

CIRRUS

Cirrus Networks Holdings Ltd

Next Generation National Managed Services Provider

VERITAS SECURITIES INVESTOR ROADSHOW

Sydney/Melbourne

June 2022

PERTH | CANBERRA | MELBOURNE



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About Cirrus

"Next Generation National Managed Services Provider"

CAPITAL STRUCTURE 10 June 2022

*Directors and Management hold
13.5% of shares on issue

Description	Holders	Shares
Shares on issue	1,359	930,006,385
Unlisted Options	27	32,233,929
Fully Diluted Share Capital	1,386	962,240,314

Debt Free

CASH AT 31 DEC 2021

\$6.6M

**DEFERRED TAX ASSET
\$4.05M**

**SHARE PRICE 3.0c
MARKET CAP
\$27.90M**

- Fast growing Australian IT Solutions company
- Operations in WA, ACT and Victoria
- Strategically focused on mid-market/mid-tier Managed Services
- Alternative to multinationals offering capability, agility and sustainability in Australian sovereign entity
- Strong Managed Service pipeline.

About Cirrus

Directors and Management hold 13.5% of shares on issue

Paul Everingham

NON-EXECUTIVE
CHAIRMAN

**Appointed as a director and
board member 23 July 2018
and as Chairman 7 Dec 2021**

Mr Everingham is Chief Executive Officer of the Chamber of Minerals & Energy of Western Australia.

Prior to joining the Chamber of Minerals & Energy, Paul held numerous senior executive roles in business and government including; Chief Executive of Marketforce Australia, a leading Australian advertising agency; Founder and Managing Director of GRA Everingham Advisory, Western Australia's premier government relations advisory business; Executive Director of the Liberal Party of Australia (WA); and as a Senior Adviser in the Commonwealth Treasury.

Chris McLaughlin

CEO AND MANAGING
DIRECTOR

Appointed 1 October 2021

Chris has been a member of the Cirrus executive team for six years and has held various executive and senior management positions in technology.

During his career Chris has overseen many significant business transformation and growth initiatives, delivering people-focused performance, greater customer outcomes and ongoing corporate value.

At Cirrus, Chris has been instrumental in developing the national managed services and professional services business lines, including with the Federal Government.

Daniel Rohr

NON-EXECUTIVE
DIRECTOR

Appointed 2 July 2015

Daniel Rohr is a Chartered Accountant with a Bachelor of Commerce degree and has over 25 years management, corporate advisory, finance and accounting experience across a range of listed and unlisted companies in Australia and overseas.

He is currently the CFO of HealthEngine Pty Limited and has acted as a corporate advisor for a number of listed and non-listed businesses in the IT and mining sectors. Mr Rohr has extensive experience in managing the development of high growth companies in the digital, mining, real estate and financial services industries.

