



## ASX ANNOUNCEMENT

26 February 2021

### CIPHERPOINT SHAREHOLDER CALL SCRIPT

**Cipherpoint Limited (ASX:CPT), Sydney, Australia Friday 26 February 2021** - Cipherpoint releases the call script from Chairman Ted Pretty, following the Shareholder Update Call on Thursday 25 February 2021.

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This morning I intend to cover three topics and also answer some shareholder questions that have been posed prior to the call. The topics are:

1. An update on the proposed acquisition of Brace168.
2. The progress of the rights issue to raise capital for the acquisition and other growth opportunities.
3. A brief operational update on the core CPT software business and an interim view of how Brace168 is currently trading.

Let me cover these items.

#### 1. Update on Brace 168 Acquisition

As shareholders would recall CPT entered into a binding heads of agreement to acquire Brace168 with certain conditions relating to matters including due diligence, funding, and approvals.

I can advise we are now finalising due diligence of Brace168 and have secured the minimum funding through the recent placement and partial underwriting of the rights issue. The notice of meeting is expected to be issued in the coming days to seek the relevant shareholder approvals.

Work is continuing on finalising the full form documentation and we are looking to finalise them by next week with transaction completion expected on or around 1 April 2021.

We are excited about this acquisition and will look to add further scale to this business.

#### 2. Progress of Rights Issue

With respect to the rights issue shareholders would be aware of, and ought to have now received, the prospectus and application documents. We encourage you to read these carefully so you can make a fully informed decision to participate. I will outline the timetable further on this call.

The company secured an underwriting of the first \$1.5m of the raise and, based on the strong demand which underpinned that underwriting, we are confident the raise will be successful.

The company's share price has recently performed above the offer price.

### 3. Brief Operational Update

The third matter to cover is current performance and outlook. I refer to the disclosures in the prospectus and previous announcements.

The core Cipherpoint business has seen some encouraging green-shoots as we begin to emerge from a tough winter in a Europe which continues to battle Covid lockdowns. As we have previously advised, sales cycles have lengthened due to the inability to have face-to-face meetings. However, we are happy that our sales pipeline is growing and we are on track to secure another major reseller of our product in addition to NTT DATA Germany. Further, announcements will be made when appropriate as discussions progress.

The interest in both our cp.Protect (with 12 solid opportunities) and cp.Discover product (5 solid opportunities) continue to be strong. Leads for discovery product have grown due to more intense digital marketing and the team have been conducting an encouraging level of product demonstrations.

On our product side, and to ensure existing customers have the right level of attention, we are proposing to split and increase resources undertaking both development and support. The coverage of our product to the latest versions of SharePoint continues to be our development focus.

With respect to Brace168's current performance we continue to be impressed by the team, by how hard they work and are pleased with their customer and revenue trajectory. Key customer renewals are underway and we have participated with Brace168 in meetings and presentations to secure new channel relationships as well as to introduce new customer opportunities.

Cipherpoint will continue to comply with its continuous disclosure obligations in relation to any material contracts that are secured during to the prospectus period and beyond.

Now moving on to key questions ask by shareholders.

*A. Please explain the timetable to completion.*

The indicative timetable is as follows:

Lodge NoM	Coming days
Sign SPA	3 March 2021
Close Rights Issue	8 March 2021
Issue Rights Issue Stock	11 March 2021
Meeting Date	31 March 2021
Settlement of Brace168 Acquisition	1 April 2021

These dates may vary slightly and shareholders will be kept informed.

*B. Where in the market will Cipherpoint compete?*

I would like to draw the attention of shareholders to the presentation lodged on 8 February which outlines our strategy and market and competitive positioning. Cipherpoint will compete in the data security and managed security services space and consider our offerings will be highly competitive. Brace168 has recently commissioned its new Security Operations Centre (SOC) at North Sydney and we will look to further expand that facility in due course.

*C. Will you consider further acquisitions?*

The Board has said we will continue to evaluate further acquisitions as well as invest in scaling up the existing business including Brace168. We think of our security space as like health care - it is a service you will always need and it offers strong growth potential.

*D. What happens if there is a shortfall in the rights issue?*

As we have said, we expect the rights issue to be strongly supported. However, if some shareholders elect not to take up their rights we may allocate more stock to those existing shareholders who have expressed interest in any shortfall shares and we have also reserved the right to undertake a placement of the balance to any interested external investor within 3 months of the closing date. These details are included in the offer documents shareholders would have received.

That concludes the call thank you for your attendance.

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--Ends--

This announcement has been approved for release by the Board.

## **About Cipherpoint**

Cipherpoint empowers businesses to discover, protect and control sensitive information across multiple platforms and repositories, including industry best security for Microsoft SharePoint. Our customers and partners span the public sector, defence, utilities, health, logistics, finance and education.

## **Further information**

For further information, please visit <https://cipherpoint.com>

## **About Brace168 Pty Limited**

Brace168 builds innovative IT and cyber security solutions that work seamlessly across business and enterprises or government agencies. Its customers are across the financial property, manufacturing, technology and health sectors (including both ASX50 and ASX companies).

See: <https://www.brace168.com/>

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