Appendix 4E

ASX Preliminary Final Report

Name of entity	**AUCyber Limited**
ABN	**80 622 728 189**
Reporting period	**Year ended 30 June 2026 (FY26)**
Previous corresponding period	**Year ended 30 June 2025 (FY25)**

1. Results for announcement to the market

Results	**FY26** **$**	**FY25** **$**	**Change** **%**
Revenues from ordinary activities	19,984,517	27,819,603	(28%)
Loss from ordinary activities after tax attributable to members	(4,775,174)	(37,555,634)	87%
Net loss for the period attributable to members	(4,775,174)	(37,555,634)	87%

2. Dividends

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

3. Brief explanation of the figures reported above

Refer to the attached audited Annual Financial Report for FY26 for the following information:

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

4. Net tangible assets per security

	30-Jun-26	**30-Jun-25**
Net tangible asset backing per ordinary security (cents)	1.58	3.59

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

5. Control gained over entities having a material effect

Not applicable.

6. Loss of control of entities having a material effect

Not applicable.

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

Not applicable.

Appendix 4E (continued)

for the year ended 30 June 2026

8. Compliance with IFRS

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

9. Commentary on the results for the period

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

10. Compliance statement

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

Signed:

Joseph Demase
Director

Date: 28 August 2026

AUCYBER

FY26 Annual Report

AUCyber Limited

ASX: CYB

Securing Australian business at scale.
Managed IT. Managed Cloud. Managed Cybersecurity.

For the year ended 30 June 2026

FY26 FINANCIAL HIGHLIGHTS

AUCyber is an award-winning sovereign provider of cloud solutions and cyber security services. We support Australia's leading organisations and Government agencies, specializing in delivering data and security solutions to enhance compliance and overall security.

$20M
Total revenue

($0.6M)
EBITDA
FY25: ($5.3M)

$0.9M
Gross Margin
FY25: $0.1M

62%
Cost Reduction
FY26: 24.76M
FY25: 65.38M

Strategy & Outlook

Our strategy is built on delivering sovereign, secure and scalable solutions that help Australia's leading organisations and Government agencies strengthen resilience, ensure compliance and operate with confidence. We will continue to invest in our people, capabilities and partnerships to drive sustainable growth and long-term value.

OUR STRATEGY PILLARS

Managed IT

Deliver reliable, secure and high-performance IT services that keep our customers productive and resilient.

Managed Cloud

Provide sovereign cloud solutions that enable agility, scalability and compliance for Australia's organisations.

Managed Cybersecurity

Protect critical data and systems with proactive, intelligent and sovereign cybersecurity solutions and services.

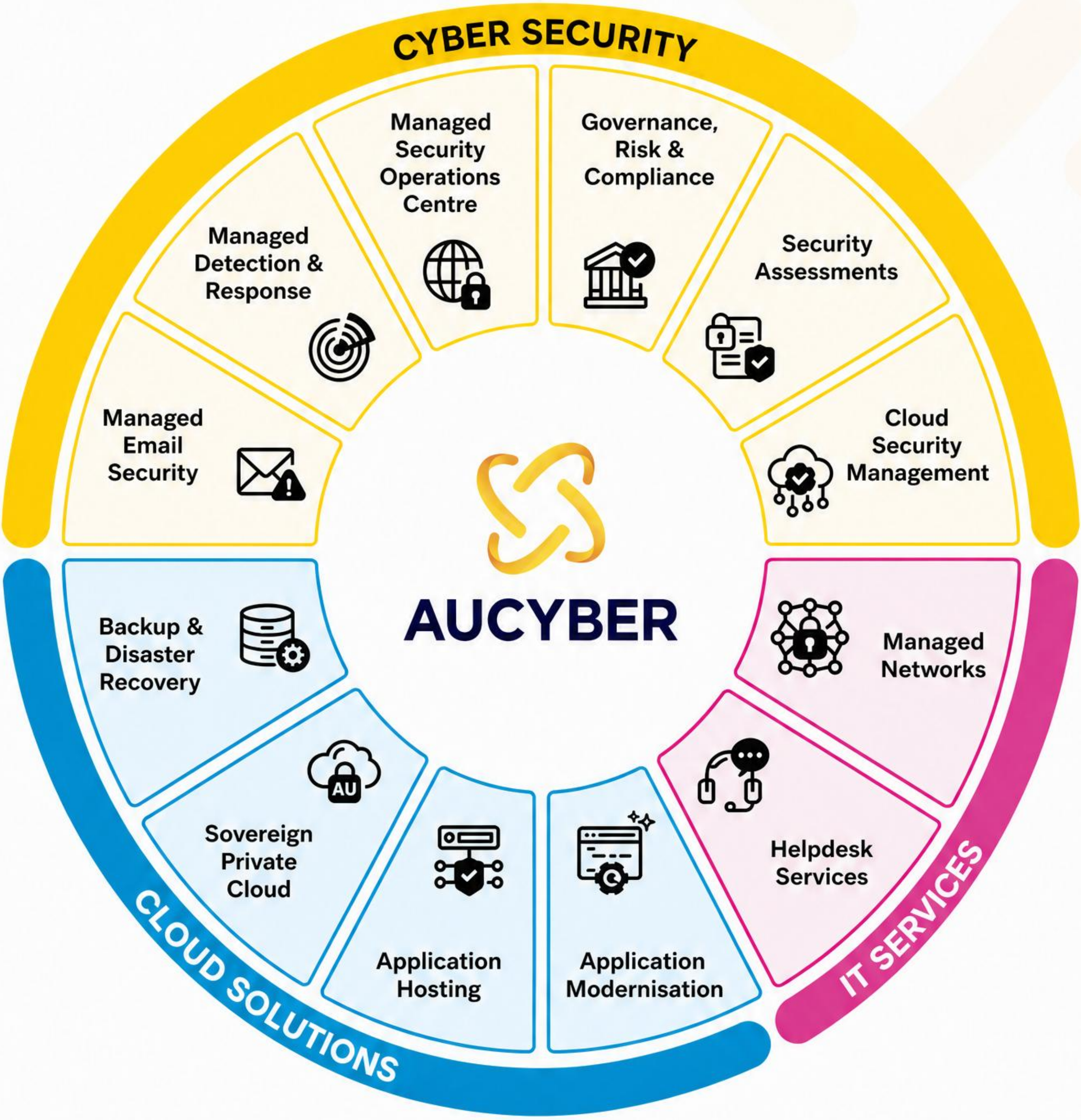
Now majority owned by 5G Networks (ASX: 5GN)

FY26 ACHIEVEMENTS

- Scale recurring revenue through deeper client partnerships and a broader suite of sovereign cloud and cybersecurity services.
- Unlock integration synergies to enhance operational efficiency and accelerate innovation across our combined capabilities.
- Expand our onshore footprint and grow market share among Australian SMEs and mid-market organisations.
- Launched our own managed cybersecurity operations centre in Canberra.

Our Services

One Australian team for your security, IT and cloud



SECURING AUSTRALIA'S DIGITAL FUTURE

MESSAGE FROM THE CHAIR AND CEO

Dear Shareholders,

FY26 has been a year of consolidation, discipline, and foundation-building for AUCyber. Following the Board and leadership renewal that followed 5G Networks Ltd's (ASX: 5GN) on-market takeover in January of the prior year, I have taken on an expanded role as both Chair and Chief Executive Officer of the Company. This structure reflects the closer alignment we have sought between governance and day-to-day execution during this transitional period, and accordingly there is no separate CEO report accompanying this Annual Report.

FINANCIAL PERFORMANCE

AUCyber recorded revenue from contracts with customers of $19,851,865 in FY26, compared with $27,286,893 in FY25. A portion of the revenue acquired through the prior period's acquisitions was underpinned by forecasts that proved inaccurate, and on closer examination carried very low or negative margin. During FY26, we made the deliberate decision to discontinue this revenue rather than continue carrying it at a cost to the business

Importantly, the underlying trend tells a more encouraging story. Revenue growth accelerated through the final quarter of FY26, up more than 22% on the third quarter, and June closed the year as our strongest month — the highest revenue of any month in FY26. June was also the only month in FY26 in which the Company generated positive statutory EBITDA. Taken together, this is clear evidence that the remaining revenue base is both growing and of materially better quality than what was discontinued. The ship is turning, and it is turning on the metrics that matter most: revenue growth built on sustainable margin, not volume carried at a loss.

