e. the practice of using software algorithms which iteratively 'learn' from data such as speech recognition, visual recognition, and automated recommendations based on consumer preferences); augmented and virtual reality (AR/VR); Internet of Things (IoT); and cloud computing are expected to advance in capability, their adoption will require sophisticated infrastructure and the deployment of specialized human capital.
- **Current business and consumer confidence provide a positive backdrop for corporate and government organisations deciding to invest in long-term, technology-driven growth.** In periods of high levels of business confidence, businesses are expected to increase or maintain expenditure and also outsource to companies that provide managed services and consulting. In a recent measure of sentiment, the Australian Institute of Company Directors' Director Sentiment Index, which measures the confidence of Australian business leaders, reported its highest level in 6 years in November 2017. This indicates that there is corporate appetite for investment in the business transformation services industry.
- **Corporate investment in technology and innovation.** Corporate investment in technology is expected to drive continued growth of business transformation services in Australia. Digital innovation is believed to be reshaping industries by disrupting existing business and operating models. Organisations have responded by investing in cloud computing, mobile technology and data, among other technologies. We expect that this investment in technology will continue to be required to realise operational efficiencies and meet customer expectations. We believe this trend may translate into future outsourcing work for specialised companies with the expertise to deliver an end-to-end technology solution.
- **Government investment in technology and innovation.** The Australian Federal Government has demonstrated a commitment to supporting new technology and innovation investment. In 2015–16, Australian Government agencies reported that they spent \$6.2 billion on information and communications technology (ICT) goods and services. In that same year, agencies estimated that they would procure \$9.0 billion of ICT goods and services into future years across 17,000 contracts. The Australian Federal Government has also established the Digital Transformation Office to assist government agencies with digital transformation. This office was created in response to users of government services increasingly choosing to engage with government through digital channels, via PCs, tablets and smartphones. Government expenditure in this area is expected to drive future growth in the business transformation services industry.

- **Management believes that Asian markets, and particularly mid-cap Asian clients, currently have relatively limited options for business transformation services.** GrowthOps anticipates significant opportunities in Asia due to growing demand for business transformation services and a lack of reliable, mid-tier options between large, multinational providers (who we believe can be rigid, slow and expensive) and boutiques (who we believe may not have the scale to provide transformational solutions). GrowthOps intends to leverage its position and headquarters in Australia to provide regional leadership and a “centre of excellence,” exporting services to growth markets in Asia, such as Singapore, Malaysia, Hong Kong and China.

## 2.3 CONCLUSION

GrowthOps operates in a rapidly evolving competitive landscape that is driven by many factors, including the continued penetration of existing technologies such as mobile and cloud computing, rapidly changing consumer expectations and the growing needs of the Asian market. We believe that demand for GrowthOps’ solutions and capabilities will continue to increase due to these trends.

GrowthOps faces competition from large advertising agencies, management consulting firms, and technology service providers with existing client networks and the deep pockets to acquire more capabilities. We also face competition from other emerging businesses and boutique solution providers.



# BUSINESS OVERVIEW



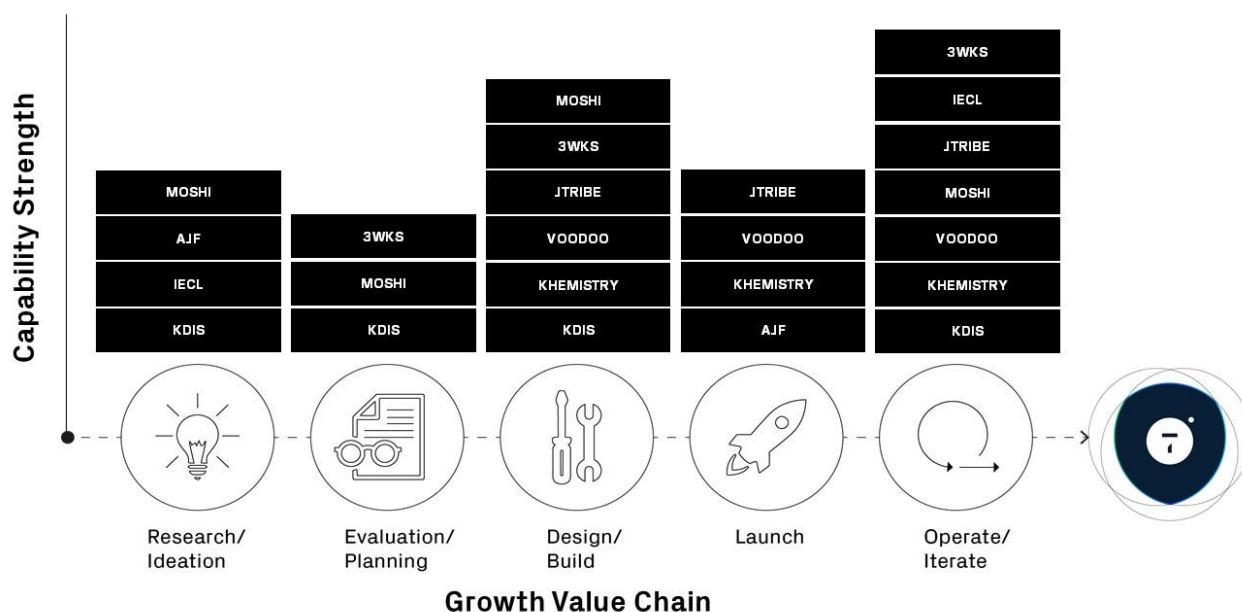
## 3 BUSINESS OVERVIEW

### 3.1 INTRODUCTION

#### WHAT DOES GROWTHOPS DO?

GrowthOps is an execution partner for large organisations seeking growth solutions to address rapidly changing market conditions. GrowthOps performs the tasks required to create and implement a technology-driven new product, service or growth initiative, from start to finish:

- Analyse market trends and opportunities/threats
- Generate ideas for a new product and/or service that can drive revenue growth
- Evaluate alternatives based on detailed financial analysis and using the management team's deep experience in screening new business concepts
- Business planning and change management training
- Facilitate decision-making around options and resource allocation
- Design and build new technology-based products or services
- Create overall marketing strategies as well as comprehensive advertising campaigns
- Launch new products or services and facilitate operations
- Monitor performance of new products or services, learn from customer feedback, and iterate



**Figure 3.1: GrowthOps' suite of capabilities is designed to enable a successful development and execution of new products, services and growth initiatives for corporate and government, from start to finish**

#### WHAT TECHNICAL SKILLS UNDERPIN THESE CAPABILITIES?

GrowthOps brings together talented leaders from different specialties to solve real-world problems on a day-to-day basis within a corporate or government organisation, with the ultimate objective of achieving significant growth and/or innovation outcomes for that organisation. We start by sending our people into an organisation to analyse the problem. While organisations hire us to provide a specific solution, they may not always understand the exact nature of the root cause(s) of their problems. Today's corporate and government organisations face rapidly evolving issues



that are not straightforward and are frequently rooted in technology as well as the human users of that technology. Thus, rather than immediately jumping into a large, costly and time-consuming 'digital transformation' project, GrowthOps applies a 'bottom-up' approach, working with clients to solve the identified problem first, and then testing the efficacy of our solution directly with the end user. We then scale that process, while maintaining the same disciplined, end-user focus, to transform an organisation.

We expect to deliver our full platform of capabilities by matching our experienced entrepreneurs with decision-makers and key end users across an organisation in dynamic interactions involving real-time client feedback. Our scalable style of implementation, where we deploy small, cross-functional teams to solve one business problem at a time, is designed to allow our clients to make progressive, iterative change within both legacy and new systems or processes, without risking disruption to their users.

Each of our businesses has a history of delivering agile solutions to clients across different industries and geographic markets. Our specialties may be different, but we share this common methodology. And with many years of collective experience applying this approach to solving problems for our clients, we are confident that we can use the same skills to work together to deliver an end-to-end growth solution as a highly effective GrowthOps team going forward.

## WHY HAS GROWTHOPS BEEN FORMED?

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The GrowthOps Group traces its roots back to 2008 when Phillip Kingston founded KDIS with the objective of fulfilling what he believed was an unmet market demand for growth-oriented technology consulting services.

Since that time, KDIS has used its technology expertise to modernize trustee services and enable Good Super and Sargon Capital (**Sargon**) to enter and provide a unique offering in the Australian superannuation industry, improving the end customer experience and overall supervision process. Sargon operates defined contribution pension savings funds and supervises a variety of investment vehicles with the aim of improving investment and retirement outcomes through innovative products and services. In addition, KDIS also has experience in facilitating technology-driven change for established corporate clients. With this experience, KDIS developed a core competency in identifying opportunities in mature industries for large-scale, technology-driven growth.

**The GrowthOps Group has been formed specifically to capture those opportunities.**

GrowthOps seeks to deliver business transformation services and an entrepreneurial approach to corporate development for its clients. The Company intends to work with either mature incumbents or new market entrants, depending on which market participants it deems to have the focus, adaptability and potential to achieve significant growth.

**New market entrants, even if well-capitalised and designed to be global, still face challenges when entering those Australian and Asian markets that are dominated by entrenched incumbents.**

With a track record of breaking into mature industries, GrowthOps is well-suited to advising these clients. Whether with KDIS helping form Sargon to disrupt the superannuation industry; with 3wks facilitating corporate adoption of Google Cloud Platform (GCP) as the internet company enters the Australian market; with AJF Partnership running a highly effective marketing campaign during which Lion's Dare Iced Coffee achieved long-term growth and was awarded the 2017 Grand Effie; or with jtribe developing a social app for the Movember Foundation, the GrowthOps Businesses have proven that they can successfully challenge the status quo.

**Conversely, we believe that many mature organisations are struggling to adapt to a rapidly changing competitive marketplace and/or execute on transformational products and services.**

In a fast-changing and increasingly technological future, mature organisations face significant threats to their market leadership. We believe that they can complement their existing portfolio of service providers and innovation initiatives with an entrepreneurial partner that can deliver the full suite of capabilities required to execute a transformational product and service. Meeting the needs of today's (and tomorrow's) technologically savvy consumer requires the coordination of multiple specialist disciplines that are increasingly converging (from creative to technology) along with an entrepreneurial approach, culture and talent pool.

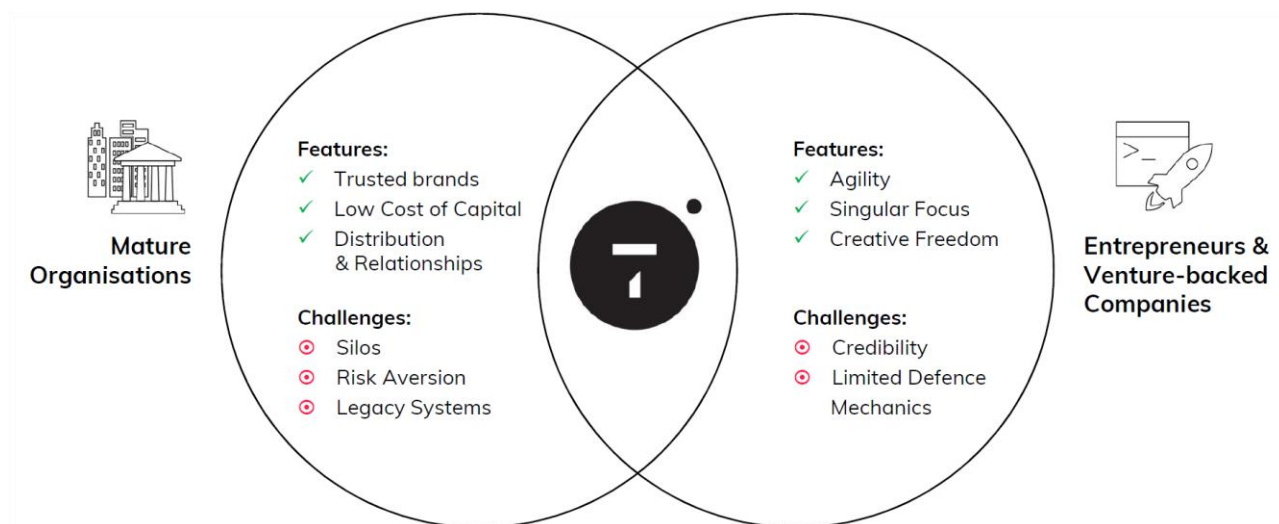
**GrowthOps understands the challenges that mature organisations face in adapting to the future.**

GrowthOps understands that mature organisations have strong advantages, such as trusted brands, large distribution channels and relationships, and a low cost of capital. However, these organisations also face challenges in adapting to the future, including excessive risk aversion, channel conflicts and lack of nimbleness. Further,

traditional IT and professional service providers can be rigid, slow and expensive, while traditional innovation initiatives such as corporate venture capital (CVC) and mergers & acquisitions (M&A) may encounter cultural and compensation-related challenges. Thus, mature organisations are facing significant threats from nimbler venture capital backed companies and entrepreneurs.

With this understanding, GrowthOps aims to leverage the 'best of both worlds', partnering with mature organisations to leverage their distinct advantages, while becoming an execution partner with the focus and nimbleness of venture capital backed companies and entrepreneurs.

**Figure 3.2: Best of Both Worlds: GrowthOps' vision is to deliver entrepreneurial leverage to mature organisations**



**Starting with eight profitable, and growing businesses, GrowthOps believes that it has the foundation to execute on its vision.**

GrowthOps has built a platform, starting with eight profitable businesses, each of which brings to the Company a complementary offering and talented entrepreneurs who have built their businesses from scratch.

The GrowthOps approach differs from the traditional approach whereby an organisation must engage many organisations (including marketing firms, technology consultants, product and services designers, and training and coaching providers) and/or pursue traditional innovation initiatives such as internal new product development, corporate venture capital and M&A.

By bringing together entrepreneurs with strong execution track records in their respective specialties, GrowthOps can offer an end-to-end growth solution which provides the following benefits:

- allows for a single point of project accountability;
- improves efficiency and removes friction between different service providers; and
- offers the convenience of a sole service provider with the capabilities to work across different cloud infrastructure and software platforms, making it nimble.

The Partners of the eight GrowthOps Businesses will all continue to be shareholders of GrowthOps, and view GrowthOps as an expansion platform that allows them to pursue larger opportunities and achieve greater economic outcomes together than on their own.

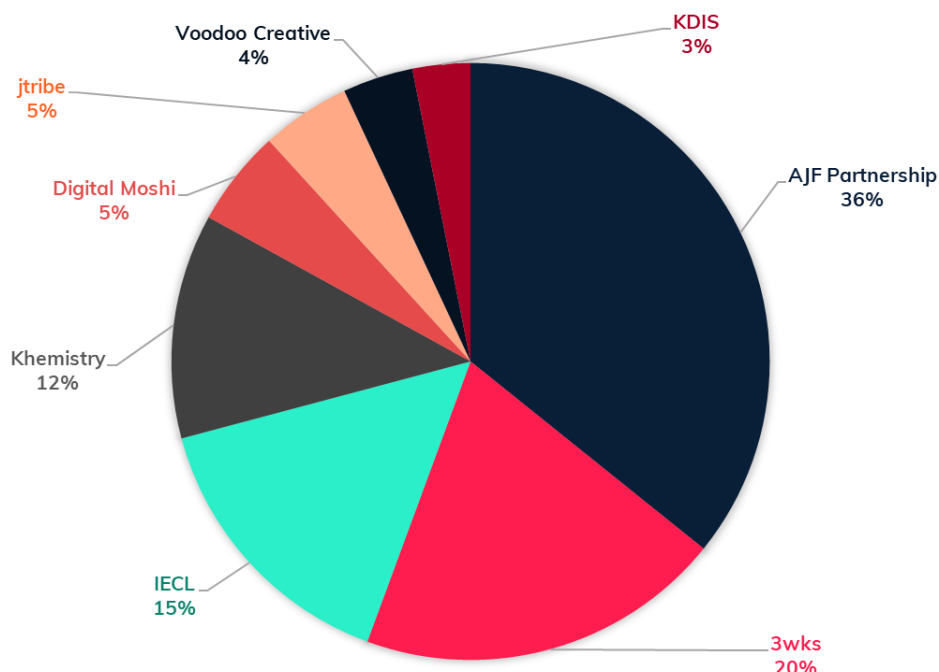
#### HOW ARE GROWTHOPS' SERVICES DELIVERED?

GrowthOps employs a business model which is dependent on the continued performance and profitability of each GrowthOps Business, with exposure to significant growth opportunities.

In the short term, GrowthOps will continue to deliver services based on the prevailing business models of its underlying businesses consisting of a mix of fixed, monthly service or retainer based fee models. GrowthOps' specialist capabilities aims to leverage software, repeatable processes and automation in the provision of products and services to enable attractive, sustainable margins. In addition, GrowthOps believes that attractive margins are also driven by

factors such as a unique value proposition of having the full capabilities required to execute a growth initiative from start to finish, an entrepreneurial approach to solving problems and a level of employee ownership which leads to greater alignment with our clients.

**Figure 3.3: GrowthOps FY18 forecast revenue contribution by GrowthOps Business**



**Figure 3.4: Overview of Individual Businesses (in order of expected FY18 revenue contribution)**

Business	Capabilities	Geographic footprint	Key client industries	Key people <sup>10</sup>	Total # of employees
<b>AJF Partnership</b>	<ul style="list-style-type: none"> <li>Brand strategy</li> <li>Marketing communications</li> </ul>	<ul style="list-style-type: none"> <li>Melbourne (HQ)</li> </ul>	<ul style="list-style-type: none"> <li>Consumer</li> <li>Retail</li> <li>Automotive</li> <li>Health</li> <li>Federal gov't</li> </ul>	<ul style="list-style-type: none"> <li>Andrew Foote</li> <li>Joshua Stevens</li> <li>Adam Francis</li> <li>Andrew Fabbro</li> </ul>	112
<b>3wks</b>	<ul style="list-style-type: none"> <li>Serverless (cloud) solution development and implementation</li> <li>Automation</li> <li>AI and machine learning</li> <li>Google Cloud partner</li> </ul>	<ul style="list-style-type: none"> <li>Sydney (HQ)</li> <li>Melbourne</li> </ul>	<ul style="list-style-type: none"> <li>Media / publishing</li> <li>Education</li> </ul>	<ul style="list-style-type: none"> <li>Andrew Walker</li> </ul>	27
<b>IECL</b>	<ul style="list-style-type: none"> <li>Leadership development</li> <li>Change management</li> <li>Executive coaching</li> </ul>	<ul style="list-style-type: none"> <li>Sydney (HQ)</li> <li>Canberra</li> <li>Hong Kong</li> <li>Singapore</li> <li>Shanghai</li> </ul>	<ul style="list-style-type: none"> <li>Financial services</li> <li>State and federal gov't</li> <li>Direct-to-consumer</li> </ul>	<ul style="list-style-type: none"> <li>Barry Parkinson</li> <li>Julie Parkinson</li> <li>Tony Mathers</li> <li>Chip McFarlane</li> </ul>	30

<sup>10</sup> See Section 6 for more information on Key People.

Business	Capabilities	Geographic footprint	Key client industries	Key people <sup>10</sup>	Total # of employees
<b>Khemistry</b>	<ul style="list-style-type: none"> <li>Digital strategy</li> <li>UX/UI design</li> <li>Brand strategy</li> <li>Marketing communications</li> <li>Application development</li> </ul>	<ul style="list-style-type: none"> <li>Brisbane (HQ)</li> </ul>	<ul style="list-style-type: none"> <li>State gov't</li> </ul>	<ul style="list-style-type: none"> <li>Andy Fyffe</li> <li>Ashton Ward</li> </ul>	36
<b>Digital Moshi</b>	<ul style="list-style-type: none"> <li>Integration</li> <li>Enterprise system design, development and deployment</li> <li>Testing</li> <li>Transition</li> <li>Disaster recovery</li> <li>Cloud and traditional infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Hong Kong (HQ)</li> <li>Mainland China</li> <li>Singapore</li> <li>Vietnam</li> <li>Philippines</li> <li>Malaysia</li> <li>Thailand</li> <li>Macau</li> </ul>	<ul style="list-style-type: none"> <li>Financial services</li> </ul>	<ul style="list-style-type: none"> <li>Jason Morrisey</li> </ul>	15
<b>jtribe</b>	<ul style="list-style-type: none"> <li>Application development</li> <li>Mobile</li> <li>Digital strategy</li> <li>UX/UI Design</li> </ul>	<ul style="list-style-type: none"> <li>Melbourne (HQ)</li> </ul>	<ul style="list-style-type: none"> <li>Non-profits</li> <li>Consumer technology</li> <li>Financial services</li> </ul>	<ul style="list-style-type: none"> <li>Armin Kroll</li> </ul>	16
<b>Voodoo Creative</b>	<ul style="list-style-type: none"> <li>Digital strategy</li> <li>UX/UI design</li> <li>Brand strategy</li> <li>Marketing communications</li> <li>Application development</li> </ul>	<ul style="list-style-type: none"> <li>Canberra</li> <li>Melbourne</li> </ul>	<ul style="list-style-type: none"> <li>Federal gov't</li> <li>Retail</li> </ul>	<ul style="list-style-type: none"> <li>John Yanny</li> </ul>	11
<b>KDIS</b>	<ul style="list-style-type: none"> <li>Application development</li> <li>Digital strategy</li> <li>Entrepreneurial technology consulting</li> </ul>	<ul style="list-style-type: none"> <li>Melbourne (HQ)</li> </ul>	<ul style="list-style-type: none"> <li>Consumer packaged goods</li> <li>Financial services</li> </ul>	<ul style="list-style-type: none"> <li>Phillip Kingston<sup>11</sup></li> </ul>	14

Growing companies and modernizing government and non-profit organisations requires a wide range of capabilities. As such, the GrowthOps management team believes that projects or clients should not be limited to any of the individual GrowthOps Businesses over the medium-to-long term. The introduction of formalised practice areas such as “consulting”, “innovation” or “digital” might assist with traditional management systems and recruitment, but fails to accept the fundamental truth that consumers do not experience our client’s products or services in this way. Consumers expect function with elegance, real-time interaction and continuous support. In short, they expect products and services that are on par with leading consumer handheld technology. The GrowthOps management team believes that it is very difficult to meet and exceed these demands as either a mature organisation working solely with in-house capabilities or with boutique specialist service providers. That is why we designed the GrowthOps business model—to leverage our partners’ knowledge base in building and operating profitable businesses—to attempt to meet those demands and generate growth for our clients.

## HOW DOES GROWTHOPS EARN REVENUE?

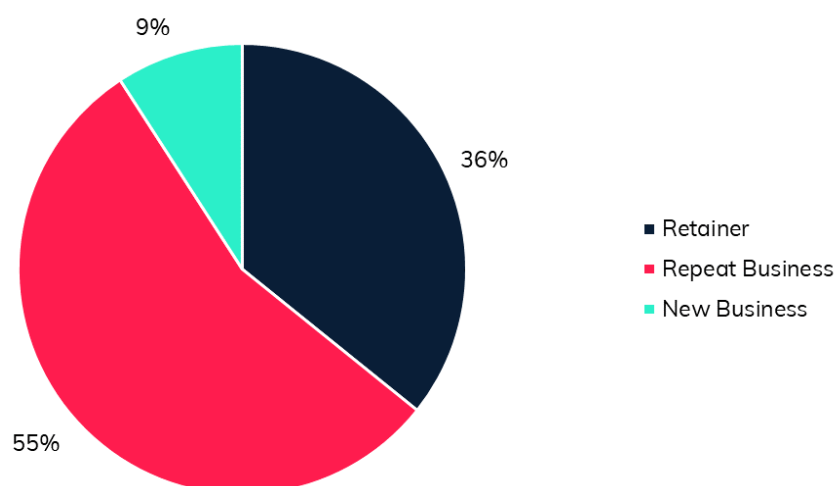
GrowthOps generates revenue from the provision of services to its clients. The GrowthOps Group’s current revenue model is fee-for-service and includes:

- retainer or monthly service fees;
- fees for the delivery of an agreed project scope; and

- time and materials.

GrowthOps' revenue can be categorised into either retainer, repeat client or new client business. Retainer business provides predictable revenue streams on either a monthly or quarterly basis. Repeat business comprises business where clients undertake multiple pieces of work within a broader brief (for example consecutive stages in a given project or production work for a creative account which is retained). New client business primarily represents project-based work from clients that have not previously engaged any GrowthOps Businesses.

**Figure 3.5: GrowthOps FY17 revenue contribution by revenue type**



In the medium-to-longer term, the Company may also opportunistically pursue equity or equity-like incentive arrangements, in addition to its fee-for-service business model, to capture additional revenue alongside the successful business outcomes we generate for our clients. While we believe that these types of arrangements could generate significant future growth for the Company, we do not expect that it will contribute meaningfully to revenues during the forecast period.

## 3.2 GROWTHOPS BUSINESS INTEGRATION

We are forming GrowthOps in order to:

- create the enterprise strength to increase the fees earned from client projects;
- unlock significant cross-selling and collaboration synergies within the Group; and
- seize the market opportunity by having the full capability set to drive enterprise growth for our clients through an entrepreneurial approach to solving problems.

GrowthOps management intends to implement an integration plan focused on driving collaboration and revenue synergies. There are limited net cost synergy benefits across the GrowthOps Businesses. These benefits include selective co-location within major hub cities (which also enables collaboration), greater leverage of support staff (e.g. accounting, legal and human resource management functions); and scale savings with core recurring annual purchases such as insurance, audit and tax. These net cost savings are anticipated to be relatively modest compared with the potential for revenue synergies, the implementation of which is not expected to distract the focus of each individual GrowthOps Business.

GrowthOps' management team do not have operational roles within the GrowthOps Businesses and will focus on the delivery of the collaboration and cost synergy benefits.

### BENEFITS OF COLLABORATION

While each of the GrowthOps Businesses has a profitable operating history and an attractive operating outlook in its own right, being part of the GrowthOps group provides an opportunity to generate additional revenue through collaboration.

By design, there will be no significant internal overlap among the GrowthOps' Businesses, and each Partner is incentivised to improve the overall GrowthOps financial performance through their material equity exposure to the GrowthOps Group.

By bringing the GrowthOps Businesses together, GrowthOps is expected to create value in the following ways:

- Greater **balance sheet strength allowing businesses to win larger contracts**. Acting individually, the GrowthOps businesses would not have the balance sheet strength to successfully bid for large projects.
- Larger capability set generating **incremental revenue from the existing client base**. GrowthOps Businesses are specialists and have frequently either refused or subcontracted work outside their capability set. By joining GrowthOps they can do more work for their existing clients through their new Partners.
- **Access to more geographic markets** and client industries to apply capabilities. The GrowthOps Businesses have specialist capabilities, and in aggregate do business in 14 offices across 6 countries. Each of the eight GrowthOps Businesses brings to the Company established track records with key clients, including Australian federal and state government-run organisations, where, in many cases, Partners have successfully navigated lengthy and rigorous procurement processes. Their incumbent positions and expertise can be leveraged outside each of their home markets through cross-selling within the existing footprint of other members in Australia and Asia.
- Larger footprint and capability set that is expected to build the Company's profile among top universities and the broader developer community, thereby helping GrowthOps **attract the next generation of top-tier talent** across all of our specialties.

## BRANDING

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Moshi rebranded to Trimantium GrowthOps in mid-2017, and set up trading entities in major Asian markets, including Singapore and Hong Kong. KDIS is currently in the process of re-branding to GrowthOps as well.

The other GrowthOps Businesses will re-brand as and when it is opportunistic to do so; most are expected to complete re-branding within 12 months of IPO. As they do, they will also transition to the [www.growthops.com.au](http://www.growthops.com.au) domain.

## 3.3 COMPANY GROWTH STRATEGY

### ORGANIC GROWTH

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GrowthOps' near-term revenue growth is expected to be predominantly driven by the demand for technology-related services it will provide. This growth is expected to originate both from additional services required by existing clients, and mandates from new clients.

Driven by the favourable industry trends discussed in Section 0, an early source of growth is expected to be the provision of modern application development services to large and mature organisations. These services are provided on a fee for service basis, are profitable, and will continue to become even more profitable through the constant improvement of the automation and risk management aspects of the delivery methodology

GrowthOps also expects to benefit from the continuing, rapid and multi-decade transition and adoption of cloud computing (as explained in Section 0). 3wks and Moshi in particular are well-positioned to capture incremental revenues from this trend. As discussed above, 3wks is facilitating Google Cloud Platform's (GCP) entry into the Australian market and is building solutions that are ready for a serverless environment. Moshi, in turn, has long-term relationships, particularly within the financial services industry, and partners with established cloud infrastructure provider Amazon Web Services (AWS).

In the medium-to-longer term, the Company expects that 3wks will also contribute to organic growth as it establishes a presence in Asia, and benefits from Moshi's knowledge, relationships and operating history in the region.

All GrowthOps Businesses anticipate revenue growth from FY17 to FY18.

### GROWTH THROUGH FUTURE ACQUISITIONS

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GrowthOps is focused on the integration of the current GrowthOps Businesses in the near term, but has also identified a pipeline of potential future acquisition opportunities. The focus of further acquisitions will be to identify and integrate businesses which will further complement GrowthOps' service and/or geographic offering.

The Board of GrowthOps will evaluate potential acquisitions against certain criteria, including:

- capacity to add strategic, complementary value to GrowthOps’ platform of core capabilities;
- accretive to GrowthOps’ earnings per share in the near-to-medium term; and;
- cultural fit of the business with GrowthOps.

In making any future acquisitions, GrowthOps hopes to be able to leverage a unique knowledge base, drawing on the considerable entrepreneurial and M&A experience of the Managing Director of GrowthOps, and its Partners, each of whom has founded, operated and grown profitable businesses.

See Section 3.5 for details on the proposed acquisition of Salesforce Partner.

### 3.4 OUR PEOPLE

#### 3.4.1 LEADERSHIP TEAM

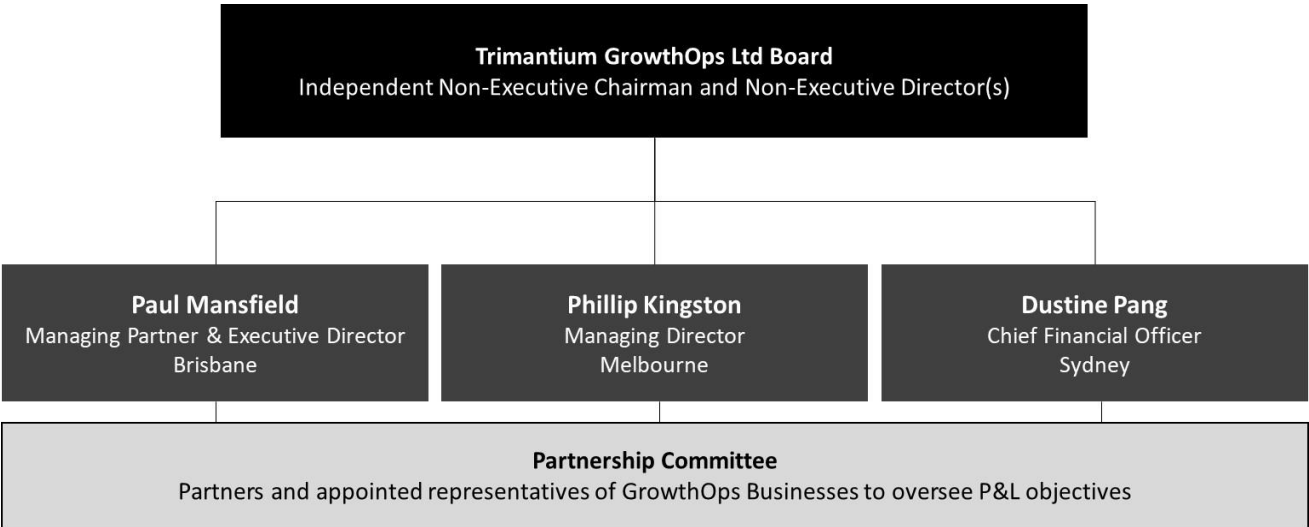
GrowthOps’ management structure has been designed to be lean to emphasize the role and accountability of each individual GrowthOps Business in continuing to operate towards its growth plan in the short term, while also focusing on executing on revenue synergies through collaboration and cross-selling with other GrowthOps Businesses.

In his role as Managing Director, Phillip Kingston will focus on driving collaboration and related revenue synergies as well as developing new business opportunities.

Paul Mansfield, the Managing Partner, and Dustine Pang, the Chief Financial Officer, will have day-to-day operational responsibilities and oversee the integration of the 8 businesses. Paul brings deep technology expertise to GrowthOps, as well as historical experience in integrating multiple businesses through his role as Asia Pacific Managing Director for Cloud Sherpas, prior to its sale to Accenture in 2015. Dustine has led the financial integration and transformation programs of multi-faceted businesses across a number of acquisitive businesses in his previous roles.

For detailed background information on the management team, Board members and other key people, please see Section 6.

Figure 3.6: GrowthOps Organisational Chart



#### 3.4.2 INTERNAL TALENT MANAGEMENT

At the time of this Offer, GrowthOps expects to employ over 270 personnel across 14 offices. As a service business, our highly skilled people are our most important asset. GrowthOps is committed to providing them with meaningful opportunities for professional development and exposure to new skill sets via collaboration with other partners on the platform.

GrowthOps employs a diverse range of employees, including: systems engineers; business and corporate development strategists; website and mobile application developers; creative and editorial production talent; branding and marketing campaign planners; executive leadership coaches; copywriters and art directors. With such a wide

range of specialties in-house, we can provide an end-to-end solution to help businesses grow. But we believe it is also critical to provide these individuals with shared incentives and opportunities to innovate.

Building on the experience of jtribe with its OPENHUB co-working space, and that of our Managing Director, who founded the Henley Club in Melbourne, we intend to create an environment for our employees, independent contractors and clients to interact with each other. The GrowthOps management team believes that when these stakeholders socialize in an engaging, dynamic setting, the Company can win new business, improve its client relationships and foster an internal culture that supports retention and partnership. To that end, we expect to reduce our office footprint over time to a smaller number of “Campuses” that will be designed to maximize the potential for unstructured interactions, unlock further creative potential and attract the next generation of top-tier technical talent.

### 3.4.3 EXTERNAL THOUGHT LEADER ENGAGEMENT

In addition to the Company's permanent campus locations, GrowthOps will, in the medium-to-longer term, facilitate external stakeholder engagement via study tours in key cities across our markets. During these study tours, our invitees will meet senior management teams from diverse companies, including both mature industry leaders and disruptive consumer and enterprise technology companies.

Our managing director and the founder of Trimantium Capital, Phillip Kingston, has previously brought together leaders from different industries and countries to participate in multi-day networking events, having run the first study tour in San Francisco in May 2016. Trimantium Capital has now run three tours in the last two years, most recently in New York and Los Angeles. The fund has experienced high levels of participation with this effort because the events were organised with an eye toward exposing clients to markets and businesses where there was potential for education and/or the formation of symbiotic relationships.

GrowthOps is expected to continue this practice, giving both our clients and our talented entrepreneurs ways to interact in an impactful, educational setting.

## 3.5 SALESFORCE INTEGRATION PARTNER OPTION

GrowthOps has entered into a Non-Binding Term Sheet (**NBIO**) to acquire a Salesforce.com integration partner (**Salesforce Partner**), which specialises in salesforce.com consulting, design and development for approximately \$17 million. The purchase price is to be partly paid in cash and partly paid in Shares, which will be issued on the first, second and third anniversary of completion of the acquisition.

GrowthOps intends to pursue this acquisition following:

- the satisfactory completion of due diligence investigations;
- the finalisation of the purchase price;
- the agreement of definitive transaction documents; and
- the GrowthOps Board obtaining comfort that the forecast maintainable NPATA of the Salesforce Partner exceeds \$2 million for FY18.

Accordingly, the Financial Information set out in Section 4 does not include any historical or forecast financial information in relation to the Salesforce Partner's activities. From the proceeds of the Offer, GrowthOps intends to set aside \$9.85 million to partially fund the acquisition of the Salesforce Partner.

The Directors and the Salesforce Partner may agree on a different purchase price based on a material improvement, or adverse business change prior to the execution of definitive transaction documents.

In the event that GrowthOps chooses not to acquire the Salesforce Partner, it is likely that the Directors will ultimately determine to use the funds for future acquisitions which are intended to be made on terms and financial metrics consistent with past investment criteria, including:

- purchase price multiples in line with the range of multiples paid for the Acquisitions;
- purchase price multiples in line with the implied multiple under the NBIO;
- belief that the Acquisitions will increase the overall firm value of GrowthOps and accrue to the benefit of its long-term shareholders; and
- completion of due diligence to the reasonable satisfaction of the Board.



However, the Directors will ultimately determine the best use of the funds at that time. Accordingly, the Statutory and Pro Forma Forecast Cash Flows for FY18 do not reflect any potential use of these funds raised.

### 3.6 TRIMANTIUM GROWTHOPS BRAND

GrowthOps is a party to a co-existence agreement with Trimantium Capital under which Trimantium Capital grants GrowthOps rights to use the TRIMANTIUM brand. GrowthOps is required to use the TRIMANTIUM brand in the form TRIMANTIUM GROWTHOPS, such that the word “GROWTHOPS” is given equal prominence to the word “TRIMANTIUM”. Trimantium Capital consents to the use and registration of GrowthOps’ trade mark application for TRIMANTIUM GROWTHOPS as well as any business names, company names, domain names, social media names and other trading names containing the brand TRIMANTIUM GROWTHOPS. In addition, each party may, with the other party’s written consent (not to be unreasonably withheld), use or apply for registration of a trade mark, business name, company name, domain name or otherwise, which contains the TRIMANTIUM brand.

# FINANCIAL INFORMATION



# 4 FINANCIAL INFORMATION

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## 4 INTRODUCTION

### 4.1.1 FINANCIAL INFORMATION

Financial information for GrowthOps contained in this Section is set out below for the historical financial years ended 30 June 2015 (**FY15**), 30 June 2016 (**FY16**) and 30 June 2017 (**FY17**), as well as the forecast financial year ending 30 June 2018 (**FY18**).

