



ASX ANNOUNCEMENT

19 May 2017

Cirrus Networks Holdings Limited
Arcadia Chambers Level 3,
1 Roydhouse Street, Subiaco WA 6008
p. +61 8 6180 4222
f. +61 8 9381 2310
www.cirrusnetworks.com.au
ABN: 98 103 348 947
ASX: CNW

Cirrus Group Market Update

HIGHLIGHTS

- **NGage acquisition delivering immediate results with in excess of \$4 million of new orders booked to date**
- **Consolidated revenue continues to grow with FY17 revenue expected to be in excess of \$40 million**
- **Long term Canberra growth strategy progressing well with a building pipeline of opportunities for FY17 and FY18**
- **Frank Richmond transitioning to Non-Executive Director role at end of FY17**

Cirrus Networks Holdings Limited (“Cirrus” or the “Company”) (ASX: CNW) is pleased to provide the following market update.

NGage Technology Group Acquisition

The acquisition of Melbourne based end to end IT solution provider, NGage Technology Group (“NGage”), has delivered immediate success. Since completion of the acquisition NGage has booked in excess of \$4 million in new orders including significant orders with a major Australian financial institution and with a national public utility. One of the key rationales for the acquisition was the complementary nature of Cirrus’ business which is already resulting in new business, with NGage having recently secured 2 small managed service annuity contracts by leveraging the infrastructure and expertise Cirrus has in place. Opportunities are continuing to present as organisations move to a cloud based or hybrid optimised opex solution for their IT. In addition, Ngage has continued to grow its existing professional services contracts with the placement of new resources and extension of existing resources in excess of \$1million with bluechip clients.

The Ngage acquisition provided Cirrus with a highly complementary business to its existing operations with the combined businesses providing greater scale and expertise. Cirrus is working on opportunities to provide increased solution based offerings to clients while leveraging the existing business differentiators including the Cirrus Cloud based managed services and Cisco Gold certification.

Consolidated Revenue Continues to Grow

Since listing in July 2015, Cirrus has delivered strong year on year revenue growth. This has continued in FY17 with a doubling of revenue year to date against the same period in the prior year. This trend is expected to continue for the remainder of FY17 with full year revenue forecast to be in excess of \$40 million.

Key to the revenue growth has been the awarding of over \$4 million of work from various WA public utilities along with other key wins with state and local governments.

The Western Australian business continues to be the engine room, growing market share as a provider of choice in major market sectors including resources, financials, education, health and not for profit community services, however the Company's strategy of building its presence on the east coast of Australia is reducing Cirrus' reliance on business generated out of Western Australia and exposing it to opportunities on the east coast of Australia.

Canberra Update

Cirrus continues to invest and remains committed to the long term growth of the Canberra business. With the Federal Government's recent announcements around the Digital Transformation Agency and use of local providers, Cirrus is well placed to access these opportunities.

The Federal team lead by Canberra IT veteran Lisa Thorburn have diligently executed a targeted long term strategy to create brand awareness and deliver a long term sustainable business focused on improved cost and efficiency outcomes for government agency clients. We are now seeing the early positive signs of that approach with a growing pipeline of opportunities for FY17 and FY18, while also invoicing in excess of \$750k in April which is likely to repeat in May and June.

Key Personnel Changes

As part of Cirrus' succession planning, founder and Executive Director Frank Richmond will be stepping away from the day to day operations of the company and assuming a Non-Executive Director role at the end of the current financial year. Cirrus has focused on assembling a strong experienced board under Chairman Andrew Milner and management team lead by Matt Sullivan to ensure transition is seamless and the business continues to thrive.

Frank founded Cirrus as a private company in 2012 and has been instrumental in growing the company as Managing Director and more recently as Executive Director.

In acknowledging Frank's service, current Managing Director Matt Sullivan commented: "Cirrus has achieved much thanks to Frank's vision, entrepreneurial skill, hard work and dedication to the organisation, the staff and the customers. He leaves a wonderful legacy and the organisation in great shape to build on the next phase of growth. We are delighted to retain his expertise and leadership in the Non-Executive Director role."

Frank will be relocating back to the UK shortly after the end of the financial year.

For further comment and information

Mr Matt Sullivan
Managing Director

Mr Matt Green
Chief Financial Officer

Tel: (08) 6180 4222
investor@cirrusnetworks.com.au
www.cirrusnetworks.com.au

About Cirrus:

Cirrus Networks Holdings Limited (ASX: CNW) is an innovative IT solutions provider who works with businesses to understand their technological needs and implement world leading solutions that are both cost effective and provide long term operational gain. The diverse reach of Cirrus means the company is able to provide a wide range of solutions including:

- Data Centre and Cloud;
- Convergence;
- Storage;
- Data management (including big data);
- Network design and optimisation;
- Business continuity;
- End user computing;
- Unified communications and IP Telephony;
- High quality IT Service Management, Consulting and Project Management services.

Excellent service and an innovative, holistic approach has seen Cirrus quickly grow an extensive base of blue chip clients across industry sectors. The rapid expansion of Cirrus awarded the company second place for the fastest growing "Rising Star" technology company as well as second place at Deloitte Australia's Technology Fast 50 Awards.

The Cirrus offering was strengthened further in 2015 with the acquisition of Perth-based IT Solutions Provider, L7 Solutions. Since then, an assertive national expansion strategy has enabled Cirrus to establish a robust Eastern states presence with the formation of an office in Canberra and the recent acquisition of Melbourne based IT Provider, NGage Technology Group.