Adam Waterworth

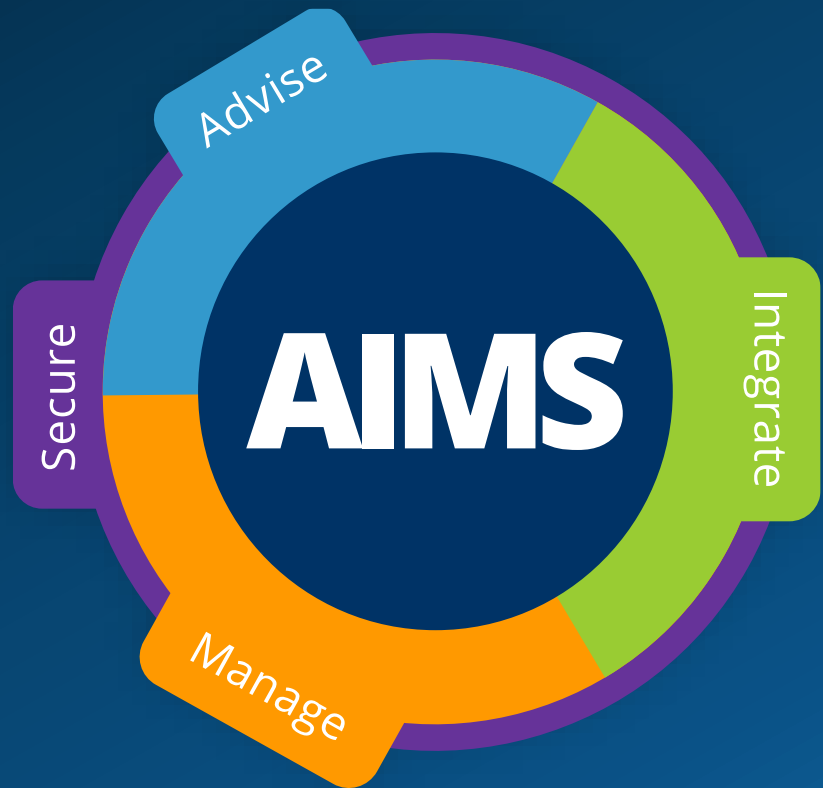
NON-EXECUTIVE
DIRECTOR

Appointed 23 December 2021

Adam Waterworth is an investor and analyst with over 15 years of professional experience as global equities and fixed income fund manager, investment research analyst and in business development and operations.

Mr Waterworth was a fund manager at Perth-based global fund manager Packer & Co from 2012 to 2021. Prior to this Adam was an investment analyst at global investment bank Lazard in Sydney and in Paris from 2005 to 2012, working within the company's asset management arm. Adam holds a Bachelor of Engineering (Electronic Commerce) with Honours and a Bachelor of Commerce (Finance & Accounting) from the University of Sydney.

Who we are



Advisory Services



Pushing the transformation envelope - We engage our clients via a consultancy approach and push technology innovation specific for the industry type.

Business Strategy

Business Process

Project Management

Integration Services



Relentless market disruption - Staying on top of the emerging technology trends helps us stay ahead of competitors that are too slow to adapt, embrace and seize the available market.

Connectivity

Collaboration

Digital Transformation & Hybrid Cloud

Modern Workspace & Mobility

Apps, Data & IoT

Managed Services



Annuity focus - Providing longer term relationships, investment predictability and the opportunity for continuous service improvement.

