Cipherpoint Limited Appendix 4E Preliminary final report



1. Company details

Name of entity:	Cipherpoint Limited
ABN:	61 120 658 497
Reporting period:	For the year ended 31 March 2022
Previous period:	For the year ended 31 March 2021

2. Results for announcement to the market			
			\$
Revenues from continuing operations	up	100.0% to	4,238,261
Loss from ordinary activities after tax attributable to the owners of Cipherpoint Limited	up	178.1% to	(8,194,477)
Net loss for the year attributable to the owners of Cipherpoint Limited	up	178.1% to	(8,194,477)
		2022 Cents	2021 Cents
Basic earnings per share Diluted earnings per share		(2.70) (2.70)	(2.82) (2.82)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the Group after providing for income tax amounted to \$8,194,477 (31 March 2021: \$2,946,327).

Refer to Market announcement, which precedes the Appendix 4E, for further commentary on the results for the year ended 31 March 2022.

3. Net tangible assets

	period Cents	period Cents
Net tangible assets per ordinary security	0.17	1.94

Net tangible assets per ordinary security has been calculated by excluding the net right-of-use assets and leases liabilities of (\$5,968).

4. Control gained over entities

Brace168 Pty Ltd was 100% acquired by Cipherpoint limited as at 1 April 2021. Brace168 contributes approximately \$0.9m of the loss from continuing operations for the 12 months.

Virtual Information Technology Pty Ltd was 100% acquired by Cipherpoint limited as at 1 November 2021. Virtual Information Technology contributes approximately \$0.12m of the loss from continuing operations for the 5 months of ownership in the reporting period.



5. Loss of control over entities

No entities were sold during the reporting period. As previously disclosed to the market, Cipherpoint sold a collection of software assets to archTIS.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements are in the process of being audited and an unqualified opinion is expected to be issued. The auditor's report will contain a paragraph addressing material uncertainty related to going concern.

8. Attachments

Details of attachments (if any):

The Preliminary Financial Report of Cipherpoint Limited for the year ended 31 March 2022 is attached.

Signed

Ted Pretty Chairman Sydney

Date: 10 June 2022



Cipherpoint Limited

ABN 61 120 658 497

Preliminary Financial Report - 31 March 2022

Cipherpoint Limited Contents 31 March 2022



2

4 5

6

7

Consolidated statement of profit or loss and other comprehensive income Consolidated statement of financial position Consolidated statement of changes in equity Consolidated statement of cash flows Notes to the consolidated financial statements

1

Cipherpoint Limited Consolidated statement of profit or loss and other comprehensive income For the year ended 31 March 2022



	Note	Consoli 2022 \$	dated 2021 \$
Revenue from continuing operations			
Revenue - technology related products and services	2	4,238,261	-
Other income - including COVID-19 stimulus grants	2	100,000	49,911
Fair value gain on financial liability		40,633	-
		4,378,894	49,911
Evenence			
Expenses Software and hardware for resale		(663,716)	
Employee benefit expense	3	(5,405,486)	- (1,354,203)
Consultancy fees expense	5	(4,382)	(1,334,203) (98,000)
Depreciation and amortisation expense	3	(150,646)	(11,288)
Impairment of goodwill	3	(5,816,823)	(,,
Impairment of receivables		(30,000)	(32,039)
Legal and professional fees expense		(974,042)	(270,774)
Marketing and promotion expense		(167,626)	(240,180)
((//)Travel and accommodation expense		(98,345)	(11,764)
Office and administration expense		(411,181)	(138,977)
Other expenses		(569,414)	(243,193)
Total expenses		(14,291,661)	(2,400,418)
Results from operating activities		(9,912,767)	(2,350,507)
Finance income calculated using the effective interest method		1,948	594
Finance costs	3	(29,473)	(7,268)
60	-		(1,200)
Loss before income tax expense from continuing operations		(9,940,292)	(2,357,181)
Income tax expense		(10,496)	-
Loss after income tax expense from continuing operations		(9,950,788)	(2,357,181)
Profit/(loss) after income tax expense from discontinued operations		1,756,311	(589,146)
Loss after income tax expense for the year attributable to the owners of Cipherpoint Limited		(8,194,477)	(2,946,327)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss		169,322	(18,640)
			(10,010)
Other comprehensive income for the year, net of tax		169,322	(18,640)
Total comprehensive income for the year attributable to the owners of Cipherpoint Limited		(8,025,155)	(2,964,967)
Total comprehensive income for the year is attributable to:			
Continuing operations		(9,781,466)	(2,375,821)
Discontinued operations		1,756,311	(589,146)
			(000,110)
		(8,025,155)	(2,964,967)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Cipherpoint Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 March 2022



