Appendix 4E

ASX Preliminary Final Report

Name of entity	**Data#3 Limited**
ABN	**31 010 545 267**
Reporting period	**Year ended 30 June 2026 (FY26)**
Previous corresponding period	**Year ended 30 June 2025 (FY25)**

Results for announcement to the market

Results				**$**
Revenues from ordinary activities	up	6.3%	to	917,383,000
Profit from ordinary activities after tax attributable to members	up	13.1%	to	54,522,000
Net profit for the period attributable to members	up	13.1%	to	54,522,000

Non-IFRS financial information

Gross sales and other revenue[1]	up	12.7%	to	3,385,595,000

Reconciliation of non-IFRS information to IFRS figures		**Year ended 30 June**	
		2026	**2025**
	Note	**$'000**	**$'000**
Gross Sales and other revenue[1]		3,385,595	3,003,706
Adjustment for sales recognised as agent		(2,478,297)	(2,150,703)
Revenue	3	907,298	853,003

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	13.50 cents	13.50 cents
Final dividend	18.25 cents	18.25 cents
Previous corresponding period		
Interim dividend	13.10 cents	13.10 cents
Final dividend	15.00 cents	15.00 cents

The Record Date for determining entitlements to the dividend is 16 September 2026.

Appendix 4E (continued)
for the year ended 30 June 2026

Brief explanation of the figures reported above

The Australian IT market remains resilient despite subdued economic conditions, Data#3 has achieved strong gross sales and profit growth, delivering record FY26 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 FY26 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	69,700	61,782
Net profit attributable to members	54,522	48,194
Dividends provided for or paid	(44,198)	(40,276)
Retained profits at end of financial period	80,024	69,700

Additional dividend information

Details of dividends declared or paid during or subsequent to the year ended 30 June 2026 are as follows:

Record date	Payment date	Type	Amount per security	Franked amount per security	Total dividend $'000
16/09/2026	30/09/2026	Final	18.25 cents	18.25 cents	28,302
17/03/2026	31/03/2026	Interim	13.50 cents	13.50 cents	20,936
16/09/2025	30/09/2025	Final	15.00 cents	15.00 cents	23,236

Total dividend per security (interim plus final)

	Current year	Previous year
Ordinary securities	31.75 cents	28.10 cents

Dividend reinvestment plan

Not applicable.

Net tangible assets per security

	Current year	Previous year
Net tangible asset backing per ordinary security	$0.54	$0.46

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 2026

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 FY26 reflect another record performance, with basic earnings per share increasing by 13.0% to 35.16 cents, and total fully franked dividends increasing by 13.0% to 31.75 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:

Mark Gray

Mark Gray
Chair

Date: 24 August 2026

CHAIR'S LETTER TO SHAREHOLDERS

Dear Shareholders,

It is my pleasure to present Data#3 Limited's FY26 Annual Report. The Company delivered another year of solid, above-market growth, with record gross sales of $3.4 billion and earnings before tax of $78.8 million. This performance continues Data#3's long track record of adapting to evolving technologies and markets while delivering consistent growth in sales and earnings.

Since listing in 1997, Data#3 has delivered sustained earnings per share ("EPS") growth, maintained a high dividend payout ratio and generated strong share price appreciation for shareholders, including an average 20% annual Total Shareholder Return ("TSR") over the five years to FY26.

Earnings before tax increased by 14% in FY26, reflecting the combination of continued gross sales growth, and diligent cost management.

Macroeconomic conditions in FY26 remained challenging, with customers continuing to operate in an environment shaped by inflationary pressures, geopolitical uncertainty and higher hardware prices related to global memory shortages. These conditions caused some customers to delay decisions and reconsider discretionary technology spend, which affected parts of the Services business. Pleasingly, demand remained resilient for initiatives with clear productivity, automation, cyber security, data and cloud outcomes, and activity levels in public sector customers improved as modernisation and security programs progressed.

The Australian information technology market continued to demonstrate structural strength during the year, underpinned by investment in digital transformation, AI, cyber security, cloud and modern infrastructure. Infrastructure Solutions benefited from Windows 11 upgrade activity, ongoing device refresh cycles, AI-enabled devices and demand for data centre solutions to support modern data and AI workloads. The Software Solutions business successfully navigated changes to Microsoft partner incentives by growing Cloud Solution Provider agreements, Azure consumption, Copilot, Security, non-Microsoft vendors and software advisory services. Services delivered a mixed performance, with strong growth in Business Aspect consulting and Managed Services offset by softer conditions in Project Services and People Solutions.

The Company maintained a focus on disciplined cost management and the ongoing alignment of the cost base to market demand. The Internal Cost Ratio reduced to 77.5% from 79.7% in FY25, reflecting operating leverage achieved through automation, the adoption of artificial intelligence ("AI") and continued focus on efficient execution across the business.

A board renewal process was completed for the start of the financial year, supported by an independent recruitment consultant, which resulted in Diana Eilert and Laurence Baynham being appointed as Non-Executive Directors, effective 1 July 2025. Diana brings extensive listed company, technology, strategy, customer, data and digital transformation experience. Laurence brings deep knowledge of Data#3 and the information technology sector, having spent nearly 30 years with the Company, including as Managing Director. Their appointments have strengthened the Board's mix of skills, industry experience, continuity and strategic perspective.

The Board also continued to enhance its governance framework during FY26. The Board progressed its approach to Board composition and succession planning, and updated committee responsibilities to support the Company's evolving strategy and governance priorities. The Remuneration and Nomination Committee was renamed the People, Remuneration and Nomination Committee, with a broader remit including people and culture, use of AI, and oversight of selected workplace and whistleblower frameworks. The Audit and Risk Committee continued its focus on financial reporting, risk management, compliance, cyber security and sustainability reporting readiness.
Capital management remained a key area of Board oversight. Data#3 continues to maintain a conservative balance sheet and strong liquidity position, with growth historically funded through internal working capital. The Board endorsed a capital management framework this year, designed to preserve financial resilience, fund operating requirements and organic growth, support strategic investments, and deliver consistent shareholder returns. This framework recognises the importance of maintaining flexibility to respond to seasonal working capital requirements, market opportunities and potential strategic growth initiatives.

The Company has historically maintained a high ordinary dividend payout ratio and remains focused on delivering attractive, fully franked returns to shareholders, while balancing the need to fund growth and long-term value creation. The Board will continue to consider dividends and any future capital returns having regard to performance, cash flow, liquidity, franking credits, investment opportunities and market conditions.

CHAIR'S LETTER TO SHAREHOLDERS

Looking ahead, Data#3 is well positioned to take advantage of the growth of AI, cyber security, cloud, data, infrastructure modernisation and managed services. While macroeconomic conditions, geo-political factors and customer procurement cycles remain variable, the Company's broad customer base, strong vendor partnerships, recurring gross sales profile, disciplined cost management and focus on high-value solutions provide a strong foundation for sustainable earnings growth.

On behalf of the Board, I thank Brad Colledge and the entire Data#3 team for their commitment and contribution during FY26. I also thank my fellow Directors for their guidance and support, and our shareholders for your continued confidence in Data#3.

Mark Gray
Chair

LETTER FROM THE MD/CEO

Dear Shareholders,

Data#3 is pleased to report another strong financial result for FY26, with record gross sales of $3.4 billion and earnings before tax up 14% to $78.8 million. This performance reinforces our agility and the continued strength of our people, strategy and business model. Our disciplined focus on cost management and ongoing alignment of our cost base to market demand also saw improved operating leverage and net profit margins this financial year.

Performance and market conditions

During FY26, the Australian information technology market remained resilient, underpinned by investment in digital transformation, artificial intelligence (“AI”), cyber security and cloud technologies. Industry forecasts indicate Australian IT spending will grow by approximately 8.9% in calendar 2026, materially exceeding broader economic growth, and reflecting the strategic importance of technology in driving productivity, innovation and risk management.

Macroeconomic conditions remained challenging during the financial year, with inflationary pressures, geopolitical uncertainty and global memory shortages contributing to higher hardware prices and extended customer decision cycles. While these factors affected parts of the Services business during the year, Data#3 delivered solid earnings growth by adapting its go-to-market strategy, maintaining cost discipline and aligning investment to higher-growth technology areas, including AI, cloud, cyber security and modern infrastructure.

Growth in infrastructure spending was supported by Windows 11 device upgrades this financial year, the emergence of AI-capable personal computers and growing requirements for compute, storage and networking capacity to support modern data and AI workloads.

Earlier this calendar year saw the rapid growth in demand for AI infrastructure lead to a global shortage in memory chips, which in turn reduced availability and drove sharp price increases for personal computers, network equipment and servers. This supported some sales activity for Data#3 in the second half, as some customers brought forward orders in anticipation of higher prices and tighter supply, which are expected to persist through the remainder of this calendar year. The business has expertly managed through any supply issues, leveraging its warehousing capabilities and vendor relationships to get the best outcomes for customers.

The Software business successfully navigated material changes to Microsoft’s partner incentive programs by transitioning corporate customers from Enterprise Agreements (“EA”) to Cloud Solution Provider (“CSP”) agreements, in addition to driving growth across Copilot, Security, Azure, non-Microsoft vendors and software advisory services.

A key achievement in FY26 was Data#3’s appointment by the Digital Transformation Agency (“DTA”) as the sole panel provider of Microsoft products and services to the Australian Government. This five-year contract, the largest in Data#3’s history, reinforces the Company’s long-standing public sector credentials and provides a significant platform to expand services across the Federal Government. Data#3 was also appointed to the renewed NSW Government Microsoft software panel, with the Software Solutions team supporting the majority of NSW Government agencies through the renewal of their Microsoft Enterprise Agreements.

Services delivered a mixed performance in FY26. Business Aspect consulting achieved record results, supported by growth in key government accounts, particularly across Data and Transformation and Governance. Managed Services continued to perform well, with growth of more than 9% supported by solid renewal rates and new contract wins, while Maintenance Services delivered a strong second half, supported by Cisco EA renewals, to achieve full-year growth of more than 11%. This was offset by a softer performance in Project Services and People Solutions, which were affected by fewer large infrastructure projects in some states and ongoing labour market softness. FY26 was the start of a multi-year transition for Project Services, with leadership changes, the development of new solutions and capability, and an overall enhanced Services growth strategy for execution commencing in FY27.

Customers remain focused on initiatives with clearly defined business outcomes, seeking technology investments that could improve operational efficiency, demonstrate productivity benefits and strengthen security postures. Organisations also continue to favour consumption-based and subscription models, while increasing their investment in AI, data and cloud capabilities. Public sector activity increased on the prior year, supported by progress in digital strategy execution, cyber security requirements and modernisation programs.

Strategy and Outlook

Data#3’s strategy remains grounded in our vision to harness the power of people and technology for a better future. Our long-term goals are focused on sustained growth anchored in recurring gross sales, improved efficiency and operating leverage, being a digitally enabled high-performance organisation, and leader in priority markets, solutions and services.

AI is both a significant market opportunity and an important internal productivity lever. During FY26 we continued to embed AI across our operations, including automation across procurement, software development, cyber security and customer experience workflows. We are also helping customers navigate AI adoption across Microsoft Copilot, Azure AI, AI-ready infrastructure, data platforms and governance frameworks. In FY27, we will further strengthen this capability through the establishment of a dedicated AI Practice and customer-facing AI delivery pods, enabling Data#3 to provide a more consistent, scalable and outcome-led AI go-to-market across Software, Infrastructure and Services.

Cyber security remains one of the highest priorities for customers, particularly in government, regulated industries and critical infrastructure. To respond to growing demand for trusted, locally governed security services, we are investing in a Sovereign Security Operations Centre (“SOC”) capability in Australia to supplement our existing hybrid SOC based in Brisbane. This capability is designed to support customer requirements for data residency, locally operated services and regulatory alignment, while strengthening Data#3’s broader managed security and lifecycle services offering.

We are also taking deliberate action to accelerate the growth and profitability of our Services business. The FY27 Services plan is focused on embedding advisory capability into key accounts, growing our annuity contract base, strengthening managed services platforms, improving services sales discipline and aligning project services capability to high-growth solution areas. This will support a more services-led organisation, with greater contribution from advisory, project services, managed services and staffing services over time.

A key enabler of this strategy is the evolution of our solution practices and go-to-market model. During FY27 we will continue to align our solution categories, presales capability, sales engagement and delivery resources into a more integrated practice structure. This approach is designed to create clearer ownership of solution categories, stronger alignment from solution development through to sales and delivery, and more consistent market messaging across hardware, software and services. For customers, it will make it easier to access the full breadth of Data#3 capability through an outcome-led lifecycle model: advise, procure, deploy, adopt and operate.

Leadership succession and capability development also remain important to the successful execution of our strategy. We thank Michael Bowser for his contribution to Data#3 and acknowledge his retirement after over 38 years with the Company. We are pleased to welcome David Gold to the Services leadership role, where he will help drive the next phase of our Services strategy, including continued investment in AI, managed services and sovereign cyber security capability.

Sustainability

Sustainability remains an important part of Data#3’s long-term strategy and stakeholder commitments. During FY26 we continued to mature our approach to environmental, social and governance matters, including work on science-based target setting to guide the development of our decarbonisation strategy. We also continued to support our people and local communities through engagement programs aligned with our purpose and values.

Our sustainability efforts were recognised through partner and industry awards during the year, including recognition as HP Amplify Impact Partner of the Year. We will continue to build our sustainability capability in a practical and commercially disciplined way, aligned to customer expectations, regulatory developments and our broader commitment to responsible business.

While the year ahead will be influenced by global supply conditions, vendor program updates, customer procurement cycles, and broader economic confidence, we have started the new financial year strongly. We have a growing market, excellent support from our vendor partners, momentum generated by AI, and a clear strategy to continue delivering sustainable earnings growth for shareholders.

In closing, I would like to thank our people for their commitment, agility and focus throughout FY26. Their ability to support customers, adapt to market change and execute our strategy is the foundation of Data#3’s continued success. I would also like to thank our customers, vendor partners, Board and shareholders for their ongoing support.

Brad Colledge
Managing Director and Chief Executive Officer

Operating and Financial Review

	FY26 $'000	FY25 $'000	% Change
Gross Sales	**3,385,279**	**3,003,362**	**12.7%**
IFRS adjustments	(2,478,297)	(2,150,703)	
Other revenue	316	344	
Total statutory revenue	**907,298**	**853,003**	**6.4%**
Total gross profit	**305,173**	**289,719**	**5.3%**
Total margin on gross sales	*9.0%*	*9.6%*	
Finance income	10,085	10,242	**(1.5%)**
NPBT	**78,794**	**69,119**	**14.0%**
NPAT	**54,522**	**48,194**	**13.1%**
Basic earnings per share	**35.16 cents**	**31.12 cents**	**13.0%**
Dividend per share	**31.75 cents**	**28.10 cents**	13.0%
Dividend payout ratio	*90.3%*	*90.3%*	

Review of Operations

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

Our technology solutions are broadly categorised into the following areas:

- Data & AI – solutions that help customers govern their data and scale AI from pilot to production, enabling faster, more accurate and increasingly automated business decisions.
- Cyber Security – solutions that keep customers resilient against an evolving threat landscape through zero-trust security, identity protection and managed detection and response.
- Applications & Automation – solutions that modernise applications and automate business processes to reduce manual effort, lift productivity and accelerate outcomes.
- Collaboration – solutions that connect customers' people through secure productivity and communication tools so teams can work together effectively from anywhere.
- End User Computing – solutions that give customers' people secure, well-managed access to modern devices, keeping them productive and protected anywhere.
- Hybrid Cloud – highly secure, sovereign-ready data centre and cloud solutions that run business workloads where they perform best, improving efficiency, controlling cost and scaling across hybrid environments.
- Networking – solutions that connect customers seamlessly and securely through secure software-defined networking, so people and information are available anywhere, any time, on any device.

Operational Overview

The Software Solutions business performed well during FY26, particularly given the first half of the financial year was most impacted by the changes to Microsoft's partner incentive programs that came into effect from 1 January 2025.

The business successfully implemented strategies to align with Microsoft's incentive programs this financial year, including growth in sales of Azure migrations and consumption, Cloud Solution Provider ("CSP") agreements, and growth across non-Microsoft software vendors, including Adobe, VMware and Veeam. Increased focus was also placed on expanding in the Small and Medium Enterprise ("SME") sector, enabled through investment in technology platforms to efficiently and cost effectively service higher transaction volumes.

In March 2026, Data#3 announced that it had been appointed by the Digital Transformation Agency ("DTA") as the sole panel provider of Microsoft products and services to the Australian Government. The appointment was confirmed for an initial five-year term, with an option to extend for a further one year. Data#3 has been the sole provider under these Volume Sourcing Arrangements ("VSA") since their inception in 2008. The Company was also successful in being appointed to the renewed NSW panel contract for Microsoft software.

Infrastructure Solutions benefited from stronger demand for end-user computing, driven by Windows 11 compatibility upgrades, ongoing device refresh cycles and increased interest in AI-enabled devices. Growth was also supported by data centre solutions and services, as customers optimised their environments and progressed their AI adoption strategies.

The previously announced Cisco 360 Partner Program changes did not materially affect the Company's FY26 financial performance but have gradually shifted rebates from Maintenance Services to Infrastructure Solutions. Data#3 mitigated any potential impact by achieving preferred partner status under the new program for Networking, Collaboration, Cloud and AI, Security and Services. This meant that premium products sold by Infrastructure Solutions under these specialisations attracted more rebate to offset the decrease in rebates associated with maintenance renewals.

Services delivered a mixed performance in FY26. Business Aspect consulting achieved 22% growth, supported by expansion across key accounts and stronger demand for its Information and Analytics, and Transformation and Governance advisory services.

