

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 Reporting Period

Financial period ended ("current period")	Financial period ended ("previous period")
30 June 2019	30 June 2018

2. Results for announcement to the market

		Up/down	% change	to	\$'000
2.1	Revenue from ordinary activities	-	-	to	-
2.2	Loss from ordinary activities after tax attributable to the members	down	22%	to	730
2.3	Net loss for the period attributable to the members	down	22%	to	730
2.4	Loss per share	down	22%	to	0.11 cents
2.5	Brief explanation of results The loss from ordinary activities and net loss for the period for the consolidated entity amount to \$730,085 (30 June 2018: \$934,699).				

3. NTA Backing

	Current period	Previous period
Net tangible asset backing per ordinary security	\$0.0004	\$0.0017

4. Control gained or lost over entities having material effect

There was not material effect from any change in control gained or lost during the current period.

5. Dividends

There were no dividends declared or paid during the current 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

This preliminary final report is based on unaudited financial statements which are currently in the process of being audited.

The financial statements are in the process of being audited, however at this stage we are unable to advise whether the audit report will include a modified opinion, emphasis of matter or other matter paragraph.

Name: George Hatzipapas
Executive Chairman

Date: 30 August 2019



Holdings Limited

AND CONTROLLED ENTITIES

ABN: 84 131 090 947

**Unaudited Preliminary Final Report
For the Year Ended 30 June 2019**

ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES

ABN: 84 131 090 947

Unaudited Preliminary Final Report

For the Year Ended 30 June 2019

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

Corporate Directory

Directors

Mr George Hatzipapas
Executive Chairman

Mr John Tomaras
Non-Executive Director

Mr Ted Tzoyaras
Non-Executive Director

Company Secretary

Mr Henry Kinstlinger

**Registered Office & Principal Place of
Business**

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Perth WA 6000
Ph: +61 (0)474 455 529

Postal Address

PO Box 1745,
Carindale, Queensland 4152

Web Site

www.zyber.com.au

Share Registry

Automic Registry Services
Level 2, 267 St Georges Terrace
Perth WA 6000
Ph: 1300 288 664

Auditors

RSM Australia Partners
Level 32 Exchange Tower
2 The Esplanade
Perth WA 6000

Legal Advisors

Dominion Legal
17 Lacey Street
Perth WA 6000

Stock Exchange Listing

ASX Code: **ZYB, ZYBOA**

Country of Incorporation and Domicile

Australia

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019**

RESULTS FOR ANNOUNCEMENT TO THE MARKET

PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN NATURE OF ACTIVITIES

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

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 \$730,085 (2018: \$934,699).

Review of Operations

During the first half of the year, Zyber successfully migrated its IP assets from Canada to Australia by undertaking both a thorough review and transition program.

Key elements of this review and transition program included:

- Engagement of a suitably qualified IT consultant to assist in the process of relocating the hosting services and undertaking further evaluation work on the blockchain enhancement of the Zyber products;
- New Amazon web service accounts, which were set up with the assistance of the IT consultant, with a subsequent architectural analysis of the Zyber platform being performed. This resulted in remedial work to the database to then allow the Zyber platform to be brought up to date with third party software patches and software utilities in the Australian jurisdiction;
- A specialist Network advisor was retained to re-establish control of all IT services (including emails, Amazon services, servers, domains and hosting) away from the Canadian services jurisdiction and to successfully transfer them within the Australian jurisdiction; and
- A team of programmers was sourced to commence the process of moving the IP to a new housing with all connected services so that it could be tested in the new environment. This work was completed during the last half year and further trials were commenced as part of the commercialization process.

During the second half of the year, Zyber completed a review of its products and internal processes, which highlighted key strengths as well as actionable insights as to future strategies.

These insights included:

- A conclusion that, of the 5 adaptations of the Zyber Client product, most were highly developed. Namely, the Web App has most features implemented and the iOS Client is working at a high level, while the Android App, which currently caters for the uploading of files, has the potential to extend its capabilities; and
- An evaluation of the merits of leveraging a blockchain network for Zyber's file-sharing technology, Zyber Secure Control. Zyber has initiated steps to implement the blockchain solution, including work on creating a smart contract, conceptualising integration with web3.js, and the metamask wallet. Further steps remain before Zyber fully adopts the blockchain platform, including streamlining file uploading processes and improving the user interface.

