

Appendix 4E

ASX Preliminary Final Report

Name of entity	AUCyber Limited
ABN	80 622 728 189
Reporting period	Year ended 30 June 2025 (FY25)
Previous corresponding period	Year ended 30 June 2024 (FY24)

1. Results for announcement to the market

Results	FY25 \$	FY24 \$	Change %
Revenues from ordinary activities	23,003,799	10,840,425	112%
Loss from ordinary activities after tax attributable to members	(37,555,634)	(19,718,100)	90%
Net loss for the period attributable to members	(37,555,634)	(19,718,100)	90%

2. Dividends

No interim or final dividends were declared or paid for the year.

3. Brief explanation of the figures reported above

Refer to the attached audited Annual Financial Report for FY25 for the following information:

- consolidated statement of profit or loss
- consolidated statement of other comprehensive income
- consolidated balance sheet
- consolidated statement of changes in equity
- consolidated statement of cash flows
- notes to the consolidated financial statements

4. Net tangible assets per security

	30-Jun-25	30-Jun-24
Net tangible asset backing per ordinary security (cents)	3.59	8.48

Right-of-use assets accounted for in accordance with AASB 16 have been included in the calculation of net tangible assets.

5. Control gained over entities having a material effect

Not applicable.

6. Loss of control of entities having a material effect

Not applicable.

7. Details of aggregate share of profits (losses) of associates and joint venture entities

Not applicable.

Appendix 4E (continued)

for the year ended 30 June 2025

8. Compliance with IFRS

The attached Annual Financial Report complies with Australian Accounting Standards, which include AIFRS. Compliance with AIFRS ensures that the financial report complies with International Financial Reporting Standards (IFRS).

9. Commentary on the results for the period

Please refer to the Review of Operations in the Directors Report which forms part of the Consolidated Financial Report for further information in relation to the results for the period.

10. Compliance statement

This report is based on financial statements that have been audited.

Signed:

A handwritten signature in black ink, appearing to read 'J. Demase', followed by a period.

Joseph Demase
Director

Date: 26 August 2025



Annual Report 2025

AUCyber Limited

(Formerly known as Sovereign Cloud Holdings Limited)

ABN: 80 622 728 189

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Securing Australia's Digital Future.

Every day Australian businesses & governments trust us to safe guard their most important assets; data, brand reputation & people.

AUCyber empowers Australian enterprise and government customers with the latest **Sovereign Cloud** infrastructure, **Cyber Security** solutions and **Managed IT** services.

Designed specifically to deliver a cloud computing service that operates in compliance with the laws of Australia. Our Sovereign Cloud solutions maintain robust security accreditation and is supported by our dedicated security cleared personnel.

We help customers comply with best practice cyber security standards to ensure their business continuity.

Our vision is to be Australia's preferred partner to government and enterprise in cloud, data protection and cyber security.

Driving strategic and secure technology adoption across Australia.

AUCyber's Cyber Security and Sovereign Cloud services protect sensitive data, enhances operational resilience and support regulatory compliance across both public and private sector environments.

Through comprehensive services ranging from 24/7 Threat Detection and Response to Managed Backup and scalable IT Support, we provide the technical capability and trusted infrastructure required to protect systems and drive digital transformation.

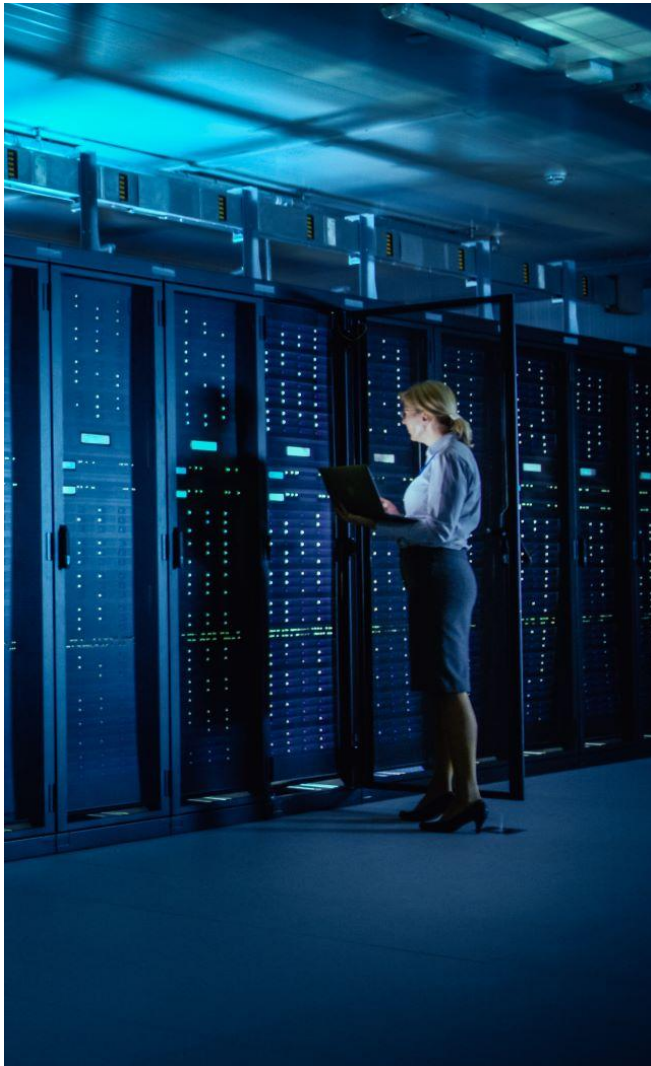
AUCyber remains committed to delivering secure, sovereign solutions that underpin the long-term success and continuity of Australian organisations.

MESSAGE FROM THE CHAIR

Dear Shareholders,

In FY25, the company officially changed its name from AUCloud to AUCyber, underscoring the growing demand for cybersecurity services across both Government and Enterprise sectors in Australia.

We have successfully integrated the three acquisitions completed in the prior year. In January, AUCyber was subject to an on-market takeover by 5G Networks Ltd (ASX: 5GN), which now holds 89.6% of the issued shares. The ensuing change in ownership brought in a refreshed Board and Executive team.



Our renewed strategic focus centers on delivering secure, sovereign cloud infrastructure, while expanding revenue streams through enhanced cybersecurity offerings and complementary national managed IT services.

Crucially, AUCyber's sovereign cloud services are supported by several key certifications and accreditations:

- **Certified-Strategic provider** under the Digital Transformation Agency's Hosting Certification Framework (HCF).
- **IRAP-assessed to "Protected"** controls of the Australian Signals Directorate's Information Security Manual (ISM) via the Australian Cyber Security Centre's Cloud Assessment and Authorization Framework (CAAF).
- **ISO 27001 certified** across the organization.

Our cyber-defense posture continues to be a source of strength—leveraging the performance and scale of our Security Operations Centre (SOC) to deepen our engagement across the national cybersecurity ecosystem. Additionally, we're actively capitalizing on synergies across our sovereign cloud platforms—supported by infrastructure such as the Sovereign Bridge, which delivers high-performance, secure connectivity across AUCyber's data centres throughout Australia.

Looking ahead, AUCyber will consolidate its sovereign cloud capabilities while aggressively expanding into multi-cloud markets, underpinned by our unwavering commitment to security, sovereignty, and seamless integration.

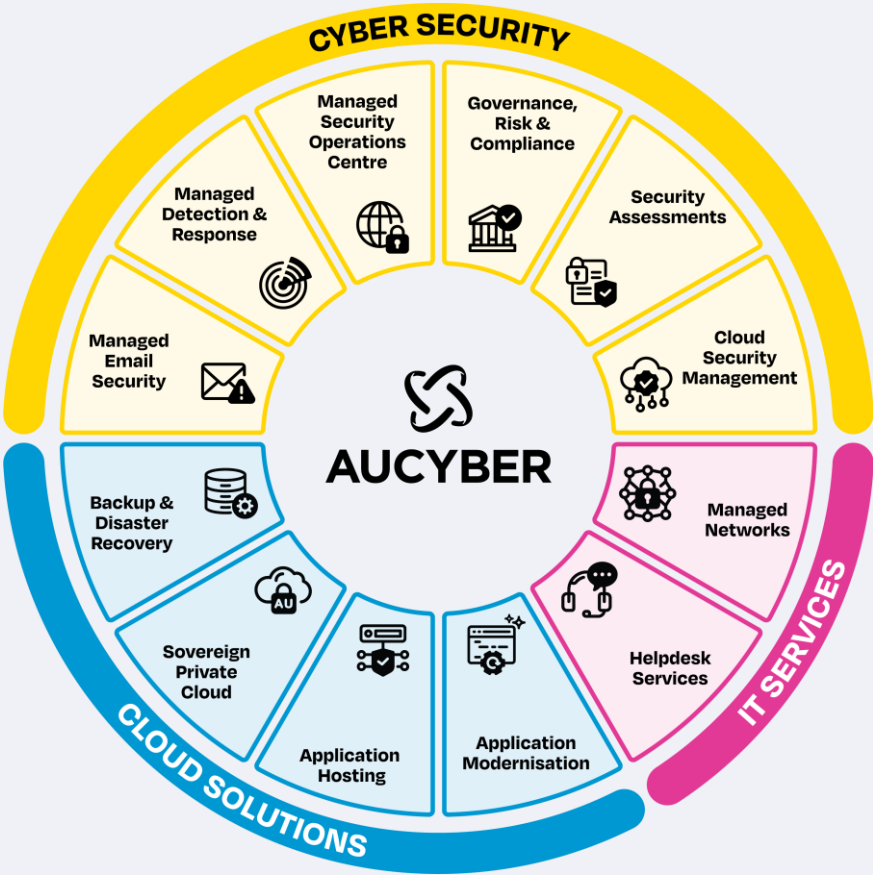
MESSAGE FROM THE CHAIR continued

In parallel, we are extending our portfolio with advanced endpoint protection through the SentinelOne solution, delivering autonomous, AI-driven threat detection and remediation. We are also hardening Microsoft 365 configurations to ensure robust protection against account compromise, phishing, and data leakage. Furthermore, we are embedding AI technologies across our operations and customer offerings to drive efficiencies, enhance threat analysis speed, and automate security workflows—allowing us to deliver faster, more resilient, and more cost-effective services.

On behalf of the Board, we would like to express our sincere gratitude to our highly skilled workforce for their exceptional service during FY25. We also extend our thanks to our shareholders for their continued support



Joseph Demase
Chair



MESSAGE FROM THE CEO

Dear Shareholders,

I am pleased to present AUCyber's annual report for FY25, a year marked by significant transformation, strengthened market positioning incorporating our 3 acquisitions from the previous year. These acquisitions reinforce our leadership in Australia's sovereign cloud services but also position us at the forefront of the cybersecurity and AI-powered infrastructure sectors.

Strategic Overview

This year, AUCyber undertook a pivotal rebranding transition from AUCloud to AUCyber, aligning our identity more closely with the growing demand for cybersecurity solutions in both the public and private sectors. This name change represents more than just a rebrand; it underscores our strategic intent to broaden our service offerings and capture opportunities in the expanding cybersecurity market.

Our ongoing integration of the three acquisitions from the previous fiscal year has been a success, significantly expanding our customer base and service capabilities. These acquisitions complement our existing offerings, positioning AUCyber as a comprehensive provider of sovereign cloud infrastructure and end-to-end cybersecurity solutions.

Achievements and Key Developments

1. Sovereign Cloud Expansion

AUCyber's sovereign cloud platform remains foundational to our business, with significant investments in infrastructure, security, and compliance. Our cloud services continue to be ISO 27001 certified and IRAP-assessed, ensuring that we meet the highest standards of security and data sovereignty.

2. Cybersecurity Growth

We've bolstered our cybersecurity offering by leveraging the success of our Security Operations Centre (SOC), which provides real-time monitoring and response services for clients across various sectors. This capability has expanded our service offering from traditional cloud solutions to end-to-end cybersecurity services, allowing us to secure client infrastructure, applications, and data.

