

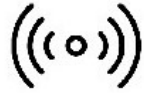


Spirit Technology Solutions(STT)

Investor Session: 10 December 2020
Growth Strategy & Intalock Cyber Security
Acquisition

Spirit Technology Solutions – Expanded Operating Model

Products & Services



High speed
internet



Security



Cloud



Mobile



Voice



Managed
services

Markets



SMBs



Essential
Services



Corp
& Govt



Distribution



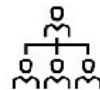
Direct



Retail



Wholesale



Reseller



White Label



Spirit X



Online

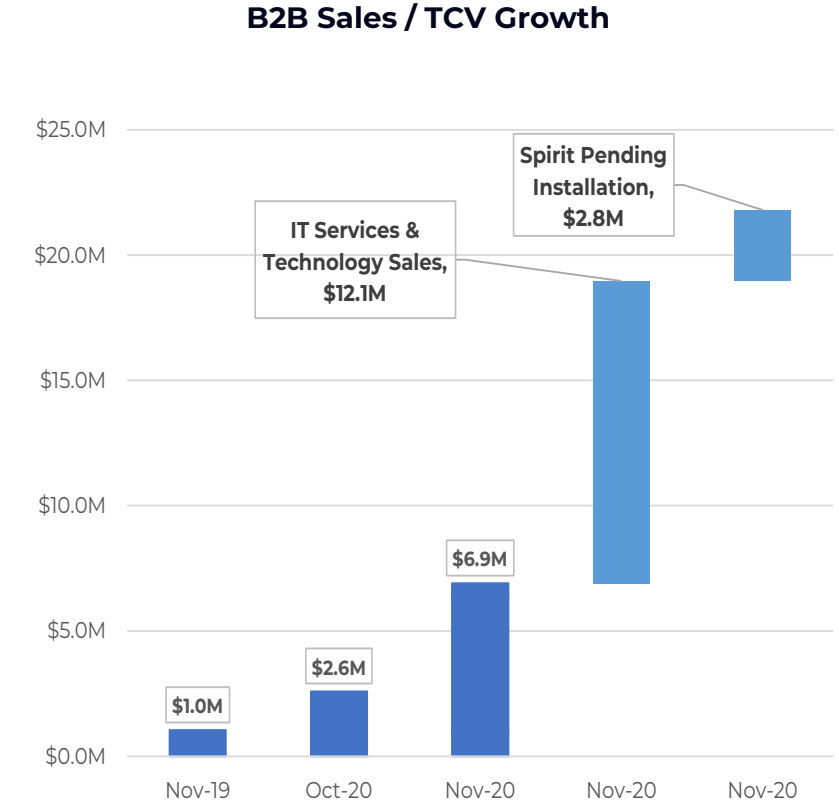
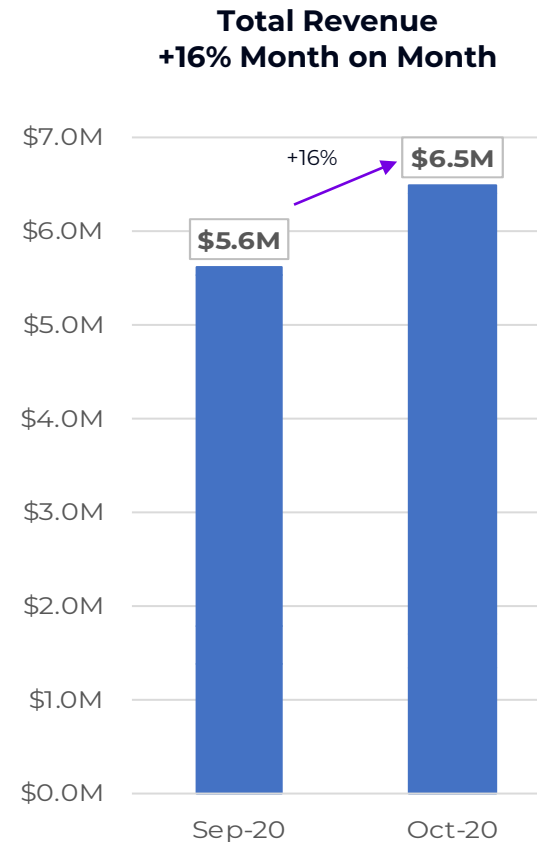
Digital

*Mobiles to be launched Q3

Commercial Update: Record Revenue & Sales Oct & Nov

Record growth continues, as Spirit builds out a scalable and high growth IT & Telco company across SMB, Essential Services and now Corporate & Govt.