This Section contains a summary of:

- the historical financial information for GrowthOps prior to Completion (**Pre-IPO GrowthOps Group**) comprising:
  - historical aggregated statements of profit or loss for FY15, FY16 and FY17 (**Historical Income Statements**);
  - the historical aggregated cash flows before tax for FY15, FY16 and FY17 (**Historical Cash Flows**); and
  - the historical aggregated statement of net assets as at 30 June 2017 (**Historical Balance Sheet**), (together, Historical Financial Information);
- the pro forma historical financial information for GrowthOps comprising:
  - pro forma historical aggregated statements of profit or loss for FY15, FY16 and FY17 (**Pro forma Historical Income Statements**);
  - pro forma historical aggregated cash flows before tax for FY15, FY16 and FY17 (**Pro forma Historical Cash Flows**); and
  - pro forma historical aggregated statement of net assets as at 30 June 2017 (**Pro forma Historical Balance Sheet**), (together, Pro forma Historical Financial Information); and
- the forecast financial information for GrowthOps comprising:
  - the statutory forecast consolidated statement of profit or loss (the **Statutory Forecast Income Statement**) and the statutory forecast consolidated net cash flows (**Statutory Forecast Cash Flows**) for FY18 (**Statutory Forecast Financial Information**); and
  - the pro forma forecast statement of profit or loss (**Pro forma Forecast Income Statement**) and the Pro forma forecast net cash flows (**Pro forma Forecast Cash Flows**) for FY18 (**Pro forma Forecast Financial Information**), (together, Forecast Financial Information).

The Historical Financial Information, the Pro forma Historical Financial Information and the Forecast Financial Information are together the **Financial Information**.

The Financial Information has been reviewed in accordance with the Australian Standard on Assurance Engagements ASAE 3450 Assurance Engagements involving Fundraising and/or Prospective Financial Information, by Deloitte Corporate Finance Pty Limited whose Investigating Accountant's Report on the Financial Information is contained in Section 8.

### 4.1.2 ADDITIONAL INFORMATION

Also summarised in this Section 4 are:

- a summary of the basis of preparation and presentation of the Financial Information (see Section 4.2);
- a description of the pro forma adjustments to the Historical Financial Information and reconciliations between the Historical Financial Information and the Pro forma Historical Financial Information (see Sections 4.3.3 and 4.4.2);
- a description of the key drivers impacting GrowthOps' business including key financial and operating metrics set out in Section 4.3.2 and management's discussion and analysis of the Pro forma Historical Financial Information and Forecast Financial Information (see Section 4.5.1);

- GrowthOps' best estimate assumptions and general assumptions underlying the Forecast Financial Information (see Section 4.7);
- an analysis of the key sensitivities in respect of the Pro forma Forecast Income Statement (see Section 4.8); and
- a summary of GrowthOps' proposed dividend policy (see Section 4.9.1).

The information in this Section 4 should be read in conjunction with the risk factors set out in Section 5 and other information contained in this Prospectus.

All amounts disclosed in the tables are presented in Australian dollars and, unless otherwise noted, are rounded to the nearest \$0.1 million. Rounding may result in some discrepancies between the sum components and the totals outlined within the tables and percentages calculations.

## 4.2 BASIS OF PREPARATION OF THE FINANCIAL INFORMATION

### 4.2.1 OVERVIEW

The Financial Information included in this Prospectus is intended to present potential investors with information to assist them in understanding the underlying historical financial performance, cash flows and financial position of GrowthOps, together with the forecast financial performance and cash flows. The Directors are responsible for the preparation and presentation of the Financial Information.

Subject to Section 4.2.2 which sets out the basis of extraction of the Historical Financial Information, the Financial Information has been prepared and presented in accordance with the recognition and measurement principles of the Australian Accounting Standards (AAS), which are consistent with International Financial Reporting Standards (IFRS) and interpretations issued by the International Accounting Standards Board. The Financial Information is presented in an abbreviated form insofar as it does not include all the disclosures, statements or comparative information as required by the Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act.

GrowthOps' key accounting policies relevant to the Financial Information are set out in Appendix A. In preparing the Financial Information, the accounting policies of GrowthOps have been applied consistently throughout the periods presented.

### 4.2.2 HISTORICAL INFORMATION BASED ON AGGREGATED ACCOUNTS

The Historical Financial Information has been extracted from the Special Purpose Aggregated Financial Information of the Pre-IPO GrowthOps Group covering FY15, FY16 and FY17 (Aggregated Accounts). The Aggregated Accounts were audited by Deloitte Touche Tohmatsu in accordance with the Australian Auditing Standards. Deloitte Touche Tohmatsu issued an unmodified audit opinion on the Aggregated Accounts.

These Aggregated Accounts reflect the income and expenses, cash flows, and the assets and liabilities of all entities comprising the Pre-IPO GrowthOps Group on an aggregated basis for each of these periods. All intercompany balances between entities comprising the Pre-IPO GrowthOps Group, including any unrealised profits or losses, have been eliminated on aggregation.

### 4.2.3 PREPARATION OF THE PRO FORMA FINANCIAL INFORMATION

The Pro forma Historical Financial Information has been prepared for the purpose of this Prospectus and has been derived from the Historical Financial Information to illustrate the net income, assets, liabilities and cash flows of GrowthOps adjusted for certain significant transactions in the GrowthOps Businesses that will not be applicable to GrowthOps in the future, and other pro forma adjustments. The pro forma adjustments are described in Section 4.3.3 and Section 4.4.2.

The Pro forma Historical Balance Sheet is based on the Historical Balance Sheet and includes certain other pro forma adjustments to reflect:

- the impact of the Offer, including certain Offer costs offset against equity;
- the acquisition and consolidation of the GrowthOps Businesses; and
- the operating and capital structures that will be in place following Completion as if they had occurred or were in place as at 30 June 2017.

The Pro forma Historical Balance Sheet is provided for illustrative purposes only and is not represented as being necessarily indicative of GrowthOps' view on its future financial position. Investors should note that past results are not a guarantee of future performance.

#### 4.2.4 PREPARATION OF THE FORECAST FINANCIAL INFORMATION

The Forecast Financial Information has been prepared by GrowthOps based on an assessment of present economic and operating conditions and on a number of assumptions, including the general assumptions and the Directors' best estimate specific assumptions set out in Section 4.6.

The Directors have prepared the Forecast Financial Information with due care and attention, and consider all best estimate assumptions when taken as a whole to be reasonable at the time of preparing this Prospectus. However, this information is not fact and investors are cautioned to not place undue reliance on the Forecast Financial Information.

This information is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring, and is not intended to be a representation that the assumptions will occur. Investors should be aware that the timing of actual events and the magnitude of their impact might differ from that assumed in preparing the Forecast Financial Information, and that this may have a material positive or negative effect on GrowthOps' actual financial performance, cash flows or financial position. Accordingly, none of GrowthOps, the Directors, GrowthOps' management, or any other person can give investors any assurance that the outcomes discussed in the Forecast Financial Information will arise. Investors are advised to review the assumptions set out in Sections 4.6 and 4.7 in conjunction with the sensitivity analysis set out in Section 4.9, the risk factors set out in Section 5 and other information set out in this Prospectus.

The Forecast Income Statement and the Forecast Cash Flows of GrowthOps for FY18 have been presented on both a pro forma and a statutory consolidated basis. The Pro forma Forecast Income Statement and the Pro forma Forecast Cash Flows of GrowthOps for FY18 is based on the Statutory Forecast Income Statement and the Statutory Forecast Cash Flows, adjusted for the consolidation of the GrowthOps Businesses but exclude the costs of the Offer and other items which are not expected to occur in the future. Section 4.3.3 provides a reconciliation between the Statutory Forecast Income Statement and the Pro forma Forecast Income Statement of GrowthOps for FY18, and Section 4.4.2 provides a reconciliation between the Statutory Forecast Cash Flows and the Pro forma Forecast Cash Flows for FY18.

The basis of preparation and presentation of the Forecast Financial Information is consistent with the basis of preparation and presentation of the Pro forma Historical Financial Information.

The Directors have no current intention to update or revise the Forecast Financial Information or other forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

#### 4.2.5 ACQUISITION ACCOUNTING

Acquisition of the entities forming the GrowthOps Group will be accounted for using the acquisition method under AASB 3 *Business Combinations*.

AASB 3 requires that the identifiable assets and liabilities acquired (including intangible assets) are measured at their respective fair values at acquisition date. The Company has performed an assessment of the fair values of the identifiable assets and liabilities acquired. For the purposes of the Pro forma Historical Balance Sheet, the assets and liabilities have been recorded at their provisional fair values based on the 30 June 2017 Balance Sheet. Under the Australian Accounting Standards, GrowthOps has up to 12 months from the date of acquisition to complete its initial acquisition accounting.

The increase in intangible asset values has been allocated between identifiable intangible assets (\$13.3 million) consisting of customer relationships, brands and intellectual property and the residual to goodwill. This allocation is based on advice from a qualified external valuer, and adopted by the Directors. A deferred tax liability is recognised in respect of the finite life identifiable intangibles on the balance sheet. These adjustments are reflected on the Pro forma Historical Balance Sheet set out in Section 4.5.

The Financial Information presented in this Section 4 on a pro forma basis assumes that the entities that form part of GrowthOps at completion of the Acquisitions had always operated as a consolidated group. Accordingly, the amortisation of the finite life identifiable intangibles (acquisition amortisation defined below) has been reflected in the Pro forma Historical Financial Information for the periods FY15, FY16 and FY17.

#### 4.2.6 EXPLANATION OF NON-IFRS AND OTHER FINANCIAL MEASURES

GrowthOps uses certain measures to manage and report on its business that are neither recognised under AAS, nor under IFRS. These measures are collectively referred to as **non-IFRS financial measures**. These non-IFRS financial measures do not have a prescribed definition under AAS or IFRS and therefore may not be directly comparable to similarly titled measures presented by other entities. These should not be construed as an indication of, or an alternative to, corresponding financial measures determined in accordance with AAS or IFRS. Although GrowthOps believes these non-IFRS financial measures provide useful information to users in measuring the financial performance and condition of the business, investors are cautioned not to place undue reliance on any non-IFRS financial measures included in the Prospectus.

In this Prospectus, GrowthOps uses the following non-IFRS financial measures:

- acquisition amortisation: non-cash amortisation relating to identifiable intangible assets (including customer relationships, brands and intellectual property) recognised as part of acquisitions undertaken by GrowthOps, but excluding any information technology assets or software assets recognised;
- capital expenditure: includes investment in plant and equipment including leasehold improvements, as well as software and licence assets;
- EBITDA: earnings before interest, tax, depreciation and amortisation;
- EBIT: earnings before interest and tax;
- NPBT: net profit before tax;
- NPAT: net profit after tax attributable to shareholders; and
- NPATA: net profit after tax and excluding amortisation relating to acquired intangible assets.

### 4.3 HISTORICAL AND FORECAST INCOME STATEMENTS AND PROFITABILITY METRICS

#### 4.3.1 PRO FORMA HISTORICAL INCOME STATEMENTS, PRO FORMA FORECAST AND STATUTORY FORECAST INCOME STATEMENTS

Table 1 sets out the Pro forma Historical, Pro forma Forecast and Statutory Forecast Income Statements for FY15 to FY18.

**Table 1 – Pro forma Historical, Pro forma Forecast and Statutory Forecast Income**

		Historical			Forecast	
		Pro forma			Pro forma	Statutory
\$m	Notes	FY15	FY16	FY17	FY18	FY18
Revenue		46.0	45.7	53.0	61.3	30.6
Disbursement income	1	16.6	20.2	16.6	17.1	8.6
Disbursement expenses	1	(16.6)	(20.2)	(16.6)	(17.1)	(8.6)
Cost of sales	2	(7.5)	(6.0)	(9.2)	(12.2)	(6.1)
Staff costs		(23.2)	(24.3)	(24.1)	(28.4)	(28.5)
Occupancy		(1.7)	(1.5)	(1.6)	(1.8)	(0.9)
Other	3	(6.3)	(5.6)	(6.0)	(4.6)	(8.6)
<b>EBITDA</b>		<b>7.3</b>	<b>8.3</b>	<b>12.1</b>	<b>14.3</b>	<b>(13.5)</b>
Depreciation and amortisation	4	(2.9)	(3.2)	(3.1)	(3.1)	(1.7)
<b>EBIT</b>		<b>4.4</b>	<b>5.1</b>	<b>9.0</b>	<b>11.2</b>	<b>(15.2)</b>
Interest		-	-	-	-	-
<b>NPBT</b>		<b>4.4</b>	<b>5.1</b>	<b>9.0</b>	<b>11.2</b>	<b>(15.2)</b>
Income tax	5	(1.3)	(1.5)	(2.4)	(3.2)	(1.0)
<b>NPAT</b>		<b>3.1</b>	<b>3.6</b>	<b>6.6</b>	<b>8.0</b>	<b>(16.2)</b>
Acquisition amortisation	6	1.8	1.8	1.8	1.8	1.1
<b>NPATA</b>		<b>4.9</b>	<b>5.4</b>	<b>8.4</b>	<b>9.8</b>	<b>(15.2)</b>

**Notes:**

1. **Disbursement income and expenses** – Includes pass through costs incurred on behalf of clients in TV production, broadcast and content which are fully recovered at no margin.
2. **Cost of Sales** – Includes predominantly third party contractor and consulting costs directly attributable to project based revenue, and other costs directly attributable to the services being delivered.
3. **Other expenses** – Includes professional services, recruitment, subscriptions, marketing and other general and administration costs that are predominantly either fixed in nature or semi-variable based on headcount. The statutory FY18 forecast includes \$3.1m of offer costs that have been directly expensed (which includes \$2.1 of pre-IPO expenses associated with the offer incurred by Unit Co Pty Ltd, and acquired through the assumption of Unit Co Pty Ltd's liabilities). Separately, \$2.1m of offer costs has been indirectly accounted for via offset against equity raised.
4. **Depreciation and amortisation** – Includes depreciation of plant and equipment, and the amortisation of identifiable intangible assets relating to customer relationships and intellectual property recognised on the application of acquisition accounting of the GrowthOps Businesses as set out in Section 4.2.5.
5. **Income tax expense** – The effective tax rate of GrowthOps is lower than the Australian corporate tax rate of 30%, as certain income of entities in the GrowthOps Group is subject to lower tax rates in Hong Kong (16.5%) and Singapore (17%).
6. **Acquisition amortisation** – The amortisation of identifiable intangibles relating to customer relationships and intellectual property recognised on the application of acquisition accounting of the GrowthOps Businesses as set out in Section 4.2.5. The amortisation expense is based on an average useful life of 4 years for customer relationships and 2 years for intellectual property (\$2.6 million per annum before tax during the Forecast Period). The add-back to NPAT is presented on a tax-effected basis. The adjustment has also been reflected in the Pro forma Historical Financial Information for the periods from FY15 and FY17 as if the GrowthOps Group had been in existence from 1 July 2014.
7. **Statutory FY18** – Statutory FY18 includes the period from Completion to 30 June 2018. It includes the recognition of the CRPS which has been expensed as a non-cash share based compensation. Subject to certain conditions being met, including the relevant Partner's employment at the time of payment, 50% of the CRPS issued to each Vendor will convert into Shares on the first anniversary of Completion, 25% will convert into Shares on the second anniversary of Completion, and the remaining 25% will convert into Shares on the third anniversary of Completion (See Annexure B for full CRPS terms). The impact of this is included in staff costs (\$13.8m).

**4.3.2 KEY PROFITABILITY METRICS**

Table 2 sets out the key profitability metrics of GrowthOps for FY15, FY16, and FY17 on a pro forma basis, and for FY18 on a pro forma basis.

**Table 2 – Key profitability metrics**

		Historical		Forecast
		Pro forma		Pro forma
\$m		FY15	FY16	FY17
Revenue growth (%)			-0.7%	16.0%
EBITDA growth (%)			13.7%	45.8%
EBITDA margin (%)	15.9%	18.2%	22.8%	23.3%
NPATA growth (%)			10.2%	55.6%
				16.7%

**Notes:**

- 1 The table above does not show key profitability metrics for Statutory Forecast Financial Information due to one-off acquisition and Offer costs which are considered not comparable to the pro forma key profitability metrics. Refer to Section 4.2.6 for explanations of non-IFRS and other financial measures.
- 2 Revenue excludes disbursements income that is billed by some of the GrowthOps Businesses, as this is a direct pass through of third party costs incurred in providing the services (ie. at no margin) and fluctuates from year to year based on the services provided.

#### 4.3.3 PRO FORMA ADJUSTMENTS TO THE HISTORICAL INCOME STATEMENTS AND THE STATUTORY FORECAST INCOME STATEMENT

Table 3 sets out the pro forma adjustments made to GrowthOps' historical and forecast revenue for FY15 to FY18.

**Table 3 – Pro forma adjustments to Statutory Historical and Forecast Revenue**

		Historical			Forecast
\$m	Notes	FY15	FY16	FY17	FY18
Statutory revenue		46.2	45.1	53.0	30.6
Structural changes	1	(0.2)	0.6	-	-
Pre-acquisition	2				30.7
Pro forma revenue		46.0	45.7	53.0	61.3

**Notes:**

1. **Structural changes** – Adjustment to exclude revenue attributable to businesses that were divested by the GrowthOps Businesses prior to acquisition by the GrowthOps Group as they will not form part of the GrowthOps Group in the future.
2. **Pre-acquisition** – revenue from the GrowthOps Businesses from 1 July 2017 to Completion.



Table 4 sets out the pro forma adjustments made to Statutory Historical and Forecast NPAT for FY15 to FY18.

**Table 4 – Pro forma adjustments to Statutory Historical and Forecast NPAT**

\$m	Notes	Historical			Forecast
		FY15	FY16	FY17	FY18
<b>Statutory NPAT</b>		<b>7.3</b>	<b>6.4</b>	<b>9.0</b>	<b>(16.2)</b>
Offer costs	1	-	-	-	3.1
Ongoing corporate costs	2	(1.4)	(1.5)	(1.5)	-
Principals' salaries	3	(1.7)	(1.0)	(0.8)	(0.4)
Structural changes	4	0.4	0.8	0.2	0.5
One-off costs	5	0.4	0.5	1.1	2.9
Share based payments	6	-	-	-	13.8
Acquisition amortisation	7	(2.6)	(2.6)	(2.6)	(1.1)
Effective tax rate	8	0.7	1.0	1.2	-
Pre-acquisition	9	-	-	-	5.4
<b>Pro forma NPAT</b>		<b>3.1</b>	<b>3.6</b>	<b>6.6</b>	<b>8.0</b>

**Notes:**

1. **Offer costs** - Reflects the costs incurred in respect of the Offer of \$3.1m that have been directly expensed (which includes \$2.1m of pre-IPO expenses associated with the offer incurred by Unit Co Pty Ltd).
2. **Ongoing corporate costs** - Adjustment to include the Group's estimate of the corporate costs in FY18F and the historical results (discounted by 3% p.a. as a proxy for CPI) to reflect the estimated total costs that would have been incurred as a listed public company had the Offer and acquisition of the GrowthOps Businesses occurred on 1 July 2014.
3. **Principal salaries** - An adjustment to reflect agreed market based salary costs of the Principals during the historical period in line with the post-Offer structure and remuneration of the GrowthOps Group.
4. **Structural changes** - Adjustment to exclude revenue and costs attributable to businesses that were divested by the GrowthOps Businesses prior to acquisition by the GrowthOps Group as they will not form part of the GrowthOps Group in the future.
5. **One-off costs** - Material one-off items of revenue and expense which are not reflective of the GrowthOps Group's underlying result and will not recur in the future have been removed. This includes the expense of \$2.9 million incurred in developing the GrowthOps opportunity and its associated knowledge base and acquired through the assumption of Unit Co Pty Ltd's liabilities.
6. **Share Based Payments** - Statutory FY18 forecast includes the recognition of the CRPS which has been expensed as a non-cash share based compensation. Subject to certain conditions being met, including the relevant Partner's employment at the time of payment 50% of the CRPS issued to each Vendor will convert into Shares on the first anniversary of Completion, 25% will convert into Shares on the second anniversary of Completion, and the remaining 25% will convert into Shares on the third anniversary of Completion. See Annexure B for full CRPS terms.
7. **Acquisition amortisation** - Included within depreciation and amortisation is the amortisation of identifiable intangibles relating to customer relationships and intellectual property recognised on the application of acquisition accounting of the GrowthOps Businesses as set out in Section 4.2.5.
8. **Effective tax rate** - Adjustment to recognise the effective tax rate of Adjustments 1-7. The effective tax rate of GrowthOps is lower than the Australian corporate tax rate of 30%, as some entities in the GrowthOps Group income are subject to lower tax rates in Hong Kong (16.5%) and Singapore (17%).
9. **Pre-acquisition** - includes NPAT of the GrowthOps businesses from 1 July 2017 to Completion.

#### 4.3.4 HISTORICAL INCOME STATEMENTS

Table 5 sets out the Historical Income Statements for FY15, FY16 and FY17 extracted from the Aggregated Accounts for the Pre-IPO GrowthOps Group. These have been reconciled with the Pro forma Historical Income Statements in Section 4.3.3 above.

**Table 5 – Statutory Historical Income Statements**

\$m	Statutory		
	FY15	FY16	FY17
Revenue	46.2	45.1	53.0
Disbursement income	16.6	20.2	16.6
Disbursement expenses	(16.6)	(20.2)	(16.6)
Cost of sales	(7.7)	(6.0)	(9.2)
Staff costs	(21.1)	(22.7)	(23.2)
Occupancy	(1.6)	(1.5)	(1.6)
Other	(6.1)	(5.3)	(5.9)
<b>EBITDA</b>	<b>9.7</b>	<b>9.6</b>	<b>13.1</b>
Depreciation and amortisation	(0.4)	(0.6)	(0.6)
<b>EBIT</b>	<b>9.3</b>	<b>9.0</b>	<b>12.5</b>
Interest	-	(0.1)	-
<b>NPBT</b>	<b>9.3</b>	<b>8.9</b>	<b>12.5</b>
Income tax	(2.0)	(2.5)	(3.5)
<b>NPAT</b>	<b>7.3</b>	<b>6.4</b>	<b>9.0</b>

## 4.4 HISTORICAL AND FORECAST CASH FLOWS

### 4.4.1 OVERVIEW

Table 6 sets out the Pro forma Historical, Pro forma Forecast and Statutory Forecast Cash Flows for FY15 to FY18.

**Table 6 – Pro forma Historical, Pro forma Forecast and Statutory Forecast Cash Flows**

\$m	Notes	Historical			Forecast	
		Pro forma			Pro forma	Statutory
		FY15	FY16	FY17	FY18	FY18 <sup>9</sup>
<b>EBITDA</b>		<b>7.3</b>	<b>8.3</b>	<b>12.1</b>	<b>14.3</b>	<b>(13.5)</b>
Movement in working capital	1	(5.8)	(0.9)	1.3	(0.8)	(0.8)
Other non-cash items		-	0.1	-	-	13.8
Capital expenditure	2	(0.5)	(1.0)	(0.4)	(0.2)	(0.2)
<b>Operating cash flow</b>		<b>1.0</b>	<b>6.5</b>	<b>13.0</b>	<b>13.3</b>	<b>(0.7)</b>
Interest paid	3				-	-
Income taxes paid	4				(3.3)	(1.0)
Net cash flows before IPO related transactions					<b>10.0</b>	<b>(1.7)</b>
Proceeds from the offer	5					70.0
Acquisitions	6					(47.8)
Offer costs	7					(2.1)
<b>Net cash flow available for distribution</b>					<b>10.0</b>	<b>18.4</b>
<b>Cash flow conversion %</b>	8				<b>92%</b>	

**Notes:**

1. **Movement in working capital** – Comprises changes in receivables, payables and employee entitlements.
2. **Capital expenditure** – Reflects plant and equipment additions and leasehold improvements to leased office premises.

3. **Interest paid** – Reflects the net interest expense.
4. **Income taxes paid** – Represents GrowthOps' forecast of corporate income taxes that will be paid by the GrowthOps Group on a Statutory basis. Pro forma taxes paid are assumed to be consistent with the pro forma tax expense per the Pro forma Forecast Income Statement.
5. **Proceeds from the Offer** – The expected gross proceeds of \$70.0 million from the issue of new Shares.
6. **Acquisitions** – Represents the cash component of the payment for the Acquired GrowthOps Businesses (\$47.8 million).
7. **Offer costs** – Reflects the costs incurred in respect of the Offer which are offset against equity on the balance sheet (\$2.1 million).
8. **Cash flow conversion %** – Calculated as the ratio of operating cash flow and adjusted for maintenance capital expenditure to EBITDA.
9. **Statutory FY18** – Statutory FY18 EBITDA includes the expense of offer costs (\$3.1 million) and the recognition of the vendor acquisition preference shares which has been expensed (\$13.8 million) as a non-cash share based compensation. Subject to certain conditions being met, including the relevant Partner's employment at the time of payment, 50% of the CRPS issued to each Vendor will convert into Shares on the first anniversary of Completion, 25% will convert into Shares on the second anniversary of Completion, and the remaining 25% will convert into Shares on the third anniversary of Completion. There is no tax expense associated with this non-cash accounting expense. See Annexure B for full CRPS terms.

#### 4.4.2 PRO FORMA ADJUSTMENTS TO THE HISTORICAL CASH FLOWS AND THE STATUTORY FORECAST CASH FLOWS

Table 7 sets out the pro forma adjustments made to the Statutory Historical and Statutory Forecast Cash Flows for FY15 to FY18.

**Table 7 – Pro forma adjustments to the Statutory Historical Cash Flows and the Statutory Forecast Cash Flows**

\$m	Notes	Historical		Forecast	
		FY15	FY16	FY17	FY18
<b>Statutory net cash flow before interest and taxation</b>		<b>3.3</b>	<b>7.7</b>	<b>14.0</b>	<b>(0.7)</b>
Structural changes	1	0.4	0.8	0.2	0.5
Offer costs	2	-	-	-	3.1
Ongoing corporate costs	3	(1.4)	(1.5)	(1.5)	-
One-off costs	4	0.4	0.5	1.1	2.9
Principals' salaries	5	(1.7)	(1.0)	(0.8)	(0.4)
Pre acquisition	6	-	-	-	7.9
<b>Pro forma net cash flow before interest and taxation</b>		<b>1.0</b>	<b>6.5</b>	<b>13.0</b>	<b>13.3</b>

**Notes:**

1. **Structural changes** – Adjustment to exclude revenue and costs attributable to businesses that were divested by the GrowthOps Businesses prior to acquisition by the GrowthOps Group as they will not form part of the GrowthOps Group in the future.
2. **Offer costs** – Reflects \$3.1m of offer costs that have been directly expensed (\$2.1m have been indirectly accounted for via offset against equity raised).
3. **Ongoing corporate costs** – The Group's estimate of the corporate costs in FY18F and the historical results (discounted by 3% p.a.) to reflect the estimated total costs that would have been incurred as a listed public company had the Offer and acquisition of the GrowthOps Businesses occurred on 1 July 2014.
4. **One-off costs** – Material one-off items of revenue and expense which are not reflective of the GrowthOps Group's underlying result and will not recur in the future have been removed. This includes the expense of \$2.9 million incurred in developing the GrowthOps opportunity and its associated knowledge base and incurred through the assumption of Unit Co Pty Ltd's liabilities.
5. **Principals' salaries** – Reflect agreed market based salary costs of the Principals during the historical period in line with the post-Offer structure and remuneration of the GrowthOps Group.
6. **Pre-acquisition** – includes the pre-acquisition cash flows before interest and tax of the GrowthOps businesses from 1 July 2017 to Completion.

#### 4.4.3 HISTORICAL AND PRO FORMA BALANCE SHEETS

Table 8 sets out the Statutory Historical Balance Sheet and, the pro forma adjustments that have been made to the Statutory Historical Balance Sheet of the GrowthOps Group as at 30 June 2017 to present a pro forma consolidated balance sheet for GrowthOps as if Completion of the Offer and the GrowthOps Businesses occurred on 30 June 2017. This table reflects a number of adjustments, including:

- the impact of the pre-completion transactions including settlement of related party balances
- the acquisition and consolidation of the GrowthOps Businesses;
- the impact of the Offer

**Table 8 – Pro forma Historical Balance Sheet as at 30 June 2017**

\$m	GrowthOps Statutory Aggregated Balance Sheet	Pre-completion transactions	Impact of the Offer	Impact of Acquisitions	Pro forma Balance Sheet
Notes		1	2	3	
<b>Current assets</b>					
Cash and cash equivalents	6.7	-	61.9	(47.8)	20.8
Trade and other receivables	10.2	-	-	-	10.2
Related parties	0.2	(0.2)	-	-	-
Work in progress	0.9	-	-	-	0.9
Other current financial assets	0.9	-	-	-	0.9
<b>Total current assets</b>	<b>18.9</b>	<b>(0.2)</b>	<b>61.9</b>	<b>(47.8)</b>	<b>32.8</b>
<b>Non-current assets</b>					
Property, plant and equipment	1.0	-	-	-	1.0
Goodwill & intangible assets	-	-	-	41.8	41.8
Related parties	-	-	-	-	-
Deferred tax assets	0.6	-	-	-	0.6
<b>Total non-current assets</b>	<b>1.6</b>	<b>-</b>	<b>-</b>	<b>41.8</b>	<b>43.4</b>
<b>Total assets</b>	<b>20.5</b>	<b>(0.2)</b>	<b>61.9</b>	<b>(6.0)</b>	<b>76.2</b>
<b>Current liabilities</b>					
Trade and other payables	(6.0)	-	-	-	(6.0)
Deferred Revenue	(3.7)	-	-	-	(3.7)
Related Parties	-	-	-	-	-
Provisions	(1.4)	-	-	-	(1.4)
Current tax liabilities	(1.8)	-	-	-	(1.8)
Borrowings	(0.1)	0.1	-	-	-
<b>Total current liabilities</b>	<b>(13.0)</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>(12.9)</b>
<b>Non-current liabilities</b>					
Provisions	(0.7)	-	-	-	(0.7)
Borrowings	-	-	-	-	-
Deferred tax liabilities	-	-	-	(4.0)	(4.0)
<b>Total non-current liabilities</b>	<b>(0.7)</b>	<b>-</b>	<b>-</b>	<b>(4.0)</b>	<b>(4.7)</b>
<b>Total liabilities</b>	<b>(13.7)</b>	<b>0.1</b>	<b>-</b>	<b>(4.0)</b>	<b>(17.6)</b>
<b>Net Assets</b>	<b>6.8</b>	<b>(0.1)</b>	<b>61.9</b>	<b>(10.0)</b>	<b>58.6</b>
Issued share capital	1.0	-	67.9	(1.0)	67.9
Reserves	5.8	(0.1)	(6.0)	(9.0)	(9.3)
<b>Total equity</b>	<b>6.8</b>	<b>(0.1)</b>	<b>61.9</b>	<b>(10.0)</b>	<b>58.6</b>

**Notes:**

1. **Pre-Completion transactions:** The statutory financial position of the GrowthOps Group at 30 June 2017 includes certain related party loan balances within both receivables and payables. All related party receivables and payables will be settled prior to or at Completion through cash extinguishment, reassignment, debt forgiveness or dividends.
2. **Impact of the Offer:** Proceeds of \$70.0 million are expected to be generated by the Offer through a new issue of between 60 to 70 million shares in the Company. Of these funds:
  - a. \$3.1 million will be used to fund part of the Offer costs; and
  - b. \$5.0 million will be used to repay loans to Trimantium Capital and associated parties. These loans were incurred in preparation for and the development of the current GrowthOps IPO. These costs comprise \$2.1m of pre-IPO costs paid to advisers which form part of the transaction costs of this Offer, and \$2.9 million incurred in developing the GrowthOps opportunity and its associated knowledge base.

Offer costs of \$3.1 million are apportioned between profit or loss and equity in accordance with Accounting Standards. To the extent the costs are necessarily incurred in raising new capital, these will be capitalised and offset against equity on the balance sheet. For the purpose of the Pro forma Consolidated Balance Sheet, it is assumed that direct costs associated with the issue of new share capital of \$2.1 million are capitalised in equity. Of the total proceeds from the Offer, GrowthOps intends to set aside \$9.85 million to partially fund the acquisition of Salesforce Partner, should GrowthOps choose to pursue the acquisition the subject of the Non-Binding Term Sheet describe in section 3.5. GrowthOps intends to acquire Salesforce Partner following (i) the satisfactory completion of due diligence investigations; (ii) the finalisation of the purchase price; (iii) the agreement of definitive transaction documents; and (iv) the GrowthOps Board obtaining comfort that the forecast maintainable NPATA of the Salesforce Partner exceeds \$2 million for FY18. The Directors and Salesforce Partner may agree on a different purchase price based on a material improvement, or adverse business change prior to the execution of definitive transaction documents. . In the event that GrowthOps chooses not to acquire Salesforce Partner, it is likely that the Directors will ultimately determine to use the funds for future acquisitions which are intended to be made on terms and financial metrics consistent with past investment criteria. However, the Directors will ultimately determine the best use of the funds at that time.

3. **GrowthOps Businesses:** The Acquisitions will be funded through the issue of 47.8 million CRPS in the Company (\$47.8 million) and cash proceeds of \$47.8 million. Of the CRPS, subject to certain conditions being met, including the relevant Partner's employment at the time of payment, a total of \$47.5m is required to be expensed as a share based payment over the 3-year vesting period with 50% of the CRPS issued to each Vendor will convert into Shares on the first anniversary of Completion, 25% will convert into Shares on the second anniversary of Completion, and the remaining 25% will convert into Shares on the third anniversary of Completion. Based on provisional accounting estimates, upon consolidation within GrowthOps Group, working capital and other tangible assets will be recognised (\$10.0 million), specifically identified intangibles (customer relationships, brands and intellectual property) will be recognised (\$13.3 million) with a corresponding deferred tax liability (\$4.0 million). The residual purchase price will be allocated to goodwill (estimated at \$28.5 million). Under the Australian Accounting Standards, the Company has up to 12 months from the Offer to complete its initial acquisition accounting. The terms of acquisition of the GrowthOps Businesses allow for a net asset adjustment to occur at completion of the Acquisitions which will be based on the actual net assets on completion relative to an agreed target net asset position. This amount will be paid in cash to the vendors of the GrowthOps Businesses, but as the amounts are not yet known, no adjustment has been included in the Pro Forma Balance Sheet. The payment will be made from funds raised under the Offer and based on the Pro forma Balance Sheet at 30 June 2017 would be approximately \$2.5 million.

#### 4.4.4 CAPITALISATION AND INDEBTEDNESS

Table 9 – sets out a summary of the indebtedness of the GrowthOps Group as at 30 June 2017, before and following Completion of the Offer. The Pro Forma Net Cash position of \$20.8 million reflects pro forma net debt adjusted for repayments that will occur as part of the Offer or prior to Completion. No adjustment has been made to reflect the cash generation from operations since this date.

**Table 9 – Summary of pro forma net debt**

Facility (\$m)	Pro forma Prior to Completion	Impact of Offer and Pre- Completion Adjustments	Pro forma following Completion
Borrowings	0.1	(0.1)	-
Related Party balances (net)	(0.2)	0.2	-
<b>Total debt</b>	<b>(0.1)</b>	<b>0.1</b>	<b>-</b>
Cash	6.7	14.1	20.8
<b>Net debt</b>	<b>(6.8)</b>	<b>(14.0)</b>	<b>(20.8)</b>

**Notes:**

1. The terms of Acquisition of the GrowthOps Businesses allow for a net asset adjustment to occur at completion of the Acquisitions which will be based on the actual net assets on completion relative to an agreed target net asset position. This amount will be paid in cash to the vendors of the GrowthOps Businesses, but as the amounts are not yet known, no adjustment has been included in the Pro Forma Balance Sheet. The payment will be made from funds raised under the Offer and based on the Pro forma Balance Sheet at 30 June 2017 would be approximately \$2.5 million.

## 4.5 MANAGEMENT DISCUSSION AND ANALYSIS OF THE PRO FORMA HISTORICAL FINANCIAL INFORMATION

This Section includes a discussion of the main factors which affected the Group's operations and relative performance in FY16 and FY17 and which may continue to affect it in the future. The discussion of these factors is intended to provide a brief summary only and does not detail all factors that affected the historical operations and financial performance, or everything which may affect the future operations and financial performance.

### 4.5.1 FY17 VERSUS FY16

Table 10 sets out the pro forma historical income statements for FY17 and FY16.

**Table 10 – Pro forma Income Statement FY17 compared to FY16**

	Pro forma		
\$m	FY16	FY17	Change (%)
Revenue	45.7	53.0	16.0%
Disbursement income	20.2	16.6	-17.8%
Disbursement expenses	(20.2)	(16.6)	-17.8%
Cost of sales	(6.0)	(9.2)	53.3%
Staff costs	(24.3)	(24.1)	-0.8%
Occupancy	(1.5)	(1.6)	6.7%
Other	(5.6)	(6.0)	7.1%
<b>EBITDA</b>	<b>8.3</b>	<b>12.1</b>	<b>45.8%</b>
Depreciation and amortisation	(3.2)	(3.1)	-3.1%
<b>EBIT</b>	<b>5.1</b>	<b>9.0</b>	<b>76.5%</b>
Interest	-	-	-
<b>NPBT</b>	<b>5.1</b>	<b>9.0</b>	<b>76.5%</b>
Income tax	(1.5)	(2.4)	60.0%
<b>NPAT</b>	<b>3.6</b>	<b>6.6</b>	<b>83.3%</b>
Acquisition amortisation	1.8	1.8	0.0%
<b>NPATA</b>	<b>5.4</b>	<b>8.4</b>	<b>55.6%</b>

#### 4.5.1.1 REVENUE

Consulting revenues are generated through software, mobile and cloud solutions. These include transitional implementation projects, security, software and mobile app development, managed services and licencing. This revenue primarily comprises fixed price and time and materials consultancy work and is generally based on short term statements of work which are subject to regular renewal. Service delivery is also via strategic, disruptive and transitional implementation projects and are driven by retainer based consultancy fees or charged on a time and materials basis.

