ASX Announcement

GrowthOps (ASX:TGO)

- **GrowthOps announces half-year 2020 results**
- **Reduced statutory loss after income tax, compared to prior comparative period**
- **Extended Westpac bank loan facility to 1 July 2021**

Trimantium GrowthOps Limited ('GrowthOps' or the 'Company') [ASX:TGO] today announced its financial results for the six months ended 31 December 2019 ('Financial Period', or 'H1 FY20') and reported on key milestones and achievements.

Statutory financial results

During the Financial Period, GrowthOps generated statutory revenue of $46.173 million (31 December 2018: $47.649 million), and statutory net loss after tax of $23.839 million (31 December 2018: $47.010 million). The statutory net loss after tax includes the accounting impact of non-cash, share-based payment expenses of $5.039 million, impairment of goodwill and other intangible assets of $10.699 million and depreciation and amortisation of $5.841 million.

Non-cash share based payment expense reflects the value of benefits settled by share or option issues, typically Convertible Redeemable Preference Shares ('CRPS') issued to the vendors of acquired entities. As noted in the Company's prospectus when it listed on the Australian Securities Exchange, the non-cash, share-based payment expenses associated with CRPS will continue until 2021.

The impairment of goodwill and other intangible assets are a result of the restructure of the Hong Kong and Australian technology business units. Additional impairment of goodwill has been recognised in the Xperior business unit while management further evaluates the potential for the Xperior business unit to provide software and services to commercial property groups throughout Australia and New Zealand.

During the Financial Period, the Company adjusted its disclosure of statutory revenue to more appropriately reflect the nature of "pass through" revenue and expenses (that is, external costs incurred in the delivery of creative and technology services). GrowthOps acts as principal for the provision of these services. Throughout the duration of the contract term, the Group is providing a series of distinct services that are substantially the same and have the same pattern of transfer to the customers. Therefore in the financial statements for H1 FY20, pass through revenue is no longer separately disclosed and instead, is combined in total "Revenue from contracts with customers". The comparative figures from previous disclosures have been updated.
A number of significant initiatives, including those outlined below, were completed during the Financial Period to reinvigorate the Company and develop long-term value for our clients, employees and shareholders.

Renewal of the board, management and company structure

With effect from 13 October 2019, Independent Non-Executive Chairman Dominique Fisher, Non-Executive Director Melissa Field, and Managing Director and Chief Executive Officer Paul Mansfield resigned from their respective roles. Restructuring of the board was recommended by the outgoing board to implement the next stage in the Company's growth strategy as the Company transitioned from its foundational year to a focus on growth.

The GrowthOps board confirmed the appointments of Scott Tanner as Independent Non-Executive Chairman, Clint Cooper as Managing Director and Chief Executive Officer, the Honourable Philip Dalidakis as Non-Executive Director, Jessica Hart as Non-Executive Director, Craig Davies as Executive Director – Technology and Cybersecurity, and Craig McMenamin as Non-Executive Director. They joined GrowthOps Founder and Executive Director, Phillip Kingston on the board with effect from 13 October 2019 whose role transitioned to Non-Executive Director with effect from 13 October 2019. Mr Kingston subsequently resigned from the GrowthOps board on 5 February 2020.

Within a month of their appointment, the new board and CEO undertook a review of the Company's business and enabling structure and agreed the next stage of GrowthOps' strategy. It reaffirmed the Company's purpose and re-focussed the business on sales and growth. The consequential changes were a natural evolution following the integration work completed after the Company's Initial Public Offering and included a restructure to empower each business unit to be more accountable for client outcomes and experience. The restructure included the removal of roles that did not directly service clients or support colleagues who do and functions with low utilisation levels. To date, these changes have been implemented without losing key revenue or clients.

Non-Executive Director, Craig McMenamin was appointed as Chief Financial Officer and Company Secretary, effective 12 December 2019. He consequently resigned from the board of directors with effect from 12 December 2019 and his role as Chair of the board's Audit and Risk Committee was temporarily filled by Non-Executive Director, the Hon. Philip Dalidakis, who will continue in the role until at least the completion of the 2020 financial year.

Key milestones and achievements

GrowthOps accomplished a number of key milestones and achievements during the Financial Period, including:

- Winning two Australian Effie Awards for the 'EOFYthing' campaign created for Officeworks.
- Winning 'best branded Christmas ad of 2019' from Cubery for the 'Nobody does Christmas like' campaign created for Officeworks.
- Attaining Gold Tier Partner status with leading digital experience software specialist, Sitecore.

- The appointment as creative agency to Malaysia's national car brand, Proton, in addition to the digital services retainer GrowthOps has held with Proton for three years.
- New client wins, including Cobs, Simply Energy and Engie.
- Obtaining support from Westpac Banking Corporation for the Company’s underlying financial forecast, with a covenant waiver until 31 March 2020.
- In February 2020, agreement was reached with Westpac bank to extend the facility term to mature on 1 July 2021 and a new covenant structure agreed, centred around EBITDA.
- The successful implementation of cost reduction and cash management measures to improve the Company’s financial performance, notably in the second quarter from October to December 2019. The impact of these changes is detailed in the Company's quarterly Appendix 4C report, including:
    - Increased receipts from customers and improved collection metrics;
    - Improvement in operational efficiency, evidenced by the reduction in Net Cash Used in Operations during the quarter to December 2019; and
    - A closing cash position of $4.6 million at 31 December 2019.

Pro forma financial results

During the Financial Period, GrowthOps achieved pro forma revenue of $46.2 million (31 December 2018: $50.9 million), and a pro forma EBITDA result of $0.2 million (31 December 2018: $1.0 million).

The Board and management utilise pro forma management accounts, along with other metrics, to regularly review the business performance against its plans. The presentation of pro forma results provides a useful measure of the underlying performance of the Company, particularly given the accounting impact of non-cash share-based payment expenses, goodwill impairment, and the one-off costs associated with restructuring the business. The pro forma results relate to the six months ended 31 December 2019 and its prior comparable period (‘PCP’) the six months ended 31 December 2018. In the PCP, all acquisitions were included in the pro forma results as if owned for the full period. In the current Financial Period, there were no acquisitions.

Outlook

Commenting on the outlook, GrowthOps Non-Executive Chairman, Scott Tanner, said: “GrowthOps is in a unique position to meet the demand for integrated services across creative, technology and coaching & leadership, and will continue to deepen its capabilities to deliver these services effectively.

“The Company’s renewed sales efforts are starting to deliver results, notwithstanding obstacles such as, the impact of the coronavirus on operations in Asia and the imminent departure of Holden from the Australian market.

“Building on the significant initiatives implemented during the Financial Period, the board and management continue to focus on the development and implementation of initiatives that create short and long-term value for our clients, employees, shareholders and other stakeholders, including the delivery of exceptional outcomes for our clients and attracting and retaining the best people."

–ENDS–

By resolution of the board of Trimatium GrowthOps Ltd on 28 February 2020, the Financial results have been approved and the CFO and Company secretary is authorised to lodge these documents with the ASX.

28 February 2020
Craig McMenamin
CFO and Company Secretary
Email: craig.mcmenamin@growthops.com.au

About GrowthOps

GrowthOps (ASX:TGO) is a new kind of service provider – a growth services partner. We are a collective that helps organisations grow more effectively through the integration of creative, technology, and people and culture.

Operating across Australia and Asia, we give advice, ideate, design, build, train, innovate and deliver outcomes that help organisations grow and work better, together. The services we offer include: creative, technology, coaching and leadership, and where these markets overlap.

Use of Non IFRS Measures

GrowthOps uses certain measures to 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 alternative to, corresponding financial measures determined in accordance with AAS or IFRS.
Although GrowthOps believes these non-IFRS 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 document.

