

ASX ANNOUNCEMENT

30 January 2026

Q2 FY26 Activity Report & Appendix 4C

AUCyber Limited (**ASX: CYB**) (“**AUCyber**” or “the **Company**”) is pleased to provide its activity and cash flow reports for the quarter ending 31 December 2025 (the **Quarter**).

During the Quarter, AUCyber continued its operational stabilisation following strategic exits from low-margin contracts earlier in the year. The Company delivered a return to positive operating cash flow, reflecting improved working capital management and disciplined cost control.

Customer receipts totalled \$5.94 million for the Quarter. While modestly lower than the September quarter, this primarily reflects timing of collections. The Company remains focused on strengthening margins and leveraging its cybersecurity capabilities to support sustainable growth.

Key Financial Highlights – Q2 FY26

- **Customer receipts:** \$5.94 million (reflecting timing of collections).
- **Net Operating Cashflow:** Positive inflow of \$0.3 million, representing a return to operating cash generation.
- **Financing activities:** \$429K outflow relating to lease repayments.
- **Closing Cash Balance:** \$1.97 million, with no debt and continued strong liquidity.

Quarterly and YTD Commentary

Quarterly Overview (Q2 FY26)

During the Quarter, the Company continued to progress its operational stabilisation following the strategic exit of lower-margin contracts in prior periods. Customer receipts were \$5.94 million, compared to \$6.21 million in the September quarter. The decrease primarily reflects the timing of cash collections rather than any deterioration in underlying trading performance.

Gross margins for the Quarter were approximately 22%, reflecting changes in revenue mix and the implementation of an updated cost of goods sold (COGS) methodology. This revised approach, particularly within the Cloud division, incorporates certain lease-related costs into COGS in line with updated internal reporting practices. For comparability, prior period figures have been adjusted accordingly. This change does not reflect any unaccounted costs and enhances transparency in financial reporting.

Despite short-term margin variability, management remains focused on long-term margin improvement initiatives and operational efficiency, underpinned by continued investment in cybersecurity capabilities.

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Related party payments during the Quarter, as disclosed in Section 6.1 of the Appendix 4C, relate to fees and expenses paid to directors and their associates.

Cost Management and Cash Flow

Quarterly operating payments amounted to approximately \$2.0 million, down from \$3.46 million in the prior quarter. This reduction primarily reflects the absence of prior period timing-related payments.

Net cash inflow from operating activities for the Quarter was \$0.3 million, representing a material improvement on the prior quarter's outflow. This outcome reflects improved trade receivables collections and the normalisation of working capital following the prior quarter's payment timing impacts.

The Company continues to maintain a strong focus on cost discipline, prioritising essential operational expenditure while preserving service quality and delivery capability.

Cash Position

The Company closed the Quarter with \$1.97 million in cash and no debt facilities drawn. With no capital raising activity during the period, AUCyber remains focused on internal cash generation. The prior year's capital raise, combined with ongoing cost optimisation initiatives, provides a solid foundation to support near-term operations and future growth initiatives.

Outlook

Looking ahead to the remaining quarters of FY26, AUCyber management remains focused on:

- Improving operating cash flow through continued cost optimisation and margin initiatives
- Leveraging cybersecurity capabilities to drive sustainable growth
- Maintaining strong liquidity and balance sheet resilience
- Expanding higher-value service offerings
- Reducing reliance on lower-margin resale activities

Management remains confident that the Company is well-positioned to continue strengthening its operational and financial performance.

This announcement has been authorised for release by the Board.

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Appendix 4C
**Quarterly cash flow report for entities subject
to Listing Rule 4.7B**

Name of entity

AUCyber Limited

ACN

622 728 189

Quarter ended ("current quarter")

31 December 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1 Cash flows from operating activities		
1.1 Receipts from customers	5,942	12,150
1.2 Payments for		-
(a) research and development	-	-
(b) product manufacturing and operating costs	(2,002)	(5,462)
(c) advertising and marketing	(45)	(90)
(d) leased assets	-	-
(e) staff costs	(2,617)	(5,590)
(f) administration and corporate costs	(963)	(1,982)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	8
1.5 Interest and other costs of finance paid	-	(45)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (Due Diligence, Restructure costs & Rebates received)	-	-
1.9 Net cash from / (used in) operating activities	317	(1,011)

2	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	(100)
2.6	Net cash from / (used in) investing activities	-	(100)
3	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (ROU Repayments)	(429)	(857)
3.1	Net cash from / (used in) financing activities	(429)	(857)

4 Net increase / (decrease) in cash and cash equivalents for the period	Current quarter \$A'000	Year to date (6 months) *
4.1 Cash and cash equivalents at beginning of period	2,085	3,940
4.2 Net cash from / (used in) operating activities (item 1.9 above)	317	(1,011)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(100)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(429)	(857)
4.5 Effect of movement in exchange rates on cash held		-
4.6 Cash and cash equivalents at end of period	1,973	1,973

5 Reconciliation of cash and cash equivalents	Current quarter	Previous quarter
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	\$A'000	\$A'000
5.1 Bank balances	1,598	1,712
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (Bank Guarantee)	375	372
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,973	2,084

6 Payments to related parties of the entity and their associates	Current quarter
	\$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	62
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7	Financing facilities	Total facility amount at quarter end	Amount drawn at quarter end
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>	\$A'000	\$A'000
	<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-

8	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	317
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,973
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	1,973
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? Answer:

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? Answer:

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Quarterly cash flow report for entities subject to Listing Rule 4.7B**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 January 2026

Authorised by: The Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.