

27 August 2025

## Appendix 4E and FY25 Financial Statements

**Melbourne, 27 August 2025** – Spirit Technology Solutions Ltd (“**Spirit**”; “**Company**”; **ASX:STI**), a leading provider of cyber security, secure managed technology and cloud and communications solutions, attaches its Appendix 4E (*Preliminary Final Report*) together with the FY25 Financial Statements, Directors’ Report and Remuneration Report for the financial year ended 30 June 2025 for release to the market.

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

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**Spirit Technology Solutions Ltd**  
**Appendix 4E**  
**Preliminary final report**

**1. Company details**

|                   |                                 |
|-------------------|---------------------------------|
| Name of entity:   | Spirit Technology Solutions Ltd |
| ABN:              | 73 089 224 402                  |
| Reporting period: | For the year ended 30 June 2025 |
| Previous period:  | For the year ended 30 June 2024 |

**2. Results for announcement to the market**

**\$'000**

|                                                                                                       |      |       |    |         |
|-------------------------------------------------------------------------------------------------------|------|-------|----|---------|
| Revenue from ordinary activities                                                                      | up   | 12.7% | to | 102,394 |
| Underlying EBITDA*                                                                                    | up   | 562%  | to | 11,018  |
| Loss from ordinary activities after tax attributable to the owners of Spirit Technology Solutions Ltd | down | 87%   | to | (1,374) |
| Loss for the year attributable to the owners of Spirit Technology Solutions Ltd                       | down | 87%   | to | (1,374) |

**Non-IFRS financial information**

|                                   | Note | Year ended 30 June |                |               |
|-----------------------------------|------|--------------------|----------------|---------------|
|                                   |      | <b>2025</b>        | <b>2024</b>    | <b>Change</b> |
|                                   |      | \$'000             | \$'000         | %             |
| <b>Pre restatement turnover**</b> | 4    | <b>147,387</b>     | <b>125,847</b> | <b>17%</b>    |
| Accounting policy change          | 4    | (44,993)           | (34,955)       |               |
| Revenue from ordinary activities  | 4    | 102,394            | 90,892         | 13%           |

\* EBITDA is a financial measure which is not prescribed by AAS and represents the profit/(loss) adjusted for depreciation, amortisation, interest and tax. Underlying EBITDA is EBITDA adjusted to exclude business acquisition and divestment costs, transformation and restructuring costs, other normalisation items, impairment of non-current assets and share-based payments.

\*\* As outlined below, during the financial year a change was adopted to the Group's revenue accounting policy. Pre restatement turnover is a financial measure which is not prescribed by Australian Accounting Standards ("AAS") and represents proceeds from the sale of goods and services based on the accounting policy that applied before this restatement. The Directors believe this additional non-IFRS information for the financial year ended 30 June 2025 assists investors to understand the change. The Directors do not intend to include this information in future years.

*Dividends*

There were no dividends paid, recommended or declared during the current financial period.

*Comments*

The loss for the Consolidated Entity after providing for income tax amounted to \$1.37M (30 June 2024: loss of \$10.55M).

Further details of the results for the year can be found in the 'Review of operations and financial position' section of the Directors' report in the attached 2025 Financial Report.

**Spirit Technology Solutions Ltd**  
**Appendix 4E**  
**Preliminary final report**

*Change in accounting policy*

During the financial 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 are contained within Note 4 of the Financial Statements. 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 financial years.

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**3. Net tangible assets**

|                                           | <b>Reporting<br/>period<br/>Cents</b> | <b>Previous<br/>period<br/>Cents</b><br>(Restated*) |
|-------------------------------------------|---------------------------------------|-----------------------------------------------------|
| Net tangible assets per ordinary security | <u>(13.86)</u>                        | <u>(33.59)</u>                                      |

\* Restated for comparative purposes to account for the consolidation of the Company's issued capital on a ten (10) for one (1) basis as approved by shareholders at the 2024 Annual General Meeting held on 29 November 2024.

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**4. Control gained over entities**

The Company acquired 100% of Forensic IT Solutions Pty Ltd ("Forensic IT") with effective control on 1 October 2024. The acquisition has been accounted for as a Business Combination under AASB 3 *Business Combinations* on a provisional basis. Forensic IT is a major provider of cyber security digital forensic and incident response ("DFIR") solutions and currently works across approximately 180 incidents per year.

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**5. Loss of control over entities**

Not applicable.

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**6. Dividends**

There were no dividends paid, recommended or declared during the current or previous financial periods.

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**7. Dividend reinvestment plans**

Not applicable.

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**8. Details of associates and joint venture entities**

Not applicable.

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**9. Foreign entities**

Not applicable.

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**10. Audit qualification or review**

The financial statements have been audited and an unmodified opinion has been issued.

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**11. Attachments**

The Directors' Report and Annual Financial Statements of Spirit Technology Solutions Ltd for the year ended 30 June 2025 are attached.

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**12. Signed**



Shan Kanji  
Chairman

26 August 2025

**Spirit Technology Solutions Ltd**

**ABN 73 089 224 402**

**Directors' Report and Annual Financial Statements –  
30 June 2025**

**Spirit Technology Solutions Ltd**  
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**30 June 2025**

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**Spirit Technology Solutions Ltd**  
**Directors' report**  
**30 June 2025**

The Directors present their report, together with the financial statements, on the Consolidated Entity (referred to hereafter as the "Consolidated Entity" or "Group") consisting of Spirit Technology Solutions Ltd (referred to hereafter as the "Company", "parent entity" or "Spirit") and the entities it controlled at the end of, or during, the financial year ended 30 June 2025 ("FY25").

**Directors**

The following persons were Directors of Spirit during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Shan Kanji (Non-Executive Director and appointed Non-Executive Chairman effective 29 November 2024)  
Mr James Joughin (Non-Executive Chairman – resigned 29 November 2024)  
Mr Russell Baskerville (appointed Deputy Chair and Non-Executive Director, effective 28 October 2024)  
Mr Julian Challingsworth (Managing Director and Chief Executive Officer)  
Ms Lynn Warneke (Non-Executive Director)  
Mr Simon McKay (Executive Director)  
Mr Dane Meah (Non-Executive Director)  
Mr Gregory Ridder (Non-Executive Director – resigned 5 August 2024)  
Mr Elie Ayoub (Executive Director – resigned 5 August 2024)

**Principal activities**

During the financial year the principal activities of the Group were:

- Cyber Security;
- Secure Managed Technology (previously referred to as, 'Managed Services'); and
- Cloud and Communications (previously referred to as, 'Communication and Collaboration') services.

**Dividends**

There were no dividends paid, recommended or declared during the current or previous financial year.

**Operating and financial review**

**Consolidated Entity's operations**

Spirit is one of Australia's leading providers of modern and secure digital workplaces.

The Group provides cyber security and technology services and solutions that enable organisations to:

- Strengthen their security posture to match the constantly changing cyber security threat landscape.
- Remain ahead of the curve and accelerate their digital transformation by adopting secure, agile converged technology solutions that adapt to changing business needs and deliver return on investment.

**Spirit Technology Solutions Ltd**  
**Directors' report**  
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The Australian technology market continues to grow strongly, driven by ongoing demand for cloud computing, cyber security, and digital transformation services. Key trends include rapid adoption of cloud and Artificial Intelligence ("AI"), heightened focus on cyber security, the normalisation of hybrid work, a shift to subscription-based IT models, and vendor consolidation. As IT environments grow more complex, mid-market organisations are seeking to simplify relationships by engaging fewer providers with broader capabilities, creating clear opportunities for Spirit. The company is well placed to meet this demand through integrated, value-added services.

In response, the Group's focus for the year ahead is to fully integrate and leverage the combined strengths of Spirit's cyber security and managed services offerings to deliver differentiated value and unlock greater cross-sell potential. Security is now inseparable from managed IT; customers expect any IT environment to be secure by default. Accordingly, the company has aligned these capabilities under a single customer-facing brand, Infotrust.

The Company's strategy emphasises growing core cyber security and secure managed technology services, both organically and through acquisitions in high-growth and strategic areas, while continuing to simplify and improve profitability.

### **Review of operations and financial position**

During FY25, Spirit strengthened its cyber security capabilities with the acquisition of cyber security company, Forensic IT Solutions Pty Ltd ("Forensic IT"). The acquisition expands Spirit's cyber capability to enable rapid response to data breaches and cyber incidents and strengthens the Company's position in the growing cyber security market. Forensic IT is a major provider of digital forensic and incident response ("DFIR") solutions and responds to approximately 180 incidents per year. The acquisition is highly complementary to Spirit's cyber security offerings and Spirit considers there are revenue and margin accretion opportunities through the acquisition by expanding Spirit's cyber security capability to enable rapid response to cyber incidents.

Following the acquisition of Forensic IT (effective 1 October 2024), together with the acquisition of InfoSurety Pty Ltd (effective 1 April 2024), cyber security is now Spirit's fastest growing division and most important earnings contributor. By understanding customers' exposure level and risk appetite, Spirit recommends and implements an appropriate cyber security framework, such as:

- Foundation frameworks for small to medium businesses (SMB 1001)
- Control frameworks (SMB 1001; Essential 8, CIS Top 18 Controls, NIST 800-53)
- Program frameworks (ISO 27001; NIST CSF)
- Risk frameworks (CIS RAM; ISO 27005)

Spirit's Secure Managed Technology segment maintained momentum towards positive earnings. The Cloud and Communications segment (previously referred to as Communication and Collaboration) achieved solid growth by broadening its sales channel and footprint.

Each of Spirit's three segments focus on advocating and supporting adoption of the right cyber security framework for a given customer's size, maturity and level of exposure to cyber security risk.



### **Change in accounting policy – revenue recognition for contracts with customers**

During the financial 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. Note there was no effect on reported profit or loss as a consequence of this change. Spirit will provide the comparative pre restatement turnover<sup>#</sup> data for FY25, but in future financial years the Company intends only to report AASB 15 revenue.

### **Financial performance**

The Consolidated Entity's reporting framework aligns to the following key operating segments (as outlined in Note 3: Operating Segments of the Financial Statements):

- Cyber Security
- Secure Managed Technology
- Cloud and Communications

The Consolidated Entity delivered an underlying EBITDA\* profit of \$11.02M for FY25 (relative to \$1.66M for the financial year ended 30 June 2024 ("FY24")). The statutory outcome for FY25 after providing for income tax was a loss of \$1.374M (FY24: loss \$10.5M). Total revenue and other income for the Consolidated Entity for FY25 was \$102.5M (FY24: \$91.2M). The following table summarises the key financial metrics for the financial year:

|                                                                          | <b>30 June<br/>2025<br/>\$'000</b> | <b>30 June<br/>2024<br/>\$'000</b> | <b>Change<br/>\$'000</b> |
|--------------------------------------------------------------------------|------------------------------------|------------------------------------|--------------------------|
| Pre restatement turnover <sup>#</sup>                                    | 147,387                            | 125,847                            | 21,540                   |
| Revenue (refer Note 4 to the financial statements)                       | 102,394                            | 90,892                             | 11,502                   |
| Other income (refer Note 5 to the financial statements)                  | 144                                | 272                                | (128)                    |
| <b>Revenue and other income</b>                                          | <b>102,538</b>                     | <b>91,164</b>                      | <b>11,374</b>            |
| Earnings before interest, taxes, depreciation and amortisation (EBITDA*) | 5,752                              | (6,299)                            | 12,051                   |
| Share-based payments **                                                  | 1,452                              | 571                                | 881                      |
| Acquisition and divestment costs **                                      | 837                                | 2,850                              | (2,013)                  |
| Transformation and restructuring costs **                                | 2,695                              | 1,999                              | 696                      |
| Other normalisation items                                                | -                                  | 552                                | (552)                    |
| Impairment of non-current assets **                                      | 282                                | 1,991                              | (1,709)                  |
| <b>Underlying EBITDA*</b>                                                | <b>11,018</b>                      | <b>1,664</b>                       | <b>9,354</b>             |
| (Loss) after income tax benefit                                          | (1,374)                            | (10,547)                           | 9,173                    |

<sup>#</sup> As outlined above, during the financial year a change was adopted to the Group's revenue accounting policy. Pre restatement turnover is a financial measure which is not prescribed by Australian Accounting Standards ("AAS") and represents proceeds from the sale of goods and services based on the accounting policy that applied before this restatement. The Directors believe this additional non-IFRS information for the financial year ended 30 June 2025 assists investors to understand the change.

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**Directors' report**  
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\* EBITDA is a financial measure which is not prescribed by AAS and represents the profit/(loss) adjusted for depreciation, amortisation, interest and tax. Underlying EBITDA (or uEBITDA) is EBITDA adjusted to exclude business acquisition and divestment costs, transformation and restructuring costs, other normalisation items, impairment of non-current assets and share-based payments.

\*\* Refer Statement of profit or loss and other comprehensive income.

Below is a review of FY25 performance by segment.

## **Cyber Security**

Spirit's Cyber Security segment provides a comprehensive cyber security offering, including managed security services, Security Operations Centre ("SOC"), professional and advisory services, and DFIR services and solutions, as well as security software sales through its partnerships with carefully selected software vendors. Customers increasingly seek providers who can deliver integrated, "secure-by-design" solutions that embed cyber security into all facets of IT management. Contract wins to deliver integrated secure managed technology services programs demonstrate the advantages of Spirit's combined cyber security and secure managed service offering.

Cyber security remains a priority for organisations and governments, with steady growth in the overall market providing strong support for continued growth in this segment. The strongest growth areas include cloud security, application security, data privacy, AI security, and security and integrated risk management.

Regulators, Government and customers are raising cyber security compliance expectations, particularly in areas such as privacy, critical infrastructure, and supply chain assurance. Australia's introduction of stricter breach notification laws and mandated frameworks (such as Essential Eight for government suppliers) has significantly raised standards. As a result, many organisations are seeking experienced providers to support security audits, certification processes, and continuous compliance monitoring. These obligations favour mature, scaled partners like Spirit, capable of navigating complex regulatory environments and delivering secure, standards-compliant outcomes.

Further, demand for 24x7 detection-and-response continues to surge as boards elevate "time-to-contain" metrics in the wake of fast-moving, AI-enabled attacks. Spirit has strong capabilities through its SOC and Forensic offerings which blend real-time intelligence, incident response and platform engineering teams.

Spirit's investment in the cyber security market was accelerated in October 2024 with the acquisition of Forensic IT, a major provider of DFIR solutions. In addition to augmenting the Group's capabilities, the acquisition provides the following benefits:

- cross-sell opportunities, specifically sale of incident response retainers into Spirit's existing customer base. Forensic IT has the requisite insurance panel credentials to enable insurers to appoint Forensic IT to support the insurer's customer; and
- planned synergies from the post incident review process. Experience demonstrates that companies often uplift their cyber security capabilities after experiencing a breach to prevent recurrence and Spirit's existing cyber security team can undertake this work.

The Cyber Security segment achieved uEBITDA for FY25 of \$6.8M (FY24 uEBITDA: \$3.3M) on full year sales revenue of \$29.5M (FY24: \$18.6M). The result includes the full year contribution of Infotrust (FY24 three months' contribution) and Forensic IT from the date of effective control (1 October 2024).

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To assist in understanding the accounting policy change on the Cyber Security segment, FY25 pre restatement turnover was \$72.8M (FY24: \$51.4M).

**Secure Managed Technology**

In the Secure Managed Technology segment (previously referred to as, 'Managed Services'), Spirit delivers a suite of technology solutions to mid-market and enterprise organisations, including software, hardware and services that support key business functions, such as:

- Secure modern workplace
- Secure network management via the Network Operations Centre ("NOC")
- Data management
- Information security
- Cloud and infrastructure
- Identity
- Continuous Threat Exposure Management

Spirit's Secure Managed Technology services include designing, configuring, installing and monitoring technology services and customer networks. Importantly, the Secure Managed Technology segment also delivers specialised security services to businesses, including threat detection, incident response, monitoring, and compliance management. Key strategic partners for Spirit in this segment include Microsoft and Cisco.

Many mid-market firms do not have full-scale internal security teams and thus rely on partners. With capabilities in cloud, hybrid work, collaboration, data protection, network and secure operations, the Secure Managed Technology segment continues to meet clients' evolving needs and expectations for:

- Security and compliance by default: IT solutions that are secure out-of-the-box and help clients to meet compliance obligations
- An outcomes and return on investment driven approach
- Flexibility and scalability through cloud models of IT consumption
- Integrated solutions that help clients simplify their vendor landscape.

The Board of Directors of Spirit ("Board") and the Group's management team have completed the initial multi-year restructuring and stabilisation of the Secure Managed Technology segment and transition to Secure Managed Technology. While FY25 results show improving earnings momentum, performance remains below expectations. To drive a step-change in results, the Board appointed Mr Dan (Damir) Suto as Executive Group Manager of Secured Managed Technology in March 2025.

The Secured Managed Technology segment achieved uEBITDA profit for FY25 of \$0.33M (FY24 uEBITDA loss: \$4.55M) on sales revenue of \$29.2M (FY24: \$32.5M).

To assist in understanding the impact of the accounting policy change on the Secured Managed Technology segment, FY25 pre restatement turnover was \$30.9M (FY24: \$34.7M).

**Cloud and Communications**

Spirit's Cloud and Communications segment (previously referred to as, 'Communication and Collaboration') provides integrated solutions to small and medium-sized businesses ("SMBs"), combining hardware, software, installation, configuration, and managed voice, collaboration and data connectivity. These offerings are tailored for frontline teams requiring advanced communication systems alongside workplace collaboration tools. Cisco is the segment's principal strategic partner.

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The Australian SMB Cloud and Communications market is vibrant, with ongoing growth in unified communications as small businesses adopt cloud-based telephony, video conferencing, and integrated customer contact solutions. Nexgen is exploring new value-adding services (including bundling AI features) to support customers to keep abreast of this innovation wave.

The segment achieved uEBITDA for FY25 of \$7.7M (FY24: \$6.5M) on sales revenue of \$44.1M (FY24: \$40.1M on both a pre and post restatement basis).

During FY25, this segment also continued to broaden its sales channel and footprint by establishing new points of presence in Western Australia and South Australia.

**Group disclosures**

Cash outflows from operating activities were \$2.2M for the year ended 30 June 2025 (2024: cash outflows \$4.1M). This included cash outflows associated with transformation and restructuring programs of \$1.9M (2024: \$2.6M). Net cash outflows from investing activities were \$17.4M (2024 outflows: \$16.1M). These principally related to obligations associated with business combination payments and business acquisition and divestment costs. During the financial year, the Company undertook capital raises totaling \$19.8M (net of transaction costs) to fund the acquisition of Forensic IT and provide growth working capital.

The basic and diluted earnings per share loss for the financial year ended 30 June 2025 was 0.77 cents (2024 restated: loss of 11.77 cents).

The net assets of the Consolidated Entity increased by \$25.5M to \$98.573M as at 30 June 2025 (30 June 2024: \$73.046M). This increase primarily reflects the impact of the capital raise and Forensic IT acquisition.

**Prospects for future financial years and business risks**

The Group continues its substantial growth as a leading Australian provider of cyber security and secure managed technology, known for delivering secure and modern digital workplaces and scalable customer outcomes.

Building a scalable and profitable company inherently involves risk. Risk factors change over time in both nature and weighting. Management and the Board of the Company actively manage risk and apply mitigation strategies as appropriate to reduce the impact of the stated risk on the Group's achievement of its goals. At the time of signing the Directors' report, the material business risks that could impede the achievement of the Group's future operational and financial success are set out below.

**Funding risk**

The Company is focused on returning to a sustainable operational cashflow positive position alongside managing residual acquisition fixed consideration obligations. The Company's aim is to manage settlement of these obligations from its future operating cash flows. That noted, the risk with respect to such preferred funding is contingent on the Company's performance improvements to generate positive cashflows sufficient to:

- manage working capital obligations,
- fund the fixed residual acquisition obligations, and
- fund agreed bank debt amortisation payments.

To the extent that the Company is unable to sustain the necessary performance improvements, it may require additional equity funding, which may have a dilutionary effect on the Company's shareholders or prevent execution of the Company's growth plans.

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The Company has material debt funding in place with its banker which is subject to various covenants. To the extent that the Company's performance does not meet these covenants, there is a risk that the Company will need to:

- renegotiate the terms of debt with its banker, which could be less advantageous,
- refinance with another lender, which could be on less advantageous terms, or
- undertake a capital raising to repay all or part of the debt finance.

The above noted, during the current financial year, the Company undertook capital raises totalling \$19.8M (net of transaction costs) which strengthened the financial position of the Group. In addition, convertible notes with a face value of \$4.965M were converted into ordinary shares, increasing net assets and reducing the net debt position leaving Convertible notes with a face value of \$0.5M remaining.

**Cyber and data breach risks**

Cyber attacks and data breaches are an inherent risk faced by every organisation. Should this risk materialise, the financial, operational and/or reputational impacts could have a material adverse effect on the Company and its prospects, including loss of customers, reduced sales, and reduction in revenue and profit.

Being a material business risk, cyber requires constant management and risk mitigation. The Consolidated Entity leverages the internal capability of its Cyber Security segment to provide proactive and reactive solutions and management of any cyber related events that present against Spirit and its customers.

**Sales execution risk**

Achievement of the Company's growth strategy is contingent on effective execution of its sales strategy within the segments' target markets. Successful execution relies on a range of factors, including attracting and retaining the right mix of sales talent. A failure to attract and retain suitable staff could be disruptive to the Company's prospects, including an inability to grow revenue, an increase in costs and a reduction in profits.

Additionally, variability in customer procurement cycles and reliance on multi-party buying processes may extend sales timelines and impact conversion rates, particularly as regards larger enterprise or government opportunities.

**Labour market and inflationary risks**

Access to the required human capital within the Australian labour market remains a key business risk. The Company requires a mix of skilled professionals to execute its business plan but sourcing and retaining skilled staff in what is a highly competitive and, at times, wage inflationary environment can present challenges. Failure to attract and retain professional and technical talent could be disruptive to the Company's business, resulting in increased costs and reduced profits, and adversely impacting the Company's prospects.

**Impact of competitive landscape**

The Company competes with a number of other companies that provide comparable services and its operating performance is influenced by a number of external factors. Disruptors entering the market with new technologies could threaten existing Company service offerings or make some redundant. This could impact the Company's ability to retain existing clients or attract new clients, adversely impacting its revenues, profitability and prospects.

### **Aspirational risk**

The Consolidated Entity can still be classified as a small company as measured against other companies listed on the ASX. As the Company continues to achieve growth and scale, the potential complexity and degree of risk it faces may also increase in the absence of mitigation strategies. Achievement of the Company's strategic growth goals will involve an ongoing investment in people, marketing and branding, and internal system enhancements.

Spirit will continue to pursue accelerated growth organically and through an inorganic acquisition strategy. To succeed in an inorganic growth path, the Company needs to identify suitable target companies and successfully conclude acquisition negotiations, which can be challenging in a competitive market landscape. Acquisitions carry risk. They may consume a large amount of management time and attention during pre-acquisition negotiation and post-acquisition integration. The acquired company may fail to meet strategic objectives or achieve expected financial performance (including unrealised synergies). Failure to fully or effectively integrate the operations, products, technologies and personnel of the acquired company could result in staff turnover, loss of customers or increased costs, impacting the Company's profitability and prospects.

### **Business environment risk**

Changes in business conditions or economic and government settings in Australia or internationally may impact the fundamentals underpinning the projected growth of the Company's target markets or its cost structure and profitability. Changes in the level of inflation, interest rates, government policy (including fiscal, monetary and regulatory policies), business confidence and consumer spending, employment rates and other socioeconomic factors, while outside the control of the Company, may result in material adverse impacts on its business, operations, results and prospects.

### **Technology and partner risk**

The Company has strategic partnerships and procurement relationships with a range of providers of technology products. These form part of the Consolidated Entity's suite of products and service offerings deployed across our customer environments. Accordingly, any outages or technology failures attributed to a partner product or solution may have a material impact on the Company's customers and rectification may be outside the Company's control.

In addition, the Company relies on the availability and reliability of its internal technology infrastructure, including platforms supporting its SOC and NOC. Failures or outages within these environments could disrupt service delivery or impact customer trust, adversely affecting operating performance.

### **Regulatory and compliance risk**

While the Company is not currently subject to broad industry-specific regulation, its role as a trusted technology partner to regulated sectors (such as defence, financial services, essential services and health) requires Spirit to support customer compliance with legislation such as the *Security of Critical Infrastructure Act 2018* (Cth), and frameworks such as ISO 27001, and the Essential Eight. Group entities may separately require accreditation under programs such as the Defence Industry Security Program and other regulatory frameworks. Failure to maintain appropriate compliance capabilities or obtain required accreditations may impact Spirit's ability to secure or retain contracts, particularly with government or critical infrastructure clients, adversely affecting results and prospects.

