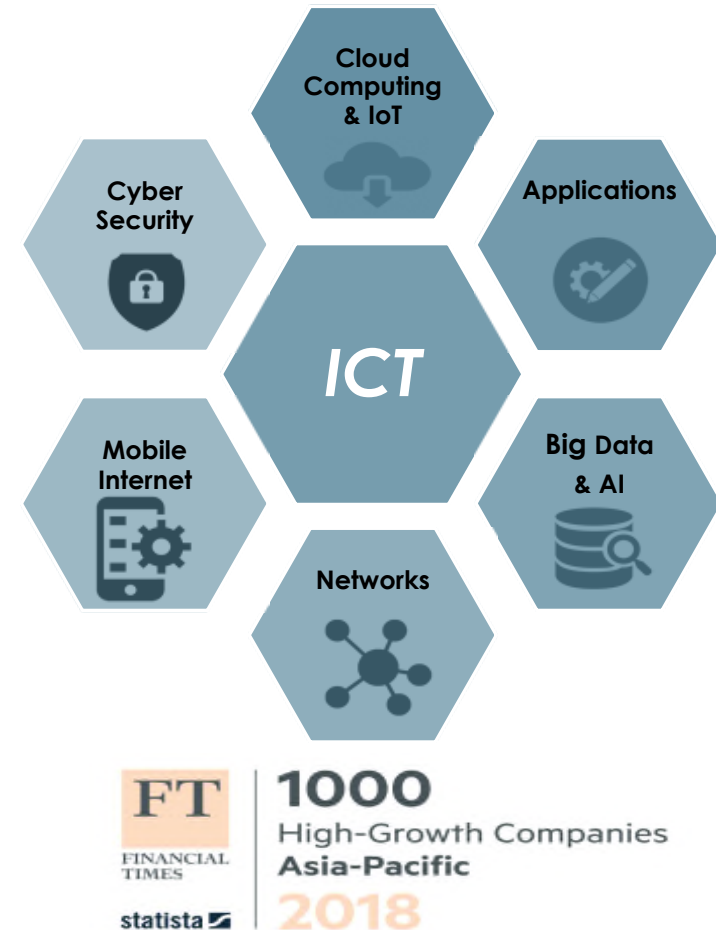




Half Year Results (ASX Code: HIT)
Institutional Roadshow Presentation
15 MARCH 2018

HiTech overview

- HiTech Group Australia Limited is a specialist provider of **recruitment and ICT consulting services**
- The term information and communications technology (**ICT**) is generally accepted to mean all technologies that, combined, allow people and organisations to interact in the digital world
- Services cover ICT, Office Support, Sales & Marketing and Finance sectors
- HiTech generates the majority of its revenue from ICT contracting and consulting, meaning revenue is almost **entirely recurring**
- Revenue is underpinned by a **long term, blue chip** customer base across Federal Govt, State Govt and the Private Sector
- HiTech has a well balanced and diversified client base of new and loyal existing ones
- Favourable conditions also expected to continue from **growing demand for skilled ICT professionals** and large scale public & private IT transformation projects
- HiTech independently ranked #207 by **Financial Times** as one of the high-growth companies in Asia Pacific 2018, **Top 40 in Australia***



* Source: FT 1000, High-Growth Companies Asia-Pacific, <https://ig.ft.com/special-reports/ft-1000/asia-pacific/2018/>

Key Investment Considerations

HiTech is in a strong and unique position to be a key beneficiary of the fast growing technology sector in Australia



Stable & experienced
leadership team



Fast growing
technology market
in Australia



Changing towards
contingent workforce



Robust financials
and growth
potential



Long term and
diversified client
base



Immune to disruptive
technology

Board of Directors

Raymond Hazouri

Chairman

Qualifications: BA (Sydney University), DipEd.

Experience: Founded HiTech in 1993 and has over 27 years' experience in the IT industry. Prior to establishing HiTech, Ray worked in a number of capacities in the information technology industry ranging from management positions, technical IT consulting roles including systems analysis/programming, project management and sales roles. Ray worked and consulted for a broad range of employers in the private, multinational, SME, and public sectors.

Elias Hazouri

Executive Director & CEO

Qualifications: B Sc, MBA

Experience: Over 28 years' experience in IT and banking. Elias was previously a director of HiTech from 1993-March 2000. Elias's knowledge of HiTech's business is extensive. Throughout his career, Elias has been integral to the development of many IT systems and IT support departments. He has held roles ranging from programmer to technology support head. Elias is a key resource and knowledge base to the HiTech account managers and is jointly responsible for generating new business. Elias has advised on business strategy, both from a financial and operational perspective, since the inception of HiTech in 1993. Elias is employed in the capacity of Chief Executive Officer.

