

APPENDIX 4D

AUCyber Limited (Formerly known as Sovereign Cloud Holdings Limited) — ABN: 80 622 728 189

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

The information contained in this report is for the half-year ended 31 December 2024 and the previous corresponding period ended 31 December 2023 for AUCyber Limited (formerly known as Sovereign Cloud Holdings Limited), the 'Company' and its controlled entities.

This report is presented in Australian dollars.

Results for Announcement to the Market

Results	HY25 \$	HY24 \$	Change %
Revenues from ordinary activities	12,348,508	4,168,764	196%
Loss from ordinary activities after tax attributable to members	(19,472,955)	(10,020,917)	(94%)
Net loss for the period attributable to members	(19,472,955)	(10,020,917)	(94%)

Dividend Information

	Amount per Share (cents)	Franked Amount per Share (cents)	Conduit Foreign Income Amount per Share (cents)
Interim dividend	-	-	-

Brief explanation to figures reported above

Refer to review of operations on page 2.

	31-Dec-24	31-Dec-23
Net tangible asset backing per ordinary security (cents)	6.3	4.0

Details of Entities which Control has been Gained or Lost during the Period

None.



AUCyber Limited

(Formerly known as Sovereign Cloud Holdings Limited)

ABN: 80 622 728 189

INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024



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DIRECTORS REPORT

The Directors present their report together with the interim financial report of AUCyber Limited (formerly known as Sovereign Cloud Holdings Limited), the 'Company' and its controlled entities (together the "Group"), for the half-year ended 31 December 2024.

On 28 October 2024, the Company name changed to AUCyber Limited and was registered for trading as CYB on the Australian Securities Exchange (ASX).

1. Directors

The names of the directors in office at any time during or since the end of the financial period year are:

- **Cathie Reid AM** (Executive Chair)
- **Peter Maloney** (Managing Director) (resigned 20 December 2024)
- **Ross Walker** (Non-Executive Director)
- **Craig Scroggie** (Non-Executive Director) (resigned 4 February 2025)
- **Joseph Demase** (Non-Executive Director) (appointed 4 February 2025)
- **Hugh Robertson** (Non-Executive Director) (appointed 4 February 2025)

The Directors have been in office since the start of the half year to the date of this report unless otherwise stated.

2. Principal Activities

The Group's principal activity is provision of Cloud Services and Cyber Security Solutions, supporting Australia's leading organisations and Government agencies. The Group specialises in delivering data and security solutions to enhance compliance and overall security.

On 1 May 2024, the Group had a change in the nature of these activities, by broadening its product offerings to include managed services, as well as the resale of hardware and support, through the acquisition of PCG Cyber, Venn IT and Arado businesses.

3. Review and Results of Operations

Group Financial Results

The Group recorded a net loss for the half-year ended 31 December 2024 (HY1 FY25) of \$19.5 million (HY1 FY24 - loss of \$10 million) which included an impairment loss of \$14.7 million relating to the write down in the carrying value of goodwill and customer related intangibles.

Throughout this report, the Group has included certain non-IFRS financial information, including underlying EBITDA (Earnings before interest, tax, depreciation and amortisation), which excludes the impact of impairment losses, gains on reversal of deferred consideration, acquisition costs and equity-settled share-based payments. This non-IFRS measure may provide useful information to recipients for measuring the earnings performance of the Group. Non-IFRS measures are unaudited.

DIRECTORS REPORT continued

Segment revenue and earnings for the half year is set out in Note 2 of the financial statements, which includes an analysis of Underlying EBITDA by the two reportable segments, Cloud Services and Cyber Security Services.

Revenue

For the half-year ended 31 December 2024 (HY1 FY25), revenue was \$12.3 million compared to \$4.2 million in the corresponding six-month period to 31 December 2023 (HY1 FY24). In H1 FY25 \$9.1 million of the revenue recorded by the Group was attributed to the acquired entities. In H1 FY24, \$0.9m of Cyber revenue recorded by the Group was attributed to one-off project revenue associated with the Arqit symmetric keys project.