### **Brand and reputation risk**

The Company's reputation is integral to its market positioning as a provider of cyber and secure managed technology services. Adverse media coverage, customer dissatisfaction, or inconsistent brand execution could undermine trust and commercial performance.

### **Other risks**

The above are not intended to constitute a complete list of the risks associated with the Consolidated Entity. Any of the risks outlined above and other risks not outlined here could arise in the future and materially adversely affect the Company's value or financial performance or prospects.

### **Significant changes in the state of affairs**

On 23 August 2024, the Company announced the fully funded acquisition of Forensic IT Solutions Pty Ltd ("Forensic IT") for a total consideration of \$8.0M, comprising:

- \$5.2M in cash on completion;
- \$1.6M in Spirit shares at 5.941c per share (59.41c per share post consolidation), totalling 26.9M shares (pre share consolidation); and
- \$1.2M in deferred consideration to be paid in cash (being \$0.4M on the 6-month anniversary of the completion date; \$0.4M on the 12-month anniversary of the completion date; and \$0.4M allocated to incentive schemes for key employees).

On 18 September 2024, the Company completed a fully underwritten placement and accelerated non-renounceable entitlement offer to raise \$20M (gross of transaction costs), with the funds raised applied to the acquisition of Forensic IT, transaction costs and settlement of residual and deferred Infotrust acquisition obligations, alongside providing growth working capital for the Group.

Effective 28 October 2024, Mr Russell Baskerville joined the Spirit Board as Non-Executive Director and Deputy Chair. As part of Mr Baskerville's appointment, he subscribed for 18,867,924 ordinary shares (on a pre consolidation basis) in the Company through a private placement for an aggregate amount of \$1M at an issue price of \$0.053 (5.3 cents) per share (on a pre consolidation basis), being the same issue price as the capital raising announced in August 2024 and completed in September 2024.

On 10 December 2024 the Company announced the completion of the consolidation of the Company's issued capital on a ten (10) for one (1) basis as approved by shareholders at the 2024 Annual General Meeting held on 29 November 2024.

Other than the information disclosed in the review of operations above and herein, there are no significant changes in the state of affairs that the Consolidated Entity has not disclosed.

### **Matters subsequent to the end of the financial year**

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years. The Company continues to review acquisitions as part of its growth plan and there may or may not be impacts upon future state of affairs should a material acquisition be made.

### **Likely developments and expected results of operations**

Refer 'Entity's operations' and 'Prospects for future financial years and business risks'.

**Environmental regulation**

The Consolidated Entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.



**Information on Directors**

Name: Mr Shan Kanji

Title: Non-Executive Director and Chair of the Board (appointed Chair of the Board effective 29 November 2024)

Qualifications: BCom (Accounting), LLB

Experience and expertise: Shan has over 20 years' experience as a senior business leader with a proven track record of running scale diversified and complex industrial and technology businesses in Australia and New Zealand. Mr Kanji also has extensive experience with start-ups in technology, property development, manufacturing and other sectors.

He is also a lawyer and the Principal of legal firm Kanji & Co.

Other current Directorships: Chairman, Atturra Ltd (ASX: ATA)

Former Directorships (last 3 years): None

Special responsibilities: Chair of the Board (effective 29 November 2024)

Chair, Nomination and Remuneration Committee from 30 May 2024

Interests in shares: 74,137,130 fully paid ordinary shares

Interests in rights: Nil

Name: Mr Russell Baskerville

Title: Non-Executive Director and Deputy Chair (appointed 28 October 2024)

Qualifications: Diploma of Technology (Engineering)

Experience and expertise: Russell is a highly experienced corporate leader with over 20 years in both Executive and Non-Executive board roles across ASX-listed companies. He has a proven track record in business strategy, corporate transactions, and technology consulting, including expertise in mergers and acquisitions, corporate restructuring, and capital markets. As the founder, Managing Director, and CEO of ASX-listed Empired Limited, he led the company's growth into one of the largest and most respected digital services firms in Australia and New Zealand.

Other current Directorships: Non-Executive Chairman of One Click Group (ASX:ICG), Non-Executive Director, Chairman of the HRC and Member of the ARC for ASX listed Bravura Solutions Limited (ASX:BVS)

Former Directorships (last 3 years): Elmore Ltd (ASX: ELE)

Special responsibilities: Deputy Chair from 28 October 2024, Member, Audit and Risk Committee from 29 January 2025, Member, Nomination and Remuneration Committee from 29 January 2025

Interests in shares: 1,886,793 fully paid ordinary shares

Interests in rights: Nil

**Spirit Technology Solutions Ltd**  
**Directors' report**  
**30 June 2025**

|                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name:                                | Mr James Joughin                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Title:                               | Non-Executive Chair (resigned 29 November 2024)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Qualifications:                      | Bachelor of Business, CPA, GAICD                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Experience and expertise:            | James Joughin has over 32 years of general corporate experience, having been a senior partner of Ernst & Young until 2013. He was a partner of that firm for 17 years and headed the Mergers and Acquisitions division in Melbourne. James is also an experienced company Director and holds (or has held) Non-Executive Directorships of a number of private and public companies. He has wide business experience and has previously held the position of Chair of a private company and is currently Chair of a number of Risk and Audit Committees. For most of his career, James has been providing advice to boards in relation to growth strategies, improving shareholder value, mergers and acquisitions, funding (both debt and equity) and IPOs. |
| Other current Directorships:         | N/A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Former Directorships (last 3 years): | N/A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Special responsibilities:            | Member, Audit and Risk Committee (up to 29 November 2024)<br>Member, Nomination and Remuneration Committee (up to 29 November 2024)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Interests in shares:                 | N/A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Interests in options:                | N/A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Interests in rights:                 | N/A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

**Spirit Technology Solutions Ltd**  
**Directors' report**  
**30 June 2025**

|                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name:                                  | Mr Julian Challingsworth                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Title:                                 | Managing Director and Chief Executive Officer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Qualifications:                        | MSc, Grad Dip (IT), BBus (Acc), CAANZ, FCPA, GAICD                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Experience and expertise:              | <p>Julian previously acted as the Co-Chief Executive Officer of Tesseract (ASX TNT). Tesseract provided cyber security to enterprise, government and critical infrastructure customers. Under Julian's leadership the organisation grew significantly through both acquisitive and organic means. Julian spent 3 years in the role before he resigned and stepped down from his role as Co-Chief Executive in November 2021. Julian joined Tesseract after serving as Managing Director and a Partner of The Litmus Group for over ten years and a board member and Partner of PPB Advisory. In addition to advising over twenty organisations on growth acceleration strategies in Australia, Asia and Europe, Julian was a key driver in growing Litmus in Australia and internationally before it was acquired by PPB Advisory. Julian was a Director of Cordence Worldwide, a global consulting partnership with 2,800 consultants across 60+ locations. Julian worked with the international team to develop sales and growth strategies for the 8 member firms.</p> <p>Julian is a proven ASX listed CEO, with a strong professional services and corporate finance background.</p> |
| Other current Directorships:           | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Former Directorships (last 3 years):   | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Interests in shares:                   | 2,557,590 fully paid ordinary shares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Interests in rights:                   | 1,857,705 Performance Rights                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Interest in convertible notes:         | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Interest in convertible notes options: | 83,334 Convertible Note Options, exercisable at \$0.90 (90 cents) each, expiring 21 September 2026                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

**Spirit Technology Solutions Ltd**  
**Directors' report**  
**30 June 2025**

Name: Ms Lynn Warneke

Title: Non-Executive Director

Qualifications: BA (InfoSci), LLM (New Technologies Law), FGIA, FACS, GAICD

Experience and expertise: Lynn is an experienced Chair and Non-Executive Director of privately held companies and government-owned organisations in critical infrastructure sectors. She has an extensive background and expertise in strategy, digital services and product development, customer experience, emerging technologies, innovation and cyber security. Her industry experience spans essential services, professional services, retail/wholesale, government, tertiary education and consulting, as well as the technology and startup sectors. Lynn's prior executive and consulting career included senior roles in ASX and internationally listed companies, and Chief Operating Officer, Chief Information Officer and Deputy Chief Digital Officer positions in large public organisations, with operational accountability for corporate services, people and culture, finance and ICT and cyber security functions. She is an industry mentor with Australian startup and scaleup hub Stone & Chalk, and a member of the ACS National AI Ethics Committee.

Other current Directorships: None

Former Directorships (last 3 years): None

Special responsibilities: Member, Nomination and Remuneration Committee from 29 January 2024, Chair, Audit and Risk Committee from 10 July 2024

Interests in shares: 49,941 fully paid ordinary shares

Interests in rights: Nil

Name: Mr Simon McKay

Title: CEO of Cyber Security segment and Executive Director

Qualifications: Nil

Experience and expertise: Simon is a seasoned leader in the cyber security industry with a track record of success spanning over two decades. Simon is the co-founder of two successful Australian cyber security businesses – Infotrust (acquired by Spirit effective 1 April 2024) a cyber consulting practice, and MyCISO, a SaaS management platform. Prior to co-founding Infotrust, Simon spent over 10 years leading sales teams at global cyber vendors such as Symantec and MessageLabs, and was instrumental in establishing these firms as market leaders in Australia. He has collaborated closely with board members and senior business and IT executives with some of Australia's largest organisations, helping secure them against the ever-evolving threats of cyber crime.

Other current Directorships: None

Former Directorships (last 3 years): None

Interests in shares: 15,406,072 fully paid ordinary shares

Interests in rights: Nil

**Spirit Technology Solutions Ltd**  
**Directors' report**  
**30 June 2025**

Name: Mr Dane Meah

Title: Non-Executive Director

Qualifications: Nil

Experience and expertise: Dane co-founded Infotrust in 2014 (acquired by Spirit effective 1 April 2024) and during that time Infotrust evolved to develop deep domain expertise that combines internally developed products, services and third party technologies that supported their clients to become secure and more productive. Prior to co-founding Infotrust, Dane played a key role in MessageLabs (under the Symantec umbrella) becoming the market leader in Australia over 7 years. Dane is currently the CEO of cyber security SaaS business MyCISO, which launched in 2022 and has quickly scaled to be a leading, and award winning, security program management platform.

Other current Directorships: None

Former Directorships (last 3 years): None

Special responsibilities: Member, Audit and Risk Committee from 30 May 2024

Interests in shares: 17,104,185 fully paid ordinary shares

Interests in rights: Nil

Name: Mr Gregory Ridder

Title: Non-Executive Director (resigned 5 August 2024)

Qualifications: BBus (Acc), Grad Dip (Mktg), GAICD, CPA

Experience and expertise: Mr Ridder is an experienced Non-Executive Director currently serving on the boards of Kogan.com and Life Without Barriers, both of which he chairs, and PNG Sustainable Development Program. Formerly Asia Pacific Regional President at NYSE-listed Owens-Illinois, he led growth and diversification from its traditional Australian base through numerous joint ventures and acquisitions.

Other current Directorships: N/A

Former Directorships (last 3 years): N/A

Special responsibilities: Chair, Audit and Risk Committee to 9 July 2024, Member Audit and Risk Committee from 10 July 2024 to 5 August 2024, Member, Nomination and Remuneration Committee to 5 August 2024

Interests in shares: N/A

Interests in rights: N/A

**Spirit Technology Solutions Ltd**  
**Directors' report**  
**30 June 2025**

|                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name:                                | Mr Elie Ayoub                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Title:                               | Co-CEO Nexgen and Executive Director (resigned as a Director on 5 August 2024)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Qualifications:                      | Nil                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Experience and expertise:            | Elie is a co-CEO of Nexgen, Spirit's Cloud and Communications segment, which he co-founded in 2009 and has been jointly responsible for the growth and direction of the business. Elie has over 25 years' experience in the telecommunications industry across the SMB, residential, corporate and government customer segments. Prior to co-founding Nexgen, Elie held roles at Digitel, One.tel, Macquarie Telecom and Axis Telecom. Elie has broad experience managing a number of telecommunications functions including, provisioning, project management, network solutions, billing, finance, service, sales and marketing. Elie has been instrumental in building, developing and maintaining Nexgen's sales, marketing, HR and operational processes, and in managing strategic partnerships and vendor relationships. |
| Other current Directorships:         | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Former Directorships (last 3 years): | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Special responsibilities:            | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Interests in shares:                 | N/A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Interests in rights:                 | N/A                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

'Other current Directorships' refers to current Directorships for listed entities only and excludes Directorships of all other types of entities, unless otherwise stated.

**Company secretary**

Mr Nicholas Hornstein, BCom (Finance), LLB

Mr Hornstein was appointed Company Secretary in March 2025 and is also the Company's General Counsel. He brings over a decade of experience in corporate law, governance and regulatory compliance across financial services and technology sectors, for both public and private corporations.

Prior to joining Spirit, Mr Hornstein was General Counsel and Company Secretary at a national stockbroking and fintech platform, where he led legal strategy, corporate governance, and compliance functions. He began his career in top-tier law firms in Australia and New Zealand, advising on capital markets transactions, mergers and acquisitions, and corporate advisory.

**Spirit Technology Solutions Ltd**  
**Directors' report**  
**30 June 2025**

**Meetings of Directors**

The number of meetings of the Board and of each Board committee held during the year ended 30 June 2025, and the number of meetings attended by each Director were:

|                          | Full Board |      | Nomination and Remuneration Committee |      | Audit and Risk Committee |      |
|--------------------------|------------|------|---------------------------------------|------|--------------------------|------|
|                          | Attended   | Held | Attended                              | Held | Attended                 | Held |
| Mr Shan Kanji*           | 12         | 12   | 4                                     | 4    | -                        | -    |
| Mr Russell Baskerville** | 7          | 7    | 3                                     | 3    | 3                        | 3    |
| Mr James Joughin***      | 5          | 5    | 1                                     | 1    | 1                        | 1    |
| Ms Lynn Warneke          | 12         | 12   | 4                                     | 4    | 4                        | 4    |
| Mr Dane Meah             | 11         | 12   | -                                     | -    | 4                        | 4    |
| Mr Gregory Ridder****    | 2          | 2    | -                                     | -    | -                        | -    |
| Mr Julian Challingsworth | 12         | 12   | -                                     | -    | -                        | -    |
| Mr Simon McKay           | 12         | 12   | -                                     | -    | -                        | -    |
| Mr Elie Ayoub****        | 0          | 0    | -                                     | -    | -                        | -    |

Held: represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

\* Mr Shan Kanji was appointed as Non-Executive Chair effective 29 November 2024

\*\* Mr Russell Baskerville was appointed as Deputy Chair and Non-Executive Director, effective 28 October 2024

\*\*\* Mr James Joughin resigned as Non-Executive Chair on 29 November 2024

\*\*\*\* Mr Gregory Ridder and Elie Ayoub resigned as Directors on 5 August 2024

**REMUNERATION REPORT (AUDITED)**

The Remuneration Report details the key management personnel ("KMP") remuneration arrangements for the Consolidated Entity, in accordance with the requirements of the *Corporations Act 2001* (Cth) ("Corporations Act") and its Regulations.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The Remuneration Report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to KMP

***Principles used to determine the nature and amount of remuneration***

The objective of the Consolidated Entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders and it is considered to conform to the market best practice for the delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its Directors and executives. The performance of the Consolidated Entity depends on the quality of its Directors and executives. The remuneration philosophy is to attract, motivate and retain high-quality personnel and drive performance.

The reward framework is designed to align executive reward to shareholders' interests. The Board has considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of the reward plan
- focusing on sustained growth in shareholder wealth, particularly growth in share price, and delivering constant or increasing return on capital as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive Director remuneration is separate.



**Spirit Technology Solutions Ltd**  
**Directors' report**  
**30 June 2025**

*Non-Executive Directors' remuneration*

The annual fee for the Non-Executive Chairman of the Board is \$45,000 per annum, which took effect from 1 July 2021.

The annual fee for the Non-Executive Deputy Chairman of the Board is \$25,000 per annum, which took effect from 28 October 2024, which is separate from the annual fee for a Non-Executive Director as outlined below.

The annual fee for the Non-Executive Directors is \$75,000 per annum, which took effect from 1 July 2021.

The annual fee for the Chairs of the Audit and Risk Committee and Nomination and Remuneration Committee are \$10,000 per annum, which took effect from 1 July 2021. Committee members do not currently receive any additional fees.

Under the Company's constitution, the Directors decide the total amount paid to each Director as remuneration for their services. Under ASX Listing Rules, the total amount paid to all Non-Executive Directors must not exceed in total in any financial year the amount fixed at the annual general meeting of the Company held on 13 October 2020, which is presently \$500,000. Remuneration must not include a commission on, or a percentage of, the profits or income of the Company.

Non-Executive Directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure Non-Executive Directors' fees and payments are appropriate and in line with the market. The Chair's fees are determined independently of the fees of other Non-Executive Directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to the determination of his own remuneration.

Directors (other than the Chairman) are also reimbursed for travel and other approved expenses incurred in attending to the Company's affairs.

Non-Executive Directors may be paid such additional or special remuneration as the Directors decide is appropriate where a Director performs extra work or provides services to the Company not in their capacity as a Director of the Company.

There are no proposed retirement benefit schemes for Directors other than statutory superannuation contributions.

*Executive remuneration*

The Consolidated Entity aims to reward executives based on their position and responsibility with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- long-term incentives in the form of share-based payments
- other remuneration, such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the Consolidated Entity and comparable market remuneration.

**Spirit Technology Solutions Ltd**  
**Directors' report**  
**30 June 2025**

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example, motor vehicle benefits) where it does not create any additional costs to the Consolidated Entity and provides additional value to the executive.

*Use of remuneration consultants*

The Company engages the services of independent and specialist remuneration consultants from time to time to benchmark the remuneration of Directors and KMP, and to assist the Company in ensuring that its remuneration arrangements remain competitive. During the current financial year ended 30 June 2025 a remuneration consultant was engaged in relation to the Managing Director's remuneration benchmarking. The amount paid for this advice and recommendations amounted to \$4,000 (exc. GST) (2024: \$Nil).

*Consolidated Entity performance and link to remuneration*

Currently, the Consolidated Entity assesses its performance in relation to achievement of operational goals and shareholder value. The performance measures for both the Company's Short Term Incentive Plan ("STI Plan") and Long Term Incentive Plan ("LTI Plan") are tailored to align at-risk remuneration and performance hurdle thresholds to the delivery of the Consolidated Entity's operational and financial objectives and sustained shareholder value growth.

This is achieved through certain executives being entitled to both short-term and long-term incentives. The STI Plan primarily incorporates operational and financial performance objectives into its hurdles. The LTI Plan generally incorporates relative total shareholder return ("Relative TSR") or absolute total shareholder return ("Absolute TSR") hurdles into its performance measures.

The LTI Plan is part of the Company's remuneration strategy and is designed to align the interests of management and shareholders and assist the Company to attract, motivate and retain executives. In particular, the LTI Plan is designed to provide relevant Executive Directors, key employees and other selected personnel with an incentive to remain with Spirit and contribute to the performance of the Group over the long term. Further details on the LTI Plan are presented in the *'Share-based compensation'* section of this Directors' report.

For the financial year ending 30 June 2026 ("FY26"), the Company has updated its LTI Plan performance measures to better reflect internal operational progress. In addition to Absolute TSR, the FY26 LTI Plan may introduce an Absolute Earnings Per Share ("EPS") hurdle, designed to incentivise sustained profitability improvements. These EPS hurdles are based on cumulative statutory EPS from continuing operations for FY26 to financial year ending 30 June 2028 and are intended to reflect a significant turnaround from the FY25 baseline. This evolution ensures executive rewards remain aligned to both shareholder returns and underlying financial performance.

*Voting and comments made at the Company's Annual General Meeting ("AGM") held on 29 November 2024*

At the AGM, 99.88% of the votes received supported the adoption of the remuneration report for FY24. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

**Spirit Technology Solutions Ltd**  
**Directors' report**  
**30 June 2025**

**Details of remuneration**

The KMP of the Consolidated Entity for FY25 consisted of the following directors and executives of Spirit Technology Solutions Ltd:

- Mr Shan Kanji, Non-Executive Director and appointed Non-Executive Chair (effective 29 November 2024)
- Mr James Joughin, Non-Executive Chair (resigned 29 November 2024)
- Mr Russell Baskerville, Non-Executive Director and appointed Deputy Chair (effective 28 October 2024)
- Mr Julian Challingsworth, Managing Director and Group Chief Executive Officer
- Ms Lynn Warneke, Non-Executive Director
- Mr Simon McKay, CEO of Cyber Security and Executive Director
- Mr Dane Meah, Non-Executive Director
- Mr Gregory Ridder, Non-Executive Director (resigned 5 August 2024)
- Mr Elie Ayoub, Co-CEO of Cloud and Communications and Executive Director (resigned as a Director on 5 August 2024)
- Mr James Harb, Co-CEO of Cloud and Communications
- Mr Dan (Damir) Suto, Executive General Manager of Secure Managed Technology (appointed as a member of the KMP effective 3 March 2025)
- Mr Nathan Knox, Group Chief Operating Officer (ceased to be a member of the KMP effective 28 March 2025. Remuneration shown is for the period 1 July 2024 to 28 March 2025)
- Mr Paul Miller, Chief Financial Officer

*Amounts of remuneration*

Details of the remuneration of KMP of the Consolidated Entity are set out in the following tables.

|                                        | Short-term benefits  |                          |                | Post-employment benefits | Long-term benefits | Share-based payments |                  |
|----------------------------------------|----------------------|--------------------------|----------------|--------------------------|--------------------|----------------------|------------------|
|                                        | Cash salary and fees | Cash bonus <sup>++</sup> | Other payments | Super-annuation          | Long service leave | Equity-settled       | Total            |
| <b>2025</b>                            | <b>\$</b>            | <b>\$</b>                | <b>\$</b>      | <b>\$</b>                | <b>\$</b>          | <b>\$</b>            | <b>\$</b>        |
| <i>Non-Executive Directors:</i>        |                      |                          |                |                          |                    |                      |                  |
| Shan Kanji*                            | 111,207              | -                        | -              | -                        | -                  | -                    | 111,207          |
| Russell Baskerville**                  | 60,478               | -                        | -              | 6,955                    | -                  | -                    | 67,433           |
| Lynn Warneke                           | 75,993               | -                        | -              | 8,739                    | -                  | -                    | 84,732           |
| Dane Meah                              | 67,265               | -                        | -              | 7,735                    | -                  | -                    | 75,000           |
| James Joughin***                       | 45,359               | -                        | -              | 5,216                    | -                  | -                    | 50,575           |
| Gregory Ridder****                     | 7,083                | -                        | -              | -                        | -                  | -                    | 7,083            |
| <i>Executive Directors:</i>            |                      |                          |                |                          |                    |                      |                  |
| Julian Challingsworth <sup>+</sup>     | 400,000              | 50,000                   | -              | 51,750                   | 574                | 377,028              | 879,352          |
| Simon McKay <sup>++</sup>              | 162,304              | 68,750                   | -              | 26,306                   | 4,440              | -                    | 261,800          |
| Elie Ayoub****                         | 38,356               | -                        | -              | 4,190                    | 242                | -                    | 42,788           |
| <i>Other Key Management Personnel:</i> |                      |                          |                |                          |                    |                      |                  |
| Elie Ayoub****                         | 361,644              | -                        | -              | 39,510                   | 2,212              | -                    | 403,366          |
| James Harb                             | 400,000              | -                        | -              | 43,700                   | 2,454              | -                    | 446,154          |
| Dan (Damir) Suto <sup>#</sup>          | 107,500              | -                        | -              | 12,362                   | 89                 | -                    | 119,951          |
| Nathan Knox <sup>+</sup>               | 172,414              | 34,375                   | -              | 23,781                   | 596                | 14,669               | 245,835          |
| Paul Miller <sup>+</sup>               | 300,000              | 37,500                   | -              | 38,813                   | 2,921              | 23,540               | 402,774          |
|                                        | <b>2,309,603</b>     | <b>190,625</b>           | <b>-</b>       | <b>269,057</b>           | <b>13,528</b>      | <b>415,237</b>       | <b>3,198,050</b> |

