

Secure. Sustainable. Scalable.

H1 FY25 Results

25 February 2025



Presenting Today



Julian Challingsworth

Spirit Managing Director & CEO



Paul Miller

Spirit CFO



Simon McKay

Infotrust CEO

Overview

Spirit Technology Solutions provides services and solutions that enable organisations to:

Secure

- Strengthen their security posture to match the constantly changing cyber threat landscape.

Sustainable

- Leverage intelligent, clean technologies to measure and reduce their carbon footprint, achieve net-zero targets, and potential cost savings.

Scalable

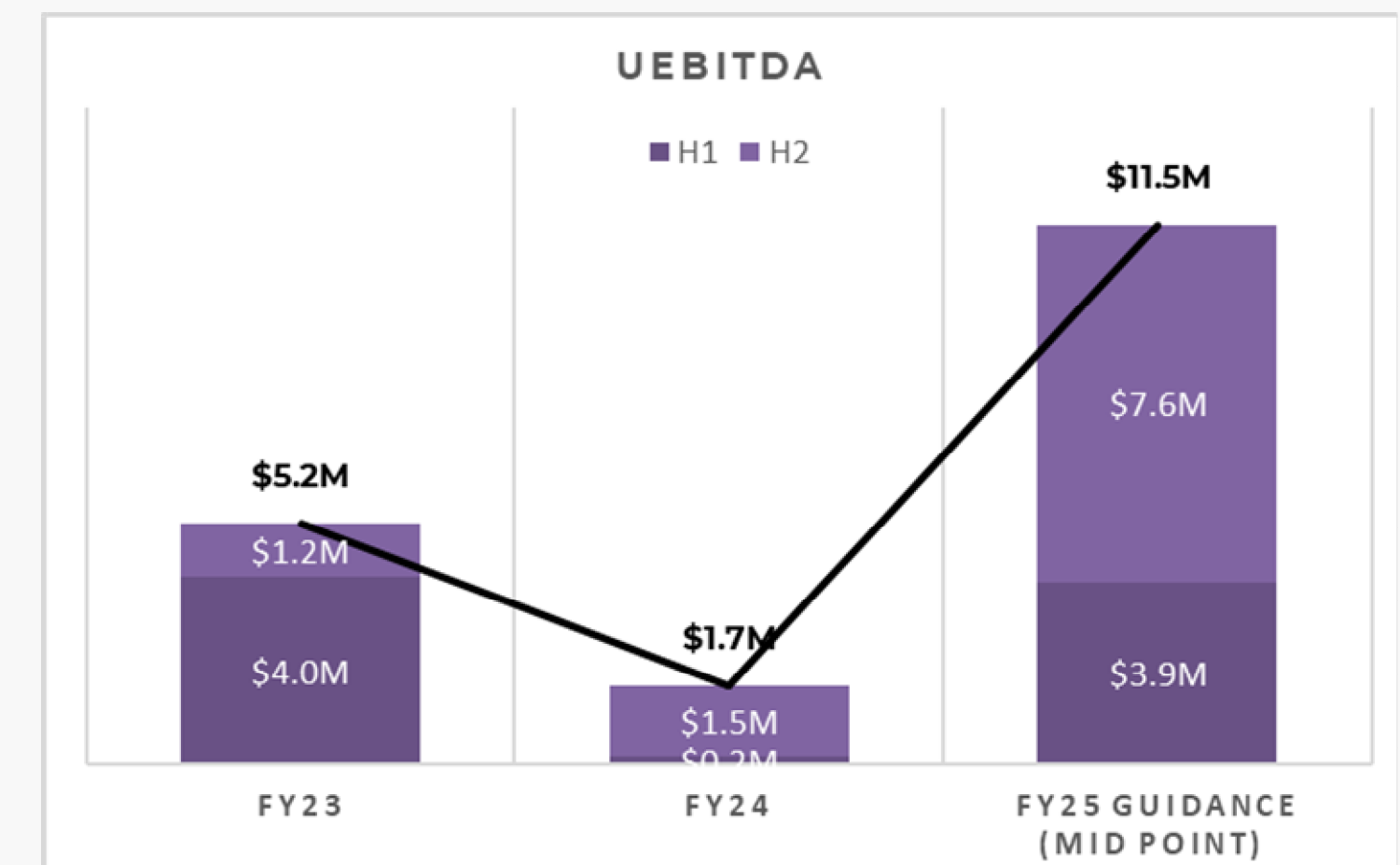