Cents

Cents

	Earnings per share for loss from continuing operations attributable to the owners of Cipherpoint Limited			
	Basic earnings per share	7	(3.28)	(2.25)
_	Diluted earnings per share	7	(3.28)	(2.25)
2	Earnings per share for profit/(loss) from discontinued operations attributable to the owners of Cipherpoint Limited Basic earnings per share Diluted earnings per share	7 7	0.58 0.58	(0.56) (0.56)
	Earnings per share for loss attributable to the owners of Cipherpoint Limited Basic earnings per share Diluted earnings per share	7 7	(2.70) (2.70)	(2.82) (2.82)

Cipherpoint Limited Consolidated statement of financial position As at 31 March 2022



Assets Current assets Cash and cash equivalents Cash and cash equivalents Page and other receivables Property prime tax refund due Property prime tax refund due Property prime tax refund due Property prime tax seets Other assets Property, plant and equipment Property, plant and equipment Other assets Property, plant and equipment Other assets Other assets Brow of the assets Other assets Brow of the assets Other assets Soft 142 Other assets Brow of the assets Cash and cash of the payables Contract liabilities Contract liabilities Lease liabilities Deferred consideration 2.392.765 Value Contract liabilities Contract liabilities Contract liabilities Contract liabilities Contract liabilities Contract liabilities Contract		Note	Consol 2022 \$	idated 2021 \$
Cash and cash equivalents 1,903,632 3,971,549 Trade and other receivables 4 515,730 163,919 Income tax refund due 191,247 40,336 Other assets 55,618 - Total current assets 2,706,635 4,175,804 Non-current assets 206,142 - Propayment 326,301 14,213 Other assets 206,142 - Other assets 98,707 79,601 Other assets 93,314 - Other assets 93,3150 93,814 Total assets 3,337,785 4,269,618 Liabilities 3,337,785 4,269,618 Liabilities 10,986 - Current liabilities 10,986 - Employee benefits 10,986 - Deferred consideration 2,322,765 458,456 Non-current liabilities 7,454 67,438 Contract liabilities 7,454 67,438 Employee benefits 189,181 - Deferred consideration 239,353 -	Assets			
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Employee benefits 39,353 - Total non-current liabilities 309,536 67,438 Total liabilities 2,730,114 525,894 Net assets 607,671 3,743,724 Equity ssued capital 6 103,122,027 98,468,154 Reserves 3,948,898 3,557,850 (106,463,254) (98,282,280)				-
Total non-current liabilities 309,536 67,438 Total liabilities 2,730,114 525,894 Net assets 607,671 3,743,724 Equity Issued capital 6 103,122,027 98,468,154 Reserves 3,948,898 3,557,850 (106,463,254) (98,282,280)				-
Total liabilities 2,730,114 525,894 Net assets 607,671 3,743,724 Equity 1ssued capital 6 103,122,027 98,468,154 Reserves 3,948,898 3,557,850 (106,463,254) (98,282,280)				-
Net assets 607,671 3,743,724 Equity Issued capital 6 103,122,027 98,468,154 Reserves 3,948,898 3,557,850 (106,463,254) (98,282,280)	I otal non-current liabilities		309,536	67,438
Equity 6 103,122,027 98,468,154 Issued capital 3,948,898 3,557,850 Accumulated losses (106,463,254) (98,282,280)	Total liabilities		2,730,114	525,894
Issued capital 6 103,122,027 98,468,154 Reserves 3,948,898 3,557,850 Accumulated losses (106,463,254) (98,282,280)	Net assets		607,671	3,743,724
Issued capital 6 103,122,027 98,468,154 Reserves 3,948,898 3,557,850 Accumulated losses (106,463,254) (98,282,280)	Equity			
Reserves 3,948,898 3,557,850 Accumulated losses (106,463,254) (98,282,280)		6	103,122,027	98,468,154
Accumulated losses (106,463,254) (98,282,280)				
Total equity 607,671 3,743,724	Accumulated losses		(106,463,254)	
	Total equity		607,671	3,743,724

