

# CIPHERPOINT LIMITED

[ABN 61 120 658 497]

("the Company")

## OPTIONS PROSPECTUS

An offer of up to 100 options (**New Options**) at an issue price of \$0.001 (0.1 cents) per New Option (**Offer**). Each New Option has an exercise price of \$0.08 (8 cents) (**Exercise Price**), expiry date of 15 February 2023 (**Expiry Date**) and which, upon exercise, entitle the holder to one fully paid ordinary share in the capital of the Company (**Share**).

The Offer is only made to and capable of acceptance by invitees determined by the Company. The Offer closes at 5:00pm Sydney time on 25 October 2021.

**This Prospectus has been prepared primarily for the purposes of Section 708A(11) of the Corporations Act 2001 (Cth) to facilitate the secondary trading of the Placement Options.**

### **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 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 – Non-Executive Director  
Graham Mirabito – Non-Executive Director

### **Joint Company Secretaries**

Steven Bliim  
Patrick Gowans

### **Chief Financial Officer**

Tom Carolan

### **Registered Office**

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

Telephone: +61 2 8412 2000  
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### **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 [www2.asx.com.au](http://www2.asx.com.au) and search code "CPT".

## IMPORTANT NOTICES

This prospectus (**Prospectus**) is dated 19 October 2021. 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 Offer early, to extend the Closing Date, or not to proceed with the Offer.

**The Offer closes at 5:00pm (Sydney time) on 25 October 2021, which date may change without notice.**

This Prospectus is for an offer of convertible securities to acquire continuously quoted securities (the New Options). Accordingly this Prospectus is not required by the Corporations Act to contain all the information normally required to be set out in a document of this type.

This Prospectus incorporates by reference information contained in documents lodged with ASIC. A document incorporated by reference 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 Offer.

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of past and present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its Directors and management. Although the Company believes that the expectations reflected in the forward looking statements included in this Prospectus are reasonable, none of the Company, its Directors or officers, or any person named in this Prospectus can give, or gives, any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur or that the assumptions on which those statements are based will prove to be correct or exhaustive beyond the date of its making. Investors are cautioned not to place undue reliance on these forward-looking statements.

Except to the extent required by law, the Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus.

The forward-looking statements contained in this Prospectus are subject to various risk factors that could cause actual results to differ materially from the results expressed or anticipated in these statements. The key risk factors of investing in the Company are set out in Section 5 of this Prospectus.

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 advice should be sought before any decision is made to apply for New Options.

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 speculative.

## TIMETABLE

Lodgement of Prospectus	19 October 2021
Offer Period opens	19 October 2021
Closing Date	25 October 2021 at 5:00pm Sydney 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 Offer before the date stated above, extend the Closing Date and subsequent dates or not proceed with the 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 18 November 2022, 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 New Options under the 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 Offer as set out below:

- Value of securities and share market conditions, including effects and potential effects of the current COVID-19 pandemic.
- There being no guarantee that the share price of the Company will be greater than the exercise price of New Options prior to the Expiry Date.
- The acquisition of Shares upon exercise of New Options may have taxation consequences.
- Shareholders will be diluted upon exercise of any New Options into Shares.
- Liquidity risks.

Section 5 also includes the 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.
- Competition and new technologies risks.
- Completion risks associated with the recently announced proposed acquisition of Virtual Information Technology Pty Ltd.
- Risks associated with reliance on third parties.
- The availability and retention of personnel, including key management personnel of the Company.
- Intellectual property risks.
- Data security risks and the impact of related legislation / regulation.
- Change in strategy risks.
- Risks associated with obtaining additional funding as and when required in future.

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 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 New Options, exercising Placement Options or warrants or investing in the Company.