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 financial performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of GrowthOps, GrowthOps' 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.

Investor enquiries: investors@growthops.com.au

Media enquiries: media@growthops.com.au

– **ENDS** –

Trimantium GrowthOps Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	Trimantium GrowthOps Limited
ABN:	80 621 067 678
Reporting period:	For the half-year ended 31 December 2019
Previous period:	For the half-year ended 31 December 2018

2. Results for announcement to the market

				$'000
Revenue from ordinary activities	down	3.1%	to	46,173
Loss from ordinary activities after tax attributable to the owners of Trimantium GrowthOps Limited	down	49.3%	to	(23,839)
Loss for the half-year attributable to the owners of Trimantium GrowthOps Limited	down	49.3%	to	(23,839)

Dividends
There were no dividends paid, recommended or declared during the current financial period.

Comments
The loss for the Group after providing for income tax amounted to $23,839,000 (31 December 2018: $47,010,000).

Refer to the 'Review of operations' in the Directors' report for further information.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(6.81)	(2.74)

Net tangible assets include right-of-use assets and lease liabilities.

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

---

8. Details of associates and joint venture entities

Not applicable.

---

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

---

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report. The auditor’s review report contains a paragraph addressing material uncertainty related to going concern.

---

11. Attachments

Details of attachments (if any):

The Interim Report of Trimantium GrowthOps Limited for the half-year ended 31 December 2019 is attached.

---

12. Signed

Signed ______________________________ Date: 28 February 2020

Scott Tanner
Chairman
Sydney

Trimantium GrowthOps Limited

ABN 80 621 067 678

Interim Report - 31 December 2019

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group' or 'GrowthOps') consisting of Trimantium GrowthOps Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2019.

Directors
The following persons were directors of Trimantium GrowthOps Limited during the financial half-year and up to the date of this report, unless otherwise stated:

Scott Tanner - Non-Executive Chairman (appointed on 13 October 2019)
Clint Cooper - Managing Director and Chief Executive Officer (appointed on 13 October 2019)
Philip Dalidakis - Non-Executive Director (appointed on 13 October 2019)
Jessica Hart - Non-Executive Director (appointed on 13 October 2019)
Craig Davies - Executive Director (appointed on 13 October 2019)

Phillip Kingston - Non-Executive Director (resigned as Executive Director and appointed Non-Executive Director on 13 October 2019 and resigned as Non-Executive Director on 5 February 2020)
Craig McMenamin - Non-Executive Director (appointed on 13 October 2019 and resigned on 12 December 2019 and appointed as Chief Financial Officer and Company Secretary)
Dominique Fisher - Non-Executive Chairman (resigned on 13 October 2019)
Paul Mansfield - Executive Director (resigned on 13 October 2019)
Melissa Field - Non-executive Director (resigned on 13 October 2019)

Principal activities
The principal activities of the Group during the period were the provision of growth services to organisations seeking to acquire and retain new customers, build and launch transformational products, and scale operations. The Group performs the tasks required to create and implement a technology-driven new product, service or growth initiative, from start to finish, including: analysis of market opportunities and threats; leadership development; change management; cloud services; software development; systems integration; positioning and brand strategy; performance marketing and marketing communications.

Dividends
There were no dividends paid, recommended or declared during the current or previous financial half-year.

Review of operations

Summary of statutory financial results
GrowthOps generated statutory revenue of $46.2 million (31 December 2018: $47.6 million), and statutory net loss after tax of $23.8 million (31 December 2018: loss $47.0 million) for the six month period ended 31 December 2019 (‘Financial Period’, or ‘H1 FY20’).

The statutory net loss after tax includes the accounting impact of:
- non-cash, share-based payment expenses of $5.0 million; and
- impairment of goodwill and other intangible assets of $10.7 million; and
- depreciation and amortisation expense of $5.8 million.

Non-cash share based payment expenses reflect the value of benefits settled by share or option issues. These are typically Convertible Redeemable Preference Shares (‘CRPS’) issued to the vendors of acquired entities, performance rights issued to employees, and options issued to key management personnel. They are subject to certain conditions before vesting and conversion to GrowthOps ordinary shares. In the Financial Period, the Company recognised an expense of $5.0 million (31 December 2018: $19.5 million), including $4.9 million of the expected value of CRPS to be converted to ordinary equity. As noted in the Company’s prospectus, the non-cash, share-based payment expenses associated with CRPS will continue until 2021.

The Group recorded a goodwill impairment charge in relation to the change in structure of the Hong Kong and technology business units. Additionally, an impairment of goodwill has been recognised in the Xperior business unit while management further evaluates the potential for Xperior to provide software and services to commercial property groups throughout Australia and New Zealand. Other income of $0.95 million related to Xperior has been recognised in the Financial Period as the contingent consideration component of the acquisition price of Xperior is no longer payable.

During the Financial Period, the Group adjusted its disclosure of statutory revenue to more accurately reflect the nature of "pass through" revenue and expenses (that is, external costs incurred in the delivery of creative and technology services). GrowthOps acts as principal for the provision of these services. As such, the pass through transaction is recognised as the Group's revenue. Throughout the duration of the contract term, the Group is providing a series of distinct services that are substantially the same and have the same pattern of transfer to the customers. Therefore in the financial statements for H1 FY20, pass through revenue is no longer separately disclosed and instead, is combined in total "Revenue from contracts with customers". The comparative figures in previous disclosures have been updated to conform with the current Financial Period disclosure. Further details are provided in the Note 4 to the financial statements.

A number of significant initiatives, including those outlined below, were completed during the Financial Period to reinvigorate the Company and develop long-term value for our clients, employees, shareholders and other stakeholders.

Renewal of the board, management and company structure

With effect from 13 October 2019, Independent Non-Executive Chairman Dominique Fisher, Non-Executive Director Melissa Field, and Managing Director and Chief Executive Officer Paul Mansfield resigned from their respective roles. Restructuring of the board was recommended by the outgoing board to implement the next stage in the Company's growth strategy as the Company transitioned from its foundational year to a focus on growth.

The GrowthOps board confirmed the appointments of Scott Tanner as Independent Non-Executive Chairman, Clint Cooper as Managing Director and Chief Executive Officer, the Honourable Philip Dalidakis as Non-Executive Director, Jessica Hart as Non-Executive Director, Craig Davies as Executive Director – Technology and Cybersecurity, and Craig McMenamin as Non-Executive Director. They joined GrowthOps Founder and Executive Director, Phillip Kingston on the board with effect from 13 October 2019. The board also confirmed that Mr Kingston's role transitioned to Non-Executive Director with effect from 13 October 2019. Mr. Kingston resigned from the Board on 5 February 2020.

Within a month of their appointment, the new board and CEO undertook a review of the Company's business and enabling structure and agreed on the next stage of GrowthOps' strategy. It reaffirmed the Company's purpose and re-focussed the business on sales and growth. The consequential changes were a natural evolution following the integration work completed after the Company's Initial Public Offering and included a restructure to empower each business unit – creative, technology and coaching & leadership – to be more accountable for client outcomes and experience. The restructure included the removal of roles that did not directly service clients or support colleagues who do, and functions with low utilisation levels. To date, these changes have been implemented without losing key revenue or clients.

Non-Executive Director, Craig McMenamin was appointed as Chief Financial Officer and Company Secretary, effective 12 December 2019. He consequently resigned from the board of directors with effect from 12 December 2019 and his role as Chair of the board's Audit and Risk Committee was temporarily filled by Non-Executive Director, the Hon. Philip Dalidakis, who will continue in the role until at least the completion of the 2020 financial year.

