

20th November 2019

2019 AGM CHAIRMAN'S ADDRESS

Ladies and Gentlemen, I would like to welcome you to the 2019 Annual General Meeting of Spirit Telecom and thank you all for coming today.

I would like to make a few general comments prior to our Managing Director, Sol Lukatsky providing a more detailed presentation about our business and strategy.

2018/ 2019 Financial results:

The FY2019 results were a mixture of two halves. The first half to 31 December 2018 was a challenging outcome for us as it did not deliver the expected growth in sales arising from the construction of the 10GB ring around Melbourne. This was principally due to a slower than anticipated roll out. The second half to 30 June showed an improved result and provided confidence in the execution of our strategy of being a SMB focussed business. It was also a very busy six months for management and the Board, wherein, we completed two acquisitions (being the LinkOne Group and Building Connect) and additionally we spent considerable time working on the acquisitions of our managed services businesses of Arinda and Phoenix Austec. Further, during that second half, we undertook a capital raising and promoted Sol Lukatsky and Mark Dioguardi to the Board.

Expanded service offering and Organic growth opportunities:

As shareholders you may have noticed from our website that we are now branded Spirit Internet & IT. This is a decision to promote ourselves as an integrated service offering to the SMB market. In addition to superfast internet we now provide additional services and products for the customer. In simple terms we now provide a package of services where SMB's require internet, cyber security, managed WIFI, disaster recovery, cloud-based applications and help desk. The SMB market is experiencing a technology change from internal IT servers to operating their business processes via the cloud and require assistance to get them set up and operating. This is where Spirit is now positioned.

You will also hear from Sol shortly and in more detail about our new digital sales platform we have called SpiritX. We believe this is a great innovation and is market leading. SpiritX provides us with a greater ability to sell internet services across Australia. We can now truly state we can be a national provider. With this digital platform we require less capex to serve a wider footprint as we have obtained agreements with other providers to utilise their towers / fibre where Spirit has chosen not to have a physical presence. We also can now confirm a service to a customer in a manner of seconds whereas other providers could take days. In addition, SpiritX will soon incorporate the provision of managed services into the platform so that a customer can also choose the add-ons they require.

We envisage SpiritX will provide great benefit and will allow us the choice on how we deliver and fund our services.

Acquisition opportunities: There continues to be a focus on well-structured and strategic acquisitions and based on our strong pipeline we are hopeful we will consummate a deal in the second half of this financial year.

Outlook: We are experiencing good interest and sales of bundling of internet and IT services albeit, from a low base, as we only began cross selling the integrated services from August following the acquisition in July. With the advent of the managed services offering our average ARPU is increasing and month on month sales are increasing. We are pleased with our progress this financial year and shareholders will see a continuing increase in total revenue.

I would now like to hand over to Sol.