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2020 ANNUAL GENERAL MEETING CHAIRMAN'S ADDRESS AND MANAGING DIRECTOR'S ADDRESS

Spirit Telecom (ASX:STI) provides a copy of the Chairman's Address and Managing Director's Address, which will be delivered at the Company's Annual General Meeting today.

ADDRESS BY THE CHAIRMAN, JAMES JOUGHIN

Shareholders and guests, I would like to welcome you to the 2020 Annual General Meeting of Spirit Telecom Ltd. Thank you all for attending via the webinar today.

Prior to our Managing Director, Sol Lukatsky presenting a business update I would like to make a few general comments:

FY20 Results:

The FY20 year was a transformational period for the Company. Sol and his executive team took over the reins in September and immediately developed a clear and modern business strategy which is focussed on super-fast Internet, Cloud, Voice and IT services to the SME and Essential Services markets. During the year we completed seven acquisitions which included the Trident business, and successfully raised \$9.2 million in equity and enlarged our debt facility with the CBA. As a result, from the acquisition and organic growth, our revenue increased by 100% and underlying EBITDA increased by 88% over the period – which was an outstanding achievement. Furthermore, we continued to devote significant Board and management time to review other acquisition opportunities. This culminated in the identification and agreement to acquire the VPD business in June 2020 that subsequently settled on 1 July 2020. VPD and the Trident businesses have transformed Spirit to provide integrated internet and IT services to verticals of education, healthcare and hospitality industries, hence proving to be exceptionally valuable additions to our portfolio.

One of the major risks of acquiring numerous companies is the possibility of unsuccessful integration of the businesses and loss of connection with their customers. Spirit is highly cognisant of this risk and we have constructed a well-developed and formal integration plan within our acquisition execution strategy. I am proud to report that all business units are firing and all our key staff from the acquisitions are currently in the senior leadership team, who are highly motivated and are contributing strongly to the group. One of the key benefits from our acquisitions that shareholders may not possibly realise, is the quality and depth of the employees and management that have transferred to the Spirit businesses. The commitment and energy of our senior leadership team is most impressive and you will see their ongoing contribution and impact on the development of the Spirit group.

COVID:

Given the current pandemic landscape I would like to address its impact on Spirit. As a Board we were obviously very concerned for our staff and the effect on the business from this pandemic. We are pleased to announce that Spirit did not qualify for the Government Job Keeper assistance payments as our business has proven to be resilient, well spread geographically and therefore not materially affected by the lockdown. There is continuing

growth across the portfolio albeit lower in Victoria, with our recent acquisitions in QLD and NSW expanding strongly.

Further Acquisition opportunities:

Our strategy has been well documented and is clear – we will maximise organic growth opportunities and build the business with well-priced and strategic acquisitions. Sol and the team have a well thought out and strong pipeline of acquisition opportunities. Shareholders can be comforted by the fact we will be patient, strategic and pay fair value on the next set of acquisitions. All vendors of our acquisitions receive shares as part of the consideration. We see this as an important differentiator and incentive as individuals who sign on to the Spirit growth story stay very committed. Our track record of completing and successfully integrating companies and the very favourable testimonials from the vendors of the acquired businesses have resulted in approaches from many other companies who wish to be part of the Spirit vision.

Outlook:

As Chair I can confidently state that within the business there is a high level of engagement and a winning culture with an amazing energy level. Consequently, we are experiencing robust growth because everyone believes in the strategy and we are leading the way in delivering the best outcomes for an integrated Internet and IT strategy for our target market.

I would now like to hand over to Sol.

ADDRESS BY THE MANAGING DIRECTOR, SOL LUKATSKY

Firstly, I would like to thank you for your support during 2020. For all of us, it has been a year of transformational change and growth.

Our vision this year was to become the destination for SMB's and Essential Services Providers, to meet all their IT and telecommunication needs. This hasn't been easy, but we have managed to fill a gap where the major telcos have fallen short. In doing so, we have created a truly modern telco business.