Expenses

Total expenses in HY1 FY25 are not directly comparable to the corresponding period due to the additional cost base following the acquisitions. The Group achieved cost savings within licensing fees through a cost reduction and synergy initiative and completed an employee restructure in June 2024.

Impairment Loss

On 4 December 2024, the Company provided a trading update to the market indicating that the overall performance of the newly formed group, post the four-way merger of AUCloud, PCG Cyber, Venn IT and Arado businesses, had been below expectations. In light of this performance, and the resignation of the Group's CEO, the Board determined to withdraw the FY25 guidance.

The below budget performance of both cash-generating units (CGUs) was an indication that the asset values assigned to the two CGUs had been impaired. Management undertook a calculation of the recoverable amounts of the two CGUs which resulted in an overall impairment expense of \$14.7 million. For further details, refer to Note 2(d) and Note 5(a).

The impairment of the carrying value of goodwill (\$10.5 million) and customer related intangibles (\$4.2 million) was partly offset by the reversal of contingent consideration (\$0.95 million). See Note 7 for further details on the reversal of deferred consideration.

Financial Position

The Group's net asset position decreased in HY1 FY25 by \$19.1 million to \$23.6 million as at 31 December 2024 due to continued trading losses and a \$14.7 million impairment. The non-cash impairment expense resulted in a reduction in the carrying value of intangible assets to \$13.3 million. At 31 December 2024, the Group had cash on hand of \$5 million (30 June 2024: \$8.4 million). Refer also to Note 1(b).

DIRECTORS REPORT continued

Takeover Offer from 5G Networks

On 20 December 2024, the Group received an unconditional on-market takeover bid from 5G Networks Limited (ASX: 5GN) for 100% of the ordinary shares in the Company at 11 cents cash per share. On 28 January 2025, 5G Networks Limited (ASX: 5GN) increased the consideration offered by 2.5 cents to 13.5 cents cash per share. The Board unanimously recommended that all AUCyber Limited shareholders accept 5G Networks Limited revised offer. On 3 February 2025, 5G Networks Limited gained over 50% control of AUCyber Limited.

4. Information on appointed directors

Joe Demase

Non-executive director

Mr Demase has a background in building businesses, including the completion of two ASX listings in the telecommunications sector. He has over 25 years' experience in the telecommunications sector in both Australia and UK. Mr Demase is currently the CEO and managing director of 5G Networks Limited (5GN).

Hugh Robertson

Non-executive Director

Mr Robertson is the current non-executive chair of 5G Networks Limited (5GN). He is also an executive in the Corporate Advisory division of Morgan Financial Limited and had previously held leadership roles at Bell Potter Securities and Health and Plant Protein Group Limited. Mr Robertson has extensive experience working with public companies, particularly in the areas of equity capital markets, corporate finance, and strategic advisory roles.

Signed in accordance with a resolution of the Board of Directors of AUCyber Limited (formerly known as Sovereign Cloud Holdings Limited).



Cathie Reid

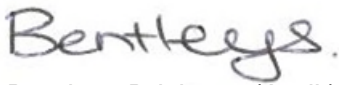
Executive Chair

Dated: 17 February 2025

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF AUCYBER LIMITED (FORMERLY KNOWN AS SOVEREIGN CLOUD
HOLDINGS LIMITED)
UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001***

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2024 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.



Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants



Ashley Carle
Director
Brisbane
17 February 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	Note	31 Dec 2024 \$	31 Dec 2023 \$
Revenue and other income			
Revenue from contracts with customers	3	12,149,481	4,040,933
Interest income		157,061	127,332
Other income		41,966	499
		12,348,508	4,168,764
Expenses			
Employee benefits expense		(10,067,118)	(6,097,400)
Licensing fees		(2,627,130)	(3,053,540)
Professional fees		(660,418)	(263,845)
Travel and conferences		(169,445)	(291,235)
Finance costs		(115,998)	(94,851)
Other expenses		(732,028)	(1,398,907)
Depreciation and amortisation		(3,650,219)	(2,989,903)
Impairment Loss	2 (d)	(14,746,993)	-
Gain on reversal of deferred consideration	7	947,886	-
		(31,821,463)	(14,189,681)
Loss before income tax expense		(19,472,955)	(10,020,917)
Income tax expense		-	-
Loss for the half year		(19,472,955)	(10,020,917)
Other comprehensive income for the half year		-	-
Total comprehensive loss		(19,472,955)	(10,020,917)
Earnings per share			
		Cents	Cents
Basic earnings / (loss) per share		(11.9)	(3.0)
Diluted earnings / (loss) per share		(11.9)	(3.0)

The accompany notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	31 Dec 2024 \$	30 Jun 2024 \$
Current assets			
Cash and cash equivalents		5,029,912	8,394,863
Receivables		3,402,733	4,359,720
Other assets		997,410	2,097,908
Total current assets		9,430,055	14,852,491
Non-current assets			
Property, plant and equipment	4	5,658,048	6,755,352
Intangible assets	5	13,352,468	28,871,242
Right of use lease assets	6	4,895,446	5,091,439
Other assets		67,314	234,400
Total non-current assets		23,973,276	40,952,433
Total assets		33,403,331	55,804,924
Current liabilities			
Payables	7	3,280,649	5,464,518
Lease liabilities		1,579,882	1,547,736
Provisions		1,122,732	2,226,930
Total current liabilities		5,983,263	9,239,184
Non-current liabilities			
Lease liabilities		3,659,970	3,546,363
Provisions		165,726	275,417
Total non-current liabilities		3,825,696	3,821,780
Total liabilities		9,808,959	13,060,964
Net assets		23,594,372	42,743,960
Equity			
Share capital	8	133,148,944	133,153,618
Reserves		1,342,332	1,014,291
Accumulated losses		(110,896,904)	(91,423,949)
Total equity		23,594,372	42,743,960

The accompany notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	Share Capital \$	Reserves \$	Accumulated losses \$	Total Equity \$
Balance as at 1 July 2023	95,822,032	787,665	(71,705,849)	24,903,848
Loss for the half year	-	-	(10,020,917)	(10,020,917)
Transactions with owners in their capacity as owners:				
Costs of issuing equity	(19,168)	-	-	(19,168)
Share based payments expense	-	67,622	-	67,622
Balance as at 31 December 2023	95,802,864	855,287	(81,726,766)	14,931,385
Balance as at 1 July 2024	133,153,618	1,014,291	(91,423,949)	42,743,960
Loss for the half year	-	-	(19,472,955)	(19,472,955)
Transactions with owners in their capacity as owners:				
Costs of issuing equity	(4,674)	-	-	(4,674)
Share based payments expense	-	328,041	-	328,041
Balance as at 31 December 2024	133,148,944	1,342,332	(110,896,904)	23,594,372

The accompany notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	31 Dec 2024	31 Dec 2023
	\$	\$
Cash flow from operating activities		
Receipts from customers	17,746,487	4,472,909
Payments to suppliers and employees	(20,634,622)	(10,681,395)
Interest received	156,127	127,999
Right of use lease interest	(115,998)	(94,850)
Net cash provided by / (used in) operating activities	(2,848,006)	(6,175,337)
Cash flow from investing activities		
Proceeds from acquisitions	806,387	-
Payments for property, plant and equipment	(357,739)	-
Net cash provided by / (used in) investing activities	448,648	-
Cash flow from financing activities		
Proceeds from share Issue	-	500,000
Principal portion of lease payments	(960,919)	(1,082,598)
Payment of share issue costs	(4,674)	(215,967)
Net cash provided by / (used in) financing activities	(965,593)	(798,565)
Reconciliation of cash		
Cash at beginning of the financial year	8,394,863	11,639,865
Net increase / (decrease) in cash held	(3,364,951)	(6,973,902)
Cash at end of financial year	5,029,912	4,665,963

The accompany notes form part of these financial statements.

