



Holdings Limited

AND CONTROLLED ENTITIES

ABN: 84 131 090 947

**Annual Financial Report
For The Year Ended 30 June 2019**

ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES

ABN: 84 131 090 947

Annual Financial Report
For The Year Ended 30 June 2019

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**ZYBER HOLDINGS LIMITED
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CORPORATE INFORMATION**

Corporate Directory

Directors

Mr George Hatzipapas
Executive Chairman

Mr Ted Tzovaras
Non-Executive Director

Mr John Tomaras
Non-Executive Director

Company Secretary

Mr Henry Kinstlinger

**Registered Office & Principal Place of
Business**

Suite 5, Level 12
53 Martin Place
Sydney NSW 2000
Ph: +61 (0)474 455 529

Postal Address

PO Box 1745,
Carindale, Queensland 4152

Website

www.zyber.com.au

Share Register

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

Auditor

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

Legal Advisors

Tomaras Lawyers
Suite 5, Level, 12
53 Martin Place
Sydney NSW 2000

Stock Exchange Listing

ASX Code: **ZYB, ZYBOA**

Country of Incorporation and Domicile

Australia

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

Your directors submit the annual financial report of the consolidated entity consisting of Zyber Holdings Limited (the Company or the consolidated entity) and its controlled entities for the year ended 30 June 2019 together with the directors' report.

INFORMATION ON DIRECTORS

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

Mr George Hatzipapas — Executive Chairman

Mr Hatzipapas was appointed as a Non-Executive director on 21 February 2018 and was appointed Executive Chairman on 15 May 2018.

Mr Hatzipapas has over thirty years' experience working in the capital markets. He has been involved in numerous capital raisings and corporate reconstructions and has been a shareholder in Zyber Holdings Limited since 2016.

In the last 3 years, Mr Hatzipapas has not been a director of any publicly listed companies.

Mr Ted Tzovaras — Non-Executive Director (appointed 14 August 2019)

Mr Tzovaras is an accomplished practising lawyer with an extensive and a varied experience in commercial litigation and alternative dispute resolution, commercial transactions and corporate matters in Australia and internationally, spanning over almost four decades. He has acted as an instructing solicitor and appeared as an advocate in commercial litigation, international arbitration and criminal proceedings. He has acted as a legal representative in respect of major and complex commercial transactions and corporate matters.

He is a Solicitor and Barrister of the Supreme Courts of New South Wales, Victoria, Western Australia and the Australian Capital Territory, and a Solicitor of the High Court of Australia and all federal courts of Australia. His professional qualifications include Bachelor of Laws from the University of Sydney, Master of Laws from the University of Technology, Sydney, Master of Business Administration from the Macquarie Graduate School of Management and Diploma in International Commercial Arbitration from the Chartered Institute of Arbitrators.

He has served on the board of directors of several Australian and foreign private and public companies engaged in property development, fund management, manufacturing, engineering, mining and international trade.

Mr John Tomaras – Non-Executive Director (appointed 15 April 2019)

Mr Tomaras has over 18 years of experience in litigation and dispute resolution in Sydney and Australia. In 2006, he established what is now Tomaras Lawyers, a boutique commercial firm, largely experienced in providing commercial, litigation and corporate advice and legal services. He has worked, advised and attended to projects in the UAE, Asia and Greece, as well as appearing as co-counsel in a number of matters in the UAE and Asia.

Mr Tomaras has extensive experience in civil, commercial and corporate law in Australia and the UAE, and has worked closely with his overseas associated offices in a number of matters. He currently holds a directorship and legal counsel role at Billi, a financial payment platform application in Singapore. He is also currently a member of the Australian Institute of Directors and legal counsel for a number of medium size corporations with local and international projects.

In the last 3 years, Mr Tomaras has not been a director of any publicly listed companies.

Other directors during the year:

Mr Richard Hoffman – Non-Executive Director (appointed 12 March 2019 and resigned 8 August 2019)
Mr John O'Connor – Non-Executive Director (appointed 31 October 2018 and resigned 9 March 2019)
Mr Prasanth Rasam – Non-Executive Director (appointed 30 November 2018 and resigned 11 March 2019)
Ms Nicole Goldin - Non-Executive Chairman (appointed 12 March 2019 and resigned 10 May 2019)
Mr George Callianiotis - Non-Executive Director (resigned 30 November 2018)
Mr Scott Mison - Non-Executive Director (resigned 31 October 2018)

Mr Scott Mison was a director New World Cobalt Limited during his time as a director of Zyber Holdings Limited. No other directors held directorships of any other listed companies during their time as directors of Zyber Holdings Limited.

Company Secretary

The following person held the position of Company Secretary during the financial year ended 30 June 2019:

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Henry Kinstlinger – Appointed 12 March 2019
Terri Bakos – Appointed 31 October 2018, resigned 11 May 2019
Scott Mison – Resigned 31 October 2018

INTEREST IN THE SHARES AND OPTIONS OF THE COMPANY

The Company has disclosed each director's interest in shares or options of the Company within the Remuneration Report, which begins on page 7. There is no change to each director's interest in shares or options of the Company as of the date of this report since 30 June 2019.

Share options - unissued shares

There are no unissued shares or interests under options as at the date of this report. Options holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate or in the interest issue of any other registered scheme.

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

DIVIDENDS PAID OR RECOMMENDED

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

PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN NATURE OF ACTIVITIES

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

CORPORATE GOVERNANCE STATEMENT

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

OPERATING RESULTS AND REVIEW OF OPERATIONS FOR THE YEAR

Operating Results

The consolidated statement of comprehensive income shows a net loss attributable to members of \$843,039 (2018: \$934,699).

Review of Operations

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

Key elements of this review and transition program included:

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

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

These insights included:

- A conclusion that, of the 5 adaptations of the Zyber Client product, most were highly developed. Namely, the Web App has most features implemented and the iOS Client is working at a high level, while the Android App, which currently caters for the uploading of files, has the potential to extend its capabilities; and

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- An evaluation of the merits of leveraging a blockchain network for Zyber's file-sharing technology, Zyber Secure Control. Zyber has initiated steps to implement the blockchain solution, including work on creating a smart contract, conceptualising integration with web3.js, and the metamask wallet. Further steps remain before Zyber fully adopts the blockchain platform, including streamlining file uploading processes and improving the user interface.

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

Zyber entered into voluntary suspension from official quotation on 28 November 2018, pending a response to an ASX price query. This voluntary suspension has been extended and remains until Zyber demonstrates compliance with Chapter 12 of the Listing Rules.

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

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

- On 31 October 2018, Mr John O'Connor was appointed as Non-Executive Director, Mr Scott Mison resigned as Non-Executive Director and Company Secretary and Ms Terri Bakos was appointed as Company Secretary.
- On 30 November 2018, Mr Prasanth Rasam was appointed as Non-Executive Director, and Mr George Callianiotis resigned as Non-Executive Director.
- On 12 March 2019, Mr Henry Kinstlinger was appointed joint Company Secretary.
- On 12 March 2019, Mr Richard Hoffman and Ms Nicole Goldin were appointed as Non-Executive Directors. On 9 March 2019 and 11 March 2019, Mr John O'Connor and Mr Prasanth Rasam both resigned as Non-Executive Directors.
- On 15 April 2019, Mr John Tomaras was appointed as Non-Executive Director.
- On 10 May 2019, Ms Nicole Goldin resigned as Non-Executive Director and Ms Terri Bakos resigned as joint Company Secretary.
- On 27 May 2019, a loan of \$550,000 was offered to Mr Hatzipapas.

