

ASX Announcement

GrowthOps (ASX:TGO)

30 November 2020

ANNUAL GENERAL MEETING – CEO's ADDRESS

Good afternoon shareholders, clients and staff

When I was appointed to the role of Chief Executive Officer in October last year, as the Company began its transition to a focus on growth, I expressed what a privilege it was to lead the organisation.

Just over twelve months later, I would like to reinforce that sentiment.

It has been and remains, an enormous privilege to lead this organisation, especially through this period of immense challenge and change.

FY2020 round-up

Soon after my appointment, working with the board and leadership team, we completed a Strategic Review of the Company.

It:

- Enabled a greater focus on client outcomes and experience;
- Improved accountability for results; and
- Delivered substantial efficiencies and cost savings.

We also secured an extension and revision of the Company's banking facility.

These actions combined, created a foundation to position the company for growth and embark on a period of stabilisation.

Whilst the period of stabilisation was only brief with the arrival of COVID-19, the early progress we made assisted in mitigating the impact of the pandemic, and pleasingly, enabled the continued improvement of the underlying performance of the business.

The pandemic is one of the most devastating health, social and economic events in a century.

It has created an extended period of profound uncertainty, complexity and personal sacrifice for many, including our people at GrowthOps.

From its arrival, I called upon our people to adapt and respond calmly, confidently and with resilience, and impressively, that is precisely how they have responded to the many changes and challenges that have come our way.

They have continued to stay close to our clients and deliver exceptional work for them.

The global pandemic has required an unparalleled level of ingenuity and collaboration across the Company, with our people exhibiting genuine care for our colleagues, clients and the future of the Company.

In addition to the renewal of the board, management and company structure, completion of the Strategic Review, and extension of the banking facility, we:

- Swiftly adapted the company's business model, resources and functions to successfully enable remote working, whilst continuing to meet our clients' evolving and changing needs;
- Pivoted the coaching and leadership practice to deliver our services online, which has expanded our reach internationally;
- Improved the management of variable, project and contractor costs, and increased revenue margins in each of the last three quarters of financial year 2020;
- Streamlined overheads, reducing core underlying expenses;
- Delivered positive operating cash flow of \$2.47m;
- Met, and continue to meet, our bank covenants.
- Reduced the statutory net loss after tax from \$65.0 million in financial year 2019, to \$43.7 million in financial year 2020, including non-cash impacts of \$37.02m.

The proactive actions taken, which included some enormous personal sacrifices by our people, have enabled us to come out of COVID much stronger, more resilient and a more empathetic organisation.

Most pleasingly, we have been able to achieve the objective we set from the outset of COVID: to retain almost every role across the business, despite the devastating impact of COVID.

And, despite all of this, we continued to deliver exceptional outcomes for our clients.

Delisting

We are delighted by our shareholders' overwhelming support to remove GrowthOps from the official list of the ASX.

As stated by our Chairman, we strongly believe this action will assist the Company to further improve its underlying performance, financial stability and working capital, ultimately building a continued pathway to growth.

FY2021 Strategy

As we embarked on the new financial year, our priority has remained the delivery of exceptional service to our clients, whilst ensuring the health, wellbeing and safety of our people.

Our mission – **to reinvent how organisations grow** – is perhaps even more relevant today than when the Company was formed in March 2018, and is especially pertinent for our Company as we adapt to a post-COVID-19 world.

Our business is to: create ideas, craft human experiences and coach leaders to help our clients unlock more potential from brands, people and customers.

In staying true to our mission, we have continued to refine and adapt our organisation to better reflect the needs of our clients, and their customers and people.

Operating across nine locations throughout APAC our solutions are delivered by multi-disciplinary teams working across:

- Creative;
- Technology;
- Digital marketing; and
- Coaching & leadership.

We have relaunched some of our foundation brands that came together to form GrowthOps, such as AJF Partnership, Khemistry and IECL, and more recently have combined our technology and digital practices in Australia to form a new and exciting business.

Day in, day out, we're:

- Pioneering new ways to drive growth for our clients;
- Building a culture of innovation driven by collaboration and mutual success;
- Working to attract and retain outstanding talent; and
- Making our Company leaner, faster, smarter, more adaptive and responsive.