Topic	Summary	For more information see:
What is the Offer?	An offer of up to 100 options ( <b>New Options</b> ) to invitees determined by the Company ( <b>Offer</b> ).	Section 1.1
What is the issue price of New Options?	\$0.001 (0.1 cents) per New Option.	Section 1.1
What are the terms of New Options?	Each New Option has an exercise price of \$0.08 (8 cents) ( <b>Exercise Price</b> ), expiry date of 15 February 2023 ( <b>Expiry Date</b> ) and, upon exercise, entitle the holder to one fully paid ordinary share ( <b>Share</b> ) in the capital of the Company.  Full terms of the New Options are set out in Section 9.	Sections 1.1 and 9
What is the purpose of the Offer?	The purpose of the Offer is to facilitate the secondary trading of the Placement Options (defined in section 1.6).	Sections 1.3, 1.6 and 2
Is the Offer underwritten?	No, the Offer is not underwritten.	Section 1.4
Are there risks associated with investment in the Company?	There are risks associated with investment in the Company. These include risks relating to the Offer and the New Options, risks relating to the Company and risks associated with financial investment generally. 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 New Options or otherwise making an investment in the Company.	Section 5
How and when will I know if my application was successful?	Holding statements confirming the issue of New Options (if any) are anticipated to be dispatched on or about 25 October 2021.	Section 6
What are the taxation implications of participating in the 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://www2.asx.com.au">www2.asx.com.au</a> , search code "CPT").	Section 17
What if I have questions about the Offer or how to apply?	You should consult your stockbroker, accountant, solicitor or other professional adviser before making any decision regarding applying for New Options. Questions concerning the Offer can also be directed to the Company by email to <a href="mailto:tom.carolan@cipherpoint.com">tom.carolan@cipherpoint.com</a> .	Section 17

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

### **1.1 The Offer**

Cipherpoint Limited [ABN 61 120 658 497] (**Cipherpoint** or **the Company**) offers up to 100 New Options at an issue price of \$0.001 (0.1 cents) each (**Offer**). The Offer is only made to and capable of investors determined by the Company who receive a personalised application form to participate in the Offer (**Invitees**).

The full terms of the New Options are set out in Section 9.

### **1.2 No Underwriting**

The Offer is not underwritten.

### **1.3 ASX Listing**

The Company proposes applying for quotation of the New Options to be issued (if any) and the Placement Options (defined in section 1.6). The Company will lodge an Appendix 2A applying for quotation of any New Options to be issued (if any) and the Placement Options within 7 days of the lodgement of this Prospectus.

New Options issued (if any) and Placement Options will remain unquoted (unlisted) until such time as the Company satisfies the quotation requirements of ASX, which will include:

- there being at least 100,000 New Options and Placement Options on issue in combination; and
- the New Options issued (if any) and the Placement Options in combination are held by at least 50 holders each with a marketable parcel (being if all options held by a holder are exercised in full, the underlying Shares would be a parcel of note less than \$500 based on the trading price of Shares or the Exercise Price if the underlying Shares are unquoted).

The Company believes that the above requirements have, as at the date of this Prospectus, been met.

If quotation is not granted, the New Options issued (if any) will not be able to be traded on ASX. The Placement Options were issued on 5 October 2021 and are currently unlisted. The fact that ASX may grant official quotation of the New Options to be issued (if any) and/or Placement Options is not to be taken in any way as an indication of the merits of the Company or of the New Options to be issued (if any) and/or the Placement Options.

### **1.4 Minimum subscription**

There is no minimum subscription.

### **1.5 Prohibition on exceeding 20% voting threshold**

Recipients of New Options must have regard to, and comply with, the takeovers prohibition (the 20% voting power threshold) and substantial holder disclosure requirements of the Corporations Act 2001 (Cth) (**Corporations Act**) when exercising New Options.

The Company expressly disclaims any responsibility for ensuring that recipients do not breach the takeovers prohibition and/or the substantial holder disclosure requirements under the Corporations Act in any circumstance, including as a result of exercise of New Options.

The Company may refuse to act upon the exercise of New Options where such exercise would constitute a breach of the 20% voting power threshold under the Corporations Act.

Recipients of New Options should seek their own professional advice regarding if they may be at risk of breaching the takeovers prohibition or be required to comply with the substantial holder disclosure requirements under the Corporations Act as a result of the issue of Shares upon exercise of New Options.

