



27 November 2017

Manager Companies
Market Announcements Office
Australian Stock Exchange Limited
Level 4, Stock Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

AGM Address to Shareholders

Please find following the Managing Director (Acting) presentation to be delivered at the CPT Global Limited Annual General Meeting in Melbourne this morning.

Yours sincerely

Grant Sincock
Company Secretary

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Fellow Shareholders,

On behalf of the Chairman, the Board and the CPT Global Management Team, I thank you again for making the time to be here today, for us to update you on our performance and the changes we are making in the company. Having been onboard with CPT Global since April 2016, there is no doubt that there were actions needed to help set the company back towards delivering sustainable profits and positive operating cashflow.

CPT Global was founded to provide deep technical expertise, help clients deliver outcomes from their technology investments and to drive efficiencies in infrastructure and the IT cost base. C, P and T originated from Capacity Planning, Performance Tuning and Testing. There's no doubt that these core tenets of who we are and what we do are still highly relevant in today's markets as clients grapple with the increasing pressures to deliver faster and with greater confidence in outcomes.

There are, however, aspects of our business and operating model that we have had to challenge, or address, in order that the company can move forward following several years of disappointing financial performance. We've had to take a hard look at our cost base. Our international business hasn't been profitable and has contributed to a weakening of our balance sheet. In our endeavours to compete in many geographies we have spread ourselves thin and haven't been able to capitalise fully on the growth opportunities in our larger markets. Despite this, our Australian business remains the backbone of the company and has been able to grow again in the past year. Our US and Canadian business provides services to an incredible list of clients.

Whilst we continue to see a healthy demand outlook in the USA and Canada for our traditional mainframe service offering, we do need to acknowledge that there is a seismic shift to cloud underway across the globe. Mainframe workloads are being driven up at many client sites because of digital programs. Some clients deem the mainframe strategic into the future and others are migrating to more modern platforms.

CPT has needed to diversify our business in order to remain relevant and fresh in the age of digital. The mainframe now occupies a smaller share of mind with CIOs and CTOs. We see a continued positive outlook for our mainframe business, especially in North America. Reducing costs and improving efficiency is always relevant. However, we must acknowledge that domains such as cloud, data science, analytics, machine learning, artificial intelligence, customer engagement and blockchain are the things that are dominating mind-share and discretionary spending. Enterprises today risk being put out of business if they are unable to grapple with what these things mean for their business, against the threat of non-traditional competitors, usually armed with cutting edge technologies as their competitive weapons. Legacy business models are under immense threat in virtually every industry.

Against this backdrop, I will move into the financial performance for the 2017 Financial Year. In FY17, we saw EBITDA improve again from -2.6m to -1.2m, a significant improvement YOY, however still short of our immediate goal to return to profitability, but indicating the turnaround is underway. Revenue declined on a consolidated basis, partly due to de-emphasising focus on our struggling European business and redirecting our attention to North America. Our cash reserves have tightened up, although as we currently stand, our cashflow remains adequate and we have financing available to manage our short to medium term cashflow needs.

Our balance sheet position weakened due to the operating performance of the company with a decline in cash at bank from \$3.0m to \$1.7m. However, we saw an increase in Debtors, mainly due to changes in our business model. We have demonstrated our ability to recover debts as they fall due, mainly due to the blue chip nature of our client base.

We put in place a proactive cost management program in FY17. Some key initiatives completed include recently renewing our insurance, reducing headcount, rationalising our global office footprint, scaling back our European business and changing our share registry provider. The combined annualised saving amounts to more than **A\$500,000** per annum against the annual run rate. We continue to see flow through into FY18 from the cost initiatives in FY17 and expect some further upsides later in the year, especially as we select our new global headquarters. Our lease ends in May 2018.

In addition to this, with full support of the board, we also implemented a new risk management framework in FY17. Based on best practices, the framework aims to give us earlier detection and escalation of material risks in the business. We also aim to use the framework to reduce the likelihood of WIP impairment which has adversely impacted results in the past.

Putting FY17 behind us, I would now like to focus forward and give some more insight on what is happening in our business and in the digital landscape. Our board is firmly of the view that growth in revenue and margins is the pathway to building a sustainable business.