The loss for the year narrowed to $4,775,174, from $37,555,634 in FY25. The prior year's result was heavily impacted by a one-off impairment charge of $27,539,656 associated with the acquisitions completed before the change of control; no equivalent impairment was required in FY26, and the underlying operating loss also improved substantially on a like-for-like basis. Basic loss per share improved to 2.3 cents, from 22.0 cents in FY25.
This improvement was also supported by a deliberate and disciplined transformation of the cost base.

- Employee benefits expense reduced from $17,287,675 to $10,905,565, reflecting the removal of duplicated roles and functions following integration.
- Professional fees fell from $2,740,300 to $706,416, as the heavy transaction, legal, and advisory costs associated with the takeover and subsequent integration ran their course.
- Depreciation and amortisation reduced from $6,449,408 to $4,073,337, and travel and entertainment expenditure was reduced to near zero.

MESSAGE FROM THE CHAIR AND CEO continued

- Licensing fees, which underpin our accredited service delivery, declined by $2.4 million to $8,000,962, reflecting our commitment to find efficiencies and reduce overheads.

The Board views FY26 as the year in which AUCyber cleared out revenue that should never have been carried, absorbed the associated cost of doing so, and exited the year with clear, measurable momentum in both the quality and trajectory of the remaining business

LEADERSHIP

Shareholders will be aware that Chris Wright stepped down from his role as Chief Executive Officer effective 28 November 2025. Chris was appointed CEO on 18 February 2025 following his move from an executive role at the Company's major shareholder, 5G Networks Limited, and oversaw the restructuring of AUCyber's operations and balance sheet during a demanding period. The Board thanks Chris for his contribution and notes he continues to support the achievement of the broader group's objectives. Following his departure and having assessed the Company's requirements as a majority-owned subsidiary operating within a combined executive structure, the Board determined that a standalone CEO was not required going forward. I have accordingly taken on the combined role of Chair and Chief Executive Officer, and this letter serves as both the Chair's and the CEO's report to shareholders for FY26.

OUR STRATEGIC POSITION

AUCyber's competitive position rests on a combination of factors that are not easily or quickly replicated. We hold Certified-Strategic provider status under the Digital Transformation Agency's Hosting Certification Framework, are IRAP-assessed to the Protected controls of the Australian Signals Directorate's Information Security Manual via the Australian Cyber Security Centre's Cloud Assessment and Authorisation Framework and are ISO 27001 certified across the organisation. These accreditations represent a multi-year investment of capital, process maturity, and specialist expertise, and they remain the foundation of our ability to serve Government, defence-adjacent, and regulated enterprise customers who cannot use offshore or unaccredited providers.

Beyond accreditation, our differentiation increasingly comes from the depth of sovereign and private cloud expertise we have built in-house, and the breadth of capability we can bring to a single customer relationship as a result. Our Security Operations Centre continues to scale, deepening our engagement across the national cybersecurity ecosystem and providing a platform for faster threat detection and response. Our Sovereign Bridge infrastructure delivers high-performance, secure connectivity across our data centres nationally, underpinned by private cloud architecture purpose-built to meet the compliance and assurance obligations our government, defence-adjacent, and regulated enterprise customers require — capability that has taken years to accredit and mature, and that is not something a new entrant or a generalist provider can quickly stand up.

We have also broadened our services portfolio in ways designed to increase the value we deliver per customer relationship, including advanced endpoint protection through SentinelOne's autonomous, AI-driven threat detection

MESSAGE FROM THE CHAIR AND CEO continued

and remediation capability, and hardened Microsoft 365 security configurations to protect customers against account compromise, phishing, and data leakage. We are embedding artificial intelligence more broadly across our own operations and customer-facing services, with the specific objective of improving the speed and accuracy of threat analysis, automating routine security workflows, and enabling us to deliver services more cost-effectively without compromising the rigour our accreditations demand. We are deliberately measured in how much detail we disclose publicly about the specific configuration of these capabilities, given the sensitivity of operating in the national security and critical infrastructure space.

LOOKING AHEAD

Having cleared out low-quality revenue and reset the cost base, our focus for FY27 is to build directly on the momentum evident in our fourth-quarter performance: consolidating our position in sovereign cloud while selectively expanding into multi-cloud capability for customers who require it, always anchored to the security and sovereignty standards that differentiate us. We intend to continue investing in the accreditation and capability uplift required to compete for the largest and most complex government and enterprise engagements, and to maintain the cost discipline established this year as a permanent feature of how we operate, not a one-off adjustment.
On behalf of the Board, I extend sincere thanks to our highly skilled workforce, whose expertise and resilience carried the business through a demanding period of integration and change. I also thank our shareholders for their continued patience and support as we have worked through this transition, and I look forward to reporting on the next phase of AUCyber's growth.

Joe Demase Chair and Chief Executive Officer

Chair

DIRECTORS REPORT

The directors present their report together with the financial report of AUCyber Limited (formerly known as Sovereign Cloud Holdings Limited) (the "Company") and its controlled entities (together the "Group"), for the year ended 30 June 2026 and auditor's report thereon.

1. Directors

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

- **Joseph Demase** (Chair) – Appointed Non-Executive Director on 4 February 2025, appointed Chair on the 18 February 2025
- **Hugh Robertson** (Non-Executive Director) -Appointed on 4 February 2025
- **Conrad Morgan** (Non-Executive Director) – Appointed on 18 February 2025

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

2. Principal Activities

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

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

3. Review of Operations

Group Financial Results

The Group recorded a net loss for the year of $4.8 million (FY25: loss of $37.6 million). The decrease in the loss was mainly due to significant decline in employee benefits during the year as a result of eliminating duplicate roles in the company. FY25 also included an impairment of $27.5 million.

Revenue

Revenue in FY26 was $19.9 million compared to $27.3 million over the previous corresponding year. The director's note revenue recognition has changed in FY26 to separate resale COGS from Revenue, creasing comparative FY25 revenue from $23 million to $27.3 million.

The decline in revenue is due to the company strategically discontinuing a number of low margin contracts that were negatively impacting performance as a whole.

DIRECTORS REPORT continued

Expenses

Total expenses in FY26 were $24.8 million, compared with $65.4 million in FY25 (a decrease of $40.6 million). The year-on-year comparison was impacted by a reduction in employee benefits of $6.4 million and a one-off impairment of $27.5 million incurred during FY25.

Financial Position

The Group's net asset position decreased in FY26 by $4.5 million to $3.4 million at 30 June 2026.

4. Strategy and Future Prospects

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

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

5. Key Risks and Risk Management

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

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

Financial Performance

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

DIRECTORS REPORT continued

Competitive Landscape and Actions of Others

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

Economic Risk, including Level of Government Spending

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

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

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

Cyber Risk

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

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

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

DIRECTORS REPORT continued

Change in Technology

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

Ability to Source New Talent and Retain Existing Talent

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

6. After Balance Date Events

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

7. Environmental Regulation

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

8. Dividends Paid, Recommended and Declared

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

DIRECTORS REPORT continued

9. Information on Directors

Joseph Demase Chair/Non-Executive Director	• Appointed as Non-Executive Director on 4 February 2025, and appointed Chair on the 18 February 2025 • Brings extensive experience across telecommunications and technology sectors in Australasia and the United Kingdom. • Played a pivotal role in the ASX listings of Uecomm (2000) and Access Providers (2004). • Current Chief Executive Officer and Managing Director of 5G Networks (ASX: 5GN). • Over 25 years of expertise in identifying market opportunities and executive leadership.
Hugh Robertson Non-Executive Director	• Appointed as Non-Executive Director on 4 February 2025. • Over 10 years of experience in finance and corporate markets. • Specialises in equity capital markets, M&A, and debt facilities across sectors such as energy transition, mining services, and technology. • Non-Executive Chairman of 5G Networks Limited (ASX: 5GN). • Non-Executive Director of Health and Plant Protein Limited (ASX:HPP).
Conrad Morgan Non-Executive Director	• Appointed as Non-Executive Director on 18 February 2025. • Over 30 years of experience in strategic consulting. • Expertise includes culture and people development, governance, financial performance, business planning, systems, risk management, and strategy. • Non-Executive Director of Habitat for Humanity Victoria.

