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ASX Announcement

GrowthOps (ASX:TGO)

Appendix 4C quarterly cash flow statement (quarter ended 30 September 2020) and business update

Trimantium GrowthOps Limited ('GrowthOps' or the 'Company') [ASX:TGO] today releases its Appendix 4C quarterly cash flow report for the quarter ended 30 September 2020 ('Q1' or the 'Financial Period').

Highlights

- Positive operating cash flow of $3.75m, including COVID-19 related subsidies of $1.87m.
- Collections from customers of $20.3m, which is similar to the prior quarter.
- Labour costs of $8.42m, which reduced by $1.33m on the prior quarter. $0.53m is due to the timing of payments of the prior quarter's superannuation payments and temporary voluntary salary reductions during the Financial Period.
- Cash outflows from administrative costs increased by $1.6m mostly due to the timing of tax payments (scheduled tax payments are now paid in the quarter instead of tax payments being deferred under COVID-19 concessions).
- Cost management focus targeting a continued reduction in overheads, including occupancy costs and business administration costs, which will reduce further should the Company's shareholders vote in favour of a delisting from the ASX.
- Cash balance at 30 Sept of $9.5m and compliant with quarterly bank covenant for the first quarter.

The positive operating cash flow of $3.75m for the quarter includes COVID-19 government subsidies and related concessions in its Australia and Asia operations.

Excluding these subsidies, the underlying net cash inflow from operations of $1.88m for Q1 is a significant improvement on the prior quarter (Q4 FY2020 operating cash flow of $3.03m and net underlying of $0.64m) and on Q1 2019, which posted a net operating cash outflow of $2.02m

The Q1 revenues have highlighted the challenges in the market, with an extended lockdown in Victoria and general business uncertainty across the region. However, the business has continued to successfully focus on building new opportunities.

Receipts from customers of $20.3m is a reduction of $0.22m on the prior quarter, reflecting the impact of reduced revenue due to COVID-19 throughout

Q4 FY2020 and into Q1, compounded by other factors such as the exit from the Australian market of GM Holden, which had trailing receipts in Q4 of FY2020.

Cash payments to employees of $8.42m, which includes a portion of the JobKeeper subsidy paid through to employees, is down $1.33m on the previous quarter due to the timing of superannuation payments in June 2020 to coincide with the end of the 2020 financial year. Temporary voluntary salary reductions from GrowthOps employees remained in place throughout the Financial Period.

Administrative and corporate cash outflows of $5.05m have increased from the prior quarter by $1.60m as the Company took advantage of COVID-19 related concessions by deferring GST and other tax payments in Q4 of FY2020, with repayments commencing in October 2020. Proactive remote working policies have continued, allowing further savings in associated travel expenditure, the Company's technology spend and other administrative expenses.

GrowthOps is eligible for the first period of the JobKeeper extension 1 scheme to December 2020, at a reduced rate from the previous JobKeeper subsidy. It is too early to assess eligibility for the JobKeeper extension 2, beyond December 2020.

Financing facilities

The facility limit is $12.835m with the amount drawn on the facility at the end of Q1 of $12.716m. Based on unaudited results, at 30 September 2020, the Company is in compliance with its Q1 quarterly covenants.

Business update

In accordance with its continuous disclosure obligations, the Company provides the following update to the market summarising the impact of the current economic climate and impact of COVID-19.

Business revenues continue to be impacted by delays in projects and reduced client spend, with both directly attributable to the impact of COVID-19. In addition, the varying degrees of lockdown in Melbourne and in several of our Asia locations have hampered the ability to drive new business.

Various cost saving measures have improved cash flows during the period and there was a noticeable improvement in the number of new business opportunities and pitches across the Company towards the end of the quarter.

As revenues are more difficult to predict in this environment, the Company has maintained strict cost controls, including:

- Temporary voluntary employee salary reductions at all levels within the business without compromising client deliverables;
- Improved job costing and management of contractor costs and utilisation rates;
- Reductions in travel, technology, office and administrative expenses; and

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- Where eligible, continued participation in COVID-19 government assistance and stimulus initiatives across Australia and the Asia region.

During the quarter, a phased 'return to office' plan was implemented across most of Australia and Asia 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. Our priority remains the delivery of excellent service to our clients, whilst ensuring the health, wellbeing and safety of our staff.