And what do we mean by that? We mean being able to truly bundle IT and telco needs. It's about giving customers one point of contact, one monthly bill, access to all of the products they need to support their business in a digital world – and with great service.

Doing is challenging– and that's why we have been able to fill a major gap in the market that the major telcos couldn't. And we haven't been afraid to leverage our challenger brand status to attract attention – and customers.

So how did we get here?

To achieve our aim of meeting Australian small businesses IT and telecommunication needs, we set out with three main goals:

1. Create the product stack and deliver it with outstanding service;
2. Achieve scale via M &A and organic growth; and
3. Grow our B2B recurring revenue with a focus on the essential services industries .

These goals provided the framework for us to deliver very strong financial results in FY20 – delivering a 100% uplift in revenue, improved earnings with underlying EBITDA up 88%.

Additionally, today we announced our Q1 results which demonstrated record growth. We continued through Q1 to build a scalable and high growth IT & Telco company:

- Total revenue for the quarter at \$15.6M, up 149% year on year and 30% on Q4 20.
- Q1 recurring revenue up 78% year on year to \$9.2M and *S&P revenue up 507% year on year to \$6.2M.
- TCV sales up 124% year on year to \$8.4M, with pending installations at \$2.7M and IT Services & Technology Sales at \$8.9m as of September 30.
- Healthy balance sheet with \$30.1M of cash and available debt as of September 30.
- Acquisition pipeline: multiple targets under consideration & due diligence.
- Recent acquisition integrations ahead of schedule.
- Growth initiatives Q2-Q3: 70+ new resellers signed, with new mobile products to be launched

Part of our growth strategy has been to grow through acquisition and we have acquired 7 businesses this year, while maintaining a disciplined approach. The acquisition of Trident and Neptune Group and Cloud Business Technology has enabled us to broaden our product offering, expanding into new geographies and build our business customer base.

We have been able to integrate the businesses efficiently, enabling us to leverage the cross-sell opportunities that have been created. We have successfully bundled services and provided a product with outstanding customer service which has led to organic growth. This has been particularly pleasing to achieve during the COVID-19 pandemic.

With our latest acquisitions – VPD Group – Reliance, Beachhead and Altitude IT – we've grown our geographic footprint and expanded our national network for reselling products via Spirit Solutions Partners. This is another avenue for both organic and acquisitive growth into FY21 and beyond.

Spirit X has been central to our growth strategy. The platform provides a channel for sales generation and organic growth and we saw an impact on revenue as soon when launched in December last year. We recently added NBN Enterprise Ethernet (NBN EE) to the platform, expanding the market opportunity for Spirit X to cover 80% of Australian Businesses.

Although we have our network, we made a decision to be agnostic and sell data from other network providers. This has proven to be a wise decision – it keeps us asset light, but also use data as the “on ramp” to access customers and sell them the high value / high margin services that sit alongside their data needs.

We are building a national brand, and during COVID-19 we have taken advantage of historically low media-buy rates to launch our first national advertising campaign. The campaign has led to record numbers of visitors to Spirit's website and we continue to see this grow.

During the year, we were pleased to successfully complete our two regional fixed wireless broadband contracts with the Victorian Government. These provide high speed internet to the regional areas of Morwell and Horsham. The projects are the first of many we hope to complete which bridge the divide between regional Victoria and Melbourne. They are now able to compete on a national and global stage.

I would like to thank my fellow Board members and team at Spirit during what has been a transformational year for the company. Without your support none of the growth and change we have achieved would be possible. I would also like to acknowledge the tenacity our team has shown during the unprecedented COVID-19 pandemic.

And I'd like to thank you – our shareholders – for your support.

This year we become Spirit Technology Solutions – a new name that reflects our expanded offering and our transformation.

In the year ahead we will continue to expand our wholesale network, geographic footprint and grow our national brand. You can expect Spirit to become the name that is synonymous with IT & telco for Australian businesses.

We're looking forward to sharing the next stage of our journey with you.

- ENDS -

This announcement is authorised for release to the market by the Board of Directors of Spirit Telecom Limited. For all media enquiries regarding this announcement please contact:

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