

ASX Announcement

29 January 2025

First Supplementary Target's Statement

AUCyber Limited (ASX: CYB; **AUCyber** or **Company**) refers to the First Supplementary Bidder's Statement of 5G Networks Limited (**5GN**) dated 28 January 2025, in which the takeover consideration has been increased by \$0.025 (22.7%) to \$0.135 (13.5 cents) cash per AUCyber share.

AUCyber's first supplementary target's statement is attached to this announcement in accordance with section 647(3)(b)(ii) of the *Corporations Act 2001* (Cth) (as inserted by *ASIC Corporations (Replacement Bidder's and Target's Statements) Instrument 2023/688*) (**First Supplementary Target's Statement**).

A copy of the First Supplementary Target's Statement has today been served on 5GN and lodged with the Australian Securities and Investments Commission.

An electronic copy of the First Supplementary Target's Statement can be obtained from ASX's website (ASX Code: CYB) at www.asx.com.au.

This ASX announcement has been authorised by the Directors of AUCyber.

For further information please contact:

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Executive Chair

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About AUCyber Limited (ASX: CYB)

AUCyber Limited encompasses award-winning brands AUCyber and AUCloud, Australian sovereign providers of comprehensive cyber security, secure private cloud and managed technology services. A publicly listed company, AUCyber Limited specialises in delivering highly secure cloud infrastructure alongside managed cyber security and consulting services for prominent enterprise and government customers.

With national operations, AUCyber leverages the latest sovereign cloud infrastructure and employs Australian security-cleared engineers, security analysts, IT professionals, and holds the highest security accreditations. AUCyber is recognised as one of the top 10 "Most Innovative Technology Companies" by the Australian Financial Review and has also been named "Employer of Choice" in the Australian Business Awards, leveraging a team of over 100 experts.

Our solutions are backed by key certifications, including the Digital Transformation Agency's Hosting Certification Framework and compliance with the Australian Signals Directorate's Information Security Manual. These certifications provide customers with confidence in the security and quality of our services.

Discover more about AUCyber's innovative solutions at www.aucyber.com.au

First Supplementary Target's Statement

1. First Supplementary Target's Statement

This document is a supplementary target's statement under section 644 of the *Corporations Act 2001* (Cth) (**Corporations Act**). It is the first supplementary target's statement (**First Supplementary Target's Statement**) issued in response to the revised on-market takeover bid made by 5G Networks Limited (ACN 073 716 793) (**5GN**) to acquire all of the Shares in AUCyber Limited (ACN 622 728 189) (**AUCyber** or the **Company**) for \$0.135 (13.5 cents) cash per Share (**5GN's Revised Offer**).

This First Supplementary Target's Statement has been prepared in response to the First Supplementary Bidder's Statement lodged by 5GN on 28 January 2025. This First Supplementary Target's Statement supplements, and should be read together with, AUCyber's target's statement dated 3 January 2025 (**Target's Statement**).

2. Directors' recommendation

In response to 5GN's Revised Offer, the AUCyber Board now unanimously recommends that all Shareholders **ACCEPT** 5GN's Revised Offer in the absence of a superior proposal.

Consistent with this recommendation, each AUCyber Director intends to accept 5GN's Revised Offer in respect of any Shares which are held or controlled by them, in the absence of a superior proposal.

NEXTDC Ventures Holdings No. 1 Pty Ltd, a wholly owned subsidiary of NEXTDC Limited (ASX: NXT), owns 52,268,818 Shares. As disclosed at section 6.1(a) of the Target's Statement, Mr Scroggie (Non-Executive Director of AUCyber) does not control either NEXTDC entity.

3. The key reasons why Shareholders may choose to **ACCEPT** 5GN's Revised Offer

i. **5GN's Revised Offer represents a 22.7% increase in bid consideration**

5GN's Revised Offer represents an increase in cash consideration of \$0.025 (22.7%) to \$0.135 (13.5 cents) cash per Share.

5GN's Revised Offer represents a premium of 31.7% to the price of Shares of \$0.1025 as at close of trading on 19 December 2024, being the trading day prior to the announcement of 5GN's Offer.

ii. **Certainty of price at \$0.135 (13.5 cents) cash per Share**

5GN's Revised Offer of cash consideration is unconditional and certain.

