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GROWTHOPS EXCEEDS FULL-YEAR PROSPECTUS EARNINGS FORECAST BY 10%

Trimantium GrowthOps Limited ("TGO" or "GrowthOps") [ASX: TGO] today announced its financial results for the period ended 30 June 2018, beating its pro forma net profit after tax and excluding amortisation ("NPATA") forecast by 10% on slightly higher than expected revenues, and cost savings driven by a combination of lower cost of sales from cross-selling to clients across the group, and lower project delivery costs as a result of strong staff support of the Company's integration efforts.

GrowthOps is an entrepreneurial advisory and operations partner for organisations seeking to develop new products, services and growth strategies. The Company completed its initial public offering ("IPO") on the Australian Securities Exchange in March 2018, raising $70m at an offer price of $1.00 per share. The IPO proceeds were used to acquire eight non-competing, specialist businesses from across the creative, technology and management consulting industries, which came together to form a single, integrated provider of growth-focused services.

Since that time, GrowthOps has executed on its integration plan. On a pro forma consolidated basis for the full-year period ended 30 June 2018, TGO exceeded both the revenue and earnings forecasts that were provided in its IPO prospectus.

Group Statutory and Pro Forma Financial Highlights[1]

($ millions)	FY18 actual	FY18 forecast[2]	FY17 actual	Pro forma year-on-year actual change
Group statutory results:				
Length of period	*3.5 months*	*6.5 months*		
Revenue[3]	19.5	30.6	nm	nm
EBITDA	(11.1)	(13.5)	nm	nm
NPATA	(12.6)	(15.2)	nm	nm
NPAT	(13.6)	(16.2)	nm	nm
Group pro forma results:				
Revenue[3]	61.8	61.3	53.0	**+16.6%**
EBITDA	15.5	14.3	12.1	**+28.1%**
EBITDA as % of revenue	*25.1%*	*23.3%*	*22.8%*	***+2.3%***
NPATA	10.8	9.8	8.4	**+28.6%**
NPATA as % of revenue	*17.5%*	*16.0%*	*15.8%*	***+1.7%***
NPAT	7.1	8.0	6.6	**+7.6%**

[1] Use of the term 'pro forma' relates to the period from 1 July 2016 to 30 June 2018. All acquisitions have been included in the pro forma financial reports as if owned for each full year. Pro forma financial numbers also exclude IPO-related costs and one-off acquisition costs. The GrowthOps Board believes that the presentation of the pro forma actual numbers is more useful for investors than the comparative statutory information, as the results of the Group can be directly compared on a 'like-for-like' basis to the pro forma prospectus forecast. Conversely, the comparative statutory financial information is not adjusted for one-off costs and only includes financial information for the acquired Group from the date of Completion (15 March 2018). **Please see *Supplemental Information* for a reconciliation of Statutory EBITDA to Pro Forma EBITDA.**

[2] Forecast provided in GrowthOps IPO prospectus.

[3] Excludes media pass-through income.

Operations and Financial Review

GrowthOps appointed Executive Director and Managing Partner, Paul Mansfield, as Chief Executive Officer, commencing 1 June 2018. In the role of CEO, Mr Mansfield has continued to lead the integration of the GrowthOps businesses. He has brought to GrowthOps deep experience in integrating high-growth, technology businesses, having led a similar effort as Asia Pacific Managing Director at Cloud Sherpas before its 2015 sale to Accenture.

Under Mr Mansfield's stewardship, the GrowthOps management team has focused on driving collaboration and revenue synergies, including: customer relationship and sales pipeline management processes to more effectively and efficiently deploy the resources of the Group; selective co-location within major hub cities to foster collaboration; and rebranding GrowthOps businesses as and when it has been opportunistic to do so.

"We've outperformed our original expectations for integrating the businesses largely because the group established an operating rhythm and began building a GrowthOps culture at a grassroots level, really even before the IPO was completed," Mr Mansfield said.

Pro forma actual revenue of $61.8m was slightly ahead of forecast of $61.3m, and 16.6% higher than FY17. Revenue in the second half of the financial year is historically higher than the first half due to government procurement cycles affecting certain parts of the group. Revenue for the second half was $33.7m compared to $28.1m in the first half.

