

Secure. Sustainable. Scalable.

An Introduction to Spirit for Investors

2023



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- Investors are cautioned that any forward-looking statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in any forward-looking statements made.

About Us

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

Secure

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

Sustainable

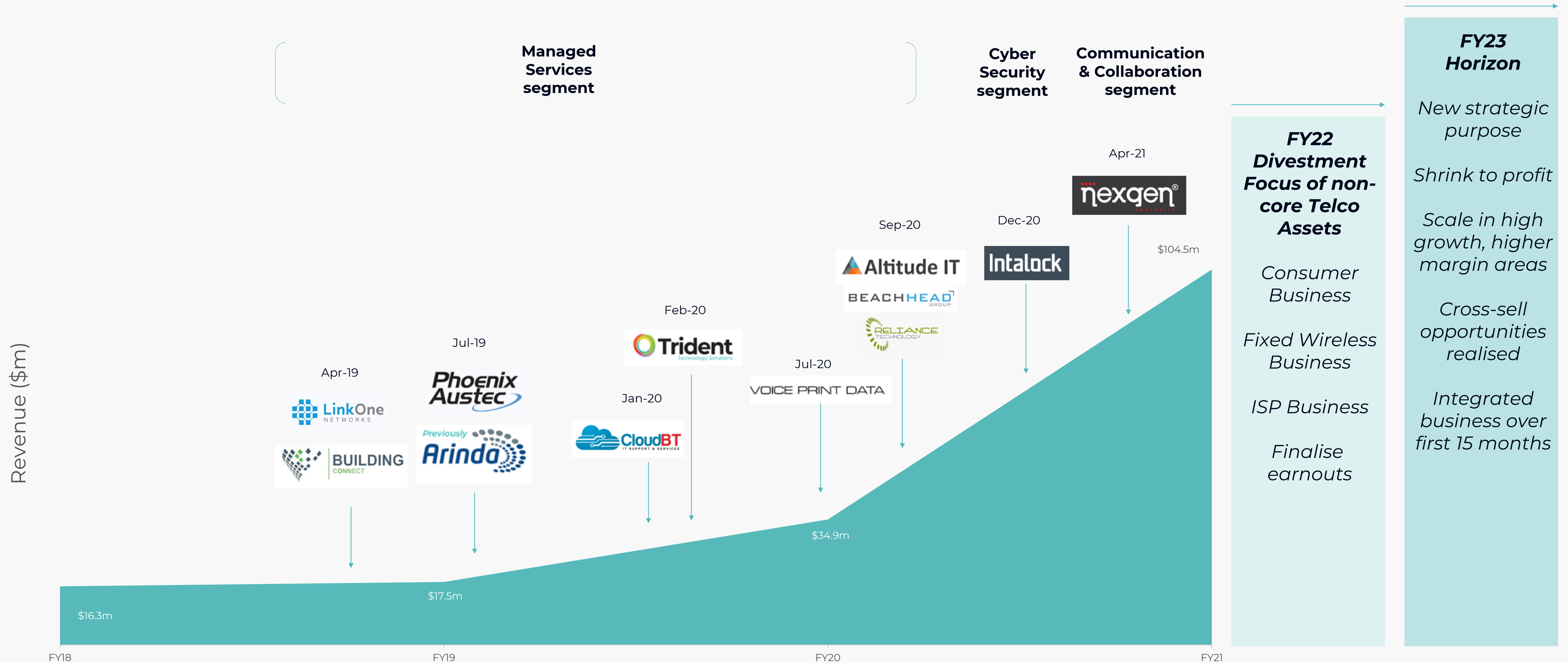
- Leverage intelligent, clean technologies to measure and reduce their carbon footprint, achieve net-zero targets, and potential cost savings.

Scalable

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



Spirit Group, came together through a significant number of acquisitions. A strategy refresh is transitioning the business from B2C to B2B¹



¹Dollar values refer to Revenue and Other Income.

Our trajectory

Our past

Spirit was a provider of fixed wireless infrastructure and IT Services including high-speed internet, security, cloud, mobile, voice and managed services.

February 2022: introduction of Spirit 2.0 to focus on providing modern and secure digital workplaces.

June 2022: Spirit completes the sale of its wholesale fixed wireless assets, reducing debt by \$13 million.

October 2022: Spirit Transfer Consumer ISP to complete transition from B2C to B2B business model.