Outlook

The Company anticipates ongoing reduced levels of revenue throughout the first half of FY2021 due to COVID-19 and has budgeted accordingly in its variable and direct cost base.

The benefit of reduced occupancy costs and the recent rationalisation of technology spend will further mitigate these lower revenues. Management continues to implement cash preservation and cost management initiatives to maximise available liquidity in light of the uncertainties created by COVID–19.

Voluntary removal of TGO securities from the ASX ("delisting")

On 28 October 2020, the ASX accepted GrowthOps' application to remove the Company from the official list of the ASX. Subject to shareholder approval at the Company's AGM on 30 November 2020, the Company will be removed from the official list by no later than 31 December 2020.

Further information regarding the delisting rationale and process can be found at:

https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02300447-2A1259510?access_token=83ff96335c2d45a094df02a206a39ff4

29 October 2020

On behalf of the board of directors

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

— ENDS —

About GrowthOps

GrowthOps (ASX:TGO) is a network of creative thinkers, who create ideas and build solutions for organisations aspiring to lead tomorrow's markets. We help

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organisations unlock more potential from their brand, customer touch points and people.

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

Use of Non IFRS Measures

GrowthOps uses certain measures to report on its business that are neither recognised under AAS, nor under IFRS. These measures are collectively referred to as non-IFRS financial measures.

These non-IFRS financial measures do not have a prescribed definition under AAS or IFRS and therefore may not be directly comparable to similarly titled measures presented by other entities.

These should not be construed as an indication of, or alternative to, corresponding financial measures determined in accordance with AAS or IFRS.

Although GrowthOps believes these non-IFRS measures provide useful information to users in measuring the financial performance and condition of the business, investors are cautioned not to place undue reliance on any non-IFRS financial measures included in this document.

Forward looking statements

This announcement contains forward looking statements which are identified by words such as 'may', 'could, 'believes', 'estimates', 'expects', 'intends' and other similar words that involve risks and uncertainties. These forward-looking statements speak only as of the date of this announcement and GrowthOps does not undertake to publicly update or revise any forward-looking statement.

Any forward-looking statements are subject to various risks that could cause GrowthOps actual results to differ materially from the results expressed or anticipated in these statements. Such forward-looking statements are not guarantees of future financial performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of GrowthOps, GrowthOps' directors and management.

GrowthOps cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

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Name of entity	
TRIMANTIUM GROWTHOPS LTD	
ABN	**Quarter ended ("current quarter")**
80 621 067 678	30 September 2020

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	20,347	20,347
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(4,890)	(4,890)
	(c) advertising and marketing	(132)	(132)
	(d) leased assets	-	-
	(e) staff costs	(8,415)	(8,415)
	(f) administration and corporate costs	(5,053)	(5,053)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	2	2
1.5	Interest and other costs of finance paid	(100)	(100)
1.6	Income taxes (paid)/refunded - net	121	121
1.7	Government grants and tax incentives	1,870	1,870
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**3,750**	**3,750**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(22)	(22)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	(328)	(328)

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Consolidated statement of cash flows		Current quarter $A'000	Year to date $A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	12	12
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(338)**	**(338)**

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**-**	**-**

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,110	6,110
4.2	Net cash from / (used in) operating activities (item 1.9 above)	3,750	3,750
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(338)	(338)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date $A'000
4.5	Effect of movement in exchange rates on cash held	(22)	(22)
4.6	**Cash and cash equivalents at end of period**	**9,500**	**9,500**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	9,500	6.110
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**9,500**	**6,110**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	-
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	12,835	12,716
7.2	Credit standby arrangements	-	-
7.3	Lease Guarantees	750	591
7.4	**Total financing facilities**	13,585	13,307

7.5	**Unused financing facilities available at quarter end**	278

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Senior secured debt facility of $12.835m with Westpac Banking Corporation, expires 1 July 2021

The variable interest rate is 1.92% p.a. on average for the quarter plus a 1.0% line fee on the loan facility.

The lease guarantee facility has a revolving limit of $750,000. The service fee was 1.25% per half year.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	3,750
8.2	Cash and cash equivalents at quarter end (Item 4.6)	9,500
8.3	Unused finance facilities available at quarter end (Item 7.5)	278
8.4	Total available funding (Item 8.2 + Item 8.3)	9,778
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	Cash Flow Positive – n/a

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

n/a

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

n/a

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

n/a

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Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 31st October 2020.....

Authorised by: The Board of Directors.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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