Security Services



Our Customers

ACT



Western Australia



Victoria



Our Partners

Connectivity & Collaboration



Analytics, Reporting & IoT



Security



Cloud



Hybrid Cloud Centre



National Technical Practices 100+ Trained Engineers

Networks

Route, Switch, Wireless
and Firewalls

Collaboration

Telephony, Video,
Meetings and Teams

Cyber Security

Multi-domain
information security

Hybrid Cloud

Storage, Compute,
Hypervisor and Cloud

NetApp Partnership Achievement

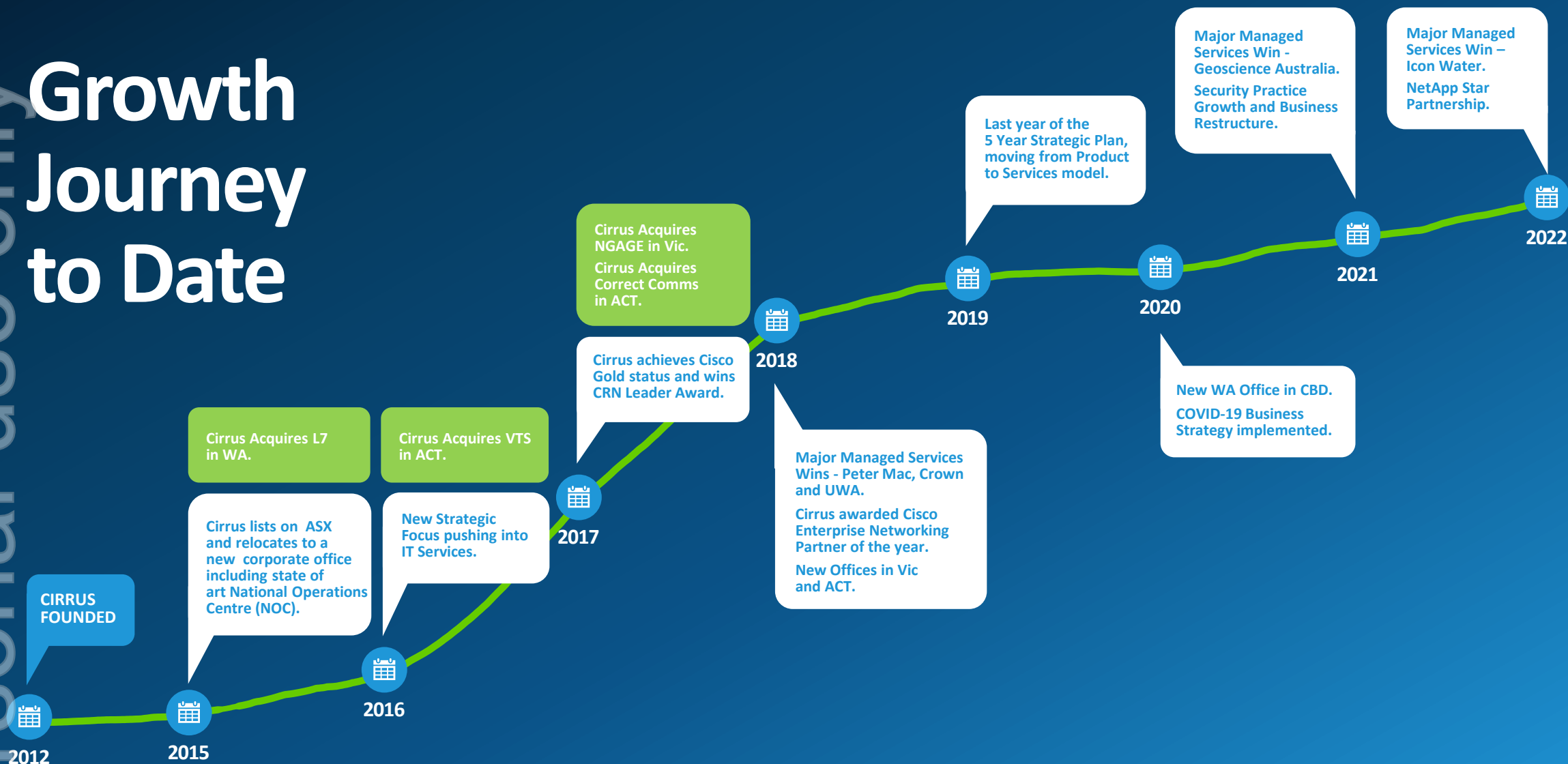
2022/23 Elevation from Platinum to Star Partner

- One of only three partners in the ANZ region to achieve this Star-level Status
- Testament to our ongoing commitment and investment into the NetApp platform
- Continue to drive value and deliver best practice NetApp solutions to customers
- Achievement in excess of \$10m annual NetApp revenue.

2021/22 Partner Awards



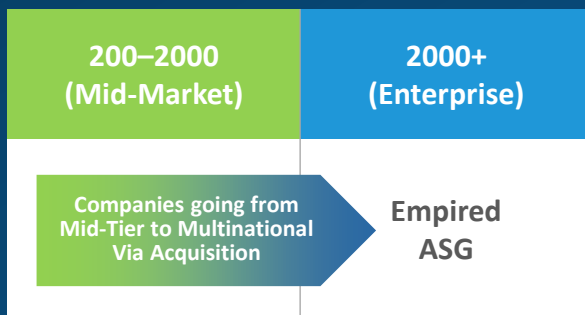
Growth Journey to Date






Company Positioning

Cirrus is a market leader in
Mid-Market Managed Services

- ✓ Strong Competency
- ? Not key element for the market segment



CLIENT SEGMENT	 0–200 (Small/SME)	 200–2000 (Mid-Market)	 2000+ (Enterprise)
AGILITY	✓	✓	?
AUSTRALIAN SOVEREIGNTY	✓	✓	?
VALUE	✓	✓	✓
CAPABILITY	?	✓	✓
SUSTAINABILITY	?	✓	✓
Competitive Advantage in the client segment	Small Niche Startup	Cirrus Networks	Multinationals

H1 FY22 Highlights

Half of Two Quarters

- Q2 Business Restructure yielding \$1M overhead savings from Q1 overhead amount
- Business expects Q2 overheads to be consistent for the remaining quarters of the year
- Significant growth to deliver record Managed Services recurring revenue – up 37% Yr on Yr
- Significant contract wins with Service Australia and Geoscience as well as obtaining preferred provider for CSIRO Scientific Compute goods and services panel
- Successful transition and operation at Geoscience Managed Service
- Continued strong performance in Key markets - Government and Resources
- Expansion of Cyber Security and digital offerings including obtaining Microsoft Gold Status.