The loan is repayable no later than 31 December 2019 and accrues interest of 3% fixed for the term of the loan. An amount of \$1,537 has been included in interest revenue for the current year in relation to this loan receivable.

SIGNIFICANT EVENTS AFTER THE REPORTING YEAR

- On 8 August 2019 Mr Richard Hoffman resigned as Non-Executive Director and Mr Ted Tzoyaras was appointed Non-Executive Director on 14 August 2019.
- On 11 October 2019, the Board of Directors resolved to:
 - Fix the gross annual remuneration for George Hatzipapas for Executive management services at \$90,000, effective 21 February 2018 and the director is also to receive \$60,000 gross per annum in his capacity as Chairman of the Company, effective 15 May 2018;
 - Fix the gross annual remuneration for each non-executive director at \$25,000 per annum. It was further resolved that the total remuneration payable to non-executive directors will be through the issue of 148,810 fully paid ordinary shares in the Company at a deemed issue price of approximately 1.4 cents per share for each month or part thereof, subject to prior shareholder approval at a meeting of shareholders, consistent with the Listing Rules. In the event shareholders do not approve the issue of shares, the amount accrued at the date of the meeting of shareholders will be paid in cash from working capital.
 - Fix the gross annual remuneration for the Company Secretary to \$60,000 per annum. It was further resolved that the total remuneration payable to the Company will be through the issue of 357,150 fully paid ordinary shares in the Company at a deemed issue price of approximately 1.4 cents per share for each month or part thereof, subject to prior shareholder approval at a meeting of shareholders, consistent with the Listing

SIGNIFICANT EVENTS AFTER THE REPORTING YEAR (Continued)

Rules. In the event shareholders do not approve the issue of shares, the amount accrued at the date of the meeting of shareholders will be paid in cash from working capital.

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- On 27 May 2019, a loan of \$550,000 was offered to Mr Hatzipapas.

The loan is repayable no later than 31 December 2019 and accrues interest of 3% fixed for the term of the loan. An amount of \$1,537 has been included in interest revenue for the current year in relation to this loan receivable.
- On 10 September 2019, \$5,000 of the loan has been repaid and on 27 September 2019, \$95,000 of the loan has been repaid.
- On 23 October 2019, the Board of Directors resolved that the related party loan be reduced by an amount of \$233,336 representing the accrued remuneration fees from 21 February 2018 to 30 September 2019. It was also resolved that the related party loan be reduced by an amount of those expenditures for reimbursements by the company and as approved by the Board of Directors. The remaining amount receivable pursuant to this resolution is \$159,507.

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

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

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

ENVIRONMENTAL ISSUES

The consolidated entity's operations are not subject to any significant environmental regulation and legislation. The consolidated entity intends to conduct its activities in compliance with all environmental laws and regulations, should these apply to the consolidated entity's activities.

INDEMNIFYING OFFICERS OR AUDITOR

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

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

PROCEEDINGS ON BEHALF OF THE COMPANY

On 5 September 2019, a legal action was commenced by Bank of Montreal against a subsidiary of the Company, Zyber Secure Mobile Solutions Inc, in the Supreme Court of British Columbia at Vancouver, Canada, claiming CAD25,161 over credit allegedly provided to the subsidiary in excess of the agreed credit limit on a Mastercard in respect of unauthorised transactions. In accordance with legal advice received by the subsidiary's legal representatives in the action, the subsidiary has denied liability and is defending the action. In addition to provisions being made for the disputed claim and the subsidiary's costs of defending the claim, the Company has made provisions for the subsidiary's potential liability for the claimant's costs of the action, should the subsidiary be unsuccessful in its defence.

During the financial year ended 30 June 2019, a legal action was commenced by Noorani Systems Corp against a subsidiary of the Company, Zyber Secure Mobile Solutions Inc, in the Provincial Court of British Columbia (Small Claims Court) at Vancouver, Canada, claiming CAD26,486 in respect of IT consulting services allegedly provided to the subsidiary. In accordance with legal advice received by the subsidiary's legal representatives in the action, the subsidiary has denied liability and is defending the action. In addition to provisions being made for the disputed claim, the Company has made provisions for the subsidiary's costs of defending the claim. No provision has been made in respect of the claimant's costs of the action, should the subsidiary be unsuccessful in its defence, as such costs are not ordinarily not recoverable in the Small Claims Court.

On the 10 September 2019, a claim by way of a creditor's statutory demand was made against the Company by Mrs Terri-Anne Bakos in the amount of AUD10,051 in respect of company secretary services allegedly provided to the Company. In accordance with legal advice received by the Company's legal representatives, the Company has denied liability, has commenced proceedings to set aside the creditor's statutory demand, will be defending any recovery legal action that Mrs Bakos may be taking, and cross-claiming against her for damages suffered by the Company as a result of Mrs Bakos' breach of contract and/or breach of duty of care.

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DIRECTORS' REPORT**

MEETINGS OF DIRECTORS

During the financial year, 11 meetings of directors including board meetings and circular resolutions were held. Attendances by each director during the year were as follows:

Director's Meetings		
	Number eligible to attend	Director's meetings attended
Mr George Haztipapas	11	11
Mr John O'Connor	6	4
Mr Richard Hoffman	4	4
Mr Prasanth Rasam	5	1
Mr John Tomaras	1	1
Ms Nicole Goldin	1	-
Mr George Callianiotis	4	3
Mr Scott Mison	-	-

NON-AUDIT SERVICES

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

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

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

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2019 as required under section 307C of the Corporations Act 2001 has been received and has been included within these financial statements.

AUDITOR

RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

**ZYBER HOLDINGS LIMITED
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DIRECTORS' REPORT**

REMUNERATION REPORT (AUDITED)

Remuneration policy

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

Details of Key Management Personnel

Directors:

Mr George Hatzipapas - Executive Chairman

Mr John Tomaras – Non-Executive Director (appointed 15 April 2019)

Mr John O'Connor – Non-Executive Director (appointed 31 October 2018, resigned 9 March 2019)

Mr Richard Hoffman – Non-Executive Director (appointed 12 March 2019, resigned 8 August 2019)

Mr Prasanth Rasam – Non-Executive Director (appointed 30 November 2018, resigned 11 March 2019)

Ms Nicole Goldin – Non-Executive Director (appointed 12 March 2019, resigned 11 May 2019)

Mr George Callianiotis - Non-Executive Director (resigned 30 November 2018)

Mr Scott Mison - Non-Executive Director / Company Secretary (resigned 31 October 2018)

Remuneration Philosophy

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

Remuneration policy

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

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

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

Executive Director Remuneration

Mr George Hatzipapas was appointed as Non-Executive Director on 21 February 2018 and as Executive Chairman on 15 May 2018. On 11 October 2019, the Board of Directors resolved to fix the gross annual remuneration for George Hatzipapas for Executive management services at \$90,000, effective 21 February 2018 and the director is also to receive \$60,000 gross per annum in his capacity as Chairman of the Company, effective 15 May 2018. This has been applied retrospectively for the year ended 30 June 2019. The total remuneration owed to Mr Hatzipapas as at 30 June 2019 is \$195,836.

Non-Executive Directors Remuneration

Mr Richard Hoffman was appointed Non-Executive Director on 12 March 2019, and resigned on 8 August 2019. As at 30 June 2019 there is \$7,466 payable to Mr Hoffman for his role as Non-Executive Director of the Company, based on annual remuneration of \$25,000 per annum as a non-executive director.

