

1 December 2022

Spirit update

KEY HIGHLIGHTS

- **Spirit continues to execute its strategy of streamlining Managed Service (IT&T) operations and sharpening focus on target Australian mid-market customer segments.**
- **Spirit has entered into and completed an agreement with entities associated with the principals of the Maret Group to transfer selected data centre and network assets (Network Assets). As part of the transaction, Spirit will receive reciprocal services on a wholesale basis to support its customers.**
- **The transfer is expected to result in a positive impact to Spirit of ~\$1.5M - \$1.8M (in annualised terms) on the Managed Services (IT&T) segment profitability and cash flow, supporting the restructure goal of returning the Managed Services business to profitability.**

Spirit Technology Solutions ("Spirit" ASX:STI) is pleased to announce it has entered into and completed an agreement for the transfer of Network Assets to a Melbourne based business associated with the principals of the Maret Group which acquired Spirit's Fixed Wireless business (the **Maret Transaction**) in June 2022. The transfer is consistent with Spirit's strategy of simplifying its IT&T business, reducing operating costs and sharpening focus on target customer segments as announced in June 2022.

Under the agreement, the Network Assets (including Spirit's remaining residential and selected non-core small business customers) have transferred to the buyer with effect from 1 December 2022. Spirit has retained and continues to provide services to its multi-product and larger business customers utilising the Network Assets under a new wholesale agreement which replaces the existing wholesale agreement associated with the Maret Transaction.

The sale is expected to result in a positive impact of ~\$1.5M - \$1.8M (in annualised terms) on the Managed Services (IT&T) segment profitability and cash flow without taking into account one-off costs associated with the transaction. The Network Assets have been transferred for a nominal upfront consideration. Spirit can receive up to \$3M in earn-out payments over two years, subject to revenue targets being achieved which replaces the previous earn-out agreement relating to the Maret Transaction.

The principals of the Maret Group commented "This transaction continues the growth of data and telco services provided by Maret Group and its related entities. The acquired Network Assets are incredibly complementary to our business units and further enhance the businesses product offerings and ability to grow."

Spirit Managing Director Julian Challingsworth says "The expanded wholesale arrangement is a continuation of our strategy to focus on technology solutions. It accelerates the simplification of our business, allows us to improve our focus on our target customer segment and delivers an immediate positive impact to the bottom line".

– ENDS –

This announcement is authorised for release to the market by the Board of Directors of Spirit Technology Solutions Ltd.

For all media enquiries regarding this announcement, please contact:

Julian Challingsworth
Managing Director
03 8554 1300 or julian.challingsworth@spirit.com.au

For more information, please visit www.spirit.com.au
Business Address: Level 2, 19-25 Raglan Street, South Melbourne VIC 3205

About Spirit Technology Solutions:

Spirit Technology Solutions is an ASX listed provider to Australian businesses of innovative IT&T managed services, cyber security (Intalock) and collaboration and communications (Nexgen).

We are building the modern secure digital workplace for Australian businesses. Our mission is to reimagine the ways Australians to do business and help unleash the power of your team.

'Secure by design' is in our genetic code and our world class cyber security solutions help Australian businesses take a different, data-centric and strategic approach to effective security.

Our collaboration and communications business was awarded by Cisco as Webex partner of the year for 2022 in the Asia-Pacific region, recognizing our world class team and focus on delivering amazing experiences to SMB customers.

So, whatever your tech needs—do IT with Spirit.