June 2023: Managed Services Restructure program reduces labour cost by \$12 million annualised as part of 'Shrink to profit' restructuring program and offboard customers from proprietary products with low margin to higher-margin solutions

September 2023: Planned completion of integrated technical backbone, getting all key business units onto one ERP platform to support future growth.

Where we are now

Spirit currently focuses on providing secure digital workplaces with three key offerings:

Managed Services (IT&T) – a comprehensive range of managed IT and professional services to SMB and mid-market customers.

Cyber Security – specialist cyber managed services and industry leading solutions to corporate and enterprise customers

Collaboration and Communication – voice solutions, data and office technology for small business.

Where we are going

Spirit is moving toward becoming one of Australia's leading providers of modern and secure digital workplaces via the following services:

Secure: Helping companies create a secure organisation and reduce risks through our Cyber Security solutions.

Sustainable: Working with our partners Cisco and Microsoft to provide companies with smart networks, IoT devices and carbon reporting and management models to help reduce their carbon footprint.

Scalable: We help businesses to be scalable at low cost through our smart infrastructure solutions.

Rationale and strategy

As a business with a national footprint, a skilled team and key partnerships, we are well positioned to help organisations solve the key challenges they face.

The market is asking for solutions that improve their resilience to cyber attacks, climate change and are responsive to challenging business conditions.

Spirit's 7,000+ customers are benefitting from integrated solutions that deliver measurable business outcomes.

We believe this strategy will drive the growth of the business and deliver much better returns for our investors.



Secure



Our Product/Solution

Spirit provides a complete range of Cyber Security solutions:

- Rapid Risk Reduction
- Security Operation Centres
- Governance Risk and Compliance
- Privacy Compliance
- Managed Detection and Response
- Endpoint Security
- Email Protection
- Managed Network

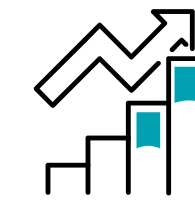


Customers

Medium to large enterprises:
1,000-35,000 personnel

Revenue model

- Managed Security Services, 3-year contracts
- Targeted Professional Services
- Recurring Product Sales, 3-year contracts



Market Opportunity¹

- Australia is ranked ninth in the world for cyber revenue generation.
- In 2020, Australians spent \$5.6 billion on cyber security products and services.
- Spending is expected to rise in light of rising cyber attacks and the cyber market has the potential to generate \$800 million more annually by 2026.

¹ <https://www.austrade.gov.au/news/insights/insight-australia-s-a-7-billion-cyber-security-opportunity>

Sustainable



Our Product/Solution

Spirit offers services and solutions that enable organisations to leverage intelligent, clean technologies to reduce their carbon footprint, achieve net-zero targets, and potential cost savings, including energy efficient code, green software development and partnering with Microsoft, Cisco, and HP to offer best-of-breed technology that promotes sustainability.

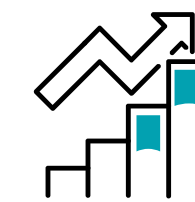


Customers

Medium to large enterprises: 300-10,000 personnel

Revenue model

- Managed Services Revenue on 3-5 year contracts
- Product Sales
- Channel arrangements with property developers and real estate asset owners



Market Opportunity

- Buildings produce 25% of Australia's emissions¹.
- The Australian government is committed to carbon targets that have legislated change, and has introduced mandatory reporting.
- Organisations are struggling to executing the “how” on reducing emissions from technology and buildings that consume significant amounts of energy.

¹ <https://theconversation.com/buildings-produce-25-of-australias-emissions-what-will-it-take-to-make-them-green-and-wholl-pay-105652>

Scalable



Our Product/Solution

We provide a range of agile technology solutions to enable our customers to easily adapt to changing business needs, including:

- Secure managed IT services
- Scalable cloud solutions
- Managed Infrastructure and SD WAN
- Business process automation and IoT solutions to drive productivity
- Circular economy technology solutions



Customers

Medium to large enterprises: 300-3,000 personnel.

Revenue model

- Managed Secure IT Services, 3-year contracts
- Targeted Professional Services
- Recurring Product Sales, 3-year contracts
- Cloud consumption models



Market Opportunity

- The Australian Managed Services market is currently growing at 9.2% and it is estimated the market will be worth \$44.3 billion by 2025¹.
- Cyber threat landscape proving a strong tailwind to the managed services sector.