Managed Services growth was supported by key contract wins and renewals, partly offset by fewer Onsite Managed Service contractors in some major accounts. The business remains focused on building a quality sales pipeline, improving delivery and operational efficiency, controlling costs and maintaining high service standards.

Project Services maintained solid market activity and pipeline coverage during FY26; however, booking conversions were affected by reduced business confidence, customer timing and extended procurement processes. NSW and ACT performed well, while QLD, VIC and WA saw softer sales conversion and a slower market recovery as the year progressed. FY26 was the start of a multi-year transition for Project Services, with leadership changes, the development of new solutions and capability, and an overall enhanced Services growth strategy for execution commencing in FY27.

People Solutions underperformed during FY26, reflecting an ongoing challenging labour market and economic sentiment, which resulted in a reduction in contractors in some key QLD accounts and margin pressure from a more competitive market. Renewal performance and activity levels remained strong, but conversions were constrained by delayed customer decisions, cash rate pressure and a tight market for specialist candidates.

Maintenance Services delivered another solid result, with sales growth of more than 11% supported by a record year of Cisco Enterprise Agreement wins. Management Profit was negatively impacted by changes to Cisco rebate programs announced in early calendar year 2026, which shifted rebates to the Infrastructure Solutions business.

Overall, for all vendor partners, total rebates generated across all segments in FY26 increased over 20% on the prior year.

Across our practices, demand for security solutions continued to grow this financial year, including for Managed Security Services, further expanding the Company's recurring gross sales streams.

Financial Overview

Financial Performance

Gross sales increased by 12.7% for the financial year to $3.4 billion (FY25: $3.0 billion), driven by growth across most business units, except for Project Services and People Solutions.

Reported gross sales and statutory revenue by operating segment for the financial year ended 30 June 2026 (including prior year comparatives) are as follows:

	Gross Sales			Statutory Revenue		
Operating Segment	**FY26($M)**	**FY25($M)**	**%**	**FY26($M)**	**FY25($M)**	**%**
Software Solutions	2,321.8	2,034.5	14.1%	78.1	72.6	7.6%
Infrastructure Solutions	651.1	570.7	14.1%	552.9	508.1	8.8%
Services	412.3	398.2	3.6%	276.0	272.0	1.5%
Total	**3,385.2**	**3,003.4**	**12.7%**	**907.0**	**852.7**	**6.4%**

Operating and Financial Review

Statutory revenue (including other income) of $907.3 million was up 6.4% on the PCP, driven by growth in Infrastructure and Software Solutions revenues, which were up 8.8% and 7.6% respectively.

Total gross profit of $305.2 million was up 5.3% on the prior period and average gross margin for FY26 was 9.0% (FY25: 9.6%). Gross profit and gross margin were negatively impacted by the Microsoft incentive program changes in the Software Solutions business, and the lower overall contribution by the higher margin Services business this financial year.

Total gross sales ($M)

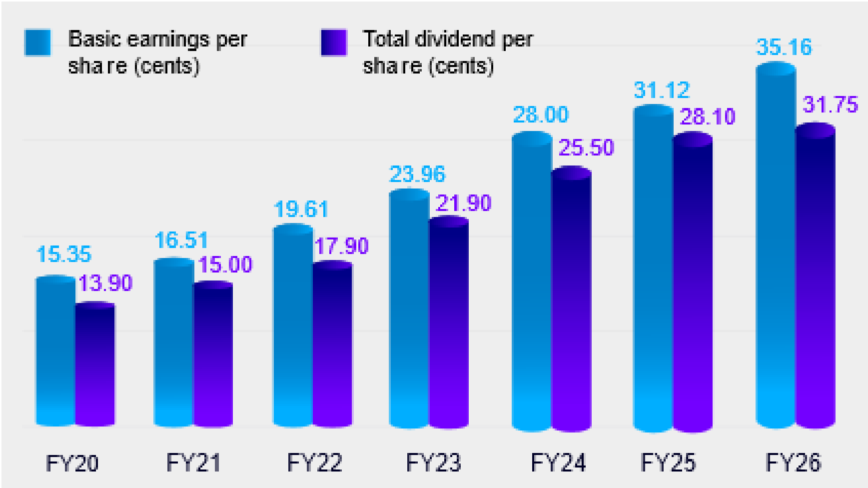
Profit before tax (PBT) of $78.8 million was up 14% on FY25, underpinned by a marginal increase in the Company's cost base of around 2%, against gross profit growth of over 5%.

Profit after tax (NPAT) of $54.5 million was also up over 13% on PCP (FY25: $48.2 million), representing basic earnings per share of 35.16 cents (FY25: 31.12 cents).

Total gross profit ($M)

Operating and Financial Review

Basic earnings per share and dividends per share (cents)



EBIT (Earnings before Interest and Tax) of $69.8 million was up 16.6%.

Results by functional area (Segment)

Infrastructure Solutions

The Infrastructure Solutions business delivered gross sales growth of over 14%, supported by strong demand for end user computing which was boosted by Windows 11 upgrades and device refresh cycles. Data centre sales were also strong, as customers continued to optimise their server and storage environments through hybrid cloud solutions.

Statutory revenue increased by almost 9% to $552.9 million, while gross profit rose 18.6% to $84.5 million, driven by a continued focus on maximising deal margins and higher vendor rebates from strong device sales and the shift in Cisco rebates from Maintenance Services to Infrastructure Solutions. Average gross margin improved from 12.5% to 13.0% this financial year.

Management profit increased by more than 78% to $31.2 million (FY25: $17.5 million), supported by strong growth in gross profit, in addition to automation and restructuring initiatives that improved operating leverage.

Software Solutions

Software Solutions delivered gross sales growth of 14.1% on the prior corresponding period to $2.3 billion, underpinned by increased Azure and Cloud Solution Provider ("CSP") agreement sales, continued growth across the Public and Education sectors, and stronger contribution from non-Microsoft vendors.

Statutory revenue and gross profit both increased by 7.6% on FY25 to $78.1 million, despite the impact of Microsoft incentive program changes announced in the prior year. The successful execution of mitigation strategies enabled gross profit to exceed expectations of a flat year-on-year result.

Average gross margin declined slightly from 3.6% in FY25 to 3.4% in FY26, due to the full year impact of the reduction in Microsoft incentives.

Management profit of $41.0 million was up 7.7% on the prior year.

Services

Services delivered gross sales of $412.3 million in FY26, an increase of 3.6% on the prior year. Statutory revenue increased by 1.5% to $276.0 million, after adjusting for Maintenance Services sales recognised on an agency, net revenue basis.

Financial performance across this segment was mixed, with Consulting (Business Aspect) gross sales up over 22%, Maintenance Services up 11.5% and Managed Services gross sales up 9.4% on the prior year. Growth across these business units was offset by a downturn in Project Services this year of 15.3% and People Solutions contracting and recruitment of 8.7%.

Operating and Financial Review

Gross profit of $142.3 million was slightly down on the prior year by 2.2% (FY25: $145.6 million), and average gross margin was also down on PCP at 34.5% (FY25: 36.6%), impacted by the shift in rebates from Maintenance Services to Infrastructure Solutions, in addition to the Services sales mix.

Management profit was down 12.6% on the prior year to $28.2 million (FY25: $32.2 million), negatively impacted by the lack of growth in the Project Services and People Solutions business units, and shift in Maintenance Services rebates to Infrastructure this financial year.

Recurring gross sales and operating costs

Recurring gross sales increased to 70% of gross sales in FY26, up from 69% in FY25, and is defined as revenue from contracts with terms of one year or more. These longer-term agreements comprise the majority of Software Solutions, Maintenance Services and Managed Services sales, reflecting customers' continued shift towards multi-year subscription and As-a-Service purchasing models. This trend was further supported by growth of more than 100% in Device-as-a-Service offerings during FY26.

Internal staff costs increased by 2% on the prior year to $208.2 million, reflecting disciplined workforce management. Lower billable Services headcount, aligned to customer demand, was offset by targeted investment in Infrastructure and Software Solutions sales specialist roles to support future growth. Wage inflation was modest during FY26.

Operating expenses, including depreciation, increased by just over 5% on the prior corresponding period to $27.1 million (FY25: $25.7 million), primarily reflecting higher IT project and software licensing costs. This increase was partly offset by one-off lease accounting adjustments associated with the Melbourne office relocation, which delivered a total benefit of $0.9 million.

The Company's Internal Cost Ratio, representing staff and operating expenses as a percentage of gross profit, improved to 77.5% in FY26 from 79.7% in FY25. This improvement reflects disciplined cost management and operational efficiencies delivered through automation and the adoption of AI.

Balance sheet and cash flow

The Group's FY26 balance sheet remains strong and debt-free, with net assets of $95.2 million (FY25: $84.2 million).

The cash position at 30 June 2026 was $326.0 million, compared to $356.7 million at 30 June 2025, with a net cash inflow from operating activities of $23.3 million this financial year (FY25: $126.3 million). The difference in operating cash primarily reflects timing of customer receipts in the peak trading month of June, between late June and early July each year.

Closing inventory was $73.4 million at 30 June 2026, up from $18.4 million at 30 June 2025, primarily reflecting larger hardware orders procured and held in advance of customer requirements to mitigate expected price increases and potential supply constraints associated with global memory shortages. Goods in transit also increased, driven by a higher volume of partial shipments from key vendors awaiting final fulfilment before customer delivery and invoicing. All inventory is committed to customer orders, with holding costs charged where inventory is retained beyond standard contracted periods.

People and Culture

People and Culture remained a key enabler of Data#3's performance in FY26. Our people continue to underpin the Company's ability to deliver customer outcomes, adapt to market change and execute our strategy across Software, Infrastructure and Services. During the year, we continued to invest in workforce capability, leadership development, employee engagement and performance management, while maintaining a disciplined approach to workforce planning aligned to customer demand and business priorities.

Data#3 ended FY26 with 1,427 people, compared with 1,446 at the end of FY25. The reduction primarily reflected lower Services contractor numbers, consistent with softer demand in parts of Project Services and People Solutions, and the Company's ongoing focus on aligning workforce capacity to market conditions. This disciplined approach was balanced with targeted investment in specialist capability across higher-growth areas of the business, including AI, cyber security, cloud, data and modern infrastructure.

Operating and Financial Review

Employee engagement remained a strength in FY26, with Data#3 maintaining a stable employee satisfaction score of 4.38 out of 5, in line with FY25. The survey results continued to demonstrate strong employee advocacy, with 90% of respondents proud to work at Data#3 and 88% willing to recommend the Company as an employer. Survey results continued to highlight strong manager connection, work-life balance, workplace safety, flexible work and team culture as areas of strength.

In FY26, Data#3 matured its workforce planning approach. Initiatives included refining the Employee Value Proposition, embedding a structured employee listening strategy across surveys, focus groups and exit insights, and continuing to improve adoption of Pulse, the Company's goals, performance and development platform. Confidence in Pulse improved during the year, supporting more consistent goal setting, one-on-one conversations, performance reviews and development planning. These initiatives are designed to strengthen leadership capability, improve career conversations and support a high-performance culture aligned to Data#3's core values of HEART - Honesty, Excellence, Agility, Respect and Teamwork.

External recognition again supported the strength of Data#3's workplace culture. The Company was recognised as an HRD Employer of Choice for the eleventh consecutive year, continuing a long record of recognition based on employee feedback and workplace experience. Data#3 also achieved Great Place to Work accreditation again in FY26, providing further external validation of the Company's strong culture, employee engagement and focus on creating an environment where people can do their best work.

Looking ahead, People and Culture will remain central to Data#3's ability to execute its strategy and deliver continued growth. The Company will continue to focus on attracting and retaining specialist talent, building leadership capability, improving career pathways, strengthening cross-business collaboration and supporting the wellbeing and engagement of its people.

External recognition

Data#3's external recognition in FY26 reflected the strength of its vendor partnerships, technical capability, customer outcomes and workplace culture, with the Company receiving national, regional and global recognition from strategic partners and industry bodies during the year.

During FY26, Data#3 received a significant number of partner awards across its core vendor ecosystem. These included Microsoft Country Partner of the Year, HP Australia Services Partner of the Year, HPE Platinum Networking Partner of the Year, Veeam ProPartner of the Year, and ARN Tech Partner for Cloud. Data#3 was also recognised for sustainability leadership, including APC by Schneider Electric Sustainability Champion of the Year and HP Amplify Impact Partner of the Year.

Cisco recognition was particularly strong in FY26, with Data#3 receiving multiple awards at the Cisco Partner Summit 2025. These included Cisco ANZ Partner of the Year, Cisco APJC Cloud and AI Infrastructure Partner of the Year, Cisco Global and APJC Services and Software Excellence Partner of the Year, Cisco Global and APJC Collaboration Partner of the Year, and Cisco Global and APJC Employee Experience Partner of the Year. These awards recognise Data#3's capability across networking, collaboration, services, software, cloud, AI infrastructure and customer experience, and reinforce the strength of the Company's long-standing strategic partnership with Cisco.

Our specialist vendor certifications and accreditations remain an important source of competitive differentiation, enabling Data#3 to provide deep technical expertise and support customers across the full technology lifecycle. Vendor channel programs continue to evolve and we remain agile in adapting to any program changes.

Overall, the breadth of recognition received during FY26 demonstrates the continued relevance of Data#3's strategy, the strength of its partner ecosystem and the depth of its technical and services capability. Together with the Company's ability to adapt to vendor program changes, these awards reinforce Data#3's position as a trusted partner to customers and a leading Australian technology services and solutions provider.

Environment, Social and Governance ("ESG")

ESG remains an important part of Data#3's long-term strategy, stakeholder commitments and approach to responsible business. In FY26, the Company continued to mature its environmental, social and governance practices, with a focus on practical initiatives that support sustained growth, regulatory readiness, employee engagement, strong governance and positive community outcomes.

Operating and Financial Review

Environmental sustainability remained a key area of focus during the year. Data#3 continued to develop its climate-related reporting capability, supported by external sustainability advisers, to prepare for reporting requirements under the Australian Sustainability Reporting Standards and AASB S2 Climate-related Disclosures from FY26. This work included uplifting governance and risk management processes for climate-related risks and opportunities, completing climate risk and opportunity assessments, undertaking climate scenario analysis, refreshing emissions targets and progressing decarbonisation planning. The Company is also developing an implementation plan to support its initial Scope 1 and Scope 2 emissions reduction targets, including the planned use of renewable electricity certificates and carbon offsets where appropriate.

Data#3 also continued to focus on reducing technology waste and supporting responsible end-of-life equipment management. Technology waste remains a significant global issue, and Data#3 supports customers to dispose of end-of-life equipment responsibly once data has been securely erased, while encouraging reuse and recycling programs wherever possible. The Company also continued to promote practical workplace sustainability initiatives, including by providing end-of-trip facilities, lockers and bike racks across locations in Australia to support more sustainable transport choices by employees.

Notably, Data#3 was named the HP Greater Asia Top Amplify Impact Partner again this year, in recognition of its shared commitment to sustainability, and helping customers adopt energy efficient devices, circular IT practices and responsible lifecycle management.

Governance remains central to Data#3's ESG approach. During FY26, the Company continued to strengthen governance oversight through Board and committee structures, including continued focus by the Audit and Risk Committee on financial reporting, risk management, compliance, cyber security and sustainability reporting readiness. The Board also progressed governance enhancements through updated committee responsibilities, including broader oversight of people and culture, the use of AI, and selected workplace and whistleblower frameworks. These actions support Data#3's focus on responsible growth, disciplined risk management and transparent stakeholder reporting.

Overall, Data#3's ESG program matured further in FY26, with progress across climate readiness, emissions measurement, responsible technology lifecycle management, employee engagement, community contribution and governance. The Company will continue to build sustainability capability in a practical and commercially disciplined way, aligned to customer expectations, regulatory developments and its broader commitment to responsible business.

Strategy and Outlook

Data#3's strategy is focused on delivering consistent growth by deepening customer relationships, expanding recurring gross sales, improving operating leverage and strengthening leadership in priority markets, solutions and services. Our strategic priorities remain centred on Solutions, Customer Experience, Operational Excellence, and People and Community, supported by FY27 operational actions across Accelerate Services, People Engagement, Customer Engagement and Data and AI.

Together, these priorities provide a clear framework for execution, linking long-term shareholder value creation with practical initiatives across our lines of business.

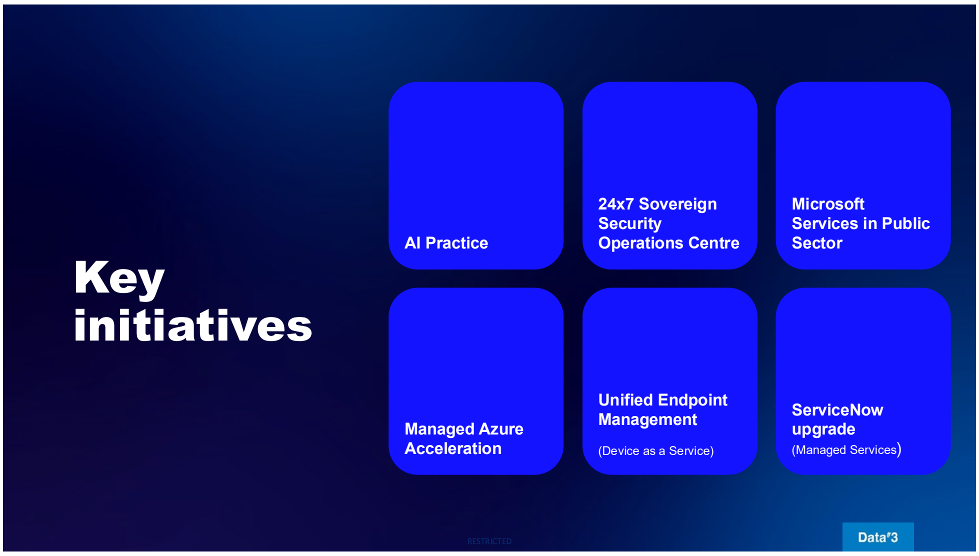
Operating and Financial Review

The market opportunity remains attractive, with customer investment continuing to be driven by AI adoption, cyber security, cloud and infrastructure modernisation, compliance requirements and demand for digital services across public sector, enterprise and SME customers. While global supply constraints, vendor program changes, inflation and customer decision cycles remain potential headwinds, Data#3 is well positioned through its broad customer base, strong vendor partnerships, financial stability, strong brand and breadth of capability across the technology lifecycle.