**Spirit Technology Solutions Ltd**  
**Directors' report**  
**30 June 2025**

- \* Mr Shan Kanji was appointed as Non-Executive Chair effective 29 November 2024
- \*\* Mr Russell Baskerville was appointed as Deputy Chair and Non-Executive Director, effective 28 October 2024
- \*\*\* Mr James Joughin resigned as Non-Executive Chair on 29 November 2024
- \*\*\*\* Mr Gregory Ridder and Elie Ayoub resigned as Directors on 5 August 2024. The salary for Mr Elie Ayoub is split between his time as an Executive Director (1 July 2024 to 5 August 2024) and KMP (6 August 2024 to 30 June 2025)
- # Mr Dan (Damir) Suto was appointed as a member of the KMP effective 3 March 2025
- + Mr Nathan Knox ceased to be a member of the KMP effective 28 March 2025
- ++ The cash bonus for Mr Julian Challingsworth, Mr Nathan Knox and Mr Paul Miller related to their FY24 performance. The cash bonus for Mr Simon McKay is comprised of \$31,250 for FY24 performance and \$37,500 for FY25 performance.

|                                        | Short-term benefits  |                         |                | Post-employment benefits | Long-term benefits | Share-based payments |                  |
|----------------------------------------|----------------------|-------------------------|----------------|--------------------------|--------------------|----------------------|------------------|
|                                        | Cash salary and fees | Cash bonus <sup>+</sup> | Other payments | Super-annuation          | Long service leave | Equity-settled       | Total            |
| 2024                                   | \$                   | \$                      | \$             | \$                       | \$                 | \$                   | \$               |
| <i>Non-Executive Directors:</i>        |                      |                         |                |                          |                    |                      |                  |
| James Joughin                          | 116,354              | -                       | -              | 12,799                   | -                  | -                    | 129,153          |
| Gregory Ridder                         | 85,000               | -                       | -              | -                        | -                  | -                    | 85,000           |
| Shan Kanji*                            | 32,022               | -                       | -              | -                        | -                  | -                    | 32,022           |
| Lynn Warneke**                         | 49,106               | -                       | -              | 5,402                    | -                  | -                    | 54,508           |
| Dane Meah****                          | 16,246               | -                       | -              | 1,787                    | -                  | -                    | 18,033           |
| Michelle Bendschneider***              | 11,364               | -                       | -              | 1,250                    | -                  | -                    | 12,614           |
| Julian Haber***                        | 12,500               | -                       | -              | -                        | -                  | -                    | 12,500           |
| <i>Executive Directors:</i>            |                      |                         |                |                          |                    |                      |                  |
| Julian Challingsworth                  | 400,000              | 90,000                  | -              | 53,900                   | 1,908              | 177,300 <sup>^</sup> | 723,108          |
| Simon McKay****                        | 38,470               | -                       | -              | 4,232                    | 777                | -                    | 43,479           |
| Elie Ayoub                             | 400,000              | -                       | -              | 41,800                   | 11,826             | -                    | 453,626          |
| <i>Other Key Management Personnel:</i> |                      |                         |                |                          |                    |                      |                  |
| Nathan Knox                            | 275,000              | 25,000                  | -              | 33,000                   | 1,249              | 52,530               | 386,779          |
| James Harb                             | 400,000              | -                       | -              | 41,800                   | 14,608             | -                    | 456,408          |
| Paul Miller                            | 300,000              | 37,500                  | -              | 37,125                   | 7,847              | 62,468               | 444,940          |
|                                        | <b>2,136,062</b>     | <b>152,500</b>          | <b>-</b>       | <b>233,095</b>           | <b>38,215</b>      | <b>292,298</b>       | <b>2,852,170</b> |

- \* Mr Shan Kanji was appointed as a Director on 31 January 2024
- \*\* Ms Lynn Warneke was appointed as a Director on 9 October 2023
- \*\*\* Ms Michelle Bendschneider and Mr Julian Haber resigned as Directors on 31 August 2023
- \*\*\*\* Mr Dane Meah and Mr Simon McKay were appointed as Directors on 4 April 2024
- + The cash bonus payments related to a one-off payment associated with the convertible note raise
- <sup>^</sup> The equity settled expense for Mr Challingsworth in the financial year ended 30 June 2024 (as disclosed above) excluded the loan funded share plan expense of \$382,000. This share-based compensation was detailed within the remuneration report in FY24 and the financial statement notes. The current year remuneration table for the financial year ended 30 June 2025 includes this expense.

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The proportion of remuneration linked to performance and the fixed proportion are as follows:

| Name                                   | Fixed remuneration |      | At risk – STI |      | At risk – LTI Plan |      |
|----------------------------------------|--------------------|------|---------------|------|--------------------|------|
|                                        | 2025               | 2024 | 2025          | 2024 | 2025               | 2024 |
| <i>Non-Executive Directors:</i>        |                    |      |               |      |                    |      |
| Shan Kanji                             | 100%               | 100% | -             | -    | -                  | -    |
| Russell Baskerville                    | 100%               | -    | -             | -    | -                  | -    |
| Lynn Warneke                           | 100%               | 100% | -             | -    | -                  | -    |
| Dane Meah                              | 100%               | 100% | -             | -    | -                  | -    |
| James Joughin                          | 100%               | 100% | -             | -    | -                  | -    |
| Gregory Ridder                         | 100%               | 100% | -             | -    | -                  | -    |
| Michelle Bendschneider                 | -                  | 100% | -             | -    | -                  | -    |
| Julian Haber                           | -                  | 100% | -             | -    | -                  | -    |
| <i>Executive Directors:</i>            |                    |      |               |      |                    |      |
| Julian Challingsworth                  | 51%                | 62%  | 6%            | 14%  | 43%                | 24%  |
| Simon McKay                            | 74%                | 100% | 26%           | -    | -                  | -    |
| Julian Haber                           | -                  | 100% | -             | -    | -                  | -    |
| Elie Ayoub                             | 100%               | 100% | -             | -    | -                  | -    |
| <i>Other Key Management Personnel:</i> |                    |      |               |      |                    |      |
| Nathan Knox                            | 80%                | 79%  | 14%           | 7%   | 6%                 | 14%  |
| James Harb                             | 100%               | 100% | -             | -    | -                  | -    |
| Elie Ayoub                             | 100%               | -    | -             | -    | -                  | -    |
| Dan (Damir) Suto                       | 100%               | -    | -             | -    | -                  | -    |
| Paul Miller                            | 85%                | 77%  | 9%            | 9%   | 6%                 | 14%  |

***Service agreements***

Remuneration and other terms of employment for KMP are formalised in service agreements. Details of these agreements are as follows:

|                      |                                                                                                   |
|----------------------|---------------------------------------------------------------------------------------------------|
| Name:                | Julian Challingsworth                                                                             |
| Title:               | Managing Director and Group Chief Executive Officer                                               |
| Agreement commenced: | 11 July 2022                                                                                      |
| Term of agreement:   | No fixed term. Ongoing until terminated by either party with three months' written notice.        |
| Details:             | Effective 11 July 2022, fixed remuneration of \$400,000 per annum, plus statutory superannuation. |

Mr Challingsworth will be entitled to a potential STI of up to \$100,000 per annum, representing 25% of his base remuneration. The STI is subject to achievement of 'Key Performance Indicators' to be determined from time to time by the Board.

On commencement, Mr Challingsworth received an LTI grant of 625,000 Performance Rights, vesting over a three-year period (1 July 2022 to 30 June 2025) subject to continued employment and satisfaction of a Relative TSR performance hurdles measured against a comparator group of companies. After the initial LTI detailed above for FY23, from FY24 Mr. Challingsworth will be (and continues to be) entitled to an annual allocation of Performance Rights pursuant to the terms of the LTI Plan. In FY24, Mr Challingsworth was issued an LTI in the form of 666,667 Performance Rights following shareholder approval, vesting on satisfaction of performance hurdles, over a performance period commencing on 1 July 2023 and ending on 30 June 2026, which was based on an LTI entitlement of 75% of 'Annual Base Salary', which was due to be paid to him from FY24. Subject to shareholder approval, the LTI was granted on an annual basis, and vesting was contingent on the achievement of specific vesting conditions. In FY25, Mr Challingsworth was issued an LTI in the form of 566,038 Performance Rights following shareholder approval, vesting on satisfaction of total shareholder return performance hurdles, which was based on an LTI entitlement of 75% of 'Annual Base Salary', which was due to be paid to him from FY25. Subject to shareholder approval, the LTI will be granted on an annual basis, and vesting will be contingent on the achievement of specific performance hurdles.

Under the terms of a Loan Funded Share Plan invitation approved by shareholders at the 2022 and 2024 Annual General Meetings (pursuant to ASX Listing Rule 10.14), Mr Challingsworth has agreed to purchase a minimum of \$75,000 of shares each year, subject to the Company's Securities Trading Policy. Each invitation permits limited recourse loans of up to \$760,000, structured in two tranches of \$380,000 each, to fund the acquisition of shares. Further details are provided in Note 32 (Related Party Transactions) to the Financial Statements.

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|                      |                                                                                                                                                                                                                                                                                                                    |
|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name:                | Mr Simon McKay                                                                                                                                                                                                                                                                                                     |
| Title:               | Chief Executive Officer of the Cyber Security segment and Executive Director (appointed as an Executive Director on 4 April 2024)                                                                                                                                                                                  |
| Agreement commenced: | 4 April 2024                                                                                                                                                                                                                                                                                                       |
| Term of agreement:   | No fixed term. Ongoing until terminated by either party with two months' written notice.                                                                                                                                                                                                                           |
| Details:             | <p>As the CEO of the Cyber Security segment, Mr McKay's base salary is \$160,000 per annum plus statutory superannuation; and discretionary benefits totalling \$2,304 per annum.</p> <p>Mr McKay is also entitled to a maximum short-term incentive opportunity up to \$31,000 plus statutory superannuation.</p> |
| Name:                | Mr Elie Ayoub                                                                                                                                                                                                                                                                                                      |
| Title:               | Cloud and Communications Co Chief Executive Officer and Executive Director (resigned as a Director on 5 August 2024)                                                                                                                                                                                               |
| Agreement commenced: | 1 April 2021, terms revised on 1 January 2023, 1 April 2023 and 1 July 2023                                                                                                                                                                                                                                        |
| Term of agreement:   | No fixed term. Ongoing until terminated by either party with three months' written notice.                                                                                                                                                                                                                         |
| Details:             | <p>As co-CEO of Nexgen, Spirit's Cloud and Communications business, Mr Ayoub's base salary is \$380,000 per annum, plus statutory superannuation and car allowance (\$20,000). There is no contractual short-term incentive or long-term incentive.</p>                                                            |
| Name:                | Mr James Harb                                                                                                                                                                                                                                                                                                      |
| Title:               | Cloud and Communications Co Chief Executive Officer                                                                                                                                                                                                                                                                |
| Agreement commenced: | 1 April 2021, terms revised on 1 January 2023 and 1 July 2023                                                                                                                                                                                                                                                      |
| Term of agreement:   | No fixed term. Ongoing until terminated by either party with three months' written notice.                                                                                                                                                                                                                         |
| Details:             | <p>As co-CEO of Nexgen, Spirit's Cloud and Communications business, Mr Harb's base salary is \$380,000 per annum, plus statutory superannuation and car allowance (\$20,000). There is no contractual short-term incentive or long-term incentive.</p>                                                             |

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Name: Mr Paul Miller

Title: Chief Financial Officer

Agreement commenced: 25 November 2019, terms revised on 1 October 2021

Term of agreement: No fixed term. Ongoing until terminated by either party with three months' written notice.

Details: Effective 1 October 2021, fixed remuneration of \$300,000 per annum, plus statutory superannuation. In the 2025 financial year Mr Miller is entitled to a potential contractual short-term incentive (STI) of up to \$75,000, representing 25% of his base remuneration (excluding superannuation). In the 2025 financial year, Mr Miller is also entitled to a one-off potential bonus of \$11,400 (excluding superannuation). In the 2025 financial year, Mr Miller was issued an LTI in the form of 183,400 Performance Rights, vesting on satisfaction of performance hurdles, over a performance period commencing on 1 July 2024 and ending on 30 June 2027.

Name: Mr Damir Suto

Title: Executive Group Manager, Secure Managed Technology

Agreement commenced: 3 March 2025

Term of agreement: No fixed term. Ongoing until terminated by either party with four months' written notice.

Details: As the Executive Group Manager for Secure Managed Technology, Mr Suto's base salary is \$325,000 per annum plus statutory superannuation. In the 2025 financial year Mr Suto is entitled to a potential contractual short-term incentive (STI) of up to \$65,000, representing 20% of his base remuneration (excluding superannuation). Mr Suto is also entitled to participate in the Company's long-term incentive plans up to 20% of his base salary (excluding superannuation) in the form of Performance Rights as per the Company's LTI Plan.

Name: Mr Nathan Knox

Title: Chief Operating Officer – Spirit Group (ceased to be a KMP effective 28 March 2025)

Agreement commenced: 15 August 2022, terms revised on 1 November 2022 and 1 September 2024

Term of agreement: No fixed term. Ongoing until terminated by either party with three months' written notice.

Details: Effective 1 September 2024, fixed remuneration of \$300,000 per annum, plus statutory superannuation. In the 2025 financial year Mr Knox is entitled to a potential short-term incentive (STI) of up to \$50,000 (excluding superannuation). In the 2025 financial year, Mr Knox was issued an LTI in the form of 168,100 Performance Rights, vesting on satisfaction of performance hurdles, over a performance period commencing on 1 July 2024 and ending on 30 June 2027.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.



### ***Share-based compensation***

#### *Issue of shares via a loan funded share plan*

Mr Julian Challingsworth, Managing Director and Group Chief Executive Officer is party to a Loan Funded Share Plan ("LFS Plan") that was approved by shareholders on 17 November 2022. Pursuant to the terms of the LFS Plan, Mr Challingsworth is able to finance the market value acquisition of Spirit shares on the ASX by way of a limited recourse loan or use the loan to reimburse Spirit share purchases to a value of up to \$760,000. In addition, shareholder approval was obtained at the 29 November 2024 AGM for Mr Challingsworth to access up to \$760,000 by way of a further limited recourse loan to either acquire Spirit shares on-market or reimburse prior on-market purchases of Spirit shares (each, a "Loan").

Each Loan will become repayable if Mr Challingsworth ceases to be an employee of the Company and in other circumstances set out in the LFS Plan. Each Loan is limited recourse, meaning that it can be satisfied in full by selling shares that are the subject of the Loan. If the market value of the shares at that time is below the amount of the Loan, Mr Challingsworth will not be required to pay the difference in value. To access the shares (for example, if Mr Challingsworth wanted the ability to sell the shares) he will first have to repay the cash amount of the Loan. Escrow may also apply to shares in excess of the Loan amount.

The Loan is subject to interest at the 2-year Bank Bill Swap Rate to be determined at the date of the Loan. Interest will be capitalised on the Loan amount on a quarterly basis and on repayment will be added to the amount of the Loan.

As at 30 June 2025, the Loan amounts are \$1,152,431 (including capitalised interest) in aggregate.

There were no other shares issued to Directors and other KMP as part of compensation during FY25.

#### *Options*

There were no options over ordinary shares granted to or vested by Directors and other KMP as part of compensation during FY25.

#### *Performance Rights*

The Company's LTI Plan provides eligible KMP with Performance Rights subject to service and performance conditions measured over a three-year period. Performance Rights carry no dividend or voting rights and are granted for nil consideration.

Vesting is subject to one or more of the following performance measures, depending on the grant:

- **Absolute Total Shareholder Return ("TSR"):** Vesting occurs in tranches upon achievement of specified 30-day VWAP share price hurdles during the performance period.
- **Relative TSR:** Vesting is determined by the Company's TSR percentile ranking against a comparator group over the performance period.
- **Service condition:** For certain tranches, a proportion of rights in each tranche require continuous employment to a specified date in addition to the performance hurdle.

Testing occurs once only at the end of the performance period (or upon achievement of the relevant VWAP hurdle, if earlier). Rights that do not vest at testing lapse. For the avoidance of doubt, the expiry date of the Performance Rights range between three to four years.

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The summary table below sets out all outstanding Performance Rights granted to KMP, including grant dates, vesting dates, expiry dates, hurdle types, fair value at grant date, and the number of rights granted in the current and prior year. The detailed hurdle values and calculation methodologies for each grant were disclosed in the relevant Notice of Meeting seeking shareholder approval under ASX Listing Rule 10 at the time of grant and each Notice of Meeting is available on the Company's website.

| <b>Name</b>             | <b>Grant Date</b> | <b>Vesting Date</b> | <b>Expiry Date</b> | <b>TSR Hurdle Type*</b> | <b>Fair Value</b> | <b>Rights Granted in FY25</b> | <b>Rights Granted in FY24</b> |
|-------------------------|-------------------|---------------------|--------------------|-------------------------|-------------------|-------------------------------|-------------------------------|
| Julian Challingsworth   | 11-Jul-22         | 30-Jun-25           | 30-Jun-26          | Relative                | \$0.519           | –                             | 625,000                       |
| Julian Challingsworth   | 29-Dec-23         | 30-Jun-26           | 29-Dec-26          | Absolute                | \$0.522           | –                             | 222,222                       |
| Julian Challingsworth   | 29-Dec-23         | 30-Jun-26           | 29-Dec-26          | Absolute                | \$0.473           | –                             | 222,222                       |
| Julian Challingsworth   | 29-Dec-23         | 30-Jun-26           | 29-Dec-26          | Absolute                | \$0.429           | –                             | 222,223                       |
| Julian Challingsworth   | 29-Nov-24         | 31-Dec-27           | 22-Jan-28          | Absolute                | \$0.250           | 566,038                       | –                             |
| Paul Miller             | 10-Feb-23         | 30-Jun-25           | 10-Feb-26          | Absolute                | \$0.547           | –                             | 54,667                        |
| Paul Miller             | 10-Feb-23         | 30-Jun-25           | 10-Feb-26          | Absolute                | \$0.453           | –                             | 54,667                        |
| Paul Miller             | 10-Feb-23         | 30-Jun-25           | 10-Feb-26          | Absolute                | \$0.376           | –                             | 54,666                        |
| Paul Miller             | 14-Jun-24         | 30-Jun-26           | 14-Jun-27          | Absolute                | \$0.418           | –                             | 66,666                        |
| Paul Miller             | 14-Jun-24         | 30-Jun-26           | 14-Jun-27          | Absolute                | \$0.371           | –                             | 66,667                        |
| Paul Miller             | 14-Jun-24         | 30-Jun-26           | 14-Jun-27          | Absolute                | \$0.330           | –                             | 66,667                        |
| Paul Miller             | 26-Mar-25         | 30-Jun-27           | 26-Mar-28          | Absolute                | \$0.299           | 61,133                        | –                             |
| Paul Miller             | 26-Mar-25         | 30-Jun-27           | 26-Mar-28          | Absolute                | \$0.254           | 61,133                        | –                             |
| Paul Miller             | 26-Mar-25         | 30-Jun-27           | 26-Mar-28          | Absolute                | \$0.203           | 61,134                        | –                             |
| Nathan Knox**<br>(FY24) | Various           | –                   | –                  | Absolute                | –                 | –                             | 190,000                       |

\* No Performance Rights vested to KMP in FY25 or FY24.

\*\* Mr. Knox ceased to be a KMP during FY25.

**Additional information**

The earnings of the Consolidated Entity for the five years to 30 June 2025 are summarised below:

|                              | <b>2025<br/>\$'000</b> | <b>2024<br/>\$'000</b> | <b>2023<br/>\$'000</b> | <b>2022<br/>\$'000</b> | <b>2021<br/>\$'000</b> |
|------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
|                              |                        | (Restated)             | (Restated)             |                        |                        |
| Revenue and other income**   | 102,538                | 91,164                 | 104,341                | 138,732                | 104,469                |
| Net (loss)/profit before tax | (1,401)                | (13,438)               | (13,919)               | (55,041)               | 1,345                  |
| Net (loss)/profit after tax  | (1,374)                | (10,547)               | (11,389)               | (53,166)               | 1,157                  |
| Share price                  | \$0.45                 | \$0.41*                | \$0.50*                | \$0.53*                | \$2.60*                |

\* Restated for comparative purposes to account for the consolidation of the Company's issued capital on a ten (10) for one (1) basis as approved by shareholders at the 2024 Annual General Meeting held on 29 November 2024.

\*\* During the financial year a change was adopted to the Group's revenue accounting policy that resulted in a change to present certain product revenues on a net basis. This did not impact reported profit/(loss). The revenue and other income comparatives for 2024 and 2023 have been restated, whereas the 2022 and 2021 comparatives remain on a pre restatement basis.

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**Additional disclosures relating to key management personnel (KMP)**

*Shareholding*

The number of shares in the Company held during the financial year by each Director of the Company and other members of KMP of the Consolidated Entity, including their personally related parties, is set out below:

|                        | <b>Balance at<br/>the start of<br/>the year<sup>^</sup></b> | <b>Balance on<br/>the date of<br/>becoming a<br/>KMP</b> | <b>Additions</b> | <b>Entitlement<br/>Offer</b> | <b>Disposals/<br/>other<sup>+</sup></b> | <b>Balance at<br/>the end of<br/>the year</b> |
|------------------------|-------------------------------------------------------------|----------------------------------------------------------|------------------|------------------------------|-----------------------------------------|-----------------------------------------------|
| <i>Ordinary shares</i> |                                                             |                                                          |                  |                              |                                         |                                               |
| Shan Kanji             | 46,543,794                                                  | -                                                        | 7,072,680        | 20,520,656                   | -                                       | 74,137,130                                    |
| Russell Baskerville*   | -                                                           | -                                                        | 1,886,793        | -                            | -                                       | 1,886,793                                     |
| Dane Meah              | 15,217,392                                                  | -                                                        | -                | 1,886,793                    | -                                       | 17,104,185                                    |
| Lynn Warneke           | 40,000                                                      | -                                                        | -                | 9,941                        | -                                       | 49,941                                        |
| James Joughin***       | 545,994                                                     | -                                                        | -                | 135,684                      | (681,678)                               | -                                             |
| Gregory Ridder**       | 225,000                                                     | -                                                        | -                | -                            | (225,000)                               | -                                             |
| Julian Challingsworth  | 1,641,100                                                   | -                                                        | 338,889          | 407,829                      | 169,772                                 | 2,557,590                                     |
| Simon McKay            | 15,217,392                                                  | -                                                        | -                | 188,680                      | -                                       | 15,406,072                                    |
| Elie Ayoub**           | 7,398,518                                                   | -                                                        | -                | -                            | -                                       | 7,398,518                                     |
| James Harb             | 7,056,087                                                   | -                                                        | -                | 188,680                      | -                                       | 7,244,767                                     |
| Nathan Knox****        | -                                                           | -                                                        | -                | -                            | -                                       | -                                             |
| Paul Miller            | 19,613                                                      | -                                                        | -                | -                            | -                                       | 19,613                                        |
| Dan (Damir) Suto*****  | -                                                           | -                                                        | -                | -                            | -                                       | -                                             |
|                        | 93,904,890                                                  | -                                                        | 9,298,362        | 23,338,263                   | (736,906)                               | 125,804,609                                   |

\* Mr Russell Baskerville was appointed to the Board effective 28 October 2024. Upon appointment, Mr Baskerville had no shareholding in the Company.

\*\* Mr Gregory Ridder and Mr Elie Ayoub resigned from the Board on 5 August 2024. The balance disclosed in the "Disposals/other" column represents Mr Ridder's shareholding on the date of resignation. Mr Ayoub continues to be a member of the KMP for FY25.

\*\*\* Mr James Joughin resigned from the Board on 29 November 2024. The balance disclosed in the "Disposals/other" column represents his shareholding on the date of resignation.

\*\*\*\* Mr Nathan Knox ceased to be a member of the KMP during FY25.

\*\*\*\*\* Mr Dan (Damir) Suto became a member of the KMP on 3 March 2025.

+ During the financial year ended 30 June 2025 Mr Challingsworth converted his convertible note holding with a face value of \$75,000 into ordinary shares. On conversion, he was issued with 169,772 shares (on a post consolidation basis)

<sup>^</sup> Restated for comparative purposes to account for the consolidation of the Company's issued capital on a ten (10) for one (1) basis as approved by shareholders at the 2024 Annual General Meeting held on 29 November 2024.

