

Appendix 4E

(Rule 4.3A)

Preliminary Final Report

Name of entity

Zyber Holdings Limited	ABN: 84 131 090 947
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1. Details of the Reporting Period and the Previous Corresponding Period

Financial period ended ("current period")	Financial period ended ("previous period")
30 June 2017	30 June 2016

2. Results for Announcement to the Market

					\$'000
2.1	Revenue from ordinary activities	-	-	to	-
2.2	Loss from ordinary activities after tax attributable to members	down	72%	to	2,067
2.3	Net loss for the period attributable to members	down	72%	to	2,067
2.4	Loss per share	down	94%	to	0.40 cents
	Brief Explanation of Results The loss from ordinary activities and net loss for the period for the consolidated entity amount to \$2,067,229 (30 June 2016: \$7,502,526) which at 30 June 2016 included a one off non-cash expense of \$5,415,755 from the treatment of the acquisition of Zyber Secure Mobile Solutions Inc.				

3. NTA Backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	\$0.0029	\$0.0075

4. Control gained or lost over entities having material effect

There was no material effect change from 30 June 2016 in the entity's control gain or loss.

5. Dividends

There were no dividends declared or paid during the period.

6. Dividend Reinvestment Plans

Not applicable.

7. Material interest in entities which are not controlled entities

Not applicable.

8. Foreign Entities

This report includes Zyber Secure Mobile Solutions Inc. and 1050494 B.C. Ltd, companies registered in Canada, which are 100% owned subsidiaries of Zyber Holdings Limited.

9. Annual Report

Refer to the attached Annual Report for the year ended 30 June 2017 for further details. The financial statements contained in the annual report have been audited.

The annual report contains, amongst other disclosures:

- Statement of Profit or Loss and Other Comprehensive Income
- Statement of Financial Position
- Statement of Cash Flows
- Statement of Changes in Equity
- Notes to the Financial Statements

This report should be read in conjunction with the attached Annual Report for the year ended 30 June 2017.

Signed by:



Date: 31 August 2017

Name: Peter Wall
Chairman



Holdings Limited

AND CONTROLLED ENTITIES

ABN: 84 131 090 947

**Annual Financial Report
For The Year Ended 30 June 2017**

ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES

ABN: 84 131 090 947

Annual Financial Report
For The Year Ended 30 June 2017

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**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
CORPORATE INFORMATION**

Corporate Directory

Directors

Mr Peter Wall
Non-Executive Chairman

Mr Jason Tomkinson
Non-Executive Director

Mr Paul Callander
Non-Executive Director

Company Secretary

Mrs Elizabeth Hunt

**Registered Office & Principal Place of
Business**

Level 11, 216 St Georges Terrace
Perth WA 6000

Postal Address

GPO Box 2517
Perth WA 6831

Web Site

www.zyber.com.au

Share Registry

Automic Registry Services
Level 2, 267 St Georges Terrace
Perth WA 6000

Auditors

RSM Australia Partners
8 St Georges Terrace
Perth WA 6000

Legal Advisors

Steinepreis Paganin
16 Milligan Street
Perth WA 6000

Stock Exchange Listing

ASX Code: **ZYB, ZYBOA**

Country of Incorporation and Domicile

Australia

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
DIRECTORS' REPORT**

Your directors submit the annual financial report of the consolidated entity consisting of Zyber Holdings Limited (the Company or the consolidated entity) and its controlled entities for the year ended 30 June 2017 together with the directors' report.

For this report:

Zyber Secure Mobile Solutions Inc. ("Zyber Canada") refers to the Company purchased by Zyber Holdings Limited ("Zyber") on 16 February 2016. As required by Australian Accounting Standard AASB 3: Business Combination, Zyber is deemed to have been acquired by Zyber Canada as at 16 February 2016 under the reverse acquisition rules. In consideration for Zyber acquiring Zyber Canada, Zyber has agreed to procure through a wholly owned Canadian subsidiary of Zyber ("1050494 B.C. Ltd").

Zyber Holdings Limited or Listed Entity or Company means only legal entity of Zyber Holdings Limited, which is listed on the Australian Securities Exchange (ASX: ZYB). Zyber Holdings Limited is the legal parent of Zyber Secure Mobile Solutions Inc. and 1050494 B.C. Ltd.

Consolidated Entity for the year ended 30 June 2016 means Zyber Holdings Limited and its subsidiaries and Zyber Secure Mobile Solutions Inc. combined, where Zyber Holdings Limited is deemed to be acquired by Zyber Secure Mobile Solutions Inc. as required by Australian Accounting Standard AASB 3.

Consolidated Entity for the year ended 30 June 2017 means Zyber Holdings Limited and its subsidiaries and Zyber Secure Mobile Solutions Inc. combined.

INFORMATION ON DIRECTORS

The names of directors who held office during or since the end of the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr Peter Wall — Non-Executive Chairman

Mr Wall was appointed as a Non-Executive director on 9 January 2015 and was appointed Non-Executive Chairman on 1 February 2016.

Mr Wall is a partner at Steinepreis Paganin specialising in mergers and acquisitions, corporate reconstruction and recapitalisations of listed entities, acting as principal or alternatively an adviser to the transaction. Mr Wall has also advised on numerous successful IPOs and back door listings on ASX. Mr Wall's other core areas of practice include energy and resources, capital markets, corporate and strategic advice, securities, commercial and contract law.

In the last 3 years, Mr Wall is also holding the Chairman positions of ASX listed companies, Minbos Resources Limited, MyFiziq Ltd, Activistic Ltd, MMJ Phytotech Ltd, Sky and Space Global Ltd and Pursuit Minerals Ltd.

Mr Jason Tomkinson — Non-Executive Director (Executive Director from 16 February 2016 to 8 December 2016)

Mr Tomkinson is a capital markets professional with over 10 years' experience in venture capital services, raising start-up capital, secondary offerings, marketing, prospecting, writing and evaluating business plans, risk assessment and market analysis. Prior to joining Zyber, Mr Tomkinson was a licensed investment advisor with public broker-dealers including Macquarie Group and Canaccord Genuity where he specialised in financing venture market new issues. During his brokerage career, Mr Tomkinson directly or as a part of a syndicate, raised several hundred million dollars of venture capital for both public and private companies in sectors ranging from technology and biosciences to mining and oil and gas.

Prior to that, Mr Tomkinson held several Board positions on publicly listed junior companies. Mr Tomkinson has a degree in Economics from Simon Fraser University.

Mr Paul Callander — Non-Executive Director

Mr Callander has been involved in the technology industry for twenty five years in executive management positions building companies strategies, financing and investor relations, and establishing sales, marketing and services operations. Having initially spent ten years in Silicon Valley with the semiconductor industry, he then moved to Asia where he started his own software company, sold this to a U.S. organisation, listed on NASDAQ and continued as part of the executive management team running Asia Pacific. He has been involved with a number of publicly listed U.S. companies as part of the executive management team running Asia Pacific operations with various electronic commerce and software solutions.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
DIRECTORS' REPORT**

Ms Charly Duffy — Non-Executive Director (resigned 1 December 2016)

Ms Duffy is a qualified and practicing corporate and commercial lawyer with over eight years' of private practice experience in Western Australia, New South Wales and Victoria. Ms Duffy has a particular focus on equity capital markets, mergers and acquisitions, corporate governance, initial public offerings, secondary capital raisings, business and share sale transactions, takeovers, Takeovers Panel proceedings, financing, ASIC and ASX compliance and all aspects of general corporate and commercial law.

Company Secretary

The following person held the position of Company Secretary during the financial year ended 30 June 2017:

Mrs Elizabeth Hunt — BSc, MAcc, GIA (Cert), GAICD

Mrs Hunt was appointed as a Company Secretary on 17 January 2014.

Mrs Hunt has over fifteen years' corporate and accounting experience with a particular interest in governance. Mrs Hunt has been involved in the IPO management, corporate advisory and company secretarial services, financial accounting and reporting and ASX and ASIC compliance management.

Mrs Hunt holds a BSc degree in Sustainable Development, a Master of Accounting and the Governance Institute of Australia Certificate in Governance and Risk Management.

Mrs Hunt is currently also Company Secretary of a number of ASX listed entities.

INTEREST IN THE SHARES AND OPTIONS OF THE COMPANY

The Company has disclosed each director's interest in shares or options of the Company within the Remuneration Report, which begins on page 7.

Share options - unissued shares

At the date of this report, there were 303,692,623 unissued ordinary shares of Zyber Holdings Limited under options as follows:

Unissued ordinary shares under options	30 June 2017
Unlisted options exercisable at \$0.30 expiring on 1 December 2017	9,969,062
Unlisted options exercisable at \$2.50 expiring on 30 November 2018	200,000
Unlisted options exercisable at \$0.05 expiring on 31 October 2019	29,920,000
Listed options exercisable at \$0.012 expiring on 31 October 2019	263,603,561
	<u>303,692,623</u>

Options holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate or in the interest issue of any other registered scheme.

There have been no unissued shares or interests under option of any controlled entity within the consolidated entity during or since reporting date. For details of options issued to directors and executives as remuneration, refer to the Remuneration Report.

DIVIDENDS PAID OR RECOMMENDED

No dividends have been paid or declared since the start of the period and the directors do not recommend the payment of a dividend in respect of the period.

PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN NATURE OF ACTIVITIES

The principal activities of the Company during the year were the development and sale of computer hardware, software and services of secure file synchronization and sharing solutions in Canada.

CORPORATE GOVERNANCE STATEMENT

The Company has disclosed its corporate governance statement on the Company website at www.zyber.com.au.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
DIRECTORS' REPORT**

OPERATING RESULTS AND REVIEW OF OPERATIONS FOR THE YEAR

Operating Results

The consolidated statement of comprehensive income shows a net loss attributable to members of \$2,067,229 (2016: \$7,502,526).

REVIEW OF OPERATIONS

Zyber Product Development

The Zyber technical team presented a proposal to the board of directors of the Company for the next stage of development of the Zyber product and the plan for further commercialisation.

The team launched the MyZyber (myzyber.com) consumer application. The product along with its mobile applications allows consumers to demo a subset of the Zyber Enterprise Application. The mobile applications are available free on the Apple App Store and the Google Play Store.