In Infrastructure Solutions, growth is expected to be supported by AI-ready infrastructure, end-user computing, hybrid cloud, networking, cyber security and lifecycle services. Data#3 will continue to focus on priority solution areas that address customer needs for productivity, resilience, compliance and secure modernisation. Device refresh cycles, AI-capable devices, supply-chain dynamics and demand for data centre capacity to support AI and modern workloads are expected to remain important drivers. The business will also continue to expand as-a-Service offerings, and customer success activities across adoption programs, while strengthening cross-line-of-business engagement in key accounts.

The focus for Software Solutions is to execute its growth strategy across Cloud Solution Provider (“CSP”), Azure, Copilot, non-Microsoft vendors and software advisory services. FY27 provides further opportunity through Microsoft’s AI Frontier Accelerate programs. Data#3 will continue to drive large Azure commitments, marketplace transactions, packaged managed services, software advisory and Microsoft services opportunities in the public sector, supported by targeted investment in technology platforms such as MyD3 to improve efficiency and customer self-service.

Services is a key strategic priority for FY27 and beyond. Data#3 is taking deliberate action to accelerate services growth and improve profitability through a more integrated practice model, stronger sales discipline, clearer ownership of service offerings and greater alignment to customer demand. Focus areas include Consulting, Project Services, Managed Services and resourcing, with priority capabilities across Data and AI, cyber security with sovereignty, Microsoft services, Managed Azure, Unified Endpoint Management and upgrades to our Service Now managed services environment. The objective is to lift services penetration in key accounts, improve the mix of recurring and annuity-style revenue, and deliver more consistent customer outcomes across the lifecycle from advise and procure through to deploy, adopt and operate.



AI represents both a customer growth opportunity and an internal productivity lever. In FY27, Data#3 will invest in a dedicated AI Practice and customer-facing AI delivery pods to provide a more scalable and outcome-led go-to-market across Software, Infrastructure and Services. The AI opportunity extends beyond Microsoft Copilot to include Azure AI, Microsoft Fabric, Azure Foundry, data readiness, governance, agentic AI, business process automation, AI-ready infrastructure and secure deployment models. Internally, Data#3 will continue to use AI and data to improve productivity, automate business processes, enhance customer experience and support operating leverage.

Cyber security remains one of the highest priorities for customers, particularly in government, regulated industries and critical infrastructure. Data#3 will continue to invest in managed security, security advisory, Microsoft security, Managed Detection and Response and sovereign cyber capability, including the enhancement of our current Security Operations Centre capability to a 24x7 Sovereign Security Operations Centre to support customer requirements for data residency, locally governed services and regulatory alignment. This investment will complement Data#3's broader lifecycle services capability and position the Company to support customers as security, compliance and sovereignty requirements continue to increase.

Customer engagement will also remain a major area of focus. Data#3's FY27 plan emphasises more disciplined customer segmentation, stronger consultative engagement, industry relevance and increased digital engagement through MyD3. MyD3 provides a single digital platform for purchasing, lifecycle management and support, and the next phase of development will focus on extending end-to-end digital transactions, expanding integrations across customer and vendor ecosystems, enhancing data visibility and further unifying the customer experience. These initiatives are expected to support scale, efficiency, customer insight and recurring engagement, while enabling sales teams to focus on higher-value customer conversations.

Overall, Data#3 enters FY27 with a clear strategy, strong vendor partnerships, a broad and loyal customer base, a strong balance sheet and a growing portfolio of solutions across AI, cyber security, cloud, data, infrastructure and managed services. The Company remains focused on disciplined execution, investment in priority growth areas and sustained earnings growth for shareholders.

Business Risks

Economic and trading conditions remained variable during FY26. While inflationary and interest rate pressures showed signs of easing, customers continued to exercise caution in relation to technology expenditure, with some procurement, approval and contracting decisions taking longer to complete. Demand remains supported by investment in cyber security, cloud, data, artificial intelligence and digital transformation. However, the timing of customer decisions and conversion of sales pipeline into contracted revenue remain important factors affecting short to medium-term performance.

The principal foreseeable risks that may affect Data#3's ability to achieve its short to medium-term financial and strategic objectives, in addition to general economic and market risks, include:

- **Vendor and supply chain changes:** Changes to vendor channel strategies, pricing, incentive and rebate programs, direct sales arrangements, geopolitical conditions or technology supply chains could affect revenue, margins, product availability and customer delivery. Data#3 manages these risks through close engagement with vendors and distributors, monitoring of vendor programs and supply availability, and adaptation of its sales, pricing and procurement strategies.
- **People and capability:** Data#3's performance depends on its ability to attract, retain and develop people with the skills required to deliver customer commitments and support strategic growth. This risk is managed through workforce and succession planning, recruitment, remuneration, employee engagement, professional development and technical certification programs.
- **Customer demand and delivery:** Customer budget constraints, changing investment priorities, extended procurement and approval processes, contracting delays or delivery challenges may affect the timing of sales, project commencement, revenue recognition and customer relationships. Data#3 manages these risks through disciplined pipeline, contracting and project governance, ongoing customer engagement, and a diversified range of products, services, projects and resourcing solutions.
- **Cyber security, information protection and artificial intelligence:** Cyber threats, data loss, system disruption, third-party dependencies or inappropriate use of artificial intelligence could result in operational, legal, regulatory, financial or reputational consequences. Data#3 maintains security policies, technical controls, monitoring, access management, incident response arrangements and employee awareness programs, together with governance arrangements for the responsible use of artificial intelligence.
- **Financial, legal and regulatory obligations:** The timing of major transactions, customer payments, inventory holdings, vendor incentives and changes in legal or regulatory requirements could affect financial performance, working capital and compliance. Data#3 manages these risks through financial and operational controls, forecasting, credit and inventory management, policies, training, assurance and established governance and escalation processes.

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 2026. 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:

- Data & AI – solutions that help customers govern their data and scale AI from pilot to production, enabling faster, more accurate and increasingly automated business decisions.
- Cyber Security – solutions that keep customers resilient against an evolving threat landscape through zero-trust security, identity protection and managed detection and response.
- Applications & Automation – solutions that modernise applications and automate business processes to reduce manual effort, lift productivity and accelerate outcomes.
- Collaboration – solutions that connect customers' people through secure productivity and communication tools so teams can work together effectively from anywhere.
- End User Computing – solutions that give customers' people secure, well-managed access to modern devices, keeping them productive and protected anywhere.
- Hybrid Cloud – highly secure, sovereign-ready data centre and cloud solutions that run business workloads where they perform best, improving efficiency, controlling cost and scaling across hybrid environments.
- Networking – solutions that connect customers seamlessly and securely through secure software-defined networking, so people and information are available anywhere, any time, 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 FY26 subsequent to year end	18.25c	28,302
Dividends paid in the year:		
Interim for FY26	13.50c	20,936
Final for FY25	15.00c	23,236
	28.50c	44,172

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:

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

	2026 Cents	2025 Cents
Basic earnings per share	35.16	31.12
Diluted earnings per share	35.06	31.02

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 FY26 subsequent to year end (see item 2 above). No other matter or circumstance has arisen since 30 June 2026 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
Ms Diana Eilert
Mr Mark Esler
Ms Bronwyn Morris

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 a non-executive director of the Royal Flying Doctor Service of Australia (Queensland) and Australian Retirement Trust. 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. Mr Gray has also served as a non-executive director of the Queensland Urban Utilities, Sugar Terminals Limited, Northern Australia Infrastructure Facility and Queensland Cricket.

Special responsibilities:
Member of the Audit and Risk Committee

Directors' report (continued)

9. Directors (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 is a Graduate Member of the Australian Institute of Company Directors.

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.

Special responsibilities:
Member of the People, Remuneration and Nomination Committee

Ms Diana Eilert, BSc (Maths), MCom, FAICD (*Non-executive Director from 1 July 2025)*
Independent non-executive director since 1 July 2025. Ms Eilert has previously been a non-executive director of a number of other ASX listed companies including Domain Holdings, 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 Group Executive for Suncorp's entire insurance business and Group Executive for Technology, People and Marketing. Ms Eilert spent 10 years with Citibank and was also a Partner with IBM. She is also a Fellow of the Institute of Company Directors.

Special responsibilities:
Chair of the People, Remuneration and Nomination Committee

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 has been a Fellow of the Australian Institute of Company Directors for 33 years.

Special responsibilities:
Member of the Audit and Risk Committee
Member of the People, Remuneration and Nomination Committee

Ms Bronwyn Morris AM, BCom, FCA, FAICD *(Non-executive Director)*
Independent non-executive director since 1 December 2024. Ms Morris has over 30 years' experience as a non-executive director on boards of publicly listed, unlisted, government and not-for-profit entities in a broad range of industry sectors. Ms Morris's extensive experience in corporate governance includes the oversight of finance, audit, risk management and compliance. Ms Morris currently serves on the board of Dalrymple Bay Infrastructure Limited. Previous board roles include Urban Utilities, RACQ Foundation, Collins Foods Limited and QIC Limited. Ms Morris is a chartered accountant and a former partner of KPMG. She is a Fellow of Chartered Accountants Australia and New Zealand and a Fellow of the Australian Institute of Company Directors.

Special responsibilities:
Chair of the Audit and Risk Committee

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 2026 up to the date of this report. No directors hold options or share rights.

Directors' report (continued)

9. Directors (continued)

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 People, Remuneration and Nomination Committee*	
	Meetings attended	**Meetings held**	**Meetings attended**	**Meetings held**	**Meetings attended**	**Meetings held**
Mr Baynham*	13	13	**	**	2	2
Mr Colledge	13	13	**	**	**	**
Ms Eilert	13	13	**	**	3	3
Mr Esler	13	13	6	6	3	3
Mr Gray*	13	13	6	6	1	1
Ms Morris	13	13	6	6	**	**

* *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 Joint Company secretary in 2007 and has been sole Company secretary since April 2024. He has served as our General Counsel since 2005 and is a member of the Queensland Law Society and the Governance Institute of Australia.

11. Shares under option and share rights

Unissued shares
As at the date of this report 436,550 share rights over ordinary shares were outstanding (436,550 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 169,508 fully paid ordinary shares in Data#3 Limited were issued at a weighted average share price of $8.9026 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 2026/183, 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:

	2026 $	2025 $
Audit and other assurance services		
Audit of the financial report	304,500	290,000
Audit or review of the sustainability report	50,000	-
	354,500	290,000
Non-audit services		
Other advisory services	42,636	8,000
	42,636	8,000
Total remuneration	397,136	298,000

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.

17. Remuneration report – audited

This Report sets out Data#3's remuneration arrangements for Key Management Personnel (KMP) for FY26 and has been prepared in accordance with section 300A of the *Corporations Act 2001*. It is presented for your advisory vote at the 2026 Annual General Meeting.

The Company achieved strong results in FY26, despite the headwinds of the Microsoft incentive program changes and challenging economic conditions. Recurring Gross Sales reached 70% of the total Gross Sales of $3.4 billion, reflecting the Group's continued strategic shift toward contracted, annuity and subscription-based revenue, with growth across all three segments this financial year.

Against this backdrop, remuneration outcomes for FY26 reflect the Group's performance:

- STI awards were paid at approximately 105% of target, reflecting full achievement and exceedance of profit before tax targets;
- The FY24–FY26 LTI tranche will vest at 100%; and
- Fixed remuneration increased modestly, consistent with market benchmarks.

The remuneration report sets out the following:

A. Key Management Personnel (KMP)
B. Remuneration Governance
C. Group performance, and the link to remuneration
D. Non-executive directors' remuneration framework
E. Executive remuneration framework
F. Contractual arrangements with executive KMP
G. KMP remuneration table
H. Changes to remuneration for FY27
I. Other statutory information

17. Remuneration report – audited (continued)

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 for the financial year ended 30 June 2026 are detailed in the following table.

Name	Title	Period KMP (if less than full year)
Non-Executive Directors		
Mark Gray	Non-executive Director and Chair	
Laurence Baynham	Non-executive Director	
Diana Eilert	Non-executive Director; Chair – People, Remuneration and Nomination Committee	
Mark Esler	Non-executive Director	
Bronwyn Morris AM	Non-executive Director; Chair – Audit and Risk Committee	
Executive Director		
Brad Colledge	Managing Director/Chief Executive Officer	
Executives		
Michael Bowser	Executive General Manager – Services	Retired 31 December 2025
Brad Colledge	Acting Executive General Manager – Services	1 January to 28 February 2026
David Gold	Executive General Manager – Services	Appointed 2 March 2026
Cherie O'Riordan	Chief Financial Officer	
John Tan	Chief Customer Officer	

There have been no changes in KMP since the end of the reporting period.

B. Remuneration Governance

People, Remuneration and Nomination Committee

The Data#3 Board of Directors ("the Board") has delegated certain remuneration and nomination responsibilities to a separate committee of the Board made up of non-executive directors. This committee was known as the Remuneration and Nomination Committee up to 25 February 2026 after which it is known as the People, Remuneration and Nomination Committee ("PRNC", "Committee"). The Chair of this committee changed from Mark Gray to Diana Eilert on 1 November 2025. The ultimate responsibility for approval of remuneration and nomination policy matters rests with the Data#3 Board.

Role of the PRNC in relation to remuneration

The Committee assists the Board in fulfilling its remuneration responsibilities by:

- Overseeing Data#3's remuneration framework for the Managing Director and senior executives, including short-term and long-term incentive arrangements, equity-based plans, superannuation arrangements and participation in those arrangements;
- Overseeing the framework and process for setting the performance objectives of the Chief Executive Officer and Executive Management Team, and ensure those objectives align with the Company's strategy and values;
- Assessing annual performance targets for the MD/CEO;
- Reviewing non-executive director fees and fee pool utilisation; and
- Overseeing executive succession planning to ensure remuneration supports retention of key talent.

Directors' report (continued)

17. Remuneration report – audited (continued)

B. Remuneration Governance (continued)

Role of the PRNC in relation to remuneration (continued)

The PRNC has the ability to take independent advice and exercise discretion in accordance with the Committee Charter. The Committee's Charter is available on Data#3's investor website. No external independent advice or recommendations were obtained during FY26.

The FY25 Remuneration Report received strong shareholder support at the FY25 AGM. The Committee monitors investor and proxy adviser guidance with regard to major changes in remuneration frameworks.

C. Group performance, and the link to remuneration

Data#3's remuneration framework is built on a clear principle: executives share in the success they create, and bear genuine risk when performance falls short. The table below sets out how each element operates and the consequences of not meeting targets.

Element	What it rewards	Performance measure	Proportion of target compensation	If targets are missed
Fixed Remuneration (FR)	Market-competitive base reflecting role scope, skills and experience	No performance hurdle. Reviewed annually against market median.	CEO: 56% CFO: 57% Other execs: 52-53%	No change. FR provides income stability regardless of performance.
Short Term Incentive (STI) (cash)	Annual outperformance of profit targets and delivery of individual strategic priorities	Net Profit Before Tax and individual KPIs. Threshold, target and maximum levels apply with interpolation.	CEO: 23% CFO: 22% Other execs: 31-34%	STI reduces on a sliding scale to zero at threshold. The Board may reduce to zero in full.
Long Term Incentive (LTI) (performance rights)	Sustained EPS or EBITPS growth that creates lasting value for shareholders over a three-year period	Three-year cumulative Basic EPS or EBITPS target, set by the Board at the start of each cycle.	CEO: 21% CFO: 20% Other execs: 14%	Rights lapse in full below threshold EPS/EBITPS. No dividends paid on unvested rights.

The Group's performance

Measures of the Group's performance during FY26 and the previous four years, as required by the Corporations Act, are set out below.

	Profit before tax $'000	Basic earnings per share Cents	Share price at 30 June $	Dividends paid per share Cents	Change in share price + dividends paid $
FY26	78,794	35.16	9.85	27.90	2.54
FY25	69,119	31.12	7.61	26.00	(0.48)
FY24	62,073	28.00	8.37	24.50	1.42
FY23	53,234	23.96	7.20	20.65	2.75
FY22	44,093	19.61	4.66	16.75	(0.78)

Directors’ report (continued)

17. Remuneration report – audited (continued)

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 2021 the Group’s net profit has grown at an average rate of 15% per year and, the total executive remuneration has increased by an average 0.8% 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.

D. Non-executive directors’ remuneration framework

Non-executive directors receive a fixed Board fee and, for directors other than the Chair, additional fees for committee chair roles. Non-executive directors do not participate in STI or LTI plans and are not provided with retirement benefits other than statutory superannuation.

Board fees are reviewed periodically against fees paid to non-executive directors of other comparable publicly listed Australian companies. The maximum annual total non-executive 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:

Fees (inclusive of statutory superannuation)	**From 1 July 2025 $**
Base fees	
Chair	226,600
Other non-executive directors	134,000
Additional fees	
Chair of any formal committee of the Board	20,500

The Board, as at 30 June 2026, was composed of six directors (five non-executive directors and the Managing Director/CEO). 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. Any changes to remuneration of non-executive directors are formalised in a side letter to the letter of appointment.

