

*GrowthOps*

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**ANNUAL REPORT**



*GrowthOps*

# 2019 ANNUAL REPORT 2020

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**Letter from the**

**CHAIR**

# ORMAN

Dear Shareholder

It is now 12 months since the board and leadership team were refreshed. Despite the enormous challenges generated by the global pandemic across the planet, I am pleased to report the underlying performance of the GrowthOps business continues to improve. Furthermore, our impressive and talented people have gone from strength to strength, demonstrating extraordinary resilience and innovation while continuing to deliver exceptional outcomes for our clients.

Upon appointment, the new board and CEO undertook a substantial Strategic Review of the entire company to: better position us for growth and enable a greater focus on client outcomes and experience; improve accountability for results; and deliver substantial efficiencies and cost savings. In parallel, we were also able to secure an extension to the company's banking facility with Westpac Banking Corporation until 1 July 2021.

While the combination of these actions successfully laid a foundation for growth, they also made the business more resilient, mitigating some of the impact of the COVID-19 pandemic and other challenges faced by the company such as the effects from the drought and bushfires in Australia, and unrest in Hong Kong, in addition to the unavoidable departure of two large clients from the market.

With a more resilient GrowthOps' culture, we were able to swiftly adapt the company's business model, resources and functions to successfully enable remote working whilst continuing to meet our clients' evolving and changing needs when the pandemic first hit. By staying close to our clients we found better ways to support them. We also successfully improved cost and cash management, pivoted parts of the business given the new operating conditions, and participated in COVID-19 government subsidies and concessions across Australia and the Asia region. In April 2020, the company's banking facility was also updated with revised quarterly financial performance covenants, providing increased assurance.

**By staying close  
to our clients we  
found better ways  
to support them.**

Whilst the actions we have taken provide a strong platform for growth, we are anticipating reduced levels of revenue throughout the first half of FY2021 given the ongoing impact of COVID-19 restrictions and prevailing lower levels of business and consumer confidence. We have been able to plan for this new normal environment to an extent, noting it is not possible at this stage to quantify the depth or duration of the impact of the pandemic on the global economy or our business with absolute certainty. We will continue to implement cash preservation and cost management initiatives, including streamlining the company's central overhead, and participate in COVID-19 subsidies and related concessions wherever possible. We are also undertaking a review of the capital structure of the business.

During the past 12 months the company achieved many outstanding client outcomes; a small selection of which are showcased in this report. From assisting Officeworks to achieve double digit increases in sales; to creating the Queensland Government's COVID-19 public health communications campaign; to attaining Gold Tier Partner status with leading digital experience software specialist, Sitecore; to being appointed as the creative agency for Malaysia's national car brand, Proton; and to rapidly transforming our coaching and leadership practice to an entirely digital enterprise; our people have adapted our products and services for the new environment, ensuring that we remain relevant and provide exceptional value for our clients as they also respond to the changes and challenges posed by COVID-19 and beyond.

**To strengthen our offering for our clients and better reflect their needs, we have recently combined our technology and digital practices, and we are giving greater prominence to some of the original brands that came together to form GrowthOps, such as AJF, Khemistry and IECL.**

**We have fostered opportunities to pivot the business and emerge from the pandemic as a stronger, more agile business, as we partner with our clients and steer the company through the current economic environment.**

The board believes the company has undoubtedly emerged from last financial year as a stronger, more agile business, more closely aligned with our clients' needs, and better able to deliver on our mission to reinvent how our clients grow.



On behalf of the board of directors, I would like to conclude by thanking our clients, shareholders and people. We are grateful to our clients for trusting us to help them navigate this particularly challenging time and for their continued loyalty. We are grateful to our shareholders for their ongoing support. We look forward to keeping them informed of our progress. Finally, we are profoundly grateful to our people for their dedication and commitment to GrowthOps, our clients and each other. Our team has responded extremely well to the many changes and challenges from the past 12 months, demonstrating their talent whilst also showing flexibility, resilience and innovation, and always ensuring our clients receive the highest standards of service. We look to the year ahead with excitement and confidence in our underlying business and culture, ready to take on new challenges and opportunities.



A handwritten signature in black ink, appearing to read 'Scott', with a long, sweeping horizontal line extending to the right.

**Scott Tanner**

**Independent Non-Executive Chairman**

**Letter from the**

**CHIEF  
EXECU**

UTIVE

Dear Shareholder

When I was appointed Chief Executive Officer I expressed what a privilege it is to lead the organisation as it transitions to a focus on growth. Twelve months later, I would like to echo the same sentiment. It was, and is, an enormous privilege to lead the GrowthOps team. Leading them through this period of immense change and challenge, in particular, has been truly humbling.

Soon after my appointment, working with the board and leadership team, we completed a Strategic Review of the business and secured an extension to the company's banking facility to create 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 the COVID-19 pandemic, the early progress we made assisted in mitigating the impact of the pandemic, enabling 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 a profound period of 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 their way.

They have continued to deliver exceptional work for our clients, a very small selection of which is showcased in this report, which has required an unparalleled level of ingenuity and collaboration across the company, while also exhibiting genuine care for their colleagues, clients and the future of the company.

As we embark on the new financial year, the company's priority remains the delivery of excellent service to our clients, whilst ensuring the health, wellbeing and safety of our people. Our key objectives are clear: deliver better outcomes for our clients; provide better opportunities and reward for our people; and achieve a turn-around in financial performance for our 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. Through a culture of innovation, driven by collaboration and mutual success, we will achieve our purpose, to reinvent how organisations grow.

I would like to thank our clients for giving us the opportunity to help them navigate these unprecedented times. Their trust, loyalty and openness has allowed us to produce our best work and created an enormous sense of satisfaction for our people. We are deeply committed to working alongside our clients to ensure they continue to grow and thrive long into the future.

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

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

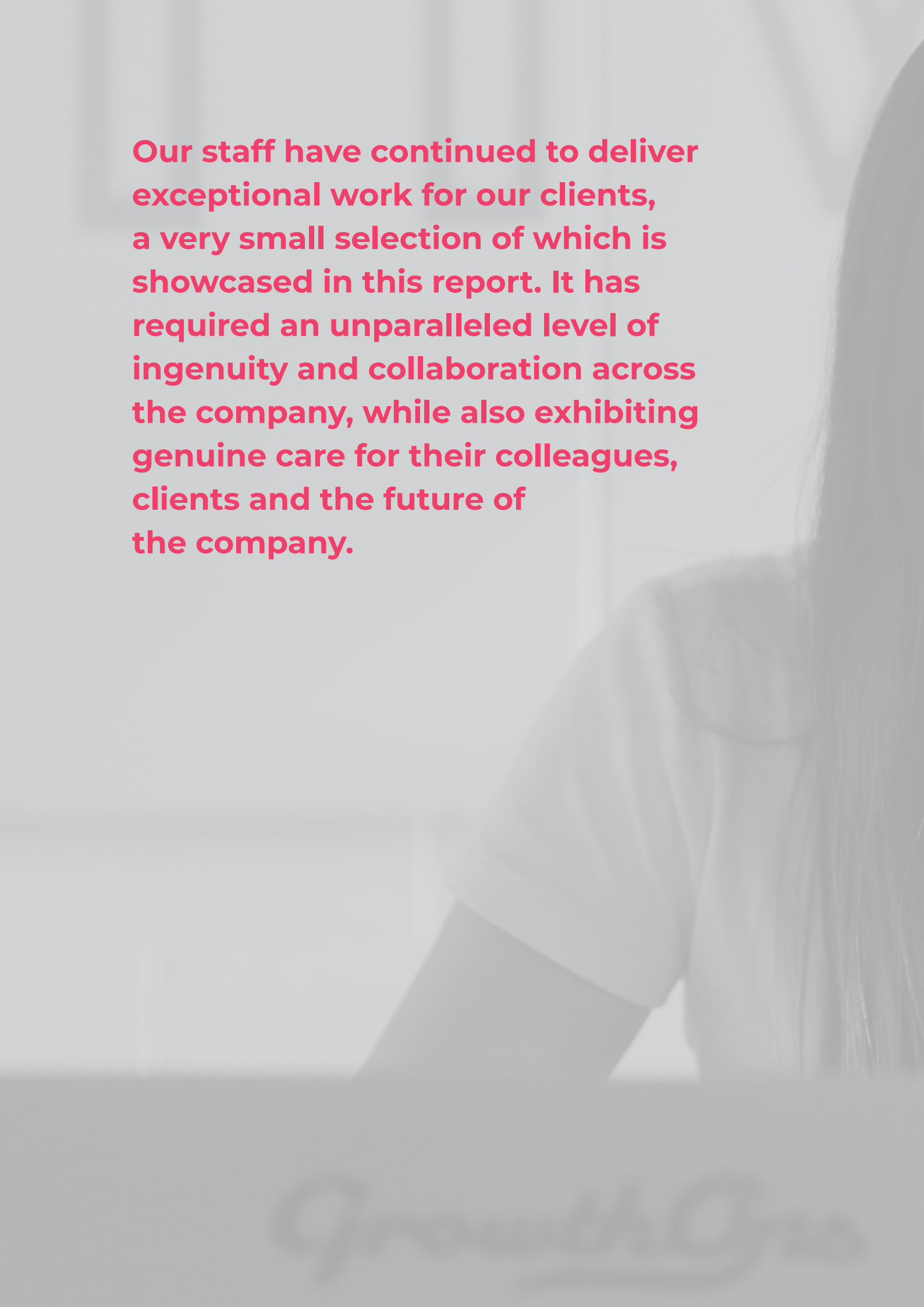
Finally, I would like to thank our people for sharing their impressive talents and ingenuity, for the extraordinary resilience they have demonstrated, and for the care they have continued to show towards each other, our clients and the company. Their talent, confidence and determination will continue to benefit our clients and the company throughout the pandemic and beyond. I'm inspired daily by the comradery they exhibit and what they're achieving for our clients and the future of our company.

Working together over the last 12 months, we have made excellent progress in transforming the company and building a platform for growth. 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. We look to the future with renewed confidence and resilience.



A handwritten signature in black ink, appearing to read 'Clint Cooper'.

**Clint Cooper**  
Managing Director and  
Chief Executive Officer



**Our staff have continued to deliver exceptional work for our clients, a very small selection of which is showcased in this report. It has required an unparalleled level of ingenuity and collaboration across the company, while also exhibiting genuine care for their colleagues, clients and the future of the company.**

*GrowthOne*





WHO  
WE ARE

# RE

**We are a network  
of creative thinkers.**

**We create ideas,  
build solutions  
and coach leaders.**

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Our clients partner with us to unlock more potential from their brand, customer experience and people. They're organisations aspiring to lead tomorrow's markets and we exist to reinvent how they grow.



**Our services include:**

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**Creative  
Technology  
Digital marketing  
Coaching &  
leadership**

They can be delivered by specialist and/or multidisciplinary teams to serve our clients' needs.



**Operating from nine  
locations, we're locals  
in Asia Pacific.**



**We're**

**Driven by  
creativity**

**Obsessed with  
human behaviour**

**Accountable  
by numbers**

**Fanatical about  
client success**

**Stronger together**

# YEAR NUMBER

# IN BERS



positive operating  
cash flow



in statutory loss  
from FY19 to FY20



in underlying  
practice margin from  
FY20Q1 to FY20Q4



in overheads from 1H20 to  
2H20 through improved  
cost discipline

**#1** Most effective  
independent agency in  
Australia (global Effie index)

**#4** Most effective independent  
agency in the Asia Pacific  
(global Effie index)

Helped **Dare** hold the  
#1 iced coffee spot

Assisted **Officeworks**  
achieve double digit  
increase in sales

**44,500+**  
responses to Australia@Home  
COVID-19 research

**1,200+**  
attendees at coach training courses

Affecting positive behaviours through  
**QLD's COVID-19 campaign**

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Improving mental health with the  
**'Dear Mind' campaign**

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Increased sales conversions on the channels we manage for Nine West  
**by more than 30%**

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Attained:  
**Sitecore Gold Tier Partner**

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**43%**

Increase in the number of leaders coached during COVID compared to the same period in the previous year

**80.83%**

World-class NPS for coaching services

**79.7%**

World-class NPS for virtual coach training courses

**91%**

World-class NPS for new Focus Coaching program introduced during COVID

**29**

Creative campaigns for clients in Asia

**85**

Technology projects for clients in Asia

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**WON**

Creative agency retainer for Malaysia's national car brand, Proton

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**Highlights from**

**FY202**



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# Key financial and operational achievements

- Renewed the board, management and company structure, and completed a Strategic Review of the company to transform the business and position it for growth.
- 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, and expanded our international reach.
- Improved management of variable, project and contractor costs, and increased revenue margins in each of the last three quarters of FY2020.
- Reduced statutory net loss after tax to \$43.7 million (30 June 2019: loss \$65.0 million), including non-cash impacts of \$37.02m.
- Streamlined overheads, reducing underlying expenses.
- Delivered positive operating cash flow of \$2.45m, including \$1.3m in government subsidies.
- Extended Westpac Bank loan facility, along with revised financial performance covenants, and achieved compliance with facility covenants.

# Key client achievements

AJF GrowthOps won another two Effie Awards for the 'EOFYthing' campaign created for Officeworks. Additionally, the 'Nobody does Christmas like...' campaign for Officeworks was recognised by research and insights agency Cubery as the "*best branded Christmas ad of 2019*".

AJF GrowthOps is currently ranked the most effective independent agency in Australia and ranked fourth most effective independent agency in the Asia Pacific region on the global Effie index.

Also in FY2020, the company:

- Helped Dare hold the #1 Iced Coffee spot and grow their market share of the Non-Alcoholic-Ready-to-Drink category in the past year;
- Assisted Officeworks in achieving double digit increases in sales for FY2020;
- Delivered new campaign positioning for BUPA, 'Because life happens';
- Increased sales conversions on the channels we manage for Nine West by more than 30 per cent; and
- Launched above the line campaigns for market leaders Remedy Kombucha and Cobs Popcorn, as well as the 'Better Big Bank' for Bendigo Bank and 'Life's what you make it' for Spotlight.

## WON

### **Silver APAC Effie (Seasonal Marketing):**

How one word changed EOFYTHING — Officeworks

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## WON

### **Bronze APAC Effie (Retail):**

How one word changed EOFYTHING — Officeworks

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## WON

### **Bronze Effie (Retail/eTail):**

How one word changed EOFYTHING — Officeworks

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## WON

### **Bronze Effie (Short Term Effects):**

How one word changed EOFYTHING — Officeworks

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GrowthOps created various campaigns for the Queensland Government during the financial year, including the Queensland Government's COVID-19 public health communications campaign, which government research has found is affecting positive behaviours and perceptions of Queensland Health. The company also created the 'STIcebreakers' campaign to reduce sexually transmissible infection rates and the 'Dear Mind' campaign to encourage people to improve their mental health, both for Queensland Health, in addition to the 'Back It Up' safety campaign for Queensland Fire and Emergency to stop people driving through floodwaters.

As the first lockdowns came into effect in Australia in late March 2020, GrowthOps launched Australia@Home — the country's only daily research panel measuring what Australians were thinking and feeling during the pandemic, and the impact it was having on behaviour. The report was regularly published in the Australian Financial Review, and used by leaders in government and business, helping to inform their approach to audiences and markets, including the tone of their ongoing messaging and campaigns.

Collaboration continues as a core behaviour encouraged across the company, with collaborations across the company's technology, digital and creative practices delivering end-to-end brand, website, app and campaign solutions for some clients.

Working in collaboration with SETEC, GrowthOps designed and engineered software to provide a better experience for owners, manufacturers and installers of Recreational Vehicles (RV). GrowthOps created an intuitive app to allow users to easily monitor and control their RV over Bluetooth and an IoT cloud, which RV manufacturers described as a faster, more reliable solution to make changes and introduce new vehicle models with ease.

The company also attained Gold Tier Partner status with leading digital experience software specialist, Sitecore.

In Asia, GrowthOps was appointed as the technology and platform partner for a south east asian regional bank, a leading national arts and culture organisation, a regional insurance company, a global insurance company, and a global Japanese bank to achieve a range of outcomes from operational efficiencies and savings to improved customer access and experience.

During FY2020, GrowthOps was also appointed as the creative agency for Malaysia's national car brand, Proton, building on the digital services retainer the company has held with Proton for three years. It extended other creative and strategy engagements, including with a leading Japanese consumer electronics brand, in addition to creative and digital engagements, such as search engine optimisation, analytics, paid media and creative asset creation for a leading asian bank and multi-brand conglomerate, having achieved year-on-year performance improvements for these clients in Australia, New Zealand, Singapore, Indonesia and India.

FY2020 has resulted in a year of transformation for the company's coaching and leadership practice, IECL. The first half of the financial year delivered a period of stabilisation as the practice consolidated its business model and established structures for growth. The impact of COVID-19 in the second half of the financial year resulted in a requirement for the practice to rapidly transition its operating model from face-to-face learning to an entirely digital enterprise. Our new, online virtual coaching and training offering has largely replaced the revenue lost through cancellation of in-person sessions, and has attracted clients from overseas markets in Europe, the Middle East and Japan.

IECL's executive and organisational coaching services saw a spike in demand, increasing by 43 per cent compared with the same period last year, with clients including 'essential service' providers from the Australian Government Department of Health, Australian Border Force, Australian Government Department of Defence and New South Wales Health.

Since the declaration of the pandemic, IECL has developed two new products to support our clients — Focus Coaching and Leading Now. Focus Coaching is a targeted series of coaching sessions, delivered in quick succession, to provide intensive and rapid support to leaders to enable them to thrive through times of unprecedented change. To date, more than 50 senior leaders from one of Australia's big four banks have completed the program, delivering exceptional results, including an improvement in their wellbeing score of more than 20 per cent and a net promoter score for the program of 91.

Leading Now is a suite of interactive virtual classroom modules to support leaders to learn, grow and adapt. To date, the company has delivered the series to multiple clients, including 20 sessions for a major APAC financial institution, which has since commissioned a suite of advanced modules as a result of the effectiveness and impact of the first modules.

# OUR V

# WORK

# Creating id

## CASE STUDY

# 2020 PROTON X70

## — full throttle in just 17 days

### CHALLENGE

After a successful launch in 2018, Malaysia's national car brand, PROTON was ready to return with a new and improved 2020 PROTON X70, equipped with more intelligent features and functions, until the launch plans were scuppered with the arrival of COVID-19.

With the threat of the virus spreading and many of PROTON's holding partners in lockdown in China, we needed to:

1. Amplify PROTON's commitment to creating intelligent solutions; and
2. Launch the car and secure bookings without an on-ground, face-to-face launch event and roadshow.

### SOLUTION

Working together with PROTON's marketing department and partner agencies, GrowthOps rapidly revised the roll-out plan to include:

- Live stream car launch event on Facebook and YouTube
- Voice-activated web page to champion PROTON's voice command feature, 'HI PROTON'
- Direct-to-manufacturer online booking portal with bank integration
- QR-enabled print advertisements to drive traffic to the website





# ideas



## OUTCOME

The success of the 2020 PROTON X70 launch surpassed the milestones of the car's first launch in 2018, achieving 2x the forecasted bookings within the first two weeks.

**In just 17 days**

**4.9M**  
impressions

**190K**  
page visits

**142K**  
live viewers

**6,000**  
bookings

## ACROSS ALL DIGITAL TOUCHPOINTS:

Delivered a total of **172,857** unique clicks, converting to **13,672** clean leads.

Increased time spent on our voice activated web page by **55%**.

Achieved **1,200+** shares from our live streams on Facebook and YouTube.

Accomplished **200%** of KPIs.



*The Proton team at GrowthOps is like a close knit family. This synergy gave us the ability to create a recovery solution, for the launch of the Proton X70, within an incredibly challenging timeline when COVID-19 hit us. Above everything else, we've always been focused on finding solutions for our clients.*

**Hasbidin Hassan, Business Director**

# Creating id

## CASE STUDY

### Bendigo Bank — four big reasons to try number five



## CHALLENGE

For many years, financial services has remained the least trusted major industry in Australia. In December 2017, the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry was established.

Bendigo Bank saw the Royal Commission as a big opportunity — non-customers may be more inclined to switch banks and Bendigo Bank was one of the country's top ten most trusted brands (and its most trusted bank), contrasting with perceptions of other Australian banks. This was aided by its long association with, and financial commitment to, progressing local communities.

Going into the Royal Commission, the 'Big' banks were seen as capable when it came to managing money, but lacked trust. Whereas, Bendigo Bank was trusted, but was seen as regional and small and therefore, not as capable.

## SOLUTION

Research showed that when people were told of Bendigo Bank's size, they were more inclined to believe in its financial capability, and had an increased propensity to switch to it. This led us to the insight that by simply highlighting that Bendigo Bank is Australia's fifth biggest retail bank, we could simultaneously align it with the Big 4's financial capability whilst keeping it separate from their misconduct.

We developed a strategy to reposition Bendigo Bank as the big bank that also cared about its customers, making it a credible alternative to the Big 4. It was aptly dubbed, 'The Better Big Bank'.

## OUTCOME

The 'Better Big Bank' platform positively affected perceptions of Bendigo Bank's size and financial capability, increasing customer numbers. And despite its share of voice piling in comparison to the Big 4's, Bendigo Bank still managed to outperform the Big 4's customer share growth on key products, like home loans, savings accounts and credit cards.



*It was an honour working with the Bendigo Bank team as well as my AJF GrowthOps colleagues to deliver such a strong and compelling campaign for Aussies to consider switching to Australia's most trusted bank.*  
**Sarah Dalli, Senior Account Director**

# Building so

## CASE STUDY

### **JAYCOMMAND** **powered by BMPRO** —bringing smart home automation to RVs

#### CHALLENGE

Anyone who owns an RV will tell you that keeping these freedom machines on the road takes effort. Tyre pressure, water, fuel and propane levels are just some of the many functions that require constant monitoring.

SETEC — an Australian designer and manufacturer of innovative power solutions — selected GrowthOps as its mobile app development partner to work together to make it easier for RV users to keep tabs on the state of their vehicle and control key functions — all from the comfort of their camping chair.

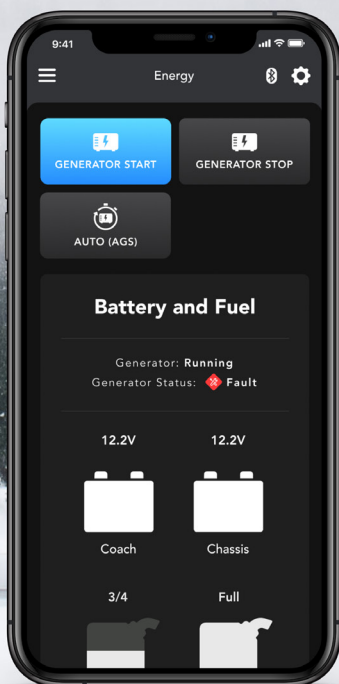
#### SOLUTION

Together with SETEC, GrowthOps built a centralised monitoring and automation system for RV and caravan users to monitor their vehicle's support systems such as water tanks, tyre pressure, doors, windows, temperatures and propane levels, and control their vehicle's lighting, slide-outs, awnings, HVAC and generators, remotely, via a console or mobile app.

GrowthOps developed native mobile applications (iOS and Android) that communicate with a central node that manages bluetooth sensors. It's a cost effective, flexible and scalable cloud database solution.

