

# **CIPHERPOINT LIMITED**

**[ABN 61 120 658 497]  
("the Company")**

## **PROSPECTUS**

An offer for the issue of fully paid ordinary shares in the Company (**SPP Shares**) to eligible shareholders at an issue price of \$0.013 (1.3 cents) per SPP Share pursuant to a share purchase plan to raise up to \$500,000 before costs (**SPP Offer**).

Any SPP Shares not taken up by eligible shareholders will form part of the shortfall. SPP Shares forming part of the shortfall (if any) may, subject to regulatory requirements, be offered to professional, sophisticated and other exempt investors invited to participate by the Company on the same terms as the SPP Offer.

The SPP Offer is not underwritten.

### **THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ IN ITS ENTIRETY**

It is important that you read this Prospectus carefully before deciding to accept the SPP Offer described in this Prospectus. If you do not understand its contents you should consult your stockbroker, accountant or other professional adviser.

**The securities offered under this Prospectus are considered speculative**

## **CORPORATE DIRECTORY**

Cipherpoint Limited  
[ABN 61 120 658 497]

### **Directors**

Edward (Ted) Pretty – Executive Chairman  
Steven Bliim – Executive Director  
Graham Mirabito – Non-Executive Director

### **Joint Company Secretaries**

Steven Bliim  
Patrick Gowans

### **Registered Office**

Suite 1, Level 8, 171 Clarence Street  
Sydney NSW 2000

Telephone: +61 2 8412 2000  
Facsimile: +61 2 8412 8202

### **Share Registry and Address for Return of Acceptances**

Boardroom Pty Limited  
Level 12, 225 George Street  
Sydney NSW 2000

### **ASX Code**

CPT

### **Web Site**

[www.cipherpoint.com](http://www.cipherpoint.com)

To view annual reports, shareholder and company information, news announcements, background information on the Company's business and historical information, visit [www.asx.com.au](http://www.asx.com.au) and search code "CPT".

### IMPORTANT NOTICES

This prospectus ("**Prospectus**") is dated 27 April 2020. A copy of this Prospectus was lodged with the Australian Securities & Investments Commission ("ASIC") on the same date. Neither ASIC nor ASX Limited ("**ASX**") nor their respective officers take any responsibility as to the contents of this Prospectus.

Subject to the Corporations Act, the ASX Listing Rules and other applicable laws, the Company reserves the right to close the SPP Offer early, to extend the Closing Date and/or any other dates, or not to proceed with the SPP Offer described in this Prospectus.

**The SPP Offer under this Prospectus closes at 5pm (Sydney time) on 22 May 2020, which date may change without notice.**

This Prospectus is for an offer of continuously quoted securities and accordingly is not required by the Corporations Act to contain all the information normally required to be set out in a document of this type.

The Prospectus contains and applies to the offer of SPP Shares under the SPP Offer including any offer of SPP Shares from the Shortfall Offer.

This Prospectus incorporates by reference certain information contained in documents lodged with ASIC. A document incorporated by reference in this Prospectus in this manner may be obtained free of charge from the Company during the application period.

No person is authorised to give any information or make any representation in connection with this Prospectus that is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the SPP Offer of SPP Shares.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Persons resident in countries outside Australia and New Zealand should consult their professional advisers as to whether any governmental or other consents are required or whether formalities need to be observed to enable them to acquire SPP Shares and observe such restrictions and requirements. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. Return of a duly completed Personalised Application Form will be taken by the Company to constitute a representation that there has been no breach of such requirements.

No action has been taken to register or qualify the SPP Offer or the SPP Shares, or otherwise to permit a public offering of the SPP Shares, in any jurisdiction outside Australia. The SPP Shares have not been, and will not be, registered under the United States Securities Act of 1933 and should not be offered or sold within the USA.

No account has been taken of particular objectives, financial situation or needs of recipients of this Prospectus. Recipients of this Prospectus should have regard to their own objectives, financial situation and needs. Recipients of this Prospectus should make their own independent investigation and assessment of the Company, its business, assets and liabilities, prospects and profits and losses, and risks associated with investing. Independent expert advice should be sought before any decision is made to apply for SPP Shares.

All monetary amounts in this Prospectus are in Australian dollars unless otherwise stated.

All dates and times are dates and times in Sydney, New South Wales, Australia unless otherwise stated.

The securities offered under this Prospectus are considered highly speculative.

### ASX CLASS WAIVER DECISION

The Company set the terms of the SPP Offer (including the price per SPP Share and aggregate number of SPP Shares) in reliance on the ASX Class Waiver Decision dated 31 March 2020 and as varied with effect on and from 23 April 2020. Further details are set out in section 1.2 of this Prospectus.

### ASIC INSTRUMENT ON SHARE PURCHASE PLANS

In certain circumstances, a listed company may undertake a share purchase plan in accordance with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (**ASIC Instrument**). The ASIC Instrument allows for a share purchase plan without use of a prospectus once in any 12 month period.

The Company is not able to rely on the ASIC Instrument as it has been suspended from ASX quotation for a significant period of time in the last 12 months and accordingly the Company is undertaking the SPP Offer pursuant to this Prospectus. The ASIC Instrument does, however, apply to the SPP Shares for the purposes of ASX Listing Rule 7.2 Exception 5.

### TIMETABLE

|  |                         |
|--|-------------------------|
| Record date identifying shareholders entitled to participate in the SPP Offer  | 7:00pm on 21 April 2020 |
| Lodgement of Prospectus  | 27 April 2020           |
| Prospectus dispatched to shareholders entitled to participate in the SPP Offer | 1 May 2020              |
| SPP Offer Period closes (" <b>Closing Date</b> ")                              | 22 May 2020             |
| Notice of under-subscriptions given to ASX                                     | 27 May 2020             |
| Issue Date   | 2 June 2020             |

*The above dates should be regarded as **indicative only and may change without notice**. All dates and times are Sydney, New South Wales, Australia time. Subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and other applicable laws, the Company reserves the right to change the above dates, close the SPP Offer before the date stated above, extend the Closing Date and subsequent dates or not proceed with the SPP Offer. The Company reserves the right to extend the Closing Date by making an announcement of the extension to ASX.*

*No securities will be issued on the basis of this Prospectus after 26 May 2021, being the expiry date of this Prospectus.*

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### KEY INVESTMENT RISKS – SUMMARY

Please read and consider this Prospectus in full and in conjunction with any matters which have or may be referred to in the Company's ASX announcements before applying for SPP Shares under the SPP Offer.

Section 5 of this Prospectus contains an overview of some of the key risks associated with investment in the Company, including risks associated with the SPP Offer as set out below:

- Value of securities and share market conditions, including effects and potential effects of the current COVID-19 pandemic.
- The acquisition of SPP Shares may have taxation consequences.
- Shareholders who do not take up their full entitlement to SPP Shares will be diluted.
- Liquidity risks.

Section 5 also includes specific business risks of the Company, a selection of which are set out below:

- Risks associated with the market in which the Company operates, including the ability of the Company to gain acceptance for the secure sales of its products in such market.
- Risks associated with obtaining additional funding as and when required in future and the Company's capacity to continue as a going concern if sufficient funding is not obtained.
- Change in strategy risks.
- Competition and new technologies risks.
- Risks associated with reliance on third parties.
- The availability and retention of personnel, including key management personnel of the Company.
- Intellectual property risks; and
- Data security risks and the impact of related legislation / regulation.

In addition, there are risks of a more general nature, such as economic and market conditions.

A more detailed overview of some of the key risks associated with the Company and its operations are set out in section 5 of this Prospectus.

### ABOUT THE OFFER - SUMMARY

The following summary provides only a limited overview of the SPP Offer being made by the Company. Further detail is set out in this Prospectus. Please read and consider this Prospectus in full before making any decision regarding applying for SPP Shares, exercising existing options or warrants or investing in the Company.

