

Appendix 4E

ASX Preliminary Final Report

Name of entity	Data#3 Limited
ABN	31 010 545 267
Reporting period	Year ended 30 June 2025 (FY25)
Previous corresponding period	Year ended 30 June 2024 (FY24)

Results for announcement to the market

Results					\$
Revenues from ordinary activities	up	5.8%	to		863,245,000
Profit from ordinary activities after tax attributable to members	up	11.3%	to		48,194,000
Net profit for the period attributable to members	up	11.3%	to		48,194,000

Non-IFRS financial information

Gross sales and other revenue ¹	up	9.1%	to	3,003,706,000
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Reconciliation of non-IFRS information to IFRS figures		Year ended 30 June	
	Note	2025	2024
		\$'000	\$'000
Gross Sales and other revenue ¹		3,003,706	2,754,428
Adjustment for sales recognised as agent		(2,150,703)	(1,948,435)
Revenue	3	853,003	805,993

1. Gross Sales is non-IFRS financial information and does not represent revenue in accordance with Australian Accounting Standards. Gross Sales represent gross proceeds from the sale of goods and services whether as agent or principal. The directors believe this non-IFRS information provides investors with additional information for the analysis of Data#3's results of operations, particularly in evaluating performance from one period to another. Data#3's management uses non-IFRS financial measures to make operating decisions, and they facilitate additional internal comparisons of Data#3's performance to historical results and to competitors' results.

Dividends	Amount per Security	Franked amount per security
Current period		
Interim dividend	13.10 cents	13.10 cents
Final dividend	15.00 cents	15.00 cents
Previous corresponding period		
Interim dividend	12.60 cents	12.60 cents
Final dividend	12.90 cents	12.90 cents

The Record Date for determining entitlements to the dividend is 16 September 2025.

Appendix 4E (continued)

for the year ended 30 June 2025

Brief explanation of the figures reported above

In a highly competitive technology market with subdued economic conditions, Data#3 has achieved strong gross sales and profit growth, delivering record FY25 results. The company has also continued to enhance its financial position through strong cash flow and diligent management of its balance sheet.

Please refer to the attached audited Annual Financial Report for FY25 for the following information:

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

Retained profits

	Current year \$'000	Previous year \$'000
Retained profits at the beginning of financial period	61,782	56,373
Net profit attributable to members	48,194	43,311
Net transfers to and from reserves	-	-
Dividends provided for or paid	(40,276)	(37,902)
Other	-	-
Retained profits at end of financial period	69,700	61,782

Additional dividend information

Details of dividends declared or paid during or subsequent to the year ended 30 June 2025 are as follows:

Record date	Payment date	Type	Amount per security	Franked amount per security	Total dividend \$'000
16/09/2025	30/9/2025	Final	15.00 cents	15.00 cents	23,236
17/03/2025	31/3/2025	Interim	13.10 cents	13.10 cents	20,293
16/09/2024	30/09/2024	Final	12.90 cents	12.90 cents	19,983

Total dividend per security (interim plus final)

	Current year	Previous year
Ordinary securities	28.1 cents	25.5 cents

Dividend reinvestment plan

Not applicable.

Net tangible assets per security

	Current year	Previous year
Net tangible asset backing per ordinary security	\$0.46	\$0.40

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

Appendix 4E (continued)

for the year ended 30 June 2025

Control gained over entities having a material effect

Not applicable.

Loss of control of entities having a material effect

Not applicable.

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

Not applicable.

Compliance with IFRS

The attached Annual Financial Report complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Commentary on the results for the period

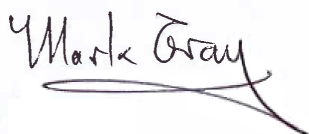
The results for FY25 reflect another strong performance, with basic earnings per share increasing by 11.1% to 31.12 cents, and total fully franked dividends increasing by 10.2% to 28.1 cents per share.

Please refer to the attached Operating and Financial Review for further information in relation to the results for the period.

Compliance statement

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

Signed:

A handwritten signature in black ink, appearing to read 'Mark Gray', with a stylized flourish underneath.

Mark Gray
Chair

Date: 25 August 2025

CHAIR'S LETTER TO SHAREHOLDERS

Dear Shareholder,

I am delighted to present you with Data#3 Limited's FY25 Annual Report.

The company has successfully navigated a year with challenging macro-economic conditions, under the strong leadership of Brad Colledge as Data#3's Managing Director and Chief Executive Officer. Brad has brought a renewed focus on solution development to the role, and his in-depth understanding of both the company and the industry has meant a smooth continuation of the company's evolution and growth trajectory.

Data#3 has delivered strong growth again this year, with record gross sales of over \$3 billion and pleasing improvements in our key financial metrics, such as recurring gross sales which increased to 69% (up from 67% in FY24) and our Internal Cost Ratio which improved from 80.6% in FY24 to 79.7% in FY25. These financial results reflect the continued relevance of the company's integrated solutions, in addition to its track record of adapting to new technologies and market changes with speed and agility. This is also supported by the company's consistent growth in sales and earnings over several years.

Data#3 is an active participant in both the local and global IT community, with participation in several industry conferences and vendor partner advisory councils in FY25. Data#3's own JuiceIT conference series reaffirmed its position as one of the premier technology events for decision-makers across Australia and Fiji. Spanning eight cities, including our first Sydney showcase, the series brought together over 3,700 attendees (including over 2,200 customer delegates) and featured 63 sponsors across the year. These numbers highlight the company's ongoing commitment to fostering strong relationships with both vendors and customers across the country.

During FY25, Data#3 received further recognition from its vendor partners in the form of various industry awards, including Cisco Customer Experience Partner of the Year for APJC ("Asia Pacific Japan and China") and the HP Greater Asia Partner of the Year Top Enterprise Reseller award. The company was also recognised for its ongoing commitment to sustainability, being named Schneider Electric Sustainability Champion of the Year, and also receiving the Frost & Sullivan Institute Enlightened Growth Leadership Best Practices Award.

These various awards not only recognise the sterling efforts of our exceptional staff but also provide external validation for customers as to the quality of our offerings.

Pleasingly, the company was also awarded Most Effective Shareholder Communications by the Australian Shareholders Association, highlighting its commitment to providing transparent and comprehensive market communications.

In terms of outlook, the IT market continues to grow, particularly in areas such as cloud computing, cyber security and Artificial Intelligence. Data#3 is well positioned to capitalise on the market opportunity before it, and in turn to continue to deliver sustainable earnings growth for its shareholders, consistent with the company's ongoing strategic objectives. We remain committed to growing recurring revenue, improving margins and accelerating growth in services, through our focus on adding value throughout the solution lifecycle.

Board changes

During the year, the Board announced the retirement of Leanne Muller as Non-Executive Director after 8 years of dedicated service, effective from the AGM in October 2024. Leanne made an enormous contribution to the Board and direction of the company during her tenure, and we thank her for her service.

Following a search process conducted with the assistance of independent recruitment consultants, Bronwyn Morris was appointed to the Board as Non-Executive Director and Chair of the Audit and Risk Committee in December 2024. Bronwyn has served as a non-executive director on multiple ASX-listed companies, unlisted companies and large government owned corporations for over 25 years and brings broad experience in setting strategic direction as well as expertise in finance, audit, corporate governance, risk and compliance.

The Board also advised that Susan Forrester stepped down as Non-Executive Director effective 30 April 2025, after having made a valuable contribution to the Board and the company for the previous three years.

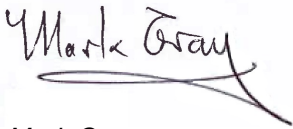
Subsequently, the Board embarked on a further formal search process, assisted by an independent recruitment consultant, to facilitate board renewal and was pleased to announce the appointment of Diana Eilert and Laurence Baynham as Non-Executive Directors effective 1 July 2025.

CHAIR'S LETTER TO SHAREHOLDERS

Diana is a highly experienced Director and senior executive with extensive experience in leading large-scale businesses. She has a strong background in technology and strategy, and particularly in customer, data and digital transformations. We are delighted to welcome her to the Data#3 board of directors.

Laurence brings over 40 years of experience and is highly respected in the Australian and international information technology sector. Having spent nearly 30 years with Data#3, including serving as Managing Director for 8 years until February 2024, he led the company through a period of significant growth, and brings a distinctive insight of the business to the Board.

I'd like to thank our Board, both outgoing and incoming members, for their continued support and guidance, and thank you to our shareholders for your loyalty and support.

A handwritten signature in dark ink, reading "Mark Gray", with a stylized flourish underneath.

Mark Gray
Chair

LETTER FROM THE CEO

Dear Shareholders,

It is our pleasure to report another record year for Data#3, delivering gross sales of over \$3 billion, and growth that exceeds the 2025 forecast growth rate of the Australian technology market.

Throughout FY25 we navigated ongoing global economic uncertainty, federal and state government elections and vendor program changes. Despite these challenges causing some delays in customer decision making, Data#3's business model held strong as we continued to harness the power of people and technology to deliver success for our customers.

Pleasingly, company earnings before tax increased 11.4% to \$69.1M this financial year, as we delivered solid gross sales growth of 9.0% and improved operating leverage, as evidenced by the reduction in our Internal Cost Ratio. As always, we could not have achieved this result without the hard work and dedication of our staff. Their commitment to delivering for each other and our customers is the backbone of our company and what makes Data#3 such a great place to work.

Performance and market conditions

Our Software Solutions business achieved another strong result, with gross sales exceeding \$2 billion for the first time and representing topline growth of almost 11% on the prior year. This was particularly pleasing given the previously announced changes to Microsoft's partner incentive programs, which came into effect from 1 January 2025. The Software Solutions result was underpinned by continued strength in the Public Sector and Education verticals, and some early success transitioning corporate customers from traditional Enterprise Agreements ("EA") to Cloud Solution Provider ("CSP") agreements.

Software Advisory Services have grown, as we continue to support the deployment, adoption and management of our customers' software, helping to drive efficiency across their software portfolios.

Our Infrastructure Solutions business experienced a challenging first half, impacted by delayed customer decision making, the Queensland election and slower than anticipated end user compute sales as customers postponed upgrades. The second half saw a rebound in all these areas, with sales of devices increasing as expected, driven by customers upgrading to Win 11 and AI PCs. Following the federal and Queensland elections, demand for network upgrades also increased as customers looked for faster, more manageable environments to access the cloud. As a result, Infrastructure Solutions gross sales finished more than 4% up for the financial year. Particularly pleasing were the improved gross margin and operating leverage achieved, as we maximised deal margins through a strong services approach, and gained operational efficiencies through automation and a business restructure during the first half.

Our Services business delivered another solid result with gross sales up almost 7% on FY24. This was driven by strong growth in our Managed and Maintenance Services businesses, which grew 25% and 9% respectively. Managed Services continued to win large enterprise managed services contracts particularly, in the mining industry. This was supported through the execution of our strategy, with a growing number of packaged managed services offerings across the device, network and server management. This growth was partly offset by subdued performance in People Solutions recruitment, Project Services and Business Aspect consulting. These areas were temporarily impacted by the state and federal elections this financial year, slower customer decision making around larger infrastructure projects, and reduced demand for both permanent and contract resources in a softer labour market.

Within our solution practices, we achieved solid growth in sales of security solutions, with increased demand for our local Security Operations Centre and managed services.

In the fast-evolving Artificial Intelligence ("AI") landscape, technology has already matured from applications to Agents. AI is complementary to our solutions and is becoming infused across all our vendor offerings, enabling customers to drive efficiencies and competitive advantage. Our Services team continues to see strong demand for Microsoft CoPilot workshops, creating opportunities for further consulting and customer engagements.

Strategy and Outlook

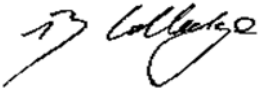
Our priorities for FY26 include further investment in lifecycle services, ensuring we add value throughout the solution lifecycle from consulting and advisory to procurement, deployment, adoption, operation and maintenance of our customers' environment. This will allow customers to continue to focus on their business priorities rather than the day-to-day challenges of managing their technology.

LETTER FROM THE CEO

Our outlook remains positive. While we expect Software Solutions growth to be under pressure in the short term as we manage through the Microsoft channel incentive transitions, we should see continued growth in our Infrastructure Solutions and Services businesses. There is opportunity across end user compute, the network and server and storage. Our managed service offerings continue to mature, providing the opportunity for more recurring revenue. All our offerings, across all lines of business, will benefit from the evolution and growth of AI. Data#3's internal adoption of AI should increase our operational efficiency by improving our systems and processes to deliver our world class offerings to our customers.

Lower inflation and interest rates are expected to improve customer sentiment, and we don't expect the supply chain constraints we have seen in previous years. We have a growing market and remain well positioned to deliver sustained growth.

I'd like to thank our Board, and Shareholders, for your ongoing support of our company, and we look forward to delivering on our strategy and the market opportunity that lies before us.



Brad Colledge

Managing Director and Chief Executive Officer

Operating and Financial Review

	FY25 \$'000	FY24 \$'000	% Change
Gross Sales	3,003,362	2,754,181	9.0%
IFRS adjustments	(2,150,703)	(1,948,435)	
Other revenue	344	247	
Total statutory revenue	853,003	805,993	5.8%
Total gross profit (excluding interest income)	289,719	270,091	7.3%
<i>Total margin on gross sales</i>	<i>9.6%</i>	<i>9.8%</i>	
Finance income	10,242	9,690	5.7%
NPBT	69,119	62,073	11.4%
NPAT	48,194	43,311	11.3%
Basic earnings per share	31.12 cents	28.00 cents	11.1%
Dividend per share	28.10 cents	25.50 cents	
<i>Dividend payout ratio</i>	<i>90.3%</i>	<i>91.1%</i>	

Review of Operations

Data#3's business is structured around three functional areas – Software Solutions, Infrastructure Solutions and Services – operating across eight regions. Business Aspect, our consulting business, operates independently but within the Data#3 structure.

Our technology solutions are broadly categorised into the following areas:

- Hybrid Cloud – highly secure data centre solutions to improve business efficiency, reduce costs and scale customers' technology requirements in hybrid IT environments
- Modern Workplace – solutions to optimise our customers' IT environment and assist them to realise the full value of their technology assets
- Security – solutions designed to help our customers navigate the complexities of cyber security and a changing threat landscape
- Data, Analytics and AI – solutions designed to enhance visibility and control over customers' data to enable them to make faster, more accurate business decisions
- Connectivity – solutions to enable customers to seamlessly connect to business networks and information – anywhere, any time and on any device.

Operational Overview

Our Software Solutions business delivered another strong sales result of over \$2 billion this financial year, despite the changes to Microsoft's partner incentive programs that came into effect from 1 January 2025. In line with Microsoft's incentive programs, our Software business has continued to increase its focus on Azure migrations and consumption, and security offerings such as Microsoft E5. We are also focused on expanding in the Small and Medium Enterprise ("SME") sector. In addition, we have started to transition corporate customers from traditional Enterprise Agreements ("EA") to Cloud Solution Provider ("CSP") agreements and are transitioning to a fee for service model for new or renewed EAs.

Our Infrastructure Solutions business underperformed in the first half of FY25 - impacted by state and federal election cycles and delayed customer decision making relating to economic factors. Encouragingly, this turned around in the second half of FY25, supported by improved consumer sentiment and a strong finish from our Queensland Public Sector business. Sales of network and security products were also strong in the second half. End user compute gross profit grew 17% in FY25, as we capitalised on device upgrades to ensure Windows 11 compatibility in addition to device refresh cycles.

Operating and Financial Review (continued)

Our Managed Services business grew by 25% this year, a great result as we continued to onboard new customers and contracts and gained market share in the resources sector. We invested in some technical delivery roles in the second half which will generate a return over the coming years. We also maintained our Expert Managed Services Provider ("MSP") and ISO 270001 certifications, designed a Managed XDR ("MXDR") solution and prepared to take Software-Defined Wide Area Network ("SDWAN") and Secure Access Service Edge ("SASE") networking and connectivity solutions to market. Our MXDR solution combines detection and response capabilities with managed services, to provide 24/7 threat monitoring, detection and response.

The Maintenance Services business delivered another solid performance with gross sales growth of almost 9% in FY25 driven by a particularly strong first half, as customers renewed maintenance contracts and delayed hardware procurement. Growth was also supported by some larger contract wins. Sales have been further boosted by a shift by vendors such as Cisco to multi-year Enterprise Agreements, which enable sales of other products, such as software licensing, under the same agreement.

Geographically, our Queensland, South Australian, Tasmanian and ACT Infrastructure Solutions businesses performed strongly compared to the prior year, with notable growth also across Queensland Managed Services, and South Australia and Tasmania Software Solutions. The ongoing challenging economic conditions in Victoria made for a tough sales year and resulted in a decline in most Victorian business units, except for Services. New South Wales overall performed well with total gross sales up on the prior year, and while this market continues to be highly competitive and disaggregated, the pipeline is strong.

Across our practices, we achieved solid growth in sales of security solutions, with our local Security Operations Centre and managed services offerings gaining in popularity. We launched a new Microsoft Managed Extended Detection and Response (MXDR) service in three versions - MXDR Endpoint, MXDR Plus, and MXDR Premium - with options for Managed Sentinel and Managed Data Loss Prevention, designed to meet the diverse needs of our customers.

We also enhanced our Cloud Security capabilities in Microsoft Azure, leveraging solutions from Microsoft, Palo Alto Networks, and Cisco to ensure secure cloud migrations and applications for our customers. Additionally, our Advisory team improved our Information Management services to support compliance and data management challenges, particularly for customers adopting Microsoft Copilot. Security remains the number one concern for our customers, as they look to Data#3 to secure cloud services, respond to and manage security incidents, and protect and manage information and identities.

Financial Overview

Accounting Policy Change

During the year, the group undertook a review of its accounting policy related to segment reporting. It was determined that the group is comprised of three operating segments - Software Solutions, Infrastructure Solutions and Services - as this better aligns with internal reporting structures and how management reviews operations, in addition to providing enhanced transparency.

