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Company Overview



(ASX Code: HIT)

June 2021

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Overview of HiTech Group



HiTech Group is Australia's leading specialised ICT contracting, consulting and recruitment organisation. HiTech provides services to Australian and international organisations and has more than 27 years' experience in the industry. Our clients include Federal and State Government departments.



We have a unique recruitment and consulting system supported by HiBase - an extensive proprietary candidate and client database that we have developed over two decades. This intelligent system has proven to be the key differentiator between HiTech and its competitors, allowing us to serve our clients quickly and effectively in this rapidly evolving digital age.



HiTech Group, via its Talent Service business, HiTech Personnel, has expertise in sourcing the best professionals in ICT, Finance, Office Administration and Sales and Marketing. We have been developing our search and selection system for more than 25 years.

HiTech value proposition

50+ years of combined industry expertise

Management intimately understands the key drivers of contracting and ICT consulting services for its clients – Over 50 years of combined expertise

Execute and deliver on time for clients: rewarded with long, established business relationships and recurring revenue streams

No revenue growth for revenue growth's sake – **Bottom line profit focus** with **strong operating cashflows**

Deliberate push into specialised technology consulting and services space as these sectors are exhibiting strong growth:

- Focused on **winning** lucrative “**Statements of Work**” for discrete ICT projects
- **Entrenched alongside our clients** to deliver superior results
- Seeking to **broaden client services capability** to cover the critical and most lucrative ICT subsectors
- **Retain maximum flexibility** to respond rapidly to evolving technologies and services demanded by clients

Board and management teams have a uniquely engrained culture of financial discipline across all areas and aspects of the business – **strong alignment with shareholders**

The HiTech digital solution grid

HiTech solves the tech problem



Cloud services



Talent acquisition



Managed service provider



Security and cybersecurity



Digital transformation



Mobile solutions



Big data and analytics



Software



Data centres



Internet of things



Telecommunications

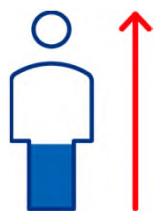


Procurement



Networks

ICT sector overview



**29%
increase**

**in ICT workers
into 2027**

Deloitte Annual Snapshot of the Australian Digital Economy and the workers required based on demand:

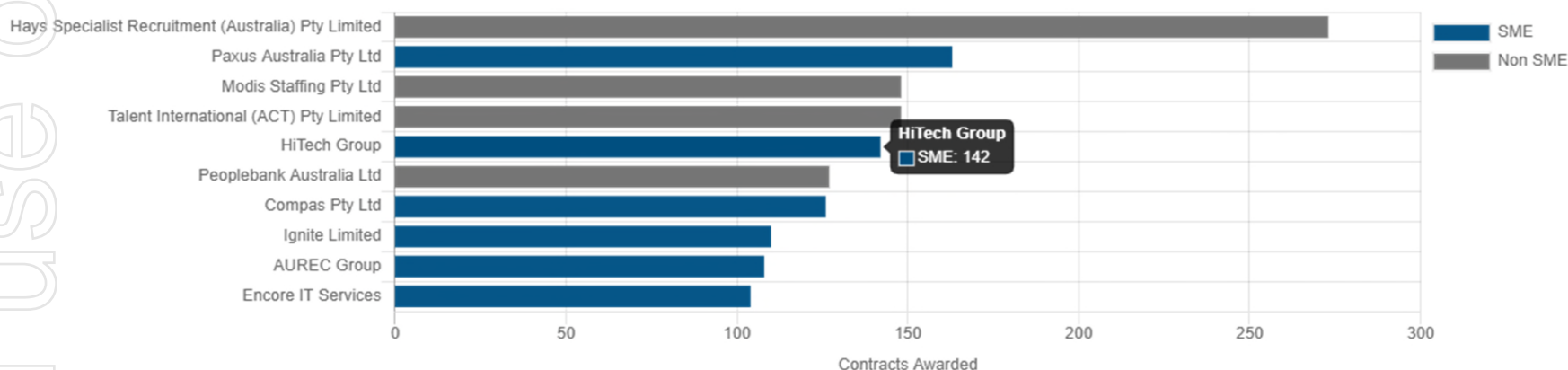
- A survey of over 1,000 Australians found that 48% of respondents who visited their general practitioner between April and May 2020, did so virtually. Almost two-thirds report they would continue using telehealth services into the future (NBN Co, 2020a)
- Government agencies and private enterprise have seen an acceleration of digital transformation projects
- Remote worker numbers surged in 2020 e.g. Westpac transitioned 21,000 employees or 85% of their workforce to home workers
- Critical infrastructure and government services have been the subject of increasing, opportunistic cybersecurity attacks. The Australian Cyber Security Centre (ACSC) centre received prompt government funding increases in 2020
- ICT subdivisions generated over \$56 billion in Gross Value Added (GVA) to the Australian economy in 2019 (CIIER, 2020)
- By 2026, global spending on cybersecurity is expected to rise by 86% to US\$270 billion (AustCyber, 2019)
- The value of the Australian cybersecurity sector is expected to triple by 2026 to AU\$6 billion, creating an additional 18,000 jobs (AustCyber, 2019)