3. Strategic Technology Investments

AUCyber has embraced the future of cybersecurity with advanced endpoint protection using the SentinelOne solution. This integration provides automated, AI-driven threat detection and rapid remediation, strengthening the security posture of our clients' endpoints across the nation.

In addition, we have hardened Microsoft 365 configurations, delivering enhanced protection against the rising tide of account compromise, phishing, and data exfiltration threats. These improvements are key to providing our clients with peace of mind in an increasingly hostile cyber environment.

4. AI-Driven Efficiencies

Our focus on AI technologies is transforming both our internal operations and client-facing services. By incorporating AI-driven security monitoring and automation, we've enhanced efficiency, threat detection speed, and incident response time, enabling us to deliver a more scalable, responsive, and cost-efficient service.

MESSAGE FROM THE CEO continued

Financial Performance

For the fiscal year 2025, AUCyber delivered strong financial results with revenue of \$22.5m and increase of 54% from the previous year, the significant increase in revenue driven by the growth of our cybersecurity services and new business from acquisitions. Towards the back of the financial year we have rationalised low margin services to improve profitability. The underlining EBITDA has improved to a loss of (\$4.83m) from a loss of (\$13.7m) the previous year.

AUCyber remains debt-free, with a cash position that allows us to continue reinvesting in innovation and expansion.

Looking Ahead

As we move into FY26, AUCyber is focused on several key areas:

- Consolidating and expanding our position in the sovereign cloud market while diversifying into multi-cloud solutions.
- Expanding our cybersecurity capabilities through partnerships, new technologies, and increased demand for managed security services.
- Leveraging AI technologies to drive greater operational efficiency and deliver cutting-edge security solutions.

The market landscape for both cybersecurity and cloud infrastructure is rapidly evolving, and AUCyber is well-positioned to be at the forefront of this change. We are confident that our focus on sovereignty, security, and innovation will continue to resonate with Australian government agencies and enterprises alike. I would like to take this opportunity to thank our shareholders for their continued support and to

acknowledge the dedication of our team, whose hard work has been instrumental in delivering these achievements. We are excited about the future and look forward to another successful year.

Sincerely,



Chris Wright
CEO



DIRECTORS REPORT

The directors present their report together with the financial report of AUCyber Limited (formerly known as Sovereign Cloud Holdings Limited) (the "Company") and its controlled entities (together the "Group"), for the year ended 30 June 2025 and auditor's report thereon.

1. Directors

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

- **Joseph Demase** (Chair) – Appointed Non-Executive Director on 4 February 2025, appointed Chair on the 18 February 2025
- **Hugh Robertson** (Non-Executive Director) – Appointed on 4 February 2025
- **Conrad Morgan** (Non-Executive Director) – Appointed on 18 February 2025
- **Cathie Reid AM** (Executive Chair) – Resigned on 17 February 2025
- **Peter Maloney** (Managing Director) – Resigned on 20 December 2024
- **Craig Scroggie** (Non-Executive Director) – Resigned on 4 February 2025
- **Ross Walker** (Non-Executive Director) – Resigned on 17 February 2025

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

2. Principal activities

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

No significant change in the nature of these activities occurred during the year.

3. Review of Operations

Group Financial Results

The Group recorded a net loss for the year of \$37.5 million (FY24: loss of \$19.7 million). The increase in the loss was mainly due to a \$27.5 million impairment during the period. Excluding this impairment, the net loss would have been \$10.0 million, representing an improvement of \$9.7 million compared with the previous period.

Revenue

Revenue in FY25 was \$23.0 million compared to \$10.8 million over the previous corresponding year.

The growth in revenue was driven by the inclusion of the three acquisitions completed in the prior year. However, as customer consolidation continued throughout the year, some contracts were lost and others were rationalised because they were low-margin or unprofitable.

DIRECTORS REPORT continued

Expenses

Total expenses in FY25 were \$60.5 million, compared with \$30.6 million in FY24 (an increase of \$29.9 million). The year-on-year comparison was impacted by a one-off impairment of \$27.5 million incurred during the year. The other significant increase was employee benefits, which rose by \$3.5 million due to additional staff acquired through the three business acquisitions.

Financial Position

The Group's net asset position decreased in FY25 by \$34.8 million to \$7.8 million at 30 June 2025.

4. Strategy and future prospects

The Group's vision is to become Australia's preferred partner to Government & Enterprise in cloud, data protection & cyber security. AUCyber's strategy is to build, partner or acquire capabilities to create a diversified cyber security and cloud solutions business with a national footprint, at scale.

The Group's strategy is being delivered through; integration of acquisitions, organic customer growth, effective partnerships and continuing to expand our offerings.

5. Key risks and risk management

The company has a detailed risk management framework, that assesses the key financial and non-financial risks that have the potential, should they occur, to materially impact the Group and its ability to achieve its strategic objectives and long-term performance. The framework is integrated into the daily management of the business to ensure the oversight and management of business risks. Further details of the risk management framework and processes are detailed in AUCyber's Corporate Governance Statement.

Listed below are relevant key risks for the business identified in the risk management framework:

Financial Performance

AUCyber requires sufficient cash to guarantee the continuation of its strategic initiatives. The Group may encounter challenges in realising its strategy along with potential difficulties such as severe liquidity or solvency issues, financial deficits, or financial turmoil, stemming from any shortcomings in the planning of implementation of its capital management. Adequate financial resources are essential for the group to continue to invest in its products in the coming years.

DIRECTORS REPORT continued

Competitive landscape and actions of others

AUCyber operates in a competitive landscape alongside a number of other service providers with competing technologies, product offerings and geographic presence. These include a number of global IaaS providers which offer competing services to AUCyber on a global scale. Although AUCyber is in a niche market, and notwithstanding the barriers to entry in that market, AUCyber may face competition from new entrants and existing competitors who may have significant advantages, including greater name recognition, longer operating history, lower operating costs, pre-existing relationships with current or potential customers or decision makers and greater financial, marketing and other resources. If competitor product offerings are perceived to be superior to AUCyber's, or competitors are able to compete effectively on price, AUCyber may lose existing or potential customers, incur costs to improve its network, or be forced to reduce prices.

Economic risk, including level of government spending

Cloud infrastructure hosting is somewhat insulated from economic risk. Firms need to continue to consume compute, storage and internet services in order to operate their own business. Firms can elect to substitute from procuring cloud solutions to investing in on-premises infrastructure; however, it can be a timely and costly exercise.

The heightened growth of cyber-crime translates into the provision of solutions to protect, detect, and respond to cyber-crimes. Some firms embed that cost into the cost of doing business; for other firms it can be discretionary and vulnerable to shifts in economic circumstances.

Generally, the group is vulnerable to significant shifts in economic circumstances brought about by abrupt or extended economic downturns, which could have repercussions on customer's spending behaviour. The group's customer base includes prominent entities such as public authorities and government departments in Australia and adjustments in the allocation of government funds or limitations on their spending capacity may have the potential to influence the group's earnings.

Cyber Risk

Given AUCyber's business model is premised on providing secure cloud services, any unauthorised access to customer data would severely prejudice AUCyber's reputation as a credible provider of such services to its targeted customers.

While instances of "cyber-crime" are particularly damaging, other events, such as accidental loss of confidential data or experiencing significant network issues may also cause financial loss or reputational damage (or both).

While AUCyber is particularly focused on mitigating the likelihood of cyber risk, given its business model, the consequences of the risk including the adverse effect on AUCyber's future financial performance and position, are potentially significant.

DIRECTORS REPORT continued

Change in technology

Demand for cloud services can change rapidly because of technological innovation, new product introductions, declining prices and evolving industry standards, amongst other factors. New solutions and new technology often render existing solutions and services obsolete, excessively costly, or otherwise unmarketable. As a result, the success of AUCyber depends on AUCyber being able to keep up with the latest technological progress and to develop or acquire and integrate new technologies into its product offering. Advances in technology also require AUCyber to commit resources to developing or acquiring and then deploying new technologies for use in operations.

Ability to source new talent and retain existing talent

The business is dependent on attracting and retaining highly skilled and experienced employees. It is essential that appropriately skilled staff be available in sufficient numbers to support the business. AUCyber requires staff to have a variety of skills and expertise, some of which are niche specialities in which there are limited practitioners available for recruitment. AUCyber's ability to attract and retain employees in a cost-effective manner is subject to external factors such as unemployment rates, prevailing wage legislation and changing demographics in its operating markets.

6. After balance date events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the group in future financial years.

7. Environmental regulation

The group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

8. Dividends paid, recommended and declared

No dividends were paid or declared since the start of the year. No recommendation for payment of dividends has been made.

DIRECTORS REPORT continued

9. Information on Directors

<p>Joseph Demase Chair/Non-Executive Director</p>	<ul style="list-style-type: none"> • Appointed as Non-Executive Director on 4 February 2025, and appointed Chair on the 18 February 2025 • Brings extensive experience across telecommunications and technology sectors in Australasia and the United Kingdom. • Played a pivotal role in the ASX listings of Uecomm (2000) and Access Providers (2004). • Current Chief Executive Officer and Managing Director of 5G Networks (ASX: 5GN). • Over 25 years of expertise in identifying market opportunities and executive leadership.
<p>Hugh Robertson Non-Executive Director</p>	<ul style="list-style-type: none"> • Appointed as Non-Executive Director on 4 February 2025. • Over 10 years of experience in finance and corporate markets. • Specialises in equity capital markets, M&A, and debt facilities across sectors such as energy transition, mining services, and technology. • Non-Executive Chairman of 5G Networks Limited (ASX: 5GN). • Non-Executive Director of Health and Plant Protein Limited (ASX:HPP).
<p>Conrad Morgan Non-Executive Director</p>	<ul style="list-style-type: none"> • Appointed as Non-Executive Director on 18 February 2025. • Over 30 years of experience in strategic consulting. • Expertise includes culture and people development, governance, financial performance, business planning, systems, risk management, and strategy. • Non-Executive Director of Habitat for Humanity Victoria.

DIRECTORS REPORT continued

Cathie Reid AM Former Chair/Non-Executive Director	<ul style="list-style-type: none"> • Appointed as Chair on 20 December 2017. • Member of the Remuneration and Nomination Committee. • Member of the Audit and Risk Committee. • Current Director of the Brisbane Lions AFL Club. • Former Deputy Chair of the Federal Government's Cyber Security Industry Advisory Committee. • Member of the Order of Australia (AM) for services to healthcare delivery and philanthropy. • Holds a Bachelor of Pharmacy (BPharm).
Peter Maloney Former CEO and Managing Director	<ul style="list-style-type: none"> • Appointed as Chief Executive Officer and Managing Director on 30 January 2023. • Member of the Audit and Risk Committee. • 20+ years leadership experience in the Australian technology sector. • Holds a Master of Business Administration (MBA) and Bachelor of Commerce (BCom).
Craig Scroggie Former Non-Executive Director	<ul style="list-style-type: none"> • Appointed as Non-Executive Director on 24 December 2021. • Member on the University of Southern Queensland Business School Advisory Board. • Member of the La Trobe University Business School Advisory Board (Chair) and holds the position of Adjunct Professor. • Current Chief Executive Officer and Managing Director of NEXTDC (ASX: NXT), appointed June 2012 and served prior as a Non-Executive Director since 2010 IPO. • Holds a Master of Business Administration (MBA).
Ross Walker Former Non-Executive Director	<ul style="list-style-type: none"> • Appointed as Non-Executive Director on 8 November 2017. • Member of the Remuneration and Nomination Committee. • Member of the Audit and Risk Committee. • Former Managing Partner of accounting and advisory firm Pitcher Partners for 20+ years. • Current Non-Executive Director of RPM Global Limited (ASX: RUL). • Current Non-Executive Director of Wagners Holding Company Limited (ASX: WGN). • Holds a Bachelor of Commerce (BCom) and is a Fellow Chartered Accountant (FCA).

