

Appendix 4D

Name of entity	Data#3 Limited
ABN	31 010 545 267
Reporting period	Half year ended 31 December 2025
Previous corresponding period	Half year ended 31 December 2024

Results for announcement to the market

Results				\$
Revenue from ordinary activities	up	7.9%	to	429,407,000
Profit from ordinary activities after tax attributable to members	up	3.7%	to	23,171,000
Net profit for the period attributable to members	up	3.7%	to	23,171,000

Non-IFRS financial information

Gross sales and other revenue ¹	up	9.1%	to	1,548,772,000
--	----	------	----	---------------

Reconciliation of non-IFRS information to IFRS figures

	Half year to December	
	2025	2024
	\$'000	\$'000
Gross Sales and other revenue ¹	1,548,772	1,419,435
Adjustment for sales recognised as agent	(1,119,365)	(1,021,581)
Revenue and other income	429,407	397,854

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, as they facilitate additional internal comparisons of Data#3's performance to historical results and to competitors' results. Non-IFRS financial measures are not subject to audit or review.

Dividends	Amount per security	Franked amount per security
Current period		
Interim dividend	13.50 cents	100%
Previous corresponding period		
Interim dividend	13.10 cents	100%

The record date for determining entitlements to the dividend is 17 March 2026. The dividend is payable on 31 March 2026.

Appendix 4D (continued)

Brief explanation of the figures reported above

Please refer to the Review of operations in the Directors' report which begins on page 1 of the attached Interim Financial Report for the half year ended 31 December 2025.

Net tangible assets per security	Current period	Previous period
Net tangible asset backing per ordinary security	\$0.46	\$0.42

For personal use only

Data#3 Limited

ABN 31 010 545 267

Interim Financial Report

Half year ended 31 December 2025

Contents

Directors' report	1
Auditor's Independence Declaration	7
Condensed consolidated statement of comprehensive income	8
Condensed consolidated balance sheet	9
Condensed consolidated statement of changes in equity	10
Condensed consolidated cash flow statement	11
Notes to the condensed consolidated financial statements	12
Directors' declaration	17
Independent auditor's review report	18

Directors' report

Your directors present their report on Data#3 Limited and its subsidiaries (together referred to as "Data#3", "the Group", or "we", "our", or "us") for the half year ended 31 December 2025.

1. Directors

The following persons were directors of Data#3 Limited during the half year and up to the date of this report except as noted:

Mr Mark Gray (Chair)
Mr Brad Colledge
Mr Laurence Baynham appointed 1 July 2025
Ms Diana Eilert appointed 1 July 2025
Mr Mark Esler
Ms Bronwyn Morris AM

2. Review of operations

The Australian IT industry experienced resilient high-single digit growth in 2025, driven by ongoing investment in digital transformation, software and artificial intelligence (AI).

Data#3's solid performance for the first half of FY26, delivering record gross sales and sustainable profit growth, reflects its ability to adapt to fast-evolving technologies, shifts in vendor incentive programs and the changing needs of its customers. Demand for infrastructure and software remains strong, while parts of the group's services business have been impacted by ongoing challenging economic conditions.

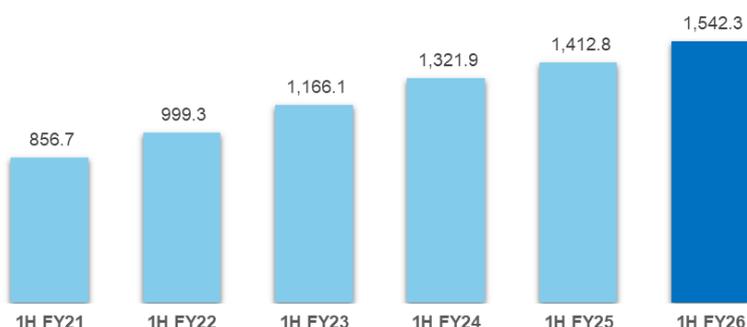
First half financial performance

Gross sales increased by 9.2% on the prior comparative period (PCP) to \$1.5 billion, driven by growth across most business units including Infrastructure Solutions, Managed Services and Software Solutions, and except for Project Services and People Solutions (recruitment).

Statutory revenue of \$423.1 million was up 8.1% on the PCP, driven by growth in Infrastructure Solutions which was up 20.6%. Software Solutions and Services statutory revenue, which are presented on a net revenue basis, were down 4.7% and 6.8% respectively.