Successful organisations have a clearly defined “true north”, a corporate charter including a concise purpose and mission. During FY17 we put this in place. Our purpose: to enable digital business success. Our mission: to deliver fast, efficient, assured digital solutions and IT. We are progressively imbedding these in everything we do. We aspire to be an agile organisation and will potentially make some adjustments to our corporate charter as our business model evolves.

We are still fundamentally a people business, and I would like to reflect on a few key data points. CPT people now have experience across 27 countries. Our permanent attrition rate remains very low in a fiercely competitive digital / IT environment. Our permanent versus contractor ratio puts us amongst many leading organisations moving towards an agile, on-demand workforce. Despite this, many of our contractors are extremely loyal and this is not something we take for granted. There has been a concerted effort to bring together a clearer Employee Value Proposition. I would also like to highlight that during the year, we had a significant improvement in gender diversity on the leadership team, although we still have a long way to go in terms of the broader staff demographics and at board level on this front.

Over the past 12-18 months, we have been able to attract an influx of leadership talent who have contributed to the improved performance. We have had an influx of skills from eCommerce, Healthcare, Product Sales. large IT professional service firms and startups.

In late FY17 we appointed Anthony Clarke to run our Sydney business. Anthony is an experienced sales and marketing executive and we look forward to working with Anthony to drive the success of our Sydney business.

It is true to say that, given our expert workforce, CPT Global was not a youthful organisation. It has been refreshing to have strong support from the board and the management team, to inject young talent recently. We commenced an internship program that now gives us access to skills and experimentation that is helping to shape the future direction of the company. Focus areas include voice enablement, blockchain, analytics, data science and cloud.

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Increasingly these days, talent are attracted to the wider things a firm has to offer. We recognised we needed to improve in this regard. Culture has been a major focus for the management team. There are a raft of initiatives we have undertaken to create a modern, collaborative workplace. Our values have underpinned these initiatives and we continue to look for ways to improve the working environment. For the vast majority of our people delivering at client sites however, they prioritise being able to do meaningful work aligned to their skills and to have opportunities to learn with competitive compensation and reward as their priorities.

We have made it a priority to reskill and retrain our workforce. The focus area has been an investment in Agile training, with **more than 50** people trained and a number of them now working within agile environments on client sites (or using these skills within CPT). DevOps / Continuous Delivery / Continuous Integration is an immediate focus area. Beyond this, in support of our partners, we have training programs completed in areas such as Robotic Automation, Digital Experience Monitoring and soft skills. Through hands on experimentation and partner education, many of our people are being exposed to cutting edge solutions in the areas now occupying the mind share of CIOs and Heads of Digital.

We have put more formality into our practice lines as we seek to bring in more structure and cohesion in how we go to market. Our business is now organised into four distinct practice lines. Technical Optimisation, Assurance, Consulting and Digital. Technical Optimisation and Assurance continue to be the anchor service lines for the firm. However, in the past 12 months we have seen a considerable increase in interest in our consulting offerings. We have also seen some incremental revenues coming via our partner alliances which is encouraging.

To illustrate the diversity of our services delivered over the past 12-18 months, a snapshot of some key client engagements won or completed:

- An application development framework
- A Digital Experience Monitoring project
- Digital Transformation Strategy
- Program Delivery Assurance
- Microsoft Server Remediation
- Applications/Infrastructure/Database/System Performance Tuning
- Robotic Automation Advisory; and
- Testing Leadership

CPT Global has a blue-chip client base in Australia and Internationally. The data points on this slide give you an indication of this. Although we don't display the client logos here, we work with some of the biggest names in Australia and Internationally, including many in the Fortune 500. Although we have traditionally been at our best with the largest institutions, it is also encouraging that we are winning business in the middle tier in Australia. This is an area we see growth potential with our expanded service offerings.

On the partnership front, 18 months ago we were inactive in this space and mainframe centric. Since then, we have added more than 8 new partnerships and alliances. We recognise that in the digital world, no single company, no single person has all the answers. Intelligent software, machine learning, AI and analytics capabilities are driving business and our partners have given us immediate relevance in these areas. We haven't necessarily succeeded with all of them and are still learning, however our fast, efficient, assured mantra is considerably more powerful now with our established partner ecosystem.