Shareholders who choose to accept 5GN's Revised Offer and sell their Shares on-market will receive the cash funds in T+2 days.

iii. **No superior proposal**

On 24 December 2024, the Company announced the terms of a non-binding and conditional proposal by Brennan to acquire 100% of the Shares at \$0.14 (14 cents) cash per Share (the **Competing Takeover Proposal**).

On 28 January 2025, the Company advised the market that the Competing Takeover Proposal had been withdrawn following receipt of 5GN's Revised Offer.

Furthermore, the sales process conducted by the Company's financial adviser to date has not resulted in any superior proposal emerging that is capable of acceptance by AUCyber's Shareholders.

Accordingly, the AUCyber Board considers that given the uncertainty as to whether a superior proposal will emerge, the likely timeframe to implement any such proposal, and the likely risk of completing any such proposal, AUCyber Shareholders would be better placed accepting 5GN's Revised Offer.

5GN's Revised Offer has been declared 'last and final', meaning 5GN will not increase the Offer consideration again during the Offer Period.

iv. The financial viability of AUCyber remains uncertain

On 4 December 2024, the Company announced on ASX that its performance over the first four months of FY25 was below the AUCyber Board's expectations and that the Company decided to withdraw its FY25 Guidance.

On 15 January 2025, the Company announced an update on its unaudited trading performance for the six months ended 31 December 2024 alongside the Company's Appendix 4C cash flow activity update for the quarter ended 31 December 2024.

As at 31 December 2024, AUCyber had cash of \$5.0 million (\$4.7 million in available cash). AUCyber's free cash flow (burn) for 2QFY24 was approximately \$1.8 million, which included approximately \$0.1 million of one-off items

Revenues in the cyber security, cloud solutions and managed services businesses have all fallen short of the Company's expectations. Whilst the Company is evaluating strategies and initiatives to optimize its cost base, generate greater higher margin revenues and ultimately reduce its rate of cash burn with an objective of achieving sustainable profitability, there can be no certainty that these strategies will be sufficient to underpin the ongoing financial viability of the Company in its current form.

AUCyber is without a permanent CEO following the termination of Mr Peter Maloney on 20 December 2024.

The AUCyber Board considers that the financial viability of the Company remains uncertain, absent a restructure of the Company, injection of new management talent, and the likely raising of new equity.

4. Acceptance of 5GN's Revised Offer

Instructions on how to accept 5GN's Revised Offer are set out in section 3 of the Bidder's Statement.

You will not be able to accept 5GN's Revised Offer after 4:00pm (Melbourne time) on Thursday, 6 February 2025, unless the offer period is extended in accordance with the Corporations Act.

If 5GN's voting power in AUCyber increases to more than 50% within the last seven days of the Offer Period, under the Corporations Act, the Offer Period will be automatically extended so that it ends at the close of ordinary trading on the day that is 14 days after 5GN's voting power in AUCyber first increases to more than 50%. If this occurs and you have not yet accepted 5GN's Revised Offer by that time, you will be notified accordingly.

Any extension to the Offer Period will also be announced to ASX.

5. Implication of accepting 5GN's Revised Offer

As noted in the Target's Statement, if you accept 5GN's Revised Offer, you will be legally bound to sell the relevant Shares on-market and you cannot later withdraw your acceptance.

If you accept 5GN's Revised Offer now, you will give up your right to own, sell or otherwise deal with your Shares in respect of any superior proposal that may emerge.

6. Consents

Each of the Directors has given, and has not withdrawn before the lodgement of this First Supplementary Target's Statement with ASIC, their written consent to be named in this First Supplementary Target's Statement in the form and context in which they are named.

7. General

Unless otherwise specified, capitalised terms used but not defined in this First Supplementary Target's Statement have the same meaning given to them in the Target's Statement.

This First Supplementary Target's Statement prevails to the extent of any inconsistency with the Target's Statement.

A copy of this First Supplementary Target's Statement has today been lodged with ASIC. Neither ASIC nor any of its officers takes any responsibility for its contents. A copy of this First Supplementary Target's Statement has also been released to ASX. Neither ASX nor any of its officers takes any responsibility for its contents.

Please consult your legal, financial or other professional adviser if you do not fully understand the contents of this First Supplementary Target's Statement.

8. Authorisation

This First Supplementary Target's Statement has been approved by a unanimous resolution passed by the Directors of AUCyber.

Signed for and on behalf of AUCyber Limited



Ms Cathie Reid AM

Executive Chair

Dated: 29 January 2025