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Cipherpoint Limited Consolidated statement of changes in equity For the year ended 31 March 2022



Consolidated	Share capital \$	Reserves \$	Accumu- lated losses \$	Total equity \$
Balance at 1 April 2020	93,120,766	3,311,334	(95,930,926)	501,174
Loss after income tax expense for the year Other comprehensive income for the year, net of tax	-	- (18,640)	(2,946,327)	(2,946,327) (18,640)
Total comprehensive income for the year	-	(18,640)	(2,946,327)	(2,964,967)
Transactions with owners in their capacity as owners: Contributions of equity, net of transaction costs (note 6) Share based payments – share options Share based payments – employee loan shares Share options - performance rights Share based payments – share options lapsed Cancellation of warrants	5,347,388 - - - - -	307,119 204,368 348,642 (87,228) (507,745)	- - - 87,228 507,745	5,347,388 307,119 204,368 348,642 - -
Balance at 31 March 2021	98,468,154	3,557,850	(98,282,280)	3,743,724
Consolidated	Share capital \$	Reserves \$	Accumu- lated losses \$	Total equity \$
Balance at 1 April 2021	98,468,154	3,557,850	(98,282,280)	3,743,724
Balance at 1 April 2021 Loss after income tax expense for the year Other comprehensive income for the year, net of tax	98,468,154 - -	3,557,850 - 169,322	(98,282,280) (8,194,477) 	3,743,724 (8,194,477) 169,322
Loss after income tax expense for the year	98,468,154 - - -	-		(8,194,477)
Loss after income tax expense for the year Other comprehensive income for the year, net of tax Total comprehensive income for the year <i>Transactions with owners in their capacity as owners:</i> Contributions of equity, net of transaction costs (note 6) Share based payments – share options Share based payments – employee loan shares Share options - performance rights	- - - 4,537,376 - - -	169,322 169,322 (100,671) 265,609 411,525	(8,194,477) 	(8,194,477) <u>169,322</u>
Loss after income tax expense for the year Other comprehensive income for the year, net of tax Total comprehensive income for the year <i>Transactions with owners in their capacity as owners:</i> Contributions of equity, net of transaction costs (note 6) Share based payments – share options Share based payments – employee loan shares		 169,322 (100,671) _265,609	(8,194,477)	(8,194,477) <u>169,322</u> (8,025,155) 4,537,376 (100,671) 265,609

Cipherpoint Limited Consolidated statement of cash flows For the year ended 31 March 2022



