

9 May 2022

Spirit agrees to sell fixed wireless assets for up to \$21M

KEY HIGHLIGHTS

- **Divestment of wholesale fixed wireless assets for up to \$21M:** Spirit has entered into a binding sale agreement with Maret Infrastructure Pty Ltd ("Maret Group") to divest its wholesale fixed wireless infrastructure assets for up to \$21M. Payment to Spirit is comprised of \$15M upfront on completion plus up to \$6.0M from performance paid over 12 and 24 months.
- **Spirit to retain its Partner, retail customer and core network components:** Spirit will retain the business customer relationships and revenues, as well as core network assets delivering that revenue, with no impact to Spirit's Partners, customers or revenues. Maret Group will charge Spirit a wholesale last-mile services fee to Spirit for connected services.
- **Strategic market partnership for new fixed wireless products:** Maret Group and Spirit will also partner using Maret Group's spectrum licensing assets and newly acquired network to develop and market best-in-class fixed wireless products.
- **Strong sales team to support cross-sell:** The Spirit sales force of over 90 team members and partners will continue to deliver end-to-end service and sell the current and new fixed wireless products nationally. The agreement allows Spirit to continue to cross-sell its broader product portfolio to this customer base.
- **Investing in future growth:** Proceeds from the sale will be reinvested to accelerate growth and increase profitability in Spirit's key SMB Technology and Cyber Solutions markets.

Spirit Technology Solutions ("Spirit" ASX:STI) is pleased to announce it has entered into an agreement for the sale of its fixed wireless infrastructure assets with Melbourne based Maret Group for \$15M upfront, plus up to \$6M in earn-out payments over two years, subject to revenue targets being achieved.

Under the agreement, Maret Group will acquire the infrastructure assets with Spirit retaining the business customer relationships and revenues and the opportunity to cross-sell Spirit's broader product portfolio to this customer base. The Maret Group will charge Spirit wholesale services fees for connected services under a wholesale services agreement between the parties.

Importantly, the two companies will partner to develop and market new fixed wireless products using Maret Group's spectrum assets, its new expanded network and Spirit's large national salesforce. This new partnership aims to create market-leading fixed wireless solutions.

Paul Torrisi, CEO of Maret Group, commented on the transaction. *"The acquisition of Spirit's best-of-breed Fixed Wireless Infrastructure expands our network reach substantially. The combination of our existing wireless networks, the acquired network, and our licensed spectrum creates an enormous opportunity for us in partnership with Spirit to offer superior quality and high-speed data services across a broad geography. We look forward to working with Spirit and welcoming the incoming team members to Maret Group."*

Commenting on the agreement, Group Managing Director Sol Lukatsky said, *"This is a highly important transaction for the company and we are able to retain end-to-end service ownership of the business customers in addition to accessing an exciting new range of advanced fixed wireless products using Maret Group's spectrum assets. In addition, this transaction returns a material amount of capital for a company of our size. Combined with the divestment of the consumer business last October, the proceeds of this sale, (once completed), will have returned over \$20M in cash to our Balance Sheet in FY22. Spirit is also undertaking an internal transformation project (Spirit 2.0) to reduce costs and ensure it is well positioned to capitalise on the growth we are seeing for our services in the SMB market and Cyber solutions."*

Spirit expects the transaction will complete in early June 2022 on satisfaction of customary conditions and requirements for a transaction of this nature.

– ENDS –

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

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