

Quarterly Activity Report for period ending 31 December 2024

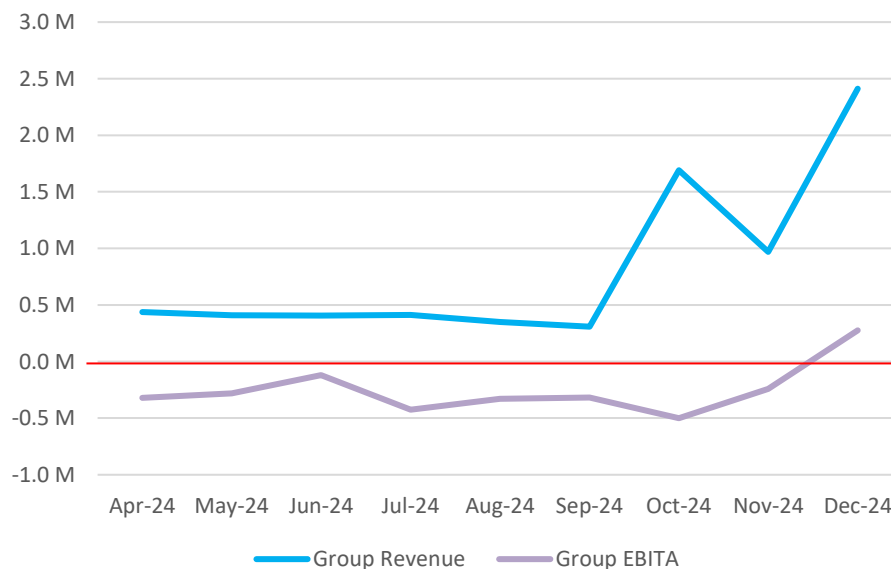
Highlights

- Excite reaches positive EBITDA in December.
- The Digital Forensics division closed major renewals with law enforcement and government agencies to the value of \$4.06M.
- Customer receipts double quarter on quarter to a record of \$4.08m.
- Belgravia's Convertible Note funding fully exercised in December.
- Closing cash was \$810k, bolstered by \$2.6M in receivables at month end.

Excite Technology Services Limited (**Excite** or the **Company**) (ASX:EXT) is pleased to provide the following quarterly activities report and Appendix 4C for the quarter ended 31 December 2024.

Quarterly Financial Highlights

The results for the Excite Group (the **Group**), include revenues and cash flows from its Cyber and IT services divisions as well as the pro rata results of recently acquired digital forensics and training business CBIT Pty Ltd Digital Forensics Group (**CDFS**).



Monthly Group Revenue and EBITDA

The key financial highlights for the quarter were:

- Group EBITDA turned positive by the month of December. **Customer receipts** were \$4.08M, a significant increase from \$1.99M compared to the September 2024 quarter.
- **Unaudited Revenues** for the quarter increased to \$5.07M up from \$1.06M in the prior quarter driven by completion of the CDFS acquisition.

- **Net operating cash outflow** for the quarter was \$(2.31M), increasing from \$(211K) as a consequence of product resale in the amount of \$2M which was required ahead of customer receipts in January 2025.
- The Group completed the second tranche of the **convertible note** investment with Belgravia Group, receiving a further \$1M in December.
- The Group's **closing cash** balance closed at \$810K, supported by credit facilities of \$150K and accounts payable at the end of the quarter of \$2.6M.

Excite Executive Director and CFO Mr Steven Bliim added:

"The December 2024 quarter marks a pivotal moment for the Excite Group. Quarterly revenues grew to \$5.07M, supported by cash receipts exceeding \$4M. The integration of the CDFS business unit significantly enhanced EBITDA, with the Group achieving break-even in the month of December. While net operating cash flows were temporarily impacted by \$2.6M in outstanding debtors at year-end, these amounts were promptly collected in January 2025. With strong momentum heading into the new year, I am confident in the Group's trajectory and look forward to sharing further progress in the months ahead."

IT & Managed Services

In the December 2024 quarter, Excite continued its focus on modernising managed services. Following the successful transition of customers from on-premises to cloud infrastructure in the prior quarter, revenue growth from ongoing customer contracts remained a priority, with a focus on delivering consistent value and strengthening customer relationships. Key customer wins included a further \$284K of business with a large Australian development contractor, which bolsters an already healthy MSP business

Cyber Security

Excite's Cyber Security division maintained its momentum in the December quarter, introducing advanced automation tools to further improve the efficiency and effectiveness of its Security Operations Centre (SOC). The integration of Cribl, completed in the previous quarter, has already begun yielding measurable improvements in data processing and log management, allowing SOC staff to dedicate more time to high-impact security activities.

Excite achieved a notable win in the healthcare and retirement living services sector, securing \$443K in renewed business contracts for recurring MDR services as well as cyber product licencing. This success comes ahead of initiatives undertaken by management during the quarter to bolster sales resources for outbound business development as well as recruitment of new GRC Consulting roles. The Company's renewed focus on consulting capability remain a cornerstone of its strategy for expanding organic sales growth within its Cyber Practice.

Digital Forensics and Training

In the December quarter, the digital forensics business achieved significant milestones. CDFS won a further contract expansion valued at \$3.4M over two years with an Australian State Police Force, reinforcing its position as a trusted provider of advanced digital forensics and investigative services.