| Topic                                       | Summary   | For more information see:      |
|---|---|--------------------------------|
| What is the SPP Offer?                      | An offer of fully paid ordinary shares ( <b>SPP Shares</b> ) to eligible shareholders pursuant to a share purchase plan. The SPP Offer will raise up to \$500,000 before costs (maximum total of approximately 38,461,538 SPP Shares, subject to rounding).   | Section 1.1                    |
| What are the terms of SPP Shares?           | All SPP Shares issued will be fully paid ordinary shares that rank equally in all respects with the Company's shares already on issue.  | Sections 1.1, 1.6 and 9.1      |
| What is the issue price?                    | Each SPP Share has an issue price of \$0.013 (1.3 cents).   | Section 1.1 and 1.2            |
| Am I an Eligible Shareholder?               | <b>Eligible Shareholders</b> are shareholders with addresses in Australia and New Zealand as recorded in the register of members of the Company on the Record Date.   | Section 1.1                    |
| Record Date                                 | The Record Date is 7:00pm on 21 April 2020, being the business day before the date on which details of the share purchase plan were first announced to ASX.   | Section 1.1                    |
| What is my entitlement?                     | As an Eligible Shareholder, you are entitled to apply for and receive a parcel of up to 2,307,692 SPP Shares (\$30,000), being <b>your Entitlement</b> .  | Sections 1.3, 1.8 and 1.9      |
| What if I am not an eligible shareholder?   | If you are not an Eligible Shareholder then the SPP Offer is not being made to you and consequently you cannot apply for and receive SPP Shares under the SPP Offer.  | Section 1.6                    |
| Is there a minimum or maximum subscription? | Eligible Shareholders will only be able to apply for and receive SPP Shares in the following parcels:<br><br><div style="text-align: center;">                     \$2,000 – 153,846 SPP Shares<br/>                     \$5,000 – 384,616 SPP Shares<br/>                     \$10,000 – 769,231 SPP Shares<br/>                     \$15,000 – 1,153,847 SPP Shares<br/>                     \$20,000 – 1,538,462 SPP Shares<br/>                     \$25,000 – 1,923,077 SPP Shares<br/>                     \$30,000 – 2,307,692 SPP Shares                 </div> | Sections 1.3, 1.8 and 1.9      |
| Can I apply for SPP Shares as a Custodian?  | Yes, you may apply for SPP Shares as a Custodian on behalf of Beneficiaries in accordance with the terms of this Prospectus   | Sections 1.3, 1.8, 1.9 and 6.3 |
| Can I trade my Entitlement?                 | No, you cannot trade your Entitlement to apply for and receive SPP Shares.  | Section 1.4                    |
| Is the SPP Offer underwritten?              | No.   | Section 1.5                    |
| How much will be raised from the SPP Offer? | \$500,000 before costs will be raised from the SPP Offer if fully subscribed.   | Section 1.1                    |

| Topic   | Summary  | For more information see: |
|---|--|---------------------------|
| What can I do with my Entitlement?                                    | <p>You can do any of the following:</p> <ul style="list-style-type: none"> <li>• take up all of your Entitlement (by accepting the SPP Offer in full);</li> <li>• take up part of your Entitlement (by accepting part of the SPP Offer) and allow the balance to lapse (and the balance will form part of the Shortfall Offer); or</li> <li>• do nothing, in which case all your Entitlement will lapse and form part of the Shortfall Offer.</li> </ul>   | Sections 1.3 and 6.1      |
| What will happen if I do not take up my Entitlement?                  | If you do not take up all of your Entitlement by the Closing Date the SPP Shares to which you were entitled will form part of the shortfall. Your interest in the Company may also be diluted.   | Sections 1.11, 4.2        |
| What will happen if the SPP Offer is oversubscribed?                  | If applications are received for greater than \$500,000 (before costs) of SPP Shares at the \$0.013 (1.3 cent) issue price then the Company will scale back applications. The Company will refund to the applicant the difference between the application monies received by the Company and the application monies payable for the number of SPP Shares actually issued to the applicant. Refunds will be paid via cheque. No interest will be payable.   | Section 1.10              |
| Are there risks associated with investment in the Company?            | <p>There are risks associated with investment in the Company. These include risks relating to the SPP Offer and the SPP Shares, risks relating to the Company and risks associated with financial investment generally.</p> <p>Please carefully consider the risks and the information contained in this Prospectus in conjunction with any specific matters which have or may be referred to in the Company's ASX announcements before deciding to apply for or acquire SPP Shares or otherwise making an investment in the Company.</p>  | Section 5                 |
| How do I accept the SPP Offer?  | <p>If you wish to take up (accept the offer for) all or part of your Entitlement under the SPP Offer you must pay in accordance with details included in the Personalised Application Form, so payment is received by no later than 7:00 pm (Sydney time) on the Closing Date.</p> <p>\$30,000 is payable if you are taking up your Entitlement in full, as set out in the Personalised Application Form.</p> <p>If taking up less than your full Entitlement, the amount payable is dependent on the parcel applied for as outlined in the table contained in section 1.2 of this Prospectus.</p> | Sections 1.3 and 6        |
| How and when will I know if my application was successful?            | Holding statements confirming the issue of SPP Shares to be issued under the SPP Offer are anticipated to be dispatched on or about 2 June 2020. Anyone who trades SPP Shares before receiving holding statements does so at their own risk.   | Section 6                 |
| What are the taxation implications of participating in the SPP Offer? | Taxation implications will vary depending upon the specific circumstances of the investor. You should obtain professional advice as to the taxation treatment applicable to you.   | Section 11                |
| Where can I find more information about the Company?                  | For more information on the Company please see the Company's website ( <a href="http://www.cipherpoint.com">www.cipherpoint.com</a> ) or refer to the Company's ASX announcements (available on the ASX's website <a href="http://www.asx.com.au">www.asx.com.au</a> , search code "CPT").   | Section 17                |

| <b>Topic</b>  | <b>Summary</b>  | <b>For more information see:</b> |
|---|---|----------------------------------|
| What if I have questions about the SPP Offer or how to apply? | <p>You should consult your stockbroker, accountant, solicitor or other professional adviser before making any decision regarding applying for SPP Shares.</p> <p>If you have any questions regarding how to complete and return the acceptance form, contact details will be included in the Personalised Application Form.</p> <p>Questions concerning the SPP Offer can also be directed to the Company on +61 2 8412 2000.</p> | Section 17                       |



## **1. Details of the SPP Offer**

### **1.1 The SPP Offer**

Cipherpoint Limited [ABN 61 120 658 497] (**CPT or the Company**) offers each Eligible Shareholders (defined below) the opportunity to apply for and receive up to 2,307,692 fully paid ordinary shares (**SPP Shares**) at an issue price of \$0.013 (1.3 cents) per SPP Share (total subscription of \$30,000) pursuant to a share purchase plan (**SPP Offer**). The SPP Offer will raise up to \$500,000 before costs (equivalent of approximately 38,461,538 SPP Shares at the issue price of \$0.013 (1.3 cents), subject to rounding).

The SPP Offer is only made to shareholders with an address in Australia or New Zealand in the register of members of the Company as at the Record Date (**Eligible Shareholders**). The Record Date is 7.00pm on 21 April 2020.

The SPP Offer closes on 22 May 2020 at 5pm (Sydney time) (unless closed earlier or extended). No securities will be allotted, issued or sold on the basis of this Prospectus after the date which is 13 months from the date of this Prospectus.

### **1.2 ASX Class Waiver Decision and ASIC Instrument**

On 31 March 2020, ASX enacted a Class Waiver Decision as part of its response to the COVID-19 pandemic that, amongst other matters, suspends the pricing restrictions and number of securities that may be issued under a share purchase plan for an entity to obtain the benefit of the ASX Listing Rule 7.1 exception as set out in ASX Listing Rule 7.2 Exception 5. The Class Waiver Decision remains in place until 31 July 2020 (unless extended by ASX). The Company relies on the Class Waiver Decision in making the SPP Offer.

In addition, the Company relies on the ASIC Instrument for the purpose of meeting the requirements of ASX Listing Rule 7.2 Exception 5 other than as varied by the ASX Class Waiver Decision.

Noting the above, the Company provides the following information with respect to the SPP Offer (including, where applicable, in accordance with paragraph 7(e) of the ASIC Instrument):

- The price per SPP Share of \$0.013 (1.3 cents) represents a discount of approximately 35% to the closing share price of the Company on the Record Date and a discount of approximately 11% to the closing share price of the Company on the last trading day before the date of this Prospectus. The price per SPP Share was set by the Board of the Company having regard to, among other things, prevailing market conditions and, in particular, the uncertainty and volatility created by the COVID-19 pandemic.
- If the SPP Offer is fully subscribed, the SPP Shares will represent an increase in the number of fully paid ordinary shares on issue in the Company of approximately 97.2% (subject to rounding).
- The maximum amount that may be raised under the SPP Offer is \$500,000. This limit was imposed by the Board of the Company having regard to the short term capital requirements of the Company and the prevailing market conditions, and the potential substantial dilutive impact on shareholders who do not participate in the SPP Offer if the SPP Offer were unlimited or if a higher amount was proposed to be raised under the SPP Offer.
- The Board will use reasonable endeavours to ensure all Eligible Shareholders are able to participate in the SPP Offer equitably. Further details of the scale-back policy of applicants if the SPP Offer is oversubscribed is set out in section 1.10.
- The market price of CPT shares may change between the date of this Prospectus and the date of issue of the SPP Shares. An increase in the market price would result in an increase in the value of the SPP

Shares received by an Eligible Shareholder, while a decrease in the market price would result in a decrease in the value of SPP Shares received by an Eligible Shareholder.

### 1.3 **Applications for parcels of shares**

Eligible Shareholders may apply to receive their full Entitlement of shares under the SPP Offer. Alternatively, an Eligible Shareholder may apply for a parcel of SPP Shares that is less than their full Entitlement.

The parcels of SPP Shares available under the SPP Offer are set out below:

| \$       | Number of SPP Shares |
|----------|----------------------|
| \$2,000  | 153,846              |
| \$5,000  | 384,616              |
| \$10,000 | 769,231              |
| \$15,000 | 1,153,847            |
| \$20,000 | 1,538,462            |
| \$25,000 | 1,923,077            |
| \$30,000 | 2,307,692            |

Eligible Shareholders that choose to take up any of their Entitlement under the SPP Offer will need to indicate the parcel they wish to apply for on the Personalised Application Form and pay the required amount.