NOTES TO FINANCIAL STATEMENTS_{continued}

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

1. Statement of Significant Accounting Policies

This general purpose interim financial report for the half year ended 31 December 2024 has been prepared in accordance with *AASB 134 Interim Financial Reporting* and the *Corporations Act 2001*. The interim financial report does not include all information required for a full annual financial report and should be read in conjunction with the annual report of the Group for the year ended 30 June 2024 and any public announcements made by AUCyber Limited (formerly known as Sovereign Cloud Holdings Limited) during the interim reporting period.

On 28 October 2024, the Company name changed to AUCyber Limited (formerly Sovereign Cloud Holdings Limited) and was registered for trading as CYB on the Australian Securities Exchange (ASX).

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, unless otherwise stated.

The financial report covers AUCyber Limited (formerly known as Sovereign Cloud Holdings Limited) and its controlled entities (the Group). AUCyber Limited is a listed public company, incorporated and domiciled in Australia.

(a) Fair Values

The fair values of the Group's financial assets and financial liabilities approximate their carrying value due to being short-term in nature. No financial assets or financial liabilities are readily traded on organised markets in standardised form.

The financial report also complies with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

(b) Going Concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business.

The Group incurred a loss from ordinary activities of \$19.5 million during the period ended 31 December 2024 (H1 FY24: a loss of \$10 million). Underlying EBITDA (Earnings before interest, tax, depreciation & amortisation), which also excludes non-cash share-based payments, impairments and other gains, for H1 FY25 was \$1.7 million – see note 2(c). Net cash outflows from operating activities for H1 FY25 was \$2.8 million. At 31 December 2024, the Group had cash on hand of \$5 million.

NOTES TO FINANCIAL STATEMENTS continued

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

The Group's trading losses have, to date, been primarily funded through various equity capital raisings over the past five years. In April 2024 the Group raised \$30 million through an Entitlement Offer to fund three strategically aligned acquisitions and provide the Group with further working capital.

On 20 December 2024 the Group received an unconditional on-market takeover bid from 5G Networks Limited ('5GN'). Since balance date, 5GN revised its offer and the board has unanimously recommended that shareholders accept the revised 5GN offer. Since then, 5GN has gained control of over 50% of the Company's issued shares and appointed two directors to the board of AUCyber Limited.

In January, the Company incurred one-off transaction costs of \$1.9 million in connection with the on-market takeover bid. These transaction costs include the one-time provision payable for run-off insurances, advisory costs, employee transaction bonuses, share registry costs and general costs associated with the takeover process.

These matters give rise to material uncertainty that the group will remain a going concern.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

(c) New and Revised Standards

The Group has adopted all the new and amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

(d) Comparatives

Where necessary comparative information has been reclassified and repositioned for consistency with current year disclosure and presentation.

NOTES TO FINANCIAL STATEMENTS continued

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

2. Segment Information

(a) Description of Segments and Principal Activities

The Group's Chief Operating Decision Maker (CODM), examines the Group's performance both from a product perspective and has identified two reportable segments of its business:

- **Cloud Services:** Provision of Cloud IaaS, Managed Services, and Professional and Support Services as well as the resale of hardware and software licensing.
- **Cyber Security Services:** Managed Cyber Security and Cyber related consulting services.
- **All other segments:** Provision of Technical Project services and other miscellaneous income (primarily interest income) are not reportable segments, as they are not separately included in reports provided to the CODM. This column also includes support function and group service costs.

The CODM primarily uses a measure of adjusted earnings before interest, tax, depreciation and amortisation (EBITDA, see below) to assess the performance of the operating segments. However, the CODM also receives information about the segments' revenue on a monthly basis. Information about segment revenue is disclosed in Note 3.