- Spirit Group's October revenue was \$6.5M, up 16% on September and 196% YOY from \$2.2M.
- Record November Sales / Total contract value was \$6.9M (recurring) up 166% MOM and up 565% YOY, with pending installations at \$2.8M and IT Services & Technology Sales at \$12.1M.
- Large new business wins drove the record sales results with Cloud, Voice and Data products being sold in bundles across Health, Education and Corporate Segments.



Note:

*S&P = Solutions & Projects Revenue. Project revenue includes government grant revenue
N.B: All results provided on an unaudited basis

GROWTH COMING IN H2



RESELLERS GROWING

80+ new resellers signed nationally – further growth in play



SPIRIT BRANDED MOBILE PRODUCT TO LAUNCH

New Spirit branded mobiles products and bundles to be launched nationally across Q3



LiveCall & LivePBX LAUNCHED

First unified voice communications platform operating from Spirit's own infrastructure at 75% gross margin



FEDERAL GOVERNMENT BUDGET TAX INCENTIVES

Spirit sees material demand from businesses refreshing IT&T needs – taking advantage of tax incentives



SALES ORDERS

Strong November Sales / Total contract value was \$6.9.M (recurring).



NBN ENTERPRISE ETHERNET PROMOTIONS

Spirit see material upside in light new NBN EE geographic expansion and reduced pricing



SPIRIT X DIGITAL PLATFORM RECORD SQ'S

Over +19,000 new leads / service qualifications since 1 Jan 20.



ACQUISITION OPPORTUNITIES

Multiple targets under consideration & DD

Intalock Acquisition – Deal Rationale

Acquisition positions Spirit Technology Solutions deeper into Corporate & Govt segment with Cyber Security. Allows for material deal size sales with bundles to be sold: Cloud, Data, Voice, MSP & Cyber Security offering.

- Intalock is one of Australia's leading Cyber security services businesses with a sophisticated full Security Operations Centre (SOC).
- Comprehensive Cyber Security offering, with blue chip customer portfolio across Corporate and Government – in line with Spirit's market expansion strategy for FY21 into Corporate markets.
- Intalock generated revenue of \$23.6M and normalised EBITDA of \$2.3M in FY20.

Transaction summary:

- Upfront consideration of \$15.0M paid as a combination of cash (85%) and Spirit equity (15%) with a deferred consideration component. An additional earn-out consideration component is also available for out-performance in FY22 capped to maximum total transaction value of \$22.5M.
- Transaction EBITDA multiple of x6.5.
- Cash component will be paid from cash reserves and CBA debt facility.

Higher Contract Value
New Product +
Corp & Gov Segment



Corp
& Govt



Intalock
Cyber Security

Cyber Security A Rapid Growth Market – Australia

Australia's revenue from cybersecurity could triple over next decade with a forecast to increase to A\$6bn by 2026 at a CAGR of 10.6%

The current cybersecurity market is highly fragmented with disparate solutions

Over three-quarters of the market is dominated by foreign companies, mostly with local bases employing Australians

Cybersecurity in Australia employs around 20,500 people and requires c. 17,000 more workers by 2026

Total expenditure on cybersecurity in Australia in 2018 amounted to c. A\$5.0bn, with c. A\$3.9bn spent on external cybersecurity