Directors’ report (continued)

17. Remuneration report – audited (continued)

E. Executive remuneration framework

Executive remuneration is structured to attract, retain and motivate executives to deliver sustained performance. The proportion of at-risk pay increases with seniority, ensuring accountability at the highest levels of the Group.

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.

Fixed Remuneration (FR)
Fixed executive remuneration comprises a combination of cash and non-cash benefits, plus statutory superannuation. There is no guaranteed fixed remuneration increase included in any executives’ contracts. FR is reviewed annually or on promotion and is periodically benchmarked against remuneration for comparable roles at other publicly listed Australian companies of similar size. The Board 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.

17. Remuneration report – audited (continued)

E. Executive remuneration framework (continued)

Short-Term Incentive (STI)

The STI plan aims to provide an incentive for executives to deliver and outperform annual business objectives that will lead to sustained, superior returns for shareholders. 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 structure of the short-term incentive plan is set out below.

<table>
<tr><th>Feature</th><th colspan="3">Description</th></tr>
<tr><td>Elements</td><td colspan="3">The target STI is composed of financial and non-financial elements as follows:
• Managing Director/CEO – 71% financial and 29% non-financial
• Executive General Manager – Services from 2 March 2026 – 82% financial and 18% non-financial
• Executive General Manager – Services to 31 December 2025 – 75% financial and 25% non-financial
• Chief Financial Officer – 77% financial and 23% non-financial
• Chief Customer Officer – 87% financial and 13% non-financial</td></tr>
<tr><td rowspan="6">Award opportunities (sliding scale)</td><td><u>Role</u></td><td><u>Base offer</u></td><td><u>Maximum offer</u></td></tr>
<tr><td>Managing Director/CEO</td><td>41% of total fixed remuneration</td><td>56% of total fixed remuneration</td></tr>
<tr><td>Executive General Manager – Services from 2 March 2026</td><td>51% of total fixed remuneration</td><td>72% of total fixed remuneration</td></tr>
<tr><td>Executive General Manager – Services to 31 December 2025</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>59% of total fixed remuneration</td><td>84% of total fixed remuneration</td></tr>
<tr><td>Financial component</td><td colspan="3">The component is earned based on the following:
▪ targets set at budgeted EBIT (earnings before interest and tax) plus bonus value
▪ bonuses are earned in proportion to the profit target achieved in each payment period up to a maximum of 150% achievement of the financial target within their period of employment.
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.</td></tr>
<tr><td>Non-financial component</td><td colspan="3">This component is earned based on the individual's achievement against personal performance objectives, which are aligned with the Group's annual strategic goals, and include sustainability. 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.</td></tr>
<tr><td>Award determination and payment</td><td colspan="3">Financial component – calculated and paid subsequent to the end of each quarter.
Non-financial component – calculated and paid subsequent to the end of each half year.

Payments are made in cash net of PAYG withholding.</td></tr>
<tr><td>Cessation of employment</td><td colspan="3">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). The Board may exercise its discretion in the case of retirement, redundancy, injury, disability or death.</td></tr>
<tr><td>Board discretion</td><td colspan="3">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.</td></tr>
</table>

Directors' report (continued)

17. Remuneration report – audited (continued)

E. Executive remuneration framework (continued)

Short-Term Incentive (STI) (continued)

The table below shows STI target, maximum, awarded and earned percentages for each executive for FY25 and FY26. The earned percentages reflect the amount 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.

Name	Year	STI Target	STI Maximum	STI Awarded	Earned %	Forfeited %
Michael Bowser [1]	FY25	207,500	285,000	207,935	100%	0%
	FY26	213,725	293,550	213,821	100%	0%
Brad Colledge	FY25	282,000	382,000	281,431	100%	0%
	FY26	292,100	395,650	306,272	105%	0%
David Gold [2]	FY26	220,000	310,000	109,832	50%	0%
Cherie O'Riordan	FY25	155,000	215,000	155,337	100%	0%
	FY26	159,600	221,400	168,058	105%	0%
John Tan	FY25	230,000	330,000	230,562	100%	0%
	FY26	235,000	337,500	249,028	106%	0%

1. Michael Bowser announced his retirement from the Executive General Manager – Services position effective 31 December 2025. If he had remained employed until his leave entitlements had been exhausted his last date as KMP would have been 12 November 2026. On this basis, the Company elected to approve payment of his full FY26 STI and first half FY27 STI.
2. Appointed Executive General Manager – Services and became KMP on 2 March 2026. Targets disclosed reflect annual entitlement whilst remuneration reflects period from 2 March 2026 to 30 June 2026.

17. Remuneration report – audited (continued)

E. Executive remuneration framework (continued)

Long-Term Incentive (LTI)

The LTI aligns executive and shareholder interests through equity awards conditional on three-year cumulative Basic EPS/EBITPS growth. Performance rights vest as ordinary shares at nil cost. No dividends are paid on unvested rights. Accordingly, executives only receive value from the LTI if the relevant vesting conditions are satisfied.

Feature	Description
Instrument	Performance rights convertible into one ordinary share at nil exercise price. There is no entitlement to dividends during the measurement period.
Award allocation	The award value is divided by the relevant volume weighted average share price for the five trading days following the release of the FY audited financial statements to determine the number of performance rights granted.
Measurement period	Three years unless otherwise determined by the Board. FY26 offers – Three years from 1 July 2025 to 30 June 2028
Vesting conditions	Vesting of the rights is based on three-year cumulative EPS performance (FY24 grant) and three-year cumulative EBITPS performance (FY25 & FY26 grant) and assessment of strategic priorities execution performance against rolling three-year strategic targets. The financial target was updated to earnings before interest and tax per share (EBITPS) from the FY25 grant, as the Board believes EBITPS is the best measure to drive long-term value creation for shareholders given the specific circumstances of the Company. The Board establishes a three-year cumulative EPS or EBITPS target taking into account historical financial performance and future growth predictions (including forecast economic conditions and other market factors). The cumulative EPS or EBITPS target for the LTI is not disclosed as this is considered sensitive information. Vesting of the rights is based on a sliding scale of cumulative EPS/EBITPS performance capped at 100%. Performance rights that do not vest will lapse.
Conversion of vested performance rights	Vested rights will be settled via the issue of ordinary shares within 60 days following release of the FY audited financial report, except where the Board exercises its discretion to settle in the form of cash.
Cessation of employment	Performance rights do not vest until the end of the relevant three-year period and will lapse on resignation or termination for cause. The Board may exercise its discretion in the case of retirement, redundancy, injury, disability or death.
Board discretion	EPS/EBITPS targets may be adjusted 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.

Directors' report (continued)

17. Remuneration report – audited (continued)

E. Executive remuneration framework (continued)

LTI outcomes – FY21 to FY25

The table below shows cumulative EPS performance and LTI vesting outcomes for each cycle since FY21, for the MD/CEO and other executive KMP.

LTI grant	Grant date	Status	Expiry date	Value per right at grant date $	Performance achieved	Vested %
FY21	30 November 2021	Vested and settled 2 September 2024	60 days after exercise date	5.68	71.12c cumulative EPS	100%
FY22	18 November 2022	Vested and settled 4 September 2025	60 days after exercise date	6.40	83.08c cumulative EPS	100%
FY23	31 October 2023	Vesting post release of FY26 results	60 days after exercise date	6.30	96.66c cumulative EPS	100%
FY24	25 November 2024	Vesting post release of FY27 results	60 days after exercise date	7.22	In progress	n/a
FY25	15 December 2025	Vesting post release of FY28 results	60 days after exercise date	8.52	In progress	n/a

LTI grants – FY26

No options were granted or vested during the reporting period. Performance rights with nil exercise price were granted to KMP as compensation during FY26 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 $
Brad Colledge	39,314	15 December 2025	8.52	334,955
Cherie O'Riordan	16,849	15 December 2025	8.52	143,553
John Tan	16,849	15 December 2025	8.52	143,553

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 %
Laurence Baynham*	33,815	18/11/2022	04/09/2025	8.903	301,041	100%
Michael Bowser	24,230	18/11/2022	04/09/2025	8.903	215,710	100%
Brad Colledge	24,230	18/11/2022	04/09/2025	8.903	215,710	100%
John Tan	5,654	18/11/2022	04/09/2025	8.903	50,335	100%

* Related to his time as executive KMP

17. Remuneration report – audited (continued)

F. Contractual arrangements with Executive KMP

A summary of contractual arrangements with the CEO and executive KMP for FY26 is set out below.

Component	CEO	Other Executive KMP [1]
Fixed remuneration	$680,000 plus super	Range of $370,000 to $406,850
Contract duration	Ongoing	Ongoing
Notice period by individual/employer	Six months	Three months
Post-employment restraint of trade	Six months	Three months
Termination of employment (without cause)	• 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)/ Termination of employment by the individual (resignation)	• 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 parking, laptop, mobile phone, salary continuance insurance, business subscriptions	

1. Michael Bowser announced his retirement from the Executive General Manager – Services position effective 31 December 2025. If he had remained employed until his leave entitlements had been exhausted his last date as KMP would have been 12 November 2026. On this basis, the Company elected to approve payment of his full FY26 STI and first half FY27 STI.

   Ex gratia share-based benefit
   The Board exercised its discretion with respect to Michael Bowser's unvested performance rights, to provide the following, given his long tenure as a high-performing executive:-
   a) Up to 21,964 ordinary shares to be purchased on market subject to achievement of the cumulative EPS target applicable to the FY24-FY26 LTI shares granted on 31 October 2023 to other KMP, with a three-year vesting period. The number of shares is equal to the number of rights that were granted under the FY24-FY26 LTI plan
   b) Up to 12,363 ordinary shares to be purchased on market subject to achievement of the cumulative EBITPS target applicable to the FY25-FY27 LTI shares granted on 25 November 2024 to other KMP, with a three-year vesting period. The number of shares is equal to two thirds of the number of rights that were granted under the FY25-FY27 LTI plan
   c) Up to 5,616 ordinary shares to be purchased on market subject to achievement of the cumulative EBITPS target applicable to the FY26-FY28 LTI shares granted on 15 December 2025 to other KMP, with a three-year vesting period. The number of shares is equal to one third of the number of rights that were granted under the FY26-FY28 LTI plan

Independent advice
When required, the Board or PRNC 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 and FY26.

G. 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 – audited (continued)

G. KMP remuneration table

		Fixed remuneration			Variable remuneration				
		Salary and fees (e) $	Change in accrued leave (a) (e) $	Post-employment benefits (b) $	Cash bonus (c) (e) $	Non-monetary (e) $	Share-based (d) (f) $	Total reward $	Performance related %
Non-executive directors									
Mark Gray	2026	202,321	-	24,279	-	-	-	226,600	-
Chair	2025	197,309	-	22,691	-	-	-	220,000	-
Laurence Baynham (from 1/07/2025)	2026	119,643	-	14,357	-	-	-	134,000	-
Diana Eilert (from 1/7/2025)	2026	131,845	-	15,821	-	-	-	147,667	-
Mark Esler	2026	119,643	-	14,357	-	-	-	134,000	-
	2025	116,592	-	13,408	-	-	-	130,000	-
Susan Forrester (until 30/04/2025)	2025	96,771	-	11,129	-	-	-	107,900	-
Bronwyn Morris (from 1/12/2024)	2026	137,946	-	16,554	-	-	-	154,500	-
	2025	78,027		8,973	-	-	-	87,000	-
Leanne Muller (until 30/10/2024)	2025	44,395	-	5,105	-	-	-	49,500	-
Subtotals – non-executive directors	2026	711,399	-	85,368	-	-	-	796,767	-
	2025	533,094	-	61,306	-	-	-	594,400	-
Executive directors									
Brad Colledge	2026	680,000	4,680	30,000	306,272	-	261,922	1,282,873	44.3
CEO/MD	2025	660,000	66,441	29,932	281,431	-	210,039	1,247,843	39.4
Other KMP									
Michael Bowser (until 31/12/2025)	2026	205,097	(315,544)	30,000	213,821	-	203,434	336,808	123.9
Executive General Manager	2025	395,000	36,657	29,932	207,935	-	145,908	815,433	43.4
David Gold (from 2/3/2026) Executive General Manager	2026	130,411	12,477	15,649	109,832		-	271,641	40.9
Cherie O'Riordan	2026	382,000	10,954	30,000	168,058	-	138,607	729,618	42.0
Chief Financial Officer	2025	370,000	16,543	29,932	155,337	-	94,217	666,029	37.5
John Tan	2026	370,000	2,617	30,000	249,028	-	103,245	754,890	46.7
Chief Customer Officer	2025	355,000	(16,158)	29,932	230,562	-	70,918	670,253	45.0
Subtotals – Executive KMP	2026	1,767,508	(284,817)	135,649	1,047,009	-	707,208	3,372,558	52.0
	2025	1,780,000	103,483	119,728	875,265	-	521,082	3,399,558	41.1
Totals – KMP	2026	2,478,907	(284,817)	221,017	1,047,009	-	707,208	4,169,325	42.1
	2025	2,313,094	103,483	181,034	875,265	-	521,082	3,993,958	35.0

Directors' report (continued)

17. Remuneration report – audited (continued)

G. KMP remuneration table (continued)

(a) The change in accrued annual and long service leave 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) Short-term benefit as it is a movement in current provision, except for $9,030 which is non-current (FY25: $7,599).
(f) Long-term benefit composed of LTI.

H. Changes to remuneration for FY27

Executive remuneration
The Board, through the People, Remuneration and Nominations Committee plans to undertake a full review of Executive Remuneration during the FY27 year. The aim of the review would be to ensure executive remuneration continues to motivate, attract and retain key executives whilst continuing to deliver long term returns for shareholders.

At present, the executive long term incentive scheme pays at maximum if target EBIT per share is achieved. For the FY27 year, the Board intends to add an additional long term incentive payment where returns exceed target EBIT per share.

Non-executive remuneration

The Board will recommend to shareholders an increase in the Board fee pool to $1.2 million per annum. The Board fee pool was last increased in 2022 and is currently $900,000 per annum. Current fees paid are in excess of $800,000 per annum. The proposed increase would allow for additional Board members, Committees or payment of Committee fees as well as any increase in general Board fees.

I. Other statutory information

Performance-based remuneration granted and forfeited during the year

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 G 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 FY26 were calculated as follows:

Grant date of rights	**Compensation expense**			
	M Bowser[1] **$**	**B Colledge** **$**	**C O'Riordan** **$**	**J Tan** **$**
31 October 2023	94,884	46,124	46,124	10,763
25 November 2024	60,701	104,146	44,632	44,632
15 December 2025	47,848	111,652	47,851	47,851
FY26 LTI compensation expense	203,434	261,922	138,607	103,245

1 This expense reflects the modifications to Michael Bowser's share-based payment entitlements with forfeiture of the rights granted under the FY24-FY26 LTI grant, FY25-FY27 LTI grant and FY26-FY28 grants and replacement with future share purchases as outlined in E above.

Directors’ report (continued)

17. Remuneration report – audited (continued)

I. Other statutory information (continued)

Details of equity incentives affecting current and future remuneration

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 FY24 grant) and earnings before interest and tax per share target (for the FY25 and FY26 grants) and (2) specific strategic priorities. For rights granted in the current year, the earliest vesting date is 1 July 2028. The number of rights over ordinary shares in the Company provided as remuneration to KMP is shown in section E 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

Key management person	Held at 1 July 2025	Granted as compensation	Exercised	Lapsed or forfeited	Became/ (ceased as) KMP	Held at 30 June 2026	Vested and exercisable at 30 June 2026
Laurence Baynham *	-	-	(33,815)	-	33,815	-	-
Michael Bowser	64,739	-	(24,230)	(40,509)	-	-	-
Brad Colledge	89,468	39,314	(24,230)	-	-	104,552	-
Cherie O’Riordan	40,509	16,849	-	-	-	57,358	-
John Tan	29,324	16,849	(5,654)	-	-	40,519	-

* Related to his time as executive KMP

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 2025	Received upon exercise of rights	Other changes[1]	Shares upon ceasing/becoming KMP	Balance 30 June 2026
Directors					
Mark Gray	42,000	-	6,061	-	48,061
Laurence Baynham	-	33,815	(25,000)	274,902	283,717
Brad Colledge	427,309	24,230	-	-	451,539
Diana Eilert	-	-	3,299	-	3,299
Mark Esler	2,799,330	-	-	-	2,799,330
Bronwyn Morris	20,000	-	-	-	20,000
Other executives					
Michael Bowser	310,523	24,230	-	(334,753)	-
Cherie O’Riordan	-	-	-	-	-
John Tan	20,392	5,654	-	-	26,046

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.

Directors' report (continued)

17. Remuneration report – audited (continued)

I. Other statutory information (continued)

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 FY26 with KMP or their personally related entities other than compensation and transactions in relation to shares and performance rights as discussed in this report.

There were no loans, guarantees or securities provided by the Group to any KMP or their related parties during FY26 or outstanding at 30 June 2026.

This is the end of the audited remuneration report.

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

Mark Gray

Mark Gray
Chair

Brisbane
24 August 2026

Auditor's Independence Declaration

As lead auditor of Data#3 Limited's audit of the financial report and review of specified sustainability disclosures within the sustainability report for the year ended 30 June 2026, 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 of the financial report or the review of the sustainability report; and

b) no contraventions of any applicable code of professional conduct in relation to the audit of the financial report or the review of the sustainability report.