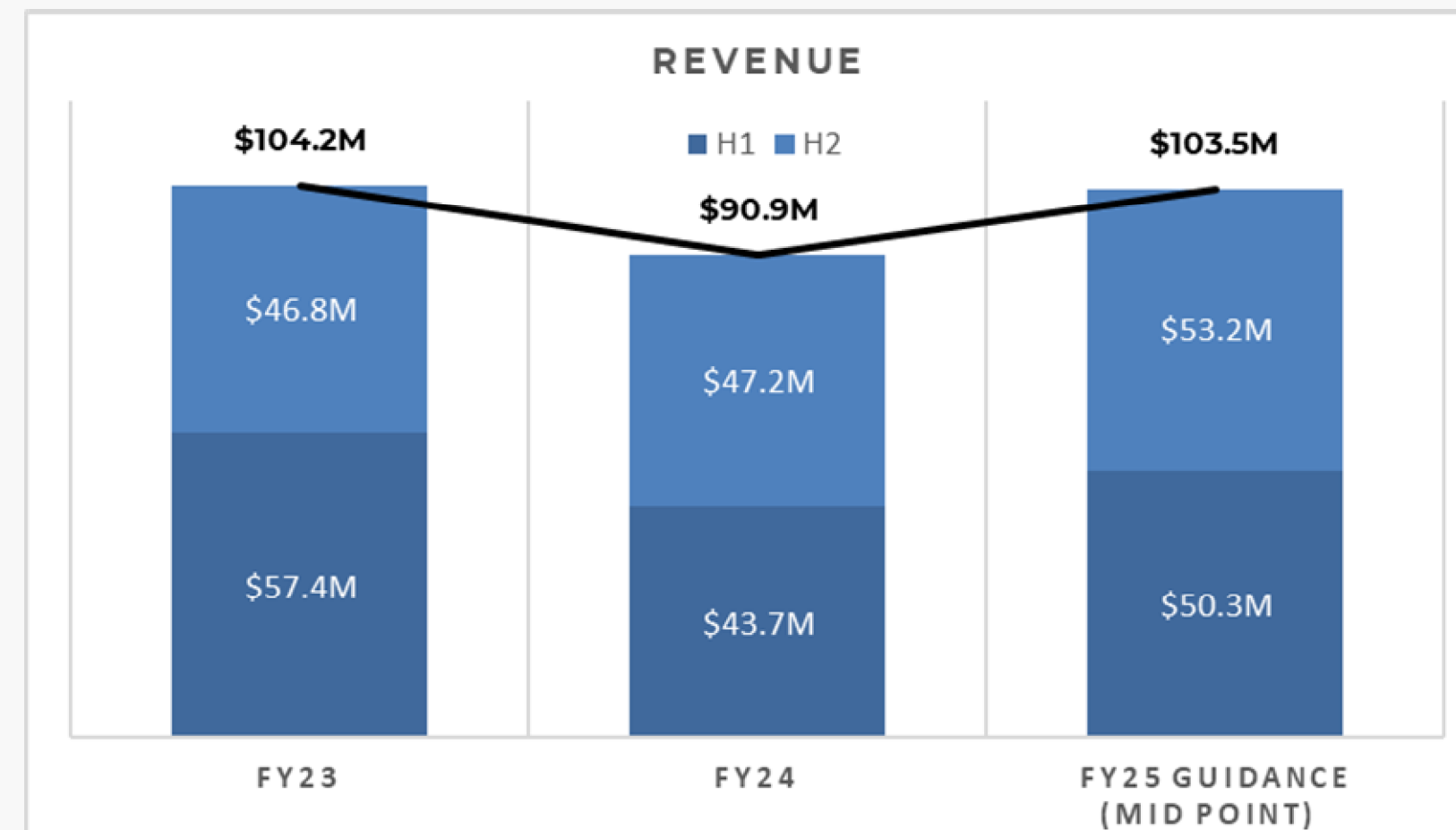
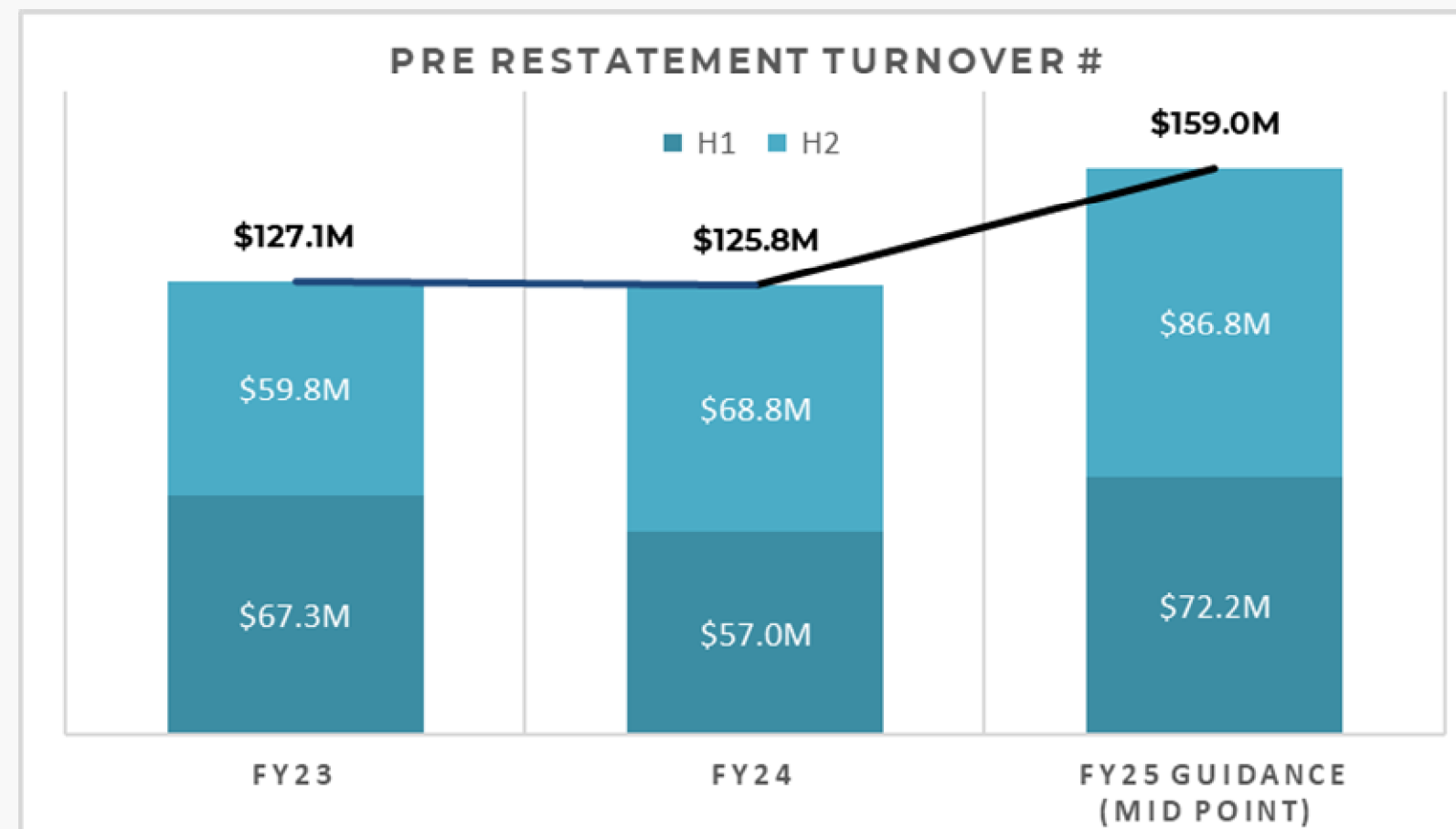
- Remain ahead of the curve and accelerate their digital transformation by adopting agile technology solutions that can easily adapt to changing business needs and deliver their ROI goals for technology investments.