# solutions

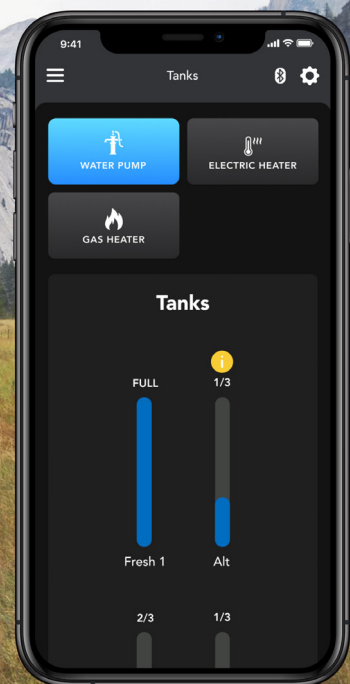
Understand power generation and consumption



Manage HVAC for ultimate comfort



Monitor and control water tanks



## OUTCOME

The final result is an impressive, scalable product that makes it easier for RV and caravan users to monitor and control their vehicles.



*It has been a pleasure to be a part of the delivery of a successful complex project which involves the integration of native mobile applications, cloud solutions, controllers and bluetooth sensors. The project was managed and delivered in a way that allows for continuous integration, delivery and deployment of software features and capabilities within an environment that needs to accommodate continuous firmware updates, manufacturing and shipping of hardware products.*

**Eric Shum, Delivery Manager**

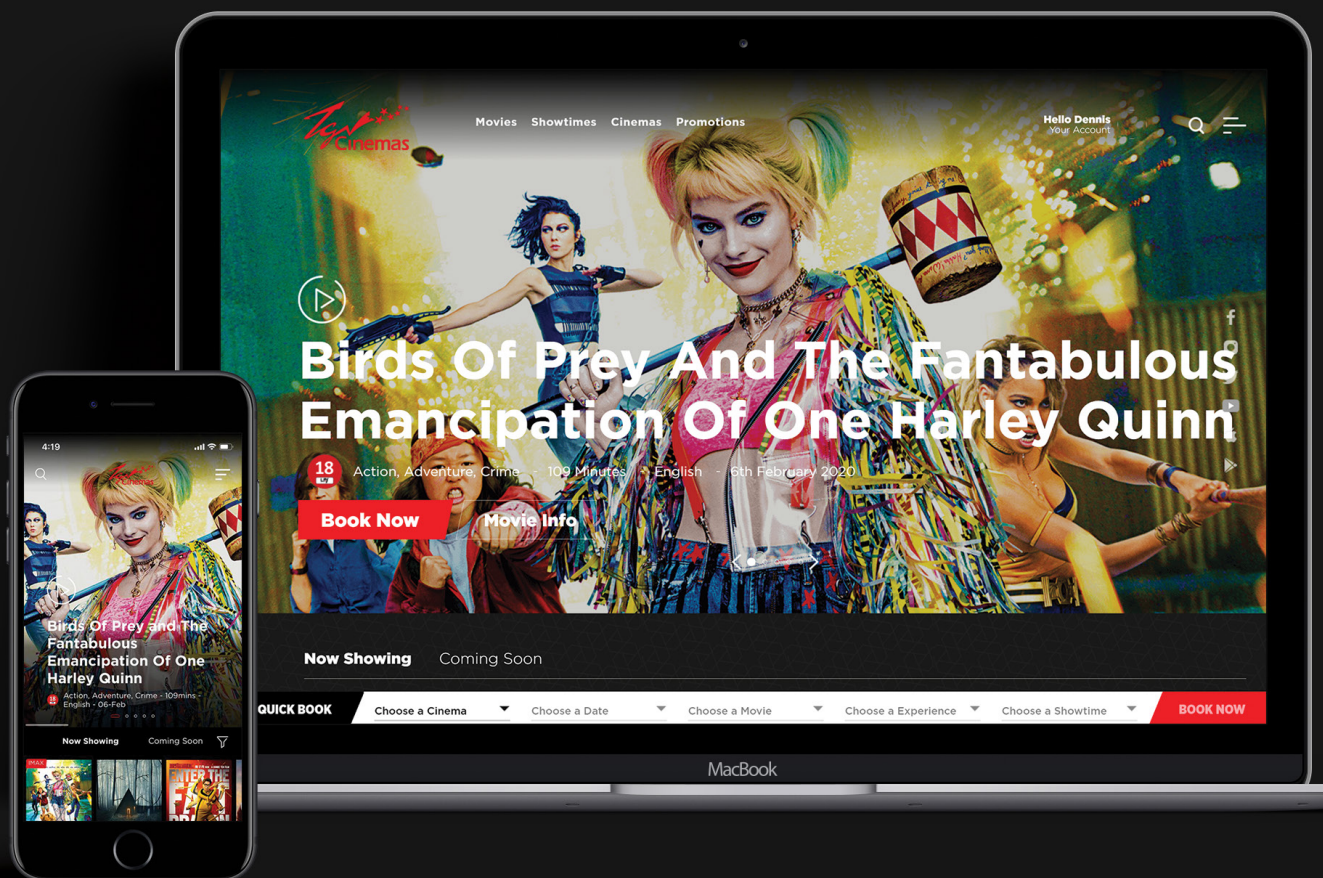


# Building s

## CASE STUDY

### TGV Cinemas

— new digital experience  
proves a box office smash hit



# solutions

## CHALLENGE

After launching a new mobile app and web experience, TGV Cinemas, a renowned cinema chain in Malaysia, faced performance issues. Both the app and website had a non-optimised user experience, plus slow updates and changes, presenting barriers to growth.

With an aggressive timeline to ensure a seamless experience for customers, GrowthOps was engaged to redevelop the backend technology and cloud infrastructure to help TGV Cinemas better engage their customers and grow.

## SOLUTION

GrowthOps redeveloped the website, app and middleware by optimising the codes and tuning the site and app performance. We used serverless architecture to facilitate flexibility and scalability to withstand large spikes in customer traffic, leveraging the latest technology from Amazon Web Services.

With a solid foundation now in place, our focus has turned to conversion and developing tailored personalised offers and experiences for TGV customers.

## OUTCOME

GrowthOps successfully redeveloped TGV Cinema's website and app to better engage their customers and grow.

**Continuous  
optimisation applied**

**10% improvement  
in sales**

**35% improvement  
in response times  
for all features**

**~25% daily increase  
in customer traffic**



*This project was extremely fulfilling and exciting for the team and me. We were able to take over a challenging platform and set a new, strong foundation that provided scalability, flexibility and most importantly, a seamless experience for our client's customers. The relationship we have with TGV is a true partnership and they are always open to sharing new ideas and requirements with us, making each day on the job exciting for the team.*

**Tan Min Mein, Technical Delivery Lead**

# Coaching

## CASE STUDY

### IECL

— a rapid transformation to a digital enterprise

#### CHALLENGE

Everything we do in GrowthOps' coaching and leadership practice, IECL, is about human connection. We train coaches, coach executives, and develop leaders and teams. Our business model is designed around human-to-human interaction.

So, when COVID-19 was declared a pandemic, and the associated social distancing measures came into force, the hit on our business was immediate and hard. We had to pivot to survive. Rapidly.

#### SOLUTION

With a three-week self-imposed deadline, we transitioned our operating model from face-to-face learning to an entirely digital enterprise.

While we were driven by a survival mindset with a bias toward action, flexibility, experimentation and speed, we quickly reaffirmed our need to be relentless in the pursuit of excellence. Where there was a choice between an exceptional learning experience or a cutting-edge technological feature, we chose the learning outcome every time.

Utilising our GrowthOps colleagues' outstanding skills in design technology and other specialist complementary skills, we focused on translating our deep, market-leading experiential knowledge into a digital environment.



# leaders

## OUTCOME

By successfully transitioning our operating model from face-to-face learning to digital, we were able to service more clients at their time of need.

Our new virtual coach and coach training services largely replaced the revenue lost through cancellation of in-person sessions and has also attracted clients from overseas markets, including the USA, Europe, Asia and the Middle East.

**43%** increase in demand for coaching services during COVID on the same time in prior year

**80.83%** world-class NPS for coaching services

**79.7%** world-class NPS for virtual coach training courses



*The first few weeks were strangely quiet and then all of a sudden a new energy was brought to the team... we decided to give it our all and completely change the way we operate, facilitate and market IECL. A key factor to our success is our passion for the business but also the relationships in the team that were tried, tested and grew as one. Everyone pitched in, stepping out of their comfort zones and 'job descriptions' to make sure we succeeded. For me personally, in the past 6 months I built stronger relationships and am grateful for the knowledge shared, the journey taken and the people I work with.*

**Shona Lee-May, Client Development Partner**

# Coaching

## CASE STUDY

### Focus Coaching — a solution for the times

#### CHALLENGE

The COVID-19 pandemic presented huge changes to the roles, working environment and operating rhythms of many senior leaders and their teams at one of Australia's major financial institutions.

Like many leaders in the time of COVID-19, these leaders needed to be equipped to operate under increasing pressure in an environment of instability and high-uncertainty for a sustained period.

#### SOLUTION

IECL designed a purpose-built coaching solution — Focus Coaching — to provide intensive and rapid support to executives within the financial institution's top 500 leadership group.

The solution consisted of a series of three targeted 60-minute coaching sessions, delivered in quick succession, on the topics of Perspectives, Response and Purpose, to enable leaders to focus on what is important during unprecedented change.

Through structured conversations that effectively focused participants' time and attention, we facilitated an environment to support them to think differently, developing and deploying new actions.



# leaders

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## OUTCOME

With more than 50 leaders participating in the Focus Coaching program, the coaching enabled the leaders and their organisation to thrive in times of unprecedented challenge and change. The program received a world-class NPS of 91.

Our coaches described some of the key program benefits as:

***“Greater clarity on personal values, own leadership brand and deeper self-awareness.”***

***“More team-building focus in online meetings leading to improved relationships.”***

***“Improved results in meetings.”***

Descriptions from participants about the experience, included:

***“Space to think strategically and explore different possibilities.”***

***“Having the time to reflect and centre.”***

An evaluation survey conducted pre and post-coaching confirmed a positive shift across all key coaching dimensions:

**40/100 to 75/100**

progress on goals

**4.82 out of 5**

average rating of the coaching experience

**21.5%** increase in wellbeing scores

# COVID RESPC

# COVID-19 RESPONSE

# COVID-19

The coronavirus pandemic has had a profound impact across the planet with devastating health, social and economic consequences.

## Our response

As the pandemic spread, its impact was also felt across GrowthOps with the company swiftly establishing new ways of working for our employees with a focus on: the safety and wellbeing of our teams; effective collaboration while working remotely; and reliable delivery of solutions for our clients.

To mitigate the decline in revenue as a number of clients delayed or reduced the scope of projects, we adapted our products and services for the new environment to remain relevant and provide value for our clients, in addition to undertaking cost reduction and management initiatives, and participation in COVID-19 government subsidies and concessions across Australia and the Asia region.

The ingenuity and resilience demonstrated by our employees has been impressive, particularly their commitment to continue to deliver exceptional client outcomes, and provide unwavering support for their colleagues and the future success of the company.

## Governing principles

To reduce the spread and impact of the virus, GrowthOps established three simple but critically important governing principles to guide the company's response to the pandemic.

Our decisions will:

1. Foster the health, safety and wellbeing of our people, their families and our communities;
2. Ensure business continuity and provide value for our clients; and
3. Preserve our company, including as many jobs as possible, for the future.

## Our people

GrowthOps implemented working from home arrangements for all GrowthOps employees and contractors in mid-March 2020. While the company has since introduced 'remote first' working arrangements for all staff, which means remote working arrangements have become the company's default way of working, a phased 'return to office' plan was also implemented across Australia and Asia in June 2020, in line with government advice and guidelines.

All offices have robust plans in place to ensure that strict controls are applied in accordance with health, safety and wellbeing guidelines. GrowthOps' priority remains the delivery of excellent service to our clients, whilst ensuring the health, wellbeing and safety of our people.

Some of the initiatives the company has introduced to foster the health, safety and wellbeing of our people, include:

- A 'mental health day' in addition to employees' standard annual and sick leave provisions to provide staff with the opportunity to take a break from work and focus on their wellbeing, given the extended periods of working from home arrangements;
- Virtual team lunches, virtual CEO lunches and virtual celebrations to keep staff connected and to foster open communication, collaboration, team spirit and the company's culture; and
- Expanded access to the company's Employee Assistance Program in recognition of the impact the pandemic is having on the mental health of some individuals.

## Our clients

In the second half of the financial year, particularly in our operations in Australia, a number of clients, in various sectors and geographies, delayed or reduced marketing and advertising spend, deferred technology development projects, and were unable to attend coaching and leadership sessions in-person, due to social distancing requirements. In response we strengthened and adapted our products and services for our clients to remain relevant and enable us to continue to provide the highest levels of service as they grappled with the changes and challenges generated by the pandemic.

From helping Malaysia's national car brand, Proton, pivot from an in-person to a hugely successful digital launch, to the numerous campaigns produced remotely while complying with COVID-safe requirements, to transitioning our coaching and leadership business from face-to-face learning to an entirely digital enterprise, GrowthOps has helped our clients navigate the pandemic. The ability to mobilise an agile team to respond to a dynamic and unpredictable challenge truly sets GrowthOps apart from its competitors. In particular, our flat structure provides clients with direct and immediate access to the specialists within the company.

**As a result of the Strategic Review of the company undertaken by the board 12 months ago, in addition to the multitude of pivots the company has made since the beginning of the pandemic, we are more closely aligned with our clients' needs than ever before, better able to deliver on our mission to reinvent how our clients grow. The company continues to stay close to our clients, striving to uncover new and better ways to support them.**

## Cost and cash management

Building on the platform for growth established through the Strategic Review, the company has also improved cost and cash management activities throughout the pandemic by:

- Agreeing temporary voluntary employee salary reductions at all levels within the business without compromising client deliverables;
- Exiting two end-of-lease premises in Sydney and renegotiating the Melbourne head office lease, reducing occupancy costs for the longer term and releasing cash from associated lease guarantees;
- Proactively implementing remote working policies and practices and supporting staff in adapting to the new normal;
- Reducing travel, office, administrative and technology expenses;
- Improving job costing and management of contractor costs and utilisation rates; and
- Where eligible, participating in COVID-19 government subsidies and concessions across Australia and the Asia region.

## COVID-19 government subsidies and concessions

GrowthOps qualified for the Australian Government's JobKeeper subsidy and received its first payment in May 2020. In addition to mandatory pass-through of the subsidy to eligible employees, discretionary payments were also made in May, June and July 2020 to those employees who had taken a voluntary salary reduction, returning most employees to full pay in those months. Additionally, COVID-19 stimulus subsidies were also received by the company's Singapore and Hong Kong operations. The company is currently assessing its eligibility for the Australian Government's 'JobKeeper 2.0'.



## Rallying in times of crisis

When Queensland's Chief Medical Officer needed to rally and guide the state's population through the evolving COVID-19 crisis, communicating safe behaviours and changes to restrictions in a climate of high-stress and information overload, we helped to produce a clear, reassuring, always-on communication platform, sometimes turning around fresh content from concept to broadcast in less than 48 hours, while also following COVID-safe filming protocols.

## Harnessing opportunities

When COVID-19 disrupted export markets for a Queensland agrifood business, we partnered with them to create a new direct-to-consumer brand in just weeks. GrowthOps' brand, customer research, experience design and digital marketing specialists collaborated to create and launch Brisbane Valley Farm Direct, an ecommerce-driven home delivery service, complete with online store, an extensive marketing funnel, and high quality content.

***"GrowthOps helped us turn a crisis into an opportunity with a turnkey solution. Now we're a stronger brand and a more diversified business with new revenue streams growing month-on-month."***

*Duncan Brown*  
*Managing Director, Brisbane Valley Protein*

**Information on**

**DIREC**

# STORS



## **SCOTT TANNER**

**Independent Non-Executive  
Chairman**

### **EXPERIENCE AND EXPERTISE**

Mr Tanner is the current Chairman of the Committee for Melbourne and a Director of the Melbourne Business School, and of the Faculty of Business and Economics at Melbourne University. Previously, he was a Trustee of Melbourne and Olympic Parks Trust and a Director of Tennis Australia. Mr Tanner is Managing Director of SMT Advisory Services, a Corporate Advisory business, which he founded in 2018. In this capacity, he advises a number of companies, and is the Chairman of the advisory boards of non-bank lender PropertyShares, and parking solutions UbiPark.

### **QUALIFICATIONS**

Mr Tanner holds an MBA from Melbourne Business School and is a Fellow of the Australian Institute of Company Directors.

### **OTHER CURRENT DIRECTORSHIPS**

None

### **FORMER DIRECTORSHIPS (LAST 3 YEARS)**

None

### **SPECIAL RESPONSIBILITIES**

Chair of the Nomination and Remuneration Committee

### **INTERESTS IN SHARES**

117,500 Ordinary Shares purchased on market

### **INTERESTS IN OPTIONS**

Subject to approval of the Company's shareholders, the Company has agreed to grant 300,000 options to Mr Tanner, on each anniversary of his appointment, to acquire a like number of ordinary shares in the Company.

The options vest one-third each year over a three-year period, have an exercise price of \$0.20 and can only be exercised if the 30-Day Volume Weighted Average Price ('VWAP') of the company's shares exceeds \$0.30 on the date of exercise.



## **CLINT COOPER**

**Managing Director and  
Chief Executive Officer**

### **EXPERIENCE AND EXPERTISE**

Mr Cooper was the founding Chief Executive Officer and a Director of the Twenty20 Big Bash League club, Melbourne Stars, establishing and building one of Cricket Australia's most commercially successful franchise teams. Prior to this, he held the roles of Chief Financial Officer and Chief Operating Officer with Cricket Victoria. A chartered accountant by training, Mr Cooper specialised in assurance, advisory and corporate recovery for more than eight years at KPMG. He is a former Board Director at the Coeliac Society of Victoria Ltd. Mr Cooper was also previously a founding member of the Male Champions for Change, Sport.

### **QUALIFICATIONS**

Mr Cooper holds a Bachelor of Business (Accounting) from RMIT University and is a member of Chartered Accountants, Australia and New Zealand.

### **OTHER CURRENT DIRECTORSHIPS**

None

### **FORMER DIRECTORSHIPS (LAST 3 YEARS)**

None

### **SPECIAL RESPONSIBILITIES**

None

### **INTERESTS IN SHARES**

None

### **INTERESTS IN OPTIONS**

Subject to approval of the Company's shareholders, the Company has agreed to grant 1,000,000 options to Mr Cooper, on each anniversary of his appointment, to acquire a like number of ordinary shares in the Company.

The options vest one-third each year over a three-year period, have an exercise price of \$0.20 and can only be exercised if the 30-Day VWAP of the company's shares exceeds \$0.50 on the date of exercise.



## CRAIG DAVIES

Non-Executive Director\*

### EXPERIENCE AND EXPERTISE

Mr Davies is an executive with over 25 years' experience in technology and cybersecurity. Previously, he was Chief Executive Officer at the Australian Government's cybersecurity industry growth centre, AustCyber, the Head of Security at Atlassian (NASDAQ:TEAM), and the Chief Security Officer at Cochlear Ltd (ASX:COH), and held various technology roles with Westpac. He is a Non-Executive Director of RightCrowd Ltd (ASX:RCW), as well as Chairman of their Audit and Risk Committee. Most recently in 2018, Mr Davies launched cybersecurity startup, TriSecOps, with the aim of creating and deploying cybersecurity products that reduce risk and uncover opportunities for growth. In addition to founding TriSecOps, Mr Davies has played an active role in Australia's startup ecosystem, including acting as an adviser to Bugcrowd and Deckee.

### QUALIFICATIONS

Mr Davies is a member of the Australian Institute of Company Directors.

### OTHER CURRENT DIRECTORSHIPS

Mr Davies is a Non-Executive Director of RightCrowd Ltd (ASX:RCW).

### FORMER DIRECTORSHIPS (LAST 3 YEARS)

None

### SPECIAL RESPONSIBILITIES

None

### INTERESTS IN SHARES

198,800 fully paid ordinary shares purchased on market

### INTERESTS IN OPTIONS

Subject to approval of the Company's shareholders, the Company has agreed to grant 80,000 options to Mr Davies, on each anniversary of his appointment, as Non-Executive Director, to acquire a like number of ordinary shares in the Company.

The options vest one-third each year over a three-year period, have an exercise price of \$0.10 and can only be exercised if the 30-Day VWAP of the company's shares exceeds \$0.15 on the date of exercise.

*\* On 26 June 2020 Mr Davies resigned from his role as an Executive Director – Technology and Cyber Security, and commenced as Non-Executive Director on the GrowthOps Board.*



## **PHILIP DALIDAKIS**

**Non-Executive Director**

### **EXPERIENCE AND EXPERTISE**

Mr Dalidakis was a member of the Victorian Parliament from 2014 to 2019. He served as a Minister of Trade and Investment, Innovation, the Digital Economy and Small Business from 2015 to 2018. During this time, he implemented a strategic vision for Victoria as a technology and innovation hub, and worked extensively to strengthen Victoria's reputation as a leading startup destination across the Asia Pacific region, attracting the Australian offices of global startups and technology companies such as Slack, Square, Stripe, Zendesk, Etsy, Eventbrite, GoPro and Uber in Melbourne. He also implemented a cybersecurity strategy that led to the creation of the Oceania Cyber Security Centre, the attraction of NBN Co's national cybersecurity centre to Melbourne, the establishment of Data61's national cyber research unit, and memoranda of understanding in the USA and Israel. Before being elected to the Victorian Parliament, Mr Dalidakis worked in various roles in the public and private sectors, including Deloitte and ASX-listed Centro Properties Group. He was Executive General Manager, Corporate Service at Australia Post from July 2019 to April 2020. Mr Dalidakis is a Director of the Centre for Asia Pacific Strategy and a Non-Executive Director at Impact for Women, a volunteer-run charity making a difference to women and children fleeing extreme violence at home.

### **QUALIFICATIONS**

The Honourable Mr Dalidakis holds a Master of Commerce from UNSW as well as a double degree in Arts (Politics and Thai language) and Business (Management) from Monash University. He is a Fellow of the Institute of Managers and Leaders and a member of the Australian Institute of Company Directors.

### **OTHER CURRENT DIRECTORSHIPS**

None

### **FORMER DIRECTORSHIPS (LAST 3 YEARS)**

None

### **SPECIAL RESPONSIBILITIES**

Chair of the Audit and Risk Committee

### **INTERESTS IN SHARES**

None

### **INTERESTS IN OPTIONS**

Subject to approval of the Company's shareholders, the Company has agreed to grant 80,000 options to Mr Dalidakis, on each anniversary of his appointment, to acquire a like number of ordinary shares in the Company.

The options vest one-third each year over a three-year period, have an exercise price of \$0.20 and can only be exercised if the 30-Day VWAP of the company's shares exceeds \$0.30 on the date of exercise.



**JESSICA  
HART**  
Non-Executive  
Director

#### **EXPERIENCE AND EXPERTISE**

Ms Hart is the founder and creator of LUMA Beauty, an Australian natural beauty brand. In addition to the products being sold at Priceline stores across Australia, LUMA Beauty is also available through the company's e-commerce platform, which was co-designed by Ms Hart. She was previously named GQ's Woman of the Year, and is a brand ambassador for some of the world's largest brands, including Mercedes Benz and Qantas. Her international modelling and fashion career spans more than 20 years and includes working with Victoria's Secret, Louis Vuitton, Dolce & Gabbana, Marc Jacobs and H&M.

#### **OTHER CURRENT DIRECTORSHIPS**

None

#### **FORMER DIRECTORSHIPS (LAST 3 YEARS)**

None

#### **SPECIAL RESPONSIBILITIES**

None

#### **INTERESTS IN SHARES**

None

#### **INTERESTS IN OPTIONS**

Subject to approval of the Company's shareholders, the Company has agreed to grant 30,000 options to Ms Hart, on each anniversary of her appointment, to acquire a like number of ordinary shares in the Company.

