



APPENDIX 4E  
PRELIMINARY FINAL REPORT  
Under ASX Listing Rule 4.3A

## Acrow Formwork and Construction Services Limited

ABN 36 124 893 465

### Details of Reporting Period

Reporting Period 12 months ended 30 June 2018  
Previous Reporting Period 12 months ended 30 June 2017

Acrow Formwork and  
Constructions Services Limited  
ABN 36 124 893 465

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### Results for announcement to the market

Acrow Formwork and Construction Services Limited (formerly known as NMG Corporation Limited) acquired all the shares of Acrow Holdings Pty Ltd, the parent company of Acrow Formwork and Scaffolding Pty Ltd on 27 March 2018. Together with Noble Mineral Resources Ghana Limited, another wholly owned subsidiary of Acrow Formwork and Construction Services Limited these companies form the **Acrow Group**.

As a result of the acquisition, the consolidated FY2018 results in this Appendix 4E includes only 3 months' trading of Acrow Holdings Pty Ltd and its wholly owned subsidiary Acrow Formwork and Scaffolding Pty Ltd.

	2018 <i>dollars</i>	2017 <i>dollars</i>	% change
Revenue	15,556,001	0	not meaningful
Profit before net financing costs and significant items	867,429	(616,308)	
Net financing costs	(213,685)	2,913	
Profit excluding significant items	653,744	(613,395)	up 206.8 %
Significant items:			
- Gain on bargain purchase of Acrow Holdings	10,825,098		
- Transaction and listing costs	(968,185)		
Net profit / (loss) after tax from ordinary activities attributable to members	10,510,658	(613,395)	up 1,813.5%
Basic and diluted earnings / (loss) per share (cents)	19.28	(0.20)	
Basic and diluted earnings / (loss) per share (cents) excluding significant items	1.20	(0.20)	
FY 2018 dividend, unfranked dividend per share (cents)	0.50	Nil	
FY 2017 dividend	Nil	Nil	

## Dividend

The Company has declared an unfranked dividend of 0.5 cents per share for the period ending 30 June 2018. The Dividend will be paid on 22 October 2018 to holders on the Company's fully paid ordinary share register on 28 September 2018 (Record Date).

## Dividend Reinvestment Plan

The Company has a Dividend Reinvestment Plan (DRP) that will be available to holders of fully paid ordinary shares (**shares**). The DRP allows shareholders to reinvest part or all of their dividends into new Acrow Formwork and Construction Limited shares. The issue price of the shares will be at a 2.5% discount to the Market Value which is calculated as the arithmetic average of the daily volume weighted average sale price for a Share (rounded to four decimal places) sold through a Normal Trade on ASX on the ten trading days commencing on the second trading day following the Record Date. The last date for receipt of an election notice for participation in the DRP is 29 September 2018.

## Control gained over entities

On 27 March 2018 Acrow Formwork and Construction Services Limited (formerly known as NMG Corporation Limited) acquired all the shares of Acrow Holdings Pty Ltd, the parent company of Acrow Formwork and Scaffolding Pty Ltd. The results in section 2 reflects the following revenue and net profit resulting from the acquisition:

Revenue	15,556,001
Net Profit after tax	2,225,404

If the acquisition had taken place at the beginning of the financial year (1 July 2017), the following revenue and net profit before tax would have been included:

Revenue	64,737,872
Net Profit after tax	5,064,728

## Commentary

The Acrow business performed very strongly for the 12 months to 30 June 2018. On an underlying basis, the key highlights for FY18 included:

- Revenue of \$65.3m (highest number recorded since 2013)
- Formwork Hire Revenue of \$15.6m (an increase of 23% and highest since Boral divestment)
- Sales Contribution of \$39.3m and Sales Contribution Margin of 60.2% (both record results since Boral divestment)
- Underlying EBITDA of \$10.8m (+21%) and Underlying EBITDA Margin of 16.5% (up from 14.3%)
- Strong Operating Cash Profit of \$9.0m (up 37%) and ending cash balance of \$4.9m (no debt)

A summary of the Underlying Group EBITDA is provided in the below table.