DIRECTORS REPORT continued

10. Meetings of directors

Directors	Directors' meetings		Audit committee meetings		Remuneration committee meetings	
	Held	Attended	Held	Attended	Held	Attended
Joseph Demase	5	5	-	-	-	-
Conrad Morgan	4	4	-	-	-	-
Hugh Robertson	5	5	-	-	-	-
Craig Scroggie	8	8	-	-	-	-
Catherine Reid	9	9	1	1	-	-
Ross Walker	9	9	1	1	-	-
Peter Maloney	4	4	-	-	-	-

Held: Represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

Non-committee members are invited and attend the various committee meetings.

11. Directors' Interests

The relevant interest of each Director in the shares and options issued by the Company at the date of this report is as follows:

AUCyber Limited

	Ordinary Shares
Peter Maloney*	2,363,866

*The Company announced on 15 April 2024 that the Company's CEO and Managing Director, Peter Maloney (and his related entities) had only been allocated \$250,000 of shortfall shares of the \$736,592 he had committed to take up under the underwriting of the retail component of the Company's Entitlement Offer. To ensure Mr. Maloney's shareholding was aligned with other Shareholders who took up their full entitlements under the Entitlement Offer, the Board agreed with Mr Maloney, subject to shareholder approval at the 2024 AGM to issue Mr. Maloney with a further \$486,592 of shares on equivalent terms to the Entitlement Offer. As Mr Maloney is not currently in a position to fund the \$486,592 cash payable for the new shares, the Company has now entered into a formal placement agreement with Peerless Investments Pty Ltd ACN 098 390 848 in its capacity as trustee for the Peerless Superannuation Fund (a related entity of Mr Maloney) (the Placement Agreement). Under the Placement Agreement, Peerless Investments Pty Ltd has agreed to subscribe for \$486,592 of shares in SOV at an issue price being the higher of:

- \$0.30 (being equivalent to the Entitlement Offer price taking into account the 10:1 share consolidation); and
- a price equal to the 30-day VWAP of SOV shares traded on the ASX after the release of the Company's FY25 results, rounded down to the nearest cent (Placement Price).

The relevant interest of each Director in the shares and options issued by the Ultimate Holding company at the date of this report is as follows:

5G Networks Limited

	Options	Ordinary Shares
Joseph Demase	35,000,000	58,668,719
Hugh Robertson	-	280,000

As at the date of this report, 5G Networks Limited owns 89.96% of AUCyber Limited.

DIRECTORS REPORT continued

12. Shares under option

Unissued ordinary shares of AUCyber Limited (formerly known as Sovereign Cloud Holdings Limited) under option at the date of this report are as follows:

Date granted	No of Options		Exercise price	Expiry date
	Issued	Vested		
30/10/2023	25,000	-	\$3.00	1/07/2027
30/10/2023	25,000	-	\$3.00	1/07/2028

No option holder has any right under the options to participate in any other share issue of the group.

No shares were issued during the year on exercise of options.

13. Indemnification of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a Director or Executive, for which they may be personally liable, except where there is a lack of good faith.

During the financial year, the Company paid insurance premiums to insure the Directors and Officers of the Company against certain risks associated with their activities as Officers of the Company. The terms of that policy prohibit disclosure of the nature of the liability covered, the limit of such liability and the premium paid.

Further disclosure required under section 300(9) of the *Corporations Act 2001* is prohibited under the terms of the contract.

14. Auditor's independence declaration

A copy of the auditor's independence declaration under section 307C of the *Corporations Act 2001* in relation to the audit for the financial year is provided with this report.

15. Non-audit Services

There were no amounts paid or payable to the company's auditor and related practices of the auditor for non-audit services during the 2025 Financial Year.

DIRECTORS REPORT continued

16. Legal Proceedings on Behalf of the Company

No person has applied for leave of the Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

This report is made in accordance with a resolution of the Directors.



Joseph Demase

Chair

Dated: 26 August 2025

REMUNERATION REPORT

The Directors of AUCyber Limited (formerly known as Sovereign Cloud Holdings Limited) present the Remuneration Report (the 'Report') for the Company and its subsidiaries (together, the 'Group') for the financial year ended 30 June 2025.

The information provided in the Report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

The remuneration report is set out under the following sections:

1. **Principles Used to Determine the Nature and Amount of Remuneration;**
2. **Service Agreements;**
3. **Details of Remuneration;**
4. **Share Based Compensation Benefits;**
5. **Equity Instruments Held by Key Management Personnel; and**
6. **Other Transactions with Key Management Personnel.**

1. Principles Used to Determine the Nature and Amount of Remuneration

Remuneration and compensation have the same meaning in this report.

This report discusses the company's policies in regard to compensation of key management personnel. Key management personnel ('KMP') include all directors of the Company and certain executives who, in the opinion of the Board and Managing Director, have authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly.

The Board has established a Remuneration committee to assist with remuneration and incentive policies enabling the Group to attract and retain KMP and Directors who will create value for shareholders and support the Group's mission. The compensation structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic, operational objectives and achieve the broader outcome of creation of value for shareholders.

Executive Remuneration Policy and Practices

The Group's remuneration framework is designed to attract, retain, motivate and reward employees for performance that is competitive and appropriate for the results delivered. The framework aligns remuneration with the achievement of strategic goals and the creation of value for shareholders.

The key criteria supporting the Group's remuneration framework are:

- Competitiveness and reasonableness;
- Acceptability to shareholders;
- Performance linkage/alignment of executive compensation; and
- Transparency.

REMUNERATION REPORT continued

Executive KMP remuneration consists of fixed remuneration, short-term incentives and long-term incentives plans. Executive KMP remuneration includes both fixed and variable components, with variable rewards consisting of short and long term incentives that are based on Group performance outcomes.

(a) Fixed Compensation

Fixed compensation is calculated on a total cost basis and includes salary, allowances, non-cash benefits, employer contributions to superannuation funds and any fringe benefits tax charges related to employee benefits, including motor vehicles parking provided.

Compensation levels are reviewed using an individual approach, based on evaluation of the individual, and a comparison to the market. A KMP's compensation is also reviewed on promotion.

(b) Performance Linked Compensation

Performance linked compensation includes both short-term incentives and is designed to reward each KMP for meeting and exceeding their Key Performance Objectives (KPO's). The Short-Term Incentive (STI) is an 'at risk' incentive provided in the form of cash, while the Long-Term Incentive (LTI) is provided as options over ordinary shares of the Company under the rules of the Employee Share Option Plan (ESOP).

(i) Short-term incentive plan

STI is an 'at risk' incentive provided in the form of cash. The Company has a variable pay structure through the STI for each Key Management Personnel. The objective of the STI is to create clear alignment between individual and business performance and remuneration by providing a performance-based reward to participants in line with their relative contribution to the Company. The STI achieves the alignment by focusing participants on achieving goals which contribute to sustainable shareholder value and providing a clear link between performance and the Company's financial result.

The STI compensation is based on a percentage of the individual's base salary. The amount of any STI in any financial year is determined by the Board in its sole discretion based on the achievement of certain performance targets. The current STI plan is the same for all senior management, at varying percentages of their base salary such that they all have the same performance hurdles, which are based on the Company's financial performance.

In FY25 the Group did not achieve the financial performance milestones, thereby not satisfying the STI performance target.

REMUNERATION REPORT continued

(ii) Long-term incentive plan

LTI is provided as Options over ordinary shares of the Company under the rules of the Employee Share Option Plan ("ESOP"). The new ESOP was approved by the Board at the Extra Ordinary Meeting on 24 April 2024. Eligible participants of the ESOP include any person who is a director, employee or consultant and are granted at the discretion of the Board of Directors. Options were issued in each financial year under the Company's ESOP.

The Remuneration Committee consider this equity performance-linked remuneration structure to be appropriate as KMP only receive a benefit when there is a corresponding direct benefit to shareholders.

Non-Executive Director Remuneration Policy and Practices

Under the Constitution, the Board may decide the remuneration to which each Director is entitled for his or her services as a Director. In addition, under the ASX Listing Rules, the total amount payable to all Directors for their services (excluding for these purposes, the remuneration of any Executive Director) must not exceed an aggregate in any financial year the amount fixed in general meeting (currently \$500,000 per annum).

The current Non-Executive Directors fees are \$80,000 per annum (inclusive of superannuation where applicable) and Directors may also be reimbursed for all travelling and other expenses incurred in connection with their Company duties. Non-Executive Chair fees are \$90,000 per annum.

This aggregate annual sum does not include any special remuneration which the Board may grant to the Directors for special exertions or additional services performed by a Director.

2. Service Agreements

There are no formal service agreements with the Non-Executive Directors. On appointment to the Board, the Directors receive an appointment letter with the Company, confirming the terms of his or her appointment, his or her role and responsibility and the Company's expectations of him or her as a Director.

Non-Executive Directors are paid a fixed remuneration, comprising base and/or salary and superannuation (as applicable). Non-Executive Directors, do not receive bonus payments or participate in security-based compensation plans and are not provided with retirement benefits.

REMUNERATION REPORT continued

3. Details of Remuneration

Details of remuneration of each Director and key management personnel of AUCyber Limited (formerly known as Sovereign Cloud Holdings Limited) for the financial years ended 30 June 2024 and 30 June 2025 are set out below.

	Year	Short-term			Post-Employment		Long-term	Security-based Payments	Total	Performance Related
		Salary and fees	Non-monetary benefits	STI cash bonus	Superannuation		Long service leave	Share-based Payment (options)		
		\$	\$	\$	\$		\$	\$	\$	%
Directors										
J Demase	2025	35,260	-	-	-	-	-	-	35,260	0%
	2024	-	-	-	-	-	-	-	-	0%
H Robertson Jr	2025	32,000	-	-	-	-	-	-	32,000	0%
	2024	-	-	-	-	-	-	-	-	0%
C Morgan	2025	26,667	-	-	-	-	-	-	26,667	0%
	2024	-	-	-	-	-	-	-	-	0%
C Reid	2025	60,000	-	-	-	-	-	-	60,000	0%
	2024	90,000	-	-	-	-	-	-	90,000	0%
R Walker	2025	60,000	-	-	-	-	-	-	60,000	0%
	2024	80,000	-	-	-	-	-	-	80,000	0%
C Scroggie	2025	67,619	-	-	-	-	-	-	67,619	0%
	2024	80,000	-	-	-	-	-	-	80,000	0%
Phil Dawson	2025	-	-	-	-	-	-	-	-	0%
	2024	279,375	-	-	27,500	-	-	-	306,875	0%
P Maloney	2025	344,619	-	-	30,000	-	-	-	374,619	0%
	2024	372,500	-	-	27,500	685	58,378	-	459,063	13%
Other Key Management Personnel										
C Wright	2025	33,333	-	-	-	-	-	-	33,333	0%
	2024	-	-	-	-	-	-	-	-	0%
T Tragoudistakis	2025	300,263	-	-	29,481	-	-	-	329,744	0%
	2024	41,667	-	-	4,583	406	17,351	-	64,007	27%
TOTAL	2025	959,761	-	-	59,481	-	-	-	1,019,242	0%
TOTAL	2024	943,542	-	-	59,583	1,091	75,729	-	1,079,945	10%

Changes in Key Management Personnel (KMP) during the year:

- Joseph Demase (Chair) – Appointed Non-Executive Director on 4 February 2025, appointed Chair on 18 February 2025
- Hugh Robertson (Non-Executive Director) – Appointed on 4 February 2025
- Conrad Morgan (Non-Executive Director) – Appointed on 18 February 2025
- Cathie Reid AM (Executive Chair) – Resigned on 17 February 2025
- Craig Scroggie (Non-Executive Director) – Resigned on 4 February 2025
- Ross Walker (Non-Executive Director) – Resigned on 17 February 2025
- Peter Maloney (Managing Director) – Ceased on 20 December 2024
- Chris Wright (Chief Executive Officer) – Appointed on 18 February 2025
- Theo Tragoudistakis (Chief Financial Officer) – Ceased on 14 April 2025

REMUNERATION REPORT continued

4. Share Based Compensation Benefits

No share options were granted to Key Management Personnel or employees during the financial year ended 30 June 2025.