Total gross profit of \$144.0 million is up 0.3% on the prior corresponding period and average gross margin this half was 9.3%, a decrease compared to 10.2% in 1H FY25. As anticipated, both gross profit and gross margin were impacted by the Microsoft incentive program changes in the Software Solutions business this half.

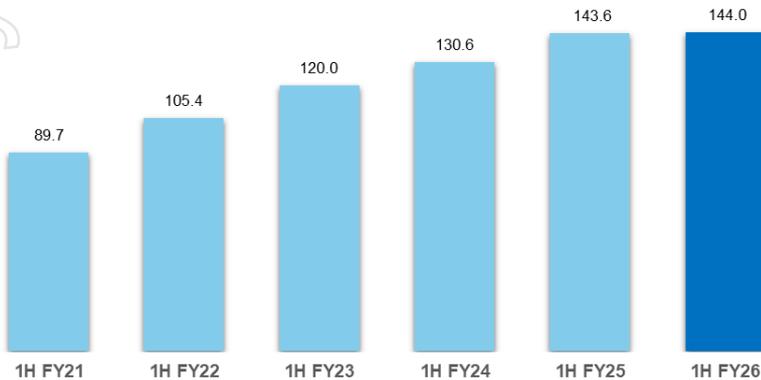
Total gross sales (\$M)



Directors' report (continued)

2. Review of operations (continued)

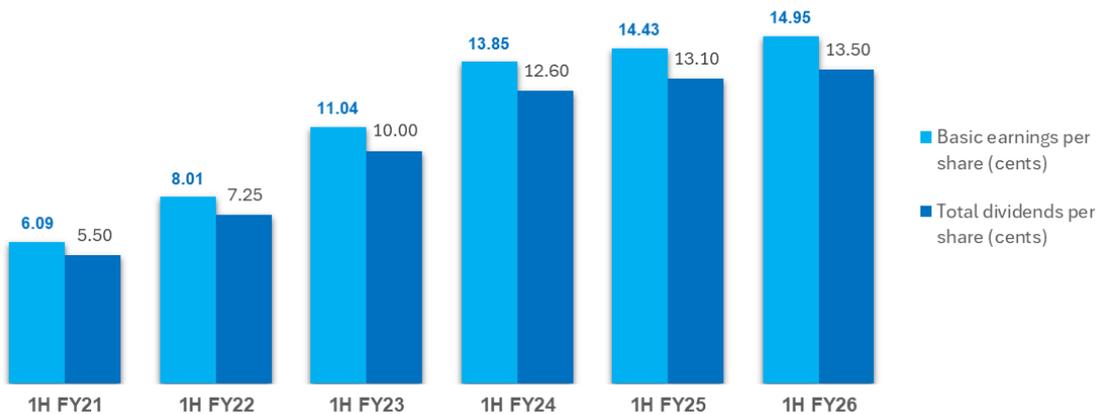
Total gross profit (\$M)



Profit before tax (PBT) of \$33.5 million was up 4.5% on 1H FY25, in line with the \$32 million to \$34 million guidance range for the first half, as provided at the 2025 AGM.

Profit after tax (NPAT) of \$23.2 million was up 3.7% on the PCP, representing basic earnings per share of 14.95 cents.

Basic earnings per share and dividends per share (cents)



The first half earnings include \$6.3 million of interest revenue, compared with \$6.5 million in the prior half year, reflecting the Company's sound working capital management and sustained high cash rate.

Results by functional area

Software Solutions

Gross sales in the Software Solutions business were up 8.9% on the PCP to \$1.1 billion, driven predominately by significant growth in sales of Azure and Cloud Solution Provider (CSP) agreements. Growth across non-Microsoft software vendors was also strong, including Adobe, VMware and Veeam.

Statutory revenue of \$37.5 million was down 4.7% and gross profit of \$37.5 million was down 4.6% on 1H 25, both impacted by the Microsoft incentive program changes effective 1 January 2025. As these changes took effect in the second half of FY25, the impact on the second half of this financial year, and future financial periods, should be immaterial given the mitigation strategies we have put in place.

Directors' report (continued)

2. Review of operations (continued)

Gross margin of 3.5% was down slightly (1H FY25: 4.0%) due to lower Microsoft channel incentives, in addition to competitive market pricing activity.

