

Spirit Delivers Profitable H1 21 & Record Revenue

Strong performance across all key financial metrics (reviewed):

- **Record H1 21 with Revenue and Other Income of \$44.0M, up 253% on H1 20.**
- **NPAT up 169% year on year to \$508K, compared to loss of \$740K in H1 20.**
- **H1 21 Underlying EBITDA* \$4.4M, upper end of guided range (H1 20 was \$1.6M).**
- **Positive Operating Cashflow for H1 21 of \$4.3M.**
- **Healthy balance sheet with \$23.3M of cash and available debt as of 31 December 2020.**
- **Average deal size increasing with major contract wins across corporate; education and health illustrating the strength of the Spirit offering and leverage of cross-sell opportunities.**

Spirit Technology Solutions ("Spirit" ASX:STI) has today lodged its Appendix 4D (reviewed financial results) for the six months ended 31 December 2020 (H1 FY2021). Following a period of rapid revenue growth and business transformation Spirit has delivered a NPAT of \$508K for the first half and record revenue and other income of \$44.0M.

Financial Summary:

	H1 21	H1 20	YoY	YoY%
Revenue and Other Income	\$44.0M	\$12.5M	+ \$31.6M	253% ↑
EBITDA	\$3.4M	\$0.8M	+ \$2.6M	320% ↑
Underlying EBITDA*	\$4.4M	\$1.6M	+ \$2.8M	176% ↑
NPAT	\$0.5M	(\$0.7M)	+ \$1.2M	169% ↑

Sol Lukatsky, Managing Director, commented: "This excellent result validates the strength of our business strategy and our sharp focus on execution. It is particularly pleasing to deliver a profitable H1 21 in a period of investment in scaling up the business, building a national brand and integrating multiple acquisitions."

"We've been able to adeptly respond to the changing needs of business, as their IT&T needs become increasingly complex by delivering a comprehensive bundled offering across cloud, voice, data, managed services and cyber security with a strong customer focus. We have further growth in our sights as we launch new products, continue to expand our reseller network and realise the benefits of the investments made over the past year and during 2021."

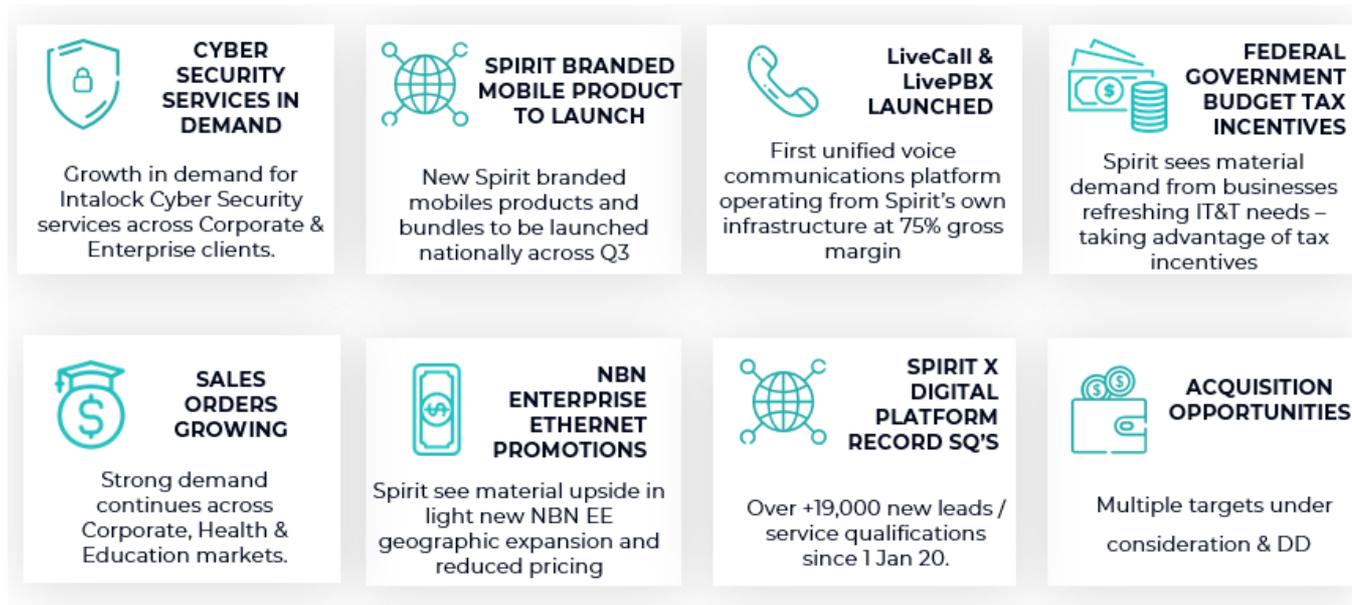
Revenue mix continues to reflect shift towards medium & corporate market with higher value contracts.

Overall sales reflect the traction in the SMB and corporate markets with B2B TCV of \$23.1M for the half, an increase of 221% PCP and up 226% on H2 20. Recurring revenue is at \$21.1M, up 99% YOY.

Spirit is securing larger value recurring revenue contracts of longer duration as a direct result of its ability to cross-sell its premium managed services and cyber security offerings, alongside a comprehensive data product range.

“We are winning materially sized complex contracts across the corporate and enterprise space thanks to our long-standing relationships combined with ability to resource at scale and therefore deliver a competitive offering. The Spirit X platform enables us to provide the right data products at attractive price points, overlaying this with high-value MSP service offerings delivered by leaders in their respective fields. The swift integration of the businesses we’ve acquired over the past year has meant we’ve been able to seize these opportunities,” Sol Lukatsky concluded.

Growth opportunities for H2:



- ENDS -

* Underlying EBITDA excludes business acquisition & integration costs, share based payments & restructuring costs.

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

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