

6 September 2023

Market Update:

Board Initiates Strategic Review to Realise Shareholder Value

Highlights:

- **The Spirit Board is assessing various options to drive and unlock shareholder value including ongoing operational improvement, potential M&A and corporate activity**
- **It is undertaking its evaluation with the support of advisers including MA Moelis Australia and BDO Australia**
- **There is no certainty that any corporate transaction will emerge from the strategic review and the Company will continue to keep the market informed on the progress of the strategic review**
- **The Company continues its growth in Collaboration & Communication and Cyber businesses with Managed Services completing its restructure and returning to normal operations in FY24**

Spirit Technology Solutions (“Spirit” ASX:ST1), a leading provider of secure digital transformation and modern work environments announces that following a review of the Group’s underlying assets and which remains ongoing, the Board of Directors (the “Board”) believes that there are significant opportunities to create additional value for shareholders.

The Board is therefore assessing various strategic options to drive and unlock shareholder value. This will include an assessment of acquisition opportunities to strengthen higher-growth segments of Spirit’s operations as well as consider potential divestment options within Spirit (the “Strategic Review”).

The Board is undertaking its evaluation and the options for acquisitions and divestments with the support of MA Moelis Australia and BDO Australia. MA Moelis Australia has been appointed specifically as financial and corporate adviser in relation to an assessment of strategic options including potential M&A and corporate activity. BDO Australia has been appointed to assist with an independent review of Spirit including a sum of the parts assessment which has validated the board’s view that a valuation gap exists.

The strategic review and evaluation is in line with Spirit’s new go-to market strategy of focusing on the high-growth areas of Secure, Sustainable, Scalable and the Group’s aim of becoming one of Australia’s leading providers of modern and secure digital workplaces. It also builds on the work that has been completed through the business restructure undertaken in FY23.

Spirit’s businesses continue to perform well, with Collaboration & Communications continuing to grow amid the consumer downturn as it helps small to medium businesses cut costs and save money on their communication and IT spend.

The Cyber business also continues to grow with strong demand for this market offering given the increasing market focus on cybersecurity amid the growing number of cyber-attacks both in Australia and globally.

The Managed Services division is exiting its restructure and is expected to return to normal operating conditions in FY24 after a period of restructuring and streamlining the business.

Spirit Chairman James Joughin said: “Spirit’s Board is undertaking this strategic review and formal evaluation as it is our view that the sum of the parts of Spirit is worth more than the market’s current valuation of the Company. We are evaluating a number of opportunities with the support of MA Moelis Australia and BDO Australia to further enhance value for our shareholders. As we undertake this process, we remain fully focused on delivering on our strategic plan of targeting acquisitions to grow further in the Secure, Sustainable and Scalable space, ongoing organic growth, more agreements and partnerships with our leading global technology partners and developing unique intellectual property that delivers measurable outcomes for customers.”

Spirit will continue to keep the market informed of any material developments regarding the strategic review process.

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

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About Spirit Technology Solutions:

Spirit Technology Solutions is an ASX listed provider to Australian businesses of innovative IT&T managed services, cyber security and collaboration and communications platforms.

We are building the modern secure digital workplace for Australian businesses. Our mission is to “Make our customers secure, sustainable and scalable, while living our team values”

‘Secure by design’ is in our mantra and our world class cyber security solutions help Australian businesses take a different, data-centric and strategic approach to effective security.

Our collaboration and communications business was awarded by Cisco as Webex partner of the year for 2022 in the Asia-Pacific region, recognizing our world class team and focus on delivering amazing experiences to SMB customers.