It should be noted however, that Data#3 remains a highly integrated business with a large volume of cross line of business sales and costs, therefore while it has been disaggregated to the greatest extent possible, some financial information presented by segment may be blended in nature.

We describe below both net (management) profit and gross profit metrics to provide a comprehensive understanding of our financial performance. Internally, management profit is a key focus, as it encompasses all operating expenses and offers a complete picture of our profitability, necessary for informed decision-making and strategic cost management across our business segments. We include gross profit to demonstrate the profit generated directly by our sales contracts with customers, and to align with how the performance of our sales and sales management teams is measured.

Financial Performance

The group's gross sales for the financial year were \$3.0 billion (FY24: \$2.8 billion), an increase of 9.0% on the prior year. Gross sales for Software Solutions grew by 10.9% to \$2.0 billion (FY24: \$1.8 billion), Infrastructure Solutions gross sales were up 4.2% to \$570.7 million (FY24: \$547.4 million) and Services gross sales increased 6.7% to \$398.2 million (FY24: \$373.0 million).

Operating and Financial Review (continued)

Reported gross sales and statutory revenue by operating segment for the financial year ended 30 June 2025 (including prior year comparatives) are as follows:

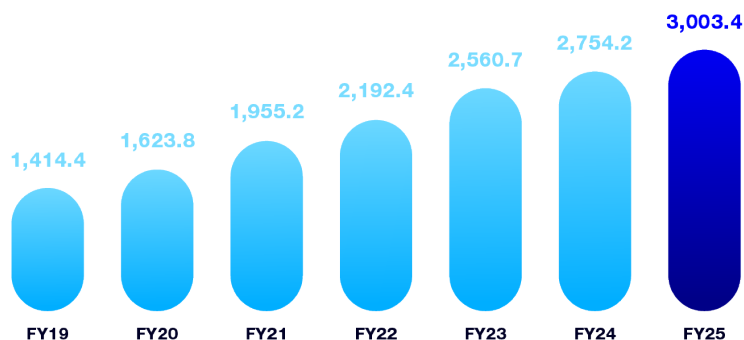
Operating Segment	Gross Sales			Statutory Revenue		
	FY25 (\$M)	FY24 (\$M)	%	FY25 (\$M)	FY24 (\$M)	%
Software Solutions	2,034.5	1,833.8	10.9%	72.6	69.6	4.3%
Infrastructure Solutions	570.7	547.4	4.2%	508.1	482.7	5.3%
Services	398.2	373.0	6.7%	272.0	253.4	7.3%
Total	3,003.4	2,754.2	9.0%	852.7	805.7	5.8%

Statutory revenue includes accounting adjustments to present software licensing and vendor delivered maintenance support contract revenues on an agency basis, per the group's change in revenue accounting policy in FY24.

Recurring gross sales increased to 69% this financial year, compared to 67% in the prior corresponding period, reflecting the ongoing shift by our customers to multi-year subscription and As a Service purchasing models. This metric is underpinned by growth in Software Solutions and Maintenance Services, and 20% sales growth across Infrastructure Solutions annuity offerings, such Device as a Service (DaaS), HPe Greenlake Server solutions and managed print services.

Interest income earned was \$10.2 million (FY24: \$9.7 million).

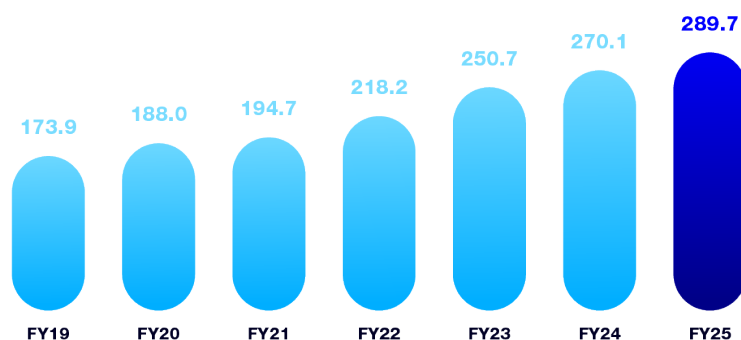
Total gross sales (\$M)



FY25 total gross profit was up 7.3% to \$289.7 million (FY24: \$270.1 million). Consolidated gross margin for the year was 9.6%, down slightly on the prior comparative period of 9.8%, reflecting the outperformance of the lower margin Software Solutions business relative to the higher margin Infrastructure Solutions and Services businesses.

Operating and Financial Review (continued)

Total gross profit (\$M)



Internal staff costs of \$204.1 million increased 7.2% on the prior year, or 6.6% excluding one-off redundancy costs of \$1.1 million, predominately relating to a restructure of the Infrastructure Solutions business in the first half. Total headcount decreased year on year across both the group's permanent and contractor staff base.

Other operating expenses (including depreciation) of \$25.7 million were down 2.0% compared to FY24, with increases in costs such as software licensing and IT projects offset by decreased insurance costs relating to a prior year true up, and lease accounting adjustments relating to the WA office relocation.

The Internal Cost Ratio (staff and operating expenses as a percentage of gross profit) reduced from 80.6% in FY24 to 79.7% in FY25, benefitting from the restructuring actions taken in the Infrastructure Solutions business during 1H FY25 and automation and other efficiency initiatives across the business.

EBITDA* for the year was up 11.0% to \$66.4 million (FY24: \$59.8 million).

The group's total profit before tax increased by 11.4% from \$62.1 million to \$69.1 million, representing a pre-tax profit margin on gross sales of 2.30% (FY24: 2.25%).

The Board declared fully franked dividends of 28.1 cents per share for the full year, an increase of 10.2% and representing a payout ratio of 90.3%.

Basic earnings per share and dividends per share (cents)



* Earnings Before Interest Tax Depreciation and Amortisation

Operating and Financial Review (continued)

Financial Position

The group's FY25 balance sheet remains strong and debt-free, with net assets of \$84.2 million at balance date (2024: \$74.9 million) and cash of \$356.7 million (2024: \$276.4 million).

Net current assets were \$64.7 million at 30 June 2025 (2024: \$53.7 million).

Closing inventory was relatively consistent with the prior year at \$18.4 million (FY24: \$19.1 million). Day Sales Outstanding ("DSO") improved to 25 days at 30 June 2025 (30 June 2024: 27 days).

Net cash provided by operating activities was \$126.3 million for FY25, compared to an outflow of \$86.2 million in the prior year. This reflects the timing of receipt of customer payments and payment of supplier invoices during the peak sales month of June.

Results by Line of Business

Software Solutions

Gross sales increased by 10.9% to \$2,034.5 million (FY24: \$1,833.8 million), and statutory revenue of \$72.6 million was up 4.3% on the prior comparative period. Sales performance was boosted by growth in the Public Sector and Education verticals.

Gross profit of \$72.6 million was up 4.3%, and average gross margin decreased slightly from 3.8% in FY24 to 3.6% in FY25 due to some larger competitively priced deals.

Management profit of \$38.1 million increased 7.7% on the prior year, driven by improved operating efficiency in this business during the year.

Infrastructure Solutions

Infrastructure Solutions gross sales of \$570.7 million increased by 4.2% in FY25 (FY24: \$547.4 million), with statutory revenue of \$508.1 million up 5.3% on FY24. Sales were negatively impacted by the Queensland state election in the first half, in addition to ongoing delayed customer decision making. Gross sales in the second half of the financial year increased over 40% compared to the first half, underpinned by strong sales of network and security products, and devices relating to Windows 11 upgrades and device refresh cycles.

Gross profit was up 10.0% to \$71.2 million, with an improved gross margin of 12.5% (FY24: 11.8%) driven by an increased focus on maximising deal margins.

Management profit of \$17.5 million was up 27.4% on the prior year (FY24: \$13.7 million) and benefitted from automation initiatives across the business' ordering and invoicing processes in recent years, and restructuring actions taken in the first half.

Services

Services gross sales were up 6.7% on FY24 to \$398.2 million, and statutory revenue increased 7.3% to \$272.0 million. Performance was mixed across the Services business units, with Maintenance and Managed Services gross sales up 8.6% and 25% respectively, Project Services up 2.9% on the prior comparative period (PCP), People Solutions recruitment relatively flat and Business Aspect consulting down 7.3% on PCP.

Gross profit of \$145.6 million increased 7.4% on the prior year (FY24: \$135.5 million), and the business improved margins from 36.0% in FY24 to 36.6% this financial year, boosted by strong growth in the higher margin Managed Services business and a decrease in contractor numbers.

Management profit was up 10.5% on the prior year to \$32.2 million (FY24: \$29.2 million), predominately driven by the strong financial performance in the Managed and Maintenance Services business units. This was offset in part by subdued growth in some Services business units this financial year, such as the consulting business, which was negatively impacted by the Queensland state election. The Managed Services business also continues to invest in people and systems to fund growth and maintain service levels, in addition to high levels of growth in Managed Services placing downwards pressure on net Services profitability as contracts are less profitable during their first year.

Operating and Financial Review (continued)

Industry Trends and Awards

Gartner predicted 8.7% growth in Australia's IT spending for 2025, driven by investments in software, IT services and a focus on technologies like cybersecurity and generative AI. Increased spending is also expected to be fuelled by the need to upgrade hardware, and by a continued emphasis on digital transformation and efficiency.

Our global vendors are an important part of our ecosystem, and in FY25 we further strengthened our partnerships with Microsoft, Cisco, HP, Adobe and Dell, among many others finishing the year in leading positions with our major vendor partners Microsoft, HP and Cisco. In addition, we were ranked number one for sales with other major software partners, such as Adobe, Veeam and Mimecast this financial year.

Vendor channel programs continue to evolve and we remain agile adapting to program changes. We have seen this in FY25 with the Microsoft transformation and will continue to see evolution with vendor partners moving forward. Programs are focusing on the adoption and usage of technologies and have a customer experience emphasis which focuses on the full lifecycle of products and solutions. Data#3 is well placed with our vendors to maximise the programs from advisory, through procurement, adoption and management. Our specialist vendor certifications set us apart from our competition and enable us to provide deep expertise across the solution lifecycle, integrating multiple vendor offerings into the ideal customer solution.

Each year we receive national and international recognition from our global partners, and we are delighted to have been awarded the following during FY25:

- Cisco Customer Experience Partner of the Year for APJC
- HP Greater Asia Partner of the Year Top Enterprise Reseller
- Mimecast APAC Resell Partner of the Year
- F5 Government Partner of the Year
- Veeam ProPartner of the Year
- HP Amplify Partner of the Year

In addition, we received the Most Effective Shareholder Communications Award from the Australian Shareholders Association, as well as being shortlisted for the AIRA Best IR by a Company in the ASX Mid-Cap 100, for the first time this year - a recognition of our commitment to the continuous improvement of our communications with shareholders.

People and Culture

We ended FY25 with 1,446 people in the group, down from 1,480 people at the end of FY24. This includes a combination of permanent, contracted and casual staff.

A strong and positive culture is at the core of who we are as an organisation, and our people underpin our success.

Some of our people-related achievements for FY25 include:

- Being recognised as a HRD Employer of Choice for the tenth year running, affirming our focus on employee experience, retention and productivity
- Being certified as a Great Place to Work
- Employee satisfaction rating of 4.35 out of 5
- An increase in our female workforce to 34% (FY24: 33%)
- The introduction of a new Hybrid Workplace Policy
- The implementation of tools such as a new learning and training platform, new payroll portal and a new goals, performance and development system
- An increase in Parental Leave benefits
- Average tenure of 5.6 years (FY24: 5.1 years), above Australian industry average
- Celebrated 10 years of our SOUL program

Environment, Social and Governance

Our vision is to harness the power of people and technology for a better future, and we are committed to a sustainable environment, social and governance (ESG) framework that makes a meaningful difference within our business and the local communities in which we operate.

We are pleased with the progress made on ESG initiatives in FY25, as outlined in our full Data#3 FY25 ESG Report which will be released with our FY25 Annual Report.

Operating and Financial Review (continued)

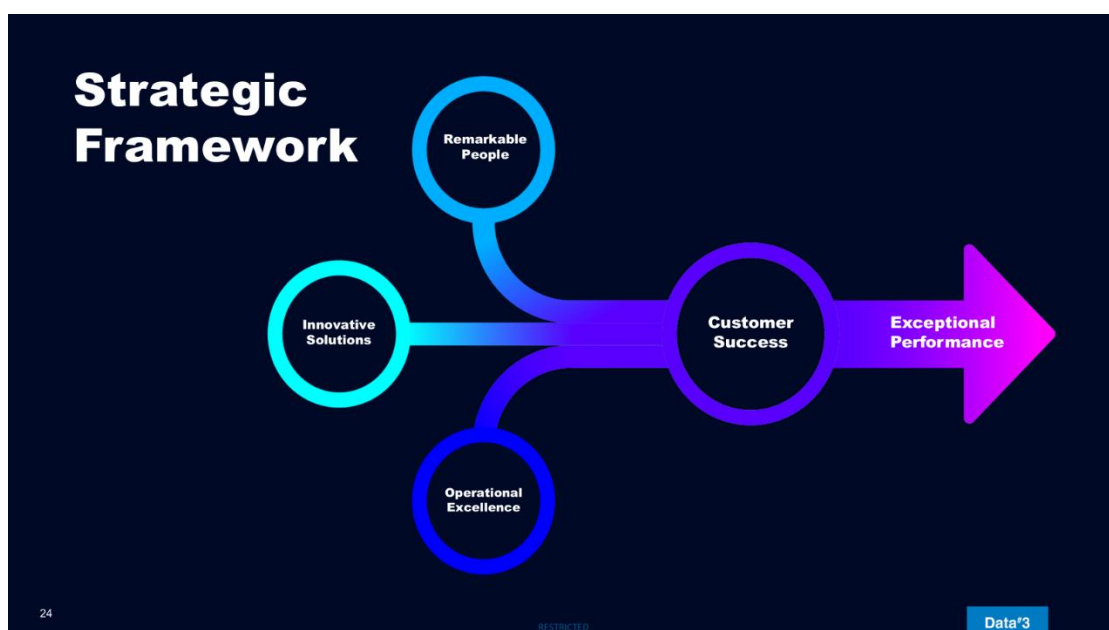
Data#3 ESG highlights for FY25 are as follows:

- Progressing the development of our Net Zero Strategy through the completion of a Climate Risk and Opportunity Assessment and Climate Scenario Analysis
- Net zero energy supply in our Perth office
- Energy efficient cooling and heating introduced in our Melbourne office
- Strengthening our partnership with impact organisation SolarBuddy in the pursuit of fighting energy poverty
- Being awarded two HP Partner Awards for Sustainable Impact
- Being named the APC by Schneider Electric Sustainability Champion of the Year
- Receiving the Frost & Sullivan Enlightened Growth Leadership Award for the fourth consecutive year

Strategy and Outlook

Our Strategic Priorities for FY26 focus on our Solutions, Customer Experience, Operational Excellence and People and Community.

Customer Success remains at the core of our strategy for FY26. As we combine our innovative solutions, operational efficiency and remarkable people, we enable our customer's success and provide exceptional performance.



Our three lines of business to support our strategic priorities are Software Solutions, Infrastructure Solutions and Services

The Software Solutions business will be under some pressure this year as we manage through the Microsoft Channel Incentive changes that came into effect on 1 January 2025. While there was a decrease in enterprise incentives, Microsoft has increased incentives for the mid-market through the Cloud Solution Provider (CSP) program, plus increased incentives for AI solutions such as Copilot and migrations into their Azure public cloud environment. This transition is expected to have an impact on performance for the first half of FY26, however we plan to recover to a neutral position by the end of the financial year. This means our Infrastructure Solutions and Services businesses will play a key role in driving growth for the group in FY26.

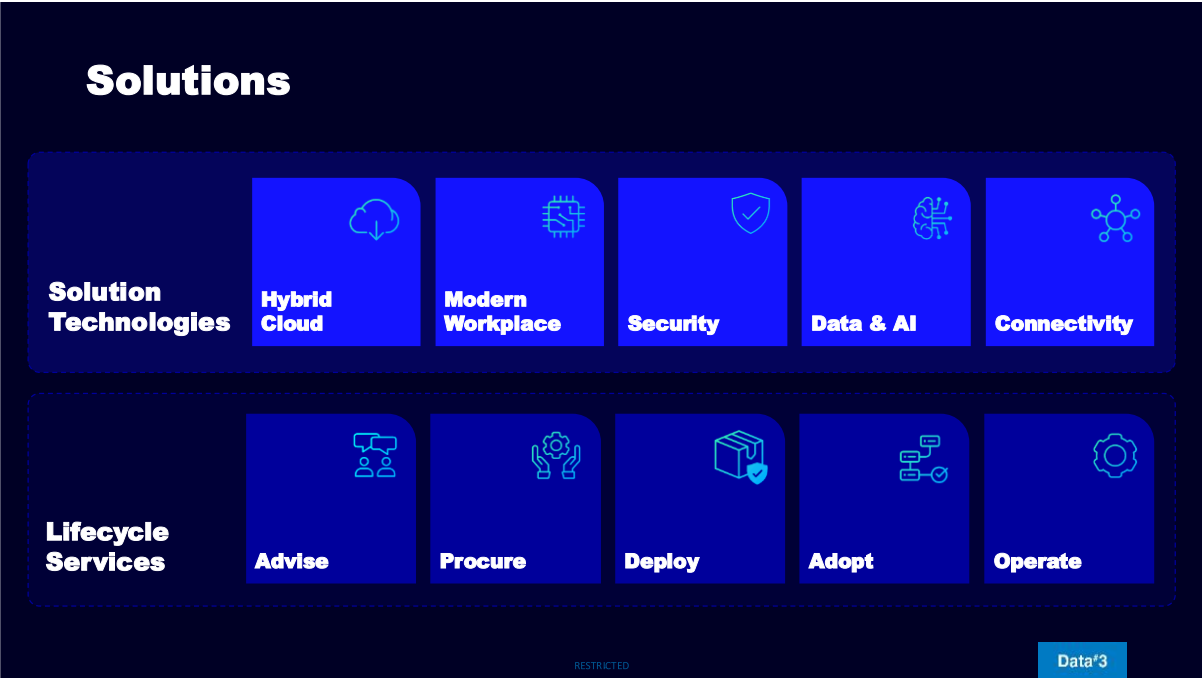
Infrastructure Solutions has an ongoing solid opportunity across end user devices, the network and server and storage. Customers lagged in upgrading to Windows 11 devices in calendar year 2024 which means there is continued high activity through 2025 and into 1H FY26. The network is becoming more intelligent and secure. Customers are upgrading legacy networking environments to gain benefit from faster, more sustainable technology that is easier to manage through advances in networking software. Server and storage are set to grow as customers look to gain value from distributed processing for AI across public cloud, on premise and end user devices.