Creative marketing revenues are primarily in the form of monthly retainers with incremental revenue streams coming from production, digital and performance bonuses. These revenue arrangements with clients are typically on multi-year contracts.

Executive coaching and leadership programs comprise corporate and public programs with revenue based on either a daily rate or a fixed price.

Revenue in FY17 increased 16.0% in FY17 to \$53.0 million, with strong growth in software consultancy, digital marketing, and leadership development services.

Disbursement income and expenses includes pass through costs incurred on behalf of clients in TV production, broadcast and content which are fully recovered at no margin.

#### 4.5.1.2 OPERATING EXPENSES

Operating expenses have been categorised as follows:

- Cost of sales – primarily comprise third party contractor and consulting costs directly attributable to project based revenue and other costs directly attributable to the services being delivered.
- Staff costs – salaries, wages and other employment related costs for the Principals of the GrowthOps Businesses, other professional staff, operational staff, corporate staff and executive management who are employed by the Group;
- Occupancy – rent and other occupancy related costs for premises that are leased and occupied by the Group; and
- Other – includes professional service fees, recruitment, audit and tax fees, travel, insurance, IT, and general and administrative expenses.

Total operating expenses increased by 9.4% to \$40.9 million in FY17. Key factors affecting operating costs in FY17 include:

- Cost of sales increased significantly by 53.3% to \$9.2 million with a proportionately higher level of contractors used;
- Staff costs in contrast dropped 0.8% to \$24.1 million;
- Overall, staff costs and cost of sales in total decreased from 66.3% of revenue in FY16 to 62.8% of revenue in FY17;
- Occupancy costs increased by 6.7% to \$1.6 million as new leases and renewal of leases were secured for Melbourne and Brisbane premises; and
- Other costs increased by 7.1% to \$6.0 million in line with the overall growth across the business.

#### 4.5.1.3 EBITDA AND NPATA

As a result of the changes in revenue and operating expenses discussed above, EBITDA grew 45.8% to \$12.1 million in FY17. The EBITDA margin (% of revenue) improved from 18.2% in FY16 to 22.8% in FY17 driven by the revenue growth, and leveraging the relatively fixed pro forma corporate cost base.

Depreciation and amortisation charges were \$3.1 million in FY17 was down slightly from FY16. Amortisation of acquired identifiable intangibles of \$2.6 million has been included for comparability on a pro forma basis in both FY16 and FY17.

NPATA increased by 55.6% to \$8.4 million in FY17.

## 4.6 DIRECTORS' ASSUMPTIONS UNDERLYING THE FORECAST FINANCIAL INFORMATION

The Forecast Financial Information has been prepared in accordance with the significant accounting policies adopted by the Company and as disclosed in Appendix A which are in compliance with Australian Accounting Standards.

The Forecast Financial Information is based on various assumptions of which the main general and specific assumptions are summarised below. These assumptions do not represent all factors that will affect the Group's forecast financial performance. This information is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring and is not intended to be a representation that the assumptions will occur. The actual financial performance in the future is likely to vary from the forecast financial performance and any variation may be materially positive or negative. The assumptions on which the Forecast Financial Information is based are by their nature subject to significant uncertainties and contingencies many of which are outside the control of the Group. Accordingly, the Group or its Directors, or any other person cannot give any assurance that the Forecast Financial Information or any prospective statement contained in the Prospectus will be achieved.

#### 4.6.1 GENERAL ASSUMPTIONS

In preparing the Forecast Financial Information the following general assumptions have been adopted:

- no material change in the competitive operating environment in which the GrowthOps Group operates;



- no significant deviation from current market expectations of global, Australian or Asian economic conditions relevant to the Group during the forecast period;
- no material changes in any government legislation or regulation (including tax legislation), or government policy that has a material impact on financial performance, cash flows, financial position, accounting policies, or licensing requirements of the Group, or its ability to earn income from clients including in jurisdictions where it does not currently operate;
- no material changes in key personnel and the Group maintains its ability to recruit and retain the personnel required to support future growth;
- no significant interruptions are experienced in relation to the technology, platform or websites utilised by the Group, including as a result of ongoing development;
- no material changes in the applicable Australian Accounting Standards or other mandatory professional reporting requirements of the Corporations Act which have a material effect on the Group's financial performance, financial position, accounting policies, financial reporting or disclosure during the forecast period;
- no material industry disturbances, environmental costs, contingent liabilities or legal claims will arise or be settled to the detriment of the Group;
- no material acquisitions, divestments, restructuring or investments;
- no material changes to the Group's corporate or funding structure other than as set out in, or contemplated by, this Prospectus;
- no material disruptions to the continuity of operations of the Group or other material changes in its business activities;
- no material amendment to or termination of any material agreement, contract or arrangement other than set out in, or contemplated by, this Prospectus;
- none of the risks listed in Section 5 eventuate, or if they do, none of them have a material adverse impact on the operations of the Group; and
- the Offer proceeds in accordance with the timetable set out on page 7 of this Prospectus.

#### 4.6.2 SPECIFIC MATERIAL ASSUMPTIONS AFFECTING THE FORECAST FINANCIAL INFORMATION AND MANAGEMENT DISCUSSION

In preparing the Forecast Financial Information the Group has undertaken a detailed analysis of the historical performance and monthly revenue and cost run rate of the business, and used this analysis to inform the specific assumptions applied, where appropriate, across the business. The assumptions set out below should be read in conjunction with the general assumptions set out in Section 4.7.1, the sensitivity analysis set out in Section 4.9, the risk factors set out in Section 5.2, the Investigating Accountant's Report set out in Section 7 and other information in this Prospectus.

##### 4.6.2.1 FOREIGN EXCHANGE

Key foreign exchange assumptions applied in the Forecast Financial Information include:

- 1 AUD = 6.25 HKD; 1 AUD = 1.08 SGD; and
- foreign exchange rates are forecast to remain consistent each month of the forecast period.

##### 4.6.2.2 REVENUE

Revenues are forecast to increase by 15.7% in FY18, this compares with revenue growth of 16.0% in FY17. The GrowthOps Group has forecast revenues based on an assessment of:

- the current contracted billable hours of client facing staff for time based production contracts and existing and forecast production/work orders, having regard to historical utilisation and recovery rates;
- the continuation of contracted retainer based service agreements, including the extension or renewal of those contracts where the renewal or extension occurs during the forecast period; and
- revenue growth driven by existing qualified pipeline opportunities having regard to the current status of the opportunities, historical win rates, and the historical relationship with the client.

The above 'bottom up' revenue forecast has also been considered against a detailed breakdown of revenue by client, based on activity in FY17, FY16 and prior periods. Revenues supported by contracts account for up to half of forecast revenue.

Asian revenue is expected to increase from \$3.1 million in FY17 to \$4.1 million in FY18 driven by anticipated growth in Hong Kong and Singapore.

Disbursement income and expenses, are pass through costs which are not directly controlled by the Group. These have been forecast in line with the previous year based on forecast income.

#### 4.6.2.3 OPERATING EXPENSES

Key assumptions underlying operating expenses in the Forecast Financial Information include:

- cost of sales, which represent predominantly third party contractor costs, are forecast based on the historical split of work between third party contractors and full time employees, adjusted, if applicable for any client specific changes that necessitate a higher mix of full time employees or vice versa;
- staff costs are forecast based on the current wages and on-costs of the existing headcount of the business, with allowance for an annual compensation review, planned new hires to support the level of growth in the business and becoming a public company, known leave patterns, and assuming a level of attrition consistent with historical levels;
- occupancy expenses are forecast based on existing property leases taking into account known contractual terms as well as straight-line lease accounting requirements, as applicable;
- other operating expenses which are predominantly fixed in nature are based on prior year levels of expenditure, with adjustments factored in to allow for known deviations from the base level of expenditure required; and
- other operating expenses which are predominantly variable in nature (relative to staff expenses), are based on a similar percentage of total staff costs relative to prior years.

#### 4.6.2.4 INCOME TAX

Income tax expense is based on the corporate tax rate of 30% in Australia, 16.5% in Hong Kong and 17% in the Singapore business.

#### 4.6.2.5 CHANGE IN WORKING CAPITAL

Trading terms with clients, employees and suppliers are forecast to remain in line with recent historical trends.

#### 4.6.2.6 CAPITAL EXPENDITURE AND DEPRECIATION

- Capital expenditure in relation to the office, IT environment and office equipment is forecast to be minimal for FY18.
- Leasehold improvements were carried out in FY17 and no major works are planned for FY18 in the forecast.

## 4.7 MANAGEMENT DISCUSSION AND ANALYSIS OF FORECAST FINANCIAL INFORMATION

In addition to the above, the Forecast Financial Information has been prepared having regard to the current trading performance of the GrowthOps Group up until the Prospectus Date.

### 4.7.1 FY18 COMPARED TO FY17

Table 11 sets out the summary pro forma consolidated income statements for FY18 and FY17.

**Table 11 – Pro forma Income Statement FY18 compared to FY17**

\$m	Pro forma			Statutory
	FY17	FY18	Change (%)	FY18
Revenue	53.0	61.3	15.7%	30.6
Disbursement income	16.6	17.1	3.0%	8.6
Disbursement expenses	(16.6)	(17.1)	3.0%	(8.6)
Cost of sales	(9.2)	(12.2)	32.6%	(6.1)
Staff costs	(24.1)	(28.4)	17.8%	(28.5)
Occupancy	(1.6)	(1.8)	12.5%	(0.9)
Other	(6.0)	(4.6)	-23.3%	(8.6)
<b>EBITDA</b>	<b>12.1</b>	<b>14.3</b>	<b>18.2%</b>	<b>(13.5)</b>
Depreciation and amortisation	(3.1)	(3.1)	0.0%	(1.7)
<b>EBIT</b>	<b>9.0</b>	<b>11.2</b>	<b>24.4%</b>	<b>(15.2)</b>
Interest	-	-	-	-
<b>NPBT</b>	<b>9.0</b>	<b>11.2</b>	<b>24.4%</b>	<b>(15.2)</b>
Income tax	(2.4)	(3.2)	33.3%	(1.0)
<b>NPAT</b>	<b>6.6</b>	<b>8.0</b>	<b>21.2%</b>	<b>(16.2)</b>
Acquisition amortisation	1.8	1.8	0.0%	1.0
<b>NPATA</b>	<b>8.4</b>	<b>9.8</b>	<b>16.7%</b>	<b>(15.2)</b>

**Notes:**

The pro forma results are reconciled with the statutory results in Section 4.3.3

**4.7.1.1 REVENUE**

Group revenue is forecast to increase by 15.7% in FY18 to \$61.3 million.

Key factors forecast to affect revenue in FY18 include:

- Technology service revenues are forecast to increase by 27.3% to \$30.0 million due to growth in consulting activity with key customers. The increase is predominantly driven by increased software and mobile app solutions;
- Creative revenues are forecast to remain stable at \$21.9 million with key clients on monthly retainers from new, and existing contracts; and
- Leadership and management consulting revenues are forecast to increase by 16.8% to \$9.3 million from to ongoing growth of core business services and a renewal of contract with a key financial services customer for a company-wide training program.

**4.7.1.2 OPERATING EXPENSES**

Operating expenses are forecast to increase by 14.9% to \$47.0 million in FY17. This increase assumes that:

- Cost of sales increase by 32.6% to \$12.2 million to support revenue growth with the use of additional contractors;
- Staff costs increase by 17.8% to \$28.4 million anticipated hiring of employees in line with revenue growth;
- Occupancy costs are expected increase by 12.5% to \$1.8 million to support growth of existing premises in Sydney, Brisbane and Hong Kong and Singapore; and
- Other costs are forecast to fall by 23.3% in FY18 at \$4.6 million.

**4.7.1.3 EBITDA AND NPATA**

As a result of the forecast changes in revenue and operating expenses discussed above, EBITDA is forecast to increase by 18.2% to \$14.3 million in FY18. The EBITDA margin (% of revenue) is forecast to improve slightly from 22.8% in FY17 to 23.3% in FY18 reflecting a continuation of building revenue with the appropriate operating cost structure.

Depreciation and amortisation charges are not forecast to change at \$3.1 million in FY18.

NPATA is forecast to increase by 16.7% to \$9.8 million in FY18.

## 4.8 SENSITIVITY ANALYSIS

The Forecast Financial Information is based on a number of estimates and assumptions as described in Section 1.2.4. These estimates and assumptions are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Group, the Directors and Management. These estimates are also based on assumptions with respect to future business developments which are subject to change.

Set out below is a summary of the sensitivity of certain FY18 Forecast Financial Information to changes in a number of key variables. The changes in the key variables as set out in the sensitivity analysis are intended to provide a guide only and are not intended to be indicative of the complete range of variations that may be experienced. Variations in actual performance could exceed the ranges shown and these variations could be substantial.

Care should be taken in interpreting these sensitivities. In order to illustrate the likely impact on the Forecast Financial Information, the estimated impact of changes in each of the assumptions has been calculated in isolation from changes in other assumptions and assumes a full year impact. In practice, changes in assumptions may offset each other or be additive, and it is likely that GrowthOps' management would respond to any changes in one item to seek to minimise the net effect on the Group's EBITDA and cash flow.

For the purpose of the analysis below, the effect of the changes in key assumptions on the forecast pro forma EBITDA of \$14.3 million for FY18 is set out in Table 12 below.

**Table 12 – Sensitivity analysis on pro forma forecast EBITDA**

\$m	Increase/ (decrease)	FY18 (\$m)
Change in revenue	1.0% / (1.0%)	0.5 / (0.5)
Change in staff costs	1.0% / (1.0%)	0.3 / (0.3)
Change in cost of sale as % revenue	1.0% / (1.0%)	0.1 / (0.1)

## 4.9 LIQUIDITY AND CAPITAL RESOURCES

Following Completion, GrowthOps' principal sources of funds will be cash held at Completion and cash flow from operations.

GrowthOps expects that it will have sufficient cash flow from operations to meet its ongoing business needs during the forecast period.

GrowthOps currently does not have any debt facilities. Following Completion, GrowthOps will seek to put in place new debt facilities to finance:

- working capital needs; and
- further acquisitions to enhance our capability offering.

### 4.9.1 DIVIDEND POLICY

Given the Company's growth profile and expectation of reinvesting profits with the aim of growing the business both organically and through selective acquisitions, it is the current intention of the Board to not pay a dividend.

The payment of a dividend by the Company is at the discretion of the Board and will be a function of a number of factors, including the general business environment, the operating results, cash flows, the financial condition of the Company, future funding requirements, capital management initiatives, taxation considerations (including the level of franking credits available), any contractual, legal or regulatory restrictions on the payment of dividends by the

Company, and any other factors the Board may consider relevant. The Directors are therefore unable to give any assurance regarding the payment of dividends in the future.



# RISKS



# 5 RISKS

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## 5.1 INTRODUCTION

The future performance of GrowthOps and the future investment performance of the Shares may be influenced by a range of factors, many of which are outside the control of GrowthOps. GrowthOps is subject to risks that are both of a general nature and risks which are specific to its business activities.

This Section describes what GrowthOps considers to be some of the key risks associated with GrowthOps' business, the industry in which it operates, and the risks associated with an investment in GrowthOps.

The risks listed in this Section should not be considered to be an exhaustive list of every possible risk associated with an investment in GrowthOps' business, the industry in which it operates, or the risks associated with an investment in GrowthOps now or in the future. The types of risks to which GrowthOps is exposed can change over time and vary with changes in economic, technological, environmental and regulatory conditions. The occurrence or consequences of some of these risks are partially or completely outside of the control of GrowthOps, the Directors and GrowthOps' senior management team.

The selection of risks is based on an assessment of a combination of the probability of the risk occurring, the ability to mitigate the risk and the impact of the risk if it did occur. They are not listed in order of likelihood of occurrence or impact. The assessment is based on the knowledge of the Directors and management as at the Prospectus Date, but there is no guarantee or assurance that the importance of these or other risks will not change or that no other new risks will emerge. Any of these risks, and any other risks that may emerge, may have a material adverse effect on the operations, performance and position of GrowthOps. There can be no guarantee that GrowthOps will achieve its stated objectives or that any forward-looking statements or forecasts will eventuate.

Before applying for Shares, you should read the entire Prospectus carefully and satisfy yourself that you have a sufficient understanding of the risks described in this Section 5, together with the other information set out in this Prospectus. You should also consider whether an investment in GrowthOps is suitable for you in light of your investment objectives, financial situation, taxation position and particular needs. If you do not understand any part of this Prospectus or have any questions about whether to invest in GrowthOps, you should consult your accountant, financial adviser, stockbroker, solicitor or other independent and qualified professional adviser before deciding whether to invest in GrowthOps.

## 5.2 RISKS SPECIFIC TO AN INVESTMENT IN GROWTHOPS

Set out below are the key risks specific to an investment in GrowthOps.

### 5.2.1 KEY PERSONNEL AND INCENTIVE ARRANGEMENTS

GrowthOps' success is dependent to a significant degree upon the efforts and contributions of a number of key management personnel who are associated with certain of the GrowthOps Businesses.

One of the objectives of the design of the GrowthOps Acquisition structure was the retention and incentivisation of the key management personnel. For example, as described in Section 9.1.1, the Acquisition structure includes the use of the CRPS as a form of deferred consideration for the Acquisitions payable to certain of the key management personnel and the 3 year terms under the Executive Services Agreements with those key management personnel. The value of the CRPS will be driven by the success of GrowthOps as a whole, rather than the GrowthOps Business with which the key management personnel are associated as they are convertible into Shares progressively over a 3 year period. Nevertheless, there is a risk that these measures will be inadequate in achieving the desired retention and incentivisation of the key management personnel.

Following the Acquisitions and as part of the GrowthOps integration process, there is a risk that there will be significant difficulties in effectively and harmoniously bringing together the different entrepreneurial personalities and management styles of the key management personnel, and in combining the corporate cultures of each GrowthOps Business. These factors may lead to a decrease in productivity and potentially one or more key management personnel leaving GrowthOps. There is also a risk that key management personnel will leave GrowthOps immediately following the 3 year lock-in and CRPS conversion period. If any of the key management personnel leave GrowthOps it may be difficult to attract replacement key individuals on equivalent compensation packages and the replacement key individuals may not be as effective. Further, GrowthOps' succession planning may also be inadequate as it may

fail to identify suitable internal candidates for key management position, or may identify successors for key management positions who also leave GrowthOps.

GrowthOps' arrangements with the key management personnel include restrictions on their ability to compete with GrowthOps and require them to devote appropriate time to their roles with the relevant GrowthOps Businesses. Nevertheless, certain management personnel have business interests outside of GrowthOps. These other business interests may, from time to time, divert their focus from their respective GrowthOps Business. Similarly, there is a risk that the integration process and the operation of GrowthOps as a listed entity may be a distraction to the key management personnel from the relevant GrowthOps Business. The distraction of the key management personnel may disrupt the ongoing operations of the GrowthOps Businesses, which could lead to a loss of service and product quality and a loss of sales momentum.

The loss of the services, focus or productivity of any of the key management personnel or staff for the reasons discussed above or otherwise, could materially adversely affect GrowthOps' operations, including its relationships with key clients, and may have an adverse effect on the performance and position of GrowthOps.

### 5.2.2 INTEGRATION OF GROWTHOPS BUSINESSES

The GrowthOps Businesses are of different sizes, with different cultures, work methods, processes, systems, technologies and controls. In addition, the key management personnel have different personalities with different approaches to management and different working styles. There is a risk that these differences may render certain of the GrowthOps Businesses incompatible with each other to a greater or lesser extent, which may in turn obstruct the ability of the GrowthOps Businesses to effectively integrate and collaborate with each other.

The success of the GrowthOps business model and, in particular, the ability to realise the expected growth opportunities associated with the Acquisitions, depends in part on the effective and timely integration of each of the GrowthOps Businesses following completion of the Acquisitions. While GrowthOps has given due consideration to the benefits of the Acquisitions, there is a risk that the actual growth opportunities which are capable of being realised as part of the Acquisitions may be less than expected or may be delayed, or that they may not materialise at all or cost more to achieve than originally expected.

The risks associated with the integration process include:

- loss of clients as a result of the risks which they perceive to be associated with the integration process (such as potential loss of service quality and conflicts of interest);
- unintended loss of employees or expert knowledge or reduced employee productivity due to uncertainty arising as a result of the integration process or lack of cultural fit;
- an inability to effectively and efficiently establish the systems, structures, processes and reporting procedures which are required in order to ensure that there is adequate visibility of performance and effective decision making across the Group;
- difficulties in integrating and harmonising accounting and internal controls;
- unforeseen costs and delays relating to the integration of the operating systems used by each GrowthOps Business;
- unforeseen centralised management / head office costs; and
- cost controls proving to be ineffective at managing the financial capital requirements of the GrowthOps Businesses.

A failure to achieve the anticipated level of integration of the operations of each GrowthOps Business, or a delay in the integration process, could impose unexpected costs that may adversely affect the operations, performance and position of GrowthOps.

### 5.2.3 SHORT SALES HORIZON AND DIFFICULT TO PREDICT REVENUE

GrowthOps' forecast revenue consists of a portion of revenue arising from existing contracts with clients, a portion of revenue which is expected to arise based on historical trends and track records with existing clients and a portion of revenue arising from the conversion of pipeline opportunities. In addition, certain of GrowthOps' existing contracts include retainer or monthly service fees and can be terminated on relatively short notice. While some clients have annual plans for technology spend which give some visibility to expected spend, many projects or contracts which the GrowthOps Businesses have with clients arise on an ad hoc basis and are around 3 to 6 months in length.

In addition, a number of the existing contracts that GrowthOps has with clients rely on the issue of specific statements of work which specify the product to be supplied or the services to be rendered on a particular project. These contracts typically do not guarantee minimum levels of work and there is a risk that the level of work requested by clients



through statements of work or purchase orders may decrease or cease entirely. As discussed further below, a number of the contracts GrowthOps has with clients are terminable on short notice or will be up for renewal during the Forecast Period, which means these contracts may be terminated or not renewed for unexpected reasons.

Further, as the GrowthOps Businesses integrate, GrowthOps intends to implement certain customer relationship and pipeline management processes in order to efficiently deploy the resources of the Group. Since much of the historical work undertaken by the GrowthOps Businesses has been on an ad hoc project basis, this will represent a change in operating practice for certain of those businesses. If GrowthOps cannot successfully implement these processes, the Company may not have strong visibility on its future revenues and therefore struggle to deploy resources effectively, or fail to achieve future revenue synergies between the GrowthOps Businesses.

Where expected revenue is not achieved as a result of these or other factors, it may not be possible to replace that revenue with other revenue from existing or new client relationships (particularly in the short term).

While GrowthOps is of the view that there is a reasonable basis for arriving at the Forecast Financial Information, this short and unpredictable forward sales horizon makes it difficult to predict GrowthOps' future revenue.

#### 5.2.4 CONTRACTS AND COMMERCIAL RELATIONSHIPS

GrowthOps' ability to conduct its business and generate revenue derives from its contracts and relationships with its clients. In a number of instances, clients of the GrowthOps Businesses are able to terminate the relevant contracts, or reduce their current or future spend, at any time or on short notice for any reason. In addition, there are a number of client contracts which will come up for review and renewal in the normal and ordinary course of business during the Forecast Period. Clients may use the review and renewal process as an opportunity to renegotiate the terms of the relevant contracts.

This becomes particularly relevant where GrowthOps and the relevant GrowthOps Businesses are not able to maintain strong relationships with key clients (whether as a result of integration impacts, business growth, a loss of client confidence, clients responding adversely to the aggregation of the GrowthOps Businesses, the loss of key management personnel, or otherwise). It is important to note that a key component of the GrowthOps business model is not just to maintain key client relationships, but also to build on them and to leverage off existing client engagements to develop deeper and broader relationships with existing clients so as to service a more comprehensive spectrum of their needs.

It is not possible for GrowthOps to guarantee that relationships with key clients will be maintained and will be developed as planned, due to such relationships being subject to any number of external factors. Any significant reduction in spending by key clients, or the loss of several key clients (if not replaced by new clients or an increase in business from existing clients), could have a material adverse effect on the operations, performance and position of GrowthOps.

In addition, GrowthOps' ability to maintain and develop relationships with other third parties is also a key component of GrowthOps' business model insofar as those relationships play a fundamental role either in generating business for GrowthOps or in the ability of GrowthOps to service the needs of its clients. As with client relationships, these commercial relationships may be adversely affected by any number of external factors, which in turn could have a material adverse effect on the operations, performance and position of GrowthOps.

#### 5.2.5 MANAGING AND SUPPORTING GROWTH

Certain of the GrowthOps Businesses are in a period of rapid growth. While the GrowthOps Businesses have experience in managing, supporting and sustaining rapid growth, the continued need to evolve the GrowthOps business places particular stresses on GrowthOps' leadership, structures, systems, processes and controls. There is a risk that it will not be possible to effectively and efficiently maintain the quality and delivery of GrowthOps' services and products, or the profitability and performance of the GrowthOps Businesses during this rapid growth period.

In addition, GrowthOps' ability to achieve its forecast growth is dependent to a significant extent upon its ability to attract and retain a significant number of additional appropriately qualified and experienced personnel at reasonable cost to support that growth.

Factors which may adversely affect GrowthOps' ability to attract and retain appropriately qualified and experienced personnel at reasonable cost include competition for talent from competitors, GrowthOps' ability to access foreign talent (including in the context of onerous visa conditions and recent changes to the visa eligibility of foreign personnel), and perceived career opportunities within the GrowthOps Businesses. The risk that GrowthOps will not be able to retain existing personnel employed within the Group is also heightened during the period of integration of the GrowthOps Businesses into GrowthOps.

If GrowthOps is not able to effectively and efficiently manage its growth, retain its existing personnel, and recruit and retain appropriate additional personnel, it could have a material adverse effect on the operations, performance and position of GrowthOps.

#### 5.2.6 ACQUISITION DUE DILIGENCE

GrowthOps undertook and mandated its professional advisors to undertake a financial, tax and legal due diligence process in respect of the Acquisitions (**Due Diligence**), which relied in part on the review of financial, tax, legal and other information provided by each of the respective GrowthOps Businesses.

While GrowthOps considers the Due Diligence undertaken to be appropriate for purposes of the Acquisitions and the Offer, GrowthOps has not verified the accuracy, reliability or completeness of all the information which was provided to it against independent data. The information reviewed as part of the Due Diligence also includes forward looking information. While GrowthOps has been able to review some of the foundations for the forward looking information relating to the GrowthOps Businesses, forward looking information is inherently unreliable and based on assumptions that may change in the future.

If any of the data or information provided to and relied upon by GrowthOps as part of the Due Diligence and its preparation of this Prospectus proves to be incomplete, incorrect, inaccurate or misleading, there is a risk that the actual financial position and performance of the GrowthOps Businesses (and therefore GrowthOps) may be materially different to the financial position and performance expected by GrowthOps and reflected in this Prospectus.

In particular, GrowthOps has prepared (and made assumptions in the preparation of) the financial information relating to the GrowthOps Businesses on a stand-alone basis by relying on the financial and other information provided by the GrowthOps Businesses. Some of this information was unaudited. Although the financial statements of the GrowthOps Businesses have been subject to the Due Diligence and have been separately audited on a consolidated basis, the pro forma financial information in this Prospectus in respect of GrowthOps remains subject to a number of assumptions. The majority of the GrowthOps Businesses have not been audited on an individual basis. An unidentified misstatement of the recent financial performance of any of the GrowthOps Businesses could potentially have flow-on effects into the future performance of GrowthOps' business.

Similarly, investors should note that the Acquisition Agreements were prepared in accordance with the Due Diligence findings, which as noted above are based on the financial, tax, legal and other information provided by each of the respective GrowthOps Businesses. As a result, there is a risk that unforeseen or unknown issues and risks may arise, which may have a material impact on GrowthOps (for example, GrowthOps may later discover liabilities or defects which were not identified through the Due Diligence). In such instances there may be no (or inadequate) protection or recourse available to GrowthOps under the Acquisition Agreements, despite there being comprehensive warranties and indemnities contained in the Acquisition Agreements which are customary for transactions such as the Acquisitions. There is also a residual risk that the capped indemnities in place are insufficient and/or the GrowthOps recourse under the indemnities are limited (e.g. if the provider of the indemnity is unable to settle valid claims including costs). This could materially adversely affect the operations, performance and position of GrowthOps.

#### 5.2.7 CLIENT ACCEPTANCE AND MEDIUM-TO-LONGER TERM BUSINESS PLAN

In the medium-to-longer term, GrowthOps aims to align incentives with those of our clients by selectively pursuing joint ventures and equity-like fee arrangements which have not yet been put into practice and are not directly comparable to any other known business models being used in the market at present. There is no certainty that GrowthOps' clients will be receptive to and accepting of GrowthOps' business proposition. Similarly, it is not possible to be certain that GrowthOps' business model will allow GrowthOps to realise the benefits associated with the projected growth opportunities. There is also a possibility that the process of client education and the attainment of the projected business model benefits may take longer than anticipated. In such instances, any significant costs or delays in adjusting the business model as required may adversely affect the operations, performance and position of GrowthOps.

#### 5.2.8 CHANGE OF CONTROL FOR COMMERCIAL CONTRACTS

A number of contracts to which a GrowthOps Business is a party (including client contracts and premises leases) contain change of control provisions. The change of control provisions in these contracts may be triggered on completion of the Acquisitions. For certain of the relevant contracts, GrowthOps has sought the consent of the counterparty to the change of control arising from the relevant Acquisition as it considers commercially appropriate. In a number of cases, the Company has made the commercial decision to not request consent for change of control. To the extent that the required consent is not obtained (in all circumstances including where the company has not sought consent), GrowthOps may be in breach of the contract in question, which may entitle the counterparty to terminate the contract. In addition, in providing a consent the relevant counterparty may seek to renegotiate the

relevant contract on terms which are less favourable to GrowthOps. Any such termination or renegotiation may adversely affect the operations, performance and position of GrowthOps.

Change of control provisions may similarly be triggered upon the occurrence of a takeover offer or other acquisition of GrowthOps after Listing.

#### **5.2.9 MAINTENANCE OF REPUTATION**

GrowthOps' success is reliant on its reputation and the reputation of the GrowthOps Businesses. Reputational damage could arise due to any number of circumstances, including inadequate service delivery, conflicts of interest, failing to deliver on a client's desired outcomes, or the mere perception of the existence of any of these circumstances.

In the context of cross selling the capabilities of different GrowthOps Businesses, reputational risks arise for both the incumbent GrowthOps Businesses and for the newly introduced GrowthOps Businesses where clients may be dissatisfied due to differences between each GrowthOps Business' culture, work methods, processes, systems, technologies and controls.

As a proportion of GrowthOps' sales are derived from renewed contracts with long term clients (and as the GrowthOps business model relies on the further development of existing client relationships), reputational damage may severely impact on GrowthOps' relationships with existing clients and consequently result in a fall in revenue. If this were to occur, GrowthOps' financial performance may be negatively impacted.

#### **5.2.10 INDUSTRY AND TECHNOLOGY RISK**

GrowthOps operates in the IT consulting industry and relies in part on the competitive position of key technologies it supports (including but not limited to AWS and GCP), and the continued development of marketable technologies. There is a risk that the rate of such advancements may slow, which may negatively affect GrowthOps' profitability. There is also a risk that there may be certain developments in the IT consulting industry which supersede, and render obsolete, the existing products and services offered by GrowthOps, which would also negatively affect GrowthOps' profitability.

Similarly, if the technologies currently being used by the GrowthOps Businesses become redundant or cease to hold a high level of market relevance and appeal, GrowthOps' ability to quickly adjust to new technologies will play an important role in maintaining and growing GrowthOps' business and profitability. Any significant costs or delays in changing technologies (including in relation to re-engineering existing products) may adversely affect the operations, performance and position of GrowthOps.

#### **5.2.11 ENVIRONMENT AND GENERAL ECONOMIC CONDITIONS MAY DETERIORATE**

The operating and financial performance of GrowthOps is influenced by a variety of general economic and business conditions, including levels of consumer and business spending, inflation, interest rates and exchange rates, access to consumer credit, and government fiscal, monetary and regulatory policies. A prolonged deterioration in global, regional or local general economic and business conditions could have an adverse impact on the operations, performance and position of GrowthOps.

If economic conditions worsen, in Australia or in other geographic regions where the GrowthOps Businesses operate (now or in the future), there is a risk that the consumer and business environments will deteriorate as businesses and consumers reduce or redirect their level of spending. A reduction in spending or a change in spending patterns is likely to result in a reduction in GrowthOps' financial performance and may have a material adverse effect on the operations, performance and position of GrowthOps.

#### **5.2.12 INCREASE IN COMPETITION**

The markets in which the GrowthOps Businesses operate are fragmented, rapidly evolving and highly competitive, and have relatively low barriers to entry. Third parties may seek to establish a business model similar to GrowthOps' business model in competition with GrowthOps. In particular, competitors may be able to respond more quickly and effectively than GrowthOps to new or changing opportunities, technologies, standards and client requirements. Additionally, current and potential clients may in the future elect to develop or acquire their own internal solutions that would reduce or eliminate the demand for GrowthOps' solutions.

Pricing pressures and increased competition generally in any of the markets in which GrowthOps operates from time to time could erode GrowthOps' market share and result in reduced sales, reduced margins, losses, and the failure of GrowthOps' products and services to achieve or maintain market acceptance. All of these factors could adversely harm the operations, performance and position of GrowthOps.

#### **5.2.13 IT SYSTEMS AND THIRD PARTY SERVICE PROVIDERS**

The GrowthOps Businesses rely on a number of IT systems to support their operations. Any fraud, cyber security threats or attacks, equipment faults, data integrity risk, or other failure of GrowthOps' information systems, technology or business continuity planning could adversely affect the operations, performance and position of GrowthOps.

To the extent that GrowthOps uses any third party licence components in its software and solutions, loss of such third party licence components may affect GrowthOps' ability to operate its business.

To the extent that GrowthOps or any Group employees contribute to open source software development and standards, GrowthOps is not the owner of the IP.

Certain GrowthOps Businesses use or may in the future use third-party service providers, including cloud providers, to store, transmit and process data. GrowthOps may have access to sensitive or personal data or information that is subject to privacy laws and regulations. GrowthOps and third-party service providers engaged by GrowthOps may be vulnerable to material security breaches, theft, misplaced or lost data, employee malfeasance and additional known and unknown threats. Such events could adversely affect the operations, performance and position of GrowthOps.

#### 5.2.14 TRIMANTIUM GROWTHOPS BRAND AND OTHER INTELLECTUAL PROPERTY

'Trimantium GrowthOps' has been chosen as a new name, and does not have a trading history or track record. So there is risk associated with the ability to successfully market the 'Trimantium GrowthOps' brand and to develop goodwill in connection with the brand.

GrowthOps' business relies on the intellectual property owned and created by GrowthOps and the GrowthOps Businesses, both at present and in the future. Any steps taken to protect the intellectual property may be inadequate and there is no assurance, even where steps are taken to register trademarks, patents or other forms of intellectual property protection, that such steps will effectively protect every feature of the intellectual property.

Where steps taken by GrowthOps or the GrowthOps Businesses do not adequately protect the intellectual property from infringement, any goodwill and competitive advantage that GrowthOps and the GrowthOps Businesses have developed in relation to the intellectual property and the products and solutions associated with the intellectual property could be lost or impaired, which could harm GrowthOps' brand, products and business. GrowthOps may also be required to spend significant additional resources to protect these rights.

GrowthOps' future success also depends in part on not infringing upon or misappropriating the intellectual property rights of others. From time to time, third parties may claim that GrowthOps is infringing upon or misappropriating their intellectual property rights. Any claim or litigation which is successful could result in GrowthOps being required to pay substantial damages or ongoing royalty payments, or prevent GrowthOps from offering certain products or services or using certain technologies.

Litigation brought to protect and enforce GrowthOps' intellectual property rights or to resolve claims (whether or not a third party is successful) could be costly, time consuming, distracting to management, disruptive to business, and damaging to GrowthOps' reputation and business relationships. This in turn could have an adverse effect on the operations, performance and position of GrowthOps.

#### 5.2.15 BUSINESS CONCENTRATION RISK

Based on GrowthOps' forecasts, over 40% of GrowthOps' revenue for FY17 and 36% of GrowthOps' revenue for FY18 is expected to be attributable to AJF Partnership. As a result of this concentration, adverse changes in the economic prospects of AJF Partnership, or changes in the industry, regulatory or political conditions in the market in which AJF Partnership operates, may have a disproportionate effect on GrowthOps' business as a whole.

#### 5.2.16 CLIENT CONCENTRATION RISK

Each of the GrowthOps Businesses are susceptible to varying degrees of client concentration risk. AJF Partnership in particular has considerable client concentration risk. From a Group perspective, GrowthOps' top 3 clients account for 25% of GrowthOps' pro forma revenue for FY17. GrowthOps' top 20 clients account for 68% of GrowthOps' revenue for FY17.

Client concentration is particularly prevalent in relation to retainer-based revenue streams, which generally arise out of fixed term contracts. Upon the expiry of the relevant retainer term, the renewal of the contract is not assured and is not within the unilateral control of the applicable GrowthOps Business. It is difficult to quickly replace revenue from large retainer-based contracts which are not renewed or are terminated with new business as there are relatively few contracts of that type available.

As a consequence, non-renewal or termination of relationships with significant clients or other adverse changes which directly or indirectly affect those client relationships, could have a disproportionate impact on the operations, performance and position of GrowthOps.

#### 5.2.17 IMPAIRMENT OF GOODWILL, INTANGIBLE AND OTHER ASSETS

A substantial portion of GrowthOps' total assets consists of goodwill and intangibles arising from the acquisitions of the GrowthOps Businesses. As required under IFRS, GrowthOps will test the value of the goodwill and intangibles with an indefinite useful life for impairment annually by comparing their carrying amounts with their recoverable amounts, and on interim dates if impairment indicators become apparent that would require an interim test of these assets to be undertaken. Finite life intangibles and other assets will be tested for impairment if impairment indicators become apparent.