George Shad

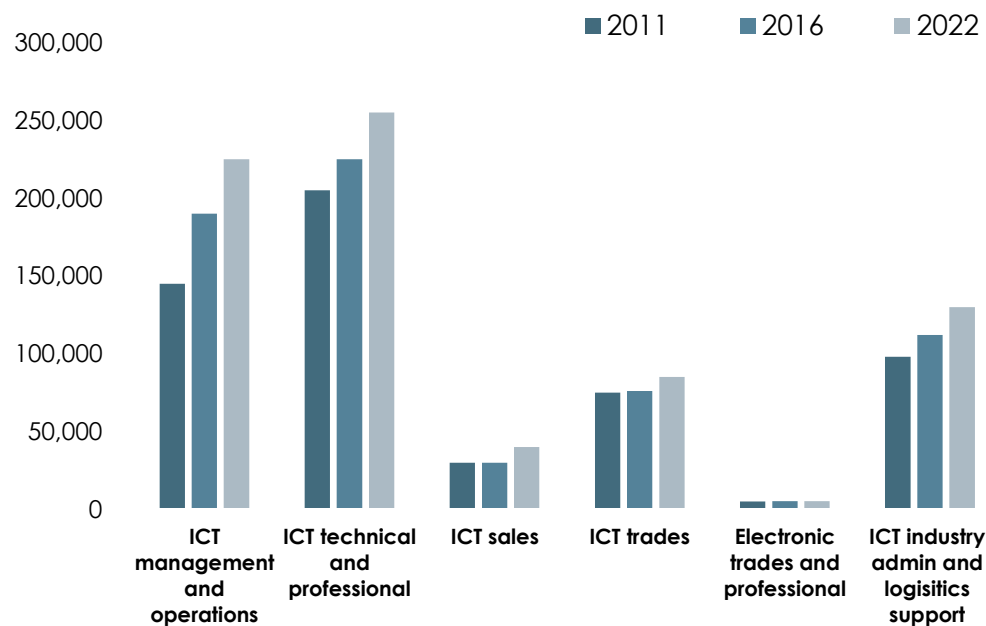
Non-executive Director

Qualifications: Solicitor

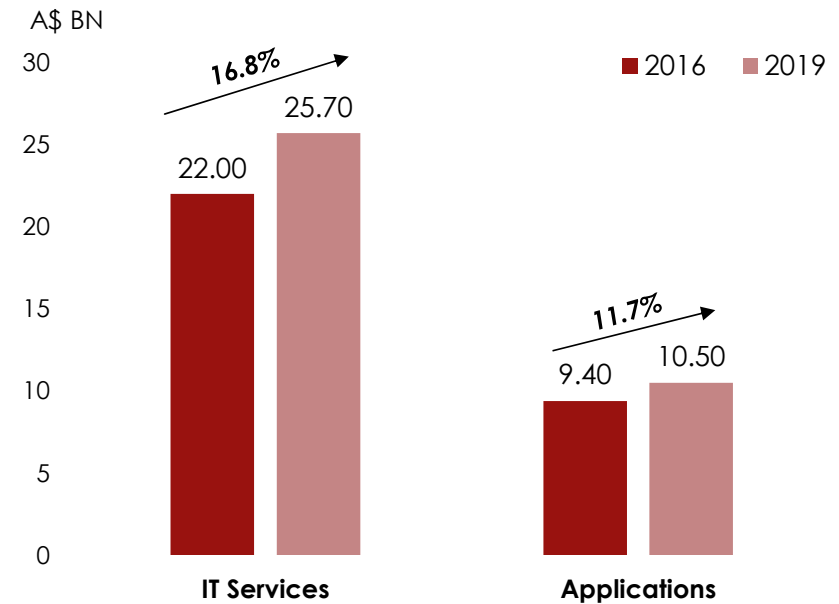
Experience: Appointed to the Board on 30 July 2003. Principal of Shad Partners Solicitors with thirty years' experience as a lawyer specialising in commercial and conveyancing work. George is a panel solicitor for a number of major banks and his expertise and contacts in the corporate sector will assist HiTech in furthering its client base.

Australia ICT industry overview

Historical & Forecast ICT Employment, 2011-22⁽¹⁾



Selected Sector Spending⁽²⁾

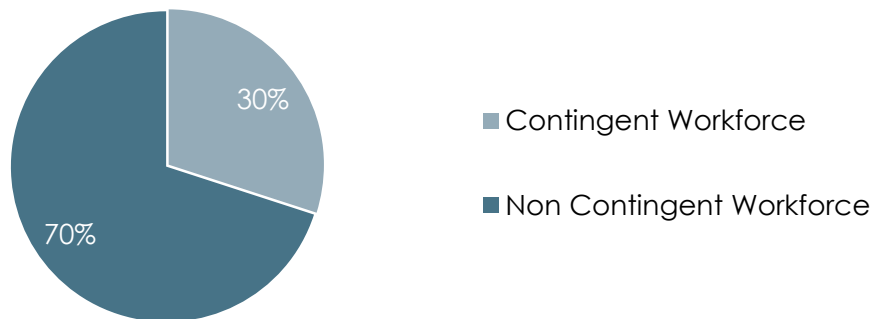


Strong growth in the ICT workforce is expected to continue, reaching 722,000 workers by 2022. This represents average annual growth of 2.0%, compared to 1.4% for the Australian workforce as a whole. The Australian government is a big employer in terms of procurement of IT Services and additional personnel for the vast number of new and existing ICT / Digitisation initiatives.

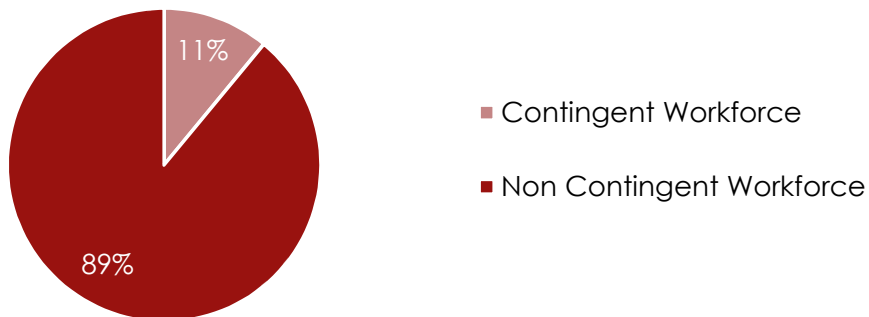
Source: ⁽¹⁾ Australia's Digital Pulse(2017)
⁽²⁾ Atradius Market Monitor Report, 2016

Demand for contingent workforce in Australia continues to rise...