48% of Australian businesses experienced a cyber breach in 2018



47% of businesses paid ransom

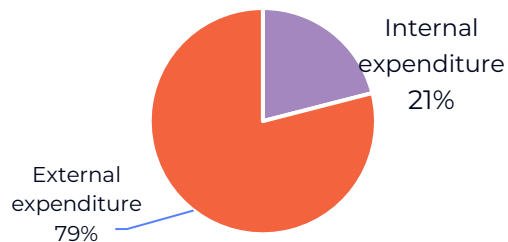


A\$12.5bn global losses from email led attacks 2013 to 2018

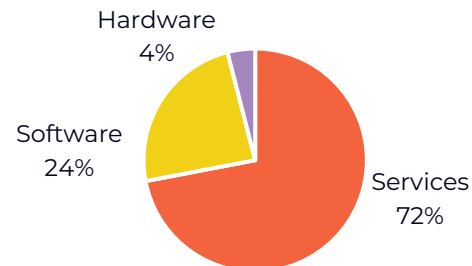


60% of all attacks are insider

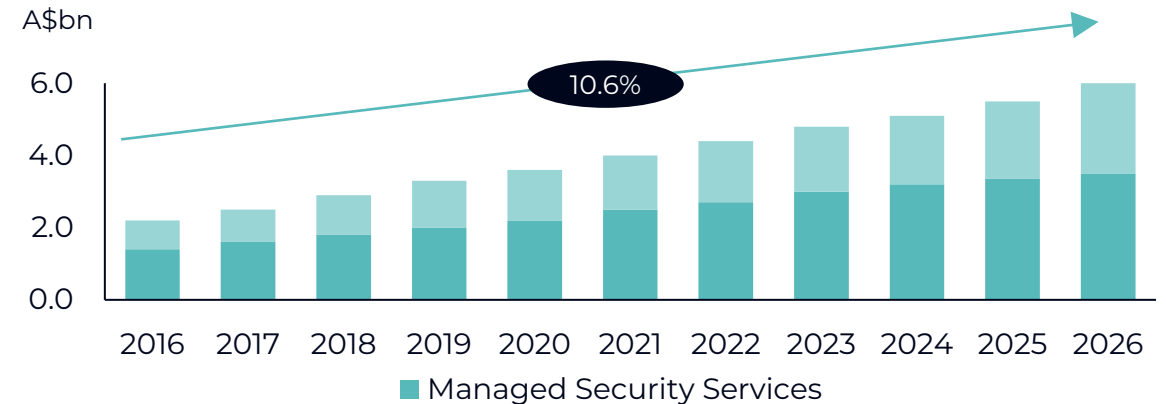
Australia's cyber expenditure



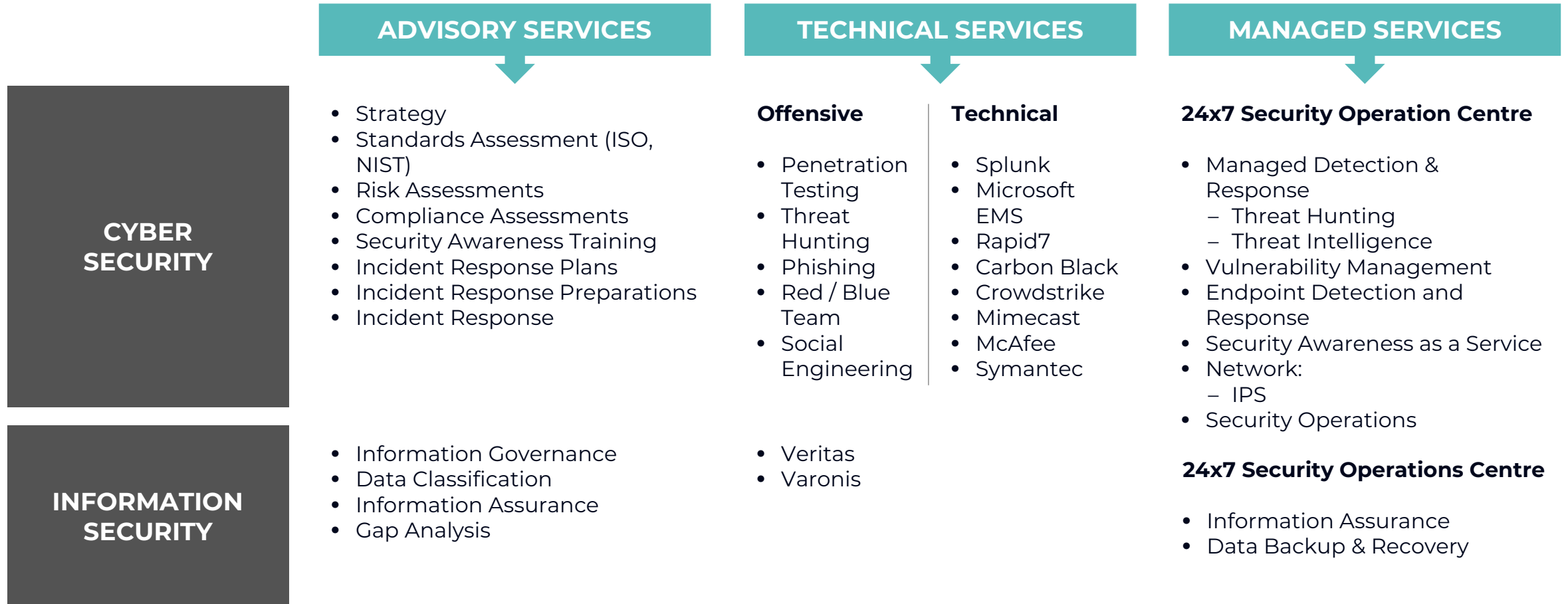
Australian external cybersecurity expenditure