Y/E 30 June, \$'000	FY15A	FY16A	FY17A	FY18A
<b>Summary P&amp;L</b>				
Formwork Hire	12,625	10,960	12,669	15,583
Scaffold Hire	11,493	13,395	14,393	14,297
Residential	8,627	10,334	10,360	7,684
Labour & Cartage	17,603	16,023	12,243	13,643
Formwork Sales & Consumables	11,335	13,203	12,671	14,137
<b>Total Revenue</b>	<b>61,684</b>	<b>63,915</b>	<b>62,336</b>	<b>65,344</b>
Formwork Hire	12,625	10,960	12,669	15,583
Scaffold Hire	11,493	13,395	14,393	14,297
Residential	3,802	4,401	4,426	3,384
Labour & Cartage	2,597	2,308	1,852	2,128
Formwork Sales & Consumables	3,069	3,403	3,196	3,939
<b>Total Contribution</b>	<b>33,587</b>	<b>34,466</b>	<b>36,536</b>	<b>39,331</b>
<i>Contribution Margin</i>	<i>54.4%</i>	<i>53.9%</i>	<i>58.6%</i>	<i>60.2%</i>
Yard Related Expenses	(11,585)	(12,213)	(11,333)	(12,160)
Labour	(13,704)	(12,828)	(12,453)	(12,515)
Other	(5,200)	(4,175)	(3,835)	(3,860)
Holding Company Costs <sup>(2)</sup>	n.a.	n.a.	n.a.	(260)
<b>Total Overheads</b>	<b>(30,489)</b>	<b>(29,216)</b>	<b>(27,620)</b>	<b>(28,795)</b>
Restructure Costs and Provisions <sup>(1)</sup>	(290)	(530)	(625)	(536)
<b>Reported EBITDA</b>	<b>2,808</b>	<b>4,719</b>	<b>8,291</b>	<b>10,000</b>
<b>Underlying Acrow EBITDA<sup>(2)</sup></b>	<b>3,098</b>	<b>5,249</b>	<b>8,915</b>	<b>10,796</b>
<i>Margin</i>	<i>5.0%</i>	<i>8.2%</i>	<i>14.3%</i>	<i>16.5%</i>
Holding Company Costs <sup>(3)</sup>	n.a	n.a	n.a	(192)
<b>Underlying Group EBITDA</b>	<b>3,098</b>	<b>5,249</b>	<b>8,915</b>	<b>10,604</b>

Note:

(1) Unaudited and based on management accounts. Restructuring costs consist of redundancy, branch relocation, duplicate rents, other non-recurring costs associated with the business restructure. (2) FY18A excludes costs of being a public company, including listing and director fees, to allow for comparability. (3) Represents recurring costs for Acrow

As noted in section 2 Acrow's statutory accounts provided in this Appendix 4E reflect a 3 month contribution of the Acrow Group. The Appendix 4E and accompanying presentation provides a reconciliation of the statutory results to the underlying Group EBITDA.

#### **FY18A Reconciliation of Statutory Accounts to Underlying EBITDA**

Net Profit	10,511
Gain on Bargain Purchase	(10,825)
ACF (NMG) Full Year	2,540
<b>Q4 Net Profit</b>	<b>2,225</b>
Depreciation	446
Finance Costs	76
<b>Q4 EBITDA</b>	<b>2,747</b>
March 2018 YTD EBITDA	7,512
Significant Items	536
<b>FY18A Underlying EBITDA</b>	<b>10,796</b>

**Audit**

This Appendix 4E and Preliminary Final Report is based on financial statements which are in the process of being audited by KPMG.

**Acrow Formwork and Construction Services  
Limited (formerly NMG Corporation Limited)  
ACN 124 893 465**

Preliminary final report  
30 June 2018

Acrow Formwork and Construction Services Limited and its controlled entities  
Preliminary Final Report  
**Consolidated statement of comprehensive income**  
**For the year ended 30 June 2018**

*In dollars*

	<b>Note</b>	<b>2018</b>	<b>2017</b>
Revenue	3	15,556,061	-
Other income	4	11,086,185	2,913
Personnel expenses		(6,398,775)	(198,336)
Sub-contract labour costs		(3,575,132)	-
Inventory purchased, net of changes in finished goods		(2,291,490)	-
Property costs		(803,861)	-
Depreciation		(445,754)	-
Other expenses	5	(2,402,891)	(417,972)
<b>Results from operating activities</b>		<b>10,724,343</b>	<b>(613,395)</b>
Finance income		34,077	-
Finance cost		(247,762)	-
<b>Net finance expense</b>		<b>(213,685)</b>	<b>-</b>
<b>Profit/(loss) before income tax</b>		<b>10,510,658</b>	<b>(613,395)</b>
Income tax expense	6	-	-
<b>Profit/(loss) for the year</b>		<b>10,510,658</b>	<b>(613,395)</b>
<b>Other comprehensive income</b>			
<b><i>Items that may be reclassified to profit or loss</i></b>			
Foreign operations - foreign currency translation differences		(39)	35,879
<b>Total comprehensive income for the year</b>		<b>10,510,619</b>	<b>(577,516)</b>
<b>Earnings per share</b>		<b>Cents</b>	<b>Cents</b>
Basic and diluted earnings / (loss) per share	9	19.28	(3.91)