Ben Woodbridge
Partner
PricewaterhouseCoopers

Brisbane
24 August 2026

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Financial report 2026

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Consolidated statement of comprehensive income

for the year ended 30 June 2026

	Notes	2026 $'000	2025 $'000
Revenue			
Revenue from contracts with customers	3	906,982	852,659
Other revenue		316	344
		907,298	853,003
Expenses			
Cost of sales	4	(602,125)	(563,284)
Internal employee and contractor costs		(208,244)	(204,061)
Telecommunications		(2,135)	(2,275)
Rent		(1,334)	(1,621)
Travel		(1,673)	(1,390)
Professional fees		(1,363)	(1,286)
Depreciation and amortisation	4	(6,567)	(6,486)
Other		(14,016)	(12,683)
		(837,457)	(793,086)
Finance income	3	10,085	10,242
Finance costs	4	(1,132)	(1,040)
Net finance income		8,953	9,202
Profit before income tax expense		78,794	69,119
Income tax expense	5	(24,272)	(20,925)
Profit for the year attributable to the ordinary equity holders of the company		54,522	48,194
Other comprehensive income, net of tax:			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(805)	371
Total comprehensive income attributable to the ordinary equity holders of the company		53,717	48,565
Earnings per share for profit attributable to the ordinary equity holders of the company:		**Cents**	**Cents**
Basic earnings per share	13	35.16	31.12
Diluted earnings per share	13	35.06	31.02

The accompanying notes form part of these financial statements.

Consolidated balance sheet

as at 30 June 2026

	Notes	2026 $'000	2025 $'000
Current assets			
Cash and cash equivalents	6	326,047	356,689
Trade and other receivables	7	625,101	501,573
Contract assets		10,641	10,298
Inventories – at net realisable value		73,420	18,385
Current tax asset		-	10,842
Other	8	11,553	6,139
Total current assets		1,046,762	903,926
Non-current assets			
Property and equipment		5,207	2,279
Right-of-use assets	16	20,734	15,626
Deferred tax assets	5	9,745	6,954
Intangible assets	9	12,577	13,313
Total non-current assets		48,263	38,172
Total assets		1,095,025	942,098
Current liabilities			
Trade and other payables	10	915,623	777,397
Contract liabilities	11	44,679	48,770
Lease liabilities	16	2,326	3,986
Current tax liabilities		3,393	-
Provisions	12	9,885	9,062
Total current liabilities		975,906	839,215
Non-current liabilities			
Lease liabilities	16	20,346	14,561
Provisions	12	3,611	4,153
Total non-current liabilities		23,957	18,714
Total liabilities		999,863	857,929
Net assets		95,162	84,169
Equity			
Contributed equity	15	15,738	14,229
Share-based payments reserve	22	237	272
Foreign currency translation reserve		(837)	(32)
Retained earnings		80,024	69,700
Total equity		95,162	84,169

The accompanying notes form part of these financial statements.

Consolidated statement of changes in equity

for the year ended 30 June 2026

		Attributable to owners of Data#3 Limited				
		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 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
Profit for the year		-	-	-	54,522	54,522
Other comprehensive income, net of tax		-	-	(805)	-	(805)
Total comprehensive income		-	-	(805)	54,522	53,717
Transactions with owners in their capacity as owners:						
Payment of dividends	14	-	-	-	(44,198)	(44,198)
Issue of shares under employee share scheme	22	1,509	(1,509)	-	-	-
Employee share schemes – value of employee services	22	-	1,191	-	-	1,191
Employee share schemes – movement in deferred tax	5	-	283	-	-	283
		1,509	(35)	-	(44,198)	(42,724)
Balance at 30 June 2026		15,738	237	(837)	80,024	95,162

The accompanying notes form part of these financial statements.

Consolidated statement of cash flows

for the year ended 30 June 2026

	Notes	2026 $'000	2025 $'000
Cash flows from operating activities			
Receipts from customers and agency arrangements (inclusive of GST)		3,594,583	3,328,914
Payments to suppliers and employees (inclusive of GST)		(3,542,417)	(3,136,146)
GST paid		(25,536)	(37,591)
Interest received		10,207	10,066
Interest and other borrowing costs paid		(1,095)	(1,005)
Income tax paid (net of refunds)		(12,488)	(37,944)
Net cash inflow from operating activities	6	23,254	126,294
Cash flows from investing activities			
Payments for property and equipment		(4,134)	(910)
Proceeds from sale of equipment		4	-
Payments for software assets		(908)	(1,259)
Net cash (outflow) from investing activities		(5,038)	(2,169)
Cash flows from financing activities			
Payment of dividends	14	(44,198)	(40,276)
Lease liability payments	16	(3,772)	(3,912)
Net cash (outflow) from financing activities		(47,970)	(44,188)
Net increase/(decrease) in cash and cash equivalents held		(29,754)	79,937
Cash and cash equivalents, beginning of financial year		356,689	276,381
Effect of exchange rate changes on cash and cash equivalents		(888)	371
Cash and cash equivalents, end of financial year	6	326,047	356,689

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 2025. 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.

Corporate information
The financial report was authorised for issue in accordance with a resolution of the directors on 24 August 2026. Data#3 Limited is a public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are as 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 2025, none of which had a material effect on the consolidated financial statements for FY26:

AASB 2023-5 *Amendments to Australian Accounting Standards – Lack of Exchangeability* **–** the standard amends AASB 121 and AASB 1 to require entities to apply a consistent approach to determining whether a currency is exchangeable into another currency and the spot exchange rate to use when it is not exchangeable. The adoption of this revised accounting standard had no material effect on the consolidated financial statements for the reporting period ended 30 June 2026 or our accounting policies.

AASB 2024-4 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 [Deferral of equity accounting-related amendments]* – the standard defers the mandatory effective date (application date) of amendments to AASB 10 and AASB 128 that were originally made in AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2028 instead of 1 January 2025. The adoption of this revised accounting standard had no material effect on the consolidated financial statements for the reporting period ended 30 June 2026 or our accounting policies.

AASB 2026-1 *Amendments to Australian Accounting Standards – Disclosures about Uncertainties in the Financial Statements* – the standard amends AASB 136 and AASB 137 to add illustrative examples to their accompanying guidance. The adoption of this revised accounting standard had no material effect on the consolidated financial statements for the reporting period ended 30 June 2026 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.

<u>Three reportable segments of the business have been identified:</u>

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.

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 $'000	Infrastructure Solutions $'000	Services $'000	Corporate and Shared Services $'000	Total $'000
Year ended 30 June 2026					
Gross Sales *	2,321,844	651,093	412,342		3,385,279
Agent v Principal Adjustment *	(2,243,734)	(98,213)	(136,350)		(2,478,297)
Statutory Revenue	**78,110**	**552,880**	**275,992**		**906,982**
Gross Cost of sales	(2,243,759)	(566,637)	(270,026)		(3,080,422)
Agent v Principal Adjustment	2,243,734	98,213	136,350		2,478,297
Cost of Sales	**(25)**	**(468,424)**	**(133,676)**		**(602,125)**
Other income and expenses **	(37,124)	(53,273)	(114,158)	(21,508)	(226,063)
Management Profit	**40,961**	**31,183**	**28,158**	**(21,508)**	**78,794**
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**

* 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 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 99.9% of external sales for FY26 (FY25: 99.5%). During the year there was no customer that individually accounted for more than 10% of the Group's total gross sales (FY25: none).

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

Business unit/revenue stream	Policy note	Revenue recognition timing	2026 $'000	2025 $'000
Infrastructure Solutions (INS)				
Hardware – as principal	(1)	Point in time	540,881	493,560
Software licensing and vendor-branded maintenance services – as agent	(2)	Point in time	10,520	12,934
Services – as principal	(3)	Over time	1,479	1,649
Software Solutions (SWS)				
Software licensing, vendor-branded maintenance services and consumption sales – as agent	(2)	Point in time	75,011	70,516
Consulting – as principal	(4)	Over time	3,099	2,090
Services				
Consulting services – as principal	(4)	Over time	37,050	30,344
Project services – as principal	(4)	Over time	67,436	79,607
Maintenance services – as principal	(3)	Over time	27,540	14,669
Managed services – as principal	(3)	Over time	60,009	54,834
Software licensing and vendor-branded maintenance services – as agent	(2)	Point in time	28,419	31,610
Contracting services – as principal	(4)	Over time	55,538	60,846
Total revenue from contracts with customers			906,982	852,659
Other revenue			316	344
			907,298	853,003

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 licenses, 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
Incentives and sales related rebates are recognised in revenue, in the Consolidated Statement of Comprehensive Income. Amounts earned but not yet received are included within other receivables in the Consolidated Balance Sheet. We treat an incentive or rebate as earned when we have met the performance conditions of the relevant vendor program and receipt of the incentive or rebate is considered highly probable.

Trade discounts and volume rebates that are directly attributable to the purchase of inventory held at the reporting date are deducted from the cost of that inventory.

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

Note 4. Expenses

	2026 $'000	2025 $'000
Purchase of goods	468,689	435,865
Employee and contractor costs directly on-charged (cost of sales on services)	87,385	89,558
Other cost of sales on services	46,051	37,861
Total cost of sales	602,125	563,284
Depreciation and amortisation of property and equipment	987	1,228
Depreciation of right-of-use assets (Note 16)	3,939	4,060
Amortisation of software recorded in depreciation and amortisation (Note 9)	1,641	1,198
Total depreciation and amortisation	6,567	6,486
Finance costs		
Interest on lease liabilities (Note 16)	1,095	1,005
Unwinding of discount on provisions and other payables (Note 12)	37	35
	1,132	1,040
Employee benefits expense	194,662	180,864
Termination benefits expense (excluding employee-originated terminations)	1,033	1,105
Defined contribution superannuation expense	24,004	22,092
Other charges against assets - impairment of trade receivables (Note 7(b))	458	485

Notes to consolidated financial statements (continued)

Note 5. Income tax

	2026 $'000	2025 $'000
The major components of income tax expense are as follows:		
Current income tax expense	24,464	19,858
Deferred income tax relating to the origination and reversal of temporary differences	(350)	1,041
Adjustments for current and deferred tax of prior years	158	26
Income tax expense	24,272	20,925
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	78,794	69,119
Income tax calculated at the Australian tax rate: 30% (FY25: 30%)	23,638	20,736
Tax effect of amounts which are not deductible in calculating taxable income:		
Non-deductible items	493	206
	24,131	20,942
Difference in overseas tax rates	(17)	(43)
Under provision in prior year	158	26
Income tax expense	24,272	20,925
	%	%
Effective tax rate (income tax expense as a percentage of profit before tax)	30.8	30.3

We paid income taxes (net of refunds in relation to the prior year, if any) of $12,488,000 during FY26 (FY25: $37,944,000).

Notes to consolidated financial statements (continued)

Note 5. Income tax (continued)

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

	2026 $'000	2025 $'000
Lease liabilities	6,802	5,564
Accrued liabilities	4,206	3,672
Provisions	4,382	4,209
Depreciation	91	286
Share-based payments	968	781
Other	-	16
Total deferred tax assets	16,449	14,528
Right-of-use assets	(6,220)	(4,688)
Intangible assets	(216)	(432)
Contract assets	(178)	(1,946)
Other	(90)	(508)
Total deferred tax liabilities	(6,704)	(7,574)
Net deferred tax assets	9,745	6,954

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 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
(Charged)/credited							
- to profit or loss	1,238	534	173	(195)	(95)	(16)	1,639
- to equity	-	-	-	-	282	-	282
Balance at 30 June 2026	6,802	4,206	4,382	91	968	-	16,449

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 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)
(Charged)/credited					
- to profit or loss	(1,532)	216	1,768	418	870
- to current tax liability	-	-	-	-	-
Balance at 30 June 2026	(6,220)	(216)	(178)	(90)	(6,704)

Note 6. Cash and cash equivalents

	2026 $'000	2025 $'000
Cash at bank and on hand	46,547	33,189
Deposits at call	279,500	323,500
	326,047	356,689

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	2026 $'000	2025 $'000
Profit for the year		54,522	48,194
Loss/(gain) on disposal of property, equipment and software		(749)	(356)
Depreciation and amortisation	4	6,567	6,486
Unwinding of discount on provisions	4	37	35
Bad and doubtful debts	4	458	485
Non-cash employee benefits expense – share-based payments	22	1,191	1,001
Change in operating assets and liabilities			
Decrease/(increase) in receivables		(123,780)	11,795
Decrease/(increase) in contract assets		(343)	(906)
Decrease/(increase) in inventories		(55,035)	716
Decrease/(increase) in other operating assets		(5,415)	(6)
Decrease/(increase) in net deferred tax assets[1]		(2,508)	1,078
Increase/(decrease) in payables		137,882	72,927
Increase/(decrease) in contract liabilities		(4,091)	1,984
Increase/(decrease) in current tax liabilities		14,235	(18,097)
Increase/(decrease) in provision for employee benefits		283	958
Net cash inflow/(outflow) from operating activities		23,254	126,294

1. The movement in net deferred tax assets is net of the tax effect of $282,000 related to the share-based payments equity reserve (FY25: $37,000).

Note 7. Trade and other receivables

	2026 $'000	2025 $'000
Current		
Trade receivables (a)	610,399	489,886
Allowance for impairment (b)	(1,113)	(817)
	609,286	489,069
Other receivables (c)	15,815	12,504
	625,101	501,573

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.

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 $458,000 in the current year (FY25: $485,000). 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 2024	448
Impairment loss recognised during the year	485
Receivables written off during the year	(116)
Carrying amount at 30 June 2025	817
Impairment loss recognised during the year	458
Receivables written off during the year	(162)
Carrying amount at 30 June 2026	1,113

Our ageing of trade receivables, receivables past due not impaired, and the expected loss percentage applied to each ageing category at 30 June 2026, is as follows:

	2026				**2025**			
	Expected loss %	**Trade receivables $'000**	**Credit loss allowance $'000**	**Past due but not impaired $'000**	**Expected loss %**	**Trade receivables $'000**	**Credit loss allowance $'000**	**Past due but not impaired $'000**
Current	-	586,861	-	-	-	467,883	-	-
1-30 days	0.3%	14,361	51	14,310	0.3%	15,542	51	15,491
31-60 days	0.8%	4,864	40	4,824	1.3%	2,214	29	2,185
61-90 days	0.5%	1,686	9	1,677	5.7%	1,400	80	1,320
91-120 days	4.6%	664	31	633	7.6%	1,864	142	1,722
+120 days	50.0%	1,963	982	981	52.4%	983	515	468
		610,399	1,113	22,425		489,886	817	21,186

The change in the expected loss percentage relates to specifically identified debtors as at 30 June 2026 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.

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

	2026 $'000	2025 $'000
Prepayments	11,410	6,026
Security deposits	143	113
	11,553	6,139

Note 9. Intangible assets

	2026 $'000	2025 $'000
Goodwill – at cost	11,843	11,843
Accumulated impairment	(1,787)	(1,787)
	10,056	10,056
Software assets – at cost	7,045	7,043
Accumulated amortisation and impairment	(6,234)	(5,045)
	811	1,998
Internally generated software assets – at cost	2,151	1,259
Accumulated amortisation and impairment	(441)	-
	1,710	1,259
	12,577	13,313

	Goodwill $'000	Software assets $'000	Internally generated software $'000	Total $'000
Carrying amount at 1 July 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
Additions	-	16	892	908
Disposals	-	(3)	-	(3)
Amortisation (Note 4)	-	(1,200)	(441)	(1,641)
Carrying amount at 30 June 2026	10,056	811	1,710	12,577

Note 9. Intangible assets (continued)

As at 30 June 2026, we had capital commitments of $300,000 (2025: $282,000) 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 2024 $'000	Impairment recognised during FY25 $'000	Carrying amount at 30 June 2025 $'000	Impairment recognised during FY26 $'000	Carrying amount at 30 June 2026 $'000
Infrastructure Solutions	1,724	-	1,724	-	1,724
Software Solutions	2,013	-	2,013	-	2,013
Services	6,319	-	6,319	-	6,319
	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 FY26. We applied a 12% before-tax discount rate to cash flow projections (FY25: 12%) and extrapolated cash flows for the four years beyond the FY26 financial year using an estimated CGU growth rates and a terminal value growth rate thereafter of 3.0% (FY25: 3.0%). No impairment was identified on these cash generating units at 30 June 2026 (FY25: nil).

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

	2026 $'000	2025 $'000
Current		
Trade payables – unsecured	864,930	738,756
Other payables – unsecured	28,019	17,847
Employee benefits payable – unsecured	22,674	20,794
	915,623	777,397

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

Note 11. Contract liabilities

	2026 $'000	2025 $'000
Contract liabilities	44,679	48,770

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 and incentives received in advance from vendors on multi-year contracts amounting to $26,773,000 for FY26 (FY25: $24,027,000). 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 $30,715,000 that was included in the contract liability balance at 1 July 2025 in relation to customer and related vendor contracts for the provision of IT products and services (FY25: $22,043,000).

Note 12. Provisions

	2026			2025		
	Current $'000	Non-current $'000	Total $'000	Current $'000	Non-current $'000	Total $'000
Employee entitlements	9,164	3,254	12,418	8,818	3,316	12,134
Lease remediation	721	357	1,078	244	837	1,081
	9,885	3,611	13,496	9,062	4,153	13,215

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 2024	1,090
Additions	50
Settlements	(94)
Increase to present value	35
Balance at 30 June 2025	1,081
Additions	186
Settlements	(226)
Increase to present value	37
Balance at 30 June 2026	1,078

Note 13. Earnings per share

	2026	2025
Basic earnings per share (cents)	35.16	31.12
Diluted earnings per share (cents)	35.06	31.02
Earnings used in the calculation of basic and diluted earnings per share ($000)	54,522	48,194
Weighted average number of ordinary shares for basic earnings per share (number)	155,047,190	154,872,516
Adjustment for dilutive elements (share rights – number)	452,530	485,308
Weighted average number of ordinary shares for diluted earnings per share (number)	155,499,721	155,357,824

During FY26 169,508 shares were issued under the Data#3 Long Term Incentive Plan (FY25: 204,269). Please refer to Note 22 for further detail.