Spirit Group – Solid H1 Performance - On track to deliver FY25 guidance

Highlights:

- Revenue* of \$50.3M versus \$43.7M in the pcip
- uEBITDA* of \$3.9M versus \$0.2M in the pcip
- Cyber revenue up 97% to \$14M with 20% uEBITDA margin
- Managed Services turnaround continues with a positive contribution of \$0.1M up from negative \$2.5M pcip
- Completed the acquisition of Forensic IT



* Revenue reflects a change in Accounting Policy as outlined in Appendix. Refer to Appendix for definitions of pre-restatement turnover & uEBITDA.

H1 FY25 Results: On track to deliver FY25 guidance

Consolidated Financials

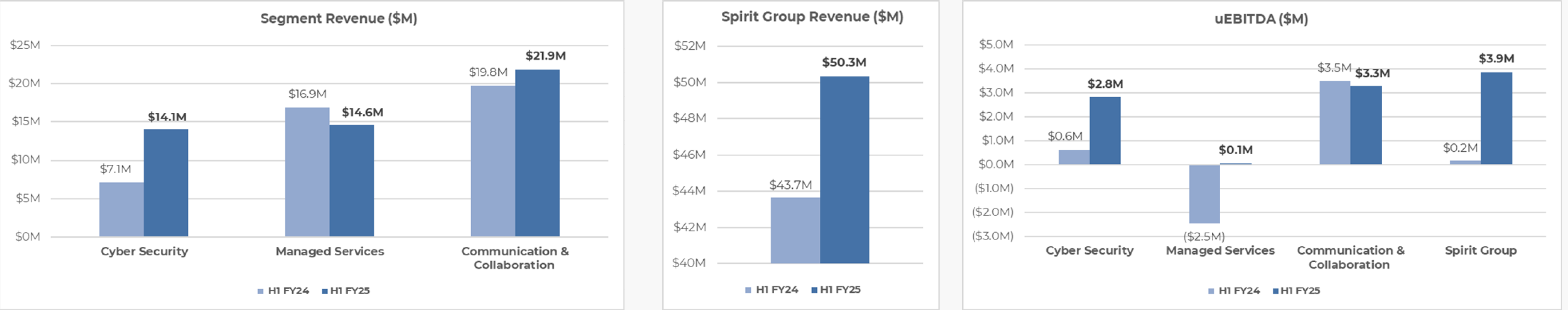
Period Ending 31 December 2024

\$ in 000's	H1 FY25	H1 FY24 (Restated)	Change
Pre restatement turnover	72,154	57,006	15,148
Revenue	50,334	43,672	6,662
Other income	77	198	(121)
Revenue and other income	50,411	43,870	6,541
EBITDA	1,453	(3,609)	5,062
Share-based payments	913	668	245
Business acquisition costs	625	492	133
Transformation and restructuring costs	867	535	332
Other normalisation items	-	679	(679)
Impairment of non-current assets	-	1,395	(1,395)
Underlying EBITDA*	3,858	160	3,698
(Loss) after income tax benefit	(1,654)	(5,200)	3,546

- During the half, the Company undertook a further detailed review of its application of principal vs agent pursuant to AASB 15 Revenue from contracts with customers in regard to certain product revenue streams.
- This has resulted in a change to the Company's revenue accounting policy to present software licensing and other product revenues on a net basis, including a restatement of comparatives.
- Total revenue and other income for the Spirit Group for H1 FY25 of \$50.4M (H1 FY24: \$43.9M).
- Underlying EBITDA amounted to \$3.9M (H1 FY24: \$0.2M) up \$3.7M (2,311% pcg).

* Refer to Appendix for definitions of Pre restatement turnover, EBITDA & uEBITDA. To be read in conjunction with the Directors' Report and Interim Financial Report for the six months ended 31 December 2024.

Business segment performance highlights



Cyber Security

- Cyber security investment accelerated with the acquisition of Forensic IT, providing Spirit with enhanced capabilities and opportunities for cross-sell opportunities.
- Earnings more heavily weighted to the second half of the financial year. Accordingly, it is anticipated that the earnings for H2 FY25 will be higher than H1 FY25.
- Strategic focus for FY25 is to extract the revenue and margin accretion opportunities following the acquisition of Infotrust and Forensic IT.

Secure Managed Services

- H1 FY25 result reflects the focus on stabilising and restructuring this segment and efforts to return the segment to positive earnings momentum.
- Segment results are tracking to the Board’s expectations with further improvement expected in H2 FY25.
- Focus on investing and providing customers with opportunities to align to SMB 1001 - the new security framework which gives an entry point for SMB businesses to start uplifting their security posture.
- Spirit has tailored security packages to enable its customers to invest at the appropriate level for their current needs and progressively increase that investment over time.