### 1.4 **No Entitlement Trading**

Entitlements to apply for and receive SPP Shares pursuant to the SPP Offer are not renounceable and, accordingly, there is no ability to trade rights on ASX or elsewhere.

### 1.5 **No Underwriting**

The SPP Offer is not underwritten.

### 1.6 **Non-eligible Foreign Shareholders**

Only Eligible Shareholders, being those shareholders with addresses in Australia or New Zealand in the register of members of the Company as at the Record Date, are eligible to participate in the SPP Offer.

The Company has decided that it is unreasonable to make the SPP Offer outside Australia and New Zealand having regard for the:

- the number of holders in places where the SPP Offer would be made;
- the number and value of securities those holders would be offered; and
- the cost of complying with the legal and regulatory requirements of regulatory authorities in those jurisdictions.

The Company will be notifying each of the non-qualifying foreign shareholders of the SPP Offer and advise them that the SPP Offer will not be made to them.

At the Record Date a total of 2,511,258 shares (approximately 6.4% of existing issued shares) are held by 48 non-qualifying foreign shareholders in 9 different countries. The equivalent entitlements of non-qualifying foreign shareholders will form part of the Shortfall further details of which are set out in section 1.12.

### 1.7 **ASX Listing**

The Company will apply to ASX for admission of the SPP Shares to official quotation within 7 days of the date of this Prospectus. The fact that ASX may grant official quotation of the SPP Shares is not to be taken in any way as an indication of the merits of the Company or those securities.

If ASX does not grant permission for the Official Quotation of SPP Shares within 3 months after the date of issue of this Prospectus (or such period as is permitted by the Corporations Act), the Company, in its absolute discretion, will either repay the application monies to applicants without interest or (subject to any necessary ASIC or ASX waivers or consents being obtained) issue a supplementary or replacement Prospectus and allow applicants one month to withdraw their application and be repaid their application monies without interest.

### 1.8 **Minimum subscription**

Eligible Shareholders will only be able to apply for and receive SPP Shares in accordance with sections 1.2 and 6. The minimum parcel under the SPP Offer is \$2,000 (153,846 SPP Shares) as set out in section 1.2.

### 1.9 **Maximum subscription**

Each eligible Shareholder may only apply for up to \$30,000 of SPP Shares (2,307,692 SPP Shares).

Joint holders are counted as a single shareholder for the purposes of determining Entitlements. A joint holder who receives more than one Personalised Application Form under the SPP Offer due to multiple registered holdings (including both sole and joint holdings) may only apply for up to \$30,000 of shares in total.

Where a trustee, custodian or nominee is a registered holder of CPT shares and is expressly noted on the share register as holding CPT shares on account of another person (**Beneficiary**), the Beneficiary will be taken to be the registered holder of those CPT shares. In this instance, an application or issue of SPP Shares to the trustee, custodian or nominee will be taken to be an application or an issue to the Beneficiary. Details of how a trustee, custodian or nominee may apply for SPP Shares on behalf of their underlying beneficiary are provided for in section 6.

### 1.10 **Scale Back**

The SPP Offer will raise a maximum of \$500,000 before costs (equivalent of approximately 38,461,538 SPP Shares at the issue price of \$0.013 (1.3 cents), subject to rounding). If applications are received from Eligible Shareholders for more than \$500,000 in aggregate, the Company will scale back applications under the SPP Offer on a pro-rata basis across all participants under the SPP Offer based on the number of SPP Shares they have applied for under the SPP Offer. The Company will use its best endeavours to ensure that participants in the SPP Offer have a reasonable opportunity to participate equitably.

The Company will refund to the applicant the difference between the application monies received by the Company and the application monies payable for the number of SPP Shares actually issued to the applicant. Refunds will be paid via cheque. No interest is payable.

No applications for shares above the maximum subscription of 2,307,692 SPP Shares, representing a subscription sum of \$30,000, will be accepted from any single Eligible Shareholder.

In addition, the Company will not issue SPP Shares if that would result in the relevant interest of a shareholder (and its associates) exceeding 20% of the issued capital of the Company.

### 1.11 Issue of securities after Closing Date

The Board reserves the right to issue SPP Shares in response to valid applications received from Eligible Shareholders after the Closing Date.

### 1.12 Shortfall

Any part of your Entitlement to SPP Shares under this Prospectus not taken up will form part of the shortfall.

The Company may, subject to regulatory requirements, seek to place the shortfall of SPP Shares with professional, sophisticated and other exempt investors invited to participate in the SPP Offer by the Company (**the Shortfall Offer**). SPP Shares issued from the shortfall will have identical terms and rights as those issued to Eligible Shareholders pursuant to the SPP Offer.

In addition, the Company will not issue SPP Shares under the Shortfall Offer if that would result in the relevant interest of an investor (and its associates) exceeding 20% of the issued capital of the Company.

## 2. **Purpose of the SPP Offer**

Approximately \$500,000 (before costs) will be raised from the SPP Offer if fully subscribed. A lower amount will be raised if the SPP Offer is not fully subscribed. Funds raised will be applied to the working capital requirements of the Company to provide it with an extended cash runway in which to seek to progress the sales and corporate opportunities identified in its March Quarterly Report released to ASX on 22 April 2020.

## 3. **Effect of the SPP Offer on the Company**

The effect of the SPP Offer on the Company will be to:

- provide the funds to undertake the activities described in section 2; and
- alter the capital structure of the Company as described in section 4.

## 4. **Effect on the Capital Structure of the Company**

### 4.1 Shares and Convertible Securities

#### *Capital Structure*

The tables below set out the existing capital structure of the Company and the effect on the Company's capital structure of the SPP Offer if fully subscribed. These tables assume that no further securities are issued by the Company other than as provided for under the SPP Offer and that no existing options or warrants on issue in the Company are exercised into fully paid ordinary shares.

#### SHARES

|   |                   |
|---|-------------------|
| Existing issued ordinary shares         | 39,280,631        |
| Maximum SPP Shares under the SPP Offer* | 38,461,538        |
| <b>Total</b>                            | <b>77,742,169</b> |

\* *subject to rounding*

### CONVERTIBLE SECURITIES

The SPP Offer will not have any impact on the convertible securities of the Company. Accordingly, the existing convertible securities of the Company are set out in the tables below:

#### *Existing Options*

| Listed/Unlisted | Number of options | Expiry Date      | Exercise price |
|-----------------|-------------------|------------------|----------------|
| Listed          | 1,168,211         | 6 June 2020      | \$1.10         |
| Unlisted        | 15,000            | 2 November 2020  | \$4.80         |
| Unlisted        | 24,535            | 17 December 2020 | \$6.60         |
| Unlisted        | 20,000            | 20 July 2021     | \$3.90         |
| Unlisted        | 150,000           | 4 May 2022       | \$4.00         |
| Unlisted        | 42,012            | 21 June 2022     | \$1.00         |
| Unlisted        | 50,000            | 17 August 2022   | \$1.00         |
| Unlisted        | 553,200           | 22 November 2022 | \$1.00         |
| Unlisted        | 278,480           | 22 November 2022 | \$0.90         |
| Unlisted        | 976,150           | 6 September 2023 | \$0.56         |

#### *Existing Warrants*

| Listed/Unlisted | Number of warrants | Expiry Date    | Exercise price |
|-----------------|--------------------|----------------|----------------|
| Unlisted        | 2,931,037          | 24 August 2020 | \$0.56         |
| Unlisted        | 3,632,232          | 8 January 2021 | \$0.30         |
| Unlisted        | 1,912,049          | 8 January 2021 | \$0.56         |

#### 4.2 **Dilution and control**

The potential effect of the issue of SPP Shares under the SPP Offer will have on the control of the Company is as follows:

- The impact on Eligible Shareholders who take up their Entitlement pursuant to the SPP Offer (whether in part or in full) is dependent upon the current shareholding in the Company of that Eligible Shareholder, the quantum of the Eligible Shareholders investment under the SPP Offer and the extent to which the SPP Offer is subscribed;
- An Eligible Shareholder who does not take up any part of their Entitlement pursuant to the SPP Offer will have their percentage shareholding in the Company diluted as a result of the SPP Offer. The extent of the dilution is dependent on the extent to which the SPP Offer is subscribed; and
- Shareholders who are not eligible shareholders will be diluted as a result of the SPP Offer. The extent of the dilution is dependent on the extent to which the SPP Offer is subscribed.