Key milestones and achievements

GrowthOps accomplished a number of key milestones and achievements during the Financial Period, including:

- Winning two Australian Effie Awards for the EOFY campaign created for Officeworks.
- Winning "best branded Christmas ad of 2019" from Cubery for the 'Nobody does Christmas like' campaign created for Officeworks.
- Attaining Gold Tier Partner status with leading digital experience software specialist, Sitecore.
- The appointment as creative agency to Malaysia's national car brand, Proton, in addition to the digital services retainer GrowthOps has held with Proton for three years.
- New client wins, including Cobs, Simply Energy and Engie.
- Obtaining support from Westpac Banking Corporation for the Company's underlying financial forecast, with a covenant waiver until 31 March 2020. In February 2020 the facility maturity date was extended to 01 July 2021 and a new covenant structure centred around EBITDA agreed.
- The successful implementation of cost reduction and cash management measures to improve the Group's financial performance, notably in the second quarter from October to December 2019. The impact of these changes is detailed in the Company's quarterly Appendix 4C report including:
  - increased receipts from customers and improved collection metrics;
  - improvement in operational efficiency, evidenced by the reduction in Net Cash Used in Operations during the quarter to December 2019; and
  - a closing cash position of $4.6 million at 31 December 2019.

Pro Forma results (unaudited)

The Board and management utilise pro forma management accounts, along with other metrics, to regularly review the business performance. The presentation of pro forma results provides a useful measure of the underlying performance of the Company, particularly given the accounting impact of non-cash share-based payment expenses, goodwill impairment and the one-off costs associated with restructuring the business.

The 'pro forma' results relate to the six months ended 31 December 2019 ('Financial Period', or 'H1 FY20'), and its prior comparable period ('PCP') the six months ended 31 December 2018. In the PCP, all acquisitions were included in the pro forma results as if owned for the full period. In the current Financial Period, there were no acquisitions.

	1 July 2019 to 31 December 2019 $ million	1 July 2018 to 31 December 2018 $ million
Revenue	46.2	50.9
Pass through costs	(11.5)	(14.6)
Employee costs	(21.8)	(24.3)
Occupancy including premises leases costs	(2.1)	(1.7)
Other direct cost of sales	(6.9)	(5.3)
Other costs	(3.7)	(4.0)
	0.2	1.0

Expenditure in the Financial Period includes the impact of additional costs flowing from the initial start up phase of the Company. A number of these expenses are being rationalised with management's ongoing review of costs across the business. The key variances in the PCP are summarised as follows:

- Employee costs exclude one-off restructuring payments and non-recurring employee expenses of $3.3 million.
- Occupancy costs include a full six months' rent for the new campuses in Sydney and Kuala Lumpur.
- Other direct cost of sales include increased contractor costs in the technology practice in Hong Kong and Australia to enable the delivery of key projects for clients. This cost was rationalised as part of the restructuring initiatives in November 2019.

Reconciliation of Statutory loss before income tax to pro forma EBITDA for the period ended 31 December 2019

	$ million
Statutory loss before income tax	**(25.3)**
Impairment of intangible assets	10.7
Depreciation and amortisation	5.8
Net finance costs	0.5
Share based payments	5.0
Premises lease expense	(2.0)
Other income/expense	(0.6)
Non-recurring staff cost	3.3
Non-recurring occupancy costs	0.3
One-off bad debt provision	2.5
Proforma EBITDA	**0.2**

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial half-year.

Matters subsequent to the end of the financial half-year
In February 2020 the Westpac Bank facility maturity date was extended to 01 July 2021 and a new covenant structure centred around EBITDA agreed, with final amendment documents in the process of being executed by all parties.

No other matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Rounding of amounts
The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

Scott Tanner
Chairman

28 February 2020

Deloitte Touche Tohmatsu
ABN 74 490 121 060
Grosvenor Place
225 George Street
Sydney, NSW, 2000
Australia

Phone: +61 2 9322 7000
www.deloitte.com.au

The Directors
Trimantium GrowthOps Limited
Level 11, 31 Queen Street
Melbourne VIC 3000

28 February 2020

Dear Directors

Auditor's Independence Declaration to Trimantium GrowthOps Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Trimantium GrowthOps Limited.

As lead audit partner for the review of the half-year financial report of Trimantium GrowthOps Limited for the half-year ended 31 December 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Carlo Pasqualini
Partner
Chartered Accountants

Trimantium GrowthOps Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2019

	Note	Consolidated From 1 Jul 2019 to 31 Dec 2019 $'000	Consolidated From 1 Jul 2018 to 31 Dec 2018 $'000
Revenue			
Revenue from contracts with customers	6	46,173	47,649
Other income	7	950	-
Interest income		28	141
Expenses			
Media pass through expenses		(11,515)	(13,360)
Employee benefits expense		(25,047)	(25,111)
Freelance, contractors, consumables and associated costs		(6,056)	(4,710)
Share-based payments expense		(5,039)	(19,465)
Occupancy costs		(514)	(417)
Depreciation and amortisation expense		(5,841)	(5,137)
Impairment of assets		(10,699)	(22,250)
Professional and consultancy expenses		(635)	(509)
Travel and entertainment expenses		(974)	(1,015)
IT expenses		(1,508)	(721)
Marketing and advertising expense		(243)	(325)
Administration expenses		(1,323)	(1,544)
Acquisition expenses		-	(415)
Other expenses		(2,521)	(74)
Finance costs		(578)	(701)
Loss before income tax		(25,342)	(47,964)
Income tax		1,503	954
Loss after income tax for the half-year attributable to the owners of Trimantium GrowthOps Limited		(23,839)	(47,010)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		43	16
Other comprehensive income for the half-year, net of tax		43	16
Total comprehensive loss for the half-year attributable to the owners of Trimantium GrowthOps Limited		(23,796)	(46,994)
		Cents	**Cents**
Basic earnings per share	28	(17.16)	(43.76)
Diluted earnings per share	28	(17.16)	(43.76)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Trimantium GrowthOps Limited
Statement of financial position
As at 31 December 2019

	Note	Consolidated 31 Dec 2019 $'000	Consolidated 30 Jun 2019 $'000
Assets			
Current assets			
Cash and cash equivalents	8	4,609	7,924
Trade and other receivables	9	10,989	16,603
Contract assets		2,565	2,003
Income tax refund due		862	805
Other assets	10	1,336	1,560
Total current assets		20,361	28,895
Non-current assets			
Property, plant and equipment	11	1,989	2,265
Intangibles	12	40,328	54,842
Right-of-use assets	13	9,637	12,041
Financial assets at fair value through profit or loss	14	458	458
Deferred tax		2,002	180
Other		211	196
Total non-current assets		54,625	69,982
Total assets		74,986	98,877
Liabilities			
Current liabilities			
Trade and other payables	15	11,918	10,770
Borrowings	16	12,822	3
Lease liabilities - right-of-use assets	17	3,062	3,387
Provisions	18	2,446	2,975
Contract liabilities		5,992	8,107
Total current liabilities		36,240	25,242
Non-current liabilities			
Borrowings	19	-	12,696
Lease liabilities - right-of-use assets	20	7,212	9,592
Contingent consideration		-	950
Provisions	21	670	776
Total non-current liabilities		7,882	24,014
Total liabilities		44,122	49,256
Net assets		30,864	49,621
Equity			
Issued capital	22	88,307	88,307
Reserves	23	45,411	40,329
Accumulated losses		(102,854)	(79,015)
Total equity		30,864	49,621

The above statement of financial position should be read in conjunction with the accompanying notes

Trimantium GrowthOps Limited
Statement of changes in equity
For the half-year ended 31 December 2019