H1 FY22 Results

Reset for H2 and beyond

- Disappointing Q1 – key negative impacts:
 - > disruptive and costly failed low-ball hostile takeover attempt
 - > supply chain delays and labour impacts from pandemic
- Significant restructure in Oct 2021 with new Chairman and CEO including Board refresh
- Restructure had immediate impact on sales engine, margin expansion and overhead
- Significant Q2 improvement even though only two full months of new structure
- Lower cost base providing foundation for strong earnings growth in traditionally higher H2 period.

	Q1 HY22 Pre restructure \$	Q2 HY22 Post restructure \$	Quarter on Quarter Improvement %	HY ENDED 31 DEC 2021 \$
Revenue	20,722,372	23,812,151	15%	44,534,523
Gross Margin	2,942,333	3,305,540	12%	6,247,873
Blended Margin	14%	14%		14%
Overhead	3,778,258	2,848,725	25%	6,626,983
Adjusted EBITDA (Pre Options)	(835,925)	456,815		(379,110)
Depreciation and amortisation	(377,633)	(379,983)		(757,616)
One off corporate activity expenses	(1,010,678)	(63,272)		(1,073,950)
STATUTORY NET PROFIT/(LOSS)	(2,224,236)	13,560		(2,210,676)
Operating Cashflows	(3,146,632)	2,639,815		(506,817)

H1 FY22 Challenges

Significant Headwinds

- Disruptive and costly failed low-ball hostile takeover attempt impacting management, staff and customers
- Supply chain continues to delay delivery/recognition of technology sales
 - > Backorder \$9M (v \$5.5M Prior Year)
 - > Balances were significantly lower pre-pandemic
- Continued uncertainty around COVID-19 and it's ongoing impacts
- Tight labour market causing availability and cost pressures

H2 FY22 Update

Strong trajectory from business reset

- Record Q3 EBITDA (unaudited)
 - Q4 continued strong momentum
- Services revenues continue to improve – both Managed Services and Professional Services 37% up on prior year comparative 3rd quarter
- Strong pipeline and continuing to grow
- Run rate Overhead cost savings maintained throughout H2.

