

23 August 2024

Acquisition of Forensic IT Solutions Pty Ltd

Fully underwritten placement and accelerated non-renounceable entitlement offer to raise approximately A\$20 million

Acquisition of Forensic IT

Spirit Technology Solutions Ltd (“**Spirit**” or “**Company**”) (ASX:ST1) is pleased to announce that it has entered into a binding share purchase agreement (“**Share Purchase Agreement**”) to acquire 100% of the issued shares in Forensic IT Solutions Pty Ltd (“**Forensic IT**”) (the “**Acquisition**”) for an aggregate consideration of approximately \$7,600,000 (subject to certain adjustments) and the issue of \$1,600,000 worth of ordinary shares in Spirit at an issue price of \$0.05941 per share. Key terms of the Share Purchase Agreement are summarised in Annexure 1.

Overview of Forensic IT

Forensic IT is a major provider of cyber security digital forensic and incident response (DRIF) solutions to more than 180 customers across Australia. Forensic IT provides a range of value-added assurance and consulting services in the following areas:

- Digital forensics – Forensic IT provides expert solutions for unearthing intellectual property and data theft and specialises in retrieving and analysing data from digital devices for criminal and civil investigations.
- Incident response – Forensic IT mitigates attacks to protect the data and digital assets of organisations and assists with the restoration of business operations.

Strategic Rationale

Spirit’s strategic rationale for the Acquisition is:

- Forensic IT is highly complementary to Spirit’s cyber offering via Infotrust;
- Spirit considers there are revenue and margin accretion opportunities through the Acquisition by expanding Spirit’s cyber capability to enable rapid response to cyber incidents;
- it is proposed that Brendan McCreesh (Director of Forensics) and Jordan Hunt (Director of Cyber and Incident response), who are key team members of Forensic IT, will join Spirit’s leadership team as part of the Acquisition;
- the Acquisition is expected to scale Spirit’s cyber security division and reinforce Spirit’s position as one of Australia’s leading cyber security companies; and
- the Acquisition is expected to support Spirit in executing its strategy of enhancing its organic growth.

Fully underwritten placement and accelerated non-renounceable entitlement offer to raise approximately \$20 million

The Company is also pleased to announce an equity raising of approximately \$20 million (before transaction costs) (“**Offer**”) at \$0.053 cents per share (“**Offer Price**”).

The equity raising comprises a placement to raise \$2 million (“**Placement**”) and a 1 for 4.024 pro-rata accelerated non-renounceable entitlement offer to raise a further \$18 million (“**Entitlement Offer**”).

Under the equity raising, Spirit will issue approximately 377 million fully paid ordinary shares (“**New Shares**”) (as adjusted for rounding entitlements), representing approximately 27.6% of current Spirit shares on issue, being 1,366,619,196 shares.

The Offer Price represents a:

- 13.11% discount to Spirit’s last closing share price on 22 August 2024;

- 14.39% discount to the 5-day volume weighted average share price for Spirit shares on 22 August 2024; and
- 10.6% discount to the theoretical ex-rights price of Spirit shares of A\$0.0593.

Each New Share issued under the Placement and Entitlement Offer will rank equally with all existing fully paid ordinary Spirit shares on issue. Spirit will apply for quotation of New Shares on the ASX.

The Placement and Entitlement Offer is fully underwritten by Unified Capital Partners Pty Ltd (ACN 666 560 050) ("**Underwriter**") pursuant to an underwriting agreement between Spirit and the Underwriter.

The Underwriter is acting as sole lead manager, underwriter and bookrunner for the Placement and Entitlement Offer.

263 Finance Pty Ltd (ACN 626 872 115) ("**263 Finance**") is a major shareholder of Spirit and, as at the date of this announcement, holds a 34.06% interest in Spirit. 263 Finance is a related entity of Mr Shan Kanji, a non-executive director of Spirit. 263 Finance has indicated that it will take up its full entitlement and agreed to sub-underwrite a portion of the Entitlement Offer up to \$10 million. 263 Finance will not receive any fees for its sub-underwriting participation.

Funds raised under the Equity Raising will be used to fund the purchase price for the Acquisition, with the remaining funds to be used by the Company for general working capital purposes.