10. Meetings of Directors

Directors	Directors' meetings	
	Held	Attended
Joseph Demase	11	11
Conrad Morgan	11	11
Hugh Robertson	11	11

Held: Represents the number of meetings held during the time the Director held office or was a member of the relevant committee. Non-committee members are invited and attend the various committee meetings.

DIRECTORS REPORT continued

11. Directors' Interests

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

AUCyber Limited

	Ordinary Shares	Issued Options
Joe Demase (JD Management Group Pty ltd <DUDLEY FAMILY A/C>)	613,373	5,000,000
Conrad Morgan (Crinklecuts Pty Ltd)		1,500,000
Hugh Robertson (MR HUGH ALEXANDER ROBERTSON + MRS LISA ANN ROBERTSON <HALA SUPER FUND A/C>)		3,000,000

12. Shares under Option

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

	No of Options			
Date granted	Issued	Vested	Exercise price	Expiry date
22/12/2025	4,500,000	-	$0.09	22/12/2028
22/12/2025	5,000,000		N/A	22/12/2030
27/10/2025	700,000	-	$0.08	27/10/2030
9/12/2025	350,000	-	$0.07	9/12/2029

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

13. Shares under Performance Rights

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

	No of Options			
Date granted	Issued	Vested	Exercise price	Expiry date
22/12/2025	3,354,838	-	$0.00	N/A

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

DIRECTORS REPORT continued

Indemnification of Officers

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

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

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

14. Auditor's Independence Declaration

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

15. Non-audit Services

There were no amounts paid or payable to the company's auditor and related practices of the auditor for non-audit services during the 2026 Financial Year.

16. Legal Proceedings on Behalf of the Company

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

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

Joesph Demase
Chair
Dated: 28 August 2026

REMUNERATION REPORT

The Directors of AUCyber Limited (formerly known as Sovereign Cloud Holdings Limited) present the Remuneration Report (the 'Report') for the Company and its subsidiaries (together, the 'Group') for the financial year ended 30 June 2026.

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

The remuneration report is set out under the following sections:

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

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

Remuneration and compensation have the same meaning in this report.

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

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

Executive Remuneration Policy and Practices

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

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

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

REMUNERATION REPORT continued

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

(a) Fixed Compensation

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

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

(b) Performance Linked Compensation

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

(i) Short-Term Incentive Plan

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

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

In FY26 the Group did not achieve the financial performance milestones, thereby not satisfying the STI performance target.

REMUNERATION REPORT continued

(ii) Long-term incentive plan

LTI is provided as Options over ordinary shares of the Company under the rules of the Employee Share Option Plan ("ESOP"). The new ESOP was approved by the Board at the Extra Ordinary Meeting on 27 October 2025. Eligible participants of the ESOP include any person who is a director, employee or consultant and are granted at the discretion of the Board of Directors.

Options were issued in each financial year under the Company's ESOP.

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

Non-Executive Director Remuneration Policy and Practices

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

At the 2025 Annual General Meeting, shareholder approval was sought for the proposed grant of Share Rights to the Company's Directors, Conrad Morgan, Hugh Robertson and Joseph Demase, as consideration for the Participating Directors reducing their annual salary by 100% for the period 1 November 2025 to 31 October 2026.

The current allocation of Share Rights is as follows:

- 1,032,258 Share Rights issued to Non-Executive Director, Conrad Morgan
- 1,032,258 Share Rights issued to Non-Executive Director, Hugh Robertson; and
- 1,290,322 Share Rights issued to Non-Executive Chair, Joe Demase

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

2. Service Agreements

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

Non-Executive Directors are paid in security-based compensation plans. Non-Executive Directors, do not receive bonus payments or a fixed remuneration, comprising base and/or salary and superannuation.

REMUNERATION REPORT continued

3. Details of Remuneration

Details of remuneration of each Director and key management personnel of AUCyber Limited (formerly known as Sovereign Cloud Holdings Limited) for the financial years ended 30 June 2025 and 30 June 2026 are set out below.

		Short-term			Post-Employment	Long-term	Security-based Payments		
	Year	Salary and fees	Non-monetary benefits	STI cash bonus	Superannuation	Long service leave	Share-based Payment (options)	Total	Performance Related
		$	$	$	$	$	$	$	%
Directors									
J Demase	**2026**	**37,500**	**-**	**-**	**-**	**-**	**69,989**	**107,489**	**65%**
	2025	35,260	-	-	-	-	-	35,260	0%
H Robertson Jr	**2026**	**40,000**	**-**	**-**	**-**	**-**	**113,940**	**153,940**	**74%**
	2025	32,000	-	-	-	-	-	32,000	0%
C Morgan	**2026**	**40,000**	**-**	**-**	**-**	**-**	**77,792**	**117,792**	**66%**
	2025	26,667	-	-	-	-	-	26,667	0%
C Reid	**2026**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0%**
	2025	60,000	-	-	-	-	-	60,000	0%
R Walker	**2026**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0%**
	2025	60,000	-	-	-	-	-	60,000	0%
C Scroggie	**2026**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0%**
	2025	67,619	-	-	-	-	-	67,619	0%
P Maloney	**2026**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0%**
	2025	344,619	-	-	30,000	-	-	374,619	0%
Other Key Management Personnel									
C Wright	**2026**	**116,667**	**-**	**-**	**11,000**	**-**	**-**	**127,667**	**0%**
	2025	33,333	-	-	-	-	-	33,333	0%
Nathan Legg	**2026**	**21,566**	**-**	**-**	**2,642**	**-**	**-**	**24,208**	**0%**
	2025	-	-	-	-	-	-	-	0%
Mr Kieran Donovan	**2026**	**66,340**	**-**	**-**	**7,833**	**-**	**-**	**74,173**	**0%**
	2025	-	-	-	-	-	-	-	0%
Mr Joshua Tahana	**2026**	**52,997**	**-**	**-**	**4,308**	**-**	**-**	**57,305**	**0%**
	2025	-	-	-	-	-	-	-	**0%**
T Tragoudistakis	**2026**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0%**
	2025	300,263	-	-	**29,481**	-	-	**329,744**	**0%**
TOTAL	**2026**	**375,070**	**-**	**-**	**25,783**	**-**	**261,721**	**662,574**	**40%**
TOTAL	2025	959,761	-	-	59,481	-	-	1,019,242	0%

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

- Chris Wright (Chief Executive Officer) – Stepped down 28 November 2026
- Nathan Legg (Chief Financial Officer) – Appointed on 20 April 2026
- Kieran Donovan (Chief Financial Officer) – Resigned on 6 April 2026
- Joshua Tahana (Chief Financial Officer) – Resigned on 12 September 2025

The remuneration for key management personnel who are employees of 5G Networks Pty Ltd have been paid via recharge from 5G Networks Limited for time spent.

REMUNERATION REPORT continued

4. Share Based Compensation Benefits

During the year ended 30 June 2026 3,354,838 performance rights and 9,500,000 share options were granted to Key Management Personnel.

				No. of Options			
Grant Date	Vesting Date	Tranche	Balance at 1 Jul 2025	Issued	Expired	Balance at 30 Jun 2026	Fair Value per Option $
22/12/2025	N/A	N/A	-	3,354,838	-	3,354,838	$0.08
22/12/2025	22/12/2028	#1	-	4,500,000	-	4,500,000	$0.05
22/12/2025	22/12/2030	#2		5,000,000		5,000,000	$0.08
			-	**12,854,838**	**-**	**12,854,838**	

Fair Value of Options Granted

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

5. Equity Instruments Held by Key Management Personnel

Ordinary Shares

	Balance at 1 July 2025	Acquired during the Year	Entitlement Offer Apr 2025	Sold during the Year	Balance at 30 Jun 2026
J Demase*	-	613,373	-	-	613,373

*Mr J Demase is the Managing Director of 5G networks Limited, which held a total of 187,944,655 shares during the period.

Options

As at 30 June 2026, there were $9,500,000 options outstanding related to KMP, all options were granted during the year ended 30 June 2026.

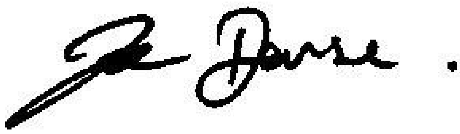
Other Transactions with Key Management Personnel

Further to the ASX Announcement of 20 September 2024, Peerless Investments Pty Ltd, a related entity of Mr Maloney, remains liable to pay the Company $486,592, one month after the 2025 AGM under the terms of the Placement Agreement. Mr Maloney was a KMP for a portion of the 2025 financial year as he resigned effective 4 December 2024.