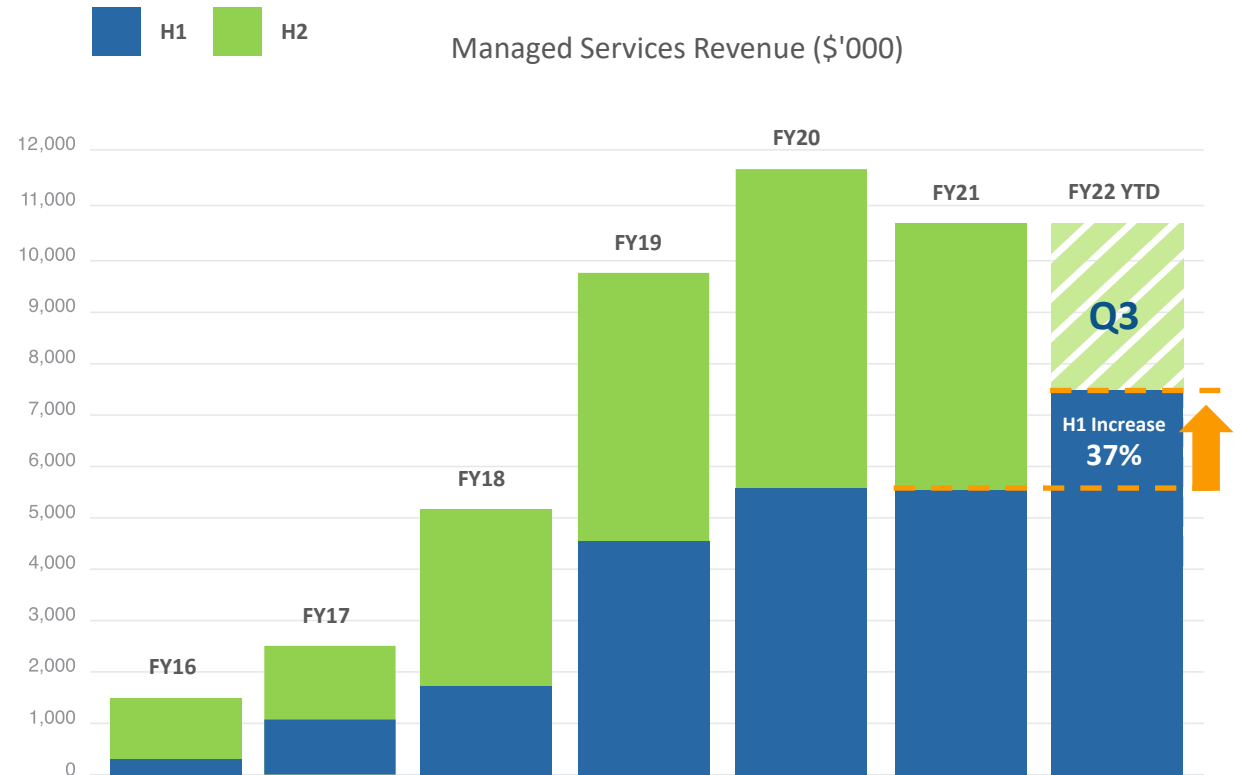
Managed Services Focus

Overview

- Multi-year higher margin reoccurring revenue contracts
- Cloud & DC, niche managed services, outsourcing and XaaS, Maintenance/Asset Management
- Australian based National Operations Centres with location-based support including Canberra state-of-art Secured NOC
- Average margin at circa 35%
- Provides a stream of complementary adhoc IT solution projects.

FY22

- Extension/Options exercised on contracts
- Significant new Icon Water contract signed April 22
- Successful transition to steady state operations on Geoscience
- 37% Increase in Managed Service revenue compared to FY21 YTD
- Continues to grow with some good opportunities for H2 FY22 and strong pipeline across the country.