Our brand is also being refreshed, which has been received positively by both our clients and employees. We have a clean and modern new website and logo. We're embracing digital marketing and joint partner events. We have a senior executive accountable now for marketing in the firm and have engaged an external agency to further uplift our branding efforts.

So what is the digital service market outlook at present? There are major structural changes underway across the industry, both in Australia and overseas. Some key observations:

- Testing is becoming further commoditised;
- There is still healthy demand for senior delivery expertise;
- There is a systemic shift from waterfall to agile;
- DevOps and continuous delivery is a major focus;
- Clients are facing increasing pressure on speed and quality of delivery, especially in light of high profile public system outages;
- We see some clients insourcing / bringing roles back onshore;
- There is very strong interest in analytics capabilities and data driven business models, AI and machine learning;
- Performance tuning is still in demand (and often urgent) with digital workloads placing stress on infrastructure;
- Cloud is the new default and managing hybrid environments is an immediate challenge for most enterprises; and
- Blockchain is a subject of great interest, although very early stage in terms of real commercial applications.

Cybersecurity is also a very hot subject in the industry, however a business line we have currently elected not to pursue.

In our international business, especially in North America, there are similar market dynamics at play. One of the major trends that has some impact on our business is the increasing restrictions on overseas working visas. We do continue to service large parts of our international business with Australian consultants. So far, the impact has not been material but it is a risk we need to manage. The flip side of this is the tightening up on 457 visas in Australia. This is working slightly in our favour, with a greater propensity for firms to hire local Australian workers.

In closing, a few key points I would like to make:

- I am pleased to report that CPT Global on a consolidated basis was profitable in the month of September, with a small loss recorded in October;
- Cost takeout is having effect without adverse business impact;
- Our North American business is rebounding off the back of the pipeline built during FY17;
- We successfully closed a major risk / reward project worth up to US\$2m with a global financial services giant;
- Contracts with two major Australian clients have been successfully renewed;

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- Europe business is pursued strategically and Asia business is only pursued opportunistically, with minimal downside potential off a very low cost case;
- Our US/Canada current book of work and forward pipeline remains strong;
- New service lines are gaining traction in Australia and likely to grow in contribution;
- Our partner and alliance ecosystem is opening doors and contributing ancillary revenue; and
- We have commenced several streams of work aimed at developing IP and medium/long term annuity streams, focusing on analytics and data science.

Overall, the outlook is cautiously optimistic with several of our key indicators showing positive signals, although there continue to be risks we need to manage proactively.

The management team, supported by the board, is intensely focused on achieving a return to profitability by remaining vigilant on costs and driving growth from our existing and new digitally oriented service lines. I hope to be able to report a continued improvement and positive translation of the many initiatives and repositioning efforts in next year's financial results.

Thank-you.

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Annual General Meeting Presentation 2017

David Lynch
Managing Director (acting) Address

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Financial Performance

	FY17 \$m	FY16 \$m	% Movement Prior Year
Revenue	27.2	28.8	-6%
EBITDA	-1.2	-2.6	54%
NPAT	-1.5	-3.9	62%
EPS (Basic)	(3.9c)	(10.5c)	63%
Cash	1.7	3	-43%
Net Tangible Assets	0.3	1.5	-80%
Fully Franked Dividends (Interim & Final)	0.0c	0.0c	n/a
Dividend Payout Ratio	0%	0%	n/a

- Significant improvement in net results
- Costs base of the Company reduced during FY17 as Europe downsized and focus on cost reduction
- Australian revenue grew 4.3%
- Decline in revenue in Europe (33.3%) and North America (18.5%)
- Reduction in cash and net tangible assets a direct result of the losses incurred