Operating and Financial Review (continued)

Our Services business is expected to continue to grow as we help customers navigate new technology and manage existing technology. Last year's state and federal elections caused temporary interruptions for our public sector business, but this year we see a clearer path and more stability. With more Data#3 managed services offerings available this year across devices the network and servers, we are better placed to grow market share. Last year our security and Device as Services offerings led the way with high growth, and we expect that to continue in FY26.

The Brisbane Olympics and Paralympics 2032 remain a unique opportunity. Now that key decisions have been made with regards to the main stadium and other venues, we will leverage our experience in large infrastructure projects such as stadiums and venues, to encourage partnership with Data#3 as a Brisbane headquartered organisation and a trusted advisor for future developments.

Our strategy is supported by our global leading vendors such as Microsoft, Cisco, HP, HPE, Dell, Palo Alto, Adobe, Veeam and several more. Data#3's continued investment in certifications and capabilities with our key vendor partners, and our ability to successfully integrate these solutions to enable our customer's success, is an important competitive differentiator. Our solution technologies delivered across the solution lifecycle ensure we are assisting our customers to achieve their business priorities. All these solutions are now underpinned by innovative AI.



Our customer base is broad and includes federal, state and local government plus corporate customers. Education, health and resources are our key focus industries.

In line with our Customer Experience strategic priority, we have also further segmented our customers taking into consideration size, complexity, return and the resources required to engage. This engagement will be complimented by an enhanced digital approach to help all customers with solutions across the solution lifecycle. Our MyD3 customer portal brings together multiple functions into one seamless environment. Our strong solutions focus will be complimented by improving customer sentiment as interest rates fall and customers have more confidence to move forward with much needed projects.

With the excitement of AI becoming more mainstream and Data#3 providing the products and services that underpin successful AI implementations, we expect to be able to execute well on our strategy and provide sustained and consistent growth.

Business Risks

The challenging trading conditions experienced in recent times, caused by high inflation, high interest rates and global instability and uncertainty, are slowly showing signs of improvement. While customers are still cautious and deliberating with procurement decisions, consumer sentiment is starting to improve, and an increase in Public Sector investments following the State and Federal elections during FY25 are having a positive impact on sales pipelines.

Operating and Financial Review (continued)

The foreseeable risks (and any available mitigants) to achieve our short to medium-term financial growth aspirations, specific to Data#3 and in addition to the general macro-economic risks that would impact most organisations, include the following:

- Major changes to customer and reseller sales strategies and vendor incentive programs that would negatively impact future profitability.
Mitigant: Data#3 works closely with vendors to stay abreast of any potential changes and adapts sales strategies and vendor management processes accordingly.
- Access to skilled technology labour to enable us to deliver contracted work and achieve growth in areas of strategic focus.
Mitigant: Our talent attraction and retention policies, including staff benefits and people development initiatives.
- Any negative geopolitical influence on the region or supply chains.
Mitigant: We work with vendors to expedite deliveries (where possible), utilise distributors with available stock, and provide customers with ongoing updates, as evidenced with the pandemic-related supply chain challenges.
- Delayed decision making due to state government elections.
Mitigant: We work with Agencies in the lead up to the election to ensure customer requirements have been addressed prior to lock down periods and again after an election to ensure any technology requirements for Machinery of Government Changes are addressed.
- Government change in policy with regards to the use of contractors.
Mitigant: We provide both contract resources and outcome-based project offerings. While some governments may prefer to reduce contractors in preference of employing full time staff, the limited access to skilled resources means outcome-based projects are still a solution for public sector customers.

Directors' report

Your directors present their report on the consolidated entity consisting of Data#3 Limited (the company) and the entities it controlled at the end of, or during, the year ended 30 June 2025. Throughout the report the consolidated entity is referred to as the group. "We", "our", or "us" refer in this report to the directors speaking on behalf of the group.

1. Principal activities

We provide information technology solutions which draw on our broad range of products and services and, where relevant, with our alliances with other leading industry providers. Our technology solutions are broadly categorised into the following areas:

- Cloud – highly secure data centre solutions to improve business efficiency, reduce costs and scale customers' technology requirements in hybrid IT environments
- Modern Workplace – solutions to optimise our customers' IT environment and assist them to realise the full value of their technology assets
- Security – solutions designed to help our customers navigate the complexities of cyber security and a changing threat landscape
- Data and Analytics – solutions designed to enhance visibility and control over customers' data to enable them to make faster, more accurate business decisions
- Connectivity – solutions to enable customers to seamlessly connect to business networks and information – anywhere, any time and on any device

Our service capabilities include the following:

- consulting
- project services
- maintenance services
- managed services
- recruitment

There were no significant changes in the nature of our group's activities during the year.

2. Dividends

	Cents	\$'000
Final dividend declared for FY25 subsequent to year end	15.00c	23,236
Dividends paid in the year:		
Interim for FY25	13.10c	20,293
Final for FY24	12.90c	19,983
	26.00c	40,276

3. Operating and financial review

Information on the operations and financial position of the group and its business strategies and prospects is set out in the attached Operating and Financial Review, as follows:

	Page
Operational overview	8
Financial review	9
Results by line of business	12
Industry Trends and Awards	13
People and Culture	13
Environment, Social and Governance	13
Strategy and Outlook	14
Business Risks	15

Directors' report (continued)

4. Business strategy

Our vision is to harness the power of people and technology for a better future.

For more information on our business strategy please refer to page 14 of the attached Operating and Financial Review.

5. Earnings per share

	2025 Cents	2024 Cents
Basic earnings per share	31.12	28.00
Diluted earnings per share	31.02	27.90

6. Significant changes in the state of affairs

There was no significant change in the state of the group's affairs during the year.

7. Significant events after the balance date

The directors declared a dividend in relation to FY25 subsequent to year end (see item 2 above). No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect

- (a) the group's operations in future financial years; or
- (b) the results of those operations in future financial years; or
- (c) the group's state of affairs in future financial years.

8. Likely developments and expected results

Information on likely developments and expected results is included in the attached Operating and Financial Review on page 14.

9. Directors

The names and details of Data#3 Limited's directors are set out below. All directors were in office for the entire financial year and remain in office at the date of this report other than as noted.

Mr Mark Gray	
Mr Brad Colledge	
Mr Laurence Baynham	appointed 1 July 2025
Ms Diana Eilert	appointed 1 July 2025
Mr Mark Esler	
Ms Susan Forrester	resigned 30 April 2025
Ms Bronwyn Morris	appointed 1 December 2024
Ms Leanne Muller	resigned 30 October 2024

Names, qualifications, experience and special responsibilities

Mr Mark Gray, DUniv, BEcon (Hons), FAICD (*Chair from 31 October 2023, Non-executive Director*)

Independent non-executive director since August 2017. Mr Gray is Chair of Sugar Terminals Limited, Deputy Chair of Queensland Urban Utilities and a non-executive director of the Royal Flying Doctor Service of Australia (Queensland). Previous senior executive appointments include Under Treasurer of the Queensland Treasury Department, Chief Executive Officer of the Queensland Competition Authority and the Queensland Independent Commission of Audit, Office Head (Queensland) at Macquarie Group and Executive Director with BDO.

During the past three years, Mr Gray has also served as a non-executive director of the Northern Australia Infrastructure Facility and Queensland Cricket (until 2024).

Special responsibilities:

Chair of the Remuneration and Nomination Committee
Member of the Audit and Risk Committee

Directors' report (continued)

Mr Brad Colledge BBus, GAICD *(Managing Director from 1 March 2024)*

Managing Director and Chief Executive Officer since March 2024. Mr Colledge has 36 years' experience in the information technology industry and joined Data#3 in 1995. Initially establishing and growing the Software Solutions business in Data#3, Mr Colledge's responsibility subsequently expanded to Infrastructure Solutions and the Services business as Executive General Manager, before being appointed as Chief Executive Officer and Managing Director in March 2024. Mr Colledge has represented Data#3 on many local, regional and global advisory boards with key vendors and is currently a member of the HP Global Partner Advisory Board.

Mr Laurence Baynham, BBus (Honours), FAICD *(Non-executive Director from 1 July 2025)*

Non-executive director since 1 July 2025. Mr Baynham first joined Data#3 in 1994 and held various roles until his appointment as CEO in 2014 and Managing Director in 2016. Mr Baynham announced his retirement in October 2023 and completed his executive role on 4 March 2024. He became a Fellow of the Australian Institute of Company Directors in 2011. Prior to joining Data#3, Mr Baynham gained a broad range of international IT industry experience. Mr Baynham is a graduate of the INSEAD Business School (Singapore) Strategic Management Academy and was a member of global advisory boards for strategic partners of Data#3. In 2016 Mr Baynham was inducted into the Australian IT industry Hall of Fame.

Ms Diana Eilert, BSc (Maths), MCom, FAICD *(Non-executive Director from 1 July 2025)*

Independent non-executive director since 1 July 2025. Ms Eilert is currently a Non-Executive Director of ASX-listed Domain Holdings and has previously been a non-executive director of a number of other ASX listed companies including Keypath Education, Elders, Super Retail Group, REA Group, Navitas and Veda Group. Ms Eilert is also a Member of the Australian Competition Tribunal. Ms Eilert's senior executive career includes roles as Head of Strategy and Corporate Development for News Limited and Group Executive for Suncorp's entire insurance business and subsequently Group Executive for Technology, People and Marketing. Ms Eilert spent 10 years with Citibank and was also a Partner with IBM.

Ms Eilert holds a BSc (Mathematics) from The University of Sydney and a Master of Commerce from The University of New South Wales, and is a Fellow of the Institute of Company Directors.

Special responsibilities:

Member of the Remuneration and Nomination Committee (from 1 July 2025)

Mr Mark Esler, FAICD *(Non-executive Director)*

Independent non-executive director since August 2019. Mr Esler has extensive experience in IT, first in a number of roles with IBM before joining the Data#3 group in 1984 as an executive director. Mr Esler served as an executive director of Data#3 Limited from 1997 to 2002, and performed senior management roles in Sales and Marketing, Operations and Supply Chain before retiring from his role as Queensland General Manager in 2014. Mr Esler has been actively involved in many IT-related forums and was a member of both the Asia Pacific and Worldwide Hewlett-Packard Global Partner Advisory Boards from 2011 until 2014. He is also a 32 year Fellow of the Australian Institute of Company Directors.

Special responsibilities:

Member of the Audit and Risk Committee

Member of the Remuneration and Nomination Committee

Ms Susan Forrester AM, BA, LLB (Hons), EMBA, FAICD *(Non-executive Director until 30 April 2025)*

Independent non-executive director from March 2022 until April 2025. Ms Forrester is a highly respected company director with an executive career spanning over 25 years in large professional services firms, covering law, finance, human resources and corporate governance. Ms Forrester is a Member (AM) in the General Division of the Order of Australia, served on the Diligent Institute Advisory Board in New York as a corporate governance specialist representing Asia Pacific for 7 years until March 2025 and is a National Councillor with the AICD.

Ms Forrester is currently serving as non-executive chair of Jumbo Interactive Limited (since 2020) and as non-executive director of Iress Ltd (since 2024), Plenti Group Limited (since 2020) and Over the Wire Holdings Limited (2015 - 2022).

Special responsibilities:

Member of the Remuneration and Nomination Committee until 30 April 2025

Directors' report (continued)

Ms Bronwyn Morris AM, BCom, FCA, FAICD

Independent non-executive director since 1 December 2024. Ms Morris is a chartered accountant and a former partner of KPMG. She has over 25 years' experience on the boards of entities in the publicly listed, unlisted, government and not-for-profit sectors. Ms Morris brings extensive experience in strategy, governance, finance, audit, risk management and compliance across a broad range of industries.

Ms Morris is a Fellow of Chartered Accountants Australia and New Zealand and a Fellow of the Australian Institute of Company Directors.

Ms Morris currently serves on the board of Dalrymple Bay Infrastructure Limited and is chair of RACQ Foundation.

Special responsibilities:

Chair of the Audit and Risk Committee (from 1 December 2024)

Ms Leanne Muller, BCom, CA, GradDip App Fin and Inv (Non-executive Director until 30 October 2024)

Independent non-executive director from February 2016 until October 2024. Ms Muller has extensive experience in finance with a 30-year career in senior corporate financial management roles and professional advisory services roles. Ms Muller has previously held Chief Financial Officer (or equivalent roles) with RACQ, Uniting Care Queensland and Energex. Prior to those appointments Ms Muller worked for PricewaterhouseCoopers and with the Australian Securities Commission. Ms Muller is Chair of Guide Dogs Queensland and serves on the board of Guide Dogs Australia.

During the past three years, Ms Muller has served as a non-executive director of one other public company: Sugar Terminals Limited (director between 2017 and November 2024).

Special responsibilities:

Chair of the Audit and Risk Committee (until 30 October 2024)

Directors' interests in shares and options

The movements during the reporting period in the number of ordinary shares in Data#3 Limited held directly, indirectly, or beneficially by each key management person, including their personally related entities, are shown in section H of the Remuneration Report. There was no movement in shares held directly, indirectly, or beneficially from 30 June 2025 up to the date of this report. No directors hold options or share rights.

Meetings of directors

The number of meetings of our Board of directors (including meetings of the Board committees) held during the year, and the numbers of meetings attended by each director are shown below:

Name	Full meetings of directors		Meetings of Audit and Risk Committee		Meetings of Remuneration and Nomination Committee	
	Meetings attended	Meetings held	Meetings attended	Meetings held	Meetings attended	Meetings held
Mr Gray	15	15	5	5	5	5
Mr Colledge	15	15	**	**	**	**
Mr Esler	15	15	5	5	5	5
Ms Forrester *	11	11	**	**	2	2
Ms Morris *	8	8	4	4	**	**
Ms Muller *	6	6	1	1	**	**

* Number of meetings attended and held during the time the director held office or was a member of the committee during the year.

** Not a member of the committee during the year.

10. Company secretary

Mr Terence Bonner, LLB, BComm, AGIA, was appointed to the position of Company Secretary in 2007. He has served as General Counsel since 2005 and is a member of the Queensland Law Society and the Governance Institute of Australia.

Directors' report (continued)

11. Shares under option and share rights

Unissued shares

As at the date of this report 535,205 share rights over ordinary shares were outstanding (535,205 at reporting date). Holders of share rights do not have any right to participate in any share issue of the company by virtue of the share rights. Refer to Note 22 for further information on the share rights outstanding.

Shares issued on settlement of share rights

During the year 204,269 fully paid ordinary shares in Data#3 Limited were issued at a weighted average share price of \$8.088 in settlement of vested share rights. Refer to Note 22 for further information on the share rights settled during the year.

Share options

No options were granted, lapsed, forfeited, settled or exercised during the year or up to the date of this report.

12. Indemnification and insurance of directors and officers

During the financial year, we paid a premium to insure the directors and members of the executive management team (officers) against any claims raised or liability incurred by them in their Data#3 role capacity. Subject to typical terms of D&O insurance policies, our directors and officers are also indemnified against any liability for costs and expenses incurred in defending civil or criminal proceedings. The amount of the premium is not disclosed in accordance with the terms of the policy.

13. Environmental regulation and performance

Our group is not subject to any particular and significant environmental regulations.

14. Rounding

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, relating to the "rounding off" of amounts in the directors' report and financial report. We have rounded off amounts in the directors' report and financial report to the nearest thousand dollars, or in certain cases to the nearest dollar, in accordance with that instrument.

15. Proceedings on behalf of the company

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

The company was not a party to any such proceedings during the year.

16. Auditor independence and non-audit services

PricewaterhouseCoopers Australia (PwC) were appointed as the auditor of the group in FY25. We employ PwC on assignments additional to its statutory audit duties where the auditor's expertise and experience with our company/group are important. During the year, the following fees were paid or payable for the services provided during the year by PwC and by PwC's related network firms:

	2025 \$	2024 \$
Audit and other assurance services		
Audit and review of financial statements	290,000	-
Non-audit services		
Other advisory services	8,000	135,637
	8,000	135,637
Total remuneration	298,000	135,637

Directors' report (continued)

The auditor for the prior year was Pitcher Partners. Fees paid or payable to Pitcher Partners comprised \$183,500 for audit and review of financial statements, \$21,280 for tax compliance services and \$4,700 for other business advice.

The Board of directors has considered the position and, in accordance with the advice received from the audit and risk committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the audit and risk committee to ensure they do not impact the impartiality and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the page following this Directors' report.

Directors' report (continued)

17. Remuneration report

The remuneration report sets out the following, in accordance with section 300A of the *Corporations Act 2001* (Corporations Act):

- A. Key Management Personnel (KMP)
- B. Role of the Remuneration and Nomination Committee
- C. Non-executive directors' remuneration
- D. Executive remuneration strategy and structure
- E. Contractual arrangements with executive KMP
- F. KMP remuneration table
- G. The group's performance
- H. Other statutory information

A. Key Management Personnel (KMP)

KMP are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the group, directly or indirectly, including any director (whether executive or otherwise) of the company.

The KMP disclosed for the financial year ended 30 June 2025 are detailed in the following table.