Communication & Collaboration

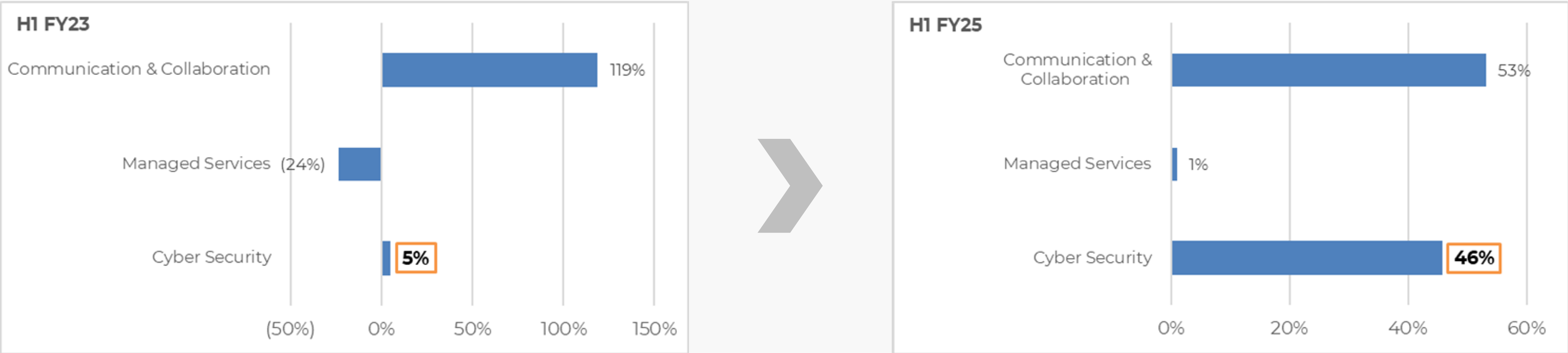
- Ongoing segment investment to facilitate growth opportunities and market offerings impacted H1 FY25 uEBITDA.
- Focus on expanding sales channel and footprint by establishing new locations in Western Australia and South Australia.



Note: Spirit Group inclusive of Corporate (Corporate not shown separately)
Refer to Appendix for full segment results and definition of EBITDA and uEBITDA