Grant Date	Vesting Date	Tranche	Balance at 1 Jul 2024	No. of Options		Balance at 30 Jun 2025	Fair Value per Option \$
				Issued	Expired		
30/01/2023	31/12/2027	#4	150,000	-	(150,000)	-	\$0.46
30/10/2023	1/07/2025	#5	25,000	-	(25,000)	-	\$0.40
	1/07/2026						
30/04/2024	1/07/2025	#6	5,180,000	-	(5,180,000)	-	\$0.23
	1/07/2026						
	1/07/2027						
			5,355,000	-	(5,355,000)	-	

A number of previously issued options lapsed unexercised during the year as a result of employee departures and the expiry of vesting conditions. These expirations reflect normal attrition following the change in control of the Company by 5GN on 3 February 2025. No outstanding options remain on issue to former or current KMP

Fair Value of Options Granted

The fair value of share options granted in prior periods was determined using an appropriate option pricing model at the grant date.

5. Equity Instruments Held by Key Management Personnel

Ordinary Shares

	Balance at 1 July 2024	Acquired during the Year	Entitlement Offer Apr 2025	Sold during the Year	Balance at 30 Jun 2025
J Demase*	-	-	-	-	-
C Reid	12,407,769	-	-	(12,407,769)	-
R Walker	1,788,365	-	-	(1,788,365)	-
C Scroggie**	-	-	-	-	-
T Tragoudistakis	5,000	-	-	(5,000)	-
P Maloney	1,833,333	-	513,533	-	2,346,866

*Mr J Demase is the Managing Director of 5G networks Limited, which acquired a total of 187,782,227 shares during the period

**Mr C Scroggie is the Managing Director of NEXTDC Limited which sold all shares in the AUCyber limited on 4 February 2025

REMUNERATION REPORT continued

Options

As at 30 June 2025, there are no options outstanding related to KMP, with all previously issued options having lapsed unexercised due to the departure of all applicable staff.

	Balance at 1 Jul 2024	Granted as Compensation	Forfeited, Exercised, and Expired	Balance at 30 Jun 2025	Vested and Exercisable 30 Jun 2025
P Maloney	3,850,000	-	(3,850,000)	-	-
T Tragoudistakis	1,505,000	-	(1,505,000)	-	-

Other Transactions with Key Management Personnel

Further to the ASX Announcement of 20 September 2024, Peerless Investments Pty Ltd, a related entity of Mr Maloney, remains liable to pay the Company \$486,592, one month after the 2025 AGM under the terms of the Placement Agreement.

There were no other transactions with KMP during the 2025 Financial Year.

Signed on behalf of the board of directors.



Joseph Demase

Chair

Dated: 26 August 2025

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF AUCYBER LIMITED
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2025 there have been:

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

Bentleys.

Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants

Ashley Carle

Ashley Carle
Director
Brisbane
26 August 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 \$	2024 \$
Revenue and other income			
Revenue from contracts with customers	3	22,471,089	10,230,122
Interest income	4	182,518	263,301
Other income	4	350,192	347,002
		23,003,799	10,840,425
Expenses			
Employee benefits expense		(17,287,675)	(13,758,129)
Licensing fees		(5,609,791)	(6,351,704)
Professional fees		(2,740,300)	(1,990,993)
Travel, conferences & marketing		(792,018)	(951,834)
Other expenses		(872,077)	(917,032)
Finance costs	5	(216,394)	(178,537)
Depreciation and amortisation	5	(6,449,408)	(6,410,296)
Impairment loss	2(c)	(27,539,656)	-
Gain on reversal of deferred consideration	14	947,886	-
		(60,559,433)	(30,558,525)
Loss before income tax expense		(37,555,634)	(19,718,100)
Income tax expense	6	-	-
Loss for the year		(37,555,634)	(19,718,100)
Other comprehensive income for the year		-	-
Total comprehensive loss		(37,555,634)	(19,718,100)
Earnings per share			Cents
Basic earnings per share	31	(22)	(4)
Diluted earnings per share	31	(22)	(4)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

	Note	2025 \$	2024 \$
Current assets			
Cash and cash equivalents	8	3,939,943	8,394,863
Receivables	9	3,271,307	4,359,720
Other assets	10	710,311	2,097,908
Total current assets		7,921,561	14,852,491
Non-current assets			
Property, plant and equipment	11	4,327,965	6,755,352
Intangible assets	12	374,957	28,871,242
Right of use lease assets	13	4,155,928	5,091,439
Other assets	10	9,226	234,400
Total non-current assets		8,868,076	40,952,433
Total assets		16,789,637	55,804,924
Current liabilities			
Payables	14	3,446,225	5,464,518
Lease liabilities	15	1,857,669	1,547,736
Provisions	16	677,686	2,226,930
Total current liabilities		5,981,580	9,239,184
Non-current liabilities			
Lease liabilities	15	2,866,686	3,546,363
Provisions	16	66,590	275,417
Total non-current liabilities		2,933,276	3,821,780
Total liabilities		8,914,856	13,060,964
Net assets		7,874,781	42,743,960
Equity			
Share capital	17	135,840,073	133,153,618
Reserves	18	1,014,291	1,014,291
Accumulated losses	19	(128,979,583)	(91,423,949)
Total Equity		7,874,781	42,743,960

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2025

	Contributed equity \$	Reserves \$	Accumulated losses \$	Total Equity \$
Consolidated				
Balance as at 30 June 2023	95,822,032	787,665	(71,705,848)	24,903,849
Loss for the year	-	-	(19,718,100)	(19,718,100)
Transactions with owners in their capacity as owners:				
Contributions, net of transaction costs	37,331,586	-	-	37,331,586
Share based payments expensed	-	226,626	-	226,626
Balance as at 30 June 2024	133,153,618	1,014,291	(91,423,949)	42,743,960
Loss for the year	-	-	(37,555,634)	(37,555,634)
Transactions with owners in their capacity as owners:				
Contributions, net of transaction costs	2,686,455	-	-	2,686,455
Total transactions with owners in their capacity as owners	2,686,455	-	-	2,686,455
Balance as at 30 June 2025	135,840,073	1,014,291	(128,979,583)	7,874,781

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 \$	2024 \$
Cash flow from operating activities			
Receipts from customers		30,427,534	12,273,362
Operating grant receipts		286,972	318,444
Payments to suppliers and employees		(36,238,897)	(24,189,826)
Interest received		181,617	263,301
Right of use lease interest		(216,467)	(178,537)
Net cash provided by / (used in) operating activities	20	(5,559,241)	(11,513,257)
Cash flow from investing activities			
Payments for acquisitions, net of cash acquired		806,387	(18,758,288)
Payments for property, plant and equipment		(412,515)	(108,076)
Payments for intangible assets		-	(7,976)
Net cash provided by / (used in) investing activities		393,872	(18,874,340)
Cash flow from financing activities			
Proceeds from share issue		2,691,130	30,536,972
Principal portion of lease payments		(1,976,661)	(1,642,177)
Payment of share issue costs		(3,820)	(1,752,200)
Net cash provided by financing activities		710,449	27,142,595
Reconciliation of cash			
Cash at beginning of the financial year		8,394,863	11,639,865
Net increase / (decrease) in cash held		(4,454,920)	(3,245,001)
Cash at end of financial year	8	3,939,943	8,394,863

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

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NOTES TO FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2025

1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

AUCyber Limited (formerly known as Sovereign Cloud Holdings Limited) is a listed public company, incorporated and domiciled in Australia.

The financial report comprises the consolidated entity ("Group") consisting of AUCyber Limited (formerly known as Sovereign Cloud Holdings Limited) and its subsidiaries.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001 (Cth)*.

AUCyber Limited (formerly known as Sovereign Cloud Holdings Limited) is a for-profit entity for the purposes of preparing the financial statements.

Compliance with IFRS

The consolidated financial statements of AUCyber Limited (formerly known as Sovereign Cloud Holdings Limited) also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical Cost Convention

These financial statements have been prepared under the historical cost convention.

(b) Critical accounting estimates and judgements

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. Actual results may differ from these estimates. Areas where assumptions are significant to the financial statements, or involving a higher degree of judgement due to complexity are as follows:

- the determination of depreciation rates on property, plant and equipment (Note 11 and 1(k); and
- the incremental borrowing rate and estimated exercise of option terms in relation to the calculations of right-of-use assets (Note 13) and lease liabilities (Note 15).
- The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options is determined by an external valuation using a binomial option pricing model incorporating various assumptions and taking into account the terms and conditions upon which the instruments were granted (Note 26).

NOTES TO FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2025

- Goodwill – The Group tests annually, or more frequently, if events or changes in circumstances indicate impairment, whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of each cash generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows

(c) 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 \$37.5 million during the year ended 30 June 2025 (2024: a loss of \$19.7 million) and had cash on hand at 30 June 2025 of \$3.9 million.

During the year ended 30 June 2025, the Group's working capital requirements were primarily funded by improved operating performance and cash flows from trading activities. In addition, a rights issue completed in April 2025 provided an additional \$2.7 million in equity funding.

While the Group continues to benefit from the acquisitions completed in the prior year, the pace of synergy realisation has been slower than initially anticipated, impacting short-term operating margins and integration efficiencies.

On 3 February 2025, 5G Networks Limited (5GN) obtained control of the Group following a successful on-market takeover bid. The Group is now a controlled entity of 5GN.

To support the Group's ongoing operations, 5GN has provided a letter of financial support to the Group's main operating entity, AUCyber Limited, confirming that financial support will be made available as and when required to enable the Group to meet its obligations for a period of at least 12 months from the date of signing the financial statements.

Having regard to the factors described above, the directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

NOTES TO FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2025

(d) Business combinations

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses and results in the consolidation of the assets and liabilities acquired. Business combinations are accounted for by applying the acquisition method.

The consideration transferred is the sum of the acquisition date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree. Deferred consideration payable is measured at its acquisition date fair value. Contingent consideration to be transferred by the acquirer is recognised at the acquisition date fair value. At each reporting date subsequent to the acquisition, contingent consideration payable is measured at its fair value with any changes in the fair value recognised in profit or loss unless the contingent consideration is classified as equity, in which case the contingent consideration is measured at its acquisition date fair value.

Goodwill is initially recognised at an amount equal to the excess of: (a) the aggregate of the consideration transferred, the amount of any non-controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest (in case of step acquisition); over (b) the net fair value of the identifiable assets acquired and liabilities assumed. For accounting purposes, such measurement is treated as the cost of goodwill at that date.

If the net fair value of the acquirer's interest in the identifiable assets acquired and liabilities assumed is greater than the aggregate of the consideration transferred, the amount of any non-controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest, the difference is immediately recognised as a gain in the profit or loss.

Acquisition related costs are expensed as incurred.

(e) Principles of consolidation

The consolidated financial statements are those of the consolidated entity, comprising the financial statements of the parent entity and all of the entities the parent controls. The group controls an entity where it has the power, for which the parent has exposure or rights to variable returns from its involvement with the entity, and for which the parent has the ability to use its power over the entity to affect the amount of its returns.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is transferred to the group and are de-recognised from the date that control ceases.

NOTES TO FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2025

Equity interests in a subsidiary not attributable, directly or indirectly, to the group are presented as non-controlling interests. Non-controlling interests are initially recognised either at fair value or at the non-controlling interests' proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. Non-controlling interests in the results of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of financial position respectively.

(f) Revenue from contracts with customers

The group derives revenue from the provision of Cloud Services, Cyber Security Solutions and Managed Services.

The Group provides customers with access to IT hardware and services in a secure sovereign cloud environment, as well as day-to-day management of customers' Cloud and on premises infrastructure and environments. These offerings are commonly referred to as Infrastructure as a Service (IaaS) and Managed Services, respectively.

IaaS Revenue is billed based on consumption on a monthly pay-as-you-go model and recognised over time as the customer utilises the infrastructure, based on an agreed rate. Managed Services Revenue is typically based on a fixed recurring fee, recognised over time based on a fixed price agreement.

The Group provides end users with Cyber Security Solutions, including operating a Security Operations Centre (SOCaaS). Other Cyber Security professional services revenue is typically billed on a per hour or day rate, or fixed price agreement.

AUCyber undertakes technical services with customers to support their corporate and platform requirements. These services are charged for as specific performance obligations in the contracts are fulfilled.