Australian cybersecurity market growth forecast



Intalock: Complete Cyber offering



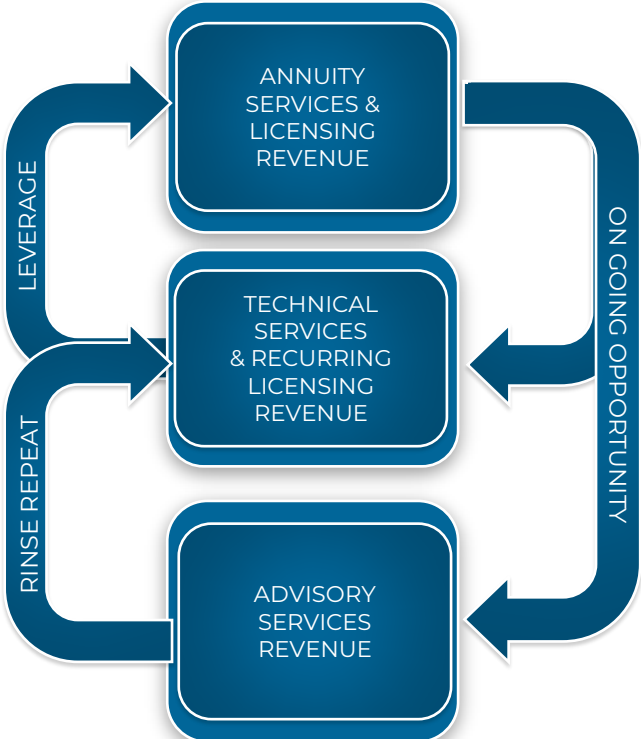
Intalock Business Model



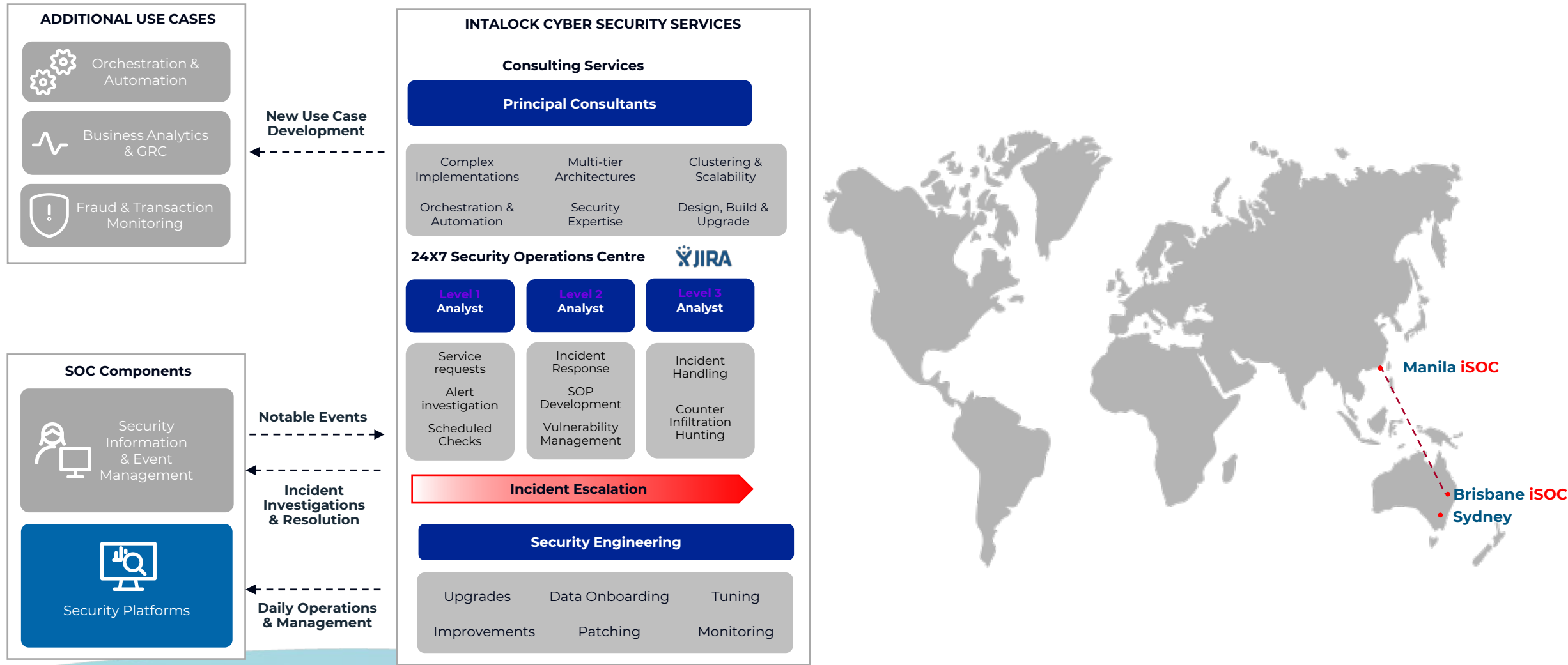
OPERATE AND IMPROVE
TO ENSURE COMPLIANCE AND CONTROLS

CLOSE GAPS
AND ENHANCE CONTROLS

IDENTIFY GAPS
AGAINST STANDARDS AND FRAMEWORKS



Intalock Full Security Operations Centre (Soc)



Q&A

Disclaimer – Important Information

- The information in this presentation is an overview and does not contain all information necessary for investment decisions. In making investment decisions in connection with any acquisition of securities, investors should rely on their own examination and consult their own legal, business and/or financial advisers.
- This presentation is not an offer, invitation, solicitation or other recommendation with respect to the subscription for, purchase or sale of any securities in the Company. This presentation has been made available for information purposes only and does not constitute a prospectus, short form prospectus, profile statement or offer information statement. This presentation is not subject to the disclosure requirements affecting disclosure documents under Chapter 6D of the Corporations Act 2001 (Cth). The information in this presentation may not be complete and may be changed, modified or amended at any time by the Company, and is not intended to, and does not, constitute representations and warranties of the Company.
- The Company does not have a significant operating history on which to base an evaluation of its business and prospects. Therefore, the information contained in this presentation is inherently speculative.