Cyber Security Revenue up 97% Contributing 46% of Segment Earnings

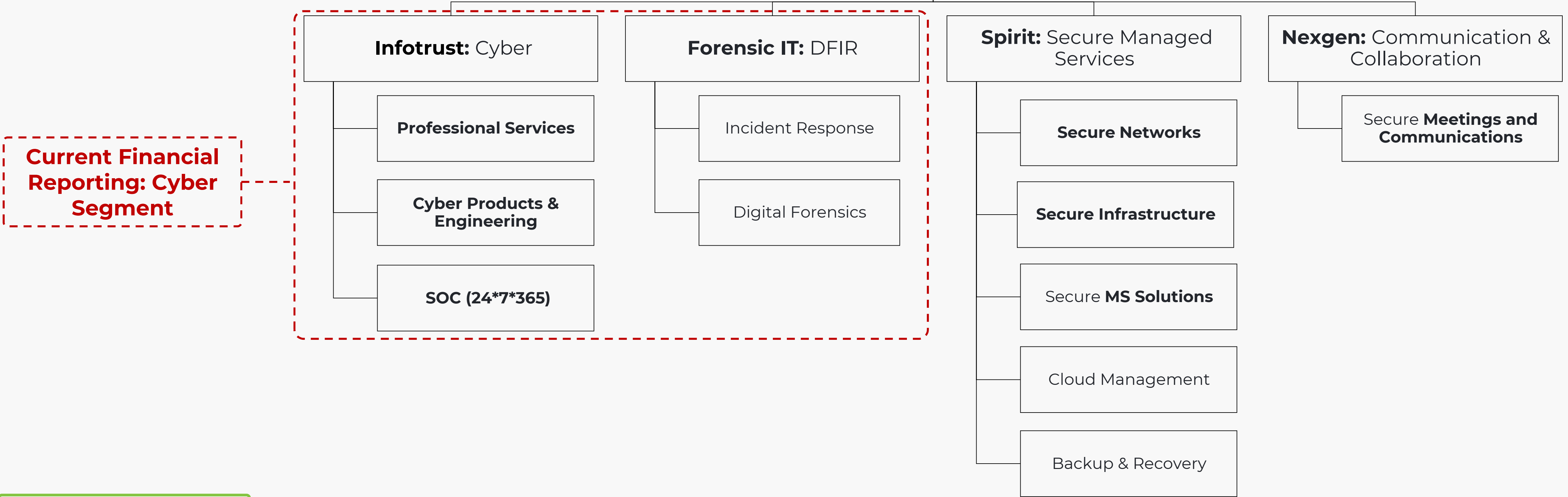
uEBITDA* contribution by division



Cyber Security grows from 5% in H1 FY23 of the business to 46% of the business in H1 FY25 further leveraging the company to the industry's strong structural tailwinds

* Analysis excludes Corporate. Refer to Appendix for full segment results and definition of EBITDA and uEBITDA

Spirit's Cyber Capabilities



Current Financial Reporting: Cyber Segment

Security Portfolio Product Mix



WINS

- ▶ Over 1,000 customers using Spirit's cyber capabilities to protect their organisation
- ▶ Key wins in DFIR have resulted in sales being generated for both Cyber and Secure Managed Services
- ▶ Future earnings growth expected from cross sell between the teams/capabilities
- ▶ Growth driven from customers expectation to have one provider capable of delivering key services nationally

Growth Pillars

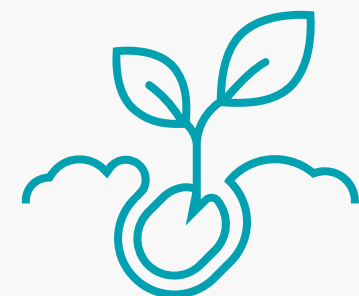
The acquisitions of Infotrust and Forensic IT demonstrate execution of Spirit's refreshed go-to-market strategy, which provides a platform for the Company to become one of Australia's leading providers of cyber security, secure digital workplaces and communication solutions.

1 Customer Growth

Cross-selling and up-selling offerings to existing customers of Spirit and Infotrust.

Cyber Security margin improvement from implementing Infotrust's delivery approach, sales execution and pipeline build.

C&C team to expand sales office, opening in WA, SA and Northern QLD.



2 Partnerships

Further agreements and partnerships with our leading global technology partners.



3 Expanded Offerings

Development of intellectual property to accelerate project delivery timeframes and build capabilities.

Several recently launched offerings to ramp up, including Spirit's Secure Networking Solutions, SMB1001 Secure Workplace and incident response capabilities across the organisation.



4 Inorganic Growth

Further strategic acquisitions to grow in the Secure, Sustainable, Scalable space.



Outlook

- **FY25 guidance reaffirmed:**
 - Revenue of **\$100M-\$110M in FY25.** (Pre restatement turnover* of \$154m - \$164m in FY25 in line with previous guidance)
 - Ongoing opportunity to cross-sell to Infotrust and Forensic IT customer base
 - Improved profitability with expected uEBITDA of **\$11m- \$12m in FY25**
 - Cyber Security set to be the largest earnings contributor, in FY26
 - Margin accretion opportunities from Infotrust's additional offerings and scale
 - Positive earnings contributions expected from all segments, including a modest maiden profit by Managed Services
 - Cyber-first strategy successful with growth expected to continue over a three-year strategic horizon, with the pipeline of opportunities expected to grow through H2 FY25.
 - Spirit to continue strategy of organic and inorganic growth as it continues to strengthen its position as one of Australia's leading providers of secure digital workplaces.

* Refer to Appendix for definitions of pre-restatement turnover and uEBITDA.

Investment Highlights



National footprint and comprehensive SOC and incident response capabilities provides strong barriers to entry being a leading Australian provider of cyber security, sustainability and managed services IT solutions.



Strong market tailwinds across Spirit's core markets of cyber security, sustainable IT solutions and managed services.



Advancing accretive acquisition opportunities and organic growth through geographic and customer expansion and up-sell and cross-sell to existing customers.



Experienced board and executive team with extensive experience in managed services, technology consulting services and cyber security.