¹ <https://www.technetics.com.au/managed-it-services-top-reasons-behind-the-rise-in-2022/>

Partnering with leading tech brands

We partner with leading global technology vendors to ensure our clients can access the latest and most advanced technology solutions.



Growth strategy

- Organic growth through expanding Australian presence, signing new customers and upselling offering to existing customers
- Target acquisitions to grow further in the Secure, Sustainable and Scalable space
- Further agreements and partnerships with our leading global technology partners
- Developing unique intellectual property (IP) that supports accelerated project delivery timeframes and builds capabilities that deliver measurable outcomes for customers

Outlook

- Completion of Managed Services restructure by June 2023
- Complete the following by September 2023:
 - Finalising the common IT system across business units, reducing ERP systems from 3 to 1;
 - Removing aged proprietary legacy systems not capable of supporting future growth;
 - Finalising a new organisation design that utilises the new IT platforms to reduce future cost and further enhance service quality for customers.
- FY24¹ Underlying EBITDA² ambition is \$10 to \$11 million post restructure and return to growth.
- Significant pipeline of new opportunities in Managed Services segment of \$10m supports return to positive Underlying EBITDA² in FY24, with a target to grow Group Underlying EBITDA² by more than 120%.

¹FY24 refers to the 12 month period 1 July 2023 to 30 June 2024

²EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for depreciation, amortisation, interest and tax. Underlying EBITDA is EBITDA adjusted to exclude acquisition, divestment & integration costs, net fair value loss on remeasurement of contingent consideration on business combinations, restructuring costs, impairment of non-current assets and share-based payments. Underlying EBITDA also excludes one-off gains/losses on divestment of non-core assets.

Investment highlights



Strong barrier to entry being a leading Australian provider of cyber security, sustainability and managed services IT solutions.



Strong market tailwinds in across all three core markets of cyber security, sustainable IT solutions and managed services.



Advancing accretive acquisition opportunities and organic growth through geographic and customer expansion and upsell to existing customers.



Experienced board and executive team with extensive experience across cyber security, managed services and IT&T.



Return to positive Underlying EBITDA¹ in FY24, with a target to grow Group Underlying EBITDA¹ by more than 120%.

¹EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for depreciation, amortisation, interest and tax. Underlying EBITDA is EBITDA adjusted to exclude acquisition, divestment & integration costs, net fair value loss on remeasurement of contingent consideration on business combinations, restructuring costs, impairment of non-current assets and share-based payments. Underlying EBITDA also excludes one-off gains/losses on divestment of non-core assets.

Corporate overview

Substantial Shareholders	%	Comment
Crazy Diamond Pty Ltd and Peter + Diana Diamond ATF (Peter + Diana Diamond Super Fund)	14.00%	
Regal Funds Management Pty Limited and its associates	10.78%	
Elie Ayoub and associated companies	10.06%	Founder of Nexgen
James Harb and associated companies	9.18%	Founder of Nexgen
Tiga Trading Pty Ltd / Thorney Opportunities Ltd / Thorney Technologies Ltd	7.84%	
<u>Securities on issue:</u>		
Fully Paid Ordinary Shares	736M	
Options and Performance Rights	48M	

Capital Market Engagement
Appointment of Automic Group Investor services to drive Investor base expansion and presentation uniformity
Engagement of Wodden (US firm) to build a consistent market message across Managed Services and Cyber Security

Substantial holders:
Substantial holders in the Company, as disclosed in substantial holding notices given to the Company, are set out above.

Board of Directors

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



James Joughin

Chairman



Julian Challingsworth

Managing Director & CEO



Julian Haber

Non-Executive Director



Michelle Bendschneider

Non-Executive Director



Greg Ridder

Non-Executive Director

Executive Team

Our executive team has extensive experience across cyber security, managed services and IT&T



Julian Challingsworth
Managing Director & CEO



Paul Miller
Chief Financial Officer



Zoe Rosenwax
Head of People



Nathan Knox
Chief Operating Officer



James Harb
Co-CEO Nexgen



Elie Ayoub
Co-CEO Nexgen

Our Vision

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

Our Mission

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

Our Values



Customer Experience

We partner with our customers to create value.



Excellence

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



Community

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



Passion

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



Integrity

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



Secure. Sustainable. Scalable.

For further information:

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