Acrow Formwork and Construction Services Limited and its controlled entities  
Preliminary Final Report

Consolidated statement of financial position  
As at 30 June 2018

*In dollars*

	Note	2018	2017
<b>Assets</b>			
Cash and cash equivalents		4,917,837	480,720
Other financial assets		491,827	-
Receivables		10,548,983	11,562
Inventories		2,111,446	-
Prepayments and other assets		125,106	11,621
Assets held for sale		67,650	-
<b>Total current assets</b>		<b>18,262,849</b>	<b>503,903</b>
Other financial assets		311,583	-
Property, plant & equipment		31,710,998	-
Exploration and evaluation assets		-	65,003
<b>Total non-current assets</b>		<b>32,022,581</b>	<b>65,003</b>
<b>Total assets</b>		<b>50,285,430</b>	<b>568,906</b>
<b>Liabilities</b>			
Trade and other payables		7,292,567	102,448
Employee benefits		3,095,040	-
Liabilities held for sale		68,058	-
<b>Total current liabilities</b>		<b>10,455,665</b>	<b>102,448</b>
Employee benefits		331,597	-
Provisions		452,474	-
<b>Total non-current liabilities</b>		<b>784,071</b>	<b>-</b>
<b>Total liabilities</b>		<b>11,239,736</b>	<b>102,448</b>
<b>Net assets</b>		<b>39,045,694</b>	<b>466,458</b>
Share capital	8	29,377,927	1,865,819
Reserves		679,297	122,827
Retained earnings / (accumulated losses)		8,988,470	(1,522,188)
<b>Total equity</b>		<b>39,045,694</b>	<b>466,458</b>

Acrow Formwork and Construction Services Limited and its controlled entities  
Preliminary Final Report

Consolidated statement of changes in equity

For the year ended 30 June 2018

	Share capital	Share based payments reserve	Foreign currency translation reserve	Retained earnings / (accumulated losses)	Total equity
<i>In dollars</i>					
Balance at 1 July 2016	1,865,819	62,460	20,446	(908,793)	1,039,932
<b>Total comprehensive income for the year</b>					
Loss for the year	-	-	-	(613,395)	(613,395)
Other comprehensive income	-	-	35,879	-	35,879
<b>Total comprehensive income</b>	-	-	35,879	(613,395)	(577,516)
<b>Transactions with owners of the Company</b>					
Equity settled share based payments	-	4,042	-	-	4,042
Balance at 30 June 2017	1,865,819	66,502	56,325	(1,522,188)	466,458
Balance at 1 July 2017	1,865,819	66,502	56,325	(1,522,188)	466,458
<b>Total comprehensive income for the year</b>					
Profit for the year	-	-	-	10,510,658	10,510,658
Other comprehensive income	-	-	(39)	-	(39)
<b>Total comprehensive income</b>	-	-	(39)	10,510,658	10,510,619
<b>Transactions with owners of the Company</b>					
Shares issued net of costs	26,760,233	-	-	-	26,760,233
Equity settled share base payments	-	558,384	-	-	558,384
Options exercised	751,875	(1,875)	-	-	750,000
<b>Total transactions with owners of the Company</b>	27,512,108	556,509	-	-	28,068,617
Balance at 30 June 2018	29,377,927	623,011	56,286	8,988,470	39,045,694



Acrow Formwork and Construction Services Limited and its controlled entities  
Preliminary Final Report

**Consolidated statement of cash flow**  
**For the year ended 30 June 2018**

*In dollars*

	<b>Note</b>	<b>2018</b>	<b>2017</b>
<b>Cash flows from operating activities</b>			
Receipts from customers		17,341,219	-
Payments to suppliers and employees		(12,385,967)	(730,537)
Cash generated from operations		4,955,252	(730,537)
Acquisition and listing costs paid		(968,185)	-
Finance income		34,077	-
<b>Net cash from operating activities</b>		<b>4,021,144</b>	<b>(730,537)</b>
<b>Cash flows from investing activities</b>			
Proceeds from disposal of property, plant and equipment		338,154	-
Purchase of property, plant and equipment		(1,086,382)	-
Consideration paid for controlled entities net of cash acquired		(23,352,397)	-
<b>Net cash used in investing activities</b>		<b>(24,100,625)</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		27,400,000	-
Capital raising costs		(1,902,991)	-
Proceeds from exercise of options		750,000	-
Proceeds from borrowings		800,000	-
Repayment of borrowings		(2,280,002)	-
Finance costs paid		(247,762)	-
<b>Net cash used in financing activities</b>		<b>24,519,245</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>4,439,764</b>	<b>(730,537)</b>
Effect of exchange rate movements on cash held		(2,647)	31,063
Cash and cash equivalents at 1 July 2017		480,720	1,180,194
<b>Cash and cash equivalents at 30 June 2018</b>		<b>4,917,837</b>	<b>480,720</b>