On 1 October 2018, Zyber was suspended from official quotation, in accordance with Listing Rule 17.5, but was reinstated on 3 October 2018, following compliance.

Zyber entered into voluntary suspension from official quotation on 28 November 2018, pending a response to an ASX price query.

This voluntary suspension has been extended and remains until Zyber demonstrates compliance with Chapter 12 of the Listing Rules.

The board has considered queries raised by the ASX and has commenced a general review of the matters raised. The review is being undertaken by newly appointed director Ted Tzovaras who will make appropriate recommendations to the board going forward.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019**

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

During the year the following significant changes in the state of affairs of the consolidated entity occurred:

- On 31 October 2018, Mr John O'Connor was appointed as Non-Executive Director, Mr Scott Mison resigned as Non-Executive Director and Company Secretary and Ms Terri Bakos was appointed as Company Secretary.
- On 30 November 2018, Mr Prasanth Rasam was appointed as Non-Executive Director, and Mr George Callianiotis resigned as Non-Executive Director.
- On 12 March 2019, Mr Henry Kinstlinger was appointed joint Company Secretary.
- On 13 March 2019, Mr Richard Hoffman and Ms Nicole Goldin were appointed as Non-Executive Directors. On the same day, Mr John O'Connor and Mr Prasanth Rasam both resigned as Non-Executive Directors.
- On 15 April 2019, Mr John Tomaras was appointed as Non-Executive Director.
- On 10 May 2019, Ms Nicole Goldin resigned as Non-Executive Director and Ms Terri Bakos resigned as joint Company Secretary.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- On 8 August 2019 Mr Richard Hoffman resigned as Non-Executive Director and Mr Ted Tzoyaras was appointed Non-Executive Director on 19 August 2019.

There are no significant events subsequent to year end that have not been included elsewhere in this 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.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019**

	Note	Consolidated 2019 \$	2018 \$
Revenue from continuing operations		-	-
Other income	3	19,710	19,949
Expenses			
Amortisation expense		-	(7,682)
Consulting expenses	3	(339,253)	(623,526)
Marketing		(545)	(11,495)
Directors fees		(206,288)	(36,954)
Other expenses	4	(203,709)	(274,991)
Loss before income tax from continuing operations		(730,085)	(934,699)
Income tax expense		-	-
Loss after income tax for the year		(730,085)	(934,699)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(3,618)	11,277
Total comprehensive loss for the year		(733,703)	(923,422)
Loss per share			
Basic loss per share (cents)	5	(0.11)	(0.14)
Diluted loss per share (cents)	5	(0.11)	(0.14)

The accompanying notes form part of these financial statements.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019**

	Note	Consolidated 2019 \$	2018 \$
Assets			
Current assets			
Cash and cash equivalents	6	32,790	1,001,728
Trade and other receivables	7	51,672	24,057
Related party loan receivable	8	566,560	-
Other assets	9	9,158	24,518
Total current assets		<u>660,120</u>	<u>1,050,303</u>
Non-Current assets			
Intangible assets	10	-	-
Total non-current assets		<u>-</u>	<u>-</u>
Total assets		<u>660,120</u>	<u>1,050,303</u>
Liabilities			
Current liabilities			
Trade and other payables	11	405,264	61,744
Total current liabilities		<u>405,264</u>	<u>61,744</u>
Total liabilities		<u>405,264</u>	<u>61,744</u>
Net assets		<u>254,856</u>	<u>988,559</u>
Equity			
Issued capital	12	7,942,444	7,942,444
Reserves	13	3,958,711	3,962,329
Accumulated losses		(11,646,299)	(10,916,214)
Total equity		<u>254,856</u>	<u>988,559</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 2019**