The below tables show the example impact of the SPP Offer on Eligible Shareholders who either do not subscribe for SPP Shares or who take up their full Entitlement under the SPP Offer when the SPP Offer is either 50% subscribed (19,230,769 SPP Shares issued) or fully subscribed (38,461,538 SPP Shares issued):

**SPP OFFER 50% SUBSCRIBED**

| Shareholder (example) | Holding prior to Issue Date | Existing % | % of shares if SPP Offer 50% subscribed and no SPP Shares taken up (58,511,400 total shares) | Shares held if full Entitlement taken up in full | % of total Shares if SPP Offer 50% subscribed and full Entitlement taken up (58,511,400 total shares) |
|-----------------------|-----------------------------|------------|--|--|---|
| A                     | 250,000                     | 0.64%      | 0.43%  | 2,557,692  | 4.37%   |
| B                     | 500,000                     | 1.27%      | 0.85%  | 2,807,692  | 4.80%   |
| C                     | 750,000                     | 1.91%      | 1.28%  | 3,057,692  | 5.23%   |
| D                     | 1,000,000                   | 2.55%      | 1.71%  | 3,307,692  | 5.65%   |
| E                     | 2,500,000                   | 6.36%      | 4.27%  | 4,807,692  | 8.22%   |

**SPP OFFER 100% SUBSCRIBED**

| Shareholder (example) | Holding prior to Issue Date | Existing % | % of shares if SPP Offer 100% subscribed and no SPP Shares taken up (77,742,169 total shares) | Shares held if full Entitlement taken up in full | % of total Shares if SPP Offer 100% subscribed and full Entitlement taken up (77,742,169 total shares) |
|-----------------------|-----------------------------|------------|---|--|--|
| A                     | 250,000                     | 0.64%      | 0.32%   | 2,557,692  | 3.29%  |
| B                     | 500,000                     | 1.27%      | 0.64%   | 2,807,692  | 3.61%  |
| C                     | 750,000                     | 1.91%      | 0.96%   | 3,057,692  | 3.93%  |
| D                     | 1,000,000                   | 2.55%      | 1.29%   | 3,307,692  | 4.25%  |
| E                     | 2,500,000                   | 6.36%      | 3.22%   | 4,807,692  | 6.18%  |

**Notes to Tables:**

- All percentages are rounded to two decimal places.
- It is assumed the notional Eligible Shareholders in the example above do not acquire or dispose of shares other than as contemplated above.

#### 4.3 **Financial Effect of the SPP Offer**

The below tables demonstrate the financial effect of the SPP Offer if fully subscribed to the Company's reviewed statement of financial position (balance sheet) as at 30 September 2019 and the unaudited balance sheet as at 31 March 2020.

|                                     | <b>Financial Half-Year<br/>Ended<br/>30 September 2019</b> | <b>Pro-forma<br/>adjustments</b> | <b>Pro-forma<br/>balance sheet as at<br/>30 September 2019</b> |
|-------------------------------------|--|----------------------------------|--|
| <i>Reviewed</i>                     |  |                                  |  |
| <b>Assets</b>                       |  |                                  |  |
| Cash and cash equivalents           | \$1,276,823  | \$482,000                        | \$1,758,823  |
| All other current assets            | \$2,025,037  | -                                | \$2,025,037  |
| <b>Total Current Assets</b>         | <b>\$3,301,860</b>   | <b>\$482,000</b>                 | <b>\$3,783,860</b>   |
| Non-current assets                  | \$1,295,279  | -                                | \$1,295,279  |
| <b>Total Assets</b>                 | <b>\$4,597,139</b>   | <b>\$482,000</b>                 | <b>\$5,079,139</b>   |
| <b>Liabilities</b>                  |  |                                  |  |
| Current Liabilities                 | \$1,225,472  | -                                | \$1,225,472  |
| Other Liabilities                   | \$42,395   | -                                | \$42,395   |
| <b>Total Liabilities</b>            | <b>\$1,267,867</b>   | <b>-</b>                         | <b>\$1,267,867</b>   |
| <b>Equity</b>                       |  |                                  |  |
| Share capital                       | \$93,120,766   | \$500,000                        | \$93,620,766   |
| Reserves                            | \$4,585,181  | -                                | \$4,585,181  |
| Retained earnings                   | (\$94,376,675)   | (\$18,000) *                     | (\$94,394,675)   |
| <b>Total Liabilities and Equity</b> | <b>\$4,597,139</b>   | <b>\$482,000</b>                 | <b>\$5,079,139</b>   |

|                                     | <b>Financial Year<br/>Ended<br/>31 March 2020</b> | <b>Pro-forma<br/>adjustments</b> | <b>Pro-forma<br/>balance sheet as at<br/>31 March 2020</b> |
|-------------------------------------|---|----------------------------------|--|
| <i>Unaudited</i>                    |   |                                  |  |
| <b>Assets</b>                       |   |                                  |  |
| Cash and cash equivalents           | \$920,935   | \$482,000                        | \$1,402,935  |
| All other current assets            | \$89,587  | -                                | \$89,587   |
| <b>Total Current Assets</b>         | <b>\$1,010,522</b>                                | <b>\$482,000</b>                 | <b>\$1,492,522</b>   |
| Non-current assets                  | \$896,265   | -                                | \$896,265  |
| <b>Total Assets</b>                 | <b>\$1,906,787</b>                                | <b>\$482,000</b>                 | <b>\$2,388,787</b>   |
| <b>Liabilities</b>                  |   |                                  |  |
| Current Liabilities                 | \$586,897   | -                                | \$586,897  |
| Other Liabilities                   | \$26,220  | -                                | \$26,220   |
| <b>Total Liabilities</b>            | <b>\$613,117</b>                                  | <b>-</b>                         | <b>\$613,117</b>   |
| <b>Equity</b>                       |   |                                  |  |
| Share capital                       | \$93,120,766                                      | \$500,000                        | \$93,620,766   |
| Reserves                            | \$3,617,778                                       | -                                | \$3,617,778  |
| Retained earnings                   | (\$95,444,874)                                    | (\$18,000) *                     | (\$95,462,874)   |
| <b>Total Liabilities and Equity</b> | <b>\$1,906,787</b>                                | <b>\$482,000</b>                 | <b>\$2,388,787</b>   |

The pro forma statements of financial position contained in the above tables include the following pro forma transactions as if the transactions have taken place at the relevant date of the financial information:

- (a) The SPP Offer raising \$500,000, being the maximum under the SPP Offer; and
- (b) The costs of the SPP Offer estimated to be \$18,000 (refer to section 4.4).

To the extent that the SPP Offer is not fully subscribed, a lower quantum of funds will be raised from the SPP Offer and the costs of the SPP Offer will be marginally reduced.

#### 4.4 Costs of the SPP Offer

The estimated anticipated costs of the SPP Offer are as follows:

| Particulars                 | Amount (\$)     |
|-----------------------------|-----------------|
| Legal, printing and postage | \$10,000        |
| ASIC and ASX Fees *         | \$8,000         |
| <b>TOTAL</b>                | <b>\$18,000</b> |

*\* Assumes full subscription of the SPP Offer and issue and quotation of 38,461,538 SPP Shares. ASX fees will be marginally lower if the SPP Offer is not fully subscribed.*

## 5. Risks

The SPP Shares offered under this Prospectus are considered highly speculative. An investment in the Company carries risk. The Directors strongly recommend potential investors consider the risk factors described below, together with information contained elsewhere in the Prospectus.

This section identifies circumstances the Directors regard as risks associated with investment in the Company and which may have a material adverse impact on the financial performance of the Company, if they were to arise.

Specifically:

- the SPP Shares are subject to specific risks (refer to section 5.1);
- the business, assets and operations of the Company are subject to specific risk factors that could potentially influence the performance of the Company in the future (refer section 5.2);
- there are general investment and market risks (refer section 5.3).

Where possible, the Directors aims to manage these risks by carefully planning the Company's activities and implementing risk control measures. However, some of the risks identified are highly unpredictable or are out of the control of the Company and the Company is therefore limited to the extent it can effectively manage them.

These risk factors are not intended to be an exhaustive list of risks to which the Company is, or will be, exposed.

### 5.1 Risks associated with the SPP Offer and SPP Shares

#### (a) *Value of securities and share market conditions*

The market price of the Company's securities are subject to varied and unpredictable influences on the market for equities in general and with respect to resources stocks in particular. Market conditions and lack of liquidity may affect the value of the Company's securities regardless of the performance of the Company.



In particular, the extent of the effects of the COVID-19 pandemic at this stage is uncertain and evolving. The COVID-19 pandemic is having, and is expected to continue to have, an influence on the volatility of equity markets generally and may continue to impact and influence the market price of the Company's securities.

*(b) Taxation consequences*

The issue of SPP Shares may have taxation consequences depending on the particular circumstances of the recipient. You should seek your own professional advice before investing in the Company.

*(c) Dilution*

The issue of SPP Shares will result in holders who do not take up their Entitlement under the SPP Offer being diluted. Any such dilution may be material. The number of SPP Shares to be subscribed for by an Eligible Shareholder to not have their holding diluted in the Company is dependent upon the current shareholding of the Eligible Shareholder and the total number of SPP Shares issued.