Consolidated	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2018	67,399	9,944	(13,600)	63,743
Loss after income tax for the half-year	-	-	(47,010)	(47,010)
Other comprehensive income for the half-year, net of tax	-	16	-	16
Total comprehensive income for the half-year	-	16	(47,010)	(46,994)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	20,999	-	-	20,999
Share-based payments	-	19,465	-	19,465
Balance at 31 December 2018	88,398	29,425	(60,610)	57,213

Consolidated	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2019	88,307	40,329	(79,015)	49,621
Loss after income tax for the half-year	-	-	(23,839)	(23,839)
Other comprehensive income for the half-year, net of tax	-	43	-	43
Total comprehensive income for the half-year	-	43	(23,839)	(23,796)
Transactions with owners in their capacity as owners:				
Share-based payments	-	5,039	-	5,039
Balance at 31 December 2019	88,307	45,411	(102,854)	30,864

The above statement of changes in equity should be read in conjunction with the accompanying notes

Trimantium GrowthOps Limited
Statement of cash flows
For the half-year ended 31 December 2019

	Note	Consolidated From 1 Jul 2019 to 31 Dec 2019 $'000	Consolidated From 1 Jul 2018 to 31 Dec 2018 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		50,681	54,758
Payments to suppliers and employees (inclusive of GST)		(51,244)	(51,932)
		(563)	2,826
Interest received		28	141
Income taxes paid		(376)	(1,817)
Net cash from/(used in) operating activities		(911)	1,150
Cash flows from investing activities			
Settlement of pre-acquisition dividend for business acquired in prior year		-	(3,760)
Payment for purchase of business		-	(1,989)
Net cash acquired on purchase of subsidiaries		-	356
Payment for expenses relating to acquisitions		-	(415)
Payments for investments		-	(458)
Payments for property, plant and equipment	11	(192)	(391)
Payments for intangibles	12	(41)	(28)
Proceeds from release of security deposits		87	-
Net cash used in investing activities		(146)	(6,685)
Cash flows from financing activities			
Proceeds from borrowings		-	14,000
Transaction costs associated with loans and borrowings		-	(74)
Share issue transaction costs		-	(36)
Repayment of borrowings principal and interest		(141)	(13,544)
Repayment of lease liabilities		(2,122)	(1,005)
Net cash used in financing activities		(2,263)	(659)
Net decrease in cash and cash equivalents		(3,320)	(6,194)
Cash and cash equivalents at the beginning of the financial half-year		7,924	21,608
Effects of exchange rate changes on cash and cash equivalents		5	-
Cash and cash equivalents at the end of the financial half-year		4,609	15,414

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Trimantium GrowthOps Limited as a group consisting of Trimantium GrowthOps Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Trimantium GrowthOps Limited's functional and presentation currency.

Trimantium GrowthOps Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 11, 31 Queen St
Melbourne VIC 3000

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 February 2020.

Note 2. Significant accounting policies

These general purpose financial statements for the half-year reporting period ended 31 December 2019 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below.

New or amended Accounting Standards and Interpretations adopted
The Company has adopted all of the new or amended 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.

AASB 16 'Leases' and its related amendments, which was mandatorily effective for annual periods commencing on or after 1 January 2019 was early adopted effective from 1 July 2018, the impact of which was disclosed in the annual report for the year ended 30 June 2019.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern
The Group has prepared the financial statements for the half year ended 31 December 2019 on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

For the six months ended 31 December 2019, the Group recorded a net loss of $23,839,000 (prior comparative period net loss $47,010,000) and utilised net cash in operating, investing and financing activities of $3,320,000 (prior comparative period utilised $6,194,000). At 31 December 2019, the Group had cash and cash equivalents of $4,609,000. (December 2018: $15,414,000). The Westpac bank Business Loan facility was due to expire on 30 November 2020 and has been reflected in current liabilities. Accordingly, the Statement of Financial Position at 31 December 2019 reflects Net Current Liabilities of $15,879,000. Current Liabilities includes the Bank Loan Liability of $12,822,000, Contract Liabilities (revenue not yet recognised) of $5,992,000 and Lease Liability right of use assets of $3,062,000.

Total net assets at 31 December 2019 are $30,864,000. (December 2018: Total net assets $57,213,000).

Note 2. Significant accounting policies (continued)

As a result of covenant breaches from August 2019, the Group obtained a waiver from Westpac for actual and anticipated financial covenant breaches to 30 November 2019.

A restructuring plan was implemented by the new Board and management appointed in October 2019 and the covenant waiver was subsequently extended to 31 March 2020.

Management has since executed on that plan and continues to be in line with its reforecast performance. In February 2020, the Group reached agreement with Westpac to amend the facility term, to now mature on 1 July 2021 and a new covenant structure, centred around EBITDA, put in place. At the date of this report, the formal amendment documents for these new arrangements with Westpac are in the process of being executed by all parties.

The Directors have considered the Group's current forecasts and are of the view that the continued application of the going concern basis of accounting is appropriate due to the following factors:

- The Group has prepared financial forecasts for the next twelve months. In all reasonable financial forecast scenarios prepared by the Group, the underlying cash flow forecasts for the Group project positive cash balances. Under the new arrangement, the Group expect to comply with its new facility covenants.
- The group maintains rigorous cost management and cash flow controls and works closely with Westpac bank to monitor progress against management's plan.
- The group is actively considering alternative financing options, including a capital raising, in order to reduce its financial debt.
- The Group is in discussions with a professional restructuring advisory company to support the board and management in optimising their restructuring plans.

The ability of the Group to continue as a going concern is dependent upon the achievement of its financial forecasts and the continued support of Westpac, beyond the updated term.

However, if these financial forecasts and ongoing Westpac support are not achieved, such circumstances would indicate the existence of a material uncertainty that may cast significant doubt on the ability of the Group to continue as a going concern and therefore it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in these financial statements.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amount and classification of liabilities that might be necessary should the Group not continue as a going concern.

Note 3. Critical accounting judgements, estimates and assumptions

The following are the critical judgements in applying accounting policies that the directors have made in the process of applying AASB 15 - Revenue from Contracts with Customers and AASB 16 – Leases and that have the most significant effect on the amounts recognised in the consolidated financial statements.

AASB 16 - Leases
In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Out of the Group's 13 leases, the extension option is expected to be exercised for 6 leases adding $3.6 million to the lease liability.

The lease payments are discounted using the Group's incremental borrowing rate which is based on Government bond rate and adjusted with the company's financing spread and lease terms and conditions.

AASB 15 - Revenue from Contracts with Customers
For contracts to provide services over time, revenue is recognised by reference to the stage of completion and where outcome of the contract can be estimated reliably. Estimation of contract outcome and stage of completion involves some judgements.

The preparation of the interim consolidated financial statements requires management to make other judgements, estimates and assumptions discussed below.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Goodwill: key assumptions used for value-in-use calculations
The Group tests whether goodwill has suffered any impairment on an annual basis or where there are indicators of impairment. The recoverable amount of the cash generating units (CGUs) was determined by applying value-in-use calculations which require the use of forecasts and assumptions. The calculations used in the cash flow projections are based on financial forecasts approved by management covering FY2020. Key assumptions and sensitivity analysis are disclosed in note 12.

Note 4. Reclassification of pass through income

The Group enters into a contract with the customer to manage a number of projects and at the same time creates content for advertising projects and marketing campaigns. Accordingly, throughout the duration of the contract term, the Group is providing a series of distinct services that are substantially the same and have the same pattern of transfer to the customers. The costs of creating the content is inclusive of time, materials and external costs from its subcontractors (also known as pass through costs).