	Issued Capital	Reserves	Accumulated Losses	Total Equity
Consolidated	\$	\$	\$	\$
Balance at 1 July 2017	7,721,874	4,139,448	(9,981,515)	1,879,807
Loss for the year	-	-	(934,699)	(934,699)
Other comprehensive income for the year	-	11,277	-	11,277
Total comprehensive loss for the year	-	11,277	(934,699)	(923,422)
Transactions with owners, in their capacity as owners				
Shares issued during the year	32,174	-	-	32,174
Conversion of exchangeable shares (as per Zyber acquisition)	188,396	(188,396)	-	-
Total transactions with owners	220,569	(177,119)	-	43,450
Balance at 30 June 2018	7,942,444	3,962,329	(10,916,214)	988,559
Balance at 1 July 2018	7,942,444	3,962,329	(10,916,214)	988,559
Loss for the year	-	-	(730,085)	(730,085)
Other comprehensive income for the year	-	(3,618)	-	(3,618)
Total comprehensive loss for the year	-	(3,618)	(730,085)	(733,703)
Transactions with owners, in their capacity as owners	-	-	-	-
Balance at 30 June 2019	7,942,444	3,958,711	(11,646,299)	254,856

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 2019**

	Note	Consolidated 2019 \$	2018 \$
Cash flows from operating activities			
Interest received		3,210	19,949
Payments to suppliers and employees		(422,148)	(795,444)
Net cash used in operating activities	17	(418,938)	(775,495)
Cash flows from financing activities			
Proceeds from issue of shares		-	32,174
Proceeds from issue of options		-	-
Share issue costs		-	-
Net cash provided by financing activities		-	32,174
Cash flows from investing activities			
Related party loan provided	8	(550,000)	-
Net cash used in investing activities		(550,000)	-
Net (decrease) / increase in cash held		(968,938)	(743,321)
Cash and cash equivalents at beginning of financial year		1,001,728	1,745,049
Cash and cash equivalents at end of financial year	6	32,790	1,001,728

The accompanying notes form part of these financial statements.

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

These consolidated financial statements and notes represent those of Zyber Holdings Limited and Controlled Entities (the “consolidated entity”).

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.

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.

(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.

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(b) Income Tax (continued)

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.

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.

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(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.

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

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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).

(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.

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(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

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.

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.

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(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 2018.

(r) Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

(s) Issued Capital

Ordinary shares are classified as equity.

Costs attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from the proceeds.

(t) 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.

(u) New Accounting statements for application in the current period

In the year ended 30 June 2019, 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.

**ZYBER HOLDINGS LIMITED
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NOTE 2 REVENUE AND OTHER INCOME

	2019	Consolidated 2018
	\$	\$
Revenue from continuing operations		
Other income		
Interest received – bank	19,710	19,949
	<u>19,710</u>	<u>19,949</u>

NOTE 3 CONSULTING EXPENSES

	2019	Consolidated 2018
	\$	\$
Accounting & audit fees	21,500	61,302
Company secretarial	53,989	19,890
Corporate advice*	-	196,383
Legal fees	91,714	49,474
Technical	172,050	296,477
	<u>339,253</u>	<u>623,526</u>

NOTE 4 OTHER EXPENSES

	2019	Consolidated 2018
	\$	\$
Compliance costs	39,287	88,314
Travel related costs	72,310	68,496
Insurance	27,460	21,795
General office expenses	64,652	96,386
	<u>203,709</u>	<u>274,991</u>

**ZYBER HOLDINGS LIMITED
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NOTE 5 LOSS PER SHARE

	2019	Consolidated 2018
Basic loss per share (cents)	(0.11)	(0.14)
Diluted loss per share (cents)	(0.11)	(0.14)
	2019	2018
	\$	\$
(a) Loss for the year	(730,085)	(934,699)
Loss used to calculate basic loss per share	(730,085)	(934,699)
Loss used to calculate diluted loss per share	(730,085)	(934,699)
	Number	Number
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic loss per share	650,759,725	648,051,364
Weighted average number of ordinary shares outstanding during the year used in calculating diluted loss per share	650,759,725	648,051,364

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 2018.

