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Cirrus wins Managed Services contract with Icon Water

HIGHLIGHTS

- Total contract value circa \$15.5m
- Includes multi-year managed services contract, professional services and hardware sales to build, migrate and manage network and ICT
- Confirms success in strategic services focus
- Continues evolution as Managed Services provider of choice in ACT after Geoscience MS win last year
- Another transformational Managed Service win for Canberra office
- Positive start for 2H FY22 with this significant contract and other wins as well as continued improved trading performance into Q3

Australian Managed Service and IT solutions company, Cirrus Networks Holdings Limited (ASX: CNW) ('Cirrus' or 'the Company') is pleased to announce that they have won a significant multi-year managed services contract with Icon Water, an ACT government owned corporation responsible for water and wastewater services.

Cirrus was awarded the contract for the implementation and operation of the network and Information and Communications Technology ('ICT') operations environment after a comprehensive competitive tender process. Implementation is expected to commence immediately and be completed within 18 Months. The 3-year managed service contract with two 1-year extension options will then commence as operations are handed over in a staged process during this period, with the first delivery stage in mid FY23. The overall contract comprises both fixed and variable elements and is expected to have a total contract value of circa \$15.5m including a substantial managed service together with significant professional services during the implementation phase, the bulk of which will fall in FY23.

Digital Transformation Agenda

The win comes as part of Icon Water's digital transformation agenda as they look to transition their technology platform and services to help drive strategic goals and deliver sustainable value. Icon Water commenced with the transition from their current shared services arrangement towards a managed services provider to build, migrate and manage their network and ICT services under a fully managed outsourced solution.

Cirrus will be wholly responsible for the build and migration of Icon Water's complex ICT and network environment, and managing their network, data centre, unified communications, ICT, cloud and associated security services.

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Strategic and Aligned Partnership

For Icon Water, technology plays a fundamental role in delivering essential water services to the Australian Capital Territory. A key element for Icon Water in awarding the contract was to find a partner with aligned values who can deliver a secure, reliable, and adaptive ecosystem to achieve the five technology goals of: Gaining strategic control over the technology environment; Streamlining and simplifying management and increasing agility; Reducing complexity, risk and IT costs both now and in the future; Efficiency in implementing new digital capability; and, rationalising the number of applications.

Cirrus will deliver Icon Water a services model that enables the business to move forward more independently, utilising a new service integration and management framework.

Commenting on the successful win Cirrus Managing Director and CEO, Chris McLaughlin, said:

“We are very excited to have been selected by Icon Water as their partner of choice for this implementation and ongoing Managed Service. We understand the priorities for Icon Water in delivering a technical solution to meet their strategic goals, whilst also ensuring a seamless transition to an ongoing managed service, offering sustainable value through our innovative, agile and customer focused approach. We look forward to working together on their digital transformation journey and building a great partnership.”

Positive start to H2FY22

While the economy continues to operate within the uncertainty of the global pandemic, this significant Managed Services win together with a number of other product and professional service wins have continued the early H2 success for Cirrus. The business has continued the improved trading performance into Q3 after reporting a promising Q2 outcome in our H1 results following a **significant organisational restructure and overhead cost reduction**.

Earnings growth continues to be underpinned by a strong orderbook, positive pipeline of opportunities and strategic focus on higher margin services revenue. Services revenue is up 37% year on year for Q3 to date with professional services up 36% and managed services up 37%.

Despite the challenges of the pending federal election and the ongoing supply chain and labour challenges driven by the impacts of the pandemic, strong market positioning of the Canberra and Perth offices along with the continued solid contribution from the Melbourne office should provide a solid foundation for delivery throughout the remainder of H2.

ENDS

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The Board of Directors at Cirrus and client to review and approve release.

<i>Contact for further information</i>		
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ABOUT CIRRUS

Cirrus Networks Holdings Limited (ASX: CNW) is an Australian Managed Service and IT solutions provider who works with companies, Government agencies and non-for-profit organisations to understand their technological needs and implement world leading solutions that are both cost effective and provide long term operational benefit.

The diverse reach of Cirrus means the company is able to provide a wide range of solutions including:

- Data Centre and Cloud
- Convergence
- Storage
- Data management (including big data)
- Network design and optimisation
- Business continuity & Cyber Security
- End user computing
- Unified communications and IP Telephony, and
- High quality IT Service Management, Consulting and Project Management services.

Australian sovereignty, excellent service and an innovative, holistic approach have seen Cirrus quickly grow an extensive base of blue-chip clients across industry, government and non-for-profit sectors. Cirrus was founded and is headquartered in Perth but has expanded into Canberra and Melbourne via a number of strategic acquisitions.

Cirrus is strategically focused on recurring-revenue high-margin Managed Services and in March 2021 won a transformational managed service contract with Federal Government entity Geoscience Australia in excess of \$13M. This contract provides a strong reference for Cirrus to expand its contestable market in terms of client type and contract size, and the significant April 2022 Icon Water contract win is further evidence of delivering on company strategy.

Cirrus is a rapidly growing IT solutions provider exposed to the megatrend of digitisation.

ABOUT ICON WATER

Icon Water Limited, trading principally as Icon Water, is a water and wastewater public utility that is an Australian Capital Territory-owned corporation. The company provides essential drinking water and wastewater services to the ACT, proudly serving the community for over 100 years. Icon Water is also a 50% owner of ActewAGL, a multi-utility provider of electricity and gas services in the ACT and south-east New South Wales. Icon Water Limited is also the owner and operator of Bendora Dam, Corin Dam (further upstream), Cotter Dam (further downstream) in the ACT, and Googong Dam in New South Wales.

Icon Water operates, and maintains more than 50 service reservoirs, 25 pump stations, 2 water treatment plants, 27 sewage pumping stations, 4 sewage treatments plants, and over 3,400 km of water pipes and 3,400 km of wastewater pipes.

Icon Water Limited is wholly owned by the Government of the Australian Capital Territory.

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