Adjustments for: Depreciation and amortisation3150,646Share-based payments35,816,823Share-based payments3491,875Gain on disposal of business(1,693,811)(3,319,370)(2Change in operating assets and liabilities: Increase in trade and other receivables (Increase)/decrease in prepayments(157,119)Decrease in trade and other receivables (Increase)/decrease in other operating assets(157,119)Decrease in trade and other payables(198,122)Increase/(decrease) in contract liabilities(198,122)Increase in employee benefits(190,127)Increase in operating activities(3,551,542)Net finance costs(3,551,542)Vet finance costs(2,677,000)Payment for purchase of business, net of cash acquired Payments for property, plant and equipment Proceeds from disposal of business(2,677,000)Payments for property, plant and equipment Proceeds from disposal of business(1,523,000)Proceeds from disposal of business(1,523,000)Proceeds from disposal of business(1,523,000)Proceeds from financing activities(1,523,000)	ted 2021 \$
Adjustments for: Depreciation and amortisation 3 150,646 Impairment of goodwill 3 5,816,823 Share-based payments 3 491,875 Foreign exchange differences 90,078 Gain on disposal of business (1,693,811) (3,319,370) (2 Change in operating assets and liabilities: (1,693,811) Increase in trade and other receivables (157,119) (Increase)/decrease in prepayments 10,680 Decrease in trade and other payables (198,122) Increase/(decrease) in contract liabilities: (190,127) Increase in employee benefits (140,434 Net finance costs (3,551,542) (2 Payment for purchase of business, net of cash acquired (2,677,000) Payments for security deposits (65,000) Proceeds from disposal of business 1,320,000 Payments for security deposits (65,000) Proceeds from other assets 168,000 Net cash used in investing activities (1,523,000) Payments for security deposits (265,206) Proceeds from thre assets 6 2,435,206 Pro	2,946,327)
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impairment of goodwill35,816,823Share-based payments3491,875Foreign exchange differences99,078Gain on disposal of business(1,693,811)(3,319,370)(2Change in operating assets and liabilities: Increase in trade and other receivables (Increase)/decrease in prepayments(1,57,119)Decrease in other operating assets162,082Decrease in other operating assets(198,122)Increase/(decrease) in contract liabilities(190,127)Increase (decrease) in contract liabilities(190,127)Increase in employee benefits(3,551,542)Net finance costs(3,551,542)Net cash used in operating activities(3,551,542)Payments for property, plant and equipment Payments for property, plant and equipment Proceeds from disposal of business(2,677,000)Payments for security deposits Proceeds from other assets(1,523,000)Net cash used in investing activities(1,523,000)Proceeds from tissue of shares Payment of share issue costs62,435,2065Proceeds from borrowings913,000	
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Change in operating assets and liabilities: Increase in trade and other receivables(157,119)Increase/decrease in prepayments10,680Decrease in other operating assets162,082Decrease in trade and other payables(198,122)Increase/(decrease) in contract liabilities(190,127)Increase in employee benefits140,434Net finance costs(3,551,542)Net finance costs(3,551,542)Net cash used in operating activities(3,534,017)Payment for purchase of business, net of cash acquired(2,677,000)Payments for security deposits(65,000)Proceeds from disposal of business1,320,000Proceeds from other assets(1,523,000)Net cash used in investing activities(1,523,000)Proceeds from tinvesting activities(2,677,000)Payments for security deposits(65,000)Proceeds from disposal of business(1,523,000)Proceeds from thre assets(1,523,000)Proceeds from tinvesting activities(2,65,206)Proceeds from bisue of shares62,435,206(265,206)Proceeds from borrowings(265,206)	-
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Increase in trade and other receivables(157,119)(Increase)/decrease in prepayments10,680Decrease in other operating assets162,082Decrease in trade and other payables(198,122)Increase/(decrease) in contract liabilities(190,127)Increase in employee benefits140,434Net finance costs17,525Net cash used in operating activities(3,551,542)Payment for purchase of business, net of cash acquired(2,677,000)Payments for property, plant and equipment(269,000)Payments for security deposits(65,000)Proceeds from disposal of business1,320,000Net cash used in investing activities(1,523,000)Proceeds from other assets62,435,2065Proceeds from other assets(1,523,000)Proceeds from financing activities(1,523,000)Payment of shares62,435,2065Payment of share issue costs(265,206)Proceeds from borrowings913,000	
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Increase/(decrease) in contract liabilities(190,127)Increase in employee benefits140,434Net finance costs(3,551,542)Net cash used in operating activities(3,534,017)Payment for purchase of business, net of cash acquired(2,677,000)Payment for property, plant and equipment(269,000)Payments for security deposits(65,000)Proceeds from disposal of business1,320,000Proceeds from other assets168,000Net cash used in investing activities(1,523,000)Proceeds from financing activities(2,677,000)Proceeds from investing activities(1,523,000)Proceeds from financing activities(1,523,000)Proceeds from issue of shares6Payment of share issue costs(265,206)Proceeds from borrowings913,000	-