There were no other transactions with KMP during the 2026 Financial Year.

REMUNERATION REPORT continued

Signed on behalf of the board of directors.



Joesph Demase

Chair

Dated: 28 August 2026

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF AUCYBER LIMITED
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2026 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Bentleys.

Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants

Ashley Carle
Director
Brisbane
28 August 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 $	2025 $
REVENUE AND OTHER INCOME			
Revenue from contracts with customers	3	19,851,865	27,286,893
Interest income	4	12,465	182,518
Other income	4	120,187	350,192
		19,984,517	**27,819,603**
EXPENSES			
Employee benefits expense		(10,905,565)	(17,287,675)
Licensing fees		(8,000,962)	(10,425,595)
Professional fees		(706,416)	(2,740,300)
Marketing		(313,472)	(594,658)
Travel & Entertainment		(11,350)	(197,360)
Other expenses		(671,338)	(872,077)
Finance costs	5	(152,250)	(216,394)
Depreciation and amortisation	5	(4,073,338)	(6,449,408)
Impairment loss	2(c)	-	(27,539,656)
Gain on reversal of deferred consideration	13	75,000	947,886
		(24,759,691)	**(65,375,237)**
Loss before income tax expense		**(4,775,174)**	**(37,555,634)**
Income tax expense	6	-	-
Loss for the year		**(4,775,174)**	**(37,555,634)**
Other comprehensive income for the year		-	-
Total comprehensive loss		**(4,775,174)**	**(37,555,634)**
EARNINGS PER SHARE			**Cents**
Basic earnings per share	29	(2.3)	(22)
Diluted earnings per share	29	(2.3)	(22)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

	Note	2026 $	2025 $
CURRENT ASSETS			
Cash and cash equivalents	7	1,178,907	3,939,943
Receivables	8	3,330,122	3,271,307
Other assets	9	683,584	710,311
Total current assets		**5,192,613**	**7,921,561**
NON-CURRENT ASSETS			
Property, plant and equipment	10	2,410,172	4,327,965
Intangible assets	11	77,875	374,957
Right of use lease assets	12	2,297,465	4,155,928
Other assets	9	-	9,226
Total non-current assets		**4,785,512**	**8,868,076**
Total assets		**9,978,125**	**16,789,637**
CURRENT LIABILITIES			
Payables	13	3,742,958	3,446,225
Lease liabilities	14	1,678,034	1,857,669
Provisions	15	-	677,686
Total current liabilities		**5,420,992**	**5,981,580**
NON-CURRENT LIABILITIES			
Lease liabilities	14	1,180,663	2,866,686
Provisions	15	-	66,590
Total non-current liabilities		**1,180,663**	**2,933,276**
Total liabilities		**6,601,655**	**8,914,856**
Net assets		**3,376,470**	**7,874,781**
EQUITY			
Share capital	16	135,840,073	135,840,073
Reserves	17	1,291,154	1,014,291
Accumulated losses	18	(133,754,757)	(128,979,583)
Total Equity		**3,376,470**	**7,874,781**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2026

	Contributed equity $	Reserves $	Accumulated losses $	Total Equity $
CONSOLIDATED				
Balance as at 30 June 2024	133,153,618	1,014,291	(91,423,949)	42,743,960
Loss for the year			(37,555,634)	(37,555,634)
Transactions with owners in their capacity as owners:				
Contributions, net of transaction costs	2,686,455	-	-	2,686,455
Share based payments expensed	-	-	-	-
Total transactions with owners in their capacity as owners	**2,686,455**	**-**	**-**	**2,686,455**
Balance as at 30 June 2025	**135,840,073**	**1,014,291**	**(128,979,583)**	**7,874,781**
Loss for the year	**-**	**-**	**(4,775,174)**	**(4,775,174)**
Contributions, net of transaction costs	-	-	-	-
Share based payments expensed	-	276,863	-	276,863
Total transactions with owners in their capacity as owners	**-**	**276,863**	**-**	**276,863**
Balance as at 30 June 2026	**135,840,073**	**1,291,154**	**(133,754,757)**	**3,376,470**

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 $	2025 $
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		22,040,518	30,427,534
Operating grant receipts		-	286,972
Payments to suppliers and employees		(22,800,896)	(36,238,897)
Interest received		10,000	181,617
Right of use lease interest		(45,000)	(216,467)
Net cash provided by / (used in) operating activities	19	**(795,378)**	**(5,559,241)**
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for acquisitions, net of cash acquired		(100,000)	806,387
Payments for property, plant and equipment		-	(412,515)
Net cash provided by / (used in) investing activities		**(100,000)**	**393,872**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from share issue		-	2,691,130
Principal portion of lease payments		(1,865,658)	(1,976,661)
Payment of share issue costs		-	(3,820)
Net cash provided by financing activities		**(1,865,658)**	**710,449**
RECONCILIATION OF CASH			
Cash at beginning of the financial year		3,939,943	8,394,863
Net increase / (decrease) in cash held		(2,761,036)	(4,454,920)
Cash at end of financial year	7	**1,178,907**	**3,939,943**

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2026

NOTES TO FINANCIAL STATEMENTS continued

1. Summary of Significant Accounting Policies

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

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

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

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001 (Cth). AUCyber Limited (formerly known as Sovereign Cloud Holdings Limited) is a for-profit entity for the purposes of preparing the financial statements.

Compliance with IFRS

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

Historical Cost Convention

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

(b) Critical accounting estimates and judgements

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

Areas where assumptions are significant to the financial statements, or involving a higher degree of judgement due to complexity are as follows:

- the determination of depreciation rates on property, plant and equipment (Note 10 and 1(k); and
- the incremental borrowing rate and estimated exercise of option terms in relation to the calculations of right-of-use assets (Note 12) and lease liabilities (Note 14).
- The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options is determined by an external valuation using binomial option and BlackScholes pricing models incorporating various assumptions and taking into account the terms and conditions upon which the instruments were granted (note 24).

NOTES TO FINANCIAL STATEMENTS continued

(c) Going concern

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

The group incurred a loss from ordinary activities of $4.8 million during the year ended 30 June 2026 (2025: a loss of $37.5 million) and had cash on hand at 30 June 2026 of $1.2 million.

During the year ended 30 June 2026, the Group's working capital requirements were primarily funded by improved operating performance and cash flows from trading activities.

While the Group continues to benefit from cost savings realised during the year, the pace of synergy realisation has been slower than initially anticipated, impacting short-term operating margins and integration efficiencies.

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

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

(d) Business combinations

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

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

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

NOTES TO FINANCIAL STATEMENTS continued

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

Acquisition related costs are expensed as incurred.

(e) Principles of consolidation

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

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

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

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

(f) Revenue from contracts with customers

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

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

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

NOTES TO FINANCIAL STATEMENTS continued

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

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

Receivables from contracts with customers

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

(g) Income tax

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

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

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

(h) Financial instruments

Initial recognition and measurement

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

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

NOTES TO FINANCIAL STATEMENTS continued

Classification of financial assets

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

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

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

Classification of financial liabilities

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

Impairment of financial assets

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS continued

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

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

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

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

Expected credit losses are calculated by applying a probability of default and loss given default to the carrying amount of the asset, then measuring the resulting shortfall between contractual cash flows due and expected cash flows.

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

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

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

NOTES TO FINANCIAL STATEMENTS continued

(i) Impairment of non-financial assets

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

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

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

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

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

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

(j) Segment Reporting

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

(k) Property, plant and equipment

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

NOTES TO FINANCIAL STATEMENTS continued

Plant and equipment

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

Depreciation

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

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

(l) Intangible assets

Goodwill

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

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

Separately acquired intangible assets

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

NOTES TO FINANCIAL STATEMENTS continued

Intangible assets acquired in a business combination

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

(m) Leases

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

Lease assets

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

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

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

Lease liabilities

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

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

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

NOTES TO FINANCIAL STATEMENTS continued

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

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

(n) Employee benefits

Short-term employee benefit obligations

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

Long-term employee benefit obligations

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

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

NOTES TO FINANCIAL STATEMENTS continued

Retirement benefit obligations

Defined contribution superannuation plan

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

Share-based payments

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

(o) Goods and services tax (GST)

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

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

(p) Comparatives

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

(q) Earnings per Share

Basic earnings per share

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

NOTES TO FINANCIAL STATEMENTS continued

Diluted earnings per share

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

(r) New and revised Standards

The Group has adopted all the new and amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. None have had a material impact on the financial performance or position of the Group.