Receivables from contracts with customers

A receivable from a contract with a customer represents the group's unconditional right to consideration arising from the transfer of goods or services to the customer (i.e., only the passage of time is required before payment of the consideration is due). Subsequent to initial recognition, receivables from contracts with customers are measured at amortised cost and are tested for impairment.

(g) Income tax

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

NOTES TO FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2025

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(h) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

Classification of financial assets

Financial assets recognised by the group are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the group irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (FVtOCI) in accordance with the relevant criteria in AASB 9.

Financial assets not irrevocably designated on initial recognition at FVtOCI are classified as subsequently measured at amortised cost, FVtOCI or fair value through profit or loss (FVtPL) on the basis of both:

- (a) the group's business model for managing the financial assets; and
- (b) the contractual cash flow characteristics of the financial asset.

Classification of financial liabilities

Financial liabilities classified as held-for-trading, contingent consideration payable by the group for the acquisition of a business, and financial liabilities designated at FVtPL, are subsequently measured at fair value.

All other financial liabilities recognised by the group are subsequently measured at amortised cost.

NOTES TO FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2025

Impairment of financial assets

The following financial assets are tested for impairment by applying the 'expected credit loss' impairment model:

- (a) debt instruments measured at amortised cost;
- (b) debt instruments classified at fair value through other comprehensive income; and
- (c) receivables from contracts with customers, contract assets and lease receivables.

The group applies the simplified approach under AASB 9 to measuring the allowance for credit losses for receivables from contracts with customers, contract assets and lease receivables. Under the AASB 9 simplified approach, the group determines the allowance for credit losses for receivables from contracts with customers, contract assets and lease receivables on the basis of the lifetime expected credit losses of the financial asset. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

For all other financial assets subject to impairment testing, when there has been a significant increase in credit risk since the initial recognition of the financial asset, the allowance for credit losses is recognised on the basis of the lifetime expected credit losses. When there has not been an increase in credit risk since initial recognition, the allowance for credit losses is recognised on the basis of 12-month expected credit losses. '12-month expected credit losses' is the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The group consider a range of information when assessing whether the credit risk has increased significantly since initial recognition. This includes such factors as the identification of significant changes in external market indicators of credit risk, significant adverse changes in the financial performance or financial position of the counterparty, significant changes in the value of collateral, and past due information.

The group assumes that the credit risk on a financial asset has not increased significantly since initial recognition when the financial asset is determined to have a low credit risk at the reporting date. The group considers a financial asset to have a low credit risk when the counterparty has an external 'investment grade' credit rating (if available) of BBB or higher, or otherwise is assessed by the group to have a strong financial position and no history of past due amounts from previous transactions with the group.

The group assumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 30 days past due.

NOTES TO FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2025

The group determines expected credit losses using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the financial asset as well as current and future expected economic conditions relevant to the financial asset. When material, the time value of money is incorporated into the measurement of expected credit losses. There has been no change in the estimation techniques or significant assumptions made during the reporting period.

The group has identified contractual payments more than 90 days past due as default events for the purpose of measuring expected credit losses. These default events have been selected based on the group's historical experience. Because contract assets are directly related to unbilled work in progress, contract assets have a similar credit risk profile to receivables from contracts with customers. Accordingly, the group applies the same approach to measuring expected credit losses of receivables from contracts with customers as it does to measuring impairment losses on contract assets.

The measurement of expected credit losses reflects the group's 'expected rate of loss', which is a product of the probability of default and the loss given default, and its 'exposure at default', which is typically the carrying amount of the relevant asset. Expected credit losses are measured as the difference between all contractual cash flows due and all contractual cash flows expected based on the group's exposure at default, discounted at the financial asset's original effective interest rate.

Financial assets are regarded as 'credit-impaired' when one or more events have occurred that have a detrimental impact on the estimated future cash flows of the financial asset. Indicators that a financial asset is 'credit-impaired' include observable data about the following:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) breach of contract;
- (c) the lender, for economic or contractual reasons relating to the borrower's financial difficulty, has granted concessions to the borrower that the lender would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

The gross carrying amount of a financial asset is written off (i.e., reduced directly) when the counterparty is in severe financial difficulty and the group has no realistic expectation of recovery of the financial asset. Financial assets written off remain subject to enforcement action by the group. Recoveries, if any, are recognised in profit or loss.

(i) Impairment of non-financial assets

Goodwill, intangible assets not yet ready for use and intangible assets with indefinite useful lives are not subject to amortisation and are therefore tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

NOTES TO FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2025

For impairment assessment purposes, assets are generally grouped at the lowest levels for which there are largely independent cash flows ('cash generating units'). Accordingly, most assets are tested for impairment at the cash-generating unit level. Because it does not generate cash flows independently of other assets or groups of assets, goodwill is allocated to the cash generating unit or units that are expected to benefit from the synergies arising from the business combination that gave rise to the goodwill.

Assets other than goodwill, intangible assets not yet ready for use and intangible assets with indefinite useful lives are assessed for impairment whenever events or circumstances arise that indicate the asset may be impaired.

An impairment loss is recognised when the carrying amount of an asset or cash generating unit exceeds the asset's or cash generating unit's recoverable amount. The recoverable amount of an asset or cash generating unit is defined as the higher of its fair value less costs to sell and value in use (where 'value in use' is determined as the present value of the future cash flows expected to be derived from an asset or cash-generating unit).

Impairment losses in respect of individual assets are recognised immediately in profit or loss unless the asset is measured at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and is recognised in other comprehensive income to the extent that it does not exceed the amount in the revaluation surplus for the same asset. Impairment losses in respect of cash generating units are allocated first against the carrying amount of any goodwill attributed to the cash generating unit with any remaining impairment loss allocated on a pro rata basis to the other assets comprising the relevant cash generating unit.

A reversal of an impairment loss for an asset measured at cost is recognised in profit or loss. A reversal of an impairment loss for an asset measured at a revalued amount is treated as a revaluation increase and is recognised in other comprehensive income, except to the extent that an impairment loss on the same asset was previously recognised in profit or loss, in which case a reversal of that impairment loss is also recognised in profit or loss.

(j) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chief Executive Officer (CEO) has been identified as the chief operating decision maker. The CEO assesses the financial performance and position of the group and makes strategic decisions.

(k) Property, plant and equipment

Each class of plant and equipment is measured at cost or fair value less, where applicable, any accumulated depreciation and any accumulated impairment losses.

NOTES TO FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2025

Plant and equipment

Plant and equipment is measured at cost, less accumulated depreciation and any accumulated impairment losses.

Depreciation

Land is not depreciated. The depreciable amount of all other property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset.

Class of fixed asset	Depreciation rates	Depreciation basis
Improvements under lease	2.5%	Straight line
Office equipment at cost	20%	Straight line
Computer equipment at cost	20%	Straight line

(I) Intangible assets

Goodwill

Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identifiable or separately recognised. Goodwill is initially recognised at an amount equal to the excess of: (a) the aggregate of the consideration transferred, the amount of any non controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest (in case of step acquisition); over (b) the net fair value of the identifiable assets acquired and liabilities assumed. For accounting purposes, such measurement is treated as the cost of goodwill at that date.

Goodwill is not amortised, but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Subsequent to initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Separately acquired intangible assets

Except for indefinite useful life intangible assets, which are not amortised but are tested annually for impairment, separately acquired intangible assets are recognised at cost and amortised over their estimated useful lives commencing from the time the asset is available for use. The amortisation method applied to an intangible asset is consistent with the estimated consumption of economic benefits of the asset. Subsequent to initial recognition, separately acquired intangible assets are measured at cost, less accumulated amortisation (where applicable) and any accumulated impairment losses. The amortisation period of intangible assets is 3 - 5 years.

NOTES TO FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2025

Intangible assets acquired in a business combination

Intangibles acquired in a business combination are initially recognised at fair value (which, for accounting purposes, is treated as the cost of the intangible asset), and are subsequently amortised over their estimated useful lives commencing from the time the asset is available for use. The amortisation method applied to an intangible asset is consistent with the estimated consumption of economic benefits of the asset. Subsequent to initial recognition, intangible assets acquired in a business combination are measured at cost, less accumulated amortisation and any accumulated impairment losses.

(m) Leases

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the group recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Lease assets

Lease assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the group, and an estimate of costs to be incurred by the group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequent to initial recognition, lease assets are measured at cost (adjusted for any remeasurement of the associated lease liability), less accumulated depreciation and any accumulated impairment loss.

Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying asset.

Lease liabilities

Lease liabilities are initially recognised at the present value of the future lease payments (i.e., the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the group's incremental borrowing rate.

Subsequent to initial recognition, lease liabilities are measured at the present value of the remaining lease payments (i.e., the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in profit or loss (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

NOTES TO FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2025

Leases of 12-months or less and leases of low value assets

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

(n) Employee benefits

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the consolidated statement of financial position.

(ii) Long-term employee benefit obligations

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. For currencies in which there is no deep market in such high quality corporate bonds, the market yields (at the end of the reporting period) on government bonds denominated in that currency are used. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the consolidated statement of financial position if the group does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the consolidated statement of financial position.

NOTES TO FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2025

(iii) Retirement benefit obligations

Defined contribution superannuation plan

The group makes superannuation contributions to the employee's defined contribution superannuation plan of choice in respect of employee services rendered during the year. These superannuation contributions are recognised as an expense in the same period when the related employee services are received. The group's obligation with respect to employee's defined contributions entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the consolidated statement of financial position.

(iv) Share-based payments

The group operates share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(o) Goods and services tax (GST)

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated statement of financial position are shown inclusive of GST.

Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(p) Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to change in presentation for the current financial year.

(q) Earnings per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the financial period.

NOTES TO FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2025

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(r) 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. None have had a material impact on the financial performance or position of the Group.

NOTES TO FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2025

2. Segment Information

(a) Description of segments and principal activities

The group's Chief Executive Officer (CEO), examines the group's performance both from a product and geographic perspective and has identified two reportable segments of its business:

- **Cloud Services in Australia:** Provision of Cloud IaaS, Managed Services, Professional and support services in Australia. Also included in this segment is the resale of hardware and software licensing in Australia.
- **Cyber Security Services in Australia:** Managed Cyber Security and Cyber related consulting services in Australia.
- **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 CEO. This column also includes support function and group service costs.