2015 Contingent Workforce

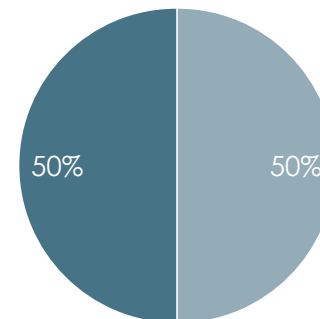


975m Contingent Workers Globally, **~30%** of total global workforce

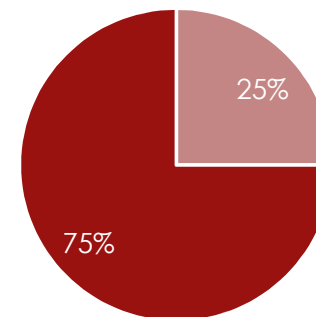


1.3m Contingent Workers in Australia, **~11%** of total Australian workforce

2020 Contingent Workforce

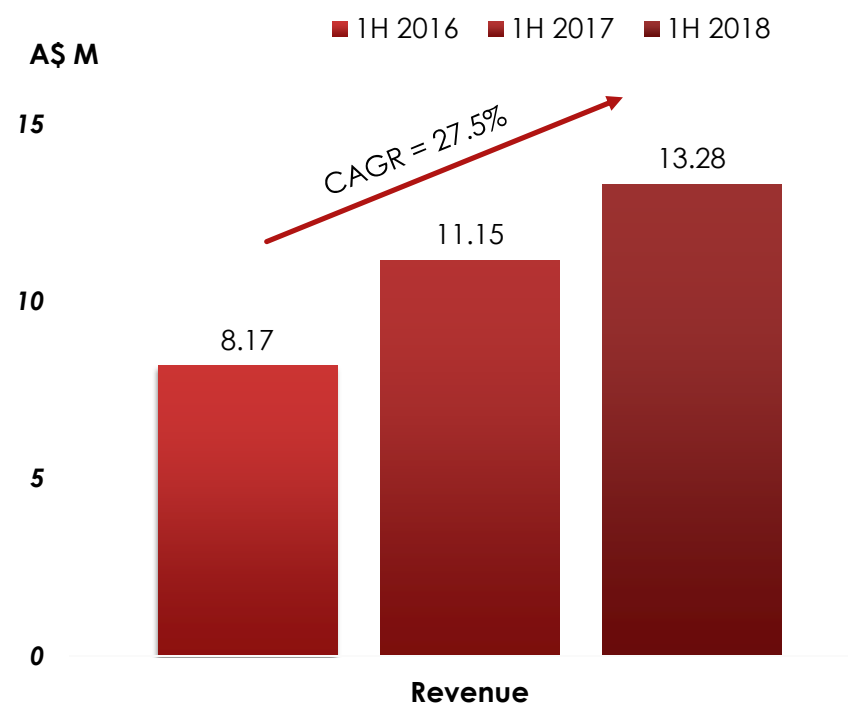
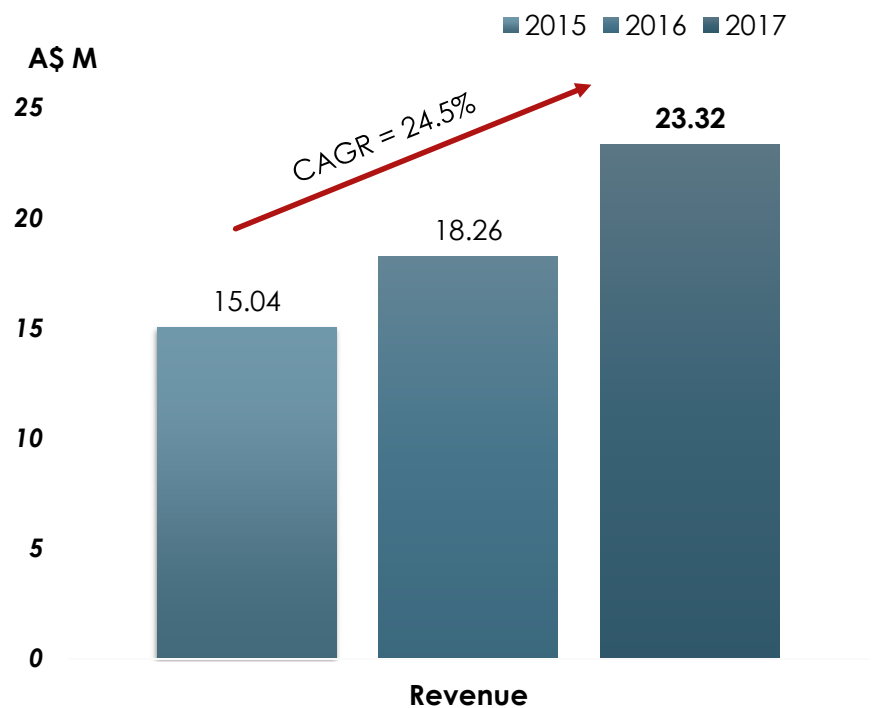


1.75b Contingent Workers Globally, **~50%** of total global workforce



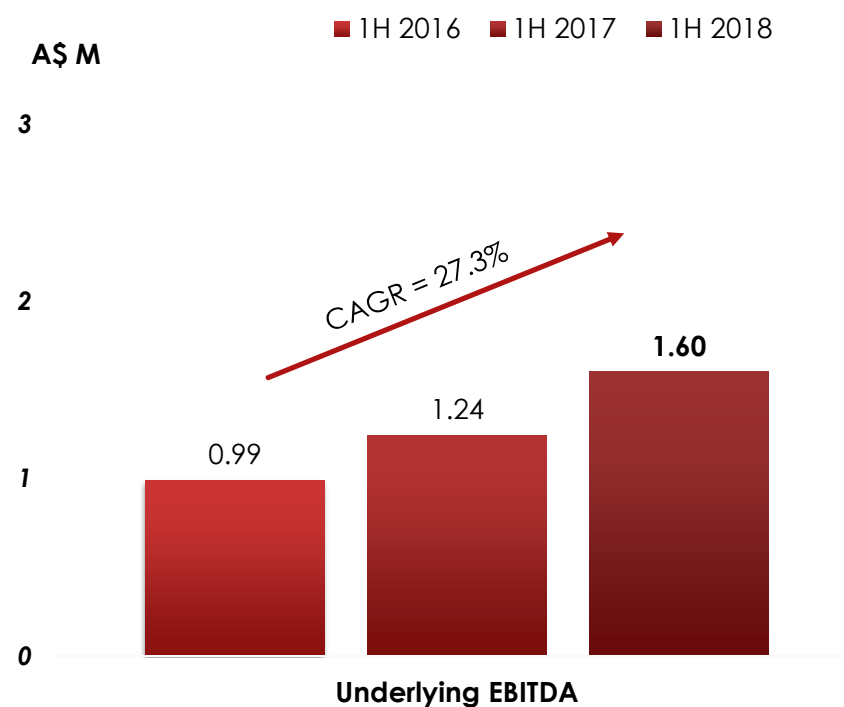
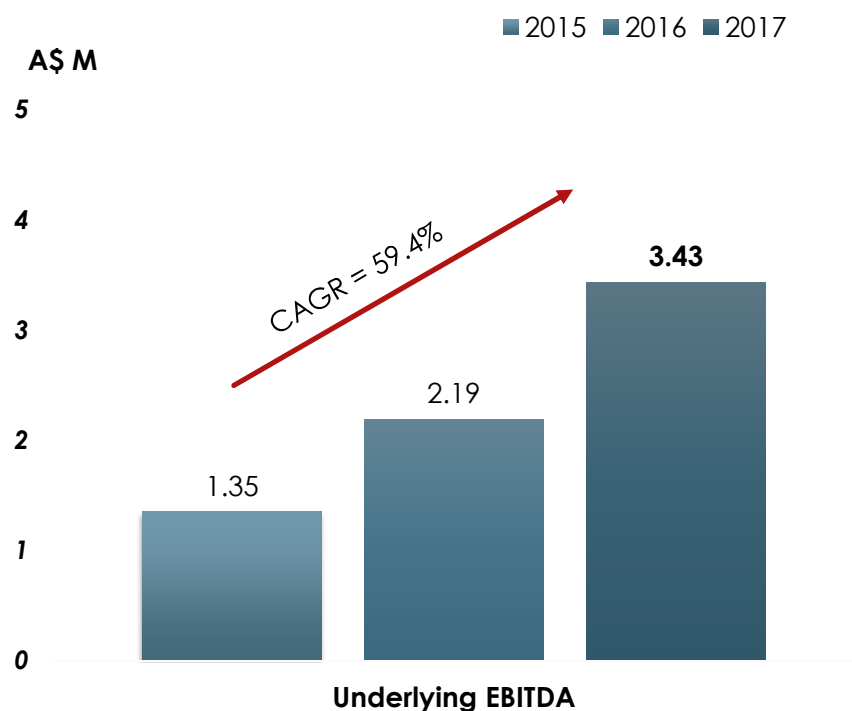
3.2m Contingent Workers in Australia, **~25%** of total Australian workforce