The development team successfully completed a proof of concept of the "3rd Pillar" related to virtualisation with secure file sharing. A security assessment and testing was also completed on the Zyber Enterprise Application. The findings from this assessment will continue to be part of the development process in the coming months.

The team has improved the virtualisation technology by blending it with the Zyber Windows Desktop Application to create a unique feature. This feature will allow users inside or outside the company to edit files within an organisation's own environment without the ability to copy or save the file outside the organisation's environment. With this unique feature, users can open files that would normally require an enterprises' custom program installed. Files will never leave the virtual environment giving full control to the organisation. Commercial file types are also supported in the same manner possibly reducing licencing costs.

During the second half of financial year, the development team completed work on preparing the Zyber Enterprise application for free beta launch. This beta launch will allow investors and potential customers the opportunity to try the software and provide feedback using a limited amount of space. An iPhone application will also be provided to demonstrate the functionality on mobile devices. At this stage, Android development will continue as demand for it increases. The signup for this service will appear on the zyber.com website by August 31, 2017 and investors are encouraged to provide valuable feedback to the product development team.

The development team also improved the integration of virtualisation into Zyber Enterprise application. Users of the system can securely share and collaborate with no risk of files being left on end devices. This technology is being further refined in terms of scalability and integration with the Zyber Enterprise application.

Over the financial year, the development team has continued to add features and fixed issues arising on a minimal budget. This process will continue in the new financial year as requests for features and bug fixes are identified and prioritised. The team will continue to enhance security features that ensure Zyber continues to stay relevant in a rapidly changing industry.

Customer Engagements

The Company was unable to mutually agree terms with REDtrac following the "Proof of Concept" (POC) that was commenced with REDtrac for the use of Zyber's product to enable secure sharing of sensitive files with contracted field crews via their mobile devices. Unfortunately, a mutual arrangement regarding scope and related costs could not be reached with REDtrac declining to proceed further. This relationship was therefore terminated.

All other customer engagements have not moved forward significantly during the financial year.

Consideration of material transactions

Since December 2016, the Company has been presented with a number of commercial opportunities, both within and outside of the cyber security sector. To date, the Company has not been in a position to proceed with any of the opportunities for various reasons (including the Company's inability to secure critical waivers from ASX).

The Company intends to continue to review new commercial opportunities as and when they arise, with a view to ensuring the best outcome possible for all shareholders. However, in the meantime, the continued focus of the Company will remain development of the Zyber technology.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
DIRECTORS' REPORT**

REVIEW OF OPERATIONS (continued)

Corporate

During the financial year, the Company completed a 1:2 pro rata non-renounceable rights issue of approximately 213,603,605 fully paid ordinary shares to raise approximately \$1,068,018 (together with one (1) free attaching option for every two (2) Shares subscribed for and issued exercisable at \$0.012 on or before 31 October 2019 ("Offer")). The shares were issued at a price of \$0.005 each under the Offer. The Company lodged a prospectus for the Offer with ASIC and ASX on 10 October 2016.

The entitlements issue was fully underwritten by Patersons Securities Limited. The Company also completed a placement of fully paid ordinary shares at an issue price of \$0.0065 per Share to clients and contacts of Patersons Securities Ltd to raise \$1,235,000.

On 1 December 2016, the consolidated entity announced resignation of Non-Executive director, Ms Charly Duffy. Ms Duffy retired by rotation at the Annual General Meeting held 25 November 2016 and did not seek re-election. On 8 December 2016, Mr Benjamin Daly resigned as CEO of the Company. Mr Jason Tomkinson resigned as an Executive Director and moved into a Non-Executive Director role.

On 6 January 2017, the consolidated entity announced the restructure of its development team with Mr Roe Markham and Mr Darius Millar being released from their positions as Chief Operating Officer and VP of Sales and Marketing respectively. As part of its ongoing review of commercialisation pathway for the Zyber technology, the Company will be looking to move to an outsourced model for further development of its technology.

The Company is in the process of looking at other options to fill these executive roles.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

The following significant changes in the state of affairs of the Zyber Holdings entity occurred during the financial year:

- On 10 October 2016, the consolidated entity completed a placement of ordinary fully paid shares at an issue price of \$0.0065 raising \$1,235,000;
- On 10 October 2016, the consolidated entity announced underwritten pro rata non-renounceable entitlement offer to raise up to \$1,068,018 at an issue price of \$0.005 per share. The entitlement offer was oversubscribed and closed on 2 November 2016;
- On 8 December 2016, the consolidated entity announced resignation of CEO, Mr Benjamin Daly;
- On 8 December 2016, Mr Jason Tomkinson's position changed from an Executive Director to Non-Executive Director;
- On 3 March 2017, the consolidated entity cancelled 10,000,000 Performance Rights pursuant to terms and conditions set out in the Prospectus dated November 2016, and issued to the former CEO, Benjamin Daly on 5 July 2016.

Changes in controlled entities and divisions

During the 2016 year and as disclosed in note 25 to the financial report, Zyber Holdings Limited (formerly Dourado Resources Limited) entered into a transaction which constituted a reverse acquisition under Australian Accounting Standards. As such the financial report is a continuation of the accounting acquirer, Zyber Secure Mobile Solutions Inc. and its controlled entities. There were no changes in controlled entities during 2017 year.

Significant events after the reporting period

The following significant events occurred after the reporting period:

- On 2 August 2017, 4,499,136 exchangeable shares in the capital of 1050494 B.C. Ltd have been exchanged for one ordinary share in Zyber Holdings Limited at the election of the holders.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
DIRECTORS' REPORT**

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The management team and Board of Directors (the Board) of the Company are continuing to review opportunities available to the Company, which includes the assessment of new opportunities with various intellectual property interests pertaining to data security and software and other industry sectors.

ENVIRONMENTAL ISSUES

The Company's operations are subject to environmental regulations under the law of the Commonwealth and State. The Board believes that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the consolidated entity.

INDEMNIFYING OFFICERS OR AUDITOR

During or since the end of the financial year, the Company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

- During the period, the Company paid a premium in respect of a contract insuring the directors of the Company (as named above) and all executive offices of the Company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.
- The Company has not otherwise, during or since the period, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability as such an officer or auditor.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of 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. The Company was not a party to any such proceedings during the year.

MEETINGS OF DIRECTORS

During the financial year, 4 meetings of directors were held. Attendances by each director during the year were as follows:

	Director's Meetings	
	Number eligible to attend	Director's meetings attended
Mr Peter Wall	4	4
Mr Paul Callander	4	4
Mr Jason Tomkinson	4	4
Ms Charly Duffy	2	1

NON-AUDIT SERVICES

The board of directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the directors prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

There are no non audit services provided by RSM Australia Partners.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2017 has been received and has been included within these financial statements.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
DIRECTORS' REPORT**

REMUNERATION REPORT (AUDITED)

Remuneration policy

The remuneration report, which forms part of the Directors' Report, outlines the remuneration arrangements in place for key management personnel (KMP) who are defined as those persons having the authority and responsibility for planning and directing the major activities of the Company and the consolidated entity, directly and indirectly, including any director (whether executive or otherwise) of the parent Company.

Details of Key Management Personnel

Directors:

Mr Peter Wall	Non-Executive Chairman
Mr Paul Callander	Non-Executive Director
Mr Jason Tomkinson	Non-Executive Director – (Executive Director until 8 December 2016)
Ms Charly Duffy	Non-Executive Director – (resigned 1 December 2016)
Mr Benjamin Daly	CEO – (resigned 8 December 2016)

Remuneration Philosophy

The performance of the consolidated entity and its subsidiaries depend on the quality of the consolidated entity's Directors, executives and employees and therefore the Company must attract, motivate and retain appropriately qualified industry personnel.

Remuneration policy

Remuneration levels for the executives are competitively set to attract the most qualified and experienced candidates, taking into account prevailing market conditions and the individual's experience and qualifications.

During the year, the Company did not have a separately established remuneration committee. The Board is responsible for determining and reviewing remuneration arrangements for the executive and non-executive Directors.

The remuneration of executive and non-executive Directors is not dependent on the satisfaction of performance conditions. Remuneration and share based payments are issued to align Directors' interest with that of shareholders.

Executive Director Remuneration

The Company had only one executive with a contract in place during the financial year ended 30 June 2017.

Mr Tomkinson was appointed Executive Director on 16 February 2016. His employment conditions are governed by an Executive Service Agreement. The terms of agreement can be terminated by providing six (6) months written notice in case of the Company or three (3) months written in case of the Director to the other party. Where the Company terminates the agreement, the Company will pay an amount equal to the remuneration accrued to the date of termination.

Mr Tomkinson's director remuneration is CAD \$15,000 per month and as per consultancy agreement dated 26 November 2015. Summary details of remuneration of the Executive Directors are provided in the table below. The remuneration is not dependent on the satisfaction of any performance condition. On 8 December 2016, Mr Tomkinson changed his role from an Executive to a Non-Executive Director. Mr Tomkinson's Non-Executive remuneration until 1 June 2017 remained at CAD \$15,000 per month. Effective 1 June 2017, Mr Tomkinson's remuneration is CAD \$3,000 per month.

Non-Executive Directors Remuneration

Mr Peter Wall was appointed as a Director on 9 January 2015. Mr Wall is entitled to receive \$5,000 per month (exclusive of GST) for his role as a Director of the Company and as per an appointment letter dated 20 February 2015. With the company's cost cutting initiatives, Mr Wall agreed to reduce his Non-Executive remuneration to \$3,000 per month (exclusive of GST), effective 1 March 2017.

Mr Paul Callander was appointed as a Director on 2 September 2015. Mr Callander is entitled to receive \$36,000 per annum (exclusive of superannuation contribution) for his role as a Director of the Company and as per employment contract dated 23 November 2015.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
DIRECTORS' REPORT**

REMUNERATION REPORT (AUDITED) (Continued)

Non-Executive Directors Remuneration (Continued)

Ms Charly Duffy was appointed as a Director on 1 February 2016. Ms Duffy is entitled to receive \$36,000 per annum (exclusive of superannuation contribution) for her role as a Director of the Company and as per employment contract dated 23 November 2015. Ms Duffy retired by rotation at company's AGM held 25 November 2016 and did not seek re-election. On 1 December 2016, Ms Duffy resigned as Non-Executive Director.

