

10 November 2022

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ASX CNW

Cirrus continues success in Canberra

HIGHLIGHTS

- Total value of contracts in excess of \$11.5m
- Professional Services and Product contracts
- Covering 16 Federal Government Agencies and Canberra based businesses
- Continues evolution as Partner of choice in Canberra
- Reinforces Positive start and solid trading performance for FY23 to date

Australian Managed Services and IT solutions company, Cirrus Networks Holdings Limited (ASX: CNW) ('Cirrus' or 'the Company') is delighted to announce that they have won a significant number of product and services based contracts with leading Federal government agencies and Canberra based businesses.

For the FY23 financial year to date Cirrus has been awarded contracts in excess of \$11.5m covering 16 Federal Government Agencies and Canberra based businesses, the strongest start the business has had to a financial year. The contracts cover the broad scope of Cirrus' offerings including networks & connectivity, collaboration, digital transformation & hybrid cloud and modern workplace & mobility.

Strategic Services

As part of the Canberra contract wins was a key strategic professional services contract as a subcontractor to support a strategic partner in the design and implementation of a solution that delivers new and enhanced capabilities to the Australian Department of Defence. The 2-year contract (with a 1-year extension option) also covers the potential for additional services around network and security along with a managed service offering for the ongoing management of the environment with second and third level support as well as a program of onsite support.

Commenting on the success in Canberra Cirrus Managing Director and CEO, Chris McLaughlin, said:

"We are thrilled to continue the momentum from H2FY22 into FY23 with a number of important contract wins particularly in our key Canberra market. Cirrus continues to establish itself as the partner of choice offering sustainable value through our innovative, agile and customer-focused approach."

Trading for FY23 in line with expectations

The Canberra contract success adds to the company's solid start to FY23 and continued evolution into a national managed services provider of choice. Despite continued uncertainty within the economic environment and global supply chains as well as tight labour markets and associated cost pressures, the company has traded in line with its expectations for the FY23 financial year to date.

As always, trading by income type has been mixed with product particularly strong across our enterprise and government customer base, managed services has delivered to expectations whilst professional services have continued their FY22 trend with margins challenged by labour availability and cost pressures. Within that environment professional services revenues have been solid year to date and we expect a lift in managed services revenue in 2H FY23 given a full six month contribution of the recently won Perth-based ENI Managed Service, see below, as well as the ramp up of the very significant Canberra-based Icon Managed Service from 4Q FY23. Pleasingly the pipeline across all income types and all locations remains solid.

Furthermore the company's strong debt free balance sheet has been maintained and this together with the substantial cash balance provides the company with optionality to take advantage of market opportunities that may arise during the potentially tight and uncertain period ahead, while also considering other capital management initiatives including dividends and buybacks.

Key business milestone achieved

After the successful tender for the ENI Managed Service (ASX Announcement - 25 August 2022 "*Cirrus wins ENI Australia Managed Services contract*") the company engaged in a successful transition from the incumbent provider culminating in Cirrus assuming responsibility for the service effective 1 November.

ENDS

The Board of Directors at Cirrus has authorized the release of this announcement.

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ABOUT CIRRUS

Cirrus Networks Holdings Limited (ASX: CNW) is an innovative Managed Services and IT Solutions provider who engages nationally with organisations and government agencies to understand business needs and convert these to technology outcomes which result in real business value and efficiencies. We implement and manage leading solutions that are flexible, cost effective and of tangible operational benefit.

The diverse reach of Cirrus means the company can provide a wide range of solutions across:

- Networks and Connectivity
- Data Centre and Cloud
- Storage and Data Management
- Business Continuity and Disaster Recovery
- Cyber Security
- Workspace and End User Computing
- Compute and Virtualisation
- Unified communications and Telephony
- IT Service Management, Technology Consulting and Project Management Services.

Australian sovereignty, excellent service and an innovative, holistic approach have seen Cirrus quickly grow an extensive base of blue-chip clients across industry, government and non-for-profit sectors. Cirrus was founded and is headquartered in Perth but has expanded into Canberra and Melbourne via a number of strategic acquisitions.

Cirrus is strategically focused on recurring-revenue high-margin Managed Services and in March 2021 won a transformational managed service contract with Federal Government entity Geoscience Australia in excess of \$13M. This contract provides a strong reference for Cirrus to expand its contestable market in terms of client type and contract size, and the record March 2022 Icon Water contract win along with the August 2022 ENI WA managed service win is further evidence of delivering on company strategy.

Cirrus is a rapidly growing IT solutions provider exposed to the megatrend of digitisation.