## 1.6 **Capital Raising**

On 2 August 2021, the Company announced it had received confirmation of binding commitments for a capital raising of \$2.9 million before costs (**Capital Raising**). CoPeak Pty Ltd and Cumulus Wealth Pty Ltd acted as **Joint Lead Managers** of the Capital Raising. The securities in connection with the capital raising are set out below:

- 52,596,297 fully paid ordinary shares (**Placement Shares**) at an issue price of \$0.027 (2.7 cents) per Placement Shares to raise \$1,420,100 before costs. Placement Shares were issued to professional, sophisticated and other exempt investors identified by the Joint Lead Managers. The Placement Shares were issued under the placement capacity available to the Company under ASX Listing Rules 7.1 and 7.1A on 6 August 2021 and an Appendix 2A was released to ASX on that date.
- One free-attaching option for every two Placement Shares issued (26,298,152 options in total) each with an exercise price of \$0.08 (8 cents), expiry date of 15 February 2023 and, upon exercise, entitle the holder to one fully paid ordinary share in the capital of the Company.
- 55,555,556 convertible notes with a face value of \$0.027 (2.7 cents) per note to raise \$1,500,000 before costs. Convertible notes were issued to professional, sophisticated and other exempt investors identified by the Joint Lead Managers. The convertible notes were issued on 9 August 2021 and an Appendix 3G was released to ASX on that date. The convertible notes have a conversion price of \$0.027, accrue interest at 8% per annum (compounding monthly) and have a maturity date which is 6 months after the date of the Meeting. The face value and any accrued interest of convertible notes automatically convert to shares (**Note Shares**) at \$0.027 (2.7 cents) per Note Share (total of 55,925,929 Note Shares). The issue of the Note Shares was subject to receipt of shareholder approval, which was received at the 2021 annual general meeting of the Company that was held on 24 September 2021. The Note Shares were issued on 5 October 2021 and an Appendix 2A was released to ASX on that date. Every two Note Shares issued were to be accompanied by one free-attaching option (27,777,777 options in total) each with an exercise price of \$0.08 (8 cents), expiry date of 15 February 2023 and, upon exercise, entitle the holder to one fully paid ordinary share in the capital of the Company.
- An aggregate of 30,000,000 options each with an exercise price of \$0.08 (8 cents), expiry date of 15 February 2023 and, upon exercise, entitle the holder to one fully paid ordinary share in the capital of the Company to the Joint Lead Managers (and/or their nominee(s)) as part of their fee.

The options that were:

- free-attaching to the Placement Shares; and
- free-attaching to the Note Shares; and
- issued to the Joint Lead Managers (and/or their nominee(s)),

have common terms and are referred to herein as the **Placement Options**. The issue of the Placement Options was subject to receipt of shareholder approval, which was received at the 2021 annual general meeting of the Company that was held on 24 September 2021. The Company issued the total 84,075,929 Placement Options on 5 October 2021 Appendix 3G's relating to the issue were released to ASX on that date.

## 2. **Purpose of this Prospectus, the Offer and the Capital Raising**

The purpose of this Prospectus and the Offer made under it is to comply with section 708A(11) of the Corporations Act 2001 (Cth) to qualify the Placement Options for secondary trading such that the Placement Options can be offered for sale within 12 months of issue. This Prospectus is a required step in the Company seeking the quotation (listing) of the Placement Options as set out in section 1.3.



The purpose of the Capital Raising was to raise approximately \$2.92 million before costs. Details of the use of funds raised and the financial effect of the Offer and Capital Raising in combination are set out in section 3.

### 3. Financial effect of the Offer and the Capital Raising

The Offer will have a negligible effect on the financial position of the Company as the maximum that would be raised if the Offer is fully subscribed is \$0.1 (10 cents). As referred to above, this Prospectus has been primarily prepared for the purposes of qualifying the Placement Options for secondary trading.

As noted above, \$2.92 million before costs was raised from the Capital Raising.

Funds raised from the Capital Raising will be used for further enhancements to the Security Operations Centre in North Sydney, acceleration of recruitment activities for new technical staff necessary to deliver on recently awarded contracts and near-term pipeline opportunities, further investment into business development and customer acquisition to seek to enable the Brace168 business to achieve its Milestone 2 revenue target and pursuit of additional acquisition opportunities to complement the Company's core business.