Mr John Tomaras was appointed Non-Executive Director on 15 April 2019. On 11 October 2019, the Board of Directors resolved to fix the gross annual remuneration for each non-executive director at \$25,000 per annum. It was further resolved that the total remuneration payable to non-executive directors will be through the issue of 148,810 fully paid ordinary shares in the Company at a deemed issue price of approximately 1.4 cents per share for each month or part thereof, subject to prior shareholder approval at a meeting of shareholders, consistent with the Listing Rules. In the event shareholders do not approve the issue of shares, the amount accrued at the date of the meeting of shareholders will be paid in cash from working capital. This has been applied retrospectively for the year ended 30 June 2019. As at 30 June 2019 there is \$5,205 payable to Mr Tomaras for his role as Non-Executive Director of the Company.

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DIRECTORS' REPORT**

REMUNERATION REPORT (AUDITED) (Continued)

Non-Executive Directors Remuneration (Continued)

Mr John O'Connor was appointed Non-Executive Director on 31 October 2018 and resigned on 9 March 2019. Mr John O'Connor was paid \$13,333 (exclusive of GST) during the current year for his role as a Non-Executive Director. There is no amount outstanding to Mr O'Connor as at 30 June 2019.

Mr Prasanth Rasam was appointed Non-Executive Director on 30 November 2018 and resigned on 11 March 2019. Mr Rasam was paid \$6,666 (exclusive of GST) during the current year for his role as a Non-Executive Director. There is no amount outstanding to Mr Rasam as at 30 June 2019.

Ms Nicole Goldin was appointed Non-Executive Director on 12 March 2019 and resigned on 10 May 2019. There was no amount paid or payable to Ms Goldin for her services as Non-Executive Director as at 30 June 2019.

Mr George Callianiotis resigned as Non-Executive Director on 30 November 2018. As at 30 June 2019 there is \$13,631 payable to Mr Callianiotis for his role as Non-Executive Director of the Company, based on annual remuneration of \$25,000 per annum as a non-executive director.

Mr Scott Mison resigned as Non-Executive Director and Company Secretary on 31 October 2018. As at 30 June 2019 there is \$26,987 payable to Mr Mison for his role as Non-Executive Director of the Company, based on annual remuneration of \$25,000 per annum as a non-executive director.

Mr Mison was paid \$4,000 (excluding GST) during the current year for his Company Secretary fees, with the remaining \$21,907 outstanding, based on annual remuneration of \$24,000 per annum as company secretary.

The Company's Constitution provides that the remuneration of Non-Executive Directors will not be more than the aggregate fixed sum of \$350,000 determined by a general meeting. The Annual General Meeting held on 26 November 2010 confirmed the non-executive directors' remuneration by vote. Also see Paragraph 10.6 at page 49 and Paragraph 12.7 at page 71 of the Prospectus dated 30 November 2015. Summary details of remuneration of the Non-Executive Directors are provided in the table below. The remuneration is not dependent on the satisfaction of a performance condition.

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

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DIRECTORS' REPORT**

Remuneration of Key Management Personnel

(i) Remuneration Details for the Year Ended 30 June 2019

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

	Short-term employment benefits Cash salary and fees	Post employment benefits Super- annuation	Long- term benefits Long service leave	Equity- settled share- based payments	Total	Fixed remuneration	Short- term incentive	Long- term incentive
2019	\$	\$	\$	\$	\$	%	%	%
Directors								
Mr Hatzipapas (i)	195,836	-	-	-	195,836	100	-	-
Mr Hoffman (ii)	7,466	-	-	-	7,466	100	-	-
Mr Tomaras (iii)	5,205	-	-	-	5,205	100	-	-
Mr O'Connor (iv)	13,333	-	-	-	13,333	100	-	-
Mr Rasam (v)	6,666	-	-	-	6,666	100	-	-
Ms Goldin (vi)	-	-	-	-	-	-	-	-
Mr Callianiotis (vii)	13,631	-	-	-	13,631	100	-	-
Mr Mison (viii)	48,894	-	-	-	48,893	100	-	-
	291,031	-	-	-	291,031			

(i) No amount has been paid to Mr Hatzipapas during the year. \$45,836 of fees have been accrued for Mr Hatzipapas as at 30 June 2019 related to the prior year. A total of \$195,836 is owed to Mr Hatzipapas as at 30 June 2019 for Executive Management and Chairman fees.

(ii) Mr Hoffman was appointed as Non-Executive Director on 12 March 2019 and resigned on 8 August 2019.

(iii) Mr Tomaras was appointed as Non-Executive Director on 15 April 2019. No amount has been paid to Mr Tomaras during the year, the \$5,205 shown above is to be settled in shares in the Company, subject to shareholder approval.

(iv) Mr O'Connor was appointed as Non-Executive Director on 31 October 2018 and resigned 9 March 2019.

(v) Mr Rasam was appointed as Non-Executive Director on 30 November 2018 and resigned 11 March 2019.

(vi) Ms Goldin was appointed as Non-Executive Director on 12 March 2019 and resigned 10 May 2019.

(vii) Mr Callianiotis resigned as Non-Executive Director on 30 November 2018. No amount has been paid to Mr Callianiotis during the year. As at 30 June 2019 there is \$13,631 owed to Mr Callianiotis. Of the \$13,631, \$3,220 pertains to accrued director's fee for prior period.

(viii) Mr Mison resigned as Non-Executive Director and Company Secretary on 31 October 2018. Mr Mison was paid \$4,000 for his role as Company Secretary during the year. As at 30 June 2019, \$48,894 outstanding to be paid for his role as Non-Executive Director and Company Secretary for the period 2 October 2017 through to 31 October 2018, being the date Mr Mison was appointed, through to his resignation date. Of the \$48,894, \$32,516 pertains to accrued director's fee for prior period.

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DIRECTORS' REPORT**

REMUNERATION REPORT (AUDITED) (Continued)

Remuneration Details for the Year Ended 30 June 2018

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

	Short-term employment benefits Cash salary and fees	Post employment benefits Super- annuation	Long-term benefits Long service leave	Equity- settled share-based payments	Total	Fixed remuneration	Short- term incentive	Long- term incentive
2018	\$	\$	\$	\$	\$	%	%	%
Directors								
Mr Hatzipapas (i)	-	-	-	-	-	-	-	-
Mr Callianiotis (ii)	-	-	-	-	-	-	-	-
Mr Mison (iii)	-	-	-	-	-	-	-	-
Mr Gander (iv)	-	-	-	-	-	-	-	-
Mr Crawford (v)	-	-	-	-	-	-	-	-
Mr Wall (vi)	21,000	-	-	-	21,000	100	-	-
Mr Callander (vii)	9,000	855	-	-	9,855	100	-	-
Mr Tomkinson (viii)	6,099	-	-	-	6,099	100	-	-
	36,099	855	-	-	36,954			

(i) Mr Hatzipapas appointed as Director on 21 February 2018.

(ii) Mr Callianiotis appointed as Director on 15 May 2018 and resigned 30 November 2018.

(iii) Mr Mison appointed as Director on 2 October 2017 and resigned 13 March 2019.

(iv) Mr Gander appointed as Director on 4 September 2017 and resigned on 22 May 2018.

(v) Mr Crawford appointed as Director on 22 January 2018 and resigned on 21 February 2018.

(vi) During the year ended 30 June 2018, the amount was paid to Pheakes Pty Ltd, a Company that Mr Wall is a director of. Mr Wall resigned on 22 January 2018.

(vii) During the year ended 30 June 2018, the amount was paid to Mr Callander. Mr Callander resigned on 2 October 2017.

(viii) During the year ended 30 June 2018, the amount was paid to Blue Cove Capital Corp, a Company that Mr Tomkinson is a director of. Mr Tomkinson resigned on 4 September 2017.

(ii) Options Granted as Part of Remuneration

No options have been granted to KMP in the form of share-based payments for year ended 30 June 2018 and 30 June 2019.

