



ASX ANNOUNCEMENT

16 March 2021

CIPHERPOINT ANNOUNCES SATISFACTORY COMPLETION OF BRACE168 DUE DILIGENCE, SIGNING OF THE SALE PURCHASE AGREEMENT AND PROVIDES BUSINESS UPDATE

Cipherpoint Limited (ASX:CPT) (CPT or the Company), Sydney, Australia 16 March 2021

CPT is pleased to announce the satisfactory completion of due diligence and the signing of the full form Sale and Purchase Agreement (**SPA**) to acquire Brace168 Pty Ltd (**Brace168**).

The Company now looks forward to concluding the current partially underwritten Entitlement Offer with subscriptions due by 5pm (Sydney time) on Monday 22nd March 2021. The EGM to approve the overall Brace168 acquisition will take place at 10am (Sydney time) on Wednesday 31 March 2021 and shareholders are encouraged to lodge their votes or proxies prior to the EGM.

The Board believes that the acquisition of Brace168 will create new momentum for CPT and, in respect of the proposed acquisition, provides the following update:

1. The Brace168 team has advised it is on track to achieve strong year on year growth in recurring revenues. Key top ASX50 and ASX200 listed customers have agreed to renewals with upside from an expansion of services revenue. Additional team members are being recruited for business development and customer success. The Brace168 sales pipeline continues to build.
2. CPT has commenced the process of establishing an additional managed security service operation in Europe by leveraging its existing presence in Germany and capitalising on the strong desire for localised service providers in this market. It intends to host its services within the scalable data center space of Stackit a member of the Schwarz Gruppe - one of Europe's largest family owned companies. Following completion of the acquisition, CPT intends to expand the reach of Brace168 services. Further details of the proposed expansion will be released post completion of the Brace168 transaction.
3. Brace168 continues to augment its core managed services by expanding its partner program through relationships with Checkpoint, Skybox Security and Micro Focus and reseller relationships with Cisco, Juniper, and Meraki, to name a few. CPT hopes to be able to make further announcements regarding this expansion in the short term.
4. The core existing CPT software business sales pipeline for both the cp.Protect and cp.Discover products continues to show potential notwithstanding the continuing lockdowns in Europe and longer sales cycles. CPT continues to progress discussions with key potential channel partners and will provide updates in due course.

The terms of the SPA are consistent with the prior announcements of the Company in relation to the binding Terms Sheet announced on 21 January 2021 (**Prior Release**), other than that the Company and the Brace168 vendors have negotiated a compromise whereby the warranties of the Brace168

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vendors, which are subject to usual limitations and qualifications, are given severally by each vendor (and guaranteed by the relevant Brace168 principal). A summary of the terms of the acquisition is set out in the Company's Prior Release and its notice of meeting released to the ASX on 1 March 2021.

--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.

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

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).

For further information, please visit <https://www.brace168.com/>

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