*Performance Rights holding*

The number of Performance Rights over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

|                                                | <b>Balance at<br/>the start of<br/>the year</b> | <b>Granted</b> | <b>Vested/<br/>exercised</b> | <b>Expired/<br/>forfeited/<br/>other</b> | <b>Balance at<br/>the end of<br/>the year</b> |
|------------------------------------------------|-------------------------------------------------|----------------|------------------------------|------------------------------------------|-----------------------------------------------|
| <i>Performance Rights over ordinary shares</i> |                                                 |                |                              |                                          |                                               |
| Julian Challingsworth                          | 1,291,667                                       | 566,038        | -                            | -                                        | 1,857,705                                     |
| Nathan Knox**                                  | 345,800                                         | -              | -                            | (345,800)                                | -                                             |
| Paul Miller                                    | 514,000                                         | 183,400        | -                            | (150,000)                                | 547,400                                       |
|                                                | 2,151,467                                       | 749,438        | -                            | (495,800)                                | 2,405,105                                     |

\*\* Mr. Knox ceased to be a KMP during FY25.

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***THIS CONCLUDES THE REMUNERATION REPORT, WHICH HAS BEEN AUDITED.***

**Shares under option**

Unissued ordinary shares of the Company under option at the date of this report are as follows.

| <b>Grant date</b> | <b>Expiry date</b> | <b>Issue price of shares</b> | <b>Number under option</b> |
|-------------------|--------------------|------------------------------|----------------------------|
| 11 December 2023  | 21 September 2026  | \$0.90                       | 5,294,449                  |
| 25 July 2024      | 24 July 2029       | \$0.375                      | 2,666,668                  |
| 30 September 2024 | 29 September 2029  | \$0.41                       | 1,219,518                  |
| 11 October 2024   | 10 October 2029    | \$Nil                        | 1,009,932                  |
|                   |                    |                              | <u>10,190,567</u>          |

**Shares under Performance Rights**

Unissued ordinary shares of the Company under Performance Rights at the date of this report are as follows:

| <b>Grant date</b> | <b>Expiry date</b> | <b>Number under rights</b> |
|-------------------|--------------------|----------------------------|
| 11 July 2022      | 30 June 2026       | 625,000                    |
| 10 February 2023  | 10 February 2026   | 981,500                    |
| 29 December 2023  | 29 December 2026   | 666,667                    |
| 14 June 2024      | 14 June 2027       | 1,510,312                  |
| 29 November 2024  | 22 January 2028    | 566,038                    |
| 26 March 2025     | 26 March 2028      | 1,560,700                  |
|                   |                    | <u>5,910,217</u>           |

No person entitled to exercise the Performance Rights had or has any right by virtue of the performance right to participate in any share issue of the Company or of any other body corporate.

**Shares issued on the exercise of options**

There were no ordinary shares of Spirit issued on the exercise of options during the year ended 30 June 2025 and up to the date of this report.

**Shares issued on the exercise of Performance Rights**

The were no ordinary shares of Spirit issued on exercise of performance rights during the year ended 30 June 2025 and up to the date of this report.

**Indemnity and insurance of officers**

The Company has indemnified the Directors and executives of the Company for costs incurred in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year the Company paid a premium in respect of a contract to insure the Directors and executives of the Company against a liability to the extent permitted by the Corporations Act. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

### **Indemnity and insurance of auditor**

The Company has not during or since the end of the financial year indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During FY25, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

### **Proceedings on behalf of the Company**

No person has applied to the Court under section 237 of the Corporations Act for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

### **Non-audit services**

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 30 to the Financial Statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act.

The Directors are of the opinion that the services as disclosed in Note 30 to the Financial Statements do not compromise the external auditor's independence requirements of the Corporations Act for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

### **Officers of the Company who are former partners of PKF Melbourne Audit & Assurance Pty Ltd**

There are no officers of the Company who are former partners of PKF Melbourne Audit & Assurance Pty Ltd.

### **Rounding of amounts**

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest '000 dollars, or in certain cases, the nearest dollar.

### **Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act is set out immediately after this Directors' report.

### **Auditor**

PKF Melbourne Audit & Assurance Pty Ltd continues in office in accordance with section 327 of the Corporations Act.

**Spirit Technology Solutions Ltd**  
**Directors' report**  
**30 June 2025**

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'Shan Kanji', written over the printed name.

Shan Kanji  
Chairman

26 August 2025



PKF Melbourne Audit & Assurance Pty Ltd  
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info@pkf.com.au  
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#### AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF SPIRIT TECHNOLOGY SOLUTIONS LTD

In relation to our audit of the financial report of Spirit Technology Solutions Ltd for year ended 30 June 2025, I declare to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (b) no contraventions of any applicable code of professional conduct.

This declaration is made in respect of Spirit Technology Solutions Ltd and the entities it controlled during the year.

A handwritten signature of 'PKF' in black ink.

PKF  
Melbourne, 26 August 2025

A handwritten signature of 'Kaitlynn Brady' in black ink.

Kaitlynn Brady  
Partner

**Spirit Technology Solutions Ltd**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2025**

|                                                                                                                 |             | <b>Consolidated</b> |                 |
|-----------------------------------------------------------------------------------------------------------------|-------------|---------------------|-----------------|
|                                                                                                                 | <b>Note</b> | <b>2025</b>         | <b>2024</b>     |
|                                                                                                                 |             | <b>\$'000</b>       | <b>\$'000</b>   |
| <b>Revenue</b>                                                                                                  | 4           | 102,394             | 90,892          |
| Other income                                                                                                    | 5           | 144                 | 272             |
| Cost of sales                                                                                                   |             | (31,495)            | (34,764)        |
| <b>Expenses</b>                                                                                                 |             |                     |                 |
| Employee benefits expense                                                                                       | 6           | (49,026)            | (44,517)        |
| Share-based payments                                                                                            | 39          | (1,452)             | (571)           |
| Administration and corporate expenses                                                                           |             | (8,144)             | (8,354)         |
| Sales and marketing expenses                                                                                    |             | (2,724)             | (2,345)         |
| Acquisition and divestment costs                                                                                |             | (837)               | (2,850)         |
| Transformation and restructuring costs                                                                          |             | (2,695)             | (1,999)         |
| Impairment of non-current assets                                                                                | 6           | (282)               | (1,991)         |
| Depreciation and amortisation expense                                                                           | 6           | (4,555)             | (4,258)         |
| Finance costs                                                                                                   | 6           | (2,729)             | (2,953)         |
| <b>Loss before income tax benefit</b>                                                                           |             | (1,401)             | (13,438)        |
| Income tax benefit                                                                                              | 7           | 27                  | 2,891           |
| <b>Loss after income tax benefit for the year attributable to the owners of Spirit Technology Solutions Ltd</b> |             | (1,374)             | (10,547)        |
| Other comprehensive income for the year, net of tax                                                             |             | -                   | -               |
| <b>Total comprehensive loss for the year attributable to the owners of Spirit Technology Solutions Ltd</b>      |             | <u>(1,374)</u>      | <u>(10,547)</u> |
|                                                                                                                 |             |                     |                 |
|                                                                                                                 |             | <b>Cents</b>        | <b>Cents</b>    |
|                                                                                                                 |             |                     | (Restated)      |
| <b>Earnings per share for loss attributable to the owners of Spirit Technology Solutions Ltd</b>                |             |                     |                 |
| Basic loss per share                                                                                            | 38          | (0.77)              | (11.77)         |
| Diluted loss per share                                                                                          | 38          | (0.77)              | (11.77)         |

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*



**Spirit Technology Solutions Ltd**  
**Statement of financial position**  
**As at 30 June 2025**

|                                |             | <b>Consolidated</b> |                |
|--------------------------------|-------------|---------------------|----------------|
|                                | <b>Note</b> | <b>2025</b>         | <b>2024</b>    |
|                                |             | <b>\$'000</b>       | <b>\$'000</b>  |
| <b>Assets</b>                  |             |                     |                |
| <b>Current assets</b>          |             |                     |                |
| Cash and cash equivalents      | 8           | 6,337               | 8,869          |
| Trade and other receivables    | 9           | 14,321              | 17,273         |
| Inventories                    | 10          | 2,335               | 2,303          |
| Contract cost assets           | 12          | 2,700               | 2,470          |
| Other assets                   | 11          | 6,267               | 7,682          |
| Total current assets           |             | 31,960              | 38,597         |
| <b>Non-current assets</b>      |             |                     |                |
| Contract cost assets           | 12          | 3,556               | 3,252          |
| Property, plant and equipment  | 13          | 676                 | 722            |
| Right-of-use assets            | 14          | 3,761               | 2,856          |
| Intangible assets              | 15          | 121,170             | 116,093        |
| Deferred tax                   | 16          | 6,774               | 7,432          |
| Other assets                   | 11          | 4,787               | 2,464          |
| Total non-current assets       |             | 140,724             | 132,819        |
| <b>Total assets</b>            |             | <b>172,684</b>      | <b>171,416</b> |
| <b>Liabilities</b>             |             |                     |                |
| <b>Current liabilities</b>     |             |                     |                |
| Trade and other payables       | 17          | 20,514              | 30,489         |
| Lease liabilities              | 18          | 1,450               | 1,077          |
| Provisions                     | 19          | 5,206               | 4,913          |
| Unearned revenue               | 24          | 5,367               | 7,857          |
| Borrowings                     | 21          | 510                 | 1,020          |
| Convertible notes              | 22          | 466                 | 4,934          |
| Deferred consideration         | 20          | 4,082               | 7,037          |
| Total current liabilities      |             | 37,595              | 57,327         |
| <b>Non-current liabilities</b> |             |                     |                |
| Borrowings                     | 21          | 26,470              | 26,980         |
| Lease liabilities              | 18          | 2,657               | 1,809          |
| Deferred tax                   | 23          | 6,154               | 6,839          |
| Provisions                     | 19          | 830                 | 1,044          |
| Unearned revenue               | 24          | 5                   | 721            |
| Deferred consideration         | 20          | 400                 | 3,650          |
| Total non-current liabilities  |             | 36,516              | 41,043         |
| <b>Total liabilities</b>       |             | <b>74,111</b>       | <b>98,370</b>  |
| <b>Net assets</b>              |             | <b>98,573</b>       | <b>73,046</b>  |
| <b>Equity</b>                  |             |                     |                |
| Issued capital                 | 25          | 175,486             | 149,682        |
| Reserves                       | 26          | 1,625               | 568            |
| Accumulated losses             |             | (78,538)            | (77,204)       |
| <b>Total equity</b>            |             | <b>98,573</b>       | <b>73,046</b>  |

*The above statement of financial position should be read in conjunction with the accompanying notes*

**Spirit Technology Solutions Ltd**  
**Statement of changes in equity**  
**For the year ended 30 June 2025**

| <b>Consolidated</b>                                                                                            | <b>Issued capital<br/>\$'000</b> | <b>Reserves<br/>\$'000</b> | <b>Accumulated losses<br/>\$'000</b> | <b>Total equity<br/>\$'000</b> |
|----------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------|--------------------------------------|--------------------------------|
| Balance at 1 July 2024                                                                                         | 149,682                          | 568                        | (77,204)                             | 73,046                         |
| Loss after income tax benefit for the year                                                                     | -                                | -                          | (1,374)                              | (1,374)                        |
| Other comprehensive income for the year, net of tax                                                            | -                                | -                          | -                                    | -                              |
| Total comprehensive income for the year                                                                        | -                                | -                          | (1,374)                              | (1,374)                        |
| <i>Transactions with owners in their capacity as owners:</i>                                                   |                                  |                            |                                      |                                |
| Share-based payments (Note 26)                                                                                 | -                                | 1,097                      | -                                    | 1,097                          |
| Conversion of unlisted convertible notes (Note 25)                                                             | 4,471                            | -                          | -                                    | 4,471                          |
| Issue of shares in relation to institutional component of entitlement offer (Note 25)                          | 7,144                            | -                          | -                                    | 7,144                          |
| Issue of shares under placement (Note 25)                                                                      | 2,000                            | -                          | -                                    | 2,000                          |
| Issue of shares in relation to retail component of entitlement offer (Note 25)                                 | 10,851                           | -                          | -                                    | 10,851                         |
| Issue of shares to vendor as part consideration in relation to the Forensic IT Solutions acquisition (Note 34) | 1,535                            | -                          | -                                    | 1,535                          |
| Issue of placement shares (Note 25)                                                                            | 1,000                            | -                          | -                                    | 1,000                          |
| Cost of capital raising (Note 25)                                                                              | (1,197)                          | -                          | -                                    | (1,197)                        |
| Transfers from reserves to accumulated losses                                                                  | -                                | (40)                       | 40                                   | -                              |
| Balance at 30 June 2025                                                                                        | <u>175,486</u>                   | <u>1,625</u>               | <u>(78,538)</u>                      | <u>98,573</u>                  |

| <b>Consolidated</b>                                                                                | <b>Issued capital<br/>\$'000</b> | <b>Reserves<br/>\$'000</b> | <b>Accumulated losses<br/>\$'000</b> | <b>Total equity<br/>\$'000</b> |
|----------------------------------------------------------------------------------------------------|----------------------------------|----------------------------|--------------------------------------|--------------------------------|
| Balance at 1 July 2023                                                                             | 119,411                          | 2,393                      | (68,671)                             | 53,133                         |
| Loss after income tax benefit for the year                                                         | -                                | -                          | (10,547)                             | (10,547)                       |
| Other comprehensive income for the year, net of tax                                                | -                                | -                          | -                                    | -                              |
| Total comprehensive income for the year                                                            | -                                | -                          | (10,547)                             | (10,547)                       |
| <i>Transactions with owners in their capacity as owners:</i>                                       |                                  |                            |                                      |                                |
| Contributions of equity, net of transaction costs (Note 25)                                        | 15,440                           | -                          | -                                    | 15,440                         |
| Convertible notes issued (Note 22)                                                                 | 567                              | -                          | -                                    | 567                            |
| Conversion of convertible notes into ordinary shares (Note 22)                                     | 264                              | -                          | -                                    | 264                            |
| Share-based payments (Note 26)                                                                     | -                                | 189                        | -                                    | 189                            |
| Issue of shares to vendor as part consideration in relation to the Infotrust acquisition (Note 34) | 14,000                           | -                          | -                                    | 14,000                         |
| Transfers from reserves to accumulated losses                                                      | -                                | (2,014)                    | 2,014                                | -                              |
| Balance at 30 June 2024                                                                            | <u>149,682</u>                   | <u>568</u>                 | <u>(77,204)</u>                      | <u>73,046</u>                  |

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**Spirit Technology Solutions Ltd**  
**Statement of cash flows**  
**For the year ended 30 June 2025**

|                                                                  |             | <b>Consolidated</b> |               |
|------------------------------------------------------------------|-------------|---------------------|---------------|
|                                                                  | <b>Note</b> | <b>2025</b>         | <b>2024</b>   |
|                                                                  |             | <b>\$'000</b>       | <b>\$'000</b> |
| <b>Cash flows from operating activities</b>                      |             |                     |               |
| Receipts from customers (inclusive of GST)                       |             | 165,828             | 133,264       |
| Government grants received                                       | 5           | -                   | 35            |
| Payments to suppliers and employees (inclusive of GST)           |             | (163,245)           | (132,005)     |
| Transformation and restructuring costs                           |             | (1,892)             | (2,577)       |
| Loan funded share plan                                           | 39          | (355)               | (382)         |
| Deposits (refunded)/placed                                       |             | (103)               | 2             |
| Interest received                                                | 5           | 131                 | 72            |
| Interest and other finance costs paid                            | 6           | (2,555)             | (2,535)       |
| Net cash used in operating activities                            | 37          | (2,191)             | (4,126)       |
| <b>Cash flows from investing activities</b>                      |             |                     |               |
| Payments for property, plant and equipment                       | 13          | (349)               | (260)         |
| Payments for intangibles                                         | 15          | (245)               | (314)         |
| Cash payments to acquire businesses, net of cash acquired        | 34          | (15,710)            | (12,739)      |
| Acquired income tax liabilities paid                             |             | (294)               | (39)          |
| Acquisition and divestment costs                                 |             | (837)               | (2,850)       |
| Proceeds from disposal of assets and right of use                |             | 12                  | 66            |
| Net cash used in investing activities                            |             | (17,423)            | (16,136)      |
| <b>Cash flows from financing activities</b>                      |             |                     |               |
| Proceeds from issue of shares                                    | 25          | 20,995              | 16,000        |
| Share issue transaction costs                                    | 25          | (1,197)             | (560)         |
| Net proceeds from convertible notes                              | 22          | -                   | 5,539         |
| Repayment of borrowings                                          | 21          | (1,020)             | -             |
| Proceeds from borrowings                                         | 21          | -                   | 3,000         |
| Repayment of lease liabilities                                   |             | (1,696)             | (1,872)       |
| Net cash from financing activities                               |             | 17,082              | 22,107        |
| Net (decrease)/increase in cash and cash equivalents             |             | (2,532)             | 1,845         |
| Cash and cash equivalents at the beginning of the financial year |             | 8,869               | 7,024         |
| Cash and cash equivalents at the end of the financial year       | 8           | 6,337               | 8,869         |

*The above statement of cash flows should be read in conjunction with the accompanying notes*

**Spirit Technology Solutions Ltd**  
**Notes to the financial statements**  
**30 June 2025**

**Note 1. General information**

The financial statements cover Spirit Technology Solutions Ltd as a 'Consolidated Entity' consisting of Spirit Technology Solutions Ltd and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars which is Spirit Technology Solutions Ltd's functional and presentation currency.

Spirit Technology Solutions Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

**Registered office**

Suite 13.01, Level 13  
90 Collins Street  
Melbourne Victoria 3000

**Principal place of business**

Suite 13.01, Level 13  
90 Collins Street  
Melbourne Victoria 3000

A description of the nature of the Consolidated Entity's operations and its principal activities are included in the Directors' report which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 26 August 2025. The Directors have the power to amend and reissue the financial statements.

**Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001* (Cth) ("Corporations Act"), as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB").

*Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for certain financial instruments.

**New or amended Accounting Standards and Interpretations adopted**

The Consolidated Entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period. There were no material impacts following the adoption of these standards.

**Net liability position**

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Consolidated Entity has adequate resources and strategic initiatives in place to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

The Consolidated Entity has a net current liability position as at 30 June 2025 of \$5.635M (30 June 2024 net current liability position: \$18.73M). In considering this financial position it should be noted that current liabilities include unearned revenue of \$5.4M which unwinds to revenue rather than being a cash settled liability.

**Note 1. General information (continued)**

**Rounding of amounts**

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest '000 dollars, or in certain cases, the nearest dollar.

**Note 2. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on various other factors, including expectations of future events management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

*Revenue recognition*

Refer Note 4 for detail.

*Allowance for expected credit losses*

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each customer. These assumptions include recent sales experience and historical collection rates.

*Goodwill and other indefinite life intangible assets*

The Consolidated Entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in Note 15. The recoverable amounts of each cash generating unit ("CGU") have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows. Refer Note 15.

*Recovery of deferred tax assets*

Deferred tax assets are recognised for deductible temporary differences only if the Consolidated Entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Noting that the Consolidated Entity has incurred losses in the current and previous financial years, the expectation is that future taxable earnings will be generated sufficient to utilise the deferred tax assets.

*Convertible notes*

Refer Note 22 for detail.

**Spirit Technology Solutions Ltd**  
**Notes to the financial statements**  
**30 June 2025**

**Note 3. Operating segments**

*Identification of reportable operating segments*

The Chief Operating Decision Makers ("CODMs") (being, the Board of Directors and Key Management Personnel) manage the Consolidated Entity's operations across three operating segments as outlined below. Each of those operating segments has a dedicated 'segment Chief Executive Officer' or 'Executive General Manager' responsible for financial performance and asset allocation decisions within that segment.

- The Cloud and Communications segment (previously referred to as, 'Communication and Collaboration') offers award-winning modern communications, data and office technology for small businesses;
- The Cyber Security segment offers specialist cyber managed services and industry leading solutions to corporate and enterprise customers delivered through a 24x7 Security Operations Centre and professional service teams. This capability also enables Spirit to put cyber security at the core of all key market solutions provided across its segments, improving the resilience and security of all customers;
- The Secure Managed Technology segment (previously referred to as, 'Managed Services') offers a comprehensive range of managed technology and professional services including secure workplace, cloud security and management, infrastructure build and management and data security solutions to customers across Australia.

The CODMs review these segments on an underlying basis down to the underlying (loss)/profit before income tax expense level. Underlying adjustments are reported on a consolidated group basis but attributed to the segments for disclosure purposes.

| <b>Year ended 30 June 2025</b>                                                    | <b>Cloud and Communications</b> | <b>Cyber Security</b> | <b>Secure Managed Technology</b> | <b>Corporate</b> | <b>Total</b>   |
|-----------------------------------------------------------------------------------|---------------------------------|-----------------------|----------------------------------|------------------|----------------|
|                                                                                   | <b>\$'000</b>                   | <b>\$'000</b>         | <b>\$'000</b>                    | <b>\$'000</b>    | <b>\$'000</b>  |
| <b>Revenue</b>                                                                    |                                 |                       |                                  |                  |                |
| End customer revenue                                                              | 44,057                          | 29,268                | 29,069                           | -                | 102,394        |
| Intercompany revenue                                                              | -                               | 197                   | 85                               | (282)            | -              |
|                                                                                   | <b>44,057</b>                   | <b>29,465</b>         | <b>29,154</b>                    | <b>(282)</b>     | <b>102,394</b> |
| <b>Underlying earnings before interest, taxes, depreciation and amortisation*</b> | <b>7,667</b>                    | <b>6,758</b>          | <b>332</b>                       | <b>(3,739)</b>   | <b>11,018</b>  |
| Depreciation and amortisation expense                                             | (739)                           | (714)                 | (718)                            | -                | (2,171)        |
| Finance costs (net of interest income)                                            | (59)                            | 37                    | (78)                             | (2,498)          | (2,598)        |
| <b>Underlying net profit/(loss) before income tax**</b>                           | <b>6,869</b>                    | <b>6,081</b>          | <b>(464)</b>                     | <b>(6,237)</b>   | <b>6,249</b>   |
| Underlying adjustments:                                                           |                                 |                       |                                  |                  |                |
| Share based payments                                                              | -                               | -                     | -                                | (1,452)          | (1,452)        |
| Acquisition and divestment costs                                                  | -                               | -                     | -                                | (837)            | (837)          |
| Transformation and restructuring costs                                            | -                               | -                     | (752)                            | (1,943)          | (2,695)        |
| Impairment of non-current assets                                                  | -                               | -                     | (282)                            | -                | (282)          |
| Amortisation of customer relationships                                            | (1,194)                         | (1,190)               | -                                | -                | (2,384)        |
| <b>(Loss)/profit before income tax benefit</b>                                    | <b>5,675</b>                    | <b>4,891</b>          | <b>(1,498)</b>                   | <b>(10,469)</b>  | <b>(1,401)</b> |
| Income tax benefit                                                                |                                 |                       |                                  |                  | 27             |
| <b>(Loss) after income tax benefit</b>                                            |                                 |                       |                                  |                  | <b>(1,374)</b> |

**Spirit Technology Solutions Ltd**  
**Notes to the financial statements**  
**30 June 2025**

**Note 3. Operating segments (continued)**

\* 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 and divestment costs, transformation and restructuring costs, other normalisation items, net fair value loss on remeasurement of contingent consideration on business combinations and impairment of non-current assets.