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DIRECTORS' REPORT**

REMUNERATION REPORT (AUDITED) (Continued)

(iii) KMP Shareholdings

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

	Balance at beginning of year	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year
30 June 2019					
Directors					
Mr Hatzipapas	5,000,000	-	-	-	5,000,000
Mr Hoffman ⁽ⁱ⁾	-	-	-	-	-
Mr Tomaras ⁽ⁱⁱ⁾	-	-	-	-	-
Mr O'Connor ⁽ⁱⁱⁱ⁾	-	-	-	-	-
Mr Rasam ^(iv)	-	-	-	-	-
Ms Goldin ^(v)	-	-	-	-	-
Mr Callianiotis ^(vi)	2,000,000	-	-	(2,000,000) ^(viii)	-
Mr Mison ^(vii)	5,500,000	-	-	(5,500,000) ^(viii)	-
	12,500,000	-	-	(7,500,000)	5,000,000

(i) Mr Hoffman was appointed as Non-Executive Director on 12 March 2019.

(ii) Mr Tomaras was appointed as Non-Executive Director on 15 April 2019.

(iii) Mr O'Connor was appointed as Non-Executive Director on 31 October 2018 and resigned 9 March 2019.

(iv) Mr Rasam was appointed as Non-Executive Director on 30 November 2018 and resigned 11 March 2019.

(v) Ms Goldin was appointed as Non-Executive Director on 12 March 2019 and resigned 10 May 2019.

(vi) Mr Callianiotis resigned as Non-Executive Director on 30 November 2018.

(vii) Mr Mison resigned as Non-Executive Director and Company Secretary on 31 October 2018.

(viii) Other changes to the number of ordinary shares held is due to Key Management Personnel resigning as Directors.

(iv) KMP Options Holdings

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

	Balance at beginning of year	Granted during the year	Exercised during the year	Other changes during the year	Balance at end of year	Vested during the year	Vested and exercisable	Vested and unexercisable
30 June 2019								
Directors								
Mr Hatzipapas	-	-	-	-	-	-	-	-
Mr Hoffman	-	-	-	-	-	-	-	-
Mr Tomaras	-	-	-	-	-	-	-	-
Mr O'Connor	-	-	-	-	-	-	-	-
Mr Rasam	-	-	-	-	-	-	-	-
Ms Goldin	-	-	-	-	-	-	-	-
Mr Callianiotis	-	-	-	-	-	-	-	-
Mr Mison	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

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

REMUNERATION REPORT (AUDITED) (Continued)

Other KMP Transactions

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

- a) The following transactions occurred with related parties:

	Consolidated	
	2019	2018
	\$	\$
<i>Payments for goods and services</i>		
Payment for general legal advice from Steinepreis Paganin ¹	-	15,484
Payment for consultancy services from Geocal Constructions ²	6,761	-
	6,761	-

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

	Consolidated	
	2019	2018
	\$	\$
<i>Current payables for remuneration of key management personnel</i>		
Mr Hatzipapas	195,836	-
Mr Hoffman	7,466	-
Mr Tomaras	5,205	-
Mr Callianiotis	13,631	-
Mr Mison	48,894	-
	271,032	-
<i>Current payables for expenditure reimbursement claims by key management personnel</i>		
Mr Hatzipapas	58,694	-
	58,694	-

¹ Steinepreis Paganin, a company related to Mr Peter Wall. Mr Wall resigned as a director on 22 January 2018.

² Mr. George Callianiotis is a director of Geocal Constructions Pty Ltd. Mr Callianiotis resigned as a director on 30 November 2018.

- c) Loan to Directors and their related parties

On 27 May 2019, a loan of \$550,000 was offered to Mr Hatzipapas.

The loan is repayable no later than 31 December 2019 and accrues interest of 3% fixed for the term of the loan. An amount of \$1,537 has been included in interest revenue for the current year in relation to this loan receivable.

There were no loans made to any KMP during the prior year.

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

Voting and comments made at the Company's 2018 Annual General Meeting (AGM)

At the 2018 AGM, 94.21% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2018. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

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

Additional Information

The earnings of the consolidated entity for the five years to 30 June 2019 are summarised below:

	2019	2018	2017	2016	2015
	\$	\$	\$	\$	\$
EBITDA	(843,039)	(946,966)	(2,094,093)	(7,511,459)	(496,645)
EBIT	(843,039)	(954,648)	(2,095,530)	(7,512,582)	(496,645)
Loss after income tax	(843,039)	(934,699)	(2,067,229)	(7,502,526)	(496,645)

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

	2019	2018	2017	2016	2015	2014
Share price at financial year end (\$)	0.005	0.005	0.005	0.02	0.03	-
Total dividends declared (cents per share)	-	-	-	-	-	-
Basic loss per share (cents per share)	(0.13)	(0.14)	(0.40)	(6.74)	(0.52)	-

End of Remuneration Report

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

This Directors' Report, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in blue ink, appearing to read 'George Hatzipapas', is written over a horizontal line.

George Hatzipapas
Executive Chairman

Dated: 4 November 2019



RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Zyber Holdings Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

RSM
RSM AUSTRALIA PARTNERS


ALASDAIR WHYTE
Partner

Perth, WA
Dated: 4 November 2019

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

	Note	Consolidated	
		2019	2018
		\$	\$
Revenue from continuing operations		-	-
Other income	3	4,747	19,949
Expenses			
Amortisation expense		-	(7,682)
Consulting expenses	4	(347,253)	(623,526)
Marketing		(545)	(11,495)
Directors and executive management fees		(296,279)	(36,954)
Other expenses	5	(203,709)	(274,991)
Loss before income tax from continuing operations		(843,039)	(934,699)
Income tax expense	6	-	-
Loss after income tax for the year		(843,039)	(934,699)
Other comprehensive (loss)/income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(3,618)	11,277
Total comprehensive loss for the year		(846,657)	(923,422)
Loss per share			
Basic loss per share (cents)	9	(0.13)	(0.14)
Diluted loss per share (cents)	9	(0.13)	(0.14)

The accompanying notes form part of these financial statements.

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

	Note	Consolidated	
		2019 \$	2018 \$
Assets			
Current assets			
Cash and cash equivalents	10	32,790	1,001,728
Trade and other receivables	11	51,672	24,057
Related party loan receivable	12	551,537	-
Other assets	13	9,158	24,518
Total current assets		<u>645,157</u>	<u>1,050,303</u>
Non-Current assets			
Intangible assets	14	-	-
Total non-current assets		<u>-</u>	<u>-</u>
Total assets		<u>645,157</u>	<u>1,050,303</u>
Liabilities			
Current liabilities			
Trade and other payables	15	503,255	61,744
Total current liabilities		<u>503,255</u>	<u>61,744</u>
Total liabilities		<u>503,255</u>	<u>61,744</u>
Net assets		<u>141,902</u>	<u>988,559</u>
Equity			
Issued capital	16	7,942,444	7,942,444
Reserves	17	3,958,711	3,962,329
Accumulated losses		(11,759,253)	(10,916,214)
Total equity		<u>141,902</u>	<u>988,559</u>

The accompanying notes form part of these financial statements.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019**