*(d) Liquidity*

There can be no assurance there will be, or continue to be, an active market for shares of the Company (including SPP Shares) or that the price of SPP Shares will increase

*(e) Going concern*

As noted in the Company's Quarterly Report lodged 22 April 2020, funds raised from the SPP Offer are intended to provide extended cash runway through to September 2020. Should the SPP Offer not raise \$500,000 and any shortfall cannot be placed there is a risk that the Company may not be able to continue as a going concern through to that period or thereafter. Refer also to the risk at clause 5.2(b) regarding future capital requirements and funding.

## **5.2 Company Specific Risks**

*(a) Market acceptance*

To be successful, the Company's products need to find acceptance in a competitive market and the Company needs to demonstrate an ability to retain existing customers and attract new customers.

Market acceptance and customer retention depend on many factors, including identifying and obtaining access to relevant markets, convincing users of the attractiveness of the Company's products, and its ability to enhance existing products and potentially develop new products to meet market demands and opportunities, customer service, competition and pricing.

The market in which the Company operates is an emerging market category comprising many product offerings including in enterprise content management, collaboration, the digital workplace, digital transformation and data security. As such, it is difficult to ascertain the knowledge and confidence of consumers in products like those of the Company and the estimate of market demand may not be accurate. In addition, the sales cycles for the types of customers which the Company is targeting can be slow and have been, or could reasonably be expected to be, affected by the COVID-19 pandemic.

*(b) Future requirements for capital*

The Company's ability to operate into the future will depend on its ability to distribute its technology, sell to its current customer base and attract new customers. This will depend on the ultimate demand for its products and solutions by consumers, which cannot be guaranteed. Other factors that will determine the Company's ability to continue operations are its ability to manage its costs, to execute its development and growth strategies, economic conditions in the markets the Company operates, competitive factors and regulatory developments. As noted in the Company's Quarterly Report lodged 22 April 2020, funds raised from the SPP

Offer are (if the SPP Offer is fully subscribed) intended to provide extended cash runway through to September 2020 in which to seek to progress the sales and corporate opportunities identified in that Quarterly Report. In particular the Company will seek to progress existing sales opportunities with key target customers, examine options to realise value for an existing royalty held by it in a minerals exploration project and explore options for equity investments from parties in Europe. Even if one or more of these opportunities were successfully progressed (of which there can be no guarantee), it is likely that the Company will require further funding in addition to current cash reserves to fund future development activities or the acquisition of new intellectual property or technology. Additional equity financing, if available, may be dilutive to shareholders and/or occur at prices lower than the market price. Debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed it may be required to reduce the scope of its business and development operations, or cease operations.

In addition to dilution as a result of future fundraising initiatives, shareholders may also be diluted by other equity issues including shares issues made for the acquisition of assets or issues made upon the exercise of future warrants and options (if any).

*(c) Competition and New Technologies*

The markets for information technology, information security, data classification and archiving and content services are highly and increasingly competitive across a wide range of industry segments and geographies with both platform and product offerings from companies of various sizes on a domestic and global scale. Although the Company will undertake all reasonable due diligence in making business and operational decisions, it will have no influence or control over the activities or actions of its competitors, which activities or actions may affect the industries and markets in which the Company operates and therefore, may positively or negatively affect the operating and financial performance of the products and business of the Company.

The size and financial strength of some of the Company's competitors may make it difficult for it to maintain a competitive position in the content services market. In particular, the Company's ability to develop and/or acquire additional technology could be adversely affected if it is unable to respond effectively and/or in a timely manner to the strategies and actions of competitors and potential competitors or the entry of new competitors into the market. This may in turn impede the financial condition and rate of growth of the Company.

Key to the Company's ability to mitigate this competition risk is in achieving appreciable market share and differentiation from its key competitors. The Company has sought and will continue to seek to mitigate competition risk by maintaining a research and development schedule to be prioritised based on feedback from current and prospective customers and ongoing monitoring of existing and emerging competitors.

*(d) Product Development and Platform Risk*

The Company may not be able to maintain or upgrade its existing technology to meet identified market needs and/or achieve market acceptance. The development and/or enhancement of technology is potentially time consuming and costly. There is no guarantee the Company will be able to enhance its existing technology, or develop new technology, in a timely and/or cost-effective manner, if at all. This could lead to the Company failing to capitalise on identified market opportunities. Furthermore, developing software and technology is expensive and often time consuming and inherently risky. There can be no guarantee that the Company will achieve a return on its investment in product development.

The Company's products are, and will continue to be, reliant on the ability to integrate with third-party software applications. The Company's ability to maintain these integrations and expand integrations with software applications to meet market demands will be important to its ability to successfully market and sell its products.

There is also a risk that product integrators will not be able to use any individual products or any content services platform in conjunction with other software application as a result of the core engines on which the platform is based becoming redundant or no longer being supported. The modular architecture of its platform and products allows for substitution of redundant or deprecated technologies and scale performance testing

in the development process mitigates the risk associated with product integrators being unable to integrate the technology in their products.

*(e) Third Party Reliance Risk*

There is a risk that any third-party technology used by the Company in its current products may subsequently require payment to upgrade that technology or the payment of royalties to the proprietors of that technology.

CPT's current strategy avoids the risk of dependence on proprietary third-party technology by using technology with standardised open source or royalty free tools and libraries. CPT is of the view that if the technology it currently uses becomes proprietary in the future, there are existing open source technologies which are available. However, the Company cannot guarantee that such alternatives will remain available at all times.

By using third party tools in the development of its technology, the Company faces a risk that those tools contain imperfections such as bugs or errors which may adversely affect operations. This problem can occur with any third-party tools or technologies in use by the Company.

The Company seeks to mitigate this risk by ensuring that it maintains an agile development process involved with patching and updates where these problems are publicly identified. In addition, internal processes for testing and quality assurance reduce potential risks caused via the incorporation of updates to third party libraries and development tools.

*(f) Change in strategy*

The Company seeks to identify desirable opportunities from time to time. Accordingly, the plans and strategies of the Company may evolve such that the existing operations of the Company may change. Such change could include, amongst other matters, acceleration of the development of one or more of the products of the Company, the acquisition of one or more products from another party or the disposal of one or more of the existing products of the Company. As a result, the current strategies, approaches and plans may not reflect the strategies, approaches and plans of the Company at a later date. Any such changes have the potential to expose the Company to heightened or additional risks.

*(g) Staff Risk*

The Company has few employees. There is a risk that, where there is a turnover of staff who have knowledge of the technology and business, that knowledge will be lost in the event that those staff resign or retire. This involves the risk that those staff will have information in respect of intellectual property which has a commercial value to the Company as well as an opportunity cost for replacement of those staff and subsequent training.

*(h) Intellectual Property*

The ability of the Company to protect its intellectual property, including business processes, trade secrets and know-how, is an important part of ensuring the value of its products. The Company will be largely reliant on know-how and trade secrets which are not the subject of formal intellectual property registrations. There is a risk that, while measures are in place to protect the Company's intellectual property (which include requiring all staff and contractors to sign contracts with provisions which relate to ownership of intellectual property and restraints of trade), those measures may not be adequate to protect against third parties obtaining intellectual property (or parts of it). More generally, actions which the Company takes to protect its intellectual property may not be adequate or enforceable and may not prevent misappropriation of intellectual property or proprietary information. Further, any enforcement actions could be costly, time consuming and potentially difficult to enforce in certain jurisdictions or may ultimately prove unfavourable.

There is also a risk that the Company's products could infringe, or be alleged to infringe, the intellectual property rights of third parties. The Company may be the subject of claims which could result in disputes or litigation which could result in the payment of monetary damages, be time consuming and/or result in the

Company incurring significant costs. Any such claims could have an adverse impact on the Company's operations, reputation or financial performance.

*(i) Data Security Risks and Impact of Related Legislation/Regulation*

The Company may collect, store, process and analyse the data generated by its customers. Such data can be highly sensitive, highly regulated and confidential in nature. The provision of secure and reliable information storage and processing services is integral to the businesses and operations of the Company.

The Company could suffer unauthorised infiltration of its system by hackers to obtain data or insert a cyber-virus or bug or may be the subject of unauthorised disclosure of confidential customer information or loss of information due, for example, to system failures. This may disrupt the Company's technology or otherwise impact customers using the Company's technology. Such action could compromise client data and cause service shutdowns, leading to customer dissatisfaction and loss of goodwill and reputation damages and potentially result in claims being made against the Company. The Company employs practices, including periodic penetration testing, automatic and manual encryption systems and staff screening, to protect its system from being compromised and to reduce the prospects of a cyber-virus or bug being introduced into its platform or products. These practices are reviewed and updated periodically however there is no guarantee they will be adequate to protect against the risks outlined in this section.

Furthermore, as the Company's products can be used to collect and store sensitive information, it will likely be subject to various privacy laws and regulations in the countries in which it operates. Privacy and data security legislation and regulation could result in additional costs associated with compliance, reporting and potentially product development and potentially liabilities in the case of enquiries and/or breaches. By way of example, the recent changes in Europe arising from the General Data Protection Regulation (GDPR) may have an ongoing impact on the way in which the Company stores, collects, discloses and otherwise deals with information that is subject to those rules.