By 2027, Deloitte forecast that there will be over one million technology workers in Australia (+29%), up from the 772,175 workers recorded in 2019

This represents a significant growth opportunity for the HiTech Group to expand revenues and profits

Leaders in Government ICT

Top 10 ranking in Government Digital Marketplace



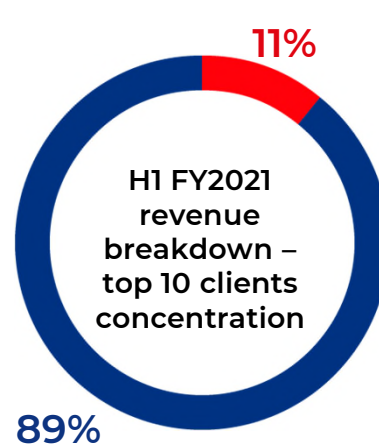
- HiTech works closely with select blue chip federal government clients on talent acquisition and specialist ICT services assignments
- Working with government and complex enterprises requires significant trust, goodwill and rapport to be developed over a substantial period of time; HiTech has always delivered and is a trusted key partner to its clients
- HiTech is proud to be consistently ranked in the top 10 suppliers from over 3000 suppliers servicing the substantial Digital Marketplace customers
- **Federal government is planning on spending \$1.2 billion** on its Digital Economy Strategy as part of its **2021-2022 Budget**, with \$500 million to go to government service enhancements.

Source: Digital Transformation Agency Insights, April 2021

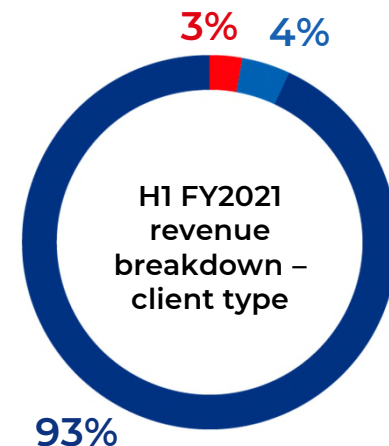
Revenue profile

Federal government /private mix

- HiTech has a diversified blue chip client base with a solid revenue stream supported by diverse and active government and corporate talent supply agreements
- Increasing recurring revenue underpinned by growing ICT contracting and services demand



■ Top 10 ■ Others



■ Federal Govt ■ State Govt ■ Private sector

HiBase and the HiTech system

Competitive edge



HiBase is a predictive intelligence tool built by HiTech for sourcing ICT talent



HiBase is a comprehensive database of over **380,000 professional** candidates, including rare defence security cleared personnel for contract or permanent positions



The HiTech services team is at the forefront of the digital transformation movement which is a critical priority amongst each of our Federal Govt, State Govt and private sector client base



The HiTech ICT services team has developed a '**best of breed**' project delivery system in line with client needs – we call this **Project Delivery as a Service (PDaaS)** with key characteristics being:

- A perpetually fit-for-purpose project delivery model, managed as a service;
- Project delivery as a service that offers you access to resources and tools at a flexible and predictable cost, via a fully structured managed service, underpinned by KPIs and SLAs;
- Whether it's skilled resource provision or a fully managed service, PDaaS can help clients maximise their project success and improve IT project delivery times; and
- We offer the ability to have on boarded resources available based on the demand curve of a clients' portfolio.

1H FY2021 highlights

Industry leader in organic growth



Record double digit growth year on year

- 1H FY21 was a **7th consecutive record half year** of Revenue +19%, EBITDA +9% and NPAT +17%
- Growth is fueled and underpinned by a long term, blue chip client base and continued strong demand predominantly from multi-year supplier agreements with high profile Government departments
- Organic growth is forecast to continue with strong digital technology industry fundamentals in Australia



Record dividends second special dividend

- **4 cents per share** interim fully franked dividend PLUS **1.5 cents special dividend** declared for 1H FY21, payable on 19 March 2021, bringing total dividends for the last 12 months to **9.5 cents per share fully franked**
- Current intention to maintain dividends
- Ample franking credits for future capital management initiatives



Strong financial position

- **Strong balance sheet with no debt, driven by strong operating cashflows.**
- Net cash of ~\$4.9M puts the company in a strong position to fund future growth
- The Board and management team are dedicated to delivering a 7th consecutive full year record performance in FY2021