\*\* Underlying net profit/(loss) before income tax benefit/(expense) ("uNPBT") is a financial measure which is not prescribed by AAS and adjusts underlying EBITDA\* to deduct depreciation and amortisation (excluding amortisation of customer relationships) and finance costs (net of interest revenue). The Directors consider that these measures are useful in gaining an understanding of the performance of the entity, consistent with internal reporting.

| <b>30 June 2025</b> | <b>Cloud and Communications</b> | <b>Cyber Security</b> | <b>Secure Managed Technology</b> | <b>Corporate</b> | <b>Total</b>  |
|---------------------|---------------------------------|-----------------------|----------------------------------|------------------|---------------|
|                     | <b>\$'000</b>                   | <b>\$'000</b>         | <b>\$'000</b>                    | <b>\$'000</b>    | <b>\$'000</b> |
| Total assets        | 16,508                          | 21,835                | 5,335                            | 129,006          | 172,684       |
| Total liabilities   | (10,157)                        | (22,425)              | (7,525)                          | (34,004)         | (74,111)      |
| <b>Net assets</b>   | <b>6,351</b>                    | <b>(590)</b>          | <b>(2,190)</b>                   | <b>95,002</b>    | <b>98,573</b> |

| <b>Year ended 30 June 2024</b>                                                    | <b>Cloud and Communications</b> | <b>Cyber Security</b> | <b>Secure Managed Technology</b> | <b>Corporate</b> | <b>Total</b>    |
|-----------------------------------------------------------------------------------|---------------------------------|-----------------------|----------------------------------|------------------|-----------------|
|                                                                                   | <b>\$'000</b>                   | <b>\$'000</b>         | <b>\$'000</b>                    | <b>\$'000</b>    | <b>\$'000</b>   |
| <b>Revenue</b>                                                                    |                                 |                       |                                  |                  |                 |
| End customer revenue                                                              | 40,143                          | 18,270                | 32,479                           | -                | 90,892          |
| Intercompany revenue                                                              | -                               | 331                   | 44                               | (375)            | -               |
|                                                                                   | <b>40,143</b>                   | <b>18,601</b>         | <b>32,523</b>                    | <b>(375)</b>     | <b>90,892</b>   |
| <b>Underlying earnings before interest, taxes, depreciation and amortisation*</b> | <b>6,518</b>                    | <b>3,301</b>          | <b>(4,550)</b>                   | <b>(3,605)</b>   | <b>1,664</b>    |
| Depreciation and amortisation expense                                             | (1,313)                         | (474)                 | (980)                            | -                | (2,767)         |
| Finance costs (net of interest income)                                            | (54)                            | (19)                  | (103)                            | (2,705)          | (2,881)         |
| <b>Underlying net profit/(loss) before income tax**</b>                           | <b>5,151</b>                    | <b>2,808</b>          | <b>(5,633)</b>                   | <b>(6,310)</b>   | <b>(3,984)</b>  |
| Underlying adjustments:                                                           |                                 |                       |                                  |                  |                 |
| Share based payments                                                              | -                               | -                     | -                                | (571)            | (571)           |
| Acquisition and divestment costs                                                  | -                               | (31)                  | -                                | (2,819)          | (2,850)         |
| Transformation and restructuring costs                                            | (360)                           | (840)                 | (987)                            | 188              | (1,999)         |
| Other normalisation items                                                         | -                               | -                     | (552)                            | -                | (552)           |
| Impairment of non-current assets                                                  | -                               | -                     | (1,991)                          | -                | (1,991)         |
| Amortisation of customer relationships                                            | (1,194)                         | (297)                 | -                                | -                | (1,491)         |
| <b>(Loss)/profit before income tax benefit</b>                                    | <b>3,597</b>                    | <b>1,640</b>          | <b>(9,163)</b>                   | <b>(9,512)</b>   | <b>(13,438)</b> |
| Income tax benefit                                                                |                                 |                       |                                  |                  | 2,891           |
| <b>(Loss) after income tax benefit</b>                                            |                                 |                       |                                  |                  | <b>(10,547)</b> |

**Spirit Technology Solutions Ltd**  
**Notes to the financial statements**  
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**Note 3. Operating segments (continued)**

\*and \*\* Refer above footnotes.

| <b>30 June 2024</b> | <b>Cloud and<br/>Communications</b> | <b>Cyber<br/>Security</b> | <b>Secure<br/>Managed<br/>Technology</b> | <b>Corporate</b> | <b>Total</b>  |
|---------------------|-------------------------------------|---------------------------|------------------------------------------|------------------|---------------|
|                     | <b>\$'000</b>                       | <b>\$'000</b>             | <b>\$'000</b>                            | <b>\$'000</b>    | <b>\$'000</b> |
| Total assets        | 12,655                              | 26,775                    | 6,539                                    | 125,447          | 171,416       |
| Total liabilities   | (6,473)                             | (25,794)                  | (10,998)                                 | (55,105)         | (98,370)      |
| <b>Net assets</b>   | <b>6,182</b>                        | <b>981</b>                | <b>(4,459)</b>                           | <b>70,342</b>    | <b>73,046</b> |

*Major customers*

During the year ended 30 June 2025 no individual end customers accounted for 5% or more of revenue.

**Note 4. Revenue**

**Change in accounting policy**

During the financial year, the Group undertook a review of licensing and product sales agreements and reassessed the weighting of factors that indicate control. Management concluded that while the Group meets some criteria of control, on balance it does not demonstrate sufficient control of certain licenses and products before they are transferred to the customer. The Group therefore determined that it acts as an agent in respect of these sales and has revised its accounting policy to account for this revenue as agent. On this basis, revenue recognised as agent is the net of revenue receivable under the contract and the cost of the sale (effectively representing the Group's commission on the transaction). The effect on the current and comparative consolidated statement of profit or loss and other comprehensive income for the change in accounting policy is shown below:

|                                       | <b>As<br/>previously<br/>reported<br/>\$'000</b> | <b>Adjustments<br/>\$'000</b> | <b>Restated<br/>\$'000</b> |
|---------------------------------------|--------------------------------------------------|-------------------------------|----------------------------|
| <b>Year ended 30 June 2025</b>        |                                                  |                               |                            |
| Revenue from contracts with customers | 147,387                                          | (44,993)                      | 102,394                    |
| Purchase of goods                     | (76,488)                                         | 44,993                        | (31,495)                   |
| <b>Gross margin</b>                   | <b>70,899</b>                                    | <b>-</b>                      | <b>70,899</b>              |
| <b>Year ended 30 June 2024</b>        |                                                  |                               |                            |
| Revenue from contracts with customers | 125,847                                          | (34,955)                      | 90,892                     |
| Purchase of goods                     | (69,719)                                         | 34,955                        | (34,764)                   |
| <b>Gross margin</b>                   | <b>56,128</b>                                    | <b>-</b>                      | <b>56,128</b>              |



**Spirit Technology Solutions Ltd**  
**Notes to the financial statements**  
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**Note 4. Revenue (continued)**

|               | <b>Consolidated</b> |               |
|---------------|---------------------|---------------|
|               | <b>2025</b>         | <b>2024</b>   |
|               | <b>\$'000</b>       | <b>\$'000</b> |
| Sales revenue | <b>102,394</b>      | <b>90,892</b> |

*Disaggregation of revenue*

The disaggregation of revenue from contracts with customers is as follows:

*Major product lines*

|                          |                |               |
|--------------------------|----------------|---------------|
| Security services        | 30,497         | 19,172        |
| Cloud and Communications | 55,745         | 54,479        |
| Managed infrastructure   | 16,152         | 17,241        |
|                          | <b>102,394</b> | <b>90,892</b> |

*Geographical regions*

|           |                |               |
|-----------|----------------|---------------|
| Australia | <b>102,394</b> | <b>90,892</b> |
|-----------|----------------|---------------|

*Timing of revenue recognition*

|                                                   |                |               |
|---------------------------------------------------|----------------|---------------|
| Goods and services transferred over time          | 49,457         | 46,706        |
| Goods and services transferred at a point in time | 52,937         | 44,186        |
|                                                   | <b>102,394</b> | <b>90,892</b> |

*Material accounting policies*

The Consolidated Entity's revenue from customer contracts is recognised as and when performance obligations are met. Identifying performance obligations, allocating the transaction price to performance obligations, and determining the timing of revenue recognition of these contracts at times requires the application of judgement due to the complexity and nature of the customer arrangements. The assumptions made in the estimates are based on the information available to management at the transaction date.

Each transaction is evaluated to determine whether Spirit is operating as principal or agent and recording revenue on a gross or net basis, respectively.

*Goods and services transferred over time*

Managed IT and security services, network access and other monthly revenue streams are recognised over the period in which the service is provided. Where income for services is invoiced in advance, the amount is recorded as unearned income and recognition in the income statement is delayed until the service has been provided.

*Goods and services transferred at a point in time*

Professional services, time and materials billings, hardware and software sales, usage charges and set-up charges are recognised in the period in which the services or goods are delivered. Where professional services are bundled with sales of hardware and software ('products'), the sale of the products is a separate performance obligation, and the transaction price is allocated to the products and the professional services based on a relative stand-alone prices basis.

**Spirit Technology Solutions Ltd**  
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**Note 4. Revenue (continued)**

Software Licensing Revenue – the Group sells software licenses on behalf of its suppliers. As the performance obligation is the fulfillment of the end user's order when the products or services are provided by the supplier, the Consolidated Entity recognises revenue for these sales on an agent basis, whereby the revenue is equal to the amount of consideration receivable from the end user less the cost of sale due to the supplier. This represents a change in revenue recognition in this financial year from principal to agent. Previously the sales recognised on a principal basis equalled the gross amount of consideration due from the end user. Note there was no effect on reported profit or loss as a consequence of this change.

**Note 5. Other income**

|                                                 | <b>Consolidated</b> |               |
|-------------------------------------------------|---------------------|---------------|
|                                                 | <b>2025</b>         | <b>2024</b>   |
|                                                 | <b>\$'000</b>       | <b>\$'000</b> |
| Government infrastructure grants                | -                   | 35            |
| Profit on sale of other assets and right of use | -                   | 70            |
| Miscellaneous income                            | 13                  | 95            |
| Interest income                                 | 131                 | 72            |
|                                                 | <u>144</u>          | <u>272</u>    |

**Note 6. Expenses**

|                                                                  | <b>Consolidated</b> |               |
|------------------------------------------------------------------|---------------------|---------------|
|                                                                  | <b>2025</b>         | <b>2024</b>   |
|                                                                  | <b>\$'000</b>       | <b>\$'000</b> |
| Loss before income tax includes the following specific expenses: |                     |               |
| <i>Depreciation</i>                                              |                     |               |
| Leasehold improvements                                           | -                   | 37            |
| Plant and equipment                                              | 280                 | 330           |
| Motor vehicles                                                   | 15                  | 105           |
| Furniture and fixtures                                           | 71                  | 112           |
| Total depreciation (refer Note 13)                               | <u>366</u>          | <u>584</u>    |
| <i>Amortisation</i>                                              |                     |               |
| Right-of-use assets                                              | 1,658               | 1,714         |
| Customer relationships                                           | 2,384               | 1,491         |
| Software and projects                                            | 147                 | 469           |
| Total amortisation (refer Notes 14 and 15)                       | <u>4,189</u>        | <u>3,674</u>  |
| Total depreciation and amortisation                              | <u>4,555</u>        | <u>4,258</u>  |
| <i>Finance costs</i>                                             |                     |               |
| Borrowings                                                       | 2,570               | 2,761         |
| Finance leases                                                   | 159                 | 192           |
| Finance costs expensed                                           | <u>2,729</u>        | <u>2,953</u>  |

**Spirit Technology Solutions Ltd**  
**Notes to the financial statements**  
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**Note 6. Expenses (continued)**

|                                                                                                                                                                                                                                          | <b>Consolidated</b> |               |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------|
|                                                                                                                                                                                                                                          | <b>2025</b>         | <b>2024</b>   |
|                                                                                                                                                                                                                                          | <b>\$'000</b>       | <b>\$'000</b> |
| <i>Employee benefits expense</i>                                                                                                                                                                                                         |                     |               |
| Employee benefits expense excluding superannuation                                                                                                                                                                                       | 44,664              | 40,691        |
| <i>Superannuation expense</i>                                                                                                                                                                                                            |                     |               |
| Defined contribution superannuation expense                                                                                                                                                                                              | 4,362               | 3,826         |
|                                                                                                                                                                                                                                          | <u>49,026</u>       | <u>44,517</u> |
| <i>Impairment of receivables</i>                                                                                                                                                                                                         |                     |               |
| Bad and doubtful debts expense*                                                                                                                                                                                                          | (88)                | 594           |
| *The Consolidated Entity has recognised a gain of \$88,000 in profit or loss in respect of impairment of receivables for the year ended 30 June 2025 (2024: loss \$594,000), including bad debts expense of \$296,000 (2024: \$326,000). |                     |               |
| <i>Impairment of non-current assets</i>                                                                                                                                                                                                  |                     |               |
| Right-of-use assets (refer Note 14)                                                                                                                                                                                                      | 282                 | -             |
| Contract cost assets (refer Note 12)                                                                                                                                                                                                     | -                   | 1,991         |
|                                                                                                                                                                                                                                          | <u>282</u>          | <u>1,991</u>  |

**Note 7. Income tax (benefit)/expense**

|                                                                                        | <b>Consolidated</b> |                |
|----------------------------------------------------------------------------------------|---------------------|----------------|
|                                                                                        | <b>2025</b>         | <b>2024</b>    |
|                                                                                        | <b>\$'000</b>       | <b>\$'000</b>  |
| Numerical reconciliation of income tax (benefit)/expense and tax at the statutory rate |                     |                |
| (Loss) before income tax benefit/(expense)                                             | (1,401)             | (13,438)       |
| Tax at the statutory tax rate of 30.0% (30.0% at 30 June 2024)                         | (420)               | (4,031)        |
| Tax effect amounts which are not deductible/(taxable) in calculating taxable income:   |                     |                |
| Acquisition related                                                                    | 160                 | 508            |
| Share options and employee share scheme                                                | 436                 | 171            |
| Impairment of non-tax deductible assets                                                | -                   | 599            |
| Share capital issue costs                                                              | (359)               | (168)          |
| Other differences                                                                      | 156                 | 30             |
| Income tax benefit                                                                     | <u>(27)</u>         | <u>(2,891)</u> |

**Note 8. Current assets – cash and cash equivalents**

|              | <b>Consolidated</b> |               |
|--------------|---------------------|---------------|
|              | <b>2025</b>         | <b>2024</b>   |
|              | <b>\$'000</b>       | <b>\$'000</b> |
| Cash at bank | <u>6,337</u>        | <u>8,869</u>  |

**Spirit Technology Solutions Ltd**  
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**Note 9. Current assets – trade and other receivables**

|                                            | <b>Consolidated</b> |               |
|--------------------------------------------|---------------------|---------------|
|                                            | <b>2025</b>         | <b>2024</b>   |
|                                            | <b>\$'000</b>       | <b>\$'000</b> |
| Trade receivables                          | 14,294              | 18,163        |
| Less: Allowance for expected credit losses | (485)               | (901)         |
|                                            | 13,809              | 17,262        |
| Related party receivables                  | 394                 | 4             |
| Other receivables                          | 118                 | 7             |
|                                            | <b>14,321</b>       | <b>17,273</b> |

The ageing of trade receivables are as follows:

|                       |        |        |
|-----------------------|--------|--------|
| Current               | 9,690  | 9,775  |
| 1 to 30 days overdue  | 1,902  | 4,780  |
| 31 to 60 days overdue | 968    | 1,099  |
| 61 to 90 days overdue | 446    | 826    |
| Over 90 days overdue  | 1,288  | 1,683  |
|                       | 14,294 | 18,163 |

*Allowance for expected credit losses*

The Consolidated Entity retains a provision of \$485,000 in respect of impairment of receivables for the year ended 30 June 2025 (2024: \$901,000).

The ageing of the receivables and allowance for expected credit losses provided for above are as follows. Refer Note 28 Financial instruments – credit risk for additional details.

|                       | <b>Consolidated</b> |               |
|-----------------------|---------------------|---------------|
|                       | <b>2025</b>         | <b>2024</b>   |
|                       | <b>\$'000</b>       | <b>\$'000</b> |
| Current               | 10                  | 40            |
| 1 to 30 days overdue  | 17                  | 99            |
| 31 to 60 days overdue | 17                  | 39            |
| 61 to 90 days overdue | 15                  | 116           |
| Over 90 days overdue  | 426                 | 607           |
|                       | 485                 | 901           |

Movements in the allowance for expected credit losses are as follows:

|                        | <b>Consolidated</b> |               |
|------------------------|---------------------|---------------|
|                        | <b>2025</b>         | <b>2024</b>   |
|                        | <b>\$'000</b>       | <b>\$'000</b> |
| Opening balance        | 901                 | 759           |
| Additions and releases | (416)               | 142           |
| Closing balance        | 485                 | 901           |

**Spirit Technology Solutions Ltd**  
**Notes to the financial statements**  
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**Note 10. Current assets – inventories**

|                                  | <b>Consolidated</b> |               |
|----------------------------------|---------------------|---------------|
|                                  | <b>2025</b>         | <b>2024</b>   |
|                                  | <b>\$'000</b>       | <b>\$'000</b> |
| Stock on hand – at cost          | 2,869               | 3,193         |
| Less: Provision for obsolescence | (534)               | (890)         |
|                                  | <b>2,335</b>        | <b>2,303</b>  |

**Note 11. Other assets**

|                 | <b>Consolidated</b> |               |
|-----------------|---------------------|---------------|
|                 | <b>2025</b>         | <b>2024</b>   |
|                 | <b>\$'000</b>       | <b>\$'000</b> |
| Accrued revenue | 9,143               | 8,526         |
| Prepayments     | 1,396               | 1,208         |
| Employee loans  | 5                   | 1             |
| Vendor loans    | -                   | 4             |
| Other assets    | 510                 | 407           |
|                 | <b>11,054</b>       | <b>10,146</b> |

**Note 12. Contract cost assets**

|                                        | <b>Consolidated</b> |               |
|----------------------------------------|---------------------|---------------|
|                                        | <b>2025</b>         | <b>2024</b>   |
|                                        | <b>\$'000</b>       | <b>\$'000</b> |
| Contract cost assets                   | 13,650              | 11,753        |
| Accumulated release to profit and loss | (7,394)             | (6,031)       |
|                                        | <b>6,256</b>        | <b>5,722</b>  |

Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:

|                                                     | <b>Consolidated</b> |               |
|-----------------------------------------------------|---------------------|---------------|
|                                                     | <b>2025</b>         | <b>2024</b>   |
|                                                     | <b>\$'000</b>       | <b>\$'000</b> |
| Opening balance                                     | 5,722               | 6,087         |
| Adjustments through business combinations (Note 34) | -                   | 978           |
| Additions                                           | 3,531               | 3,296         |
| Amortisation to the profit and loss                 | (2,997)             | (2,648)       |
| Impairment                                          | -                   | (1,991)       |
| Closing balance                                     | <b>6,256</b>        | <b>5,722</b>  |

*Material accounting policies*

The contract cost assets relate to costs incurred to both obtain or fulfil a contract with a customer. Costs typically include sales commissions, customer contract buy-out costs and costs related directly to fulfilling a customer contract such as direct labour. The contract assets are amortised to cost of sales over either the average customer life or the average contract life which is assessed to be in the range of 2 – 4 years. Management judgements are required in assessing both the types of costs capitalised and amortisation periods.

**Spirit Technology Solutions Ltd**  
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**Note 13. Non-current assets – property, plant and equipment**

|                                               | <b>Consolidated</b> |               |
|-----------------------------------------------|---------------------|---------------|
|                                               | <b>2025</b>         | <b>2024</b>   |
|                                               | <b>\$'000</b>       | <b>\$'000</b> |
| Leasehold improvements – at cost              | -                   | 255           |
| Less: Accumulated depreciation and impairment | -                   | (255)         |
|                                               | -                   | -             |
| Plant and equipment – at cost                 | 2,702               | 3,459         |
| Less: Accumulated depreciation and impairment | (2,165)             | (2,932)       |
|                                               | 537                 | 527           |
| Motor vehicles – at cost                      | 64                  | 339           |
| Less: Accumulated depreciation                | (16)                | (298)         |
|                                               | 48                  | 41            |
| Furniture and Fixtures – at cost              | 207                 | 531           |
| Less: Accumulated depreciation                | (116)               | (377)         |
|                                               | 91                  | 154           |
|                                               | <b>676</b>          | <b>722</b>    |

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

| <b>Consolidated</b>                               | <b>Leasehold improvements</b> | <b>Plant and equipment</b> | <b>Motor vehicles</b> | <b>Furniture and Fixtures</b> | <b>Total</b>  |
|---------------------------------------------------|-------------------------------|----------------------------|-----------------------|-------------------------------|---------------|
|                                                   | <b>\$'000</b>                 | <b>\$'000</b>              | <b>\$'000</b>         | <b>\$'000</b>                 | <b>\$'000</b> |
| <b>Balance at 30 June 2023</b>                    | <b>37</b>                     | <b>630</b>                 | <b>106</b>            | <b>230</b>                    | <b>1,003</b>  |
| Additions through business combinations (Note 34) | -                             | 59                         | -                     | -                             | 59            |
| Additions                                         | -                             | 184                        | 40                    | 36                            | 260           |
| Disposals                                         | -                             | (16)                       | -                     | -                             | (16)          |
| Depreciation expense                              | (37)                          | (330)                      | (105)                 | (112)                         | (584)         |
| <b>Balance at 30 June 2024</b>                    | <b>-</b>                      | <b>527</b>                 | <b>41</b>             | <b>154</b>                    | <b>722</b>    |
| Additions through business combinations (Note 34) | -                             | -                          | -                     | -                             | -             |
| Additions                                         | -                             | 319                        | 22                    | 8                             | 349           |
| Disposals                                         | -                             | (29)                       | -                     | -                             | (29)          |
| Depreciation expense                              | -                             | (280)                      | (15)                  | (71)                          | (366)         |
| <b>Balance at 30 June 2025</b>                    | <b>-</b>                      | <b>537</b>                 | <b>48</b>             | <b>91</b>                     | <b>676</b>    |

**Spirit Technology Solutions Ltd**  
**Notes to the financial statements**  
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**Note 13. Non-current assets – property, plant and equipment (continued)**

*Material accounting policies*

All classes of fixed assets are stated at historical cost.

Depreciation is calculated on a straight-line basis to write off the net cost of each class of fixed assets over their expected useful lives as follows:

|                        |             |
|------------------------|-------------|
| Leasehold improvements | 3 – 5 years |
| Plant and equipment    | 2 – 7 years |
| Motor vehicles         | 4 – 5 years |
| Furniture and fixtures | 3 – 7 years |

**Note 14. Non-current assets – right-of-use assets**

|                                               | <b>Consolidated</b> |                     |
|-----------------------------------------------|---------------------|---------------------|
|                                               | <b>2025</b>         | <b>2024</b>         |
|                                               | <b>\$'000</b>       | <b>\$'000</b>       |
| Right-of-use assets                           | 6,289               | 5,482               |
| Less: Accumulated amortisation and impairment | <u>(2,528)</u>      | <u>(2,626)</u>      |
|                                               | <b><u>3,761</u></b> | <b><u>2,856</u></b> |

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

|                                                   | <b>Consolidated</b> |                     |
|---------------------------------------------------|---------------------|---------------------|
|                                                   | <b>2025</b>         | <b>2024</b>         |
|                                                   | <b>\$'000</b>       | <b>\$'000</b>       |
| <b>Consolidated</b>                               |                     |                     |
| Opening balance                                   | 2,856               | 4,429               |
| Additions through business combinations (Note 34) | 243                 | -                   |
| Additions                                         | 2,602               | 159                 |
| Disposals                                         | -                   | (18)                |
| Amortisation expense                              | (1,658)             | (1,714)             |
| Impairment expense                                | <u>(282)</u>        | <u>-</u>            |
|                                                   | <b><u>3,761</u></b> | <b><u>2,856</u></b> |

*Material accounting policies*

The right-of-use assets are measured at cost.

Right-of-use assets are depreciated on a straight-line basis over 1 – 5 years.

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**Note 15. Non-current assets – intangibles assets**

|                                               | <b>Consolidated</b> |                |
|-----------------------------------------------|---------------------|----------------|
|                                               | <b>2025</b>         | <b>2024</b>    |
|                                               | <b>\$'000</b>       | <b>\$'000</b>  |
| Goodwill – at cost                            | 100,174             | 92,811         |
| Software – at cost                            | 1,021               | 943            |
| Less: Accumulated amortisation and impairment | (231)               | (251)          |
|                                               | 790                 | 692            |
| Brand names – at cost                         | 4,105               | 4,105          |
| Customer relationships – at cost              | 22,663              | 22,663         |
| Less: Accumulated amortisation                | (6,562)             | (4,178)        |
|                                               | 16,101              | 18,485         |
|                                               | <b>121,170</b>      | <b>116,093</b> |

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

|                                                    | <b>Goodwill</b> | <b>Brand names</b> | <b>Software and projects</b> | <b>Customer relationships</b> | <b>Total</b>   |
|----------------------------------------------------|-----------------|--------------------|------------------------------|-------------------------------|----------------|
|                                                    | <b>at cost</b>  | <b>at cost</b>     | <b>at cost</b>               | <b>at cost</b>                |                |
| <b>Consolidated</b>                                | <b>\$'000</b>   | <b>\$'000</b>      | <b>\$'000</b>                | <b>\$'000</b>                 | <b>\$'000</b>  |
| <b>Balance at 30 June 2023</b>                     | <b>63,382</b>   | <b>4,105</b>       | <b>847</b>                   | <b>9,255</b>                  | <b>77,589</b>  |
| Additions through business combinations (Note 34)  | 29,429          | -                  | -                            | 10,721                        | 40,150         |
| Additions                                          | -               | -                  | 314                          | -                             | 314            |
| Disposals                                          | -               | -                  | -                            | -                             | -              |
| Amortisation expense                               | -               | -                  | (469)                        | (1,491)                       | (1,960)        |
| <b>Balance at 30 June 2024</b>                     | <b>92,811</b>   | <b>4,105</b>       | <b>692</b>                   | <b>18,485</b>                 | <b>116,093</b> |
| Additions through business combinations (Note 34)* | 7,363           | -                  | -                            | -                             | 7,363          |
| Additions                                          | -               | -                  | 245                          | -                             | 245            |
| Disposals                                          | -               | -                  | -                            | -                             | -              |
| Amortisation expense                               | -               | -                  | (147)                        | (2,384)                       | (2,531)        |
| <b>Balance at 30 June 2025</b>                     | <b>100,174</b>  | <b>4,105</b>       | <b>790</b>                   | <b>16,101</b>                 | <b>121,170</b> |

\*The movement in goodwill relates to the acquisition of Forensic IT Solutions Pty Ltd totalling \$7.789M less an adjustment to the goodwill related to the InfoSurety Holdings Pty Ltd of \$0.426M on finalisation of the provisional accounting for that acquisition.