(b) Segment Revenues & Earnings

	Note	Cloud \$	Cyber \$	Other \$	Total \$
31 Dec 2024					
Segment Revenue	3	7,038,878	5,110,603	-	12,149,481
Segment Underlying EBITDA		(282,439)	109,657	(1,563,869)	(1,736,651)
Interest income		-	-	157,061	157,061
Finance costs		-	-	(115,998)	(115,998)
Depreciation and Amortisation		(3,412,552)	(237,667)	-	(3,650,219)
Impairment		(13,497,215)	(1,249,778)	-	(14,746,993)
Gain on reversal of deferred consideration		947,886	-	-	947,886
Employee Options		-	-	(328,041)	(328,041)
Profit / (Loss) before Income Tax		(16,244,320)	(1,377,788)	(1,850,847)	(19,472,955)

NOTES TO FINANCIAL STATEMENTS continued

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

	Cloud \$	Cyber \$	Other \$	Total \$
31 Dec 2023				
Segment Revenue	1,589,502	1,545,696	905,735	4,040,933

As 31 December 2023, the Group identified only one reportable segment. However, for comparative purposes, the Group has allocated revenue between the reportable segments identified following the business acquisitions on 1 May 2024. Non-segment revenue at 31 December 2023 comprises technical project services of \$905,735 associated with the one-off Arqit symmetric keys project.

(c) Underlying EBITDA

Underlying EBITDA excludes the effects of significant items of income and expenditure which may have an impact on the quality of earnings such as impairment losses, other gains from reversal of deferred consideration and one-off equity-settled share-based payments. Interest income and finance cost are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

	31 Dec 2024 \$	31 Dec 2023 \$
Total underlying EBITDA	(1,736,651)	(6,995,873)
Interest income	157,061	127,332
Finance costs	(115,998)	(94,851)
Depreciation and amortisation	(3,650,219)	(2,989,903)
Impairment loss (see below)	(14,746,993)	-
Gain on reversal of deferred consideration (Note 7)	947,886	-
Employee options	(328,041)	(67,622)
Loss before income tax from continuing operations	(19,472,955)	(10,020,917)

NOTES TO FINANCIAL STATEMENTS continued

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

(d) Impairment Losses

	31 Dec 2024	31 Dec 2023
	\$	\$
Goodwill	10,537,103	-
Customer related intangibles	4,209,890	-
Total Impairment Losses	14,746,993	-

Refer to Note 5 for further details.

3. Revenue from contracts with customers

	31 Dec 2024	31 Dec 2023
	\$	\$
Provision of Cloud Services	7,038,878	1,589,502
Provision of Cyber Security Services	5,110,603	1,545,696
Technical Project Services	-	905,735
	12,149,481	4,040,933

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

31 Dec 2024	Cloud	Cyber	Others	Total
	\$	\$	\$	\$
Timing of Recognition				
At a point in time	786,296	-	-	786,296
Over time	6,252,582	5,110,603	-	11,363,185
	7,038,878	5,110,603	-	12,149,481
31 Dec 2023				
Timing of Recognition				
At a point in time	-	-	905,735	905,735
Over time	1,589,502	1,545,696	-	3,135,198
	1,589,502	1,545,696	905,735	4,040,933

NOTES TO FINANCIAL STATEMENTS continued

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

4. Property, Plant and Equipment

	31 Dec 2024	30 Jun 2024
	\$	\$
Leasehold improvements		
Improvements under lease	526,663	279,572
Accumulated depreciation	(302,782)	(279,572)
	223,881	-
Office equipment at cost	454,791	354,131
Accumulated depreciation	(302,970)	(271,743)
	151,821	82,388
Computer equipment at cost	16,173,705	16,163,028
Accumulated depreciation	(10,891,359)	(9,490,063)
	5,282,346	6,672,965
Total property, plant and equipment	5,658,048	6,755,352