The Company's Constitution provides that the remuneration of Non-Executive Directors will not be more than the aggregate fixed sum determined by a general meeting. The Annual General Meeting held on 25 November 2016 confirmed the non-executive directors' remuneration by vote. Summary details of remuneration of the Non-Executive Directors are provided in the table below. The remuneration is not dependent on the satisfaction of a performance condition.

Directors are entitled to be paid reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at meetings of Directors and otherwise in the execution of their duties as Directors. A Director may also be paid additional amounts as fees or as the Directors determine where a Director performs extra services or makes any special exertions, which in the option of the Directors are outside the scope of the ordinary duties of a Director.

Other Executives Remuneration

Mr Benjamin Daly was appointed as Chief Executive Officer on 1 June 2016. His employment conditions are governed by an Executive Service Agreement. The terms of agreement can be terminated by providing three (3) months written notice in case of the Company or three (3) months written in case of the Executive to the other party. Where the Company terminates the agreement, the Company will pay an amount equal to the remuneration accrued to the date of termination. Mr Daly is entitled to receive CAD \$10,000 per month and as per consultancy agreement dated 13 June 2016. Summary details of remuneration Key Management Personnel are provided in the table below. The remuneration is not dependent on the satisfaction of any performance condition. On 8 December 2016, Mr Daly resigned as the Chief Executive Officer.

Remuneration of Key Management Personnel

(i) Remuneration Details for the Year Ended 30 June 2017

The following table of benefits and payments details, in respect to the financial year, the components of paid or payable remuneration for each member of KMP of the consolidated entity:

		Short-term employment benefits	Post Employment Benefits	Long-term benefits	Equity- settled share-based payments	Total	Fixed remun- eration	Short- term incentive	Long- term incentive
		Cash salary and fees	Super- annuation	Long service leave					
2017		\$	\$	\$	\$	\$	%	%	%
Directors									
Mr Peter Wall	(i)	54,000	-	-	-	54,000	100	-	-
Mr Paul Callander		36,000	3,420	-	-	39,420	100	-	-
Ms Charly Duffy	(ii)	15,000	1,425	-	-	16,425	100	-	-
Mr Jason Tomkinson	(iii)	169,037	-	-	-	169,037	100	-	-
		274,037	4,845	-	-	278,882			
Other Executives									
Mr Benjamin Daly	(iv)	90,692	-	-	-	90,692	100	-	-
		364,729	4,845	-	-	369,574			

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
DIRECTORS' REPORT**

REMUNERATION REPORT (AUDITED) (Continued)

Table of Benefits and Payments for the year ended 30 June 2017

- (i) During the year ended 30 June 2017, an amount of \$54,000 was paid or payable to Pheakes Pty Ltd a Company that Mr Peter Wall is a director of.
(ii) During the year ended 30 June 2017, an amount of \$15,000 was paid or payable to SecPlus Corporate & Legal Services a Company that Ms Duffy is a director of. Ms Duffy resigned on 1 December 2016.
(iii) During the year ended 30 June 2017, an equivalent amount of \$169,037 was paid or payable to Blue Cove Capital Corp a Company that Mr Jason Tomkinson is a director of. On 8 December 2016, Mr Tomkinson's position changed from an Executive Director to a Non-Executive Director.
(iv) During the year ended 30 June 2017, an equivalent amount of \$90,692 was paid or payable to Mr Benjamin Daly. Mr Daly resigned on 8 December 2016.

Table of Benefits and Payments for the year ended 30 June 2016

	Short-term employment benefits	Post Employment Benefits	Long-term benefits	Equity- settled share-based payments	Total	Fixed remun- eration	Short- term incentive	Long-term incentive
	Cash salary and fees	Super- annuation	Long service leave					
2016	\$	\$	\$	\$	\$	%	%	%
Directors								
Dr James Ellingford (v)	114,917	10,846	-	-	125,763	100	-	-
Mr Peter Torney (vi)	23,182	475	-	-	23,657	100	-	-
Mr Peter Wall (vii)	60,000	-	-	-	60,000	100	-	-
Mr Paul Callander	30,000	2,850	-	-	32,850	100	-	-
Ms Charly Duffy (viii)	15,000	1,425	-	-	16,425	100	-	-
Mr Clay Epstein (ix)	203,488	-	-	-	203,488	100	-	-
Mr Jason Tomkinson (x)	231,000	-	-	-	231,000	100	-	-
	677,587	15,596	-	-	693,183			
Other								
Mr Benjamin Daly (xi)	23,977	-	-	-	23,977	100	-	-
	701,564	15,596	-	-	717,160			

(v) Dr Ellingford resigned as Director on 1 February 2016.

(vi) During the year ended 30 June 2016, an amount of \$23,182 was paid or payable to Tencee Pty Ltd a Company that Mr Peter Torney is a director of. Mr Torney resigned as Director on 2 September 2015.

(vii) During the year ended 30 June 2016, an amount of \$60,000 was paid or payable to Pheakes Pty Ltd a Company that Mr Peter Wall is a director of.

(viii) Mr Callander was appointed as Director on 2 September 2015.

(ix) During the year ended 30 June 2016, an amount of \$15,000 was paid or payable to SecPlus Corporate & Legal Services a Company that Ms Duffy is a director of. Ms Duffy was appointed as Director on 1 February 2016.

(x) During the year ended 30 June 2016, an equivalent amount of \$203,488 was paid or payable to Steintech LLC a Company that Mr Clay Epstein is a director of. Mr Epstein was appointed as Managing Director and CEO on 16 February 2016. Mr Epstein resigned as a Director on 1 June 2016.

(xi) During the year ended 30 June 2016, an equivalent amount of \$231,000 was paid or payable to Blue Cove Capital Corp a Company that Mr Jason Tomkinson is a director of. Mr Tomkinson was appointed as Director on 16 February 2016.

(xii) During the year ended 30 June 2016, an equivalent amount of \$23,977 was paid or payable to Mr Benjamin Daly. Mr Daly was appointed as Chief Executive Officer on 1 June 2016.

(ii) Options Granted as Part of Remuneration

No options have been granted to KMP in the form of share-based payments.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
DIRECTORS' REPORT**

REMUNERATION REPORT (AUDITED) (Continued)

(iii) KMP Shareholdings

The number of ordinary shares in Zyber Holdings Limited held by each KMP of the consolidated entity during the financial year is as follows:

	Balance at beginning of year	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year
30 June 2017					
Mr Peter Wall	-	-	-	-	-
Mr Paul Callander	-	-	-	-	-
Ms Charly Duffy (i)	-	-	-	-	-
Mr Jason Tomkinson	-	-	-	-	-
Mr Benjamin Daly (ii)	-	-	-	-	-
	-	-	-	-	-

(i) Ms Duffy resigned as Director on 1 December 2016.

(ii) Mr Daly resigned as CEO on 8 December 2016.

(iv) KMP Options Holdings

The number of options over ordinary shares held during the financial year by each KMP of the consolidated entity is as follows:

	Balance at beginning of year	Granted during the year	Exercised during the year	Other changes during the year	Balance at end of year	Vested during the year	Vested and exercisable	Vested and unexercisable
30 June 2017								
Mr Peter Wall	-	-	-	-	-	-	-	-
Mr Paul Callander	-	-	-	-	-	-	-	-
Ms Charly Duffy (i)	-	-	-	-	-	-	-	-
Mr Benjamin Daly (ii)	-	-	-	-	-	-	-	-
Mr Jason Tomkinson (iii)	4,760,000	-	-	-	4,760,000	-	4,760,000	-
	4,760,000	-	-	-	4,760,000	-	4,760,000	-

(i) Ms Duffy resigned as Director on 1 December 2016.

(ii) Mr Daly resigned as CEO on 8 December 2016.

(iii) Options held by Mr Tomkinson are held in escrow for 24 months from 16 February 2016.

Other KMP Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

a) The following transactions occurred with related parties:

	Consolidated	
	2017	2016
	\$	\$
<i>Payments for goods and services</i>		
Payment for general legal advice from Steinepreis Paganin ²	70,118	361,882
Payment for share registry services from Automic Pty Ltd ⁴	54,942	37,939
	<u>125,060</u>	<u>399,821</u>

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
DIRECTORS' REPORT**

REMUNERATION REPORT (AUDITED) (Continued)

- b) Outstanding balances arising from sales/purchases of goods and services, transactions:

	Consolidated	
	2017	2016
	\$	\$
<i>Current payables for remuneration of key management personnel</i>		
Services provided by Blue Cove Capital Corp ³	3,153	16,352
Services provided by Mr Benjamin Daly ¹	-	10,382
	<u>3,153</u>	<u>26,734</u>
<i>Current payables for goods and services</i>		
Services provided by Automic Pty Ltd ⁴	-	754
	<u>-</u>	<u>754</u>
	<u>3,153</u>	<u>27,488</u>

¹ Mr Daly resigned as CEO on 8 December 2016.

² Steinepreis Paganin, a company related to Mr Peter Wall.

³ Blue Cove Capital Corp, a company related to Mr Jason Tomkinson.

⁴ Automic Pty Ltd, a company in which Mr Peter Wall has a minority shareholding.

- c) Loan to Directors and their related parties

No loans have been made to any KMP during the year (2016: Nil).

There have been no other transactions with KMP during the year other than those disclosed in the remuneration report.

Voting and comments made at the Company's 2016 Annual General Meeting (AGM)

At the 2017 AGM, 83.8% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2016. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
DIRECTORS' REPORT**

REMUNERATION REPORT (AUDITED) (Continued)

Additional Information

The earnings of the consolidated entity for the five years to 30 June 2017 are summarised below:

	2017	2016	2015	2014
	\$	\$	\$	\$
EBITDA	(2,094,093)	(7,511,459)	(496,645)	-
EBIT	(2,095,530)	(7,512,582)	(496,645)	-
Loss after income tax	(2,067,229)	(7,502,526)	(496,645)	-

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

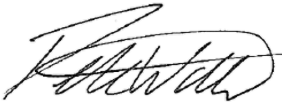
	2017	2016	2015	2014
Share price at financial year end (\$)	0.005	0.02	0.03	-
Total dividends declared (cents per share)	-	-	-	-
Basic loss per share (cents per share)	(0.40)	(6.74)	(0.52)	-

No audited information exists prior to the 2015 financial year due to the changes in the controlled entities as a result of the reverse acquisition that occurred in the 2016 financial year.