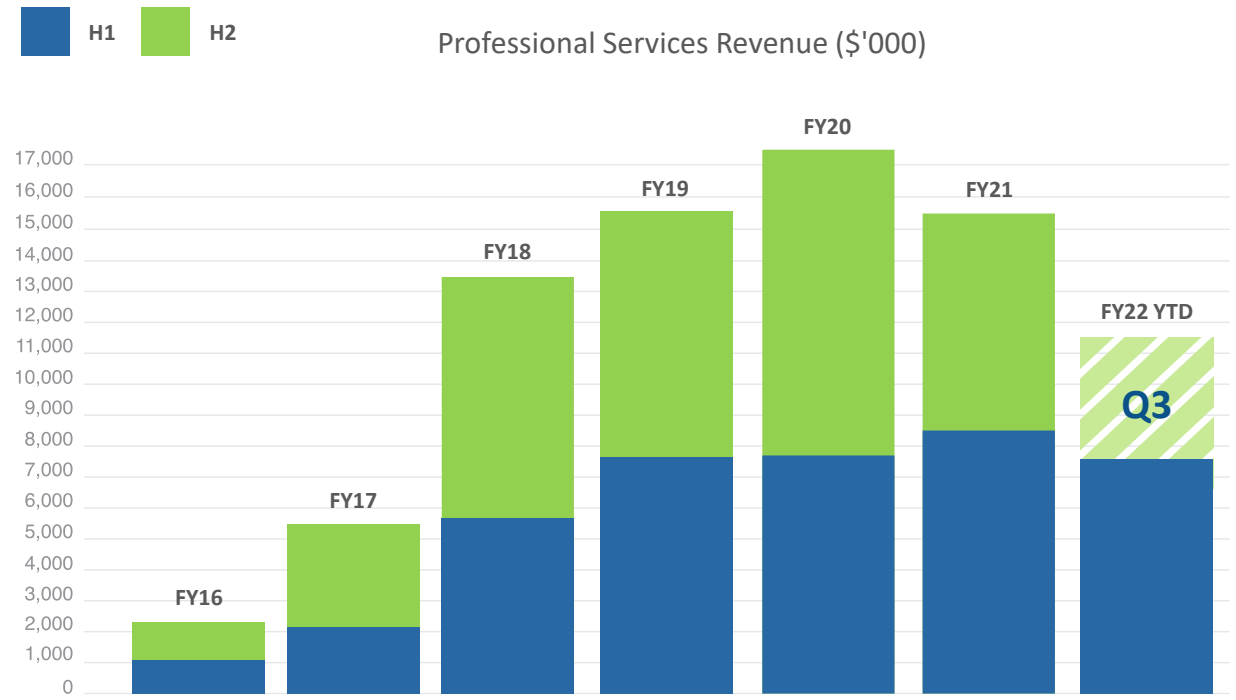
Professional Services

Overview

- IP Consulting, architecture, integration and support services
- Continued strategic focus
- Margins average 20% - 25%
- Upside of fixed price contracts

FY22

- Significant wins and improvement in Canberra following low consultant utilisation in H1FY22
- WA solid with ongoing work with bluechip resource companies
- Strong demand for labour resources
- Pandemic challenges continue in both access to and cost of labour.