NOTES TO FINANCIAL STATEMENTS continued

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

5. Intangible Assets

	31 Dec 2024	30 Jun 2024
	\$	\$
Goodwill	23,329,766	23,209,336
Provision for Impairment	(10,537,103)	-
	12,792,663	23,209,336
Customer Related Intangible assets	5,576,056	5,873,000
Accumulated amortisation	(890,833)	(296,944)
Provision for impairment	(4,209,890)	-
	475,333	5,576,056
Software intangibles at cost	220,074	221,452
Accumulated amortisation	(145,051)	(145,051)
	75,023	76,401
Patents, trademarks, and licences at cost	9,449	9,449
Total intangible assets	13,352,468	28,871,242

Reconciliation of the carrying amounts of intangible assets at the beginning and end of the current financial year

Goodwill

Opening balance	23,209,336	-
Additions	120,430	23,209,336
Impairment loss	(10,537,103)	-
Closing balance	12,792,663	23,209,336

Customer Related Intangible

Opening balance	5,576,056	-
Additions	-	5,873,000
Amortisation	(890,833)	(296,944)
Impairment loss	(4,209,890)	-
Closing balance	475,333	5,576,056

Trademarks at cost

Opening balance	9,449	9,449
Additions	-	-
Closing balance	9,449	9,449

Software and other intangibles at cost

Opening balance	76,401	348,248
Additions	-	8,200
Transfers	-	-
Amortisation	(1,378)	(280,047)
Closing balance	75,023	76,401

NOTES TO FINANCIAL STATEMENTS continued

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

(a) Impairment

At 31 December 2024 management identified impairment indicators due to the below budget performances of both cash-generating units (CGUs). To assess impairment, assets are grouped at the lowest levels where cash inflows can be separately identified and are largely independent of cash inflows from other assets or group of assets (Cash-generating units or CGUs). The recoverable amount of each CGU is determined based on a value-in-use model which use cash flow projections through a 5-year outlook.

Management assessed the recoverable amount of the two CGUs as at 31 December 2024. For the Cloud CGU, an impairment loss of \$13.5 million was recognised, reducing the carrying amount of goodwill for this CGU by \$9.3 million to \$nil and reducing the customer related intangible by \$4.2 million. The recoverable amount of the Cloud CGU at 31 December 2024 was \$7.5 million. For the Cyber CGU, the recoverable amount was estimated to be \$15.2 million at 31 December 2024, compared to the carrying amount of the CGU of \$16.5 million, resulting in an impairment to goodwill of \$1.3 million.

The following table sets out the assumptions used for the two CGUs where the impairment calculations were prepared as at 31 December 2024:

31 Dec 2024	Cloud	Cyber
Sales volume (% quarterly average growth rate)	1.75%	3.5%
Customer Churn (% annual churn rate)	1.5%	2.0%
Direct Cost of Sales (% quarterly average growth rate)	1%	1.5%
Indirect Operating Costs (% quarterly average growth rate)	0.5%	0.5%
Terminal growth rate (%)	2.5%	3.0%
Post-tax discount rate (%)	12.8%	12.8%

NOTES TO FINANCIAL STATEMENTS continued

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

6. Right of Use Lease Assets

	31 Dec 2024	30 Jun 2024
	\$	\$
Data centres (rack space) under lease	11,682,867	10,576,585
Accumulated depreciation	(7,284,114)	(6,287,705)
	4,398,753	4,288,880
Computer equipment under lease	3,033,735	3,033,735
Accumulated depreciation	(2,537,042)	(2,231,176)
	496,693	802,559
Total carrying amount of lease assets	4,895,446	5,091,439

7. Payables

	31 Dec 2024	30 Jun 2024
	\$	\$
CURRENT		
Unsecured liabilities		
Trade creditors	2,110,309	1,585,585
Sundry creditors and accruals	995,340	2,756,047
Deferred consideration	175,000	1,122,886
	3,280,649	5,464,518

Reversal of Deferred Consideration

As part of the acquisition of one of the businesses in May 2024, a contractual contingent consideration arrangement formed part of the consideration. As at 31 December 2024, there was a decrease of \$0.95 million in the contingent consideration which was recognised as a gain on reversal of deferred consideration in profit and loss, as the performance hurdle for this business in FY25 was estimated to be significantly less than the earn out hurdle.