Name	Title	Period KMP (if less than full year)
Directors		
Mark Gray	Non-executive Director and Chair	
Brad Colledge	Managing Director/Chief Executive Officer	
Mark Esler	Non-executive Director	
Susan Forrester AM	Non-executive Director	Resigned 30 April 2025
Bronwyn Morris AM	Non-executive Director	Appointed 1 December 2024
Leanne Muller	Non-executive Director	Retired 30 October 2024
Executives		
Michael Bowser	Executive General Manager – Services	
Cherie O'Riordan	Chief Financial Officer	
John Tan	Chief Customer Officer	

Two non-executive directors were appointed 1 July 2025. There have been no other changes in KMP since the end of the reporting period.

Directors' report (continued)

17. Remuneration report (continued)

B. Role of the Remuneration and Nomination Committee

The Data#3 Board of Directors ("the Board") has delegated certain remuneration and nomination responsibilities to the Remuneration and Nomination Committee (RNC), a separate committee of the Board made up of non-executive directors. The ultimate responsibility for approval of remuneration and nomination policy matters rests with the Data#3 Board.

In relation to remuneration the RNC is responsible for reviewing the following:

- Data#3's remuneration, recruitment, retention and termination policies for senior executives
- superannuation arrangements
- the remuneration for non-executive directors

The RNC has the authority to engage independent counsel and other advisers as it determines necessary to carry out its duties. The RNC seeks input regarding the governance of KMP remuneration from the following sources:

- shareholders
- RNC members
- external remuneration consultants
- tax advisors and lawyers
- managers within the group

C. Non-executive directors' remuneration

Non-executive directors receive a board fee and additional fees for chairing the Board or committees of the Board. Non-executive directors do not receive bonus payments or share options and are not provided with retirement benefits other than statutory superannuation.

Board fees are reviewed annually, considering the level of fees paid to non-executive directors of other publicly listed Australian companies of similar size and industry and the specific requirements for a Data#3 Board member.

The maximum annual total directors' fee amount approved by the shareholders at the Annual General Meeting on 27 October 2022 is \$900,000. Board fees are allocated as follows (inclusive of superannuation):

Fees	From 1 July 2024
	\$
Base fees	
Chair	220,000
Other non-executive directors	130,000
Additional fees	
Chair of any formal committee of the Board	20,000

Following the retirement of Susan Forrester on 30 April 2025, the Board as at 30 June 2025 was composed of four directors (three non-executive directors and the Managing Director/CEO). Two non-executive directors were appointed 1 July 2025. All non-executive directors enter into a letter of appointment with the company. The letter sets out the expectations of the appointment, summarises the Board policies and terms, including remuneration, relevant to the role of the director.

Directors' report (continued)

17. Remuneration report (continued)

D. Executive remuneration strategy and structure

The Board's objective in relation to remuneration policy is to achieve the following:

- set remuneration at levels that are intended to attract and retain executives capable of managing our operations, achieving our strategic objectives, and increasing shareholder wealth
- motivate senior executives to pursue the long-term growth and success of Data#3
- demonstrate a clear relationship between senior executives' performance and remuneration
- consider prevailing market conditions
- be reflective of the group's short-term and long-term performance objectives
- be transparent and acceptable to shareholders

Executive compensation packages include a mix of fixed and variable remuneration, and short and long-term performance-based incentives. Short-term incentives are set at a level designed to encourage high performance without creating an environment that promotes undue risk taking. Long-term incentives are assessed over a three-year period and are designed to achieve long-term growth in shareholder returns.

The group's remuneration framework is set out below.

Element	Purpose	Performance metrics	Proportion of target compensation	Changes for FY25
Annual fixed remuneration (FR)	Provide a competitive market salary, including superannuation and non-monetary benefits	Requirements of position description	CEO: 58% CFO: 62% Other execs: 55-56%	Reviewed in line with market position
Short-term incentives (STI)	Reward for current year performance	Net profit targets (before interest, tax and STI expense), individual performance	CEO: 24% CFO: 24% Other execs: 27-34%	Reviewed in line with market position
Long-term incentives (LTI)	Alignment to long-term shareholder value	Three-year cumulative EPS/EBITPS targets and achievement of group strategic priorities	CEO: 18% CFO: 14% Other execs: 10-18%	Reviewed in line with market position

Annual fixed remuneration (FR)

Fixed executive remuneration comprises a combination of cash and non-cash benefits at the executive's discretion, plus statutory superannuation. There are no guaranteed fixed remuneration increases included in any executives' contracts. FR is reviewed annually or on promotion and is benchmarked against remuneration for comparable roles at other publicly listed Australian companies of similar size. The RNC aims to position executives at the median of the benchmark, with flexibility to consider the position and responsibilities of each executive. Exceptions are managed separately where particular expertise must be retained or acquired.

Short-term incentives (STI)

Incentives under the group's current STI plan are at-risk components of remuneration for executives provided in the form of cash. Under the plan executives can earn an annual cash bonus if predefined targets are met. The STI is linked to the achievement of financial and non-financial objectives that are relevant to meeting the group's business objectives. A major part of the STI is determined by the actual performance against planned group and divisional profit targets relevant to each individual. A smaller portion of the STI is set with reference to the executive's non-financial performance objectives which are agreed annually. The structure of the short-term incentive plan is set out below.

Directors' report (continued)

17. Remuneration report (continued)

D. Executive remuneration strategy and structure (continued)

Variable executive remuneration – the short-term incentive (STI) plan

Feature	Description															
Purpose	<p>The STI plan aims to provide an incentive for executives to deliver and outperform annual business objectives that will lead to sustainable, superior returns for shareholders. The target STI is composed of financial and non-financial elements as follows:</p> <ul style="list-style-type: none">• Managing Director/CEO – 70% financial and 30% non-financial• Executive General Manager – Services – 75% financial and 25% non-financial• Chief Financial Officer – 77% financial and 23% non-financial.• Chief Customer Officer – 87% financial and 13% non-financial. <p>Using a profit target for the financial component ensures variable reward is only available when value has been created for shareholders and when profit is consistent with the business plan. Profit targets are based on the group's overall result as well as an individual's business unit result, where applicable.</p>															
Award opportunities	<table><tr><th>Role</th><th>Base offer</th><th>Maximum offer</th></tr><tr><td>Managing Director/CEO</td><td>41% of total fixed remuneration</td><td>55% of total fixed remuneration</td></tr><tr><td>Executive General Manager – Services</td><td>49% of total fixed remuneration</td><td>67% of total fixed remuneration</td></tr><tr><td>Chief Financial Officer</td><td>39% of total fixed remuneration</td><td>54% of total fixed remuneration</td></tr><tr><td>Chief Customer Officer</td><td>60% of total fixed remuneration</td><td>86% of total fixed remuneration</td></tr></table>	Role	Base offer	Maximum offer	Managing Director/CEO	41% of total fixed remuneration	55% of total fixed remuneration	Executive General Manager – Services	49% of total fixed remuneration	67% of total fixed remuneration	Chief Financial Officer	39% of total fixed remuneration	54% of total fixed remuneration	Chief Customer Officer	60% of total fixed remuneration	86% of total fixed remuneration
Role	Base offer	Maximum offer														
Managing Director/CEO	41% of total fixed remuneration	55% of total fixed remuneration														
Executive General Manager – Services	49% of total fixed remuneration	67% of total fixed remuneration														
Chief Financial Officer	39% of total fixed remuneration	54% of total fixed remuneration														
Chief Customer Officer	60% of total fixed remuneration	86% of total fixed remuneration														
Performance metrics	<p>For the financial component of the STI, the STI is earned based on the following:</p> <ul style="list-style-type: none">▪ targets set equal to budgeted net profit before tax plus bonus value▪ bonuses are earned in linear proportion to the profit target achieved – for example, achievement of 90% of the financial target will equate to earning 90% of the financial STI bonus and so on up to a maximum of 150% achievement of the financial target. <p>For the non-financial component of the STI, the STI is earned based on the individual's achievement against personal performance objectives, which are aligned to the group's annual strategic goals, and include sustainability.</p>															
Award determination and payment	<p>Financial component – calculated and paid subsequent to the end of each quarter.</p> <p>Non-financial component – calculated and paid subsequent to the end of each half year.</p> <p>Payments are made in cash net of PAYG withholding.</p>															
Cessation of employment	<p>Employment agreements and remuneration policies set out how STIs are managed on termination of employment. Depending on the reason for termination – resignation, termination for cause, or redundancy – STIs have different treatment (including pro-rata treatment or forfeiture of future STI entitlements).</p>															
Board discretion	<p>The Board has discretion to adjust remuneration outcomes up or down to prevent any inappropriate reward outcomes, including reducing (down to zero, if appropriate) any STI awards.</p>															

Directors' report (continued)

17. Remuneration report (continued)

D. Executive remuneration strategy and structure (continued)

Long-term incentives (LTI)

Executives may be invited to participate in the group's LTI plan at the Board's discretion. LTI are at-risk components of remuneration for executives provided in the form of equity in the company to ensure executives:

- consider the achievement of longer term financial and strategic objectives,
- hold a stake in the company,
- align their interests with those of shareholders, and
- share risk with shareholders.

The LTI is based on performance rights that vest based on assessment against group objectives. The measurement period is three years, and the measure used is as deemed best by the Board to drive value creation for shareholders. The structure of the LTI plan is set out in the following table.

Directors' report (continued)

17. Remuneration report (continued)

D. Executive remuneration strategy and structure (continued)

Variable executive remuneration – the long-term incentive (LTI) plan

Feature	Description
Purpose	The aim of the LTI remuneration element is to provide compensation based on financial performance per share by Data#3 Limited. For the 2023 and 2024 grants this was represented by earnings per share (EPS) performance and for the 2025 grant, this was updated to earnings before interest and tax per share (EBITPS), as the Board believes EBITPS is the best measure to drive long-term value creation for shareholders given the specific circumstances of the company.
Form of equity and exercise price	<p>The LTI plan is in the form of a performance rights plan. The rights are subject to vesting, and each right entitles the holder to one ordinary share in Data#3 Limited for no consideration.</p> <p>There is no entitlement to dividends during the measurement period.</p>
Award allocation	<p><u>FY25 offers</u></p> <p>MD/CEO: \$350,000; Executive General Manager, CFO and CCO: \$150,000 each. The award value was divided by the relevant volume weighted average share price for the five trading days following the release of the FY24 audited financial statements to determine the number of performance rights granted.</p>
Measurement period	<p>Three years unless otherwise determined by the Board.</p> <p>FY25 offers – Three years from 1 July 2024 to 30 June 2027.</p>
Vesting conditions	<p>Vesting of the rights is based on three-year cumulative EPS performance (2023 & 2024 grants) and three-year cumulative EBITPS performance (2025 grant) and assessment of strategic priorities execution performance against rolling three-year strategic targets. The Board establishes a three-year cumulative EPS and EBITPS target taking into account historical financial performance and future growth predictions (including forecast economic conditions and other market factors). The cumulative EPS and EBITPS target for the LTI is not disclosed as this is considered sensitive information.</p> <p>Vesting of the rights is based on a sliding scale of cumulative EPS/EBITPS performance and do not exceed 100%. Performance rights that do not vest will lapse.</p>
Conversion of vested performance rights	Vested rights will be settled via the issue of ordinary shares within 60 days following release of the FY27 financial report, except where the Board exercises its discretion to settle in the form of cash.
Cessation of employment	Under the plan performance rights do not vest until the end of the relevant three-year period. Cessation of employment during this period will cause the performance rights to lapse unless the Board exercises its discretion and determines otherwise, such as in the case of retirement, injury, disability, death or redundancy.
Board discretion	The Board retains discretion to adjust the EPS/EBITPS performance condition to ensure participants are not penalised nor provided a windfall benefit arising from matters outside of management's control. The Board also has discretion over the vesting and settlement of performance rights in the event of a change in control of the company.

Assessing performance

The CEO is responsible for assessing the performance of KMP who report to him against key performance indicators (KPIs), and the Board assesses the performance of the CEO. Performance assessments are based on detailed performance evaluations, business unit results, the earnings per share result, and verifiable data such as data from independently run surveys to ensure assessments are fair.

Directors' report (continued)

17. Remuneration report (continued)

D. Executive remuneration strategy and structure (continued)

Independent advice

When required, the Board or RNC obtains independent advice from remuneration consultants on the appropriateness of the group's executive and non-executive director remuneration framework.

Advice was sought from Crichton & Associates in the second half of FY24. The advice provided has been considered in relation to remuneration reviews for the Board and executive management team for FY25.

E. Contractual arrangements with executive KMP

A summary of contractual arrangements with the CEO and executive KMP is set out below.

Component	CEO	Other Executive KMP
Fixed remuneration	\$660,000 plus super	Range of \$355,000 to \$395,000
Contract duration	Ongoing contract	Ongoing contract
Required termination notice by individual/employer	Six months	Three months
Post-employment restraint of trade	Six months	Three months
Termination of employment (without cause)	<ul style="list-style-type: none">Entitlement to pro rata annual STI.At the Board's discretion, unvested LTI may remain on foot subject to achievement of the performance hurdles at the original date of testing (on a pro rata basis for each full year of performance).The Board has discretion to award a greater or lower amount of either incentive.	
Termination of employment (with cause)	<ul style="list-style-type: none">Entitlement to pro rata annual STI.Unvested LTI will lapse.Vested and unexercised LTI can be exercised in accordance with the terms of the LTI plan.	
Termination of employment by the individual (resignation)	<ul style="list-style-type: none">Entitlement to pro rata annual STI.Unvested LTI will lapse.Vested and unexercised LTI can be exercised in accordance with the terms of the LTI plan.	
Non-financial benefits	Car park, laptop, mobile phone, salary continuance insurance, business subscriptions	

F. KMP remuneration table

Compensation paid, payable, or provided by the group or on behalf of the group to KMP as calculated in accordance with applicable accounting standards is set out in the following table.

Directors' report (continued)

17. Remuneration report (continued)

F. KMP remuneration table

		Fixed remuneration				Variable remuneration				
		Salary and fees (e) \$	Change in accrued leave (a) (e) \$	Post-employment benefits (b) \$	Termination benefits \$	Cash bonus (c) (e) \$	Non- monetary (e) \$	Share-based (d) (f) \$	Total reward \$	Performance related %
Non-executive directors										
Mark Gray	2025	197,309	-	22,691	-	-	-	-	220,000	-
Chair (from 1/11/2023)	2024	139,668	-	15,363	-	-	-	-	155,031	-
Richard Anderson (Chair until 31/10/2023)	2024	52,759	-	5,803	-	-	-	-	58,562	-
Mark Esler	2025	116,592	-	13,408	-	-	-	-	130,000	-
	2024	95,023	-	10,452	-	-	-	-	105,475	-
Susan Forrester (until 30/04/2025)	2025	96,771	-	11,129	-	-	-	-	107,900	-
	2024	95,023	-	10,452	-	-	-	-	105,475	-
Bronwyn Morris (from 1/12/2024)	2025	78,027	-	8,973	-	-	-	-	87,000	-
Leanne Muller (until 30/10/2024)	2025	44,395	-	5,105	-	-	-	-	49,500	-
	2024	105,882	-	11,647	-	-	-	-	117,529	-
Subtotals – non-executive directors	2025	533,094	-	61,306	-	-	-	-	594,400	-
	2024	488,355	-	53,717	-	-	-	-	542,072	-
Executive directors										
Brad Colledge (CEO/MD from 1/3/2024, Executive General Manager until 28/2/2024)	2025	660,000	66,441	29,932	-	281,431	-	210,039	1,247,843	39.4
	2024	560,000	68,833	27,399	-	275,099	-	146,540	1,077,871	39.1
Laurence Baynham (CEO/MD until 1/3/2024)	2025	-	-	-	-	-	-	-	-	-
	2024	437,067	(390,686)	27,399	561,274	187,913	304	310,281	1,133,552	43.9
Other KMP										
Michael Bowser	2025	395,000	36,657	29,932	-	207,935	-	145,908	815,433	43.4
Executive General Manager	2024	387,000	12,348	27,399	-	201,946	-	146,540	775,233	45.0
Cherie O'Riordan	2025	370,000	16,543	29,932	-	155,337	-	94,217	666,029	37.5
Chief Financial Officer	2024	309,000	19,214	27,399	-	137,661	-	46,124	539,398	34.1
John Tan (from 1/3/2024)	2025	355,000	(16,158)	29,932	-	230,562	-	70,918	670,253	45.0
Chief Customer Officer	2024	115,000	(1,092)	12,650	-	132,026	-	34,194	292,778	56.8
Subtotals – Executive KMP	2025	1,780,000	103,483	119,728	-	875,265	-	521,082	3,399,558	41.1
	2024	1,808,067	(291,383)	122,246	561,274	934,645	304	683,679	3,818,832	42.4
Totals – KMP	2025	2,313,094	103,483	181,034	-	875,265	-	521,082	3,993,958	35.0
	2024	2,296,422	(291,383)	175,963	561,274	934,645	304	683,679	4,360,904	37.1

Directors' report (continued)

17. Remuneration report (continued)

F. KMP remuneration table (continued)

- (a) This is the change in accrued annual and long service leave and is measured in accordance with AASB 119 *Employee Benefits*.
- (b) Post-employment benefits comprise statutory superannuation.
- (c) Short-term bonus is composed of STI.
- (d) Share-based remuneration comprises share-based incentives and share-based ex-gratia rewards. Remuneration expense is recognised for each tranche of rights granted and outstanding on a straight-line basis over the vesting period.
- (e) This is a short-term benefit as it is a movement in current provision, except for \$7,599 which is non-current (FY24: \$5,222).
- (f) This is a long-term benefit.

