

MANAGEMENT SHARE SCHEME STRATEGIC REVIEW FOLLOWING BUSINESS TRANSFORMATION

KEY HIGHLIGHTS

- Successful transformation into a high growth specialised technology business, with an increase of ~62% on pro-forma acquired revenue over 2-3 years.
- Strategic review to optimise alignment of key management and shareholders.

Strategic Review

Given Vortiv Limited's (ASX: VOR, "Vortiv" or "the Company") substantial transformation over the last 3 years, the Board is now reviewing a new equity incentive scheme to optimize alignment of management incentives, business outcomes and sustainable shareholder value creation.

Strong Acquisition Value-Add Track Record

Vortiv has demonstrated a strong capability to add value to specialized technology consulting businesses. Over the last 3 years, the Company has successfully transformed itself into a high growth, profitable cybersecurity business.

In August 2017, the Company acquired 100% of cybersecurity specialists Decipher Works Pty Ltd (DWX) (see ASX release dated 16 August 2017, *TSI Acquires 100% of cybersecurity specialist*). At the time of acquisition, DWX was consistently generating revenue of approximately \$3.25m p.a.

In February 2019, the Company acquired 100% of Cloudten Industries Pty Ltd ("Cloudten"), a highly accredited cloud and cloud security service provider (see ASX release dated 13 December 2018, *TSI to Acquire Profitable Cloud & Cloud Security Business*). Cloudten's FY18 revenue was \$3.8m.

Combined, DWX and Cloudten at acquisition generated pro-forma revenues of ~\$7.1m. In FY20, Vortiv generated \$11.5m revenue, an increase of ~62% on pro-forma acquired revenue over 2-3 years.

The acquisitions enabled Vortiv to transform its business from a loss before tax of \$1.3m in FY17 to a profit before tax of \$1.4m in FY20.

Legacy Incentives

Given the Board's Strategic Review, the Company continues to rationalize its legacy incentives to provide scope for a new equity scheme in due course.

Accordingly, the Company announces the following initial changes to its legacy incentives:

- Issue of \$200k Vortiv shares to Richard Tomkinson to buyout his earnout rights, with shares issued at the 5-day VWAP and subject to 12-month voluntary escrow.

- Expiry on 23 September 2020 without exercise of 1,518,750 unlisted options, with an exercise price of \$0.1702.

The Company will keep shareholders informed of the outcomes of the Strategic Review and proposed changes to the management incentive schemes.

Authorised by
Gary Foster
Chairman

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.