Notes to consolidated financial statements (continued)

Note 14. Dividends

	2026 $'000	2025 $'000
Dividends paid on ordinary shares during the year		
Final fully franked dividend for FY25: 15.0c per share (FY24: 12.90c)	23,262	19,983
Interim fully franked dividend for FY26: 13.50c per share (FY25: 13.10c)	20,936	20,293
	44,198	40,276
Dividends declared (not recognised as a liability at year end)		
Final fully franked dividend for FY26: 18.25c (FY25: 15.00c)	28,302	23,236

The tax rate at which dividends paid have been franked is 30% (FY25: 30%).
Dividends declared will be franked at the rate of 30% (FY25: 30%).

	2026 $'000	2025 $'000
Franking credit balance		
Franking credits available for subsequent financial years based on a tax rate of 30% (FY25: 30%)	41,988	49,668

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 $12,129,000 (FY25: $9,958,000).

Note 15. Contributed equity

(a) Movements in ordinary share capital	Number of shares
Ordinary shares on issue at 1 July 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
Ordinary shares issued during the year (Note 22)	169,508
Ordinary shares on issue at 30 June 2026	155,077,841

(b) Ordinary shares
All ordinary shares issued as at 30 June 2026 and 2025 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 2026 (2025: nil).

(d) Share rights
Please refer to Note 22.

Note 15. Contributed equity (continued)

(e) Capital management
When managing capital (equity), the Board's objectives are to ensure the Group continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. The Board adjusts the capital structure as necessary to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, the board may change the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares or reduce debt that may be incurred to acquire assets.

During FY26 the Board paid dividends of $44,198,000 (FY25: $40,276,000). The Board's intent is to maintain the historical dividend payout ratio; however, 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

	2026 $'000	2025 $'000
Right-of-use assets – premises leases	37,724	34,127
Accumulated amortisation	(17,075)	(18,634)
	20,649	15,493
Right-of-use assets – equipment leases	239	239
Accumulated depreciation	(154)	(106)
	85	133
	20,734	15,626

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 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
Additions	12,021	-	12,021
Settlements	(2,974)	-	(2,974)
Depreciation (Note 4)	(3,891)	(48)	(3,939)
Carrying amount at 30 June 2026	20,649	85	20,734

Note 16. Leases (continued)

Lease liabilities

	2026 $'000	2025 $'000
Current lease liabilities	2,326	3,986
Non-current lease liabilities	20,346	14,561
Total lease liabilities	22,672	18,547
Total payments for leases during the year comprise the following:		
Principal payments	3,772	3,912
Interest expense	1,095	1,005
Payments made in relation to lease liabilities	4,867	4,917
Payments made for low-value leases	74	76

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)	2026 $'000	2025 $'000
Cash and cash equivalents	326,047	356,689
Leases	(22,672)	(18,547)
Net cash	303,375	338,142

Movement in net cash/(debt)	Cash $'000	Leases $'000	Total $'000
Net cash/(debt) at 1 July 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
Cash flows	(29,754)	3,772	(25,982)
Exchange rate changes	(888)	-	(888)
Additions/settlements – leases	-	(7,895)	(7,985)
Net cash/(debt) at 30 June 2026	326,047	(22,670)	303,375

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:

	2026 $'000	2025 $'000
Cash	21,504	12,557
Accounts receivable	3,148	640
Other (liabilities)	5,338	(187)

At 30 June 2026 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)	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000
-2.5% (FY25: -2.5%)	(919)	(760)	(919)	(760)
+2.5% (FY25: +2.5%)	581	52	581	52

The rate changes above are based on economic forecasts of major banks for FY26 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.

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 2026		30 June 2025	
	Weighted average interest rate %	Balance $'000	Weighted average interest rate %	Balance $'000
Cash at bank and on hand	1.8%	46,547	1.5%	33,189
Deposits at call	3.9%	279,500	4.3%	323,500
Cash and cash equivalents	3.6%	326,047	3.8%	356,689

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)		Higher/(lower)	
	2026 $'000	2025 $'000	2026 $'000	2025 $'000
-0.75% (75 basis points) (FY25: -0.75%)	(1,359)	(1,288)	(1,359)	(1,288)
+0.75% (75 basis points) (FY25: +0.25%)	453	429	453	429

The rate changes above are based on economic forecasts of major Australian banks for FY26.

(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 FY26 year, no customer individually accounted for more than 10% of total gross sales (FY25: none); gross sales to one government customer comprised 7.8% of total gross sales on a non-IFRS basis (FY25: 7.6%).
- At 30 June 2026, one debtor comprised 16% of total debtors (FY25: 7%), and the ten largest debtors comprised approximately 53% of total debtors (FY25: 39%), of which 100% were receivable from government customers (FY25: 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 FY26 total bad debt write-offs as a percent of the trade receivables carrying amount as at 30 June 2026 was 0.03% (FY25: 0.02%).

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. The facilities were reviewed during FY26 and was reduced from $25,000,000 to $10,000,000 as there was capacity not required.

At reporting date we had used $5,102,000 (FY25: $4,332,000) 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:

	2026 $'000	2025 $'000
Multi-option bank facility	4,898	20,668

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 average facility interest rate for FY26 was 7.6% (FY25: 8.0%).

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 2026						
Trade and other payables	892,952	-	-	-	892,952	892,952
Lease liabilities	3,781	3,567	9,760	14,864	31,972	22,671
	896,733	3,567	9,760	14,864	924,924	915,623
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	775,150

(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)	
		2026 %	**2025 %**
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:

	2026 $'000	**2025 $'000**
As at 30 June		
Current assets	1,029,504	877,815
Total assets	1,081,738	920,329
Current liabilities	971,849	824,297
Total liabilities	995,512	842,789
Shareholders' equity		
Contributed equity	15,739	14,229
Share-based payments reserve	237	272
Foreign currency translation reserve	(837)	(32)
Retained earnings	71,087	63,071
Total equity	86,226	77,540
For the year ended 30 June		
Net profit for the year	52,214	47,137
Other comprehensive income, net of tax:		
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(805)	371
Total comprehensive income	51,409	47,508

Note 20. Contingent liabilities

At 30 June 2026 we had provided bank guarantees totalling $4,361,000 (FY25: $3,255,000) to lessors as security for premises we lease and $610,000 (FY25: $962,000) 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.

	2026 $	2025 $
Short-term employee benefits (including change in current employment provisions)	3,232,070	3,284,243
Share-based compensation (long-term employee benefits)	707,208	521,082
Termination benefits	-	-
Change in non-current employment provisions (long-term employee benefits)	9,030	7,599
Post-employment benefits	221,017	181,034
	4,169,325	3,993,958

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

Transactions with key management personnel
There were no transactions during FY26 or FY25 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 2024		186,726
Share rights granted	7.22	98,909
Share rights settled		(61,595)
Balance 30 June 2025		224,040
Share rights granted	8.52	73,012
Share rights settled		(54,114)
Share rights forfeited		(40,509)
Balance 30 June 2026		202,429

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 2024	3,607,326
Received upon exercise of rights	61,595
Other changes*	(49,367)
Balance 30 June 2025	3,619,554
Received upon exercise of rights	87,929
Other changes*	(75,491)
Balance 30 June 2026	3,631,992

* 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 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
Settled on 4 September 2025		(169,508)
Granted on 19 December 2025	8.52	161,744
Forfeited by 30 June 2026		(90,891)
Balance at 30 June 2026		436,550

At 30 June 2026 105,428 of the performance rights (FY25: 169,508) vested. The 169,508 rights granted in FY23 were settled during FY26 (nil exercise price) (FY25: 204,269 rights and nil exercise price). No options were granted, lapsed, forfeited, settled, exercised or were in existence during the year (FY25: nil).

Note 22. Share-based payments (continued)

Settlement of FY23 rights
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 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

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			
	FY24	**FY24**	**FY25**	**FY26**
	31 October 2023	**1 March 2024**	**25 November 2024**	**19 December 2025**
Exercise price per share	Nil	Nil	Nil	Nil
Expiry date	30 June 2026	30 June 2026	30 June 2027	30 June 2028
Share price at grant date	$6.77	$8.26	$7.85	$9.21
Expected dividend yield	2.70%	2.70%	3.23%	3.10%

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

	$000
Share-based payments reserve at 1 July 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
Issue of shares for performance rights under employee share scheme (offsets contributed equity)	(1,509)
Employee benefits expense in relation to performance rights	1,191
Movement in deferred tax related to performance rights	283
Share-based payments reserve at 30 June 2026	237

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:

	2026 $	2025 $
Audit and other assurance services		
Audit and review of financial statements	304,500	290,000
Audit and review of the sustainability report	50,000	-
Non-audit services		
Other advisory services	42,636	8,000
Total remuneration	397,136	298,000

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 2026, 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 38 to 67 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 2026 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 68 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
24 August 2026

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 2026 and of its financial performance for the year then ended; and

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 2026;
- 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 2026; and
- the directors' declaration.

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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 matter to the Audit and Risk Committee.

Key audit matter	*How our audit addressed the key audit matter*
Revenue recognition Refer to notes 2 & 3 The Group has entered into various contracts with customers, involving the sale of hardware and software products, and services. 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. In addition, 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 remuneration is linked to sales outcomes in specific periods. 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, which may have a material impact on reported revenues, particularly regarding whether revenue is presented on a gross or net basis. Further, the occurrence and timing of revenue recognition are both material to the Group's overall results.	We performed the following procedures, among others: • 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, and with the timing and occurrence of revenue from contracts with customers. • 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. • 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 contract 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 2026, 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 and a limited assurance conclusion on specified sustainability disclosures of the sustainability 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 2026.

In our opinion, the remuneration report of Data#3 Limited for the year ended 30 June 2026 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.

PricewaterhouseCoopers

Ben Woodbridge
Partner

Brisbane
24 August 2026

Directors declaration – Sustainability Report

The directors of Data#3 Limited declare that, in their opinion, Data#3 Limited has taken reasonable steps to ensure that the substantive provisions of the Data#3 Limited Sustainability Report for the financial year ended 30 June 2026 set out on pages 76 to 88 are in accordance with the Corporations Act 2001 (C'th) ("the Act") including section 296C of the Act (compliance with applicable sustainability standards such as the *Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures*) and section 296D of the Act (climate statement disclosures).

This declaration is made on 24 August 2026 in accordance with a resolution of the Board of Directors of Data#3 Limited and is signed for and on behalf of the Board of Directors.

Mark Gray
Chair

Brisbane
24 August 2026

Sustainability Report

1.1 Basis of preparation

This report represents a complete set of climate-related financial disclosures for Data#3 Limited and its subsidiaries (collectively, “the Group”) for the year ended 30 June 2026. The Group’s climate-related disclosures have been prepared in accordance with AASB S2 *Climate related Disclosures (AASB S2)*, which is the mandatory Australian Sustainability Reporting Standard (ASRS) that has been issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

1.2 Connectivity with financial statements (reporting period, reporting entity and presentation currency)

The Sustainability Report has been prepared for the Group and should be read in conjunction with the Group’s consolidated financial statements, prepared in accordance with AASB Accounting Standards. It covers a 12 month period for the year ended 30 June 2026, which is aligned with the reporting period of the related consolidated financial statements. The climate-related financial disclosures cover the same reporting entity as the related consolidated financial statements. The reporting entity includes the parent company, Data#3 Limited and its subsidiaries. In preparing its climate-related financial disclosures, the Group has assessed its own operations and its value chain.

The presentation currency of the climate-related financial disclosures is the Australian dollar (AUD), which aligns to the presentation currency used in the consolidated financial statements, and amounts disclosed are rounded to the nearest thousand dollars unless otherwise stated.

1.3 First-time adoption of AASB Sustainability Reporting Standards and transition reliefs

The Group is reporting under AASB Sustainability Reporting Standards for the first time for its annual reporting period ended 30 June 2026.
AASB Sustainability Reporting Standards provide transition reliefs for the first annual reporting period in which an entity applies the standards. The Group has applied the following transition relief:

- Relief from the requirement to disclose comparative information in the first annual reporting period
- Exclusion of scope 3 emissions from the first annual report.

2.1 Overview of the Group

Data#3 Limited is a leading provider of integrated IT services and solutions, including cloud, connectivity, security, data and analytics and modern workplace solutions. The Group has offices across Australia and Fiji and outsourced back-office operations in Manila. Data#3 employs over 1,400 staff and is listed on the Australian Securities Exchange as DTL.

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

This report should be read together with the Group’s Financial Report for the year ended 30 June 2026. This document contains further information regarding the Group including operations, strategy and governance.

2.2 Strategy and sustainability related goals

Data#3’s strategic priorities focus on solutions, people and community, customer experience and operational excellence and are aligned closely with the United Nations Sustainable Development Goals. The Group’s vision is to harness the power of people and technology for a better future and it is committed to a sustainable environment, social and governance (ESG) framework that makes a meaningful difference within its business and the local communities in which it operates.

2.3 Our value chain

For the Group to provide goods and services, it depends on a number of other entities, people, and resources, including key suppliers for products, transportation for consultants and other employees, logistics companies for distribution of goods, and customers who purchase the Group's goods and services.

Upstream value chain	Description	Geographical Location
Key Suppliers	Purchase goods and services from third party vendors/manufacturers for supply to customers.	Predominately Australia, then the US, Singapore, UK among others.
Key Distributors	Purchase goods and services from third party distributors for supply to customers.	Predominately Australia, then the US, Singapore, UK among others.
Third party logistics and freight providers	Transportation and distribution of products purchased by the Group from tier 1 suppliers and distributors.	Predominately Australia, then the US, Singapore, UK among others.
Downstream value chain		
Customers	Sell purchased goods and services, and own services, to corporate and public sector customers.	Australia and the Pacific Islands (Fiji, PNG).
Third party logistics providers	Transportation and distribution of products sold by the Group as paid by the customer.	Australia and the Pacific Islands (Fiji, PNG).

3 Judgements and measurement uncertainties

In the process of preparing this Sustainability Report, management has exercised judgement in a number of areas, including the process of identifying climate-related risks and opportunities and identifying material information to report. Additionally, the preparation of this report requires the use of estimates for certain amounts which cannot be measured directly. Estimates have been made where the sustainability information relates to an entity in the value chain and needs to be estimated, is related to forward-looking information, or involves data limitations.

This section outlines the most critical judgements made by management in preparing this Sustainability Report, as well as the amounts that are subject to a high degree of measurement uncertainty. The detail of the judgement made, or the source of estimation uncertainty, is included in the note disclosure referenced.

3.1 Significant judgements

	Description
Materiality process	Management applied significant judgement to identify the climate-related risks and opportunities that could reasonably be expected to affect the Group's prospects, as well as the material information related to those risks and opportunities. The process that the Group followed in making the assessment of what information could reasonably impact its prospects and influence decisions of primary users is detailed in note 5.
Organisational boundary for GHG emissions	The Group has applied the operational control approach to determine its organisational boundary for reporting GHG emissions. The Group believes that the use of the operational control approach is the most appropriate method to measure the Group's GHG emissions as it reflects how the Group is managed and the policies over which it has control. Both the selection of the most appropriate approach and the identification of operations over which the Group has operational control are areas of significant judgement.

In preparing the Group's financial statements, management made several significant judgements. Some of these judgements are also relevant to this Sustainability Report. Specifically, management exercises judgement 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. This judgement impacts the Sustainability Report as it impacts the application of the operational control approach and what costs are to be included in greenhouse gas emission metrics.