Lower than expected financial performance in any GrowthOps Business may lead to a write-down of the goodwill, intangibles, and other assets associated with that GrowthOps Business. If the value of goodwill, intangibles and other assets is written down it may adversely affect the operations, performance and position of GrowthOps.

#### 5.2.18 FUTURE ACQUISITIONS

It is envisaged that GrowthOps will pursue strategic acquisitions and investments in the future in order to complement and supplement its product and service offering, including Salesforce Partner (See Section 3.5). If any businesses acquired or invested in by GrowthOps in the future do not meet business expectations, such as if GrowthOps experiences difficulty with funding arrangements, cultural compatibility, management integration, organisation structure or operational integration, or if GrowthOps is unable to successfully realise anticipated reductions in costs, increases in revenue or economies of scale with respect to the acquired business, GrowthOps' operations, financial performance and position may be materially adversely affected and GrowthOps may be required to impair goodwill and other intangible assets associated with those acquisitions.

#### 5.2.19 EXPANSION IN ASIA

One potential source of GrowthOps' long-term growth is its continued expansion within the Asian region (see Section 4.6.2.2 of this Prospectus). Expansion within the Asian region carries significant untapped opportunities, but also carries the inherent risk of unknown market factors (such as cultural differences, regulatory restrictions and economic conditions) which could mean that the expansions will not be successful.

While GrowthOps expects its proposed expansion of operations in the Asian region will become profitable over time, it may incur significant expenses and capital expenditures in connection with building its presence in those markets.

Although many of the GrowthOps Businesses have historically been profitable in Australia, those past results are not necessarily indicative of future performance and GrowthOps may not be able to replicate such profitable operations in the Asian region.

#### 5.2.20 EXPOSURE TO MOVEMENT IN FOREIGN EXCHANGE RATES

Approximately 7% of GrowthOps' forecast revenue for FY18 will be generated outside Australia and is denominated in foreign currencies. Adverse movements in the exchange rate between the Australian dollar and the relevant foreign currencies will affect, among other things, the Australian dollar amount of GrowthOps' revenue and expenses. Adverse exchange rate movements may impact GrowthOps' future financial performance and cash flows.

Although the affected GrowthOps Businesses have not hedged their exposure to foreign currency exchange rate changes in the past, GrowthOps may choose to do so in the future. There is no guarantee such hedging, if undertaken, will successfully mitigate the negative impact of exchange rate movements on GrowthOps' profitability.

#### 5.2.21 EXPOSURE TO LITIGATION

GrowthOps may be subject to litigation, claims or disputes in the ordinary course of its business, including but not limited to employment disputes, contractual disputes (including claims under the Acquisition Agreements), indemnity claims, and claims arising from or relating to the provision of services, the conduct of operations, capital investments, or acquisitions. Claims may also be made by government agencies or regulators. Such litigation, claims and disputes, including the cost of settling claims, could be costly, time consuming, distracting to management, disruptive to business, and damaging to GrowthOps' reputation and business relationships. This in turn could have an adverse effect on the operations, performance and position of GrowthOps.

#### 5.2.22 OPERATIONS SUBJECT TO REGULATION

Legislative or regulatory changes, particularly changes in relation to the industries in which the GrowthOps Businesses operate, could have an adverse impact on the operations, performance and position of GrowthOps. These industries have been, and are likely to continue to be, subject to a changing regulatory environment.

Any changes required to be made to GrowthOps' business model as a result of any legislative or regulatory changes may result in a material loss of revenue for GrowthOps and, to the extent that fixed costs cannot be reduced and/or costs cannot be passed on to clients, may reduce the profitability of GrowthOps.

#### 5.2.23 OPERATING STRUCTURE COSTS

GrowthOps' ability to consistently operate profitably is dependent on a combination of the scalability of its operations and the costs of its operating structure. GrowthOps' ability to maintain its intended operating structure is not guaranteed and may also be affected by legislative or regulatory changes. There is no assurance that its intended operating structure can be maintained. Any changes required to be made to GrowthOps' corporate structure as a result of any legislative or regulatory changes, may result in a material loss of revenue for GrowthOps and, to the extent that fixed costs cannot be reduced and/or costs cannot be passed on to clients, may reduce the profitability of GrowthOps.

#### 5.2.24 INABILITY TO MEET FORECAST FINANCIAL PERFORMANCE

The Forecast Financial Information is a forward looking statement that is based on an assessment of present economic and operating conditions and on a number of best estimate assumptions regarding future events and actions that, at the Prospectus Date, are expected to take place. GrowthOps may not achieve its forecast financial performance as a result of numerous factors, both known and unknown, including one or a combination of the GrowthOps specific risks outlined above and the general risks outlined below.

### 5.3 GENERAL RISKS OF AN INVESTMENT IN GROWTHOPS

#### 5.3.1 ECONOMIC UNCERTAINTY MAY AFFECT THE SHARE PRICE AND VALUE OF SHARES

Once GrowthOps becomes a publicly listed company on the ASX, it will become subject to the general market risk that is inherent in all securities listed on a stock exchange. The price at which Shares are quoted on the ASX may increase or decrease due to a number of factors not explained by the operations and activities of GrowthOps. These include:

- fluctuations in the domestic and international market for listed stocks;
- the number of potential buyers or sellers of Shares on the ASX at any given time;
- general economic conditions, including interest rates, inflation rates, exchange rates, changes to government fiscal, monetary or regulatory policies, legislation or regulation;
- recommendations of brokers and analysts;
- fluctuations in the industry sectors in which GrowthOps operates; and
- general operational and business risks.

These factors may cause the Shares to trade below the Final Price. There is no assurance that the price of the Shares will increase following the quotation on the ASX, even if GrowthOps' earnings increase.

Deterioration of general economic conditions may also affect GrowthOps' business operations and the consequent returns from an investment in the Shares.

#### 5.3.2 SHARE TRADING LIQUIDITY

There is currently no public market through which the Shares may be sold. On completion of the Offer, there can be no guarantee that an active market in the Shares will develop or that the price of the Shares will increase. There may be relatively few potential buyers or sellers of the Shares on the ASX at any time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is less than the price that Shareholders paid and may prevent investors from acquiring more Shares or disposing of Shares they acquire under the Offer.

Following Completion of the Offer, the Escrowed Shareholders will hold 34.4% of the Shares on issue, which may impact on liquidity. A summary of the escrow arrangements is set out in Section 7.6. The absence of any sale of Shares by the Escrowed Shareholders during the Escrow Period may cause, or at least contribute to, limited liquidity in the market for the Shares. This could affect the prevailing market price at which Shareholders are able to sell their Shares.

Following release from escrow, Shares held by the Escrowed Shareholders will be able to be freely traded on the ASX. A significant sale of Shares by the Escrowed Shareholders after the Escrow Period, or the perception that such a sale has occurred or might occur, could adversely affect the price of Shares.

### 5.3.3 SHAREHOLDER DILUTION

As described in Section 9.1.1, as part of the consideration for the acquisition of the GrowthOps Businesses under the Acquisitions, GrowthOps will issue CRPS to the Vendors. Shareholders will be diluted and may experience a loss in value of their equity upon the CRPS converting into Shares.

In the future, GrowthOps may issue Shares, preference shares, or other securities, including preference shares which are, or at the option of GrowthOps are, liable to be redeemed or convertible to Shares. The rights attaching to those Shares, preference shares, or other securities are those set out in the Constitution unless other rights have been approved by special resolution of GrowthOps. If GrowthOps funds new acquisitions by issuing Shares, preference shares or other securities as consideration for the acquisition, or if GrowthOps engages in fundraising for any other reason (including the repayment of debt), Shareholders may be diluted as a result of such fundraising, or issues of Shares, preference shares or other securities.

While GrowthOps will be subject to the constraints of the ASX Listing Rules regarding the issue of Shares, preference shares or other securities, Shareholders may be diluted as a result of such fundraising, issues of Shares, preference shares, or other securities.

### 5.3.4 ACCOUNTING STANDARDS

Australian Accounting Standards are issued by the Australian Accounting Standards Board (**AASB**) and are outside the control of GrowthOps and its Directors. The AASB regularly introduces new or refined Australian Accounting Standards which may affect future measurement and recognition of key income statement and balance sheet items, including revenue and receivables and lease obligations.

There is also a risk that the interpretation of those standards, including those relating to measurements and recognition of key income statement and balance sheet items may differ. Changes to those standards issued by AASB or changes to commonly held views on the application of those standards may have a material adverse effect on the reported financial performance or financial position of GrowthOps.

### 5.3.5 FORCE MAJEURE RISK

Events may occur within or outside the markets in which GrowthOps operates that could impact upon the global and Australian economies, the operations of GrowthOps and the price of the Shares. These events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, pandemics, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease, and other man-made or natural events or occurrences that can have an adverse effect on the demand for GrowthOps' products and services and its ability to conduct business. Given GrowthOps only has a limited ability to insure against some of these risks, its business, financial performance and operations may be materially adversely affected if any, or a combination of, the events described above occur.

### 5.3.6 CHANGES TO TAX RATES OR TAX LAW

Changes in tax law (including transfer pricing, GST, stamp duties and employment taxes) or changes in the way taxation laws are interpreted may impact the tax liabilities of GrowthOps, Shareholder returns, the level of dividend imputation or franking, or the tax treatment of a Shareholder's investment. In particular, both the level and basis of taxation may change. The tax information provided in this Prospectus is based on current taxation law as at the Prospectus Date. Tax law is frequently being changed, both prospectively and retrospectively. Furthermore, the status of some key tax reforms remains unclear at this stage. Any such change may have an adverse impact on the operations, performance and position of GrowthOps.

In addition, tax authorities may review the tax treatment of transactions entered into by GrowthOps. Any actual or alleged failure to comply with, or any change in the application or interpretation of tax rules applied in respect of such transactions, may increase GrowthOps' tax liabilities or expose it to legal, regulatory or other actions.

An investment in the Shares involves tax considerations which may differ for each Shareholder. Each prospective Shareholder is encouraged to seek professional tax advice in connection with any investment in GrowthOps.

# KEY PEOPLE, INTERESTS AND BENEFITS







## 6 KEY PEOPLE, INTERESTS AND BENEFITS

### 6.1 BOARD OF DIRECTORS

The Directors bring strong corporate governance credentials and strong entrepreneurship and relevant industry experiences to the GrowthOps Board. The Board's functional skills include corporate governance, technology, accounting, finance and marketing, combined with deep experience and relationships in technology companies, government, large technology service providers, and businesses globally, in particular Asia Pacific.

Director and Position	Experience
<b>Dominique Fisher</b> Independent Non-Executive Chairman Chair of the Chair of the Nomination and Remuneration Committee	<p>Dominique Fisher is the Non-Executive Chair of the Board of Directors of GrowthOps.</p> <p>She is also currently a Non-Executive Director of Australia Post, Chair of the Victorian Government Innovation Expert Panel, and co-founder, Executive Chair and Chief Executive Officer of Paddl Co, an online platform connecting industry-leading companies with the next generation of talent through value-added professional experiences.</p> <p>Dominique was previously Chair of Circadian Technologies Limited (now Opthea Limited ASX: OPT), a Non-Executive Director of LaunchVic, a Non-Executive Director of Pacific Brands Limited, and a Non-Executive Director of Insurance Australia Group.</p> <p>Dominique holds a Bachelor of Arts (Hons) from the University of Sydney.</p>
<b>Phillip Kingston</b> Founder and Managing Director	<p>Phillip Kingston is the Founder, Managing Director of GrowthOps.</p> <p>Phillip founded KDIS in 2008, one of the eight businesses that will form the GrowthOps Group.</p> <p>He is also the founder and Managing Director of the diversified investment firm Trimantium Capital and co-founder and Managing Director of global pension operator, Sargon Capital.</p> <p>Phillip founded the Henley Club, and was a Director of the New Palm Court Orchestra, the Centre for Sustainability Leadership and LaunchVic, the Victorian Government's organisation charged with building the state's entrepreneurial and startup ecosystem.</p> <p>Phillip holds both a Bachelor of Science in Mathematics &amp; Statistics and a Bachelor of Commerce from the University of Melbourne, and is a Member of the Australian Institute of Company Directors.</p>

Director and Position	Experience
<p><b>Paul Mansfield</b> Executive Director and Managing Partner</p> 	<p>Paul Mansfield is an Executive Director and Managing Partner of GrowthOps. He is also co-founder and Board member at Skedulo, a scheduling SaaS product business.</p> <p>Paul was a strategic adviser to 3wks and Khemistry, two of the GrowthOps businesses that will form the GrowthOps Group.</p> <p>Paul has founded and exited multiple tech companies, including Weblinc (which sold to Cloud Sherpas in 2012) and as a foundation shareholder in Cloud Sherpas (which sold to Accenture in 2015) where he served as Asia Pacific Managing Director from 2012 to 2015. He was part of the executive team that listed QM Technologies on the ASX in late 2005 (which sold to Computershare in 2008).</p> <p>Paul holds a Bachelor of Commerce from the University of Wollongong.</p>
<p><b>Melissa Field</b> Non-Executive Director Chair of the Audit and Risk Committee</p> 	<p>Melissa Field is a Non-Executive Director of GrowthOps and Chair of the Audit and Risk Committee.</p> <p>She is also a Director and Chair of the Finance and Risk Management Committee of Mind Australia Ltd, and an independent member of the Surf Coast Shire Audit and Risk Committee.</p> <p>Melissa was an Executive Director with EY's Strategic Growth Markets practice where she assisted early-stage, high-growth businesses and mid-cap public companies in becoming next-generation market leaders. She has also served as a Director of Trimantium Capital and as a Director and Chair of the Centre for Sustainability Leadership.</p> <p>Melissa holds a Bachelor of Commerce from Melbourne University, an MBA from Melbourne Business School, and is a member of the Institute of Chartered Accountants in Australia and New Zealand and the Australian Institute of Company Directors.</p>

Each Director has confirmed to the Company that he or she anticipates being available to perform their duties as a non-executive or executive Director, as the case may be, without constraint from other commitments.

## 6.2 MANAGEMENT

Name and position	Background
<b>Phillip Kingston</b> Managing Director	See Section 6.1.
<b>Paul Mansfield</b> Managing Partner	See Section 6.1.

**Dustine Pang**  
Chief Financial Officer and  
Company Secretary








Dustine Pang is Chief Financial Officer and Company Secretary of GrowthOps.

He was previously the Deputy Chief Executive Officer and Chief Financial Officer at eChoice Limited (formerly ASX: ECO), a FinTech business providing home loan advice to over 50,000 Australians. Working across the UK, Asia and Australia, he has held CFO and senior finance roles at AIMS Financial Group, Merrill Lynch HSBC, BNP Paribas Equities Group, and Jardine Fleming Ord Minnett (now J.P. Morgan). Dustine helped start Onceonline, and was one of the founding shareholders of DirectMoney.

Dustine is a Fellow of the Institute of Chartered Accountants in England and Wales, and a member of the Institute of Chartered Accountants in Australia and New Zealand.

## 6.3 PARTNERS

The Partners were significant equity owners of the Businesses they founded prior to joining GrowthOps. These 15 entrepreneurs have a shared vision and view GrowthOps as an expansion platform to pursue more significant and interesting opportunities, and are significant shareholders of GrowthOps (through CRPS as described in Section 9.1.1).

Partner	Highlights
<b>Andy Fyffe</b> 	<ul style="list-style-type: none"><li>• Co-Founder and Director of Khemistry with over 20 years in communications and policy roles across Khemistry and Queensland Government. Strong expertise in customer experience design, marketing technology and augmented reality &amp; virtual reality</li><li>• Former Ministerial Liaison, Queensland Government, Dept. of State Development &amp; Innovation for 5 years</li></ul>
<b>Ashton Ward</b> 	<ul style="list-style-type: none"><li>• Co-Founder and Director of Khemistry, focusing on the intersection of creative and technology, with a background in computer science</li><li>• Producer and Director of Sally &amp; Possum, Australia's first-ever television and digital experience program, delivered entirely in Australian Sign Language</li></ul>
<b>Armin Kroll</b> 	<ul style="list-style-type: none"><li>• Co-Founder and CEO of jtribe</li><li>• Co-created OpenHub, Melbourne's first co-working space</li><li>• Over 20 years' experience in technology consulting and integration and solutions architecture including for NAB, IBM, HP, Sensis, Deloitte and PwC</li></ul>
<b>Andrew Foote</b> 	<ul style="list-style-type: none"><li>• Co-Founder, Partner and Executive Creative Director at AJF Partnership (12 years)</li><li>• Over 24 years of total industry experience with early background in copywriting and communications</li><li>• Advisory Board Member, Jodi Lee Foundation</li></ul>
<b>Andrew Fabbro</b> 	<ul style="list-style-type: none"><li>• Co-Founder, Partner and Business Director at AJF Partnership with over 24 years of finance and commercial roles including Finance Director and General Manager at Clemenger Adelaide, and Finance Director of Clemenger Harvie Edge</li><li>• Member of The Institute of Chartered Accountants</li></ul>

Partner	Highlights
<b>Adam Francis</b> 	<ul style="list-style-type: none"> <li>• Co-Founder, Partner and Executive Creative Director at AJF Partnership with over 24 years of industry experience and a background in Art Direction</li> </ul>
<b>Joshua Stephens</b> 	<ul style="list-style-type: none"> <li>• Partner and Executive Creative Director at AJF Partnership</li> <li>• Formerly the Creative Group Head at George Patterson Y&amp;R</li> </ul>
<b>Andrew Walker</b> 	<ul style="list-style-type: none"> <li>• Founder of 3wks and a champion of 3wks' unique 'beyond agile' solution design and delivery methodology</li> <li>• Over 20 years in technology as Chief Investment Officer, Director or agile delivery leader (including IAG, Credit Suisse, Sony, Walmart, Dixons Retail, Reuters, and British Telecom) in London and Australia</li> </ul>
<b>Barry Parkinson</b> 	<ul style="list-style-type: none"> <li>• Co-Founder and Director of IECL</li> <li>• Focused on the notion of 'connected leadership' and how technological advances have changed leaders and leadership</li> </ul>
<b>Julie Parkinson</b> 	<ul style="list-style-type: none"> <li>• Co-Founder and Director of IECL focused on developing a centre of excellence for executive coaching for the Asia Pacific region</li> </ul>

## Partner

## Highlights

### Chip McFarlane



- Co-Founder of IECL
- One of Australia's first and most experienced executive coaches and a master facilitator

### Tony Mathers



- CEO of IECL with strong experience as mentor and coach to senior executives at CEO, CFO, Senior Divisional and functional executives

### Jason Morrisey



- Founder and Managing Director of Digital Moshi, which re-branded and began trading as Trimantium GrowthOps in August 2017
- Over 26 years in technology leadership and consulting roles in financial services companies across Australia and Asia including Prudential, Ping An Insurance, Colonial First State and Barclays

### John Yanny



- Founder and CEO of Voodoo Creative with over 20 years of experience in the intersection of creative, design and technology
- Founded Voodoo Creative in Canberra in 2005 after graduating from university and has since expanded to Melbourne
- Official judge in the 2017 AIMIA AMY Awards: Rewarding Digital Brilliance

### Phillip Kingston

- See Section 6.

## 6.4 INTERESTS AND BENEFITS

This Section 6.4 sets out the nature and extent of the interests and fees of certain persons involved in the Offer. Other than as set out below or elsewhere in this Prospectus, no:

- Director or proposed Director of GrowthOps;
- person named in this Prospectus and who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of GrowthOps; or
- financial services licensee named in this Prospectus as a financial services licensee involved in the Offer,

holds at the time of the lodgement of this Prospectus with ASIC, or has held in the two years before the lodgement of this Prospectus with ASIC, an interest in:

- the formation or promotion of GrowthOps;
- property acquired or proposed to be acquired by GrowthOps in connection with its formation or promotion, or in connection with the Offer; or
- the Offer, and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any such persons for services provided by that person in connection with the formation or promotion of GrowthOps or the Offer or to any Director or proposed Director to induce them to become, or qualify as, a Director.

Under the terms of the KDIS SPA (as described in Section 9.1.1) upon Completion of the Offer, Trimantium Capital, which is the Vendor of KDIS will receive total consideration of \$618,000 of which 50% will be paid in cash and 50% will be issued in CRPS.

An entity associated with Phillip Kingston has provided a loan of \$500,000 to Brydan Hamor Ltd, the Vendor of Digital Moshi, which may be repaid from part of the proceeds from the Offer received by Brydan Hamor Ltd in connection with GrowthOps' acquisition of Digital Moshi.

Non-Executive Chairman, Dominique Fisher, is the co-founder and Managing Director of CareerLounge Pty Ltd (ACN 131 952 004) and the co-founder and Chief Executive Officer of its web application and brand name, Paddl (**Paddl**). Prior to the date of this Prospectus, Paddl was retained by a client to provide advisory services, which also involved sub-contracting services provided by KDIS. KDIS is likely to earn fees of \$30,000 for its advisory services to the project to date, and potentially more in the future. The Board does not consider that the provision of such advisory services by Paddl in conjunction with sub-contracted services provided by KDIS, are either material or that they affect the Chairman's independence having regard to the ASX Corporate Governance Principles and Recommendations.

### 6.4.1 DIRECTORS' INTERESTS AND REMUNERATION

#### 6.4.1.1 MANAGING DIRECTOR

The Company has entered into an employment contract with Phillip Kingston, the Company's Managing Director, to govern his employment with GrowthOps. Further details of the terms of his employment are set out in Section 6.4.2.1.

#### 6.4.1.2 MANAGING PARTNER

The Company has entered into an employment contract with Paul Mansfield, the Company's Managing Partner, to govern his employment with GrowthOps. Further details of the terms of his employment are set out in Section 6.4.2.2.

#### 6.4.1.3 DIRECTOR REMUNERATION

Under the Constitution, the Directors decide the total amount paid to all Directors as remuneration for their services as a Director. However, under the ASX Listing Rules, the total amount paid to all Directors for their services (excluding, for these purposes, the salary of any executive director) must not exceed in aggregate in any financial year the amount fixed by GrowthOps in a general meeting. This amount, being the fee pool limit, has been fixed at \$200,000 per financial year.

Annual directors' fees currently agreed to be paid by the Company are:

- \$40,000 to the Chairman, Dominique Fisher; and
- \$30,000 to Non-Executive Director, Melissa Field.

These fees will be reviewed on an annual basis and any increases must be within the overall fee pool limit, unless this limit is increased with shareholder approval.

#### 6.4.1.4 OTHER INFORMATION

Directors may also be reimbursed for all reasonable travelling, accommodation and other expenses properly incurred by them in attending Board meetings or any Committee meetings, in attending any general meetings of the Company and in connection with the Company's business.

Directors may be paid such additional or special remuneration if they, with the approval of the Board, perform any extra services or make special exertions for the benefit of the Company.

GrowthOps has been formed by bringing together and integrating new and existing businesses, by way of acquisition, strategic partnership or other forms of commercial arrangement. Some of these businesses were previously owned by, and some remain connected with, GrowthOps' founding shareholders (including certain of the Directors and management). In addition, GrowthOps founding shareholders and Directors may from time to time through their extensive industry contacts, be referred opportunities for new acquisitions, business partnerships as well as routine day to day client referrals to the GrowthOps Businesses. It is inherent in GrowthOps' business model that such opportunities will arise frequently and that the founding shareholders (including certain of the Directors and management) may from time to time have direct or indirect interests in those transactions. The Board therefore intends to adopt policies that will guide and assist the Board and management in appropriately dealing with any legal, governance and compliance issues with respect to these potential transactions. The Board intends to adopt a conflicts of interest policy to manage direct and indirect interests of Board members in transactions with GrowthOps, and where appropriate, review and require approval by independent board committees of relevant transactions to ensure that these matters are dealt with in accordance with appropriate standards of corporate governance. The composition of skills and experience of the Board, including in relation to corporate governance, will allow it to discharge these responsibilities for the benefit of all Shareholders. In addition, to the extent required by law, all relevant material related party transactions will be disclosed as part of GrowthOps continuous and periodic disclosure obligations.

Aside from fees specified as part of their director appointment letters, Dominique Fisher and Melissa Field are receiving a one-off consulting fee of \$50,000 each in relation to work performed for the Company which preceded their director's appointment.

#### 6.4.1.5 DEEDS OF ACCESS, INDEMNITY AND INSURANCE

Pursuant to the Constitution, the Company has entered into deeds of access, insurance and indemnity with each Director which contain rights of access to Board papers and certain books and records of GrowthOps during their term of appointment as a Director and for a period of seven years after the Director ceases to hold office. This seven-year period may be extended where certain proceedings or investigations commence before the seven-year period expires.

Under the deeds of access, indemnity and insurance, GrowthOps indemnifies each Director, to the maximum extent permitted by law, against any liability incurred by that person that may arise from their position as a Director of GrowthOps. The deeds of access, indemnity and insurance stipulate that GrowthOps will indemnify each Director for any such liabilities, including reasonable legal costs and expenses, except where a director's act is fraudulent, criminal, dishonest or a wilful default.

Pursuant to the Constitution, to the maximum extent permitted by law the Company may arrange and pay for directors' and officers' insurance for current and former Directors and other officers of any member of the Group. Under the deeds of access, indemnity and insurance, GrowthOps must use reasonable endeavours to arrange and maintain such insurance during each Director's period of office and for a period of seven years after a Director ceases to hold office. This seven-year period can be extended where certain proceedings or investigations commence before the seven-year period expires.

#### 6.4.1.6 DIRECTORS' SHAREHOLDINGS

Directors are not required under the Constitution to hold any shares in GrowthOps. The table below sets out the number of Shares and other securities which the Directors and their affiliates have an interest in as at the Prospectus Date and upon Completion of the Offer based on the midpoint of the Indicative Offer Price Range.



Director	Shares held at Prospectus Date	Interests in Shares on Completion of the Offer	Percentage Shareholding on Completion of the Offer
Dominique Fisher	263,002	676,734 <sup>1</sup>	0.7%
Phillip Kingston	7,695,427	19,801,245 <sup>2</sup>	20.1%
Paul Mansfield	657,504	1,691,836 <sup>1</sup>	1.7%
Melissa Field	131,501	338,367 <sup>1</sup>	0.3%

<sup>1</sup> Shares held by GrowthOps Holdings as trustee for TGO Trust 1 are held on behalf of Dominique Fisher, Paul Mansfield and Melissa Field. The Shares are subject to certain vesting conditions and do not vest until the date that is 3 years after Completion. Until the Shares have vested, no Director has a present interest in the Shares. Any residual Shares will vest in Trimantium Capital if vesting conditions are not satisfied by the vesting date.

<sup>2</sup> Shares held by Trimantium Capital and TGO Holdings as trustee for TC Special Operations Trust 7 on are held on behalf of the shareholders of Trimantium Capital (as of the date of this Prospectus), including Phillip Kingston. Shares are subject to voluntary escrow as per Section 7.6.

#### 6.4.2 EXECUTIVE REMUNERATION

##### 6.4.2.1 MANAGING DIRECTOR

The Managing Director, Phillip Kingston, is employed by GrowthOps under an employment agreement. Phillip Kingston will receive fixed annual remuneration of \$15,000 plus superannuation.

Phillip Kingston is also a significant shareholder of GrowthOps<sup>12</sup> and holds executive roles in Trimantium Capital, a diversified investment firm, and Sargon Capital a global pension fund operator.

An entity associated with Phillip Kingston also holds a relevant interest in approximately 3.79% of the voting shares of Sequoia Financial Group Limited, the ultimate holding company of the Lead Manager and Financial Adviser.

##### 6.4.2.2 MANAGING PARTNER

The Managing Partner, Paul Mansfield, is employed by GrowthOps under an employment agreement. Paul Mansfield will receive fixed annual remuneration of \$15,000 plus superannuation.

Paul Mansfield is a shareholder of GrowthOps<sup>13</sup> and is remunerated in his role as an Executive Director as specified in Section 6.4.1.3.

##### 6.4.2.3 OTHER SENIOR MANAGEMENT EMPLOYMENT ARRANGEMENTS

The other members of GrowthOps' management, including the Partners, are employed under individual employment agreements (**Executive Service Agreements**). These Executive Service Agreements provide for a total compensation including a base salary, superannuation contributions and incentive arrangements; variable notice provisions (either 6 months' notice or 12 months' notice for senior executives) and termination provisions; and a restraint of trade period of 12 months.

On the successful completion of the Offer, the Chief Financial Officer and Company Secretary, Dustine Pang, will receive an \$85,000 cash bonus and will be issued Shares with an aggregate value of \$100,000 based on the Final Price. Mr Pang has accepted a voluntary escrow on the Shares he will hold on Completion. See Section 7.6 for further details.

##### 6.4.2.4 NON-CASH EMPLOYEE INCENTIVE ARRANGEMENTS

<sup>12</sup> Phillip Kingston is a shareholder of Trimantium Capital and a beneficiary of the TC Special Operations Trust 7, the beneficial owner of Shares held by TGO Holdings. These Shares are subject to voluntary escrow as per Section 7.6.

<sup>13</sup> Paul Mansfield is a beneficiary of the TGO Trust 1, the beneficial owner of Shares held by GrowthOps Holdings. The Shares are subject to certain vesting conditions and do not vest until the date that is 3 years after Completion. Until the Shares have vested, no Director (including Paul Mansfield) has a present interest in the Shares. Any residual Shares will vest in Trimantium Capital if vesting conditions are not satisfied by the vesting date. See Section 7.1.4 for details.

Following integration of the GrowthOps Businesses and no earlier than twelve months after Completion, management and the Board intend to create an Employee Stock Option Plan (ESOP) in order to provide employees with the opportunity to share in the future growth of the Company and better align their financial interests with those of other shareholders.

#### 6.4.2.5 INTERESTS OF ADVISERS

GrowthOps has engaged the following professional advisers:

- D2MX Pty Ltd has acted as Lead Manager to the Offer. The Company has agreed to pay the Lead Manager the fees described in Section 9.1.3. The Company has paid, or agreed to pay, approximately \$1,900,000 in total (excluding out of pocket costs and GST) for the above services up until the Prospectus Date
- King & Wood Mallesons (KWM) has acted as Australian legal adviser (other than in respect of taxation matters) to GrowthOps in relation to the Offer. The Company has paid, or agreed to pay, approximately \$628,000 (excluding disbursements and GST) for services in relation to the Offer and approximately \$813,000 (excluding disbursements and GST) for services in relation to the Acquisitions and related matters, in each case up until the Prospectus Date. Further amounts may be paid to KWM for other work in accordance with its normal time-based charges.
- Deloitte Corporate Finance Pty Limited has acted as Investigating Accountant and has prepared the Investigating Accountant's Report and has performed work in relation to due diligence enquiries. The Company has paid, or agreed to pay, approximately \$425,000 in total (excluding disbursements and GST) for the above services up until the Prospectus Date.
- Deloitte Touche Tohmatsu has acted as tax adviser and has performed work in relation to due diligence enquiries. The Company has paid, or agreed to pay, approximately \$178,400 in total (excluding disbursements and GST) for the above services up until the Prospectus Date.

The total costs of the Offer are approximately \$5.2 million and will be paid by GrowthOps out of funds raised under the Offer, debt or available cash. This figure does not include any discretionary incentive fee which may be paid to the Lead Manager (described in Section 9.1.3).

Further information on the use of proceeds and payment of expenses of the Offer is set out in Section 7.1.3.

#### 6.4.2.6 AFFILIATION WITH GROWTHOPS BUSINESSES

Phillip Kingston, the Company's Managing Director is a majority shareholder of Trimantium Capital, a Vendor of KDIS. As per Section 6.4, Trimantium Capital will receive as part of the transaction cash and CRPS consideration. Trimantium Capital and its affiliates hold controlling influences or substantial investments in companies that are clients of GrowthOps businesses.

Paul Mansfield, the Company's Managing Partner holds a minority interest in 3wks, through a related entity. Paul Mansfield will receive cash and CRPS consideration of \$102,000 and 94,154 CRPS, respectively, (based on the midpoint of the Indicative Offer Price Range) as part of the transaction set out in the 3wks SPA.

In connection with GrowthOps' acquisition of Khemistry, Paul Mansfield has received advisory fees of \$15,000 from the Vendors of Khemistry, and will receive an additional \$400,000 of advisory fees on Completion.

## 6.5 CORPORATE GOVERNANCE

The Board is responsible for the overall corporate governance of GrowthOps. The Board monitors the operational and financial position and performance of GrowthOps and oversees its business strategy, including approving the strategic goals of GrowthOps and considering and approving the Company's strategic plan.

GrowthOps is seeking a listing on the ASX. The ASX Corporate Governance Council has published the ASX Recommendations for Australian listed entities in order to promote investor confidence and to assist companies in meeting stakeholder expectations. The ASX Recommendations are not prescriptive, but guidelines. However, under the ASX Listing Rules, GrowthOps will be required to provide a corporate governance statement in its annual report disclosing the extent to which it has followed the ASX Recommendations in the reporting period. Where GrowthOps does not follow an ASX Principle, it must identify the relevant recommendation or principle that has not been followed and give reasons for not following it.

Copies of GrowthOps' key policies and practices, and the charters for the Board and each of its committees will be available from Listing at [www.growthops.com.au](http://www.growthops.com.au).

### 6.5.1 THE BOARD

The Board is comprised of the Managing Director, Executive Director and Managing Partner, Independent Non-Executive Chairman and one additional independent non-executive director.

The Board comprises:

- Dominique Fisher – Independent, Non-Executive Chairman
- Melissa Field – Independent, Non-Executive Director
- Phillip Kingston – Managing Director
- Paul Mansfield – Executive Director and Managing Partner

Detailed biographies of the Board members are provided in Section 6.1.

### 6.5.2 INDEPENDENCE

Under the Board Charter, the Board has adopted a definition of “independence” that is based on that set out in the ASX Recommendations. The Board considers a Director to be independent if he or she is free of any interest, position, association or relationship that might influence, or could reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the Board, and to act in the best interests of GrowthOps and its Shareholders. The Board will assess the independence of each non-executive Director in light of the interests disclosed by them at least annually or around the time the Board considers candidates for election to the Board.

Without limiting the above, a Director will be considered to be independent if the Director is not a member of management (a non-executive director) unless the Director:

- is, or has been, employed in an executive capacity by the Company or any Group member and there has not been a period of at least three years between ceasing that employment and serving on the Board;
- is, or has within the last three years been, a partner, director or senior employee of a provider of material professional services to the Company or any Group member;
- is, or has been within the last three years, in a material business relationship (e.g. as a supplier or customer) with the Company or any Group member, or an officer of, or otherwise associated with, someone with such a relationship;
- is a substantial security holder of the Company or an officer of, or otherwise associated with, a substantial security holder of the Company;
- has a material contractual relationship with the Company or another Group member other than as a Director;
- has close family ties with any person who falls within any of the categories described above; or
- has been a Director of the Company for such a period that his or her independence may have been compromised, unless the Board is satisfied on reasonable grounds that the director is independent despite the existence of one or more of these circumstances.

The Board has determined that Dominique Fisher and Melissa Field are independent Directors, free of any business or other relationship that could materially interfere with, or could reasonably be perceived to interfere with, the exercise of their unfettered and independent judgement.

As Managing Director of the Company, Phillip Kingston is not an Independent Director.

As an Executive Director and Managing Partner of the Company, Paul Mansfield is not an Independent Director.

Accordingly, the Board does not currently satisfy the recommendation that a majority of the Board should be Independent Directors. GrowthOps will endeavour to appoint an additional Independent Director in the 12 months from Listing to satisfy this recommendation. The Board has considered GrowthOps' immediate requirements as it transitions to an ASX-listed company and is satisfied that the composition of the Board reflects an appropriate range of independence, skills and experience for the Company after Listing.

### 6.5.3 BOARD CHARTER

The Board has adopted a Board Charter which outlines the manner in which its roles and responsibilities will be exercised and discharged, having regard to principles of good corporate governance and applicable laws.

This Board Charter has been prepared and adopted on the basis that strong corporate governance can add to the performance of the Company, create shareholder value and engender the confidence of the investment market. To accomplish this, the Board Charter reflects that the Board is responsible for (among other things):

- providing leadership and setting the strategic objectives of the Company;
- appointing the chairman of the Board and any deputy chairman;
- appointing, and if necessary replacing, the Managing Director;
- approving the appointment, and if necessary the replacement, of other senior executives;
- approving the appointment, and if necessary the replacement, of the Company Secretary;
- overseeing management's implementation of the Company's strategic objectives and its performance generally;
- overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit;
- overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- reviewing the Company's risk management framework and setting the risk appetite within which the Board expects management to operate;
- approving the Company's remuneration framework;
- managing and reviewing the Company's compliance with its disclosure obligations and the Disclosure and Communication Policy, and considering whether any revisions to the Disclosure and Communication Policy are required;
- reviewing the Company's compliance with the Trading Policy and considering whether any revisions to the Trading Policy are required; and
- monitoring the effectiveness of the Company's governance practices.

The Board Charter also (among other things):

- provides that the Board will consist of a majority of independent, non-executive directors (to the extent this is practical given the size and composition of the Board from time to time);
- provides that the Chairman is appointed by the Board, must not also be the Managing Director of the Company and must be a Non-Executive Director, and must also be independent;
- envisages that the Board should be composed of directors with an appropriate mix of knowledge, experience, skills and diversity; and
- allows the Board to delegate powers and responsibilities to management and to committees established by the Board.

The Board has delegated to the Managing Director the authority to manage the day-to-day affairs of the Company and the authority to control the affairs of the Company in relation to all matters other than those responsibilities reserved to the Board and its committees in the Board Charter or under specific limitation or guidance from the Board. The Board may impose further specific limits on Managing Director delegations.

#### 6.5.4 BOARD COMMITTEES

The Board may from time to time establish appropriate committees to assist in the discharge of its responsibilities. The Board has established the Audit and Risk Committee and the Nomination and Remuneration Committee.

Other committees may be established by the Board as and when required.