Financial Position

	FY17 (\$m)	FY16 (\$m)
Cash	1.7	3.0
Debtors	5.5	4.8
Unbilled Revenue (WIP)	0.8	1.9
Other Current Assets	0.1	0.3
Total Current Assets	8.1	10.0
PP+E	0.1	0.1
Deferred Tax Asset	1.1	1.4
Intangibles	4.3	4.4
Total Non-Current Assets	5.5	5.9
Total Assets	13.6	15.9
Current Liabilities	8.6	9.5
Non-Current Liabilities	0.4	0.5
Total Liabilities	9.0	10.0
Net Assets	4.6	5.9

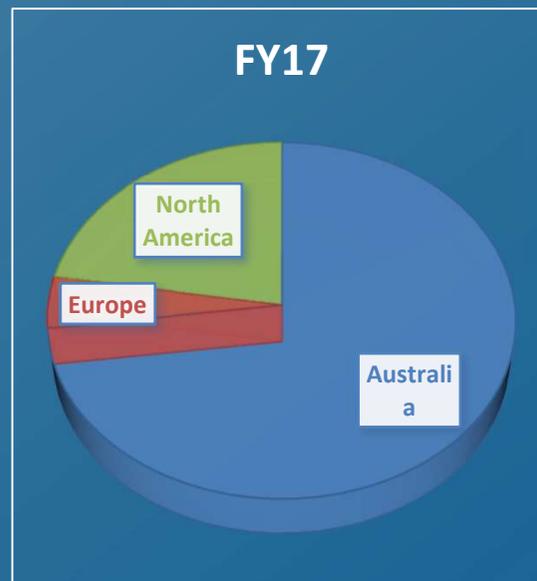
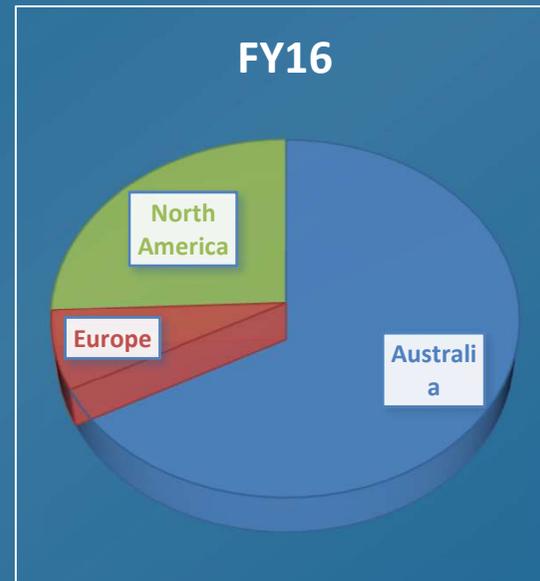
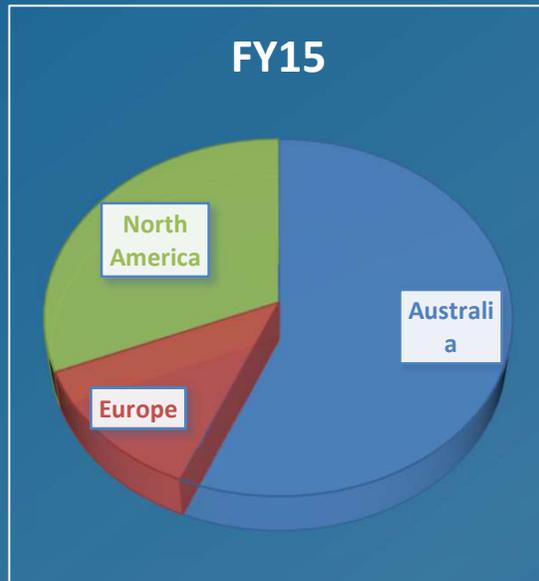
- Reduction in cash, liabilities and net assets consistent with the loss in FY17
- \$1.7m in cash at year end and access to \$0.9m in debt facility
- Increase in debtors on the back of changes in our business model and growth in Australia

Cashflow

	FY17 (\$m)	FY16 (\$m)
Receipts	28.9	32.2
Payments	-31.0	-29.8
Gross Operating Cash Flow	-2.1	2.4
Finance Costs	-0.2	-0.3
Income Tax	0.0	-0.1
Net Operating Cash Flow	-2.3	2.0
Net Investing Cash Flow	0.0	-0.1
Net Financing Cash Flow	0.7	0.0
Net Cash Movement	-1.6	1.9
Opening Cash Position	3.0	0.5
Effect of Foreign Exchange	0.2	0.6
Closing Cash Position	1.6	3.0