The Group acts as principal for the production of advertising and marketing campaigns. Pass through costs and the component of the related revenue from contracts with customers were disclosed as separate line items in the consolidated statement of profit or loss and other comprehensive income for 31 December 2018 and 30 June 2019 to align with the presentation in the Company's prospectus which was issued on 10 November 2017. As at 31 December 2019, the disclosures in the financial statements have been updated to no longer separately disclose the pass through revenue. This revenue is now included as a component of the revenue received from customers within the Creative and Technology segments in Notes 5 and 6 of the financial statements. Accordingly, the comparative figures have been updated to conform with current year disclosures. The pass through costs are still separately identified in the consolidated statement of profit or loss and other comprehensive income as it provides clarity on the nature of the costs being incurred.

The total revenue amount in the Statement of profit or loss and other comprehensive income for the half year ended 31 December 2018 has remained the same as it is only a reclassification between components of total revenue. In addition, this reclassification has no impact on the Statement of financial position and the Statement of Cash flows of the Group as at 31 December 2018.

The details of reclassification are as follows:

Statement of profit or loss and other comprehensive income

	Previously reported 31 Dec 2018 $'000	Reclass of pass through income $'000	Reclassified 31 Dec 2018 $'000
Revenue			
Revenue from contracts with customers	34,289	13,360	47,649
Media pass through income	13,360	(13,360)	-
	47,649	-	47,649

Note 4. Reclassification of pass through income (continued)

Disaggregation of revenue

	Creative				Technology			
	Previously reported 31 Dec 2018 $'000	Reclass of pass through income $'000	Alignment of segment* $'000	Reclassified 31 Dec 2018 $'000	Previously reported 31 Dec 2018 $'000	Reclass of pass through income $'000	Alignment of segment* $'000	Reclassified 31 Dec 2018 $'000
Major product lines								
Advertising agency services	12,739	8,810	-	21,549	-	-	-	-
Technology Services	-	-	-	-	12,779	739	405	13,923
Marketing agency services	-	3,811	4,008	7,819	4,413	-	(4,413)	-
Others	28	-	-	28	15	-	-	15
	12,767	12,621	4,008	29,396	17,207	739	(4,008)	13,938
Geographical regions								
Australia	12,767	12,394	3,591	28,752	12,962	99	(5,712)	7,349
New Zealand	-	-	417	417	417	-	(417)	-
Hong Kong	-	-	-	-	-	-	2,061	2,061
Singapore	-	-	-	-	1,050	133	308	1,491
Malaysia	-	-	-	-	2,530	507	-	3,037
Philippines	-	227	-	227	248	-	(248)	-
	12,767	12,621	4,008	29,396	17,207	739	(4,008)	13,938
Timing of revenue recognition								
Services transferred at a point in time	28	3,811	4,008	7,847	4,413	-	(4,413)	-
Services transferred over time	12,739	8,810	-	21,549	12,794	739	405	13,938
	12,767	12,621	4,008	29,396	17,207	739	(4,008)	13,938

* Refer to note 5 for further details

Note 5. Operating segments

Identification of reportable operating segments
The Group is organised into three operating segments: Creative, Technology and Coaching and Leadership (formerly known as Management Consulting). These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation and share-based payments). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

Types of products and services
The principal products and services of each of these operating segments are as follows:

Creative	develop simple, powerful brand and communication strategies through the services we offer including brand strategy, positioning, digital strategy, marketing communications, performance marketing, customer retention, social media, graphic design etc.
Technology	provide technology transformation services to build strong foundations in security, automation and cloud. Our services include AI and machine learning, application design and development, cloud solutions, mobile, security software development, system integration etc.
Coaching and leadership	develop exceptional and adaptive leaders as well as provide advice to solve complex business issues including financial performance, business strategy and operational structure
Other segments	head office revenue and expenses including certain group expenses that have not been allocated such as amortisation and impairment of acquired identifiable intangible assets. Assets of other segments comprise mainly cash and cash equivalents, intangible assets arising from business combinations and right-of-use assets. Liabilities of other segments comprise mainly provision for income tax, deferred tax liabilities and lease liabilities.

Intersegment transactions
Intersegment transactions were made at market rates and are eliminated on consolidation.

Intersegment receivables, payables and loans
Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Major customers
During the half-year ended 31 December 2019 and 31 December 2018, no one customer contributed more than 10% to the Group's external revenue.

The APD business, that was acquired on 2 August 2018, was provisionally reported in the technology segment in the previous period. As at 31 December 2019, based on the internal reports that are reviewed and used by the CODM, APD products such as performance marketing, customer retention and social media are reported in the creative segment and technology products are reported in the technology segment. Accordingly, the comparative figures have been updated to conform with current year disclosures in segment reporting.

Note 5. Operating segments (continued)

Operating segment information

Consolidated - From 1 Jul 2019 to 31 Dec 2019	Creative $'000	Technology $'000	Coaching and leadership $'000	Other segments $'000	Total $'000
Revenue					
Sales to external customers	28,675	12,979	4,519	-	46,173
Intersegment sales	216	39	19	-	274
Total sales revenue	28,891	13,018	4,538	-	46,447
Other income	-	-	-	950	950
Interest revenue	3	-	1	24	28
Total segment revenue	28,894	13,018	4,539	974	47,425
Intersegment eliminations					(274)
Total revenue					47,151
EBITDA (before share-based payments)	1,517	(3,521)	(442)	(1,717)	(4,163)
Depreciation and amortisation	(210)	(265)	(16)	(5,350)	(5,841)
Impairment of intangible assets (note 12)	-	-	-	(10,699)	(10,699)
Share-based payment expense	(3,785)	(864)	(360)	(30)	(5,039)
Other income	-	-	-	950	950
Interest revenue	3	-	1	24	28
Finance costs	-	-	-	(578)	(578)
Loss before income tax	(2,475)	(4,650)	(817)	(17,400)	(25,342)
Income tax					1,503
Loss after income tax					(23,839)
Assets					
Segment assets	13,700	13,776	4,675	50,670	82,821
Intersegment eliminations					(7,835)
Total assets					74,986
Liabilities					
Segment liabilities	12,042	14,312	2,959	22,644	51,957
Intersegment eliminations					(7,835)
Total liabilities					44,122

Note 5. Operating segments (continued)

Consolidated - From 1 Jul 2018 to 31 Dec 2018	Creative $'000	Technology $'000	Coaching and leadership $'000	Other segments $'000	Total $'000
Revenue					
Sales to external customers	29,396	13,938	4,196	119	47,649
Intersegment sales	853	446	12	-	1,311
Total sales revenue	30,249	14,384	4,208	119	48,960
Interest revenue	12	1	3	125	141
Total segment revenue	30,261	14,385	4,211	244	49,101
Intersegment eliminations					(1,311)
Total revenue					47,790
EBITDA (before share-based payments)	2,495	(419)	222	(2,850)	(552)
Depreciation and amortisation	(693)	(730)	(163)	(3,551)	(5,137)
Impairment of intangible assets (note 12)	-	-	-	(22,250)	(22,250)
Share-based payment expense	(14,380)	(3,535)	(1,550)	-	(19,465)
Interest revenue	12	1	3	125	141
Finance costs	-	-	-	(701)	(701)
Loss before income tax	(12,566)	(4,683)	(1,488)	(29,227)	(47,964)
Income tax					954
Loss after income tax					(47,010)
Consolidated - 30 Jun 2019					
Assets					
Segment assets	13,850	12,512	5,170	70,358	101,890
Intersegment eliminations					(3,013)
Total assets					98,877
Liabilities					
Segment liabilities	13,095	9,444	3,620	27,652	53,811
Intersegment eliminations					(4,555)
Total liabilities					49,256

Geographical information

	Sales to external customers		**Geographical non-current assets**	
	From 1 Jul 2019 to 31 Dec 2019 $'000	**From 1 Jul 2018 to 31 Dec 2018 $'000**	**31 Dec 2019 $'000**	**30 Jun 2019 $'000**
Australia	35,672	39,821	52,459	67,757
New Zealand	646	417	40	49
Hong Kong	2,517	2,417	28	20
Singapore	2,866	1,730	1,133	1,139
Malaysia	4,305	3,037	950	1,000
Philippines	167	227	15	17
	46,173	47,649	54,625	69,982

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets and post-employment benefits assets.