Management profit was 9.4% down on PCP at \$19.7 million, impacted by the aforementioned Microsoft incentive program changes.

Infrastructure Solutions

Infrastructure gross sales for the first half were up 17.6% on the prior period to \$275.2 million, driven by strong sales of end user computing, which were up over 30% on PCP and boosted by Windows 11 upgrades and device refresh cycles. Data Centre sales were also up over 30%, as customers optimise their servers and storage through a hybrid cloud approach.

Statutory revenue of \$253.1 million was up 20.6%, and gross profit was up 16.7% to \$36.8 million driven by a continued focus on maximising individual deal margins and increased vendor rebates off the back of strong device sales.

Gross margin of 13.4% was relatively consistent with PCP.

Management profit was up 105.7% to \$10.8 million due to the strong growth in gross profit and improved operating leverage as a result of automation and restructuring initiatives implemented during FY25.

Services

Gross sales in the Services segment were up just under 1% for the first half of FY26, with a mixed performance across business units:

- **Consulting** up 9.4% to \$16.0 million, with improved pipeline and momentum in key accounts across most practices including Information and Analytics, Cyber Security and Transformation and Governance.
- **Managed Services** up 15.9% to \$31.0 million, boosted by new contract wins and successful contract renewals. The pipeline of new customers remains solid.
- **Project Services** down 13.2% to \$36.7 million, impacted by a continuing lag in bookings despite a solid pipeline as customers delay larger projects, particularly in the QLD and VIC markets.
- **People Solutions** down 4.8% to \$30.7 million, impacted by a reduction in contractor numbers across some key accounts, as customers reprioritise IT budget spend.
- **Maintenance Services** up 3.8% to \$90.6 million, off the back of a solid FY25 and supported by a strong rebound in the Infrastructure business. Growth is expected to improve in the second half of FY26 with a strong pipeline of Enterprise Agreements.

Services statutory revenue of \$132.3 million was down 6.8% on PCP and gross profit was down 4.2% to \$69.5 million, largely driven by the subdued sales performance and as a result, lower rebates achieved by the Maintenance business unit.

Management profit of \$12.0 million was down 13.9% due to lower gross profit including rebates, but offset in part by tight cost control, with staff and operating expenses flat year on year.

External recognition

During the first half, Data#3 was rewarded with multiple local, regional and global awards, including:

- Microsoft Country Partner of the Year,
- HP Australia Services Partner of the Year
- HPE Platinum Networking Partner of the Year
- HP Amplify Impact Partner of the Year
- Cisco Global and APJC Services and Software Excellence and Collaboration Partner of the Year
- Cisco ANZ Partner of the Year
- Cisco APJC Cloud and AI Infrastructure Partner of the Year.

Directors' report (continued)

2. Review of operations (continued)

Additionally, a number of other awards were received:

- HRD Employer of Choice for the tenth year in a row
- ARN Tech Partner of the Year
- Schneider Electric Sustainability Champion of the Year.

These awards demonstrate the deep expertise Data#3 has in providing world leading solutions to its customers.

Recurring revenue and operating costs

Recurring revenue of 70% is consistent with 1H FY25, and defined as contracts with terms of one year or greater. These longer term sales agreements represent most of our Software Solutions, Maintenance and Managed Services business unit sales, and reflect the ongoing shift by our customers to multi-year subscription and As-a-Service purchasing models, as supported by the growth in Device-as-a-Service offerings of over 30% in FY25.

Internal staff costs of \$103.2 million (1H FY25: \$103.7 million) were flat for the first half, with a reduction in contractor numbers offset by a small increase in permanent headcount. Some vacant roles during the first half but since backfilled, should see staff costs slightly up on PCP for the full year.

Operating expenses were down around 5.4% on PCP, benefitting from savings in company insurance premiums and a one-off lease accounting adjustment. These were offset by increases in IT project and software licensing costs this half.

As a result, the Company's Internal Cost Ratio (staff and operating expenses relative to gross profit) improved from 82.2% in 1H FY25 to 81.2% this half.

Balance sheet and cash flow

The cash balance at 31 December 2025 was \$125.4 million, compared to \$131.0 million at 31 December 2024. A net cash outflow from operating activities in 1H FY26 of \$204.3 million (1H FY25: outflow of \$123.8 million) reflects the difference in timing of customer collections each financial year.

