

2014 AGM Chairman's Address

I thank all of you for coming along today for the first Annual General Meeting of the Company in its current form as Bulletproof Group.

It has been a very good year for Bulletproof: from the reinstatement to the ASX in our current form; through the full year result demonstrating the team's capacity to perform against challenging objectives (of which our CEO, Anthony Woodward will tell us more in his presentation); and with a successful placement to targeted investors following the end of the financial year. That placement helped the Company secure a number of additional institutional investors, joining an already supportive group of shareholders; and provided a stronger balance sheet to allow us to accelerate growth opportunities for the Company.

From this platform, we will continue to work each day to grow and develop the business. In his presentation, Anthony will briefly touch on how we are going with that work so far - highlighting key elements of your Company's performance in the current financial year.

Before returning to the formal business of the meeting, I want to briefly touch on the announcement we made earlier this week, having signed a non-binding term sheet for an acquisition. As noted in that release, we only made the announcement to ensure that shareholders voting today were fully informed about a material background activity of the Company. Obviously, we can say nothing further about the transaction, as it is not yet completed and may well change materially before closing (indeed, no transaction may actually be concluded at all).

However, I can say that the Board and management of the Company are focused on bringing the matter to a conclusion as quickly and effectively as possible.

While we can provide no more detail on the current transaction, I can make some general points about the Company's approach to acquisitions – in part to head off the risk of concern about the total consideration identified as potentially payable.

Ideally, we seek to structure a deal as a mixture of cash and shares. This gives the target some tangible reward for their work to date, and also ensures their ongoing alignment with the Company and all other shareholders.

Ideally, again, we seek to structure a transaction into a number of payments. An initial payment based on existing earnings, but at a relatively low multiple. And, subsequent payments which would only be paid as and when further synergies and new revenues and earnings are generated.

Ultimately, while the overall transaction multiple will still be relatively modest (and in all but the rarest of cases be an accretive transaction), the target will have the opportunity to realise the benefit of growing within the larger Bulletproof group, and hence still be appropriately rewarded for its contributions.

In the best case, we would be very happy to pay out the maximum proposed consideration for a transaction, as it would represent a material uplift to the 'base' earnings of the target's business, flowing into Bulletproof's operations.

In relation to the current transaction, we hope to come back to the market with further detail once it is concluded, ideally around the end of the year.

Thank you for support for the Company over the past year, and we look forward to sharing with you further positive outcomes over the coming financial year.

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About Bulletproof

Bulletproof Group Limited is an Australian-owned, publicly listed company with offices in Sydney and Melbourne, Australia, and California, USA. Bulletproof Group shares are listed on the Australian Securities Exchange (ASX) and are traded under the code BPF.

Founded in 2000, Bulletproof is the leading Australian-owned mission critical cloud provider, providing Managed Cloud services to business, enterprise and government customers. Bulletproof has consistently been first to market with public and private cloud based services and innovations. Bulletproof was the first company in Australia to launch a public cloud service in 2006 and the first to launch a managed Amazon Web Services (AWS) offering in 2012.

Bulletproof's world-class service allows customers to focus on their core business to ensure they have the freedom to be remarkable.