NOTE 6 CASH AND CASH EQUIVALENTS

	2019	Consolidated 2018
	\$	\$
Cash at bank and on hand	32,790	1,001,728
	32,790	1,001,728

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	32,790	1,001,728
	32,790	1,001,728

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

NOTE 7 TRADE AND OTHER RECEIVABLES

	2019	Consolidated 2018
	\$	\$
CURRENT		
Other receivables (i)	51,672	24,057
	51,672	24,057

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

**ZYBER HOLDINGS LIMITED
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NOTE 8 RELATED PARTY LOAN RECEIVABLE

	2019	Consolidated 2018
	\$	\$
CURRENT		
Related party loan receivable	566,500	-
	<u>566,500</u>	<u>-</u>

During May 2019, a loan of \$550,000 was offered Mr Hatzipapas under the provisions of Section 210 of the Corporations Act 2001.

The loan is repayable no later than 31 December 2019 and accrues interest of 3% fixed for the term of the loan. The loan is to be secured through a PPSR charge over securities to a value of \$630,000. As at the date of this report the loan remains unpaid. An amount of \$16,500 has been included in interest revenue for the current year in relation to this loan receivable.

NOTE 9 OTHER ASSETS

	2019	Consolidated 2018
	\$	\$
Prepayments ¹	9,158	24,518
	<u>9,158</u>	<u>24,518</u>

¹ Prepayments related to insurance for 30 June 2019 and 30 June 2018.

NOTE 10 INTANGIBLE ASSETS

	2019	Consolidated 2018
	\$	\$
License agreements		
Cost	10,382	10,382
Amortisation	(10,382)	(10,382)
	<u>-</u>	<u>-</u>

NOTE 11 TRADE AND OTHER PAYABLES

	2019	Consolidated 2018
	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables ¹	80,701	4,344
Accrued expenses ²	323,549	20,500
Other payables	1,014	36,900
	<u>405,264</u>	<u>61,744</u>

¹ Trade payables includes \$73,340 of legal costs that will be negotiated with the supplier, and the final agreed balance to be settled in shares following shareholder approval.

² Accrued expenses includes an amount of 2018: \$251,971 (2018: nil) due to related parties. A portion of this is to be settled in shares following shareholder approval.

**ZYBER HOLDINGS LIMITED
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NOTE 12 ISSUED CAPITAL

	2019	Consolidated
	\$	2018
		\$
Ordinary shares issued and fully paid (a)	7,942,444	7,942,444
Issued capital	7,942,444	7,942,444

	Consolidated	
	Number	\$
(a) Ordinary shares		
At 1 July 2017	643,579,471	7,721,874
Add:		
Conversion of options	2,681,118	32,174
Conversion of exchangeable shares (as per Zyber acquisition)	4,499,136	188,396
At the end of the reporting period – 30 June 2018	650,759,725	7,942,444
At 1 July 2018	650,759,725	7,942,444
Add:		
At the end of the reporting period – 30 June 2019	650,759,725	7,942,444

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.

NOTE 13 RESERVES

	2019	Consolidated
	\$	2018
		\$
Exchangeable Shares Reserve (a)	3,384,213	3,384,213
Options Reserve (b)	382,055	382,055
Foreign Currency Reserve (c)	192,443	196,061
	3,958,711	3,962,329
(a) Exchangeable Shares Reserve		
At 1 July 2017	85,318,203	3,572,609
Shares exchanged for Zyber Holdings Limited shares	(4,499,136)	(188,396)
At the end of the reporting period – 30 June 2018	80,819,067	3,384,213
At 1 July 2018	80,819,067	3,384,213
At the end of the reporting period – 30 June 2019	80,819,067	3,384,213

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 prior financial year, 4,499,136 exchangeable shares were exchanged for Zyber Holdings Limited shares.