#### 6.5.5 AUDIT AND RISK COMMITTEE

The role of the Audit and Risk Committee is to assist the Board in carrying out its accounting, auditing, financial reporting responsibilities and risk management, including the oversight of:

- reviewing management's processes for compliance with laws, regulations and other requirements relating to the preparation of accounts and corporate reporting by the Company of financial and non-financial information;
- making recommendations in relation to the adequacy of the Company's corporate reporting processes;

- overseeing the process that is implemented to capture issues for continuous reporting to ASX;
- asking the external auditor for an independent judgment about the appropriateness of the accounting principles, and the clarity of financial disclosure practices, used by the Company;
- assessing information from external auditors which is significant for financial reports;
- reviewing and assessing the appropriateness of material estimates, accounting judgments and significant choices exercised by management in preparing the Company's financial statements (including the solvency and going concern assumptions) by examining the processes used and seeking verification from external auditors;
- assessing that the Company's financial statements reflect the committee's understanding of, and provide a true and fair view of, the Company's financial position and performance;
- overseeing the preparation of financial reports and reviewing the results of external audits of these reports;
- overseeing that appropriate risk management and internal control processes are in place to form the basis upon which the Managing Director and Chief Financial Officer make their declarations to the Board under section 295A of the Corporations Act and Principle 4 of the ASX Recommendations;
- reviewing the completeness and accuracy of the Company's Corporate Governance Statement as required by the ASX Listing Rules;
- reviewing material documents and reports prepared for lodgement with regulators, assessing their impact on the Company and making recommendations to the Board on their approval or amendment;
- recommending to the Board whether the financial statements, financial report, Directors' Report and Annual Report should be approved based on the Committee's assessment of them;
- overseeing the Company's risk management and internal control processes; and
- reviewing the scope, independence, adequacy and performance of external audits.

Under its charter:

- the Audit and Risk Committee must have at least three members, a majority of whom must be independent (to the extent this is practical given the size and composition of the Board from time to time) and all of whom must be non-executive Directors;
- the Chair of the Audit and Risk Committee must be an independent Director who is not the Chairman of the Board; and
- members of the Audit and Risk Committee should between them have the accounting and financial expertise and a sufficient understanding of the industry and the circumstances in which the Company operates to be able to discharge the Committee's duties effectively.

The current members of the Audit and Risk Committee are Melissa Field (Chair) and Dominique Fisher. Accordingly, the Audit and Risk Committee does not currently satisfy the recommendation that the committee have at least three members, all of whom are non-executive directors. GrowthOps intends to appoint an additional non-executive director in the 12 months from Listing who will also be appointed to the Audit and Risk Committee on their appointment to satisfy this recommendation. GrowthOps does not currently have an internal audit function in place. The Audit and Risk Committee charter puts in place processes to monitor the Company's financial controls, policies and procedures and risk management procedures and the Board currently considers these processes appropriate for the size and level of operations of the Company.

The Audit and Risk Committee will meet as often as is required to fulfil its role, but not less than twice a year. The Managing Director and the Chief Financial Officer are expected to attend each scheduled meeting of the Committee and a standing invitation will be issued to the external auditors. The Chair of the Audit and Risk Committee may invite any Directors, senior management and external advisors to attend meetings of the Committee. The Chair of the Audit and Risk Committee (or their delegate) will report to the Board after each Committee meeting.

#### 6.5.6 NOMINATION AND REMUNERATION COMMITTEE

The role of the Nomination and Remuneration Committee is to assist and advise the Board on:

- Board succession planning generally;
- induction and continuing professional development programs for directors;
- the development and implementation of a process for evaluating the performance of the Board, its committees and directors;

- the process for recruiting new directors, including evaluating the balance of skills, knowledge, experience, independence and diversity on the Board and, in the light of this evaluation, preparing a description of the role and capabilities required for a particular appointment;
- the appointment and re-election of directors; and
- succession planning for the Managing Director and other senior executives of the Company,

with the objective of having a Board of a size and composition conducive to making appropriate decisions, with the benefit of a variety of perspectives and skills and in the best interests of the Company as a whole.

Under its charter:

- the Nomination and Remuneration Committee should have at least three members, a majority of whom must be independent (to the extent this is practical given the size and composition of the Board from time to time); and
- the Chair of the Nomination and Remuneration Committee must be an independent non-executive Director.

The current members of the Nomination and Remuneration Committee are Dominique Fisher (Chair), Melissa Field and Phillip Kingston.

The Nomination and Remuneration Committee will meet as often as is required to perform its functions, and it is expected that the Committee will meet at least annually. The committee may invite the Managing Director, Chief Financial Officer and other senior executives, Directors and external advisors to attend meetings of the Committee. The Chair of the Nomination and Remuneration Committee (or their delegate) will report to the Board after each Committee meeting.

#### 6.5.7 CODE OF CONDUCT

The Board recognises the need to observe the highest standards of corporate practice and business conduct. Accordingly, the Board has adopted a formal code of conduct to be followed by all directors, officers, employees, consultants, contractors and other persons who act on behalf of GrowthOps.

The key aspects of this code are to oblige all directors, officers, employees, consultants, contractors and other persons who act on behalf of GrowthOps to:

- comply with the code, GrowthOps' policies and procedures and the law no matter where they are in the world;
- handle all business dealings with integrity and fairness;
- not use GrowthOps' resources, assets, relationships or information for any unlawful purpose or for personal gain;
- protect GrowthOps' private information at all times;
- respect the rights of all employees to fair treatment and equal opportunity and provide a workplace free from harassment, bullying or vilification;
- use good judgement and act in a professional and ethical manner at all times; and
- take responsibility for their actions and ask for guidance where needed.

The code of conduct sets out GrowthOps' policies on various matters including conflicts of interest, ethical conduct, business conduct, confidentiality and privacy, compliance, and insider trading.

#### 6.5.8 CONTINUOUS DISCLOSURE POLICY

Once listed, GrowthOps will be required to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act. Subject to the exceptions contained in the ASX Listing Rules, once GrowthOps is or becomes aware of any information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Shares, GrowthOps will be required to immediately disclose that information to the ASX. GrowthOps is committed to observing its disclosure obligations under the ASX Listing Rules and the Corporations Act.

GrowthOps has adopted a continuous disclosure policy to take effect from listing which establishes procedures which are aimed at ensuring that Directors and management are aware of and fulfil their obligations in relation to the timely disclosure of material price-sensitive information.

#### 6.5.9 SHAREHOLDER COMMUNICATIONS POLICY

The Board wishes to ensure that Shareholders are provided with sufficient information to assess the performance of GrowthOps and that Shareholders are informed of all major developments affecting the affairs of GrowthOps in accordance with all applicable laws.

Information will be communicated to Shareholders through the lodgement of all relevant financial and other information with the ASX and publishing information on GrowthOps' website, [www.growthops.com.au](http://www.growthops.com.au).

GrowthOps' website will also contain information about it, including media releases, key policies and the charters of its Board committees.

#### 6.5.10 SECURITIES TRADING POLICY

The Company has adopted a written policy for buying, selling or otherwise dealing in Shares. The policy explains the prohibited type of conduct in relation to dealings in Shares under the Corporations Act and establishes the procedures in relation to dealings in Shares by:

- Directors and other GrowthOps officers;
- GrowthOps employees and contractors; and
- any other personnel designated by the Company Secretary,

(collectively, **Company Personnel**) and all closely connected parties of Company Personnel (which includes their spouses, children, other dependents and entities controlled by them any of them or in which any of them have an interest) (together with the Company Personnel, **Relevant Persons**).

Subject to certain exceptions (described below), Relevant Persons are not permitted to deal in Shares during:

- from 1 January to the first trading day after the Company's half yearly results are announced to ASX;
- from 1 July to the first trading day after the Company's annual results are announced to ASX;
- from four weeks before to the first trading day after the Company's annual general meeting; and
- from two weeks before a prospectus, cleansing notice or similar disclosure document is lodged by the Company with ASX.

Relevant Persons must receive clearance from a nominated GrowthOps officer for any proposed dealing in Shares. It is possible for Relevant Persons to trade within blackout periods only where they have prior approval of:

- where the Relevant Person is a Director – the Chairman;
- where the Relevant Person is the Chairman – the Chair of the Audit and Risk Committee; and
- for any other Relevant Person – the Company Secretary,

and has confirmed they are not in possession of any inside information.

In all instances, buying or selling Shares is not permitted at any time by any person who possesses inside information.

#### 6.5.11 DIVERSITY POLICY

Diversity refers to characteristics that make individuals different from each other. Diversity encompasses differences in backgrounds and experiences, and also differences in approach and viewpoints. It includes factors such as gender, age, ethnicity, marital or family status, religious or cultural background, sexual orientation, gender identity, sexual preference, language, disability and other areas of potential difference.

GrowthOps has adopted a diversity policy which sets out the Company's commitment to diversity and inclusiveness in the workplace and provides a framework to help the Company achieve its diversity goals.

The Board is responsible for overseeing the implementation of the diversity policy.

In its annual report, GrowthOps will disclose the measurable objectives for achieving gender diversity and progress towards achieving them.

#### 6.5.12 PRIVACY POLICY

GrowthOps is committed to protecting the safety and security of its registered users of its websites and is sensitive to their concerns about the safety of their personal information provided to GrowthOps. The Privacy Policy details how any personal information collected by GrowthOps is used.

# DETAILS OF THE OFFER





# 7 DETAILS OF THE OFFER

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## 7.1 THE OFFER

This Prospectus relates to an initial public offering of Shares by the Company. The Company is expected to raise approximately \$70 million. Based on the Indicative Offer Price Range, the Company proposes to issue between 60 million and 70 million New Shares. The total number of Shares on issue at the Completion based on the midpoint of the Indicative Offer Price Range will be 98.5 million and all Shares will rank equally with each other. A summary of the rights attaching to Shares is set out in Section 7.11.

### Key Offer assumption

Unless specified, the following key Offer assumptions have been used:

- the Final Price will fall at the midpoint of the Indicative Offer Price Range, being approximately \$1.08 per Share; and
- the Existing Shareholders will hold 34.3% of issued Shares at Completion of the Offer.

The Shares expected to be offered under this Prospectus will represent between 59.0% and 73.8% of the total Shares on issue immediately following Completion of the Offer and 45.3% of the total Shares as if 100% of the CRPS converted to Shares, in line with FY18 forecasts based on the midpoint of the Indicative Offer Price Range.

Successful Applicants under the Offer will pay the Final Price, which will be determined at the conclusion of the bookbuild and may be set at a price below, within or above the Indicative Offer Price Range.

Shares on issue at Completion of the Offer will rank equally with each other. A summary of the rights attaching to the Shares is set out in Section 7.11.

The Offer is made on the terms, and is subject to the conditions, set out in this Prospectus.

### 7.1.1 STRUCTURE OF THE OFFER

The Offer comprises the:

- Broker Firm Offer, consisting of an offer of Shares to Australian resident retail investors who have received a firm allocation of Shares from their Broker – for details of the Broker Firm Offer see Section 7.3.1;
- Institutional Offer, consisting of an offer to Institutional Investors in Australia and a number of other eligible jurisdictions, made under this Prospectus - for details of the Institutional Offer see Section 7.4; and
- Priority Offer, consisting of an offer of Shares to eligible investors who have a registered address in Australia and are nominated by the Company to apply for Shares under this Prospectus up to the value provided on their personalised invitation – for details of the Priority Offer see Section 7.3.2.

Details of the Offer and the allocation policies for the Broker Firm Offer, the Institutional Offer and the Priority Offer are described in Sections 7.3.1.4, 7.4.4 and 7.3.2.4 respectively.

No general public offer of Shares will be made under the Offer. Members of the public wishing to apply for Shares under the Offer must do so through a Broker with a firm allocation of Shares. The allocation of Shares between the Broker Firm Offer, Institutional Offer and Priority Offer will be determined by GrowthOps in consultation with the Lead Manager having regard to the allocation policy outlined in Sections 7.3.1.4, 7.4.4 and 7.3.2.4.

### 7.1.2 PURPOSE OF THE OFFER

The purpose of the Offer is to:

- provide the various GrowthOps businesses with the benefits of an increased profile that arises from being a listed entity;
- provide GrowthOps with access to equity capital markets, which it expects will give it added financial flexibility to pursue further growth opportunities
- provide a liquid market for Shares; and
- fund the acquisition of the GrowthOps Businesses

### 7.1.3 SOURCES AND USES OF FUNDS

Details regarding the sources and uses of funds are set out in the table below.

**Figure 7.1: Sources and uses of funds**

Sources of funds	\$m	%	Uses of funds	\$m	%
Cash proceeds received from the issue of New Shares by GrowthOps	70.0	100%	Payment of proceeds to Vendors	47.8	68%
			Repayment of loans to Trimantium Capital <sup>1</sup>	2.9	4%
			Transaction costs related to the Offer	5.2	8%
			Funds set aside for the acquisition of Salesforce Partner and future acquisitions <sup>2</sup>	9.8	14%
			Cash balance post completion of the Offer <sup>3</sup>	4.3	6%
<b>Total</b>	<b>70.0</b>	<b>100%</b>		<b>70.0</b>	<b>100%</b>

<sup>1</sup> GrowthOps intends to acquire Unit Co Pty Ltd for \$1 and the assumption of its outstanding liabilities. Unit Co Pty Ltd, a controlled entity of Trimantium Capital, has loans outstanding of \$5.0 million to Trimantium Capital and associated parties which relate to costs incurred in preparation for and the development of the current GrowthOps IPO, which will be repaid from the proceeds of the IPO. These costs comprise \$2.1m of pre-IPO costs paid to advisers which form part of the transaction costs of this Offer, and \$2.9 million incurred in developing the GrowthOps opportunity and its associated knowledge base.

<sup>2</sup> GrowthOps intends to set aside \$9.85 million to partially fund the acquisitions of Salesforce Partner, should GrowthOps choose to pursue the acquisition the subject of the Non-Binding Term Sheet describe in section 3.5. GrowthOps intends acquire Salesforce Partner following (i) the satisfactory completion of due diligence investigations; (ii) the finalisation of the purchase price; (iii) the agreement of definitive transaction documents; and (iv) the GrowthOps Board obtaining comfort that the forecast maintainable NPATA of the Salesforce Partner exceeds \$2 million for FY18. The Directors and Salesforce Partner may agree on a different purchase price based on a material improvement, or adverse business change prior to the execution of definitive transaction documents. In the event that GrowthOps chooses not to acquire Salesforce Partner, it is likely that the Directors will ultimately determine to use the funds for future acquisitions which are intended to be made on terms and financial metrics consistent with past investment criteria. However, the Directors will ultimately determine the best use of the funds at that time.

<sup>3</sup> The terms of acquisition of the GrowthOps Businesses allow for a net asset adjustment to occur at completion of the Acquisitions which will be based on the actual net assets on completion relative to an agreed target net asset position. This amount will be paid in cash to the vendors of the GrowthOps Businesses, but as the amounts are not yet known, no adjustment has been included in the Pro Forma Balance Sheet. The payment will be made from funds raised under the Offer and based on the Pro forma Balance Sheet at 30 June 2017 would be approximately \$2.5 million.

#### 7.1.4 SHAREHOLDING STRUCTURE

Details of the ownership of Shares on Completion of the Offer are set out below based on midpoint of the Indicative Offer Price Range.

Shareholder	Shares held prior to the Offer	Existing interest	Shares/CRPS held at Completion of the Offer <sup>2</sup>	Interest at Completion of the Offer <sup>7</sup>	Interest following expected conversion of CRPS <sup>6</sup>
		%		%	%
TGO Holdings as trustee for TC Special Operations Trust 7 <sup>3</sup>	7,890,048	60.0%	20,302,028 <sup>1</sup>	20.6%	14.2%
TGO Holdings as trustee for TGO Trust 2 <sup>4</sup>	1,578,010	12.0%	4,060,407 <sup>1</sup>	4.1%	2.8%
GrowthOps Holdings as trustee for TGO Trust 1 <sup>5</sup>	1,052,006	8.0%	2,706,936 <sup>1</sup>	2.7%	1.9%
Trimantium Capital	2,630,016	20.0%	6,767,343 <sup>1</sup>	6.9%	4.7%
Management Shareholder	–	–	92,308 <sup>1</sup>	0.1%	0.1%
Vendors	–	–	44,104,800 <sup>1</sup>	–	30.9%
New Shareholders	–	–	64,615,384	65.6%	45.3%
<b>Total</b>	<b>13,150,080</b>	<b>100%</b>	<b>142,649,206</b>	<b>100%</b>	<b>100%</b>

<sup>1</sup> These Shares will be subject to voluntary escrow arrangements, which are described in Section 7.6. Assuming a 1:2.57 share split based on the midpoint of the Indicative Offer Price Range.

<sup>2</sup> Calculated assuming conversion of CRPS occurs on Completion. The number of Shares which the CRPS convert into will adjust according to the financial performance of the relevant GrowthOps Business for FY18. These figures assume the financial performance of each GrowthOps Business for FY18 is consistent with the forecasts used to prepare the Forecast Financial Information. The maximum number of Shares which all CRPS on issue convert into is 88,209,600 Shares based on midpoint of Indicative Offer Price Range. Each CRPS issued to a Vendor will convert into a maximum of 2 Shares and a minimum of 0 Shares depending on the financial performance of the relevant GrowthOps Business in FY18. In circumstances where CRPS convert into the maximum number of Shares, the financial performance of the relevant GrowthOps Business for FY18 will have exceeded the forecast used to prepare the Forecast Financial Information by approximately 50%. See Section 9.1.1 for a more detailed description of the terms of the CRPS.

<sup>3</sup> The beneficiaries of TC Special Operations Trust 7 are the current shareholders of Trimantium Capital.

<sup>4</sup> The beneficiaries of TGO Trust 2 are any director, officer, employee or contractor of Trimantium Capital and its affiliates other than a director, officer or employee of Trimantium Capital who is a current officer or director of the Company.

<sup>5</sup> The named beneficiaries of TGO Trust 1 are Dominique Fisher, Melissa Field and Paul Mansfield.

<sup>6</sup> Calculated as if 100% of the CRPS converted into Shares on Completion so as to provide New Shareholders with guidance on how the GrowthOps capitalisation structure may develop over time. The maximum number of Shares that all CRPS issued on Completion can convert over 3 years is 88,209,600 Shares based on the midpoint of the Indicative Offer Price Range. However, conversions of the CRPS into Shares is subject to certain conditions (see Section 9.1.1 for further detail) and occur in the following increments: 50% of the CRPS will convert into Shares on the first anniversary of Completion, 25% of the CRPS will convert into Shares on the second anniversary of Completion and the remaining 25% of the CRPS will convert into Shares on the third anniversary of Completion. The number of Shares which the CRPS convert into will adjust according to the financial performance of the relevant GrowthOps Business for FY18. These figures assume the financial performance of each GrowthOps Business for FY18 is consistent with the forecasts used to prepare the Forecast Financial Information. To the extent the financial performance of a particular GrowthOps Business for FY18 is above or below its forecast for FY18, the CRPS for that GrowthOps Business will convert into a greater or small number of Shares, as applicable.

<sup>7</sup> Under the Offer, the Company will offer New Shares with an aggregate issue price of \$70.0 million divided by the Final Price. The percentages in this table reflect the midpoint of the Indicative Offer Price Range of between \$1.00 and \$1.17, and are for illustrative purposes only. The final number of New Shares to be offered (and the Final Price) will be determined by GrowthOps in consultation with the Lead Manager as part of the bookbuild, and before Listing.

GrowthOps Holdings, TGO Holdings and Trimantium Capital are the only shareholders of the Company prior to Completion. The Management Shareholder will be issued Shares on Completion. The Shares held by GrowthOps Holdings, TGO Holdings, Trimantium Capital and the Management Shareholder on Completion of the Offer will be subject to voluntary escrow arrangements, which are described in Section 7.6.

The Shares held by GrowthOps Holdings and TGO Holdings on Completion of the Offer are held on behalf of certain beneficiaries as set out below:

- GrowthOps Holdings as trustee for TGO Trust 1 holds Shares on behalf of Dominique Fisher, Melissa Field and Paul Mansfield;
- TGO Holdings as trustee for TC Special Operations Trust 7 holds Shares on behalf of the shareholders of Trimantium Capital (as of the Prospectus Date); and
- TGO Holdings as trustee for TGO Trust 2 holds Shares on behalf of any director, officer, employee or contractor of Trimantium Capital and its affiliates other than a director, officer or employee of Trimantium Capital who is a current officer or director of the Company.

The Shares held by each of TGO Trust 1 and TGO Trust 2 are restricted Shares and may only be registered in the name of the Trustee until:

- the third anniversary of Completion (**Vesting Date**); and
- the Trustee determines that the relevant beneficiary has not engaged in certain prohibited conduct between the date of issue and Vesting Date,

(together, the **Vesting Conditions**) at such time, the Shares will vest in the beneficiary. Until the Shares held by TGO Trust 1 and TGO Trust 2 have vested, no beneficiary under the relevant trusts have a present interest in the Shares. Any residual Shares will vest in Trimantium Capital if Vesting Conditions are not satisfied by the Vesting Date. The Shares held by TC Special Operations Trust 7 are not subject to the Vesting Conditions.

#### 7.1.5 CONTROL IMPLICATIONS OF THE OFFER

The Directors do not expect any Shareholder to control (as defined by Section 50AA of the Corporations Act) the Company on Completion.

#### 7.1.6 POTENTIAL EFFECT OF THE FUNDRAISING ON THE FUTURE OF GROWTHOPS

The Directors believe that on Completion of the Offer, GrowthOps will have sufficient working capital available from the cash proceeds of the Offer and its operations to fulfil the purpose of the Offer and meet GrowthOps' stated business objectives.

## 7.2 TERMS AND CONDITIONS OF THE OFFER

Topic	Summary
What is the type of security being offered?	Shares (being fully paid ordinary shares in GrowthOps).
What are the rights and liabilities attached to the Shares being offered?	A description of the Shares, including the rights and liabilities attaching to them, is set out in Section 7.11.

Topic	Summary
<b>What is the consideration payable for each Share?</b>	<p>The Indicative Offer Price Range is \$1.00 to \$1.17 per Share.</p> <p>Successful Applicants under the Offer will pay the Final Price, which will be determined at after the close of the Offer and the conclusion of the bookbuild and may be set at a price above, within or below the Indicative Offer Price Range.</p> <p>Applicants under the Broker Firm Offer and Priority Offer will apply for a set dollar value of Shares.</p> <p>Accordingly, Applicants will not know the number of Shares they will receive at the time they make their investment decision, nor will they know the Final Price. Except as permitted by law, Applicants cannot withdraw their Applications once it has been accepted.</p> <p>Once the Shares are quoted on the ASX, the market price at which the Shares are traded may differ significantly from the Final Price.</p>
<b>What is the Offer period?</b>	<p>The key dates, including details of the Offer Period, are set out in the section titled "Key Offer Statistics and Important Dates" on page 7.</p>
<b>What are the cash proceeds to be raised?</b>	<p>Approximately \$70.0 million is expected to be raised under the Offer if the Offer proceeds.</p>
<b>Is the Offer underwritten?</b>	<p>The Offer is not underwritten.</p>
<b>What is the minimum and maximum Application size under the Broker Firm Offer?</b>	<p>The minimum and maximum Applications under the Broker Firm Offer are as determined by the Applicant's Broker. In respect of the Broker Firm Offer, it is a matter for each Broker to determine how they will allocate Shares among their eligible retail clients.</p>
<b>What is the minimum and maximum Application size under the Priority Offer?</b>	<p>The minimum Application under the Priority Offer will be specified in an Applicant's personalised invitation to apply for Shares in the Priority Offer. Priority Offer Applicants are able to apply for Shares up to the value provided on their personalised invitation.</p>

Topic	Summary
<b>What is the allocation policy?</b>	<p>The allocation of Shares between the Broker Firm Offer, the Priority Offer and the Institutional Offer will be determined by GrowthOps in consultation with the Lead Manager, having regard to the allocation policy outlined in Sections 7.3.1.4, 7.4.4 and 7.4.2.</p> <p>With respect to the Broker Firm Offer, it is a matter for the Brokers as to how they will allocate Shares among their eligible clients and they (and not GrowthOps or the Lead Manager) will be responsible for ensuring that eligible retail clients who have received an allocation from them receive the relevant Shares.</p> <p>The allocation of Shares under the Priority Offer will be at the absolute discretion of GrowthOps, in consultation with the Lead Manager.</p> <p>The allocation of Shares among Applicants in the Institutional Offer will be determined by GrowthOps in consultation with the Lead Managers.</p> <p>The Offer is not open to persons in the United States or who are acting for the account or benefit of a U.S. Person.</p> <p>For further information on the Broker Firm Offer, see Section 7.3.1, on the Priority Offer, see Section 7.3.2 and on the Institutional Offer, see Section 7.4.</p>
<b>When will I receive confirmation that my Application has been successful?</b>	<p>It is expected that initial holding statements and transaction confirmation statements (in the case of CHESS holdings) will be dispatched by standard post on or about 18 December 2017.</p> <p>Refunds to Applicants who make an Application and are scaled back, will be made as soon as possible post Settlement, which is expected to occur on or about 12 December 2017. No refunds will be made where overpayments relate solely to rounding of the Final Price.</p>
<b>Will the Shares be quoted on ASX?</b>	<p>GrowthOps will apply to the ASX within seven days of the Prospectus Date for admission to the Official List and quotation of Shares on the ASX under the code "TGO".</p> <p>Settlement of the Offer is conditional on the ASX approving this application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.</p> <p>Once listed, GrowthOps will be required to comply with the ASX Listing Rules, subject to any waivers obtained by GrowthOps from time to time.</p> <p>The ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that the ASX may admit GrowthOps to the Official List is not to be taken as an indication of the merits of GrowthOps or the Shares being offered.</p>

Topic	Summary
<b>When are the Shares expected to commence trading?</b>	<p>It is expected that trading of the Shares on the ASX will commence on or about 15 December 2017, initially on a deferred settlement basis. Shares will commence trading on ASX on a normal settlement basis on or about 19 December 2017 once GrowthOps has advised the ASX that initial holding statements and transaction confirmation statements (in the case of CHESS holdings) have been dispatched to Shareholders.</p> <p>It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial holding statement or transaction confirmation statement (in the case of CHESS holdings) do so at their own risk.</p> <p>GrowthOps and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who sell Shares before receiving their initial holding statement or transaction confirmation statement (in the case of CHESS holdings), whether on the basis of a confirmation of allocation provided by any of them, by the GrowthOps Offer Information Line, by a Broker or otherwise.</p>
<b>Are there any escrow arrangements?</b>	Yes. Details are provided in Section 7.6.
<b>Has any ASIC relief or ASX waiver(s) been obtained or been relied on?</b>	Yes. Details are provided in Sections 7.8 and 7.9.
<b>Are there any tax considerations?</b>	Yes. Refer to Section 9.6.
<b>Are there any brokerage, commission or stamp duty considerations?</b>	No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Shares under the Offer.
<b>What should you do with any enquiries?</b>	<p>All enquiries in relation to this Prospectus should be directed to the GrowthOps Offer Information Line on 1300 145 328 (within Australia) or +61 3 9415 4250 (outside Australia) from 8:30am to 5:00pm (Sydney Time), Monday to Friday (Business Days only).</p> <p>If you are unclear in relation to any matter or are uncertain as to whether GrowthOps is a suitable investment for you, you should seek professional guidance from your accountant, financial adviser, stockbroker, solicitor or other independent and qualified professional adviser before deciding whether to invest.</p>

## 7.3 RETAIL OFFER

### 7.3.1 BROKER FIRM OFFER

#### 7.3.1.1 WHO CAN APPLY?

The Broker Firm Offer is open to Australian resident retail investors who have received a firm allocation of Shares from their Broker. You should contact your Broker to determine whether you can receive an allocation of Shares from them under the Broker Firm Offer.

#### 7.3.1.2 HOW TO APPLY?



Applications for Shares may only be made on an Application Form attached to or accompanying this Prospectus, or any supplementary or replacement prospectus.

By making an Application, you declare that you were given access to this Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

The minimum and maximum Applications under the Broker Firm Offer are as determined by the Applicant's Broker.

GrowthOps, in consultation with the Lead Manager, reserve their rights to:

- reject or scale back any Application in the Broker Firm Offer, in their absolute discretion, including any Application which is not correctly completed or which is submitted by a person who they believe is ineligible to participate in the Broker Firm Offer;
- amend or waive the Broker Firm Offer Application procedure requirements, in their absolute discretion in compliance with applicable laws, including to waive or correct any errors made by an Applicant in completing their Application; and
- to aggregate any Applications which they believe may be multiple Applications from the same person.

Applicants under the Broker Firm Offer must lodge their Application Form and Application Monies with the Broker from whom they received their invitation to acquire Shares under this Prospectus. Application Forms must be completed in accordance with the relevant Broker's directions and the instructions set out on the back of the Application Form. Applicants under the Broker Firm Offer must not send their Application Forms or Application Monies to the Share Registry.

The Broker Firm Offer opens at 9.00 am on Friday, 24 November 2017 and is expected to close at 5.00 pm on Wednesday, 6 December 2017. GrowthOps and the Lead Manager may elect to close the Offer or any part of it early without further notice, extend the Offer or any part of it or accept late Applications either generally or in particular cases. Your Broker may also impose an earlier closing date. Applicants are therefore encouraged to submit their Applications as early as possible. Please contact your Broker for instructions.

#### 7.3.1.3 HOW TO PAY?

Applicants under the Broker Firm Offer must pay their Application Monies in accordance with the instructions received from their Broker.

#### 7.3.1.4 BROKER FIRM ALLOCATION POLICY

The allocation of Shares to Brokers will be determined by GrowthOps, in consultation with the Lead Manager. Shares which have been allocated to Brokers for allocation to their eligible retail clients will be issued to the Applicants who have received a valid firm allocation of Shares from their Broker (subject to the right of GrowthOps and the Lead Manager to reject, aggregate or scale back Applications). The allocation of Shares among Applicants under the Broker Firm Offer will be at the sole and absolute discretion of the relevant Broker. Those Brokers (and not GrowthOps or the Lead Manager) will be responsible for ensuring that their clients who have received an allocation from them, receive the relevant Shares.

### 7.3.2 PRIORITY OFFER

#### 7.3.2.1 WHO CAN APPLY?

Under the Priority Offer, eligible investors who have a registered address in Australia and who have received a Priority Offer invitation from GrowthOps are able to apply for Shares up to the value provided on their personalised invitation.

The Priority Offer is not open to persons who are in the United States or acting for the account or benefit of a U.S. Person.

#### 7.3.2.2 HOW TO APPLY?

If you have received a personalised invitation to apply for Shares under the Priority Offer and you wish to apply for some or all of those Shares, you must apply in accordance with the instructions provided in your personalised invitation to complete and lodge your Application.

Your personalised invitation will indicate the amount of Shares you may apply for.



GrowthOps, in consultation with the Lead Manager, reserve their rights to:

- reject or scale back any Application in the Priority Offer, in their absolute discretion, including any Application which is not correctly completed; and
- amend or waive the Priority Offer Application procedure requirements, in their absolute discretion in compliance with applicable laws, including to waive or correct any errors made by an Applicant in completing their Application.

The Priority Offer opens at 9.00 am on Friday, 24 November 2017 and is expected to close at 5.00 pm on Wednesday, 6 December 2017. GrowthOps may elect to close the Offer or any part of it early without further notice, extend the Offer or any part of it or accept late Applications either generally or in particular cases. Applicants are therefore encouraged to submit their Applications as early as possible.

By making an Application, you declare that you were given access to the Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

#### 7.3.2.3 HOW TO PAY?

Applicants under the Priority Offer must pay their Application Monies in accordance with the instructions set out on their personalised invitation.

#### 7.3.2.4 PRIORITY OFFER ALLOCATION POLICY

Allocations under the Priority Offer will be at the absolute discretion of GrowthOps, in consultation with the Lead Manager. Any amount applied for in excess of the amount allocated to each Applicant, will be refunded in full (without interest). There is no guarantee that any Applicant will be allocated any Shares, or the number of Shares for which the Applicant applied.

#### 7.3.3 ACCEPTANCE OF APPLICATIONS UNDER THE RETAIL OFFER

An Application in the Retail Offer is an offer by an Applicant to subscribe for the Shares specified in their Application Form at the Final Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement prospectus) and the personalised invitation and Application Form. To the maximum extent permitted by law, an Application submitted by an Applicant under the Offer may not be varied and is irrevocable. Acceptance of an Application will give rise to a binding contract.

GrowthOps, in consultation with the Lead Manager, reserves the right to decline any Application and all Applications in whole or in part, without giving any reason or to waive or correct any errors made by an Applicant in completing their Application.

#### 7.3.4 APPLICATION MONIES

Application Monies received under the Retail Offer will be held in a special purpose account until Shares are issued to Successful Applicants. Applicants under the Retail Offer whose Applications are not accepted, or who are allocated a lesser number of Shares than the amount applied for, will receive a refund of all or part of their Application Monies, as applicable. Interest will not be paid on any monies refunded.

Applicants whose Applications are accepted in full will receive the whole number of Shares calculated by dividing the Application Monies by the Final Price. Where the Final Price does not divide evenly into the Application Monies, the number of Shares to be allocated will be rounded down. No refunds pursuant solely to rounding will be provided.

Interest will not be paid on any monies refunded and any interest earned on Application Monies pending the allocation or refund will be retained by GrowthOps.

### 7.4 INSTITUTIONAL OFFER

#### 7.4.1 INVITATIONS TO BID

Under the Institutional Offer, Institutional Investors in Australia and certain other jurisdictions outside the United States will be invited to bid for an allocation of Shares under this Prospectus.

The Lead Manager will separately advise the Institutional Investors of the application procedures for the Institutional Offer.

#### 7.4.2 INSTITUTIONAL OFFER PROCESS AND THE INDICATIVE OFFER PRICE RANGE

The Institutional Offer will be conducted using a bookbuild process managed by the Lead Manager. Full details on how to participate, including bidding instructions, will be provided to eligible participants by the Lead Manager.

Participants can only bid into the bookbuild for Shares through the Lead Manager. They may bid for Shares at specific prices or at the Final Price. Participants may bid above, within or below the Indicative Offer Price Range, which is \$1.00 to \$1.17 per Share.

Under the terms of the Offer Management Agreement, the Final Price will be determined by the Company in consultation with the Lead Manager, after the close of the Retail Offer and the Institutional Offer as described in Sections 7.3 and 7.4.

The Institutional Offer will open at 9.00 am on Thursday, 7 December 2017 and close at 5.00 pm on Thursday, 7 December 2017. GrowthOps, in consultation with the Lead Manager, reserve the right to vary the times and dates of the Offer including to close the Offer early, extend the Offer or to accept late Applications or bids, either generally or in particular cases, without notification.

Bids in the Institutional Offer may be amended or withdrawn at any time up to the close of the Institutional Offer. Any bid not withdrawn at the close of the Institutional Offer is an irrevocable offer by the relevant bidder to subscribe or procure subscribers for the Shares bid for (or such lesser number as may be allocated) at the price per Share bid or at the Final Price, where this is below the price per Share bid, on the terms and conditions set out in this Prospectus (including any supplementary or replacement prospectus) and in accordance with any bidding instructions provided by the Lead Manager to participants.

Bids can be accepted or rejected in whole or in part without further notice to the bidder. Details of the arrangements for notification and Settlement of allocations applying to participants in the Institutional Offer will be provided to participants in the bookbuild process.

#### 7.4.3 FINAL PRICE

The Institutional Offer bookbuild process will be used to determine the Final Price. Under the terms of the Offer Management Agreement, the Final Price will be determined by the Company in consultation with the Lead Manager, after the close of the Retail Offer and the Institutional Offer described in Sections 7.3 and 7.4. It is expected that the Final Price will be announced to the market on Friday, 8 December 2017. In determining the Final Price, consideration will be given to, but will not be limited to, the following factors:

- the level of demand for Shares under the Institutional Offer at various prices;
- the level of demand for Shares under the Broker Firm Offer;
- the objective of maximizing the proceeds of the Offer; and
- the desire for an orderly secondary market in the Shares.

The Final Price will not necessarily be the highest price at which Shares could be sold. In the Institutional Offer, the Final Price may be set below, within or above the Indicative Offer Price Range. All Successful Applicants and successful bidders under the Offer will pay the Final Price.

#### 7.4.4 INSTITUTIONAL OFFER ALLOCATION POLICY

The allocation of Shares under the Institutional Offer will be determined by GrowthOps, in consultation with the Lead Manager. GrowthOps, in consultation with the Lead Manager, have absolute discretion regarding the basis of allocation of Shares amount Institutional Investors.

The initial determinant of the allocation of Shares under the Institutional Offer will be the Final Price. Bids lodged at prices below the Final Price will not receive an allocation of Shares.

The allocation policy under the Institutional Offer will also be influenced by a range of factors, including:

- the number of Shares bid for by particular bidders;
- the timeliness of the bid by particular bidders;
- GrowthOps' desire for an informed and active trading market following Listing;
- GrowthOps' desire to establish a wide spread of institutional Shareholders;
- the anticipated level of demand under the Retail Offer;

- the size and type of funds under management, and the investment style, of particular Applicants;
- the likelihood that particular Applicants will be long term Shareholders; and
- any other factors that GrowthOps and the Lead Manager consider appropriate.

## 7.5 ACKNOWLEDGEMENTS

Each Applicant under the Offer will be deemed to have:

- agreed to become a member of GrowthOps and to be bound by the terms of the Constitution and the terms and conditions of the Offer;
- acknowledged having personally received a printed or electronic copy of the Prospectus (and any supplementary or replacement prospectus) including or accompanied by the Application Form and having read them all in full;
- declared that all details and statements in their Application Form are complete and accurate;
- declared that the Applicant(s), if a natural person, is/are over 18 years of age;
- acknowledged that, once GrowthOps or a Broker receives an Application Form, it may not be withdrawn;
- applied for the number of Shares at the Australian dollar amount shown on the front of the Application Form;
- agreed to being allocated and issued or sold the number of Shares applied for or a lower number allocated in a way described in this Prospectus, or no Shares at all;
- authorised GrowthOps, the Lead Manager, and their respective officers or agents, to do anything on behalf of the Applicant(s) necessary for Shares to be allocated to the Applicant(s), including to act on instructions received by the Share Registry upon using the contact details in the Application Form;
- acknowledged that, in some circumstances, GrowthOps may not pay dividends, or that any dividends paid may not be franked;
- acknowledged that the information contained in this Prospectus (or any supplementary or replacement prospectus) is not financial product advice or a recommendation that Shares are suitable for the Applicant(s), given the investment objectives, financial situation and particular needs (including financial and taxation issues) of the Applicant(s);
- declared that the Applicant(s) is/are a resident of Australia (except as applicable to the Institutional Offer and Priority Offer);
- acknowledged and agreed that the Offer may be withdrawn by GrowthOps or may otherwise not proceed in the circumstances described in this Prospectus; and
- acknowledged and agreed that if Listing does not occur for any reason, the Offer will not proceed.

