



ASX ANNOUNCEMENT

2 August 2021

CIPHERPOINT ANNOUNCES \$2.9M CAPITAL RAISING TO DRIVE FURTHER GROWTH IN ITS INFRASTRUCTURE & TECHNOLOGY BUSINESS

Cipherpoint Limited [ASX:CPT] (the Company or Cipherpoint), is pleased to announce that it has received confirmation from its lead managers of binding commitments to a capital raising of \$2.9 million (before costs) (**Capital Raising**).

The Capital Raising is to be comprised of:

- An issue of 52.6 million ordinary shares (**Placement Shares**) at an issue price of \$0.027 per share (to raise \$1,420,200) (**Placement**); and
- The issue of convertible notes with a face value of \$1,500,000 (**Convertible Notes**).

The Capital Raising was jointly led by leading Melbourne boutiques, Peak Asset Management (CoPeak Pty Ltd) and Cumulus Wealth Management (Cumulus Wealth Pty Ltd) (together the **Joint Lead Managers**).

Funds raised are proposed to 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 comprising of annual revenues of \$5 million in the 12 months to 31 March 2022.
- Pursuit of additional acquisition opportunities to complement the Company's core business.

Non-Executive Chairman Ted Pretty said: *"The successful placement and convertible note raising reinforces the confidence of sophisticated investors in the Cipherpoint group with its recent acquisition of the Brace168 business and the potential of the Company for growth. Working capital will be used to both add additional resources to the team that will directly support revenue generating contracts and to focus on business development and new partnerships. I am pleased to advise that the Joint Lead Managers have opted to receive their brokerage fees by way of scrip, which we believe is a strong sign of support in the Company's current strategy."*

Placement Terms

The Placement Shares will be issued to professional and sophisticated investors without shareholder approval using the Company's existing placement capacity under ASX Listing Rules 7.1 and 7.1A. Every 2 Placement Shares will be issued along with 1 free-attaching option (new class) having an exercise price of 8 cents and an expiry date of 15 February 2023 (**Placement Option**). The issue of the Placement Options is subject to shareholder approval which will be sought by the Company at its AGM

proposed to be held in September. The Placement Options will be unlisted although the Company may seek quotation of the Placement Options if the ASX-quotation requirements can be met.

Convertible Note Terms

The Convertible Notes will be issued to professional and sophisticated investors and have an aggregate face-value of \$1.5 million. The Convertible Notes are unsecured, accrue interest at 8% per annum (compounding monthly) and have an expiry date which is 6 months from the date of the Company's forthcoming AGM. The face-value Convertible Notes (together with any accrued interest) automatically convert to shares and options on the same terms as the Placement (i.e. at 2.7 cents per share with a 1:2 free-attaching option) subject to shareholder approval which will be sought by the Company at its AGM. The terms of the Convertible Notes otherwise include provisions which are typical to similar instruments including default events and representations and warranties from both the Company and investors.

Other Terms

Subject to completion of the Placement, the Company has agreed to issue the Joint Lead Managers an aggregate of 30 million options having the same terms as the Placement Options. The issue of the Placement Options is subject to shareholder approval to be sought at the AGM and if approval is not obtained the Company has agreed to pay the Joint Lead Managers a further joint cash fee of \$30,000. Standard placement fees apply to funds raised under the Placement.

Appendix 3Bs for the issues contemplated above will be released in conjunction with this announcement.

--Ends--

This announcement has been approved for release by the Board.

About Cipherpoint Group

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. Cipherpoint, through its wholly owned subsidiary Brace 168 Pty Limited, also offers managed cyber security services for large and medium enterprises.

Further information

For further information, please visit [cipherpoint.com](https://www.cipherpoint.com)

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