The digital forensics business unit continues to perform strongly, with key customer wins from Federal Law Enforcement in the amount of \$253K and a Federal Agency in the amount of \$402K by way of example.

Construction on the **NANGU Digital Cyber Forensics Training Centre** progressed during the quarter, with a March completion date being on track. This state-of-the-art facility, leased by the Group and funded through a federal grant, will provide immersive digital forensics training. Key features include a cyber-range, a simulated courtroom, and an accredited laboratory. Once operational, this centre will play a unique role in advancing DFIR (Digital Forensics and Incident Response) capabilities and equipping the next generation of cybersecurity and forensic experts within Australia.

Other

The CDFS acquisition was formally completed during the December quarter, with consolidated performance now reflected in the Group's results. Integration remains on track, with the Canberra-based team playing a key role in positioning Excite as a leader in digital forensics and training in Australia.

In November, Louise Hanna joined the Group as Head of Professional Services Consulting – Principal Cyber Security Strategist. Louise brings extensive experience, having worked with Australia's leading enterprises and government agencies, further strengthening the Group's consulting capabilities and cyber expertise. By enhancing this capability, the Group can help clients better navigate complex cybersecurity challenges, improve their resilience, and strengthen their defences against emerging threats. This focus positions Excite as a trusted partner, providing expert guidance to protect critical assets and drive long-term customer success.

For the purposes of ASX Listing Rule 4.7C.3, the Company notes that payments to related parties and their associates in the quarter were \$51K comprised of director and employment entitlements (including statutory superannuation payments).

Outlook

As Excite closed out the 2024 calendar year, the Company successfully capitalised on opportunities in mid-market cyber, IT consulting, and digital forensics and incident response (DFIR). Despite the challenging market conditions and project delays noted in the prior quarter, Excite's recurring revenue streams remained robust, positioning the Group for a strong start in early 2025.

The incorporation of CDFS into the Group during October 2024 has already begun to deliver meaningful results. This strategic acquisition has enhanced Excite's financial performance and expanded its capabilities in cyber strategy and digital forensics. It is expected that the strategic addition to the business' capability will enhance value for customers as well as reposition the business toward stronger financial performance.

Excite aims to expand in the cyber, IT consulting, and DFIR markets, focusing on recurring revenues and long-term growth. Excite remains committed to supporting a Safe Australia by enhancing security measures, providing reliable IT solutions, and training the next generation of talent for Australia.

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This announcement has been authorised by the Board

Further information please visit

<https://excitecyber.com>

Excite Technology Services investor relations contacts:

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About Excite Technology Services Limited

Excite, operating as Excite Cyber through its subsidiaries, offers comprehensive cybersecurity services, including threat prevention, managed cloud and IT services, specialist digital forensics, incident response, forensic investigations, and accredited training to ensure a safe Australia.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Excite Technology Services Ltd

ABN

61 120 658 497

Quarter ended ("current quarter")

31 Dec 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	4,080	7,658
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(4,288)	(5,590)
(c) advertising and marketing	(12)	(17)
(d) leased assets	(15)	(126)
(e) staff costs	(1,941)	(4,658)
(f) administration and corporate costs	(118)	(471)
(g)		
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(20)	(68)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(2,314)	(3,272)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	(750)	(750)
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (CBIT working capital acquired)	1,583	1,583
2.6	Net cash from / (used in) investing activities	833	833

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,000	2,000
3.2	Proceeds from issue of convertible debt securities	1,000	2,000
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(66)	(55)
3.5	Proceeds from borrowings	-	300
3.6	Repayment of borrowings	(150)	(350)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
3.9	Other	(514)	(784)
3.10	Net cash from / (used in) financing activities	1,270	3,045

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,021	1,037
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,314)	(3,272)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	833	833
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,270	3,045
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	810	810

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	810	1,021
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	810	1,021

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	51
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	315	150
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	315	150
7.5	Unused financing facilities available at quarter end		150
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. Other financing facilities include an unsecured Director loan with a maturity date of 30 November 2025 at an interest rate of 15% per annum.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,343)
8.2	Cash and cash equivalents at quarter end (item 4.6)	810
8.3	Unused finance facilities available at quarter end (item 7.5)	150
8.4	Total available funding (item 8.2 + item 8.3)	960
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	-0.41
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: Excite does not expect to maintain the current level of net operating cash outflows. The December quarter included several one-off expenses related to the acquisition and integration of CDFS, which will not recur in future periods. Additionally, revenue growth from the CDFS business unit, improved collections from outstanding debtors in January 2025, and ongoing cost optimisation are expected to deliver positive cash flows in the coming quarters.	

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Excite is actively managing its cash position and has taken steps to strengthen liquidity. In January 2025, the Group collected \$2M in outstanding debtors, improving short-term cash flow. The Company has already taken steps to improve its revenue trajectory and optimise its cost base to deliver future net operating cash flow.

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: The Company's revenue trajectory is positive, supported by strong customer receipts. Additionally, recent cash collections in January 2025 have strengthened liquidity. Management continues to manage costs in line with available resources.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2025.....

Authorised by: Steven Bliim – Executive Director
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: *Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.