- The information contained in this presentation is strictly confidential and you must not disclose it to any other person. While the information contained in this presentation has been prepared in good faith, neither the Company or any of its directors, officers, agents, employees or advisors give any representation or warranty, express or implied, as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. Accordingly, to the maximum extent permitted by law, none of the Company, its directors, employees or agents, advisors, nor any other person accepts any liability whether direct or indirect, express or limited, contractual, tortious, statutory or otherwise, in respect of, the accuracy or completeness of the information or for any of the opinions contained in this presentation or for any errors, omissions or misstatements or for any loss, howsoever arising, from the use of this presentation.
- This presentation may contain statements that may be deemed “forward looking statements”. Forward risks, uncertainties and other factors, many of which are outside the control of the Company can cause actual results to differ materially from such statements. Such risks and uncertainties include, but are not limited to, commercialisation, technology, third party service provider reliance, competition and development timeframes; limited operating history and acquisition and retention of customers; reliance on key personnel; maintenance of key business partner relationships; brand establishment and maintenance; the Company's products may contain programming errors, which could harm its brand and operating results; competition; changes in technology; data loss, theft or corruption; security breaches; liquidity and realisation; and additional requirements for capital.
- The Company makes no undertaking to update or revise such statements, but has made every endeavour to ensure that they are fair and reasonable at the time of making the presentation.
- Investors are cautioned that any forward-looking statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in any forward-looking statements made.

Spirit Technology Solutions(STT)