**Note 15. Non-current assets – intangibles (continued)**

*Goodwill, brand names and intangible assets with indefinite lives*

Goodwill and brand names, including those acquired during the year, are allocated to the cash generating unit ("CGU"). The recoverable amount of each CGU is determined based on a value-in-use model which uses cash flow projections based on the financial budget for the 12 months immediately following the reporting date, and cash flows beyond 12 months extrapolated through a 5-year outlook.

The assumptions used for the current reporting period may differ from the assumptions in the past or next reporting period as internal and external circumstances and expectations change. The Consolidated Entity has applied the following assumptions in the 30 June 2025 calculation of value-in-use.

| Operating CGU            | Goodwill & brand names<br>\$'000 | Years 1 – 3 average revenue annual growth rate | Years 4 & 5 growth rate | Terminal growth rate | Post tax discount rate |
|--------------------------|----------------------------------|------------------------------------------------|-------------------------|----------------------|------------------------|
| Cloud and Communications | 50,136                           | 10%                                            | 10%                     | 4.3%                 | 11.1%                  |
| Cyber Security           | 54,143                           | 10%                                            | 10%                     | 4.3%                 | 11.1%                  |

Sensitivity analysis on the key assumptions employed in the value-in-use calculations has been performed by management. The sensitivities applied were decreasing key sales lines and associated cost of goods sold by 10% throughout the model period (whilst holding operating costs stable), increasing the post-tax discount rate to 12.8% and reducing the terminal value growth rate to 3.3%.

*Material accounting policies*

Finite life intangible assets are measured at cost.

*Customer relationships*

Customer relationships acquired in a business combination are amortised on a straight-line basis over 7-10 years.

*Software*

Software is amortised on a straight-line basis over 3-5 years.

**Note 16. Non-current assets – deferred tax**

|                                                                            | Consolidated   |                |
|----------------------------------------------------------------------------|----------------|----------------|
|                                                                            | 2025<br>\$'000 | 2024<br>\$'000 |
| <i>Deferred tax asset comprises temporary differences attributable to:</i> |                |                |
| Amounts recognised in profit or loss:                                      |                |                |
| Employee benefits                                                          | 1,245          | 1,482          |
| Expenses deductible in future periods                                      | 559            | 440            |
| Other provisions/accruals                                                  | 1,114          | 1,568          |
| Right of Use Assets                                                        | 216            | 158            |
| Property Plant & Equipment                                                 | 777            | 519            |
| Tax losses                                                                 | 2,863          | 3,265          |
| Deferred tax asset                                                         | <b>6,774</b>   | <b>7,432</b>   |

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**Note 17. Current liabilities – trade and other payables**

|                                     | <b>Consolidated</b> |               |
|-------------------------------------|---------------------|---------------|
|                                     | <b>2025</b>         | <b>2024</b>   |
|                                     | <b>\$'000</b>       | <b>\$'000</b> |
| Trade payables                      | 12,157              | 16,325        |
| Related party payables              | 280                 | -             |
| GST payable                         | 903                 | 835           |
| Vendor loans                        | -                   | 3,000         |
| Other payables and accrued expenses | 7,174               | 10,329        |
|                                     | <b>20,514</b>       | <b>30,489</b> |

Trade payables are unsecured and are usually paid within 30 days of recognition.

Refer Note 34 for further information on the Vendor loan.

Refer to Note 28 for further information on financial instruments.

**Note 18. Lease liabilities**

|                 | <b>Consolidated</b> |               |
|-----------------|---------------------|---------------|
|                 | <b>2025</b>         | <b>2024</b>   |
|                 | <b>\$'000</b>       | <b>\$'000</b> |
| Lease liability | <b>4,107</b>        | <b>2,886</b>  |

The leases relate to office premises (with a term ranging between 2 – 7 years) and motor vehicles (which are all on 4 year lease terms). The majority of leased premises have an option renewal clause. Refer to Note 28 for further information on financial instruments, maturity profiles and cash flows on leases.

**Note 19. Provisions**

|                          | <b>Consolidated</b> |               |
|--------------------------|---------------------|---------------|
|                          | <b>2025</b>         | <b>2024</b>   |
|                          | <b>\$'000</b>       | <b>\$'000</b> |
| Annual leave             | 2,120               | 1,987         |
| Long service leave       | 1,630               | 1,492         |
| Provision for income tax | -                   | 463           |
| Restructuring            | 838                 | 447           |
| Lease make good          | 375                 | 495           |
| Other provisions         | 1,073               | 1,073         |
|                          | <b>6,036</b>        | <b>5,957</b>  |

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**Note 19. Provisions (continued)**

*Reconciliations*

Reconciliations of the movement in values at the beginning and end of the current and previous financial year are set out below:

|                                                         | <b>Annual<br/>leave</b> | <b>Long<br/>service<br/>leave</b> | <b>Provision<br/>for<br/>income<br/>tax</b> | <b>Restructure</b> | <b>Lease<br/>make<br/>good</b> | <b>Other<br/>provisions</b> | <b>Total</b>  |
|---------------------------------------------------------|-------------------------|-----------------------------------|---------------------------------------------|--------------------|--------------------------------|-----------------------------|---------------|
| <b>Consolidated</b>                                     | <b>\$'000</b>           | <b>\$'000</b>                     | <b>\$'000</b>                               | <b>\$'000</b>      | <b>\$'000</b>                  | <b>\$'000</b>               | <b>\$'000</b> |
| <b>Balance at 30 June 2023</b>                          | <b>1,960</b>            | <b>1,395</b>                      | <b>-</b>                                    | <b>1,024</b>       | <b>497</b>                     | <b>1,073</b>                | <b>5,949</b>  |
| Additions through<br>business combinations<br>(Note 34) | 218                     | 106                               | 502                                         | -                  | -                              | -                           | 826           |
| Additional provisions<br>recognised during the year     | 2,281                   | 212                               | -                                           | 432                | 21                             | -                           | 2,946         |
| (Payments) during the year                              | (2,472)                 | (221)                             | (39)                                        | (1,009)            | (23)                           | -                           | (3,764)       |
| <b>Balance at 30 June 2024</b>                          | <b>1,987</b>            | <b>1,492</b>                      | <b>463</b>                                  | <b>447</b>         | <b>495</b>                     | <b>1,073</b>                | <b>5,957</b>  |
| Additions through<br>business combinations<br>(Note 34) | 112                     | 100                               | 46                                          | -                  | -                              | -                           | 258           |
| Additional provisions<br>recognised during the year     | 2,598                   | 142                               | (215)                                       | 732                | -                              | -                           | 3,257         |
| (Payments) during the year                              | (2,577)                 | (104)                             | (294)                                       | (341)              | (120)                          | -                           | (3,436)       |
| <b>Balance at 30 June 2025</b>                          | <b>2,120</b>            | <b>1,630</b>                      | <b>-</b>                                    | <b>838</b>         | <b>375</b>                     | <b>1,073</b>                | <b>6,036</b>  |

**Note 20. Deferred consideration**

|                        | <b>Consolidated</b> |               |
|------------------------|---------------------|---------------|
|                        | <b>2025</b>         | <b>2024</b>   |
|                        | <b>\$'000</b>       | <b>\$'000</b> |
| Deferred consideration | <b>4,482</b>        | <b>10,687</b> |

The component of deferred consideration relating to the acquisition of InfoSurety Holdings Pty Ltd is \$3.65M. Refer to Note 34 for further information.

The component of deferred consideration relating to the acquisition of Forensic IT Solutions Pty Ltd is \$0.833M. Refer to Note 34 for further information.

**Note 21. Borrowings**

|            | <b>Consolidated</b> |               |
|------------|---------------------|---------------|
|            | <b>2025</b>         | <b>2024</b>   |
|            | <b>\$'000</b>       | <b>\$'000</b> |
| Bank loans | <b>26,980</b>       | <b>28,000</b> |

Refer to Note 28 for further information on financial instruments, including the loan repayment maturity profile.

*Assets pledged as security*

The bank loan of \$26.98M (2024: \$28M) has a first ranking security over the assets and undertakings of Spirit Technology Solutions Ltd and its wholly owned subsidiaries.

During the second half of the financial year the Company renewed the facility with the term date extended to 1 January 2027. As part of the undertakings provided, the Company is required to make a repayment of \$85,000 per month (commencing 1 January 2026) to pay down the facility over time. The duration of the monthly repayment requirement will be reassessed at the next facility renewal date.

The Company's loan facility is subject to compliance with the following financial covenants:

- Minimum Group EBITDA contribution requirement.
- Net Leverage Ratio (NLR): expressed as a ratio of (A) the aggregate outstanding accommodation of the Group (as defined within the facility documents) less the aggregate amount of cash held by the group as at the Calculation Date; and (B) the Group EBITDA (as defined within the facility documents). For the term of the facility the Calculation Date means 30 September, 31 December, 31 March and 30 June of each financial year. The NLR must at the calculation date be less than or equal to the agreed ratio for that calculation date (which is stepped down over the next 12 months).
- Minimum Net Worth (MNW): expressed as Total Assets less Total Liabilities. The MNW is assessed on a quarterly basis and must at the calculation date be equal to or more than the agreed benchmark for that calculation date.

In accordance with the provisions of the covenants and undertakings, non-compliance can trigger a Review Event of the facility which is generally a standing right under normal commercial loan facilities. Such review events may include a requirement to pay down in part or in whole the loan facility and other conditions as agreed with the funder.

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**Note 22. Convertible notes**

|                                                                                        | <b>Consolidated</b> |                     |
|----------------------------------------------------------------------------------------|---------------------|---------------------|
|                                                                                        | <b>2025</b>         | <b>2024</b>         |
|                                                                                        | <b>\$'000</b>       | <b>\$'000</b>       |
| The convertible notes are presented in the statement of financial position as follows: |                     |                     |
| Proceeds from issue of convertible notes (net of raising costs)                        | 5,539               | 5,539               |
| Liability component at the date of issue                                               | <u>(4,972)</u>      | <u>(4,972)</u>      |
| <b>Equity component at the date of issue</b>                                           | <b><u>567</u></b>   | <b><u>567</u></b>   |
| Classification of liability component at the end of the period:                        |                     |                     |
| Current                                                                                | 466                 | 4,934               |
| Non-current                                                                            | <u>-</u>            | <u>-</u>            |
|                                                                                        | <b><u>466</u></b>   | <b><u>4,934</u></b> |
| Liability component at the beginning of the period                                     | 4,934               | -                   |
| Net proceeds from issue of convertible notes during the period                         | -                   | 5,539               |
| Equity component at the date of issue                                                  | -                   | (567)               |
| Payments for convertible notes redeemed                                                | -                   | -                   |
| Interest expense for the period calculated at the effective interest rate              | 162                 | 375                 |
| Finance costs paid                                                                     | (159)               | (149)               |
| Conversion of convertible notes into ordinary shares                                   | <u>(4,471)</u>      | <u>(264)</u>        |
| <b>Liability component at the end of the period</b>                                    | <b><u>466</u></b>   | <b><u>4,934</u></b> |

During the current financial year ended 30 June 2025, convertible notes with a face value of \$4.965M were converted into ordinary shares leaving convertible notes with a face value of \$0.5M remaining.

The remaining convertible notes have a maturity date of 20 September 2026 (being 36 months from the date of the Convertible Note Deed Poll).

*Material accounting policies*

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs. On issue of the convertible notes, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in statement of changes in equity as an option premium on convertible notes, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

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**Note 23. Non-current liabilities – deferred tax**

|                                                                         | <b>Consolidated</b> |                     |
|-------------------------------------------------------------------------|---------------------|---------------------|
|                                                                         | <b>2025</b>         | <b>2024</b>         |
|                                                                         | <b>\$'000</b>       | <b>\$'000</b>       |
| Deferred tax liability comprises temporary differences attributable to: |                     |                     |
| Property, plant and equipment                                           | 9                   | 62                  |
| Other prepayments/accruals                                              | 83                  | -                   |
| Identifiable intangible assets                                          | 6,062               | 6,777               |
|                                                                         | <u>6,154</u>        | <u>6,839</u>        |
| Deferred tax liability                                                  | <u><b>6,154</b></u> | <u><b>6,839</b></u> |

**Note 24. Unearned revenue**

|                                    | <b>Consolidated</b> |                     |
|------------------------------------|---------------------|---------------------|
|                                    | <b>2025</b>         | <b>2024</b>         |
|                                    | <b>\$'000</b>       | <b>\$'000</b>       |
| Customer contract unearned revenue | <u><b>5,372</b></u> | <u><b>8,578</b></u> |

*Reconciliations*

Reconciliations of the movements at the beginning and end of the current and previous financial year are set out below:

| <b>Consolidated</b>                               | <b>\$'000</b>       |
|---------------------------------------------------|---------------------|
| <b>Balance at 30 June 2023</b>                    | <b>3,599</b>        |
| Additions through business combinations (Note 34) | 3,619               |
| Net other movements                               | <u>1,360</u>        |
| <b>Balance at 30 June 2024</b>                    | <b>8,578</b>        |
| Additions through business combinations (Note 34) | -                   |
| Net other movements                               | <u>(3,206)</u>      |
| <b>Balance at 30 June 2025</b>                    | <u><b>5,372</b></u> |

**Note 25. Equity – issued capital**

|                              | <b>2025</b>        | <b>Consolidated</b>  | <b>2025</b>    | <b>2024</b>    |
|------------------------------|--------------------|----------------------|----------------|----------------|
|                              | <b>Shares</b>      | <b>2024</b>          | <b>2025</b>    | <b>2024</b>    |
|                              |                    | <b>Shares*</b>       | <b>\$'000</b>  | <b>\$'000</b>  |
| Ordinary shares - fully paid | <u>190,176,333</u> | <u>1,366,619,196</u> | <u>175,486</u> | <u>149,682</u> |

\* A consolidation of the Company's issued capital on a ten (10) for one (1) basis was approved by shareholders at the 2024 Annual General Meeting held on 29 November 2024. The 2024 share numbers above are presented on a pre consolidation basis.

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**Note 25. Equity – issued capital (continued)**

*Movements in ordinary share capital*

| Details                                                                                              | Date             | Shares          | Issue price | \$'000  |
|------------------------------------------------------------------------------------------------------|------------------|-----------------|-------------|---------|
| Balance                                                                                              | 30 June 2023     | 735,604,704     |             | 119,411 |
| Movements                                                                                            |                  |                 |             |         |
| Convertible notes issued                                                                             | 16 October 2023  | -               | -           | 117     |
| Convertible notes issued                                                                             | 11 December 2023 | -               | -           | 473     |
| Convertible note raising cost                                                                        |                  | -               | -           | (23)    |
| Conversion of convertible notes into ordinary shares                                                 | 24 October 2023  | 1,333,333       | \$0.041     | 54      |
| Conversion of convertible notes into ordinary shares                                                 | 8 February 2024  | 5,333,333       | \$0.039     | 210     |
| Issue of placement shares                                                                            | 28 March 2024    | 320,000,000     | \$0.050     | 16,000  |
| Cost of capital raising                                                                              | 28 March 2024    |                 |             | (560)   |
| Issue of shares to vendor as part consideration in relation to the InfoSurety acquisition            | 3 April 2024     | 304,347,826     | \$0.046     | 14,000  |
| Balance                                                                                              | 30 June 2024     | 1,366,619,196   |             | 149,682 |
| Movements                                                                                            |                  |                 |             |         |
| Conversion of unlisted convertible notes                                                             | 29 Aug 2024      | 72,046,269      | \$0.040     | 2,857   |
| Issue of shares in relation to institutional component of entitlement offer                          | 4 Sep 2024       | 134,789,071     | \$0.053     | 7,144   |
| Issue of shares under placement                                                                      | 4 Sep 2024       | 37,735,850      | \$0.053     | 2,000   |
| Issue of shares in relation to retail component of entitlement offer                                 | 20 Sep 2024      | 204,829,420     | \$0.053     | 10,851  |
| Conversion of unlisted convertible notes                                                             | 23 Sep 2024      | 28,634,822      | \$0.039     | 1,124   |
| Issue of shares to vendor as part consideration in relation to the Forensic IT Solutions acquisition | 1 Oct 2024       | 26,931,493      | \$0.057     | 1,535   |
| Issue of placement shares                                                                            | 6 Nov 2024       | 18,867,924      | \$0.053     | 1,000   |
| Share consolidation*                                                                                 |                  | (1,701,408,062) |             | -       |
| Conversion of unlisted convertible notes                                                             | 27 March 2025    | 1,130,350       | \$0.433     | 490     |
| Cost of capital raising                                                                              |                  | -               |             | (1,197) |
| Balance                                                                                              | 30 June 2025     | 190,176,333     |             | 175,486 |

*Movements in unquoted options*

| Grant date           | Expiry date       | Issue price of shares | Number under option |
|----------------------|-------------------|-----------------------|---------------------|
| Balance 30 June 2024 |                   |                       | 5,294,449           |
| 25 July 2024         | 24 July 2029      | \$0.375               | 2,666,668           |
| 30 September 2024    | 29 September 2029 | \$0.41                | 1,219,518           |
| 11 October 2024      | 10 October 2029   | \$Nil                 | 1,009,932           |
| Balance 30 June 2025 |                   |                       | 10,190,567          |

**Note 25. Equity - issued capital (continued)**

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

*Share buy-back*

There is no current on-market share buy-back.

*Capital risk management*

The Consolidated Entity's objectives when managing capital is to safeguard its ability to continue as a going concern so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Consolidated Entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Consolidated Entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment.

The Consolidated Entity is subject to certain financing arrangement covenants and prioritises meeting these in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2024 Annual Report.

**Note 26. Equity – reserves**

|                              | <b>Consolidated</b> |               |
|------------------------------|---------------------|---------------|
|                              | <b>2025</b>         | <b>2024</b>   |
|                              | <b>\$'000</b>       | <b>\$'000</b> |
| Share-based payments reserve | 1,619               | 562           |
| Capital reserve              | 6                   | 6             |
|                              | <b>1,625</b>        | <b>568</b>    |

*Share-based payments reserve*

The reserve is used to recognise the value of equity benefits provided to employees and Executive Directors as part of their remuneration, and other parties as part of their compensation for services.



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**Note 26. Equity – reserves (continued)**

*Movements in reserves*

Movements in each class of reserve during the current and previous financial year are set out below:

| <b>Consolidated</b>                           | <b>Capital<br/>reserve<br/>\$'000</b> | <b>Share-<br/>based<br/>payments<br/>reserve<br/>\$'000</b> | <b>Total<br/>\$'000</b> |
|-----------------------------------------------|---------------------------------------|-------------------------------------------------------------|-------------------------|
| Balance at 30 June 2023                       | <b>6</b>                              | <b>2,387</b>                                                | <b>2,393</b>            |
| Share-based payments expense (Note 39)        | -                                     | 189                                                         | 189                     |
| Transfers from reserves to accumulated losses | -                                     | (2,014)                                                     | (2,014)                 |
| Balance at 30 June 2024                       | <b>6</b>                              | <b>562</b>                                                  | <b>568</b>              |
| Share-based payments expense (Note 39)        | -                                     | 1,097*                                                      | 1,097                   |
| Transfers from reserves to accumulated losses | -                                     | (40)                                                        | (40)                    |
| Balance at 30 June 2025                       | <b>6</b>                              | <b>1,619</b>                                                | <b>1,625</b>            |

\*The share-based payments expense relates to the options and performance rights granted under the Spirit Technology Solutions Ltd Long Term Incentive Plan inclusive of MD Loan funded capitalised interest.

**Note 27. Equity – dividends**

There were no dividends paid, recommended or declared during the current or previous financial year.

**Note 28. Financial instruments**

***Financial risk management objectives***

The Consolidated Entity's activities expose it to a variety of financial risks as set out below.

Risk management is carried out by senior finance executives ("Finance") under the guidance of the Board of Directors of the Company ("Board"). These policies include identification and analysis of the risk exposure of the Consolidated Entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and, if required, hedges financial risks within the Consolidated Entity's operating units. Finance reports to the Board on a monthly basis.

***Market risk***

*Foreign currency risk*

The Consolidated Entity undertakes transactions denominated in foreign currencies. Offshore Customer Care, Service Delivery, Technology and Finance teams are located in the Philippines and components of that cost base are invoiced in USD. The Consolidated Entity also spends approximately \$14.6M USD per annum sourcing security-based software products. The Consolidated Entity either settles the invoices using held USD (sourced from customer receipts in USD) or converts AUD to USD at the applicable exchange rate at the time the transaction is authorised or at an agreed exchange rate that is fixed at the time of sales order acceptance by the customer using an appropriate hedging product (on a case-by-case basis).

*Price risk*

The Consolidated Entity is not exposed to any significant price risk.

**Note 28. Financial instruments (continued)**

*Interest rate risk*

The Consolidated Entity's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the Consolidated Entity to interest rate risk. Borrowings obtained at fixed rates expose the Consolidated Entity to fair value interest rate risk. The entire senior debt facility is exposed to variable interest rates. Rates for operating leases under AASB 16 *Leases* and convertible notes are fixed. The Consolidated Entity paid \$2,729,000 in interest and fees during the 2025 financial year (2024: \$2,953,000).

The senior debt facility is structured such that a line fee is payable on the facility limit (\$26.98M), a usage fee payable on funds drawn and an interest charge based on the Bank Bill Swap rate ("BBSY") plus a margin. As at the reporting date the Consolidated Entity had the following variable rate borrowings. The net weighted average interest rate detailed below is calculated on the aggregation of the usage fee and interest charge for the year ended 30 June 2025 of \$1,686,000 (2024: \$1,716,000) over the average balance drawn down during the year ended 30 June 2025 of \$26.3M (2024: \$27.9M). The line fee for the year ended 30 June 2025 was \$551,000 (2024: \$554,000).

|                                              | 2025                                         |                   | 2024                                         |                   |
|----------------------------------------------|----------------------------------------------|-------------------|----------------------------------------------|-------------------|
|                                              | Weighted<br>average<br>interest<br>rate<br>% | Balance<br>\$'000 | Weighted<br>average<br>interest<br>rate<br>% | Balance<br>\$'000 |
| <b>Consolidated</b>                          |                                              |                   |                                              |                   |
| Bank loan                                    | 6.41%                                        | 26,980            | 6.15%                                        | 28,000            |
| Net exposure to cash flow interest rate risk |                                              | <u>26,980</u>     |                                              | <u>28,000</u>     |

An analysis by remaining contractual maturities is shown in 'liquidity and interest rate risk management' below.

Refer Note 21.

**Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Entity. The Consolidated Entity has a strict code of credit and follows a rigorous collection process. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. As part of its credit risk management policy, the Consolidated Entity may obtain security interests or personal guarantees from directors, limited to the Cloud and Communications business segment.

The Consolidated Entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables. The credit loss model takes into consideration the industry dynamics and exposures of the customer base and varies by segment given the varying customer profiles within each segment.

With regards to debtors, amounts older than 60 days owing are reviewed and where appropriate taken up as a provision for doubtful debts. This process is completed monthly. As at 30 June 2025 \$485,000 was booked as an allowance for expected credit losses against the total amount owed by debtors. Management closely monitors the receivable balance on a monthly basis and is in regular contact with customers to mitigate risk.