2. Segment Information

(a) Description of segments and principal activities

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

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

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

NOTES TO FINANCIAL STATEMENTS continued

(b) Segment Revenues & Earnings

30 June 2026	Note	Cloud $	Cyber $	Other $	Total $
Segment Revenue	3	13,389,668	6,462,197	120,187	19,972,052
Segment Underlying EBITDA		4,377,184	3,139,350	(7,801,722)	(285,188)
Interest income	4	-	-	12,465	12,465
Finance costs	5	-	-	(152,250)	(152,250)
Depreciation and Amortisation	5	(3,776,256)	(297,082)	-	(4,073,338)
Employee Options		-	-	(276,863)	(276,863)
Profit / (Loss) before Income Tax		**600,928**	**2,842,268**	**(8,218,370)**	**(4,775,174)**
Total Non-Current Assets (Property, plant and equipment, Intangible Assets, and Right of Use Assets)		4,776,065	-	9,448	4,785,513
		4,776,065	**-**	**9,448**	**4,785,513**

30 June 2026	Cloud $	Cyber $	Others $	Total $
Total Non-Current Assets (Property, plant and equipment, Intangible Assets, and Right of Use Assets)	4,776,065	-	9,447	4,785,512
	4,776,065	**-**	**9,447**	**4,785,512**

(c) Impairment loss

	2026 $	2025 $
Goodwill	-	23,329,766
Customer related intangibles	-	4,209,890
Total Impairment Losses	**-**	**27,539,656**

3. Revenue from Contracts with Customers

	2026 $	2025 $
Provision of Cloud Services	13,389,668	18,071,854
Provision of Cyber Security Services	6,462,197	9,215,039
Technical Project Services	-	-
	19,851,865	**27,286,893**

NOTES TO FINANCIAL STATEMENTS continued

(a) Disaggregation of revenue

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

2026	Cloud $	Cyber $	Others $	Total $
Timing of Recognition				
At a point in time - Resales	2,950,671	-	-	2,950,671
Over time	10,438,997	6,462,197		16,901,194
	13,389,668	**6,462,197**	**-**	**19,851,865**

2025	Cloud $	Cyber $	Others $	Total $
Timing of Recognition				
At a point in time - Resales	6,095,499	-	-	6,095,499
Over time	11,976,355	9,215,039	-	21,191,394
	18,071,854	**9,215,039**	**-**	**27,286,893**

During the year ended 30 June 2026, the Group reassessed its role in certain revenue arrangements under AASB 15 Revenue from Contracts with Customers and concluded it acts as principal rather than agent, as it controls the relevant goods or services before they are transferred to the customer.

As a result, direct costs previously netted against revenue are now presented gross, as direct costs within cost of sales, with revenue also recognised on a gross basis. This is a reclassification only and has no impact on gross profit, net profit, or net assets in the current or prior period. Comparative information has also been restated to comply with current year presentation. This has resulted in revenue increasing by $4,815,804 compared to that presented in the 2025 financial report, with a corresponding increase to licence fees.

4. Other Revenue and Other Income

	2026 $	2025 $
Interest income	12,465	182,518
Other Income	120,187	63,220
R & D Refundable tax offset	-	286,972
	132,652	**532,710**

NOTES TO FINANCIAL STATEMENTS continued

5. Operating Profit

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

	2026 $	2025 $
FINANCE COSTS		
Lease liabilities - finance charges - data centres	152,250	216,394
Lease liabilities - finance charges - software & computer equipment	-	-
	152,250	**216,394**
DEPRECIATION		
Right of Use Assets	1,662,651	1,935,881
Office Furniture and Equipment	57,145	63,614
Computer Equipment	1,797,974	2,711,926
Leased Assets	195,812	606,757
Leasehold Improvements	62,674	54,171
	3,776,256	**5,372,349**
AMORTISATION		
Software and Other Intangibles	-	7,976
Customer Related Assets	297,082	1,069,083
Right of Use - Software	-	-
	297,082	**1,077,059**

NOTES TO FINANCIAL STATEMENTS continued

6. Income Tax

Income tax reconciliation

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

	2026 $	2025 $
Prima facie income tax payable on loss before income tax at 25.0% (2025: 25.0%)	(1,193,793)	(9,388,909)
TAX EFFECT OF:		
Non-assessable income	-	(71,743)
Non-deductible expenses	145,878	7,152,800
Prior year under over	-	-
Tax losses and deferred tax not recognised	1,047,915	2,307,852
Income tax expense attributable to loss	**-**	**-**
DEFERRED TAX ASSETS NOT BROUGHT TO ACCOUNT		
Temporary differences	-	-
Tax losses	**24,140,064**	**23,092,149**
Unrecognised deferred tax assets	**24,140,064**	**23,092,149**

7. Cash and Cash Equivalents

	2026 $	2025 $
Cash and cash equivalents	1,178,907	3,939,943
	1,178,907	**3,939,943**

8. Receivables

	2026 $	2025 $
CURRENT		
Receivables from contracts with customers	3,358,938	3,271,307
Provision for Doubtful Debts	(28,816)	-
Other receivables	-	-
	3,330,122	**3,271,307**

NOTES TO FINANCIAL STATEMENTS continued

9. Other Assets

	2026 $	2025 $
CURRENT		
Prepayments	613,938	179,046
Other assets	69,646	531,265
	683,584	**710,311**
NON-CURRENT		
Prepayments	-	9,226
	-	**9,226**

NOTES TO FINANCIAL STATEMENTS continued

10. Property, Plant and Equipment

	2026 $	2025 $
LEASEHOLD IMPROVEMENTS		
Improvements under lease	533,599	533,599
Accumulated depreciation	(396,417)	(333,743)
	137,182	**199,856**
OFFICE EQUIPMENT		
Office equipment at cost	458,690	458,690
Accumulated depreciation	(392,512)	(335,367)
	66,178	**123,323**
COMPUTER EQUIPMENT		
Computer equipment at cost	13,599,173	16,206,775
Accumulated depreciation	(11,392,361)	(12,201,989)
	2,206,812	**4,004,786**
Total Property, Plant and Equipment	**2,410,172**	**4,327,965**
RECONCILIATION OF THE CARRYING AMOUNTS OF PROPERTY, PLANT AND EQUIPMENT AT THE BEGINNING AND END OF THE CURRENT FINANCIAL YEAR:		
LEASEHOLD IMPROVEMENTS		
Opening carrying amount	199,856	-
Additions	-	254,027
Depreciation expense	(62,674)	(54,171)
Closing carrying amount	**137,182**	**199,856**
OFFICE EQUIPMENT		
Opening carrying amount	123,323	82,388
Additions	-	104,549
Depreciation expense	(57,145)	(63,614)
Closing carrying amount	**66,178**	**123,323**
COMPUTER EQUIPMENT		
Opening carrying amount	4,004,786	6,672,965
Additions	-	43,747
Depreciation expense	(1,797,974)	(2,711,926)
Closing carrying amount	**2,206,812**	**4,004,786**
Total Property, Plant and Equipment	**2,410,172**	**4,327,965**

NOTES TO FINANCIAL STATEMENTS continued

11. Intangible Assets

	2026 $	2025 $
Goodwill	-	23,329,766
Provision for Impairment	-	(23,329,766)
	-	-
Customer Related Intangible assets	1,663,110	5,873,000
Accumulated amortisation	(1,663,110)	(1,366,028)
Provision for impairment	-	(4,209,890)
	-	**297,082**
Software intangibles at cost	68,426	68,426
Accumulated amortisation	-	-
	68,426	**68,426**
Patents, trademarks, and licences at cost	9,449	9,449
Total Intangible Assets	**77,875**	**374,957**
RECONCILIATION OF THE CARRYING AMOUNTS OF INTANGIBLE ASSETS AT THE BEGINNING AND END OF THE CURRENT FINANCIAL YEAR:		
GOODWILL		
Opening balance	-	23,209,336
Additions	-	120,430
Impairment loss	-	(23,329,766)
Closing balance	-	-
CUSTOMER RELATED INTANGIBLE		
Opening balance	297,082	5,576,056
Additions	-	-
Amortisation	(297,082)	(1,069,084)
Impairment loss	-	(4,209,890)
Closing balance	**-**	**297,082**
TRADEMARKS AT COST		
Opening balance	9,449	9,449
Additions	-	-
Closing balance	**9,449**	**9,449**
SOFTWARE AND OTHER INTANGIBLES AT COST		
Opening balance	68,426	76,401
Additions	-	
Loss on disposals	-	(5,924)
Depreciation and amortisation	-	(2,051)
Closing balance	**68,426**	**68,426**