The CEO 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 CEO 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 \$
30 June 2025					
Segment Revenue	3	13,256,050	9,215,039	350,192	22,821,281
Segment Underlying EBITDA		2,798,131	3,063,208	(8,560,890)	(2,699,551)
Interest income	4	-	-	182,518	182,518
Finance costs	5	-	-	(216,394)	(216,394)
Depreciation and Amortisation	5	(6,092,912)	(356,496)	-	(6,449,408)
Impairment Loss		(13,497,215)	(14,042,441)	-	(27,539,656)
Restructuring Costs		-	-	(1,781,029)	(1,781,029)
Gain on reversal of deferred consideration		947,886	-	-	947,886
Profit / (Loss) before Income Tax		(15,844,110)	(11,335,729)	(10,375,795)	(37,555,634)
Total Non-Current Assets (Property, plant and equipment, Intangible Assets, and Right of Use Assets)		3,960,115	297,082	4,601,653	8,858,850
		3,960,115	297,082	4,601,653	8,858,850

NOTES TO FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2025

30 June 2025	Cloud \$	Cyber \$	Others \$	Total \$
Total non-current Assets (Property, plant and equipment, Intangible Assets, and Right of Use Assets)	3,960,116	297,082	4,601,653	8,858,851
	3,960,116	297,082	4,601,653	8,858,851

(c) Impairment loss

	2025 \$	2024 \$
Goodwill	23,329,766	-
Customer related intangibles	4,209,890	-
Total Impairment Losses	27,539,656	-

3. Revenue from Contracts with Customers

	2025 \$	2024 \$
Provision of Cloud Services	13,256,050	5,390,700
Provision of Cyber Security Services	9,215,039	4,197,478
Technical Project Services	-	641,944
	22,471,089	10,230,122

NOTES TO FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2025

Disaggregation of revenue

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

	Cloud	Cyber	Others	Total
2025	\$	\$	\$	\$
Timing of Recognition				
At a point in time - Resales	1,279,695	-	-	1,279,695
Over time	11,976,355	9,215,039	-	21,191,394
	13,256,050	9,215,039	-	22,471,089

	Cloud	Cyber	Others	Total
2024	\$	\$	\$	\$
Timing of Recognition				
At a point in time	187,265	-	641,944	829,209
Over time	5,203,435	4,197,478	-	9,400,913
	5,390,700	4,197,478	641,944	10,230,122

4. Other Revenue and Other Income

	2025	2024
	\$	\$
Interest income	182,518	263,301
Other Income	63,220	28,557
R & D Refundable tax offset	286,972	318,445
	532,710	610,303

NOTES TO FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2025

5. Operating Profit

Profit / (losses) before income tax has been determined after:

	2025	2024
	\$	\$
Finance costs		
Lease liabilities - finance charges - data centres	216,394	169,926
Lease liabilities - finance charges - software & computer equipment	-	8,611
	216,394	178,537
Depreciation		
Right of Use Assets	1,935,881	1,687,826
Office Furniture and Equipment	63,614	130,974
Computer Equipment	2,711,926	3,225,906
Leased Assets	606,757	606,747
Leasehold Improvements	54,171	181,853
	5,372,349	5,833,306
Amortisation		
Software and Other Intangibles	7,976	279,822
Customer Related Assets	1,069,083	296,944
Right of Use - Software	-	224
	1,077,059	576,990

NOTES TO FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2025

6. Income Tax

Income tax reconciliation

The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:

	2025 \$	2024 \$
Prima facie income tax payable on loss before income tax at 25.0% (2024: 25.0%)	(9,388,909)	(4,861,588)
Tax effect of:		
Non-assessable income	(71,743)	(80,791)
Non-deductible expenses	7,152,800	75,030
Prior year under over	-	(21,428)
Tax losses and deferred tax not recognised	2,307,852	4,851,395
Income tax expense attributable to loss	-	-
Deferred tax assets not brought to account		
Temporary differences	-	-
Tax losses	23,092,149	20,784,297
Unrecognised deferred tax assets	23,092,149	20,784,297

7. Material Profit or Loss Items

The group has identified a number of items which are material due to the significance of their nature and/or amount. These are listed separately here to provide a better understanding of the financial performance of the group.

	Notes	2025 \$
Restructuring costs	a	1,781,029
Impairment loss	b	27,539,656
Total material items from continuing operations		29,320,685

(a) Restructuring Costs

These costs primarily relate to due acquisition activities undertaken during the financial year 2025 which is included as part of the professional fees in the consolidated statement of profit and loss.

(b) Impairment Loss

This pertains to the goodwill and customer-related asset write-offs recorded for financial year 2025.

NOTES TO FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2025

8. Cash and Cash Equivalents

	2025	2024
	\$	\$
Cash and cash equivalents	3,939,943	8,394,863
	3,939,943	8,394,863

9. Receivables

	2025	2024
	\$	\$
CURRENT		
Receivables from contracts with customers	3,271,307	4,359,720
Other receivables	-	-
	3,271,307	4,359,720

At 30 June 2025 and 2024 there were no receivables past due nor impaired.

10. Other Assets

	2025	2024
	\$	\$
CURRENT		
Prepayments	179,046	1,128,679
Other assets	531,265	969,229
	710,311	2,097,908
NON-CURRENT		
Prepayments	9,226	234,400
	9,226	234,400

NOTES TO FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2025

11. Property, Plant and Equipment

	2025	2024
	\$	\$
Leasehold improvements		
Improvements under lease	533,599	279,572
Accumulated depreciation	(333,743)	(279,572)
	199,856	-
Office equipment		
Office equipment at cost	458,690	354,131
Accumulated depreciation	(335,367)	(271,743)
	123,323	82,388
Computer equipment		
Computer equipment at cost	16,206,775	16,163,028
Accumulated depreciation	(12,201,989)	(9,490,063)
	4,004,786	6,672,965
Total property, plant and equipment	4,327,965	6,755,352

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year

Leasehold improvements		
Opening carrying amount	-	-
Additions	254,027	181,853
Depreciation expense	(54,171)	(181,853)
Closing carrying amount	199,856	-
Office equipment		
Opening carrying amount	82,388	117,547
Additions	104,549	95,815
Depreciation expense	(63,614)	(130,974)
Closing carrying amount	123,323	82,388
Computer equipment		
Opening carrying amount	6,672,965	9,799,564
Additions	43,747	99,306
Depreciation expense	(2,711,926)	(3,225,906)
Closing carrying amount	4,004,786	6,672,965
Total property, plant and equipment	4,327,965	6,755,352

NOTES TO FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2025

12. Intangible Assets

	2025	2024
	\$	\$
Goodwill	23,329,766	23,209,336
Provision for Impairment	(23,329,766)	-
	-	23,209,336
Customer Related Intangible assets	5,873,000	5,873,000
Accumulated amortisation	(1,366,028)	(296,944)
Provision for impairment	(4,209,890)	-
	297,082	5,576,056
Software intangibles at cost	485,226	493,426
Accumulated amortisation	(416,800)	(417,025)
	68,426	76,401
Patents, trademarks, and licences at cost	9,449	9,449
Total intangible assets	374,957	28,871,242

NOTES TO FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2025

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

	2025	2024
	\$	\$
Goodwill		
Opening balance	23,209,336	-
Additions	120,430	23,209,336
Impairment loss	(23,329,766)	-
Closing balance	-	23,209,336
Customer Related Intangible		
Opening balance	5,576,056	-
Additions	-	5,873,000
Amortisation	(1,069,084)	(296,944)
Impairment loss	(4,209,890)	-
Closing balance	297,082	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
Loss on disposals	(5,924)	-
Depreciation and amortisation	(2,051)	(280,046)
Closing balance	68,426	76,401

NOTES TO FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2025

(a) Impairment

At 31 December 2024, management identified impairment indicators due to the below-budget performance 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 those from other assets or groups of assets (cash-generating units or CGUs). The recoverable amount of each CGU was determined based on a value-in-use model using cash flow projections over a five-year outlook.

As at 31 December 2024, an impairment loss of \$13.5 million was recognised for the Cloud CGU, reducing the carrying amount of goodwill by \$9.3 million to \$nil and customer-related intangibles by \$4.2 million. The recoverable amount of the Cloud CGU at that date was \$7.5 million. For the Cyber CGU, the recoverable amount was \$15.2 million, resulting in a partial impairment of goodwill of \$1.3 million.

Management reperformed the impairment assessment as at 30 June 2025, as impairment indicators continued to be present.

As a result of this reassessment:

- The recoverable amount of the Cloud CGU was updated to \$9.1 million, and no further impairment was recognised.
- The Cyber CGU was further impaired, with the remaining goodwill balance fully written down. An additional impairment of \$12.8 million was recognised to fully impair the Cyber CGU's goodwill. The recoverable amount of the Cyber CGU as at 30 June 2025 was \$2.0 million.

The following table sets out the assumptions used for the two CGUs where the impairment calculations were prepared as at 30 June 2025:

30 June 2025	Cloud	Cyber
Sales volume (% quarterly average growth rate)	1.13%	2.0%
Customer Churn (% annual churn rate)	1.5%	3.0%
Direct Cost of Sales (% quarterly average growth rate)	1.05%	1.0%
Indirect Operating Costs (% quarterly average growth rate)	1.0%	1.0%
Terminal growth rate (%)	1.0%	1.0%
Post-tax discount rate (%)	12.8%	12.8%

NOTES TO FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2025

13. Right of Use Lease Assets

	2025 \$	2024 \$
Data centres under lease	12,183,702	10,576,585
Accumulated depreciation	(8,223,586)	(6,287,705)
	3,960,116	4,288,880
Computer equipment under lease	3,033,735	3,033,735
Accumulated depreciation	(2,837,923)	(2,231,175)
	195,812	802,560
Total carrying amount of lease assets	4,155,928	5,091,439

Reconciliation of Leased Assets

Reconciliation of the carry amount of lease assets at the beginning and end of the financial year:

Data centres

Opening carrying amount	4,288,880	4,490,503
Additions	1,607,117	1,486,203
Depreciation	(1,935,881)	(1,687,826)
Closing carrying amount	3,960,116	4,288,880

Computer equipment

Opening carrying amount	802,560	1,409,307
Transfers	-	-
Depreciation	(606,748)	(606,747)
Closing carrying amount	195,812	802,560

NOTES TO FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2025

14. Payables

	2025	2024
	\$	\$
CURRENT		
Unsecured liabilities		
Trade creditors	2,146,785	1,585,585
Sundry creditors and accruals	1,124,440	2,756,047
Deferred consideration	175,000	1,122,886
	3,446,225	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 30 June 2025, 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.

15. Lease Liabilities

	2025	2024
	\$	\$
CURRENT		
Lease liability - Data Centres	1,857,669	1,547,735
	1,857,669	1,547,735
NON CURRENT		
Lease liability - Data Centres	2,866,686	3,546,363
	2,866,686	3,546,363
Total carrying amount of lease liabilities	4,724,355	5,094,098

NOTES TO FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2025

16. Provisions

	2025	2024
	\$	\$
CURRENT		
Employee benefits	677,686	2,226,930
NON CURRENT		
Employee benefits	66,590	275,417
Total employee benefits liability	744,276	2,502,347

17. Share Capital

Issued and paid-up capital

	2025	2024
	\$'000	\$'000
Ordinary shares - (2025: 208,747,622) (2024: 163,563,360)	135,840,073	133,153,618
	135,840,073	133,153,618

	2025		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 2025 - Entitlement Offer	-	-	1,001,232,398	30,036,972
Transaction costs relating to shares issued - 2025	-	-	-	(1,536,213)
FY25 Acquisition Share issue	-	-	295,000,000	8,850,000
FY25 Share consolidation	-	-	(1,472,069,710)	-
April 2025 - Proceeds from rights issue	45,833,333	2,750,001	-	-
June 2025 - Shares buy back	(649,071)	(46,862)	-	-
Transaction costs relating to shares issued - 2025	-	(16,684)	-	-
Closing balance	208,747,622	135,840,073	163,563,360	133,153,618

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

NOTES TO FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2025

18. Reserves

	2025	2024
	\$	\$
Share based payments reserve	1,014,291	1,014,291
	1,014,291	1,014,291

The share-based payments reserve is used to record the fair value of shares or options issued to employees.

Movements in reserve

Opening balance	1,014,291	787,665
Share based payments expensed	-	226,626
Closing balance	1,014,291	1,014,291

19. Accumulated Losses

	2025	2024
	\$	\$
Accumulated losses at beginning of year	(91,423,949)	(71,705,849)
Net profit / (loss)	(37,555,634)	(19,718,100)
Accumulated losses at end of year	(128,979,583)	(91,423,949)

NOTES TO FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2025

20. Cash Flow Information

Reconciliation of cash flow from operations with profit after income tax

	2025 \$	2024 \$
Profit / (loss) from ordinary activities after income tax	(37,555,634)	(19,718,100)
Adjustments and non-cash items		
Amortisation	1,077,059	576,990
Depreciation	5,372,349	5,833,306
Impairment	27,539,656	-
Gain on reversal of deferred consideration	(947,886)	-
Share based payment expense	-	226,626
Unrealised FX Gains & Losses	(10,128)	(23,342)
Changes in operating assets and liabilities		
(Increase) / decrease in receivables	1,088,413	(3,802,069)
(Increase) / decrease in other assets	1,612,771	1,804,047
Increase / (decrease) in operating payables	(1,977,768)	1,742,427
Increase / (decrease) in provisions	(1,758,071)	1,846,858
Cash flows from operating activities	(5,559,241)	(11,513,257)
Reconciliation of liabilities arising from financing activities		
Lease liability opening balance	5,094,098	5,249,849
Lease liability additions against ROU assets	1,607,118	1,486,204
Financing activities cashflows	(1,976,861)	(1,642,177)
	4,724,355	5,093,875

NOTES TO FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2025

21. Financial Risk Management

The group is exposed to the following financial risks in respect to the financial instruments that it held at the end of the reporting period:

- (a) Interest rate risk
- (b) Credit risk
- (c) Liquidity risk
- (d) Fair values compared with carrying amounts

The board of directors have overall responsibility for identifying and managing operational and financial risks.

