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ASX Code: ZYB

16th June 2016

ASX Market Announcements

CEO Strategic Update

Dear Shareholders

I have completed my assessment of the company which has provided me with enough factual information that any responsible CEO would need before making any go forward business decisions or putting any sort of information out to the market. Business decisions and statements based on speculative information lead to failed execution, ambiguity in market perception and overall disappointment. It's time to put that ambiguity behind Zyber and move on.

As I stated last week my main objectives were to include a restructuring initiative to address Zyber's commercial performance and strategic priorities in order to focus on the commercialization of the Zyber product.

Over the past 10 days I've set direction and changes in motion for the company in all of its business areas. I'd like to share a few of them you:

Staff Review

I have eliminated 2 unnecessary legacy driven headcounts, one being a CTO and the other being a VP of marketing. The Marketing and PR will be outsourced to a Bay Area firm that has extensive experience in the high tech and software start-up space and one of which I have worked with before and know.

I have also interviewed all members of the existing team and taken into account their input as I have been making my decisions.

Financials

I have performed a detailed review of the financials right on down through individual transactions. As a result of this, I have revamped the old expense budget which was exceeding the original 2016 fixed and variable cost forecast as of June 15, 2016.

The new budget reflects an accurate burn rate comprised of accurate fixed and variable costs through December 31, 2016 that reflect my

operational and organizational changes. I will manage to this new budget.

Current Project Pipeline Changes

I have reviewed the legacy project with T&T supermarkets with my team and the customer. The delivery team has committed to finishing the original scope of work this week and T&T is pleased with the Zyber product and its performance. As a result, we've scheduled an onsite meeting with them later next week to discuss pricing and scope for Phase 2 under a new contract.

I have terminated a pending white label reseller agreement that was in process which, in my opinion, made no sense for the company. Other than a few select startups who start out with the sole intention of building a white label business, the vast majority of startups don't think of white label on day one. It's tough to build market share by leveraging someone else's customer base and we aren't going to do that.

Zyber Platform Update:

I have completed a thorough review and implemented a companywide adoption of the Zyber platform. I have also reviewed the development team's roadmap, all of which has led me to the conclusion that the Zyber platform has been ready to sell for some time, so it's time to do exactly that.

I've done away with the old product pricing plan and have implemented a new one which is a combination of licensing fees, one time on premise setup fee (non-existent in the original plan) and have added 4 levels of varying features that increase the solution's price depending which feature set the customer chooses. This has had no effect on the existing platform architecture and adds additional revenue layers to the solution.

The sales team has been instructed to put together a sales plan and related sales forecast, metrics and incentive plan based on my input and guidance to include a fixed and variable compensation incentive. The plan aligns with the new solution pricing and the revised expense budget (sales delivery costs to be no more than 10% of gross sales revenue).

I will be reviewing their proposed sales forecast with a critical eye before I include it in my revenue forecast and making it public. Upon my approval the sales forecast will be directly measured against sales tracking metrics in real time. We will manage our sales to those metrics..

Our new marketing and sales material will reposition the Zyber product as a Risk Mitigation Solution to better to differentiate its uniqueness from the heavily commoditized file sharing "products" and "applications" market.

That said, the team has been tasked to focus on driving sales into market verticals that are within heavily regulated industries where compliance and risk mitigation is of the utmost importance. Our product will be sold as a packaged solution. Any client requested customization requests to the product will be weighed against the potential to sell into other customers and markets. Selling "projects" will not scale nor is a repeatable revenue

or business model but it is a necessary starting point and I will consider these projects on a case by case basis.

The deployment of the Zyber platform not only provides valuable application feedback for future product enhancements but is a strong driver and leverage for closing additional sales. Sales is of the highest urgency right now and I have no tolerance for lack of it.

I joined Zyber after performing heavy due diligence myself and seeking the further insight and opinions of professionals that I've worked with in the past who are currently serving in senior management roles within IT, Risk and Compliance.

I believe in the Zyber product and we are at a pivotal point in Zyber's journey. I believe the plans and changes I have made to date and will implement going forward will result in a fundamental turn around for the company. I also want to take this opportunity to thank you, the shareholder, for your patience and support, and to assure you my sole focus is the commercialization and sale of the Zyber solution.

Thank you

Ben Daly

Chief Executive Officer

--ENDS--

For further information, please contact:

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About Zyber:

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