The options vest one-third each year over a three-year period, have an exercise price of \$0.20 and can only be exercised if the 30-Day VWAP of the company's shares exceeds \$0.30 on the date of exercise.





## ANDREW BAXTER

Non-Executive  
Director

### EXPERIENCE AND EXPERTISE

Mr Baxter has over 25 years' experience in the marketing and communications industry, including large multi-agency organisations, as well as in growth and turnaround businesses. Prior executive roles include CEO of Ogilvy Australia and CEO of Publicis Worldwide Australia. Mr Baxter holds numerous Non Executive and advisory roles including Chair, Australian Pork Limited; Nominated Chair and Non-Executive Director (Tjapukai), Indigenous Business Australia; Chair, Commtract; Non-Executive Director Foresters Financial; Senior advisor, BGH Capital, Non-Executive Director, OzHarvest.

Mr Baxter was previously a Senior Advisor at KPMG Australia and is currently Adjunct Professor at the University of Sydney Business School.

### QUALIFICATIONS

Mr Baxter holds a Bachelor of Business (Marketing) from Monash University. He is a Fellow of the Australian Marketing Institute and a Fellow of the Australian Institute of Company Directors.

### OTHER CURRENT DIRECTORSHIPS

None

### FORMER DIRECTORSHIPS (LAST 3 YEARS)

None

### SPECIAL RESPONSIBILITIES

None

### INTERESTS IN SHARES

None

### INTERESTS IN OPTIONS

Subject to approval of the Company's shareholders, the Company has agreed to grant 80,000 options to Mr Baxter, on each anniversary of his appointment, to acquire a like number of ordinary shares in the Company.

The options vest one-third each year over a three-year period, have an exercise price of \$0.10 and can only be exercised if the 30-Day VWAP of the company's shares exceeds \$0.15 on the date of exercise.

# DIRECTOR REPORT

# CTORS' RT

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 year ended 30 June 2020 ('Financial Period' or 'FY2020').

## DIRECTORS

The following persons were directors of Trimantium GrowthOps Limited during the whole of the financial 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)
- Craig Davies, Non-Executive Director (appointed on 13 October 2019 as Executive Director and resigned on 26 June 2020 and appointed as Non-Executive Director on 26 June 2020)
- Philip Dalidakis, Non-Executive Director (appointed on 13 October 2019)
- Jessica Hart, Non-Executive Director (appointed on 13 October 2019)
- Andrew Baxter, Non-Executive Director (appointed on 23 July 2020)
- Dominique Fisher, Non-Executive Chairman (resigned on 13 October 2019)
- Phillip Kingston, Non-Executive Director (resigned as Executive Director and appointed as Non-Executive Director on 13 October 2019 and resigned as Non-Executive Director on 5 February 2020)

- Paul Mansfield, Chief Executive Officer and Managing Director (resigned on 13 October 2019)
- Melissa Field, Non-executive Director (resigned on 13 October 2019)
- 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)

## PRINCIPAL ACTIVITIES

The principal activities of the Group during the period were the provision of creative, digital, technology and leadership development solutions 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; creative advertising, leadership development and coaching; change management; technology and 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 year.

## REVIEW OF OPERATIONS

Throughout the early part of the 2020 financial year, the Group continued its program of integration work first commenced after the Group's Initial Public Offering, with a key focus on transitioning the Group to a single operating company, including an integrated service offering and further consolidation of office locations.

Upon appointment in October 2019, the new board and Chief Executive Officer ('CEO') undertook a substantial Strategic Review of the entire Group to transform the business and position it for growth. The outcomes achieved from the review included:

- Restructuring and removal of functions and locations with low utilisation levels or deemed unprofitable;
- Renegotiation or termination of projects deemed to be unprofitable along with new disciplines to improve project visibility and profitability;
- Removal of non critical central overhead;
- Restructuring and redeployment of resources, especially overhead and non-billable resources, to better serve clients and support colleagues serving clients;
- Redeployment of key resources to growth areas, services and products; and
- Termination of the Group's share buyback program.

These changes were implemented without losing key clients or profitable revenue, and enabled a greater focus from the business on client outcomes and experience.

The period of stabilisation that came after the strategic review, associated restructuring and Westpac Bank loan facility extension, provided a platform for growth in the second half of the financial year, more able to withstand the impact of the drought and bushfires in Australia, the unrest in Hong Kong, the unavoidable departure of 2 large clients from the market, and the emergence of COVID-19 in Asia in early January.

As the COVID-19 pandemic spread, its impact was felt across the entire Group through the second half of the financial year, particularly in its operations in Australia as a number of clients, in various sectors and geographies, delayed or reduced marketing and advertising spend, deferred technology development projects, and were unable to attend coaching and leadership sessions in-person, due to social distancing requirements.

The actions arising from the Strategic Review and taken by the new Board and CEO, coupled with the Group's diverse lines of business and geographic footprint, assisted in mitigating the impact of COVID-19 on top line revenue in the second half. In addition various parts of the business pivoted in order to adapt to the new normal. The board is pleased to see the continued underlying improvement in the business units' gross revenue margins throughout the second half of the financial year, a positive trend during one of the most significant and economically catastrophic events in recent history.

The resilience demonstrated by the Group's employees and their commitment to continue to deliver exceptional client outcomes, combined with the strategic initiatives identified and directed by the board since their appointment in October 2019 have ensured the continued success of the Group with an underlying business and culture ready to take advantage of the post COVID-19 era.

## **IMPACT OF COVID-19**

COVID-19 has impacted the business in all regions as a number of clients have delayed or reduced the scope of projects. Consequently, the Group has undertaken significant cost reduction initiatives to mitigate the sharp decline in revenues and continues to adapt its products and services for the new environment to remain relevant and to provide exceptional value for its clients as the Group helps them adapt to new ways of doing business.

The Group has established new ways of working for its employees with a focus on the safety and wellbeing of its teams, effective collaboration in remote working conditions, and reliable delivery of solutions for its clients. Further details on initiatives to assist clients, support employees, drive revenue, and reduce costs are provided below in this report.

The economic uncertainty caused by the ongoing restrictions and relatively unpredictable nature of the pandemic create further difficulties in forecasting beyond the near-term of six to twelve months ahead. Accordingly, management has taken a view that reflects current and estimated business conditions emerging from COVID-19 in its business plan and budgets for the year ahead, and in its assessment of the carrying value of intangibles and assets. Management has provided for appropriate impairment of these values at 30 June 2020. The Notes to the Financial Statements contain further details of the methodology and assumptions adopted by management in assessing these carrying values.

## SUMMARY OF STATUTORY FINANCIAL RESULTS

GrowthOps generated statutory revenue of \$84.4 million (30 June 2019: \$97.0 million), and a statutory net loss after tax of \$43.7 million (30 June 2019: loss \$65.0 million) for the twelve months ended 30 June 2020.

The statutory net loss after tax includes the non-cash impact of:

- share-based payment expenses of \$8.44 million;
- amortisation of identifiable intangible assets arising from acquisitions of \$7.50 million;
- impairment of goodwill and other intangible assets of \$22.03 million; and
- Other income of \$0.95 million in relation to the Xperior acquisition contingent consideration.

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 Group recognised an expense of \$8.44 million, including \$8.26 million of the expected value of CRPS to be converted to ordinary equity. As noted in the Group's prospectus, the non-cash, share-based payment expenses associated with CRPS will continue until 2021.

The Group recorded a goodwill and intangible impairment charge of \$22.03m for the year, of which \$11.3m was charged for the six months ended 30 June 2020, reflecting a more conservative outlook in light of the impact of COVID-19 on the business.

The Group recognised other income of \$2.81 million, including \$1.86 million in government grants and subsidies in its Australia and Asia operations and \$0.95 million recognised 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. The services associated with the pass through transactions are substantially similar to the remaining revenue streams. Therefore in the financial statements for FY2020, 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 disclosures. Further details are provided in the Notes to the Financial Statements.

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

## **RENEWAL OF THE BOARD, MANAGEMENT AND GROUP 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 Group's growth strategy as the Group 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, 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.

Within a month of their appointments, the new board and CEO undertook a review of the Group's business and enabling structure and agreed on the next stage of GrowthOps' strategy. It reaffirmed the Group's purpose and re-focussed the business on sales and growth. The consequential changes were a natural evolution following the integration work undertaken after the Group'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. These changes were 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 has been filled by Non-Executive Director, the Honourable Philip Dalidakis.

Following the successful transition of the new board and management appointed to the Group on 13 October 2019, Non-Executive Director Phillip Kingston resigned from the Group's Board of Directors on 5 February 2020.



Executive Director, Craig Davies resigned from his executive role with the Group on 26 June 2020, transitioning to the role of Non-Executive Director on the GrowthOps Board of Directors. This transition followed the appointment and embedding of the new board and management, implementation of the new structure, and refinement and stabilisation of the Group's strategy and core offering.

#### **FINANCING FACILITIES AND COMPLIANCE WITH COVENANT AT 30 JUNE 2020**

As announced in the Group's half year financial results in February 2020, GrowthOps secured an extension of its banking facility with Westpac Banking Corporation to 1 July 2021. In April 2020, the financing facility was updated with revised financial performance covenants providing increased assurance to the Group through the ongoing support of its bankers. The facility limit is \$12.84m with the amount drawn on the facility at the end of the Financial Period being \$12.72m. At 30 June 2020, the Group is in compliance with its quarterly covenants under the revised facility.

#### **COST AND CASH MANAGEMENT PROGRAM**

Revenues in the second half were impacted by delays in projects and reduced client spend directly attributable to the impact of COVID-19. The Group continues to stay close to our clients and find better ways to support them, whilst improving cost and cash management activities, including:

- Agreeing temporary voluntary employee salary reductions at all levels within the business without compromising client deliverables;
- Exiting two end-of-lease premises in Sydney and renegotiating the Melbourne head office lease, reducing occupancy costs for the longer term and releasing cash from associated lease guarantees;
- Proactively implementing remote working policies and practices and supporting staff in adapting to the new normal;
- Reducing travel, office, administrative and technology expenses;
- Improving job costing and management of contractor costs and utilisation rates; and
- Where eligible, participating in COVID-19 government subsidies and concessions across Australia and the Asia region.

## COVID-19 GOVERNMENT SUBSIDIES AND CONCESSIONS

GrowthOps finished the Financial Period with positive operating cash flow of \$2.47m, including government COVID-19 subsidies and related concessions in its Australian operations of \$1.1m and its Asian operations of \$0.2m. GrowthOps qualified for the Australian Government's JobKeeper subsidy and received its first payment in May 2020. In addition to mandatory pass through of the subsidy to eligible employees, discretionary payments were also made in May, June and July 2020 to those employees who had taken a voluntary salary reduction, returning most employees to full pay in those months.

Additionally, COVID-19 stimulus subsidies were also received by the Group's Singapore and Hong Kong operations.

The Group is currently assessing its eligibility for the recently announced 'JobKeeper 2.0'.

## PEOPLE INITIATIVES

GrowthOps implemented working from home arrangements for all GrowthOps employees and contractors in mid-March, 2020 to:

- Help reduce the impact of COVID-19;
- Ensure business continuity for its clients; and
- Foster the health, safety and wellbeing of its people.

While the Group has now introduced 'remote first' working arrangements for all staff, which means remote working arrangements will become the Group's default way of working, a phased 'return to office' plan was also implemented across Australia and Asia in June 2020, in line with government advice and guidelines. All offices have robust plans in place to ensure that strict controls are applied in accordance with health, safety and wellbeing guidelines. GrowthOps' priority remains the delivery of excellent service to its clients, whilst ensuring the health, wellbeing and safety of its people.

Some of the initiatives the Group has introduced in the second half of the Financial Period to foster the health, safety and wellbeing of its people, include:

- A 'mental health day' in addition to employees' standard annual and sick leave provisions to provide staff with the opportunity to take a break from work and focus on their wellbeing, given the extended periods of working from home arrangements;
- Virtual team lunches, virtual CEO lunches and virtual celebrations to keep staff connected and to foster open communication, collaboration, team spirit and the Group's culture; and
- Expanded access to the Group's Employee Assistance Program in recognition of the impact the pandemic is having on the mental health of some individuals.

## KEY OPERATIONAL AND CLIENT ACHIEVEMENTS

During the past twelve months AJF GrowthOps won another two Effie Awards for the 'EOFYthing' campaign created for Officeworks. In addition the 'Nobody does Christmas like...' campaign for Officeworks was recognised by research and insights agency Cubery as the "best branded Christmas ad of 2019". AJF GrowthOps is currently ranked the most effective independent agency in Australia and ranked fourth most effective independent agency in the Asia Pacific region on the global Effie index.

Also in FY2020, the Group:

- Helped Dare hold the #1 Iced Coffee spot and grow their market share of the Non-Alcoholic-Ready-to-Drink category in the past year;
- Assisted Officeworks in achieving double digit increases in sales for FY2020;
- Delivered new campaign positioning for BUPA, "Because life happens";
- Increased sales conversions on the channels we manage for Nine West by more than 30 per cent; and
- Launched above the line campaigns for market leaders Remedy Kombucha and Cobs Popcorn, as well as the 'Better Big Bank' for Bendigo Bank and 'Life's what you make it' for Spotlight.

GrowthOps created various campaigns for the Queensland Government during the Financial Period, including the Queensland Government's COVID-19 public health communications campaign, which government research has found is affecting positive behaviours and perceptions of Queensland Health. The Group also created the 'STIcebreakers' campaign to reduce sexually transmissible infection rates and the 'Dear Mind' campaign to encourage people to improve their mental health, both for Queensland Health, in addition to the 'Back It Up' safety campaign for Queensland Fire and Emergency to stop people driving through floodwaters.

As the first lockdowns came into effect in Australia in late March 2020, GrowthOps launched Australia@Home — the country's only daily research panel measuring what Australians were thinking and feeling during the pandemic, and the impact it was having on behaviour. The report was regularly published in the Australian Financial Review, and used by leaders in government and business, helping to inform their approach to audiences and markets, including the tone of their ongoing messaging and campaigns.

Collaboration continues as a core behaviour encouraged across the Group, with collaborations across the Group's technology, digital and creative practices delivering end-to-end brand, website, app and campaign solutions for some clients.

Working in collaboration with SETEC, GrowthOps designed and engineered software to provide a better experience for owners, manufacturers and installers of Recreational Vehicles (RV). GrowthOps created an intuitive app to allow users to easily monitor and control their RV over Bluetooth and an IoT cloud, which RV manufacturers described as a faster, more reliable solution to make changes and introduce new vehicle models with ease.

The Group also attained Gold Tier Partner status with leading digital experience software specialist, Sitecore during the Financial Period.

In Asia, GrowthOps was appointed as the technology and platform partner for a South East Asian regional bank, a leading national arts and culture organisation, a regional insurance company, a global insurance company, and a global Japanese bank to achieve a range of outcomes from operational efficiencies and savings to improved customer access and experience.

During FY2020, GrowthOps was also appointed as the creative agency for Malaysia's national car brand, Proton, building on the digital services retainer the Group has held with Proton for three years. It extended other creative and strategy engagements, including with a leading Japanese consumer electronics brand, in addition to creative and digital engagements, such as search engine optimisation, analytics, paid media and creative asset creation for a leading asian bank and multi-brand conglomerate, having achieved year-on-year performance improvements for these clients in Australia, New Zealand, Singapore, Indonesia and India.

FY2020 has resulted in a year of transformation for the Group's coaching and leadership practice, IECL. The first half of the Financial Period delivered a period of stabilisation as the practice consolidated its business model and established structures for growth. The impact of COVID-19 in the second half of the Financial Period resulted in a requirement for the practice to rapidly transition its operating model from face-to-face learning to an entirely digital enterprise. Its new, online virtual coaching and training offering has largely replaced the revenue lost through cancellation of in-person sessions, and has attracted clients from overseas markets in Europe, the Middle East and Japan.

IECL's executive and organisational coaching services saw a spike in demand, increasing by 43 per cent compared with the same period last year, with clients including 'essential service' providers from the Australian Government Department of Health, Australian Border Force, Australian Government Department of Defence and New South Wales Health.

Since the declaration of the pandemic, IECL has developed two new products to support its clients — Focus Coaching and Leading Now. Focus Coaching is a targeted series of coaching sessions, delivered in quick succession, to provide intensive and rapid support to leaders to enable them to thrive through times of unprecedented change. To date, more than 50 senior leaders from one of Australia's big four banks have completed the program, delivering exceptional results, including an improvement in their wellbeing score of more than 20 per cent and a net promoter score for the program of 91.

Leading Now is a suite of interactive virtual classroom modules to support leaders to learn, grow and adapt. To date, the Group has delivered the series to multiple clients, including 20 sessions for a major APAC financial institution, which has since commissioned a suite of advanced modules as a result of the effectiveness and impact of the first modules.

## UNDERLYING RESULTS (UNAUDITED)

The board and management utilise underlying management accounts, along with other metrics, to regularly review the business performance. The presentation of these results provides a useful measure of the underlying performance of the Group, particularly given the accounting impact of non-cash share-based payment expenses, goodwill impairment, one-off costs associated with restructuring the business, government grants and the reversal of contingent consideration for the acquisition of Xperior, no longer payable.

The underlying results relate to the twelve months ended 30 June 2020, and its prior comparable period ('PCP'), the twelve months ended 30 June 2019. In the PCP, all acquisitions were included in the results as if owned for the full period. In the current Financial Period, there were no acquisitions.

The Group is eligible for the Australian Government's JobKeeper subsidy and has secured additional concessions and subsidies in other jurisdictions in which it operates, delivering a total of \$1.9m between April and June 2020.

EBITDAS is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for interest, non-specific non-cash and significant items. The directors consider EBITDAS to reflect the core earnings of the consolidated entity.

Underlying EBITDAS for the financial period to June 2020, including lease costs and subsidies, is \$1.1m.

## SUMMARY OF UNDERLYING EARNINGS BEFORE INTEREST, TAX, DEPRECIATION, AMORTISATION AND SHARE BASED PAYMENTS (EBITDAS).

	1 July 2019 to 30 June 2020 \$ million	1 July 2018 to 30 June 2019 \$ million	FY19 - FY20 variance \$ million
<b>REVENUE</b>	<b>84.4</b>	<b>100.7</b>	<b>(16.3)</b>
Pass through costs	(21.8)	(29.3)	7.5
Employee costs	(41.1)	(42.9)	1.8
Other direct costs of sales	(11.7)	(11.1)	(0.6)
Other costs	(6.7)	(8.8)	2.1
<b>UNDERLYING EBITDAS</b>	<b>3.1</b>	<b>8.6</b>	<b>(5.5)</b>
Premises lease expense (AASB 16 impact)	(3.9)	(3.3)	(0.6)
Subsidy	1.9	–	1.9
<b>UNDERLYING EBITDAS INCLUDING SUBSIDY</b>	<b>1.1</b>	<b>5.3</b>	<b>(4.2)</b>

## RECONCILIATION OF EBITDA TO UNDERLYING EBITDAS

	1 July 2019 to 30 June 2020 \$ million	1 July 2018 to 30 June 2019 \$ million	FY19 - FY20 variance \$ million
<b>STATUTORY LOSS BEFORE INCOME TAX</b>	<b>(45.3)</b>	<b>(68.4)</b>	<b>23.1</b>
Impairment of intangible assets	22.0	22.9	(0.9)
Depreciation and amortisation	11.7	11.6	0.1
Net finance costs	1.0	1.0	–
<b>EBITDA</b>	<b>(10.6)</b>	<b>(32.9)</b>	<b>22.3</b>
Share based payments	8.4	30.5	(22.1)
Other income	(1.0)	–	(1.0)
Subsidy received	(1.9)	–	(1.9)
Costs associated with business acquisition and integration	–	11.4	(11.4)
Costs associated with business restructuring	5.7	–	5.7
Bad debt write off	2.5	–	2.5
Pre-acquisition costs	–	(0.4)	0.4
<b>UNDERLYING EBITDAS</b>	<b>3.1</b>	<b>8.6</b>	<b>(5.5)</b>

## COMMENTARY ON FY19 VS FY20 UNDERLYING EBITDAS

Revenue decreased by \$16.3m (16%) year-on-year, impacted by recent events such as the unrest in Hong Kong, the Australian drought and bushfires and more significantly, COVID-19 impacting the second half, with reductions in client spend and retainers, notably those clients in sectors worst affected by COVID-19. Second half revenue was also impacted by the loss of material client Sargon entering Voluntary Administration and Holden Motors exiting the Australian market.

With improved discipline around management of variable, project and contractor costs, revenue margins have increased in each of the last three quarters, partly compensating for reduced revenues. The revenue decline year-on-year is also partly offset by a reduction in associated pass-through costs, down \$7.5m (26%) on the prior year.

The Group is realising the benefit of operating cost savings from the business restructure in October and November 2019, and the further cost reduction initiatives implemented in February and March 2020, as the implications of the pandemic became more prominent. Savings across most expense lines in the second half of the year to June 2020, included:

- Employee costs (variable and fixed) reduced by 11% on the first half, including the net savings impact from voluntary salary reductions taken by employees from April to June 2020 (net savings are after discretionary pass through of JobKeeper which returned most employees to full pay);
- Direct cost of sales, including travel, contractors, licencing and technology costs, reduced by 30%; and
- Other costs, including office administration, marketing, IT and professional services expenses, reduced by 24% on the first half reflecting the improved expense management policies being implemented.

Premises costs increased by \$0.6m on FY19 reflecting a full twelve months of the lease for the new Sydney Campus (FY19: 5 months) and 11 months of additional leased space in the head office at 31 Queen Street Melbourne (FY19: 4 months). In June 2020, the Group renewed its Melbourne head office lease with a reduced floorspace, adapted to a leaner business structure and is evaluating opportunities to reduce office lease costs in its other locations.

## **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

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

## **MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR**

On 23 July 2020, the Group announced the appointment of Andrew Baxter as a Non-Executive Director on the GrowthOps Board of Directors. A highly regarded company director, business advisor and marketing thought leader, Mr Baxter brings more than 25 years' experience in the marketing and communications industry, including large multi-agency businesses, as well as in growth businesses and turnarounds. His deep domain knowledge across creative, production and digital marketing services, track record in leading and growing businesses through organic and inorganic means, and the regard in which he is held by his former clients, peers and teams will add impetus to re-energising the Group's strategy, market positioning and sales.

The Group is currently assessing its eligibility for the Australian Government's recently announced 'JobKeeper 2.0' and other COVID-19 subsidies and related concessions available in Australia and the Asia region.

The Group continues to prosecute its claim for unpaid invoices related to intellectual property developed for Sargon Capital Pty Ltd and related entities. An initial mediation was conducted on 19 August 2020 with further mediation to be rescheduled in early September 2020. The group is expensing all legal fees as incurred and closely managing its legal costs in pursuing its claim.

The impact of the COVID-19 pandemic is ongoing and subsequent to year-end a Stage 4 lockdown was introduced in Melbourne, Australia. It is not practical to estimate the potential impact of the pandemic, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other jurisdictions, such as maintaining social distancing requirements, mandatory quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 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.

## **LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS**

The Group anticipates reduced levels of revenue throughout the first quarter of FY2021 due to COVID-19 and has budgeted accordingly in its variable and fixed cost base. The benefit of reduced occupancy costs and the recent rationalisation of technology spend will further mitigate these lower revenues. The Group continues to implement cash preservation and cost management initiatives to maximise available liquidity in light of the uncertainties created by COVID-19 and wherever eligible, will continue to participate in COVID-19 subsidies and related concessions in Australia and the Asia region.

While steering the Group through the current economic environment, management and the board continue to foster opportunities to pivot the business and emerge from the pandemic as a stronger, more agile business, technologically ahead of the curve and with an unchanged mission to reinvent how its clients grow.

## **ENVIRONMENTAL REGULATION**

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.