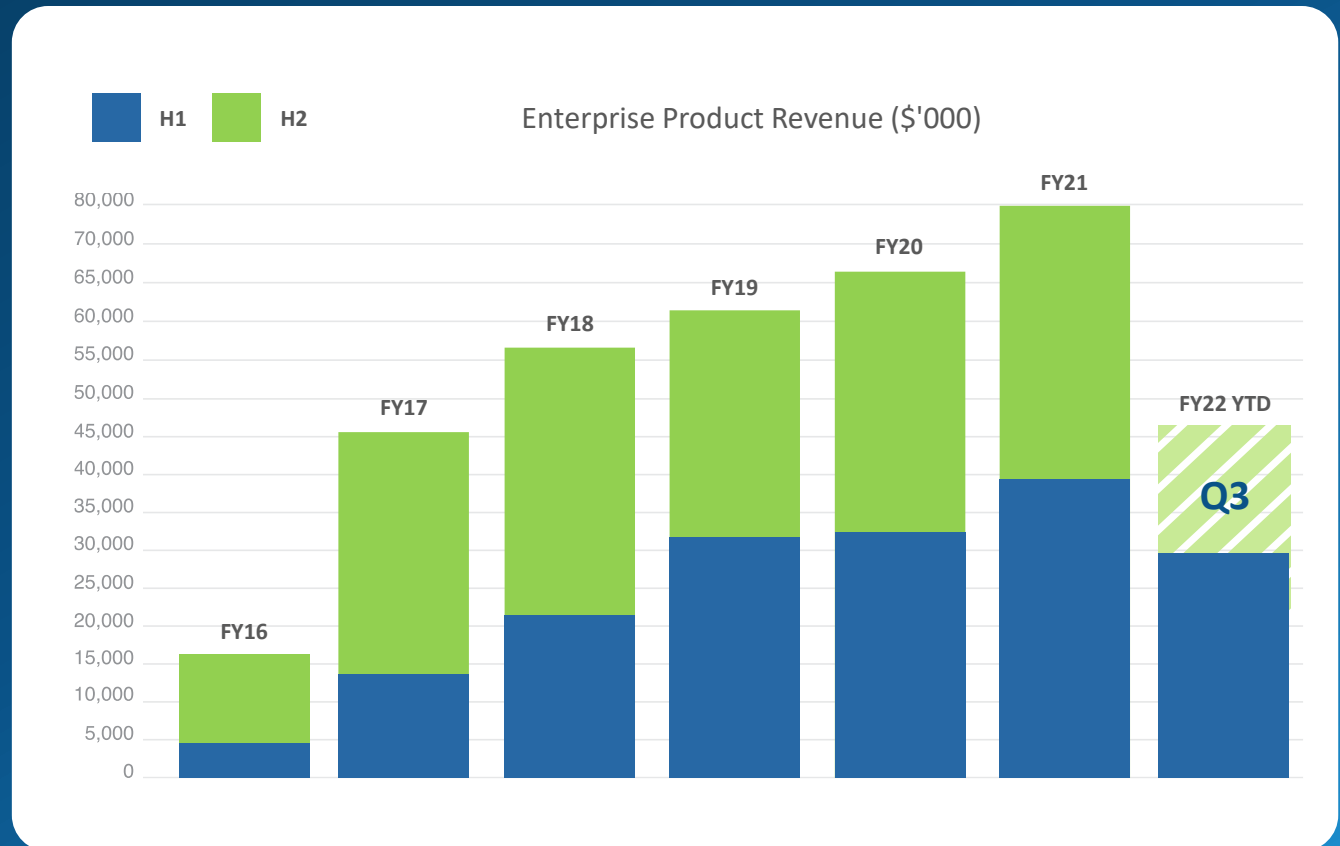
Enterprise Product

Overview

- Enterprise level product resale, both hardware and software
- Integral in full-service solutions-based IT provider
- Tier 1 vendors and technical knowledge support and integration
- Average margins 8% - 10%, lower margins as we move into larger enterprise deals
- Transitioning business to services growth with less underlying reliance on product margin

FY22

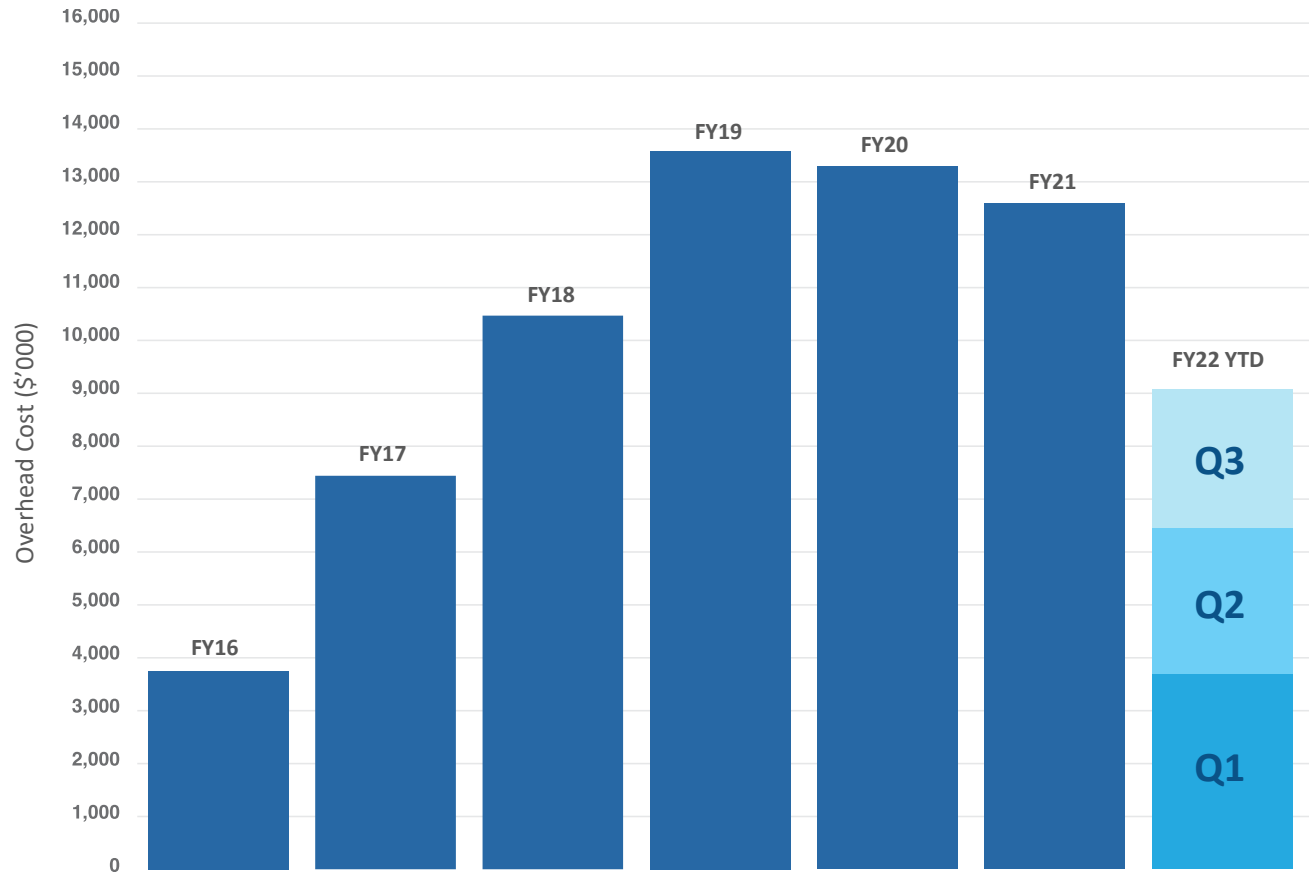
- High calibre national Enterprise Sales team driving opportunities
- Very strong Q4 bias – 33% of FY19-21 Product delivered in Q4
- Pandemic related supply chain challenges ongoing
- Margins continue to be under pressure in competitive commoditised space and shift to Enterprise
- Solutions focused to drive greater value in associated services rather than a “box drop”.