G. The group's performance

Relationship between remuneration and group performance

The overall level of executive reward takes into account the group's performance over a number of years, with greater emphasis given to improving performance over the prior year. Since 2019 the group's net profit has grown at an average rate of 17.0% per year and, the total executive remuneration has increased by an average 4.3% per year. The Board is satisfied with the level of executive remuneration that is at risk and based on group performance and believes the group's executives are remunerated fairly and in line with the long-term performance of the group. The equity-based LTI plan ensures significant focus is maintained on the group's long-term performance, as each year's LTI offering is subject to three-year vesting.

Short-term incentives

In FY25 profit-related performance targets were met resulting in short-term bonuses in line with target.

Long-term incentives

LTI remuneration is based primarily on the basic earnings per share (EPS) performance of Data#3 Limited. In FY25 the EPS target was exceeded, resulting in vesting of LTI that was on target for 100% vesting.

Group performance

Measures of the group's performance during FY25 and the previous four years, as required by the Corporations Act, is set out below.

	Profit after tax to members of Data#3 Limited \$'000	Basic earnings per share Cents	Share price at 30 June \$	Dividends paid per share Cents	Change in shareholder value each year* \$
FY25	48,194	31.12	7.61	26.00	(0.57)
FY24	43,311	28.00	8.37	24.50	1.42
FY23	37,030	23.96	7.20	20.65	2.75
FY22	30,262	19.61	4.66	16.75	(0.78)
FY21	25,414	16.51	5.61	14.30	1.21

* calculated as the share price increase or decrease plus dividends paid per share during the financial year.

Directors' report (continued)

17. Remuneration report (continued)

H. Other statutory information

(i) Performance-based remuneration granted and forfeited during the year

Cash bonuses

For each short-term cash bonus included in the table of remuneration expenses in section (f), the percentage of the planned bonus that was actually earned in the financial year, and the percentage that was forfeited because the person did not meet the relevant profit or other performance-related criteria, are set out below.

Name	Earned %	Forfeited %
Michael Bowser	100%	0%
Brad Colledge	100%	0%
Cherie O'Riordan	100%	0%
John Tan	100%	0%

Equity instruments

All rights and options refer to rights and options over ordinary shares of Data#3 Limited, which are exercisable one-for-one under the Data#3 Long Term Incentive Plan.

The share-based amounts included in the table of remuneration expenses in section F relate to rights issued to KMP. Compensation expense is recognised for each tranche of rights granted on a straight-line basis over the vesting period. The share-based payment amounts for KMP in FY25 were calculated as follows:

Grant date of rights	Compensation expense			
	M Bowser \$	B Colledge \$	C O'Riordan \$	J Tan \$
18 November 2022	51,691	51,691	-	12,062
31 October 2023	46,124	46,124	46,124	10,763
25 November 2024	48,093	112,224	48,093	48,093
FY25 LTI compensation expense	145,908	210,039	94,217	70,918

No options were granted or vested during the reporting period. Performance rights with nil exercise price were granted to KMP as compensation during FY25 for no consideration as follows:

Key management person	Performance rights granted	Date of grant	Fair value per right at grant date \$	Fair value of rights \$
Michael Bowser	18,545	25 November 2024	7.22	133,895
Brad Colledge	43,274	25 November 2024	7.22	312,438
Cherie O'Riordan	18,545	25 November 2024	7.22	133,895
John Tan	18,545	25 November 2024	7.22	133,895

Directors' report (continued)

17. Remuneration report (continued)

H. Other statutory information (continued)

The fair value of the rights was determined using the Black Scholes Model that takes into account the market price of the company's shares at the grant date, the three-year vesting period and expected dividends during that period that will not be received by the employees.

During the reporting period, the following ordinary shares were issued with a nil exercise price on the exercise of vested rights previously granted as compensation:

Key management person	Performance rights vested/ shares issued	Date of initial grant	Date of exercise	Share price of shares issued \$	Total value of shares issued \$	Vested %
Michael Bowser	27,580	30/11/2021	02/09/2024	8.088	223,078	100%
Brad Colledge	27,580	30/11/2021	02/09/2024	8.088	223,078	100%
John Tan	6,435	30/11/2021	02/09/2024	8.088	52,049	100%

(ii) Details of equity incentives affecting current and future remuneration

The terms and conditions of each grant of rights affecting remuneration in the current or a future reporting period are as follows:

Grant date	Vesting and exercise date	Expiry date	Value per right at grant date \$	Performance achieved	Vested %
18 November 2022	Release date of 30/06/2025 annual financial results	60 days after exercise date	6.40	83.08 cents cumulative EPS	100%
31 October 2023	Release date of 30/06/2026 annual financial results	60 days after exercise date	6.30	To be determined	n/a
25 November 2024	Release date of 30/06/2027 annual financial results	60 days after exercise date	7.22	To be determined	n/a

All rights and options expire on the earlier of their expiry date or termination of the individual's employment (unless the Board exercises its discretion to keep the rights on foot). In addition to a continuing employment service condition, vesting is conditional on the achievement of (1) an earnings per share target (for the 2023 and 2024 grants) and earnings before interest and tax per share target (for the 2025 grant) and (2) specific strategic priorities. For rights granted in the current year, the earliest vesting date is 1 July 2027. The number of rights over ordinary shares in the company provided as remuneration to KMP is shown in section (i) above. The rights carry no dividend or voting rights. When exercisable, each right is convertible into one ordinary share of Data#3 Limited within 60 days after the release of the annual financial results to the market. The exercise price for all rights granted to date is nil.

Movements in options and rights over equity instruments

The movements during the reporting period in the number of rights over ordinary shares in Data#3 Limited held directly, indirectly or beneficially by each key management person, including their personally related entities, are shown below. No options have been issued or are outstanding.

Directors' report (continued)

17. Remuneration report (continued)

H. Other statutory information (continued)

Key management person	Held at 1 July 2024	Granted as compensation	Exercised	Lapsed or forfeited	Became/ (ceased as) KMP	Held at 30 June 2025	Vested and exercisable at 30 June 2025
Michael Bowser	73,774	18,545	(27,580)	-	-	64,739	-
Brad Colledge	73,774	45,274	(27,580)	-	-	89,468	-
Cherie O'Riordan	21,964	18,545	-	-	-	40,509	-
John Tan	17,214	18,545	(6,435)	-	-	29,324	-

Movements in shares

The movements during the reporting period in the number of ordinary shares in Data#3 Limited held directly, indirectly, or beneficially by each key management person, including their personally related entities, are shown below.

	Balance 30 June 2024	Received upon exercise of rights	Other changes ¹	Shares upon ceasing to be KMP	Balance 30 June 2025
Directors					
Mark Gray	33,385	-	8,615	-	42,000
Brad Colledge	399,729	27,580	-	-	427,309
Mark Esler	2,799,330	-	-	-	2,799,330
Susan Forrester	27,982	-	(27,982)	-	-
Bronwyn Morris	-	-	20,000	-	20,000
Leanne Muller	50,000	-	-	(50,000)	-
Other executives					
Michael Bowser	282,943	27,580	-	-	310,523
Cherie O'Riordan	-	-	-	-	-
John Tan	13,957	6,435	-	-	20,392

1. Except as noted, other changes refer to the individual's on-market trading.

None of the shares in the preceding table are held nominally by the directors or any of the other KMP.

(iii) Other transactions with KMP

From time to time, directors of Data#3, or their related entities, may purchase goods from the group. These purchases are on the same terms and conditions as those entered into by other group employees or customers and are trivial or domestic in nature.

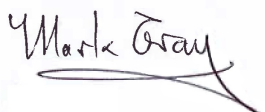
There were no other transactions during FY25 with KMP or their personally related entities other than compensation and transactions in relation to shares and performance rights as discussed in this report.

(iv) Voting of shareholders at the 2024 Annual General Meeting

We received a 95.02% vote in support of the adoption of our Remuneration Report for the 2024 financial year.

This is the end of the audited remuneration report.

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



Mark Gray
Chair

Brisbane
25 August 2025



Auditor's Independence Declaration

As lead auditor for the audit of Data#3 Limited for the year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been:

- a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Data#3 Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Ben Woodbridge'.

Ben Woodbridge
Partner
PricewaterhouseCoopers

Brisbane
25 August 2025

PricewaterhouseCoopers, ABN 52 780 433 757
480 Queen Street, BRISBANE QLD 4000,
GPO Box 150, BRISBANE QLD 4001
T: +61 7 3257 5000, F: +61 7 3257 5999, www.pwc.com.au

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Consolidated statement of comprehensive income

for the year ended 30 June 2025

	Notes	2025 \$'000	2024 \$'000
Revenue			
Revenue from contracts with customers	3	852,659	805,746
Other revenue		344	247
		853,003	805,993
Expenses			
Cost of sales	4	(563,284)	(535,902)
Internal employee and contractor costs		(204,061)	(190,321)
Telecommunications		(2,275)	(2,239)
Rent		(1,621)	(1,777)
Travel		(1,390)	(1,474)
Professional fees		(1,286)	(1,022)
Depreciation and amortisation	4	(6,486)	(6,303)
Other		(12,683)	(13,458)
		(793,086)	(752,496)
Finance income	3	10,242	9,690
Finance costs	4	(1,040)	(1,114)
Net finance income		9,202	8,576
Profit before income tax expense		69,119	62,073
Income tax expense	5	(20,925)	(18,762)
Profit for the year attributable to the ordinary equity holders of the company		48,194	43,311
Other comprehensive income, net of tax:			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		371	(191)
Total comprehensive income attributable to the ordinary equity holders of the company		48,565	43,120
Earnings per share for profit attributable to the ordinary equity holders of the company:		Cents	Cents
Basic earnings per share	13	31.12	28.00
Diluted earnings per share	13	31.02	27.90

The accompanying notes form part of these financial statements.

Consolidated balance sheet

as at 30 June 2025

	Notes	2025 \$'000	2024 \$'000
Current assets			
Cash and cash equivalents	6	356,689	276,381
Trade and other receivables	7	501,573	513,107
Contract assets		10,298	9,392
Inventories – at net realisable value		18,385	19,101
Current tax asset		10,842	-
Other	8	6,139	6,133
Total current assets		903,926	824,114
Non-current assets			
Trade and other receivables	7	-	744
Property and equipment		2,279	2,605
Right-of-use assets	16	15,626	17,399
Deferred tax assets	5	6,954	8,033
Intangible assets	9	13,313	13,252
Total non-current assets		38,172	42,033
Total assets		942,098	866,147
Current liabilities			
Trade and other payables	10	777,397	704,365
Contract liabilities	11	48,770	46,786
Lease liabilities	16	3,986	3,990
Current tax liabilities		-	7,219
Provisions	12	9,062	8,008
Total current liabilities		839,215	770,368
Non-current liabilities			
Lease liabilities	16	14,561	16,605
Provisions	12	4,153	4,258
Total non-current liabilities		18,714	20,863
Total liabilities		857,929	791,231
Net assets		84,169	74,916
Equity			
Contributed equity	15	14,229	12,577
Share-based payments reserve	22	272	960
Foreign currency translation reserve		(32)	(403)
Retained earnings		69,700	61,782
Total equity		84,169	74,916

The accompanying notes form part of these financial statements.

Consolidated statement of changes in equity

for the year ended 30 June 2025

<u>Attributable to owners of Data#3 Limited</u>						
		Contributed equity	Share-based payment reserve	Foreign currency translation reserve	Retained earnings	Total shareholders' equity
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2023		11,861	323	(212)	56,373	68,345
Profit for the year		-	-	-	43,311	43,311
Other comprehensive income, net of tax		-	-	(191)	-	(191)
Total comprehensive income		-	-	(191)	43,311	43,120
Transactions with owners in their capacity as owners:						
Payment of dividends	14	-	-	-	(37,902)	(37,902)
Issue of shares under employee share scheme	22	716	(716)	-	-	-
Employee share schemes – value of employee services	22	-	1,162	-	-	1,162
Employee share schemes – movement in deferred tax	5	-	191	-	-	191
		716	637	-	(37,902)	(36,549)
Balance at 30 June 2024		12,577	960	(403)	61,782	74,916
Profit for the year		-	-	-	48,194	48,194
Other comprehensive income, net of tax		-	-	371	-	371
Total comprehensive income		-	-	371	48,194	48,565
Transactions with owners in their capacity as owners:						
Payment of dividends	14	-	-	-	(40,276)	(40,276)
Issue of shares under employee share scheme	22	1,652	(1,652)	-	-	-
Employee share schemes – value of employee services	22	-	1,001	-	-	1,001
Employee share schemes – movement in deferred tax	5	-	(37)	-	-	(37)
		1,652	(688)	-	(40,276)	(39,312)
Balance at 30 June 2025		14,229	272	(32)	69,700	84,169

The accompanying notes form part of these financial statements.

Consolidated statement of cash flows

for the year ended 30 June 2025

	Notes	2025 \$'000	2024 \$'000
Cash flows from operating activities			
Receipts from customers and agency arrangements (inclusive of GST)		3,328,914	2,969,179
Payments to suppliers and employees (inclusive of GST)		(3,136,146)	(3,013,776)
GST paid		(37,591)	(32,766)
Interest received		10,066	9,923
Interest and other borrowing costs paid		(1,005)	(1,086)
Income tax paid (net of refunds)		(37,944)	(17,664)
Net cash inflow (outflow) from operating activities	6	126,294	(86,190)
Cash flows from investing activities			
Payments for property and equipment		(910)	(607)
Proceeds from sale of equipment		-	2
Payments for software assets		(1,259)	-
Net cash (outflow) from investing activities		(2,169)	(605)
Cash flows from financing activities			
Payment of dividends	14	(40,276)	(37,902)
Lease liability payments	16	(3,912)	(3,497)
Net cash (outflow) from financing activities		(44,188)	(41,399)
Net increase/(decrease) in cash and cash equivalents held		79,937	(128,194)
Cash and cash equivalents, beginning of financial year		276,381	404,766
Effect of exchange rate changes on cash and cash equivalents		371	(191)
Cash and cash equivalents, end of financial year	6	356,689	276,381

The accompanying notes form part of these financial statements.

Notes to consolidated financial statements

About this report

The material accounting policies we have adopted in the preparation of our financial report are set out in the following notes to the financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated. The financial statements are for the group consisting of Data#3 Limited ("the company") and its subsidiaries. References in this financial report to "we", "us" or "our" refer to management speaking on behalf of the consolidated group ("the group").

We have prepared these general-purpose financial statements in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. These financial statements are presented in Australian dollars and have been prepared under the historical cost convention. The functional currency is also Australian dollars. Data#3 Limited is a for-profit entity for the purpose of preparing the financial statements.

Compliance with IFRS

Our financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Changes in accounting standards and regulatory requirements

We adopted all the new and revised accounting standards and interpretations issued by the Australian Accounting Standards Board that are relevant to our operations and effective for an accounting period that begins on or after 1 July 2024. Please refer to Note 1 for further information.

Critical estimates, judgements and errors

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management must also exercise judgement in applying the group's accounting policies. Following is an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements. The areas involving significant estimates or judgements are as follows:

- recognition of revenue and allocation of transaction price (note 3)
- impairment of financial assets (note 7(b))
- estimation of goodwill impairment (note 9)
- estimation uncertainties and judgements made in relation to lease accounting (note 16)

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Certain comparatives have been changed to ensure consistency with current year disclosures. Data#3 has revised the presentation of its statement of comprehensive income to enhance understanding of financial performance. This includes the disclosure of cost of sales and amounts previously presented are included in note 4. Additionally, finance income is now presented separately from other revenue.

Corporate information

The financial report was authorised for issue in accordance with a resolution of the directors on 25 August 2025. Data#3 Limited is a public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business follows:

Level 1
555 Coronation Drive
TOOWONG QLD 4066

Notes to consolidated financial statements (continued)

Note 1. Changes in accounting standards

We adopted the following new accounting standards on 1 July 2024, neither of which had a material effect on the consolidated financial statements for FY25:

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current and 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date – the standard amends AASB 101 *Presentation of Financial Statements* to clarify that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. The adoption of this revised accounting standard had no material effect on the consolidated financial statements for the reporting period ended 30 June 2025 or our accounting policies.

AASB 2023-1 Amendments to Australian Accounting Standards – Supplier Finance Arrangements – the standard amends AASB 107 and AASB 7 to require an entity to provide additional disclosures about its supplier finance arrangements to enable users of financial statements to assess how supplier finance arrangements affect an entity's liabilities, cash flows and exposure to liquidity risk. The adoption of this revised accounting standard had no material effect on the consolidated financial statements for the reporting period ended 30 June 2025 or our accounting policies.

The accounting policies adopted in this financial report are the same as those applied in the previous financial year.

Note 2. Segment information

a) Description of segments and principal activities

The group's Chief Operating Decision Maker (CODM) comprising the Chief Executive Officer, the Chief Financial Officer, Executive General Manager and Chief Customer Officer review the group's performance from a business unit perspective which is structured based on the products and services offered.

Three reportable segments of the business have been identified:

Software Solutions – the segment provides software licensing, consumption sales along with consulting services

Infrastructure Solutions – this segment provides hardware and accompanying software licensing, vendor branded maintenance services and other services

Services – this segment provides consulting services, project services, maintenance services, managed services, contracting services, software licensing and vendor branded maintenance services.

These reportable segments comprise the revenue streams of the business (further details provided in Note 3 Revenue). The information provided to the CODM in relation to segments differs to that disclosed in the financial statements due to reclassifications, mainly those required in line with AASB 15 *Revenue from Contracts with Customers*.

The CODM uses a calculated Management Profit to assess the performance of operating segments. The amounts not included in Management Profit are not allocated to segments as they are managed at a group level. The total of Management Profit as included in the table below reconciles with profit before income tax expense as presented in the statement of comprehensive income.

Notes to consolidated financial statements (continued)

Note 2. Segment information (continued)

b) Financial information

The CODM primarily uses Management Profit to assess the performance of the segments. Management Profit reflects profit before tax and corporate allocation. It also excludes the effects of items included in Other Comprehensive Income.

The amounts not included in Management Profit are not allocated to segments as they are managed at a group level.

