

Excite IT Successfully Achieves Earn-Out Milestone

Highlights

- **The Company's managed IT and security services subsidiary, Excite IT, has successfully reached its earn-out milestone**
- **Excite IT achieves EBITDA of \$1,057,000 for the 12 months ending 30 September 2023.**
- **The successful earn-out demonstrates the value of the Excite IT business in EXT's goal of delivering a comprehensive range of end-to-end cyber security and IT products and solutions**

Excite Technology Services Limited (**Excite** or the **Company**) (ASX:EXT) is pleased to announce that its managed IT and security services subsidiary, Excite IT Pty Limited (**Excite IT**), has successfully reached its earn-out milestone pursuant to the terms of its acquisition by the Company.

The Company announced its intention to acquire Excite IT in July 2022 with the acquisition completing successfully in November of the same year (ASX announcements 28 July 2022 and 23 November 2022).

The acquisition of the Excite IT business has proved highly complementary to the Company's operations, and has helped it meet its goal of delivering a seamless, comprehensive range of end-to-end cyber security and IT products and solutions.

The Company is delighted to advise that Excite IT has successfully achieved its earn-out milestone, which required the Excite IT business to deliver an audited EBITDA (on a standalone basis) of not less than \$800,000 for the 12 months ending 30 September 2023. Excite IT successfully reached the earn-out milestone, by achieving an EBITDA of \$1,057,000 (rounded to the nearest thousand).

Under the terms of the acquisition, the vendors of Excite IT (or their nominees) will receive a further \$500,000 in EXT shares, issued with a deemed value of \$0.01 per share for a total of 50 million EXT shares. These shares are to be escrowed until 30 June 2024.

In addition to the shares referred to above, the achievement of the Excite IT milestone also triggers the satisfaction of the condition to the issue of 50 million EXT shares to Mr Bryan Saba, the principal vendor of the Excite IT business, as approved by shareholders on 4 November 2022. These shares are not subject to escrow.

The achievement of the first earn-out provides formal, material validation of Excite IT's value to the Company's operations, and the Company looks forward to Excite IT

continuing to play a key role in helping it deliver sustained growth and exceptional customer service.

The Company is also in the process of negotiating amended terms for the settlement of deferred cash consideration due in connection with the Excite IT transaction, the terms of which will be disclosed separately once agreed.

Non-executive director and Chairman Steven Bliim said: *"We celebrate the achievement of Excite IT in reaching this performance hurdle. Delivering a robust EBITDA 32% above its target, this accomplishment underscores the inherent value of this strategic acquisition, fortifying our commitment to providing seamless cyber security and IT solutions to our customers and delivering value to our shareholders."*

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This announcement has been authorised by the Board

Further information please visit

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About Excite Technology Services Limited

Excite, through its wholly owned subsidiaries and trading as Excite Cyber, provides focused managed cyber security, cloud and IT services. Our best of breed security operations centre and highly trained operations teams monitor customer environments to allow quick and effective response to cyber security incidents.