

10 August 2023

Trading Update: New market offers to drive earnings growth

Reported unaudited FY23 Revenue of \$127M and Underlying EBITDA of \$5.2M achieved

Highlights:

- **Reported unaudited FY23¹² Revenue of \$127M and underlying EBITDA³ of \$5.2 million in line with updated guidance**
- **Launch of several new high-growth market offers:**
 - **Managed Services cyber security defence and workplace productivity offer for SME customers, to be sold into the existing SME customer base of 7,000+ customers**
 - **Cyber managed security solution delivered from new Security Operating Centre enables Spirit's expansion into the growing higher value defence industry supply chain**
 - **Additional new cyber contracts signed from a number of new and renewing ASX 100 customers in the last 3 months**
 - **Development of Spirit's Sustainable business enhanced with new high-growth AI offers targeting a number of the Group's customers**

Spirit Technology Solutions ("Spirit" ASX:ST1), a leading provider of secure digital transformation and modern work environments provides the following trading update.

The Group is pleased to report that preliminary unaudited FY23¹² Revenue of \$127 million (FY22 \$135 million) and Underlying EBITDA³ is \$5.2 million (FY22 \$7.2 million), in line with the updated guidance provided in May 2023.

Managed Services

Spirit has launched a new Managed Services offer for its SME customer base of 7,000 active customers. The unique offer improves cyber security defences and workplace productivity for Small to Medium Enterprise (SME) businesses and is a key competitive advantage for Spirit as this sector has been largely untapped by traditional managed services providers. The Group expects a solid take up of this offer over the next 12 months given the growing market need for cyber security and workplace solutions as SMEs navigate the changing economic environment and optimise their goals around staff and customer experience.

Cyber security

As part of the successful completion of the new Security Operations Centre (SOC) in Brisbane in June, the Cyber security team has launched a 24*7 managed security offer for Spirit's Managed Services customer base (1,000+ customers). The new offer brings enterprise-grade cyber security capabilities to mid-market firms. The new SOC in Brisbane, constructed to ASIO "Secret" standards, will support the roll out of this new service and enables expansion into the defence industry supply chain which is experiencing significant growth in Queensland, where the Cyber team is headquartered.

Sustainable

As part of developing its Sustainable business, Spirit has invested in its AI capabilities. Working with leading global tech firms CISCO and MeldCX, the Group has launched a number of new market offers that build on existing solutions.. These new offers will enable Spirit's customers to use AI and Machine Vision to improve operations and reduce costs in their businesses. Spirit sees this as a high-growth market as

organisations harness the power of AI to improve the way they operate. This offer is especially relevant in the health, aged care, and education space where Spirit has a significant number of customers.

Spirit considers these new initiatives as a significant opportunity after a busy year in FY23 stabilising the Managed Services business to return it to profitability in FY24.

Spirit Managing Director and CEO Julian Challingsworth said: "These new market offers not only deliver on our organic growth strategy of upselling our offerings to existing customers but give Spirit significant earnings growth potential in FY24 and beyond. Spirit continues to work towards our aim of becoming one of Australia's leading providers of modern and secure digital workplaces, with appropriate earnings return."

1 Financial numbers presented for FY23 are unaudited.

2 FY23 refers to the 12 month period 1 July 2022 to 30 June 2023.

3 EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit/(loss) under AAS adjusted for depreciation, amortisation, interest and tax. Underlying EBITDA is EBITDA adjusted to exclude share-based payments, gain/(loss) on divestment of non-core assets, acquisition & divestment costs, restructuring costs, other restructuring items, net fair value loss on remeasurement of contingent consideration on business combinations and impairment of non-current assets.

This announcement was authorised on behalf of the Spirit Technology Solutions Ltd Board by:

Julian Challingsworth, Managing Director

For further information, please contact:

Corporate:

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

Investors:

Gabriella Hold
Automic Markets
+61 (0) 411 364 382
gabriella.hold@automicgroup.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 and collaboration and communications platforms.

We are building the modern secure digital workplace for Australian businesses. Our mission is to "Make our customers secure, sustainable and scalable, while living our team values"

'Secure by design' is in our mantra 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.