End of Remuneration Report

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
DIRECTORS' REPORT**

This Directors' Report, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read 'Peter Wall', with a large, sweeping flourish at the end.

Peter Wall
Dated: 31 August 2017

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Zyber Holdings Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

Al Whyte
ALASDAIR WHYTE
Partner

Perth, WA
Dated: 31 August 2017

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**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017**

	Note	Consolidated 2017 \$	2016 \$
Revenue from continuing operations	3	-	-
Other income	3	28,855	12,720
Expenses			
Exploration expenditure written off		-	(748)
Amortisation expense		(1,437)	(1,123)
Finance costs		(438)	(2,664)
Consultancy costs	4	(1,207,700)	(795,662)
Marketing		(285,216)	(465,013)
Directors fees		(278,882)	(512,486)*
Restructuring/relisting expense	25	-	(5,415,755)
Other expenses	5	(322,411)	(321,795)
Loss before income tax from continuing operations		(2,067,229)	(7,502,526)
Income tax expense	6	-	-
Loss after income tax for the year	4	(2,067,229)	(7,502,526)
Other comprehensive income:		-	-
Total comprehensive loss for the year		(2,067,229)	(7,502,526)
Loss per share			
Basic loss per share (cents)	9	(0.40)	(6.74)
Diluted loss per share (cents)	9	(0.40)	(6.74)

The accompanying notes form part of these financial statements.

*Directors fees related to Zyber Holdings Limited was from the acquisition date 16 February 2016 to 30 June 2016.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017**

	Note	Consolidated 2017 \$	2016 \$
Assets			
Current assets			
Cash and cash equivalents	10	1,745,049	1,531,301
Trade and other receivables	11	14,572	17,490
Other assets	12	223,821	427,030
Total current assets		<u>1,983,442</u>	<u>1,975,821</u>
Non-Current assets			
Intangible assets	13	7,508	9,270
Total non-current assets		<u>7,508</u>	<u>9,270</u>
Total assets		<u>1,990,950</u>	<u>1,985,091</u>
Liabilities			
Current liabilities			
Trade and other payables	14	111,143	262,394
Total current liabilities		<u>111,143</u>	<u>262,394</u>
Total liabilities		<u>111,143</u>	<u>262,394</u>
Net assets		<u>1,879,807</u>	<u>1,722,697</u>
Equity			
Issued capital	15	7,721,874	5,766,503
Reserves	16	4,139,448	3,870,480
Accumulated losses		<u>(9,981,515)</u>	<u>(7,914,286)</u>
Total equity		<u>1,879,807</u>	<u>1,722,697</u>

The accompanying notes form part of these financial statements.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017**

	Issued Capital	Reserves	Accumulated Losses	Total Equity
Consolidated	\$	\$	\$	\$
Balance at 1 July 2015	337,817	171,169	(582,929)	(73,943)
Loss for the year	-	-	(7,502,526)	(7,502,526)
Total comprehensive loss for the year	-	-	(7,502,526)	(7,502,526)
Transactions with owners, in their capacity as owners				
Issue of shares for acquisition of subsidiary	2,173,805	-	-	2,173,805
Issue of exchangeable shares for acquisition of subsidiary	-	3,688,545	-	3,688,545
Cancellation of warrants upon acquisition of subsidiary	-	(171,169)	171,169	-
Foreign currency translation	-	181,935	-	181,935
Shares issued during the year	3,371,022	-	-	3,371,022
Transaction costs of share issue	(116,141)	-	-	(116,141)
Total transactions with owners	5,428,686	3,699,311	171,169	9,299,166
Balance at 30 June 2016	5,766,503	3,870,480	(7,914,286)	1,722,697
Balance at 1 July 2016	5,766,503	3,870,480	(7,914,286)	1,722,697
Loss for the year	-	-	(2,067,229)	(2,067,229)
Total comprehensive loss for the year	-	-	(2,067,229)	(2,067,229)
Transactions with owners, in their capacity as owners				
Shares issued during the year	2,463,018	-	-	2,463,018
Options issued during the year	-	382,055	-	382,055
Conversion of exchangeable shares (as per Zyber acquisition)	115,936	(115,936)	-	-
Foreign currency translation	-	2,849	-	2,849
Transaction costs	(625,583)	-	-	(625,583)
Total transactions with owners	1,955,371	268,968	-	2,224,339
Balance at 30 June 2017	7,721,874	4,139,448	(9,981,515)	1,879,807

The accompanying notes form part of these financial statements.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2017**

	Note	Consolidated 2017 \$	2016 \$
Cash flows from operating activities			
Interest received		28,855	12,720
Payments to suppliers and employees		(1,876,597)	(1,571,080)
Net cash used in operating activities	20b	(1,847,742)	(1,558,360)
Cash flows from investing activities			
Acquisition of subsidiary, net cash acquired		-	75,642
Net cash provided by investing activities		-	75,642
Cash flows from financing activities			
Proceeds from issue of shares		2,303,018	3,119,142
Proceeds from issue of options		500	-
Share issue costs		(242,028)	(116,141)
Net cash provided by financing activities		2,061,490	3,003,001
Net increase in cash held		213,748	1,520,283
Cash and cash equivalents at beginning of financial year		1,531,301	11,018
Cash and cash equivalents at end of financial year	10	1,745,049	1,531,301

The accompanying notes form part of these financial statements.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

These consolidated financial statements and notes represent those of Zyber Holdings Limited and Controlled Entities (the "consolidated entity"). The separate financial statements of the parent entity, Zyber Holdings Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The consolidated entity is a for-profit entity for financial reporting purposes under the Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB.

The financial statements cover Zyber Holdings Limited which is a listed public company, incorporated and domiciled in Australia. The financial statements have been prepared on an accruals basis and are based on historical costs with the exception of the revaluation of financial assets and financial liabilities for which the fair value basis of accounting has applied.

Reverse Acquisition accounting

On 16 February 2016, Zyber Holdings Limited, the legal parent and legal acquirer, completed the acquisition of Zyber Secure Mobile Solutions Inc. ("Zyber Subsidiary"). The acquisition did not meet the definition of a business combination in accordance with AASB 3 Business Combinations. Instead the acquisition has been treated as a group recapitalisation, using the principles of reverse acquisition accounting in AASB 3 Business Combinations given the substance of the transaction is that Zyber Subsidiary has effectively been recapitalised. Accordingly, the consolidated financial statements have been prepared as if Zyber Subsidiary had acquired Zyber Holdings Limited, not vice versa as represented by the legal position. The recapitalisation is measured at the fair value of the equity instruments that would have been given by Zyber Subsidiary to have exactly the same percentage holding in the new structure at the date of the transaction.

The impact of the reverse acquisition on each of the primary statements is as follows:

Consolidated statement of profit or loss and other comprehensive income

- 30 June 2017 consolidated statement represent both Zyber Subsidiary and Zyber Holdings Limited and its subsidiaries.
- 30 June 2016 consolidated statement comprise twelve months for Zyber Subsidiary and includes Zyber Holdings Limited and its subsidiaries from 16 February 2016, the acquisition date.

Consolidated statement of changes in financial position

- 30 June 2017 and 30 June 2016 consolidated statement represent both Zyber Subsidiary and Zyber Holdings Limited and its subsidiaries.

Consolidated cash flow statement

- 30 June 2017 consolidated statement represent both Zyber Subsidiary and Zyber Holdings Limited and its subsidiaries.
- 30 June 2016 consolidated statement comprise twelve months for Zyber Subsidiary and includes Zyber Holdings Limited and its subsidiaries from 16 February 2016, the acquisition date.

Consolidated Statement of Changes in Equity

- 30 June 2017 consolidated statement represent both Zyber Subsidiary and Zyber Holdings Limited and its subsidiaries.
- The 30 June 2016 consolidated changes in equity comprises Zyber Subsidiary's equity balance at 1 July 2015, its loss for the period and transactions with equity holders for the 12 months. It also comprises Zyber Holdings Limited's transactions with equity holders from the acquisition date, 16 February 2016 and the equity balances of Zyber Holdings Limited and Zyber Subsidiary as at 30 June 2016.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Policies

The following is a summary of material accounting policies adopted in the preparation of the financial statements as presented below and have been consistently applied unless stated otherwise.

Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss of \$2,067,229 and had cash outflows from operating activities of \$1,847,742 for the year ended 30 June 2017.

The Directors believe that it is reasonably foreseeable that the consolidated entity will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration that the consolidated entity has the capacity to scale down its operations, including corporate overheads, in the event sufficient cash is unavailable to meet planned expenditures. The consolidated entity has been scaling down business expenditures by using contractors where required and with Chairman and Company Secretarial fees being reduced. The company also has the ability to raise capital, by seeking shareholder approval via General Meeting.

(a) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Zyber Holdings Limited at the end of the reporting period. A controlled entity is any entity over which Zyber Holdings Limited has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the consolidated entity during the year, the financial performance of those entities is included only for the period of the year that they were controlled.

In preparing the consolidated financial statements, all intragroup balances and transactions between entities in the consolidated entity have been eliminated in full on consolidation. Accounting policies of subsidiaries have been charged where necessary to ensure consistency with those adopted by the parent entity.

(b) Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax assets and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognized outside profit or loss.

Except for business combinations, no deferred income tax is recognized from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Income Tax (Continued)

Deferred tax assets relating to temporary differences and unused tax losses are recognized only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Zyber Holdings Limited and its wholly-owned controlled entities have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and if recognised, the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

(c) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current. Deferred tax assets and liabilities are always classified as non-current.

(d) Financial Instruments

Recognition and Initial Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset.

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortization of the difference between that initial amount and the maturity amount calculated using the effective interest method.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial Instruments (continued)

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instruments to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The consolidated entity does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at “fair value through profit or loss” when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, where they are expected to mature within 12 months after the end of the reporting period.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the consolidated entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period. All other investments are classified as current assets.