Consolidated	Issued Capital	Reserves	Accumulated Losses	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2017	7,721,874	4,139,448	(9,981,515)	1,879,807
Loss for the year	-	-	(934,699)	(934,699)
Other comprehensive income for the year	-	11,277	-	11,277
Total comprehensive loss for the year	-	11,277	(934,699)	(923,422)
Transactions with owners, in their capacity as owners				
Shares issued during the year	32,174	-	-	32,174
Conversion of exchangeable shares (as per Zyber acquisition)	188,396	(188,396)	-	-
Total transactions with owners	220,569	(188,396)	-	32,174
Balance at 30 June 2018	7,942,444	3,962,329	(10,916,214)	988,559
Balance at 1 July 2018	7,942,444	3,962,329	(10,916,214)	988,559
Loss for the year	-	-	(843,039)	(843,039)
Other comprehensive loss for the year	-	(3,618)	-	(3,618)
Total comprehensive loss for the year	-	(3,618)	(843,039)	(846,657)
Transactions with owners, in their capacity as owners				
Balance at 30 June 2019	7,942,444	3,958,711	(11,759,253)	141,902

The accompanying notes form part of these financial statements.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019**

	Note	Consolidated	
		2019	2018
		\$	\$
Cash flows from operating activities			
Interest received		3,210	19,949
Payments to suppliers and employees		(422,148)	(795,444)
Net cash used in operating activities	21	(418,938)	(775,495)
Cash flows from financing activities			
Proceeds from issue of shares		-	32,174
Net cash provided by financing activities		-	32,174
Cash flows from investing activities			
Related party loan provided	12	(550,000)	-
Net cash used in investing activities		(550,000)	-
Net decrease in cash and cash equivalents		(968,938)	(743,321)
Cash and cash equivalents at beginning of financial year		1,001,728	1,745,049
Cash and cash equivalents at end of financial year	10	32,790	1,001,728

The accompanying notes form part of these financial statements.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

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

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

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

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

As disclosed in the financial statements, the consolidated entity incurred a net loss for the year of \$843,039 and a net cash outflows from operating and investing activities of \$418,938 and \$550,000 respectively for the year ended 30 June 2019.

The Directors have prepared a cash flow forecast, which indicates that the ability of the consolidated entity to continue as a going concern is primarily dependent on securing additional funding through capital raisings.

These factors indicate a material uncertainty which may cast significant doubt as to whether the consolidated entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that there are reasonable grounds to believe that the consolidated entity will be able to continue as a going concern, after consideration of the following factors:

1. Subsequent to the reporting date, \$100,000 repayment was received pursuant to the related party loan receivable;
2. Subsequent to the reporting date, in accordance with the circular resolution of the board of directors dated 23 October 2019, the payable amount of \$254,530 owing to the director, George Hatzipapas as at 30 June 2019 and \$37,500 for the quarter ended 30 September 2019 will be set off against the related party loan receivable;
3. Subsequent to the reporting date, in accordance with the circular resolution of the board of directors dated 11 October 2019, the payable amount of \$23,288 owing to the non-executive director, John Tomaras and the company secretary, Henry Kinstlinger as at 30 June 2019 and \$27,500 for the quarter ended 30 September 2019 owing to the non-executive directors and company secretary will be settled through the issue of shares in the Company, subject to prior shareholder approval at a meeting of shareholders;
4. The Directors are actively pursuing a program to meet the compliance obligations of ASX for relisting and plan to raise further funds through capital raisings as and when required and expects the support from its major shareholders; and
5. The consolidated entity has the ability to curtail its activities in order to conserve cash.

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Policies

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

(a) Principles of Consolidation

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

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

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

(b) Income Tax

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

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

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

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

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

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Income Tax (continued)

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

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

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

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

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

(c) Current and non-current classification

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

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

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

(d) Other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Other financial assets (Continued)

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

(e) Provisions

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

(f) Cash and Cash Equivalents

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

(g) Revenue

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Revenue (Continued)

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(h) Intangible assets

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

Intellectual property	7 years
-----------------------	---------

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

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

(i) Trade and Other Payables

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

(j) Goods and Services Tax (GST)

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

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

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

(k) Finance costs

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

(l) Foreign currency translation

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

Foreign currency transactions

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

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Foreign currency translation (Continued)

Foreign operations

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

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

(m) Earnings per share

Basic earnings per share

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

Diluted earnings per share

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

(n) Comparative Figures

The comparative financial information presented as of and for the twelve months ended 30 June 2018.

(o) Employee Benefits

Short-term employee benefits

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

(p) Issued Capital

Ordinary shares are classified as equity.

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

(q) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Critical Accounting Estimates and Judgments

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

Key Estimates

(i) Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Key Judgments

There are no judgements and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(s) New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 9 Financial Instruments

The consolidated entity has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

Impact of adoption

There is immaterial impact on transactions and balances recognised in the financial statements.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) New or amended Accounting Standards and Interpretations adopted (Continued)

AASB 15 Revenue from Contracts with Customers

The consolidated entity has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Impact of adoption

There is immaterial impact on transactions and balances recognised in the financial statements.

NOTE 2 New Accounting Standards for Application in Future Periods

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2019. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the company, is set out below.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The consolidated entity will adopt this standard from 1 July 2019 and its impact on adoption is immaterial to the financial statements.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 3 OTHER INCOME

	2019	Consolidated 2018
	\$	\$
Other income		
Interest received - bank	3,210	19,949
Interest accrued - related party loan receivable	1,537	-
	<u>4,747</u>	<u>19,949</u>

NOTE 4 CONSULTING EXPENSES

	2019	Consolidated 2018
	\$	\$
Accounting & audit fees	29,500	61,302
Company secretarial	53,989	19,890
Corporate advice	-	196,383
Legal fees	91,714	49,474
Technical	172,050	296,477
	<u>347,253</u>	<u>623,526</u>

NOTE 5 OTHER EXPENSES

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

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 6 INCOME TAX EXPENSE

	2019	Consolidated 2018
	\$	\$
(a) Recognised in the income statement:		
Current tax	-	-
Deferred tax	-	-
Income tax as reported in the statement of profit or loss and other comprehensive income	-	-
(b) Reconciliation of income tax expense to prima facie tax payable		
Loss from ordinary activities before income tax expense	(843,039)	(934,699)
Prima facie tax benefit on loss from ordinary activities before income tax at 30 % (2018: 30%)	(252,912)	(280,410)
Increase in income tax due to:		
- Non-deductible expenses	43,682	235,981
- Other assessable income	-	-
- Current year tax losses not recognised	115,015	(14,745)
- Movement in unrecognised temporary differences	94,215	59,174
Decrease in income tax expense due to:		
- Deductible equity raising costs	-	-
Income tax attributable to operating loss	-	-
(c) Deferred tax assets/ (liabilities) not brought to account are		
Deductible Temporary Differences	3,253	145
Tax Revenue Losses	3,284,915	3,065,570
Tax Capital Losses	2,097,539	2,097,539
Total Unrecognised deferred tax assets	5,385,707	5,163,254

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 6 INCOME TAX EXPENSE (Continued)

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

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

The 2019 financial statements disclosed that Zyber Holdings Limited and its wholly-owned Canadian controlled entities were consolidated for the tax purposes.

NOTE 7 KEY MANAGEMENT PERSONNEL COMPENSATION

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the consolidated entity's key management personnel for the year ended 30 June 2019 and 30 June 2018.

	Consolidated	
	2019	2018
	\$	\$
Short-term employee benefits	291,031	36,099
Post-employment benefits	-	855
	291,031	36,954
	291,031	36,954

NOTE 8 AUDITOR'S REMUNERATION

The auditor of Zyber Holdings Limited is RSM Australia Partners. Remuneration of the auditor for:

- Auditing or reviewing the financial report of the entity and any other entity of the consolidated entity – RSM Australia Partners

	Consolidated	
	2019	2018
	\$	\$
	31,000	32,850
	31,000	32,850

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 9 LOSS PER SHARE

	2019	Consolidated 2018
Basic loss per share (cents)	(0.13)	(0.14)
Diluted loss per share (cents)	(0.13)	(0.14)
	2019	2018
	\$	\$
(a) Loss for the year	(843,039)	(934,699)
Loss used to calculate basic loss per share	(843,039)	(934,699)
Loss used to calculate diluted loss per share	(843,039)	(934,699)
	Number	Number
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic loss per share	650,759,725	648,051,364
Weighted average number of ordinary shares outstanding during the year used in calculating diluted loss per share	650,759,725	648,051,364

As the consolidated entity is in a loss position, the diluted loss per share calculation excludes the dilutive effect of the options issued during the year ended 30 June 2018 and 30 June 2019.