Note 6. Revenue

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

Consolidated - From 1 Jul 2019 to 31 Dec 2019	Creative $'000	Technology $'000	Coaching and leadership $'000	Total $'000
Major product lines				
Advertising agency services	19,555	-	-	19,555
Technology services	-	12,979	-	12,979
Coaching and leadership	-	-	4,519	4,519
Marketing agency services	9,120	-	-	9,120
	28,675	12,979	4,519	46,173
Geographical regions				
Australia	25,451	6,713	3,508	35,672
New Zealand	646	-	-	646
Hong Kong	-	2,004	513	2,517
Singapore	1,698	676	492	2,866
Malaysia	874	3,425	6	4,305
Philippines	6	161	-	167
	28,675	12,979	4,519	46,173
Timing of revenue recognition				
Services transferred at a point in time	9,120	-	4,519	13,639
Services transferred over time	19,555	12,979	-	32,534
	28,675	12,979	4,519	46,173

Note 6. Revenue (continued)

Consolidated - From 1 Jul 2018 to 31 Dec 2018	Creative $'000	Technology $'000	Coaching and leadership $'000	Other segments $'000	Total $'000
Major product lines					
Advertising agency services	21,549	-	-	-	21,549
Technology services	-	13,923	-	-	13,923
Coaching and leadership	-	-	4,196	-	4,196
Marketing agency services	7,819	-	-	-	7,819
Others	28	15	-	119	162
	29,396	13,938	4,196	119	47,649
Geographical regions					
Australia	28,752	7,349	3,601	119	39,821
New Zealand	417	-	-	-	417
Hong Kong	-	2,061	356	-	2,417
Singapore	-	1,491	239	-	1,730
Malaysia	-	3,037	-	-	3,037
Philippines	227	-	-	-	227
	29,396	13,938	4,196	119	47,649
Timing of revenue recognition					
Services transferred at a point in time	7,847	-	4,196	119	12,162
Services transferred over time	21,549	13,938	-	-	35,487
	29,396	13,938	4,196	119	47,649

Note 7. Other income

	Consolidated	
	From 1 Jul 2019 to 31 Dec 2019 **$'000**	**From 1 Jul 2018 to 31 Dec 2018** **$'000**
Fair value movement on contingent consideration	950	-

Note 8. Current assets - cash and cash equivalents

	Consolidated	
	31 Dec 2019 **$'000**	**30 Jun 2019** **$'000**
Cash at bank	4,609	7,924

Note 9. Current assets - trade and other receivables

	Consolidated	
	31 Dec 2019 $'000	30 Jun 2019 $'000
Trade receivables	14,169	17,416
Less: Allowance for expected credit losses	(3,242)	(912)
	10,927	16,504
Other receivables	62	99
	10,989	16,603

Note 10. Current assets - other assets

	Consolidated	
	31 Dec 2019 $'000	30 Jun 2019 $'000
Prepayments	659	781
Security deposits	677	779
	1,336	1,560

Note 11. Non-current assets - property, plant and equipment

	Consolidated	
	31 Dec 2019 $'000	30 Jun 2019 $'000
Leasehold improvements - at cost	1,604	1,545
Less: Accumulated depreciation	(650)	(421)
Exchange differences	(9)	(18)
	945	1,106
Plant and equipment	723	681
Less: Accumulated depreciation	(367)	(245)
	356	436
Fixtures and fittings - at cost	196	193
Less: Accumulated depreciation	(86)	(68)
	110	125
Motor vehicles - at cost	7	7
Less: Accumulated depreciation	(3)	(2)
	4	5
Office equipment - at cost	946	858
Less: Accumulated depreciation	(375)	(268)
Exchange differences	3	3
	574	593
	1,989	2,265

Note 11. Non-current assets - property, plant and equipment (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Leasehold improvements $'000	Plant and equipment $'000	Fixtures and fittings $'000	Motor vehicles $'000	Office equipment $'000	Total $'000
Balance at 1 July 2019	1,106	436	125	5	593	2,265
Additions	59	42	3	-	88	192
Exchange differences	9	-	-	-	-	9
Depreciation expense	(229)	(122)	(18)	(1)	(107)	(477)
Balance at 31 December 2019	945	356	110	4	574	1,989

Note 12. Non-current assets - intangibles

	Consolidated 31 Dec 2019 $'000	Consolidated 30 Jun 2019 $'000
Goodwill - at cost	61,278	61,278
Less: Impairment	(32,524)	(22,250)
	28,754	39,028
Brand name - at cost	3,398	3,398
Less: Accumulated amortisation	(1,228)	(890)
	2,170	2,508
Customer relationships - at cost	19,842	19,842
Less: Accumulated amortisation	(10,922)	(7,615)
Less: Impairment	(425)	-
	8,495	12,227
Software - at cost	846	834
Less: Accumulated amortisation	(183)	(85)
	663	749
Other intangible assets - at cost	789	759
Less: Accumulated amortisation	(543)	(429)
	246	330
	40,328	54,842

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Goodwill $'000	Brand name $'000	Customer relationships $'000	Software $'000	Other intangibles $'000	Total $'000
Balance at 1 July 2019	39,028	2,508	12,227	749	330	54,842
Additions	-	-	-	12	29	41
Impairment of assets	(10,274)	-	(425)	-	-	(10,699)
Amortisation expense	-	(338)	(3,307)	(98)	(113)	(3,856)
Balance at 31 December 2019	28,754	2,170	8,495	663	246	40,328

Note 12. Non-current assets - intangibles (continued)

Impairment testing
Goodwill acquired through business combinations has been allocated to the following cash generating units ('CGU's'):

	Consolidated	
	31 Dec 2019 $'000	30 Jun 2019 $'000
Creative	13,697	13,697
Asia Pacific Digital ANZ (APD ANZ)	359	359
Technology AU*	9,874	15,374
Technology Hong Kong*	-	905
Asia Pacific Digital Asia (APD Asia)	3,998	3,998
Xperior	-	3,869
Management consulting	826	826
Total goodwill	28,754	39,028

* Technology AU and Technology Hong Kong CGUs were grouped as one Technology CGU in the year ended 30 June 2019. Subsequent to 30 June 2019, due to increasing segregation in operations, Technology AU and Technology Hong Kong have been identified as two separate CGUs.

Goodwill and the CGU to which it belongs is tested annually for impairment or at the end of each reporting date where an indicator of impairment exists. Following the Group's recent restructure, management have re-assessed the recoverable amount of all CGUs.

Based on management's assessment, the Group has recognised a goodwill impairment loss of $3,869,000 for the Xperior CGU, $905,000 for the Technology Hong Kong CGU and $5,500,000 for Technology AU CGU.

Recoverable amount of goodwill
The recoverable amount of the Group's goodwill has been determined by value-in-use calculations. The calculations use cash flow projections based on a five year discounted cash flow model, with a terminal value applied to the discounted cash flows after year five. Cash flows beyond the five year period are extrapolated using the estimated growth rates stated below.