3 Judgements and measurement uncertainties (continued)

3.2 Measurement uncertainty

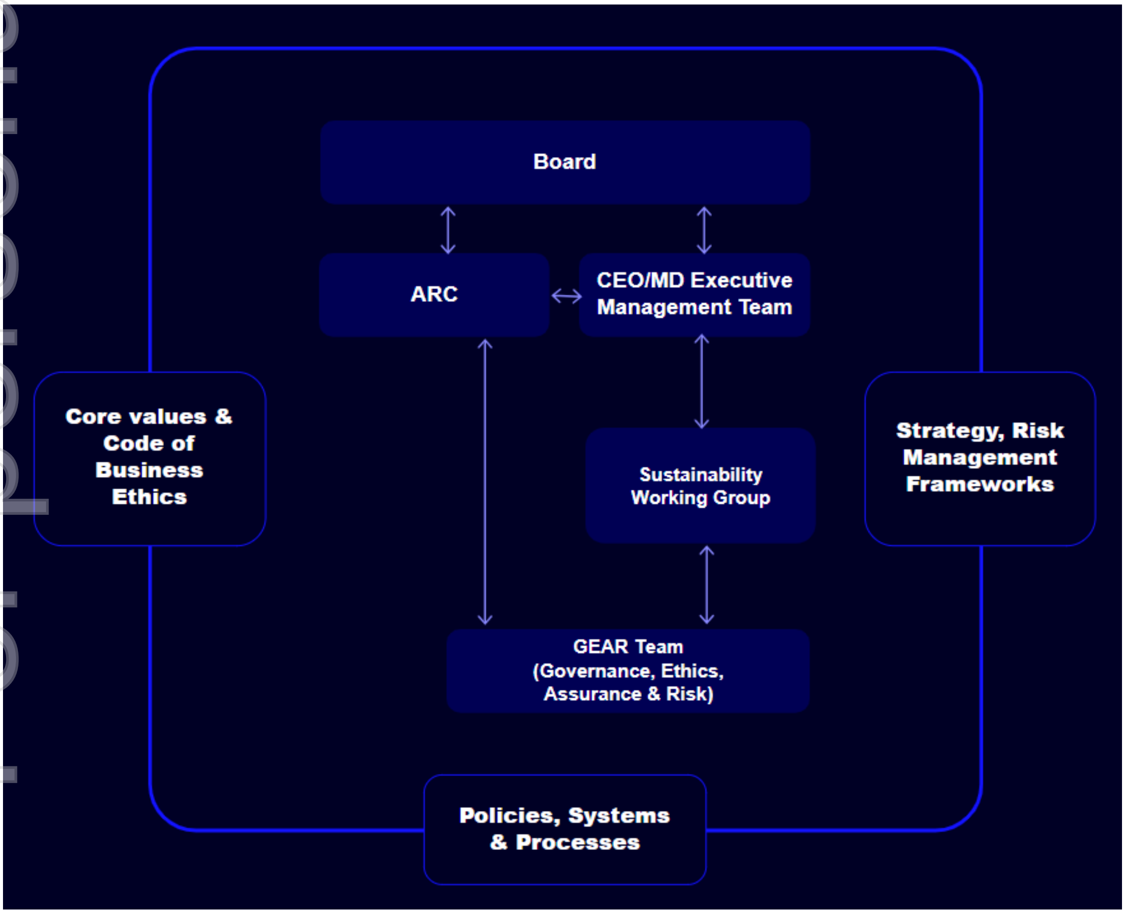
The following amounts have a high degree of measurement uncertainty:

	Description	Note reference
GHG-related metrics	The Group measures its GHG emissions in accordance with the GHG Protocol unless otherwise stated as required by AASB S2. The related disclosed metrics are subject to inherent uncertainties arising from reliance on activity data and emission factors obtained from third parties. Where activity data and emission factors cannot be obtained on a timely basis, or are incomplete, estimation is used.	5.5
Risks and opportunities	The measurement of anticipated financial effects of climate-related risks and opportunities is subject to significant measurement uncertainty. With limited data available to forecast the effects of the Group's transition plan on consumer behaviour for the current year, there is a wide range of potential outcomes for the anticipated financial effects of this risk over the medium to long term.	5.1

4 Governance

4.1 Business governance of climate related matters

The Data#3 Limited Board ("the Board"), along with the Audit and Risk Committee ("ARC") and Executive Management Team ("EMT") has oversight of the Group's approach to sustainability related matters, and it is supported by the Sustainability Working Group. An overview of the Group's sustainability governance structure is set out below:



4.2 Roles and responsibilities

In addition to the items noted below, across their various Charters, the Board, ARC and EMT are responsible for overseeing progress relating to our environmental and social objectives and governance more broadly.

4 Governance (continued)

4.2.1 Board
The Board has ultimate responsibility for overseeing the Group's strategy, business plans and annual budgets, in addition to the Group's risk management approach. Climate-related impacts are considered by the Board in relation to performing each of these responsibilities.

The Board operates in accordance with the Board Charter, which sets out the functions reserved for the Board and its key responsibilities. The main duties are structured around strategic planning, financial and risk management, corporate governance, overseeing Group management and remuneration. In relation to climate change, the Board's responsibilities include considering the environmental, social and ethical impact of Data#3's activities, overseeing the system for managing compliance with Data#3's sustainability policies and practices and considering the climate-related impacts in each of the main areas of responsibility. This includes setting the Group's risk appetite and overseeing the risk management framework, including in relation to climate-related risks, approval of the Group's corporate strategy incorporating any material climate-related risks and opportunities, and approving and monitoring major capital expenditure, acquisitions and divestitures, ensuring they are in line with the Group's strategy.

The Board is assisted in the execution of responsibilities in relation to climate change by the Audit and Risk Committee, Executive Management Team and Sustainability Working Group (see below). The ARC and EMT report to the Board on sustainability at least twice a year to ensure the Board is informed about and considers climate-related risks and opportunities, including sustainability reporting updates and other ad hoc updates as needed.

The Board applies a skills matrix that sets out the skills and experiences it considers necessary to address existing and emerging business and governance issues relevant to Data#3. The matrix includes financial and non-financial skills and experience which specifically references sustainability and is updated annually. To be classified as having a skill, directors require tertiary qualification or organisational experience sufficient to be considered by peers to have a high level of skill or experience. Directors also maintain professional development (including sustainability-related development) throughout the year to enable them to discharge their duties effectively. The Board is satisfied that it has the appropriate mix of skills and experience necessary to fulfil its role, including oversight of strategies in relation to managing climate related risks and opportunities. All directors have at least a working knowledge of sustainability-related matters, and directors receive regular updates on material climate-related issues and emerging reporting requirements as required from management and external advisors.

4.2.2 Audit and Risk Committee
The ARC supports the Board in fulfilling its fiduciary duties, including oversight responsibilities for financial reporting, audit and internal controls and operational risk and compliance management policies, systems and reporting.

The ARC operates in accordance with its Charter, which sets the function of the ARC and its key duties and responsibilities. In relation to climate change and sustainability, the ARC is responsible for overseeing the risk management policy, framework and systems, including exposure to risk in strategy decisions, controls and systems around risks and opportunities and reviewing the sustainability and climate risks reporting processes.

The risk management framework is reviewed and updated regularly with assistance from the Data#3 Legal and Risk Advisory Service and assessed in conjunction with the annual strategic planning. A risk register database is maintained to manage and control risks. These risks, including climate-related risks, are prioritised in a consistent manner utilising an internally developed risk management system. Details regarding the risk management framework are included in the Risk Management Policy.

The ARC meets at least four times a year with at least two of these meetings including sustainability reporting, risk and strategy discussion. The ARC provides reporting to the Board to support any recommendations along with meeting agenda and supporting materials discussed.

4 Governance (continued)

4.2.3 Management's role in governance
The EMT is comprised of the Chief Executive Officer/Managing Director (MD/CEO), Chief Financial Officer (CFO), Chief Customer Officer (CCO), Chief People Officer (CPO) and General Counsel/Company Secretary (GC).

The EMT is responsible for the development and setting of the Group strategy, incorporating any material climate-related risks and opportunities, implementing the risk management framework, developing business plans and budgets, reviewing business performance and making decisions in relation to the allocation of resources. These include the impact of climate-related risks and opportunities.

Each member of the EMT is accountable for performance of aspects of the sustainability strategy. Performance against specific sustainability goals is not factored into executive remuneration during this transition period. Effective execution of sustainability operational actions is assessed regularly and is factored into the assessment of non-financial short-term, variable remuneration. Full information in relation to the Group's remuneration policy are provided in the 2026 Remuneration Report.

Management's role in assessing and monitoring climate-related risks and opportunities is embedded into the Sustainability Working Group, which is composed of members of the Executive Management Team (Data#3's General Counsel and Company Secretary, and Chief Financial Officer), and additional members drawn from the broader Group. The Sustainability Working Group is chartered to deliver on the Group's sustainability strategy, including its climate risk and opportunity management response and progress against sustainability targets (when set), and is overseen by Data#3's Board, ARC, and EMT.

The role of the Sustainability Working Group is to assist with strategic management of the Group's climate-related risks and opportunities including:-

- The materiality assessment process,
- Developing sustainability strategy,
- Developing and implementing a transition plan,
- Monitoring the implementation of the Group's sustainability-related actions and plans,
- Recommending and developing sustainability metrics and targets and reviewing progress, and
- The Sustainability Report

The Sustainability Working Group, via its members, provides reporting (both written and verbal) to the EMT, MD/CEO, ARC and/or Board in relation to the key workstreams and sustainability reporting at least twice a year.

5 Strategy

5.1 Climate risks and opportunities
This is the first year that the Group has prepared a Sustainability Report in accordance with AASB S2. As such, a robust and detailed assessment was performed to identify climate-related risks and opportunities that could reasonably be expected to affect the Group's prospects. The Group has previously considered the climate-related risks and opportunities that might affect its operations as part of its normal risk management processes as included in previous published but unaudited Sustainability or ESG reports.

The assessment process was performed by external advisors, with input from the Sustainability Working Group, with the outcome of the process validated and approved by the Sustainability Working Group.
The climate-related risks and opportunities were identified through screening a large panel of climate-related risks and opportunities based on peer review and risk modelling and were narrowed down to those relevant to the Group's business activities following internal evaluation. These were prioritised based on the risk/opportunity management ratings (a combination of the likelihood of it occurring and the consequences if it did), along with the timeframe in which they would likely materialise. This assessment process resulted in a number of climate-related risks and opportunities for which the Group has detailed assessments and mitigation plans in place.

The aim of this process was to identify information about the climate-related risks and opportunities that could reasonably be expected to affect the Group's prospects and influence decisions made by primary users of general-purpose financial reports. The Group finalised its materiality assessment, including the identification of risks and opportunities, at the end of the 2025 reporting period. Any events or changes that occurred during the period had already been considered as part of the materiality determination process.

5 Strategy (continued)

5.1 Climate risks and opportunities (continued)

Beginning in FY2026, Data#3 initiated an annual financial impact assessment process to assess the impact of climate related risks and opportunities on its current and anticipated future financial position, business prospects, financial performance and cash flows. This financial assessment will be further refined over future reporting periods. The assessment is informed by the physical and transition climate-related data and assumptions from climate scenario analysis and other key business data inputs. The financial impact of climate-related risks and opportunities will be considered over the short term, medium term and long term. The initial high level FY2026 financial impact assessment, based on best estimates, available data and current analysis is noted in the table below. Resource allocation is also not expected to be materially changed in the short-term – whilst resources will be required to address climate-related risks and opportunities, these are not expected to be significant. Future resource allocation will be further fine-tuned as part of the financial assessment process and completion of the transition plan.

The Group defines the time horizons based on when the climate-related risks and opportunities could reasonably be expected to occur.

5.1.1 Time horizons used for climate scenario modelling

The modelling horizons differ for physical and transition risks as they are defined by the underlying scenario frameworks. Physical climate risks require longer time horizons to become observable, whereas transition risks materialise primarily in the near to medium term through policy, technology and market changes.

Time horizon	Physical Risks	Transition Risks and Opportunities
Baseline	1985	2025
Short-term	2030	2030
Medium-term	2050	2040
Long-term	2090	2050

5.1.2 Time horizons used for strategic decision-making

Separately, and consistent with the Group's existing business planning and budgeting cycles, the following time horizons are used for strategic decision-making and for assessing the anticipated financial effects of climate-related risks and opportunities (see table at note 5.1) and for setting metrics and targets (note 5.4):

- short term (1 - 2 years);
- medium term (3 - 5 years); and
- long term (beyond 5 years).

5 Strategy (continued)

5.1 Climate risks and opportunities (continued)

The table below details the key climate-related risks and opportunities identified as part of the assessment process described which have the greatest impact on stakeholders:

Risk/ Opportunity	Description	Timeframe	Value chain stages covered	Mitigation, adaption or realisation efforts	Anticipated financial effects over short, medium and long-term *
Risks					
Transition					
Changing customer behaviour	The risk that Data#3's customers' procurement preferences and requirements shift in response to climate change; including their own climate commitments/targets (such as emissions reduction); climate reporting obligations; faster than Data#3 can adapt its portfolio, credentials and reporting, resulting in reduced demand for its products and services and lower revenue.	Medium term	Operations, Downstream	• Engage with top customers and suppliers on sustainability expectations and drivers • Ongoing customer surveys to ensure alignment of values • Training for frontline sales to ensure customer requests and feedback are appropriately actioned	• Decreased revenue due to inability to meet customer requirements or demand for products and services • Financial impact unable to be calculated but impacted by a combination of macroeconomic variables (ie. GDP, inflation, unemployment rate) and energy and carbon variables (ie. GHG emissions, electricity demand, energy efficiency demand)
Physical					
Weather risk	The risk of physical infrastructure, operations and workforce conditions being affected, damaged, or interrupted by more frequent and severe weather events including flooding impacting operations, transport and accessibility to markets or prolonged periods of hot weather.	Short, medium and long term	Operations	• Flood mitigants installed at one flood prone location (mitigation) • Review of flood risk in potential new locations (adaption) • Implementation of heat-management measures including access to dedicated cooling and refreshment rooms (mitigation) • Negotiating installation of solar panels at existing premises (mitigation) • Using National Australian Built Environment Rating System (NABERS) ratings to assess and select new tenancies when leases are due for renewal (adaption)	• Reduced revenue from supply chain and service provider disruption eg. power outage • Increased cost due to loss of product stock • Increased costs for building repair (business interruption), maintenance and insurance • Anticipated financial impact due to increased costs varies from $1-$2m

5 Strategy (continued)

5.1 Climate risks and opportunities (continued)

Risk/ Opportunity	Description	Timeframe	Value chain stages covered	Mitigation, adaption or realisation efforts	Anticipated financial effects over short, medium and long-term *
Opportunities					
Stronger competitive advantage	The opportunity for Data#3 to outperform competitors in the marketplace, from adopting sustainable practices and investing in climate-friendly technologies.	Short, medium and long term	Operations, Downstream	• Communication and market positioning as 'sustainable' partner • Discussion with vendors with regards to low carbon solutions • Training of sales team to promote low carbon solutions	• Increased revenue due to higher demand for low carbon IT equipment Financial impact unable to be calculated but impacted by a combination of • carbon price, emissions and electricity consumption, • the close relationship between business activities and electricity demand • the need to adapt to electrification and energy efficiency requirements
Development of new products or services	The opportunity for Data#3 from creating and introducing novel offerings to the market that address climate-related challenges or opportunities. This involves investing in research and development to develop new technologies, processes, or business models that can contribute to a more sustainable future.	Short, medium and long term	Operations, Downstream	• Discussion with vendors with regards to low carbon equipment • Integration of AI capabilities to improve digital solutions efficiency	• Increased revenue due to market preference for energy efficient products • Financial impact unable to be calculated but impacted by a combination of macroeconomic variables (ie. Investment in energy supply and investment in energy efficiency)

5.2 Climate resilience

Climate-related scenario analysis was performed to understand and evaluate the potential impacts of climate-related risks on the Group's operations, the implications on the level of risk exposure and the scale of opportunities under different climate outcomes. The scope of operations used for the analysis was at a group level encompassing all operating sites.

In FY2026, Data#3 conducted an initial climate scenario analysis to better understand its exposures under a range of scenarios and time horizons for key risks and opportunities. The analysis is a key input to evaluating operational resilience to the risks and opportunities and will be reviewed annually to identify whether the estimated implications need to be updated.

5 Strategy (continued)

5.2 Climate resilience (continued)
Climate scenarios are usually considered as either 'high transition/low physical risk' or a 'low transition/high physical risk'. This is because the more acute the requirements to reduce GHG emissions, the less warming that will occur, and vice versa.

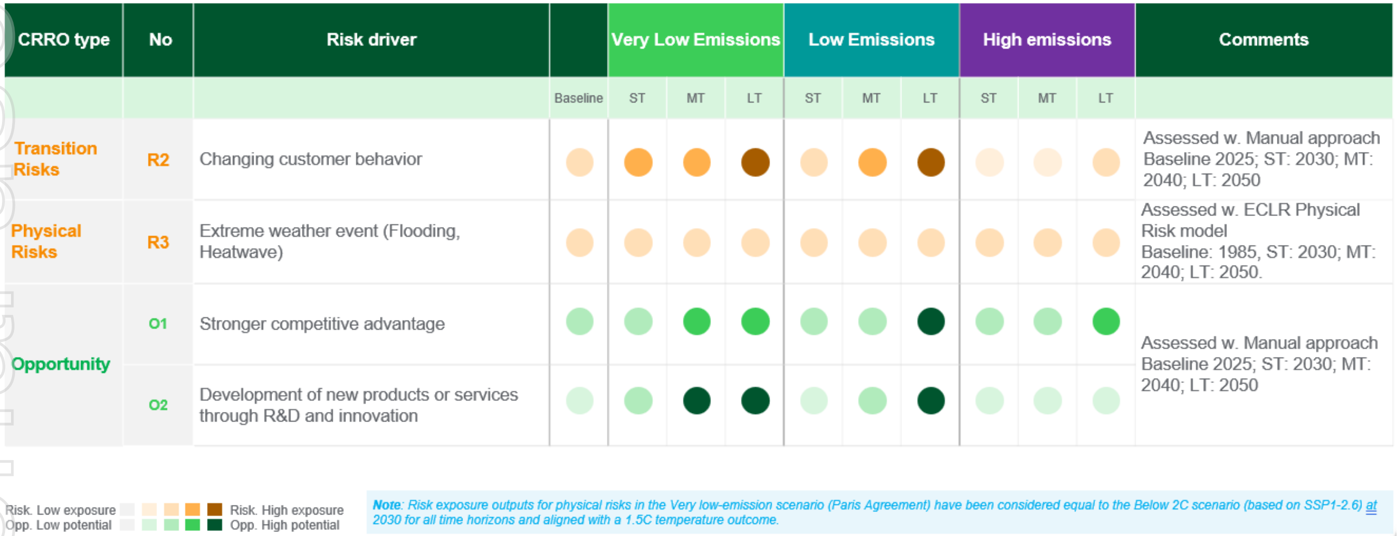
An external expert was engaged to assist with the analysis which utilised climate scenarios derived from NGFS (Network for Greening the Financial System) for the transition risks and IPCC (Intergovernmental Panel on Climate Change) for the physical risks. The results of the risk and resilience assessments have been, and will continue to be, considered by executive management when determining whether to revise or refine aspects of the Group's strategy or business planning over the short, medium or long-term.