Having streamlined and refocused the Company's solutions and service offerings, all business segments expected to return to profitability in FY25.

Appendix



Segment performance

Segment Reporting H1 FY25

\$ in 000's	Cyber Security	Communication & Collaboration	Managed Services	Corporate	Total
Revenue	14,056	21,896	14,553	(171)	50,334
Underlying EBITDA	2,821	3,281	63	(2,307)	3,858
Depreciation and amortisation expense (exc. amortisation on customer relationships)	(330)	(344)	(372)	-	(1,046)
Finance costs (net of interest Income)					
Underlying net (loss)/profit before tax	14	(17)	(40)	(1,312)	(1,355)
Underlying Adjustments:	2,505	2,920	(349)	(3,619)	1,457
Share based payments	-	-	-	(913)	(913)
Business acquisition costs	-	-	-	(625)	(625)
Transformation and restructuring costs	-	-	(20)	(847)	(867)
Amortisation of customer relationships	(595)	(597)	-	-	(1,192)
(Loss)/profit before income tax benefit	1,910	2,323	(369)	(6,004)	(2,140)
Income tax benefit					486
(Loss) after income tax benefit					(1,654)

To be read in conjunction with the Directors' Report and Interim Financial Report for the six months ended 31 December 2024. Refer to Appendix (Financial Notes) for definitions of EBITDA, Underlying EBITDA and Underlying net (loss) profit before tax.

Board of Directors

Our Board has extensive experience leading some of the most successful companies in Australia.



Shan Kanji
Chairman



Russell Baskerville
Deputy Chairman



Julian Challingsworth
Managing Director & CEO



Lynn Warneke
Non-Executive Director



Dane Meah
Non-Executive Director



Simon McKay
CEO of Infotrust

Executive Team

Our executive team has extensive experience across Cyber Security, Managed Services and Communication & Collaboration.



Julian Challingsworth
Managing Director & CEO



Paul Miller
Chief Financial Officer



Nathan Knox
Chief Operating Officer



Nick Hornstein
General Counsel



Simon McKay
CEO of Infotrust



James Harb
Co-CEO of Nexgen



Elie Ayoub
Co-CEO of Nexgen

Our Vision

To create and be part of a thriving and resilient Australian economy, community and environment through improved use of advanced technology.

Our Mission

Make our customers secure, sustainable and scalable, while living our team values.

Our Values



Customer Experience

We partner with our customers to create value.



Excellence

We challenge how we empower, collaborate and communicate to deliver excellence to our customers.



Community

We show deep respect for human beings inside and outside of Our company. We want our employees to enjoy work in their lives.



Passion

We are passionate about everything we do. We are continuously moving forward, innovating and improving.



Integrity

We are honest, open, ethical and fair. We do what we say.

Financial Notes

To be read in conjunction with the Directors' Report
and Interim Financial Report for the six months
ended 31 December 2024

Change in Accounting Policy

During the financial half-year, the Group undertook a further review of its application of principal vs agent pursuant to AASB 15 Revenue from contracts with customers in regard to certain product revenue streams. This review resulted in a change to the Group's revenue accounting policy to present certain product revenues on a net basis, including a restatement of comparatives. Further details of this change is contained within note 4 of the 2024 Interim Financial Report. There is no effect on the reported net profit/(loss) as outlined in the consolidated statement of profit or loss and other comprehensive income for the current and comparative half-year periods.

Non-IFRS Financial Information (not prescribed by Australian Accounting Standards ('AAS'))

- **Pre restatement turnover** represents proceeds from the sale of goods and services based on the accounting policy that applied before the revenue restatement (as referenced above). The directors believe this non-IFRS information provides investors with additional clarity for the financial half-year ended 31 December 2024 to understand the change.
- **EBITDA** represents the profit/(loss) under AAS adjusted for depreciation, amortisation, interest and tax. Underlying EBITDA (or **uEBITDA**) is EBITDA adjusted to exclude share-based payments, business acquisition and divestment costs, transformation and restructuring costs, other normalisation items and impairment of non-current assets.
- **Underlying net profit/(loss) before income tax benefit/(expense) ("uNPBT")** adjusts underlying EBITDA to deduct depreciation & amortisation (excluding amortisation of customer relationships) and finance costs (net of interest revenue).

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