# Acrow Formwork and Construction Services Limited and its controlled entities

## Preliminary Final Report

### Notes to the financial report

#### 1. Reporting entity

Acrow Formwork and Construction Services Limited (Acrow or the Company) is formerly known as NMG Corporation Limited. The consolidated financial statements of Acrow for the year ended 30 June 2018 comprise of the Company and its controlled entities (the Group). The Group is primarily involved in the hire and sale of formwork and construction related services. Acrow is a limited company incorporated and domiciled in Australia whose shares are quoted on the Australian Securities Exchange under the issuer code "ACF".

#### 2. Basis of preparation

##### (a) Basis of accounting

The financial report comprises Acrow Holdings Pty Ltd and its controlled entities and has been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001 for the purposes of fulfilling the Group's obligation under Australian Securities Exchange (ASX) listing rules.

Following the acquisition of Acrow Holdings Pty Ltd on 27 March 2018, the consolidated financial statements include that subsidiary's results from 27 March 2018 to 30 June 2018.

##### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for derivatives that are measured at fair value.

##### (c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Group's functional currency.

##### (d) Use of estimates and judgements

The preparation of financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in:

- note 7 – utilisation of tax losses

# Acrow Formwork and Construction Services Limited and its controlled entities

## Preliminary Final Report

### 3. Revenue

*In dollars*

Revenue from hire of equipment, provision of labour and contracting services

**2018** **2017**

12,513,163 -

Sale of goods

3,042,898 -

15,556,061 -

### 4. Other income

*In dollars*

Net gain on disposal of property, plant and equipment

261,087 2,913

Significant item - gain on bargain purchase (note 10)

10,825,098 -

11,086,185 2,913

### 5. Other expenses

*In dollars*

Significant item – acquisition costs

968,185 -

ASX listing fees and share registry maintenance

145,483

Freight costs

307,812 -

Motor vehicle expenses

225,025 -

IT and telecommunication expenses

245,924 -

Insurance expenses

160,688 -

Other

349,774 417,972

2,402,891 417,972

### 6. Income tax (expense)/benefit

*In dollars*

Profit/(loss) before income tax

10,510,658 (613,395)

Income tax (expense)/benefit using the Company's domestic tax rate (30%)

(3,153,197) 184,019

Tax effect of amounts which are deductible / (taxable) in calculating taxable income

Non-taxable income

3,247,530 -

Current year tax losses not brought to account

(94,333) (184,019)

Income tax (expense)/benefit

- -

# Acrow Formwork and Construction Services Limited and its controlled entities

## Preliminary Final Report

### 7. Unrecognised deferred tax assets and liabilities

2018

2017

*In dollars*

Deferred tax assets have not been recognised in respect of the following items:

Revenue tax losses	13,083,920	-
Capital losses	202,441	-
Temporary differences	(1,088,872)	-
	<u>12,197,489</u>	<u>-</u>

While tax losses and temporary differences do not expire under current tax legislation, deferred tax assets have not been recognised in respect of these items as the Group has experienced a number of years without taxable income and therefore recovery is not considered probable.

The potential benefit of the deferred tax asset in respect of tax losses carried forwards will only be obtained if:

- (i) the Group continues to derive future assessable income of a nature and an amount sufficient to enable the benefit to be realised;
- (ii) the Group continues to comply with the conditions for deductibility imposed by the law;
- (iii) no changes in tax legislation adversely affect the Group in realising the asset; and
- (iv) the Group passes the continuity of ownership test, or the same business test as outlined by the Australia Taxation Office.

There are no available franking credits.

### 8. Share capital

#### Number of shares

2018

2017

On issue of 1 July	313,328,147	313,328,147
Issue of shares for cash (i)	25,000,000	-
	<u>338,328,147</u>	<u>313,328,147</u>
Share consolidation (ii)	(321,411,654)	-
	<u>16,916,493</u>	<u>313,328,147</u>
Issue of shares for cash (iii)	136,000,000	-
	<u>152,916,493</u>	<u>313,328,147</u>
Issue of shares in exchange for debt (iv)	6,316,122	-
Exercise of share options	3,750,000	-
	<u>162,982,615</u>	<u>313,328,147</u>

- (i) 25,000,000 shares were issued on 11 August 2017 at \$0.008 per share;
- (ii) Consolidation of shares on 22 March 2018 at a conversion rate of 20:1;
- (iii) 136,000,000 shares were issued on 27 March 2018 at \$0.20 per share; and
- (iv) 6,316,000 shares were issued at \$0.20 per share to extinguish existing debt.