(iv) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold after 12 months from the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) Financial Liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

(e) Impairment

At the end of each reporting period, the consolidated entity assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a “loss event”) having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Impairment (Continued)

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the consolidated entity recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

De-recognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(f) Impairment of Assets

At the end of each reporting period, the consolidated entity assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(g) Provisions

Provisions are recognised when the consolidated entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

(i) Revenue and Other Income

Interest revenue is recognised using the effective interest method.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable. All revenue is stated net of the amount of goods and services tax (GST).

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

(k) Intangible assets

Intangible assets acquired, either individually or with a group of assets, are initially recognised and measured at cost. Intangible assets with finite lives are amortised over their estimated useful lives using the straight-line method at the following rates:

Intellectual property	7 years
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At the end of each reporting period, the consolidated entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss, or any reversal of a previously-recognized impairment loss, is recognised immediately in profit or loss.

(l) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO) and Canada Revenue Agency (CRA).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO and CRA is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO and CRA are presented as operating cash flows included in receipts from customers or payments to suppliers.

(n) Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

(o) Foreign currency translation

The financial statements are presented in Australian dollars, which is Zyber Holdings Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Foreign currency translation (continued)

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

(p) Earnings per share

Basic earnings per share

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

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the 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.

(q) Comparative Figures

The comparative financial information presented as of and for the twelve months ended 30 June 2016 is for Zyber Secure Mobile Solutions Inc., prior to the reverse acquisition that occurred on 16 February 2016.

Where required by accounting standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(r) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the consolidated entity.

Key Estimates

(i) Impairment - General

The consolidated entity assesses impairment at the end of each reporting period by evaluating conditions and events specific to the consolidated entity that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key Judgments

(i) Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Market conditions are taken into consideration in determining fair value.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) New Accounting Standards for Application in the Current Period

In the year ended 30 June 2017, the consolidated entity has reviewed all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period.

It has been determined by the consolidated entity that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to consolidated entity accounting policies.

NOTE 2 New Accounting Standards for Application in Future Periods

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2017. The company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, is set out below.

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The consolidated entity will adopt this standard from 1 July 2018 and the consolidated entity expects the impact to be insignificant as there is no hedge instrument in the consolidated entity for the year ended 30 June 2017.

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The Company will adopt this standard from 1 July 2018. The impact of its adoption is expected to be insignificant as there is no revenue contract in the consolidated entity for the year ended 30 June 2017.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 2 New Accounting Standards for Application in Future Periods (continued)

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The consolidated entity will adopt this standard from 1 July 2019 but the impact of its adoption is yet to be assessed by the consolidated entity. The impact of its adoption is expected to be insignificant as there is no operating lease in the consolidated entity for the year ended 30 June 2017.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 3 REVENUE AND OTHER INCOME

	Consolidated	
	2017	2016
	\$	\$
Revenue from continuing operations		
Revenue		
Sales	-	-
Other income		
Interest received – bank	28,301	12,720
Other	554	-
Total Other Income	28,855	12,720

NOTE 4 CONSULTANCY COSTS

	Consolidated	
	2017	2016
	\$	\$
Accounting & audit fees	137,148	111,689
Company secretarial	103,867	67,171
Corporate advice	40,000	41,000
Legal fees	142,471	172,479
Technical	484,355	371,323
Other *	299,859	32,000
Total Consultancy Costs	1,207,700	795,662

* Included in Other is \$160,000 relating to issue of performance rights to an external consultant for investor relations services.

NOTE 5 OTHER EXPENSES

	Consolidated	
	2017	2016
	\$	\$
Compliance costs	68,724	14,837
Travel related costs	43,144	70,168
Insurance	60,484	33,860
Termination of licence agreement	490	52,410
Foreign exchange gain/loss	2,102	2,595
Other	147,467	147,925
Total Other Expenses	322,411	321,795

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 6 INCOME TAX EXPENSE

	Consolidated	
	2017	2016
	\$	\$
(a) Recognised in the income statement:		
Current tax	-	-
Deferred tax	-	-
Income tax as reported in the statement of comprehensive income	-	-
(b) Reconciliation of income tax expense to prima facie tax payable		
Loss from ordinary activities before income tax expense	(2,067,229)	(7,502,525)
Prima facie tax benefit on loss from ordinary activities before income tax at 30 %	(620,169)	(2,250,758)
Increase in income tax due to:		
- Non-deductible expenses	446,060	1,996,147
- Other assessable income	100	-
- Current year tax losses not recognised	201,019	340,966
- Movement in unrecognised temporary differences	(7,923)	(67,919)
Decrease in income tax expense due to:		
- Deductible equity raising costs	(19,087)	(18,436)
Income tax attributable to operating loss	-	-
(c) Deferred tax assets		
Tax losses	18,446	8,440
Total	18,446	8,440
Less: Set off of deferred tax liabilities	(18,446)	(8,440)
Net deferred tax assets	-	-
(d) Deferred tax liabilities		
Unearned income	(18,446)	(8,440)
Total	(18,446)	(8,440)
Less: Set off of deferred tax assets	18,446	8,440
Net deferred tax liabilities	-	-
(e) Unused tax losses and temporary differences for which no deferred tax assets has been recognised at 30%		
Deductible Temporary Differences	186,217	198,536
Tax Revenue Losses	3,083,451	2,895,571
Tax Capital Losses	2,097,539	2,097,539
Total Unrecognised deferred tax assets	5,367,207	5,191,646

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 6 INCOME TAX EXPENSE (Continued)

The deferred tax asset not brought to account will only be obtained if:

- (a) future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- (b) the conditions for deductibility imposed by tax legislation continue to be complied with; and
- (c) the company is able to meet the continuity of business and or continuity of ownership tests.

The 2017 financial statements disclosed that Zyber Holdings Limited and its wholly-owned Australian controlled entities were consolidated for the tax purposes.

NOTE 7 KEY MANAGEMENT PERSONNEL COMPENSATION

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the consolidated entity's key management personnel for the year ended 30 June 2017 and 30 June 2016.

	Consolidated	
	2017	2016
	\$	\$
Short-term employee benefits	364,729	701,564
Post-employment benefits	4,845	15,596
Share-based payments	-	-
Total KMP compensation	369,574	717,160

NOTE 8 AUDITORS' REMUNERATION

	Consolidated	
	2017	2016
	\$	\$
The auditor of Zyber Holdings Limited is RSM Australia Partners. Remuneration of the auditor for:		
- Auditing or reviewing the financial report of the entity and any other entity of the consolidated entity – RSM Australia Partners	33,850	43,650
- Investigating Accountants Report – RSM Corporate Australia Pty Ltd	-	12,000
	33,850	55,650

The auditor for Zyber Secure Mobile Solutions Inc, the Canadian subsidiary is MNP LLP. Remuneration of the auditor for:

- Auditing or reviewing the financial report of the entity and any other entity of the consolidated entity – MNP LLP *

	20,123	20,765
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*MNP LLP is not a member of the RSM network.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 9 LOSS PER SHARE

	Consolidated	
	2017	2016
Basic loss per share (cents)	(0.40)	(6.74)
Diluted loss per share (cents)	(0.40)	(6.74)
	2017	2016
	\$	\$
(a) Loss for the year	(2,067,229)	(7,502,526)
Loss used to calculate basic loss per share	(2,067,229)	(7,502,526)
Loss used to calculate diluted loss per share	(2,067,229)	(7,502,526)
	Number	Number
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic loss per share	513,233,247	111,236,934
Weighted average number of ordinary shares outstanding during the year used in calculating diluted loss per share	513,233,247	111,236,934

As the consolidated entity is in a loss position, the diluted loss per share calculation excludes the dilutive effect of the options issued during the year ended 30 June 2017.

NOTE 10 CASH AND CASH EQUIVALENTS

	Consolidated	
	2017	2016
	\$	\$
Cash at bank and on hand	1,745,049	1,531,301
	<u>1,745,049</u>	<u>1,531,301</u>

Reconciliation to cash and cash equivalents at the end of the financial year.

The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

Balance as per statement of cash flows	1,745,049	1,531,301
	<u>1,745,049</u>	<u>1,531,301</u>

Cash at bank earns interest at floating rates based on daily bank deposit rates.

NOTE 11 TRADE AND OTHER RECEIVABLES

	Consolidated	
	2017	2016
	\$	\$
CURRENT		
Other receivables (i)	14,572	17,490
Total current trade and other receivables	<u>14,572</u>	<u>17,490</u>

(i) Other receivables are non-interest bearing and expected to be received in 30 days.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 11 TRADE AND OTHER RECEIVABLES (Continued)

Credit Risk

The consolidated entity has no significant concentration of credit risk with respect to any single counter party or group of counter parties other than those receivables specifically provided for and mentioned within Note 11. The class of assets described as trade and other receivables is considered to be the main source of credit risk related to the consolidated entity.

The following table details the consolidated entities' trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled with the terms and conditions agreed between the company and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the consolidated entity.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

Consolidated	Gross Amount \$	Past due and impaired \$	Past due but not impaired (days overdue)				Within initial trade terms \$
			<30 \$	31-60 \$	61-90 \$	>90 \$	
2017							
Other receivables	14,572	-	-	-	-	-	14,572
Total	14,572	-	-	-	-	-	14,572

Consolidated	Gross Amount \$	Past due and impaired \$	Past due but not impaired (days overdue)				Within initial trade terms \$
			<30 \$	31-60 \$	61-90 \$	>90 \$	
2016							
Other receivables	17,490	-	-	-	-	-	17,490
Total	17,490	-	-	-	-	-	17,490

NOTE 12 OTHER ASSETS

	Consolidated	
	2017	2016
	\$	\$
Prepayments ¹	223,821	427,030
	<u>223,821</u>	<u>427,030</u>

¹ Prepayments relate to contracts for consulting and sales services and rental deposits.

NOTE 13 INTANGIBLE ASSETS

	Consolidated	
	2017	2016
	\$	\$
License agreements		
Cost	10,382	10,382
Amortisation	(2,874)	(1,112)
	<u>7,508</u>	<u>9,270</u>

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 14 TRADE AND OTHER PAYABLES

	Consolidated 2017 \$	2016 \$
CURRENT		
Unsecured liabilities		
Trade payables	54,112	160,701
Accrued expenses	27,055	52,064
Other payables*	29,976	49,629
	<u>111,143</u>	<u>262,394</u>

*includes an amount of 2017: \$3,153 (2016: \$27,488) due to related parties.

