



## ASX ANNOUNCEMENT

25 July 2022

### RELEASE OF AUDITED FINANCIAL RESULTS & ADJUSTMENT OF APPENDIX 4E

**Cipherpoint Limited (ASX:CPT), Sydney, Australia Monday 25 July 2022** – Cipherpoint Limited releases the final audited results for the financial year ended 31 March 2021 on Monday 25 July 2022.

The Appendix 4E released on 10 June 2022 included unaudited financial results.

Subsequent to the release of the Appendix 4E, the audit has resulted in a number of adjustments, as follows:

1. A restatement of revenue received for the period with revenue not yet recognised adjusted to the balance sheet. Additional revenue was also allocated to discontinued operations. Consequently, revenue from continuing operations and contract liabilities as at 31 March 2022 were as follows:

Revenue from continuing operations (Appendix 4E)	\$ 4,238,261
Revenue not yet earned	(202,362)
Revenue allocated to discontinued operations	33,124
Final revenue from continuing operations	<u>4,002,775</u>
Contract Liabilities (Appendix 4E)	66,158
Deferred revenue moved to balance sheet	202,362
Final Contract Liabilities	<u>268,520</u>

2. A restatement of the Brace168 Pty Ltd and Virtual Information Technology Pty Ltd acquisitions around goodwill, and also including reclassification of deferred consideration payable balances between current and non-current. Consequently, Goodwill expense and other associated balances as at 31 March 2022 were as follows:

Impairment of Goodwill expense (Appendix 4E)	\$ 5,816,823
Increase value of acquisition	370,410
Impairment of domain names	15,209
Final Impairment of Goodwill expense	<u>6,202,442</u>
Trade and Other Receivables (Appendix 4E)	515,730
Current asset held in trust for consideration payable	538,944
Final Trade and Other Receivables	<u>1,054,674</u>
Deferred Consideration payable (Appendix 4E)	456,296
Revalued deferred consideration payable current	1,450,000
Revalued deferred consideration payable non-current	400,000
Final Deferred Consideration (current and non-current)	<u>1,850,000</u>
Fair value gain on financial liability (Appendix 4E)	40,633
Current asset held in trust for consideration payable	112,017
Final Fair value gain on financial liability	<u>152,650</u>

3. A review of Right of Use assets required a restatement to better reflect AASB16 requirements. Consequently, Right of Use assets and liabilities as at 31 March 2022 were as follows:

	\$
Right of Use Assets (Appendix 4E)	206,142
Recognition of ROU Assets	73,375
Final Right of Use Assets	<u>279,517</u>
Lease Liabilities current and non-current (Appendix 4E)	200,174
Movement from non-current to current	(94,390)
Recognition of ROU current lease liabilities	170,757
Final Lease Liabilities current and non-current	<u>276,541</u>

4. A review was performed of the expenses incurred during the year by the Group and amounts held as payable or prepaid on the balance sheet, required adjustment. Consequently, the resultant balances as at 31 March 2022 were as follows:

	\$
Trade and other payables (Appendix 4E)	1,665,255
Liabilities discharged in-year	(857,500)
Final Trade and other payables	<u>1,007,755</u>
Prepayments (Appendix 4E)	191,247
Asset discharged in-year	(124,285)
Final Prepayments	<u>66,962</u>
Income Tax refund due (Appendix 4E)	40,508
Asset discharged in-year	(40,508)
Final Income Tax refund due	<u>-</u>
Deferred Tax (Appendix 4E)	73,541
Liabilities discharged in-year	(73,541)
Final Trade and Other Receivables	<u>-</u>
Contract Liabilities (Appendix 4E)	7,454
Liabilities discharged in-year	(7,454)
Final Contract Liabilities	<u>-</u>

<u>Expense incurred in-year</u>	<u>Appendix 4E</u>	<u>Final report</u>	<u>Movement</u>
Software and Hardware for resale	663,716	799,292	135,576
Depreciation and amortisation	150,646	172,722	22,076
Legal and professional fees	974,042	1,088,920	114,878
Other expenses	569,414	502,233	(67,181)
			<u>205,349</u>

5. Employee benefit expense was recalculated and reapportioned between current and non-current. Consequently, Employee benefits expense and liabilities as at 31 March 2022 were as follows:

	\$
Employee benefit expense (Appendix 4E)	5,405,486
Increase in expense recognised	(365,630)
Final employee benefit expense	<u>5,039,856</u>
Employee Benefits current (Appendix 4E)	159,581
Liabilities discharged in-year	53,525
Final Employee Benefits current	<u>213,106</u>

Employee Benefits non-current (Appendix 4E)	39,353
Liabilities discharged in-year	<u>(24,895)</u>
Final Employee Benefits non-current	14,458
Reserves (Share-based payments) (Appendix 4E)	3,948,898
Additional employee benefit recognised	<u>141,237</u>
Final Reserves (Share-based payments)	4,090,135

The net impact of the above on the Loss after income tax expense for the year attributable to the owners of Cipherpoint Limited:

Loss after income tax expense (Appendix 4E)	8,194,477
Increase in loss recognised	<u>807,333</u>
Final Loss after income tax expense	9,001,810

This announcement has been authorised by the Board.

**Cipherpoint Limited (ASX:CPT)**

**Further information**

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

**Cipherpoint investor relations contact:**

Ted Pretty

Chairman

Ted.pretty@cipherpoint.com

Peter Taylor

Investor Relations

Peter@nwrcommunications.com.au

+61 412 036 231

---