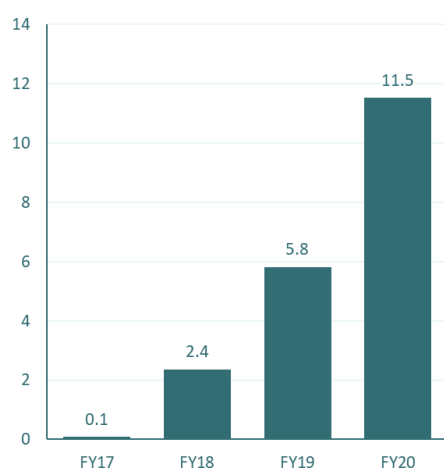


## PRELIMINARY FINAL REPORT

- **Record financial results in FY20**
  - ✦ **Revenue \$11.5m**
  - ✦ **Profit before tax \$1.4m**
  - ✦ **Operating cash flow \$1.7m**
- **Strong improvement in all key metrics showcasing transformation in the last 3 years**
- **Minimal dilution to shareholders to achieve transformation**

Revenue (\$ million)



Profit before Tax (\$ million)



(in \$ million unless otherwise specified)	FY17	FY18	FY19	FY20
Revenue	0.1	2.4	5.8	11.5
Revenue growth %	-	2475%	146%	98%
EBITDA	(1.4)	(0.6)	0.1	1.6
EBITDA margin	Neg.	Neg.	2.5%	14.0%
Profit before tax	(1.3)	(0.6)	0.1	1.4 <sup>1</sup>
Net cash flow from operations	(0.9)	(0.8)	0.7	1.7
Net assets	12.2	19.8	16.2	22.1 <sup>2</sup>
Cash balance (end of period)	2.5	1.5	2.4	1.1 <sup>3</sup>
Total ordinary shares on issue <sup>4</sup>	97.3 m	106.3 m	120.6 m	139.5 m

## Notes:

1. Excludes loss from discontinued operations (Cloudten UK) of \$389k
2. Includes valuation of TSI India of \$9.8m for FY19; this has not yet been finalised and is subject to change for FY20
3. Cash balance as at 15 May 2020 is \$1.7 million
4. Number of shares on issue are adjusted for 20 for 1 share consolidation completed in April 2020.

Vortiv Limited (ASX: VOR) (Vortiv or the Company) achieved a record financial results for the year ended 31 March 2020 ("FY20").

## REVENUE

Vortiv achieved revenue of \$11.5 million for FY20, a 98% increase from FY19. The record income is attributed to the continued growth of revenue from Vortiv's key customers:

- Repeat business and recurring revenue stream from loyal client base
- Increasing average spend to ~\$1m p.a. per top 10 client in FY20
- Robust growth in the cloud and cyber security market

## EBITDA AND PROFIT

Vortiv recorded \$1.6 million in EBITDA and \$1.4 million in profit before tax (PBT) from continuing operations for FY20.

This represents an EBITDA margin of 14%, an increase from FY19 margin of 2.5%. This is mainly attributable to:

- revenue growth
- economies of scale in corporate and other overhead costs
- strong utilisation of the Cloudten and Decipher Works team.

The EBITDA margin is expected to continue to increase as revenue increases in the coming years.

Furthermore, tax losses of \$1.6 million were recognised as a tax benefit during the financial year as a deferred tax asset and offset against future income tax expense. As a result, profit after tax from continuing business is \$3 million for FY20

## OPERATING CASH FLOW

Vortiv's \$1.7 million in operating cash flow for FY20 represents a 143% increase from the prior year. This increasing operating cash flow enables the Company to meet all its financial obligations, with surplus to be used to pursue further acquisition opportunities.

## SHARES ON ISSUE

Vortiv has increased the total ordinary shares on issue to 139.5 million shares (post consolidation), an increase of 43% over the last 3 years. This represents minimal dilution to Vortiv shareholders in comparison to the strong financial position achieved from the two acquisitions in Cloudten and Decipher Works.

## BUSINESS OUTLOOK

Vortiv continues to deliver services to clients and secure new business to clients during the current Covid-19 lockdown. As a result of its loyal customer base and robust revenue stream, Vortiv expects to deliver a record June 2020 quarter. Based on current backlog of customer contracts signed to date, management estimates Vortiv's revenue to be \$3.6 to 3.8 million and EBIT to be \$0.5 to \$0.6 million for the June 2020 quarter.

Released with the authority of the Board.

**For more information:**

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**About Vortiv**

Vortiv Ltd (formerly Transaction Solutions International) is a technology-based company focused on cybersecurity and cloud infrastructure and security. The Company has a 100% ownership of Decipher Works, a Sydney-based cybersecurity specialist that provides consulting and managed services to its loyal client base of financial institutions and large corporations. In addition, Vortiv owns 100% of Cloudten Industries, a cloud and cloud security specialist that assists the government, financial institutions and large corporations migrate, secure and manage their infrastructure in the cloud.

Vortiv also holds a 24.89% interest in TSI India, a company having 400 employees, which has created a scalable operation in the field of e-transactions and payments in India. TSI India owns and manages ATMs for over 30 major banks and offers Bill Payment services to a number of utility companies in India.

**Forward Looking Statements**

Certain statements contained in this document constitute forward looking statements. Such forward-looking statements are based on a number of estimates and assumptions made by the Company and its consultants in light of experience, current conditions and expectations of future developments which the Company believes are appropriate in the current circumstances. These estimates and assumptions while considered reasonable by the Company are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, achievements and performance of the Company to be materially different from the future results and achievements expressed or implied by such forward-looking statements. Forward looking statements include, but are not limited to, statements preceded by words such as "planned", "expected", "projected", "estimated", "may", "scheduled", "intends", "anticipates", "believes", "potential", "could", "nominal", "conceptual" and similar expressions. Investors are cautioned that forward looking information is no guarantee of future performance and accordingly, investors are cautioned not to place undue reliance on these forward-looking statements.