## COMPANY SECRETARY

Craig McMenamin is Chief Financial Officer and Company Secretary of the Company. Craig is a chartered accountant with more than 20 years' experience as a Chief Financial Officer and executive in both privately-owned and ASX-listed technology, healthcare, advertising, media, entertainment and service companies. He has overseen strategic transformation,

change management, mergers and acquisitions, recapitalisations, audit, governance and risk management. Most recently, Craig lent his financial experience to the founding team at TriSecOps, working alongside Mr Craig Davies as the cybersecurity consultancy's Chief Financial Officer. Craig is a member of Chartered Accountants, Australia and New Zealand and a member of the Australian Institute of Company Directors.

## MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2020, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Scott Tanner	9	9	1	1	–	–
Clint Cooper	9	9	1	1	–	–
Philip Dalidakis	9	9	–	–	2	2
Jessica Hart	8	9	1	1	–	–
Craig Davies	9	9	–	–	–	–
Craig McMenamin	4	4	–	–	–	–
Dominique Fisher	5	5	–	–	3	3
Phillip Kingston	9	10	1	1	3	3
Paul Mansfield	5	5	–	–	3	3
Melissa Field	5	5	–	–	3	3

*Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.*

## REMUNERATION REPORT (AUDITED)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

### IMPACT OF COVID-19 ON REMUNERATION POLICIES

The Board, through the Nomination and Remuneration Committee, continues to assess the impact of the COVID-19 pandemic on both group performance and the ability to proactively adapt its remuneration policies in order to remain relevant and appropriate in the changing economic environment.

## PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation; and
- transparency.

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors, executives and leadership team. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

During the previous financial year to June 2019, the Board, working through the Nomination and Remuneration Committee engaged Guerdon Associates as an external remuneration consultant to advise on the structuring of an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The reward framework is designed to align executive reward to shareholders' interests. The objective of the reward framework is one that is designed for:

- having economic profit and revenue as a core component of plan design;
- focusing on sustained growth in shareholder wealth and focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives and leaders.

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth;
- providing a clear structure for earning rewards; and
- providing opportunities to executives to participate as shareholders over time and directly benefit from potential growth in shareholder wealth through that participation.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

## **Non-executive directors' remuneration**

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The total amount paid to all non-executive directors must not exceed in aggregate in any financial year the amount fixed by GrowthOps in a general meeting. This amount, being the fee pool limit, has been increased by shareholder resolution at the AGM in November 2019, from \$200,000 to \$450,000 per financial year.

These fees will be reviewed on an annual basis and any increases must be within the overall fee pool limit, unless this limit is increased with shareholder approval.

## Executive remuneration

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits;
- short-term performance incentives;
- share-based payments; and
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the Group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Group and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include profit contribution, revenue, customer satisfaction, leadership contribution and product management.

The long-term incentives ('LTI') include long service leave and share-based payments. Shares may be awarded to executives based on long-term incentive measures. These include increase in shareholders' value relative to the entire market and the increase compared to the Group's direct competitors.

## Group performance and link to remuneration

Remuneration for certain individuals is directly linked to the performance of the Group. All cash bonus and incentive payments are at the discretion of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee is of the opinion that the adoption of performance based compensation will lead to profitable growth and increase shareholder wealth if maintained over the coming years.

## Use of remuneration consultants

During July 2019, the Group completed the engagement with Guerdon Associates, remuneration consultants, to review its existing remuneration policies and provide recommendations on how to improve both the STI and LTI programs. The initial engagement and review in FY2019 resulted in share-based payments remuneration in the form of options (LTI) being implemented. Guerdon Associates was paid \$20,925 for these services provided in July 2019.

During the initial engagement an agreed set of protocols were put in place to ensure that the remuneration recommendations would be free from undue influence from key management personnel.

These protocols included requiring that the consultant not communicate with affected key management personnel without a member of the Nomination and Remuneration Committee being present, and that the consultant not provide any information relating to the outcome of the engagement with the affected key management personnel. The Board was also required to make inquiries of the consultant's processes at the conclusion of the engagement to ensure that they are satisfied that any recommendations made have been free from undue influence.

### **Voting and comments made at the Company's 2019 Annual General Meeting ('AGM')**

At the 2019 AGM, 99.7% of the votes received supported the adoption of the remuneration report for the period ended 30 June 2019. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

## **DETAILS OF REMUNERATION**

### **Amounts of remuneration**

Details of the remuneration of key management personnel of the Group are set out in the following tables.

The key management personnel of the Group consisted of the following directors of Trimantium GrowthOps Limited:

- 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, Non-Executive Director (appointed on 13 October 2019 as Executive Director and resigned on 26 June 2020 and appointed as Non-Executive Director on 26 June 2020)
- Dominique Fisher, Non-Executive Chairman (resigned on 13 October 2019)
- Phillip Kingston, Non-Executive Director (resigned as Executive Director and appointed as Non-Executive Director on 13 October 2019 and resigned as Non-Executive Director on 5 February 2020)
- Paul Mansfield, Chief Executive Officer and Managing Director (resigned on 13 October 2019)
- Melissa Field, Non-executive Director (resigned on 13 October 2019)

And the following persons:

- Craig McMenamin, Chief Financial Officer and Company Secretary (appointed as Non-Executive Director on 13 October 2019 and resigned on 12 December 2019 and appointed as Chief Financial Officer and Company Secretary)
- Dustine Pang, Chief Financial Officer and Company Secretary (resigned on 12 December 2019)

2020	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total \$
	Cash salary and fees \$	Cash bonus \$	Non-monetary \$	Superannuation \$	Long service leave \$	Equity-settled \$	
NON-EXECUTIVE DIRECTORS							
Scott Tanner	130,645	–	–	–	–	11,287	141,932
Philip Dalidakis	75,225	–	–	–	–	3,010	78,235
Jessica Hart	32,377	–	–	3,112	–	1,129	36,618
Dominique Fisher	34,615	–	–	3,288	–	–	37,903
Melissa Field	23,077	–	–	2,192	–	–	25,269
EXECUTIVE DIRECTORS							
Clint Cooper	295,576	–	–	15,752	–	9,403	320,731
Craig Davies*	178,750	–	–	15,751	–	3,761	198,262
Phillip Kingston	10,000	–	–	950	–	–	10,950
Paul Mansfield	196,994	150,000	–	11,376	–	–	358,370
OTHER KEY MANAGEMENT PERSONNEL							
Craig McMenamin	166,479	–	–	12,765	–	1,410	180,654
Dustine Pang	266,371	85,000	–	11,933	–	–	363,304
	1,410,109	235,000	–	77,119	–	30,000	1,752,228

\* On 26 June 2020 Mr. Davies resigned from his role as an Executive Director and commenced as Non-Executive Director.

All amounts included in the table above represents remuneration from the date of appointment and/or up to the date of resignation.

2019	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total \$
	Cash salary and fees \$	Cash bonus \$	Non-monetary \$	Superannuation \$	Long service leave \$	Equity-settled \$	
NON-EXECUTIVE DIRECTORS							
Dominique Fisher	78,265	–	–	7,435	–	–	85,700
Melissa Field	53,699	–	–	5,101	–	–	58,800
EXECUTIVE DIRECTORS							
Phillip Kingston	15,000	–	–	1,425	–	–	16,425
Paul Mansfield	329,469	75,000	–	20,531	–	–	425,000
OTHER KEY MANAGEMENT PERSONNEL							
Dustine Pang	299,469	85,000	–	20,531	–	–	405,000
	775,902	160,000	–	55,023	–	–	990,925

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk – STI		At risk – LTI	
	2020	2019	2020	2019	2020	2019
<b>NON-EXECUTIVE DIRECTORS</b>						
Scott Tanner	92%	–	–	–	8%	–
Philip Dalidakis	96%	–	–	–	4%	–
Jessica Hart	97%	–	–	–	3%	–
Dominique Fisher	100%	100%	–	–	–	–
Melissa Field	100%	100%	–	–	–	–
<b>EXECUTIVE DIRECTORS</b>						
Clint Cooper	97%	–	–	–	3%	–
Craig Davies	98%	–	–	–	2%	–
Paul Mansfield	58%	82%	42%	18%	–	–
Phillip Kingston	100%	100%	–	–	–	–
<b>OTHER KEY MANAGEMENT</b>						
Craig McMenamin	99%	–	–	–	1%	–
Dustine Pang	77%	79%	23%	21%	–	–

The proportion of the cash bonus paid/payable is as follows:

Name	Cash bonus paid/payable		Cash bonus forfeited	
	2020	2019	2020	2019
<b>EXECUTIVE DIRECTORS:</b>				
Paul Mansfield	100%	100%	–	–
<b>OTHER KEY MANAGEMENT PERSONNEL:</b>				
Dustine Pang	100%	100%	–	–

## SERVICE AGREEMENTS

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

### Name

Clint Cooper

### Title

Managing Director and  
Chief Executive Officer

### Agreement commenced

14 October 2019

### Term of agreement

3 years

### Details

Base salary of \$450,000 plus superannuation and 3 month notice period. Annual grant of 1,000,000 options linked to objectives agreed with the Company.

### Name

Craig McMenamin

### Title

Chief Financial Officer  
and Company Secretary

### Agreement commenced

16 December 2019

### Term of agreement

1 year

### Details

Base salary of \$300,000 plus superannuation and 3 month notice period. Annual grant of 150,000 options linked to objectives agreed with the Company.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

## SHARE-BASED COMPENSATION

### Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2020.



## Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Scott Tanner	100,000	13 October 2019	13 October 2020	13 October 2029	\$0.20	\$0.070
	100,000	13 October 2019	13 October 2021	13 October 2029	\$0.20	\$0.070
	100,000	13 October 2019	13 October 2022	13 October 2029	\$0.20	\$0.070
Clint Cooper	333,334	13 October 2019	13 October 2020	13 October 2029	\$0.20	\$0.020
	333,333	13 October 2019	13 October 2021	13 October 2029	\$0.20	\$0.020
	333,333	13 October 2019	13 October 2022	13 October 2029	\$0.20	\$0.020
Philip Dalidakis	26,667	13 October 2019	13 October 2020	13 October 2029	\$0.20	\$0.070
	26,667	13 October 2019	13 October 2021	13 October 2029	\$0.20	\$0.070
	26,666	13 October 2019	13 October 2022	13 October 2029	\$0.20	\$0.070
Jessica Hart	10,000	13 October 2019	13 October 2020	13 October 2029	\$0.20	\$0.070
	10,000	13 October 2019	13 October 2021	13 October 2029	\$0.20	\$0.070
	10,000	13 October 2019	13 October 2022	13 October 2029	\$0.20	\$0.070
Craig McMenamin	50,000	13 October 2019	13 October 2020	13 October 2029	\$0.20	\$0.020
	50,000	13 October 2019	13 October 2021	13 October 2029	\$0.20	\$0.020
	50,000	13 October 2019	13 October 2022	13 October 2029	\$0.20	\$0.020
Craig Davies	26,667	26 June 2020	26 June 2021	26 June 2030	\$0.10	\$0.010
	26,667	26 June 2020	26 June 2022	26 June 2030	\$0.10	\$0.010
	26,666	26 June 2020	26 June 2023	26 June 2030	\$0.10	\$0.010
Andrew Baxter	26,667	23 July 2020	23 July 2021	23 July 2030	\$0.10	\$0.010
	26,667	23 July 2020	23 July 2022	23 July 2030	\$0.10	\$0.010
	26,666	23 July 2020	23 July 2023	23 July 2030	\$0.10	\$0.010

Options granted carry no dividend or voting rights.

There were no options over ordinary shares vested by directors and other key management personnel as part of compensation during the year ended 30 June 2020.

## Performance rights

There were no performance rights over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2020.

There were no performance rights over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2020.

## ADDITIONAL DISCLOSURES RELATING TO KEY MANAGEMENT PERSONNEL

### Shareholding

The number of shares in the Company held during the financial period by each director (directly held, controlled by and/or beneficially held) and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals / other*	Balance at the end of the year
<b>ORDINARY SHARES</b>					
Dominique Fisher	495,380	–	–	(495,380)	–
Melissa Field	247,690	–	–	(247,690)	–
Phillip Kingston	27,586,301	–	–	(27,586,301)	–
Paul Mansfield	18,238,450	–	–	(18,238,450)	–
Dustine Pang	114,000	–	–	(114,000)	–
Scott Tanner	–	–	117,500	–	117,500
Craig Davies	–	–	198,800	–	198,800
	<b>46,681,821</b>	<b>–</b>	<b>316,300</b>	<b>(46,681,821)</b>	<b>316,300</b>

\* Disposals / other represents no longer being designated as a KMP, not necessarily a disposal of holding.

The number of convertible redeemable preference shares in the Company held during the financial period by each director and other members of key management personnel of the Company, including their personally related parties, is set out below:

	Balance at the start of the period	Received as part of remuneration	Additions	Disposals / other*	Balance at the end of the period
<b>CONVERTIBLE REDEEMABLE PREFERENCE SHARES</b>					
Phillip Kingston	154,500	–	–	(154,500)	–

\* Disposals / other represents no longer being designated as a KMP, not necessarily a disposal of holding.

## Option holding

The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/other	Balance at the end of the year
<b>OPTIONS OVER ORDINARY SHARES</b>					
Scott Tanner	–	300,000	–	–	300,000
Clint Cooper	–	1,000,000	–	–	1,000,000
Philip Dalidakis	–	80,000	–	–	80,000
Jessica Hart	–	30,000	–	–	30,000
Craig Davies	–	480,000	–	(400,000)	80,000
Craig McMenamin	–	150,000	–	–	150,000
	–	<b>2,040,000</b>	–	<b>(400,000)</b>	<b>1,640,000</b>

## Other transactions with key management personnel and their related parties

During the year ended 30 June 2020, the Group earned from provision of services on an arms-length commercial basis \$2,006,923 (2019: \$4,580,920) from Sargon Capital Pty Ltd and its controlled entities (\*). The amount receivable at 30 June 2020 is \$nil (2019: \$1,193,007).

During the year ended 30 June 2020, the Group earned interest income of \$20,436 (2019: \$163,459) from short-term fully realised investments of \$3,200,000 during the period 3 July 2019 to 13 August 2019 (2019: \$6,000,000 and \$3,500,000) on an arms-length commercial basis (interest rate of 5.55% p.a. (2019: 5.55% p.a.)) from Certitude Financial Pty Ltd, an entity controlled by Sargon Capital Pty Ltd. The amount invested at 30 June 2020 was \$nil (2019: \$nil).

During the year ended 30 June 2020, the Group earned from provision of services on an arms-length commercial basis, \$nil (2019: \$174,704) from Trimantium Insurance Partners Pty Ltd (\*). The amount receivable at 30 June 2020 was \$nil (2019: \$192,174).

During the year ended 30 June 2020, the Group paid for services provided on an arms-length commercial basis, of \$nil (2019: \$100,000) to Paddl Co. Pty Ltd, a company controlled by Dominique Fisher. There were no amounts outstanding at 30 June 2020 and 30 June 2019.

During the year ended 30 June 2020, the Group paid rental expenses of \$12,985 (2019: \$155,705) to The Hong Kong Trust Company Limited, a company controlled by Sargon Capital Pty Ltd. The amount payable at 30 June 2020 was \$1,545 (2019: \$nil).

During the year ended 30 June 2020, remuneration of \$nil (2019: \$30,852) was paid to a close family member of a key management personnel for services rendered.

(\*) Phillip Kingston is a founder, a shareholder and executive director of Sargon Capital Pty Ltd. Trimantium Insurance Partners Pty Ltd, is an entity controlled by Phillip Kingston. Phillip Kingston resigned as Non-Executive Director on 5 February 2020.

***This concludes the remuneration report, which has been audited.***

## SHARES UNDER OPTION

Unissued ordinary shares of Trimantium GrowthOps Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under rights
13/10/2019	13/10/2029	\$0.20	1,560,000
26/06/2020	26/06/2030	\$0.10	80,000
23/07/2020	23/07/2030	\$0.10	80,000
			<b>1,720,000</b>

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

There were 47,780,200 convertible redeemable preference ('CRPS') shares issued to the vendors of the acquired companies during the period ended 30 June 2018. There were 11,444,050 CRPS outstanding at 30 June 2020 (2019: 23,788,100). Refer to note 41 for further information.

## SHARES UNDER PERFORMANCE RIGHTS

Unissued ordinary shares of Trimantium GrowthOps Limited under performance rights at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under rights
28/03/2019	16/03/2021	\$0.00	1,225,000

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the Company or of any other body corporate.

Refer to note 41 for further details.

## SHARES ISSUED ON THE EXERCISE OF OPTIONS

There were no ordinary shares of Trimantium GrowthOps Limited issued on the exercise of options during the year ended 30 June 2020 and up to the date of this report.

There were 12,987,676 ordinary shares issued on 17 March 2020 upon conversion of 11,894,050 CRPS.

## SHARES ISSUED ON THE EXERCISE OF PERFORMANCE RIGHTS

There were 25,000 ordinary shares issued on 16 September 2019 upon conversion of 25,000 performance rights.

## **INDEMNITY AND INSURANCE OF OFFICERS**

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

## **INDEMNITY AND INSURANCE OF AUDITOR**

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

## **PROCEEDINGS ON BEHALF OF THE COMPANY**

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

## **NON-AUDIT SERVICES**

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 33 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 33 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

**OFFICERS OF THE COMPANY  
WHO ARE FORMER PARTNERS  
OF DELOITTE TOUCHE TOHMATSU**

There are no officers of the Company who are former partners of Deloitte Touche Tohmatsu.

**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.

**AUDITOR**

Deloitte Touche Tohmatsu continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'Scott', with a long, sweeping horizontal stroke extending to the right.

**Scott Tanner**  
Chairman

28 August 2020



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

28 August 2020

Dear Board Members,

### **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 audit of the financial report of Trimantium GrowthOps Limited for the year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit
- any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

Carlo Pasqualini  
Partner  
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.  
Member of Deloitte Asia Pacific Limited and the Deloitte Network.

# FINAN REPORT



# FINANCIAL REPORT



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**Trimantium GrowthOps Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2020**

		Consolidated	
	Note	2020 \$'000	2019 \$'000
REVENUE			
Rendering of services	5	84,381	97,044
Other income	6	2,805	179
Interest revenue calculated using the effective interest method		36	270
EXPENSES			
Media pass through expense		(21,766)	(28,041)
Freelance, contractors, consumables and associated costs		(9,676)	(10,276)
Employee benefits	7	(44,929)	(50,546)
Share-based payments	7	(8,435)	(30,460)
Occupancy		(838)	(892)
Depreciation and amortisation	7	(11,679)	(11,564)
Impairment of assets	7	(22,032)	(22,860)
Professional and consultancy		(1,805)	(1,518)
Travel and entertainment		(1,244)	(2,074)
IT expenses		(2,977)	(1,786)
Marketing and advertising		(409)	(771)
Administration expenses		(2,192)	(3,034)
Acquisition expenses		–	(418)
Other expenses		(3,439)	(399)
Finance costs	7	(1,080)	(1,271)
LOSS BEFORE INCOME TAX		(45,279)	(68,417)
Income tax	9	1,570	3,407
LOSS AFTER INCOME TAX FOR THE YEAR ATTRIBUTABLE TO THE OWNERS OF TRIMANTIUM GROWTHOPS LIMITED		(43,709)	(65,010)

*Continued.*

Trimantium GrowthOps Limited  
Consolidated statement of profit or loss and other comprehensive income (continued)  
For the year ended 30 June 2020

		Consolidated	
	Note	2020 \$'000	2019 \$'000
<b>OTHER COMPREHENSIVE INCOME</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(55)	(75)
Other comprehensive income for the year, net of tax		(55)	(75)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO THE OWNERS OF TRIMANTIUM GROWTHOPS LIMITED</b>		<b>(43,764)</b>	<b>(65,085)</b>

		Cents	Cents
Basic earnings per share	40	(30.63)	(55.21)
Diluted earnings per share	40	(30.63)	(55.21)

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

Trimantium GrowthOps Limited  
Consolidated statement of financial position  
As at 30 June 2020

		Consolidated	
	Note	2020 \$'000	2019 \$'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	10	6,110	7,924
Trade and other receivables	11	8,697	16,603
Contract assets	12	1,901	2,003
Income tax refund due	9	–	805
Other assets	13	994	1,560
TOTAL CURRENT ASSETS		17,702	28,895
NON-CURRENT ASSETS			
Property, plant and equipment	14	1,606	2,265
Intangibles	15	25,356	54,842
Right-of-use assets	16	8,262	12,041
Financial assets at fair value through profit or loss	17	458	458
Deferred tax	9	2,178	180
Other	18	260	196
TOTAL NON-CURRENT ASSETS		38,120	69,982
TOTAL ASSETS		55,822	98,877
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	19	11,742	10,770
Contract liabilities	20	4,837	8,107
Borrowings	21	1,000	3
Lease liabilities	22	2,632	3,387
Income tax	9	106	–
Provisions	23	2,630	2,975

Continued.

Trimantium GrowthOps Limited  
Consolidated statement of financial position (continued)  
As at 30 June 2020

	Note	Consolidated	
		2020 \$'000	2019 \$'000
<b>TOTAL CURRENT LIABILITIES</b>		<b>22,947</b>	<b>25,242</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	24	11,718	12,696
Lease liabilities	25	6,208	9,592
Provisions	26	663	776
Contingent consideration		–	950
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>18,589</b>	<b>24,014</b>
<b>TOTAL LIABILITIES</b>		<b>41,536</b>	<b>49,256</b>
<b>NET ASSETS</b>		<b>14,286</b>	<b>49,621</b>
<b>EQUITY</b>			
Issued capital	27	88,301	88,307
Reserves	28	48,709	40,329
Accumulated losses		(122,724)	(79,015)
<b>TOTAL EQUITY</b>		<b>14,286</b>	<b>49,621</b>

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

Trimantium GrowthOps Limited  
Consolidated statement of changes in equity  
For the year ended 30 June 2020

Consolidated	Issued capital \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
<b>BALANCE AT 1 JULY 2018</b>	<b>67,399</b>	<b>9,944</b>	<b>(14,005)</b>	<b>63,338</b>
Loss after income tax for the year	–	–	(65,010)	<b>(65,010)</b>
Other comprehensive income for the year, net of tax	–	(75)	–	<b>(75)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>–</b>	<b>(75)</b>	<b>(65,010)</b>	<b>(65,085)</b>
<b>TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS:</b>				
Shares issued on business acquisition, net of transaction costs (note 27)	20,974	–	–	<b>20,974</b>
Share buy-back (note 27)	(66)	–	–	<b>(66)</b>
Share-based payments (note 41)	–	30,460	–	<b>30,460</b>
<b>BALANCE AT 30 JUNE 2019</b>	<b>88,307</b>	<b>40,329</b>	<b>(79,015)</b>	<b>49,621</b>

Consolidated	Issued capital \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
<b>BALANCE AT 1 JULY 2019</b>	<b>88,307</b>	<b>40,329</b>	<b>(79,015)</b>	<b>49,621</b>
Loss after income tax for the year	–	–	(43,709)	<b>(43,709)</b>
Other comprehensive income for the year, net of tax	–	(55)	–	<b>(55)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>–</b>	<b>(55)</b>	<b>(43,709)</b>	<b>(43,709)</b>
<b>TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS:</b>				
Share-based payments (note 41)	–	8,435	–	<b>8,435</b>
Transaction costs	(6)	–	–	<b>(6)</b>
<b>BALANCE AT 30 JUNE 2020</b>	<b>88,301</b>	<b>48,709</b>	<b>(122,724)</b>	<b>14,286</b>

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



Trimantium GrowthOps Limited  
Consolidated statement of cash flows  
For the year ended 30 June 2020

		Consolidated	
	Note	2020 \$'000	2019 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		92,185	114,177
Payments to suppliers and employees (inclusive of GST)		(91,591)	(113,215)
		594	962
Interest received		36	270
Grants and subsidies		1,333	–
Other revenue		–	179
Income taxes refunded/(paid)		484	(2,379)
NET CASH (USED IN)/FROM OPERATING ACTIVITIES	39	2,447	(968)
CASH FLOWS FROM INVESTING ACTIVITIES			
Settlement of pre-acquisition dividend for business acquired in prior year		–	(3,760)
Net cash acquired on purchase of subsidiaries		–	356
Payment for purchase of subsidiaries, net of cash acquired		–	(1,989)
Transaction costs relating to business acquisition		–	(418)
Payments for investments		–	(458)
Payments for property, plant and equipment		(243)	(1,379)
Payments for intangibles		(42)	–
Proceeds from release of security deposits		466	–

*Continued.*

Trimantium GrowthOps Limited  
Consolidated statement of cash flows (continued)  
For the year ended 30 June 2020

	Note	Consolidated	
		2020 \$'000	2019 \$'000
<b>NET CASH FROM/(USED IN) INVESTING ACTIVITIES</b>		<b>181</b>	<b>(7,648)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		–	14,000
Transaction costs associated with borrowings		–	(74)
Payments for share buy-backs		–	(66)
Share issue transaction costs		(6)	(62)
Repayment of borrowings principal and interest		(477)	(15,638)
Repayment of lease liabilities		(3,962)	(3,256)
Repayment of hire purchase liabilities		(3)	(5)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(4,448)</b>	<b>(5,101)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(1,820)</b>	<b>(13,717)</b>
Cash and cash equivalents at the beginning of the financial year		7,924	21,608
Effects of exchange rate changes on cash and cash equivalents		6	33
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<b>10</b>	<b>6,110</b>	<b>7,924</b>

The above consolidated 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 consolidated entity consisting of Trimantium GrowthOps Limited and the entities it controlled at the end of, or during, the period. 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 August 2020. The directors have the power to amend and reissue the financial statements.

## NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS ADOPTED

The Group 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.

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.

With the exception of *AASB 2020-4 Amendment to Australian Accounting Standards – Covid-19-Related Rent Concessions*, any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to Group:

#### **AASB 2020-4 Amendment to Australian Accounting Standards – COVID-19-Related Rent Concessions**

The Group has early adopted the amendment to AASB 16 from 1 July 2019. The amendment provides a practical expedient for lessees to account for COVID-19-related rent concessions that: result in lease payments that are substantially the same as, or less than, the consideration for the lease immediately prior to the change; where any reduction in the lease payments affects only payments originally due on or before 30 June 2021; and where there is no substantive change to other terms and conditions of the lease. The practical expedient allows an entity not to assess rent concessions meeting the criteria as a lease modification. As a result, to the extent that lease concessions represent a forgiveness or waiver of lease payments, such concessions are treated as variable lease payments recognised in profit or loss with a corresponding adjustment to the lease liability. To the extent that the lease concession in substance represents a delay in lease repayments such that lease consideration is not changed, the lease liability is not extinguished. Interest continues to accrue for that period. The Group has applied the practical expedient to all rent concessions that meet the abovementioned criteria.

#### **BASIS OF PREPARATION**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

#### **Historical cost convention**

The financial statements have been prepared under the historical cost convention, except for, where applicable, financial assets and liabilities at fair value through profit or loss and derivative financial instruments.

#### **Critical accounting estimates**

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

## GOING CONCERN

The Group has prepared the financial statements for the year ended 30 June 2020 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 year ended 30 June 2020, the Group recorded a net loss of \$43,709,000 (2019: net loss \$65,010,000) and used net cash in operating, investing and financing activities of \$1,820,000 (2019: utilised \$13,717,000). At 30 June 2020, the Group had cash and cash equivalents of \$6,110,000 (2019: \$7,924,000), net current liabilities of \$5,245,000 (2019: net current assets of \$3,653,000) and net assets of \$14,286,000 (2019: \$49,621,000).

At 30 June 2020, as detailed in note 24, senior debt of \$12,718,000 was outstanding under a debt funding facility with Westpac Banking Corporation ('Westpac'). As announced in the Company's half year financial results in February 2020, GrowthOps secured an extension of its banking facility with Westpac Banking Corporation to 1 July 2021. In April 2020, the financing facility was updated with revised financial performance covenants providing increased assurance through the ongoing support of the Company's bankers. At 30 June 2020, the Group complied with its quarterly financial covenants under the revised facility.

The Directors have considered the Group's revised financing 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 12 months, which if achieved, will allow the Group to comply with the financial covenants under the current financing facility through to 30 June 2021 and allow for amortisation payments to repay part of the principal of the facility, in the amount of \$500,000 in March 2021 and \$500,000 in June 2021. This total of \$1,000,000 is included in current liabilities at 30 June 2020.
- The Group is considering alternative financing options, including a capital raising, in order to reduce its financial debt and has appointed an independent corporate adviser to facilitate a strategic review of the business and assess options for a financial restructuring program.
- In all reasonable financial forecast scenarios prepared by the Group, the underlying cash flow forecasts for the Group project positive cash balances and compliance with the revised financing facility.

Accordingly, 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 current banking facility's maturity date of 1 July 2021.

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 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.

## **PARENT ENTITY INFORMATION**

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 37.

## **PRINCIPLES OF CONSOLIDATION**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Trimantium GrowthOps Limited ('Company' or 'parent entity') as at 30 June 2020 and the results of all subsidiaries for the year then ended. Trimantium GrowthOps Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

## OPERATING SEGMENTS

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

## FOREIGN CURRENCY TRANSLATION

The financial statements are presented in Australian dollars, which is Trimantium GrowthOps Limited's functional and presentation currency.

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Australian dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

## REVENUE RECOGNITION

The Group recognises revenue as follows:

### Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

### Advertising services

Advertising services include delivering brand strategy, digital strategy, social media, and marketing communication through marketing and advertising campaigns. Revenue is earned from providing retainer based and ad-hoc services. Retainer income is a fixed fee per month and is earned on the basis of providing dedicated teams for customers to deliver campaigns. Retainer income is recognised as performance obligations are satisfied over the retainer period on a straight line basis.

Revenue from providing ad-hoc services is recognised as a performance obligation is satisfied over time and is recognised based on the progress towards completion of the contract.

The Group earns media pass through income in advertising services which comprises the value of advertising production costs of clients that are subcontracted by the Group to external parties. The Group acts as principal of these services. This revenue is recognised when the performance obligations are satisfied with a corresponding disbursement expense recognised in profit or loss.



### **Marketing services**

The Group earns revenue by providing performance based digital marketing services for its customers. These services include online advertising for customer acquisitions, affiliate marketing, paid search, search engine optimisation and email marketing automation through email and SMS. Revenue is recognised over time as the customers simultaneously receives and consumes the benefit. Any payments in advance are recognised as contract liabilities until the performance obligation of the contract is satisfied.

The Group earns media pass through income in marketing services which comprises the value of media spends and other marketing and agency costs of clients that are subcontracted by the Group to media partners. The Group acts as principal of these services. This revenue is recognised when the performance obligations are satisfied with a corresponding disbursement expense recognised in profit or loss.

### **Technology services**

Technology services include providing capabilities and enhancements to the customers' IT infrastructure, hosting services, designing and development of application and security software, and systems integration. Revenue is recognised over time using the input method based on hours spent. Performance obligations for Technology Services are satisfied over time as the customers simultaneously receives and consumes the benefits provided, and an asset is created or enhanced that the customer controls.

The Group earns media pass through income in technology services which comprises delivery and support costs that are subcontracted by the Group to external vendors. The Group acts as principal of these services. This revenue is recognised when the performance obligations are satisfied with a corresponding disbursement expense recognised in profit or loss.

### **Leadership and coaching**

The Group earns revenue from delivering leadership training and courses to corporate and public customers. Revenue is recognised when the training and courses are delivered. Payments received in advance are recognised as contract liabilities. Where the Group provides leadership coaching, training and courses that involve multiple stages, revenue is recognised by reference to the progress towards completion of the course.

## INTEREST INCOME

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

## GOVERNMENT GRANTS

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate in accordance with the terms of the grant.

## INCOME TAX

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences and tax losses at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

## **CURRENT AND NON-CURRENT CLASSIFICATION**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

## **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## **TRADE AND OTHER RECEIVABLES**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

## **CONTRACT ASSETS**

Contract assets are recognised when the Group has transferred goods or services to the customer but where the Group is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

## **INVESTMENTS AND OTHER FINANCIAL ASSETS**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

### **Financial assets at fair value through profit or loss**

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

### **Financial assets at amortised cost**

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

### **Impairment of financial assets**

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

## PROPERTY, PLANT AND EQUIPMENT

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Leasehold improvements	over the term of the lease
Plant and equipment	2-5 years
Fixtures and fittings	2-5 years
Motor vehicles	2-5 years
Office equipment	2-5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

## LEASES

### Group as a lessee

At inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group has elected to apply the practical expedient to account for each lease component and any non-lease components as a single lease component.

### Right-of-use assets

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset less any lease incentives received. The assets are depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits.

The lease term includes periods covered by an option to extend if the Group is reasonably certain to exercise that option. Lease terms range from one to ten years. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability

### Lease liabilities – right-of-use assets

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected to apply the practical expedient not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (items with total value less than \$10,000). The lease payments associated with these leases is recognised as an expense on a straight-line basis over the lease term.

The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred. Variable lease payments include rent concessions in the form of rent forgiveness or a waiver as a direct consequence of the Coronavirus (COVID-19) pandemic and which relate to payments originally due on or before 30 June 2021.

### **Group as lessor**

Amounts due from customers under finance leases and contract purchase agreements are recorded as receivables. Finance and contract purchase receivables are initially recognised at an amount equal to the present value of the minimum instalment payment receivable plus the present value of any unguaranteed residual value expected to accrue at the end of the contract term. Interest income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the contracts.

### **INTANGIBLE ASSETS**

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

### **Goodwill**

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

### **Brand names**

Brand names acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

### **Customer relationships**

Customer relationships acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 years.

### **Software**

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 to 5 years.

### **Other intangibles**

Other intangibles consists of intellectual properties acquired in a business combination. Other intangibles are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 2 years.

### **IMPAIRMENT OF NON-FINANCIAL ASSETS**

Goodwill is not subject to amortisation and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

### **TRADE AND OTHER PAYABLES**

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

### **CONTRACT LIABILITIES**

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.



## **BORROWINGS**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

## **FINANCE COSTS**

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

## **PROVISIONS**

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

## **EMPLOYEE BENEFITS**

### **Short-term employee benefits**

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

### **Long-term employee benefits**

The liabilities for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

## Share-based payments

Equity-settled share-based compensation benefits may be provided to employees or other parties.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined taking into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, they are treated as if they have vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

## FAIR VALUE MEASUREMENT

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement. The fair value hierarchy is as follows:

- 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

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

## ISSUED CAPITAL

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## BUSINESS COMBINATIONS

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

## **EARNINGS PER SHARE**

### **Basic earnings per share**

Basic earnings per share is calculated by dividing the profit attributable to the owners of Trimantium GrowthOps Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

### **Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

## **GOODS AND SERVICES TAX ('GST') AND OTHER SIMILAR TAXES**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

## **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.

## **NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET MANDATORY OR EARLY ADOPTED**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2020. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

### **Conceptual Framework for Financial Reporting (Conceptual Framework)**

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 January 2020 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the Group has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the Group may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the Group's financial statements.

## NOTE 3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the consolidated financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

### **Coronavirus (COVID-19) pandemic**

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic. Refer to note 11 and note 15 for further information.

### **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).

The lease payments are discounted using the Group's incremental borrowing rate which is based on the Group's best estimate. Refer to note 30 for further information.

## 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. Revenue is recognised over time using the input method based on hours spent. Estimation of contract outcome and stage of completion involves some judgements.

The preparation of the consolidated financial statements requires management to make other judgements, estimates and assumptions discussed below. Refer to note 5 for further information.

## Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, the impact of the Coronavirus (COVID-19) pandemic and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 11, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

## Goodwill and other indefinite life intangible assets

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows. Refer to note 15 for assumptions used.

## Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made. Refer to note 9 for further information.



### **Recovery of deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

### **Share-based payment transactions**

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by referencing to the fair value of ordinary shares at the grant date. The fair value consideration also takes into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 41 for further information.

## 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 30 June 2019 to align with the presentation in the Company's prospectus which was issued on 10 November 2017. At 30 June 2020, 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 note 5 and note 8 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 year ended 30 June 2019 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 30 June 2019.

The details of reclassification are as follows:

### Statement of profit or loss and other comprehensive income

	Previously reported 30 June 2019 \$'000	Reclass of pass through income \$'000	Reclassified 30 June 2019 \$'000
<b>REVENUE</b>			
Revenue from contracts with customers	69,003	28,041	97,044
Media pass through income	28,041	(28,041)	–
	<b>97,044</b>	<b>–</b>	<b>97,044</b>

### Disaggregation of revenue

	Creative				Technology			
	Previously reported 30 Jun 2019 \$'000	Reclass of pass through income \$'000	Alignment of segment* \$'000	Reclassified 30 Jun 2019 \$'000	Previously reported 30 Jun 2019 \$'000	Reclass of pass through income \$'000	Alignment of segment* \$'000	Reclassified 30 Jun 2019 \$'000
<b>MAJOR PRODUCT LINES</b>								
Advertising agency services	25,737	18,287	–	44,024	–	–	–	–
Technology Services	–	–	–	–	26,230	1,593	–	27,823
Marketing agency services	8,234	8,161	2,910	19,305	–	–	(2,910)	(2,910)
	<b>33,971</b>	<b>26,448</b>	<b>2,910</b>	<b>63,329</b>	<b>26,230</b>	<b>1,593</b>	<b>(2,910)</b>	<b>24,913</b>

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	Creative				Technology			
	Previously reported 30 Jun 2019 \$'000	Reclass of pass through income \$'000	Alignment of segment* \$'000	Reclassified 30 Jun 2019 \$'000	Previously reported 30 Jun 2019 \$'000	Reclass of pass through income \$'000	Alignment of segment* \$'000	Reclassified 30 Jun 2019 \$'000
<b>GEOGRAPHICAL REGIONS</b>								
Australia	32,644	26,436	–	59,080	14,572	13	–	14,585
New Zealand	832	12	–	844	–	–	–	–
Hong Kong	–	–	–	–	3,610	–	–	3,610
Singapore	–	–	1,046	1,046	2,849	296	(1,046)	2,099
Malaysia	–	–	1,864	1,864	5,199	1,284	(1,864)	4,619
Philippines	495	–	–	495	–	–	–	–
	<b>33,971</b>	<b>26,448</b>	<b>2,910</b>	<b>63,329</b>	<b>26,230</b>	<b>1,593</b>	<b>(2,910)</b>	<b>24,913</b>
<b>TIMING OF REVENUE RECOGNITION</b>								
Services transferred at a point in time	1,327	12	–	1,339	–	–	–	–
Services transferred over time	32,644	26,436	2,910	61,990	26,230	1,593	(2,910)	24,913
	<b>33,971</b>	<b>26,448</b>	<b>2,910</b>	<b>63,329</b>	<b>26,230</b>	<b>1,593</b>	<b>(2,910)</b>	<b>24,913</b>

\* Refer to note 8 for further details.

## NOTE 5. REVENUE FROM CONTRACTS WITH CUSTOMERS

### Disaggregation of revenue

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

Consolidated - 2020	Creative \$'000	Technology \$'000	Coaching and leadership \$'000	Total \$'000
<b>MAJOR SERVICE LINES</b>				
Advertising agency services	35,963	–	–	35,963
Technology services	–	22,703	–	22,703
Coaching and leadership	–	–	8,080	8,080
Marketing agency services	17,635	–	–	17,635
	<b>53,598</b>	<b>22,703</b>	<b>8,080</b>	<b>84,381</b>
<b>GEOGRAPHICAL REGIONS</b>				
Australia	47,080	10,614	6,414	64,108
New Zealand	916	–	–	916
Hong Kong	–	3,708	787	4,495
Singapore	3,984	1,452	873	6,309
Malaysia	1,612	6,697	6	8,315
Philippines	6	232	–	238
	<b>53,598</b>	<b>22,703</b>	<b>8,080</b>	<b>84,381</b>
<b>TIMING OF REVENUE RECOGNITION</b>				
Services transferred at a point in time	923	–	8,080	9,003
Services transferred over time	52,675	22,703	–	75,378
	<b>53,598</b>	<b>22,703</b>	<b>8,080</b>	<b>84,381</b>

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Consolidated - 2019	Creative \$'000	Technology \$'000	Coaching and leadership \$'000	Total \$'000
<b>MAJOR SERVICE LINES</b>				
Advertising agency services	44,024	–	–	<b>44,024</b>
Technology services	–	24,913	–	<b>24,913</b>
Coaching and leadership	–	–	8,802	<b>8,802</b>
Marketing agency services	19,305	–	–	<b>19,305</b>
	<b>63,329</b>	<b>24,913</b>	<b>8,802</b>	<b>97,044</b>
<b>GEOGRAPHICAL REGIONS</b>				
Australia	59,080	14,585	7,859	<b>81,524</b>
New Zealand	844	–	–	<b>844</b>
Hong Kong	–	3,610	359	<b>3,969</b>
Singapore	1,046	2,099	584	<b>3,729</b>
Malaysia	1,864	4,619	–	<b>6,483</b>
Philippines	495	–	–	<b>495</b>
	<b>63,329</b>	<b>24,913</b>	<b>8,802</b>	<b>97,044</b>
<b>TIMING OF REVENUE RECOGNITION</b>				
Services transferred at a point in time	1,339	–	8,802	<b>10,141</b>
Services transferred over time	61,990	24,913	–	<b>86,903</b>
	<b>63,329</b>	<b>24,913</b>	<b>8,802</b>	<b>97,044</b>

## NOTE 6. OTHER INCOME

	Consolidated	
	2020 \$'000	2019 \$'000
Government grants	1,855	–
Fair value movement on contingent consideration	950	–
Other income	–	179
	<b>2,805</b>	<b>179</b>

Government grants (COVID-19) represents grants received from the Government comprising:

- i. JobKeeper support payments - during the Coronavirus ('COVID-19') pandemic, the Group has received JobKeeper support payments from the Australian Government which are passed on to eligible employees. These have been recognised as government grants in accordance with terms of the grant in the financial statements and recorded as other income over the periods in which the related employee benefits are recognised as an expense. The JobKeeper payment scheme in its current form runs for the fortnights from 30 March until 27 September 2020.
- ii. Additionally, COVID-19 stimulus subsidies were also received by the Group's Singapore and Hong Kong operations.

## NOTE 7. EXPENSES

	Consolidated	
	2020 \$'000	2019 \$'000
<b>LOSS BEFORE INCOME TAX INCLUDES THE FOLLOWING SPECIFIC EXPENSES:</b>		
<b>DEPRECIATION</b>		
Leasehold improvements	426	383
Plant and equipment	260	190
Fixtures and fittings	30	66
Motor vehicles	2	2
Office equipment	184	248
Right-of-use assets	3,281	3,142
<b>TOTAL DEPRECIATION</b>	<b>4,183</b>	<b>4,031</b>
<b>AMORTISATION</b>		
Brand name	677	693
Customer relationships	6,438	6,389
Software	198	79
Other intangibles	183	372
<b>TOTAL AMORTISATION</b>	<b>7,496</b>	<b>7,533</b>
<b>TOTAL DEPRECIATION AND AMORTISATION</b>	<b>11,679</b>	<b>11,564</b>
<b>IMPAIRMENT</b>		
Goodwill	21,607	22,250
Right-of-use assets	–	610
Customer relationships	425	–
<b>TOTAL IMPAIRMENT</b>	<b>22,032</b>	<b>22,860</b>
<b>FINANCE COSTS</b>		
Interest and finance charges paid/payable on borrowings	499	748
Interest and finance charges paid/payable on lease liabilities	581	523
<b>FINANCE COSTS EXPENSED</b>	<b>1,080</b>	<b>1,271</b>
<b>EMPLOYEE BENEFITS EXPENSE</b>		
Employee benefits expense excluding superannuation	41,643	46,851
Defined contribution superannuation expense	3,286	3,695
<b>TOTAL EMPLOYEE BENEFITS EXPENSE</b>	<b>44,929</b>	<b>50,546</b>
<b>SHARE-BASED PAYMENTS EXPENSE</b>		
Share-based payments expense	8,435	30,460



## NOTE 8. OPERATING SEGMENTS

### Identification of reportable operating segments

The Group is organised into three operating segments: Creative, Technology and Coaching and leadership. 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 EBITDAS (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:

<b>Creative</b>	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.
<b>Technology</b>	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.
<b>Coaching and leadership</b>	develop exceptional and adaptive leaders as well as provide advice to solve complex business issues including financial performance, business strategy and operational structure.
<b>Other segments</b>	head office revenue and expenses including certain group expenses that have not been allocated such as finance costs, interest revenue and depreciation on right-of-use assets. Assets of other segments comprise mainly cash and cash equivalents 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 year ended 30 June 2020, no one customer contributed more than 10% to the Group's external revenue (2019: nil).

The APD Malaysia and Singapore business was reporting in the technology segment in the previous period. At 30 June 2020, based on the internal reports that are reviewed and used by the CODM, the 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.