**Note 28. Financial instruments (continued)**

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

**Liquidity risk**

Liquidity risk management requires the Consolidated Entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Consolidated Entity manages liquidity risk by maintaining adequate cash reserves, available borrowing facilities or pursuing other forms of liquidity support by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

*Remaining contractual maturities*

The following tables detail the Consolidated Entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. With the exception of lease liabilities the financial instrument components below match their carrying amount as shown in the statement of financial position.

|                                    | <b>Less than 6 months</b> | <b>6 - 12 months</b> | <b>Between 1 and 2 years</b> | <b>Between 2 and 5 years</b> | <b>Over 5 years</b> | <b>Remaining contractual maturities</b> |
|------------------------------------|---------------------------|----------------------|------------------------------|------------------------------|---------------------|-----------------------------------------|
| <b>Consolidated – 2025</b>         | <b>\$'000</b>             | <b>\$'000</b>        | <b>\$'000</b>                | <b>\$'000</b>                | <b>\$'000</b>       | <b>\$'000</b>                           |
| <b>Non-derivatives</b>             |                           |                      |                              |                              |                     |                                         |
| <i>Non-interest bearing</i>        |                           |                      |                              |                              |                     |                                         |
| Trade and other payables           | 20,514                    | -                    | -                            | -                            | -                   | 20,514                                  |
| Deferred consideration             | 4,082                     | -                    | -                            | 400                          | -                   | 4,482                                   |
| <i>Interest-bearing – variable</i> |                           |                      |                              |                              |                     |                                         |
| Bank loan*                         | -                         | 510                  | 1,020                        | 3,060                        | 22,390              | 26,980                                  |
| Convertible notes                  | -                         | -                    | 466                          | -                            | -                   | 466                                     |
| Lease liability**#                 | 774                       | 763                  | 1,202                        | 1,725                        | -                   | 4,464                                   |
| <b>Total non-derivatives</b>       | <b>25,370</b>             | <b>1,273</b>         | <b>2,688</b>                 | <b>5,185</b>                 | <b>22,390</b>       | <b>56,906</b>                           |

\* Weighted average interest rate of 6.41%

\*\* Weighted average interest rate of 5.27%

# The lease liability disclosures include both principal and interest cash flows and therefore these totals differ from their carrying amount in the statement of financial position.

**Spirit Technology Solutions Ltd**  
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**Note 28. Financial instruments (continued)**

|                                    | Less than 6 months | 6 - 12 months | Between 1 and 2 years | Between 2 and 5 years | Over 5 years  | Remaining contractual maturities |
|------------------------------------|--------------------|---------------|-----------------------|-----------------------|---------------|----------------------------------|
| <b>Consolidated – 2024</b>         | \$'000             | \$'000        | \$'000                | \$'000                | \$'000        | \$'000                           |
| <b>Non-derivatives</b>             |                    |               |                       |                       |               |                                  |
| <i>Non-interest bearing</i>        |                    |               |                       |                       |               |                                  |
| Trade and other payables           | 30,489             | -             | -                     | -                     | -             | 30,489                           |
| Deferred consideration             | 3,700              | 3,337         | 3,650                 | -                     | -             | 10,687                           |
| <i>Interest-bearing – variable</i> |                    |               |                       |                       |               |                                  |
| Bank loan*                         | 510                | 510           | 1,020                 | 3,060                 | 22,900        | 28,000                           |
| Convertible notes                  | -                  | -             | -                     | 4,934                 | -             | 4,934                            |
| Lease liability**#                 | 657                | 537           | 835                   | 1,131                 | -             | 3,160                            |
| <b>Total non-derivatives</b>       | <b>35,356</b>      | <b>4,384</b>  | <b>5,505</b>          | <b>9,125</b>          | <b>22,900</b> | <b>77,270</b>                    |

\* Weighted average interest rate of 6.15%

\*\* Weighted average interest rate of 5.43%

# The lease liability disclosures include both principal and interest cash flows and therefore these totals differ from their carrying amount in the statement of financial position.

**Fair value of financial instruments**

Unless otherwise stated the carrying amounts of financial instruments reflect their fair value.

**Note 29. Key management personnel disclosures**

*Directors*

The following persons were Directors of Spirit Technology Solutions Ltd during the financial year and up to the date of the financial statements, unless otherwise stated:

- Mr Shan Kanji, Non-Executive Director and appointed Non-Executive Chair (effective 29 November 2024)
- Mr James Joughin, Non-Executive Chair (resigned 29 November 2024)
- Mr Russell Baskerville, Non-Executive Director and appointed Deputy Chair (effective 28 October 2024)
- Mr Julian Challingsworth, Managing Director and Group Chief Executive Officer
- Ms Lynn Warneke, Non-Executive Director
- Mr Simon McKay, CEO of Cyber Security and Executive Director
- Mr Dane Meah, Non-Executive Director
- Mr Gregory Ridder, Non-Executive Director (resigned 5 August 2024)
- Mr Elie Ayoub, Co-CEO of Cloud and Communications and Executive Director (resigned as a Director on 5 August 2024)

**Spirit Technology Solutions Ltd**  
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**Note 29. Key management personnel disclosures (continued)**

*Other key management personnel*

The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the Consolidated Entity, directly or indirectly, during the financial year:

Mr James Harb (Cloud and Communications Co Chief Executive Officer)  
Mr Dan (Damir) Suto, Executive General Manager of Secure Managed Technology (appointed as a member of the KMP effective 3 March 2025)  
Mr Nathan Knox, Group Chief Operating Officer (ceased to be a member of the KMP effective 28 March 2025)  
Mr Paul Miller (Chief Financial Officer)

*Compensation*

The aggregate compensation made to Directors and other members of key management personnel of the Consolidated Entity is set out below:

|                              | <b>Consolidated<br/>2025<br/>\$</b> | <b>2024<br/>\$</b>      |
|------------------------------|-------------------------------------|-------------------------|
| Short-term employee benefits | 2,500,228                           | 2,288,562               |
| Post-employment benefits     | 269,057                             | 233,095                 |
| Long-term benefits           | 13,528                              | 38,215                  |
| Share-based payments         | 415,237                             | 292,298                 |
|                              | <b><u>3,198,050</u></b>             | <b><u>2,852,170</u></b> |

**Note 30. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by PKF Melbourne Audit & Assurance Pty Ltd, the auditor of the Company, and its related practices:

|                                                                                   | <b>Consolidated<br/>2025<br/>\$</b> | <b>2024<br/>\$</b>    |
|-----------------------------------------------------------------------------------|-------------------------------------|-----------------------|
| <i>Audit and assurance services – PKF Melbourne Audit &amp; Assurance Pty Ltd</i> |                                     |                       |
| Audit or review of the financial statements                                       | 200,000                             | 200,000               |
| <i>Other services – PKF Melbourne</i>                                             |                                     |                       |
| Tax compliance services                                                           | 12,875                              | 31,750                |
| Tax advisory and due diligence services                                           | 11,000                              | 9,750                 |
|                                                                                   | <b><u>223,875</u></b>               | <b><u>241,500</u></b> |

**Note 31. Contingent liabilities**

There were no contingent liabilities at 30 June 2025 and 30 June 2024.

**Note 32. Related party transactions**

*Parent entity*

Spirit Technology Solutions Ltd is the parent entity.

*Subsidiaries*

Interests in subsidiaries are set out in Note 35.

*Key management personnel*

Disclosures relating to key management personnel are set out in Note 29 and the remuneration report included in the Directors' report.

*Transactions with related parties*

Mr Simon McKay, Executive Director and Mr Dane Meah, Non-Executive Director were the co-founders of InfoSurety Holdings Pty Ltd (trading as "Infotrust"). Details of the acquisition in the prior financial year are outlined in Note 34. The acquisition included a deferred consideration element of \$6.65M to be paid 100% in cash (being \$1.5M on the 6-month anniversary of the completion date; \$1.5M on the 12-month anniversary of the completion date; and \$3.65M on the 18-month anniversary of the completion date). During the financial year ended 30 June 2025 the 6-month and 12-month anniversary payments totalling \$3.0M were paid.

The Share Purchase Agreement provided for a Completion Statement process to determine a Completion Adjustment amount (which incorporated the Completion Net Debt and Completion Working Capital). The finalised Completion Adjustment totalled \$5.28M and was reflected as a vendor loan as at the date of acquisition. \$2.49M was paid prior to 30 June 2024 and the residual balance owing of \$2.79M was settled during the current financial year ended 30 June 2025.

Mr McKay and Mr Meah are also co-founders of MyCISO. MyCISO offers a security platform that guides organisations to assess, improve and manage their security program, alongside developing a cyber-aware culture. Infotrust and other members of the Group procure products and services for its own internal use and also act as resellers of this security product. During the current financial year ended 30 June 2025 the Consolidated Entity procured \$1,889,000 exc. GST (FY24: \$586,000) from MyCISO. The Consolidated Entity also sub leased premises in Sydney from MyCISO. The rent and outgoings paid during the period 1 July 2024 to the date of lease termination (being 31 May 2025) was \$185,000 exc. GST. During the current financial year ended 30 June 2025 the Consolidated Entity also recharged MyCISO for certain products and services totalling \$249,000 exc. GST.

Mr Shan Kanji (Non-Executive Chairman) is an associate of Kanji Group Pty Ltd and Kanji IT Pty Ltd ("Kanji associates"). During the financial year ended 30 June 2025 the Consolidated Entity generated revenue of \$903,000 through the provision of IT products and services to Kanji associates.

Mr Elie Ayoub and Mr James Harb, Cloud and Communications Co CEOs, were the co-founders of Nexgen Australia Group Pty Ltd ("Nexgen"). The acquisition of Nexgen included a contingent consideration element by way of an earn-out structure based on performance targets for the 18 months ended 30 June 2023. The Company and the founders finalised these arrangements in their entirety in February 2023 and agreed to settle the obligations over time. During the financial year ended 30 June 2025 \$4.1M (FY24: \$2.7M) was paid and the obligation has been settled in full as at the reporting date.

**Note 32. Related party transactions (continued)**

The Consolidated Entity rents premises in Sydney that is owned by Mr Elie Ayoub and Mr James Harb. The monthly rent is presently \$24,653 (exc. GST) plus associated outgoings. The lease was renewed in FY25 for a further term of 2 years expiring 30 September 2026 on arms length commercial terms and conditions.

Mr Luke McCarthy, an employee of Forensic IT, was the co-owner of Forensic IT Solutions Pty Ltd. Details of the acquisition is outlined in Note 34.

During the financial year, the Company undertook a capital raise to fund the Forensic IT acquisition (refer Note 34) and associated costs and provide working capital. 263 Finance Pty Ltd, being a major shareholder of Spirit and a related entity of Mr Shan Kanji (Non-Executive Chairman), agreed to take up their entitlement in full and sub-underwrite a portion of the Entitlement Offer up to \$10million. 263 Finance Pty Ltd was issued 115,667,379 Shares (on a pre-consolidation basis) in relation to the take-up of their entitlements, and 89,539,175 Shares (on a pre-consolidation basis) in relation to the amount taken up under the sub-underwriting arrangement, both at an issue price of \$0.053 (5.3 cents) per share (on a pre-consolidation basis). Refer Note 25.

Mr Russell Baskerville joined the Spirit Board as Non-Executive Director and Deputy Chair (effective 28 October 2024). As part of Mr Baskerville's appointment, he subscribed for 18,867,924 ordinary shares in the Company through a private placement for an aggregate amount of \$1,000,000 at an issue price of \$0.053 (5.3 cents) per share (on a pre consolidation basis), being the same issue price as the capital raising announced in August 2024 and completed in September 2024. Refer Note 25.

As outlined in the 2024 Financial Statements, Mr. Julian Challingsworth, Managing Director and Chief Executive Officer, was the holder of convertible notes with a face value of \$75,000. During the current financial year ended 30 June 2025 he was paid interest of \$1,397 for the period from 1 July 2024 to 23 September 2024 being the date he elected to convert the holding into ordinary shares. On conversion, he was issued with 169,772 shares (on a post consolidation basis), inclusive of the above interest amount accrued. Mr Challingsworth was issued with 83,333 conversion options (on a post consolidation basis) on 11 December 2023 under the terms of the Convertible Note Deed Poll. During the current financial year the conversion options become vested and exercisable as a result of Mr Challingsworth converting his Convertible Notes by the relevant date.

There were no other transactions with related parties during the current and previous financial year.

*Receivable from and payable to related parties*

There were trade receivables from related parties of \$393,701, as at 30 June 2025 (30 June 2024: \$3,839). Refer Note 9.

There were trade payables to related parties of \$279,816 as at 30 June 2025 (30 June 2024: \$Nil). Refer Note 17.

*Loans to/from related parties*

There were no loans to or from related parties as at 30 June 2025. As noted above, the Company had a Vendor loan payable to Mr Simon McKay Executive Director, and Mr Dane Meah, Non-Executive Director (being co-founders of Infotrust) totalling \$3M as at 30 June 2024 (as reflected in Note 17 Trade and other payables).

Mr Julian Challingsworth, Managing Director and Chief Executive Officer, participates in the Company's Loan Funded Share Plan, approved by shareholders at the Annual General Meetings held on 17 November 2022 and 29 November 2024.

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**Note 32. Related party transactions (continued)**

Under these approvals, he may be provided with limited recourse loans of up to \$760,000 on each occasion, in two tranches of \$380,000, to acquire or be reimbursed for the purchase of shares. In aggregate, he is entitled to loans of up to \$1.52 million, which must be drawn within 15 months of the relevant shareholder approval.

The loans are limited recourse, with repayment satisfied by the sale of the underlying shares. Any shortfall between the loan balance and the market value of shares is not repayable. Shares remain in escrow until repayment, with any shares in excess of the loan amount also subject to escrow.

Loans accrue interest at a prevailing market rate set at commencement and capitalised quarterly. Repayment is required on the earlier of: (i) three years from drawdown (subject to extension at the Company's discretion); (ii) one month after cessation of employment; or (iii) disposal of the loan shares, in each case in line with the Company's Equity Incentive Plan rules.

As at 30 June 2025 the loan amount is \$1,152,000 (including capitalised interest) (30 June 2024: \$757,000).

There were no other loans to or from related parties at the current and previous reporting date.

**Note 33. Legal parent entity information**

Set out below is the supplementary information about the parent entity.

*Statement of profit or loss and other comprehensive income*

|                                | <b>Parent</b> |               |
|--------------------------------|---------------|---------------|
|                                | <b>2025</b>   | <b>2024</b>   |
|                                | <b>\$'000</b> | <b>\$'000</b> |
| Profit/(Loss) after income tax | (3,705)       | (495)         |
| Total comprehensive income     | (3,705)       | (495)         |

*Statement of financial position*

|                           |          |          |
|---------------------------|----------|----------|
| Total current assets      | 370      | 980      |
| Total assets              | 127,436  | 119,824  |
| Total current liabilities | (3,759)  | (9,002)  |
| Total liabilities         | (32,192) | (47,736) |
| Equity                    |          |          |
| Issued capital (Note 25)  | 175,486  | 149,682  |
| Reserves (Note 26)        | 1,625    | 568      |
| Accumulated losses        | (81,867) | (78,162) |
| Total equity              | 95,244   | 72,088   |



**Note 33. Legal parent entity information (continued)**

*Guarantees entered into by the parent entity in relation to the debts of its subsidiaries*

The bank loan facility of \$26.98M is secured first over the assets and undertakings of Spirit Technology Solutions Ltd and its wholly owned subsidiaries.

The parent entity had no other guarantees in relation to the debts of its subsidiaries as at 30 June 2025 and 30 June 2024.

*Contingent liabilities*

The parent entity had no contingent liabilities as at 30 June 2025 and 30 June 2024.

*Capital commitments – Property, plant and equipment*

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2025 and 30 June 2024.

*Material accounting policies*

The accounting policies of the parent entity are consistent with those of the Consolidated Entity except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

**Note 34. Business combinations**

*Acquisition of Forensic IT during the current financial year*

The Company acquired 100% of Forensic IT Solutions Pty Ltd ("Forensic IT") with effective control on 1 October 2024. The acquisition has been accounted for as a Business Combination under AASB 3 on a provisional basis. The acquisition expands Spirit's capability set and strengthens the Company's position in the growing cyber security market. Forensic IT is a major provider of cyber security digital forensic and incident response (DFIR) solutions and currently works across approximately 180 incidents per year. 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.

**Note 34. Business combinations (continued)**

The fair values of the identifiable net assets acquired are detailed below:

|                                                                    | <b>Fair value<br/>\$'000</b> |
|--------------------------------------------------------------------|------------------------------|
| Cash and cash equivalents                                          | 339                          |
| Trade and other receivables                                        | 590                          |
| Accrued revenue                                                    | 237                          |
| Prepayments                                                        | 76                           |
| Vendor loans                                                       | 146                          |
| Right-of-use assets                                                | 71                           |
| Trade and other payables                                           | (93)                         |
| GST payables                                                       | (91)                         |
| Provision for income tax                                           | (46)                         |
| Bank loan                                                          | (751)                        |
| Lease liabilities                                                  | (71)                         |
| Employee entitlements                                              | (212)                        |
|                                                                    | <hr/>                        |
| Net assets acquired                                                | 195                          |
| Goodwill (provisional)                                             | 7,789                        |
|                                                                    | <hr/>                        |
| Acquisition-date fair value of the total consideration transferred | <u>7,984</u>                 |
| Cash used to acquire business, net of cash acquired:               |                              |
| Acquisition-date fair value of the total consideration transferred | 7,984                        |
| Less: deferred consideration (remaining to be settled)             | (833)                        |
| Less: shares issued by Company as part of consideration            | (1,535)                      |
|                                                                    | <hr/>                        |
| Net cash used                                                      | <u>5,616</u>                 |

**i. Consideration transferred**

Acquisition-related costs amounting to \$561,000 are not included as part of the consideration for the acquisition and were recognised as transaction costs in the profit and loss statement.

**ii. Identifiable net assets**

The fair value of the trade receivables acquired as part of the business combination amounted to \$589,716. As of the acquisition date, the Company's best estimate was that this asset would be fully realised.

**iii. Goodwill**

Goodwill of \$7.79M was primarily related to the Company's growth expectations through customer expansion. Forensic IT forms part of the Cyber Security segment and goodwill on acquisition has been allocated to that segment.

**iv. Completion and deferred consideration**

The acquisition of Forensic IT included a deferred consideration component of \$1.249M to be paid 100% in cash (being \$0.4M on the 6-month anniversary of the completion date; \$0.4M on the 12-month anniversary of the completion date; and \$0.4M allocated to incentive schemes for key employees).

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**Note 34. Business combinations (continued)**

**v. Contribution to the Consolidated Entity's results**

Forensic IT's contribution to the Consolidated Entity's results for the year ended 30 June 2025 are as follows:

|                                                                            | <b>FY25 \$'000</b> |
|----------------------------------------------------------------------------|--------------------|
| Revenue                                                                    | 1,392              |
| Underlying earnings before interest, taxes, depreciation and amortisation* | (224)              |
| Contribution to consolidated (loss)/profit before income tax               | (295)              |

\* Refer Note 3 for definitions.

*Acquisition of InfoSurety during the previous financial year*

The Company acquired 100% of InfoSurety Holdings Pty Ltd with effective control on 1 April 2024. The acquisition has been accounted for as a Business Combination under AASB 3.

The fair values of the identifiable net assets acquired are detailed below:

|                                                                    | <b>Fair value<br/>\$'000</b> |
|--------------------------------------------------------------------|------------------------------|
| Cash and cash equivalents                                          | 7,245                        |
| Trade and other receivables                                        | 5,354                        |
| Accrued revenue                                                    | 692                          |
| Prepayments                                                        | 721                          |
| Deposits                                                           | 113                          |
| Contract cost assets                                               | 978                          |
| Right-of-use assets                                                | 172                          |
| Plant and equipment                                                | 59                           |
| Intangible assets (Customer Relationships)                         | 10,721                       |
| Trade and other payables                                           | (6,910)                      |
| GST payables                                                       | (596)                        |
| Vendor loans                                                       | (5,284)                      |
| Lease liabilities                                                  | (172)                        |
| Unearned revenue                                                   | (3,619)                      |
| Provision for income tax                                           | (287)                        |
| Employee entitlements                                              | (324)                        |
| Deferred tax liability                                             | (3,216)                      |
| Net assets acquired                                                | 5,647                        |
| Goodwill                                                           | 29,003                       |
| Acquisition-date fair value of the total consideration transferred | <u>34,650</u>                |
| Cash used to acquire business, net of cash acquired:               |                              |
| Acquisition-date fair value of the total consideration transferred | 34,650                       |
| Less: deferred consideration (remaining to be settled)             | (3,650)                      |
| Less: shares issued by Company as part of consideration            | (14,000)                     |
| Net cash used                                                      | <u>17,000</u>                |

**Note 34. Business combinations (continued)**

**i. Consideration transferred**

Acquisition-related costs amounting to \$1.965M are not included as part of the consideration for the acquisition and were recognised as transaction costs in the profit and loss statement.

**ii. Identifiable net assets**

The fair value of the trade receivables acquired as part of the business combination amounted to \$5.354M. As of the acquisition date, the Company's best estimate was that this asset would be fully realised.

**iii. Goodwill**

Goodwill of \$29.0M was primarily related to the Company's growth expectations through customer expansion. As outlined in Note 3, Infotrust forms part of the Cyber Security segment and goodwill on acquisition has been allocated to that segment.

**iv. Completion and deferred consideration**

The acquisition of Infotrust included a deferred consideration component of \$6.65M to be paid 100% in cash (being \$1.5M on the 6-month anniversary of the completion date; \$1.5M on the 12-month anniversary of the completion date; and \$3.65M on the 18-month anniversary of the completion date).

The Share Purchase Agreement provides for a Completion Statement process to determine a Completion Adjustment amount (which incorporates the Completion Net Debt and Completion Working Capital). The Completion Adjustment totalled \$5.28M and was reflected as a vendor loan as at the date of acquisition. \$2.49M was paid in the financial year ended 30 June 2024 and the residual balance was settled in the financial year ended 30 June 2025.

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**Note 35. Interests in subsidiaries**

| Name                                         | Country of incorporation | Ownership Interest |           |
|----------------------------------------------|--------------------------|--------------------|-----------|
|                                              |                          | 2025<br>%          | 2024<br>% |
| Spirit Technology Services Pty Ltd           | Australia                | 100%               | 100%      |
| Phone Name Marketing Australia Pty Ltd       | Australia                | 100%               | 100%      |
| World Without Wires Pty Ltd                  | Australia                | 100%               | 100%      |
| Anttel Communications Group Pty Ltd          | Australia                | 100%               | 100%      |
| Ignite Broadband Pty Ltd*                    | Australia                | 100%               | 100%      |
| LinkOne Pty Ltd*                             | Australia                | 100%               | 100%      |
| Wells Research Pty Ltd**                     | Australia                | 100%               | 100%      |
| Building Connect Pty Ltd*                    | Australia                | 100%               | 100%      |
| Bigscreensound Pty Ltd, trading as Arinda IT | Australia                | 100%               | 100%      |
| Phoenix Austec Group Pty Ltd*                | Australia                | 100%               | 100%      |
| Trident Computer Services Pty Ltd            | Australia                | 100%               | 100%      |
| Neptune Managed Services Pty Ltd*            | Australia                | 100%               | 100%      |
| VPDA Group Holdings Limited                  | Australia                | 100%               | 100%      |
| Voice Print and Data Australia Pty Ltd       | Australia                | 100%               | 100%      |
| Live Call Pty Ltd*                           | Australia                | 100%               | 100%      |
| Now IT Solutions Pty Ltd                     | Australia                | 100%               | 100%      |
| Ancore Pty Ltd, trading as Altitude IT**     | Australia                | 100%               | 100%      |
| Beachhead Group Pty Ltd                      | Australia                | 100%               | 100%      |
| Reliance Technology Pty Ltd                  | Australia                | 100%               | 100%      |
| Intalock (Spirit) Cyber Security Pty Ltd     | Australia                | 100%               | 100%      |
| Nexgen Capital Pty Ltd                       | Australia                | 100%               | 100%      |
| Nexgen Investment Group Pty Ltd              | Australia                | 100%               | 100%      |
| Business Telecom Australia Pty Ltd           | Australia                | 100%               | 100%      |
| Spirit Business Centre Pty Ltd               | Australia                | 100%               | 100%      |
| Spirit Capital Pty Ltd                       | Australia                | 100%               | 100%      |
| Spirit Cyber Security Pty Ltd***             | Australia                | 100%               | 100%      |
| InfoSurety Holdings Pty Ltd                  | Australia                | 100%               | 100%      |
| InfoSurety Pty Ltd                           | Australia                | 100%               | 100%      |
| InfoSurety Services Pty Ltd ****             | Australia                | 100%               | 100%      |
| STI People Pty Ltd                           | Australia                | 100%               | 100%      |
| STI Corporate Pty Ltd                        | Australia                | 100%               | 100%      |
| Forensic IT Solutions Pty Ltd                | Australia                | 100%               | -         |

For the purposes of this note the parent entity has been deemed as the legal parent entity Spirit Technology Solutions Ltd.