*(j) Taxation*

The Company may be exposed to direct and indirect income or other taxes or imposts of any kind in its home jurisdiction or any in country in which it conducts business. The Company intends to seek appropriate advice on such matters. However, there are risks that such taxes or imposts may create liabilities and/or lead to disputes which may expose the company to assessments, imposts or fines and actions for recovery of such moneys or the recovery of prior liabilities or refunds of tax.

The Company is subject to regular audits of its research and development refunds and any denial of such claims or disputes arising from past or future claims may have a financial impact on the Company.

There also is no guarantee that prior tax losses in any jurisdiction can or will be used on a go-forward basis.

*(k) Insurance*

The Company is sometimes required to provide or maintain insurances that may be required by customers as a condition of purchase of its technology and products. There is a risk that the Company may not be able to obtain such insurances at a reasonable price or at all. In such circumstances the Company may lose sales or be exposed to significant product liability risk.

### **5.3 General Risks**

*(a) COVID-19*

The outbreak of COVID-19 is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains uncertain. The Company's share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any

governmental or industry measures taken in response to COVID-19 may adversely impact the operations of the Company and are likely to be beyond the control of the Company. Additionally, as noted above, COVID-19 may adversely affect the sales cycles and decision making processes of key target customers of the Company. In addition the Company may not be able to raise sufficient funds for continuing operations.

The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continuing to evolve and the consequences are uncertain. In compliance with its continuous disclosure obligations, the Company will provide updates to the market as and when COVID-19 has a material impact on the Company and its business and finances.

*(b) Economic Risks*

General economic conditions, movements in interest and inflation rates and currency exchange rates may adversely affect the Company's activities, as well as its ability to fund those activities. Further, share market conditions may affect the value of the Company's securities regardless of the Company's operating performance. Share market conditions are affected by many factors as:

- general economic outlook;
- interest rates and inflation rates;
- currency fluctuations;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital;
- global health and safety (including the COVID-19 pandemic); and
- terrorism or other hostilities.

*(c) Regulatory Risks*

Changes in government, financial policy, taxation and other laws in any local and/or international markets or regions cannot be predicted and may affect the Company's ability to carry on its proposed activities, restrict the Company in achieving its objectives or may result in increased compliance costs or complexities in managing the Company's proposed operations and activities.

The Company is also subject to various regulatory requirements, including technology and accounting requirements. Changes to standards, policies, guidelines, interpretations or principles may affect the Company's ability to carry out its activities and/or achieve its objectives. The Company cannot control or predict changes to regulatory requirements, which may adversely affect the Company.

The responses of governmental and regulatory entities to the COVID-19 pandemic are constantly evolving as further information becomes available. These responses may impact the Company in a detrimental way.

*(d) Litigation Risks*

The Company is exposed to possible litigation risks including contractual disputes, disputes arising from the sale or disposal of Company assets, shareholder actions, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position.

(e) *Unforeseen risks*

There may be other risks which the Directors and/or management of the Company are unaware of at the time of issuing this Prospectus which may impact upon the Company, its operations and/or the value and performance of the securities of the Company, including the SPP Shares.

(f) *Inability to pay dividends or make other distributions*

The Company has never declared or paid dividends on its share capital, and the Company does not expect to do so in the short to medium term. There is no guarantee that dividends will be paid on shares in the future. Any distribution is a matter to be determined by the Board in its discretion having regard to the financial performance and position of the Company and applicable laws.

#### **5.4 Investment Speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or in connection with an investment in the Company. The above risk factors, and other risk factors not specifically referred to above, may materially affect the future financial performance of the Company and the value of the securities offered under this Prospectus.

SPP Shares carry no guarantee with respect to the payment of dividends, returns of capital or market value. The Company does not expect to declare any dividends for the foreseeable future.

Potential investors should consider that the investment in the Company is highly speculative.

#### **6. Acceptance Instructions**

##### **6.1 Choices available under SPP Offer**

Eligible Shareholders may:

- exercise their rights to participate in the SPP Offer and accept in full (i.e. for the subscription sum of \$30,000); or
- exercise their rights to participate in the SPP Offer and accept in part by applying for a parcel of SPP Shares; or
- take no action under this offer, and allow the offer made to them to lapse.

Depending on the level of applications received, applications may be scaled back or SPP Shares not accepted under the SPP Offer will become part of the shortfall.

##### **6.2 Completing an Application Form**

Unless paying by BPAY®\* (see below), all applications for SPP Shares must be made on the Personalised Application Form accompanying this Prospectus in accordance with the instructions set out in on the form.

\* ® Registered to Bpay Pty Ltd ABN 69 079 137 518

For payments by cheque, money order or BPAY:

Your application for SPP Shares or payment may not be effective if received after 5:00pm (Sydney time) on the Closing Date or such later date as the Company may specify, in which case no SPP Shares would be issued to you in respect of your application or payment, and any payment received will be refunded to you after the date of allotment in accordance with the Corporations Act, without interest.

The amount payable upon applying will be deemed not to have been received until the Company is in receipt of cleared funds. Payments in cash will not be accepted.

If the amount of payment received is insufficient to pay in full for the number of SPP Shares you have accepted or is more than required for the number of SPP Shares you have accepted you will be taken to have accepted the lesser of your Entitlement or such whole number of SPP Shares which is covered in full by your payment.

If paying by BPAY:

To accept your Entitlement and pay via BPAY, you should:

- read this Prospectus and the Personalised Application Form in their entirety and seek appropriate professional advice if necessary; and
- make your payment via BPAY for the parcel of SPP Shares you wish to subscribe for so that it is received no later than 5:00pm (Sydney time) on the Closing Date, or such later date as the Company may specify. You can only make a payment via BPAY if you are the holder of an account with an Australian financial institution.

**If you choose to pay via BPAY you are not required to submit the Application Form.**

If your BPAY payment is received by 5:00pm (Sydney time) on the Closing Date or such later date as the Company may specify, SPP Shares accepted are anticipated to be issued to you on or before the date set out in the timetable on page 4 of this Prospectus (which date may change without notice).

You should be aware that your financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. You may also have your own limit on the amount that can be paid via BPAY. It is your responsibility to check that the amount you wish to pay via BPAY does not exceed your limit. The Company and the Share Registrar accept no responsibility for unsuccessful, delayed, or incomplete BPAY payments.

If paying by cheque or money order:

To accept your Entitlement and pay by cheque or money order, you should:

- read this Prospectus and the Personalised Application Form in their entirety and seek appropriate professional advice if necessary; and
- complete the Personalised Application Form which accompanies this Prospectus (instructions for completing and returning the Application Form are set out on the form); and
- return the completed Personalised Application Form together with a cheque or money order for the applicable amount (being the amount payable for the parcel of SPP Shares that you wish to apply for) to:

Cipherpoint Limited  
C/- Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001

so that it is received by no later than 5:00pm (Sydney time) on the Closing Date (which is set out in the timetable on page 4 of this Prospectus), or such later date as the Company may specify. The Company and the Share Register accept no responsibility for delayed or misdelivered Application Forms or payments.

**If you choose to pay by cheque or money order you must submit the completed Application Form.**

Cheques should be made payable to "Cipherpoint Limited" and crossed "Not Negotiable". Cheques must be payable in Australian dollars, drawn on an Australian branch of an Australian bank.

### 6.3 **Applying where the eligible shareholder is Trustee, Custodian or Nominee for a beneficial holder**

Eligible Shareholders who held shares as trustee, custodian or nominee (**Custodian**) for one or more persons on the Record Date (**Beneficiaries**) may apply for up to a maximum amount of \$30,000 worth of SPP Shares in respect of each Beneficiary, subject to the Custodian certifying to the Company:

- (a) that the Custodian is (directly or indirectly) an Eligible Shareholder of shares on behalf of one or more Beneficiaries;
- (b) the number of Beneficiaries instructing the Custodian (directly or indirectly) to participate;
- (c) the name and address of each participating Beneficiary;
- (d) in respect of each participating beneficiary:
  - (i) the number of shares that the Custodian holds (directly or indirectly) on their behalf; and
  - (ii) the dollar amount of SPP Shares they instructed the Custodian to apply for on their behalf;
- (e) for each participating Beneficiary, that the application price for the SPP Shares applied for on the Beneficiaries behalf, and any other SPP Shares applied for on that Beneficiaries behalf (directly or indirectly) under a similar arrangement in the previous 12 months, does not exceed \$30,000;
- (f) that a copy of this Prospectus was given to each participating Beneficiary; and
- (g) where the Custodian holds shares on behalf of a Beneficiary indirectly, through one or more interposed Custodians, the name and address of each interposed Custodian.

By completing and submitting the Personalised Application Form which accompanies this Offer, a Custodian certifies the above.