Our aspiration is to be recognised as thought leaders in creativity, digital, technology and coaching & leadership.

Our key objectives for financial year 2021 are simple and clear:

1. Delivering exceptional customer outcomes and experiences for our clients;
2. Providing extraordinary opportunities and reward for our people; and
3. Continuing the turn-around in the Company's financial performance to deliver long term value for shareholders.

We will achieve these objectives by:

- Continuing to strengthen our foundation and platforms to enable our people to deliver their best work while also achieving efficiencies;
- Optimising our operating and delivery models, and every touch point with our brands;
- Investing in our brands and people, empowering and incentivising them to pioneer new ways for clients to grow; and
- Pursuing targeted inorganic growth.

New Opportunities

While we are confident that the current financial year presents significant opportunity, realistically, it will also present some great challenges.

As flagged by our Chairman in his address, we are anticipating reduced levels of revenue throughout the first half of this financial year, given the ongoing impact of COVID-19 restrictions and prevailing lower levels of business and consumer confidence.

However, building on the strong platform for growth we established last financial year, we are pleased to report that we have already secured a range of new clients, including catch.com.au, Spec Savers, Newcrest and a significant federal government entity, and expanded our engagement with existing clients, including Westpac, Queensland Health and SEQ Water.

Additionally, the pivot our coaching and leadership business, IECL, made earlier this year, continues to open new markets globally across Europe, the UAE and India, whilst attracting new interest locally as businesses face new leadership challenges post-COVID,

Our platform for growth is centred around:

- **Organic growth** by maximising new service lines across our network and investment in alliances and product scalability.
- **Referral growth** by increasing our client stickiness by engaging with our existing and new clients.
- And **accelerated growth**, which may include M&A in logical adjacencies with strong operational synergies, cultural alignment and accretive valuations.

We believe that we are well positioned to capitalise on growth through the COVID-19 recovery and beyond.

However, sensibly, we will continue to implement cash preservation and cost management initiatives, including further streamlining the Company's central overhead, and continuing to identify ways to improve our efficiency to deliver even better outcomes for our clients and people.

At GrowthOps we're

- Driven by creativity;
- Obsessed with human behaviour;
- Accountable by numbers;

- Fanatical about client success; and we believe we're
- Stronger together.

Through a culture of innovation, driven by collaboration and mutual success, we will achieve our purpose, to reinvent how organisations grow.

Thank You

I would like to thank our clients for continuing to give us the opportunity to help them navigate these unprecedented times and look forward with excitement to continuing to strengthen our partnership with you.

I would also like to thank our shareholders for the faith they have shown in our business and our people, and their continued support.

Additionally, I would like to thank the board for their support and in particular the Chairman for his leadership, guidance and counsel. His commitment and immense contribution have been both profound and instrumental as we first stabilised and then transformed this company.

Finally, and most importantly, I would like to thank our people for sharing their impressive talents and ingenuity, for the extraordinary resilience they have demonstrated, and for the care they have continued to show towards each other, our clients and the Company.

There is no doubt that the last 12 months or so have been some of the most challenging, both professionally and personally for most. The extraordinary efforts, the incredible and personal sacrifices made have been nothing short of humbling.

Together, we have not only made excellent progress in transforming the Company and building a platform for growth, we have evolved as a collective of people who have demonstrated great resilience, adaptability, empathy and a new found confidence and determination, which I know stands us all in good stead for our future.

In closing

We are unequivocally a stronger business today with the company's fundamentals – our people, culture, offering, client-base and underlying financial performance – on a positive trajectory.

As I said from the outset, I am extremely privileged to lead such an amazingly talented organisation and I very much look forward to writing the next chapter of our story together.

The best is yet to come!

THANK YOU.

30 November 2020

Approved for release by the board of directors

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— ENDS —

About GrowthOps

GrowthOps (ASX:TGO) is a network of creative thinkers, who create ideas and build solutions for organisations aspiring to lead tomorrow's markets. We help organisations unlock more potential from their brand, customer touch points and people.

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.

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