NOTE 10 CASH AND CASH EQUIVALENTS

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

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

NOTE 11 TRADE AND OTHER RECEIVABLES

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

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

Allowance of expected credit losses

The consolidated entity did not recognise any losses (2018: Nil) in profit or loss in respect of the expected credit losses for the year ended 30 June 2019.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 12 RELATED PARTY LOAN RECEIVABLE

	2019	Consolidated 2018
	\$	\$
CURRENT		
Related party loan receivable	551,537	-
	551,537	-

On 27 May 2019, a loan of \$550,000 was offered to Mr Hatzipapas.

The loan is repayable no later than 31 December 2019 and accrues interest of 3% fixed for the term of the loan. An amount of \$1,537 has been included in interest income for the current year in relation to this loan receivable.

Refer to Note 22 for further details.

Credit Risk

The consolidated entity has no significant concentration of credit risk with respect to any single counter party or group of counter parties other than those receivables specifically provided for and mentioned within Note 12. The class of assets described as related party loan receivables are considered to be the main source of credit risk related to the consolidated entity as at 30 June 2019.

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

Consolidated	Gross Amount \$	Past due and impaired \$	Past due but not impaired (days overdue)				Within initial trade terms \$
			<30 \$	31-60 \$	61-90 \$	>90 \$	
2019							
Related party loan receivable	551,537	-	-	-	-	-	551,537
Other receivables	51,672	-	-	-	-	-	51,672
Total	603,209	-	-	-	-	-	603,209

Consolidated	Gross Amount \$	Past due and impaired \$	Past due but not impaired (days overdue)				Within initial trade terms \$
			<30 \$	31-60 \$	61-90 \$	>90 \$	
2018							
Other receivables	24,057	-	-	-	-	-	24,057
Total	24,057	-	-	-	-	-	24,057

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 13 OTHER ASSETS

	2019	Consolidated 2018
	\$	\$
Prepayments ¹	9,158	24,518
	9,158	24,518

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

NOTE 14 INTANGIBLE ASSETS

	2019	Consolidated 2018
	\$	\$
License agreements		
Cost	10,382	10,382
Amortisation	(10,382)	(10,382)
	-	-

NOTE 15 TRADE AND OTHER PAYABLES

	2019	Consolidated 2018
	\$	\$
CURRENT		
Unsecured liabilities		
Trade payables	80,701	4,344
Accrued expenses ¹	421,540	20,500
Other payables	1,014	36,900
	503,255	61,744

¹ Accrued expenses include an amount of \$254,530 (2018: Nil) that will be offset against a related party loan receivable, pursuant to the board of director's circular resolution dated 23 October 2019 and \$23,288 of non-executive director fees and company secretarial fees that are to be settled in shares following shareholder approval, pursuant to the board of director's circular resolution dated 11 October 2019.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 16 ISSUED CAPITAL

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

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

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At the shareholder meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

(b) Capital Management

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

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

There are no externally imposed capital requirements.

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

There have been no changes in strategy adopted by management to control the capital of the consolidated entity since 2018 financial year.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 17 RESERVES

	2019	Consolidated 2018
	\$	\$
Exchangeable Shares Reserve (a)	3,384,213	3,384,213
Options Reserve (b)	382,055	382,055
Foreign Currency Reserve (c)	192,443	196,061
	<u>3,958,711</u>	<u>3,962,329</u>

	Consolidated	
(a) Exchangeable Shares Reserve	Number	\$
At 1 July 2017	85,318,203	3,572,609
Shares exchanged for Zyber Holdings Limited shares	(4,499,136)	(188,396)
At the end of the reporting year – 30 June 2018 and 30 June 2019	<u>80,819,067</u>	<u>3,384,213</u>

Exchangeable shares are non-voting, convertible, redeemable, preferred shares in the capital of 1050494 B.C. Ltd. Each exchangeable share is exchangeable for one ordinary share in Zyber Holdings Limited at the election of the holder before 16 February 2021. Exchangeable shares are subject to an escrow period of at least 12 months and no more than 24 months since the date of the acquisition of Zyber Secure Mobile Solutions Inc. During the prior financial year, 4,499,136 exchangeable shares were exchanged for Zyber Holdings Limited shares.

(b) Options Reserve	Number	\$	Weighted Average Exercise Price (\$)
Options outstanding as at 1 July 2017	303,692,623	382,055	0.016
Expiry of unlisted options @ \$0.30 expiring on 1/12/2017	(9,969,062)	-	0.016
Issue of Fully Paid Options upon exercise of \$0.012 listed option	(2,681,118)	-	0.016
Options outstanding as at 30 June 2018	291,042,443	382,055	0.013
Expiry of unlisted options @ \$2.50 expiring on 30/11/2018	(200,000)	-	0.013
Options outstanding as at 30 June 2019	<u>290,842,443</u>	<u>382,055</u>	<u>0.013</u>

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

NOTE 18 CAPITAL AND OTHER COMMITMENTS

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

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 19 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent Assets

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

Contingent Liabilities

On 5 September 2019, a legal action was commenced by Bank of Montreal against a subsidiary of the Company, Zyber Secure Mobile Solutions Inc, in the Supreme Court of British Columbia at Vancouver, Canada, claiming CAD25,161 over credit allegedly provided to the subsidiary in excess of the agreed credit limit on a Mastercard in respect of unauthorised transactions. In accordance with legal advice received by the subsidiary's legal representatives in the action, the subsidiary has denied liability and is defending the action. In addition to provisions being made for the disputed claim and the subsidiary's costs of defending the claim, the Company has made provisions for the subsidiary's potential liability for the claimant's costs of the action, should the subsidiary be unsuccessful in its defence.

During the financial year ended 30 June 2019, a legal action was commenced by Noorani Systems Corp against a subsidiary of the Company, Zyber Secure Mobile Solutions Inc, in the Provincial Court of British Columbia (Small Claims Court) at Vancouver, Canada, claiming CAD26,486 in respect of IT consulting services allegedly provided to the subsidiary. In accordance with legal advice received by the subsidiary's legal representatives in the action, the subsidiary has denied liability and is defending the action. In addition to provisions being made for the disputed claim, the Company has made provisions for the subsidiary's costs of defending the claim. No provision has been made in respect of the claimant's costs of the action, should the subsidiary be unsuccessful in its defence, as such costs are not ordinarily not recoverable in the Small Claims Court.

On the 10 September 2019, a claim by way of a creditor's statutory demand was made against the Company by Mrs Terri-Anne Bakos in the amount of AUD10,051 in respect of company secretary services allegedly provided to the Company. In accordance with legal advice received by the Company's legal representatives, the Company has denied liability, has commenced proceedings to set aside the creditor's statutory demand, will be defending any recovery legal action that Mrs Bakos may be taking, and cross-claiming against her for damages suffered by the Company as a result of Mrs Bakos' breach of contract and/or breach of duty of care.