NOTE 15 ISSUED CAPITAL

	Consolidated 2017 \$	2016 \$
Ordinary shares issued and fully paid (a)	7,721,874	5,766,503
Issued capital	<u>7,721,874</u>	<u>5,766,503</u>

	Consolidated Number	\$
(a) Ordinary shares		
At 1 July 2015	13,450,000	337,817
Shares issued for cash	2,250,000	116,798
Shares issued for services rendered	926,109	65,003
Shares issued for finders' fees	3,400,000	176,495
Shares issued for assets	200,000	10,382
Elimination of existing Zyber Subsidiary shares	(20,226,109)	-
Existing Zyber Holdings Limited shares on acquisition	117,247,230	-
Shares issued for the acquisition of Zyber Secure Mobile Solutions Inc.	51,913,098	2,173,805
Shares issued – Initial Public Offer	60,046,882	3,002,344
Share issue costs	-	(116,141)
At the end of the reporting period – 30 June 2016	<u>229,207,210</u>	<u>5,766,503</u>

	Number	\$
At 1 July 2016	229,207,210	5,766,503
Add:		
Conversion of performance rights	8,000,000	160,000
Conversion of exchangeable shares (as per Zyber acquisition)	2,768,699	115,936
Shares issued for cash via placement	190,000,000	1,235,000
Shares issued for cash via entitlement offer	213,603,562	1,068,018
Shares issue costs	-	(623,583)
At the end of the reporting period – 30 June 2017	<u>643,579,471</u>	<u>7,721,874</u>

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

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 15 ISSUED CAPITAL (Continued)
(b) Performance Shares

Performance shares issued to the shareholders of Zyber Secure Mobile Solutions Inc.

54,000,000 performance shares were issued to the shareholders of Zyber Secure Mobile Solutions Inc. as part of the consideration for the acquisition and are to be issued as three tranches of 18,000,000 upon the following milestones being achieved:

Event/Milestone	Number of Shares
Milestone 1: in the event that Zyber has commenced or has contracted product development and production testing "proof of concept" trials with a minimum of 5 enterprises/corporations who each have annualised revenue of at least \$100,000,000 and, of these, 2 of which have been converted into binding commercial contracts for purchase and use of a Zyber product within 12 month of Settlement	18,000,000
Milestone 2: in the event that Zyber generates gross revenue from sales of \$5,000,000 within 36 months of Settlement	18,000,000
Milestone 3: in the event that Zyber generates gross revenue from sales of \$10,000,000 within 59 months of Settlement.	18,000,000
	<hr/> 54,000,000 <hr/>

No value was allocated to the Performance Shares due to the significant uncertainty of meeting the three performance milestones which are based on future events.

As at 30 June 2017, none of the milestones of the performance shares had been achieved.

Refer to Note 25 for further information on the acquisition.

(c) Capital Management

Management controls the capital of the consolidated entity in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the consolidated entity can fund its operations and continue as a going concern.

The consolidated entity's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the consolidated entity's capital by assessing the company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in strategy adopted by management to control the capital of the consolidated entity since 2016 financial year.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 16 RESERVES

	Consolidated 2017 \$	2016 \$
Exchangeable Shares Reserve (a)	3,572,609	3,688,545
Options Reserve (b)	382,055	-
Foreign Currency Reserve (c)	184,784	181,935
	<u>4,139,448</u>	<u>3,870,480</u>

	Consolidated Number	\$
(a) Exchangeable Shares Reserve		
At 1 July 2015	-	-
Shares issued for the acquisition of Zyber Secure Mobile Solutions Inc.	88,086,902	3,688,545
At the end of the reporting period – 30 June 2016	<u>88,086,902</u>	<u>3,688,545</u>
At 1 July 2016	88,086,902	3,688,545
Shares exchanged for Zyber Holdings Limited shares	(2,768,699)	(115,936)
At the end of the reporting period – 30 June 2017	<u>85,318,203</u>	<u>3,572,609</u>

Exchangeable shares are non-voting, convertible, redeemable, preferred shares in the capital of 1050494 B.C. Ltd. Each exchangeable share is exchangeable for one ordinary share in Zyber Holdings Limited at the election of the holder before 16 February 2021. Exchangeable shares are subject to an escrow period of at least 12 months and no more than 24 months since the date of the acquisition of Zyber Secure Mobile Solutions Inc. During the financial year, 2,768,699 exchangeable shares were exchanged for Zyber Holdings Limited shares.

	Number	\$	Weighted Average Exercise Price (\$)
(b) Options Reserve			
Options outstanding as at 1 July 2015	-	-	-
Existing Zyber Holdings Limited options on acquisition	10,169,062	-	0.01
Options issued for the acquisition of Zyber Secure Mobile Solutions Inc.	29,920,000	-	0.05
Options outstanding as at 30 June 2016	<u>40,089,062</u>	<u>-</u>	<u>0.04</u>
Options outstanding as at 1 July 2016	40,089,062	-	0.04
Add options issued during the financial year:			
Options issued for Entitlement Offer on 10 October 2016	106,801,759	-	0.012
Options issued to the underwriter for its services in relation to the Entitlement Offer on 10 October 2016	106,801,802	381,555	0.012
Options issued as per Placement on 9 December 2016	50,000,000	500	0.012
Options outstanding as at 30 June 2017	<u>303,692,623</u>	<u>382,055</u>	<u>0.016</u>

	Consolidated 2017 \$	2016 \$
(c) Foreign Currency Reserve		
Foreign currency translation reserve	181,935	181,935
Movement in reserve	2,849	-
	<u>184,784</u>	<u>181,935</u>

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 17 CAPITAL AND OTHER COMMITMENTS

There are no capital or other commitments at the reporting date (2016: Nil).

NOTE 18 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent Assets

There are no contingent assets at reporting date (2016: Nil).

Contingent Liabilities

There are no contingent liabilities at reporting date (2016: Nil).

NOTE 19 OPERATING SEGMENTS

Segment Information

Identification of reportable segments

The directors have considered the requirements of AASB 8-Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and have concluded that at this time there are no separately identifiable segments.

Following adoption of AASB 8, the identification of the company's reportable segments has not changed. During the year, the company considers that it has only operated in one segment, being the development and sale of computer hardware, software and services of secure file synchronisation and sharing solution in Canada.

The consolidated entity is domiciled in Australia.

NOTE 20 CASH FLOW INFORMATION

	Note	Consolidated 2017 \$	2016 \$
(a) Reconciliation of cash			
Cash at bank and on hand	10	1,745,049	1,531,301
(b) Reconciliation of Cash Flow from Operations with Loss after Income Tax			
(Loss) after income tax		(2,067,229)	(7,502,526)
Non-cash flows in loss			
Amortisation of intangible		1,437	1,123
Write-offs		-	21,688
Restructuring/relisting expense		-	5,415,755
Shares issued in lieu of cash payment		160,000	251,880
Foreign exchange gain/loss		2,849	181,935
Changes in assets and liabilities:			
Trade and term receivables		2,918	(15,352)
Other assets		203,534	232,981
Trade payables and accruals		(151,251)	(145,844)
Cash flow from operations		(1,847,742)	(1,558,360)
(c) Financing and Investing Activities			
Acquisition of subsidiary, net cash acquired		-	75,642
		-	75,642

NOTE 21 EVENTS AFTER THE REPORTING PERIOD

The following significant events occurred after the reporting period:

- On 2 August 2017, 4,499,136 exchangeable shares in the capital of 1050494 B.C. Ltd have been exchanged for one ordinary share in Zyber Holdings Limited as per the election of the holders.

Other than the above, no matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial periods.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 22 RELATED PARTY TRANSACTIONS

(a) The consolidated entity's main related parties are as follows:

i. Key management personnel:

Any person(s) having authority and responsibility for planning directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of disclosures relating to key management personnel, refer to the directors' report section of this report.

ii. Entities subject to significant influence by the consolidated entity:

An entity which has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies is an entity which holds significant influence. Significant influence may be gained by share ownership, statue or agreement.

iii. Other related parties

Other related parties include entities controlled by the ultimate parent entity and entities over which key management personnel have joint control.

(b) Transactions with related parties:

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties, as disclosed in the remuneration report in the directors' report:

a) The following transactions occurred with related parties:

	Consolidated	
	2017	2016
	\$	\$
<i>Payments for goods and services</i>		
Payment for general legal advice from Steinepreis Paganin ²	70,118	361,882
Payment for share registry services from Automic Pty Ltd ⁴	54,942	37,939
	<u>125,060</u>	<u>399,821</u>

b) Outstanding balances arising from sales/purchases of goods and services, transactions:

<i>Current payables for remuneration of key management personnel</i>		
Services provided by Blue Cove Capital Corp ³	3,153	16,352
Services provided by Mr Benjamin Daly ¹	-	10,382
	<u>3,153</u>	<u>26,734</u>
<i>Current payables for goods and services</i>		
Services provided by Automic Pty Ltd ⁴	-	754
	<u>-</u>	<u>754</u>
	<u>3,153</u>	<u>27,488</u>

¹ Mr Daly resigned as CEO on 8 December 2016.

² Steinepreis Paganin, a company related to Mr Peter Wall.

³ Blue Cove Capital Corp, a company related to Mr Jason Tomkinson.

⁴ Automic Pty Ltd, a company in which Mr Peter Wall has a minority shareholding.

c) Loan to Directors and their related parties

No loans have been made to any KMP during the year (2016: Nil).

There have been no other transactions with KMP during the year other than those disclosed in the remuneration report.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 23 FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies

The consolidated entity's financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans.

The Board of Directors is responsible for the monitoring and management of the financial risk exposures of the consolidated entity.

The totals of each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	Consolidated 2017 \$	2016 \$
Financial Assets			
Cash and cash equivalents	10	1,745,049	1,531,301
Trade and other receivables	11	14,572	17,490
Total Financial Assets		1,759,621	1,548,791
Financial Liabilities			
- Trade and other payables	14	111,143	262,394
Total Financial Liabilities		111,143	262,394

Specific Financial Risk Exposures and Management

The main risks the consolidated entity is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk and market price risk.

a. Credit risk

The consolidated entity's policy is to trade only with recognized, creditworthy third parties. It is the consolidated entity's policy that all customers who wish to trade on credit terms will be subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the consolidated entity's exposure to bad debts is not significant.