- Reduction in cash in line with FY17 loss
- Available debt in the debtor funding facility increased with the growth in the Australian business

Revenue



Cost Management

Key initiatives completed:

- Insurance renewal
- Headcount reduction
- Global office footprint
- Europe rationalised
- Share registry changed

Risk Management Framework

Significant improvement in how we manage risk:

- new framework has been developed based on global best practice and adapted for the nature and size of our business
- proactive approach to risk management to enable sustainable business growth and to reduce and mitigate unexpected impacts and incidents
- enable effective board oversight and governance
- the executive management team own and run the risk management process

Our Charter

Our Purpose

To enable digital business success

Our Mission

Fast, efficient, assured digital solutions and IT

Our People

27

Number of countries we have consulted in



Women in Senior Leadership Positions

11.53%

Permanent Attrition Rate

33%

Permanent Workforce

67%

Contractor Workforce

Attracting Great Talent



Annie Tian

Manager,
Strategic
Planning



Adrian Steidle

General
Manager,
Digital



Shelley Tung

General
Manager,
Strategic Client
Relationships



Matt Rakoff

Senior Account
Executive (USA)



Anthony Clarke

General Manager, Northern,
Marketing and Alliances

Internship program

Focus disciplines:

- Programming skills
- Voice enablement technologies
- AWS / Cloud
- Data science and predictive algorithms
- Blockchain