The net cash flow from operating activities is typically an outflow in the first half as supplier payments occur in the first quarter of each financial year relating to pre-30 June customer sales and receipts.

Trade and other receivables decreased from \$501.6 million at 30 June 2025 to \$188.9 million at 31 December 2025, reflecting the seasonal May/June peak in customer invoicing, followed by large collections in the following period.

Closing inventory was \$31.7 million at 31 December 2025, up \$13.3 million on the closing 30 June 2025 balance. This reflects goods in transit or held temporarily in stock at half year end, with all inventory committed to customer orders.

Trade and other payables decreased from \$777.4 million at 30 June 2025 to \$278.0 million at 31 December 2025, again reflecting the timing of the payment of vendor invoices relating to the May/June sales peak each year in the first quarter of the next financial year.

Overall net assets of \$84.4 million at 31 December 2025 were up \$0.2 million in the first half compared to 30 June 2025. The small movement in net assets was driven by 1H FY26 net profit of \$23.2 million and employee share scheme movements, offset by the FY25 final dividend of \$23.3 million paid in September 2025.

Directors' report (continued)

2. Review of operations (continued)

Strategy and Outlook

The second half of FY26 should see increased demand for network infrastructure, with new Cisco technology available for order early 2026, in addition to the impending end of support for existing infrastructure, which should encourage upgrades over the next 12 months.

There continues to be strong opportunity in sales of data centre solutions and services, as customers optimise their environments and accelerate their adoption of AI.

AI is now a core operating capability throughout our business, embedded across our digital platforms. AI is delivering internal business value across Finance, HR, IT, Security, Sales and Service Desk. AI is supporting scalable, cost-efficient growth and improving customer service. In addition, AI is accelerating how quickly we build and deliver solutions. Proof of concepts can now be delivered in days instead of weeks or months, while agents are streamlining solution design and testing, significantly reducing delivery timeframes.

Our customers are benefiting from AI solutions on the PC, Network and in the Data Centre. Software solutions such as Microsoft Copilot and Azure AI are redefining how customers engage with their data and business processes. AI continues to be a significant opportunity for Data#3 across Software, Infrastructure and Services.

The rapid growth in demand for AI infrastructure has led large AI developers and hyperscale data centre operators to consume a disproportionate share of global memory chip supply. This has reduced availability for personal computers, network equipment, and servers, contributing to sharp price increases and early signs of supply constraints across these markets. These shortages are expected to persist through calendar year 2026 and potentially into 2027. In the near term, this environment may provide a tailwind for Data#3 as customers bring forward orders in anticipation of higher prices and tighter supply.

Cisco has recently updated its 360 Partner Program, which will have an increased focus on lifecycle and adoption, by incentivising partners to achieve "Preferred Partner" status across networking, security, services, collaboration, cloud and AI. This aligns with Data#3's ongoing focus and investment on driving greater value across the lifecycle through data-driven activities. While we are still finalising updates to our internal forecasts, we currently don't expect these changes to have a material impact on the company's FY26 performance.

The Microsoft channel incentive transitions and mitigating initiatives implemented this financial year have proven effective, driving solid growth across Cloud Solution Provider, Copilot, Security, Azure and software advisory services. The Software business is expected to return to gross profit growth in 2H FY26, resulting in a full year contribution to gross profit for Software consistent with FY25.

The Services business is responding to changing market demand, ensuring alignment with internal sales and delivery capability. While demand for contractors and some larger projects remains subdued and with protracted sales lead times, the business remains agile in meeting areas of high customer demand and budget prioritisation, such as security, data and AI.

Overall, the outlook remains positive and we are well positioned to continue to capitalise on the market opportunities including AI, and to deliver sustainable earnings growth, consistent with our long term strategy.

Directors' report (continued)

3. Dividends

The Board has declared a fully franked interim dividend of 13.50 cents per share. This represents an increase of 3.1% (FY25 interim dividend: 13.10 cents per share) and representing a payout ratio of 90.3%.

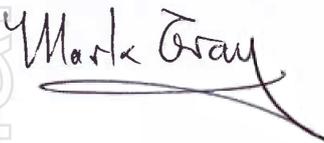
4. Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 7.

5. Rounding of amounts

Data#3 Limited is a company 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 unless otherwise noted.

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



Mark Gray
Chair

Brisbane
23 February 2026



Auditor's Independence Declaration

As lead auditor of Data#3 Limited's financial report for the half-year ended 31 December 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 review of the financial report; and
- b) no contraventions of any applicable code of professional conduct in relation to the review of the financial report.