\* Deregistered 7 July 2024

\*\* Deregistered 17 July 2024

\*\*\* Deregistered 15 January 2025

\*\*\*\* Deregistered 29 January 2025

**Note 36. Events after the reporting period**

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

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**Note 37. Reconciliation of loss after income tax to net cash (used in)/from operating activities**

|                                                              | <b>Consolidated</b> |                |
|--------------------------------------------------------------|---------------------|----------------|
|                                                              | <b>2025</b>         | <b>2024</b>    |
|                                                              | <b>\$'000</b>       | <b>\$'000</b>  |
| Loss after income tax benefit/(expense) for the year         | (1,374)             | (10,547)       |
| Adjustments for:                                             |                     |                |
| Depreciation and amortisation expense                        | 4,555               | 4,258          |
| Impairment of non-current assets                             | 282                 | -              |
| Net loss/(gain) on disposal of property, plant and equipment | 13                  | (49)           |
| Share-based payments                                         | 1,097               | 189            |
| Acquisition and divestment costs                             | 837                 | 2,850          |
| Finance lease interest costs paid                            | 159                 | 192            |
| Change in operating assets and liabilities:                  |                     |                |
| Decrease/(Increase) in trade and other receivables           | 3,542               | (3,456)        |
| (Increase)/Decrease in inventories                           | (32)                | 486            |
| (Increase) in other assets                                   | (594)               | (1,942)        |
| (Increase)/Decrease in contract assets                       | (534)               | 1,343          |
| (Increase) in deferred tax assets (net)                      | (27)                | (2,891)        |
| (Decrease)/Increase in trade and other payables              | (7,159)             | 4,654          |
| (Decrease)/Increase in convertible note interest accrued     | (200)               | 226            |
| Increase/(Decrease) in provisions                            | 450                 | (799)          |
| (Decrease)/Increase in unearned revenue                      | (3,206)             | 1,360          |
| Net cash used in operating activities                        | <u>(2,191)</u>      | <u>(4,126)</u> |

**Note 38. Earnings per share**

|                                                                                           | <b>Number</b>      | <b>Number</b>     |
|-------------------------------------------------------------------------------------------|--------------------|-------------------|
|                                                                                           |                    | (Restated)*       |
| Weighted average number of ordinary shares used in calculating basic earnings per share   | 178,560,744        | 89,568,564        |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | <u>178,560,744</u> | <u>89,568,564</u> |

\* Restated for comparative purposes to account for the consolidation of the Company's issued capital on a ten (10) for one (1) basis as approved by shareholders at the 2024 Annual General Meeting held on 29 November 2024.

|                                                                    | <b>2025</b>   | <b>2024</b>   |
|--------------------------------------------------------------------|---------------|---------------|
|                                                                    | <b>Total</b>  | <b>Total</b>  |
|                                                                    | <b>\$'000</b> | <b>\$'000</b> |
| Loss attributable to the owners of Spirit Technology Solutions Ltd | (1,374)       | (10,547)      |
|                                                                    | <b>2025</b>   | <b>2024</b>   |
|                                                                    | <b>Total</b>  | <b>Total</b>  |
|                                                                    | <b>Cents</b>  | <b>Cents</b>  |
|                                                                    |               | (Restated)    |
| Basic loss per share                                               | (0.77)        | (11.77)       |
| Diluted loss per share                                             | (0.77)        | (11.77)       |

**Note 39. Share-based payments**

The Company's LTI Plan provides eligible KMP with Performance Rights subject to service and performance conditions measured over a three-year period. Performance Rights carry no dividend or voting rights and are granted for nil consideration.

Vesting is subject to one or more of the following performance measures, depending on the grant:

- **Absolute Total Shareholder Return ("TSR"):** Vesting occurs in tranches upon achievement of specified 30-day VWAP share price hurdles during the performance period.
- **Relative TSR:** Vesting is determined by the Company's TSR percentile ranking against a comparator group over the performance period.
- **Service condition:** For certain tranches, a proportion of rights in each tranche require continuous employment to a specified date in addition to the performance hurdle.

Testing occurs once only at the end of the performance period (or upon achievement of the relevant VWAP hurdle, if earlier). Rights that do not vest at testing lapse. For the avoidance of doubt, the expiry date of the Performance Rights range between three to four years.

Performance Rights granted carry no dividend or voting rights.

***Performance Rights issued to Managing Director and Chief Executive Officer***

During the financial year ended 30 June 2025, 566,038 Performance Rights were granted by the Company to Mr Julian Challingsworth (Managing Director and Chief Executive Officer), which are subject to an Absolute TSR performance measure and service condition.

***Performance Rights issued to KMP and employees***

During the financial year ended 30 June 2025, 1,560,700 Performance Rights were granted by the Company to KMP and certain employees with a vesting period ending 30 June 2027. Vesting is subject to the following: (i) Absolute TSR performance hurdle; and (ii) service condition.

***Fair value of Performance Rights***

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Consolidated Entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

**Spirit Technology Solutions Ltd**  
**Notes to the financial statements**  
**30 June 2025**

**Note 39. Share-based payments (continued)**

Set out below are summaries of options granted under the Spirit Technology Solutions Ltd Long Term Incentive Plan:

| 2025 Grant date | Expiry date | Exercise price | Balance at the start of the year | Granted   | Exercised | Expired / forfeited / other | Balance at the end of the year |
|-----------------|-------------|----------------|----------------------------------|-----------|-----------|-----------------------------|--------------------------------|
| 25/07/2024      | 24/07/2029  | \$0.375        | -                                | 2,666,668 | -         | -                           | 2,666,668                      |
| 30/09/2024      | 29/09/2029  | \$0.410        | -                                | 1,219,518 | -         | -                           | 1,219,518                      |
| 11/10/2024      | 10/10/2029  | \$Nil          | -                                | 1,009,932 | -         | -                           | 1,009,932                      |
|                 |             |                | -                                | 4,896,118 | -         | -                           | 4,896,118                      |

| 2024 Grant date | Expiry date | Exercise price | Balance at the start of the year | Granted | Exercised | Expired / forfeited / other | Balance at the end of the year |
|-----------------|-------------|----------------|----------------------------------|---------|-----------|-----------------------------|--------------------------------|
| 14/05/2019      | 01/07/2023  | \$0.150        | 6,000,000                        | -       | -         | 6,000,000                   | -                              |
| 14/05/2019      | 01/07/2023  | \$0.180        | 6,000,000                        | -       | -         | 6,000,000                   | -                              |
| 14/05/2019      | 01/07/2023  | \$0.215        | 6,000,000                        | -       | -         | 6,000,000                   | -                              |
|                 |             |                | 18,000,000                       | -       | -         | 18,000,000                  | -                              |

Weighted average exercise price - - - - -

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.21 years (2024: Nil).

Set out below are summaries of Performance Rights granted under the plan:

| 2025 Grant date | Expiry date | Balance at the start of the year * | Granted   | Exercised | Forfeited   | Balance at the end of the year |
|-----------------|-------------|------------------------------------|-----------|-----------|-------------|--------------------------------|
| 29/11/2021      | 07/04/2025  | 451,369                            | -         | -         | (451,369)   | -                              |
| 11/03/2022      | 07/04/2025  | 169,480                            | -         | -         | (169,480)   | -                              |
| 11/07/2022      | 30/06/2026  | 625,000                            | -         | -         | -           | 625,000                        |
| 10/02/2023      | 10/02/2026  | 1,125,200                          | -         | -         | (143,700)   | 981,500                        |
| 29/12/2023      | 29/12/2026  | 666,667                            | -         | -         | -           | 666,667                        |
| 14/06/2024      | 14/06/2027  | 1,780,500                          | -         | -         | (270,188)   | 1,510,312                      |
| 29/11/2024      | 22/01/2028  | -                                  | 566,038   | -         | -           | 566,038                        |
| 26/03/2025      | 26/03/2028  | -                                  | 1,560,700 | -         | -           | 1,560,700                      |
|                 |             | 4,818,216                          | 2,126,738 | -         | (1,034,737) | 5,910,217                      |

\* Restated for comparative purposes to account for the consolidation of the Company's issued capital on a ten (10) for one (1) basis as approved by shareholders at the 2024 Annual General Meeting held on 29 November 2024.



**Spirit Technology Solutions Ltd**  
**Notes to the financial statements**  
**30 June 2025**

**Note 39. Share-based payments (continued)**

| 2024 Grant date | Expiry date | Balance at the start of the year | Granted    | Exercised | Forfeited   | Balance at the end of the year |
|-----------------|-------------|----------------------------------|------------|-----------|-------------|--------------------------------|
| 22/04/2020      | 30/06/2024  | 326,972                          | -          | -         | (326,972)   | -                              |
| 13/10/2020      | 12/11/2023  | 1,605,312                        | -          | -         | (1,605,312) | -                              |
| 11/06/2021      | 11/06/2024  | 534,378                          | -          | -         | (534,378)   | -                              |
| 29/11/2021      | 07/04/2025  | 4,513,686                        | -          | -         | -           | 4,513,686                      |
| 11/03/2022      | 07/04/2025  | 1,694,799                        | -          | -         | -           | 1,694,799                      |
| 11/07/2022      | 30/06/2026  | 6,250,000                        | -          | -         | -           | 6,250,000                      |
| 10/02/2023      | 10/02/2026  | 11,847,000                       | -          | -         | (595,000)   | 11,252,000                     |
| 29/12/2023      | 29/12/2026  | -                                | 6,666,667  | -         | -           | 6,666,667                      |
| 14/06/2024      | 14/06/2027  | -                                | 17,805,000 | -         | -           | 17,805,000                     |
|                 |             | 26,772,147                       | 24,471,667 | -         | (3,061,662) | 48,182,152                     |

The weighted average remaining contractual life of Performance Rights outstanding at the end of the financial year was 1.88 years (2024: 2.1 years).

For the Performance Rights granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

| Grant date | Expiry date | Share price at grant date | Expected volatility | Dividend yield | Risk-free interest rate | Fair value at grant date |
|------------|-------------|---------------------------|---------------------|----------------|-------------------------|--------------------------|
| 25/07/2024 | 24/07/2029  | \$0.526                   | 83%                 | -              | 4.01%                   | \$0.3866                 |
| 30/09/2024 | 29/09/2029  | \$0.570                   | 94%                 | -              | 3.61%                   | \$0.4418                 |
| 11/10/2024 | 10/10/2029  | \$0.550                   | 94%                 | -              | 3.61%                   | \$0.5700                 |
| 29/11/2024 | 22/01/2028  | \$0.620                   | 75%                 | -              | 3.94%                   | \$0.2500                 |
| 26/03/2025 | 26/03/2028  | \$0.470                   | 70%                 | -              | 3.91%                   | \$0.2990                 |
| 26/03/2025 | 26/03/2028  | \$0.470                   | 70%                 | -              | 3.91%                   | \$0.2540                 |
| 26/03/2025 | 26/03/2028  | \$0.470                   | 70%                 | -              | 3.91%                   | \$0.2030                 |

|                                                                                      | Consolidated<br>2025<br>\$ | 2024<br>\$ |
|--------------------------------------------------------------------------------------|----------------------------|------------|
| <b>Share-based payments expense reconciliation</b>                                   |                            |            |
| Issue of share options to Directors and employees under incentive option scheme      | 874                        | -          |
| Issue of Performance Rights to Directors and employees under Performance Rights plan | 186                        | 189        |
|                                                                                      | 1,060                      | 189        |
| Loan Share Plan                                                                      | 392                        | 382        |
| Total share-based payments expense reconciliation                                    | <b>1,452</b>               | <b>571</b> |

*Material accounting policies*

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using a Black-Scholes option pricing model

**Spirit Technology Solutions Ltd**  
**Consolidated Entity's Disclosure Statement**  
**30 June 2025**

| <b>Name</b>                                     | <b>Deregistered</b> | <b>Type of Entity</b> | <b>Trustee of a trust,<br/>partner in a<br/>partnership or<br/>participant in<br/>joint venture</b> | <b>% of Share<br/>Capital Held</b> | <b>Country of<br/>incorporation</b> | <b>Australian<br/>resident or<br/>foreign<br/>resident (for<br/>tax purposes)</b> |
|-------------------------------------------------|---------------------|-----------------------|-----------------------------------------------------------------------------------------------------|------------------------------------|-------------------------------------|-----------------------------------------------------------------------------------|
| Spirit Technology Solutions Ltd                 |                     | Body Corporate        | n/a                                                                                                 | 100                                | Australia                           | Australian                                                                        |
| Spirit Technology Services Pty Ltd              |                     | Body Corporate        | n/a                                                                                                 | 100                                | Australia                           | Australian                                                                        |
| Phone Name Marketing Australia Pty Ltd          |                     | Body Corporate        | n/a                                                                                                 | 100                                | Australia                           | Australian                                                                        |
| World Without Wires Pty Ltd                     |                     | Body Corporate        | n/a                                                                                                 | 100                                | Australia                           | Australian                                                                        |
| Anttel Communications Group Pty Ltd             |                     | Body Corporate        | n/a                                                                                                 | 100                                | Australia                           | Australian                                                                        |
| Ignite Broadband Pty Ltd                        | 7 July 2024         | Body Corporate        | n/a                                                                                                 | 100                                | Australia                           | Australian                                                                        |
| LinkOne Pty Ltd                                 | 7 July 2024         | Body Corporate        | n/a                                                                                                 | 100                                | Australia                           | Australian                                                                        |
| Wells Research Pty Ltd                          | 17 July 2024        | Body Corporate        | n/a                                                                                                 | 100                                | Australia                           | Australian                                                                        |
| Building Connect Pty Ltd                        | 7 July 2024         | Body Corporate        | n/a                                                                                                 | 100                                | Australia                           | Australian                                                                        |
| Bigscreensound Pty Ltd, trading as<br>Arinda IT |                     | Body Corporate        | n/a                                                                                                 | 100                                | Australia                           | Australian                                                                        |
| Phoenix Austec Group Pty Ltd                    | 7 July 2024         | Body Corporate        | n/a                                                                                                 | 100                                | Australia                           | Australian                                                                        |
| Trident Computer Services Pty Ltd               |                     | Body Corporate        | n/a                                                                                                 | 100                                | Australia                           | Australian                                                                        |
| Neptune Managed Services Pty Ltd                | 7 July 2024         | Body Corporate        | n/a                                                                                                 | 100                                | Australia                           | Australian                                                                        |
| VPDA Group Holdings Limited                     |                     | Body Corporate        | n/a                                                                                                 | 100                                | Australia                           | Australian                                                                        |
| Voice Print and Data Australia Pty Ltd          |                     | Body Corporate        | n/a                                                                                                 | 100                                | Australia                           | Australian                                                                        |
| Live Call Pty Ltd                               | 7 July 2024         | Body Corporate        | n/a                                                                                                 | 100                                | Australia                           | Australian                                                                        |
| Now IT Solutions Pty Ltd                        |                     | Body Corporate        | n/a                                                                                                 | 100                                | Australia                           | Australian                                                                        |
| Ancore Pty Ltd, trading as Altitude IT          | 17 July 2024        | Body Corporate        | n/a                                                                                                 | 100                                | Australia                           | Australian                                                                        |
| Beachhead Group Pty Ltd                         |                     | Body Corporate        | n/a                                                                                                 | 100                                | Australia                           | Australian                                                                        |
| Reliance Technology Pty Ltd                     |                     | Body Corporate        | n/a                                                                                                 | 100                                | Australia                           | Australian                                                                        |
| Intalock (Spirit) Cyber Security Pty Ltd        |                     | Body Corporate        | n/a                                                                                                 | 100                                | Australia                           | Australian                                                                        |
| Spirit Cyber Security Pty Ltd                   | 15 January 2025     | Body Corporate        | n/a                                                                                                 | 100                                | Australia                           | Australian                                                                        |

**Spirit Technology Solutions Ltd**  
**Consolidated Entity's Disclosure Statement**  
**30 June 2025**

| <b>Name</b>                        | <b>Deregistered</b> | <b>Type of Entity</b> | <b>Trustee of a trust,<br/>partner in a<br/>partnership or<br/>participant in<br/>joint venture</b> | <b>% of Share<br/>Capital Held</b> | <b>Country of<br/>incorporation</b> | <b>Australian<br/>resident or<br/>foreign<br/>resident (for<br/>tax purposes)</b> |
|------------------------------------|---------------------|-----------------------|-----------------------------------------------------------------------------------------------------|------------------------------------|-------------------------------------|-----------------------------------------------------------------------------------|
| Nexgen Capital Pty Ltd             |                     | Body Corporate        | n/a                                                                                                 | 100                                | Australia                           | Australian                                                                        |
| Nexgen Investment Group Pty Ltd    |                     | Body Corporate        | n/a                                                                                                 | 100                                | Australia                           | Australian                                                                        |
| Business Telecom Australia Pty Ltd |                     | Body Corporate        | n/a                                                                                                 | 100                                | Australia                           | Australian                                                                        |
| Spirit Business Centre Pty Ltd     |                     | Body Corporate        | n/a                                                                                                 | 100                                | Australia                           | Australian                                                                        |
| Spirit Capital Pty Ltd             |                     | Body Corporate        | n/a                                                                                                 | 100                                | Australia                           | Australian                                                                        |
| InfoSurety Holdings Pty Ltd        |                     | Body Corporate        | n/a                                                                                                 | 100                                | Australia                           | Australian                                                                        |
| InfoSurety Pty Ltd                 |                     | Body Corporate        | n/a                                                                                                 | 100                                | Australia                           | Australian                                                                        |
| InfoSurety Services Pty Ltd        | 29 January 2025     | Body Corporate        | n/a                                                                                                 | 100                                | Australia                           | Australian                                                                        |
| STI People Pty Ltd                 |                     | Body Corporate        | n/a                                                                                                 | 100                                | Australia                           | Australian                                                                        |
| STI Corporate Pty Ltd              |                     | Body Corporate        | n/a                                                                                                 | 100                                | Australia                           | Australian                                                                        |
| Forensic IT Solutions Pty Ltd      |                     | Body Corporate        | n/a                                                                                                 | 100                                | Australia                           | Australian                                                                        |

For the purposes of this note the parent entity has been deemed as the legal parent entity Spirit Technology Solutions Ltd.

**Spirit Technology Solutions Ltd**  
**Directors' declaration**  
**30 June 2025**

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 30 June 2025 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the Consolidated Entity's disclosure statement is true and correct.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Shan Kanji  
Chairman

26 August 2025



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPIRIT TECHNOLOGY SOLUTIONS LTD

### Report on the Audit of the Financial Report

#### Auditor's Opinion

We have audited the accompanying financial report of Spirit Technology Solutions Ltd ('the Company') and its controlled entities (collectively 'the Group'), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement, and the Directors' Declaration of the Company and of the Group comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion, the accompanying financial report is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended on that date; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* ('the Code') that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

| <i>Key audit matter</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <i>How our audit addressed this matter</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b><u>Valuation of goodwill and indefinite life intangible assets</u></b></p> <p>As disclosed in note 15, at 30 June 2025 the carrying value of goodwill and indefinite life intangibles totaled \$104.3m (2024: \$96.9m). The accounting policy in respect of these assets is outlined in note 15 Intangible Assets.</p> <p>An annual impairment test for goodwill and other indefinite life intangibles is required under AASB 136 <i>Impairment of Assets</i>.</p> <p>Management's impairment assessment has been performed using a discounted cash flow model (Impairment Model) to estimate the value-in-use of each Cash-Generating Unit (CGU) to which these intangible assets have been allocated.</p> <p>The evaluation of the recoverable amount requires the Group to exercise significant judgement in determining key assumptions in respect of each CGU, which include:</p> <ul style="list-style-type: none"> <li>• 5-year cash flow forecast;</li> <li>• growth rate and terminal growth factor;</li> <li>• discount rate.</li> </ul> <p>We considered the valuation of goodwill and indefinite life intangible assets to be a Key Audit Matter due to their significance to the consolidated statement of financial position and the significant judgements involved in estimating discounted future cash flows.</p> | <p>Our procedures included, but were not limited to, assessing and challenging:</p> <ul style="list-style-type: none"> <li>• the appropriateness of Management's determination of distinct CGUs to which goodwill and indefinite life intangibles are allocated.</li> <li>• the application of an indefinite useful life to these intangible assets.</li> <li>• the reasonableness of the FY2026 budget by CGU approved by the Directors, comparing to current actual results and considering trends, strategies and outlooks.</li> <li>• the testing of inputs used in the Impairment Model, including the approved FY2026 budget.</li> <li>• the determination of the discount rate applied in the Impairment Model and comparing to available industry data.</li> <li>• the short to medium term growth rates applied in the forecast cash flow, considering historical results and available industry data.</li> <li>• Management's sensitivity analysis around the key drivers of the cash flow projections.</li> <li>• our sensitivity testing to understand the impact of changing key assumptions with respect to each distinct CGUs recoverable amount.</li> <li>• the reasonableness of terminal growth rate assumption in use.</li> <li>• the appropriateness of the disclosures as set out in note 15.</li> </ul> |

| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | How our audit addressed this matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b><u>Revenue recognition</u></b></p> <p>The Group's operating revenue amounted to \$102.4m for the financial year ended 30 June 2025 (2024: \$90.9m (restated)). Note 4 <i>Revenue</i> describes the accounting policies applicable to distinct revenue streams in accordance with AASB 15 <i>Revenue from Contracts with Customers</i>.</p> <p>As disclosed in Note 4, the Group revised its accounting policy during the period in relation to principal versus agent classification for certain revenue streams. Based on a reassessment under AASB 15, the Group determined it acts as an agent in specific arrangements, resulting in revenue being recognised on a net basis from 1 July 2024, for those transactions.</p> <p>We considered revenue recognition to be a Key Audit Matter due to the significance of the balance to the financial report and the varied timing of revenue recognition relative to the different revenue streams and the relative complexity of processes supporting the accounting for each.</p> | <p>Our procedures included, but were not limited to, the following:</p> <ul style="list-style-type: none"> <li>• assessing Management's alignment of the Group accounting policy with the requirements of AASB 15 and application of Group accounting policies underpinning the revenue recognition processes, focusing on key areas of risk in respect of Management's determination of: <ul style="list-style-type: none"> <li>◦ identification and timing of performance obligations;</li> <li>◦ principal versus agent considerations;</li> <li>◦ significant judgements and estimates;</li> <li>◦ the impacts of business combinations.</li> </ul> </li> <li>• performing walkthrough of controls in operation across the Group and assessing the adequacy of the various control environments in place throughout the year.</li> <li>• performing a detailed analytical review over the Group's operating revenue and associated cost of sales, comparing actual results to expectations based on our understanding of the nature of each segment and key customer relationships.</li> <li>• testing the consistency of the operation of processes to recognise revenue and associated costs of sale to ensure they conform with accounting standards and Group accounting policies.</li> <li>• performing cut off procedures to assess the accuracy and completeness of deferred revenue at the reporting date.</li> <li>• reviewing the appropriateness of disclosures regarding revenue recognition, including those relating to the change in accounting policy adopted.</li> </ul> |



## **Other Information**

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon. We have issued a separate opinion on the Remuneration Report.

In connection with our audit of the financial report, our responsibility is to read the other information and in doing so, we consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of the Directors for the Financial Report**

The Directors of the Group are responsible for the preparation of:

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and
- c) for such internal control as the Directors determine is necessary to enable the preparation of:
  - i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
  - ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue the auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.





### **Auditor's Responsibilities for the Audit of the Financial Report (Cont'd)**

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and other related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the group financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



## **Auditor's Responsibilities for the Audit of the Financial Report (Cont'd)**

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on the Remuneration Report**

### **Opinion on the Remuneration Report**

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2025. In our opinion, the Remuneration Report of the Group for the year ended 30 June 2025, complies with Section 300A of the *Corporations Act 2001*.

### **Responsibilities**

The Directors of the Group are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A stylized, handwritten-style signature of the letters 'PKF' in black ink.

PKF  
Melbourne, 26 August 2025

A handwritten signature in black ink that reads 'Kaitlynn Brady' in a cursive script.

Kaitlynn Brady  
Partner