## Operating segment information

Consolidated - 2020	Creative \$'000	Technology \$'000	Coaching and leadership \$'000	Other segments \$'000	Total \$'000
<b>REVENUE</b>					
Sales to external customers	53,598	22,703	8,080	–	<b>84,381</b>
Intersegment sales	376	230	81	–	<b>687</b>
Total sales revenue	53,974	22,933	8,161	–	<b>85,068</b>
Other income	859	527	181	1,238	<b>2,805</b>
Interest revenue	–	–	–	36	<b>36</b>
<b>TOTAL SEGMENT REVENUE</b>	<b>54,833</b>	<b>23,460</b>	<b>8,342</b>	<b>1,274</b>	<b>87,909</b>
Intersegment eliminations					<b>(687)</b>
<b>TOTAL REVENUE</b>					<b>87,222</b>
<b>EBITDA (BEFORE SHARE-BASED PAYMENT AND IMPAIRMENT OF ASSETS)</b>					
	<b>1,557</b>	<b>(3,694)</b>	<b>(1,325)</b>	<b>(1,432)</b>	<b>(4,894)</b>
Depreciation and amortisation	(5,390)	(2,743)	(224)	(3,322)	<b>(11,679)</b>
Impairment of goodwill (note 15)	(713)	(20,894)	–	–	<b>(21,607)</b>
Impairment of intangibles (note 15)	–	(425)	–	–	<b>(425)</b>
Share-based payment expense	(6,203)	(1,612)	(590)	(30)	<b>(8,435)</b>
Other income	859	527	181	1,238	<b>2,805</b>
Interest revenue	–	–	–	36	<b>36</b>
Finance costs	–	–	–	(1,080)	<b>(1,080)</b>
<b>LOSS BEFORE INCOME TAX</b>	<b>(9,890)</b>	<b>(28,841)</b>	<b>(1,958)</b>	<b>(4,590)</b>	<b>(45,279)</b>
Income tax					<b>1,570</b>
<b>LOSS AFTER INCOME TAX</b>					<b>(43,709)</b>
<b>ASSETS</b>					
Segment assets	36,153	15,385	5,653	6,495	<b>63,686</b>
Intersegment eliminations					<b>(7,864)</b>
<b>TOTAL ASSETS</b>					<b>55,822</b>
<b>LIABILITIES</b>					
Segment liabilities	13,603	12,161	3,544	20,092	<b>49,400</b>
Intersegment eliminations					<b>(7,864)</b>
<b>TOTAL LIABILITIES</b>					<b>41,536</b>

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Consolidated - 2019	Creative \$'000	Technology \$'000	Coaching and leadership \$'000	Other segments \$'000	Total \$'000
<b>REVENUE</b>					
Sales to external customers	63,329	24,913	8,802	–	<b>97,044</b>
Intersegment sales	1,197	192	–	–	<b>1,389</b>
Total sales revenue	64,526	25,105	8,802	–	<b>98,433</b>
Other income	–	–	–	179	<b>179</b>
Interest revenue	23	2	4	241	<b>270</b>
<b>TOTAL SEGMENT REVENUE</b>	<b>64,549</b>	<b>25,107</b>	<b>8,806</b>	<b>420</b>	<b>98,882</b>
Intersegment eliminations					<b>(1,389)</b>
<b>TOTAL REVENUE</b>					<b>97,493</b>
<b>EBITDA (BEFORE SHARE-BASED PAYMENT AND IMPAIRMENT OF ASSETS)</b>					
	<b>2,868</b>	<b>(2,146)</b>	<b>577</b>	<b>(3,831)</b>	<b>(2,532)</b>
Depreciation and amortisation	(5,736)	(2,384)	(321)	(3,123)	<b>(11,564)</b>
Impairment of goodwill (note 15)	(11,488)	(10,762)	–	–	<b>(22,250)</b>
Impairment of right-of-use assets	(424)	(186)	–	–	<b>(610)</b>
Share-based payment expense	(21,936)	(6,272)	(2,252)	–	<b>(30,460)</b>
Interest revenue	23	2	4	241	<b>270</b>
Finance costs	(57)	(1)	–	(1,213)	<b>(1,271)</b>
<b>LOSS BEFORE INCOME TAX</b>	<b>(36,750)</b>	<b>(21,749)</b>	<b>(1,992)</b>	<b>(7,926)</b>	<b>(68,417)</b>
Income tax					<b>3,407</b>
<b>LOSS AFTER INCOME TAX</b>					<b>(65,010)</b>
<b>ASSETS</b>					
Segment assets	39,100	40,734	6,313	15,743	<b>101,890</b>
Intersegment eliminations					<b>(3,013)</b>
<b>TOTAL ASSETS</b>					<b>98,877</b>
<b>LIABILITIES</b>					
Segment liabilities	13,095	9,444	3,620	27,652	<b>53,811</b>
Intersegment eliminations					<b>(4,555)</b>
<b>TOTAL LIABILITIES</b>					<b>49,256</b>

## Geographical information

	Sales to external customers		Geographical non-current assets	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Australia	64,108	81,524	36,083	67,757
New Zealand	916	844	30	49
Hong Kong	4,495	3,969	26	20
Singapore	6,309	3,728	1,132	1,139
Malaysia	8,315	6,484	837	1,000
Philippines	238	495	12	17
	<b>84,381</b>	<b>97,044</b>	<b>38,120</b>	<b>69,982</b>

The geographical non-current assets above are exclusive of, where applicable, financial instruments, post-employment benefits assets and rights under insurance contracts.

## NOTE 9. INCOME TAX

	Consolidated	
	2020 \$'000	2019 \$'000
<b>INCOME TAX</b>		
Current tax	220	157
Deferred tax — origination and reversal of temporary differences	(1,998)	(2,941)
Adjustment recognised for prior periods	208	(623)
<b>AGGREGATE INCOME TAX</b>	<b>(1,570)</b>	<b>(3,407)</b>
<b>DEFERRED TAX INCLUDED IN INCOME TAX COMPRISES:</b>		
Increase in deferred tax assets	(1,998)	(2,941)
<b>NUMERICAL RECONCILIATION OF INCOME TAX AND TAX AT THE STATUTORY RATE</b>		
Loss before income tax	(45,279)	(68,417)
Tax at the statutory tax rate of 30%	(13,584)	(20,525)
<b>TAX EFFECT AMOUNTS WHICH ARE NOT DEDUCTIBLE/(TAXABLE) IN CALCULATING TAXABLE INCOME:</b>		
Entertainment expenses	35	62
Impairment of assets	6,610	6,750
Share-based payments	2,531	9,138
Acquisition costs	–	124
Sundry items	(77)	(196)
	<b>(4,485)</b>	<b>(4,647)</b>
Adjustment recognised for prior periods	208	(623)
Current year tax losses not recognised	2,737	2,247
Prior year temporary differences not recognised now recognised	–	(368)
Difference in overseas tax rates	(66)	(50)
Adjustment to deferred tax balances as a result of change in statutory tax rate	36	34
<b>INCOME TAX (BENEFIT)/EXPENSE</b>	<b>(1,570)</b>	<b>(3,407)</b>

*Continued.*

		Consolidated	
		2020 \$'000	2019 \$'000
<b>DEFERRED TAX ASSET/(LIABILITY)</b>			
<b>DEFERRED TAX ASSET/(LIABILITY) COMPRISES TEMPORARY DIFFERENCES ATTRIBUTABLE TO:</b>			
<b>AMOUNTS RECOGNISED IN PROFIT OR LOSS:</b>			
Intangible assets	(2,159)	(4,462)	
Tax losses*	2,035	2,035	
Employee benefits	842	1,101	
Provision for lease make good	120	152	
Provision for member rewards	51	–	
Accrued expenses	93	–	
Lease liabilities (net)	135	–	
Allowance for expected credit losses	402	274	
Blackhole expenditure deduction	659	1,080	
<b>DEFERRED TAX ASSET/(LIABILITY)</b>	<b>2,178</b>	<b>180</b>	
Amount expected to be recovered within 12 months	–	(59)	
Amount expected to be recovered after more than 12 months	2,178	239	
	<b>2,178</b>	<b>180</b>	
<b>MOVEMENTS:</b>			
Opening balance	180	(3,404)	
Credited to profit or loss	1,998	2,941	
Additions through business combinations	–	643	
<b>CLOSING BALANCE</b>	<b>2,178</b>	<b>180</b>	
<b>INCOME TAX REFUND DUE</b>			
<b>INCOME TAX REFUND DUE</b>	<b>–</b>	<b>805</b>	
<b>PROVISION FOR INCOME TAX PAYABLE</b>			
<b>PROVISION FOR INCOME TAX PAYABLE</b>	<b>106</b>	<b>–</b>	

\* At 30 June 2020, the Group has \$44,700,000 of income tax losses available in Australia. Available income tax losses include \$33,900,000 from the APD acquisition. The Group only recognised deferred tax assets of \$2,035,000 on income tax losses of \$6,783,000 based on the ability of the Australian Group to generate taxable profit over the next 3-5 years.

## NOTE 10. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

	Consolidated	
	2020 \$'000	2019 \$'000
CASH AT BANK	6,110	7,924

## NOTE 11. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

	Consolidated	
	2020 \$'000	2019 \$'000
Trade receivables	9,497	17,416
Less: Allowance for expected credit losses	(1,342)	(912)
	<b>8,155</b>	<b>16,504</b>
Other receivables	542	99
	<b>8,697</b>	<b>16,603</b>

### Allowance for expected credit losses

The Group has recognised a net loss of \$3,329,000 (2019: net loss of \$291,000) in profit or loss in respect of allowance for expected credit losses for the period ended 30 June 2020.

The Group applies the AASB 9 simplified approach to measuring expected credit losses ('ECL') which uses a lifetime expected loss allowance for all trade receivables and contract assets. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The average credit period on sales of services is 61 days. No interest is charged on outstanding trade receivables.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.



The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of the loss rates based on the payment profiles of sales over a period of 24 months before 30 June 2020. The historical loss rates are adjusted to reflect current and forward looking information affecting the ability of the customers to settle the receivables.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2020 %	2019 %	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Not overdue	2.54%	1.05%	5,521	11,503	140	121
0 to 3 months overdue	10.89%	8.90%	2,884	4,104	314	365
3 to 6 months overdue	50.00%	12.10%	390	1,037	195	125
Over 6 months overdue	98.72%	39.00%	702	772	693	301
			<b>9,497</b>	<b>17,416</b>	<b>1,342</b>	<b>912</b>

The Group has increased its monitoring of debt recovery as there is an increased probability of customers delaying payment or being unable to pay, due to the Coronavirus (COVID-19) pandemic. As a result, the management has undertaken a detailed review of balances greater than 3 months which has resulted in an increase in expected credit losses.

Movements in the allowance for expected credit losses are as follows:

	Consolidated	
	2020 \$'000	2019 \$'000
Opening balance	912	152
Additional provisions recognised due to change in accounting policy	–	579
Additional provisions recognised	3,371	306
Receivables written off during the year as uncollectable	(2,899)	(110)
Unused amounts reversed	(42)	(15)
<b>CLOSING BALANCE</b>	<b>1,342</b>	<b>912</b>

## NOTE 12. CURRENT ASSETS – CONTRACT ASSETS

	Consolidated	
	2020 \$'000	2019 \$'000
<b>ACCRUED INCOME</b>	<b>1,901</b>	<b>2,003</b>

## NOTE 13. CURRENT ASSETS – OTHER ASSETS

	Consolidated	
	2020 \$'000	2019 \$'000
Prepayments	742	781
Security deposits	252	779
	<b>994</b>	<b>1,560</b>

## NOTE 14. NON-CURRENT ASSETS — PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	2020 \$'000	2019 \$'000
Leasehold improvements — at cost	1,612	1,545
Less: Accumulated depreciation	(847)	(421)
Exchange differences	(20)	(18)
	<b>745</b>	<b>1,106</b>
Plant and equipment — at cost	723	681
Less: Accumulated depreciation	(505)	(245)
	<b>218</b>	<b>436</b>
Fixtures and fittings — at cost	198	193
Less: Accumulated depreciation	(98)	(68)
	<b>100</b>	<b>125</b>
Motor vehicles — at cost	7	7
Less: Accumulated depreciation	(4)	(2)
	<b>3</b>	<b>5</b>
Office equipment — at cost	987	858
Less: Accumulated depreciation	(452)	(268)
Exchange differences	5	3
	<b>540</b>	<b>593</b>
	<b>1,606</b>	<b>2,265</b>

## Reconciliations

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

	Leasehold improvements \$'000	Plant and equipment \$'000	Fixtures and fittings \$'000	Motor vehicles \$'000	Office equipment \$'000	Total \$'000
<b>BALANCE AT 1 JULY 2018</b>	<b>290</b>	<b>368</b>	<b>48</b>	<b>7</b>	<b>102</b>	<b>815</b>
Additions	989	258	143	–	438	<b>1,828</b>
Additions through business combinations	228	–	–	–	298	<b>526</b>
Exchange differences	(18)	–	–	–	3	<b>(15)</b>
Depreciation expense	(383)	(190)	(66)	(2)	(248)	<b>(889)</b>
<b>BALANCE AT 30 JUNE 2019</b>	<b>1,106</b>	<b>436</b>	<b>125</b>	<b>5</b>	<b>593</b>	<b>2,265</b>
Additions	67	42	5	–	129	<b>243</b>
Exchange differences	(2)	–	–	–	2	<b>-</b>
Depreciation expense	(426)	(260)	(30)	(2)	(184)	<b>(902)</b>
<b>BALANCE AT 30 JUNE 2020</b>	<b>745</b>	<b>218</b>	<b>100</b>	<b>3</b>	<b>540</b>	<b>1,606</b>

## NOTE 15. NON-CURRENT ASSETS — INTANGIBLES

	Consolidated	
	2020 \$'000	2019 \$'000
Goodwill — at cost	61,278	61,278
Less: Impairment	(43,857)	(22,250)
	<b>17,421</b>	<b>39,028</b>
Brand name — at cost	3,398	3,398
Less: Accumulated amortisation	(1,567)	(890)
	<b>1,831</b>	<b>2,508</b>
Customer relationships — at cost	19,842	19,842
Less: Accumulated amortisation	(14,053)	(7,615)
Less: Impairment	(425)	—
	<b>5,364</b>	<b>12,227</b>
Software — at cost	846	834
Less: Accumulated amortisation	(283)	(85)
	<b>563</b>	<b>749</b>
Other intangible assets — at cost	789	759
Less: Accumulated amortisation	(612)	(429)
	<b>177</b>	<b>330</b>
	<b>25,356</b>	<b>54,842</b>

## Reconciliations

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

Consolidated	Goodwill \$'000	Brand name \$'000	Customer relationships \$'000	Software \$'000	Other intangibles \$'000	Total \$'000
<b>BALANCE AT 1 JULY 2018</b>	<b>30,593</b>	<b>3,201</b>	<b>11,389</b>	<b>36</b>	<b>333</b>	<b>45,552</b>
Additions	–	–	–	–	192	<b>192</b>
Additions through business combinations	30,685	–	7,227	792	177	<b>38,881</b>
Impairment of assets	(22,250)	–	–	–	–	<b>(22,250)</b>
Amortisation expense	–	(693)	(6,389)	(79)	(372)	<b>(7,533)</b>
<b>BALANCE AT 30 JUNE 2019</b>	<b>39,028</b>	<b>2,508</b>	<b>12,227</b>	<b>749</b>	<b>330</b>	<b>54,842</b>
Additions	–	–	–	12	30	<b>42</b>
Impairment of assets	(21,607)	–	(425)	–	–	<b>(22,032)</b>
Amortisation expense	–	(677)	(6,438)	(198)	(183)	<b>(7,496)</b>
<b>BALANCE AT 30 JUNE 2020</b>	<b>17,421</b>	<b>1,831</b>	<b>5,364</b>	<b>563</b>	<b>177</b>	<b>25,356</b>

## Impairment testing

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

	Consolidated	
	2020 \$'000	2019 \$'000
Creative	13,697	13,697
Asia Pacific Digital ANZ (APD ANZ)	–	359
Technology AU*	–	15,374
Technology Hong Kong*	–	905
Asia Pacific Digital Asia (APD Asia)	2,898	3,998
Xperior	–	3,869
Coaching and leadership	826	826
<b>TOTAL GOODWILL</b>	<b>17,421</b>	<b>39,028</b>

\* 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.

At 31 December 2019, based on management's assessment the Group 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.

During the six month period to June 2020, the impact of COVID-19 has been felt across the business in all regions and management has factored in this impact when assessing the carrying value of intangibles at 30 June 2020. Management believes a more conservative view of future cash flows and value in use calculations is appropriate in the current economic environment and will reassess its assumptions over the coming six months to December 2020.

At 30 June 2020, the Group has recognised a further \$11,333,000 of Goodwill impairment as follows:

- \$9,874,000 in the Technology AU business;
- \$359,000 in the Asia Pacific Digital ANZ (ANZ Asia) business; and
- \$1,100,000 in the Asia Pacific Digital Asia (APD Asia) business.

Total for the Group of \$21,607,000 for the full year to June 2020 (2019: \$22,250,000).

## **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 30 June 2020:

### **Creative CGU**

- a. Compound revenue growth rate of 2.0% (30 June 2019: annual growth rate of 5.0%);
- b. Compound operating cost growth rate of 1.0% (30 June 2019: annual growth rate of 2.0%);
- c. Pre-tax discount rate of 16.0% (30 June 2019: 15.4%); and
- d. Terminal growth rate of 1.0% (30 June 2019: 2.0%).

### **Asia Pacific Digital ANZ (APD ANZ)**

- a. Compound revenue growth rate of 1.4% (30 June 2019: annual growth rate of 5.0%);
- b. Compound operating cost growth rate of 1.0% (30 June 2019: annual growth rate of 2.0%);
- c. Pre-tax discount rate of 16.0% (30 June 2019: 15.4%); and
- d. Terminal growth rate of 1.0% (30 June 2019: 2.0%).

### **Technology AU CGU**

- a. Compound revenue growth rate of 1.4% (30 June 2019: annual growth rate of 5.0%);
- b. Compound operating cost growth rate of 0.6% (30 June 2019: annual growth rate of 2.0%);
- c. Pre-tax discount rate of 16.0% (30 June 2019: 15.4%); and
- d. Terminal growth rate of 1.0% (30 June 2019: 2.0%).



#### **Technology Hong Kong CGU**

- a. Compound revenue growth rate of 1.8% (30 June 2019: annual growth rate of 5.0%);
- b. Compound operating cost growth rate of 1.0% (30 June 2019: annual growth rate of 2.0%);
- c. Pre-tax discount rate of 17.5% (30 June 2019: 15.4%); and
- d. Terminal growth rate of 1.0% (30 June 2019: 2.0%).

#### **Asia Pacific Digital Asia (APD Asia) CGU**

- a. Compound revenue growth rate of 2.4% (30 June 2019: annual growth rate of 5.0%);
- b. Compound operating cost growth rate of 1.0% (30 June 2019: annual growth rate of 2.0%);
- c. Pre-tax discount rate of 17.5% (30 June 2019: 15.4%); and
- d. Terminal growth rate of 1.0% (30 June 2019: 2.0%).

#### **Xperior CGU**

- a. Compound revenue growth rate of 3.0% (30 June 2019: annual growth rate of 63.0%);
- b. Compound operating cost growth rate of 2.0% (30 June 2019: annual growth rate of 55.0%);
- c. Pre-tax discount rate of 16.0% (30 June 2019: 15.4%); and
- d. Terminal growth rate of 1.0% (30 June 2019: 2.0%).

#### **Coaching and leadership CGU**

- a. Compound revenue growth rate of 3.0% (30 June 2019: annual growth rate of 5.0%);
- b. Compound operating cost growth rate of 2.0% (30 June 2019: annual growth rate of 2.0%);
- c. Pre-tax discount rate of 16.0% (30 June 2019: 15.4%); and
- d. Terminal growth rate of 1.0% (30 June 2019: 2.0%).

## IMPAIRMENT TESTING RESULTS

### Creative CGU

No impairment existed at 30 June 2020. 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 reasonably possible change in any of the key assumptions will not result in an impairment.

### Technology AU CGU

The goodwill in this CGU has been impaired in full, with an impairment loss of \$15,374,000 recognised in the year ended 30 June 2020.

If the CGU does not achieve the assumed revenue growth rate of 1.4%, costs exceed the compound growth rate of 0.6% or discount rate is higher than 16.0%, there will be further impairment loss.

### Asia Pacific Digital ANZ (APD ANZ) CGU

The goodwill in this CGU has been impaired in full, with an impairment loss of \$359,000 recognised in the year ended 30 June 2020.

If the CGU does not achieve the assumed revenue growth rate of 1.4%, costs exceed the compound growth rate of 1.0% or discount rate is higher than 16.0%, there will be further impairment loss.

### Xperior CGU

Xperior CGU goodwill was fully impaired and impairment loss of \$3,869,000 has been recognised in the year ended 30 June 2020.

If the CGU does not achieve the assumed revenue growth rate of 3.0%, costs exceed the compound growth rate of 2.0% or discount rate is higher than 16.0%, there will be further impairment loss.

### Technology Hong Kong CGU

Technology Hong Kong goodwill was fully impaired and impairment loss of \$905,000 has been recognised in the year ended 30 June 2020.

### **APD Asia CGU**

The impact of COVID19 on client revenues and new business prospects, had led management to adopt a more conservative approach when assessing the growth rates and carrying values of the intangibles within this CGU. Applying a revenue growth rate of only 2.4% leads to an impairment loss of \$1,100,000 against the Goodwill in this CGU.

If the CGU does not achieve the assumed revenue growth rate of 2.4%, costs exceed the compound growth rate of 1.0% or discount rate is higher than 17.5%, there will be further impairment loss.

### **Coaching and leadership AU CGU**

No impairment existed at 30 June 2020. 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.

If the CGU does not achieve the assumed revenue growth rate of 3.0%, costs exceed the compound growth rate of 2.0%, the carrying value of the CGU will be less than the value in use resulting in an impairment loss.

## NOTE 16. NON-CURRENT ASSETS — RIGHT-OF-USE ASSETS

	Consolidated	
	2020 \$'000	2019 \$'000
Right-of-use assets — buildings	15,295	15,793
Less: Accumulated depreciation	(6,423)	(3,142)
Less: Impairment expense	(610)	(610)
<b>TOTAL GOODWILL</b>	<b>8,262</b>	<b>12,041</b>

### Reconciliations

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

Consolidated	Right-of-use assets — buildings \$'000
Balance at 1 July 2018	5,408
Additions	7,741
Additions through business combinations	2,644
Impairment of assets	(610)
Depreciation expense	(3,142)
<b>BALANCE AT 30 JUNE 2019</b>	<b>12,041</b>
Depreciation expense	(3,281)
Lease modification	(498)
<b>BALANCE AT 30 JUNE 2020</b>	<b>8,262</b>

## NOTE 17. NON-CURRENT ASSETS – FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Consolidated	
	2020 \$'000	2019 \$'000
UNLISTED ORDINARY SHARES	458	458

This investment is in a private unlisted entity incorporated in the UK. The Group's interest is approximately 4%. Refer to note 31 for further information on fair value measurement.

## NOTE 18. NON-CURRENT ASSETS – OTHER

	Consolidated	
	2020 \$'000	2019 \$'000
RENT SECURITY DEPOSITS	260	196

## NOTE 19. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	Consolidated	
	2020 \$'000	2019 \$'000
Trade payables	4,251	5,759
Accrued expenses	2,937	1,912
GST payable	1,246	1,017
PAYG payable	2,218	509
Other payables <sup>a</sup>	1,090	1,573
	<b>11,742</b>	<b>10,770</b>

Refer to note 30 for further information on financial instruments.

<sup>a</sup> Other payables at 30 June 2020 and 30 June 2019 comprise mainly of other creditors, superannuation and payroll tax liability.

## NOTE 20. CURRENT LIABILITIES – CONTRACT LIABILITIES

	Consolidated	
	2020 \$'000	2019 \$'000
<b>CONTRACT LIABILITIES</b>	<b>4,837</b>	<b>8,107</b>

### Reconciliation

Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:

	Consolidated	
	2020 \$'000	2019 \$'000
Opening balance	8,107	5,818
Recognised as revenue during the year	(7,048)	(6,564)
Additions during the year	3,778	7,683
Additions through business combinations	–	1,170
<b>CLOSING BALANCE</b>	<b>4,837</b>	<b>8,107</b>

The Group expects contract liabilities will be recognised as revenue over the next twelve months.

## NOTE 21. CURRENT LIABILITIES – BORROWINGS

	Consolidated	
	2020 \$'000	2019 \$'000
Additions during the year	1,000	–
Additions through business combinations	–	3
	<b>1,000</b>	<b>3</b>

Refer to note 24 for further information on assets pledged as security and financing arrangements.

### Assets pledged as security

The hire purchase liabilities are effectively secured as the rights to the leased assets, recognised in the statement of financial position, revert to the lessor in the event of default.

## NOTE 22. CURRENT LIABILITIES – LEASE LIABILITIES

	Consolidated	
	2020 \$'000	2019 \$'000
<b>LEASE LIABILITY</b>	<b>2,632</b>	<b>3,387</b>

Refer to note 30 for further information on financial instruments.

## NOTE 23. CURRENT LIABILITIES – PROVISIONS

	Consolidated	
	2020 \$'000	2019 \$'000
Annual leave	1,812	1,833
Long service leave	818	1,056
Lease make good	–	86
	<b>2,630</b>	<b>2,975</b>

Refer to note 26 for further information on lease make good provisions.

## NOTE 24. NON-CURRENT LIABILITIES – BORROWINGS

	Consolidated	
	2020 \$'000	2019 \$'000
<b>BANK LOANS</b>	<b>11,718</b>	<b>12,696</b>

Refer to note 30 for further information on financial instruments.