HiTech FY2017 & 1H FY2018 results highlights



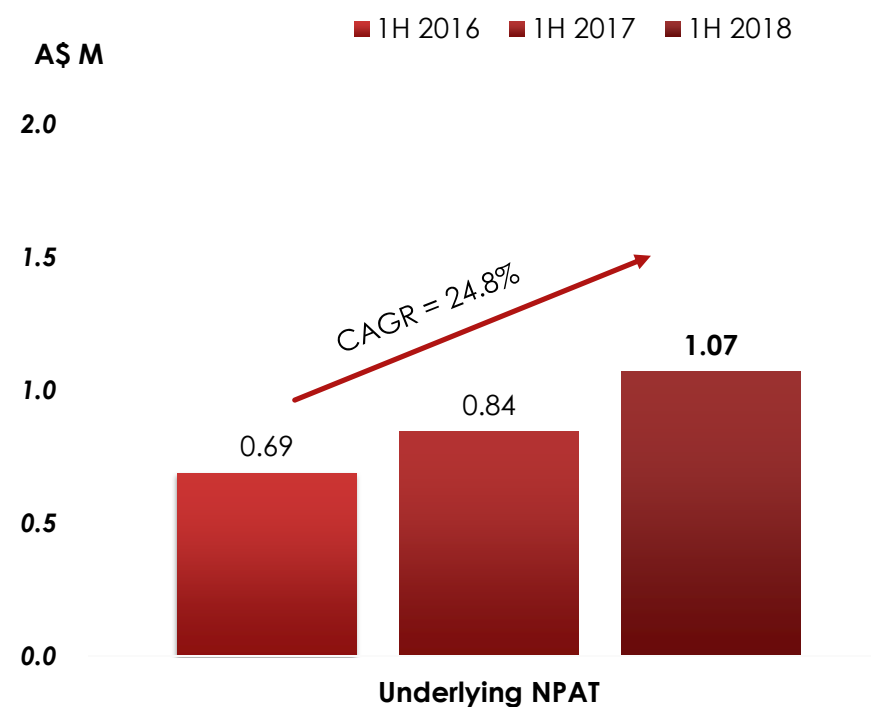
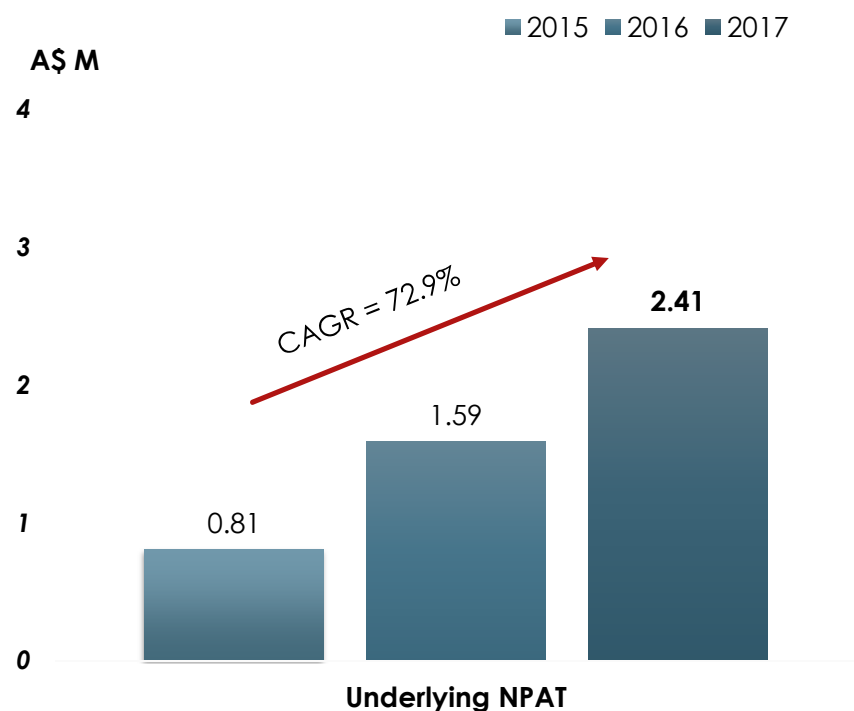
- FY2017 Revenue up 27% driven by 28% growth in contracting and 13% growth in permanent placement revenue
- FY 2017 is the company's fourth consecutive year of double digit growth
- **1H FY2018 revenues increased 19% over the previous corresponding period in 1H FY2017**

HiTech FY2017 & 1H FY2018 results highlights cont'd



- Underlying EBITDA continues to grow steadily
- **1H FY2018 Underlying EBITDA increased by an impressive 29% over the previous corresponding period in 1H FY2017**

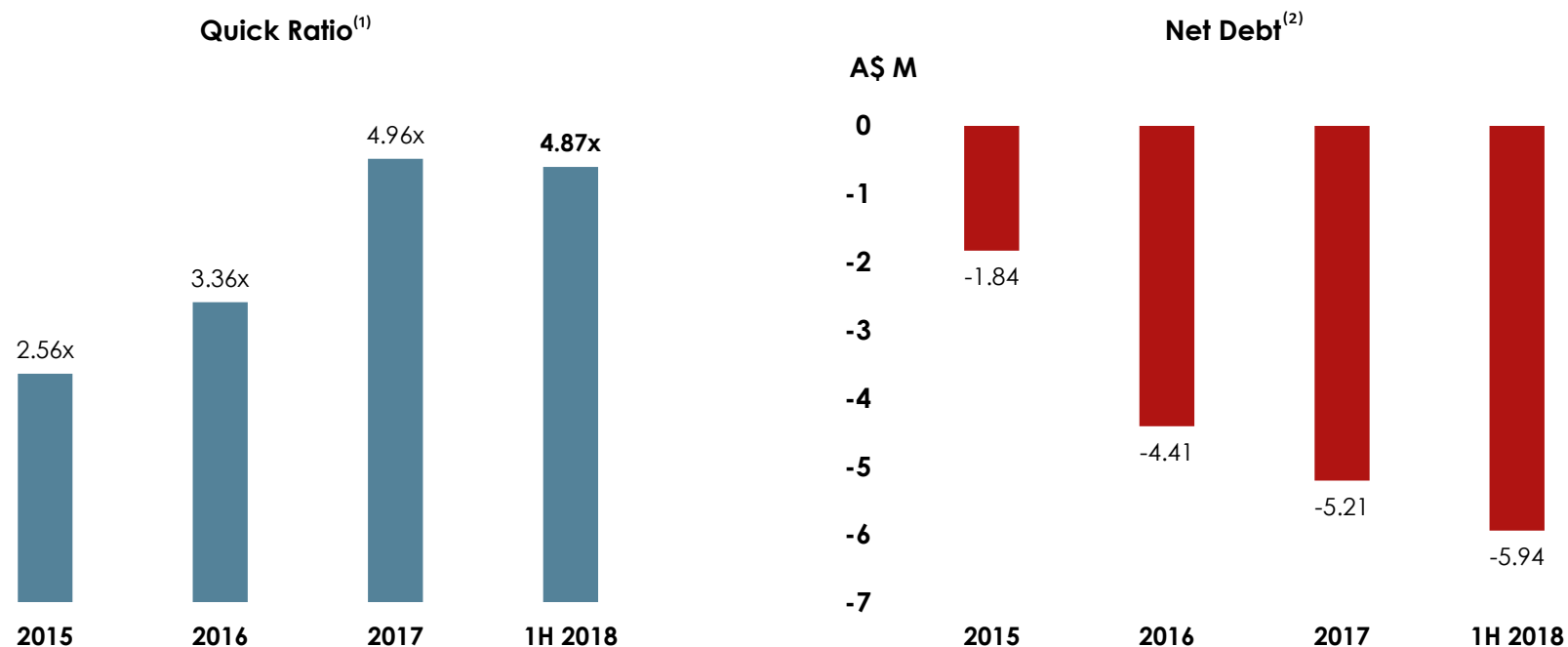
HiTech FY2017 & 1H FY2018 results highlights cont'd