NOTES TO FINANCIAL STATEMENTS continued

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

8. Share Capital

	31 Dec 2024		30 Jun 2024	
	\$		\$	
Issued and paid-up capital				
Ordinary shares - (December 2024 and June 2024)	133,148,944		133,153,618	
	133,148,944		133,153,618	

	31 Dec 2024		30 Jun 2024	
	Number	\$	Number	\$
Ordinary shares				
Opening balance	163,563,360	133,153,618	339,400,672	95,822,032
Shares issued:				
Transaction costs relating to shares issued - 2023	-	-	-	(19,168)
March 2024 - Entitlement Offer	-	-	1,001,232,398	30,036,972
Transaction costs relating to shares issued - 2024	-	(4,674)	-	(1,536,218)
April 2024 Acquisition Share issue	-	-	295,000,000	8,850,000
June 2024 Share consolidation	-	-	(1,472,069,710)	-
Closing balance	163,563,360	133,148,944	163,563,360	133,153,618

NOTES TO FINANCIAL STATEMENTS continued

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

9. Share Based Payments

(a) Equity-settled share-based payments

Employee Option Plan

The company continued the Employee Share Options Plan ("ESOP") as part of its overall long term employee incentive arrangements.

Details of the options granted are provided below:

H1 FY25								
Grant date	Expiry date	Exercise price	Balance at beginning of the period	Granted during the period	Exercised during the period	Expired during the period	Balance at the end of the period	Exercisable at end of the period
30/09/2020	01/07/2024	\$6.00	28,750	-	-	(28,750)	-	-
30/01/2023	31/12/2027	\$ -	150,000	-	-	-	150,000	-
30/10/2023	1/07/2028	\$3.00	112,500	-	-	(50,000)	62,500	-
30/10/2023	1/07/2028	\$3.00	112,500	-	-	(50,000)	62,500	-
30/04/2024	30/04/2029	\$0.30	8,255,000	-	-	-	8,255,000	-
			8,658,750	-	-	(128,750)	8,530,000	-
Weighted average exercise price:			\$0.38	-	-	\$3.67	\$0.33	-

NOTES TO FINANCIAL STATEMENTS continued

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

10. Related party transactions

(a) Parent Entity

AUCyber Limited is the Parent entity.

(b) Transactions with related parties

The following transactions occurred with related parties:

	31 Dec 2024	31 Dec 2023
	\$	\$
Sale of goods and services		
Sale of services to other related party	-	-
Payment for goods and services		
Payment for services from other related party	316,525	286,129

(c) Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	31 Dec 2024	30 Jun 2024
	\$	\$
Current receivables		
Trade receivables from NextDC Limited	-	-
Current payables		
Trade payables to NextDC Limited	101,104	46,706

As at 31 December 2024, Craig Scroggie was a Director of AUCyber Limited and is the Managing Director of NEXTDC which owns 52,268,818 shares of AUCyber's issued capital.

(d) Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

(e) Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

NOTES TO FINANCIAL STATEMENTS continued

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

11. Contingent Liability

As part of the consideration of the businesses acquired in May 2024, a contractual contingent consideration arrangement formed part of the consideration for one of the businesses. At the date of the acquisition the Group recognised a liability of \$1.1 million as an estimate of the fair value of the deferred consideration. As disclosed in Note 7, since acquisition the performance of this business has been disappointing such that management now believe that it is unlikely that the performance hurdles will be achieved. As such, on 31 December 2024, there was a decrease of \$0.95 million in the contingent consideration which was recognised as a gain on reversal of deferred consideration in profit and loss.