Increase in employee benefits140,434Net finance costs(3,551,542)Net cash used in operating activities(3,534,017)Cash flows from investing activities(3,534,017)Payment for purchase of business, net of cash acquired(2,677,000)Payments for property, plant and equipment(269,000)Payments for security deposits(65,000)Proceeds from disposal of business1,320,000Proceeds from other assets(1,523,000)Net cash used in investing activities(1,523,000)Proceeds from issue of shares6Payment of share issue costs(265,206)Proceeds from borrowings913,000	(274,028)
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Net finance costs17,525Net cash used in operating activities(3,534,017)Payment for purchase of business, net of cash acquired(2,677,000)Payments for property, plant and equipment(269,000)Payments for security deposits(65,000)Proceeds from disposal of business1,320,000Proceeds from other assets168,000Net cash used in investing activities(1,523,000)Cash flows from financing activities(2,672,000)Proceeds from issue of shares6Proceeds from issue of shares(2,672,000)Proceeds from issue of shares(2,672,000)Proceeds from issue of shares913,000	9,086
Net cash used in operating activities(3,534,017)(2Cash flows from investing activities(2,677,000)Payment for purchase of business, net of cash acquired(2,677,000)Payments for property, plant and equipment(269,000)Payments for security deposits(65,000)Proceeds from disposal of business1,320,000Proceeds from other assets168,000Net cash used in investing activities(1,523,000)Cash flows from financing activities6Proceeds from issue of shares6Payment of share issue costs(265,206)Proceeds from borrowings913,000	2,464,935)
Cash flows from investing activitiesPayment for purchase of business, net of cash acquired(2,677,000)Payments for property, plant and equipment(269,000)Payments for security deposits(65,000)Proceeds from disposal of business1,320,000Proceeds from other assets168,000Net cash used in investing activities(1,523,000)Proceeds from financing activities6Proceeds from issue of shares6Payment of share issue costs(265,206)Proceeds from borrowings913,000	6,674
Payment for purchase of business, net of cash acquired(2,677,000)Payments for property, plant and equipment(269,000)Payments for security deposits(65,000)Proceeds from disposal of business1,320,000Proceeds from other assets168,000Net cash used in investing activities(1,523,000)Proceeds from financing activities(2,677,000)Proceeds from issue of shares6Payment of share issue costs(2,677,000)Proceeds from borrowings913,000	2,458,261)
Payment for purchase of business, net of cash acquired(2,677,000)Payments for property, plant and equipment(269,000)Payments for security deposits(65,000)Proceeds from disposal of business1,320,000Proceeds from other assets168,000Net cash used in investing activities(1,523,000)Proceeds from financing activities(2,677,000)Proceeds from issue of shares6Payment of share issue costs(2,677,000)Proceeds from borrowings913,000	
Payments for security deposits(65,000)Proceeds from disposal of business1,320,000Proceeds from other assets168,000Net cash used in investing activities(1,523,000)Cash flows from financing activities(1,523,000)Proceeds from issue of shares6Payment of share issue costs(265,206)Proceeds from borrowings913,000	-
Proceeds from disposal of business1,320,000Proceeds from other assets168,000Net cash used in investing activities(1,523,000)Cash flows from financing activities(1,523,000)Proceeds from issue of shares6Payment of share issue costs(265,206)Proceeds from borrowings913,000	(3,000)
Proceeds from other assets 168,000 Net cash used in investing activities (1,523,000) Cash flows from financing activities 6 Proceeds from issue of shares 6 Payment of share issue costs (265,206) Proceeds from borrowings 913,000	-
Net cash used in investing activities(1,523,000)Cash flows from financing activities62,435,206Proceeds from issue of shares62,435,206Payment of share issue costs(265,206)Proceeds from borrowings913,000	-
Cash flows from financing activitiesProceeds from issue of sharesPayment of share issue costsProceeds from borrowings913,000	-
Proceeds from issue of shares62,435,2065Payment of share issue costs(265,206)Proceeds from borrowings913,000	(3,000)
Proceeds from issue of shares62,435,2065Payment of share issue costs(265,206)Proceeds from borrowings913,000	
Payment of share issue costs(265,206)Proceeds from borrowings913,000	5,758,815
Proceeds from borrowings 913,000	(213,001)
	(210,001)
	-
Net cash from financing activities 2,993,000 5	5,545,814
	3,084,553
Cash and cash equivalents at the beginning of the financial year 3,971,549 Effects of exchange rate changes on cash and cash equivalents (4,000)	920,935 (33,939)
	3,971,549