- An interim dividend for 1H FY2018 of 4 cents fully franked has been declared payable on 19 March 2018, which if annualised equates to a **7.7% dividend yield before grossing up or 11.0% after grossing up⁽¹⁾**
- 1H FY2018 Underlying NPAT increased by an impressive 27% over the previous corresponding period in 1H FY2017**

⁽¹⁾Dividend yield is calculated based on HIT share price of \$1.035 as at 15 March 2018

Strong Balance Sheet and financial discipline



*HiTech is a resilient and strong company with a robust balance sheet and **no debt** which is unique in the industry*

⁽¹⁾ Quick ratio = (Cash & Cash Equivalents + Accounts Receivable) / Current Liabilities

⁽²⁾ Net Debt = Total Debt - Cash & Cash Equivalents.

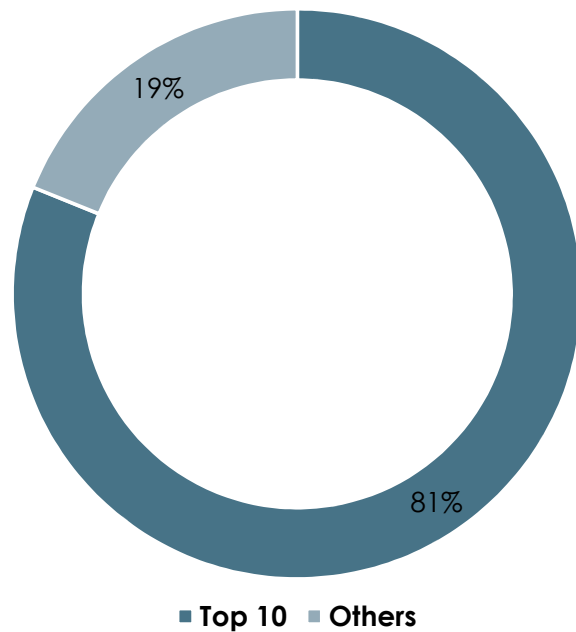
Specialised service with a winning formulae for success

- *HiTech works closely with select, identified blue chip client base names on talent acquisition*
- *Management intimately understands the key drivers of recruitment and ICT consulting services for its clients*
- *Continually seeking out permanent ICT work with the strongest margins or avenues for value added growth*
- *Execute and deliver on time for clients and is rewarded with long, established business relationships and recurring revenue stream*
- *Opportunity cost of each piece of business is always at the forefront of HiTech's thinking*
- *No revenue growth for revenue growth's sake*
- *Deliberate push into technology consulting and services space as these sectors are exhibiting strong growth*
- *Board and management teams have a uniquely engrained culture of financial discipline across all areas and aspects of its business*

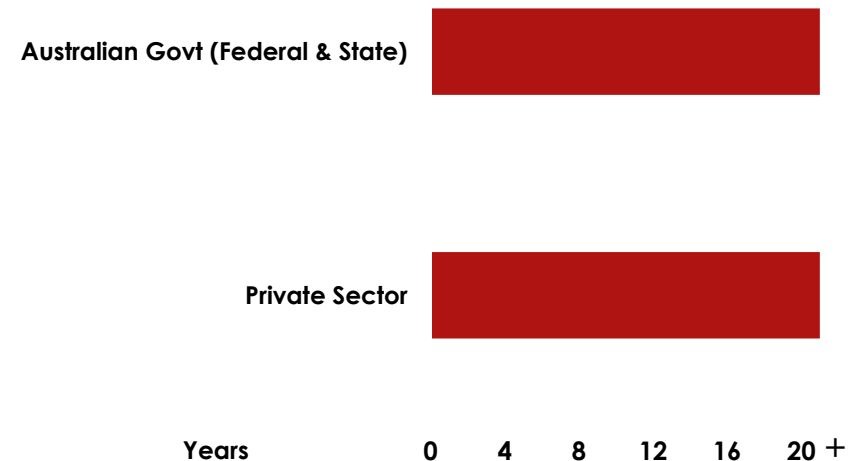


HiTech revenue breakdown

1H FY2018 Revenue Breakdown - Top 10 Clients Concentration



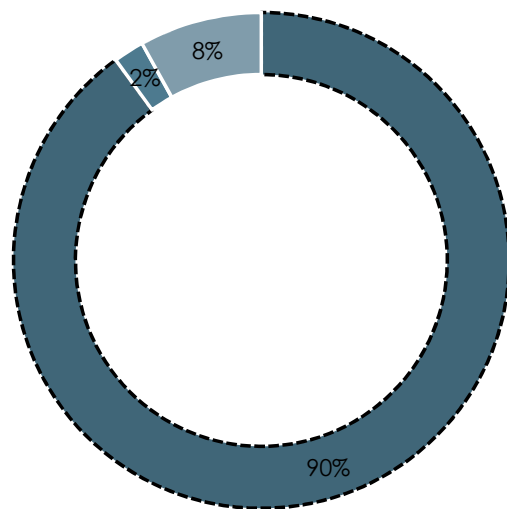
Average History of Service by Client Type



- HiTech has a long history and robust working relationship with its key established clients
- Revenue from its **Consultancy business is generally a higher margin business** which HiTech seeks to identify and secure on a long term basis

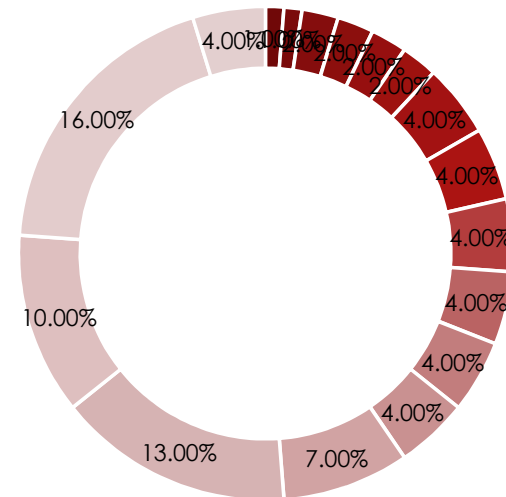
Stable client base – majority are Federal Government clients