### Total secured liabilities

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

	Consolidated	
	2020 \$'000	2019 \$'000
Bank loans	12,718	12,696
Hire purchase	–	3
	<b>12,718</b>	<b>12,699</b>

On 15 November 2018, Trimantium GrowthOps Limited entered into a two-year, \$14,000,000 senior secured debt facility with Westpac Banking Corporation. In February 2020, the facility maturity date was extended to 1 July 2021. In April 2020, the facility limit was updated to \$12,835,000 and revised covenant structure centred around EBITDA, agreed. The facility has a variable interest rate based on BBSY 90 days which was approximately 3.81% for the financial year ended 30 June 2020.



### 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 30 June 2020, the carrying amounts of these assets pledged as security was \$17,684,000 (30 June 2019: \$25,987,000).

### Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated	
	2020 \$'000	2019 \$'000
<b>TOTAL FACILITIES</b>		
Bank loans	12,835	14,000
<b>USED AT THE REPORTING DATE</b>		
Bank loans	12,718	12,696
<b>UNUSED AT THE REPORTING DATE</b>		
Bank loans	117	1,304

## NOTE 25. NON-CURRENT LIABILITIES – LEASE LIABILITIES

	Consolidated	
	2020 \$'000	2019 \$'000
<b>LEASE LIABILITY</b>	<b>6,208</b>	<b>9,592</b>

Refer to note 30 for further information on financial instruments.

Total lease liabilities (current and non-current) are set out below:

	Consolidated	
	2020 \$'000	2019 \$'000
Current	2,632	3,387
Non-current	6,208	9,592
	<b>8,840</b>	<b>12,979</b>

## Reconciliation

Reconciliation of lease liabilities (current and non-current) at the beginning and end of the financial year are set out below:

	Consolidated 30 June 2020 \$'000
Adoption of AASB 16 on 1 July 2018	5,408
Additions	7,660
Additions through business combinations	2,644
Repayment of lease liabilities	(3,256)
Interest	523
<b>BALANCE AT 30 JUNE 2019</b>	<b>12,979</b>
Repayment of lease liabilities	(3,962)
Interest	581
Lease modification	(758)
<b>BALANCE AT 30 JUNE 2020</b>	<b>8,840</b>

## NOTE 26. NON-CURRENT LIABILITIES – PROVISIONS

	Consolidated	
	2020 \$'000	2019 \$'000
Long service leave	223	278
Lease make good	440	498
	<b>663</b>	<b>776</b>

### 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.

### Movements in provisions

Movements in each class of provision (current and non-current) during the current financial year, other than employee benefits, are set out below:

Consolidated – 2020	Lease make good \$'000
Carrying amount at the start of the year	584
Amounts used	(143)
Exchange differences	(1)
<b>CARRYING AMOUNT AT THE END OF THE YEAR</b>	<b>440</b>
<b>INCLUDING:</b>	
Non-current	440

## NOTE 27. EQUITY – ISSUED CAPITAL

	2020 Shares	2019 Shares	2020 \$'000	2019 \$'000
Ordinary shares — fully paid	151,944,798	138,932,122	88,301	88,307
Convertible redeemable preference shares (refer below)	11,444,050	23,788,100	—	—
	<b>163,388,848</b>	<b>162,720,222</b>	<b>88,301</b>	<b>88,307</b>

### Movements in ordinary share capital

Details	Date	Shares	Issue price	\$'000
<b>BALANCE</b>	<b>1 JULY 2018</b>	<b>94,869,006</b>		<b>67,399</b>
Issue of shares on acquisition of subsidiary	10 August 2018	15,669,669	\$1.20	18,804
Issue of shares on acquisition of subsidiary	18 September 2018	526,858	\$1.20	632
Issue of shares on acquisition of business	24 December 2018	2,000,000	\$0.80	1,600
Issuance of shares on conversion of Convertible Redeemable Preference shares	16 March 2019	25,975,343	\$0.00	—
Shares buy-back	16 April 2019	(108,754)	\$0.00	(66)
Transaction costs		—	\$0.00	(62)
<b>BALANCE</b>	<b>30 JUNE 2019</b>	<b>138,932,122</b>		<b>88,307</b>
Issuance of shares on conversion of performance rights	16 September 2019	25,000	\$0.00	—
Issuance of shares on conversion of convertible redeemable preference shares	17 March 2020	12,987,676	\$0.00	—
Transaction costs		—	\$0.00	(6)
<b>BALANCE</b>	<b>30 JUNE 2020</b>	<b>151,944,798</b>		<b>88,301</b>

### Movements in convertible redeemable preference shares

Details	Date	Shares	Issue price	\$'000
<b>BALANCE</b>	<b>1 JULY 2018</b>	<b>47,780,200</b>		<b>–</b>
Conversion to ordinary shares	16 March 2019	(23,890,100)	\$0.00	–
Forfeited		(102,000)	\$0.00	–
<b>BALANCE</b>	<b>30 JUNE 2019</b>	<b>23,788,100</b>		<b>–</b>
Conversion to ordinary shares	17 March 2020	(11,894,050)	\$0.00	–
Forfeited		(450,000)	\$0.00	–
<b>BALANCE</b>	<b>30 JUNE 2020</b>	<b>11,444,050</b>		<b>–</b>

### 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.

Each convertible redeemable preference share ('CRPS') can convert into a minimum of 0 ordinary shares and a maximum of 2 ordinary shares, depending on the achievement of the financial year ended 30 June 2018 specified performance measures of the individual businesses acquired by GrowthOps (each a 'GrowthOps Business'). 47,780,200 CRPS will be converted to 51,950,681 ordinary shares based on an agreed conversion ratio of 1.0:1.1. On 17 March 2020, 11,894,050 CRPS have been converted to 12,987,676 ordinary shares (2019: On 16 March 2019, 23,890,100 CRPS have converted to 25,975,433 ordinary shares). Conversion remains subject to vesting conditions and provided these are met, a further 25% on each of the second and third anniversaries of the IPO.

## Share buy-back

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

## Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment.

The capital risk management policy remains unchanged from the 2019 Annual Report.

# NOTE 28. EQUITY – RESERVES

	Consolidated	
	2020 \$'000	2019 \$'000
Foreign currency reserve	(115)	(60)
Share-based payments reserve	48,824	40,389
	<b>48,709</b>	<b>40,329</b>

## 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 and previous financial year are set out below:

Consolidated	Foreign currency \$'000	Share-based payments \$'000	Total \$'000
<b>BALANCE AT 1 JULY 2018</b>	<b>15</b>	<b>9,929</b>	<b>9,944</b>
Foreign currency translation	(75)	–	(75)
Share-based payments	–	30,460	30,460
<b>BALANCE AT 30 JUNE 2019</b>	<b>(60)</b>	<b>40,389</b>	<b>40,329</b>
Foreign currency translation	(55)	–	(55)
Share-based payments	–	8,435	8,435
<b>BALANCE AT 30 JUNE 2020</b>	<b>(115)</b>	<b>48,824</b>	<b>48,709</b>

Share-based payments comprise:

	30 June 2020 \$'000	30 June 2019 \$'000
Share-based payments in relation to CRPS scheme	8,261	30,113
Share-based payments in relation to performance right scheme	144	347
Share-based payments in relation to options granted to the key management personnel	30	–
	<b>8,435</b>	<b>30,460</b>

## CRPS scheme

Refer to note 41 for more information on the scheme.

## NOTE 29. EQUITY – DIVIDENDS

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

## NOTE 30. FINANCIAL INSTRUMENTS

### FINANCIAL RISK MANAGEMENT OBJECTIVES

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group may use derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures when necessary. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board') from time to time. Finance identifies, evaluates and hedges financial risks, when necessary within the Group's operating units. Finance reports to the Board on a monthly basis.

### MARKET RISK

#### Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The Group's foreign exchange risk is managed to ensure sufficient funds are available to meet foreign denominated financial commitments in a timely and cost-effective manner. The Group will continually monitor this risk and consider entering into forward foreign exchange, foreign currency swap and foreign currency option contracts if appropriate.

Creditors and debtors as at 30 June 2020 were reviewed to assess currency risk at year end. The value of transactions denominated in a currency other than the functional currency of the respective subsidiary was insignificant and therefore the risk was determined as not being significant.



The Group has subsidiaries with their functional currency denominated in the country its incorporated in and accordingly these are translated into the reporting currency of the Group at year end. The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Hong Kong Dollars	877	531	518	660
US Dollars	656	920	17	4
Singapore Dollars	1,176	1,469	1,184	1,238
Chinese Yuan	400	341	49	288
Philippines Peso	165	393	260	243
Malaysia Ringgit	1,340	1,418	1,048	1,242
New Zealand Dollars	92	163	140	138
	<b>4,706</b>	<b>5,235</b>	<b>3,216</b>	<b>3,813</b>

The Group had net assets denominated in foreign currencies of \$1,490,000 (assets of \$4,706,000 less liabilities of \$3,216,000 as at 30 June 2020 (2019: net assets of \$1,422,000). Based on this exposure, had the Australian dollar weakened by 10%/strengthened by 10% against these foreign currencies with all other variables held constant, the Group's other comprehensive income for the year would have been \$177,000 lower/\$177,000 higher and equity would have been \$149,000 lower/\$149,000 higher (2019: other comprehensive income for the period would have been \$170,000 lower/\$170,000 higher and equity would have been \$142,000 lower/\$142,000 higher). The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements during the year and the spot rate at each reporting date.

### Price risk

The Group is not exposed to any significant price risk.

## Interest rate risk

The Group is exposed to the risk of changes in market interest rates related to its bank loan with a variable interest rate. The analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. If interest rates decreased/increased by 50 basis points and all other variables were held constant, the Group's loss before tax for the year would have been \$64,000 lower/\$64,000 higher (2019: loss before tax for the year would have been \$63,000 lower/\$63,000 higher). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

The sensitivity analyses below have been determined based on the exposure to interest rates for borrowings at the reporting date.

	Consolidated	
	2020 \$'000	2019 \$'000
<b>BANK LOANS</b>	<b>12,718</b>	<b>12,696</b>

	Consolidated	
	2020 \$'000	2019 \$'000
<b>EFFECT ON LOSS BEFORE TAX:</b>		
-50 basis points	64	63
+50 basis points	(64)	(63)

## CREDIT RISK

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available. As disclosed in note 11 due to the Coronavirus (COVID-19) pandemic, the calculation of expected credit losses has been revised as at 30 June 2020 and rates have increased in each category up to 6 months overdue.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

## LIQUIDITY RISK

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

## Financing arrangements

Unused borrowing facilities at the reporting date:

	Consolidated	
	2020 \$'000	2019 \$'000
<b>BANK LOANS</b>	<b>117</b>	<b>1,304</b>

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. In February 2020 the Westpac Bank facility maturity date was extended to 1 July 2021. In April 2020, the facility limit was updated to \$12,385,000 and revised covenant structure centred around EBITDA agreed. The facility has a variable interest rate based on BBSY 90 days which was approximately 3.81% for the financial year ended 30 June 2020.

## Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2020	Weighted average interest rate %	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Remaining contractual maturities \$'000
<b>NON-DERIVATIVES</b>						
<b>NON-INTEREST BEARING</b>						
Trade payables	–	4,251	–	–	–	4,251
Other payables	–	7,491	–	–	–	7,491
<b>INTEREST-BEARING — VARIABLE</b>						
Bank loans	3.81%	1,000	11,718	–	–	12,718
<b>INTEREST-BEARING — FIXED RATE</b>						
Lease liability	4.60%	2,632	2,642	3,479	87	8,840
<b>TOTAL NON-DERIVATIVES</b>		<b>15,374</b>	<b>14,360</b>	<b>3,479</b>	<b>87</b>	<b>33,300</b>

Consolidated - 2019	Weighted average interest rate %	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Remaining contractual maturities \$'000
<b>NON-DERIVATIVES</b>						
<b>NON-INTEREST BEARING</b>						
Trade payables	–	5,759	–	–	–	5,759
Other payables	–	5,011	–	–	–	5,011
<b>INTEREST-BEARING — VARIABLE</b>						
Bank loans	4.31%	–	12,696	–	–	12,696
<b>INTEREST-BEARING — FIXED RATE</b>						
Hire purchase	2.50%	3	–	–	–	3
Lease liability	4.60%	3,387	3,231	6,221	140	12,979
<b>TOTAL NON-DERIVATIVES</b>		<b>14,160</b>	<b>15,927</b>	<b>6,221</b>	<b>140</b>	<b>36,448</b>

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

## FAIR VALUE OF FINANCIAL INSTRUMENTS

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

## NOTE 31. 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

2020	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>ASSETS</b>				
Financial assets at fair value through profit or loss — unlisted ordinary shares	—	—	458	458
<b>TOTAL ASSETS</b>	<b>—</b>	<b>—</b>	<b>458</b>	<b>458</b>

2019	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>ASSETS</b>				
Financial assets at fair value through profit or loss — unlisted ordinary shares	—	—	458	458
<b>TOTAL ASSETS</b>	<b>—</b>	<b>—</b>	<b>458</b>	<b>458</b>
<b>LIABILITIES</b>				
Contingent consideration	—	—	950	950
<b>TOTAL LIABILITIES</b>	<b>—</b>	<b>—</b>	<b>950</b>	<b>950</b>

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables 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 30 June 2019, the unquoted investment and contingent consideration has been valued using a discounted cash flow model.

### Level 3 assets and liabilities

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

	Unlisted ordinary shares \$'000	Contingent consideration \$'000	Total \$'000
<b>BALANCE AT 1 JULY 2018</b>	–	–	–
Additions	458	(950)	(492)
<b>BALANCE AT 30 JUNE 2019</b>	<b>458</b>	<b>(950)</b>	<b>(492)</b>
Gains recognised in profit or loss	–	950	950
<b>BALANCE AT 30 JUNE 2020</b>	<b>458</b>	<b>–</b>	<b>458</b>

## NOTE 32. KEY MANAGEMENT PERSONNEL DISCLOSURES

### Compensation

The aggregate compensation made to the members of key management personnel of the Company is set out below:

	Consolidated	
	2020 \$'000	2019 \$'000
Short-term employee benefits	1,645,109	935,902
Post-employment benefits	77,119	55,023
Share-based payments	30,000	–
	<b>1,752,228</b>	<b>990,925</b>

## NOTE 33. REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by Deloitte Touche Tohmatsu, the auditor of the Company, and its network firms:

	Consolidated	
	2020 \$'000	2019 \$'000
<b>AUDIT SERVICES — DELOITTE TOUCHE TOHMATSU</b>		
Audit or review of the financial statements	265,000	305,000
<b>OTHER SERVICES — DELOITTE TOUCHE TOHMATSU</b>		
Tax compliance services	122,000	155,000
	<b>387,000</b>	<b>460,000</b>
<b>OTHER SERVICES — NETWORK FIRMS</b>		
<b>TAX COMPLIANCE SERVICES</b>	<b>22,000</b>	<b>50,000</b>

## NOTE 34. CONTINGENT LIABILITIES

The Group had no other contingent liabilities as at 30 June 2020, except lease guarantees liability of \$591,000 which is in respect of office leases (2019: \$591,000).

## NOTE 35. RELATED PARTY TRANSACTIONS

### Parent entity

Trimantium GrowthOps Limited is the parent entity.

### Subsidiaries

Interests in subsidiaries are set out in note 36.

### Key management personnel

Disclosures relating to key management personnel are set out in note 32 and the remuneration report included in the directors' report.

## Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	2020 \$'000	2019 \$'000
<b>SALE OF GOODS AND SERVICES</b>		
Sale of services to Sargon Capital Pty Ltd and its controlled entities*	2,006,923	4,580,920
Sale of services to Trimantium Insurance Partners Pty Ltd*	–	174,704
<b>PAYMENT FOR GOODS AND SERVICES</b>		
Payment for services from Paddl Co. Pty Ltd, a company controlled by Dominique Fisher	–	100,000
Rent of office from The Hong Kong Trust Company Limited, a company controlled by Sargon Capital Pty Ltd*	12,985	155,705
<b>OTHER TRANSACTIONS</b>		
Remuneration to close member of a key management personnel for services rendered	–	91,027

## Receivable from and payable to related parties

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

	Consolidated	
	2020 \$'000	2019 \$'000
<b>CURRENT RECEIVABLES</b>		
Trade receivables from Sargon Capital Pty Ltd and its controlled entities*	–	1,193,007
Trade receivables from Trimantium Insurance Partners Pty Ltd*	–	192,174
<b>CURRENT PAYABLES</b>		
Rent of office from The Hong Kong Trust Company Limited, a company controlled by Sargon Capital Pty Ltd*	1,545	–
Remuneration payable to Phillip Kingston	36,869	25,919

\* Phillip Kingston is a founder, a shareholder and an executive director of Sargon Capital Pty Ltd. Trimantium Insurance Partners Pty Ltd, is an entity controlled by Phillip Kingston. Phillip Kingston resigned as Non-Executive Director 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 36. INTERESTS IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2020 %	2019 %
AJF Partnership Pty Ltd	Australia	100%	100%
First Floor Films Pty Ltd	Australia	100%	100%
GrowthOps Voodoo Pty Ltd	Australia	100%	100%
GrowthOps Jtribe Pty Ltd	Australia	100%	100%
GrowthOps IECL Pty Ltd	Australia	100%	100%
Institute of Executive Coaching and Leadership (Hong Kong) Limited	Hong Kong	100%	100%
Moshi Asia Pty Ltd	Australia	100%	100%
GrowthOps KDIS Pty Ltd	Australia	100%	100%
GrowthOps 3wks Pty Ltd	Australia	100%	100%
GrowthOps Khemistry Pty Ltd	Australia	100%	100%
IECL SG Pte Ltd	Singapore	100%	100%
IECL Shanghai Company Ltd	China	100%	100%
GrowthOps Software Services Pty Ltd	Australia	100%	100%
Rumble Asia Limited	Hong Kong	100%	100%
Trimantium GrowthOps Hong Kong Limited	Hong Kong	100%	100%
Trimantium GrowthOps Singapore Pte. Ltd.	Singapore	100%	100%
The Unit Co Pty. Ltd	Australia	100%	100%
GrowthOps Holdings Pty Ltd	Australia	100%	100%
GrowthOps Services Pty Ltd	Australia	100%	100%
GrowthOps APD Pty. Ltd	Australia	100%	100%
ACN 123 287 025	Australia	100%	100%
GrowthOps APD Australia Pty Ltd	Australia	100%	100%
Asia Pacific Digital Pte Ltd	Singapore	100%	100%
APD Interact Holdings Pty Ltd	Australia	100%	100%

*Continued.*

Name	Principal place of business / Country of incorporation	Ownership interest	
		2020 %	2019 %
APD Venture Pty Ltd	Australia	100%	100%
APD Engage Holdings Pty Ltd	Australia	100%	100%
GrowthOps Services Philippines Pte Ltd	Singapore	100%	100%
APD Holdings Pte Ltd	Singapore	100%	100%
Next Digital Shanghai Co. Ltd	China	100%	100%
APD Interact Pty Ltd	Australia	100%	100%
GrowthOps APD NZ Limited	New Zealand	100%	100%
Asia Pacific Digital Manila (Branch)	Philippines	100%	100%
GrowthOps Pte Ltd	Singapore	100%	100%
APD Digital Services SDN BHD	Malaysia	100%	100%
APD Services Limited	Hong Kong	100%	100%
American Next Digital IT Consultants	Mexico	100%	100%
Jericho Digital Asia Pte Ltd	Singapore	100%	100%
APD ENGAGE PTY LTD	Australia	100%	100%

## NOTE 37. PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity.

### Statement of profit or loss and other comprehensive income

	Parent	
	2020 \$'000	2019 \$'000
Loss after income tax	(84,863)	(6,451)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>(84,863)</b>	<b>(6,451)</b>

## Statement of financial position

	Parent	
	2020 \$'000	2019 \$'000
<b>TOTAL CURRENT ASSETS</b>	<b>2,677</b>	<b>4,209</b>
<b>TOTAL ASSETS</b>	<b>40,043</b>	<b>110,422</b>
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,186</b>	<b>1,072</b>
<b>TOTAL LIABILITIES</b>	<b>29,209</b>	<b>14,719</b>
<b>NET ASSETS</b>	<b>10,834</b>	<b>95,703</b>
<b>EQUITY</b>		
Issued capital	88,301	88,307
Share-based payments reserve	40,388	40,388
Accumulated losses	(117,855)	(32,992)
<b>TOTAL EQUITY</b>	<b>10,834</b>	<b>95,703</b>

## Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity is a party to a deed of cross guarantee (refer note 38), under which it guarantees the debts of certain of its subsidiaries as at 30 June 2020 and 30 June 2019.

## Contingent liabilities

The parent entity had no other contingent liabilities as at 30 June 2020, except lease guarantees liability of \$577,000, which is in respect of office leases (2019: \$577,000).

## Capital commitments – Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2020 and 30 June 2019.

## Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment.
- The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

## NOTE 38. DEED OF CROSS GUARANTEE

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

- |   |   |
|---|---|
| — Trimantium GrowthOps Limited  | — Rumble Asia Limited                         |
| — AJF Partnership Pty Ltd   | — Trimantium GrowthOps<br>Hong Kong Limited   |
| — First Floor Films Pty Ltd   | — Trimantium GrowthOps<br>Singapore Pte. Ltd. |
| — GrowthOps Voodoo Pty Ltd  | — The Unit Co Pty Ltd                         |
| — GrowthOps Jtribe Pty Ltd  | — GrowthOps Holdings Pty Ltd                  |
| — GrowthOps IECL Pty Ltd  | — GrowthOps Services Pty Ltd                  |
| — Institute of Executive Coaching and<br>Leadership (Hong Kong) Limited | — GrowthOps APD Ltd                           |
| — Moshi Asia Pty Ltd  | — ACN 123 287 025 Pty Ltd.                    |
| — GrowthOps KDIS Pty Ltd  | — GrowthOps APD Australia Pty Ltd             |
| — GrowthOps 3wks Pty Ltd  | — APD Interact Holdings Pty Ltd               |
| — GrowthOps Khemistry Pty Ltd   | — APD Venture Pty Ltd                         |
| — IECL SG Pte Ltd   | — APD Engage Holdings Pty Ltd                 |
| — GrowthOps Software Services Pty Ltd                                   |   |

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare financial statements and directors' report under Corporations Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The above companies represent a 'Closed Group' for the purposes of the Corporations Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Trimantium GrowthOps Limited, they also represent the 'Extended Closed Group'.

Set out below is a consolidated statement of profit or loss and other comprehensive income and statement of financial position of the 'Closed Group'.