The earn out arrangements cover two financial years, FY25 and FY26, and are based on the business achieving certain net revenue targets. Under the arrangements the vendor is entitled to receive a maximum payment of \$2.0 million. During the earn out period the Group must not cause or permit anything to be done with the purpose of reducing net revenue targets. This requires the Group to ensure that the acquired business carries on in the normal course and does not change the nature of the acquired business, except where changes are required to comply with any applicable law. Given the poor performance of this business since acquisition, management has made certain changes, both by reasons of events, such as employee resignations, and in an effort to turn around the decline in revenue. Management believes that even with those turnaround efforts, it is considered very unlikely the net revenue targets will be achieved.

12. Events Subsequent to Reporting Data

On 20 December 2024, the Group received an unconditional on-market takeover bid from 5G Networks Limited (ASX: 5GN) for all of the ordinary shares in the Group at 11 cents cash per share. On 28 January 2025, 5G Networks increased the consideration offered by 2.5 cents to 13.5 cents cash per share. The Board unanimously recommended that AUCyber Limited shareholders accept 5G Networks' revised offer. On 3 February 2025, 5G Networks gained over 50% control of AUCyber Limited.

With control of the Company having passed, with effect from 4 February 2025, Mr Craig Scroggie resigned as a director of AUCyber and Mr Hugh Robertson and Mr Joseph Demase, as representatives of 5GN, were appointed directors of AUCyber.

Ms Cathie Reid and Mr Ross Walker have announced their intention to remain on the Board of AUCyber until completion of 5GNs revised offer, which expires on 17 February 2025.

Since balance date, the Company has incurred transactional costs of \$1.9 million in connection with the on-market takeover bid. These transaction costs include the one-time provision payable for run-off insurances, advisory costs, employee transaction bonuses, share registry costs and general costs associated with the takeover process.

DIRECTORS DECLARATION

The Directors of the Company declare that:

1. the consolidated financial statements and notes, as set out on pages 6 to 22, are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with the Corporations Regulations 2001, and Australian Accounting Standard AASB 134, International Financial Reporting Standard IAS134 'Interim Financial Reporting', and other mandatory professional reporting requirements.
 - (ii) giving a true and fair view of the consolidated Group's financial position as at 31 December 2024 and of its performance for the half year ended on that date.
2. In the Directors' opinion based on the information set out in Note 1b Going concern, there are reasonable grounds to believe the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to section 303(5)(a) of the *Corporation Act 2001*.



On behalf of the directors

Cathie Reid

Executive Chair

Dated: 17 February 2025

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF AUCYBER LIMITED
(FORMERLY KNOWN AS SOVEREIGN CLOUD HOLDINGS LIMITED)**

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of AUCyber Limited (Formerly known as Sovereign Cloud Holdings Limited) and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

Without modifying our opinion, we draw attention to Note 1(b) Going Concern in the financial report, which indicates the group incurred a loss from ordinary activities of \$19.5million during the period ended 31 December 2024 and had cash on hand at 31 December 2024 of \$5.0million. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.


Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

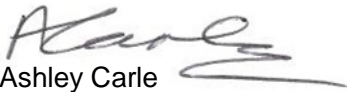
**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF AUCYBER LIMITED
(FORMERLY KNOWN AS SOVEREIGN CLOUD HOLDINGS LIMITED)
(CONTINUED)**

Auditor's Responsibility (Continued)

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants



Ashley Carle
Director
Brisbane
17 February 2025

CORPORATE DIRECTORY

Directors

Ms Cathie Reid
Executive Chair

Mr Ross Walker
Non-Executive Director

Mr Joseph Demase
Non-Executive Director

Mr Hugh Robertson
Non-Executive Director

Chief Financial Officer & Company Secretary

Mr Theo Tragoudistakis

Auditor

Bentleys Brisbane (Audit) Pty Ltd
Level 23, 71 Eagle Street,
Brisbane City QLD 4000

Share Registry

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

Company

The Company is listed on the Australian Securities
Exchange Limited (ASX: CYB)

ABN: 80 622 728 189

Head Office

Brisbane Office:
Level 3, 120 Wickham Street
Fortitude Valley QLD 4006

Registered Office

Level 3, 120 Wickham Street
Fortitude Valley QLD 4006