Each Applicant in the Broker Firm Offer and Priority Offer, and each person to whom the Institutional Offer has been made under this Prospectus, will be taken to have represented, warranted and agreed as follows:

- it understands that the Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States, except in accordance with US Securities Act regulation requirements or in a transaction exempt from, or not subject to, registration under the US Securities Act and any other applicable state securities laws;
- it is not in the United States or acting for the account or benefit of a U.S. Person (as defined in Regulation S of the US Securities Act);
- it has not sent and will not send the Prospectus or any other material relating to the Offer to any person in the United States;
- it is purchasing the Shares in an offshore transaction meeting the requirements of Regulation S under the US Securities Act; and
- it will not offer or sell the Shares in the United States or in any other jurisdiction outside Australia except in transactions exempt from, or not subject to, registration requirements of the US Securities Act and in compliance with all applicable laws in the jurisdiction in which Shares are offered and sold.

## 7.6 DISPOSAL RESTRICTIONS ON SHARES – ESCROW ARRANGEMENTS



On Completion of the Offer, GrowthOps Holdings as trustee for TGO Trust 1, TGO Holdings as trustee for TC Special Operations Trust 7, TGO Holdings as trustee for TGO Trust 2, Trimantium Capital and the Management Shareholder will hold 34.4% of the Shares on issue. GrowthOps Holdings as trustee for TGO Trust 1, TGO Holdings as trustee for TC Special Operations Trust 7, TGO Holdings as trustee for TGO Trust 2, Trimantium Capital and the Management Shareholder (the **Escrowed Shareholders**) have entered into voluntary escrow arrangements over their Shares, which prevent them from dealing with their escrowed Shares prior to the date which is two Business Days after the date on which GrowthOps' financial results for FY18 are released to the ASX by GrowthOps.

The restriction on dealing is broad and includes, among other things, selling, assigning, transferring or otherwise disposing of, or agreeing or offering to sell, assign, transfer or otherwise dispose of, the relevant Shares (**Escrowed Shares**), creating or agreeing or offering to create or permitting to be created any security interest over any or all of the relevant Escrowed Shares or doing or omitting to do any act if the act or omission may have the effect of transferring effective ownership or control of, or economic interest in, any or all of the relevant Escrowed Shares.

These escrow restrictions will cease to apply in the following circumstances:

- to allow an Escrowed Shareholder to accept an offer under a takeover bid in relation to the Escrowed Shares and holders of at least half of the Shares which are subject of the bid that are not held by the Escrowed Shareholder have accepted the takeover bid;
- to allow the Shares held by an Escrowed Shareholder to be acquired pursuant to a scheme of arrangement under Part 5.1 of the Corporations Act;
- to the extent the dealing is required by applicable law (including an order of a court of competent jurisdiction);
- to the extent the dealing is in connection with an equal access buyback or capital return or capital reduction; or
- to the extent the dealing constitutes a disposal of, but not the creation of a security interest in, the escrowed Shares to certain related parties with the prior written consent of GrowthOps.

## 7.7 DISCRETION REGARDING THE OFFER

GrowthOps may withdraw the Offer at any time before the issue of Shares to Successful Applicants under the Offer. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest) in accordance with the requirements of the Corporations Act.

GrowthOps reserve the right to close the Offer or any part of it early without further notice, extend the Offer or any part of it, accept late Applications or bids either generally or in particular cases, reject any Application or bid, or allocate to any Applicant or bidder fewer Shares than the amount applied or bid for. Applications received under the Offer are irrevocable and may not be varied or withdrawn except as required by law.

## 7.8 ASX CONFIRMATIONS AND WAIVERS

GrowthOps has applied to the ASX for a waiver in connection with its application to the ASX for admission to the Official List from the requirements of Listing Rule 6.5 in relation to dividend rights under the CRPS.

## 7.9 ASIC RELIEF

GrowthOps has applied for relief from ASIC in relation to the Offer so that the takeovers provisions of the Corporations Act will not apply to certain relevant interests that GrowthOps would otherwise acquire the Shares that are subject to the voluntary escrow arrangements described in Section 7.6.

## 7.10 ASX LISTING, REGISTERS, HOLDING STATEMENTS AND DEFERRED SETTLEMENT TRADING

### 7.10.1 APPLICATION TO THE ASX FOR LISTING OF THE COMPANY AND QUOTATION OF SHARES

GrowthOps will apply to ASX within seven days of the Prospectus Date for its admission to the Official List and quotation of all of its Shares on ASX under the code "TGO".

Settlement of the Offer is conditional on ASX providing in-principle approval of this application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.

Once listed, GrowthOps will be required to comply with the ASX Listing Rules, subject to any waivers obtained by GrowthOps from time to time.

Neither ASX nor any of its officers takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. The fact that ASX may admit GrowthOps to the Official List is not to be taken as an indication of the merits of GrowthOps or the Shares being offered.

#### 7.10.2 CHESS AND ISSUER SPONSORED HOLDINGS

GrowthOps will apply to participate in CHESS and will comply with the ASX Listing Rules and the ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are effected in an electronic form.

When the Shares become approved financial products (as defined in the ASX Settlement Operating Rules), holdings will be registered in one of two sub-registers, being an electronic CHESS sub-register or an issuer sponsored sub-register.

For all Successful Applicants, the Shares of a Shareholder who is a participant in CHESS, or is sponsored by a participant in CHESS, will be registered on the CHESS sub-register. All other Shares will be registered on the issuer sponsored sub-register.

Following Completion of the Offer, Shareholders will be sent an initial holding statement or a transaction confirmation statement (in the case of CHESS holdings) that sets out the number of Shares that have been allocated to them. This statement will also provide details of a Shareholder's Holder Identification Number (**HIN**) for CHESS holders or, where applicable, the Securityholder Reference Number (**SRN**) for issuer sponsored holders. Shareholders will subsequently receive statements showing any changes to their Shareholding. Certificates will not be issued.

Shareholders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under the ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring broker in the case of a holding on the CHESS sub-register or through the Share Registry in the case of a holding on the issuer sponsored sub-register. GrowthOps and the Share Registry may charge a fee for these additional issuer sponsored statements.

#### 7.10.3 DEFERRED SETTLEMENT TRADING AND SELLING SHARES ON MARKET

It is expected that trading of the Shares on ASX will commence on or about Monday, 18 December 2017, initially on a deferred settlement basis. Shares will commence trading on ASX on a normal settlement basis on or about Tuesday, 19 December 2017 once GrowthOps has advised ASX that initial holding statements and transaction confirmation statements (in the case of CHESS holdings) have been dispatched to Shareholders.

It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial holding statement or transaction confirmation statement (in the case of CHESS holdings) do so at their own risk.

GrowthOps and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who sell Shares before receiving their initial holding statement or transaction confirmation statement (in the case of CHESS holdings), whether on the basis of a confirmation of allocation provided by any of them, by the GrowthOps Offer Information Line, by a Broker or otherwise.

### 7.11 SUMMARY OF RIGHTS AND LIABILITIES ATTACHING TO SHARES

#### 7.11.1 INTRODUCTION

The rights and liabilities attaching to ownership of Shares are detailed in the Constitution and, in certain circumstances, regulated by the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and general law.

A summary of the significant rights, liabilities and obligations attaching to Shares and a description of other material provisions of the Constitution are set out below. This summary is not exhaustive and is qualified by the full terms of

the Constitution. This summary does not constitute a definitive statement of the rights and liabilities of Shareholders. The summary assumes that GrowthOps is admitted to the Official List of the ASX.

#### **7.11.2 VOTING AT A GENERAL MEETING**

At a general meeting of GrowthOps, every Shareholder (including holders of CRPS under certain circumstances as outlined in Section 3.2 in Annexure B) present in person or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each Share held (with adjusted voting rights for partly paid shares). The chairman of the meeting is not entitled to a casting vote.

The Constitution permits the Board to allow for “direct voting” at general meetings (such as electronic or postal voting), in which case every Shareholder has one vote for each Share held.

#### **7.11.3 MEETINGS OF SHAREHOLDERS**

Each Shareholder is entitled to receive notice of, attend and vote at, general meetings of GrowthOps and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act and the ASX Listing Rules.

GrowthOps must give at least 28 days’ written notice of a general meeting.

#### **7.11.4 DIVIDENDS**

Subject to the Corporations Act, the Constitution and the terms of issue or rights of any Shares with special rights to dividends, the Board may from time to time determine that a dividend is payable, fix the amount and the time for payment of the dividend, and the method of payment of the dividend. A dividend may only be paid in accordance with the Corporations Act.

For further information in respect of GrowthOps’ proposed dividend policy, see Section 4.9.1.

#### **7.11.5 TRANSFER OF SHARES**

Subject to the Constitution and the ASX Listing Rules, Shares may be transferred by a proper transfer effected in accordance with the ASX Settlement Operating Rules, or by any other method permitted by the Corporations Act and ASX.

The Board may refuse to register a transfer of Shares where permitted to do so under the Corporations Act, the ASX Listing Rules or the ASX Settlement Operating Rules. The Board must refuse to register a transfer of Shares when required by the Corporations Act, ASX Listing Rules or ASX Settlement Operating Rules.

#### **7.11.6 ISSUE OF FURTHER SHARES**

Subject to the Corporations Act, the ASX Listing Rules and any rights and restrictions attached to Shares, GrowthOps may issue, allot and cancel or otherwise dispose of Shares, grant options over unissued Shares and settle the manner in which fractions of a Share are to be dealt with.

#### **7.11.7 WINDING UP**

If GrowthOps is wound up, the liquidator may, with the sanction of a special resolution of Shareholders, divide among Shareholders in kind the whole or any part of GrowthOps property, set the value of that property the liquidator considers fair and determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

#### **7.11.8 UNMARKETABLE PARCELS**

Subject to the Corporations Act, the ASX Listing Rules and ASX Settlement Operating Rules, GrowthOps may sell the Shares of a Shareholder who holds less than a marketable parcel of Shares by following the procedures set out in the Constitution.

#### **7.11.9 SHARE BUY-BACKS**

Subject to the Corporations Act and the ASX Listing Rules, GrowthOps may buy back shares in itself on terms and at times determined by the Board.

#### **7.11.10 VARIATION OF CLASS RIGHTS**

On Completion of the Offer, GrowthOps' only classes of shares on issue will be ordinary shares and CRPS. Subject to the Corporations Act and the terms of issue of a class of shares, the rights attaching to any class of shares may be varied or cancelled:

- with the consent in writing of the holders of three-quarters of the issued shares included in that class; or
- by a special resolution passed at a separate meeting of the holders of those shares.

In either case, in accordance with the Corporations Act, the holders of not less than 10% of the votes in the class of shares, the rights of which have been varied or cancelled, may apply to a court of competent jurisdiction to exercise its discretion to set aside such variation or cancellation.

#### **7.11.11 PREFERENCE SHARES**

Subject to the Corporations Act and the ASX Listing Rules, GrowthOps may issue preference shares including preference shares which are, or at the option of GrowthOps or holder are, liable to redeemed or converted to Shares. The rights attaching to preference shares are those set out in the Constitution, unless other rights have been approved by a special resolution of GrowthOps.

#### **7.11.12 DIVIDEND REINVESTMENT PLAN**

Subject to the ASX Listing Rules, the Constitution authorises the Directors, on any terms and at their discretion, to establish a dividend reinvestment plan (under which any member may elect that the dividends payable by GrowthOps be reinvested by a subscription for shares in GrowthOps).

#### **7.11.13 DIRECTORS – NUMBER AND COMPOSITION OF BOARD**

The minimum number of Directors that may comprise the Board is three and the maximum may not be more than ten unless the Shareholders pass a resolution at a general meeting varying that number. Directors are elected at annual general meetings of GrowthOps.

#### **7.11.14 DIRECTORS – APPOINTMENT AND REMOVAL**

Under the Constitution:

- GrowthOps in general meeting may by resolution appoint any person as a Director either to fill a casual vacancy or as an addition to the Board, provided that the number of Directors (not including alternate Directors) does not exceed the maximum number;
- no person other than a retiring Director or a Director vacating office (where they were appointed by the Board to fill a casual vacancy or as an addition to the Board) is eligible to be elected a Director at any general meeting unless a consent to nomination signed by the person is given to GrowthOps at its registered office at least 45 Business Days before the meeting (but no more than 90 Business Days before the meeting); and
- the Board may at any time appoint any person as a Director to fill a casual vacancy or as an addition to the Board, provided that the number of Directors (not including alternate Directors) does not exceed nine. Any Director appointed under this rule (other than any managing director) may hold office only until the end of the next annual general meeting of GrowthOps and is then eligible for election at that meeting without needing to give any prior notice of an intention to submit for election.

A Director may be removed from office in accordance with the procedures set out in the Corporations Act.

#### **7.11.15 DIRECTORS – RETIREMENT**

Retirement will occur on a rotational basis so that any Director who has held office for three or more years or three or more annual general meetings (excluding any managing director) retires at the next annual general meeting of GrowthOps. A retiring Director will be eligible for re-election without needing to give any prior notice of an intention to submit for re-election and will hold office as a Director (subject to re-election) until the end of the general meeting at which the Director retires.

#### **7.11.16 DIRECTORS – VOTING**

Questions arising at a meeting of the Board will be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter. In the case of an equality of votes on a resolution, the chairperson of the meeting has a casting vote in addition to their deliberative vote.

#### **7.11.17 DIRECTORS – POWERS AND DUTIES**

The Board is responsible for overseeing the proper management of the business of GrowthOps, which (in addition to the powers and authorities conferred on it by the Constitution) may exercise all powers and do all things that are within GrowthOps' power (That are not required by law or by the Constitution to be exercised by GrowthOps in general meeting).

#### 7.11.18 INDEMNITIES

GrowthOps, to the extent permitted by law, may indemnify any current or former Director, secretary and other officer of GrowthOps or its subsidiaries against any liability incurred by that person in that capacity, including certain legal costs.

GrowthOps, to the extent permitted by law, may enter into and pay or agree to pay premiums on a contract insuring any current or former director, secretary and other officer of GrowthOps and its subsidiaries against any liability incurred by that person in that capacity, including legal costs.

Under the Constitution, GrowthOps may provide indemnification and may obtain insurance for each Director, secretary or officer of GrowthOps or its subsidiaries during their period of office and for a certain period after the person ceases to be a Director, secretary, or officer of GrowthOps or its subsidiaries.

GrowthOps has entered into deeds of access, insurance and indemnity with each Director (see Section 6.4.1.5 for further details).

#### 7.11.19 AMENDMENT

The Constitution may be amended only by special resolution passed by at least three-quarters of the Shareholders present (in person or by proxy) and entitled to vote on the resolution at a general meeting of GrowthOps.

GrowthOps must give at least 28 days' written notice of a general meeting of GrowthOps.



# INVESTIGATING ACCOUNTANT'S REPORT



# 8 INVESTIGATING ACCOUNTANT'S REPORT ON FINANCIAL INFORMATION



The Directors  
Trimantium GrowthOps Limited  
Level 9, 287 Collins Street  
Melbourne VIC 3000

10 November 2017

Dear Directors

Deloitte Corporate Finance Pty Limited  
ACN 003 833 127  
AFSL 241457

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## **INVESTIGATING ACCOUNTANT'S REPORT AND FINANCIAL SERVICES GUIDE**

### **Introduction**

This report has been prepared at the request of the directors of Trimantium GrowthOps Limited (ACN 621 067 678) (the Company) (the Directors) for inclusion in the prospectus to be issued by the Company (the Prospectus) in respect of the initial public offering of fully paid ordinary shares in the Company (the Offer) and listing of the Company on the Australian Securities Exchange.

Deloitte Corporate Finance Pty Limited is wholly owned by Deloitte Touche Tohmatsu and holds the appropriate Australian Financial Services licence under the Corporations Act 2001 for the issue of this report.

Capitalised terms used in this report have the same meaning as defined in the glossary of the Prospectus.

### **Scope**

#### **Statutory Historical Financial Information**

Deloitte Corporate Finance Pty Limited has been engaged by the Directors to review the:

- Statutory historical aggregated statements of profit or loss for the financial years ended 30 June 2015, and 30 June 2016 and 30 June 2017;
- Statutory historical aggregated statement of net assets as at 30 June 2017; and
- Statutory historical aggregated cash flows before financing and taxation for the financial years ended 30 June 2015, 30 June 2016 and 30 June 2017;

as set out in the tables in paragraphs 4.3.4, 4.4.1 and 4.4.3 of the Prospectus (together, the Statutory Historical Financial Information).

The Statutory Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies.

The Statutory Historical Financial Information has been extracted from the audited aggregated special purpose financial information (Aggregated Accounts) of the Company and the GrowthOps Businesses covering the financial years ended 30 June 2015, 30 June 2016 and 30 June 2017. The audit was undertaken by Deloitte Touche Tohmatsu in accordance with Australian Auditing Standards. Deloitte Touche Tohmatsu issued an unmodified audit opinion on the Aggregated Accounts.

The Statutory Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

#### **Pro forma Historical Financial Information**

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see [www.deloitte.com/au/about](http://www.deloitte.com/au/about) for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

Member of Deloitte Touche Tohmatsu Limited





Deloitte Corporate Finance Pty Limited has been engaged by the Directors to review the:

- Pro forma historical aggregated statements of profit or loss for the financial years ended 30 June 2015, 30 June 2016 and 30 June 2017;
- Pro forma historical aggregated statement of net assets as at 30 June 2017; and
- Pro forma historical aggregated cash flows before financing and taxation for the financial years ended 30 June 2015, 30 June 2016 and 30 June 2017,

as set out in the tables in paragraphs 4.3.1, 4.4.1 and 4.4.3 respectively of the Prospectus (together, the Pro forma Historical Financial Information).

The Pro forma Historical Financial Information has been derived from the Statutory Historical Financial Information, after adjusting for the effects of pro forma adjustments described in the tables in paragraph 4.3.3, 4.4.2 and 4.4.3 of the Prospectus respectively (the Pro forma Adjustments).

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Statutory Historical Financial Information and the events or transactions to which the Pro forma Adjustments relate, as if those events or transactions had occurred as at the date of the Statutory Historical Financial Information. Due to its nature, the Pro forma Historical Financial Information does not represent the Company's actual or prospective financial position, financial performance, or cash flows.

#### **Forecast Financial Information**

Deloitte Corporate Finance Pty Limited has been engaged by the Directors to review the:

- Statutory forecast consolidated statement of profit or loss and other comprehensive income and the Statutory forecast consolidated net cash flow of the Company for the financial year ending 30 June 2018 as set out in the tables in paragraphs 4.3.1 and 4.4.1 of the Prospectus (the Statutory Forecast Financial Information). The Directors' best estimate assumptions underlying the Statutory Forecast Financial Information are described in Section 4.7 of the Prospectus. The stated basis of preparation used in the preparation of the Statutory Forecast Financial Information is the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies; and
- Pro forma forecast statement of profit or loss and other comprehensive income and the Pro forma forecast net cash flow of the Company for the financial year ending 30 June 2018 as set out in the tables in paragraphs 4.3.1 and 4.4.1 of the Prospectus (the Pro forma Forecast Financial Information). The Pro forma Forecast Financial Information has been derived from the Statutory Forecast Financial Information, after adjusting for the effects of the Pro forma Adjustments described in the tables in paragraphs 4.3.3 and 4.4.2 of the Prospectus. An audit/review has not been conducted on the source from which the unadjusted financial information was prepared. The stated basis of preparation used in the preparation of the Pro forma Forecast Financial Information is the Company's adopted accounting policies and the recognition and measurement principles contained in Australian Accounting Standards applied to the Statutory Forecast Financial Information and the events or transactions to which the Pro forma Adjustments relate, as if those events or transactions had occurred prior to 1 July 2017. Due to its nature the Pro forma Forecast Financial Information does not represent the Company's actual prospective financial performance and/ or cash flows for the financial year ending 30 June 2018,

(together, the Forecast Financial Information).



The Forecast Financial Information has been prepared by management and adopted by the Directors in order to provide prospective investors with a guide to the potential financial performance of the Company for the financial year ending 30 June 2018. There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to events and transactions that have not yet occurred and may not occur. Actual results are likely to be different from the Forecast Financial Information since anticipated events or transactions frequently do not occur as expected and the variations may be material.

The Directors' best estimate assumptions on which the Forecast Financial Information is based relate to future events and/or transactions that management expect to occur and actions that management expect to take, and are also subject to uncertainties and contingencies, which are often outside the control of the Company. Evidence may be available to support the assumptions on which the Forecast Financial Information is based, however such evidence is generally future orientated and therefore speculative in nature. We are therefore not in a position to express a reasonable assurance conclusion on those best estimate assumptions, and accordingly, provide a lesser level of assurance on the reasonableness of the Directors' best estimate assumptions. We do not express any opinion on the achievability of the results. The limited assurance conclusion expressed in this report has been formed on the above basis.

Prospective investors should be aware of the material risks and uncertainties relating to an investment in the Company, which are detailed in Section 5 of the Prospectus, and the inherent uncertainty relating to the prospective financial information. Accordingly prospective investors should have regard to the investment risks and sensitivities set out in Section 5 and Section 4.8 of the Prospectus.

The sensitivity analysis set out in Section 4.8 of the Prospectus demonstrates the impacts on the Forecast Financial Information of changes in key assumptions. The Forecast Financial Information is therefore only indicative of the financial performance which may be achievable. We express no opinion as to whether the Forecast Financial Information will be achieved.

We have assumed, and relied on representations from certain members of management of the Company, that all material information concerning the prospects and proposed operations of the Company has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

#### **Directors' Responsibility**

The Directors are responsible for:

- the preparation and presentation of the Statutory Historical Financial Information and the Pro forma Historical Financial Information, including the selection and determination of the Pro forma Adjustments made to the Statutory Historical Financial Information and included in the Pro forma Historical Financial Information;
- the preparation of the Forecast Financial Information, including the best estimate assumptions underlying the Forecast Financial Information and the selection and determination of the Pro forma Adjustments made to the Statutory Forecast Financial Information and included in the Pro forma Forecast Financial Information; and
- the information contained within the Prospectus.

This responsibility includes for the operation of such internal controls as the Directors determine are necessary to enable the preparation of the Statutory Historical Financial Information, the Pro forma Historical Financial Information and the Forecast Financial Information that are free from material misstatement, whether due to fraud or error.



### **Our Responsibility**

Our responsibility is to express a limited assurance conclusion on the Statutory Historical Financial Information, the Pro forma Historical Financial Information, the Statutory Forecast Financial Information and the Pro Forma Forecast Financial Information, based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Australian Standard on Assurance Engagements (ASAE) 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly we will not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

We have performed the following procedures as we, in our professional judgement, considered reasonable in the circumstances:

### **Statutory Historical Financial Information**

- a review of the extraction of the Statutory Historical Financial Information from the Aggregated Accounts covering the financial years ended 30 June 2015, 30 June 2016 and 30 June 2017;
- analytical procedures on the Statutory Historical Financial Information;
- a consistency check of the application of the stated basis of preparation, as described in the Prospectus, to the Statutory Historical Financial Information;
- a review of the work papers, accounting records and other documents of the Company and its auditors; and
- enquiry of the Directors, management and others in relation to the Statutory Historical Financial Information.

### **Pro forma Historical Financial Information**

- consideration of work papers, accounting records and other documents, including those dealing with the extraction of Statutory Historical Financial Information from the Aggregated Accounts for each of the periods mentioned above;
- consideration of the appropriateness of the Pro forma Adjustments described in Section 4.3, and Section 4.4 of the Prospectus;
- enquiry of the Directors, management, personnel and advisors of the Company;
- the performance of analytical procedures applied to the Pro forma Historical Financial Information;
- a review of work papers, accounting records and other documents of the Company and its auditors; and
- a review of the accounting policies for consistency of application.



#### **Forecast Financial Information**

- enquiries, including discussions with management and Directors of the factors considered in determining the assumptions;
- analytical and other review procedures we considered necessary including examination, on a test basis, of evidence supporting the assumptions, amounts and other disclosures in the Forecast Financial Information;
- review of the accounting policies adopted and used in the preparation of the Forecast Financial Information; and
- consideration of the Pro forma Adjustments applied to the Statutory Forecast Financial Information in preparing the Pro forma Forecast Financial Information.

#### **Conclusions**

##### **Statutory Historical Financial Information**

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Statutory Historical Financial Information is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 4.2.2 of the Prospectus.

##### **Pro forma Historical Financial Information**

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro forma Historical Financial Information is not presented fairly, in all material respects, in accordance with the stated basis of preparation as described in Section 4.2.3 of the Prospectus.

##### **Statutory Forecast Financial Information**

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that:

- (i) the Directors' best estimate assumptions used in the preparation of the Statutory Forecast Financial Information do not provide reasonable grounds for the Statutory Forecast Financial Information;
- (ii) in all material respects, the Statutory Forecast Financial Information:
  - a. is not prepared on the basis of the Directors' best estimate assumptions as described in Section 4.6 of the Prospectus;
  - b. is not presented fairly in accordance with the stated basis of preparation, being the accounting policies adopted and used by the Company and the recognition and measurement principles contained in Australian Accounting Standards; and
- (iii) the Statutory Forecast Financial Information itself is unreasonable.



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10 November 2017

#### **Pro forma Forecast Financial Information**

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that:

- (i) the Directors' best estimate assumptions used in the preparation of the Pro forma Forecast Financial Information do not provide reasonable grounds for the Pro forma Forecast Financial Information;
- (ii) in all material respects, the Pro forma Forecast Financial Information:
  - a. is not prepared on the basis of the Directors' best estimate assumptions as described in Section 4.6 of the Prospectus;
  - b. is not presented fairly in accordance with the stated basis of preparation, being the accounting policies adopted and used by the Company and the recognition and measurement principles contained in Australian Accounting Standards, applied to the Statutory Forecast Financial Information and the Pro forma Adjustments as if those adjustments had occurred prior to 1 July 2017; and
- (iii) the Pro forma Forecast Financial Information itself is unreasonable.

#### **Restrictions on Use**

Without modifying our conclusions, we draw attention to Section 4 of the Prospectus, which describes the purpose of the Financial Information, being for inclusion in the Prospectus. As a result, the Investigating Accountant's Report may not be suitable for use for another purpose.

#### **Consent**

Deloitte Corporate Finance Pty Limited has consented to the inclusion of this limited assurance report in the Prospectus in the form and context in which it is included.

#### **Disclosure of Interest**

Deloitte Corporate Finance Pty Limited does not have any interest in the outcome of this Offer other than the preparation of this report and participation in the due diligence procedures for which normal professional fees will be received.

Deloitte Touche Tohmatsu is the auditor of the Company.

Yours sincerely

#### **DELOITTE CORPORATE FINANCE PTY LIMITED**

**Steven Shirliff**  
Authorised Representative of  
Deloitte Corporate Finance Pty Limited  
(AFSL Number 241457)  
AR Number 461013





August 2017

## Financial Services Guide (FSG)

### What is an FSG?

An FSG is designed to provide information about the supply of financial services to you.

Deloitte Corporate Finance Pty Limited (DCF) (AFSL 241457) provides this FSG to you, so you know how we are remunerated and who to contact if you have a complaint.

### Who supplies the financial services?

We provide this FSG to you where you engage us to act on your behalf when providing financial services.

Alternatively, we may provide this FSG to you because our client has provided financial services to you that we delivered to them.

The person who provides the financial service to you is our Authorised Representative (AR) and DCF authorises the AR to distribute this FSG.

### What financial services are we licensed to provide?

We are authorised to provide financial product advice and to arrange for another person to deal in financial products in relation to securities, interests in managed investment schemes, government debentures, stocks or bonds, to retail and wholesale clients. We are also authorised to provide personal and general financial product advice and deal by arranging in derivatives and regulated emissions units to wholesale clients, and general financial product advice relating to derivatives to retail clients.

### General financial product advice

We provide general advice when we have not taken into account your personal objectives, financial situation or needs, and you would not expect us to have done so. In this situation, you should consider whether our general advice is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If we provide advice to you in connection with the acquisition of a financial product, you should read the relevant offer document carefully before making any decision about whether to acquire that product.

### Personal financial product advice

When we give you advice that takes into account your objectives, financial situation and needs, we will give you a Statement of Advice to help you understand our advice, so you can decide whether to rely on it.

### How are we remunerated?

Our fees are usually determined on a fixed fee or time cost basis plus reimbursement of any expenses incurred in providing the services. Our fees are agreed with, and paid by, those who engage us.

Clients may request particulars of our remuneration within a reasonable time after being given this FSG.

Apart from these fees, DCF, our directors and officers, and any related bodies corporate, affiliates or associates, and their directors and officers, do not receive any commissions or other benefits.

All employees receive a salary, and, while eligible for annual salary increases and bonuses based on overall performance, they do not receive any commissions or other benefits as a result of the services provided to you.

The remuneration paid to our directors reflects their individual contribution to the organisation and covers all aspects of performance.

We do not pay commissions or provide other benefits to anyone who refers prospective clients to us.

### Associations and relationships

The Deloitte member firm in Australia (Deloitte Touche Tohmatsu) controls DCF. Please see [www.deloitte.com/au/about](http://www.deloitte.com/au/about) for a detailed description of the legal structure of Deloitte Touche Tohmatsu.

We, and other entities related to Deloitte Touche Tohmatsu, do not have any formal associations or relationships with any entities that are issuers of financial products. However, we may provide professional services to issuers of financial products in the ordinary course of business.

### What should you do if you have a complaint?

Please contact us about a concern:

The Complaints Officer  
PO Box N250  
Grosvenor Place  
Sydney NSW 1220  
[complaints@deloitte.com.au](mailto:complaints@deloitte.com.au)  
Phone: +61 2 9322 7000

If an issue is not resolved to your satisfaction, you can lodge a dispute with the Financial Ombudsman Service (FOS). FOS provides fair and independent financial services dispute resolution free to consumers.

[www.fos.org.au](http://www.fos.org.au)  
1800 367 287 (free call)  
Financial Ombudsman Service  
GPO Box 3 Melbourne VIC 3001

### What compensation arrangements do we have?

Deloitte Australia holds professional indemnity insurance that covers the financial services we provide. This insurance satisfies the compensation requirements of the Corporations Act 2001 (Cth).

Deloitte Corporate Finance Pty Limited, ABN 19 003 833 127, AFSL number 241457 of Level 1 Grosvenor Place, 225 George Street, Sydney NSW 2000  
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# ADDITIONAL INFORMATION



## 9 ADDITIONAL INFORMATION

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### 9.1 MATERIAL CONTRACTS

Along with the voluntary escrow arrangements entered into by the Escrowed Shareholders (as described in Section 7.6), the Share Purchase Agreements, the Executive Services Agreements and the Offer Manager Agreement (which are summarised below) are significant or material to GrowthOps or of such a nature that an investor may wish to have details of them when making an assessment of whether to apply for Shares. Summaries of those contracts are set out below.

Summaries of material contracts set out in this Prospectus do not purport to be complete and are qualified by the text of the contracts themselves.

#### 9.1.1 SHARE PURCHASE AGREEMENTS

GrowthOps has entered into Share Purchase Agreements with the Vendors on substantially similar terms. The Share Purchase Agreements govern the terms of each Acquisition. GrowthOps intends to complete the Acquisitions under the Share Purchase Agreements promptly following Completion of the Offer. The key terms of the Share Purchase Agreements are summarised below.

- **Consideration:** The consideration payable by GrowthOps to each of the Vendors is conditional upon Completion of the Offer and comprises:
  - a cash component payable promptly following Completion, equal to 50% of the consideration payable; and
  - the issue of CRPS at the Final Price for the balance of the consideration. Subject to certain terms and conditions (including as detailed below), 50% of the CRPS issued to each Vendor will convert into Shares on the first anniversary of Completion, 25% will convert into Shares on the second anniversary of Completion, and the remaining 25% will convert into Shares on the third anniversary of Completion.
- **Rights and liabilities attaching to CRPS:** None of the CRPS will be quoted on any stock exchange. Amongst other terms, CRPS carry the following rights and liabilities:
  - CRPS holders have the same rights as Shareholders in relation to receiving notices (including notices of meetings of members), reports and audited accounts, and to attend meetings of members of the Company.
  - CRPS holders are only entitled to vote in in the following circumstances:
    - during a period during which a dividend (or part of a dividend) in respect of the CRPS is in arrears;
    - on a proposal to reduce the Company's share capital;
    - on a resolution to approve the terms of a buy-back agreement;
    - on a proposal that affects the rights attached to the CRPS;
    - on a proposal to wind up the Company;
    - on a proposal for the disposal of the whole of the Company's property, business and undertaking; and
    - during the winding up of the Company.
  - If the Company pays dividends to Shareholders, CRPS holders are also entitled to dividends in the same amount as they would have received had their CRPS been converted into Shares on the record date for the applicable dividend. CRPS rank for payment of any dividend in priority to Shares, equally amongst themselves and with other classes of CRPS (other than any shares which by their terms rank behind the CRPS), and behind any other securities or instruments that by their terms rank in priority to CRPS.
  - In a winding-up of the Company, CRPS rank for payment of any amount out of surplus assets of the Company in priority to Shares, equally amongst themselves and with other classes of CRPS (other than any shares which by their terms rank behind CRPS), behind any other securities or instruments that by their terms rank in priority to CRPS, and behind all of the Company's debts and liabilities to both

subordinated or unsubordinated creditors, other than indebtedness that by its terms ranks equally with or behind CRPS in a winding-up.

- Each CRPS will convert into 1 Share on the relevant conversion date, subject to adjustment as described below. Upon conversion, CRPS will have the same rights and liabilities as, and rank equally with, other fully paid ordinary Shares.
- The CRPS mechanism entitles the holder to more Shares if there is an upward adjustment to the purchase price and to less Shares if there is a downward adjustment to the purchase price. The purchase price and the number of Shares which each CRPS converts into (a maximum of 2 Shares and a minimum of 0 Shares) will adjust according to the financial performance of the relevant GrowthOps Business for FY18, calculated in accordance with the metrics used to determine the purchase price under the corresponding Share Purchase Agreement. To the extent the financial performance for a particular GrowthOps Business for FY18 exceeds or falls short of the target for FY18, the CRPS for that GrowthOps Business will convert into a greater or small number of Shares, as applicable.
- In circumstances where CRPS convert into the maximum number of Shares, the financial performance of the relevant GrowthOps Business for FY18 will have exceeded the target performance as set out in the relevant Share Purchase Agreement by 50%. The target performance is approximately in line with the forecast used to prepare the Forecast Financial Information.
- Where a bad leaver event occurs, the Company will be entitled to redeem for nil value all CRPS held by the relevant CRPS holder at the time the bad leaver event occurs. A bad leaver event will occur where, prior to the 3<sup>rd</sup> anniversary of Completion occurring, any Partner associated with the applicable CRPS holder terminates their employment under their Executive Services Agreement for any reason or the Company or a GrowthOps Business terminates their Executive Services Agreement, in each instance other than due to death or total and permanent disability.
- If any CRPS holder attempts to dispose of CRPS without the Company's consent, the Company will be entitled to redeem for nil value all of that holder's CRPS in all circumstances.
- Upon the occurrence of certain share capital adjustment events (such as a reconstruction of the Shares, a bonus issue of Shares, a capital reduction or a buy-back), the term on which the CRPS are converted or redeemed, as applicable, will be adjusted by the Directors as they consider appropriate in the circumstances in order for the CRPS holders to be placed in an economic position which is as similar as reasonably possible to that which they would have been in had the applicable adjustment event not occurred.
- If there is an attempted takeover of the Company (or similar corporate action) which is supported by the Directors, the Company must use all reasonable endeavours to procure that the CRPS are converted into Shares (notwithstanding that the event occurs prior to the scheduled conversion date of the CRPS) and to procure that the holders of the CRPS are able to participate in the takeover (or similar corporate action).
- A copy of the typical CRPS terms is set out in Annexure B. Each Vendor has a separate class of CRPS.
- **Conditions precedent:** prior to completion occurring under each Share Purchase Agreement, amongst other conditions, all necessary third party consents (including in relation to change of control of a GrowthOps Business) under certain key contracts listed in the Share Purchase Agreements must be obtained. Each Share Purchase Agreement (with the exception of the KDIS SPA) has a condition precedent that the relevant Partners enter into Executive Services Agreements, which as of the Prospectus Date have all been entered into. Various additional conditions have been included in the Share Purchase Agreements which are specific to the relevant GrowthOps Business in respect of matters which have arisen through the acquisition due diligence investigations which have been conducted by the Company and its professional advisers.
- **Positive obligations:** Between the execution of each Share Purchase Agreement and completion occurring under that Share Purchase Agreement, unless otherwise agreed by the Company each GrowthOps Business must carry on its business in the ordinary course, consistent with its usual business practices, pay all amounts owing to its creditors, protect and maintain all of its tangible and intangible assets (including intellectual property rights), maintain appropriate insurance, preserve the goodwill of its business, and comply with all applicable laws and obligations.
- **Negative obligations :** Between the execution of each Share Purchase Agreement and completion occurring under that Share Purchase Agreement, unless otherwise agreed by the Company each GrowthOps Business must not, among other things, make any significant change to the nature or scale of any activity of its business, incur any new indebtedness (other than in the ordinary course of its business), or exceed certain financial thresholds in respect of its customer sales contracts, general contracts, capital expenditure, asset value

thresholds and employee salary thresholds. The applicable financial thresholds differ for each GrowthOps Business.

