6 October 2023

Spirit increases Convertible Notes raising by $0.765M to $5.765M following oversubscription

Highlights:

- **Spirit Board takes an additional $0.765 million in oversubscriptions in the Convertible Note Placement, taking total funds raised to $5.765 million.**
- **Two tranche convertible note placement strongly supported by a suite of business leaders in the cyber security and Managed Services sectors across both public and private markets**
- **3-year Note with a coupon of 8% pa. with option to convert to equity at 4.5 cents in the first 18 months (a 10% premium to the current 14-day VWAP), or at 9 cents per share if converted after 18 months**
- **Notes converted in first year at a conversion price of 4.5 cents attract a bonus option, on a 1 for 2 basis to shares issued on conversion, exercisable at 9 cents per share with an exercise period of 2 years (options subject to shareholder approval)**
- **Spirit has a right to redeem if the share price exceeds 9 cents for 21 consecutive days**
- **Funds raised will be used for acquisition due diligence, evaluation and legal costs, integration planning and support costs, and working capital**

Spirit Technology Solutions ("Spirit" ASX:ST1), a leading provider of secure digital transformation and modern work environments announces that the Board has taken an additional $0.765 million in oversubscriptions in the Company's Convertible Note Placement, taking the total funds raised to $5.765 million (Placement).

This investment follows the announcement of the Convertible Note Placement raising $5 million (see ASX Announcement dated 29 September 2023).

The Note Placement now comprises:

- **Tranche One:** the issue of 1,250,000 Notes to raise $1,250,000 to settle shortly under the Company's Placement capacity under ASX Listing Rule 7.1.
- **Tranche Two:** the issue of 4,515,000 Notes to raise $4,515,000 subject to shareholder approval in accordance with ASX Listing Rule 7.1 (see Indicative Timetable below). EGM notice to be distributed shortly.

Julian Challingsworth is participating in the Convertible Note Placement to the value of $75,000 and will form part of Tranche 2, subject to shareholder approval.

The Notes were issued under a deed poll entered into by the Company. Refer to ASX announcement dated 29 September 2023 for further information regarding the terms of the Convertible Notes and the use of funds.

Law firm Landers & Rogers advised on legal matters for the Placement.

Indicative Timetable

Summary of Key Dates	Date/Time
Delivery of Tranche One Subscription Amount (**Tranche One Funding Date**)	10 October 2023

Expected date for issue of Tranche One Placement Notes	11.00am on the date after the Tranche One Funding Date
ST1 Shareholder meeting to approve Tranche Two	Mid-November 2023
Delivery of Tranche Two Subscription Amount (**Tranche Two Funding Date**)	3 business days after the date of the Shareholder meeting
Expected date for issue of Tranche Two Placement Notes	11.00am on the date after the Tranche Two Funding Date

*The above timetable is indicative only and may change at the sole discretion of the Company.

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.