The anticipated costs of the Offer and the Capital Raising in combination are set out in the table below:

Particulars*	Amount (\$)
Legal, printing and postage	\$8,000
ASIC and ASX Fees **	\$27,900
<b>TOTAL</b>	<b>\$35,900</b>

*\*The Company agreed to pay the Joint Lead Managers and/or their nominee(s) an aggregate of 6% of the amount raised under the Capital Raising as a management and broker fee, which was settled in equity in lieu of cash by way of the issue of 6,488,888 ordinary shares (**Broker Shares**) at a deemed price of \$0.027 (2.7 cents) per Broker Share to the Joint Lead Managers and/or their nominee(s).*

*\*\* Includes anticipated quotation costs of Placement Shares, Note Shares, Placement Options and the lodgement fee payable in connection with lodging this Prospectus with ASIC.*

The Capital Raising increased the cash reserves of the Company by \$2,884,200, being \$2,920,100 less the anticipated costs of \$35,900 noted above.

The costs of the Offer and Capital Raising in combination include \$4,077, which is the anticipated ASX quotation fee to be incurred by the Company in connection with quotation (listing) of the Placement Options.

As at the date of this Prospectus, the Company has cash on hand of approximately \$3.1M, which includes the funds raised under the Capital Raising. The Company has existing creditors of \$689k. Payments due to creditors are within trading terms and are expected to be settled in the ordinary course of business.

Other than the increase of the cash reserves of the Company as set out above and increasing the equity of the Company by a commensurate amount, the Offer and the Capital Raising in combination are not anticipated to have an impact upon the financial position of the Company other than as set out in this section 3.

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

##### 4.1 Shares and Convertible Securities

The tables below set out the capital structure of the Company, including the effect on the Company's capital structure of the Offer and the Capital Raising in combination. These tables assume that no further securities are issued by the Company other than as provided for under the Offer and in connection with the Capital Raising in combination and that no convertible securities on issue in the Company are exercised into fully paid ordinary shares. For the avoidance of doubt the Placement Shares, Note Shares and Placement Options have been issued and are included as separate items in the below tables for information purposes only.

##### SHARES

Ordinary shares prior to the Capital Raising *	243,016,721	67.88%
Placement Shares	52,596,297	14.69%
Note Shares	55,925,929	15.62%
Broker Shares	6,488,888	1.81%
<b>Existing total Shares on issue</b>	<b>358,027,835</b>	<b>100%</b>

*\*Includes:*

- 10,842,810 Shares issued at or about the same time as the Placement Shares, Note Shares and Broker Shares on conversion of Performance Rights and the achievement of a specific milestone; and
- 17,155,305 Employee Loan Plan Shares.

##### CONVERTIBLE SECURITIES

The existing and proposed convertible securities of the Company are set out in the tables below:

##### *Existing Options*

Listed/Unlisted	Number of options	Expiry Date	Exercise price
Listed	22,735,422	15 February 2022	\$0.08
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
Unlisted	4,500,000	28 October 2025	\$0.048
Placement Options	84,075,929	15 February 2023	\$0.08

*\* Subject to rounding*

*Performance Rights*

Listed/Unlisted	Class	Number
Unlisted	Class A Performance Rights	3,125,000
Unlisted	Class B Performance Rights	1,562,500
Unlisted	Class C Performance Rights	1,562,500
Unlisted	Class E Performance Rights	11,250,000

#### 4.2 Dilution and control

The percentage shareholding in the Company of existing shareholders was diluted through the issue of Placement Shares. Existing shareholders will be further diluted through the issue of Shares upon exercise of Placement Options and/or New Options, if any. The dilutive effect of the prior issue of Placement Shares, and the potential issue of Shares on exercise of 50% and 100% of Placement Options and New Options in combination, is outlined below. The below table is for indicative purposes only and is not to be taken as a representation that a certain number of Placement Options and/or New Options will be exercised, if any.