On 21 September 2018, the Company received a statutory demand from Mr Geoff Gander, a previous director of the Company for the amount of \$50,239. Prior to receipt of this letter on 21 September 2018, Zyber had no knowledge of the proceedings or been effectively served any notice of the proceedings. On 22 May 2019, the Company paid Mr Geoff Gander \$36,300 as settlement of Mr Gander's claim. The matter is now closed.

There are no other contingent liabilities as at 30 June 2018.

NOTE 20 OPERATING SEGMENTS

Segment Information

Identification of reportable segments

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

Following adoption of AASB 8, the identification of the consolidated entity's reportable segments has not changed. During the prior year, the consolidated entity considers that it has only operated in one segment, being the development of computer software and services of secure file synchronisation and sharing solution in Canada. During the current year, the operating segment was moved to Australia, but the consolidated entity still only operating in this one segment.

The consolidated entity is domiciled in Australia.

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 21 CASH FLOW INFORMATION

	Note	2019 \$	Consolidated 2018 \$
(a) Reconciliation of cash			
Cash at bank and on hand	10	32,790	1,001,728
(b) Reconciliation of Cash Flow from Operations with Loss after Income Tax			
Loss after income tax		(843,039)	(934,699)
Non-cash flows in loss			
Amortisation of intangible		-	7,682
Foreign exchange gain		-	(11,277)
Changes in assets and liabilities:			
Trade and other receivables		(27,615)	(9,485)
Other assets		15,360	221,682
Trade payables and accruals		436,356	(49,398)
Cash flow used in operations		(418,938)	(775,495)

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 22 EVENTS AFTER THE REPORTING PERIOD

On 8 August 2019, Mr Richard Hoffman resigned as Non-Executive Director and Mr Ted Tzoyaras was appointed Non-Executive Director on 14 August 2019.

On 11 October 2019, the Board of Directors resolved to:

- Fix the gross annual remuneration for George Hatzipapas for Executive management services at \$90,000, effective 21 February 2018 and the director is also to receive \$60,000 gross per annum in his capacity as Chairman of the Company, effective 15 May 2018;
- Fix the gross annual remuneration for each non-executive director at \$25,000 per annum. It was further resolved that the total remuneration payable to non-executive directors will be through the issue of 148,810 fully paid ordinary shares in the Company at a deemed issue price of approximately 1.4 cents per share for each month or part thereof, subject to prior shareholder approval at a meeting of shareholders, consistent with the Listing Rules. In the event shareholders do not approve the issue of shares, the amount accrued at the date of the meeting of shareholders will be paid in cash from working capital.
- Fix the gross annual remuneration for the Company Secretary to \$60,000 per annum. It was further resolved that the total remuneration payable to the Company will be through the issue of 357,150 fully paid ordinary shares in the Company at a deemed issue price of approximately 1.4 cents per share for each month or part thereof, subject to prior shareholder approval at a meeting of shareholders, consistent with the Listing Rules. In the event shareholders do not approve the issue of shares, the amount accrued at the date of the meeting of shareholders will be paid in cash from working capital.

On 27 May 2019, a loan of \$550,000 was offered to Mr Hatzipapas.

The loan is repayable no later than 31 December 2019 and accrues interest of 3% fixed for the term of the loan. An amount of \$1,537 has been included in interest revenue for the current year in relation to this loan receivable.

On 10 September 2019, \$5,000 of the loan has been repaid and on 27 September 2019, \$95,000 of the loan has been repaid.

On 23 October 2019, the Board of Directors resolved that the related party loan be reduced by an amount of \$233,336 representing the accrued remuneration fees from 21 February 2018 to 30 September 2019. It was also resolved that the related party loan be reduced by an amount of those expenditures for reimbursements by the company and as approved by the Board of Directors. The remaining amount receivable pursuant to this resolution is \$159,507.

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

NOTE 23 RELATED PARTY TRANSACTIONS

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

i. Key management personnel:

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

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

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

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

iii. Other related parties

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

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 23 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Transactions with related parties:

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

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

a) The following transactions occurred with related parties:

	2019	Consolidated 2018
	\$	\$
<i>Payments for goods and services</i>		
Payment for general legal advice from Steinepreis Paganin ¹	-	15,484
Payment for consultancy services from Geocal Constructions ²	6,761	-
	6,761	-

¹ Steinepreis Paganin, a company related to Mr Peter Wall. Mr Wall resigned as a director on 22 January 2018.

² Mr George Calliontis is a director of Geocal Constructions Pty Ltd. Mr Calliontis resigned as a director on 30 November 2018.

- b) There are no outstanding balances arising from sales/purchases of goods and services and transactions.
- c) Loan to Directors and their related parties

On 27 May 2019, a loan of \$550,000 was offered to Mr Hatzipapas.

The loan is repayable no later than 31 December 2019 and accrues interest of 3% fixed for the term of the loan. An amount of \$1,537 has been included in interest revenue for the current year in relation to this loan receivable.

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

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

NOTE 24 FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies

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

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

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

	2019	Consolidated 2018
	\$	\$
Financial Assets		
Cash and cash equivalents	32,790	1,001,728
Trade and other receivables	51,672	24,057
Related party loan receivable	551,537	-
Total Financial Assets	635,999	1,025,785
Financial Liabilities		
• Trade and other payables	503,255	61,744
Total Financial Liabilities	503,255	61,744

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 24 FINANCIAL RISK MANAGEMENT (Continued)

Specific Financial Risk Exposures and Management

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

a. Credit risk

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

Credit Risk Exposures

The consolidated entity has no significant concentration of credit risk with any single counterparty or group of counterparties, other than the related party loan receivable as detail in Note 12. Details with respect to credit risk of related party loan receivables and trade and other receivables is provided in Note 12.

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

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

	Consolidated	
	2019	2018
	\$	\$
Cash and cash equivalents		
• AA Rated	32,790	1,001,728
	32,790	1,001,728

b. Liquidity risk

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

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

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

Financial liability and financial asset maturity analysis

2019	Weighted Average Interest Rate	1 year or less \$	Between 1 & 2 years \$	Between 2 & 5 years \$	Total \$
Non Derivatives					
<i>Financial Assets</i>					
Trade and Other Receivables	-%	32,790	-	-	32,790
Related Party Loan Receivable	3%	551,537	-	-	551,537
<i>Financial Liabilities</i>					
Trade Payables	-%	503,255	-	-	503,255
Net Financial Assets		81,072	-	-	81,072

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 24 FINANCIAL RISK MANAGEMENT (Continued)

2018	Weighted Average Interest Rate	1 year or less \$	Between 1 & 2 years \$	Between 2 & 5 years \$	Total \$
Non Derivatives					
<i>Financial Assets</i>					
Trade and Other Receivables	-%	24,057	-	-	24,057
<i>Financial Liabilities</i>					
Trade Payables	-%	61,744	-	-	61,744
Net Financial Liabilities		(37,687)	-	-	(37,687)

c. Market risk

i. Interest rate risk

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

ii. Market price risk

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

Sensitivity Analysis

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

Year ended 30 June 2019	Consolidated	
	Profit \$	Equity \$
+/- 1% interest rate	+/- 328	+/- 328

Year ended 30 June 2018	Consolidated	
	Profit \$	Equity \$
+/- 1% interest rate	+/- 10,017	+/- 10,017

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

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 25 SHARE-BASED PAYMENTS

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

A summary of company options on issue are as follows:

	Number	Weighted Average Exercise Price
Options outstanding as at 30 June 2019	290,842,443	\$0.05/\$0.012
Options exercisable as at 31 October 2019	29,920,000	\$0.05
Options exercisable as at 31 October 2019	260,922,443	\$0.012
	Number	Weighted Average Exercise Price
Options outstanding as at 30 June 2018	291,042,443	\$2.50/\$0.05/\$0.012
Options exercisable as at 30 November 2018	200,000	\$2.50
Options exercisable as at 31 October 2019	29,920,000	\$0.05
Options exercisable as at 31 October 2019	260,922,443	\$0.012

The weighted average remaining contractual life of options outstanding as of 30 June 2019 was 0.34 years (2018: 0.63 years).