Our Culture & Values

Expert, Innovative, Trusted, Accountable, Flexible



Supporting initiatives



Collaboration



Outcome oriented



Client Relationships



Cloud First



Modern toolsets



Dogs In Office



Flexible work



Enhanced workspace



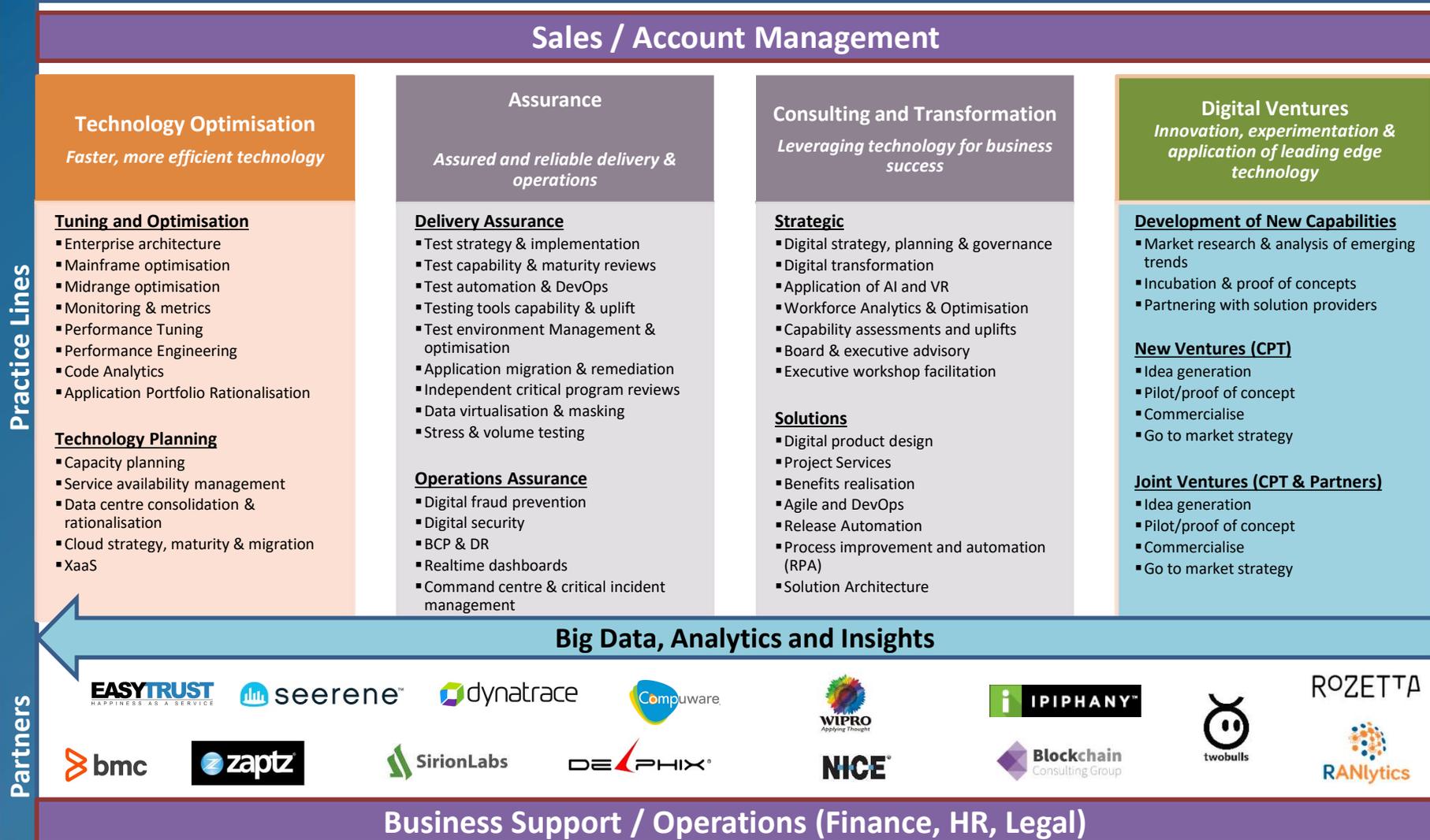
Experimentation

Reskilling and Experimentation

- Agile
- DevOps
- Robotic Automation
- Analytics
- Voice Enablement
- Machine Learning
- Soft skills

Our Work – Practice Lines

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Our Work – snapshot of engagements

- Application Development Framework
- Digital Experience Monitoring
- Digital Transformation Strategy
- Program Delivery Assurance
- Microsoft Server Remediation / Cloud Readiness
- Application/Infrastructure/Database/System Performance Tuning
- Robotic Automation Advisory
- Testing Leadership

Increasingly diversified service offerings

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Our Customers

In FY17, CPT Global helped solve our client's most challenging digital business challenges and to drive efficiencies