Outperformance on integration and cross-selling initiatives helped drive reductions in both cost of sales and staff costs, and positively impacted operating margins. Pro forma FY18 EBITDA as a percentage of revenue was 25.1%, representing an increase of 2.3% compared to the pro forma FY17 margin of 22.8%, and 1.8% above the pro forma FY18 forecast EBITDA margin of 23.3% that was provided in TGO's IPO prospectus.

These same factors drove outperformance in NPATA, with pro forma FY18 NPATA of $10.8m outperforming pro forma FY18 forecast NPATA of $9.8m by $1m, or 10.2%.

GrowthOps Managing Director and Founder, Phillip Kingston, noted the positive impact of GrowthOps' broad employee ownership on the performance of the business, "So many of our employees are also shareholders, and they share a real commitment to solving problems for our clients and growing TGO. That mentality has facilitated a positive feedback loop across both the sales and operations side of the business."

GrowthOps expects that the convertible redeemable preference shares ("CRPS") – issued to the owners of the 8 businesses that were acquired at IPO as 50% of their total purchase consideration – will convert into ordinary shares at a ratio that is estimated, on an aggregated basis, to be 1 CRPS to 1 ordinary share.[4] The final average conversion ratio of the CRPS is expected to be determined during the first half of the 2019 financial year.

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[4] During the financial period, the Company completed the acquisition of 8 businesses. Vendors received $47.8m in cash and 47.8m CRPS at $1.00 each. Each CRPS can convert into a minimum of 0 ordinary shares and a maximum of 2 ordinary shares, depending on the FY18 performance of the individual businesses acquired by GrowthOps (each a "GrowthOps Business"). For example, if a GrowthOps Business met its individual FY18 forecast, then each relevant CRPS will convert into 1 ordinary share. If a GrowthOps Business exceeded its FY18 forecast, then each relevant CRPS will convert at a ratio that is proportionate to the percentage of outperformance over forecast, subject to a maximum conversion ratio of 1 CRPS to 2 ordinary shares. Conversion will be staggered so that 50% of the CRPS will convert on the first anniversary of the IPO, and a further 25% on each of the second and third anniversaries of the IPO. **Please read the GrowthOps IPO prospectus, as filed with the ASX, for full details and terms of the CRPS.**

GrowthOps generated net cash flows from operating activities of $2.3m during the financial period and since acquiring the 8 businesses, and has maintained a strong liquidity position, ending the period with $21.6m of cash on its balance sheet.

Acquisition of Asia Pacific Digital Limited

On 8 August 2018, GrowthOps announced that it would be compulsorily acquiring the remaining shares in ASX-listed Asia Pacific Digital Limited ("Asia Pacific Digital" or "APD"), having acquired a relevant interest in 96.7% of APD's fully paid ordinary shares as a result of the off-market takeover offer contained in its Bidder's Statement dated 6 July 2018.

Based on the GrowthOps' closing price of $1.23 per share on 14 June 2018, the date preceding announcement, the purchase consideration, comprising new GrowthOps ordinary shares, valued APD's equity at approximately $20m. As at the end of June 2018, APD also had approximately $14.5m in debt.

Asia Pacific Digital offers integrated transformation strategy, research insights, technology solutions, customer experience, creative, performance marketing, social media, CRM and analytics to multinational corporate clients operating across the Asia Pacific market. Prior to its acquisition by GrowthOps, it was one of only a few independent, publicly traded digital transformation companies in the region, employing approximately 300 professionals in offices across Singapore, Malaysia, the Philippines, Australia and New Zealand.

The GrowthOps Board believes that the acquisition will contribute significant benefits to GrowthOps and help to generate long-term value for our shareholders, including:

- An expanded service offering – APD contributes a complementary, non-overlapping capability set that is expected to further strengthen GrowthOps' suite of consulting, creative and technology-driven services;
- An expanded geographic footprint – pro forma for the acquisition, GrowthOps will employ over 500 employees across nine cities in six countries in the Asia Pacific region;
- A more diversified client base with less revenue concentration – there is no material overlap in the two companies' existing clients;
- Scale – Pro forma for the acquisition, GrowthOps will be better positioned versus the larger, well-capitalised global service providers against which APD had historically competed on a standalone basis; and
- Cost efficiencies – the removal of APD's listed company costs, along with run-rate cost synergies, are expected to improve APD's financial performance over the medium term.