	Software Solutions	Infrastructure Solutions	Services	Corporate and Shared Services	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Year ended 30 June 2025					
Gross Sales *	2,034,501	570,691	398,170		3,003,362
Agent v Principal Adjustment *	(1,961,895)	(62,548)	(126,260)		(2,150,703)
Statutory Revenue	72,606	508,143	271,910		852,659
Gross Cost of sales	(1,961,928)	(499,452)	(252,607)		(2,713,987)
Agent v Principal Adjustment	1,961,895	62,548	126,260		2,150,703
Cost of Sales	(33)	(436,904)	(126,347)		(563,284)
Other income and expenses **	(34,523)	(53,749)	(113,334)	(18,650)	(220,256)
Management Profit	38,050	17,490	32,229	(18,650)	69,119
Year ended 30 June 2024					
Gross Sales *	1,833,754	547,433	372,994		2,754,181
Agent v Principal Adjustment *	(1,764,168)	(64,740)	(119,527)		(1,948,435)
Statutory Revenue	69,586	482,693	253,467		805,746
Gross Cost of sales	(1,764,170)	(482,673)	(237,494)		(2,484,337)
Agent v Principal Adjustment *	1,764,168	64,740	119,527		1,948,435
Cost of Sales	(2)	(417,933)	(117,967)		(535,902)
Other income and expenses **	(34,264)	(51,027)	(106,341)	(16,139)	(207,771)
Management Profit	35,320	13,733	29,159	(16,139)	62,073

* Gross Sales is non-IFRS information and does not represent revenue in accordance with Australian Accounting Standards. Gross Sales represent gross proceeds from the sale of goods and services whether as agent or principal. Data#3's CODM use non-IFRS financial measures to make operating decisions, and they facilitate additional internal comparisons of Data#3's performance to historical results and to competitors' results.

** Other income and expenses includes internal employee and contractor costs, depreciation and amortisation, interest income and interest costs. All other costs as presented in the statement of profit or loss not allocated to segments above are considered corporate and shared services adjusted for interest income

c) Changes from previous annual financial statements

During the financial year, the group has refined its presentation of operating segments to better align with internal reporting structures. It was determined that discrete financial information for three reportable segments was being reviewed by the CODM. This adjustment provides enhanced transparency of how management reviews operations and makes strategic decisions.

Notes to consolidated financial statements (continued)

Note 3. Revenue

Revenue recognition critical judgements

Management exercises judgment in determining the recognition of revenue. Each sale is evaluated to determine whether we are operating as principal or agent and recording revenue on a gross or net basis, respectively. Principal versus agent assessments depend on the specific facts and circumstances in the agreements with suppliers and customers and can be complex, requiring a high degree of judgement. The main criteria demonstrating if we act as principal are as follows:

- we are primarily responsible for fulfilling the promise to provide the specified goods or service
- we have control over the item sold before the specified good or service has been transferred to a customer
- with physical goods, we have inventory risk until control transfers to the customer
- we have discretion in establishing the price for the specified good or service.

Our disaggregated revenues and accounting policies for each material revenue stream are set out below.

Revenue from contracts with customers

We sell hardware, software licenses, maintenance contracts, consulting, recruitment, and contracting services. Revenue is recognised based on the completion of performance obligations at the transaction price allocated to the performance obligation. The transaction price is determined by the price specified in the underlying contract or order. Where the contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on prices set out on the customer's purchase order; when one or more performance obligations relate to services to be delivered in the future, the associated revenue is deferred and recognised in accordance with the specific accounting policy applicable to the service (refer below for our services revenue accounting policies). No discounts, loyalty points or returns are offered to customers. A performance obligation is satisfied when control of the promised good or service is transferred to the customer.

Our business is conducted primarily in Australia. Revenue from customers domiciled in Australia comprised 99.5% of external sales for FY25 (FY24: 99.5%). During the year there was no customer that individually accounted for more than 10% of the group's total gross sales (FY24: none).

A summary of our revenue by business unit and accounting basis is as follows:

Business unit/revenue stream	Policy note	Revenue recognition timing	2025 \$'000	2024 \$'000
Infrastructure Solutions (INS)				
Hardware – as principal	(1)	Point in time	493,560	470,199
Software licensing and vendor-branded maintenance services – as agent	(2)	Point in time	12,934	11,031
Services – as principal	(3)	Over time	1,649	1,463
Software Solutions (SWS)				
Software licensing, vendor-branded maintenance services and consumption sales – as agent	(2)	Point in time	70,516	68,134
Consulting – as principal	(4)	Over time	2,090	1,452
Services				
Consulting services – as principal	(4)	Over time	30,344	32,718
Project services – as principal	(4)	Over time	79,607	77,367
Maintenance services – as principal	(3)	Over time	14,669	11,677
Managed services – as principal	(3)	Over time	54,834	43,880
Software licensing and vendor-branded maintenance services – as agent	(2)	Point in time	31,610	27,649
Contracting services – as principal	(4)	Over time	60,846	60,176
Total revenue from contracts with customers			852,659	805,746
Other revenue			344	247
			853,003	805,993

Notes to consolidated financial statements (continued)

Note 3. Revenue (continued)

(1) Hardware

We sell hardware products that are sourced from and delivered by multiple suppliers. We recognise revenue from the sale of these products at the point in time when control of the promised goods has passed to the customer and as principal. Payments from customers are generally due within 30 days of invoice date. The following indicators are used by the group in determining when control has passed to the customer:

- we have a right to payment for the product or service
- we have transferred physical possession of the product to the customer
- the customer has the significant risks and rewards of ownership of the product
- the customer has accepted the product.

For some hardware sales, the group bills the customer and holds the products in a Data#3 warehouse until it is delivered to the customer. The group recognises revenue at the time of raising an invoice on the customer as the point in time the customer obtains control of the product. The criteria for recognising revenue is met based on the following factors:

- the arrangement is primarily because the customer is not ready to take delivery of the product and is held in Data#3 warehouse per customer's instruction
- the product is identified separately as belonging to the customer and is ready for physical transfer to the customer
- the group does not have the ability to use the product or to direct it to another customer.

(2) Software licensing and vendor-branded maintenance services

We sell software licenses (including Software as a Service or "SaaS" cloud computing solutions) and vendor-branded maintenance contracts on behalf of our suppliers. As our performance obligation is the fulfillment of the end user's order with product or services provided by the supplier, we recognise revenue for these sales on an agent basis at the time the order is fulfilled (at the time the software license/maintenance contract is activated by the vendor), whereby the revenue is equal to the amount of consideration receivable from the end user less the cost of sale due to the supplier. In relation to software license sales, we also receive vendor rebates and incentives which are accounted for as revenue at the time that receipt of the rebate/incentive is considered highly probable.

(a) Multi-year software licensing contracts

Under multi-year software sales contracts, customers commit to an agreed number of software licenses over a three-year term with an annual review of the volume of licences, except in certain minimum volumes and with the right to change to another reseller at the end of each year. Historically changes of partner have been rare and immaterial. We recognise revenue annually on an agent basis at the time each annual order is fulfilled, whereby the revenue is equal to the amount of consideration receivable from the end user less the cost of sale due to the supplier. At the end of each year of the contract, we review the actual usage by the customer; at that time we recognise additional fees and invoice the customer for usage above the minimum levels included in the contract. Customers are invoiced annually, and payment is generally due 30 days from invoice date. We satisfy performance obligations under the contract by arranging the transfer of the licensing to the customer; therefore, we recognise revenue on a net basis, as we are acting as an agent in the transaction.

(b) Consumption sales

In these contracts, consumption is charged based on actual usage of services, which is measured in units like compute hours, data storage, and data transfer. Charges are billed to customers monthly, with payment generally due 30 days from invoice date, and we recognise revenue for the services consumed under the contract on an agent basis at the point in time the usage is known each month, whereby the revenue is equal to the amount of consideration receivable from the end user less the cost of sale due to the supplier.

(3) Maintenance and managed services

We provide maintenance and managed services to customers as principal where we are primarily responsible for the service provided to the customers. We recognise revenue from these services over time as the services are provided in accordance with the sales contract. Customers are normally invoiced monthly, with payment generally due 30 days from invoice date.

Notes to consolidated financial statements (continued)

Note 3. Revenue (continued)

(4) Consulting, contracting and project services

We provide consulting and contracting services on both fixed fee and time-and-material bases. The services are provided by our own employees or by third party contractors. For fixed fee contracts we recognise revenue from these services as principal over time based on labour hours worked as a percentage of total estimated hours, for each contract where we have an enforceable right to payment for performance completed. Where it is probable that a loss will arise from a fixed price service contract, we immediately recognise the excess of total costs over revenue as an expense. For time-and-material contracts we recognise revenue over time at agreed-upon billing rates when services are provided. Customers are normally invoiced monthly, with payment generally due 30 days from invoice date. We act as principal in providing these services.

Incentives and rebates

We account for incentives and rebates from suppliers in the period in which they are earned. Rebates earned were traditionally related to sales volumes and short term in nature, with rebates earned but not yet received typically relating to the preceding quarter's sales. In recent times, our key vendors have transitioned from volume-based to more services incentive programs to incentivise increased customer engagement and adoption of their products. Incentives and rebates are earned in relation to sales made as principal or agent; they are recognised in cost of goods sold or revenue, respectively, in the Consolidated Statement of Comprehensive Income; incentives and rebates earned but not yet received are included within other receivables in the Consolidated Balance Sheet.

Finance income

Finance income comprises primarily interest revenue, which is recognised as it accrues using the effective interest method.

Note 4. Expenses

	2025 \$'000	2024 \$'000
Purchase of goods	435,865	414,942
Employee and contractor costs directly on-charged (cost of sales on services)	89,558	88,083
Other cost of sales on services	37,861	32,877
Total cost of sales	563,284	535,902
Depreciation and amortisation of property and equipment	1,228	1,195
Depreciation of right-of-use assets (Note 16)	4,060	3,911
Amortisation of software recorded in depreciation and amortisation (Note 9)	1,198	1,197
Depreciation and amortisation - recorded in depreciation and amortisation expense	6,486	6,303
Amortisation of software - recorded in cost of sales (Note 9)	-	758
Total depreciation and amortisation	6,486	7,061
Finance costs		
Interest on lease liabilities (Note 16)	1,005	1,084
Other interest and finance charges paid/payable	-	2
Unwinding of discount on provisions and other payables (Note 12)	35	28
	1,040	1,114

Notes to consolidated financial statements (continued)

Note 4. Expenses (continued)

	2025 \$'000	2024 \$'000
Employee benefits expense	180,864	172,215
Termination benefits expense (excluding employee-originated terminations)	1,105	474
Defined contribution superannuation expense	22,092	19,876
Other charges against assets - impairment of trade receivables (Note 7(b))	485	420

Note 5. Income tax

	2025 \$'000	2024 \$'000
The major components of income tax expense are as follows:		
Current income tax expense	19,858	20,722
Deferred income tax relating to the origination and reversal of temporary differences	1,041	(1,985)
Adjustments for current tax of prior years	26	25
Income tax expense	20,925	18,762
A reconciliation between income tax expense and the product of accounting profit before income tax multiplied by the company's applicable income tax rate is as follows:		
Accounting profit before income tax	69,119	62,073
Income tax calculated at the Australian tax rate: 30% (FY24: 30%)	20,736	18,622
Tax effect of amounts which are not deductible in calculating taxable income:		
Non-deductible items	206	134
	20,942	18,756
Difference in overseas tax rates	(43)	(19)
Under/(over) provision in prior year	26	25
Income tax expense	20,925	18,762
	%	%
Effective tax rate (income tax expense as a percentage of profit before tax)	30.3	30.2

We paid income taxes (net of refunds in relation to the prior year, if any) of \$37,944,000 during FY25 (FY24: \$17,664,000).

Notes to consolidated financial statements (continued)

Note 5. Income tax (continued)

Deferred income tax assets and liabilities are attributable to the following temporary differences:

	2025 \$'000	2024 \$'000
Lease liabilities	5,564	6,178
Accrued liabilities	3,672	3,532
Provisions	4,209	3,814
Depreciation	286	156
Share-based payments	781	1,013
Other	16	30
Total deferred tax assets	14,528	14,723
Right-of-use assets	(4,688)	(5,220)
Intangible assets	(432)	(297)
Contract assets	(1,946)	(1,166)
Other	(508)	(7)
Total deferred tax liabilities	(7,574)	(6,690)
Net deferred tax assets	6,954	8,033

Movements in deferred tax assets are as follows:

	Lease liabilities \$'000	Accrued liabilities \$'000	Provisions \$'000	Depreciation * \$'000	Share- based payments \$'000	Other \$'000	Total \$'000
Balance at 30 June 2023	7,165	3,098	3,473	(31)	688	31	14,424
(Charged)/credited							
- to profit or loss	(987)	434	341	185	134	21	128
- to current tax liability	-	-	-	2	-	(22)	(20)
- to equity	-	-	-	-	191	-	191
Balance at 30 June 2024	6,178	3,532	3,814	156	1,013	30	14,723
(Charged)/credited							
- to profit or loss	(614)	140	395	130	(195)	(14)	(158)
- to equity	-	-	-	-	(37)	-	(37)
Balance at 30 June 2025	5,564	3,672	4,209	286	781	16	14,528

Notes to consolidated financial statements (continued)

Note 5. Income tax (continued)

Movements in deferred tax liabilities are as follows:

	Right-of- use assets \$'000	Intangible assets * \$'000	Contract assets \$'000	Other \$'000	Total \$'000
Balance at 30 June 2023	(6,319)	(255)	(1,988)	17	(8,545)
(Charged)/credited					
- to profit or loss	1,099	(42)	822	(22)	1,857
- to current tax liability	-	-	-	(2)	(2)
Balance at 30 June 2024	(5,220)	(297)	(1,166)	(7)	(6,690)
(Charged)/credited					
- to profit or loss	532	(135)	(780)	(500)	(883)
- to current tax liability	-	-	-	(1)	(1)
Balance at 30 June 2025	(4,688)	(432)	(1,946)	(508)	(7,574)

* Comparative information has been reclassified to ensure consistency with current year disclosures

Note 6. Cash and cash equivalents

	2025 \$'000	2024 \$'000
Cash at bank and on hand	33,189	26,381
Deposits at call	323,500	250,000
	356,689	276,381

For purposes of the consolidated statement of cash flow, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. We show any bank overdrafts within borrowings in current liabilities on the balance sheet.

Notes to consolidated financial statements (continued)

Note 6. Cash and cash equivalents (continued)

Reconciliation of net profit to net cash flow from operations

	Notes	2025 \$'000	2024 \$'000
Profit for the year		48,194	43,311
Loss/(gain) on disposal of property, equipment and software		(356)	7
Depreciation and amortisation	4	6,486	7,061
Unwinding of discount on provisions	4	35	28
Bad and doubtful debts	4	485	420
Non-cash employee benefits expense – share-based payments	22	1,001	1,162
Other		-	(1)
Change in operating assets and liabilities			
Decrease/(increase) in receivables		11,795	(65,307)
Decrease/(increase) in contract assets		(906)	2,504
Decrease/(increase) in inventories		716	312
Decrease/(increase) in other operating assets		(6)	(919)
Decrease/(increase) in net deferred tax assets ¹		1,078	(1,963)
Increase/(decrease) in payables		72,927	(71,217)
Increase/(decrease) in contract liabilities		1,984	(5,334)
Increase/(decrease) in current tax liabilities		(18,097)	3,060
Increase/(decrease) in provision for employee benefits		958	686
Net cash inflow/(outflow) from operating activities		126,294	(86,190)

1. The movement in net deferred tax assets is net of the tax effect of \$37,000 related to the share-based payments equity reserve (FY24: \$191,000).

Note 7. Trade and other receivables

	2025 \$'000	2024 \$'000
Current		
Trade receivables (a)	489,886	500,033
Allowance for impairment (b)	(817)	(448)
	489,069	499,585
Other receivables (c)	12,504	13,252
	501,573	513,107
Non-current		
Trade receivables on deferred payment terms (d)	-	744

We carry loans and receivables at amortised cost using the effective interest method. We establish an allowance for impairment of loans and receivables using the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Notes to consolidated financial statements (continued)

Note 7. Trade and other receivables (continued)

To measure the expected credit losses, we group trade receivables based on shared credit risk characteristics (being government versus other debtors) and the days past due. The expected loss rates are based on the historical credit losses experienced over the previous five years. We adjust historical loss rates to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. More material or higher risk receivable balances are reviewed individually, and we consider specific circumstances including payment history, the forecast of economic conditions in the customer's operating sector, communication quality and responsiveness to determine future expected credit losses. We provide individually, where necessary, based on the perceived level of risk. In addition, any entities that are in administration are provided for individually.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

(a) Trade receivables

Trade receivables are non-interest bearing and generally due for settlement between 14 and 30 days.

(b) Allowance for impairment

We recognised an impairment loss of \$485,000 in the current year (FY24: \$420,000). Impairment amounts are included in profit or loss within other expenses. Movements in the provision for impairment loss were as follows:

	\$'000
Carrying amount at 1 July 2022	62
Impairment loss recognised during the year	420
Receivables written off during the year	(34)
Carrying amount at 30 June 2024	448
Impairment loss recognised during the year	485
Receivables written off during the year	(116)
Carrying amount at 30 June 2025	817

Our ageing of trade receivables, receivables past due not impaired, and the expected loss percentage applied to each ageing category at 30 June 2025, is as follows:

	2025				2024			
	Expected loss	Trade receivables	Credit loss allowance	Past due but not impaired	Expected loss	Trade receivables	Credit loss allowance	Past due but not impaired
	%	\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000
Current	-	467,883	-	-	-	478,794	-	-
1-30 days	0.3%	15,542	51	15,491	0.3%	15,368	51	15,317
31-60 days	1.3%	2,214	29	2,185	1.2%	3,391	41	3,350
61-90 days	5.7%	1,400	80	1,320	1.3%	870	11	859
91-120 days	7.6%	1,864	142	1,722	1.6%	561	9	552
+120 days	52.4%	983	515	468	32.0%	1,049	336	713
		489,886	817	21,186		500,033	448	20,791

The increase in the expected loss percentage relates to specifically identified debtors as at 30 June 2025 and does not represent underlying deterioration of the credit quality of our customers. For trade receivables that are past due, each customer's account has been placed on hold where deemed necessary until full payment is made.