- **Warranties:** The Vendors of each GrowthOps Business have provided GrowthOps with a number of warranties or guarantees supporting the warranties, including those relating to the accuracy of information provided to the Company about the relevant GrowthOps Business, the share capital of the applicable GrowthOps Business, employee, IP and tax related matters, and in relation to the contracts, accounts and records of the applicable GrowthOps Business. In addition, the Partners associated with each GrowthOps Business (other than in respect of AJF Partnership) (together with the Vendors, the **Warrantors**) have provided equivalent warranties.
- **Indemnities:** The Share Purchase Agreements contain indemnities from the relevant Warrantors for any loss arising out of or in connection with a warranty being untrue, incorrect or misleading, and any tax liabilities and costs which relate to the period on or prior to the date of completion of the relevant Acquisition. The Warrantors have also provided various additional indemnities which are specific to the applicable GrowthOps Business, in respect of matters which have arisen through the acquisition due diligence investigations which have been conducted by the Company and its professional advisers.
- **Liability thresholds:** The Warrantors' liability in respect of any breach of general warranties is capped at 75% of the purchase price, with the exception of AJF Partnership where the Vendors' liability is capped at the aggregate cash component of the purchase price (being 50%). The Warrantors liability for a breach of tax and title warranties under each Share Purchase Agreement is unlimited.
- **Restraint on completion:** Subject to customary exceptions, each Warrantor must not, and must procure that their associates do not:
  - compete with the business of the relevant GrowthOps Business or any other member of the GrowthOps Group;
  - induce or attempt to induce any person to terminate their employment with the GrowthOps Group; or
  - interfere or attempt to interfere with the relationships between the relevant GrowthOps Business and any of its suppliers, distributors, clients or customers.

The Vendor of KDIS under the applicable Share Purchase Agreement (**KDIS SPA**) is Trimantium Capital. The terms of the KDIS SPA are on arms-length terms which are substantially similar to the other Share Purchase Agreements, save that (as noted above) the KDIS SPA does not include provision for the entering into of an Executive Services Agreement by a partner as there is no key person associated with KDIS. Consequently, there is no 'bad leaver' mechanism associated with Trimantium Capital's CRPS.

As noted above, the warranties and indemnities given by the Vendors of AJF Partnership under the AJF SPA are not supported by warranties and indemnities from the Partners associated with AJF Partnership. Instead, GrowthOps has obtained warranty and indemnity insurance (subject to certain exclusions required by the insurer) in respect of the warranties and indemnities given by the AJF Partnership Vendors, for an aggregate liability amount of up to \$20 million. The cost of the warranty and indemnity insurance (up to an aggregate amount of \$240,000) is being recouped from the AJF Partnership Vendors under the AJF SPA.

#### 9.1.2 EXECUTIVE SERVICES AGREEMENTS

Each Partner has entered into an Executive Services Agreements with the GrowthOps Business which corresponds to that Partner (except in relation to KDIS where Phillip Kingston who has entered into an executive services agreement to be the Managing Director of the GrowthOps Group). All of the Executive Services Agreements are on materially and substantively similar terms, which are customary for an executive services agreement. The key terms of the Executive Services Agreements are summarised below.

- **Term:** The Executive Services Agreements operate for an initial fixed term of 3 years (**Minimum Period**), commencing on the date of completion of the corresponding Share Purchase Agreement.
- **Termination:** The Executive Services Agreements may not be terminated prior to the expiry of the Minimum Period, except that the GrowthOps Business may terminate a Partner's employment:
  - on 3 months' notice for poor performance; or
  - summarily with immediate effect upon the occurrence of certain events, which broadly include serious misconduct, gross dereliction of duty, persistent breaches of the Executive Services Agreement, breach of the restraint provisions under the Acquisition Agreements, and bringing the GrowthOps Group into material disrepute.

- after the Minimum Period, either party may terminate the applicable Executive Services Agreement on 6 months' notice. Notice of termination may be given during the Minimum Period, so long as the termination only becomes effective after the Minimum Period.
- **Remuneration:** Each Partner receives fixed monthly remuneration and is eligible to participate in the short term and long-term incentive plans when implemented by the Company.
- **Sole occupation:** Each Partner is restrained during the term of their employment (subject to certain exceptions, including for certain existing business interests they hold) from:
  - being employed in or providing services to, or being a director of any other company, business or occupation; or
  - being engaged in any other activity or have any other interest which gives rise to a conflict between their personal interests and their obligations to the GrowthOps Group.
- **Restraint:** Each Partner is subject to customary non-compete and non-solicitation restraints during the term of their employment and for a period of up to 12 months following the termination of their employment.

### 9.1.3 OFFER MANAGER AGREEMENT

The Offer is managed by the Lead Manager pursuant to an offer management agreement dated 10 November 2017, between the Lead Manager and the Company (**Offer Management Agreement**). Under the Offer Management Agreement, the Lead Manager has agreed to arrange and manage the Offer.

#### 9.1.3.1 FEES AND EXPENSES

The Company has agreed to pay the Lead Manager:

- a management fee equal to 1% of the funds raised under the Offer; and
- a sale and distribution fee of up to \$1,200,000, depending on the funds raised under the Offer through investors not introduced by Trimantium Capital.

The Company has also agreed to pay the Lead Manager a retainer fee of \$30,000 each month (pro-rated) from and including 23 October 2017 until the end of the month during which all of the Shares have been allotted and issued by the Company under the Offer. The aggregate retainer fee paid to the Lead Manager will be deducted from the management, sale and distribution fees payable to the Lead Manager.

In addition to the fees described above, the Company has also agreed to reimburse the Lead Manager for certain agreed costs and expenses (subject to agreed caps), including legal expenses, subcontractor costs, and research costs, incurred by the Lead Manager in relation to the Offer.

The Company will not be liable for any commissions or fees payable to any co-managers and/or brokers appointed by the Lead Manager.

#### 9.1.3.2 DETERMINATION OF FINAL PRICE

The Final Price will be determined by the Company in consultation with the Lead Manager.

#### 9.1.3.3 TERMINATION EVENTS

At any time after the date of the Offer Management Agreement until (and including) the date on which the Shares are issued under the Offer, the Lead Manager may terminate the Offer Management Agreement without cost or liability by notice to the Company if, without limitation, any of the following events occur:

- a statement in this Prospectus is or becomes misleading or deceptive or is likely to mislead or deceive, or a matter required to be included is omitted from this Prospectus (including, without limitation, having regard to the provisions of Part 6D.2 of the Corporations Act);
- approval for quotation of the Shares is refused or not granted by the ASX, or is granted subject to conditions other than standard conditions customarily imposed, or otherwise, if approval is granted, then such approval is subsequently withdrawn, qualified (other than by customary conditions), or withheld;
- in respect of the Offer, ASIC issues an order (including an interim order) under section 739 of the Corporations Act, or holds a hearing under section 739(2) of the Corporations Act, or makes an application under Part 9.5 of the Corporations Act;
- any person gives notice under section 730 of the Corporations Act or any person who has previously consented to the inclusion of their name in this Prospectus withdraws their consent;

- the Company or any member of the Group is or becomes insolvent;
- the Company, in the reasonable opinion of the Lead Manager, is required under section 719 of the Corporations Act to lodge a supplementary prospectus, and the Company fails to do so within the time period reasonably required and in a form approved by the Lead Manager;
- the Company or any of its directors or officers engage in any fraudulent conduct or activity, whether or not in connection with the Offer; or
- any of the escrow agreements in respect of the Escrowed Shareholders is withdrawn, varied, terminated, rescinded, altered, amended, breached, or failed to be complied with.

#### 9.1.3.4 TERMINATION EVENTS SUBJECT TO MATERIALITY

In addition to the termination events noted above, the Lead Manager may, at any time after the date of the Offer Management Agreement until (and including) the date on which the Shares are issued under the Offer, terminate the Offer Management Agreement without cost or liability by notice to the Company if, without limitation, any of the following events occur and the event will, or is likely to: (i) be materially adverse to the success or marketing of the Offer, to the ability of the Lead Manager to undertake its obligations under the Offer Management Agreement, or to the price at which the Shares will trade on the ASX; or (ii) give rise to a liability of the Lead Manager under, or a contravention by the Lead Manager or its affiliates of, any applicable law:

- a new circumstance arises after this Prospectus is lodged with ASIC that would have been required to be included in this Prospectus if it had arisen before it was lodged with ASIC;
- a contravention by the Company or any other member of the Group of the Corporations Act, the Listing Rules, its constitution, or any other applicable laws or regulations;
- this Prospectus or any aspect of the Offer does not comply with any applicable law or regulation; or
- a representation, warranty, undertaking or obligation contained in the Offer Management Agreement on the part of the Company is breached, becomes not true or correct or is not performed.

#### 9.1.3.5 CONDITIONS, REPRESENTATIONS, WARRANTIES, UNDERTAKINGS AND OTHER TERMS

The Offer Management Agreement contains standard representations, warranties and undertakings by the Company to the Lead Manager, as well as common conditions precedent, including:

- that the Company must provide the Lead Manager with the report of the due diligence committee of the Company, and all relevant annexures;
- entry into escrow arrangements by each Escrowed Shareholder; and
- ASIC and ASX granting the waivers and modifications necessary to enable the Offer to proceed in accordance with the timetable.

The representations and warranties given by the Company relate to matters such as (but not limited to) the conduct of the Company, power and authorisations, information provided by the Company, financial information, information in this Prospectus, the conduct of the Offer and compliance with laws, the ASX Listing Rules and other legally binding requirements.

The Company's undertakings include (amongst others) that it will not, during the period following the date of the Offer Management Agreement up until the date of Completion, vary any term of:

- its constitution; or
- a Share Purchase Agreement in a material respect,

without the prior written consent of the Lead Manager.

#### 9.1.3.6 INDEMNITY

Subject to certain exclusions relating to, among other things, fraud or wilful misconduct or gross negligence of an indemnified party, the Company agrees to keep the Lead Manager and certain affiliated parties indemnified from losses suffered in connection with the Offer.

## 9.2 INCORPORATION



The Company was incorporated in Victoria, Australia on 14 August 2017, and was converted from a proprietary company into a public company limited by shares on 29 September 2017.

### 9.3 COMPANY TAX STATUS

GrowthOps is and will be subject to tax at the Australian corporate tax rate on its taxable income.

### 9.4 CAPITAL STRUCTURE

#### 9.4.1 AS AT THE DATE OF THIS PROSPECTUS, THE COMPANY HAS ON ISSUE THE SECURITIES SET OUT BELOW.

Securities	Number
Shares	13,150,080

#### 9.4.2 PRO FORMA CAPITAL STRUCTURE AS AT COMPLETION OF THE OFFER

The table below shows the pro forma capital structure of the Company as at Completion of the Offer (based on the midpoint of the Indicative Offer Price Range), reflecting the following assumptions:

- the issue of 64,615,385 of New Shares pursuant to the Offer; and
- the issue of CRPS.

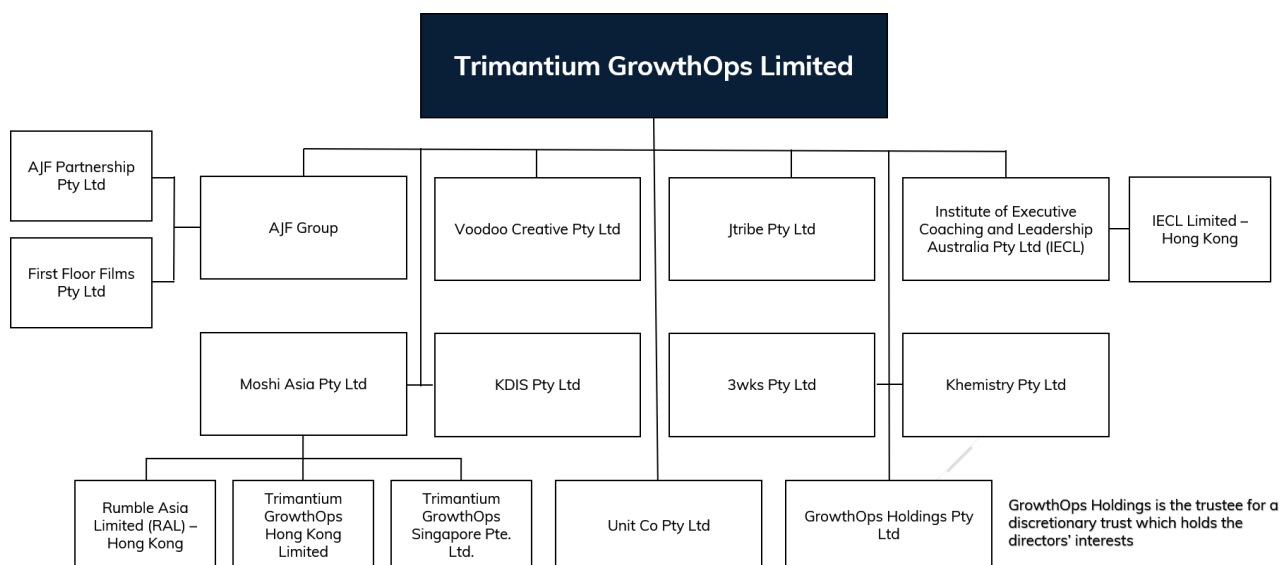
Securities	Number
Shares	98,544,406
CRPS	44,104,800

The number of Shares and CRPS set out in the table above is based on midpoint of Indicative Offer Price Range.

### 9.4.3 CORPORATE STRUCTURE

The following diagram shows the entities in the corporate structure of the GrowthOps Group assuming completion of the Acquisitions:<sup>14</sup>

**Figure 9.1: Trimantium GrowthOps Ltd Corporate Structure**



Immediately following the IPO, GrowthOps intends to acquire Unit Co Pty Ltd, a controlled entity of Trimantium Capital, which has loans outstanding to Trimantium Capital and associated parties which relate to costs incurred in preparation for and development of the current GrowthOps IPO.

## 9.5 LITIGATION AND CLAIMS

So far as the Directors are aware, other than as described elsewhere in this Prospectus, there are no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which GrowthOps is directly or indirectly concerned which is likely to have a material adverse impact on the business or financial position of GrowthOps.

## 9.6 AUSTRALIAN TAXATION CONSIDERATIONS

This Section provides a general summary of the Australian income tax, capital gains tax (CGT), GST and stamp duty issues for Shareholders who acquire Shares under the Offer.

The categories of Shareholders considered in this summary are limited to individuals, complying superannuation entities and certain companies, trusts or partnerships, each of whom holds their Shares on capital account.

This summary does not consider the consequences for Shareholders who are insurance companies, banks, Shareholders that hold their shares on revenue account or carry on a business of trading in shares, Shareholders who acquired Shares in connection with an employee share scheme, or Shareholders who are exempt from Australian tax. This summary also does not cover the consequences for Shareholders who are subject to Division 230 of the Income Tax Assessment Act 1997 (Cth) (the Taxation of Financial Arrangements or TOFA regime).

This summary is based on the tax laws in Australia in force at the time of the Offer (together with established interpretations of those laws), which may change. This summary does not take into account the tax law of countries other than Australia. This summary is general in nature and is not intended to be an authoritative or complete statement of the applicable law.

Given that the precise implications of ownership or disposal of Shares will depend upon each Shareholder's specific circumstances, Shareholders should obtain independent advice on the taxation implications of holding or disposing

<sup>14</sup> Ownership is 100% unless otherwise indicated.



of Shares, taking into account their specific circumstances (including whether they are a resident of Australia for income tax purposes).

#### 9.6.1 DIVIDENDS – AUSTRALIAN TAX RESIDENTS

The Company does not intend to pay dividends for the foreseeable future.

##### 9.6.1.1 INDIVIDUALS AND COMPLYING SUPERANNUATION ENTITIES

Individuals and complying superannuation entities who receive a dividend should include the dividend in their assessable income. If the Shareholder satisfies the “qualified person” rules (refer to further comments below), the Shareholder should also include any franking credit attached to the dividend in their assessable income. However, such Shareholder should be entitled to a tax offset equal to the franking credit. The tax offset can be applied to reduce the income tax payable on the Shareholder’s taxable income. Where the tax offset exceeds the income tax payable on the Shareholder’s taxable income in an income year, the Shareholder should be entitled to a tax refund equal to the amount of the excess.

##### 9.6.1.2 COMPANIES

Corporate Shareholders should include the dividend in their assessable income. Subject to satisfaction of the qualified person rules, corporate Shareholders should also include any franking credits attached to the dividend in their assessable income. A tax offset should then be allowed up to the amount of any franking credit attached to the dividend. In addition, the corporate Shareholder should be entitled to a credit in its own franking account to the extent of the franking credit attached to the dividend. The corporate Shareholder can then pass on the benefit of the franking credit to its own shareholder(s) on the payment of dividends by the corporate Shareholder.

Where franking credits received by a corporate Shareholder exceed the income tax payable by that Shareholder, the excess cannot give rise to a refund, but may be able to be converted into carry forward tax losses.

##### 9.6.1.3 TRUSTS AND PARTNERSHIPS

Shareholders who are trustees (other than trustees of complying superannuation entities) or partnerships should include the dividend in their assessable income in determining the net income of the trust or partnership. Subject to satisfaction of the qualified person rules, such Shareholders should also include any franking credit attached to the dividend in their net income. As a result, a relevant beneficiary or partner may be entitled to a tax offset equal to the beneficiary’s or partner’s share of the franking credit received by the Shareholder.

Notably, as the qualified person rules can be complex in the context of distributions received indirectly via a trust or partnership, it is recommended that Shareholders seek independent advice on the tax consequences arising in these circumstances.

##### 9.6.1.4 QUALIFIED PERSON RULES

The benefit of franking credits can be denied where a Shareholder does not satisfy the qualified person rules, in which case the Shareholder should not be required to include an amount for the franking credits in their assessable income and should also not be entitled to a tax offset.

Broadly, to satisfy the qualified person rules, a Shareholder must satisfy the holding period rule or, if necessary, the related payment rule.

The holding period rule requires a Shareholder to hold the Shares continuously “at risk” for not less than 45 days in the period beginning the day after the day on which the Shareholder acquires the Shares, and ending on the 45th day after the day on which the Shares become ex-dividend. In the ordinary case, this means that the holding period rule should be satisfied provided that the Shares have been held “at risk” for a continuous period of 45 days (not including the date of acquisition or disposal) at some time during the period of ownership of the Shares. Very broadly, Shares should be held “at risk” to the extent that no material “positions” are adopted in relation to the Shares which have the effect of diminishing the economic exposure associated with holding the Shares (for example, certain option and derivative agreements, or agreements to sell the Shares).

Under the related payment rule, a different testing period applies where the Shareholder or an associate of the Shareholder has made, or is under an obligation to make, a related payment in relation to a dividend. A related payment is one where a Shareholder or their associate effectively passes on the benefit of the dividend to another person.

The related payment rule requires the Shareholder to have held the Shares at risk for a continuous period of 45 days (not including the date of acquisition or disposal) during the period which commences on the 45th day before, and

ends on the 45th day after the day on which the Shares become ex-dividend. Practically, the related payment rule should not impact Shareholders who do not pass the benefit of the dividend to another person. Shareholders should obtain their own tax advice to determine if the related payment rule applies in the context of their particular circumstances.

In the event that no related payments are made with respect to a particular dividend, an individual Shareholder may satisfy the qualified person rules on an alternative basis, provided that the Shareholder satisfies the small holdings exemption. This exemption should generally be satisfied where the Shareholder is entitled to total franking credits (from all sources) of no more than \$5,000 in the relevant year of income.

As indicated above, the qualified person rules can be particularly complex for distributions received by a Shareholder indirectly (for example, via an interposed trust). It is recommended that Shareholders in such situations seek independent tax advice.

#### 9.6.1.5 DIVIDEND WASHING RULES

Dividend washing rules can apply in certain cases, such that no tax offset is available (nor is an amount required to be included in assessable income in relation to an attached franking credit) for a dividend received on Shares. Broadly, the rules can apply where

Shareholders seek to obtain additional franking benefits by disposing of Shares ex-dividend and re-purchasing a substantially equivalent parcel of Shares cum-dividend on a special market.

Shareholders should seek independent tax advice regarding the dividend washing rules, and consider the impact of these rules, having regard to their own circumstances.

#### 9.6.2 DIVIDENDS PAID ON SHARES – NON AUSTRALIAN TAX RESIDENTS

Shareholders who are not tax resident in Australia should generally be subject to Australian dividend withholding tax with respect to any unfranked dividends received. Australian dividend withholding tax should be imposed at a flat rate of 30% on the amount of the dividend that is unfranked unless the Shareholder is tax resident in a country that has concluded a double tax treaty with Australia. If that is the case, and the Shareholder is otherwise able to rely on the double tax treaty, the rate of Australian dividend withholding tax may be reduced (typically to 15%), depending on the terms of the double tax treaty.

Dividends received which are fully franked should not be subject to Australian dividend withholding tax.

#### 9.6.3 DISPOSAL OF SHARES – AUSTRALIAN TAX RESIDENTS

The disposal of a Share by a Shareholder should constitute a CGT event. A capital gain should arise to the extent that the capital proceeds on disposal exceed the cost base of the Share (broadly, the amount paid to acquire the Share plus certain non-deductible transaction costs). In the case of an arm's length on-market sale, the capital proceeds should generally equal the cash proceeds from the sale. Where the Shareholder is a partnership, the partners of that partnership (and not the partnership itself) should ordinarily be treated as realising any capital gain arising from the disposal (in their proportionate shares).

A CGT discount may be applied against any capital gain (after reduction of the capital gain by applicable capital losses) where the entity which realises the capital gain is an individual, complying superannuation entity or trustee. The CGT discount may be applied in these circumstances, provided that the Shares have been held for at least 12 months (not including the date of acquisition or disposal for CGT purposes) and certain other requirements have been satisfied. Where the CGT discount applies, any capital gain arising to individuals and entities acting as trustees (other than trustees of a complying superannuation entity) may be reduced by 50%, after offsetting current year or prior year capital losses. For a complying superannuation entity, any capital gain may be reduced by one third, after offsetting current year or prior year capital losses. The CGT discount should not apply to Corporate Shareholders.

If the Shareholder who realises the capital gain and is entitled to the CGT discount is the trustee of a trust (other than the trustee of a complying superannuation entity), the CGT discount may flow through to the beneficiaries of the trust, provided those beneficiaries are not companies. Shareholders that are trustees should seek specific advice regarding the tax consequences of distributions to beneficiaries who may qualify for discounted capital gains.

A capital loss should be realised to the extent that the reduced cost base of a Share (which should generally be calculated in a similar manner to the cost base) exceeds the capital proceeds from its disposal. Capital losses may only be offset against capital gains realised in the same income year or future income years, subject to certain loss recoupment tests being satisfied. Capital losses cannot be offset against other assessable income. As with capital gains, where the Shareholder realising the capital loss is a partnership, the partners of that partnership (and not the partnership itself) should ordinarily be treated as realising the capital loss (in their proportionate shares).

#### 9.6.4 DISPOSAL OF SHARES – NON AUSTRALIAN TAX RESIDENTS

The disposal of a Share by a Shareholder who is not tax resident in Australia should constitute a CGT event. A capital gain may initially arise to the extent that the capital proceeds on disposal exceed the cost base of the Share.

However, any capital gain initially arising as a result of the CGT event should be disregarded unless the Share constitutes “taxable Australian property”. Broadly, a Share should constitute taxable Australian property if both of the following requirements are satisfied:

- the Shareholder (together with any associates of the Shareholder) holds an interest of at least 10% in the Company at the time of the disposal, or has held such an interest throughout a 12 month period in the 24 months preceding the disposal; and
- the Company is land rich for Australian income tax purposes (broadly, because more than 50% of the value of the Company’s assets, including those of certain downstream subsidiaries, is comprised by Australian real property interests and/or certain interests in respect of Australian minerals).

A Share should also constitute taxable Australian property if it is used by a Shareholder in carrying on a business in Australia through a permanent establishment (for example, a fixed place of business, such as an office, which is located in Australia).

In the event that a Shareholder who is not tax resident in Australia realises a capital gain in connection with the disposal of a Share that constitutes taxable Australian property, the Shareholder should ordinarily be required to lodge an Australian income tax return including the capital gain. In such circumstances, the Shareholder should generally not be entitled to claim the benefit of the CGT discount to reduce the amount of the capital gain included, but may be able to offset the capital gain with any available capital losses, subject to certain loss recoupment tests being satisfied. The amount of the capital gain, after application of any available capital losses, should be subject to Australian income tax at the Shareholder’s marginal tax rate.

A capital loss should initially be realised by a Shareholder who is not tax resident in Australia to the extent that the reduced cost base of a Share exceeds the capital proceeds from its disposal. However, as with capital gains, a capital loss should be disregarded by the Shareholder unless the Share being disposed of constitutes taxable Australian property. Capital losses which are not disregarded may only be offset against capital gains from the disposal of taxable Australian property in the same income year or future income years, subject to certain loss recoupment tests being satisfied.

##### 9.6.4.1 FOREIGN RESIDENT CAPITAL GAINS WITHHOLDING TAX

Legislation has been recently enacted which can apply to the disposal of certain taxable Australian property by foreign (i.e. non-Australian) residents under contracts entered into on or after 1 July 2016. Pursuant to the new rules, a 10% non-final withholding tax may be applied to such transactions at settlement.

However, the new rules should not apply to the on-market disposal of a Share on the ASX (in accordance with a specific exemption).

Shareholders should seek their own advice as to the impact of the foreign CGT withholding tax regime having regard to their own circumstances.

#### 9.6.5 GST

Shareholders should not be liable for GST from acquiring or disposing of any Shares. Shareholders may not be entitled to claim full input tax credits in respect of any GST paid on costs incurred in connection with their acquisition or disposal of Shares. Separate GST advice should be sought by Shareholders in this respect.

#### 9.6.6 STAMP DUTY

Shareholders should not be liable for stamp duty in respect of their investment in Shares. Under current stamp duty legislation, no stamp duty should ordinarily be payable by Shareholders on any subsequent transfer of Shares whilst GrowthOps remains listed.

Shareholders should seek their own advice as to the impact of stamp duty in their own particular circumstances.

#### 9.6.7 TAX FILE NUMBER (TFN)

Australian tax resident Shareholders may, if they choose, notify GrowthOps of their TFN, Australian Business Number (ABN) or a relevant exemption from withholding tax with respect to dividends. In the event GrowthOps is not so notified, pursuant to the TFN withholding rules, tax should be automatically be deducted at the highest marginal tax

rate, including where relevant, the Medicare levy and Temporary Budget Repair Levy, from unfranked dividends and/or other applicable distributions. However, Australian tax resident Shareholders may be able to claim a tax credit/rebate (as applicable) in respect of TFN withholding in their income tax returns.

## 9.7 FOREIGN AND OTHER OWNERSHIP RESTRICTIONS

### 9.7.1 FOREIGN OWNERSHIP RESTRICTIONS

No action has been taken to register or qualify this Prospectus, the Shares or the Offer, or otherwise to permit a public offering of the Shares, in any jurisdiction outside Australia. This Prospectus does not constitute an offer of Shares in any jurisdiction in which, or to any person to whom, it would be unlawful.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. In particular, this Prospectus may not be distributed to any person, and the Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

#### 9.7.1.1 HONG KONG

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

#### 9.7.1.2 NEW ZEALAND

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act"). The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

#### 9.7.1.3 SINGAPORE

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

#### 9.7.2 OTHER OWNERSHIP RESTRICTIONS

The sale and purchase of shares in Australia is regulated by a number of laws that restrict the level of ownership or control by any one person (either alone or in contribution with others). This Section 9.7.2 contains a general description of these laws.

##### 9.7.2.1 FOREIGN ACQUISITIONS AND TAKEOVERS ACT 1975 (Cth) AND AUSTRALIAN FEDERAL GOVERNMENT FOREIGN INVESTMENT POLICY

Generally, the Foreign Acquisitions and Takeovers Act 1975 (Cth) applies to acquisitions of shares and voting power in a company of 20% or more by a single foreign person and its associates (**Substantial Interest**), or 40% or more by two or more unassociated foreign persons and their associates (**Aggregate Substantial Interest**).

Where an acquisition of a Substantial Interest meets certain criteria, the acquisition may not occur unless notice of it has been given to the Federal Treasurer and the Federal Treasurer has either stated that there is no objection to the proposed acquisition in terms of the Australian Federal Government's Foreign Investment Policy (**Policy**) or a statutory period has expired without the Federal Treasurer objecting. An acquisition of a Substantial Interest or an Aggregate Substantial Interest meeting certain criteria may also lead to divestment orders unless a process of notification, and either a statement of non-objection or expiry of a statutory period without objection, has occurred.

In addition, acquisitions of a direct interest in a company by foreign government investors and their associates must be notified to the Foreign Investment Review Board for prior approval, irrespective of the value of the investment. A direct interest will typically include any interest in 10% or more of the shares (or other securities or equivalent interest or voting power) in a company but may also include an interest in less than 10% where the investor is building a strategic stake in the target or obtains potential influence or control over the target.

##### 9.7.2.2 CORPORATIONS ACT

The takeover provisions in Chapter 6 of the Corporations Act restrict acquisitions of shares in listed companies, and unlisted companies with more than 50 members, if the acquirer's (or another party's) voting power would increase to above 20%, or would increase from a starting point that is above 20% and below 90%, unless certain exceptions apply. The Corporations Act also imposes notification requirements on persons having voting power of 5% or more in GrowthOps either themselves or through an associate.

## 9.8 CONSENT TO BE NAMED AND STATEMENT OF DISCLAIMERS OF RESPONSIBILITY

Each of the parties listed below in this Section 9.8 (each a **Consenting Party**), to the maximum extent permitted by law, expressly disclaims all liabilities in respect of, makes no representations regarding and takes no responsibility for any statements in or omissions from this Prospectus, other than the reference to its name in the form and context in which it is named and a statement or report included in this Prospectus with its consent as specified below.

Each of the Consenting Parties has not authorised or caused the issue of this Prospectus, does not make any offer of Shares, and expressly disclaims and takes no responsibility for any statement in or omissions from this prospectus except as stated above.

None of the Consenting Parties has made any statement that is included in this Prospectus or any statement on which a statement made in this Prospectus is based, other than as specified below:

- D2MX Pty Ltd has given, and has not withdrawn prior to the Prospectus Date, their written consent to be named in this Prospectus as the Lead Manager to the Offer in the form and context in which it is named;

- King & Wood Mallesons has given, and has not withdrawn prior to the Prospectus Date, its written consent to be named in this Prospectus as Australian legal advisor (other than in relation to taxation matters) to GrowthOps in relation to the Offer in the form and context in which it is named;
- Deloitte Corporate Finance Pty Limited has given, and has not, before the lodgement of this Prospectus with ASIC, withdrawn its consent to the inclusion in this Prospectus of its Investigating Accountant's Report on the Financial Information in Section 8 in the form and context in which it is included;
- Deloitte Touche Tohmatsu has given, and has not withdrawn prior to the Prospectus Date, its written consent to be named in this Prospectus as auditor to GrowthOps in the form and context in which it is named; and
- Computershare Investor Services Pty Limited has given, and has not withdrawn prior to the Prospectus Date, its written consent to be named in this Prospectus as the Share Registry in the form and context in which it is named. Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of this Prospectus other than being named as Share Registry to GrowthOps. Computershare Investor Services Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this Prospectus.

## 9.9 PRIVACY

GrowthOps and the Share Registry on its behalf, will collect, hold and use personal information to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration. Once you have become a Shareholder, the Corporations Act requires that information about you (including your name, address and details of the Shares you hold) is included in GrowthOps' share register. The information must continue to be included in GrowthOps' share register if you cease to be a Shareholder. If you do not provide all the information requested, your Application Form may not be able to be processed.

GrowthOps and the Share Registry may disclose your personal information for purposes or matters related to your investment to their agents and service providers including the following or as otherwise authorised under GrowthOps' privacy policy and the Privacy Act 1988 (Cth): (i) the Share Registry for ongoing administration of the GrowthOps share register, (ii) the Lead Manager in order to assess your Application, (iii) printers and other companies for the purpose of preparation and administration of documents and for handling mail, (iv) market research companies for the purpose of analysing the Shareholder base and for product development and planning, and (v) legal and accounting firms, auditors, management consultants and other advisers for the purpose of administering, and advising on, the Shares and for associated actions.

You may request access to your personal information held by or on behalf of GrowthOps. You can request access to your personal information or obtain further information about GrowthOps' privacy practices by contacting the Share Registry. You may be required to pay a reasonable charge to the Share Registry in order to access your personal information. GrowthOps aims to ensure that the personal information it retains about you is accurate, complete and up-to-date. To assist with this, please contact the Share Registry if any of the details you have provided change. In accordance with the requirements of the Corporations Act, information on the share register will be accessible by members of the public. A fee may be charged for access. Access requests must be made in writing or by telephone call to GrowthOps' registered office or the Share Registry's office, details of which are disclosed in the Corporate Directory on the inside back cover of this Prospectus.

GrowthOps' privacy policy also sets out how you can contact us if you wish to make a complaint about privacy breaches and how we will deal with your complaint.

Applicants can obtain a copy of GrowthOps' privacy policy by visiting GrowthOps' website: [www.growthops.com.au](http://www.growthops.com.au).

You can request access to your personal information by contacting the Share Registry as follows:

**Email:** [webqueriesaux@computershare.com.au](mailto:webqueriesaux@computershare.com.au)

**Address:** Yarra Falls, 452 Johnston St Abbotsford Vic 3067

**Telephone:** 1300 555 159

## 9.10 PHOTOGRAPHS AND DIAGRAMS

Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets

shown in them are owned by GrowthOps. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the Prospectus Date.

## **9.11 GOVERNING LAW**

This Prospectus and the contracts that arise from the acceptance of the Applications under this Prospectus are governed by the law applicable in New South Wales and each Applicant under this Prospectus submits to the exclusive jurisdiction of the courts of New South Wales.

## **9.12 COMPANY WEBSITE**

Any references to documents included on GrowthOps' website at [www.growthops.com.au](http://www.growthops.com.au) are for convenience only, and none of the documents or other information available on GrowthOps' website is incorporated into this Prospectus by reference.

## **9.13 STATEMENT OF DIRECTORS**

The issue of this Prospectus has been authorised by each Director of GrowthOps who has consented to its lodgement with ASIC and has not withdrawn that consent.