6



Note 1. General information

The financial statements cover Cipherpoint Limited (the 'Company' or 'parent entity') as a consolidated entity consisting of Cipherpoint Limited and the entities it controlled ('the Group') at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Cipherpoint Limited's functional and presentation currency.

This preliminary financial report is not a full set of financial statements however the accounting policies remains unchanged from the 31 March 2021 Annual Report.

Cipherpoint Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 2.01, 157 Walker Street North Sydney, NSW 2060

Note 2. Revenue

ID)	Consoli	dated
$\widehat{\mathcal{D}}$	2022 \$	2021 \$
Revenue from contracts with customers from continuing operations: Revenue - technology related products and services	4,238,261	_
Disaggregation of revenue The disaggregation of revenue from contracts with customers is as follows:		
	Consoli	dated
	2022 \$	2021 \$
Major product lines		
Maintenance and Support	26,100	-
Hardware and software resale	392,193	-
Services	3,819,968	-
	4,238,261	-
Geographical regions		
Australasia	4,212,161	-
Germany	26,100	-
	4,238,261	-
Timing of revenue recognition		
Goods transferred at a point in time	292,193	-
Services transferred over time	3,946,068	-
	4,238,261	_

Other income

During the year the Company received payments from the Australian Government amounting to \$100,000 (2021: \$49,911) under the 'JobKeeper' scheme in response to the Covid-19 pandemic.

Note 3. Expenses

	Consoli 2022 \$	dated 2021 \$
Loss before income tax from continuing operations includes the following specific expenses:		
Depreciation Plant and equipment	47,150	11,288
Office right-of-use assets	103,496	-
Total depreciation	150,646	11,288
Impairment of assets Goodwill	5,816,823	<u> </u>
Employee benefit expense	0 574 757	000.040
Wages and salaries Non-executive director fees	3,574,757 258,736	920,940 185,000
Termination benefits	16,244	31,241
Recruitment and sourcing	262,985	4,751
Other employee related expenses	218,909	80,160
Payroll taxes	37,084	26,437
Defined contribution superannuation expense	307,040	69,037
Bonus - cash component (reversed)	237,856	(43,562)
Equity settled share-based payments	491,875	751,519
Commissions	-	22,133
Total employee benefits	5,405,486	2,047,656
Finance costs		
Interest and finance charges paid/payable on borrowings	6,195	7,268
Interest and finance charges paid/payable on lease liabilities	23,278	-
Finance costs expensed	29,473	7,268
Note 4. Trade and other receivables		
	Consoli	dated
	2022	2021
	\$	\$
Current assets		
Trade receivables	408,465	148,057
Less: Allowance for expected credit losses	-	(34,548)
	408,465	113,509
Other receivebles	107 065	
Other receivables	107,265	-
GST/ VAT receivables		50,410
	515,730	163,919

[CIPHERPOINT]

Allowance for expected credit losses

The Group has recognised an impairment of \$30,000 (2021: \$32,039) in profit or loss in respect of the expected credit losses for the year ended 31 March 2022.