1H FY2018 Revenue Breakdown – Client Type



■ Federal Govt ■ State Govt ■ Private Sector

Further breakdown of 1H FY2018 Federal Govt Revenue

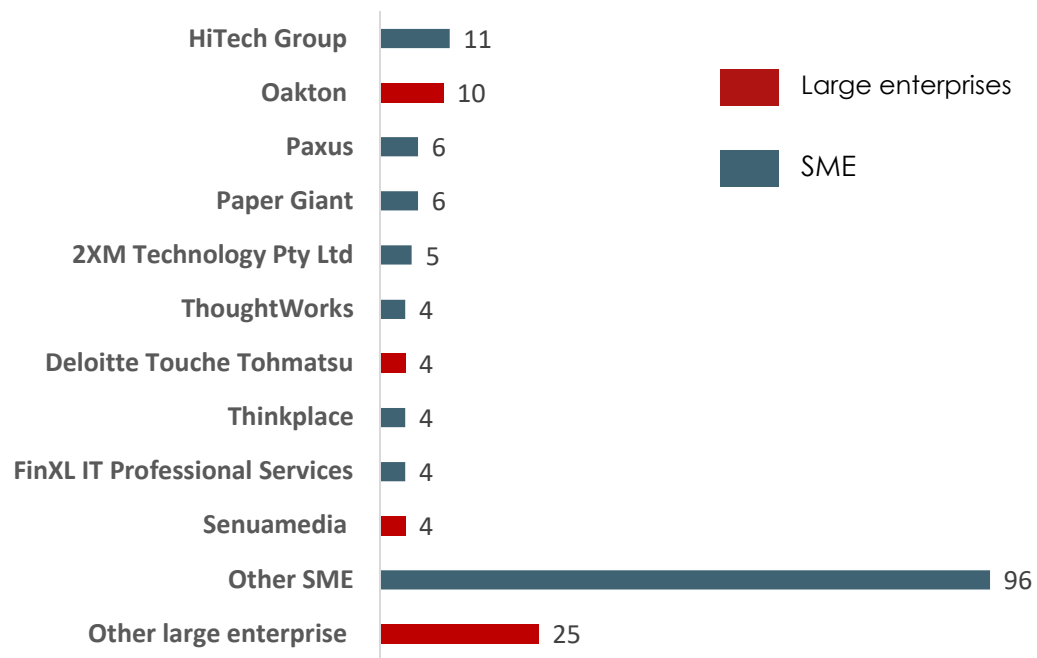


■ Federal Department 1
■ Federal Department 3
■ Federal Department 5
■ Federal Department 7
■ Federal Department 9
■ Federal Department 11
■ Federal Department 13
■ Federal Department 2
■ Federal Department 4
■ Federal Department 6
■ Federal Department 8
■ Federal Department 10
■ Federal Department 12
■ Federal Department 14

- **HiTech** has a long history and robust working relationship with its key established clients
- **HiTech** has a diversified blue chip client base with solid revenue base supported by **over 300 active corporate and government clients**, with strong representation by high technology companies, banking and financial services companies as well as **Federal Government departments and agencies**

One of the most competitive SMEs in the market

Sellers awarded contracts FY2018⁽¹⁾



72%

Of the **dollar value** contracted through the Marketplace since 29 August 2016 has been awarded to **SMEs**⁽¹⁾

75%

Contracts have been awarded by volume to SME sellers in January 2018

(1)Source: Digital Transformation Agency, www.marketplace.service.gov.au; January 2018

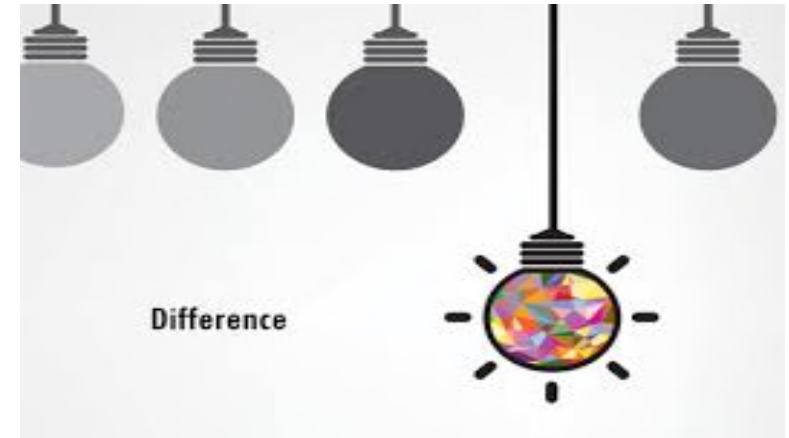
HiBase - proprietary, predictive database of ICT talent

- **HiBase** is a predictive intelligence tool built by HiTech for sourcing talent
- A comprehensive up to date database of over 360,000 professional candidates 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)** which benefits our clients:
 - o A perpetually Fit-For-Purpose Project Delivery Model, managed as a Service;
 - o 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;
 - o Whether it's Skilled Resource Provision or a fully Managed Service, PDaaS can help client's maximise their project success and improve IT project delivery times; and
 - o We offer the ability to have on boarded resources available based on the demand curve of a clients' portfolio.

