

ASX Announcement

GrowthOps (ASX:TGO)

Appendix 4C quarterly report. Quarter ended 31 December 2019

During the quarter ended 31 December 2019 the company implemented a series of measures to reduce costs and improve its financial performance.

Net cash used in operations for the quarter was \$1.436m, an improvement of \$0.586m on the \$2.022m in the prior quarter ended 30 September 2019, representing a 29.0% increase in operational efficiency.

Receipts from customers of \$25.993m is an increase of \$1.378m (5.6%) over the prior quarter.

Staff and contractor costs of \$14.585m is an increase of \$0.944m over the prior quarter, including \$0.984m in one-off payments related to restructuring measures implemented in November 2019.

The new management of GrowthOps continues to find opportunities to increase efficiency and reduce costs, and expects to unlock further operating savings in the second half of the financial year to June 2020.

Cash and cash equivalents balance at 31 December 2019 was \$4.609m (compared with \$5.793m at 30 September 2019) with the December quarter including one-off staff and contractor payments of \$0.984m as noted above.

Estimated cash outflows for the next quarter to 31 March 2020, include \$12.149m of staff costs, a decrease of \$1.452m on the quarter ended 31 December 2019 (excluding the \$0.984m in one-off payments).

The amount drawn on the \$14m Westpac senior secured debt facility at 31 December is \$12.822m.

The company received a \$1.055m income tax refund in January 2020.

Management and the board continue to execute their plan to refocus the company on delivering exceptional outcomes for our clients and strategies to attract and retain the best people. The company releases its results for the six months to December 2019, at the end of February 2020.

31 January 2020
Craig McMenamin
CFO and Company Secretary

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.

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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B ⁽ⁱ⁾

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

TRIMANTIUM GROWTHOPS LIMITED

ABN

80 621 067 678

Quarter ended ("current quarter")

31-Dec-19

Consolidated statement of cash flows	Current quarter \$A'000	Year to date \$A'000
1 Cash flows from operating activities		
1.1 Receipts from customers ⁽ⁱⁱ⁾	25,993	50,608
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs ⁽ⁱⁱ⁾	(5,833)	(10,795)
(c) advertising and marketing	(84)	(243)
(d) leased assets	-	-
(e) staff and contractor costs	(14,585)	(28,227)
(f) administration and corporate costs	(6,778)	(14,190)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	28
1.5 Interest and other costs of finance paid	(126)	(264)
1.6 Income taxes paid	(24)	(376)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,436)	(3,459)
2 Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(190)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	(41)	(41)
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	87	87
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Transaction costs related to business acquired	-	-
2.6 Net cash from / (used in) investing activities	45	(145)

⁽ⁱ⁾ This Appendix 4C disclosure has been provided in accordance with ASX Listing Rule 4.7B as a result of Trimantium GrowthOps Limited's admission to the ASX under the Assets Test condition, detailed in Listing Rule 1.3.2(b).

⁽ⁱⁱ⁾ Product manufacturing and operating costs represents \$5.8m of media pass through expenses (YTD amount of \$10.8m).

3 Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	264	264
3.6 Repayment of borrowings	(43)	(138)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Payment on shares bought back	-	-
3.10 Net cash from / (used in) financing activities	222	126

4 Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	5,793	8,081
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,436)	(3,459)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	45	(145)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	222	126
4.5 Effect of movement in exchange rates on cash held	(16)	5
4.6 Cash and cash equivalents at end of quarter	4,609	4,609

5 Reconciliation of cash and cash equivalents	Current quarter	Previous quarter
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	\$A'000	\$A'000
5.1 Bank balances	4,609	5,793
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,609	5,793

6 Payments to directors of the entity and their associates	Current quarter	
	\$A'000	
6.1 Aggregate amount of payments to these parties included in item 1.2	498	
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-	
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2		

7 Payments to related entities of the entity and their associates		Current quarter	
		\$A'000	
7.1	Aggregate amount of payments to these parties included in item 1.2	-	
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-	
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	N/A	


8 Financing facilities available		Total facility amount at quarter end	Amount drawn at quarter end
		\$A'000	\$A'000
<i>Add notes as necessary for an understanding of the position</i>			
8.1	Loan facilities	14,000	12,822
8.2	Credit standby arrangements	-	-
8.3	Lease guarantee	750	649
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.	<p>On 15 November 2018, Trimantium GrowthOps Limited entered into a two-year, \$14 million senior secured debt facility with Westpac Banking Corporation. The interest rate was 2.8% p.a. on average for the quarter plus a 1.0% line fee on the loan facility.</p> <p>The lease guarantee facility has a revolving limit of \$750,000. The service fee was 1.25% per half year.</p>	

9 Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	
9.2 Product manufacturing and operating costs	(5,831)
9.3 Advertising and marketing	(71)
9.4 Leased assets	-
9.5 Staff costs	(12,149)
9.6 Administration and corporate costs	(6,319)
9.7 Payment for income tax	916
9.8 Payment for borrowing (principal and interest)	(124)
Total estimated cash outflows	(23,578)

10 Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	N/A	N/A
10.2 Place of incorporation or registration	N/A	N/A
10.3 Consideration for acquisition or disposal	N/A	N/A
10.4 Total net assets	N/A	N/A
10.5 Nature of business	N/A	N/A

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Signed 
(Director/Company secretary)

Date: 31 January 2020

Craig McMenamin

Notes

- 1 The quarterly report provides a basis for informing the market on how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
- 2 If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
- 3 Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.