ASX ANNOUNCEMENT

4 November 2026

AUCyber establishes AI Transformation Division

Highlights

- AUCyber has established an AI Transformation Division to help Australian organisations adopt artificial intelligence with sound governance, measurable business outcomes and control over where their data is processed.
- The Division builds on AUCyber's existing Managed IT, Managed Cloud and Managed Cybersecurity capability, its engineering and security teams, and its existing customer relationships.
- Services are organised in three areas: AI risk and compliance professional services, workflow discovery and AI agent builds, and managed sovereign AI hosting.
- AUCyber will lead delivery with its own team and has formed a partnership with MosaicalAI, an Australian AI implementation consultancy, to support delivery.
- The Division will be led by Jonathan Horne, Head of AI Transformation.
- Initial capital is limited to GPU hardware, and the Division will be developed in stages, with further capital committed only as customer demand is demonstrated.

Overview

AUCyber Limited (ASX: CYB) (**AUCyber** or the **Company**) announces the establishment of an AI Transformation Division (the **Division**), following the formation of a delivery partnership with MosaicalAI.

Australian businesses are adopting AI quickly, but most lack the governance, internal capability and technical options to do so with confidence. Many are using AI tools without board-level policy in place. Others have clear use cases but no practical path to put AI to work in day-to-day operations. A growing number want assurance about who controls the environment their data is processed in, and which jurisdiction it sits under.

The Division addresses these needs through a single relationship, led by AUCyber's own team and drawing on the managed services, cybersecurity expertise and customer relationships AUCyber already has.

Services

1. **AI risk and compliance services.** Professional services covering governance, risk and compliance, including AI usage policy, frameworks, and risk and readiness assessments, together with staff and executive training and governance and change management, giving organisations a clear framework for how AI is used. Board reporting and board training can form part of an engagement where required.

2. **Workflow discovery and agent build.** Identifying the workflows best suited to automation, then scoping, designing, building, deploying and managing AI agents that perform defined business functions, such as account management support, within the customer's existing systems and on the platform that best suits their environment.

3. **Managed sovereign AI hosting.** AI models and agents run as a managed service on Australian-controlled infrastructure, including as a managed on-premises appliance, for organisations that require Australian control of their data or want to reduce the cost of running AI at volume. This service is being commissioned and is not yet generally available. Initial GPU systems are being configured and tested to support customer demonstrations, AUCyber's own internal AI use and early pilot work, with further capacity to be added in stages as customer demand is demonstrated.

Staged approach

The Division will begin with structured market testing across a small number of sectors, using a consistent entry offer, before focusing on the sectors that show the strongest demand.

AUCyber will also deploy AI agents within its own operations, beginning with account management support, marketing and sales agents, to provide a working reference for customers.

Leadership

The Division is led by Jonathan Horne, Head of AI Transformation. Jonathan is a Melbourne technology founder who has built and sold several Australian businesses, and was most recently CEO of Melbourne IT through its sale in 2023. He now works with Australian organisations on putting AI to work safely and practically.

Jonathan Horne said:

> "Most businesses don't need another AI demo. They need someone to tell the board what's safe, take one painful job off their team, and make it work on Monday morning. That's what we've built this division to do, and we're proving it inside AUCyber before we ask anyone else to trust it."

Management commentary

AUCyber Chairman Joe Demase said:

> "AI has moved from the innovation budget to the board agenda. Our customers want a partner who can help them use it safely and get a return on it, and that's what this division is built to do."

Financial impact

Initial investment in GPU hardware will be funded from existing resources. The establishment of the Division is not expected to have a material impact on the Company's FY27 financial results.

This announcement has been authorised for release by the Board of AUCyber Limited.

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About AUCyber

AUCyber Limited (ASX: CYB) is an Australian provider of managed cybersecurity, IT and cloud services, now including managed AI services, for small to medium businesses, enterprise and critical national industries. Its operations and 24/7 support are based in Australia, with ten offices nationally and a head office in Melbourne.