Mr Kingston commented on the transaction, "This acquisition is very strategic for us. APD possesses a suite of technical and creative capabilities as well as an established Asian footprint that the Board believes will complement the existing GrowthOps offering and geographic presence extremely well. We have already started cross-selling each company's respective services to clients, and the early results as well as both client and employee feedback from that effort have been positive."

Outlook and Likely Developments

GrowthOps expects its near-term growth to be driven in large part by organic opportunities arising from the Group's combined client portfolio, the benefits of listing, and revenue synergies captured through collaboration.

In addition, GrowthOps intends to leverage its team's collective operations experience and APD's deep relationships in the Asia Pacific region to:

- extend existing client workstreams into whole-of-enterprise level services relationships;

- capitalise on fast-growing cloud vendors' expansion into Australia and Asia; and
- capture market share as the regional economy matures, and demand from mid-cap clients for our technology services grows.

The management team will continue to implement its integration plan, with a focus on effectively managing costs and appropriately hiring to achieve our growth expectations. In relation to the new debt that GrowthOps has assumed in conjunction with the acquisition of APD, the Company intends to repay a portion with cash from its balance sheet and refinance a portion with new credit facilities in the near-to-medium term.

GrowthOps continuously evaluates its pipeline of potential acquisitions, seeking those targets which the management team and Board believe may complement TGO's current service offering, and further leverage the adoption of cloud computing in Australia and Asia.

GrowthOps Chairman, Dominique Fisher, explained, "The marketplace is constantly evolving, and GrowthOps is at the forefront of that evolution. We've developed a unique, integrated offering with specialties that our clients have told us they need. But, as part of our corporate strategy, the Board is always reviewing our suite of services to ensure that we have the capabilities – not just to deliver the best possible outcomes for our clients today – but to help them be competitive well into the future."

Supplemental Information

Reconciliation from Statutory FY18 EBITDA to Pro forma FY18 EBITDA

($ millions)	FY18 actual	FY18 forecast
Statutory EBITDA	**(11.1)**	**(13.5)**
Offer cost	2.8	3.1
Principals' salaries	(0.6)	(0.4)
Structural changes	0.7	0.5
One-off costs	3.8	2.9
Share-based payments	9.9	13.8
Pre-acquisition	10.0	7.9
Pro forma EBITDA	**15.5**	**14.3**

Notes on pro forma adjustments:

1. *Offer costs*: Reflects the costs incurred in respect of the IPO that have been directly expensed.
2. *Principals' salaries*: Adjustment to reflect agreed market-based salary costs of the Principals of the acquired GrowthOps Businesses during the historical period in line with TGO's current corporate structure and remuneration policies.
3. *Structural changes*: Adjustment to exclude revenue and costs attributable to businesses that were divested by the GrowthOps Businesses prior to their acquisition by GrowthOps.
4. *One-off costs*: Material one-off items of revenue and expense, which are not reflective of GrowthOps' underlying result and will not recur in the future, have been removed.
5. *Share-based payments*: Statutory FY18 forecast includes the recognition of the CRPS which has been expensed as a non-cash share-based compensation. The share-based payment amount was lower than forecast primarily because of the delay in completion of the IPO, rather than as a result of underperformance by the GrowthOps businesses.
6. *Pre-acquisition*: EBITDA of the GrowthOps businesses for the period from 1 July 2017 to Completion (15 March 2018).

About GrowthOps
Trimantium GrowthOps Limited (ASX: TGO) is an entrepreneurial advisory and operations partner for organisations seeking to develop new products, services and growth strategies. We take ideas from concept to reality. Operating across Australia and Asia, we provide services spanning management consulting, technology, and advertising and creative, including: analysis of market threats and opportunities; leadership development; change management; cloud services; software development; systems integration; positioning and brand strategy; and marketing communications.

Use of non-IFRS 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 this Announcement.

Forward looking statements
This announcement 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. These forward-looking statements speak only as of the date of this announcement, 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. 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, TGO's 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 announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

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