Shareholder (example)	Example shareholder holding	% of Total Shares pre Capital Raising (243,016,721 Shares)	Current % post Capital Raising (358,027,835 Shares)	% of total Shares post 50% of Placement Options exercised (400,065,798 Shares)	% of total Shares post 100% of Placement Options exercised (442,103,761 Shares)
A	1,500,000	0.62%	0.42%	0.37%	0.34%
B	3,000,000	1.23%	0.84%	0.75%	0.68%
C	5,000,000	2.06%	1.40%	1.25%	1.13%
D	7,000,000	2.88%	1.96%	1.75%	1.58%
E	12,000,000	4.94%	3.35%	3.00%	2.71%

**Notes to Table:**

1. All percentages are rounded to two decimal places.
2. References in the table to "Options" are to the New Options and Placement Options collectively.
3. Assumes the example shareholder does not acquire Shares.

#### 5. Risks

The New Options 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 New Options 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 aim 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 Offer and the New Options

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

The market price of the Company's securities is 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 is 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) *Exercise Price*

No guarantee can be given that the price of the fully paid ordinary shares of the Company will be greater than the exercise price prior to the expiry date of New Options. Accordingly, there is a risk that New Options will be out of the money during the entire exercise period which would affect the value of New Options.

### (c) *Taxation consequences*

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

### (d) *Dilution*

Although the issue of New Options will not result in the dilution of the holdings of existing shareholders of the Company, any exercise of New Options and Placement Options into Shares will result in existing shareholders being diluted. An example of the potential dilutive effect of the exercise of New Options and Placement Options is set out in section 4.2.

### (e) *Liquidity*

As noted in section 1.3, the Company proposes seeking quotation (listing) of the New Options issued (if any) and Placement Options. There is a risk that the Company will not be able to satisfy the quotation conditions imposed by ASX on commercially viable terms, or at all. If the New Options and/or Placement Options are not listed, holders will not be able to trade the Options in ASX which will reduce the liquidity of New Options and/or Placement Options. Even if the New Options and/or Placement Options are listed on ASX, there can be no assurance given that there will be, or will continue to be, an active market for the New Options and/or Placement Options or that the price of New Options and/or Placement Options will increase.

## 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) *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.

### (c) *Completion Risk*

On 13 October 2021, the Company announced the proposed acquisition of Virtual Information Technology Pty Ltd. As at the date of this Prospectus, the proposed acquisition remains subject to the satisfaction of a number of conditions precedent including the satisfaction of due diligence and execution of formal documents. There is no guarantee that the conditions to the proposed transaction will be satisfied or that the transaction will complete. Furthermore, should the transaction complete, the consideration payable (which includes cash, shares to be issued at completion and milestones shares to be issued subject to approvals and satisfaction of performance milestones) will impact upon the cash position of the Company and the capacity structure of the Company, resulting in dilution to existing shareholders.

### (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) 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.

*(g) 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.

*(h) 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, 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.

*(i) 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.

*(j) 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. The Company's business is not yet cashflow positive. The Company will seek to progress existing sales opportunities with key target customers, and explore options for equity investments and/or complementary acquisition opportunities which increase its revenue and sales opportunities. Even if one or more of these opportunities were successfully progressed (of which there can be no guarantee), the Company may 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).

*(k) 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.

*(l) 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.

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 update 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 such as:

- general economic outlook;
- interest rates and inflation rates;



- currency fluctuations;
- changes in investor sentiment toward particular market sectors;
- international trade disputes and sanctions
- political instability and civil unrest
- restricted access to trade routes
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

*(b) 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 COVID-19 pandemic is constantly evolving as further information becomes available. These responses may impact the Company in a detrimental way.

*(c) 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.

*(d) 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.

*(e) 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.

An investment in the Company carries 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 Application process**

Applications for New Options must only be made by investors who receive a personalised application form from the Company to participate in the Offer. The Company may determine at its absolute discretion whether to accept any or all applications for New Options under the Offer. Application forms and payment for New Options must be delivered to the Company in accordance with the instructions on the personalised application form.

#### **6.2 General**

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 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 New Options. Return of a personalised Application Form 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 Offer, or to acquire New Options or other securities of the Company.

If you have any questions about the Offer please contact the Company at [tom.carolan@cipherpoint.com](mailto:tom.carolan@cipherpoint.com).

### **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 convertible securities over continuously quoted securities (being the New Options).