# Acrow Formwork and Construction Services Limited and its controlled entities

## Preliminary Final Report

### 9. Earnings per share

Basic EPS is calculated by dividing profit for the year attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to ordinary equity holders of the Parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the basic and diluted EPS computations:

<i>In dollars</i>	<b>2018</b>	<b>2017</b>
<b>Earnings reconciliation</b>		
Profit excluding significant items	653,745	(613,395)
Net significant items	9,856,913	-
Net profit	10,510,658	(613,395)
	<b>Number of shares</b>	
<b>Number of ordinary shares</b>		
Weighted average number of ordinary shares used in the calculation of basic EPS	54,503,462	15,666,407
Weighted average number of ordinary shares for diluted EPS	57,503,462	15,666,407
Basic and Diluted EPS (cents per share)	19.28	(3.91)
Basic and Diluted EPS excluding significant items (cents per share)	1.20	(3.91)

# Acrow Formwork and Construction Services Limited and its controlled entities

## Preliminary Final Report

### 10. Acquisition of Acrow Holdings Pty Ltd

On 27 March 2018 the Group acquired all the shares of Acrow Holdings Pty Limited, the parent company of Acrow Formwork and Scaffolding Pty Ltd, for consideration of \$23,815,193.

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

#### Acrow Holdings Pty Limited

	\$
<b>Assets</b>	
Cash and cash equivalents	462,796
Other financial assets	798,859
Receivables	10,766,972
Inventory	2,275,860
Property, plant and equipment	31,001,364
Other	376,412
<b>Total assets</b>	<b>45,682,263</b>
<b>Liabilities</b>	
Trade and other payables	5,670,557
Borrowings	25,607,095
Provisions	3,107,141
<b>Total liabilities</b>	<b>34,384,793</b>
<b>Net assets</b>	<b>11,297,470</b>
Gain on bargain purchase	10,825,098
<b>Purchase consideration transferred</b>	<b>472,372</b>
 Add settlement of loan	 <b>23,342,821</b>
<b>Total consideration paid</b>	<b>23,815,193</b>

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Asset acquired	Valuation technique
Hire equipment	Depreciated replacement cost as determined by independent valuer, Aon Risk Solutions. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.

### 11. Operating segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The Group has the following segments:

- Formwork and Construction Services: the provision of formwork, scaffolding and related materials for hire and sales
- Mineral exploration activities: comprising the Group's Ghana operations

# Acrow Formwork and Construction Services Limited and its controlled entities

## Preliminary Final Report

### 11. Operating segments (continued)

#### Segment information as at 30 June 2018

<i>In dollars</i>	Formwork & Construction	Mineral Exploration	Total
<b>Segment revenue</b>	<b>15,556,061</b>	<b>-</b>	<b>15,556,061</b>
Segment operating profit	2,301,505	(59,764)	2,241,741
Unallocated corporate overhead costs			(2,342,497)
Finance costs			(213,685)
Gain on bargain purchase			10,825,099
<b>Profit (loss) before income tax</b>			<b>10,510,658</b>
<b>Other material items</b>			
Depreciation and amortisation	445,754	-	445,754
Capital expenditure	1,086,382	-	1,086,382
<b>Segment assets</b>	<b>50,217,371</b>	<b>68,059</b>	<b>50,285,430</b>
<b>Segment liabilities</b>	<b>11,177,228</b>	<b>62,508</b>	<b>11,239,736</b>

#### Geographical information

The Group's Mineral Exploration segment operates in Ghana.

The Group operated in one segment, Mineral Exploration, during the year ended 30 June 2017.

### 12. Loans and borrowings

The Group has a \$12,000,000 secured revolving loan facility which has not been utilized at 30 June 2018. The facility carries interest payable at the rate of 3.2% plus the Reserve Bank of Australia daily cash rate on each respective day for the utilised portion; plus, a further line fee charge of 1% per annum based on the Facility limit charged daily. This loan is secured by the Group's receivables and matures in June 2021.

### 13. Net tangible assets

	2018	2017
Net tangible assets per ordinary share (cents)	0.24	0.0297

The 2017 net tangible assets has been adjusted to reflect the share consolidation in 2018.