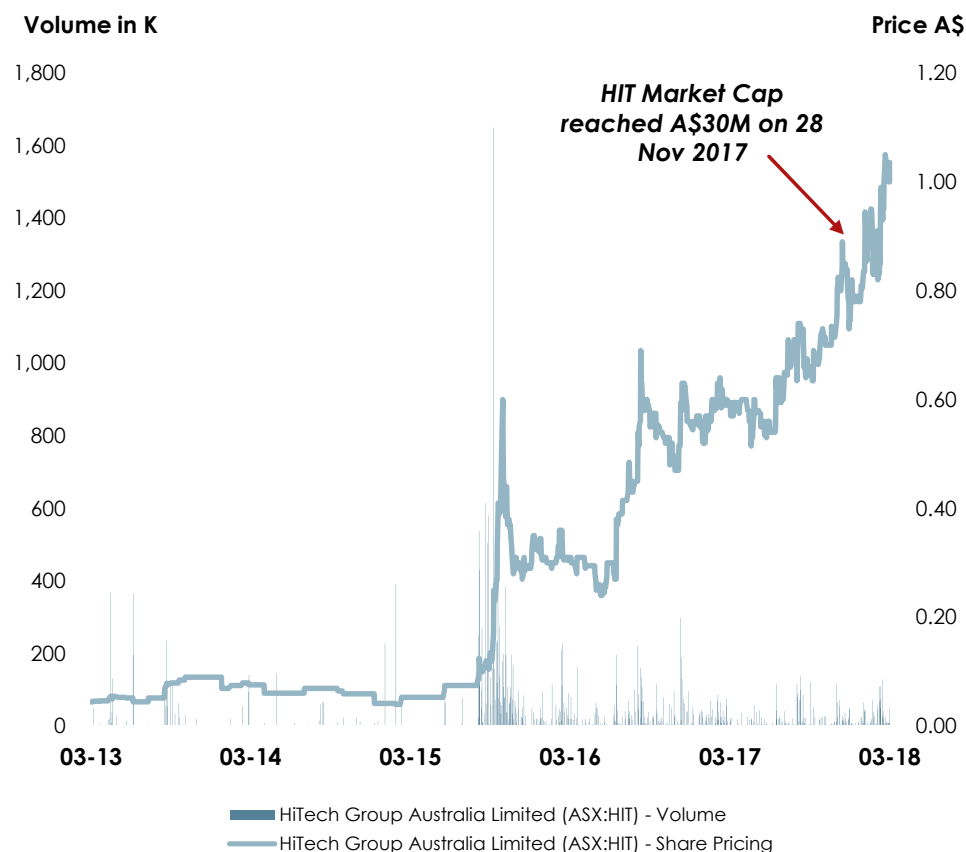


Overcoming any technology and competitor disruptions

- **HiTech** works at the forefront of specialist ICT services
 - The human element to this work is critical and irreplaceable
 - Human interaction and decision making will not disappear for critical ICT projects and assignments
 - “Automated platforms”, machine learning, AI or “e-Recruiters” focus on high volume/low margin transactional work or simplistic “matching”
 - Know Your Client rule – **HiTech** knows its client needs - built over relationships of 20+ years - and is best able to anticipate and respond to their needs
- **HiTech** has a valuable, underutilised candidate database ripe for monetisation via innovation and cross-selling opportunities
- **HiTech** is open to further advancing and complementing **HiBase** with predictive, machine learning and AI capabilities as the right partnership opportunities or technological advances emerge

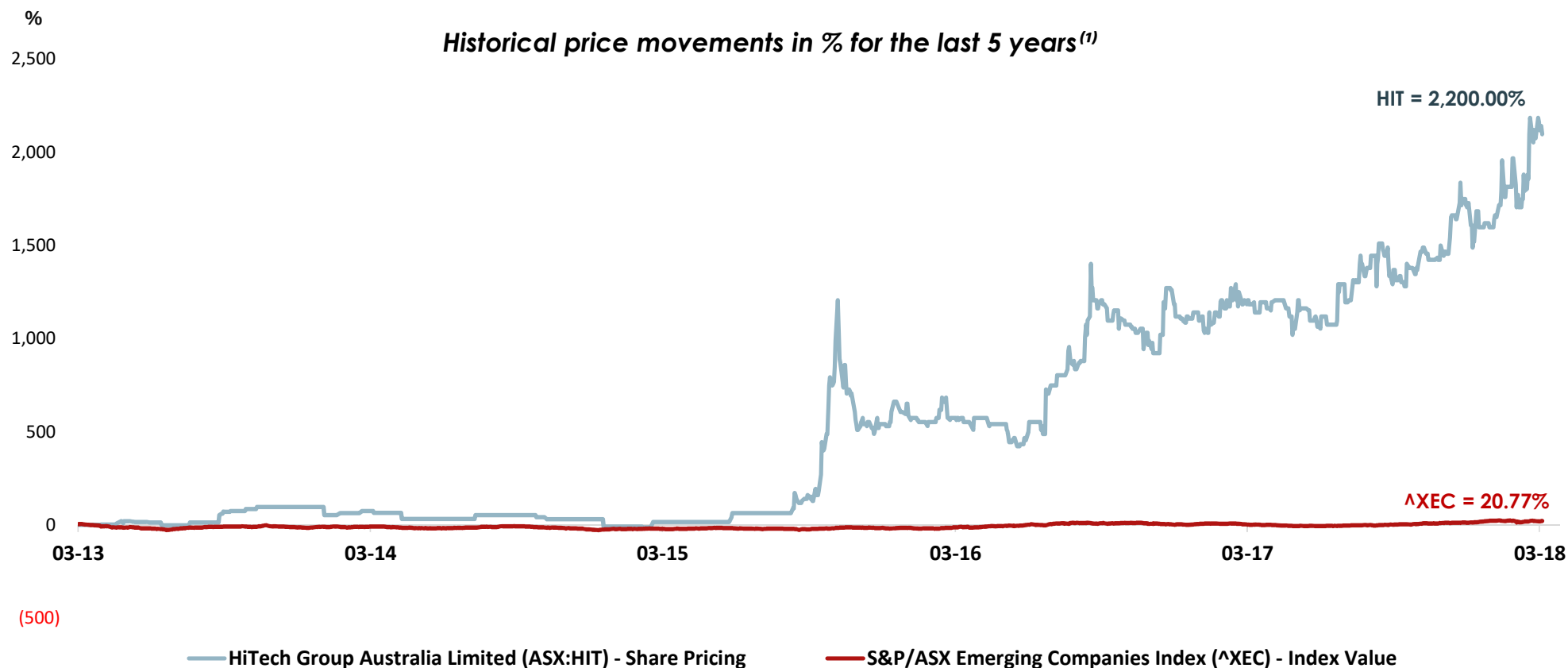


Consistent track record is being rewarded in share price....



HIT's Market Capitalisation	A\$
Closing price as of 15-Mar-18	\$1.04/share
52-week high on 23-Feb-18	\$1.05/share
52-week low on 02-May-17	\$0.52/share
Ordinary shares on issue	35.15m
Options outstanding ⁽¹⁾	4.50m
Equity market capitalisation	\$36.38m
Plus: net debt as of 31 Dec 2017	\$(5.94)m
Enterprise value	\$30.44m
⁽¹⁾ as at 31 Dec 17, the total number of options outstanding was 4.5 million with an exercise price of A\$0.22 cents	
Substantial shareholding as at 15-Feb-18	% of total voting rights
R. Hazouri – 17.76 million shares	50.53%
E. Hazouri – 3.93 million shares	11.17%
S. Hazouri – 1.98 million shares	5.63%