Note 5. Trade and other payables

	Consolio	dated
	2022	2021
	\$	\$
Current liabilities		
Trade payables	410,859	132,059
Other payables and accrued expenses	1,254,396	99,638
	1,665,255	231,697
Note 6. Issued capital		
	Consolidated	

	Consolidated				
5	2022 Shares	2021 Shares	2022 \$	2021 \$	
Ordinary shares - fully paid	354,776,234	193,268,606	103,122,027	98,468,154	

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 April 2020	34,244,326		93,120,766
Share purchase plan (b)	6 July 2020	38,461,651	\$0.013	500,000
Issue of rights (c)	8 July 2020	19,000,000	\$0.023	437,000
Successful Series (d)	29 September 2020	30,391,797	\$0.048	1,458,806
Issue of rights (e)	2 October 2020	17,979,344	\$0.048	863,009
Issue of rights (f)	1 February 2021	21,276,597	\$0.047	1,000,000
Issue of rights (g)	26 March 2021	25,210,906	\$0.047	1,184,913
Issue of rights (h)	30 March 2021	6,703,985	\$0.047	315,087
Less: share issue costs				(411,427)
Balance	31 March 2021	193,268,606		98,468,154
Ussue of shares on acquisition of Brace168 Pty Ltd				
(a)	1 April 2021	21,750,000	\$0.047	1,022,250
Issue of shares (b)	6 August 2021	26,300,001	\$0.027	710,100
Issue of shares (c)	10 August 2021	26,296,296	\$0.027	710,000
Conversion of convertible notes with Peak (d)	30 September 2021	28,148,150	\$0.027	755,000
Conversion of convertible notes with Variathus (e) Brace168 Acquisition contingent consideration-	30 September 2021	28,148,150	\$0.027	755,000
transfer from performance rights (f) Brace168 Acquisition contingent consideration-earn	30 September 2021	4,480,500	\$0.000	116,497
out (g)	30 September 2021	6,362,310	\$0.047	197,232
Issue of shares on acquisition of Peak and	•			
Variathus in lieu of brokerage (h)	11 October 2021	6,488,888	\$0.027	175,200
Issue of shares on VIT (i)	25 November 2021	10,200,000	\$0.039	397,800
Issue of shares on Ben Cowan (VCF Capital) (j)	24 March 2022	3,333,333	\$0.024	80,000
Less: share issue costs			\$0.000	(265,206)
Balance	31 March 2022	354,776,234		103,122,027



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Note 6. Issued capital (continued)

During the period ended 31 March 2021, the Group completed the following transactions in respect of the issue of ordinary shares with the exception of transaction (a) which took place in the prior year:

- a) The Group consolidated its shareholding by 20 shares to 1 share.
- b) The Group issued 38,461,651 ordinary shares in the Company totalling \$500,000 as part of the Share Purchase Plan ('SPP').
- The Group issued 19,000,000 ordinary shares in the Company totalling \$437,000 to participants in a placement.
- d) The Group issued 30,391,797 ordinary shares in the Company totalling \$1,458,806 (11,313,039 ordinary shares to participants in a placement and 19,078,758 ordinary shares as part of the non-renounceable rights issue).
- (e) The Group issued 17,979,344 ordinary shares in the Company totalling \$863,009 to participants in a placement.
- f) The Group issued 21,276,597 ordinary shares in the Company totalling \$1,000,000 to participants in a placement.
- (g) The Group issued 25,210,906 ordinary shares in the Company totalling \$1,184,913 as part of the non-renounceable rights issue.
- (h) The Group issued 6,703,985 ordinary shares in the Company totalling \$315,087 to participants in a placement.

