

Executive Chairman
George Hatzipapas

Non-Executive Director
Richard Mark Hoffman
John Tomaras

Company Secretary
Henry Kinstlinger

ASX ANNOUNCEMENT

31 July 2019

ZYBER UPDATE FOR THE QUARTER ENDING 30TH JUNE 2019 & APPENDIX 4C

Zyber Holdings Limited (ASX: ZYB) (Zyber or Company) is pleased to provide an update on the Company's activities, as well as the Appendix 4C for the quarter ended 30 June 2019.

- **Zyber conducted a review of its products and internal processes to guide future strategies**
- **5 Adaptions of the Zyber Client product are highly developed**
- **Web App has most features implemented**
- **iOS Client working at high level; Android App potential to extend capabilities**

The Company has completed a review of its products and internal processes, which has highlighted key strengths as well as actionable insights as to future strategies.

Products

In assessing the current 5 adaptations of the Zyber Client product, the review concluded that most were highly developed. Specifically, the Desktop Client has been developed at a high level, including the ability to synchronise files. The Web App was also highly developed, with most required features implemented. The iOS Client was working at a high level, while the Android App, which currently caters for the uploading of files, had the potential to extend its capabilities. The pathway to implementation of a blockchain solution is being specified.

Detailed user manuals are being developed.

Blockchain Solution

The review suggested the merits of leveraging a blockchain network for Zyber's file-sharing technology, Zyber Secure Control. Blockchain allows for the decentralised encryption of files, providing greater security from hackers. Such a feature would be valuable to Zyber's products.

Zyber has initiated steps to implement the blockchain solution, including work on creating a smart contract, conceptualizing 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.

For further information please contact:

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Company Secretary
Zyber Holdings Limited

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About Zyber

Zyber Secure Mobile Solutions (www.zyber.com) builds secure file sharing business applications with an emphasis on security, scalability and functionality. Zyber automates confidential information flow processes for industries including government, banking, healthcare, retail and the public sector.

Zyber was initially listed on ASX as a business developing a secure, easy to install, mobile communication platform that allows users to transact, share data and collaborate across multiple devices and operating systems. The design of the software platform has departed from its original development objectives, which included 4 stages beginning with USB virtual desktop and ending with mobile touch virtualization. Zyber is now developing a proof of concept that will provide end-to-end encryption using blockchain technology.

Zyber has not proceeded with its previous plans to prepare provisional patent applications and will consider the most appropriate means of protection given the software's stage of development and its budget.

Social Media Policy

We believe in providing the highest levels of communications, and whilst the ASX remains the platform for market sensitive releases, we encourage all shareholders to follow Zyber on Twitter (@myzyber), LinkedIn and YouTube.

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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Zyber Holdings Limited

ABN

84 131 090 947

Quarter ended ("current quarter")

30 June 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(145)	(198)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	-	-
(f) administration and corporate costs	(55)	(142)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (potential business opportunity)	-	(10)
Other (legal settlement)	(36)	(36)
1.9 Net cash from / (used in) operating activities	(235)	(383)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-

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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	(550)	(550)
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details)	-	-
2.6 Net cash from / (used in) investing activities	(550)	(550)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	-

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	818	966
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(235)	(383)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(550)	(550)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	33	33

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	33	818
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	33	818

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
-
-

No director fees were paid during the quarter. The directors have resolved to receive remuneration through the issue of shares, subject to approval of shareholders.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
(550)

During the quarter a loan of \$550,000 was offered to director George Hatzipapas under the provisions of Section 210 of the Corporations Act 2001.

The loan is repayable no later than 31 December 2019 and accrues interest of 3% fixed for the term of the loan. The loan is secured through a PPSR charge over securities to a value of \$630,000.

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at - quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	50
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	-
9.6 Administration and corporate costs	10
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	60

Note: The Company will embark on a capital raise to secure additional funds before payments become due or payable. The directors have a reasonable expectation that they will be successful.

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

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Compliance statement

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



Sign here:
Executive Chairman

Date: 31 July 2019

Print name:George Hatzipapas.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

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