Key assumptions
Key assumptions are those to which the recoverable amount of an asset or CGU is most sensitive. The following key assumptions were used in the Value-in-use ('VIU') model at 31 December 2019:

Technology CGU:
(a) Compound revenue growth rate of 6.8% (30 June 2019: annual growth rate of 4%)
(b) Compound operating cost growth rate of 5.3% (30 June 2019: annual growth rate of 2%)
(c) Pre-tax discount rate of 15.4% (30 June 2019: 15.4%)
(d) Terminal growth rate of 1% (30 June 2019: 2%)

All other CGUs:
(a) Revenue growth rate of 4%;
(b) Operating cost growth rate of 2%;
(c) Pre-tax discount rate of 15.4% (30 June 2019: 15.4%); and
(d) Terminal growth rate of 1% (30 June 2019: 2%).

Impairment testing results

Creative CGU, Management Consulting, and APD ANZ CGUs
No impairment existed at 31 December 2019. Based on the VIU calculation methodology and assumptions stated above, the carrying amount of each CGU at balance sheet date does not exceed its recoverable amount.

The directors believe that any reasonable change in any of the key assumptions will not result in an impairment.

Note 12. Non-current assets - intangibles (continued)

Technology CGU
Impairment loss of $5,500,000 has been recognised in the period ended 31 December 2019.

If the CGU does not achieve the assumed revenue growth rate of 6.8%, costs exceed the compound growth rate of 5.3% or discount rate is higher than 15.4%, there will be further impairment loss.

APD Asia CGU
No impairment existed at 31 December 2019. Based on the VIU calculation methodology and assumptions stated above, the carrying amount of each CGU at balance sheet date does not exceed its recoverable amount.

The directors believe that any reasonable change in any of the key assumptions below on which the recoverable amount is based will cause the aggregate carrying amount to equal the aggregate recoverable amount.

Key assumptions	Assumptions used in VIU model	Assumptions that will result in impairment	Differences
Revenue growth rate	4.0%	Growth rate below 1.5%	(2.5%)
Operating cost growth rate	2.0%	Growth rate above 5.1%	3.1%

Note 13. Non-current assets - right-of-use assets

	Consolidated	
	31 Dec 2019 $'000	30 Jun 2019 $'000
Right-of-use assets	15,069	15,793
Less: Accumulated depreciation	(4,822)	(3,142)
Less: Impairment	(610)	(610)
	9,637	12,041

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Right-of-use assets $'000
Balance at 1 July 2019	12,041
Additions	152
Depreciation expense	(1,680)
Less: lease renewal option not to exercise	(876)
Balance at 31 December 2019	9,637

Note 14. Non-current assets - financial assets at fair value through profit or loss

	Consolidated	
	31 Dec 2019 $'000	30 Jun 2019 $'000
Unlisted ordinary shares	458	458

Note 15. Current liabilities - trade and other payables

	Consolidated	
	31 Dec 2019 $'000	30 Jun 2019 $'000
Trade payables	6,174	5,759
Accrued expenses	2,215	1,911
GST payable	681	1,017
Other payables*	2,848	2,083
	11,918	10,770

* Other payables at 31 December 2019 comprise mainly of other creditors, superannuation, PAYG and payroll tax liability.

Note 16. Current liabilities - borrowings

	Consolidated	
	31 Dec 2019 $'000	30 Jun 2019 $'000
Bank loans	12,822	-
Hire purchase	-	3
	12,822	3

The bank loan was a two year $14,000,000 senior debt facility with Westpac Banking Corporation. The facility was due to mature on 14 November 2020 and as such is recorded in the statement of financial position as a current liability at 31 December 2019. In February 2020 the Westpac Bank facility maturity date was extended to 01 July 2021 and a new covenant structure centred around EBITDA agreed. The facility has a variable interest rate based on BBSY 90 days which was approximately 4.01% for the period ended 31 December 2019. As at 30 June 2019, the loan was included in non-current liabilities.

Total secured liabilities
The total secured current and non-current liabilities are as follows:

	Consolidated	
	31 Dec 2019 $'000	30 Jun 2019 $'000
Bank loans	12,822	12,696
Hire purchase	-	3
	12,822	12,699

Assets pledged as security
The facility is secured by all existing and future assets and undertakings of all Australia operating entities within the Group.

At 31 December 2019, the carrying amounts of these assets pledged as security was $19,940,000 (30 June 2019: $25,989,000).

Note 16. Current liabilities - borrowings (continued)

Financing arrangements
Access to unused balance at reporting date is restricted:

	Consolidated	
	31 Dec 2019 $'000	30 Jun 2019 $'000
Total facilities		
Bank loans	14,000	14,000
Used at the reporting date		
Bank loans	12,822	12,696
Unused at the reporting date		
Bank loans	1,178	1,304

Note 17. Current liabilities - lease liabilities - right-of-use assets

	Consolidated	
	31 Dec 2019 $'000	30 Jun 2019 $'000
Lease liability	3,062	3,387

Note 18. Current liabilities - provisions

	Consolidated	
	31 Dec 2019 $'000	30 Jun 2019 $'000
Annual leave	1,453	1,833
Long service leave	851	1,056
Lease make good	142	86
	2,446	2,975

Lease make good
The provision represents the present value of the estimated costs to make good the premises leased by the Group at the end of the respective lease terms.

Note 19. Non-current liabilities - borrowings

	Consolidated	
	31 Dec 2019 $'000	30 Jun 2019 $'000
Bank loans	-	12,696

Refer to note 15 for further information on bank loans .

Note 20. Non-current liabilities - lease liabilities - right-of-use assets

	Consolidated	
	31 Dec 2019 $'000	30 Jun 2019 $'000
Lease liability	7,212	9,592

Note 21. Non-current liabilities - provisions

	Consolidated 31 Dec 2019 $'000	Consolidated 30 Jun 2019 $'000
Long service leave	226	278
Lease make good	444	498
	670	776

Note 22. Equity - issued capital

	Consolidated 31 Dec 2019 Shares	30 Jun 2019 Shares	31 Dec 2019 $'000	30 Jun 2019 $'000
Ordinary shares - fully paid	138,957,122	138,932,122	88,307	88,307
Convertible redeemable preference shares (refer below)	23,338,100	23,788,100	-	-
	162,295,222	162,720,222	88,307	88,307

Movements in ordinary share capital

Details	Date	Shares	Issue price	$'000
Balance	1 July 2019	138,932,122		88,307
Issuance of shares on conversion of performance rights	16 September 2019	25,000	$0.00	-
Balance	31 December 2019	138,957,122		88,307

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Convertible redeemable preference shares ("CRPS")
Preference shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held, with priority over ordinary shareholders.

Preference shares only have voting rights in limited circumstances. In these circumstances, each preference share shall have one vote.

47,780,200 CRPS will be converted to approximately 51,950,681 ordinary shares based on an agreed conversion ratio of 1:1.09. Conversion remains subject to vesting conditions and provided these are met, conversion is staggered so that 50% of the CRPS converted on the first anniversary of the IPO on 16 March 2019, and a further 25% on each of the second and third anniversaries of the IPO. At 31 December 2019, 23,338,100 CRPS have not reached the conversion dates.

Share buy-back
There is no current on-market share buy-back.

Note 23. Equity - reserves

	Consolidated 31 Dec 2019 $'000	Consolidated 30 Jun 2019 $'000
Foreign currency reserve	(17)	(60)
Share-based payments reserve	45,428	40,389
	45,411	40,329

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve
The reserve is used to recognise the value of equity-settled benefits provided to the vendors of acquired subsidiaries, and employees as part of their compensation for services.