Trimantium GrowthOps Limited  
Notes to the consolidated financial statements  
For the year ended 30 June 2020

Statement of profit or loss and other comprehensive income	2020 \$'000	2019 \$'000
Rendering of services	69,283	86,369
Other income	950	179
Interest revenue calculated using the effective interest method	33	269
Grants and subsidies	1,703	–
Media pass through expense	(18,855)	(26,449)
Freelance, contractors, consumables and associated costs	(8,046)	(8,840)
Employee benefits	(35,508)	(43,208)
Share-based payments	(8,435)	(30,460)
Occupancy	(492)	–
Depreciation and amortisation	(10,622)	(11,363)
Impairment of assets	(22,032)	(22,860)
Professional and consultancy	(1,542)	(1,368)
Travel and entertainment	(949)	(1,722)
IT expenses	(2,860)	(1,677)
Marketing and advertising	(395)	(766)
Administration expenses	(1,790)	(2,659)
Acquisition expenses	–	(418)
Other expenses	(3,419)	(108)
Finance costs	(822)	(1,271)
<b>LOSS BEFORE INCOME TAX</b>	<b>(43,798)</b>	<b>(66,352)</b>
Income tax	1,674	3,478
<b>LOSS AFTER INCOME TAX</b>	<b>(42,124)</b>	<b>(62,874)</b>
Other comprehensive income for the year, net of tax	–	–
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>(42,124)</b>	<b>(62,874)</b>

Equity – accumulated losses	2020 \$'000	2019 \$'000
Accumulated losses at the beginning of the financial year	(64,555)	(1,681)
Loss after income tax	(42,124)	(62,874)
<b>ACCUMULATED LOSSES AT THE END OF THE FINANCIAL YEAR</b>	<b>(106,679)</b>	<b>(64,555)</b>

Trimantium GrowthOps Limited  
Notes to the consolidated financial statements  
For the year ended 30 June 2020

Statement of financial position	2020 \$'000	2019 \$'000
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	5,355	7,167
Trade and other receivables	12,022	14,384
Contract assets	1,492	2,000
Income tax refund due	–	850
Other assets	883	1,034
	<b>19,752</b>	<b>25,435</b>
<b>NON-CURRENT ASSETS</b>		
Receivables (intercompany)	15,543	17,807
Property, plant and equipment	861	1,330
Intangibles	24,345	53,927
Right-of-use assets	6,239	12,041
Financial assets at amortised cost	–	295
Financial assets at fair value through profit or loss	458	458
Deferred tax	2,159	161
	<b>49,605</b>	<b>86,019</b>
<b>TOTAL ASSETS</b>	<b>69,357</b>	<b>111,454</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	9,925	8,665
Contract liabilities	4,218	7,537
Borrowings	1,000	3
Lease liabilities	1,878	3,387
Income tax	100	–
Provisions	2,449	2,773
	<b>19,570</b>	<b>22,365</b>
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	11,718	12,696
Lease liabilities	4,810	9,592
Provisions	505	693
Contingent consideration	–	950
	<b>17,033</b>	<b>23,931</b>
<b>TOTAL LIABILITIES</b>	<b>36,603</b>	<b>46,296</b>
<b>NET ASSETS</b>	<b>32,754</b>	<b>65,158</b>

Continued

Trimantium GrowthOps Limited  
Notes to the consolidated financial statements  
For the year ended 30 June 2020

Statement of financial position	2020 \$'000	2019 \$'000
<b>EQUITY</b>		
Issued capital	87,813	87,806
Reserves	51,620	41,907
Accumulated losses	(106,679)	(64,555)
<b>TOTAL EQUITY</b>	<b>32,754</b>	<b>65,158</b>

## NOTE 39. CASH FLOW INFORMATION

### Reconciliation of loss after income tax to net cash from/(used in) operating activities

	Consolidated	
	2020 \$'000	2019 \$'000
Loss after income tax for the year	(43,709)	(65,010)
<b>ADJUSTMENTS FOR:</b>		
Depreciation and amortisation	11,679	11,564
Impairment of intangibles	22,032	22,860
Share-based payments	8,435	30,460
Foreign exchange differences	(62)	(75)
Investing and financing expenses	1,080	1,271
Allowance for expected credit losses	–	181
Contingent consideration gains recognised in profit or loss	(950)	–
Lease modifications	(260)	–
<b>CHANGE IN OPERATING ASSETS AND LIABILITIES:</b>		
Decrease in trade and other receivables	7,903	9,350
Decrease/(increase) in contract assets	102	(1,288)
(Increase)/decrease in other assets	38	(811)
Increase/(decrease) in trade and other payables	973	(5,289)
Increase/(decrease) in contract liabilities	(3,270)	1,119
Increase/(decrease) in provision for income tax	911	(2,723)
Decrease in deferred tax liabilities	(1,998)	(2,941)
Increase in provisions	(457)	364
<b>NET CASH (USED IN)/FROM OPERATING ACTIVITIES</b>	<b>2,447</b>	<b>(968)</b>

### Non-cash investing and financing activities

	Consolidated	
	2020 \$'000	2019 \$'000
<b>SHARES ISSUED IN RELATION TO BUSINESS COMBINATIONS</b>	<b>–</b>	<b>21,036</b>



## Changes in liabilities arising from financing activities

Consolidated	Bank loans \$'000	Hire purchase liability \$'000	Lease liability right-of-use asset \$'000	Total \$'000
<b>BALANCE AT 1 JULY 2018</b>	–	8	–	8
Net cash used in financing activities	(1,712)	(5)	(3,256)	(4,973)
Adoption of AASB 16	–	–	5,408	5,408
Additions	–	–	7,660	7,660
Changes through business combinations	13,660	–	2,644	16,304
Interest and other changes	748	–	523	1,271
<b>BALANCE AT 30 JUNE 2019</b>	<b>12,696</b>	<b>3</b>	<b>12,979</b>	<b>25,678</b>
Net cash used in financing activities	(477)	(3)	(3,962)	(4,442)
Lease modification	–	–	(758)	(758)
Interest and other changes	499	–	581	1,080
<b>BALANCE AT 30 JUNE 2020</b>	<b>12,718</b>	<b>–</b>	<b>8,840</b>	<b>21,558</b>

## NOTE 40. EARNINGS PER SHARE

	Consolidated	
	2020 \$'000	2019 \$'000
Loss after income tax attributable to the owners of Trimantium GrowthOps Limited	(43,709)	(65,010)
	NUMBER	NUMBER
Weighted average number of ordinary shares used in calculating basic earnings per share	142,713,320	117,741,217
Weighted average number of ordinary shares used in calculating diluted earnings per share	142,713,320	117,741,217
	CENTS	CENTS
Basic earnings per share	(30.63)	(55.21)
Diluted earnings per share	(30.63)	(55.21)

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 41. SHARE-BASED PAYMENTS

### Convertible redeemable preference shares

On 15 March 2018, 47,780,200 convertible redeemable preference shares ('CRPS') were issued to the vendors of the acquired companies. Based on the individual performance of each of the acquired businesses in FY18, 47,780,200 CRPS will be converted into 51,950,681 ordinary shares. The shares issued do not form part of total purchase price for the acquired entities and instead have been treated as a share based payment in accordance with AASB 2 'Share Based Payments' as the CRPS are subject to vesting conditions linked to service and will be expensed over the vesting period. Subject to terms and conditions each CRPS converts into ordinary shares on the following dates (each a conversion Date) and in the following tranches:

	Number of shares
15/03/2019 - First anniversary of the Completion Date	23,890,100
15/03/2020 - Second anniversary of the Completion Date	11,945,050
15/03/2021 - Third anniversary of the Completion Date	11,945,050
	<b>47,780,200</b>

Conversion of the CRPS into Shares is subject to retention hurdles. Conversion will be staggered so that 50% of the CRPS will convert on the first anniversary of Completion and a further 25% on each of the second and third anniversaries of Completion. Conversion will only occur if the Partner who represents the relevant Vendor continues to be employed by GrowthOps at the time (other than in exceptional circumstances). On 17 March 2020, 11,894,050 CRPS have been converted to 12,987,676 ordinary shares (2019: On 16 March 2019, 23,890,100 CRPS have been converted to 25,975,433 ordinary shares).

The CRPS had a fair value of \$1.00 per share on the date they were issued.

During the year ended 30 June 2020, the Group recognised a share-based payment expense of \$8,435,000 (2019: \$30,460,000) including \$8,261,000 (2019: \$30,112,000) with respect to the convertible redeemable preference shares issued on 15 March 2018. The table below summarises the estimated share-based payment expense from FY18 to FY21 in relation to this CRPS scheme:

	30 June 2018 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	Total \$'000
Share-based payment expense in relation to CRPS scheme*	9,829	30,113	8,261	2,848	51,051

\* Share-based payment subject to changes if there are changes in conversion ratio or retention hurdles not being met.

Set out below are summaries of the redeemable preference shares issued in accordance with the Sales Price Agreement:

2020							
Grant date	Expiry date	Exercise price	Balance at the start of the year	Issued	Converted to ordinary shares	Expired/ forfeited/ other	Balance at the end of the year
15/03/2018	15/03/2021	\$0.00	23,788,100	–	(11,894,050)	(450,000)	11,444,050
			<b>23,788,100</b>	<b>–</b>	<b>(11,894,050)</b>	<b>(450,000)</b>	<b>11,444,050</b>

2019							
Grant date	Expiry date	Exercise price	Balance at the start of the year	Issued	Converted to ordinary shares	Expired/ forfeited/ other	Balance at the end of the year
15/03/2018	15/03/2021	\$0.00	47,780,200	–	(23,890,100)	(102,000)	23,788,100
			<b>47,780,200</b>	<b>–</b>	<b>(23,890,100)</b>	<b>(102,000)</b>	<b>23,788,100</b>

## 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. Additionally, performance rights of 50,000 were forfeited and 25,000 have been converted into 25,000 ordinary shares in the year ended 30 June 2020. 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:

	Number of performance rights vest
01/07/2019	625,000
16/03/2020	250,000
30/06/2020	100,000
16/03/2021	250,000
	<b>1,225,000</b>

Conversion of the performance rights into shares is subject to retention hurdles. Conversion will only occur if the eligible employees continue to be employed by the group on the conversion date. Each performance right has a fair value of \$0.455 being the market value of the Group's ordinary shares on grant date.

Set out below are summaries of performance rights granted under the plan:

2020							
Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Forfeited	Balance at the end of the year
28/03/2019	16/03/2021	\$0.00	1,300,000	–	(25,000)	(50,000)	1,225,000
			<b>1,300,000</b>	<b>–</b>	<b>(25,000)</b>	<b>(50,000)</b>	<b>1,225,000</b>

2019							
Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Forfeited	Balance at the end of the year
28/03/2019	16/03/2021	\$0.00	–	1,450,000	–	(150,000)	1,300,000
			<b>–</b>	<b>1,450,000</b>	<b>–</b>	<b>(150,000)</b>	<b>1,300,000</b>

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 0.75 years

During the year ended 30 June 2020, the Group recognised a share-based payment expense of \$144,210 (2019: \$343,098). The table below summarises the estimated share based payment expense from FY19 to FY21 in relation to the performance right scheme:

	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	Total \$'000
Share-based payment expense in relation to performance right scheme	347	144	26	517

## Share options

During the year ended 30 June 2020, the Group issued the following options to its executive and non-executive directors and the Chief Financial Officer:

- On 13 October 2019, Scott Tanner — Non-Executive Chairman — was granted 300,000 options to acquire the Company's ordinary shares with \$0.20 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.
- On 13 October 2019, Clint Cooper — Managing Director and Executive Officer — was granted 1,000,000 options to acquire the Company's ordinary shares with \$0.20 exercise price which can only be exercised where the 30-day VWAP of the Company's ordinary shares exceeds \$0.50 on the date of exercise. One third of the options will vest on the first, the second and the third anniversaries of their issue.
- On 13 October 2019, Philip Dalidakis — Non-Executive Director — was granted 80,000 options to acquire the Company's ordinary shares with \$0.20 exercise price which can only be exercised where the 30-day VWAP of the Company's ordinary shares exceeds \$0.30 on the date of exercise. One third of the options will vest on the first, the second and the third anniversaries of their issue.
- On 13 October 2019, Jessica Hart — Non-Executive Director — was granted 30,000 options to acquire the Company's ordinary shares with \$0.20 exercise price which can only be exercised where the 30-day VWAP of the Company's ordinary shares exceeds \$0.30 on the date of exercise. One third of the options will vest on the first, the second and the third anniversaries of their issue.
- On 13 October 2019, Craig Davies — Executive Director — was granted 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 \$0.50 on the date of exercise. One third of the options will vest on the first, the second and the third anniversaries of their issue.

The 400,000 options were forfeited on 26 June 2020 when Mr. Davies resigned as Executive Director. On appointment as a Non-Executive Director on 26 June 2020, Mr. Davies was granted 80,000 options to acquire the Company's ordinary shares with a \$0.10 exercise price which can only be exercised where the 30-day VWAP of the Company's ordinary shares exceeds \$0.15 on the date of exercise. One third of the options will vest on the first, the second and the third anniversaries of their issue.

- On 13 October 2019, Craig McMenamin — Chief Financial Officer — was granted 150,000 options to acquire the Company's ordinary shares with \$0.20 exercise price which can only be exercised where the 30-day VWAP of the Company's ordinary shares exceeds \$0.50 on the date of exercise. One third of the options will vest on the first, the second and the third anniversaries of their issue.

Set out below are summaries of performance rights granted under the plan:

2020							
Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Forfeited	Balance at the end of the year
13/10/2019	13/10/2029	\$0.20	–	1,960,000	–	(400,000)	1,560,000
26/06/2020	26/06/2030	\$0.10	–	80,000	–	–	80,000
			–	2,040,000	–	(400,000)	1,640,000
<b>WEIGHTED AVERAGE EXERCISE PRICE</b>			<b>\$0.00</b>	<b>\$0.20</b>	<b>\$0.00</b>	<b>\$0.20</b>	<b>\$0.20</b>

No options are exercisable at the end of the financial year.

The weighted average remaining contractual life of share options outstanding at the end of the financial year was 9.3 years (2019: n/a).

## NOTE 42. EVENTS AFTER THE REPORTING PERIOD

On 23 July 2020, the Group announced the appointment of Andrew Baxter as a Non-Executive Director on the GrowthOps Board of Directors. A highly regarded company director, business advisor and marketing thought leader, Mr Baxter brings more than 25 years' experience in the marketing and communications industry, including large multi-agency businesses, as well as in growth businesses and turnarounds. His deep domain knowledge across creative, production and digital marketing services, track record in leading and growing businesses through organic and inorganic means, and the regard in which he is held by his former clients, peers and teams will add impetus to re-energising the Group's strategy, market positioning and sales.

The Group is currently assessing its eligibility for the Australian Government's recently announced 'JobKeeper 2.0' and other COVID-19 subsidies and related concessions available in Australia and the Asia region.

The Group continues to prosecute its claim for unpaid invoices related to intellectual property developed for Sargon Capital Pty Ltd and related entities. An initial mediation was conducted on 19 August 2020 with further mediation to be rescheduled in early September 2020. The group is expensing all legal fees as incurred and closely managing its legal costs in pursuing its claim.

The impact of the COVID-19 pandemic is ongoing and subsequent to year-end a Stage 4 lockdown was introduced in Melbourne, Australia. It is not practical to estimate the potential impact of the pandemic, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other jurisdictions, such as maintaining social distancing requirements, mandatory quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 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, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the financial 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.

The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'Scott', with a long, sweeping horizontal stroke extending to the right.

**Scott Tanner, Chairman**

28 August 2020



## Independent Auditor's Report to the Members of Trimantium GrowthOps Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Trimantium GrowthOps Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2020 and of their financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that for the year ended 30 June 2020 the Group recorded a net loss of \$43,709,000 (2019:\$65,010,000) and used net cash in operating, investing and financing activities of \$1,820,000 (2019:\$13,717,000). As stated in Note 2, 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 going concern. Our opinion is not modified in respect of this matter.

Our procedures in relation to going concern included, but were not limited to:

- inquiring of management and the directors as to knowledge of events and conditions that may impact the assessment on the Group's ability to continue as a going concern;
- challenging the assumptions contained in management's forecast in relation to the Group's ability to continue as a going concern; and
- assessing the adequacy of the disclosures related to going concern in Note 2.



### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
<p><b>Carrying value of Goodwill and Intangible Assets</b></p> <p>As at 30 June 2020, the Group has goodwill of \$17,421,000, customer relationship of \$5,364,000 and other intangible assets of \$2,571,000.</p> <p>In respect of Technology AU, Xperior and Technology Hong Kong, management undertook an impairment test of these three CGUs at the half-year as they identified indicators of impairment at that time. As a result of this impairment test, management recognised an impairment loss of \$10,699,000 (\$5,500,000 Technology AU; \$3,869,000 Xperior and \$1,330,000 Technology Hong Kong) at the half-year ended 31 December 2019.</p> <p>Management performed an impairment assessment as at 30 June 2020 of all CGU's and further impairment was required amounting to \$11,333,000 (\$9,874,000 Technology AU, \$359,000 Asia Pacific Digital ANZ and \$1,100,000 Asia Pacific Digital Asia). As a result, total impairment loss of \$22,032,000 in respect of goodwill and intangible assets has been recognized for the year ended 30 June 2020.</p> <p>The directors' assessment of the recoverability of goodwill and intangible assets requires the exercise of significant judgement, including:</p> <ul style="list-style-type: none"> <li>Identifying the cash generating units (CGUs) to which goodwill has been allocated; and</li> <li>Estimating the future growth rates, nominal discount rates and the expected cash flows of each CGU to which goodwill has been allocated.</li> </ul>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>Evaluating the Group's categorisation of CGUs and the allocation of goodwill to the carrying value of CGUs based on our understanding of the Group's business. This evaluation included performing an analysis of the Group's internal reporting;</li> <li>In conjunction with Deloitte valuation specialists assessing the following key assumptions: <ul style="list-style-type: none"> <li>the discount rate in comparison to an independently calculated discount rate;</li> <li>growth rate in comparison to external data; and</li> <li>budgeted revenue and margins, with reference to historical performance and external data.</li> </ul> </li> <li>Testing on a sample basis, the mathematical accuracy of the discounted cash flow models;</li> <li>Agreeing FY2021 EBITDA to the latest Board approved budget;</li> <li>Assessing the accuracy of historical forecasts against the actual cash flow outcomes and considering the impact on the assumptions used in latest Board approved budget;</li> <li>Challenged the key assumptions adopted by management by performing sensitivity analyses on a number of assumptions, in particular discount rates and growth rates, with consideration of potential ongoing economic impacts of the COVID-19 pandemic; and</li> <li>Evaluating the appropriateness of the disclosures in the financial statements.</li> </ul>

### Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

## ***Other Information (continued)***

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## ***Responsibilities of the Directors for the Financial Report***

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

## ***Auditor's Responsibilities for the Audit of the Financial Report***

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.



#### ***Auditor's Responsibilities for the Audit of the Financial Report (continued)***

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on the Remuneration Report**

##### ***Opinion on the Remuneration Report***

We have audited the Remuneration Report included in pages 13 to 20 of the Directors' Report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Trimantium GrowthOps Limited, for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

##### ***Responsibilities***

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

DELOITTE TOUCHE TOHMATSU

Carlo Pasqualini  
Partner  
Chartered Accountants  
Sydney, 28 August 2020



# SHAREH INFORM

# HOLDER MATION

The shareholder information set out below was applicable as at 20 August 2020.

## DISTRIBUTION OF EQUITABLE SECURITIES

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares	Number of holders of redeemable shares over ordinary shares	Number of holders of performance rights over ordinary shares	Number of holders of options over ordinary shares
1 to 1,000	648	–	–	–
1,001 to 5,000	294	–	–	–
5,001 to 10,000	53	–	–	–
10,001 to 100,000	119	–	6	4
100,001 and over	74	15	5	3
	<b>1,188</b>	<b>15</b>	<b>11</b>	<b>7</b>
<b>HOLDING LESS THAN A MARKETABLE PARCEL</b>	<b>967</b>	–	–	–



## EQUITY SECURITY HOLDERS

### TWENTY LARGEST QUOTED EQUITY SECURITY HOLDERS

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
Asia Selangor Investments Pty Ltd	20,000,000	13.16
TGO Holdings 2 Pty Ltd	17,000,000	11.19
Trimantium CT Pty Ltd (Tc Special Operations A/C)	16,380,782	10.78
Pattani Private Capital Pty Ltd	14,712,359	9.68
Valuestream Investment Management Ltd (Co-Investor No3 Pipefund A/C)	6,395,152	4.21
Adam James Francis Pty Ltd (Francis Family A/C)	5,408,054	3.56
AJF Fabbro Pty Ltd (AJF Fabbro Family A/C)	5,408,054	3.56
JL Stephens Pty Ltd (JL Stephens Family A/C)	4,105,369	2.70
Trimantium Capital Pty Ltd	3,975,173	2.62
AJF Foote Pty Ltd (AJF Foote Family A/C)	3,605,369	2.37
Grand Circle Opportunities Pty Ltd	3,400,000	2.24
TGO Holdings Pty Ltd (TGO Trust 2 A/C)	2,972,281	1.96
Ward Portfolio Pty Ltd	2,684,304	1.77
Trimantium Limited	2,431,045	1.60
Andrew Douglas Fyffe + Jacqueline Joanne Fyffe (Fyffe Family A/C)	2,413,304	1.59
Bricktowne li Llc	2,189,492	1.44
Ms Jennifer Dryan Smorgon	2,030,221	1.34
Xperior Group Pty Ltd	2,000,000	1.32
Growthops Holdings Pty Ltd (Tgo Trust 1 A/C)	1,981,520	1.30
AJF Foote Pty Ltd (AJF Foote Family A/C) 7	1,802,685	1.19
JL Stephens Pty Ltd (JL Stephens Family A/C)	1,802,685	1.19
	<b>122,697,849</b>	<b>80.77</b>

### UNQUOTED EQUITY SECURITIES

	Number on issue	Number of holders
Convertible redeemable preference shares	11,444,050	15
Performance rights	1,225,000	11
Share options	1,720,000	7

## SUBSTANTIAL HOLDERS

Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Asia Selangor Investments Pty Ltd	20,000,000	13.16
TGO Holdings 2 Pty Ltd	17,000,000	11.19
Trimantium CT Pty Ltd (Tc Special Operations A/C)	16,380,782	10.78
Pattani Private Capital Pty Ltd	14,712,359	9.68

## VOTING RIGHTS

The voting rights attached to ordinary shares are set out below:

### ORDINARY SHARES

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.

***There are no other classes of equity securities.***



# CORPO DIREC

# ORATE TORY

<b>DIRECTORS</b>	<p>Scott Tanner — Chairman</p> <p>Clint Cooper</p> <p>Philip Dalidakis</p> <p>Jessica Hart</p> <p>Craig Davies</p> <p>Andrew Baxter</p>
<b>COMPANY SECRETARY</b>	Craig McMenamin
<b>NOTICE OF ANNUAL GENERAL MEETING</b>	<p>The details of the annual general meeting of Trimantium GrowthOps Limited are:</p> <p>30 November 2020 , at 12pm. (Will be online as a virtual meeting)</p>
<b>REGISTERED OFFICE</b>	Level 11, 31 Queen St Melbourne VIC 3000 Australia
<b>PRINCIPAL PLACE OF BUSINESS</b>	Level 11, 31 Queen St Melbourne VIC 3000 Australia
<b>SHARE REGISTER</b>	<p><b>Computershare Investor Services Pty Limited</b></p> <p>Yarra Falls, 452 Johnston Street Abbotsford VIC 3067 Australia</p>
<b>AUDITOR</b>	<p><b>Deloitte Touche Tohmatsu</b></p> <p>Grosvenor Place 225 George Street Sydney NSW 2000 Australia</p>
<b>STOCK EXCHANGE LISTING</b>	Trimantium GrowthOps Limited shares are listed on the Australian Securities Exchange (ASX code: <b>TGO</b> )
<b>WEBSITE</b>	<a href="http://growthops.com.au">growthops.com.au</a>
<b>BUSINESS OBJECTIVES</b>	<p>In accordance with Listing Rule 4.10.19, the Company confirms that the Group has been utilising the cash and assets in a form readily convertible to cash that it held at the time of its admission to the Official List of ASX to the end of the reporting period in a way that is consistent with its business objectives.</p>

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**CORPORATE  
GOVERNANCE  
STATEMENT**

The directors and management are committed to conducting the business of Trimantium GrowthOps Limited in an ethical manner and in accordance with the highest standards of corporate governance. Trimantium GrowthOps Limited has adopted and substantially complied with the ASX Corporate Governance Principles and Recommendations (Third Edition) ('Recommendations') to the extent appropriate to the size and nature of its operations.

The Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed, was approved by the Board of Directors at the same time as the Financial Report and can be found on the Investor Relations page at [growthops.com.au/investors/corporate-governance](https://growthops.com.au/investors/corporate-governance)

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*GrowthOps*