Credit Risk Exposures

The consolidated entity has no significant concentration of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of trade and other receivables is provided in Note 11.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 11.

Credit risk related to balances with banks and other financial institutions is managed by the board. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-.

	Note	Consolidated 2017 \$	2016 \$
Cash and cash equivalents			
- AA Rated	10	1,745,049	1,531,301
		1,745,049	1,531,301

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 23 FINANCIAL RISK MANAGEMENT (Continued)

b. Liquidity risk

Liquidity risk arises from the possibility that the consolidated entity might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The consolidated entity manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operational, investing and financing activities
- obtaining funding from a variety of sources
- maintaining a reputable credit profile
- managing credit risk related to financial assets
- only investing surplus cash with major financial institutions

The table below reflects an undiscounted contractual maturity analysis for financial liabilities and receivables.

Financial liability and financial asset maturity analysis

2017	Weighted Average Interest Rate	1 year or less \$	Between 1 & 2 years \$	Between 2 & 5 years \$	Total \$
Non Derivatives					
<i>Financial Assets</i>					
Trade and Other Receivables	-%	14,572	-	-	14,572
<i>Financial Liabilities</i>					
Trade Payables	-%	111,143	-	-	111,143
Net Financial Liabilities		(96,571)	-	-	(96,571)
<hr/>					
2016	Weighted Average Interest Rate	1 year or less \$	Between 1 & 2 years \$	Between 2 & 5 years \$	Total \$
Non Derivatives					
<i>Financial Assets</i>					
Trade and Other Receivables	-%	17,490	-	-	17,490
<i>Financial Liabilities</i>					
Trade Payables	-%	262,394	-	-	262,394
Net Financial Liabilities		(244,904)	-	-	(244,904)

c. Market risk

i. Interest rate risk

The consolidated entity's exposure to the risk of changes in market interest rates relates primarily to the consolidated entity's cash and short-term deposits. Since the consolidated entity does not have long-term debt obligations, the consolidated entity's exposure to this risk is nominal.

ii. Market price risk

Equity price risk arises from the available-for-sale equity financial assets. The consolidated entity monitors its investment portfolio based on market indices. Any buy sell decisions are approved by the board.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 23 FINANCIAL RISK MANAGEMENT (Continued)

Sensitivity Analysis

The following table illustrates sensitivities to the consolidated entity's exposures to changes in interest rates and equity prices. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Consolidated	
Year ended 30 June 2017	Profit	Equity
	\$	\$
+/- 1% interest rate	+/- 17,450	+/- 17,450

	Consolidated	
Year ended 30 June 2016	Profit	Equity
	\$	\$
+/- 1% interest rate	+/- 15,313	+/- 15,313

There have been no changes in any of the methods or assumptions used to prepare the above sensitivity analysis from the prior year.

NOTE 24 SHARE BASED PAYMENTS

	Consolidated 2017	2016
	\$	\$
Share based payments		
(a) Performance rights issued in consideration for services rendered to the Company were converted on 5 August 2016 and 9 September 2016 as per shareholder approval	160,000	-
(b) Options issued in consideration for services rendered as per shareholder approval at 2016 AGM	381,555	-
(c) Performance rights granted to Benjamin Daly	-	-
	<u>541,555</u>	<u>-</u>

(a) Performance rights issued in consideration for services rendered

During the year, 8,000,000 performance rights were issued to professional advisors. The fair value of shares issued during the financial year as share based payments was determined by reference to the market value of the shares at grant date.

(b) Options issued in consideration for services rendered

During the year, 106,801,802 options were issued by Zyber Holdings Limited to sub-underwriters of the Entitlement Offer announced in October 2016 and approved by shareholders at 2016 Annual General Meeting. The fair value of shares issued during the financial year as share based payments was determined by reference to the market value of the shares at grant date.

	Options Granted 25/11/2016
Expected volatility (%)	100
Risk free interest rate (%)	1.92
Weighted average expected life of options (years)	2.93
Expected dividends	Nil
Option exercise price (\$)	0.012
Share price at grant date (\$)	0.007
Fair value of option (\$)	0.004
Number of options	106,801,802
Expiry date	31 October 2019
Vesting date	25 November 2016

The weighted average remaining contractual life of options outstanding at year-end was 1.63 years.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 24 SHARE BASED PAYMENTS (Continued)

(c) Performance rights granted to Benjamin Daly

On 5 July 2016, 10 million performance rights were granted to the CEO, Benjamin Daly, as part of his remuneration package, subject to the vesting conditions of the Performance Rights Plan approved by shareholders at the annual general meeting held on 30 November 2015. On 8 December 2016, Mr Daly resigned. Accordingly, the performance rights did not vest and no expense was recognised. On 3 March 2017, Mr Daly's performance rights were cancelled.

The aggregate value of share based payments for the financial year was \$541,555.

- \$160,000 has been recognised as share based payment expense within profit and loss during the financial year;
- \$381,555 has been recognised as share issue costs issued capital as a capital raising cost during the financial year.

A summary of company options on issue are as follows:

	Number	Weighted Average Exercise Price
Options outstanding as at 30 June 2017	303,692,623	\$0.30/\$2.50/\$0.05/\$0.012
Options exercisable as at 1 December 2017	9,969,062	\$0.30
Options exercisable as at 30 November 2018	200,000	\$2.50
Options exercisable as at 31 October 2019	29,920,000	\$0.05
Options exercisable as at 31 October 2019	263,603,561	\$0.012

NOTE 25 CONTROLLED ENTITIES

All controlled entities are included in the consolidated financial statements. The financial year end of the controlled entities is the same as that of the parent entity, being 30 June.

	Country of Incorporation	Percentage Owned (%)	
		30 June 2017	30 June 2016
Parent entity			
Zyber Holdings Limited	Australia		
Name of controlled entity			
Zyber Secure Mobile Solutions Inc	Canada	100	100
1050494 B.C. Ltd	Canada	100	100
Abbotts Exploration Pty Limited *	Australia	-	100
Anuman Holdings Pty Limited *	Australia	-	100

* Entities were deregistered on 9 November 2016.

Acquisition of Controlled Entity - 2016

On 16 February 2016, Zyber Holdings Limited (formerly Dourado Resources Limited), the legal parent and legal acquirer, completed the acquisition of Zyber Secure Mobile Solutions Inc. (Zyber Subsidiary). The acquisition did not meet the definition of a business combination in accordance with AASB 3 Business Combinations. Instead the acquisition has been treated as a group recapitalisation, using the principles of reverse acquisition accounting in AASB 3 Business Combinations given the substance of the transaction is that Zyber Subsidiary has effectively been recapitalised. Accordingly, the consolidated financial statements have been prepared as if Zyber Subsidiary had acquired Zyber Limited, and not versa as represented by the legal position. The recapitalisation is measured at the fair value of the equity instruments that would have been given by Zyber Subsidiary to have exactly the same percentage holding in the new structure at the date of the transaction.

As the activities of Zyber Limited would not constitute a business based on the requirements of AASB 3, the transaction has been accounted for as a share based payment under AASB 2. The excess of the deemed consideration over the fair value of Zyber Holdings Limited, as calculated in accordance with the reverse acquisition accounting principles and with AASB 2, is considered to be a payment for a group restructure and has been expensed.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 25 CONTROLLED ENTITIES (continued)

Acquisition of Controlled Entity - 2016

Zyber Holdings Limited is the legal acquirer of Zyber Secure Mobile Solutions Inc. in this transaction and the consideration for the acquisition was the issue by Zyber Holdings Limited of:

- 51,913,098 fully paid ordinary shares and 88,086,902 exchangeable shares in Zyber Holdings Limited in accordance with reverse asset acquisition accounting principles the consideration is deemed to have been incurred by Zyber Secure Mobile Solutions Inc. in the form of equity instruments issued to Zyber Holdings Limited shareholders. The acquisition date fair value of this consideration has been determined with reference to the fair value of the issued shares of Zyber Holdings Limited immediately prior to the acquisition and has been determined to be \$5,862,350; and
- 54,000,000 performance shares to the shareholders of the Zyber Secure Mobile Solutions Inc. as part of the consideration for the acquisition and are to be issued as three trenches of 18,000,000 upon the following milestones being achieved. The fair value of these performance shares has been included as part of the consideration for the transaction in accordance with the relevant accounting standard.
 - 18,000,000 shares to be issued in the event that Zyber has commenced or has contracted product development and production testing “proof of concept” trials with a minimum of 5 enterprises/corporations who each have annualised revenue of at least \$100,000,000 and, of these, 2 of which have been converted into binding commercial contracts for purchase and use of a Zyber product within 12 month of Settlement;
 - 18,000,000 shares to be issued in the event that Zyber generates gross revenue from sales of \$5,000,000 within 36 months of Settlement; and
 - 18,000,000 shares to be issued in the event that Zyber generates gross revenue from sales of \$10,000,000 within 59 months of Settlement.
- 29,920,000 consideration options to the in consideration for the cancellation for the Zyber warrants.

As Zyber Holdings Limited is deemed to be the acquiree for accounting purposes, the carrying values of its assets and liabilities are required to be recorded at fair value for the purposes of the acquisition. No adjustments were required to the historical values to effect this change.

\$

Consideration

140,000,000 fully paid ordinary vendor shares ¹	5,862,350
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Total value of consideration	5,862,350
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Fair value of Zyber Holdings Limited at acquisition:

Cash and cash equivalents	75,642
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Trade and other receivables	611,827
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Trade and other payables	(240,874)
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Fair value of net assets	446,595
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Excess of consideration provided over the fair value of net assets at the date of acquisition expensed, being group restructuring and relisting costs	5,415,755
--	------------------

¹ 51,913,098 of these shares were issued as ordinary shares in Zyber Holdings Limited. 88,086,902 of these shares were issued in the form of Exchangeable Shares in the capital of 1050494 B.C. Ltd, which can be exchanged for Shares on a one-for-one basis at the election of the holder.