Notes to consolidated financial statements (continued)

Note 7. Trade and other receivables (continued)

(c) Other receivables

These amounts generally arise from accrued rebates or transactions outside our usual operating activities. Interest is normally not charged, collateral is not normally obtained, and the receivables are normally due within 30 days of recognition. None of these receivables are past due.

(d) Trade receivables on deferred payment terms

Non-current trade receivables are unsecured, non-interest bearing and payable within two years. None of these receivables are past due.

Note 8. Other assets

	2025 \$'000	2024 \$'000
Prepayments	6,026	6,030
Security deposits	113	103
	6,139	6,133

Note 9. Intangible assets

	2025 \$'000	2024 \$'000
Goodwill – at cost	11,843	11,843
Accumulated impairment	(1,787)	(1,787)
	10,056	10,056
Software assets – at cost	7,043	7,740
Accumulated amortisation and impairment	(5,045)	(4,544)
	1,998	3,196
Internally generated software assets – at cost	1,259	8,471
Accumulated amortisation and impairment	-	(8,471)
	1,259	-
	13,313	13,252

	Goodwill \$'000	Software assets \$'000	Internally generated software \$'000	Total \$'000
Carrying amount at 1 July 2023	10,056	4,393	758	15,207
Amortisation (Note 4)	-	(1,197)	(758)	(1,955)
Carrying amount at 30 June 2024	10,056	3,196	-	13,252
Additions	-	-	1,259	1,259
Amortisation (Note 4)	-	(1,198)	-	(1,198)
Carrying amount at 30 June 2025	10,056	1,998	1,259	13,313

Notes to consolidated financial statements (continued)

Note 9. Intangible assets (continued)

At at 30 June 2025, we had capital commitments of \$282,000 (2024: nil) in relation to internally generated software.

Goodwill

We initially measure goodwill on acquisition at cost, being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Subsequently goodwill is carried at cost less any accumulated impairment losses. We test goodwill for impairment on an annual basis, or more frequently if events or changes in circumstances indicate that it might be impaired, and we write its value down when impaired (refer below).

Software

Software assets include those we have developed ourselves and those we have purchased. We capitalise costs incurred in purchasing or developing software where the software will provide a future financial benefit to the group and we have control over the use of the software. Costs of internally generated software that we capitalise from the date we have determined the software's technical feasibility include external direct costs of materials and service and direct payroll and payroll-related costs of employees' time spent on the project. Software assets are carried at cost less accumulated amortisation and impairment losses. We calculate amortisation using the straight-line method over the estimated useful lives of the respective assets, generally two to five years.

Impairment testing

Goodwill is not subject to amortisation; we test it annually for impairment or more frequently if events or changes in circumstances indicate it might be impaired. We test other assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. We recognise an impairment loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For the purposes of assessing impairment, we group together assets that cannot be tested individually into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit or CGU). For the purpose of goodwill impairment testing, we aggregate CGUs to which goodwill has been allocated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. We allocate goodwill acquired in a business combination to groups of CGUs that are expected to benefit from the synergies of the combination.

We have allocated goodwill to our cash-generating units. During the current year, the level at which internal reporting over business operations associated with the goodwill was reviewed and the CGU's were realigned with this internal reporting. Goodwill summarised by CGUs is shown below:

Cash generating unit (CGU)	Carrying amount at 1 July 2023	Impairment recognised during FY24	Carrying amount at 30 June 2024	Reallocation of goodwill during FY25	Impairment recognised during FY25	Carrying amount at 30 June 2025
	\$'000	\$'000	\$'000		\$'000	\$'000
Infrastructure Solutions	1,724	-	1,724	-	-	1,724
Software Solutions	2,013	-	2,013	-	-	2,013
Services	-	-	-	6,319	-	6,319
Business Aspect	1,532	-	1,532	(1,532)	-	-
Project Services	1,211	-	1,211	(1,211)	-	-
Support Services	2,396	-	2,396	(2,396)	-	-
People Solutions	1,180	-	1,180	(1,180)	-	-
	10,056	-	10,056	-	-	10,056

We determine whether goodwill is impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash generating units to which the goodwill is allocated. We determined the recoverable amount of each cash generating unit based on a value-in-use calculation using cash flow projections based on financial projections approved by senior management for FY25. We applied a 12% before-tax discount rate to cash flow projections (FY24: 12%) and extrapolated cash flows for the four years beyond the FY25 financial year using an estimated CGU growth rates and a terminal value growth rate thereafter of 3.0% (FY24: 3.0%). No impairment was identified on these cash generating units at 30 June 2025 (FY24: nil).

Notes to consolidated financial statements (continued)

Note 9. Intangible assets (continued)

Key assumptions used in value-in-use calculations

We determined budgeted cash flows based on past performance and our expectations for the future. The discount rate was estimated based on our weighted average cost of capital at the date of impairment test. We have considered and assessed reasonably possible changes to these key assumptions and have not identified any that could cause the carrying amount of goodwill to exceed its recoverable amount.

Note 10. Trade and other payables

	2025 \$'000	2024 \$'000
Current		
Trade payables – unsecured	738,756	679,619
Other payables – unsecured	17,847	4,552
Employee benefits payable – unsecured	20,794	20,194
	777,397	704,365

Current trade and other payables are unsecured and are usually paid within 30 to 60 days of recognition.

Note 11. Contract liabilities

	2025 \$'000	2024 \$'000
Contract liabilities	48,770	46,786

Contract liabilities arise primarily from revenue contracts when customers pay us amounts due under the contracts before the goods or services identified in the contracts are delivered and from rebates received in advance from vendors on multi-year contracts amounting to \$24,027,000 for FY25 (FY24: \$19,408,000). The contract liabilities primarily relate to contracts where the revenue is recognised at a point in time with the revenue normally recognised within one to three years. We recognised \$22,043,000 that was included in the contract liability balance at 1 July 2024 in relation to customer and related vendor contracts for the provision of IT products and services (FY24: \$24,742,000).

Note 12. Provisions

	Current \$'000	2025 Non-current \$'000	Total \$'000	Current \$'000	2024 Non-current \$'000	Total \$'000
Employee entitlements	8,818	3,316	12,134	7,990	3,186	11,176
Lease remediation	244	837	1,081	18	1,072	1,090
	9,062	4,153	13,215	8,008	4,258	12,266

Notes to consolidated financial statements (continued)

Note 12. Provisions (continued)

Movements in provisions other than employee benefits are as follows:

	Lease remediation \$'000
Balance at 1 July 2023	1,026
Additions	36
Increase to present value	28
Balance at 30 June 2024	1,090
Additions	50
Settlements	(94)
Increase to present value	35
Balance at 30 June 2025	1,081

Note 13. Earnings per share

	2025	2024
Basic earnings per share (cents)	31.12	28.00
Diluted earnings per share (cents)	31.02	27.90
Earnings used in the calculation of basic and diluted earnings per share (\$000)	48,194	43,311
Weighted average number of ordinary shares for basic earnings per share (number)	154,872,516	154,686,011
Adjustment for dilutive elements (share rights – number)	485,308	549,494
Weighted average number of ordinary shares for diluted earnings per share (number)	155,357,824	155,235,505

During FY25 204,269 shares were issued under the Data#3 Long Term Incentive Plan (FY24: 104,880). Please refer to Note 22 for further detail.

Notes to consolidated financial statements (continued)

Note 14. Dividends

	2025 \$'000	2024 \$'000
Dividends paid on ordinary shares during the year		
Final fully franked dividend for FY24: 12.90c per share (FY23: 11.90c)	19,983	18,410
Interim fully franked dividend for FY25: 13.10c per share (FY24: 12.60c)	20,293	19,492
	40,276	37,902
Dividends declared (not recognised as a liability at year end)		
Final fully franked dividend for FY25: 15.00c (FY24: 12.90c)	23,236	19,957
The tax rate at which dividends paid have been franked is 30% (FY24: 30%). Dividends declared will be franked at the rate of 30% (FY24: 30%).		
Franking credit balance		
Franking credits available for subsequent financial years based on a tax rate of 30% (FY24: 30%)	49,668	38,561

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for the following:

- (a) franking credits that will arise from the settlement of the current tax liability/asset;
- (b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date; and
- (c) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

The dividend declared by the directors since year end, but not recognised as a liability at year end, will result in a reduction in the franking account of \$9,958,000 (FY24: \$8,553,000).

Note 15. Contributed equity

(a) Movements in ordinary share capital	Number of shares
Ordinary shares on issue at 1 July 2023	154,599,184
Ordinary shares issued during the year (Note 22)	104,880
Ordinary shares on issue at 30 June 2024	154,704,064
Ordinary shares issued during the year (Note 22)	204,269
Ordinary shares on issue at 30 June 2025	154,908,333

(b) Ordinary shares

All ordinary shares issued as at 30 June 2025 and 2024 are fully paid. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held. Every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote per share. Ordinary shares have no par value, and the company has an unlimited amount of authorised capital. Subject to legislative requirements, the directors control the issue of shares in the company.

(c) Share options

No share options are outstanding as at 30 June 2025 (2024: nil).

(d) Share rights

Please refer to Note 22.

Notes to consolidated financial statements (continued)

Note 15. Contributed equity (continued)

(e) Capital management

Capital is managed to ensure the group continues as a going concern whilst providing optimal returns to shareholders. The capital structure is adjusted as necessary to take advantage of favourable costs of capital or high returns on assets. The group manages its overall capital structure through the payment of dividends, issuing new shares, borrowing or reducing existing debt.

During FY25 dividends of \$40,276,000 (FY24: \$37,902,000) were paid. Market conditions and funding requirements are taken into consideration prior to the declaration of each dividend.

We are not subject to any externally imposed capital requirements.

Note 16. Leases

Right-of-use assets

	2025 \$'000	2024 \$'000
Right-of-use assets – premises leases	34,127	33,235
Accumulated amortisation	(18,634)	(16,017)
	15,493	17,218
Right-of-use assets – equipment leases	239	239
Accumulated depreciation	(106)	(58)
	133	181
	15,626	17,399

The movement in right-of-use assets follows:

	Right-of-use assets (premises) \$'000	Right-of-use assets (equipment) \$'000	Total right- of-use assets \$'000
Carrying amount at 1 July 2023	20,835	229	21,064
Additions	246	-	246
Depreciation (Note 4)	(3,863)	(48)	(3,911)
Carrying amount at 30 June 2024	17,218	181	17,399
Additions	3,450	-	3,450
Settlements	(1,163)	-	(1,163)
Depreciation (Note 4)	(4,012)	(48)	(4,060)
Carrying amount at 30 June 2025	15,493	133	15,626

Notes to consolidated financial statements (continued)

Note 16. Leases (continued)

Lease liabilities

	2025 \$'000	2024 \$'000
Current lease liabilities	3,986	3,990
Non-current lease liabilities	14,561	16,605
Total lease liabilities	18,547	20,595
Total payments for leases during the year comprise the following:		
Principal payments	3,912	3,497
Interest expense	1,005	1,084
Payments made in relation to lease liabilities	4,917	4,581
Payments made for low-value leases	76	251

The future payments of lease liabilities, including interest, are set out in Note 18(c).

We lease various offices, warehouses and office equipment under rental contracts that normally range from three to eight years, with many contracts containing extension options, normally for two to three years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Under the relevant lease agreements (mainly premises) the rentals are subject to periodic review to market and/or for CPI increases. Generally, the premises lease agreements require us to maintain a bank guarantee (please refer to Note 18(c)) as security for the lease agreement. All our significant premises leases allow assignment of the lease or sublease of the premises with the approval of the landlord. All leases are under normal commercial lease terms and conditions.

Note 17. Net cash/(debt) reconciliation

An analysis of net cash/(debt) and the movements in net debt are set out below.

Net cash/(debt)	2025 \$'000	2024 \$'000	
Cash and cash equivalents	356,689	276,381	
Leases	(18,547)	(20,595)	
Net cash	338,142	255,786	
Movement in net cash/(debt)	Cash \$'000	Leases \$'000	Total \$'000
Net cash/(debt) at 1 July 2023	404,766	(23,883)	380,883
Cash flows	(128,385)	3,497	(124,888)
Acquisition – leases	-	(209)	(209)
Net cash/(debt) at 30 June 2024	276,381	(20,595)	255,786
Cash flows	79,937	3,912	83,849
Exchange rate changes	371	-	371
Additions/settlements – leases	-	(1,864)	(1,864)
Net cash/(debt) at 30 June 2025	356,689	(18,547)	338,142

Notes to consolidated financial statements (continued)

Note 18. Financial risk management

Our business activities can expose us to a variety of financial risks: market risk (including foreign exchange risk, price risk, and cash flow and fair value interest rate risk), credit risk, and liquidity risk. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on our financial performance. To date we have not used derivative financial instruments. We use sensitivity analysis to measure interest rate and foreign exchange risks, and aging analysis for credit risk. Risk management is carried out by our Chief Financial Officer (CFO) under policies approved by the Board of directors. The CFO identifies, evaluates and mitigates financial risks in close cooperation with senior management.

All our financial assets except cash and cash equivalents are within the loans and receivables category at amortised cost, and our financial liabilities are all within the financial liabilities recorded at amortised cost category.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises for us when future commercial transactions and recognised assets and liabilities are denominated in a currency other than the Australian dollar. We make sales via our Fiji branch to customers who require the currency of settlement to be in Fiji dollars. At year end the Australian dollar value of assets/(liabilities) denominated in Fiji dollars is as follows:

	2025 \$'000	2024 \$'000
Cash	12,557	18,353
Accounts receivable	640	398
Other (liabilities)	(187)	(124)

At 30 June 2025 if the foreign exchange rates had changed, as illustrated in the table below, with all other variables remaining constant, other comprehensive income and equity would have been affected as follows:

	Other comprehensive income		Equity	
	Higher/(lower)		Higher/(lower)	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
-2.5% (FY24: -2.5%)	(760)	(454)	(760)	(454)
+2.5% (FY24: +2.5%)	52	478	52	478

The rate changes above are based on economic forecasts of major banks for FY25 together with the variation in rates experienced during the current year. Profit or loss would not be affected by a movement in the exchange rates as calculated in the table above because the foreign exchange gain or loss is unrealised and is recorded in other comprehensive income until such time as the gain or loss is realised.

(ii) Price risk

We are not exposed to equity securities or commodity price risk.

Notes to consolidated financial statements (continued)

Note 18. Financial risk management (continued)

(iii) Cash flow and fair value interest rate risk

Our exposure to cash flow interest rate risk arises predominantly from cash and cash equivalents bearing variable interest rates. Our surplus cash position fluctuates regularly, and ongoing liquidity needs mean most of our funds are maintained in at-call accounts. Our borrowings are not material, and our lease liabilities are fixed rate instruments which do not expose us to fair value interest rate risk. At balance date we maintained the following variable rate accounts:

	30 June 2025		30 June 2024	
	Weighted average interest rate %	Balance \$'000	Weighted average interest rate %	Balance \$'000
Cash at bank and on hand	1.5%	33,189	2.0%	26,381
Deposits at call	4.3%	323,500	4.3%	250,000
Cash and cash equivalents	3.8%	356,689	4.0%	276,381

At balance date, if the interest rates had changed, as illustrated in the table below, with all other variables remaining constant, after-tax profit and equity would have been affected as follows:

	After-tax profit		Equity	
	Higher/(lower) 2025 \$'000	2024 \$'000	Higher/(lower) 2025 \$'000	2024 \$'000
-0.75% (75 basis points) (FY24: -0.75%)	(1,288)	(1,355)	(1,288)	(1,355)
+0.25% (25 basis points) (FY24: +0.25%)	429	451	429	451

The rate changes above are based on economic forecasts of major Australian banks for FY25.

(b) Credit risk

Credit risk arises from the financial assets of our group, which comprise cash and cash equivalents, contract assets, and trade, finance lease and other receivables. Our exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. We do not hold any credit derivatives to offset the credit exposure. We have policies in place to ensure that sales of products and services are made to customers with an appropriate credit history; collateral is not normally obtained. We set risk limits for each individual customer in accordance with parameters set by the Board. These limits are regularly monitored.

Specific information as to our credit risk exposures is as follows:

- Cash and cash equivalents are maintained at two large financial institutions in the countries of operations
- During FY25 year, no customer individually accounted for more than 10% of total gross sales (FY24: none); gross sales to one government customer comprised 7.6% of total gross sales on a non-IFRS basis (FY24: 6.9%).
- At 30 June 2025, one debtor comprised 7% of total debtors (FY24: 12%), and the ten largest debtors comprised approximately 39% of total debtors (FY24: 39%), of which 100% were receivable from government customers (FY24: 100%).
- Our customers generally do not have independent credit ratings. Our risk control procedures assess the credit quality of the customer considering its financial position, past experience and other factors. We set individual risk limits based on internal or external ratings in accordance with limits set by the Board. Our credit management department regularly monitors compliance with credit limits. Management believes the credit quality of our customers is high based on the very low level of bad debt write-offs experienced historically. In FY25 total bad debt write-offs as a percent of the trade receivables carrying amount as at 30 June 2025 was 0.02% (FY24: 0.08%).

Notes to consolidated financial statements (continued)

Note 18. Financial risk management (continued)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. We aim to maintain flexibility in funding by keeping committed credit lines available. We manage liquidity risk by monitoring cash flows and ensuring that adequate cash and unused borrowing facilities are maintained.