# GLOSSARY



# GLOSSARY

Term/abbreviation	Explanation
3wks	3wks Pty Ltd (ACN 155 766 831)
3wks SPA	The share purchase agreement dated on or about 1 September 2017 between GrowthOps, Walker United Pty Ltd (ACN 145 381 568) as trustee for the Walker United Investment Trust and Andrew Mason Walker
AASB	Australian Accounting Standards Board
Acquisition Agreements	The Share Purchase Agreements and the Executive Services Agreements
Acquisitions	The acquisitions whereby the GrowthOps Businesses will become wholly owned subsidiaries of GrowthOps, as described in Section 9.1.1
agile	A set of principles and methodologies used by the GrowthOps Group, including but not limited to: focus on specific business outcomes; deployment of small cross-functional teams of entrepreneurs; and rapid iteration and testing based on real-time feedback from end-users
AJF Partnership	AJF Partnership Pty Ltd (ACN 108 829 581) and First Floor Films Pty Ltd (ACN 600 540 725)
AJF SPA	The share purchase agreement dated 1 September 2017 between GrowthOps, Adam James Francis Pty Ltd as trustee of the Francis Family Trust, Adam James Francis, AJF Foote Pty Ltd as trustee of the AJF Foote Family Trust, Andrew John Foote, AJF Fabbro Pty Ltd as trustee of the AJF Fabbro Family Trust, Andrew James Fabbro, JL Stephens Pty Ltd as trustee of the JL Stephens Family Trust and Joshua Lee Stephens
Applicant	A person who submits an Application
Application	An application made to subscribe for Shares offered under this Prospectus
Application Form	The application form attached to or accompanying this Prospectus (including the electronic form provided by an online application facility)
Application Monies	The amount of monies accompanying an Application Form submitted by an Applicant, being the Final Price multiplied by the number of Shares applied for
AR/VR	Augmented Reality (AR) and Virtual Reality (VR)
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited (ABN 98 008 624 691) or the securities exchange that it operates, as the context requires
ASX Listing Rules	The official listing rules of the ASX
ASX Recommendations	Third Edition of the ASX Corporate Governance Principles and Recommendations
ASX Settlement Operating Rules	The operating rules of the ASX Settlement Pty Limited (ABN 49 008 504 532)
ATO	Australian Taxation Office
Australian Accounting Standards	Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board
AWS	Amazon Web Services

Term/abbreviation	Explanation
<b>Board</b>	The board of directors of the Company
<b>Broker</b>	The Lead Manager and any ASX market participant selected by the Lead Manager to participate in the Broker Firm Offer
<b>Broker Firm Offer</b>	The offer of Shares under this Prospectus to Australian resident retail investors who have received a firm allocation from their Broker and are not in the United States
<b>Business Day</b>	Has the meaning given in the ASX Listing Rules
<b>CGT</b>	Capital gains tax
<b>CHESS</b>	Clearing House Electronic Subregister System operated in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules
<b>Closing Date</b>	The date on which the Retail Offer closes, which is expected to be 6 December 2017. This date may be varied without notice.
<b>Company</b>	Trimantium GrowthOps Limited (ACN 621 067 678)
<b>Completion</b>	Completion in respect of the issued and allotment of Shares in accordance with the Offer Management Agreement
<b>Constitution</b>	The constitution of the Company
<b>CRPS</b>	Convertible redeemable preference shares to be issued to each Vendor under the Acquisitions
<b>Corporations Act</b>	Corporations Act 2001 (Cth)
<b>Digital Moshi</b>	Moshi Asia Pty Ltd (ACN 617 276 203)
<b>Digital Moshi SPA</b>	The share purchase agreement dated 31 August 2017 between GrowthOps, Brydan Hamor Ltd and Jason Morrissey
<b>Director(s)</b>	The director or directors of the Company
<b>EBITA</b>	Earnings before interest, tax and amortisation
<b>EBITDA</b>	Earnings before interest, tax, depreciation and amortisation
<b>Escrow Period</b>	Until the date which is two Business Days after the date on which GrowthOps' financial results for FY18 are released to the ASX by GrowthOps
<b>Escrowed Shareholders</b>	GrowthOps Holdings as trustee for TGO Trust 1, TGO Holdings as trustee for TC Special Operations Trust 7, TGO Holdings as trustee for TGO Trust 2, Trimantium Capital and Management Shareholder
<b>Escrowed Shares</b>	Shares held by the Escrowed Shareholders
<b>Executive Services Agreement</b>	The executive services agreements entered into with each of the Partners
<b>Existing Shareholders</b>	GrowthOps Holdings as trustee for TGO Trust 1, TGO Holdings as trustee for TC Special Operations Trust 7, TGO Holdings as trustee for TGO Trust 2 and Trimantium Capital
<b>Existing Shares</b>	Shares held by the Existing Shareholders as at the Prospectus Date
<b>Expiry Date</b>	The date that is 13 months after the Prospectus Date

Term/abbreviation	Explanation
<b>Exposure Period</b>	The period specified in Section 727(3) of the Corporations Act, being a minimum of seven days from the Prospectus Date, during which an Application must not be accepted. ASIC may extend this period by up to a further seven days after the end of this period
<b>Final Price</b>	The price per Share that all Successful Applicants will pay for Shares under the Offer as determined under the bookbuild and the process set out in Section 7.4.3, denominated in Australian dollars
<b>Forecast Financial Information</b>	Has the meaning given in Section 4
<b>Financial Information</b>	The Forecast Financial Information and the Historical Financial Information
<b>Forecast Period</b>	The period from 1 July 2017 to 30 June 2018
<b>FY</b>	Financial year beginning 1 July and ended or ending 30 June
<b>GCP</b>	Google Cloud Platform
<b>Group or GrowthOps Group</b>	GrowthOps and each of its subsidiaries following the acquisition of each of the GrowthOps Businesses
<b>GrowthOps</b>	Trimantium GrowthOps Limited (ACN 621 067 678)
<b>GrowthOps Businesses</b>	3wks, AJF Partnership, IECL, jtribe, KDIS, Khemistry, Digital Moshi, and Voodoo Creative
<b>GrowthOps Holdings</b>	GrowthOps Holdings Pty Ltd (ACN 622 283 738)
<b>GrowthOps Offer Information Line</b>	1300 145 328 (within Australia) or +61 3 9415 4250 (outside Australia) open from 8.30 am to 5.00 pm (Sydney Time) Monday to Friday until Completion
<b>GST</b>	Has the meaning given in A New Tax System (Goods and Services Tax) Act 1999 (Cth)
<b>Historical Balance Sheet</b>	Has the meaning given in Section 4.1.1
<b>Historical Cash Flows</b>	Has the meaning given in Section 4.1.1
<b>Historical Financial Information</b>	Has the meaning given in Section 4
<b>Historical Income Statements</b>	Has the meaning given in Section 4.1.1
<b>IECL</b>	The Institute of Executive Coaching and Leadership Australia Pty Ltd (ACN 110 136 448)
<b>IECL SPA</b>	The share purchase agreement dated 31 August 2017 between GrowthOps, Attain Consulting Pty Ltd as trustee for Attain Consulting Trust, Stephen Barry Parkinson, Julie Anne Parkinson, Charoite Pty Ltd as trustee for C. McFarlane Family Trust, Chip McFarlane, Tony Mathers & Catherine Mathers as trustees for the Mathers Superannuation Fund and Tony Mathers
<b>IFRS</b>	International Financial Reporting Standards
<b>Independent Director</b>	A Director who the Board has determined is independent under the Board Charter
<b>Indicative Offer Price Range</b>	The indicative price range for the Offer of \$1.00 to \$1.17 per Share

Term/abbreviation	Explanation
<b>Institutional Investor</b>	<p>An investor:</p> <ul style="list-style-type: none"> <li>in Australia who is a “wholesale client” for the purposes of section 761G of the Corporations Act and who is either a “professional investor” or “sophisticated investor” under sections 708(11) and 708(8) of the Corporations Act; or</li> <li>in certain other jurisdictions, as agreed by GrowthOps and the Lead Manager to whom offers or invitations in respect of securities can be made without the need for a lodged or registered prospectus or other form of disclosure document or filing with, or approval by, any governmental agency (except one with which GrowthOps is willing, in its absolute discretion, to comply),</li> </ul> <p>in either case, provided that such investors are not in the United States or acting for the account or benefit of a U.S. Person</p>
<b>Institutional Offer</b>	The offer of Shares under this Prospectus to Institutional Investors, as described in Section 7.4
<b>Investigating Accountant</b>	Deloitte Corporate Finance Pty Limited (ACN 003 833 127)
<b>Investigating Accountant's Report</b>	The report in Section 8
<b>IoT</b>	Internet of Things (IoT) refers to the network of physical devices, vehicles, and other items embedded with electronics, software, sensors, and network connectivity which enable these objects to collect and exchange data
<b>IPO</b>	Initial Public Offering
<b>jtribe</b>	JTribe Holdings Pty Ltd (ACN 116 020 574) as trustee for the Jtribe Holdings Unit Trust
<b>jtribe SPA</b>	The share purchase agreement dated 1 September 2017 between GrowthOps and Armin Thomas Kroll
<b>KDIS</b>	KDIS Pty Ltd (ACN 167 378 252)
<b>KDIS SPA</b>	The share purchase agreement dated 31 August 2017 between GrowthOps and Trimantium Capital
<b>Khemistry</b>	Khemistry Pty Ltd (ACN 112 135 341)
<b>Khemistry SPA</b>	The share purchase agreement dated 31 August 2017 between GrowthOps, Andrew Douglas Fyffe and Jacqueline Joanne Fyffe and Ward Portfolio Pty Ltd (ACN 112 133 043)
<b>Lead Manager</b>	D2MX Pty Ltd (ABN 98 113 959 596)
<b>Listing</b>	The listing of the Company on the ASX following Completion of the Offer
<b>Machine Learning</b>	Machine Learning (ML) refers to an application of artificial intelligence (AI) that provides systems the ability to automatically learn and improve from experience without being explicitly programmed
<b>Management Shareholder</b>	Dustine Pang
<b>MNPAT</b>	Maintainable NPAT of a GrowthOps Business calculated in accordance with the applicable Share Purchase Agreement
<b>NBIO</b>	Has the meaning given in Section 3.5
<b>New Shareholders</b>	Persons acquiring Shares under the Offer

Term/abbreviation	Explanation
New Shares	Shares to be issued by the Company pursuant to this Prospectus
Non-executive Director	A Director who is not an employee of the Company
NPAT	Net profit after tax
NPATA	Net profit after tax excluding amortisation
Offer	The offer under this Prospectus of between 60.0 million and 70.0 million New Shares by the Company
Offer Period	The period from the Opening Date and ending on the Closing Date
Official List	The official list of entities that the ASX has admitted and not removed from listing
Opening Date	The date on which the Offer opens, expected to be 24 November 2017
Partners	The 15 key individuals as described in Section 6.3, each of whom hold shares in the GrowthOps Businesses, or are associated with the investment vehicles which hold shares in the GrowthOps Businesses, and who have entered into Executive Services Agreements and in conjunction with the Acquisitions, as at the date of this Prospectus
Priority Offer	The offer of Shares under this Prospectus, which is made to selected investors in Australia who have received a personalised invitation, as described in Section 7.3.2
Prospectus	This document dated 10 November 2017 (including the electronic form of this document), and any replacement or supplementary prospectus in relation to this document
Prospectus Date	The date of this Prospectus, being 10 November 2017
Retail Offer	The Broker Firm Offer and the Priority Offer
SaaS	Software as a Service refers to software that is delivered from a centrally hosted location and is licensed on an on-demand or subscription basis
Salesforce Partner	Has the meaning given in Section 3.5
Serverless	Serverless refers to an emerging model of developing software in the cloud that reduces or removes maintenance requirements of traditional software, such as server management and monitoring.
Settlement	Settlement in respect of the Shares the subject of the Offer, occurring under the Offer Management Agreement
Share	A fully paid ordinary share in the capital of the Company
Share Purchase Agreements	Each of the 3wks SPA, AJF SPA, IECL SPA, jtribe SPA, KDIS SPA, Khemistry SPA Digital Moshi SPA, and Voodoo SPA
Share Registry	Computershare Investor Services Pty Limited (ACN 078 279 277)
Shareholder	The registered holder of a Share
Successful Applicant(s)	An Applicant who is issued Shares under the Offer
Sydney Time	Australian Eastern Standard Time (AEST)
TFN	Tax file number
TGO Holdings	TGO Holdings Pty Ltd (ACN 621 830 993)

Term/abbreviation	Explanation
<b>Total Proceeds</b>	The total proceeds to be raised under the Offer, being \$70.0 million
<b>Trimantium Capital</b>	Trimantium Capital Pty Ltd (ACN 155 227 428)
<b>United States or US</b>	United States of America
<b>U.S. Person</b>	Has the meaning given in Regulation S under the US Securities Act
<b>US Securities Act</b>	United States Securities Act of 1933, as amended, supplemented or modified from time to time
<b>Vendors</b>	The owners of the GrowthOps Businesses prior to completion of the Acquisitions who have entered into the Share Purchase Agreements
<b>Voodoo Creative</b>	Voodoo Creative Pty Ltd (ACN 614 988 626)
<b>Voodoo SPA</b>	The share purchase agreement dated 1 September 2017 between GrowthOps, Yanny Holdings Pty Ltd (ACN 127 892 988) as trustee of the Yanny Family Trust and John Yanny

**ANNEXURE A**  
**SUMMARY OF  
SIGNIFICANT  
ACCOUNTING  
POLICIES**

# ANNEXURE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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The principal accounting policies adopted in the preparation of the Financial Information are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

## PRINCIPLES OF AGGREGATION

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This Financial Information comprises aggregated financial information and does not constitute consolidated financial information as required by AASB 10 'Consolidated Financial Statements'. As at 30 June 2017, 30 June 2016 and 30 June 2015, there is no basis for the preparation of consolidated Financial Information as, pre-IPO, no acquisitions have occurred and therefore there is no common ownership of the entities which make up the Group. Consequently, no fair value adjustments have been made in relation to the aggregation as may be required when preparing consolidated financial statements.

This aggregated financial information incorporates the book values of assets and liabilities of all the entities of the Group as at 30 June 2017, 2016 and 2015 and the results of these entities for the years then ended.

On IPO and simultaneous acquisition by Trimantium GrowthOps Limited of the entities, acquisition accounting in accordance with Accounting Standard AASB 3: 'Business Combinations' will be applied with Trimantium GrowthOps Limited as the proposed parent entity.

As no acquisitions have occurred at 30 June 2017, 30 June 2016 and 30 June 2015, Trimantium GrowthOps Limited has not recorded investments in these entities and therefore the share capital and pre-acquisition retained earnings of the proposed acquirees are not eliminated as would be required if consolidated financial statements were prepared. Accordingly, the Financial Information does not include a Statement of Changes in Equity.

In preparing the aggregated Financial Information, the following consolidation principles in relation to transactions and balances have been applied:

- All intercompany balances between entities within the Group including any unrealised profits or losses have been eliminated.
- All intercompany dividends and distributions within the Group have been eliminated.
- All intercompany transactions between entities in the Group have been eliminated.

## BASIS OF PREPARATION

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The special purpose pro forma aggregated financial information has been prepared in accordance with the recognition and measurement criteria of Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and with the disclosure requirements of Australian Accounting Standards - Reduced Disclosure Requirements, except the requirements of the Australian Accounting Standards listed below:

- AASB 10 'Consolidated Financial Statements' - This Financial Information comprises aggregated financial information and does not constitute consolidated financial information as required by AASB 10 'Consolidated Financial Statements'.

The Financial Information has been prepared under the historical cost convention. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services.

## NEW, REVISED OR AMENDING ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

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The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. At the date of authorisation of the pro forma aggregated financial information, the Standards and Interpretations that were issued but not yet effective are listed below. The potential



impact of the new or revised Standards and Interpretations has not yet been determined but is not expected to be material to the income statement or statement of cash flows.

AASB 9 'Financial Instruments', and the relevant amending standards (Effective for annual reporting periods beginning on or after 1 January 2018)

The Group is expected to adopt these standards from 1 July 2018.

AASB 15 'Revenue from Contracts with Customers', AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15', AASB 2015-8 'Amendments to Australian Accounting Standards – Effective Date of AASB 15', and AASB 2016-3 'Amendments to Australian Accounting Standards – Clarifications to AASB 15' (Effective for annual reporting periods beginning on or after 1 January 2018)

The Group is expected to adopt these standards from 1 July 2018.

AASB 16 'Leases' (Effective for annual reporting periods beginning on or after 1 January 2019)

The Group is expected to adopt this standard from 1 July 2019.

## FOREIGN CURRENCY TRANSLATION

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The Financial Information is presented in Australian dollars, which is Trimantium GrowthOps Group's functional and presentation currency.

### Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

### Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in the accounting records of the underlying entity and recognised in the other comprehensive income which is not presented in this pro forma aggregated statement of net assets.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

## REVENUE RECOGNITION

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Revenue is recognised when it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

### Rendering of services

Revenue is recognised in profit or loss progressively as the projects are completed and approved by customers. Revenue from a contract to provide services, including retainer based contracts, is recognised by reference to the stage of completion of the contract at reporting date and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

### Disbursement revenue

Disbursement revenue recognised comprises the value of advertising production costs of clients that are subcontracted by the Group to external parties. The Group acts as principal for the production of these services. Disbursement revenue is recognised when services have been provided by the subcontractors with a corresponding disbursement expense recognised in profit or loss.

## Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

## INCOME TAX

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The entities forming part of the Group are not part of a tax consolidated group under Australian taxation law. As a result, the income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable, for each entity and this has been aggregated for the purposes of this pro forma aggregated financial information.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

## CURRENT AND NON-CURRENT CLASSIFICATION

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Assets and liabilities are presented in the statement of net assets based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

## CASH AND CASH EQUIVALENTS

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Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## TRADE AND OTHER RECEIVABLES

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Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Work in progress includes those projects where work has been performed but invoices have been issued after year end, due to milestones for invoicing yet to be reached, or customers approvals being delayed.

Other receivables are recognised at amortised cost, less any provision for impairment.

## PROPERTY, PLANT AND EQUIPMENT

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Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Leasehold improvements	over the term of the lease
Plant and equipment	2-15 years
Fixture and fittings	4-7 years
Office equipment	1-10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

## LEASES

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The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

## **INTANGIBLE ASSETS**

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Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

## **PATENTS AND TRADEMARKS**

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Significant costs associated with patents and trademarks are deferred. Patents and trademarks have an indefinite life and are not subsequently amortised.

## **SOFTWARE**

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Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 4 to 15 years.

## **IMPAIRMENT OF NON-FINANCIAL ASSETS**

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Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

## **TRADE AND OTHER PAYABLES**

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These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

## **BORROWINGS**

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Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

## **FINANCE COSTS**

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Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

## PROVISIONS

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Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

## EMPLOYEE BENEFITS

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### Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

### Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

## FAIR VALUE MEASUREMENT

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When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

## DIVIDENDS AND DISTRIBUTIONS

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Dividends and distributions are recognised when declared during the financial year and no longer at the discretion of the company.

Provision is made for the amount of any dividend and distribution declared, being appropriately authorised and no longer at the discretion of the company, on or before the end of the financial year but not distributed at the reporting date.

## GOODS AND SERVICES TAX ('GST') AND OTHER SIMILAR TAXES

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Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of net assets.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

## ROUNDING OF AMOUNTS

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Amounts in this report have been rounded off to the nearest thousand dollars, or in certain cases, the nearest dollar.

## CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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The preparation of the Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts in the Financial Information. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

### **Provision for impairment of receivables**

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

### **Income tax**

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

### **Recovery of deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

# **ANNEXURE B**

# **CRPS TERMS**

# ANNEXURE B: CRPS TERMS

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This Annexure contains a copy of the typical CRPS terms (as described in Section 9.1.1). The CRPS terms under each Sale Purchase Agreement are on substantially similar terms.

In this Annexure:

- “Company” means the GrowthOps Business in respect of which the shares are being acquired by GrowthOps under the applicable Share Purchase Agreement;
- “Completion Date” means the date on which completion is to occur under the applicable Share Purchase Agreement;
- CRPS are referred to as “Preference Shares”;
- CRPS terms are referred to as “Preference Share Terms”;
- GrowthOps is referred to as “ListCo” or “the Company”;
- “Key Person” means, in relation to the applicable GrowthOps Business, any person named in the corresponding Share Purchase Agreement as being key to that GrowthOps Business;
- “Purchase Price” means the aggregate purchase price specified in the applicable Share Purchase Agreement for the shares being acquired by GrowthOps;
- “Respective Proportion” means, in relation to a seller under the applicable Share Purchase Agreement, the proportion which the shares held by that seller in the applicable GrowthOps Business bears to the total number of shares in that GrowthOps Business;
- Shares are referred to as “ListCo Shares”; and
- the GrowthOps Group is referred to as the “Buyer Group”.

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## 1 Definitions

In these Preference Share Terms:

**Agreement** means the Share Purchase Agreement to which these Preference Share Terms are attached.

**Associated Key Persons** means, in relation to each Holder, the Key Persons who correspond to that Holder in Item 2 of Schedule 1 to the Agreement.

**Bad Leaver Event** means, in relation to a Holder, prior to the 3rd anniversary of the Completion Date:

- (a) an Associated Key Person of that Holder terminating his or her employment under his or her Executive Services Agreement for any reason other than due to his or her death or becoming Totally and Permanently Disabled (for the avoidance of doubt, ‘terminating’ means the termination taking effect and does not mean the mere giving of notice of such termination); or
- (b) the Company or another member of the Buyer Group (as applicable) having terminated the employment of an Associated Key Person of that Holder under his or her Executive Services Agreement for any reason other than due to his or her death or becoming Totally and Permanently Disabled.

**Conversion** means, in relation to a Preference Share, the conversion of the Preference Share into a ListCo Share and the allotment and issue of additional ListCo Shares in respect of that Preference Share in accordance with Item 4, and **Convert**, **Converted** and **Converting** have corresponding meanings.

**Conversion Date** has the meaning given to it in Item 4.1.

**Directors** means some or all of the directors of ListCo acting as a board.

**Holder** means a person whose name is registered in the register of ListCo as the holder of a Preference Share.



**Liquidation Sum** means, with respect to each Preference Share, an amount out of surplus assets of ListCo equal to the Final Price.

**Listing Rules** means the official listing rules of ASX.

**Totally and Permanently Disabled** means, in relation to an Associated Key Person, that person is incapacitated and as a consequence is unable to fulfil his or her duties for a continuous period exceeding 3 months or separate periods totalling more than 3 months' worth of Business Days in any 12 month period.

**Preference Share** means a preference share in ListCo having the preferences, rights and limitations set out in these Preference Share Terms and issued under the Agreement.

**Redemption Date** has the meaning given to it in Item 5.5(b)(i).

**Redemption Event** means any event which gives rise to any Preference Share becoming Redeemable in accordance with Items 5.1(a), 5.2 or 5.3.

**Redemption Notice** has the meaning given to it in Item 5.5(a).

**Redemption Shares** has the meaning given to it in Item 5.5(b)(ii).

Terms capitalised and not otherwise defined in these Preference Share Terms have the meaning given to them in the Agreement.

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## 2 Issue of Preference Shares

### 2.1 Terms of issue

These Preference Share Terms set out the rights and restrictions of the Preference Shares.

### 2.2 Separate class

The Preference Shares are a separate class of shares in ListCo.

### 2.3 Listing

The Preference Shares will not be quoted on any stock exchange.

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## 3 Rights and restrictions

### 3.1 Notice, reports, audited accounts and meeting

Each Preference Share confers on its Holder the same rights as those conferred by ListCo's constitution upon the holders of ListCo Shares in relation to:

- (a) receiving notices (including notices of meetings of members), reports and audited accounts; and
- (b) attending all meetings of members of ListCo.

### 3.2 Voting

- (a) A Preference Share only entitles its Holder to vote in the following circumstances:
  - (i) during a period during which a dividend (or part of a dividend) in respect of the Preference Share is in arrears;
  - (ii) on a proposal to reduce ListCo's share capital;
  - (iii) on a resolution to approve the terms of a buy-back agreement;
  - (iv) on a proposal that affects the rights attached to the Preference Share;

- (v) on a proposal to wind up ListCo;
  - (vi) on a proposal for the disposal of the whole of ListCo's property, business and undertaking; and
  - (vii) during the winding up of ListCo.
- (b) In the circumstances contemplated in Item 3.2(a), a Holder will be entitled:
- (i) on a show of hands, to 1 vote; and
  - (ii) on a poll, to 1 vote for each Preference Share held by that Holder,
- on each applicable resolution.

### **3.3 Dividends and distributions**

- (a) On each occasion on which a dividend is paid by ListCo to the holders of ListCo Shares, a dividend must also be paid to the Holders so that each Holder receives the same amount as it would have received had its Preference Shares been Converted into ListCo Shares on the record date for the applicable dividend.
- (b) The Preference Shares will rank for payment of any dividend payable pursuant to Item 3.3.(a):
- (i) in priority to ListCo Shares;
  - (ii) equally amongst themselves and with all other classes of convertible preference shares, other than any such shares which by their terms rank behind the Preference Shares; and
  - (iii) behind any securities or instruments that rank by their terms in priority to the Preference Shares.

### **3.4 Participation on a winding-up of ListCo**

Upon a winding-up of ListCo the Preference Shares will rank for payment of the Liquidation Sum:

- (a) in priority to ListCo Shares;
- (b) equally amongst themselves and with all other classes of convertible preference shares, other than any such shares which by their terms rank behind the Preference Shares; and
- (c) behind:
  - (i) any securities or instruments that rank by their terms in priority to the Preference Shares; and
  - (ii) all of ListCo's debts and liabilities to its creditors, both unsubordinated and subordinated, other than indebtedness that by its terms ranks equally with or behind the Preference Shares in a winding-up.

### **3.5 Conversion**

Each Preference Share confers on its Holder the rights to Convert and obligations to be Converted into ListCo Shares in accordance with Item 4.

### **3.6 Redemption**

The Preference Shares are redeemable by ListCo in accordance with Item 5.

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## 4 Conversion rights and obligations

### 4.1 Automatic conversion

Each Preference Share automatically Converts into ListCo Shares on the following dates (each a **Conversion Date**) and in the following tranches:

- (a) on the first anniversary of the Completion Date, 50% of all Preference Shares held by each Holder on that date;
- (b) on the second anniversary of the Completion Date, 50% of all remaining Preference Shares held by each Holder on that date; and
- (c) on the third anniversary of the Completion Date, all remaining Preference Shares.

### 4.2 Conversion ratio

Each Preference Share is convertible into 1 ListCo Share, subject to any adjustments of this conversion ratio under Items 4.4 and 6.

### 4.3 Maximum conversion ratio

Notwithstanding anything to the contrary in these Preference Share Terms, 1 Preference Share shall never be capable of converting into more than 2 ListCo Shares.

### 4.4 2018 Price increase

If an adjustment to the Purchase Price is required, the conversion ratio in respect of the Preference Shares will immediately and automatically be adjusted (subject to the maximum conversion ratio referred to in Item 4.3) so that each such Preference Share will Convert into the number of ListCo Shares calculated in accordance with the following formula:

$$N = [ PS + (V / LP) ] / PS$$

Where:

- N = the number of ListCo Shares received per Preference Share on Conversion
- PS = the number of Preference Shares held by the Holder
- V = the applicable Holder's Respective Proportion of the amount of the adjustment
- LP = the Final Price

### 4.5 Conversion mechanics

On each Conversion Date, the following provisions shall apply:

- (a) each Preference Share being Converted in accordance with Items 4.1 and 4.2 will convert into 1 ListCo Share;
- (b) where a Preference Share entitles a Holder to more than 1 ListCo Share pursuant to Item 4.4, each Holder will be allotted and issued, for no consideration, an additional number of ListCo Shares calculated according to the following formula:

$$LS = (CR - 1) * PS$$

Where:

- LS = the number of additional ListCo Shares to be allotted and issued to the applicable Holder

- CR = the number of ListCo Shares to be received per Preference Share on Conversion using the conversion ratio which is applicable on the applicable Conversion Date
- PS = the number of Preference Shares held by the applicable Holder which are Converting into ListCo Shares on the applicable Conversion Date in accordance with Item 4.1
- (c) the total number of additional ListCo Shares (if any) to be allotted and issued to the applicable Holder will be rounded up to the nearest whole number.

#### **4.6 Status on conversion**

- (a) The ListCo Shares resulting from the Conversion of Preference Shares:
- (i) have the same rights as all other fully paid ListCo Shares; and
  - (ii) rank equally with other fully paid ListCo Shares in issue.
- (b) The Conversion of Preference Shares into ListCo Shares does not constitute a cancellation, redemption or termination of the Preference Share or the issue, allotment or creation of new ListCo Shares (other than under Item 4.5(b)), but has the effect of varying the status of, and the rights attaching to, the applicable Preference Shares so that they become ListCo Shares.

#### **4.7 Registering conversion**

- (a) The entries in ListCo's register to record any Conversion of a Preference Share must be made within 5 Business Days after the applicable Conversion Date.
- (b) ListCo must use all reasonable endeavours to procure the quotation on ASX of the ListCo Shares created by and issued pursuant to a Conversion (including, if applicable, by delivering a completed notice to ASX in the form of Appendix 3B to the Listing Rules in relation to the Conversion).

#### **4.8 Certificates**

If required by the Corporations Act, ListCo must issue a new share certificate for the ListCo Shares arising on Conversion within 5 Business Days of the Conversion taking effect.

#### **4.9 Conditions and restriction on Conversion**

- (a) Notwithstanding anything to the contrary, it is a condition to the Conversion of each Preference Share that:
- (i) the Holder executes any escrow or other agreement mandated by ASX and/or required by the underwriter appointed by ListCo in the context of the IPO (provided that any such escrow or other agreement is on customary terms and will not continue beyond the earlier to occur of (i) the public announcement by ListCo of its audited financial results for its financial year ending in 2018; (ii) the expiry of the escrow period in respect of the ListCo Shares held by the chief executive officer of ListCo; and (iii) the expiry of the escrow period in respect of the ListCo Shares beneficially held by the founding institutional shareholder of ListCo (but not, for the avoidance of doubt, in respect of any ListCo Shares held by such founding institutional shareholder on behalf of third parties));
  - (ii) each Holder procures and provides to ListCo a certificate which satisfies the requirements of section 708(8) of the Act, if required by ListCo; and
  - (iii) all requirements under any applicable Law and/or the Listing Rules are met (including obtaining any required Authorisations and/or shareholder approvals).
- (b) ListCo and each Holder affected by a Conversion which is subject to a condition referred to in Item 4.9(a) must use all reasonable endeavours to satisfy, or procure the satisfaction of, any such conditions as soon as possible after they arise.

- (c) The Conversion Date in each instance where any conditions referred to in Item 4.9(a) have arisen will be suspended until a date nominated by ListCo which is not more than 40 Business Days after the date that the conditions have been satisfied to the reasonable satisfaction of ListCo.
- (d) ListCo must use all reasonable endeavours to issue a cleansing statement pursuant to section 708A(5)(e) of the Corporations Act in relation to any ListCo Shares which are issued as part of that Conversion on the applicable Conversion Date. If there is any fact, matter or circumstance which prevents ListCo from issuing the cleansing statement on the Conversion Date, the Conversion Date will be suspended until a date nominated by ListCo which is not more than 40 Business Days after the Conversion Date (**Suspension Period**). By the end of the Suspension Period, ListCo must have procured that the applicable ListCo Shares will be freely transferable after Conversion, including (if necessary) by lodging a prospectus under section 708A(11)(b)(ii) of the Act (**Cleansing Prospectus**). The Holders must co-operate and use their reasonable endeavours and promptly do all acts, matters and things as may be necessary or desirable in the reasonable opinion of ListCo to facilitate lodgement of the Cleansing Prospectus.
- (e) In addition to the above conditions, ListCo will be under no obligation whatsoever to Convert any Preference Shares in accordance with these Preference Share Terms if to do so would result in a breach of any Law (including section 606 of the Act) or any listing rule of ASX. In the event that a Conversion would result in any such breach, ListCo must still give effect to the Conversion to the extent that Conversion does not result in any such breach and, in relation to the balance of the Conversion, ListCo and the affected Holder undertake to consult with each other in good faith as soon as possible in an effort to agree on a mechanism which does not result in such a breach and will result in the Holder achieving the commercial outcomes contemplated by a Conversion without any material adverse consequences to ListCo or the Holder.

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## 5 Redemption rights and obligations

### 5.1 2018 Price reduction

- (a) If an adjustment to the Purchase Price is required under clause 9.3(b) of the Agreement, ListCo must redeem such number of Preference Shares held by that Holder as is calculated in accordance with the following formula:

$$N = V / LP$$

Where:

N = the number of Preference Shares to be redeemed from the applicable Holder

V = the applicable Holder's Respective Proportion of the amount of the adjustment required under clause 9.3(b) of the Agreement

LP = the Final Price

- (b) The total number of Preference Shares which ListCo must redeem under Item 5.1(a) will be rounded down to the nearest whole number.
- (c) If the above calculation results in ListCo being required to redeem more Preference Shares than the applicable Holder holds, ListCo shall be entitled to redeem all of the Preference Shares held by that Holder.

### 5.2 Bad Leaver Events

- (a) If a Bad Leaver Event occurs in relation to a Holder, ListCo will be entitled to redeem the Preference Shares held by that Holder as follows:

Timing of event	Bad Leaver Event
Prior to the first anniversary of Completion	ListCo will be entitled to redeem all of the Preference Shares held by the applicable Holder
From the first anniversary of Completion to the day prior to the second anniversary of Completion (inclusive)	ListCo will be entitled to redeem all of the Preference Shares held by the applicable Holder at the time
From the second anniversary of Completion to the third anniversary of Completion (inclusive)	ListCo will be entitled to redeem all of the Preference Shares still held by the applicable Holder

- (b) The total number of Preference Shares which ListCo must redeem under Item 5.2(a) will be rounded down to the nearest whole number.
- (c) Each Holder acknowledges that:
  - (i) a significant portion of the value of the Group is in the continued employment and engagement of the Associated Key Persons of each Holder within the Buyer Group and the continued collaboration between the Buyer Group and each Associated Key Person; and
  - (ii) if any Associated Key Person of a Holder ceases to be employed by the Group or another member of the Buyer Group, significant value in the Group would be lost.

### 5.3 Disposal

If a Holder Disposes or attempts to Dispose of any Preference Shares without ListCo's prior written consent, ListCo shall immediately be entitled to redeem all of the Preference Shares still held by that Holder and all of the Preference Shares which were the subject of the Disposal (if applicable). In this Item, **Dispose** includes entering into a transaction in relation to a Preference Share (or any interest in it), which results in a person other than the Holder:

- (a) acquiring a legal or equitable interest in the Preference Share;
- (b) acquiring any rights of first refusal or like control over the disposal of the Preference Share; or
- (c) otherwise acquiring legal or equitable rights against the Holder which have the effect of placing the person in the same position as if the person had acquired a legal or equitable interest in the Preference Share itself.

### 5.4 Redemption Amount

ListCo shall not be obliged to pay any amount whatsoever as consideration for the redemption of any Preference Share, each Preference Share which becomes redeemable in accordance with Item 5 being redeemable at no value.

### 5.5 Redemption mechanics

- (a) Upon the occurrence of a Redemption Event, ListCo must give notice of such Redemption Event to each of the affected Holders (**Redemption Notice**) within 2 Business Days of becoming aware of the occurrence of the applicable Redemption Event.
- (b) Each Redemption Notice must state:
  - (i) the date on which the redemption is to occur (**Redemption Date**);

- (ii) the number of Preference Share being redeemed by ListCo from the applicable Holder (**Redemption Shares**); and
  - (iii) the place where the certificates (if any) for the Redemption Shares are to be submitted.
- (c) From the occurrence of a Redemption Event until the Redemption Date:
  - (i) all amounts which would otherwise have been payable by ListCo in respect of the Redemption Shares will cease to be payable; and
  - (ii) the Redemption Shares will cease to be Convertible in accordance with these Preference Share Terms and any automatic Conversion of any of the Redemption Shares which may have occurred during that period will be of no force or effect.
- (d) On the Redemption Date all rights conferred and restrictions imposed by the Redemption Shares will no longer have and force or effect.

## 5.6 Registration of the Redemption

The entries in ListCo's register to record the redemption of any Redemption Shares must be made within 5 Business Days after the corresponding Redemption Date.

## 5.7 Certificates

If ListCo redeems a Preference Share without having received the certificate for the Preference Share, the Holder must deliver the certificate in respect of that Preference Share as soon as practicable after the Redemption Date to the place specified in the Redemption Notice.

## 5.8 Conditions and restrictions on Redemption

- (a) Notwithstanding anything to the contrary, it is a condition to the redemption of each Redemption Share that all requirements under any applicable Law and/or the Listing Rules are met (including obtaining any required Authorisations and/or shareholder approvals).
- (b) ListCo and each Holder of a Redemption Share which is subject to a condition referred to in Item 5.8(a) must use all reasonable endeavours to satisfy, or procure the satisfaction of, any such conditions as soon as possible after they arise.
- (c) The Redemption Date in each instance where a condition referred to in Item 5.8(a) has arisen will be suspended (without detracting from the provisions of Item 5.5(c)) until that condition has been satisfied to the reasonable satisfaction of ListCo.
- (d) In addition to the above conditions and without detracting from the provisions of Item 5.5(c), ListCo will be under no obligation whatsoever to redeem any Preference Shares in accordance with these Preference Share Terms if to do so would result in a breach of any Law or any listing rule of ASX. In the event that a Conversion would result in any such breach, ListCo and the affected Holder undertake to consult with each other in good faith as soon as possible in an effort to agree on a mechanism which does not result in such a breach and will result in the commercial outcomes contemplated by a redemption without any material adverse consequences to ListCo or the Holder.

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## 6 Anti-dilution

In the event that:

- (a) the ListCo Shares are reconstructed, consolidated, divided or reclassified into a lesser or greater number of securities;
- (b) there is a bonus issue of ListCo Shares; or
- (c) ListCo undertakes a capital reduction or share buy-back,

(each a **Dilution Event**) the terms on which the Preference Shares are converted (under Item 4) or redeemed (under Item 5), as applicable, will be adjusted by the Directors as they consider appropriate in the circumstances (acting reasonably and subject to the maximum conversion ratio referred to in Item 4.3) in order for the Holders (as a group) to be placed in an economic position which is as similar as reasonably possible to that which they would have been in had the applicable Dilution Event not occurred.

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## **7 General Rights**

### **7.1 Further issues not to vary class rights**

Each of the following is expressly permitted and authorised by these Preference Share Terms and does not affect, or constitute a modification or variation of, the rights or privileges attaching to the Preference Shares then in issue:

- (a) the allotment or issue of preference shares (including further Preference Shares), or the conversion of existing shares into preference shares, ranking equally with or in priority to, or having different rights from, the Preference Shares then in issue for participation in profits or assets of ListCo, and whether entitled to cumulative or non-cumulative dividends; and
- (b) a redemption, buy-back or return or distribution of capital in respect of any share capital other than a Preference Share, whether ranking behind, equally with, or in priority to, the Preference Shares.

### **7.2 Holder acknowledgments**

Each Holder irrevocably:

- (a) upon Conversion of any of its Preference Shares in accordance with these Preference Share Terms, consents to becoming a member of ListCo and agrees to be bound by ListCo's constitution (as may be amended from time to time), in each case in respect of the ListCo Shares held by that Holder following Conversion;
- (b) agrees to provide to ListCo any information necessary to give effect to a Conversion and/or redemption and, if applicable, to surrender any certificate relating to the Preference Shares in accordance with these Preference Share Terms; and
- (c) acknowledges and agrees that:
  - (i) it has no right to request a Conversion or redemption of any Preference Shares other than in accordance with these Preference Share Terms;
  - (ii) it has no remedy on account of a failure by ListCo to give effect to a Conversion other than (and subject always to Item 4.9) to seek specific performance of the obligation to issue ListCo Shares; and
  - (iii) monetary damages would not be adequate compensation to the Holder for a failure by ListCo to give effect to a Conversion.

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## **8 Takeovers and schemes of arrangement**

If:

- (a) a takeover bid is made for ListCo Shares, acceptance of which is recommended by the Directors; or
- (b) the Directors recommend a scheme of arrangement in respect of the ListCo Shares which will result in a single person (or a group of persons acting in concert) having a relevant interest in more than 50% of the issued ListCo Shares,

ListCo will use all reasonable endeavours (subject always to Item 4.9 and unless a Holder specifically requests that no such action is taken by ListCo) to procure that:



- (c) all of the Preference Shares are Converted into Ordinary Shares in accordance with the mechanism contemplated in Item 4 as soon as possible, notwithstanding the fact that the event giving rise to the Conversion does not coincide with a Conversion Date; and
- (d) equivalent takeover offers are made in respect of the ListCo Shares held pursuant to such Conversion or that the holders of the ListCo Shares pursuant to such Conversion are entitled to participate in the scheme of arrangement or a similar transaction.

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## 9 Amendment of these Terms

Subject to complying with all applicable Laws, ListCo may amend these Preference Share Terms without the approval of the Holders if ListCo is of the genuine and reasonable opinion that the amendment is:

- (a) of a formal, technical or minor nature;
- (b) made to cure any ambiguity or correct any manifest error; or
- (c) necessary to comply with the provisions of any Law, the Listing Rules and/or the requirements of the ASX in connection with the IPO.

# CORPORATE DIRECTORY

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## ISSUER

Trimantium GrowthOps Limited

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## LEAD MANAGER

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## INVESTIGATING ACCOUNTANT

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## GROWTHOPS OFFER INFORMATION LINE

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## CORPORATE WEBSITE

[www.growthops.com.au](http://www.growthops.com.au)

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