Section 713 of the Corporations Act enables a company to issue a special prospectus where the securities under that prospectus are continuously quoted securities, or option over 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. The Company from time to time seeks to engage in discussions on an ongoing basis in respect of potential opportunities. Funds may be used to fund the costs associated with identifying, investigating and pursuing such opportunities. While the Company may seek to negotiate such opportunities there is no certain any such arrangement(s) will be finalised on particular terms, at a specific time, or at all. The Company will make further announcements in respect of any such opportunities (if any) in accordance with its continuous disclosure obligations as developments, if any, occur (however no guarantee can be given that such developments, if any, will occur).

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 2021 (released to ASX on 15 June 2021), being the most recent annual financial report of the Company before the lodgement of this Prospectus with ASIC; and
- (b) Any continuous disclosure notices given by the Company since the lodgement of the Annual Financial Report referred to in (a) 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 [www2.asx.com.au](http://www2.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 31 March 2021 with ASIC:

Date	Headline
13/10/2021	Proposed issue of securities - CPT
13/10/2021	Proposed issue of securities - CPT
13/10/2021	Cipherpoint to Acquire VIT Cyber Security
11/10/2021	Cleansing Notice
11/10/2021	Application for quotation of securities – CPT
07/10/2021	Cancel – Notification regarding unquoted securities - CPT
07/10/2021	Application for quotation of securities – CPT
05/10/2021	Notification regarding unquoted securities – CPT
05/10/2021	Notification regarding unquoted securities - CPT
05/10/2021	Cleansing Notice
05/10/2021	Application for quotation of securities – CPT
01/10/2021	Cleansing Notice
01/10/2021	Notification of cessation of securities – CPT
01/10/2021	Notification regarding unquoted securities – CPT
01/10/2021	Application for quotation of securities – CPT
27/09/2021	Results of AGM
24/09/2021	AGM – Chairman’s Address
24/09/2021	AGM Presentation
21/09/2021	AGM Dial in Details
21/09/2021	Audit of Brace168 Revenues for 1 July 2020 to 30 June 2021
20/09/2021	Sale of cp.Protect and cp.Discover Technology Assets
20/09/2021	AR9: archTIS Acquires Cipherpoint Technology Assets & Custom
13/09/2021	Upcoming Release of Escrow and AGM Voting Link
24/08/2021	Notice of 2021 Annual General Meeting
24/08/2021	2021 Annual General Meeting COVID 19 Arrangements
09/08/2021	Notification regarding unquoted securities – CPT
06/08/2021	Cleansing Notice (Section 708A)
06/08/2021	Application for quotation of securities – CPT
02/08/2021	Proposed issue of securities – CPT
02/08/2021	Proposed issue of securities – CPT
02/08/2021	\$2.9M Capital Raising to Drive Further Growth
02/08/2021	Appendix 4C and Activities Report
29/07/2021	Trading halt
23/07/2021	Notification regarding unquoted securities – CPT
23/07/2021	Appointment of CFO
21/07/2021	Notification of cessation of securities – CPT
21/07/2021	Market Update to Shareholders
21/07/2021	Deferral of AGM
15/06/2021	Release of Audited Financial Results & Adjustment to App 4E
15/06/2021	Appendix 4G
15/06/2021	Annual Report to shareholders

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, [www2.asx.com.au](http://www2.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 New Securities**

### **9.1 Terms of options**

New Options and Placement Options (collectively **Options** in this section 9) have the following common terms:

- (a) Each Option entitles the holder to acquire one fully paid ordinary share (**Share**) in the capital of the Company. The Company proposes applying for official quotation (listing) of the Options.
- (b) The exercise price is \$0.08 (8 cents) (**Exercise Price**) per Option.
- (c) Each Option is exercisable at any time prior to 5:00pm Melbourne time on 15 February 2023 (**Expiry Date**).
- (d) Options may be exercised by providing written notice together with payment for the number of Shares in respect of which Options are exercised to the registered office of the Company.
- (e) Any Option that has not been exercised prior to the Expiry Date or cancelled in accordance with these terms shall automatically lapse.
- (f) An Option shall not be able to be exercised (and the Company will not be required to issue Shares upon such exercise) if it would be unlawful to do so.
- (g) Subject to compliance with applicable laws, Options are freely transferrable.
- (h) The Exercise Price is payable in full upon exercise of Options.
- (i) Where an Option holder determines to exercise some, but not all, of their held Options, the total aggregate amount payable to exercise the Options must be a minimum of \$1,000.
- (j) All Shares issued upon exercise of Options will rank pari passu in all respect with, and have the same terms as, the Company's then issued fully paid ordinary shares. The Company will apply for official quotation by ASX of all Shares issued upon exercise of Options, subject to any restriction obligations imposed by ASX and the Company being listed on ASX at the relevant time. The Options will not give any right to participate in dividends until shares are issued pursuant to the terms of the relevant Options.
- (k) There are no participation rights or entitlements inherent in the Options. Option holders are not entitled to participate in new issues of securities offers to shareholders without first exercising the Option. Prior to the Expiry Date and if required by the ASX Listing Rules, the Company will send notices to option holders in accordance with the time limits required by the ASX Listing Rules in respect of offers of securities made to shareholders.