The group holds the following financial instruments:

	2025	2024
	\$	\$
Financial assets		
<i>Amortised cost</i>		
Cash and cash equivalents	3,939,943	8,394,863
Receivables	3,271,307	4,359,720
	7,211,250	12,754,583
Financial liabilities		
<i>Amortised cost</i>		
Payables	3,446,225	5,464,518
Lease liabilities	4,724,355	5,094,099
	8,170,580	10,558,617

(a) Interest rate risk

The group is exposed to interest rate risk in relation to its cash at bank. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Groups borrowings are subject to fixed interest rates.

The following table outlines that group's exposure to interest rate risk in relation to future cashflows and the effective weighted average interest rates on classes of financial assets and financial liabilities:

NOTES TO FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2025

	2025		2024	
Financial instruments	Interest bearing	Weighted average effective interest rate	Interest bearing	Weighted average effective interest rate
	\$		\$	
Financial assets				
Cash	3,939,943	4.60%	8,394,863	0.50%

No other financial assets or financial liabilities are expected to be exposed to interest rate risk.

Sensitivity

If interest rates were to increase/decrease by 50 basis points (2024: 50 basis points) from the rates prevailing at the reporting date, assuming all other variables remain constant, then the impact of profit for the year and equity would be as follows:

	2025	2024
+ / - 50 basis points (2024: 50 basis points)	\$	\$
Impact on profit after tax	19,700	41,974
Impact on equity	19,700	41,974

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date of recognised financial assets is the carrying amount of those assets, net of any provisions for impairment of those assets, as disclosed in consolidated statement of financial position and notes to financial statements.

The group does not have any material credit risk exposure to any single counterparty or group of counterparties under financial instruments entered into by the group.

(i) Cash deposits

Credit risk for cash deposits is managed by holding all cash deposits with major Australian banks, primarily Commonwealth Bank of Australia, NAB and St George Bank.

NOTES TO FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2025

(ii) *Receivables from contracts with customers*

Credit risk for receivables from contracts with customers is managed by transacting with a large number of customers, undertaking credit checks for all new customers and setting credit limits for all customers commensurate with their assessed credit risk. Outstanding receivables are regularly monitored for payment in accordance with credit terms.

(iii) *Other receivables*

Other receivables relate mainly to GST receivables from the Australian Taxation Office.

(c) **Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Surplus funds are generally only invested in bank deposits. At the reporting date the group did not have access to any undrawn borrowing facilities.

The following table outlines the group's remaining contractual maturities for non-derivative financial instruments. The amounts presented in the table are the undiscounted contractual cash flows of the financial liabilities, allocated to time bands based on the earliest date on which the group can be required to pay.

	< 6 months	6-12 months	1-5 years	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$	\$
Year ended 30 June 2025					
Payables	3,446,225	-	-	3,446,225	3,446,225
Lease liabilities	1,048,586	853,153	2,822,616	4,724,355	4,724,355
Net maturities	4,494,811	853,153	2,822,616	8,170,580	8,170,580
Year ended 30 June 2024					
Payables	5,464,518	-	-	5,464,518	5,464,518
Lease liabilities	959,984	847,208	3,286,926	5,094,118	5,094,118
Net maturities	6,424,502	847,208	3,286,926	10,558,636	10,558,636

(d) **Fair values compared with carrying amounts**

The fair value of financial assets and financial liabilities approximates their carrying amounts as disclosed in consolidated statement of financial position and notes to financial statements.

NOTES TO FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2025

22. Capital Management

When managing capital, management's objective is to ensure the group continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. This is achieved through the monitoring of historical and forecast performance and cash flows. To maintain or adjust the capital structure, the group may seek to issue new shares.

23. Interests in Subsidiaries

The following are the group's significant subsidiaries:

Subsidiaries of AUCyber Limited:	Country of incorporation	Ownership interest held by the group	
		2025	2024
		%	%
Sovereign Cloud Australia Pty Ltd	Australia	100	100
AUCyber Pty Ltd	Australia	100	100
Venn IT Solutions Pty Ltd	Australia	100	100
AUCyber Solution Pty Ltd (Formerly PCG Cyber Pty Ltd)	Australia	100	100
AU123 Pty Ltd	Australia	100	100

AU123 Pty Ltd was incorporated on the 20 November 2023. Venn IT Solutions Pty Ltd and AUCyber Solution Pty Ltd (Formerly PCG Cyber Pty Ltd) were acquired on the 30 April 2024.

NOTES TO FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2025

24. Parent Entity Details

Summarised presentation of the parent entity, AUCyber Limited, financial statements:

(a) Summarised statement of financial position

	2025	2024
	\$	\$
Assets		
Current assets	124,225,946	123,673,478
Non-current assets	5,324,156	5,324,156
Total assets	129,550,102	128,997,634
Liabilities		
Current liabilities	111,265	160,692
Non-current liabilities	-	-
Total liabilities	111,265	160,692
Net assets	129,438,837	128,836,942
Equity		
Share capital	135,840,042	133,153,587
Retained earnings	(7,415,527)	(5,330,967)
Share based payments reserve	1,014,322	1,014,322
Total equity	129,438,837	128,836,942

(b) Summarised statement of comprehensive income

	2025	2024
	\$	\$
Loss for the year	(2,084,560)	(1,589,107)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	(2,084,560)	(1,589,107)

Contingent liabilities

As at 30 June 2025, AUCyber Limited is not aware of contingent liabilities.

Contractual commitments

As at 30 June 2025 contractual commitments entered into by AUCyber Limited is \$Nil (2024: \$Nil)

Guarantees

AUCyber Limited has not entered into any guarantees, in the current previous financial years, in relation to debts of its subsidiaries.

NOTES TO FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2025

25. Deed of Cross Guarantee

AUCyber Limited and Sovereign Cloud Australia Pty Ltd are parties to a deed of cross guarantee under which each company guarantees the debts of the others. By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare a financial report and directors' report under *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785*.

(a) Consolidated statement of profit or loss, statement of comprehensive income and summary of movements in consolidated retained earnings

The above companies represent a 'closed group' for the purposes of the instrument, and as there are no other parties to the deed of cross guarantee that are controlled by AUCyber Limited, they also represent the 'extended closed group'.

Set out below is a consolidated statement of profit or loss and comprehensive income for the year ended 30 June 2025 of the closed group consisting of AUCyber Limited and Sovereign Cloud Australia Pty Ltd.

	2025 \$	2024 \$
Revenue and other income		
Revenue from contracts with customers	11,095,607	8,270,135
Interest income	180,900	263,185
Other income	344,118	324,496
	11,620,625	8,857,815
Expenses		
Employee benefits expense	(8,974,732)	(12,529,325)
Licensing fees	(4,733,802)	(6,239,253)
Professional fees	(2,378,543)	(1,975,432)
Travel, Conferences and Marketing	(516,630)	(926,891)
Other expenses	(544,960)	(863,473)
Finance costs	(216,394)	(175,537)
Depreciation and amortisation	(6,441,432)	(6,300,772)
Impairment Loss	(17,576,203)	-
Gain on reversal of deferred consideration	947,886	-
	(40,434,089)	(29,010,683)
Loss before income tax expense	(28,814,185)	(20,152,868)
Income tax expense	-	-
Loss for the year	(28,814,185)	(20,152,868)
Other comprehensive income for the year	-	-

NOTES TO FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2025

Consolidated statement of financial position

Set out below is a consolidated statement of financial position as at 30 June 2025 of the closed group consisting of AUCyber Limited and Sovereign Cloud Australia Pty Ltd.

	2025	2024
	\$	\$
Current assets		
Cash and cash equivalents	2,915,736	7,421,153
Receivables	1,897,294	2,272,790
Other assets	639,551	2,051,355
Total current assets	5,452,581	11,745,298
Non-current assets		
Property, plant and equipment	4,327,965	6,755,352
Intangible assets	10,338,410	6,770,637
Right of use lease assets	4,155,928	5,091,439
Other assets	9,226	22,327,029
Total non-current assets	18,831,530	40,944,457
Total assets	24,284,110	52,689,755
Current liabilities		
Payables	2,633,647	4,087,873
Lease liabilities	1,857,892	1,547,736
Provisions	677,686	923,172
Total current liabilities	5,169,225	6,558,781
Non-current liabilities		
Lease liabilities	2,866,686	3,546,363
Provisions	66,737	275,417
Total non-current liabilities	2,933,423	3,821,780
Total liabilities	8,102,648	10,380,561
Net assets	16,181,462	42,309,194
Equity		
Share capital	135,840,073	133,153,618
Reserves	1,014,291	1,014,291
Accumulated losses	(120,672,902)	(91,858,715)
Total equity	16,181,462	42,309,194

NOTES TO FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2025

26. Share Based Payments

(a) Equity-settled share-based payments

(i) 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:

2025

Grant date	Expiry date	Exercise price*	Balance at beginning of the year	Granted during the year	Exercised during the year	Expired during the year	Balance at the end of the year	Exercisable at end of the year
30/09/2020	1/07/2024	\$0.60	28,750	-	-	(28,750)	-	-
30/01/2023	31/12/2027	\$-	150,000	-	-	(150,000)	-	-
30/10/2023	1/07/2027	\$3.00	112,500	-	-	(87,500)	25,000	-
30/10/2023	1/07/2028	\$3.00	112,500	-	-	(87,500)	25,000	-
30/04/2024	30/04/2029	\$0.30	8,255,000	-	-	(8,255,000)	-	-
			8,658,750	-	-	(8,608,750)	50,000	-
Weighted average exercise price:			\$0.37	\$0.00	\$0.00	\$0.35	\$3.00	\$0.00

2024

Grant date	Expiry date	Exercise price*	Balance at beginning of the year	Granted during the year	Exercised during the year	Expired during the year	Balance at the end of the year Pre-consolidation	Balance at the end of the year Post-consolidation	Exercisable at end of the year
30/09/2020	1/07/2024	\$0.60	876,468	-	-	(588,973)	287,495	28,750	28,750
9/09/2022	1/07/2027	\$-	1,280,795	-	-	(1,280,795)	-	-	-
19/10/2022	1/07/2027	\$-	1,000,000	-	-	(1,000,000)	-	-	-
30/01/2023	31/12/2027	\$-	1,500,000	-	-	-	1,500,000	150,000	-
30/10/2023	1/07/2027	\$3.00	-	1,250,000	-	(125,000)	1,125,000	112,500	-
30/10/2023	1/07/2028	\$3.00	-	1,250,000	-	(125,000)	1,125,000	112,500	-
30/04/2024	30/04/2029	\$0.30	-	82,550,000	-	-	82,550,000	8,255,000	-
			4,657,263	85,050,000	-	(3,119,768)	86,587,495	8,658,750	28,750
Weighted average exercise price:			\$0.11	\$0.38	\$0.00	\$0.35	\$0.37	\$0.37	\$0.60

* Exercise price is \$3, however, the exercise price reduces to \$0.60 unless the participant has ceased to be employed for any reason before the vesting dates which are 1 July 2022, 1 July 2023, 1 July 2027, 1 July 2027, 31 December 2027 respectively

NOTES TO FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2025

(ii) Long Term Incentive Plan

No share options were granted, issued, or vested during the financial year ended 30 June 2025 in relation to the Company's share-based payment arrangements.

Fair Value of LTI Options

The assessed fair value at the date of grant of options issued is determined using an option pricing model that takes into account the exercise price, the underlying option price at the time of issue, the term of option, the underlying option's expected volatility, expected dividends and risk-free interest rate for the expected life of the instrument as detailed below.