Details of Placement

Placement Overview

The Company has received firm commitments from sophisticated and professional investors for the entirety of the Placement. Approximately 37 million shares will be issued under the Placement. The New Shares to be issued under the Placement will be issued without shareholder approval under Spirit's placement capacity under Listing Rule 7.1.

Details of Entitlement Offer

Entitlement Offer Overview

Under the Entitlement Offer, eligible shareholders will be able to subscribe for 1 New Share for every 4.024 existing Spirit shares held as at 7:00pm (AEST) on Tuesday 27 August 2024 ("**Record Date**"). Approximately 339 million New Shares will be issued under the Entitlement Offer.

The Entitlement Offer is available to all registered shareholders who hold shares on the Record Date with a registered address in Australia or New Zealand or certain other foreign jurisdictions determined by the directors of Spirit as described in the Investor Presentation released to ASX at the same time as this announcement ("**Eligible Shareholders**").

The Entitlement Offer comprises the following components:

- **Institutional Offer** – Eligible institutional shareholders are invited to take up all or part of their entitlement under the institutional component of the Entitlement Offer.

The Institutional Offer will open today at 10:00am (AEST) and is expected to close at 12:00pm (AEST) on Monday 26 August 2024 (but Spirit reserves the right to close the Institutional Offer early in consultation with the Underwriter). Institutional entitlements not taken up, along with entitlements of ineligible institutional shareholders, will be sold under an institutional shortfall bookbuild. Institutional shareholders may bid into the bookbuild for New Shares in excess of their entitlement.

- **Retail Offer** – Eligible retail shareholders can take up their entitlements in whole or in part, or in whole with the ability to subscribe for such number of additional New Shares that equals up to 50% of their entitlement, to be allocated in a retail shortfall facility (and adjusted to the extent oversubscribed).

The Retail Offer will open at 9:00am (AEST) on Friday 30 August 2024. The Retail Offer will be conducted at the same Offer Price and ratio as the Institutional Offer.

Eligible Shareholders in the Retail Offer will be sent a retail offer booklet containing information in respect of the Retail Offer and a personalised entitlement and acceptance form on Friday 30 August 2024. Eligible retail shareholders wishing to participate in the Retail Offer should carefully read the retail offer booklet and their personalised entitlement and acceptance form and will then need to complete, or otherwise apply in accordance with, the personalised entitlement and acceptance form. Copies of the retail offer booklet will also be available on the ASX website at www.asx.com.au and Spirit's website at <https://spirit.com.au/> from Friday 30 August 2024.

Nominee for ineligible foreign shareholders

The Entitlement Offer is only being made to shareholders with registered addresses in Australia and New Zealand. Subject to ASIC's approval, Spirit will appoint UCPS Nominees Pty Ltd (ACN 680 003 696) as nominee for ineligible foreign shareholders who will arrange for the sale of entitlements that would have been offered to ineligible shareholders, with the net proceeds, if any, distributed to those shareholders.

Key Dates for the Offer

Key dates of the Offer are provided in the indicative timetable below.

Event	Date
Announcement of the Offer	Friday 23 August 2024
Placement and Institutional Offer opens (10:00am)	Friday 23 August 2024
Placement and Institutional Offer closes and bookbuild (12:00pm)	Monday 26 August 2024 ¹
Results of Placement and Institutional Offer announced (before market open)	Tuesday 27 August 2024
Trading resumes on an ex-rights basis	Tuesday, 27 August 2024
Record Date (7:00pm)	Tuesday 27 August 2024
Retail offer booklet despatched and Retail Offer opens (9:00am)	Friday 30 August 2024
Placement and Institutional Offer settlement date	Tuesday 3 September 2024
Closing Date (5:00pm)	Friday 13 September 2024
Announcement of results of Retail Offer and notification of shortfall	Wednesday 18 September 2024
Issue of New Shares under Retail Offer	Friday 20 September 2024

Note: All dates and times above are indicative and Spirit reserves the right to amend any of these events, dates and times subject to the *Corporations Act 2001* (Cth), ASX Listing Rules and other applicable laws. All times and dates are in reference to AEST. The commencement of quotation of New Shares under the Entitlement Offer is subject to confirmation from ASX.

Additional Information

Spirit expects to announce the outcome of the Institutional Offer to the market on Tuesday 27 August 2024 before market open and will remain in a trading halt until this time.