**ZYBER HOLDINGS LIMITED
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	Number	\$	Weighted Average Exercise Price (\$)
(b) Options Reserve			
Options outstanding as at 1 July 2017	303,692,623	382,055	0.016
Expiry of unlisted options @ \$0.30 expiring on 1/12/2017	(9,969,062)	-	0.016
Issue of Fully Paid Options upon exercise of \$0.012 listed option	(2,681,118)	-	0.016
Options outstanding as at 30 June 2018	291,042,443	382,055	0.013
Options outstanding as at 1 July 2018	291,042,443	382,055	0.013
Options outstanding as at 30 June 2019	291,042,443	382,055	0.013

	2019 \$	Consolidated 2018 \$
(c) Foreign Currency Reserve		
Foreign currency translation reserve as at 1 July	196,061	184,784
Movement in reserve	(3,618)	11,277
Foreign currency translation reserve as at 30 June	192,443	196,061

NOTE 14 CAPITAL AND OTHER COMMITMENTS

There are no capital or other commitments at the reporting date (2018: Nil).

NOTE 15 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent Assets

There are no contingent assets at reporting date (2018: Nil).

Contingent Liabilities

There are no contingent liabilities as at 30 June 2019.

On 21 September 2018, the Company received a statutory demand from Mr Geoff Gander, a previous director of the Company for the amount of \$50,239. Prior to receipt of this letter on 21 September 2018, Zyber had no knowledge of the proceedings or been effectively served any notice of the proceedings. On 22 May 2019, the Company paid Mr Geoff Gander, \$36,000, as final settlement of Mr Gander's claim. The matter is now closed.

NOTE 16 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 prior, the company considers that it has only operated in one segment, being the development of computer software and services of secure file synchronisation and sharing solution in Canada. During the current year, the operating segment was moved to Australia, but the Company still only operating in this one segment.

The consolidated entity is domiciled in Australia.

**ZYBER HOLDINGS LIMITED
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NOTE 17 CASH FLOW INFORMATION

	Note	2019 \$	Consolidated 2018 \$
(a) Reconciliation of cash			
Cash at bank and on hand	6	32,790	1,001,728
(b) Reconciliation of Cash Flow from Operations with Loss after Income Tax			
Loss after income tax		(730,085)	(934,699)
Non-cash flows in loss			
Amortisation of intangible		-	7,682
Foreign exchange gain		-	(11,277)
Changes in assets and liabilities:			
Trade and term receivables		(27,615)	(9,485)
Other assets		15,360	221,682
Trade payables and accruals		290,612	(49,398)
Cash flow used in operations		(418,938)	(775,495)

NOTE 18 EVENTS AFTER THE REPORTING PERIOD

There were 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.

NOTE 19 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.

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:

	2019 \$	Consolidated 2018 \$
<i>Payments for goods and services</i>		
Payment for general legal advice from Steinepreis Paganin ¹	-	15,484

b) There are no outstanding balances arising from sales/purchases of goods and services, transactions.

c) Loan to Directors and their related parties

**ZYBER HOLDINGS LIMITED
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During May 2019, a loan of \$550,000 was offered Mr Hatzipapas under the provisions of Section 210 of the Corporations Act 2001.

The loan is repayable no later than 31 December 2019 and accrues interest of 3% fixed for the term of the loan. The loan is to be secured through a PPSR charge over securities to a value of \$630,000. As at the date of this report the loan remains unpaid. An amount of \$16,500 has been included in interest revenue for the current year in relation to this loan receivable.

No loans have been made to any KMP during the prior year.

NOTE 20 SHARE-BASED PAYMENTS

There are no share-based payment arrangements for the year ended 30 June 2019 (30 June 2018: none).

A summary of company options on issue are as follows:

	Number	Weighted Average Exercise Price
Options outstanding as at 30 June 2019	290,842,443	\$0.05/\$0.012
Options exercisable as at 31 October 2019	29,920,000	\$0.05
Options exercisable as at 31 October 2019	260,922,443	\$0.012
	Number	Weighted Average Exercise Price
Options outstanding as at 30 June 2018	291,042,443	\$2.50/\$0.05/\$0.012
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	260,922,443	\$0.012

The weighted average remaining contractual life of options outstanding as of 30 June 2019 was 0.37 years (2018: 0.63 years).

NOTE 21 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 2019	30 June 2018
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