Telecommunication Companies



Australian Government Departments



Australian Bank/Financial Services



Insurance Companies



International Bank/Financial Services

Over the course of our history CPT have been working in



Fortune 500 companies



World's largest banks



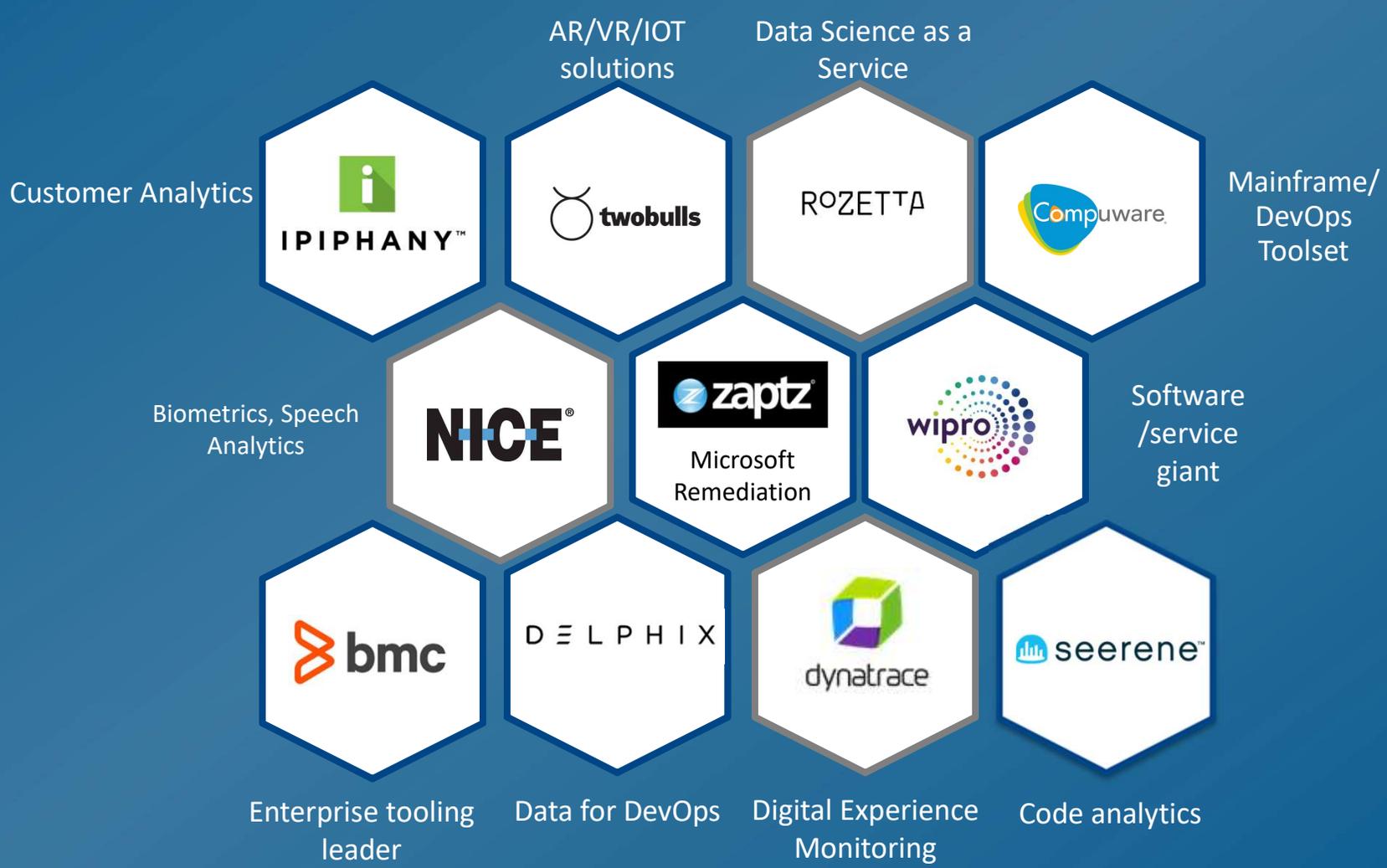
Countries



Our Partner Ecosystem

- 8+ New Partnerships/Alliances formed in 2016-2017
- Joint services pipeline developed with several partners
- Adding value to our ability to deliver on our mission
- Partners now span current and emerging domains such as
 - Augmented & Virtual Reality, IOT
 - Data Science & Analytics
 - Cost Reduction & Efficiency
 - Data as a Service
 - Robotic Process Automation
 - Offshore delivery capability

Our Partner/Alliance Ecosystem



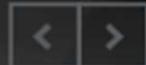
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Our Brand

- New website
- New logo
- Digital marketing
- Joint partner events
- Brand recognition
- Senior executive appointment
- External agency engagement

IT SERVICE OPTIMISATION

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ENABLING DIGITAL BUSINESS

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Digital Environment

- Testing becoming further commoditised
- Still healthy demand for senior delivery expertise
- Systemic shift from waterfall to agile
- DevOps and continuous delivery
- Pressure on speed and quality of delivery
- Some clients insourcing / bringing roles back onshore
- Very strong interest in analytics capabilities and data driven business models, AI and machine learning
- Performance tuning still in demand, digital workloads placing stress on infrastructure
- Cloud is the new default

The Outlook

- CPT Global profitable again in September 2017, small loss in October 2017
- Cost takeout having effect, without adverse business impact
- North American business rebounding off the back of the pipeline
- Major risk/reward project worth up to US\$2M with top tier global bank commenced in November
- Contracts at two major Australian Clients successfully renewed
- Europe pursued strategically and Asia pursued opportunistically
- US/Canada pipeline remains strong
- New service lines gaining traction in Australia and likely to grow in contribution
- Partner and alliance ecosystem opening doors and ancillary revenues
- Commencement of several streams of work aimed at developing IP and medium/long term annuity streams, focusing on analytics and data science