A handwritten signature in black ink, appearing to read 'Ben Woodbridge', written in a cursive style.

Ben Woodbridge
Partner
PricewaterhouseCoopers

Brisbane
23 February 2026

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

Condensed consolidated statement of comprehensive income

for the half year ended 31 December 2025

		Half year ended December	
		2025	2024
	Note	\$'000	\$'000
Revenue			
Revenue from contracts with customers	3	422,936	391,183
Other revenue	3	141	139
		423,077	391,322
Expenses			
Cost of sales		(279,072)	(247,733)
Internal employee and contractor costs		(103,222)	(103,685)
Telecommunications		(1,090)	(1,144)
Rent		(813)	(870)
Travel		(908)	(801)
Professional fees		(737)	(710)
Depreciation and amortisation		(3,264)	(3,216)
Other		(6,329)	(7,144)
		(395,435)	(365,303)
Finance income		6,330	6,532
Finance costs		(499)	(526)
Net finance income		5,831	6,006
Profit before income tax expense		33,473	32,025
Income tax expense		(10,302)	(9,675)
Profit for the half year attributable to the ordinary equity holders of the company		23,171	22,350
Other comprehensive income for the half year, net of tax: <i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		(575)	726
Total comprehensive income for the half year attributable to the ordinary equity holders of the company		22,596	23,076
Earnings per share for profit attributable to the ordinary equity holders of the company:		Cents	Cents
Basic earnings per share		14.95	14.43
Diluted earnings per share		14.91	14.40

The accompanying notes form part of these financial statements.

Condensed consolidated balance sheet

as at 31 December 2025

	Note	31 December 2025 \$'000	30 June 2025 \$'000
Current assets			
Cash and cash equivalents		125,412	356,689
Trade and other receivables	6	188,901	501,573
Contract assets		7,867	10,298
Inventories – at net realisable value		31,718	18,385
Current tax asset		26,826	10,842
Other		12,391	6,139
Total current assets		393,115	903,926
Non-current assets			
Property and equipment		2,301	2,279
Right-of-use assets		10,865	15,626
Deferred tax assets		7,539	6,954
Intangible assets		13,086	13,313
Total non-current assets		33,791	38,172
Total assets		426,906	942,098
Current liabilities			
Trade and other payables	6	277,979	777,397
Contract liabilities		38,225	48,770
Lease liabilities		3,228	3,986
Provisions		9,836	9,062
Total current liabilities		329,268	839,215
Non-current liabilities			
Lease liabilities		9,581	14,561
Provisions		3,702	4,153
Total non-current liabilities		13,283	18,714
Total liabilities		342,551	857,929
Net assets		84,355	84,169
Equity			
Contributed equity		15,739	14,229
Share-based payments reserve		(387)	272
Foreign currency translation reserve		(607)	(32)
Retained earnings		69,610	69,700
Total equity		84,355	84,169

The accompanying notes form part of these financial statements.

Condensed consolidated statement of changes in equity

for the half year ended 31 December 2025

Attributable to owners of Data#3 Limited

	Contributed equity	Share-based payment reserve	Foreign currency translation reserve	Retained earnings	Total shareholders' equity
	\$'000	\$'000	\$'000	\$'000	\$'000
2025					
Balance at 30 June 2025	14,229	272	(32)	69,700	84,169
Profit for the half year	-	-	-	23,171	23,171
Other comprehensive income, net of tax	-	-	(575)	-	(575)
Total comprehensive income	-	-	(575)	23,171	22,596
Transactions with owners in their capacity as owners:					
Payment of dividends	-	-	-	(23,261)	(23,261)
Issue of shares under employee share schemes	1,510	(1,510)	-	-	-
Employee share schemes – value of employee services	-	684	-	-	684
Employee share schemes – movement in deferred tax	-	167	-	-	167
	1,510	(659)	-	(23,261)	(22,410)
Balance at 31 December 2025	15,739	(387)	(607)	69,610	84,355
2024					
Balance at 30 June 2024	12,577	960	(403)	61,782	74,916
Profit for the half year	-	-	-	22,350	22,350
Other comprehensive income, net of tax	-	-	726	-	726
Total comprehensive income	-	-	726	22,350	23,076
Transactions with owners in their capacity as owners:					
Payment of dividends	-	-	-	(19,983)	(19,983)
Issue of shares under employee share schemes	1,652	(1,652)	-	-	-
Employee share schemes – value of employee services	-	518	-	-	518
Employee share schemes – movement in deferred tax	-	(149)	-	-	(149)
	1,652	(1,283)	-	(19,983)	(19,614)
Balance at 31 December 2024	14,229	(323)	323	64,149	78,378

The accompanying notes form part of these financial statements.