NOTES TO FINANCIAL STATEMENTS continued

12. Right of Use Lease Assets

	2026 $	2025 $
Data centres under lease	10,898,197	12,183,702
Accumulated depreciation	(8,600,732)	(8,223,586)
	2,297,465	**3,960,116**
Computer equipment under lease	-	3,033,735
Accumulated depreciation	-	(2,837,923)
	-	**195,812**
Total carrying amount of lease assets	**2,297,465**	**4,155,928**
RECONCILIATION OF THE CARRY AMOUNT OF LEASE ASSETS AT THE BEGINNING AND END OF THE FINANCIAL YEAR:		
DATA CENTRES		
Opening carrying amount	3,960,116	4,288,880
Additions	-	1,607,117
Depreciation	(1,662,651)	(1,935,881)
Closing carrying amount	**2,297,465**	**3,960,116**
COMPUTER EQUIPMENT		
Opening carrying amount	195,812	802,560
Transfers	-	-
Depreciation	(195,812)	(606,748)
Closing carrying amount	**-**	**195,812**

13. Payables

	2026 $	2025 $
CURRENT		
UNSECURED LIABILITIES		
Trade creditors	1,867,030	2,146,785
Sundry creditors and accruals	558,278	960,291
Intercompany Payable	1,317,650	164,149
Deferred consideration	-	175,000
	3,742,958	**3,446,225**

NOTES TO FINANCIAL STATEMENTS continued

(a) Reversal of Deferred Consideration

As part of the acquisition of one of the businesses in May 2024, a contractual contingent consideration arrangement formed part of the consideration. As at 30 June 2026, there was a further decrease of $175,000 in the contingent consideration, reducing the balance to nil, which was recognised as a gain on reversal of deferred consideration in profit and loss, as the performance hurdle for this business was not met and no further consideration remains payable.

14. Lease Liabilities

	2026 $	2025 $
CURRENT		
Lease liability - Data Centres	1,678,034	1,857,669
	1,678,034	**1,857,669**
NON-CURRENT		
Lease liability - Data Centres	1,180,663	2,866,686
	1,180,663	**2,866,686**
Total carrying amount of lease liabilities	**2,858,697**	**4,724,355**

15. Provisions

	2026 $	2025 $
CURRENT		
Employee benefits	-	**677,686**
NON-CURRENT		
Employee benefits	-	**66,590**
Total employee benefits liability	-	**744,276**

NOTES TO FINANCIAL STATEMENTS continued

16. Share Capital

(a) Issued and paid-up capital

	2026 $'000	2025 $'000
Ordinary shares - (2026: 208,747,622) (2025: 208,747,622)	135,840,073	135,840,073
	135,840,073	**135,840,073**

	2026		2025	
	Number	$	Number	$
ORDINARY SHARES				
Opening balance	**208,747,622**	**135,840,073**	**163,563,360**	**133,153,618**
Shares issued:				
April 2025 - Proceeds from rights issue	-	-	45,833,333	2,750,001
June 2025 - Shares buy back	-	-	(649,071)	(46,862)
Transaction costs relating to shares issued - 2025	-	-	-	(16,684)
Closing balance	**208,747,622**	**135,840,073**	**208,747,622**	**135,840,073**

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

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

NOTES TO FINANCIAL STATEMENTS continued

17. Reserves

	2026 $	2025 $
Share based payments reserve	1,291,154	1,014,291
	1,291,154	**1,014,291**
THE SHARE-BASED PAYMENTS RESERVE IS USED TO RECORD THE FAIR VALUE OF SHARES OR OPTIONS ISSUED TO EMPLOYEES.		
MOVEMENTS IN RESERVE		
Opening balance	1,014,291	1,014,291
Share based payments expensed	276,863	-
Closing balance	**1,291,154**	**1,014,291**

18. Accumulated Losses

	2026 $	2025 $
Accumulated losses at beginning of year	(128,979,583)	(91,423,949)
Net profit / (loss)	(4,775,174)	(37,555,634)
Accumulated losses at end of year	**(133,754,757)**	**(128,979,583)**

NOTES TO FINANCIAL STATEMENTS continued

19. Cash Flow Information

(a) Reconciliation of cash flow from operations with profit after income tax

	2026 $	2025 $
Profit / (loss) from ordinary activities after income tax	(4,775,174)	(37,555,634)
ADJUSTMENTS AND NON-CASH ITEMS		
Amortisation	297,082	1,077,059
Depreciation	3,776,256	5,372,349
Impairment	-	27,539,656
Gain on reversal of deferred consideration	(75,000)	(947,886)
Share based payment expense	276,863	-
Unrealised FX Gains & Losses	(966)	(10,128)
CHANGES IN OPERATING ASSETS AND LIABILITIES		
(Increase) / decrease in receivables	(58,815)	1,088,413
(Increase) / decrease in other assets	35,953	1,612,771
Increase / (decrease) in operating payables	472,699	(1,977,770)
Increase / (decrease) in provisions	(744,276)	(1,758,071)
Cash flows from operating activities	**(795,378)**	**(5,559,241)**
RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES		
Lease liability opening balance	4,724,355	5,094,098
Lease liability additions against ROU assets	-	1,607,118
Financing activities cashflows	(1,865,658)	(1,976,861)
	2,858,697	**4,724,355**

NOTES TO FINANCIAL STATEMENTS continued

20. Financial Risk Management

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

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

The board of directors have overall responsibility for identifying and managing operational and financial risks. The group holds the following financial instruments:

	2026 $	2025 $
FINANCIAL ASSETS		
Amortised cost		
Cash and cash equivalents	1,178,907	3,939,943
Receivables	3,330,122	3,271,307
	4,509,029	**7,211,250**
FINANCIAL LIABILITIES		
Amortised cost		
Payables	3,742,958	3,446,225
Lease liabilities	2,858,697	4,724,355
	6,601,655	**8,170,580**

(a) Interest rate risk

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

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

	2026		2025	
Financial instruments	**Interest bearing** **$**	**Weighted average effective interest rate** **%**	**Interest bearing** **$**	**Weighted average effective interest rate** **%**
FINANCIAL ASSETS				
Cash	1,178,907	0.50	3,939,943	4.60

NOTES TO FINANCIAL STATEMENTS continued

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

Sensitivity

If interest rates were to increase/decrease by 50 basis points (2025: 50 basis points) from the rates prevailing at the reporting date, assuming all other variables remain constant, then the impact of profit for the year and equity would be as follows:

+ / - 50 basis points (2025: 50 basis points)	2026 $	2025 $
Impact on profit after tax	5,895	19,700
Impact on equity	5,895	19,700

(b) Credit risk

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

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

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

Cash deposits

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

Receivables from contracts with customers

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

Other receivables

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

NOTES TO FINANCIAL STATEMENTS continued

(c) Liquidity risk

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

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

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

	< 6 months	6-12 months	1-5 years	Total contractual cash flows	Carrying amount
	$	$	$	$	$
YEAR ENDED 30 JUNE 2026					
Payables	3,742,958	-	-	3,742,958	3,742,958
Lease liabilities	868,145	809,889	1,180,663	2,858,697	2,858,697
Net maturities	**4,611,103**	**809,889**	**1,180,663**	**6,601,655**	**6,601,655**
YEAR ENDED 30 JUNE 2025					
Payables	3,446,225	-	-	3,446,225	3,446,225
Lease liabilities	1,048,586	853,153	2,822,616	4,724,355	4,724,355
Net maturities	**4,494,811**	**853,153**	**2,822,616**	**8,170,580**	**8,170,580**

(d) Fair values compared with carrying amounts

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

21. Capital Management

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

NOTES TO FINANCIAL STATEMENTS continued

22. Interests in Subsidiaries

The following are the group's significant subsidiaries:

Subsidiaries of AUCyber Limited:	Country of incorporation	Ownership interest held by the group 2026 %	2025 %
Sovereign Cloud Australia Pty Ltd	Australia	100	100
AUCyber Pty Ltd	Australia	100	100
Venn IT Solutions Pty Ltd	Australia	100	100
AUCyber Solution Pty Ltd (Formerly PCG Cyber Pty Ltd)	Australia	100	100
AU123 Pty Ltd	Australia	100	100

23. Parent Entity Details

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

(a) Summarised statement of financial position

	2026 $	2025 $
ASSETS		
Current assets	124,169,534	124,225,946
Non-current assets	5,324,156	5,324,156
Total assets	**129,493,690**	**129,550,102**
LIABILITIES		
Current liabilities	19,901	111,265
Non-current liabilities	-	-
Total liabilities	**19,901**	**111,265**
Net assets	**129,473,789**	**129,438,837**
EQUITY		
Share capital	135,840,073	135,840,073
Retained earnings	(7,657,438)	(7,415,527)
Share based payments reserve	1,291,154	1,014,291
Total equity	**129,473,789**	**129,438,837**

NOTES TO FINANCIAL STATEMENTS continued

(b) Summarised statement of comprehensive income

	2026 $	2025 $
Loss for the year	(241,911)	(2,084,560)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	**(241,911)**	**(2,084,560)**

Contingent liabilities

As at 30 June 2026, AUCyber Limited is not aware of contingent liabilities.

Contractual commitments

As at 30 June 2026 contractual commitments entered into by AUCyber Limited is $Nil (2025: $Nil)

Guarantees

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

NOTES TO FINANCIAL STATEMENTS continued

24. Deed of Cross Guarantee

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

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

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

Set out below is a consolidated statement of profit or loss and comprehensive income for the year ended 30 June 2026 of the closed group consisting of AUCyber Limited and Sovereign Cloud Australia Pty Ltd.

	2026 $	2025 $
Revenue and other income		
Revenue from contracts with customers	13,335,946	11,095,607
Interest income	11,998	180,900
Other income	7,218	344,118
	13,355,162	**11,620,625**
Expenses		
Employee benefits expense	(7,275,121)	(8,974,732)
Licensing fees	(6,511,981)	(4,733,802)
Professional fees	(590,652)	(2,378,543)
Travel, Conferences and Marketing	(180,436)	(516,630)
Other expenses	(505,378)	(544,960)
Finance costs	(152,250)	(216,394)
Depreciation and amortisation	(4,073,339)	(6,441,432)
Impairment Loss	-	(17,576,203)
Gain on reversal of deferred consideration	75,000	947,886
	(19,214,157)	**(40,434,810)**
Loss before income tax expense	(5,858,995)	(28,814,185)
Income tax expense	-	-
Loss for the year	**(5,858,995)**	**(28,814,185)**
Other comprehensive income for the year	-	-

NOTES TO FINANCIAL STATEMENTS continued

FOR THE YEAR ENDED 30 JUNE 2026

Consolidated statement of financial position

Set out below is a consolidated statement of financial position as at 30 June 2026 of the closed group consisting of AUCyber Limited and Sovereign Cloud Australia Pty Ltd.

	2026 $	2025 $
Current assets		
Cash and cash equivalents	828,121	2,915,736
Receivables	2,206,472	1,897,294
Other assets	617,032	639,551
Total current assets	**3,651,625**	**5,452,581**
Non-current assets		
Property, plant and equipment	2,410,172	4,327,965
Intangible assets	10,040,723	10,338,410
Right of use lease assets	2,297,467	4,155,928
Other assets	0	9,226
Total non-current assets	**14,748,362**	**18,831,530**
Total assets	**18,399,987**	**24,284,110**
Current liabilities		
Payables	4,941,960	2,633,647
Lease liabilities	1,678,034	1,857,892
Provisions	-	677,686
Total current liabilities	**6,619,994**	**5,169,225**
Non-current liabilities		
Lease liabilities	1,180,664	2,866,686
Provisions	-	66,737
Total non-current liabilities	**1,180,664**	**2,933,423**
Total liabilities	**7,800,658**	**8,102,648**
Net assets	**10,599,329**	**16,181,462**
Equity		
Share capital	135,840,073	135,840,073
Reserves	1,291,154	1,014,291
Accumulated losses	(126,531,897)	(120,672,902)
Total equity	**10,599,329**	**16,181,462**

NOTES TO FINANCIAL STATEMENTS continued

25. Share Based Payments

(a) Equity-settled share-based payments

Employee option plan

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

Details of the options granted are provided below:

2026

Grant date	Expiry date	Exercise price*	Balance at beginning of the year	Granted during the year	Exercised during the year	Expired during the year	Balance at the end of the year	Exercisable at end of the year
30/10/2023	1/07/2027	$3.00	25,000			(12,500)	12,500	12,500
30/10/2023	1/07/2028	$3.00	25,000			(12,500)	12,500	-
22/12/2025	22/12/2028	$0.09	-	4,500,000		-	4,500,000	-
22/12/2025	22/12/2030	-	-	5,000,000		-	5,000,000	-
27/10/2025	27/10/2030	$0.08	-	700,000		-	700,000	-
9/12/2025	9/12/2029	$0.07	-	350,000		-	350,000	-
			50,000	**10,550,000**	**-**	**(25,000)**	**10,575,000**	**12,500**
Weighted average exercise price:			**$0.00**	**$0.05**	**$0.00**	**$3.00**	**$0.05**	**$3.00**

2025

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

Long Term Incentive Plan

10,550,000 share options and 3,354,838 performance rights were granted during the financial year ended 30 June 2026 in relation to the Company's share-based payment arrangements. No share options were issued or vested during the financial year ended 30 June 2026.

NOTES TO FINANCIAL STATEMENTS continued

Fair Value of LTI Options

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

	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5	Tranche 6
Grant date	30-Oct-23	30-Oct-23	22-Dec-25	22-Dec-25	27-Oct-2025	9-Dec-2025
Exercise Price ($/share)	$0.30	$0.30	$0.085	$0.085	$0.08	$0.07
Expiry Date	1-Jul-27	1-Jul-28	22-Dec-28	22-Dec-28	27-Oct-2030	9-Dec-2029
Expected price volatility of the group's shares	85%	85%	95%	95%	204.9%	179.6%
Spot price ($/share)	0.093	0.093	0.078	-	$0.08	$0.07
Risk free rate	4.37%	4.49%	3.55%	3.55%	4.38%	4.38%
Pricing model	Binomial	Binomial	BlackScholes	BlackScholes	BlackScholes	BlackScholes
Vesting conditions	Service	Service	Service	Service	Service	Service
Fair Value ($/right)	$0.034	$0.043	$0.046	$0.078	$0.063	$0.06

26. Related party transactions

(a) Parent Entity

5G Network Limited is the Ultimate Parent entity.

(b) Transactions with related parties

The following transactions occurred with related parties:

	2026 $	2025 $
SALE OF GOODS AND SERVICES		
Sale of services to 5G Networks Pty Ltd	**54,106**	**-**
PAYMENT FOR GOODS AND SERVICES		
Payment for services from 5G Networks Pty Ltd	**154,927**	**531,110**
Recharge for payment of salary and wages by 5G Networks Ltd	**10,637,766**	
Recharge for payment of good and services from 5G Networks Ltd	**1,306,487**	**-**

Recharges for payment of good and services include payment of insurance and software licences by 5G Networks Limited. These recharges are paid by AUCyber on a monthly basis.

NOTES TO FINANCIAL STATEMENTS continued

(c) Receivable from and payable to related parties

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

	2026 $	2025 $
CURRENT PAYABLES		
Trade payables to 5G Network Operations Pty Ltd	1,317,650	164,149

(d) Loans to/from related parties

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

(e) Terms and conditions

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

27. Commitments

Leases

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

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

28. Contingent Liability

The Group is not aware of any guarantees, indemnities, litigation, claims or other contingent obligations that are likely to have a material effect on its financial position as at 30 June 2026.