Movements in reserves
Movements in each class of reserve during the current financial half-year are set out below:

Consolidated	Foreign currency $'000	Share-based payments $'000	Total $'000
Balance at 1 July 2019	(60)	40,389	40,329
Foreign currency translation	43	-	43
Share-based payments	-	5,039	5,039
Balance at 31 December 2019	(17)	45,428	45,411

Share-based payments comprise:

	31 Dec 2019 $'000	31 Dec 2018 $'000
Share-based payments in relation to CRPS scheme	4,918	19,465
Share-based payments in relation to performance right scheme	91	-
Share-based payments in relation to options granted to the key management personnel	30	-
	5,039	19,465

CRPS scheme
Refer to note 22 for more information on the scheme.

Performance rights
On 28 March 2019, the Group issued 1,450,000 performance rights to its employees for no cash consideration. 150,000 were forfeited in the year ended 30 June 2019. The performance rights are subject to vesting conditions linked to service and will be expensed over the vesting period. Upon satisfying the vesting condition, each performance right will convert to one ordinary share on the following dates (each a conversion date) and in the following tranches:

Note 23. Equity - reserves (continued)

	Number of performance rights to vest
01/07/2019	650,000
16/03/2020	275,000
30/06/2020	100,000
16/03/2021	275,000
	1,300,000

Options granted to KMP
On 13 October 2019, the Group issued the following options to its executive and non-executive directors and the Chief Financial Officer:

- Scott Tanner - Non-Executive Chairman - 300,000 options to acquire the Company's ordinary shares with $0.2 exercise price which can only be exercised where the 30-day Volume Weighted Average Price (VWAP) of the Company's ordinary shares exceeds $0.3 on the date of exercise. One third of the options will vest on the first, the second and the third anniversaries of their issue.
- Clint Cooper - Managing Director and Executive Officer - 1,000,000 options to acquire the Company's ordinary shares with $0.2 exercise price which can only be exercised where the 30-day VWAP of the Company's ordinary shares exceeds $0.5 on the date of exercise. One third of the options will vest on the first, the second and the third anniversaries of their issue.
- Philip Dalidakis - Non-Executive Director - 80,000 options to acquire the Company's ordinary shares with $0.2 exercise price which can only be exercised where the 30-day VWAP of the Company's ordinary shares exceeds $0.3 on the date of exercise. One third of the options will vest on the first, the second and the third anniversaries of their issue.
- Jessica Hart - Non-Executive Director - 30,000 options to acquire the Company's ordinary shares with $0.2 exercise price which can only be exercised where the 30-day VWAP of the Company's ordinary shares exceeds $0.3 on the date of exercise. One third of the options will vest on the first, the second and the third anniversaries of their issue.
- Craig Davies - Executive Director - 400,000 options to acquire the Company's ordinary shares with $0.2 exercise price which can only be exercised where the 30-day VWAP of the Company's ordinary shares exceeds $0.5 on the date of exercise. One third of the options will vest on the first, the second and the third anniversaries of their issue.
- Craig McMenamin - Chief Financial Officer - 150,000 options to acquire the Company's ordinary shares with $0.2 exercise price which can only be exercised where the 30-day VWAP of the Company's ordinary shares exceeds $0.5 on the date of exercise. One third of the options will vest on the first, the second and the third anniversaries of their issue.

Note 24. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 25. Fair value measurement

Fair value hierarchy
The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated - 31 Dec 2019	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Financial assets at fair value through profit or loss - unlisted ordinary shares	-	-	458	458
Total assets	-	-	458	458

Consolidated - 30 Jun 2019	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Financial assets at fair value through profit or loss - unlisted ordinary shares	-	-	458	458
Total assets	-	-	458	458
Liabilities				
Contingent consideration	-	-	950	950
Total liabilities	-	-	950	950

There were no transfers between levels during the financial half-year.

The carrying amounts of trade and other receivables, contract assets, trade and other payables and contract liabilities are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Valuation techniques for fair value measurements categorised within level 2 and level 3
As at 31 December 2019, the unquoted investment has a fair value of approximately its cost.

Level 3 assets and liabilities
Movements in level 3 assets and liabilities during the current financial half-year are set out below:

Consolidated	Unlisted ordinary shares $'000	Contingent consideration $'000	Total $'000
Balance at 1 July 2019	458	(950)	(492)
Gains recognised in profit or loss	-	950	950
Balance at 31 December 2019	458	-	458

Note 26. Contingent liabilities

The Group had no other contingent liabilities as at 31 December 2019, except lease guarantees liability of $591,000 which is in respect of office leases (30 June 2019: $577,000).

Note 27. Related party transactions

Parent entity
Trimantium GrowthOps Limited is the parent entity.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated	
	From 1 Jul 2019 to 31 Dec 2019 $	From 1 Jul 2018 to 31 Dec 2018 $
Sale of goods and services:		
Sale of services to Sargon Capital Pty Ltd and its controlled entities*	1,935,009	1,958,140
Purchase of goods and services:		
Rent of office from The Hong Kong Trust Company Limited, a company controlled by Sargon Capital Pty Ltd.	9,660	124,973
Other transactions:		
Remuneration to close members of a key management personnel for services rendered	-	94,044

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	31 Dec 2019 $	30 Jun 2019 $
Current receivables:		
Trade receivables from Sargon Capital Pty Ltd and its controlled entities*	1,742,709	1,193,007
Receivables from Trimantium Insurance Partners Pty Ltd*	186,952	192,174
Current payables:		
Rent of office from The Hong Kong Trust Company Limited, a company controlled by Sargon Capital Pty Ltd.	1,513	-
Remuneration payable to Phillip Kingston	34,132	25,919

* Phillip Kingston is a founder, a shareholder and an executive director of Sargon Capital Pty Ltd. Trimantium Investment Management Pty Ltd and Trimantium Insurance partners Pty Ltd are companies controlled by Phillip Kingston. Mr Kingston resigned from Trimantium GrowthOps Limited's Board on 5 February 2020.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Note 28. Earnings per share

	Consolidated	
	From 1 Jul 2019 to 31 Dec 2019 $'000	From 1 Jul 2018 to 31 Dec 2018 $'000
Loss after income tax attributable to the owners of Trimantium GrowthOps Limited	(23,839)	(47,010)

Note 28. Earnings per share (continued)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	138,946,525	107,420,940
Weighted average number of ordinary shares used in calculating diluted earnings per share	138,946,525	107,420,940

	Cents	Cents
Basic earnings per share	(17.16)	(43.76)
Diluted earnings per share	(17.16)	(43.76)

Convertible redeemable preference shares have been excluded from the weighted average number of ordinary shares used in calculating diluted loss per share as they are considered anti-dilutive.

Note 29. Events after the reporting period

In February 2020 the Westpac Bank facility maturity date was extended to 01 July 2021 and a new covenant structure centred around EBITDA agreed, with final amendment documents in the process of being executed by all parties.

No other matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the financial half-year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

Scott Tanner
Chairman

28 February 2020

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060
Grosvenor Place
225 George Street
Sydney, NSW, 2000
Australia

Phone: +61 2 9322 7000
www.deloitte.com.au

Independent Auditor's Review Report to the Directors of Trimantium GrowthOps Limited

We have reviewed the accompanying half-year financial report of Trimantium GrowthOps Limited and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Group comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Trimantium GrowthOps Limited's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Trimantium GrowthOps Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report 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 assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Trimantium GrowthOps Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Trimantium GrowthOps Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the half-year financial report, which indicates that the Group incurred a net loss of $ 23,839,000, used net cash in operating, investing and financing activities of $3,320,000 and had net current liabilities of $15,879,000 as at 31 December 2019. These conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Carlo Pasqualini
Partner
Chartered Accountants
Sydney, 28 February 2020