	Description	Transition and physical risk	Strategic impacts	Mitigation strategies
Very Low emissions scenario (NGFS – Net Zero 2050 & IPCC 1.5C World)	• Global warming is expected to remain below 1.5°C through the rapid implementation of stringent climate policies and accelerated technological innovation • Global net-zero CO_2 emissions reach around 2050 • Assumes ambitious policy action begins immediately	Transition risk: significantly elevated due to the rapid pace and scale of required policy, economic and technological shifts Physical risk: relatively low	• Regulatory environment: Orderly transition, enabled by a highly regulated environment and ambitious policies in all sectors, providing a rigorous but clear business environment for Data#3. • Customer behaviour: Tighter environmental policies, which encourage a shift towards more sustainable solutions but also create additional inflation and cost increases, could affect consumer behaviour. • Increased stakeholder concern: With the implementation of higher energy and resource efficiency measures, Data#3's risk sensitivity may increase if the Group doesn't align itself with global energy efficiency and GHG emission reduction targets. • New products & services: Combination of growing demand for electricity and investment in optimising electricity consumption is creating a favourable environment for the development and use of new products and technologies such as AI. • Improved supply chain: Early engagement by Data#3 to support the decarbonisation of its value chain could benefit from investment incentives, avoid unnecessary carbon price-related costs and improve global supply chain resilience.	**Short term:** • Sustainability training for Sales to support adaptation to changes in customer preference • Identify existence of green product alternatives among suppliers **Medium term:** • Develop a Green Portfolio with sustainable performant products/solutions • Engage with vendors to foster development of energy efficient and low carbon solutions • Conduct a Supplier Maturity Assessment **Long term:** • Promote and encourage the implementation of circular economy practices throughout the value chain

	Description	Transition and physical risk	Strategic impacts	Mitigation strategies
Low emissions scenario (NGFS – Delayed transition & IPCC SSP1-2.6)	• Global annual emissions remain flat and do not begin to decline until around 2030 • Substantial and rapid policy intervention is then required to limit warming to below 2ºC • The use of negative emissions technology and carbon capture is limited • Assumes no new climate policies are introduced before 2030, with the scale and timing of policy action varying across countries	Transition risk: higher than very low emissions scenario Physical risk: higher than very low emissions scenario, increased exposure to physical events	• Regulatory environment: Disorganised global transition with delayed policy decisions and investment in innovative solutions that are not consistent across the world or even across sectors, providing a more difficult business environment to navigate. • Physical risks: Stable exposure to floods and heat waves • Customer behaviour: Society may take a moment to understand the need to move to a low-carbon economy, leading to more abrupt and unpredictable changes in consumer behaviour and increasing the sensitivity risk for Data#3. • Market signals: Delayed and unpredictable regulatory changes can affect the volatility of energy and material prices and the terms of supplier contracts. • New products and services: By 2030, combination of growing demand for electricity and investment in optimising electricity consumption is creating a favourable environment for the development and use of new products and technologies such as AI. • Improved supply chain: Early engagement by Data#3 to support the decarbonisation of its value chain could support global supply chain resilience and avoid unnecessary carbon price-related costs.	**Short term:** • Engage with top customers, suppliers and vendors on sustainability expectations and drivers • Conduct survey among main suppliers to identify existence of green product alternatives **Medium term:** • Enable customers to make informed decisions by developing product sustainability scorecards • Engage with vendors to foster development of energy efficient and low carbon solutions • Conduct a Supplier Maturity Assessment **Long term:** • Conduct Physical Risk assessment for assets at risk
High emissions scenario (NGFS – Current Policies & IPCC SSP5-8.5)	• No additional climate policies are introduced beyond those already implemented resulting in continued growth in global emissions until around 2080 • Global warming reaches approximately 3-4ºC by 2100 • Designed to help assess the long-term	Transition risk: low as no new policies Physical risk: High with emissions growing until 2080	• Regulatory environment: No additional transition measures are foreseen, providing a clear and predictable business environment for Data#3. • Flooding: Significant increase in losses from river flooding and extreme rainfall by 2050, increasing risk sensitivity for the Brisbane office in particular. • Heat waves: Significant increase in daily maximum air temperature, leading to more frequent and more severe heat waves affecting both labour productivity and business interruption in warehouses (power loss or blackout). • Insurance: Increase in insurance premiums due to increased frequency and intensity of extreme weather events.	**Short term:** • Engage with top customers, suppliers and vendors on sustainability expectations and drivers **Medium term:** • Develop KPIs enabling monitoring of energy used or carbon emitted by product/solution • Engage with vendors to foster development of energy

	Description	Transition and physical risk	Strategic impacts	Mitigation strategies
	physical risks facing the economy and financial systems if current global policy settings remain unchanged		• Staff retention: Stronger positioning and commitment to sustainability from Data#3 would help to reduce resignations from employees who are increasingly concerned about the impact of climate change.	efficient and low carbon solutions **Long term:** • Conduct Physical Risk assessment for assets at risk • Establish business continuity plan for the Brisbane office • Install back-up generators in case of power outage

The following table provides a summary view of the sensitivity rating levels for each risk under each climate scenario. It also shows the changes to the rating, with a shift in time horizon (i.e., when moving from the short-term (2030) to the long-term (2050)).



5 Strategy (continued)

5.3 Risk management

The overall process followed to identify, assess, prioritise, and monitor environmental risks and opportunities forms part of the general process described in note 5.1.

The Group followed a structured approach to identifying and assessing climate-related risks, utilising various inputs and parameters such as historical climate data, predictive models, and market research analytics. Specifically, management uses climate-related scenario analysis, the details of which are described in note 5.2 above.

In addition to managing risks, the Group identified and assessed climate-related opportunities using similar processes. This analysis informs an understanding of potential benefits, such as market opportunities for sustainable products which are not reliant on natural resources. These processes are integrated into the overall risk management framework, ensuring that climate considerations align with broader strategic decision making. This climate-related risk and opportunity assessment is reviewed regularly in line with the review of other items in the risk management framework. Other factors that would trigger additional reviews would include a material change to business function, acquisitions or divestments, strategic and long-term planning, or significant related regulatory changes.

5.4 Metrics and targets

The Group is in the process of finalising a transition plan outlining the overall pathway to reach climate-related targets once set. The development of this plan encompasses the risk assessment process described in note 5.1, the scenario analysis covered in note 5.2 and development of a decarbonisation strategy and metrics and targets over the short, medium and long term.

Once finalised, this transition plan will be substantiated by science-based targets (in line with the framework from Science Based Targets Initiative), including decarbonisation levers and will continue to shape the ongoing strategic plan. This transition plan will also include details on the capacity of the Group to adjust or adapt strategy in the short, medium and long term along with planned resource allocation.

The initial targets are for Data#3 to commit to reduce scope 1 and 2 GHG emissions by 63% by 2035 from a 2025 baseline year, with decarbonisation levers focused on the substitution of scope 2 fossil fuels for renewable electricity.

Recognising the time required to fully implement a transition plan and that climate-related risks and opportunities have already been identified along with initial targets and decarbonisation levers, the initial decarbonisation strategy will focus on the use of renewable energy across all sites and influencing key vendors and customers.

5.5 Greenhouse gas emissions (GHG)

The Group uses the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) (the 'GHG Protocol') to measure its GHG emissions unless otherwise stated by AASB S2. The Group's reporting boundary for GHG emissions includes its organisational boundary and operational boundary.

The operational control approach was used to establish the organisational boundary (as detailed in note 3.1). Direct GHG emissions from sources that are owned or controlled within the Group's organisational boundary are reported as scope 1 GHG emissions. GHG emissions from the generation of purchased electricity consumed by the Group are reported as scope 2 GHG emissions.

In FY26, the Group's total absolute gross GHG emissions were as follows (measured in tonnes of carbon dioxide equivalent (tCO^2-e)):-

FY26 GHG emissions by scope:

Emissions scope	GHG Emissions (tCO2-e) with Location-based Electricity
Scope 1	42
Scope 2	410
GHG Emissions	**452**

5 Strategy (continued)

5.5 Greenhouse gas emissions (GHG)

Methodology, inputs and assumptions
GHG emissions across scope 1 and 2 are measured in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. The Group applies the GHG Protocol in emissions quantification methodologies and selection of emission factors in the inventory, while Global Warming Potential (GWP) values are sourced from IPCC's Sixth Assessment Report (AR6).

The Group calculates its scope 2 GHG emissions under the location-based method. A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data).

Data used for to calculate GHG emissions was based upon actual records where available. In instances where data was unavailable, estimates were made based on actual data to ensure completeness and accuracy of emissions.

Activity data
For the measurement of emissions, the Group uses the following mix of activity data and estimations:
- Scope 1 GHG emissions: Actual refrigerant top-up data based on reports received from the Group's suppliers/landlords where available for a proportion of the portfolio. Where scope 1 actual data was not available, the Group used area-based estimations as proxy data to supplement missing refrigerant data.
- Scope 2 GHG emissions: Quantities of purchased electricity consumed based on invoices received from the Group's utility providers where available. Where scope 2 actual data was partially unavailable, the Group used the average of actual data as proxy data to supplement missing energy consumption data. Where scope 2 actual data was missing, the Group uses an area-based estimation methodology to quantify missing energy consumption data.

Emission factors
- GHG Emission metrics are used to express emissions of different greenhouse gases in a common unit. Aggregated GHG emissions are stated in CO^2-equivalents (CO^2-e) using the GWP with a time horizon of 100 years (GWP100) from the IPCC Sixth Assessment Report (AR6).
- Due to the nature of the Group's facilities and activities, only four greenhouse gases are considered relevant: CO2, CH4, N2O and HFCs. Fuel-specific emission factors used for CO^2, CH4, N2O are taken from the publicly available publications, such as the Australian National Greenhouse Accounts, and applied according to the location in which the emission occurred. Refrigerant-specific emission factors are taken from publicly available IPCC AR6 publications.

6 Events after the reporting period

No transactions, other events or conditions occurring after the end of the reporting period and before the date of authorisation of issue of this document have taken place that need to be disclosed in this Sustainability Report.

Independent Auditor's Review Report on specified Sustainability Disclosures

To the members of Data#3 Limited

Review conclusion

We have conducted a review of the following specified Sustainability Disclosures in the Sustainability Report of Data#3 Limited (the Company) and its controlled entities (together, the Group) for the year ended 30 June 2026 as required by Australian Standard on Sustainability Assurance ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* issued by the Auditing and Assurance Standards Board (AUASB):

Specified Sustainability Disclosures	**Reporting requirement of Australian Sustainability Reporting Standard AASB S2 *Climate-related Disclosures* (AASB S2) (including related general disclosures required by Appendix D)**	**Location in Sustainability Report**
Governance	Paragraph 6	The governance disclosures presented in Section 4 '*Governance*' on pages 78 - 80.
Strategy (risks and opportunities)	Subparagraphs 9(a), 10(a) and 10(b)	The strategy information in Section 5.1 '*Climate risks and opportunities*' on pages 80 and 81, paragraphs 1 - 4. The climate-related risks and opportunities presented on Section 5.1 '*Climate risks and opportunities*' in table 2 on pages 82 and 83 (Column 1 and 2).
Scope 1 and 2 emissions	Subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v)	The following emissions disclosures presented in Section 5.5 '*Greenhouse gas emissions (GHG)*' in table 1 'FY26 GHG emissions by Scope' on page 87: • Scope 1: 42 tCO2-e • Scope 2: 410 tCO2-e The methodology presented in Section 5.5 '*Methodology, inputs and assumptions*' on page 88.

The requirements of AASB S2 identified in the table above form the criteria relevant to the specified Sustainability Disclosures and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001* (the Act).

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We have not become aware of any matter in the course of our review that makes us believe that the Sustainability Disclosures specified in the table above do not comply with Division 1 of Part 2M.3 of the *Corporations Act 2001*.

Basis for conclusion

Our review has been conducted in accordance with Australian Standard on Sustainability Assurance ASSA 5000 *General Requirements for Sustainability Assurance Engagements* (ASSA 5000) issued by the AUASB. Our review includes obtaining limited assurance about whether the specified Sustainability Disclosures are free from material misstatement.

In applying the relevant criteria, we note that subsection 296C(1) of the Act includes a requirement to comply with AASB S2.

Our conclusion is based on the procedures we have performed and the evidence we have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the 'Summary of the Work Performed' section of our report below.

Our responsibilities under ASSA 5000 are further described in the Auditor's Responsibilities section of this report.

We are independent of the Company in accordance with the applicable ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (November 2018 incorporating all amendments to June 2024) (the Code), together with the ethical requirements in the Act, that are relevant to our review of the specified Sustainability Disclosures [and public interest entities in Australia[2]]. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our firm applies Australian Standard on Quality Management ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

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

Other information

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report for the year ended 30 June 2026, but does not include the specified Sustainability Disclosures and our auditor's report thereon.

Our conclusion on the specified Sustainability Disclosures does not cover the other information and we do not express any form of assurance conclusion thereon. We have issued a separate opinion on the Financial Report including the Remuneration Report included in the Annual Report.

In connection with our review of the specified Sustainability Disclosures, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the specified Sustainability Disclosures, or our knowledge obtained when conducting the review, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities for the specified Sustainability Disclosures

The directors of the Company are responsible for:

- The preparation of the specified Sustainability Disclosures in accordance with the Act; and

- Designing, implementing and maintaining such internal control necessary to enable the preparation of the specified Sustainability Disclosures, in accordance with the Act that are free from material misstatement, whether due to fraud or error.

Inherent Limitations in preparing the specified Sustainability Disclosures

Sustainability information may be subject to more inherent limitations than financial information, given both its nature and the methods used for determining, calculating, and estimating such information. Different acceptable methods have varying precision and can affect the comparability of sustainability information across entities and over time.

In addition, greenhouse gas emissions quantification is subject to inherent uncertainty, which arises because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

The specified Sustainability Disclosures in relation to Strategy (risks and opportunities) have been prepared using assumptions about future events, and management's actions, that may not occur.

Auditor's responsibilities

Our objectives are to plan and perform the review to obtain limited assurance about whether the specified Sustainability Disclosures are free from material misstatement, whether due to fraud or error, and to issue a review report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the specified Sustainability Disclosures.

As part of a review in accordance with ASSA 5000, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.

- Design and perform procedures responsive to assessed risks of material misstatement at the disclosure level. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the specified Sustainability Disclosures. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error. In conducting our review, we:

- Inspected the specified Sustainability Disclosures and assessed the completeness and accuracy of these disclosures against the relevant disclosure requirements of AASB S2 and with reference to the knowledge and evidence obtained during the assurance engagement;

- Performed enquiries of management regarding the methodologies, processes and controls for capturing, collating, calculating and reporting the specified Sustainability Disclosures and assessed their alignment with AASB S2 and applicable method and measurement approaches;

- Inspected and assessed, on a sample basis, charters, policies, minutes of meetings regarding the monitoring, management and oversight of climate-related matters, and other underlying evidence supporting the climate-related financial disclosures on governance;

- Performed enquiries of management regarding the approach taken by Group to:
  - Identify climate-related risks and opportunities;
  - Identify material information for disclosure with regards to the Strategy (risks and opportunities) disclosures;
- Performed enquiries of management and examined underlying evidence to assess the completeness and accuracy of the establishment of the organisational boundary, and sources of emissions, in the context of the specified Sustainability Disclosures.
- Performed enquiries of management regarding the assumptions, conversion factors and greenhouse gas emission factors applied within the calculations of the Scope 1 and 2 emissions;
- Applied analytical procedures to evaluate the Scope 1 and 2 emissions and the underlying activity data, and;
- Performed testing over the calculations of the Scope 1 and 2 emissions, including:
  - testing the activity data utilised within the calculations to third-party records, and other relevant underlying information, on a sample basis;
  - recalculated emissions estimates prepared by management experts, including assessing the reasonableness of assumptions and data used;
  - assessing the calculation methodologies applied against the criteria relevant to the specified Sustainability Disclosures; and
  - recalculated emissions from source activity data using independently sourced conversion and emissions factors, on a sample basis.

PricewaterhouseCoopers

PricewaterhouseCoopers

Ben Woodbridge
Partner

Brisbane
24 August 2026

Shareholder information

The shareholder information set out below was applicable as at 11 August 2026.

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	1,186,722	0.77	2,920
1,001 to 5,000	6,980,381	4.50	2,631
5,001 to 10,000	7,674,275	4.95	992
10,001 to 50,000	28,397,414	18.31	1,272
50,001 to 100,000	12,336,744	7.96	171
100,001 and over	98,502,305	63.51	118
	155,077,841	100.00	8,104

(b) There were 178 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	23,651,215	15.25
Citicorp Nominees Pty Limited	21,422,371	13.81
J P Morgan Nominees Australia Pty Limited	14,965,636	9.65
BNP Paribas Noms Pty Ltd	3,127,446	2.02
Oakport Pty Ltd	2,108,600	1.36
Powell Clark Trading Pty Ltd	1,799,237	1.16
BNP Paribas Nominees Pty Ltd	1,719,734	1.11
Mrs Janene Thelma Mary Populin	1,661,379	1.07
BNP Paribas Nominees Pty Ltd	1,350,039	0.87
BNP Paribas Nominees Pty Ltd	1,052,361	0.68
Thomson Associates Pty Ltd	1,000,000	0.64
BNP Paribas Nominees Pty Ltd	860,798	0.56
Anacacia Pty Ltd	836,919	0.54
HSBC Custody Nominees (Australia) Limited	717,968	0.46
Banksia Administration Services Pty Ltd	637,000	0.41
U Pty Ltd	599,880	0.39
Elterry Pty Ltd	540,000	0.35
Moorgate Investments Pty Ltd	537,781	0.35
HSBC Custody Nominees (Australia) Limited - A/C 2	535,752	0.35
Mrs Lillian Merle Minz	500,000	0.32
	79,624,116	**51.34**

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.