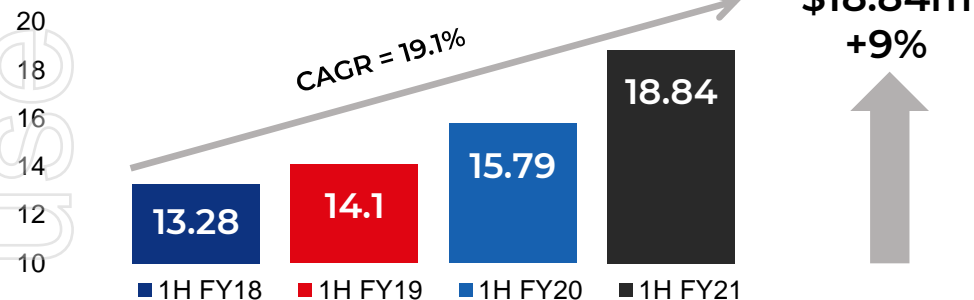
Focus on shareholder returns

Strong alignment between management and shareholders

19.1% compounded organic growth

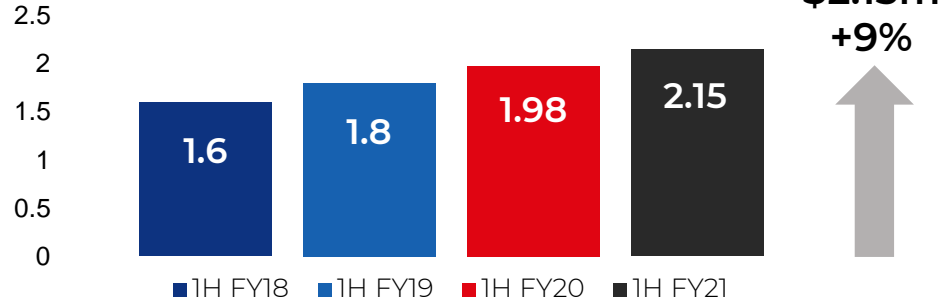
A\$ M

Revenue



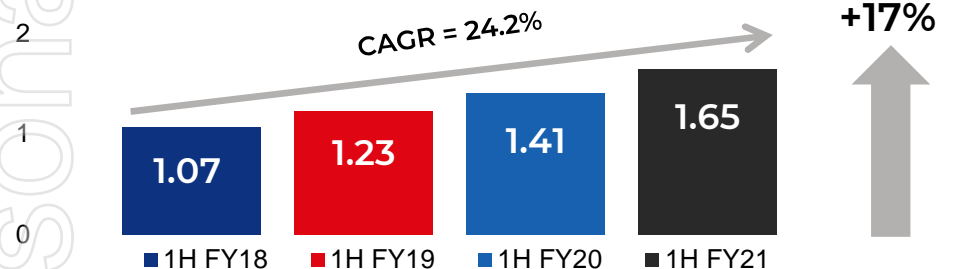
A\$ M

EBITDA



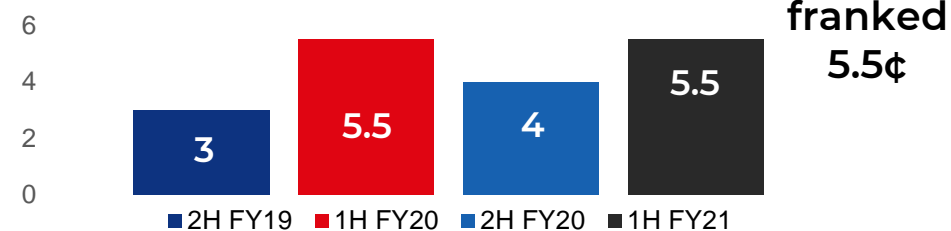
A\$ M

NPAT



Cents per Share

Dividends



Future growth

Organic + acquisition

HiTech has identified and implemented a two-tier growth strategy focused on leveraging its strong position in ICT contracting and services to win new mandates and customers along with seeking to execute opportunistic and complementary acquisitions.

Organic growth



- Further develop and mine key clients by addressing the ever increasing demand for our services thereby underpinning *recurring revenue*
- Enhance the service offering provided to existing clients by providing a broader suite of ICT consulting solutions in addition to underlying contracting agreements
- Expand the company's ICT offering into high margin consulting and service space (Cloud and Cyber Security) in line with client objectives
- Leverage the Company's substantial proprietary HiBase talent database of over 380,000 candidates to win new mandates

Acquisitions



- Pursue acquisitions in a highly fragmented market that satisfy the following criteria:
 - Market share for scale and accretive in nature
 - Enable cross selling growth
 - Complimentary offering which leverage towards its established blue chip client base
 - Deliver positive returns to shareholders
- The Board is committed to act in the best interests of all shareholders employing a **disciplined M&A growth strategy** that will benefit HiTech and its broader stakeholders over the long term

Corporate Overview

Founder/Management Shareholding

Rank	Name	Units	% Units
1	RAYHAZOURI NOMINEES PTY LTD	15,450,000	39.62
2	MR ELIAS HAZOURI	7,776,202	19.94
3	MR RAYMOND HAZOURI	2,100,000	5.38
4	SALEM HAZOURI	1,980,000	5.08
13	MR RAY HAZOURI	210,000	0.54
	TOTAL	27,516,202	70.56

Share Price



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