During the period ended 31 March 2022, the Group completed the following transactions in respect of the issue of ordinary shares:

- (a) The Group issued 21,750,000 ordinary shares in the Company totalling \$1,022,250 to the vendors of Brace168 in connection with its acquisition by the Company.
- (b) The Group issued 26,300,001 ordinary shares in the Company totalling \$710,100 to participants in a placement.
- (c) The Group issued 26,296,296 ordinary shares in the Company totalling \$710,000 to participants in a placement.
- (d) The Group issued 27,962,965 ordinary shares in the Company totalling \$750,000 to the clients of Peak Asset Management Pty Ltd upon conversion of convertible notes.
- (e) The Group issued 27,962,964 ordinary shares in the Company totalling \$750,000 to the clients of Variathus Capital
 Pty Ltd upon conversion of convertible notes.
- (f) Performance rights were exercised during the year and a transfer adjustment was recognised between reserves and share capital following the issue of 4,480,500 shares to employees of the Company.
- (g) The Group issued 6,362,310 ordinary shares in the Company totalling \$197,232 to the vendors of Brace168 for the deferred share milestone one in connection with its acquisition by the Company.
- (h) The Group issued 6,488,888 ordinary shares in the Company totalling \$175,200 to Peak Asset Management and Variathus Capital in lieu of brokerage fees.
 - The Group issued 10,200,000 ordinary shares in the Company totalling \$397,800 to the vendor of Virtual Information Technology in connection with its acquisition by the Company.
 - The Group issued 3,333,333 ordinary shares in the Company totalling \$80,000 to Ben Cowan of VCF Capital in lieu of fees for Corporate Advisory.

Ordinary shares

Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.



Note 6. Issued capital (continued)

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. At the date of this report, the Group has not entered into discussions to invest in further businesses, but will continue to evaluate opportunities as they arise.

Note 7. Earnings per share

The capital risk management policy remains unchanged from the 31 March 2021 Annual Re	eport.	
Note 7. Earnings per share		
	Conso 2022 \$	lidated 2021 \$
Earnings per share for loss from continuing operations Loss after income tax attributable to the owners of Cipherpoint Limited	(9,950,788)	(2,357,181)
Weighted average number of ordinary shares used in calculating basic earnings per share	Number 303,699,063	Number 104,615,638
Weighted average number of ordinary shares used in calculating diluted earnings per share	303,699,063	104,615,638
	Cents	Cents
Basic earnings per share Diluted earnings per share	(3.28) (3.28)	(2.25) (2.25)
	Conso 2022 \$	lidated 2021 \$
Earnings per share for profit/(loss) from discontinued operations Profit/(loss) after income tax attributable to the owners of Cipherpoint Limited	1,756,311	(589,146)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	303,699,063	104,615,638
Weighted average number of ordinary shares used in calculating diluted earnings per share	303,699,063	104,615,638
	Cents	Cents
Basic earnings per share Diluted earnings per share	0.58 0.58	(0.56) (0.56)
	Conso 2022 \$	lidated 2021 \$
<i>Earnings per share for loss</i> Loss after income tax attributable to the owners of Cipherpoint Limited	(8,194,477)	(2,946,327)



Note 7. Earnings per share (continued)

		Number	Number	
	Weighted average number of ordinary shares used in calculating basic earnings per share	303,699,063	104,615,638	
\geq	Weighted average number of ordinary shares used in calculating diluted earnings per share	303,699,063	104,615,638	
		Cents	Cents	
5	Basic earnings per share Diluted earnings per share	(2.70) (2.70)	(2.82) (2.82)	

The 132,525,531 (2021: 35,879,114) options, employees loan shares and performance rights could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share because they are antidilutive for the periods presented.