Condensed consolidated cash flow statement

for the half year ended 31 December 2025

		Half year ended December	
	Note	2025 \$'000	2024 \$'000
Cash flows from operating activities			
Receipts from customers including agency arrangements (inclusive of GST)		1,999,333	1,860,609
Payments to suppliers and employees (inclusive of GST)		(2,166,305)	(1,958,983)
GST paid		(16,775)	(16,078)
Interest received		6,560	6,467
Interest and other borrowing costs paid		(484)	(509)
Income tax paid (net of refunds)		(26,647)	(15,324)
Net cash outflow from operating activities	4	(204,318)	(123,818)
Cash flows from investing activities			
Payments for property and equipment		(451)	(429)
Payments for software assets		(621)	-
Net cash outflow from investing activities		(1,072)	(429)
Cash flows from financing activities			
Payment of dividends	5	(23,261)	(19,983)
Lease liability payments		(2,043)	(1,869)
Net cash outflow from financing activities		(25,304)	(21,852)
Net decrease in cash and cash equivalents held			
		(230,694)	(146,099)
Cash and cash equivalents, beginning of financial year		356,689	276,381
Effect of exchange rate changes on cash and cash equivalents		(583)	726
Cash and cash equivalents, end of financial year		125,412	131,008

The accompanying notes form part of these financial statements.

Notes to the condensed consolidated financial statements

Note 1. Material accounting policies

Basis of preparation of interim financial report

We have prepared this general purpose interim financial report for the half year reporting period ended 31 December 2025 in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report and accordingly should be read in conjunction with our annual report for the year ended 30 June 2025 and any public announcements we have made during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

There are no new accounting standards applicable from 1 July 2025 which have been adopted.

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

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.

Rounding of amounts

Data#3 is a company 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 unless otherwise noted.

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, recruitment 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 following table reconciles with profit before income tax expense as presented in the statement of comprehensive income.

Notes to the condensed consolidated financial statements

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
Half year to 31 December 2025					
Gross Sales *	1,062,055	275,223	205,023		1,542,301
Agent v Principal Adjustment *	(1,024,544)	(22,078)	(72,743)		(1,119,365)
Statutory Revenue	37,511	253,145	132,280		422,936
Gross Cost of sales	(1,024,547)	(238,378)	(135,512)		(1,398,437)
Agent v Principal Adjustment	1,024,544	22,078	72,743		1,119,365
Cost of Sales	(3)	(216,300)	(62,769)		(279,072)
Other income and expenses **	(17,789)	(26,023)	(57,507)	(9,072)	(110,391)
Management Profit	19,719	10,822	12,004	(9,072)	33,473
Half year to 31 December 2024					
Gross Sales *	975,624	233,952	203,188		1,412,764
Agent v Principal Adjustment *	(936,250)	(24,107)	(61,224)		(1,021,581)
Statutory Revenue	39,374	209,845	141,964		391,183
Gross Cost of sales	(936,291)	(202,379)	(130,644)		(1,269,314)
Agent v Principal Adjustment *	936,250	24,107	61,224		1,021,581
Cost of Sales	(41)	(178,272)	(69,420)		(247,733)
Other income and expenses **	(17,569)	(26,313)	(58,601)	(8,942)	(111,425)
Management Profit	21,764	5,260	13,943	(8,942)	32,025

* 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.

Notes to the condensed consolidated financial statements

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.