NOTE 26 CONTROLLED ENTITIES

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

	Country of Incorporation	Percentage Owned (%)	
		30 June 2019	30 June 2018
Parent entity			
Zyber Holdings Limited	Australia		
Name of controlled entity			
Zyber Secure Mobile Solutions Inc	Canada	100	100
1050494 B.C. Ltd	Canada	100	100

**ZYBER HOLDINGS LIMITED
AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 27 PARENT INFORMATION

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

STATEMENT OF FINANCIAL POSITION

	2019	2018
	\$	\$
ASSETS		
Current Assets	645,156	1,013,816
Non-Current Assets	-	-
TOTAL ASSETS	645,156	1,013,816
LIABILITIES		
Current Liabilities	(443,677)	(21,514)
TOTAL LIABILITIES	(443,677)	(21,514)
NET ASSETS	201,479	992,302
EQUITY		
Issued Capital	7,942,444	7,942,444
Reserve	3,766,268	3,766,268
Accumulated losses	(11,507,233)	(10,716,410)
TOTAL EQUITY	201,479	992,302

STATEMENT OF FINANCIAL PERFORMANCE

	2019	2018
	\$	\$
Loss for the year	(790,823)	(919,678)
Other comprehensive loss	-	-
Total comprehensive loss	(790,823)	(919,678)

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

Refer to note 19 to the financial statements for contingent liabilities.

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

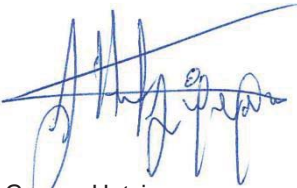
In accordance with a resolution of the directors of Zyber Holdings Limited, the directors of the company declare that:

1. the financial statements and notes are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the consolidated entity as at 30 June 2019 and of its performance, for the year ended on that date; and
 - (ii) complying with Accounting Standards (including International Financial Reporting Standards) and the Corporations Regulations 2001;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

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

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



George Hatzipapas
Executive Chairman

Dated this 4 November 2019



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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ZYBER HOLDINGS LIMITED**

Qualified Opinion

We have audited the financial report of Zyber Holdings Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, except for the matter described in the Basis for Qualified Opinion section of our report, 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 2019 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Qualified Opinion

As at 30 June 2019, the Group had a related party loan receivable balance of \$551,537. We were unable to obtain sufficient appropriate evidence on the valuation of the loan receivable balance as the directors of the Company have been unable to provide an assessment on the recoverability of the amount as at 30 June 2019. Consequently, we were unable to determine whether any adjustments to this amount were necessary.

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

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's report.

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

THE POWER OF BEING UNDERSTOOD
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RSM Australia Partners ABN 36 965 185 036

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Material Uncertainty Related to Going Concern

Without further modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss of \$843,039 and had net cash outflows from operating and investing activities of \$418,938 and \$550,000 respectively for the year ended 30 June 2019. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not further modified in respect of this matter.

Key Audit Matters

Except for the matters described in the Basis for Qualified Opinion section, of our report and in the Material Uncertainty Related to Going Concern section of our report, we have determined that there are no other key audit matters to be communicated in our report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Zyber Holdings Limited, for the year ended 30 June 2019, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM
RSM AUSTRALIA PARTNERS


ALASDAIR WHYTE
Partner

Perth, WA
Dated: 4 November 2019

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

The following additional information is required by the Australian Securities Exchange Ltd in respect of listed public companies only. The information is current as at 1 November 2019.

1. Shareholding

a. Distribution of Shareholders

(i) *Ordinary share capital*

650,759,725 fully paid shares held by 2,058 shareholders. All issued ordinary share carry one vote per share and carry the rights to dividends.

Category (size of holding)	Class of Equity Security	
	Number of Holders	Fully Paid Ordinary Shares
1 - 1,000	755	143,744
1,001 – 5,000	108	273,256
5,001 – 10,000	74	581,394
10,001 – 100,000	683	33,613,671
100,001 – and over	438	616,147,660
	2,058	650,759,725

(ii) *Listed Options*

At the date of this report, the Company had no listed options.

b. The number of shareholdings held in less than marketable parcels is 1,212.

c. The Company has the following substantial shareholders listed in the holding company's register at the date of this report:

Holder	Number	% of held issued capital
- GAKS INVESTMENT HOLDINGS PTY LTD <GAKS HOLDINGS A/C>	129,905,345	19.96%
- OTIS DEVELOPMENTS PTY LTD	42,450,000	6.52%

d. Voting Rights

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

Ordinary shares

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

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

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

	Name	Number Held	Percentage %
1	GAKS INVESTMENT HOLDINGS PTY LTD <GAKS HOLDINGS A/C>	116,805,486	17.95%
2	OTIS DEVELOPMENTS PTY LTD	42,450,000	6.52%
3	MISS KRYSTAL VALENTINA HATZIPAPAS	25,550,000	3.93%
4	JUSTIN PUDDICK UPHOLSTERY PTY LTD <MAYFAIR SUPER FUND A/C>	24,450,000	3.76%
5	MR JUSTIN FRANK PUDDICK	20,000,000	3.07%
6	SACCO DEVELOPMENTS AUSTRALIA PTY LIMITED <THE SACCO FAMILY A/C>	16,596,117	2.55%
7	SOLUTIONS LIMITED	14,347,500	2.20%
7	MR JOHN FORRESTER	14,347,500	2.20%
8	BENEFICO PTY LTD	14,000,000	2.15%
9	RIMOYNE PTY LTD	12,300,000	1.89%
10	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED -A'C 2	11,766,969	1.81%
11	GAKS INVESTMENT HOLDINGS PTY LTD <GAKS INVESTMENT A/C>	10,333,154	1.59%
12	MR ANTONY WILLIAM PAUL SAGE & MRS LUCY FERNANDES SAGE <EGAS SUPER FUND A/C>	10,000,000	1.54%
13	MRS LUIGINA IVORY	8,169,317	1.26%
14	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	6,794,761	1.04%
15	MISHTALEM PTY LTD	6,457,928	0.99%
16	MR SCOTT ADRIAN MISON <THE SCOTT MISON SUPER A/C>	5,500,000	0.85%
17	BL CAPITAL PTY LTD <PAVLOVSKI FAMILY A/C>	5,000,000	0.77%
17	MR ANTONY WILLIAM PAUL SAGE & MRS LUCY FERNANDES SAGE <EGAS SUPER FUND A/C>	5,000,000	0.77%
17	DYAMOND DEVELOPMENTS PTY LTD	5,000,000	0.77%
18	MRS WENDY ELIZABETH AXFORD	4,950,000	0.76%
18	MISS KRYSTAL VALENTINA HATZIPAPAS	4,950,000	0.76%
19	MZA HOLDINGS PTY LTD	4,350,000	0.67%
20	MS HELEN HIGGINSON	4,050,000	0.62%

2. The Name of the Company Secretary is Henry Kinstlinger.

3. The address of the registered office and principal place of business in Australia:

Suite 5, Level 12
53 Martin Place
Sydney NSW 2000
Ph: +61 (0)474 455 529

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

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

5. **Stock Exchange Listing**

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

6. **Restricted Securities**

The Company has no restricted securities on issue.

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

7. Unquoted Securities

The Company has no unquoted securities on issue as at the date of this report.