At reporting date we had used \$4,332,000 (FY24: \$4,140,000) of the multi-option financing facility for bank guarantees (see note 20) and our corporate credit card facility and had access to the following undrawn borrowing facilities at the reporting date:

	2025 \$'000	2024 \$'000
Multi-option bank facility	20,668	20,860

The multi-option facility is a comprehensive borrowing facility which includes a bank overdraft facility and is subject to certain financial undertakings. The facility is subject to annual review. Interest is variable and is charged at prevailing market rates. The weighted average interest rate for FY25 was 8.0% (FY24: 8.1%).

Maturity of financial liabilities

The table below categorises our financial liabilities into relevant maturity groups based on their contractual maturities, calculated as their undiscounted cash flows. All the financial liabilities are non-derivative and measured at amortised cost.

	Less than 1 year \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	More than 5 years \$'000	Total contractual cash flows \$'000	Carrying amount \$'000
At 30 June 2025						
Trade and other payables	756,603	-	-	-	756,603	756,603
Lease liabilities	4,897	3,602	8,879	4,653	22,031	18,547
	761,500	3,602	8,879	4,653	778,634	775,1504
At 30 June 2024						
Trade and other payables	684,171	-	-	-	684,171	684,171
Lease liabilities	4,935	4,677	9,132	4,973	23,717	20,595
	689,106	4,677	9,132	4,973	707,888	704,766

(d) Fair values

The carrying amounts of financial assets (net of any provision for impairment) and current financial liabilities approximate fair value primarily because of their short maturities. The carrying amount of the non-current receivables approximates fair value because the interest rate applicable to the receivables approximates current market rates.

Notes to consolidated financial statements (continued)

Note 19. Related parties

Wholly-owned group

The consolidated financial statements include the financial statements of Data#3 Limited (being the ultimate parent entity) and the subsidiaries listed in the following table.

Name of entity	Country of formation or incorporation	Equity holding (ordinary shares)	
		2025 %	2024 %
Business Aspect Group Pty Ltd	Australia	100.0	100.0
Business Aspect (Australia) Pty Ltd	Australia	100.0	100.0
Business Aspect Pty Ltd	Australia	100.0	100.0
Discovery Technology Pty Ltd	Australia	100.0	100.0

Data#3 Limited established the Data#3 Employee Share Trust in FY20 and it remains in operation (refer to Note 22 for further information).

Parent entity

Summarised financial information for the parent entity is as follows:

	2025 \$'000	2024 \$'000
As at 30 June		
Current assets	877,815	811,054
Total assets	920,329	857,428
Current liabilities	824,297	767,426
Total liabilities	842,789	788,084
Shareholders' equity		
Contributed equity	14,229	12,577
Share-based payments reserve	272	960
Foreign currency translation reserve	(32)	(403)
Retained earnings	63,071	56,210
Total equity	77,540	69,344
For the year ended 30 June		
Net profit for the year	47,137	41,214
Other comprehensive income, net of tax:		
<i>Items that may be reclassified to profit or loss</i>		
Exchange differences on translation of foreign operations	371	(191)
Total comprehensive income	47,508	41,023

Note 20. Contingent liabilities

At 30 June 2025 we had provided bank guarantees totalling \$3,255,000 (FY24: \$2,952,000) to lessors as security for premises we lease and \$962,000 (FY24: \$1,117,000) to customers for contract performance. The guarantees will remain in place for the duration of the relevant contracts. Bank guarantees are secured by charges over all our assets.

Notes to consolidated financial statements (continued)

Note 21. Key management personnel

Key management personnel compensation is set out below.

	2025 \$	2024 \$
Short-term employee benefits (including change in current employment provisions)	3,284,243	2,934,766
Share-based compensation (long-term employee benefits)	521,082	683,679
Termination benefits	-	561,274
Change in non-current employment provisions (long-term employee benefits)	7,599	5,222
Post-employment benefits	181,034	175,963
	3,993,958	4,360,904

For additional information refer to the remuneration table on page 30.

Transactions with key management personnel

There were no transactions during FY25 or FY24 with key management personnel or their personally related entities other than compensation and transactions in relation to shares and performance rights as discussed in this report (refer to Note 22).

The following table shows the rights granted and outstanding at the beginning and end of the reporting period in relation to key management personnel:

	Fair value per right granted \$	Share rights Number
Balance 30 June 2023		358,099
Share rights granted	6.30	71,017
Share rights granted	7.76	15,325
Share rights forfeited		(16,907)
Share rights settled		(79,090)
Share rights of new/(exiting) KMPs		(161,718)
Balance 30 June 2024		186,726
Share rights granted	7.22	98,909
Share rights settled		(61,595)
Balance 30 June 2025		224,040

Notes to consolidated financial statements (continued)

Note 21. Key management personnel (continued)

Ordinary shares held directly, indirectly or beneficially by key management personnel, including their personally related entities, are shown below.

	Ordinary shares
	Number
Balance 30 June 2023	4,532,452
Received upon exercise of rights	79,090
Other changes*	(1,004,216)
Balance 30 June 2024	3,607,326
Received upon exercise of rights	61,595
Other changes*	(49,367)
Balance 30 June 2025	3,619,554

* Other changes refer to the individual's on-market trading plus the individual's shareholding at the date the person commenced or ceased to be a key management person, as applicable.

None of the shares in the preceding table are held nominally by the directors or any of the other key management personnel.

Note 22. Share-based payments

The Data#3 Long Term Incentive Plan (LTIP) was approved by shareholders at the 2024 Annual General Meeting. The LTIP has been designed to align the interests of eligible employees with the interests of shareholders of the company by enabling directors and employees to have involvement with, and share in the future and growth of, the company and to assist the company to attract, reward and retain high quality staff. Under the LTIP participants are granted rights or options which only vest if certain performance conditions are met. The exercise price, vesting conditions and vesting period are set by the Board in its discretion. Participation in the LTIP is at the Board's discretion, and no individual has a contractual right to participate in the LTIP or to receive any guaranteed benefits. Rights or options are granted under the LTIP for no consideration and carry no dividend or voting rights. Vested rights are exercisable for 60 days following issuance of the audited financial statements.

The number of rights to be granted is determined based on the currency value of the board-approved LTI divided by the volume weighted average share price for the five trading days following the release of the preceding year's audited financial statements.

The following table shows the rights granted and outstanding at the beginning and end of the reporting period:

	Fair value per right granted	Share rights
	\$	Number
Balance at 30 June 2023		532,218
Settled on 1 September 2023		(104,880)
Granted on 31 October 2023	6.30	147,892
Forfeited on 1 March 2024		(16,907)
Granted on 1 March 2024	7.76	15,325
Balance at 30 June 2024		573,648
Settled on 2 September 2024		(204,269)
Granted on 25 November 2024	7.22	200,904
Forfeited by 30 June 2025		(35,078)
Balance at 30 June 2025		535,205

At 30 June 2025 169,508 of the performance rights (FY24: 204,269) vested. The 204,269 rights granted in FY22 were settled during the year (nil exercise price) (FY24: 104,880 rights and nil exercise price). No options were granted, lapsed, forfeited, settled or exercised during the year (FY24: nil).

Notes to consolidated financial statements (continued)

Note 22. Share-based payments (continued)

Settlement of FY21 rights

On 2 September 2024 ordinary shares were issued to the Data#3 Employee Share Trust ("the share trust"), which in turn provided the shares to executives whose rights vested under the Data#3 Long Term Incentive Plan. Data#3 Limited provided the funds to the share trust to enable the acquisition of shares. The rights were granted on 30 November 2021 and fully vested on release of the 30 June 2024 annual financial results. Other details of the share issuance are set out below.

Number of rights converted to shares	204,269
Share price of shares issued	\$8.088

Refer to the table below for the amounts recorded in the financial statements in relation to the performance rights.

Fair value of performance rights granted

For the rights outstanding at balance date, the assessed fair value at grant date of performance rights granted was calculated using the Black Scholes Model that takes into account the following inputs:

	Date of rights grant				
	FY22	FY23	FY24	FY24	FY25
	30 November 2021	18 November 2022	31 October 2023	1 March 2024	25 November 2024
Exercise price per share	Nil	Nil	Nil	Nil	Nil
Expiry date	30 June 2024	30 June 2025	30 June 2026	30 June 2026	30 June 2027
Share price at grant date	\$5.68	\$6.85	\$6.77	\$8.26	\$7.22
Expected dividend yield	2.65%	2.63%	2.70%	2.70%	3.23%

Amounts recorded in the financial statements in relation to the performance rights are set out below.

	\$000
Share-based payments reserve at 1 July 2023	323
Issue of shares for performance rights under employee share scheme (offsets contributed equity)	(716)
Employee benefits expense in relation to performance rights	1,162
Movement in deferred tax related to performance rights	191
Share-based payments reserve at 30 June 2024	960
Issue of shares for performance rights under employee share scheme (offsets contributed equity)	(1,652)
Employee benefits expense in relation to performance rights	1,001
Movement in deferred tax related to performance rights	(37)
Share-based payments reserve at 30 June 2025	272

Accounting policy

We provide equity-settled share-based payments to employees through the Long-term Incentive Plan (LTIP).

The fair value of the incentives and options granted is determined at grant date and is recognised as an employee benefit expense with a corresponding increase in equity on a straight-line basis over the period during which the employees become unconditionally entitled to the incentives or options. We determine the fair value using the Black Scholes Model that takes into account the market price of the company's shares at the grant date, the three-year vesting period and expected dividends during that period that will not be received by the employees.

At each balance sheet date we revise the estimated number of rights/options that are expected to become exercisable. The employee benefits expense recognised each period takes into account the most recent estimate.

Notes to consolidated financial statements (continued)

Note 23. Remuneration of auditor

PricewaterhouseCoopers Australia (PwC) were appointed as the auditor of the group in FY25. We employ PwC on assignments additional to its statutory audit duties where the auditor's expertise and experience with our company/group are important. During the year, the following fees were paid or payable for the services provided during the year by PwC and by PwC's related network firms:

	2025 \$	2024 \$
Audit and other assurance services		
Audit and review of financial statements	290,000	-
Non-audit services		
Other advisory services	8,000	135,637
	8,000	135,637
Total remuneration	298,000	135,637

The auditor for the prior year was Pitcher Partners. Fees paid or payable to Pitcher Partners comprised \$183,500 for audit and review of financial statements, \$21,280 for tax compliance services and \$4,700 for other business advice.

Note 24. Accounting standards not yet effective

Relevant Australian Accounting Standards that have recently been issued or amended, but are not yet effective and have not been adopted for the annual reporting period ended 30 June 2025, are as follows:

AASB 18 *Presentation and Disclosure in Financial Statements* – issued in June 2024 by the AASB to help achieve comparability of the financial performance of similar entities. This standard, applicable for reporting periods beginning on or after 1 January 2027, defines the structure of the profit or loss, introduces required disclosures for certain profit or loss measures that are reported outside an entity's financial statements and enhances principles on aggregation and disaggregation. When this standard is first adopted for the year ending 30 June 2028, we expect it will impact the presentation of some information within the financial statements.

Consolidated entity disclosure statement

Set out below is relevant information relating to entities that are consolidated in the consolidated financial statements at the end of the financial year as required by the Corporations Act 2001 (s.295(3A)(a)):

Name of entity	Country of formation or incorporation	Country of tax residency	Equity holding (ordinary shares) %
Parent entity			
Data#3 Limited	Australia	Australia ¹	N/A
Wholly owned subsidiaries			
Business Aspect Group Pty Ltd	Australia	Australia	100
Business Aspect (Australia) Pty Ltd	Australia	Australia	100
Business Aspect Pty Ltd	Australia	Australia	100
Discovery Technology Pty Ltd	Australia	Australia	100
Other entities			
Data#3 Employee Share Trust	Australia	Australia	N/A

1. Data#3 Limited also operates a branch in Fiji and is registered for tax in Fiji.

At the end of the financial year, no entity within the consolidated entity was a trustee of a trust within the consolidated entity, a partner in a partnership within the consolidated entity, or a participant in a joint venture with the consolidated entity.

Directors' declaration

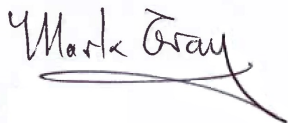
In the opinion of the directors:

- (a) the financial statements and notes set out on pages 36 to 66 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the group's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;
- (b) there are reasonable grounds to believe that the group will be able to pay its debts as and when they become due and payable; and
- (c) the consolidated entity disclosure statement set out on page 67 is true and correct.

The notes to the consolidated financial statements confirm that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the managing director and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.



Mark Gray
Chair

Brisbane
25 August 2025



Independent auditor's report

To the members of Data#3 Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Data#3 Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended
- b. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the consolidated balance sheet as at 30 June 2025
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information
- the consolidated entity disclosure statement as at 30 June 2025
- the directors' declaration.

PricewaterhouseCoopers, ABN 52 780 433 757
480 Queen Street, BRISBANE QLD 4000,
GPO Box 150, BRISBANE QLD 4001
T: +61 7 3257 5000, F: +61 7 3257 5999, www.pwc.com.au



Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Independence

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 & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Audit Scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- In establishing the overall approach to the group audit, we determined the type of work that needed to be performed by us, as the group auditor.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
<p>Accounting for Revenue Contracts (Refer to note 3)</p> <p>The Group has entered into various contracts with customers, involving the sale of hardware and software products.</p> <p>These contracts describe transaction terms and the related performance obligations. The Group exercises judgement to interpret these contracts and determine whether it controls the products prior to transfer to customers, and therefore whether it acts as principal or agent.</p> <p>We considered this a key audit matter due to the complexity involved in revenue accounting and the judgement needed to assess product control for each revenue stream. This may have a material impact on reported revenues, particularly regarding whether revenue is presented on a gross or net basis.</p>	<p>We performed the following procedures, among others:</p> <ul style="list-style-type: none"> Assessed whether the Group's accounting policies were in accordance with the requirements of Australian accounting standards. Developed an understanding of the relevant controls associated with the review and approval of revenue contracts. Obtained an understanding of the nature and terms over a sample of revenue contracts to identify the performance obligations, and to assess management's determination of whether the Group acted as principal or agent. Assessed based on these judgements above, whether the disclosure on a gross or net basis is appropriate.
<p>Revenue recognition (Refer to note 3)</p> <p>The Group earns a substantial portion of revenues near to the end of the financial year. There are high volumes of orders from customers which may relate to more than just the current financial period and for certain employees, part of their</p>	<p>We performed the following procedures, among others:</p> <ul style="list-style-type: none"> Developed an understanding of the relevant controls associated with the timing and occurrence of revenue from contracts with customers.

Key audit matter	How our audit addressed the key audit matter
<p>remuneration is linked to sales outcomes in specific periods.</p> <p>This is a key audit matter as the occurrence and timing of revenue recognition are both material to the Group's overall results.</p>	<ul style="list-style-type: none">• Tested, for a sample of revenue transactions, in both the pre and post year end period whether revenue had been recorded at the correct amount and in the correct financial period, in accordance with the Group's revenue recognition policy.• Performed testing over a sample of accounts receivable, contract assets and liabilities, by agreeing to supporting documentation including; underlying contracts, invoices and cash receipts, as applicable, to validate the occurrence of underlying transactions.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2025, but does not include the financial report and our 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 through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

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 on the other information that we obtained prior to the date of this auditor's report, 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 in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that 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 the 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: https://auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our auditor's report.



Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2025.

In our opinion, the remuneration report of Data#3 Limited for the year ended 30 June 2025 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.

A stylized, handwritten signature of the PricewaterhouseCoopers firm, written in black ink.

PricewaterhouseCoopers

A handwritten signature of Ben Woodbridge, written in black ink.

Ben Woodbridge
Partner

Brisbane
25 August 2025

Shareholder information

The shareholder information set out below was applicable as at 6 August 2025.

1. Distribution of equity securities

(a) Analysis of numbers of equity security holders by size of holding:

	Number of shares	% of issued capital	Number of holders
1 to 1,000	1,269,972	0.82	3,076
1,001 to 5,000	7,686,133	4.96	2,878
5,001 to 10,000	8,475,247	5.47	1,099
10,001 to 50,000	30,231,519	19.52	1,358
50,001 to 100,000	13,251,599	8.55	185
100,001 and over	93,993,863	60.68	128
	154,908,333	100.00	8,724

(b) There were 270 holders of less than a marketable parcel of ordinary shares.

2. Twenty largest quoted equity security holders

Name	Ordinary shares	
	Number held	% of issued shares
HSBC Custody Nominees (Australia) Limited	24,750,707	15.98
Citicorp Nominees Pty Limited	16,247,506	10.49
J P Morgan Nominees Australia Pty Limited	14,054,112	9.07
Oakport Pty Ltd	2,113,249	1.36
Powell Clark Trading Pty Ltd	2,000,000	1.29
BNP Paribas Noms Pty Ltd	1,667,376	1.08
Mrs Janene Thelma Mary Populin	1,661,379	1.07
BNP Paribas Nominees Pty Ltd	1,417,835	0.92
BNP Paribas Nominees Pty Ltd	1,101,245	0.71
BNP Paribas Nominees Pty Ltd	1,055,484	0.68
National Nominees Limited	1,009,769	0.65
Thomson Associates Pty Ltd	1,000,000	0.65
BNP Paribas Nominees Pty Ltd	997,737	0.64
HSBC Custody Nominees (Australia) Limited	861,802	0.56
Banksia Administration Services Pty Ltd	637,000	0.41
Elterry Pty Ltd	620,000	0.40
HSBC Custody Nominees (Australia) Limited	604,392	0.39
U Pty Ltd	599,880	0.39
Densley Pty Ltd	547,000	0.35
Moorgate Investments Pty Ltd	537,781	0.35
	73,484,254	47.44

Shareholder information (continued)

3. Substantial shareholders

Not applicable.

4. Unquoted equity securities

Not applicable.

5. Voting rights

The voting rights attaching to the ordinary shares, set out in the company's constitution, are as follows:

- (a) every shareholder present at a general meeting has one vote on a show of hands; and
- (b) on a poll, each shareholder has one vote for each fully paid share held.

Options have no voting rights.