29. Remuneration of Auditors

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

	2026 $	2025 $
AUDITORS OF THE GROUP - BENTLEYS		
Audit and review of the financial statements	90,700	87,200

NOTES TO FINANCIAL STATEMENTS continued

30. Earnings per share

	2026 Cents	2025 Cents
Basic earnings per share	(2.3)	(22)
Diluted earnings per share	(2.3)	(22)

Earnings used in Calculating Earnings Per Share	2026 $	2025 $
Loss attributable to the ordinary equity holders used in calculating earnings per share	(4,775,174)	(37,555,634)

	2026 Number	2025 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	208,747,622	173,106,739
DILUTIVE OPTIONS		
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	208,747,622	173,106,739

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

31. Events subsequent to reporting date

There have been no material matters or circumstances which have arisen between 30 June 2026 and the date of this report that have significantly affected or may affect the operations of the Group, the results of those operations and the state of affairs of the Group in subsequent financial period.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2026

The following are the group's significant subsidiaries:

	As at 30 June 2026					
Name of Entity	**Type of Entity**	**Trustee, partner or Participant in JV**	**% of Share Capital**	**Country of incorporation**	**Australian resident or foreign resident**	**Foreign jurisdiction(s) of foreign residents**
Sovereign Cloud Australia Pty Ltd	Body Corporate	-	100	Australia	Australian	n/a
AUCyber Pty Ltd (Formerly known as Sovereign Cloud Holdings Limited)	Body Corporate	-	100	Australia	Australian	n/a
Venn IT Solutions Pty Ltd	Body Corporate	-	100	Australia	Australian	n/a
AUCyber Solution Pty Ltd	Body Corporate	-	100	Australia	Australian	n/a
AU123 Pty Ltd	Body Corporate	-	100	Australia	Australian	n/a

DIRECTORS DECLARATION

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

(a) the consolidated financial statements and notes, as set out on pages 21 to 60, are in accordance with the *Corporations Act 2001*, including:

(i) complying with the Corporations Regulations 2001 and Australian Accounting Standards and Interpretations, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and

(ii) giving a true and fair view of the consolidated Group's financial position as at 30 June 2026 and of its performance for the financial year ended on that date; and

(b) in the directors' opinion there are reasonable grounds to believe the Company will be able to pay its debts as and when they become due and payable; and

(c) the consolidated entity disclosure statement on page 61 is true and correct, and

(d) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in Note 24 will be able to meet any liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in Note 24.

(e) the directors have been given the declarations required by s295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer, for the financial year ended 30 June 2026.

Signed in accordance with a resolution of the Directors.

Joseph Demase
Chair
Dated: 28 August 2026

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of AUCyber Limited (Formerly Sovereign Cloud Holdings Limited) and controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2026 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, the consolidated entity disclosure statement and the director's declaration.

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

(i) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Australian Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key Audit Matters

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

Key Audit Matter	How our audit addressed the key audit matter
Going Concern As disclosed in Note 1(c), the group incurred a loss from ordinary activities of $4.8 million during the year ended 30 June 2026 (2025: a loss of $37.5 million) and had cash on hand at	Our procedures amongst others included: • Obtaining a copy of the letter of financial support that has been provided and ensuring that it covers a

Key Audit Matter	How our audit addressed the key audit matter
30 June 2026 of $1.2 million. This was a key audit matter due to: • The financial results and position of the Group on its own showing indicators that there may be doubt on the entity's ability to continue as a going concern	period at least 12 months from the date of signing of the financial report • Reviewing the financial results and position of 5G Networks Limited to ensure there is the financial capacity to offer this support • Assessing the adequacy of the disclosures included in the financial report.
Revenue Recognition As disclosed in Note 3 the group recorded $19,851,865 of revenue from contracts with customers. The Group applies AASB 15 Revenue from Contracts to account for the services it provides. This was a key audit matter due to: • The significance of revenue to the statement of financial performance; and • Judgments required by AASB 15 including identifying the performance obligations and allocating the transaction price.	Our procedures amongst others included: • Reviewing the Groups policy to ensure in accordance with AASB 15; • Selecting a sample of revenue items and assessed the identification of performance obligations and the allocation of the transaction price; • Recalculating the amount of revenue, the Group has recognised; • Testing the cut-off of revenue; and • Assessing the adequacy of the disclosures included in the financial report.
Valuation and Recognition of Share Based Payments As disclosed in Note 25 the Group issued options under the Employee Share Option Plan during the current financial year. This was a key audit matter due to: • The estimation and complexity required to determine the fair value of the share option	Our procedures amongst others included: • Reviewing the models used to calculate the fair value of the share options, and assessing the inputs as being reasonable • Reviewing the journal posted to recognise the share option expense to ensure the treatment is appropriate; and • Assessing the adequacy of the disclosures included in the financial report.

Bentleys™
THINKING AHEAD

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

Other Required Information
The directors are responsible for the other required information. The other required information comprises the information included in the Group's annual report for the year ended 30 June 2026 but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report
The directors of the Company are responsible for the preparation of:
a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001;* and
b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001,* and

for such internal control as the directors determine is necessary to enable the preparation of:
i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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

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

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

Auditor's Responsibilities for the Audit of the Financial Report (Continued)
As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

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

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 14 to 19 of the directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of AUCyber Limited (Formerly Sovereign Cloud Holdings Limited), for the year ended 30 June 2026, 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.

Bentleys.

Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants

Ashley Carle
Director
Brisbane
28 August 2026

SHAREHOLDER INFORMATION

The shareholder information set out below is applicable as at 24 August 2026.

(a) Distribution of Equity Securities

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

	No. Holders	No of Shares	% of Shares
1 – 1,000	64	17,947	0.01%
1,001 – 5,000	29	71,172	0.03%
5,001 – 10,000	58	432,349	0.21%
10,001 – 100,000	119	3,699,727	1.77%
100,001 – and over	44	204,526,427	97.98%
	314	**208,747,622**	**100%**

(b) Equity Security Holders

The names of the twenty largest holders of quoted equity securities (as at 24 August 2026) are listed below:

Rank	Name	Number Held	%
1	5G Networks Limited	187,944,655	90.03%
2	Peerless Investments Pty Ltd	1,322,783	0.63%
3	Kiwa Capital Ltd	1,234,777	0.61%
4	Peerless Investments Ltd	1,024,083	0.50%
5	Hinh Super Pty Ltd	987,723	0.39%
6	Mr David Hinh	830,000	0.33%
7	Baauer Pty Ltd	680,835	0.26%
8	JD Management Group Pty Ltd	613,373	0.25%
9	Trofeo Capital Pty Ltd	600,000	0.21%
10	Mr Howard Scott	550,000	0.18%
11	EKT Investments Pty Ltd	541,985	0.18%
12	Charlie & Luella One Pty Ltd	529,963	0.16%
13	Muhi Pty Ltd	450,000	0.16%
14	Coralco Pty Ltd	448,593	0.16%
15	Ekto Investments Pty Ltd	414,652	0.13%
16	Mr Ruben Gonzalez	366,193	0.13%
17	TRGP Investments Pty Ltd	323,900	0.13%
18	Hinh Pty Ltd	319,087	0.13%
19	Hughes Super Corp Pty Ltd	310,945	0.13%

20	Finclear Services Pty Ltd	305,783	0.12%
	Total: Top 20 holders	**199,799,330**	**95.71%**
	Total: Remaining balance	**8,948,292**	**4.29%**
		208,747,622	**100.00%**

(c) The names of the substantial shareholders listed in the holding register as at 30 June 2026 are:

Name	Number Held	%
5G Networks Limited	187,944,655	90.03%
Peerless Investments Pty Ltd	1,322,783	0.63%
Kiwa Capital Ltd	1,234,777	0.59%
Peerless Investments Pty Ltd	1,024,083	0.49%
Hinh Super Pty Ltd	987,723	0.47%

(d) Voting Rights

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

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

Option holders have no rights until the options are exercised.

CORPORATE DIRECTORY

Directors

Mr Joseph Demase
Non-Executive Chair

Mr Hugh Robertson
Non-Executive Director

Mr Conrad Morgan
Non-Executive Director

Chief Financial Officer

Mr Nathan Legg

Company Secretary

Mr Adam Gallagher

Auditor

Bentleys Brisbane (Audit) Pty Ltd

Level 23, 71 Eagle Street
Brisbane QLD 4000

Share Registry

MUFG Pension & Market Services
Level 12, 680 George Street
Sydney NSW 2000

Company

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

ABN: 80 622 728 189

Head Office

Level 3, 120 Wickham Street
Fortitude Valley QLD 4006

Registered Office

Level 3, 120 Wickham Street
Fortitude Valley QLD 4006