- (l) In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company prior to the Expiry Date, the number of Options or the exercise price of the Options or both shall be reconstructed in accordance with the ASX Listing Rules applying to a reorganisation of capital at the time of the reconstruction.
- (m) Options will otherwise have the terms as required by ASX and the ASX Listing Rules.

## 9.2 Terms of Shares

Shares issued on exercise of Options 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.

## 9.3 General

The Offer and any application concerning the issue of New Options 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 exercise of 50% and 100% of the New Options and Placement Options in combination on the direct and indirect holdings of Directors are set out in the following table.

#### SHARES & CONVERTIBLE SECURITIES

Director/Shareholder (and/or associate(s))	Existing Shares		Maximum % if 50% of Options exercised	Maximum % if 100% of Options exercised	Current Options	Current Performance Rights
	Number	%				
Edward (Ted) Pretty	6,769,570	1.89%	1.69%	1.53%	495,951	5,500,000
Steven Bliim	1,081,910	0.30%	0.27%	0.24%	58,535	5,000,000
Graham Mirabito	1,534,891	0.43%	0.38%	0.35%	127,909	1,000,000
<b>TOTAL:</b>	<b>9,386,371</b>	<b>2.62%</b>	<b>2.35%</b>	<b>2.12%</b>	<b>682,395</b>	<b>11,500,000</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 – 379,491 employee loan plan shares; Graham Mirabito – 133,300 employee loan plan shares.
- (2) The above does not take into account the issue of any additional shares after the date of this Prospectus.
- (3) All percentages are rounded to two decimal places.

## 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 1 October to 30 September each year and excluding GST if applicable) are as follows:

Director	2019 – 2020	2020 – 2021
Edward (Ted) Pretty	\$385,716	\$291,000
Steven Bliim	\$301,257	\$268,376
Graham Mirabito	\$53,333	\$85,998

#### 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.*

#### 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 or otherwise for services rendered by the Director in connection with the formation or promotion of the Company or the 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 Offer; or
  - the Offer.

## 11. Taxation

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

## 12. Overseas Investors

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 New Options or the Offer or otherwise to permit a public offering of the securities in any jurisdiction outside Australia.

The 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 Registrar 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 Registrar, 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 Registrar'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, [www2.asx.com.au](http://www2.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 at [tom.carolan@cipherpoint.com](mailto:tom.carolan@cipherpoint.com).

Applications for New Options may only be made on the personalised Application Form which will be provided to Invitees and which will form part of or will be accompanied by the complete and unaltered electronic version of this Prospectus. The Corporations Act prohibits any person from passing on to another person a personalised Application 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 Application Form from a person if it has reason to believe that when that person was given access to the electronic Application 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 Offer 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 New Options under the Offer made by this Prospectus should be considered speculative.



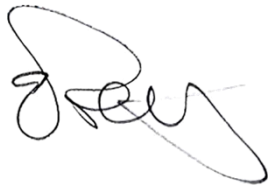
## **17. Enquiries**

If you have any questions regarding the content of this Prospectus or applying for New Options you should contact your stockbroker, accountant or independent professional financial adviser prior to applying for New Options. If you have any questions please contact the Company at [tom.carolan@cipherpoint.com](mailto:tom.carolan@cipherpoint.com).

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', with a large, sweeping loop at the end.

**Ted Pretty**  
**Chairman**