



ASX ANNOUNCEMENT (ASX: CPT)

30 March 2022

CPT ANNOUNCES TWO CYBER INITIATIVES – SMALL BUSINESS AND LOCAL GOVERNMENT

Cipherpoint Limited (ASX:CPT) is pleased to announce two new cyber initiatives to capture the demands for increased security protection for small to medium businesses (SMB) and local government.

Following recent increases in malicious cyber activity and Government warnings around the need for greater resilience CPT intends to establish

- A. A managed cyber security service dedicated to SMBs.** The service will focus on an affordable automated solution both to reduce attack surface and to manage detect and respond to threats that may impact the day-to-day operations. This includes threats such as hacking, phishing, identity theft, denial of service, malware and scams. The service will address the requirements of the ACSC cyber Essential Eight¹ and other relevant standards as SMBs undertake digital transformation. It will support SMBs in utilising the accelerated tax deductions for increased training.

Our Brace168 subsidiary has existing SMB clients who use our security and managed desktop services which allows us to develop appropriate uses cases.

The Australian Cyber Security Centre Reports indicated that 62% of SMEs have been subject to a cyber incident.² Using ABS data (but excluding sole traders) Cipherpoint estimates that the SMB segment has between are 260,000- 300,000 small to medium size businesses employing between 2.5-3.0m employees. Even a base security spend of \$100 per employee per year means this represents a \$250m market.

- B. A multi-tenant managed security service to focus on Local Government.** This service will effectively enable local and regional Councils to leverage common cyber services without the overhead or challenge of hiring and supporting their own cyber personnel. This initiative has grown out of earlier discussions with key regional LGA's regarding their security concerns.

Our VITCS subsidiary in Tasmania has already provided user awareness training for a number of local Councils. There are 29 local councils in Tasmania and over 537 councils Australia wide. Of these, around 55% are regional, rural, or remote councils. All manage critical infrastructure and handle sensitive data. The NSW Audit Office in a 2021 Report found that a large numbers of councils have yet to implement basic governance and internal controls to manage cyber security

These services will complement our existing **enterprise managed security services**.

CPT is also in advanced stages of planning of its second security operations centre which will be based in Tasmania. This Centre will service not only Tasmania government and business customers but is also optimally placed to further support solutions across Australia.

CPT has brought forward its plans in anticipation of the Federal Governments policy announcements last night to both significantly increase its own commitment to cyber security and to support with tax incentives the training and hiring of additional resources.

CPT Chairman Mr Ted Pretty said “As a small agile and growing player in this sensitive sector Cipherpoint is well placed to move quickly to take advantage of these market opportunities.”

Further details will be provided to the market in the coming weeks.

1. Organisations are recommended to implement eight essential mitigation strategies from the Australian Cyber Security Centre (ACSC's) *Strategies to Mitigate Cyber Security Incidents* as a baseline. This baseline, known as the Essential Eight, makes it much harder for adversaries to compromise systems.
2. <https://www.cyber.gov.au/sites/default/files/2021-05/Cyber%20Security%20and%20Australian%20Small%20Businesses%20Survey%20Results%20-%202020201130.pdf>

This release has been authorised by the Board.

Further information

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

Cipherpoint investor relations contact:

Ted Pretty
Managing Director and Executive
Chairman

Peter Taylor
Investor Relations
Peter@nwrcommunications.com.au
+61 412 036 231