Please contact the share registry to obtain the relevant certification material and submit this together with a completed Personalised Application Form

### 6.4 **Further Information**

**If you have any questions about your Entitlement or the SPP Offer, please contact the Company on +61 2 8412 8200. Alternatively, contact your stockbroker or other professional adviser.**

The issue of any SPP Shares is expected to occur after the SPP Offer has closed on or before the dates set out in the timetable on page 4 of this Prospectus (which date may change without notice). Thereafter statements of holdings relating to any issued SPP Shares will be despatched. It is the responsibility of recipients to determine their allocation prior to trading in SPP Shares. Recipients trading SPP Shares before they receive their statements do so at their own risk.

The Company may reject an application where payment of the application amount is not received or a cheque is not honoured, or without prejudice to its rights, issue SPP Shares in response to the application and recover outstanding application amount from the recipient. If your Personalised Application Form is not completed correctly it may still be treated as a valid application for SPP Shares. The Directors' decision whether to treat a form as valid and how to construe, amend or complete the form is final. The Company accepts no responsibility for failure by your stockbroker or other third parties to carry out your instructions.



This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Persons resident in countries outside Australia and New Zealand should consult their professional advisers as to whether governmental or other consent are required or whether formalities need to be observed for them to acquire SPP Shares. Return of a Personalised Application Form or payment will be taken by the Company to constitute a representation that there has been no breach of such requirements.

No account has been taken of the particular objectives, financial situation or needs of recipients of this Prospectus. Because of this, recipients of this Prospectus should have regard to their own objectives, financial situation and needs.

Recipients of this Prospectus should make their own independent investigations and assessment of the Company, its business, assets and liabilities, prospects and profits and losses, and the risks associated with investing in the Company. Independent expert advice should be sought before any decision is made to accept the SPP Offer, or to acquire SPP Shares or other securities of the Company.

## **7. Continuous Disclosure Obligations**

This Prospectus is issued by the Company in accordance with the provisions of the Corporations Act applicable to a prospectus for continuously quoted securities.

Section 713 of the Corporations Act enables a company to issue a special prospectus where the securities under that prospectus are continuously quoted securities within the meaning of the Corporations Act. This generally means that the relevant securities are in a class of securities, or options over a class of securities, that were quoted enhanced disclosure securities at all times during the 3 months before the date of this Prospectus and other requirements relating to the Company not being subject to various exemptions and orders under the Corporations Act within the last 12 months are met.

In summary, special prospectuses are required to contain information in relation to the effect of the offer of securities on the company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company. Accordingly, this Prospectus does not contain the same level of disclosure as a prospectus of an unlisted company or an initial public offering prospectus.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the date of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

For the purpose of satisfying section 713(5) of the Corporations Act a prospectus must incorporate information that:

- (a) has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
- (b) is information that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
  - the assets and liabilities, financial position and performance, profit and losses and prospects of the Company; and
  - the rights and liabilities attaching to the securities being offered.

The prospectus must contain this information only to the extent to which it is reasonable for investors and their professional advisors to expect to find such information in the prospectus. The Company is not aware of any matters that need to be disclosed under this section of the Corporations Act that have not been previously disclosed or which have not been set out in this Prospectus.

The Company operates an ongoing business and reports regularly on its activities.

As a disclosing entity under the Corporations Act, the Company is subject to regular reporting and disclosure obligations. Copies of documents lodged with ASX and ASIC in relation to the Company may be obtained from or inspected by accessing the respective web sites.

Any person may request, and the Company will provide free of charge, a copy of each of the following documents during the acceptance period of this Prospectus:

- (a) The annual financial report of the Company for the financial year ended 31 March 2019 (released to ASX on 4 July 2019), being the most recent annual financial report of the Company before the lodgement of this Prospectus with ASIC;
- (b) The Interim Financial Report of the Company for the half year ended 30 September 2019 (released to ASX on 29 November 2019); and
- (c) Any continuous disclosure notices given by the Company since the lodgement of the Annual Financial Report referred to in (b) above before lodgement of this Prospectus. Continuous disclosure notices given by the Company since the lodgement of the Annual Financial Report to the date of this Prospectus are listed in section 8 of this Prospectus.

Such documents are also available online from the ASX website at [www.asx.com.au](http://www.asx.com.au).

#### **8. ASX Announcements**

The following announcements (continuous disclosure notices) have been made by the Company to ASX since lodging its annual financial report for the year ended 30 June 2019 with ASIC:

| <b>Date</b> | <b>Headline</b>  |
|-------------|--|
| 22/04/2020  | Proposed Issue of Securities - CPT                     |
| 22/04/2020  | Appendix 4C and Quarterly Activities Report            |
| 26/03/2020  | Letter to Shareholders – Update – 26 March 2020        |
| 16/03/2020  | COVID-19 UPDATE  |
| 26/02/2020  | Investor Presentation                                  |
| 26/02/2020  | Investor Update  |
| 30/01/2020  | Appendix 4C  |
| 23/01/2020  | Sales Update   |
| 20/01/2020  | Cipherpoint Extends Data Protection to Sharepoint 2019 |
| 20/12/2019  | Letter to Shareholders                                 |
| 20/12/2019  | Change of Company Name                                 |
| 20/12/2019  | Change in Governance Structure and Reduction in Costs  |
| 17/12/2019  | Result of General Meeting                              |
| 02/12/2019  | Reinstatement to official quotation                    |
| 29/11/2019  | Resumption of Trading                                  |
| 29/11/2019  | Half Year Accounts                                     |
| 28/11/2019  | SafeShare Final Update                                 |
| 27/11/2019  | Update on Loan Receivable and Cash Position            |
| 15/11/2019  | Notice of General Meeting                              |
| 15/11/2019  | Appendix 3Y - GM (Corrected)                           |
| 14/11/2019  | Appendix 3Y - GM                                       |

| Date       | Headline                                      |
|------------|---|
| 14/11/2019 | Branding and Marketing Update                 |
| 11/11/2019 | Appendix 3B                                   |
| 01/11/2019 | Appendix 3X - GM                              |
| 01/11/2019 | Appendix 3Z - BM                              |
| 01/11/2019 | Market Update                                 |
| 24/10/2019 | Market Update                                 |
| 24/10/2019 | Board Changes                                 |
| 22/10/2019 | Loan Receivable Update                        |
| 22/10/2019 | Appendix 4C                                   |
| 30/09/2019 | Results of Annual General Meeting             |
| 30/09/2019 | AGM Presentation                              |
| 30/09/2019 | AGM Chairmans Address                         |
| 16/09/2019 | Transaction and Prospectus Update             |
| 27/08/2019 | Notice of Annual General Meeting              |
| 23/08/2019 | Letter to Shareholders                        |
| 21/08/2019 | AGM Update                                    |
| 15/08/2019 | Completion of Consolidation                   |
| 12/08/2019 | Appendix 3B                                   |
| 08/08/2019 | Covata Prospectus and Offer and AGM Extension |
| 08/08/2019 | Second Supplementary Prospectus               |
| 07/08/2019 | Results of General Meeting                    |
| 07/08/2019 | Consolidation/Split - CVT                     |
| 01/08/2019 | Extension of Prospectus Closing Date          |
| 01/08/2019 | Supplementary Prospectus                      |
| 25/07/2019 | Covata/dataglobal Prospectus Offer Open       |
| 18/07/2019 | Appendix 4C and Business Update               |
| 18/07/2019 | Investor Presentation                         |
| 17/07/2019 | Transcript of Shareholder Update 17 July 2019 |
| 17/07/2019 | Sale of Cocoon Data Completed                 |
| 10/07/2019 | dataglobal Transaction Update                 |
| 09/07/2019 | Notice of Meeting                             |
| 04/07/2019 | Upcoming Release of Escrow                    |
| 04/07/2019 | Appendix 4G                                   |
| 04/07/2019 | Appendix 4E and Annual Report                 |

Any person may request, and the Company will provide free of charge, a copy of any of the above announcements during the application period of this Prospectus.

The Company may make further announcements to ASX from time to time. Announcements are released by ASX on its website, [www.asx.com.au](http://www.asx.com.au) under the Company's ASX code "CPT" and copies of announcements can be obtained from the Company upon request and are available on the Company's website [www.cipherpoint.com](http://www.cipherpoint.com). Prospective investors are advised to refer to ASX's website for updated releases about events or matters affecting the Company.

In making statements in this Prospectus, it is noted that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

## 9. Terms of securities offered

SPP Shares will be fully paid ordinary shares in the capital of the Company, which will rank equally with, and will have the same voting and other rights as existing issued shares of the Company. The rights attaching to the Company's shares are set out in the Company's constitution, the Listing Rules of ASX and the Corporations Act. The Company's constitution has been lodged with ASIC. The constitution contains provisions of the kind common for public companies in Australia and are taken to be included in this Prospectus by operation of Section 712 of the Corporations Act. Any person may request a copy of the constitution during the application period of the Prospectus, which the Company will provide free of charge.

The SPP Offer and any application concerning the issue of SPP Shares under this Prospectus, shall be governed and construed in accordance with the laws in the State of New South Wales, Australia.

## 10. Director's interests

### 10.1 Securities

The Directors' direct and indirect interests in securities of the Company as at the date of this Prospectus and the effect of the SPP Offer on the direct and indirect share holdings of Directors (both excluding and including employee loan plan shares on issue) are set out in the following tables. The tables assume that the Directors do not participate in the SPP, the maximum entitlements of Directors under the SPP Offer are set at the end of this section 10.1 out below.