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

Revenue stream	Revenue recognition timing	Half year ended December	
		2025 \$'000	2024 \$'000
Infrastructure Solutions (INS)			
Hardware – as principal	Point in time	247,102	202,962
Software licensing and vendor-branded maintenance services – as agent	Point in time	5,301	6,043
Services – as principal	Over time	742	841
Software Solutions (SWS)			
Software licensing, vendor-branded maintenance services and consumption sales – as agent	Point in time	36,227	37,977
Consulting – as principal	Over time	1,284	1,397
Services			
Consulting services – as principal	Over time	16,046	14,669
Project services – as principal	Over time	36,682	42,245
Maintenance services – as principal	Over time	5,029	12,328
Managed services – as principal	Over time	30,965	26,719
Software licensing and vendor-branded maintenance services – as agent	Point in time	12,855	13,755
Contracting services – as principal	Over time	30,703	32,247
Total revenue from contracts with customers		422,936	391,183
Other revenue		141	139
		423,077	391,322

Notes to the condensed consolidated financial statements

Note 4. Cash flow statement information

Reconciliation of net profit to net cash flow from operations

	Half year ended December	
	2025	2024
	\$'000	\$'000
Profit for the half year	23,171	22,350
Loss/(gain) on disposal of property, equipment and software	(943)	3
Depreciation and amortisation	3,264	3,216
Unwinding of discount on provisions	15	17
Bad and doubtful debts	127	594
Non-cash employee benefits expense – share-based payments	684	518
Other	-	1
Change in operating assets and liabilities		
Decrease in receivables	312,489	318,311
Decrease/(increase) in contract assets	2,431	(1,695)
Increase in inventories	(13,333)	(14,333)
Increase in other operating assets	(6,252)	(4,905)
Decrease/(increase) in net deferred tax assets	(418)	2,595
Decrease in payables	(499,333)	(434,937)
Decrease in contract liabilities/unearned income	(10,545)	(7,844)
Decrease in current tax liabilities	(15,984)	(8,244)
Increase in provision for employee benefits	309	535
Net cash outflow from operating activities	(204,318)	(123,818)

Note 5. Dividends

Details of dividends paid are as follows:

Record date	Payment date	Type	Amount per security	Franked amount per security	Total dividend \$'000
16/09/2025	30/09/2025	Final	15.00 cents	15.00 cents	23,261
17/03/2025	31/03/2025	Interim	13.10 cents	13.10 cents	20,293
16/09/2024	30/09/2024	Final	12.90 cents	12.90 cents	19,983

Dividends not recognised at the end of the half year

Since the end of the half year, the directors have declared an interim dividend of 13.50 cents per fully paid ordinary share, fully franked based on tax paid at 30%. The aggregate amount of the interim dividend to be paid on 31 March 2026 out of retained earnings at the end of the half year, but not recognised as a liability at the end of the half year, is \$20,936,000.

Note 6. Material balance sheet movements

Trade and other receivables decreased by 62% to \$188,901,000 during 1H26. The Group's sales, and therefore trade receivables, traditionally peak in May/June, followed by large collections in the following period.

Trade and other payables decreased by 64% to \$277,979,000 during 1H26, due to payments to suppliers in July/August associated with the traditional sales peak in May/June.

Notes to the condensed consolidated financial statements

Note 7. Share-based payments

On 4 September 2025 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 18 November 2022 and fully vested on the release of the 30 June 2025 annual financial results. Other details of the share issuance are set out below.

Number of rights converted to shares	169,508
Share price of shares issued	\$8.9026

The share-based payment equity reserve decreased by \$1,510,000 in relation to this issuance of shares.

Note 8. Subsequent events

No material or unusual events have occurred after the end of the half year that could affect the financial position or performance of Data#3 Limited or any of its subsidiaries other than as disclosed in note 5.

Note 9. Contingent liabilities

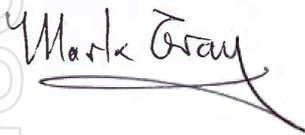
There have been no material changes in contingent liabilities from those disclosed in the 30 June 2025 annual report.

Directors' declaration

In the opinion of the directors:

- (a) the financial statements and notes set out on pages 8 to 16 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 31 December 2025 and of its performance for the half year ended on that date; and
- (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.

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



Mark Gray
Chair

Brisbane
23 February 2026



Independent auditor's review report to the members of Data#3 Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Data#3 Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the Condensed consolidated balance sheet as at 31 December 2025, the Condensed consolidated statement of comprehensive income, Condensed consolidated statement of changes in equity, Condensed consolidated cash flow statement, for the half-year ended on that date, selected explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Data#3 Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the half-year ended on that date;
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity (ASRE 2410). Our responsibilities are further described in the Auditor's responsibilities for the review of the half-year financial report section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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



Responsibilities of the directors for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.


PricewaterhouseCoopers



Ben Woodbridge
Partner

Brisbane
23 February 2026