Performance shares were issued as additional consideration, valued at nil, as the probability of performance hurdles being met was assessed as less than probable.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 26 PARENT INFORMATION

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements.

STATEMENT OF FINANCIAL POSITION

	2017	2016
	\$	\$
ASSETS		
Current Assets	1,742,375	1,112,527
Non-Current Assets	186,669	702,853
TOTAL ASSETS	1,929,044	1,815,380
LIABILITIES		
Current Liabilities	(49,238)	(92,683)
Non-Current Liabilities	-	-
TOTAL LIABILITIES	(49,238)	(92,683)
NET ASSETS	1,879,806	1,722,697
EQUITY		
Issued Capital	7,721,874	6,552,376
Reserve	3,954,664	3,688,545
Accumulated losses	(9,796,732)	(8,518,224)
TOTAL EQUITY	1,879,806	1,722,697

STATEMENT OF FINANCIAL PERFORMANCE

	2017	2016
	\$	\$
Loss for the year	(1,278,508)	(8,518,224)
Other comprehensive income	-	-
Total comprehensive income	(1,278,508)	(8,518,224)

There were no guarantees, contingent liabilities or commitments for the acquisition of property, plant and equipment entered into by the parent entity.

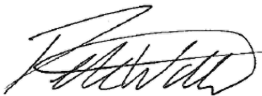
**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
DIRECTORS' DECLARATION**

In accordance with a resolution of the directors of Zyber Holdings Limited, the directors of the company declare that:

1. the financial statements and notes are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the consolidated entity as at 30 June 2017 and of its performance, for the year ended on that date; and
 - (ii) complying with Accounting Standards (including International Financial Reporting Standards) and the Corporations Regulations 2001;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

This declaration has been made after receiving the declarations required to be made by the directors in accordance with sections of 295A of the Corporations Act 2001.

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



Peter Wall

Director

Dated this 31st day of August 2017

RSM Australia Partners

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www.rsm.com.au**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ZYBER HOLDINGS LIMITED****Opinion**

We have audited the financial report of Zyber Holdings Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying 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 2017 and of its financial 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 Accounting 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 confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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 this matter
Share based payments – valuation of options Refer to Notes 24 in the financial statements	
<p>In December 2016, 106,801,802 options were issued to Patersons Securities Limited (“Patersons”), the underwriter of the Entitlement Offer in October 2016 as consideration of the sub-underwriting subscriptions committed by Patersons in accordance with the Underwriting Agreement.</p> <p>Management has performed the valuation of the options granted in this reporting period using the Black-Scholes Model, since the Group was unable to reliably measure the fair value of the services received. This amount was recognised as transaction costs which were deducted from issued capital.</p> <p>We considered the valuation and classification of these options to be a Key Audit Matter as it involved management’s judgement in determining the key option valuation inputs used in the Black-Scholes Model.</p>	<p>Our audit procedures in relation to the valuation of the options included:</p> <ul style="list-style-type: none"> • Reviewing the option valuation inputs in the Black-Scholes Model, which included assessing the volatility rate applied and comparing the volatility rate to entities in the similar industry as the Group; • Performing a recalculation of the option valuation model; • Reviewing the results of the Notice of General Meeting for shareholder approval in relation to the granting of the options; and • Reviewing the adequacy and accuracy of the relevant disclosures in the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group’s annual report for the year ended 30 June 2017, but does not include the financial report and the auditor’s report thereon.

Our opinion on the financial report does not cover the other 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 information and, in doing so, consider whether the other 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 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 the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Zyber Holdings Limited, for the year ended 30 June 2017, complies with section 300A of the Corporations Act 2001.

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.

RSM

RSM AUSTRALIA PARTNERS

A Whyte
ALASDAIR WHYTE
Partner

Perth, WA
Dated: 31 August 2017

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
SHAREHOLDER INFORMATION**

The following additional information is required by the Australian Securities Exchange Ltd in respect of listed public companies only. The information is current as at 9 August 2017.

1. Shareholding

a. Distribution of Shareholders

(i) *Ordinary share capital*

- 648,078,607 fully paid shares held by 2,148 shareholders. All issued ordinary share carry one vote per share and carry the rights to dividends.

Category (size of holding)	Class of Equity Security	
	Number of Holders	Fully Paid Ordinary Shares
1 - 1,000	763	144,577
1,001 – 5,000	119	297,264
5,001 – 10,000	82	642,251
10,001 – 100,000	529	28,180,761
100,001 – and over	655	618,813,754
	<hr/> 2,148	<hr/> 648,078,607

(ii) *Listed Options*

At the date of this report, the Company had 263,603,561 listed options exercisable at \$0.012 expiring on 31 October 2019.

b. The number of shareholdings held in less than marketable parcels is 2,148.

c. The Company did not have any substantial shareholders listed in the holding company's register at the date of this report.

d. Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares

- Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
SHAREHOLDER INFORMATION**

e. 20 Largest holders of quoted equity securities (fully paid ordinary shares)

	Name	Number Held	Percentage %
1.	Dyamond Developments Pty Ltd	26,000,000	4.01
2.	Gaks Investment Holdings Pty Ltd <Gaks Investment A/C>	21,850,000	3.37
3.	Otis Developments Pty Ltd	15,000,000	2.31
4.	Sacco Developments Australia Pty Ltd <The Sacco Family A/C>	12,518,063	1.93
5.	Justin Puddick Upholstery Pty Ltd <Mayfair Super Fund A/C>	12,500,000	1.93
6.	Tural Ltd	11,766,969	1.82
6.	Gold Resources Ltd	11,766,969	1.82
7.	Mr Kane Rodney Maxwell Phillips	11,000,000	1.70
8.	Mr Justin Frank Puddick	10,000,000	1.54
9.	Mr Darren Peter Limon	8,600,000	1.33
10.	Mrs Luigina Ivory	8,169,317	1.26
11.	BL Capital Pty Ltd <Pavlovski Family A/C>	8,000,000	1.23
12.	Rimoyne Pty Ltd	7,800,000	1.20
13.	BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient DRP>	7,717,373	1.19
14.	Foucart Pty Ltd <CRB A/C>	7,000,000	1.08
15.	Cowbox Pty Ltd <Lymperis Family A/C>	6,466,606	1.00
16.	First Investment Partners Pty Ltd	6,000,000	0.93
17.	Mr David Jason Bourke	5,231,460	0.81
18.	Ms Maria Chandler	5,000,000	0.77
18.	Mr Joseph Adam Lee	5,000,000	0.77
18.	Mr Anthony William Paul Sage & Mrs Lucy Fernandes Sage <Egas Super Fund A/C>	5,000,000	0.77
19.	Mr Steven Gary Hirst	4,670,397	0.72
20.	Euthenia Tyche Pty Ltd	4,629,491	0.71
		221,686,645	34.21

2. The Name of the Company Secretary is Mrs Elizabeth Hunt.

3. The address of the registered office and principal place of business in Australia is Level 11, 216 St Georges Terrace, Perth WA 6000. Telephone (08) 9481 0389.

4. Registers of securities are held at the following address:

Automatic Registry Services
Level 2, 267 St Georges Terrace
Perth WA 6000
Telephone: (08) 9324 2099

5. Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the company on the Australian Securities Exchange Limited.

6. Restricted Securities

The Company has the following restricted securities on issue as at the date of this report

-27,151,986 fully paid ordinary shares escrowed for 24 months from 16 February 2016

-8,160,000 unlisted options exercisable at \$0.05 on or before 31 October 2019 held in escrow for 24 months from 16 February 2016

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
SHAREHOLDER INFORMATION**

f. 20 Largest holders of \$0.012 quoted equity securities (options expiring on 31 October 2019)

	Name	Number Held	Percentage %
1.	Dymond Developments Pty Ltd	40,000,000	15.17
2.	Otis Developments Pty Ltd	17,000,000	6.45
3.	Threebee Investment Group Pty Ltd	12,750,000	4.84
4.	Vennon Pty Ltd <Tomsic Family A/C>	8,000,000	3.03
4.	Mr Peter Andrew Proksa	8,000,000	3.03
5.	BL Capital Pty Ltd <Pavlovski Family A/C>	7,000,000	2.66
6.	Jomot Pty Ltd	6,500,000	2.47
7.	A & J Tannous Nominees Pty Ltd <Assad Tannous A/C>	6,150,000	2.33
8.	Srejca Pty Ltd	6,000,000	2.28
9.	Sacco Developments Australia Pty Limited <The Sacco Family A/C>	5,606,831	2.13
10.	Mr Sufian Ahmad <Sixty Two Capital A/C>	5,420,000	2.06
11.	Mr Oon Tian Yeoh & Mrs Elzbieta Helena Yeoh	5,000,000	1.90
11.	Mr Kane Rodney Maxwell Phillips	5,000,000	1.90
11.	Mr Derek Declan Bruton	5,000,000	1.90
11.	Euthenia Tyche Pty Ltd	5,000,000	1.90
11.	International Business Network (Services) Pty Ltd	5,000,000	1.90
11.	Rimoyne Pty Ltd	5,000,000	1.90
12.	Yeoh Super Pty Ltd <Yeoh Super A/C>	4,950,000	1.88
13.	Vassago Pty Ltd <Aston A/C>	4,605,601	1.75
14.	Mr Sufian Ahmad	4,000,000	1.52
14.	JFM Administration Pty Ltd < J F Muller A/C>	4,000,000	1.52
15.	Mr Christopher Williams	3,495,000	1.33
16.	Mr Justin Frank Puddick	3,250,000	1.23
17.	Mrs Alison Mary Emery	3,101,100	1.18
18.	Mr David Michael Gartner	3,000,000	1.14
19.	Mr Ashley Victor Mogensen & Mrs Michelle Dianne Mogensen <Mogensen Super Fund A/C>	2,500,000	0.95
20.	Asenna Wealth Solutions Pty Ltd	2,222,200	0.84
		191,550,732	72.67

2. Unquoted Securities

The Company has the following unquoted securities on issue as at the date of this report

-9,969,062 options exercisable at \$0.30 on or before 1 December 2017

-200,000 options exercisable at \$2.50 on or before 30 November 2018

-29,920,000 options exercisable at \$0.05 on or before 31 October 2019