HiTech's significantly outperformed the S&P ASX Emerging Companies Index



⁽¹⁾ Source: Capital IQ

...but with significant upside left versus ASX Listed peers

	HiTech Group ⁽¹⁾	Peer 1	Peer 2	Peer 3	Peer 4 ⁽²⁾	Peer 5	Peer 6	Peer 7 ⁽¹⁾
<i>Shares on issue M</i>	35.15	89.58	67.17	243.87	64.04	117.96	103.87	143.98
<i>Share Price A\$</i>	1.04	0.08	0.16	0.03	1.44	0.13	0.32	0.18
<i>Market Capitalisation A\$ M</i>	36.38	7.35	10.75	6.83	92.22	15.34	33.24	25.20
<i>Cash A\$ M</i>	5.94	2.66	3.22	0.91	6.30	4.87	5.37	0.53
<i>Debt A\$ M</i>	0.00	5.64	1.04	15.20	11.93	5.71	0.00	0.00
<i>EV A\$ M</i>	30.44	10.33	8.57	21.11	97.86	16.18	27.87	24.66
<i>Revenue A\$ M</i>	25.48	146.66	101.87	187.97	191.99	38.34	0.20	321.44
<i>EBITDA A\$ M</i>	3.94	-2.92	0.94	-1.21	10.25	-2.95	-2.91	5.70
<i>EBIT A\$ M</i>	3.84	-4.07	0.14	0.34	9.12	-3.09	-3.59	3.80
<i>NPAT A\$ M</i>	2.72	-4.28	0.34	-6.08	6.22	-3.30	-3.59	4.60
<i>EV/EBITDA (x)</i>	7.73	N/A	9.13	N/A	9.55	N/A	N/A	4.33
<i>EV/EBIT (x)</i>	7.93	N/A	59.95	62.45	10.73	N/A	N/A	6.49
<i>EPS</i>	0.08	-0.05	0.01	-0.02	0.10	-0.03	-0.03	0.03
<i>P/E (x)</i>	13.38	N/A	31.24	N/A	14.82	N/A	N/A	5.48
<i>Total Debt/EBITDA</i>	0.00	-1.93	1.11	-12.61	1.16	-1.94	0.00	0.00
<i>EV/Revenue (x)</i>	1.19	0.07	0.08	0.11	0.51	0.42	139.70	0.08
<i>NPAT Margin</i>	10.68%	N/A	0.34%	N/A	3.24%	N/A	N/A	1.43%
<i>EBITDA Margin</i>	15.46%	N/A	0.92%	N/A	5.34%	N/A	N/A	1.77%
	Balance sheet and P&L items for LTM @ Dec 31 2017	Balance sheet and P&L items for LTM @ Dec 31 2017	Balance sheet and P&L items for LTM @ Dec 31 2017	Balance sheet and P&L items for LTM @ Dec 31 2017	Balance sheet and P&L items for LTM @ Dec 31 2017	Balance sheet and P&L items for LTM @ Dec 31 2017	Balance sheet and P&L items for LTM @ Dec 31 2017	Balance sheet and P&L items for LTM @ Dec 31 2017

Note: Share prices @ 15 March, 2018

⁽¹⁾ HIT and Peer 7 - EBITDA, EBIT and NPAT represent Underlying business results

⁽²⁾ Peer 4 - FY 17 Pro Forma Financial Statements according to Prospectus

...but with significant upside left versus ASX Listed peers cont.

	HiTech Group ⁽¹⁾	Peer 8	Peer 9	Peer 10 ⁽²⁾	Peer 11	Peer 12	Peer 13	Peer 14
Shares on issue M	35.15	251.49	171.46	154.18	61.52	131.07	515.50	414.95
Share Price A\$	1.04	0.98	0.08	0.17	0.08	0.61	0.02	0.03
Market Capitalisation A\$ M	36.38	246.46	13.72	25.44	5.11	79.30	9.79	11.62
Cash A\$ M	5.94	33.55	3.46	24.79	1.90	7.73	5.01	3.01
Debt A\$ M	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EV A\$ M	30.44	212.91	10.26	0.65	3.21	71.57	4.78	8.61
Revenue A\$ M	25.48	1.61	0.92	0.85	0.24	3.24	0.38	0.07
EBITDA A\$ M	3.94	-7.30	-5.15	-0.37	-2.34	-10.26	-1.21	-3.77
EBIT A\$ M	3.84	-7.45	-5.15	-0.37	-3.31	-10.32	-1.23	-3.70
NPAT A\$ M	2.72	-7.18	-5.15	-5.72	-3.31	-7.92	-1.23	-4.10
EV/EBITDA (x)	7.73	N/A	N/A	N/A	N/A	N/A	N/A	N/A
EV/EBIT (x)	7.93	N/A	N/A	N/A	N/A	N/A	N/A	N/A
EPS	0.08	-0.03	-0.03	-0.04	-0.05	-0.06	0.00	-0.01
P/E (x)	13.38	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Debt/EBITDA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EV/Revenue (x)	1.19	132.04	11.13	0.76	13.31	22.12	12.69	130.51
NPAT Margin	10.68%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
EBITDA Margin	15.46%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Balance sheet and P&L items for LTM @ Dec 31 2017	Balance sheet and P&L items for LTM @ Dec 31 2017	Balance sheet and P&L items for LTM @ Dec 31 2017	Balance sheet and P&L items for LTM @ Dec 31 2017	Balance sheet and P&L items for LTM @ Dec 31 2017	Balance sheet and P&L items for LTM @ Dec 31 2017	Balance sheet and P&L items for LTM @ Dec 31 2017	Balance sheet and P&L items for LTM @ Dec 31 2017

Note: Share prices @ 15 March, 2018

⁽¹⁾ HIT - EBITDA, EBIT and NPAT represent Underlying business results

⁽²⁾ Peer 10 - Last 11 months to Dec 31 2017

A simple 2 Tier growth strategy

Organic Growth

- On-boarding of new clients
- Enhance the service offering provided to existing clients by providing a broader suite of recruitment and ICT consulting solutions in addition to base contracting agreements
- Expand the company's ICT offering into high margin consulting and service space (Cloud, Security, SaaS) in line with client objectives

M&A Growth

- Pursue acquisitions in a highly fragmented market that satisfy the following criteria:
 - Fit the industry and company culture of HiTech
 - Complimentary acquisitions which leverage towards its established blue chip client base
 - EPS and CFPS accretive
 - Deliver positive returns to shareholders
- Preliminary studies are currently being conducted to understand the businesses and operations of potential targets under HiTech's strict criteria
- 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

Investment highlights – Investor proposition

Dividends

- 4 cents fully franked interim dividend was declared in 1H FY2018, bringing total dividends for the last 12 months to 7 cents fully franked
- Annualised gross dividend yield of about 11.0% at the current share price of \$1.035*
- Current intention to maintain dividends

Record Growth

- 1H FY2018 was a fourth consecutive half year of revenue and profit growth
- Record half year growth of 19% in revenue and 27% in Underlying NPAT
- This growth is fueled and underpinned by a long term, blue chip client base and recently renewed multi-year supplier agreements with large Government departments
- Organic growth is forecast to continue with strong technology industry fundamentals in Australia

Strong Position

- Strong balance sheet with no debt
- Net cash of ~\$6M puts the company in a strong position to implement its 2 Tier growth strategy
- The Board and the management are dedicated to deliver a fourth consecutive full year of growth anticipated for FY2018

* Share price as at 15 March 2018

Contact information

Elias Hazouri

CEO

 elias@hitechaust.com

 (02) 9241-1919

 www.hitechaust.com

 Level 9, 189 Kent street, Sydney, NSW 2000, Australia

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