#### SHARES & OPTIONS (EXCLUDES LOAN SHARE PLAN SHARES)

| Director/Shareholder<br>(and/or associate(s)) | Existing Shares |              | % if SPP<br>Offer 50%<br>subscribed | % if SPP<br>Offer fully<br>subscribed | Existing<br>Options |
|---|-----------------|--------------|-------------------------------------|---------------------------------------|---------------------|
|   | Number          | %            |                                     |                                       |                     |
| Edward (Ted) Pretty                           | 443,147         | 1.29%        | 0.83%                               | 0.61%                                 | 37,730              |
| Steven Bliim                                  | 60,731          | 0.18%        | 0.11%                               | 0.08%                                 | 15,595              |
| Graham Mirabito                               | 482,206         | 1.41%        | 0.90%                               | 0.66%                                 | 14,881              |
| <b>TOTAL:</b>                                 | <b>986,084</b>  | <b>2.88%</b> | <b>1.84%</b>                        | <b>1.36%</b>                          | <b>68,206</b>       |

#### Notes to Table:

- (1) The total number of shares held by Directors in the above table does not include the 5,036,305 employee loan plan shares held by Directors.
- (2) All percentages are rounded to two decimal places.

#### SHARES & OPTIONS (INCLUDES LOAN SHARE PLAN SHARES)

| Director/Shareholder<br>(and/or associate(s)) | Existing Shares        |              | % if SPP<br>Offer 50%<br>subscribed | % if SPP<br>Offer fully<br>subscribed | Existing<br>Options |
|---|------------------------|--------------|-------------------------------------|---------------------------------------|---------------------|
|   | Number                 | %            |                                     |                                       |                     |
| Edward (Ted) Pretty                           | 1,844,687 <sup>1</sup> | 4.70%        | 3.15%                               | 2.37%                                 | 37,730              |
| Steven Bliim                                  | 387,512 <sup>1</sup>   | 0.99%        | 0.66%                               | 0.50%                                 | 15,595              |
| Graham Mirabito                               | 615,506 <sup>1</sup>   | 1.57%        | 1.05%                               | 0.79%                                 | 14,881              |
| <b>TOTAL:</b>                                 | <b>2,847,705</b>       | <b>7.27%</b> | <b>4.87%</b>                        | <b>3.66%</b>                          | <b>68,206</b>       |

**Notes to Table:**

- (1) The total number of shares on issue in the above table includes all Loan Share Plan Shares held by Directors. The Directors interests include the following employee loan plan shares as follows: Edward (Ted) Pretty – 1,401,540 employee loan plan shares; Steven Bliim – 326,781 employee loan plan shares; Graham Mirabito – 133,300 employee loan plan shares.
- (2) All percentages are rounded to two decimal places.

The Directors have the following maximum entitlements to SPP Shares (subject to rounding) arising from the holdings of themselves and related parties with whom they are associated: Edward (Ted) Pretty 6,923,076 SPP Shares; Steven Bliim: 4,615,384 SPP Shares; Graham Mirabito: 4,615,384 SPP Shares.

**10.2 Remuneration & Payments to Directors**

**Fees and other remuneration**

Directors are entitled to receive directors' fees and other remuneration (which may include consulting fees) from the Company in relation to services provided to the Company.

Details of the cash remuneration or agreed to be paid to Directors in the two years prior to the lodgement of this Prospectus (being 31 March to 31 March of each year and excluding GST if applicable) are as follows:

| Director            | 2018 – 2019 | 2019 – 2020 |
|---------------------|-------------|-------------|
| Edward (Ted) Pretty | \$723,380   | \$658,244   |
| Steven Bliim        | \$294,792   | \$236,649   |
| Graham Mirabito     | \$-         | \$53,333    |

**Notes to table:**

- The remuneration set out above reflects cash paid to Directors only and includes base salaries paid in connection with director engagements, allowances for travel and relocation and compulsory contributions toward director nominated superannuation funds as required by Australia employment law.
- The Executive Chairman ceased receiving a full-time salary as at 31 December 2019 and as announced by the Company on 26 February 2020 he would become Non-Executive Chairman at the end of April 2020 and waive any further fees and payments other than as Non-Executive Chair.

## Other

Except as disclosed in this Prospectus:

- (a) no person has paid or agreed to pay any amount to any Director or has given or agreed to give any benefit to any Director, to induce the Director to become, or to qualify as, a Director of the Company or otherwise for services rendered by the Director in connection with the formation or promotion of the Company or the SPP Offer.
- (b) no Director or proposed Director has, or has had within two years of lodgement of this Prospectus, any interest in:
  - the formation or promotion of the Company; or
  - any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the SPP Offer; or
  - the SPP Offer.

### **11. Taxation**

Recipients of the SPP Offer should seek and obtain their own taxation advice.

### **12. Overseas Investors**

#### **12.1 New Zealand**

The SPP Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This Prospectus is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

The offer of SPP Shares to shareholders in New Zealand is made in compliance with the relevant Australian laws.

#### **12.2 Other**

This Prospectus and any application form do not constitute an offer in any jurisdiction in which, or to any persons to whom, it would not be lawful to make such an offer.

This Prospectus does not constitute an offer for securities in any place where, or to any person whom, it would be unlawful to make such an offer. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law, and persons outside Australia who comes into possession of this Prospectus should seek advice on, and observe any, such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify the SPP Shares or the SPP Offer or otherwise to permit a public offering of the securities in any jurisdiction outside Australia. The Company does, however, reserve the right (at its absolute discretion) to accept an application from a shareholder if it is satisfied that the making and acceptance of the application complies with the requirements of the relevant jurisdiction.

The SPP Offer has not been, and will not be, registered under the US Securities Act and has not been made in the United States of America or to persons resident in the United States of America.

### **13. Privacy**

Personal information is collected on application forms by the Company and the Share Registry for processing applications, maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Acceptances might not be processed efficiently, or at all, if the information requested is not provided. Personal information about recipients may be disclosed to external service providers such as print or mail service providers as required or permitted by law. A recipient who would like details of their personal information held by the Company or its Share Registry, or who would like to correct information that is incorrect or out of date, should contact the Company by email, by telephone or at the address shown in the Corporate Directory. In accordance with the Corporations Act, recipients may be sent material (including marketing material) in addition to general corporate communications. Recipients may elect not to receive marketing material by contacting the Share Registry's Privacy Officer. Recipients can also request access to, or corrections of, personal information held by the Company by writing to the Company.

### **14. Electronic Prospectus**

This Prospectus is available in electronic format via the ASX website, [www.asx.com.au](http://www.asx.com.au) and via the Company's website at [www.cipherpoint.com](http://www.cipherpoint.com).

Persons having received this Prospectus in electronic form may, during the offer period, obtain a paper copy of this Prospectus (free of charge) by contacting the Company on +61 2 8412 2000.

Acceptances of SPP Offer entitlements may only be made by BPAY or on the Personalised Application Form which accompanied or was attached to a copy of this Prospectus in its paper copy form or a printout of the form which formed part of or was accompanied by the complete and unaltered electronic version of this Prospectus. The Corporations Act prohibits any person from passing on to another person an Entitlement and Acceptance Form unless it is attached to or accompanied by a hard copy of this Prospectus or by the complete and unaltered electronic version of this Prospectus.

The Company reserves the right not to accept an Entitlement and Acceptance Form from a person if it has reason to believe that when that person was given access to the electronic Entitlement and Acceptance Form, it was not provided together with the complete and unaltered electronic version of this Prospectus.

### **15. Investment Decisions**

The information in this Prospectus does not constitute financial product advice. This Prospectus does not take into account the investment objectives, financial situation, tax position and particular needs of individual investors. Investors should obtain their own independent advice and consider the appropriateness of the SPP Offer of SPP Shares pursuant to this Prospectus having regard to their own objectives, financial situation, tax position and needs.

### **16. Future Performance**

Except as required by law, and only then to the extent so required, neither the Company nor any other person warrants the future performance of the Company, or any return on any investment made pursuant to this Prospectus. An investment through applying for and receiving SPP Shares under the SPP Offer made by this Prospectus should be considered speculative.

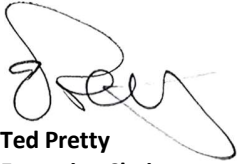
### **17. Enquiries**

If you have any questions regarding the content of this Prospectus or how to complete the Personalised Application Form, you should contact your stockbroker, accountant or independent professional financial adviser prior to accepting the SPP Offer. If you have any questions regarding the SPP Offer please contact the Company on +61 2 8412 8200.

No person is authorised to give information or make any representation in connection with this Prospectus which is not contained in this Prospectus. Any such information not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

**DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors of the Company have authorised the lodgement of this Prospectus with ASIC.

A handwritten signature in black ink, appearing to read 'Ted Pretty', written over a faint horizontal line.

**Ted Pretty**  
**Executive Chairman**