In conjunction with this announcement, Spirit has today released to ASX an investor presentation, cleansing notice (in accordance with section 708AA of the *Corporations Act 2001* (Cth)) and Appendices 3B (New Issue Announcement). Further details about the Entitlement Offer are set out in these documents. The investor presentation contains important information including key risks, assumptions and foreign

¹ Spirit, in consultation with the Underwriter, reserves the right to close the Institutional Offer earlier

selling restrictions with respect to the Entitlement Offer. Further details regarding the Retail Offer (including the retail offer booklet) will be released to the ASX on Friday 30 August 2024.

Advisers

Spirit is being advised by Norton Rose Fulbright as its legal adviser.

Disclaimer**IMPORTANT NOTICES**

This release is for information purposes only and is not a financial product or investment advice or a recommendation to acquire Spirit shares (nor does it or will it form any part of any contract to acquire Spirit shares) or accounting, legal or tax advice. The information in this release is in summary form and does not contain all the information necessary to fully evaluate the Entitlement Offer or any potential investment in Spirit. It should be read in conjunction with Spirit's other periodic and continuous disclosure announcements lodged with ASX. This release has been prepared without considering the objectives, financial or tax situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives and financial situation and needs, and seek legal, financial and taxation advice appropriate for their jurisdiction. Spirit is not licensed to provide financial product advice in respect of an investment in securities.

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

For further information, please contact

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About Spirit Technology Solutions:

Spirit Technology Solutions is an ASX listed provider to Australian businesses of innovative secured managed services, cyber security and collaboration and communication platforms.

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

Annexure 1

Summary of Share Purchase Agreement

The key terms of the Share Purchase Agreement are summarised below.

Overview	<p>The Company will acquire 100% of the issued share capital of Forensic IT Solutions Pty Ltd (Forensic IT) from McCarthy Investments Pty Ltd as trustee for McCarthy Investment Trust and DC3 Consulting Pty Ltd as trustee for the Caldwell Family Trust (Sellers).</p> <p>Completion under the Share Purchase Agreement is expected in October 2024 following settlement of the Entitlement Offer.</p>
Purchase Price	<p>The consideration payable by Spirit for the Proposed Transaction will be an aggregate consideration of approximately \$7,600,000 (subject to certain adjustments) and the issue of \$1,600,000 worth of shares in Spirit. The consideration shares will be issued at a price of \$0.0594 per share.</p>
Termination Rights	<p>Spirit may terminate the Share Purchase Agreement before completion if:</p> <ul style="list-style-type: none"> • one or more conditions under the Share Purchase Agreement (described further below) are not waived or fulfilled by 31 October 2024 (subject to Spirit using best endeavours to satisfy these conditions); • an insolvency event occurs in relation to a Seller and/or Forensic IT; • an order is made or an effective resolution is passed for the winding up or dissolution without winding up of a Seller and/or Forensic IT; • a holder of an encumbrance takes possession of the whole or any substantial part of the undertaking and property of a Seller and/or Forensic IT; or • a Seller materially defaults in any of its other obligations under the Share Purchase Agreement and that default is not remedied to Spirit's reasonable satisfaction within 14 days. <p>The Sellers may terminate the Share Purchase Agreement before completion if:</p> <ul style="list-style-type: none"> • one or more conditions under the Share Purchase Agreement (described further below) are not waived or fulfilled by 31 October 2024 (subject to the Sellers using best endeavours to satisfy these conditions); • an insolvency event occurs in relation to Spirit; • an order is made or an effective resolution is passed for the winding up or dissolution without winding up of Spirit; or • Spirit materially defaults in any of its obligations under this document and that default is not remedied to the Sellers' reasonable satisfaction within 14 days.
Other conditions	<p>Completion under the Share Purchase Agreement is conditional on:</p> <ul style="list-style-type: none"> • Spirit raising at least \$9,000,000 (before costs) in equity; • Spirit obtaining all consents, approvals and waivers required by any laws including any required approvals from ASIC, ASX, directors or shareholders; • each key employee executing an employment agreement; • Jordan Hunt and Brendan McCreesh accept offers for 5,049,655 nil exercise price options under Spirit's employee incentive plan.