	Tranche 1	Tranche 2
Grant date	30-Oct-23	30-Oct-23
Exercise Price (\$/share)	\$0.30	\$0.30
Expiry Date	1-Jul-27	1-Jul-28
Expected price volatility of the group's shares	85%	85%
Spot price (\$/share)	0.093	0.093
Risk free rate	4.37%	4.49%
Pricing model	Binomial	Binomial
Vesting conditions	Service	Service
Fair Value (\$/right)	0.034	0.043

NOTES TO FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2025

27. Related party transactions

(a) Parent Entity

5G Network Limited is the Ultimate Parent entity.

(b) Transactions with related parties

The following transactions occurred with related parties:

	2025 \$	2024 \$
Sale of goods and services		
Sale of services to other related party	-	-
Payment for goods and services		
Payment for services from other related party	531,110	550,503

(c) Receivable from and payable to related parties

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

	2025 \$	2024 \$
Current receivables		
Trade receivables from NextDC Limited	-	-
Current payables		
Trade payables to NEXTDC Limited	-	46,706
Trade payables to 5G Network Operations Pty Ltd	164,149	-

(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 YEAR ENDED 30 JUNE 2025

28. Commitments

Leases

At the reporting date, the Group had no operating lease commitments. No lease obligations were contracted for but not yet recognised as liabilities

	Within 1 year	1-3 years	3-5 years	More than 5 years	Total
Lease Obligations	-	-	-	-	-

29. 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 30 June 2025, 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.

NOTES TO FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2025

30. Remuneration of Auditors

During the year, the following fees were paid or payable for services provided by the auditors of the Group, its related entities, its network firms and unrelated firm

	2025	2024
	\$	\$
Auditors of the Group - Bentleys		
Audit and review of the financial statements	87,200	78,100

31. Earnings per share

	2025	2024
	Cents	Cents
Basic earnings per share	(22)	(4)
Diluted earnings per share	(22)	(4)

Earnings used in Calculating Earnings Per Share	2025	2024
	\$	\$
Loss attributable to the ordinary equity holders used in calculating earnings per share	(37,555,634)	(19,718,100)

	2025	2024
	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	173,106,739	561,725,674
<i>Dilutive options</i>		
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	173,106,739	561,725,674

Options are anti-dilutive when converted to ordinary shares as they reduce loss per share.

32. Events subsequent to reporting date

There have been no material matters or circumstances which have arisen between 30 June 2025 and the date of this report that have significantly affected or may affect the operations of the Group, the results of those operations and the state of affairs of the Group in subsequent financial period.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2025

The following are the group's significant subsidiaries:

Name of Entity	As at 30 June 2025					
	Type of Entity	Trustee, partner or Participant in JV	% of Share Capital	Country of incorporation	Australian resident or foreign resident	Foreign jurisdiction(s) of foreign residents
Sovereign Cloud Australia Pty Ltd	Body Corporate	-	100	Australia	Australian	n/a
AUCyber Pty Ltd (Formerly known as Sovereign Cloud Holdings Limited)	Body Corporate	-	100	Australia	Australian	n/a
Venn IT Solutions Pty Ltd	Body Corporate	-	100	Australia	Australian	n/a
AUCyber Solution Pty Ltd	Body Corporate	-	100	Australia	Australian	n/a
AU123 Pty Ltd	Body Corporate	-	100	Australia	Australian	n/a

DIRECTORS DECLARATION

In accordance with a resolution of the directors of AUCyber Limited, the directors of the Company declare that:

- (a) the consolidated financial statements and notes, as set out on pages 29 to 68, are in accordance with the *Corporations Act 2011*, including:
 - (i) complying with the Corporations Regulations 2001 and Australian Accounting Standards and Interpretations, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and
 - (ii) giving a true and fair view of the consolidated Group's financial position as at 30 June 2025 and of its performance for the financial year ended on that date; and
- (b) in the directors' opinion there are reasonable grounds to believe the Company will be able to pay its debts as and when they become due and payable; and
- (c) the consolidated entity disclosure statement on page 69 is true and correct, and
- (d) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in Note 25 will be able to meet any liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in Note 25.
- (e) the directors have been given the declarations required by s295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer, for the financial year ended 30 June 2025.

Signed in accordance with a resolution of the Directors.



Joseph Demase

Chair

Dated: 26 August 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUCYBER LIMITED (FORMERLY SOVEREIGN CLOUD HOLDINGS LIMITED) AND CONTROLLED ENTITIES

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of AUCyber Limited (Formerly Sovereign Cloud Holdings Limited) and controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2025 and 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 year then ended, notes comprising a summary of significant accounting policies and other explanatory information, the consolidated entity disclosure statement and the director's declaration.

In our opinion the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit 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 Australian Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
Going Concern As disclosed in Note 1(c), on 3 February 2025, 5G Networks Limited obtained control of the Group following a successful on-market takeover bid. A letter of financial support has been provided confirming that financial support will be made available as and when required to enable the Group to meet its obligations for a period of at least 12 months from the date of signing the financial statements. This was a key audit matter due to: <ul style="list-style-type: none"> The financial results and position of the Group on its own showing indicators that there may be doubt on the entity's ability to continue as a going concern 	Our procedures amongst others included: <ul style="list-style-type: none"> Obtaining a copy of the letter of financial support that has been provided and ensuring that it covers a period at least 12 months from the date of signing of the financial report Reviewing the financial results and position of 5G Networks Limited to ensure there is the financial capacity to offer this support Assessing the adequacy of the disclosures included in the financial report.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AUCYBER LIMITED (FORMERLY SOVEREIGN CLOUD HOLDINGS LIMITED) AND
CONTROLLED ENTITIES
(CONTINUED)**

Key Audit Matters (Continued)

Key Audit Matter	How our audit addressed the key audit matter
<p>Impairment of Goodwill</p> <p>As disclosed in Note 7 and 12 the Group has recognised an impairment loss of \$23,329,766 to goodwill which was generated in the prior year on the business acquisitions made. This was as a result of a discounted cash flow forecast prepared indicating the recoverable amount of the cash generating units were lower than their recorded amount. This was a key audit matter due to:</p> <ul style="list-style-type: none"> • The significance of goodwill to the Statement of Financial Position; and • The discounted cashflow forecast prepared to calculate the recoverable amount involves complex and subjective estimates and judgements. 	<p>Our procedures amongst others included:</p> <ul style="list-style-type: none"> • Reviewing the assumptions within the cash flow forecasts to gain assurance that they were reasonable; • Reviewing the assumptions built into the discount rate used and ensure that they were reasonable; and • Assessing the adequacy of the disclosures included in the financial report.
<p>Revenue Recognition</p> <p>As disclosed in Note 3 the group recorded \$22,471,089 of revenue from contracts with customers. The Group applies AASB 15 Revenue from Contracts to account for the services it provides. This was a key audit matter due to:</p> <ul style="list-style-type: none"> • The significance of revenue to the statement of financial performance; and • Judgments required by AASB 15 including identifying the performance obligations and allocating the transaction price. 	<p>Our procedures amongst others included:</p> <ul style="list-style-type: none"> • Reviewing the Groups policy to ensure in accordance with AASB 15; • Selecting a sample of revenue items and assessed the identification of performance obligations and the allocation of the transaction price; • Recalculating the amount of revenue, the Group has recognised; • Testing the cut-off of revenue; and • Assessing the adequacy of the disclosures included in the financial report.
<p>Valuation and Recognition of Share Based Payments</p> <p>As disclosed in Note 26 the Group have an existing Employee Share Option Plans of which is was noted all expired within the current financial year. This is where vesting conditions are deemed to no longer be met, or will not be met going forward. This was a key audit matter due to:</p> <p>The estimation and complexity required to determine the fair value of the share option</p>	<p>Our procedures amongst others included:</p> <ul style="list-style-type: none"> • Reviewing the models used to calculate the fair value of the share options, and assessing the inputs as being reasonable • Reviewing the journal posted to recognise the share option expense to ensure the treatment is appropriate; and • Assessing the adequacy of the disclosures included in the financial report.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AUCYBER LIMITED (FORMERLY SOVEREIGN CLOUD HOLDINGS LIMITED) AND
CONTROLLED ENTITIES
(CONTINUED)**

Other Required Information

The directors are responsible for the other required information. The other required information comprises the information included in the Group's annual report for the year ended 30 June 2025 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other required information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other required information and, in doing so, consider whether the other required information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other required information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AUCYBER LIMITED (FORMERLY SOVEREIGN CLOUD HOLDINGS LIMITED) AND
CONTROLLED ENTITIES
(CONTINUED)**

Auditor's Responsibilities for the Audit of the Financial Report (Continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 25 to 30 of the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of AUCyber Limited (Formerly Sovereign Cloud Holdings Limited), for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AUCYBER LIMITED (FORMERLY SOVEREIGN CLOUD HOLDINGS LIMITED) AND
CONTROLLED ENTITIES
(CONTINUED)**

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants



Ashley Carle
Director
Brisbane
26 August 2025

SHAREHOLDER INFORMATION

The shareholder information set out below as applicable as at 13 Aug 2025.

A. Distribution of Equity Securities

Analysis of number of equity security holders by size of holding:

	No. Holders	No of Shares	% of Shares
1 – 1,000	64	19,708	0.01%
1,001 – 5,000	31	75,039	0.04%
5,001 – 10,000	65	484,216	0.23%
10,001 – 100,000	128	3,958,811	1.90%
100,001 – and over	49	204,209,848	97.83%
	377	208,747,622	100%

B. Equity Security Holders

The names of the twenty largest holders of quoted equity securities (as at 13 Aug 2025) are listed below:

Rank	Name	Number Held	%
1	5G Networks Limited	187,782,227	89.96%
2	Peerless Investments Pty Ltd	2,363,866	1.13%
3	Citicorp Nominees Pty Limited	1,279,069	0.61%
4	Hughes Asset Management Ltd	1,045,388	0.50%
5	Hinh Super Pty Ltd	807,723	0.39%
6	Baauer Pty Ltd	680,835	0.33%
7	Mr Howard Scott	550,000	0.26%
8	Biggs Capital Ar Pty Ltd	512,961	0.25%
9	Coralco Pty Ltd	448,593	0.21%
10	Ubs Nominees Pty Ltd	370,696	0.18%
11	Mr Ruben Gonzalez	366,193	0.18%
12	Vdv Super Nominees Pty Ltd	340,510	0.16%
13	Mr Greg Ducquet & Mrs Lynda Mary Ducquet	325,023	0.16%
14	Trgp Investments Pty Ltd	323,900	0.16%
15	Hughes Super Corp Pty Ltd	281,250	0.13%
16	Ekt Investments Pty Ltd	277,541	0.13%
17	JI Morton Pty Ltd	276,521	0.13%
18	Trofeo Capital Pty Ltd	275,000	0.13%
19	Mrs Jennifer Fabian Dowling	269,600	0.13%
20	Mr Philip Murray King & Ms Xiao Qin Yu	257,930	0.12%
Total: Top 20 holders		198,817,826	95.24%
Total: Remaining balance		9,929,796	4.76%
		208,747,622	100.00%

SHAREHOLDER INFORMATION_{continued}

C. The names of the substantial shareholders listed in the holding register as at 30 June 2025 are:

Name	Number Held	%
5G Networks Limited	187,782,227	89.96%
Peerless Investments Pty Ltd	2,363,866	1.13%
Citicorp Nominees Pty Limited	1,279,069	0.61%
Hughes Asset Management Ltd	1,045,388	0.50%
Hinh Super Pty Ltd	807,723	0.39%

D. Voting Rights

All shares in the Company are ordinary shares. Voting rights for ordinary shares are:

- On a show of hands, one vote for each shareholder
- On a poll, one vote for each fully paid ordinary share.

Option holders have no rights until the options are exercised.

CORPORATE DIRECTORY

Directors

Mr Joseph Demase
Non-Executive Chair

Mr Hugh Robertson
Non-Executive Director

Mr Conrad Morgan
Non-Executive Director

Chief Executive Officer

Mr Chris Wright

Chief Financial Officer

Mr Joshua Tahana

Company Secretary

Mr Adam Gallagher

Auditor

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

Share Registry

MUFG Corporate Markets (AU) Limited
Liberty Place
Level 41, 161 Castlereagh 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

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