Cost Management

Significant Business Restructure

- Structured business along business unit lines with focus on customer outcomes
- Continued to yield benefit of CirrusWay business systems powered by Netsuite/OpenAir and Microsoft Power BI overlay
- Reviewed and automated processes to deliver improved efficiency and governance.

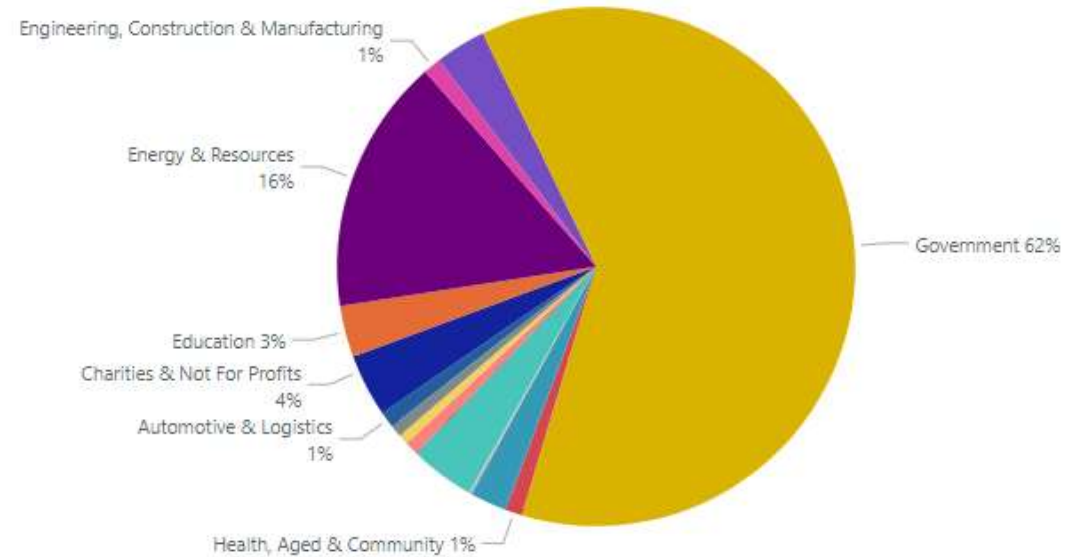


Industry Sectors and Clients

Spread of clients across key sectors

- Cirrus continues it's strong position in Government and resources with significant growth opportunities
- We remain focused on growth opportunities Nationally across services
- Positioned for expansion in a number of large corporate and government clients.

Revenue by Sector



Revenue by Customer



Strategic Priorities

1

Grow Managed Service Recurring Revenue

- Key-market focus 200–2000 seats
- Promote operational excellence and reference ability.

2

Expand transformation offerings for digital, data and cloud

- Advisory agile approach
- Use Microsoft Gold and other technology partners as a platform for growth.

3

Broaden Offerings for Cyber Security and Consulting Practice

- Leverage Defence Industry Security Program (DISP) certified Canberra secure NOC.

4

Accelerate Acquisition Plan

- Build out geographic diversity along with Managed Service and Security capability.

Business Capabilities

Legend

- Strong Presence and Capability
- Strategic Priorities
- Partner



National Offices

ACT



Equinox 4
Level 1, 70 Kent St
Deakin ACT 2600

Victoria



Level 2, 5 Queens Rd
Melbourne VIC 3004

WA



Level 28
108 St Georges Terrace
Perth, WA 6000