CIPHERPOINT

ASX ANNOUNCEMENT (ASX: CPT)

30 January 2020

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APPENDIX 4C FOR THE QUARTER ENDED 31 DECEMBER 2019

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Cipherpoint Limited (**Cipherpoint** or the **Company**) (ASX: CPT) is pleased to provide the following quarterly business update and Appendix 4C.

Quarter Financial Highlights
Financial highlights for the quarter were:
- Operating cash costs for the December 2019 quarter were $1.09M (Compared to $1.85M for the September 2019 quarter and $2.25M for the December 2018 quarter).
- The Company received net $1.1M in cash arising from the sale of the SafeShare business to Cybr5. At the date of this report, $79.5K remains due to the Company.
- The Company received R&D refund of $810K.
- The Company paid the final instalment of $485K (€300K) to dataglobal GmbH for its licence of the dataglobal classification engine.
- The Company held $1.755M in cash as at 31 December 2019.

Appendix 4C
The Company's December 2019 Appendix 4C is attached. Following the change of the Company's financial year announced to the ASX on 2 April 2019, the attached Appendix 4C reflects the third quarter's activities of the Company's new financial year commencing 1 April 2019.

Operational update
- The name of the Company was changed from Covata Limited (ASX: CVT) to Cipherpoint Limited (ASX: CPT) following the general meeting on 17 December 2019.
- Cipherpoint GmbH launched in Baden-Württemberg, Germany to expand the business in the DACH region.
- Graham Mirabito, former CEO of CoreLogic RP Data Limited, joins the board.

March 2020 Quarter/2020 Outlook
- Having now fully divested the Cocoon Group business, management eagerly look forward to scaling up and renewing existing Cipherpoint Eclipse customers as well as landing new customers and partners in Europe and the Asia Pacific for its cp.Protect, cp.Discover, cp.OEM products.
- Estimated cash outflows for next quarter is an estimated $1.1M. Management will continue to closely manage the Company's operations in line with available resources.
- Sales and pre-sales resources have now been deployed to Europe and the Company's digital lead strategy that was launched in early December 2019 has already begun to generate market interest for the Company's data discovery and protection products. A number of customer trials are underway.

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Ends--

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This announcement has been approved for release by Ted Pretty, Chairman.

About Cipherpoint

Cipherpoint is a leading provider of software solutions that enable continuous identification, classification and secure management of unstructured data across enterprise and the cloud and consolidates control into one place for companies to securely manage their data to be compliant, reduce risk, reduce costs and improve productivity.

Cipherpoint empowers businesses to discover, protect and control sensitive information across multiple platforms and repositories with industry best security for Microsoft SharePoint & Office 365 and Secure Enterprise File Sharing & Collaboration.

Our customers & partners span the public sector and defence, aerospace, technology, automotive, manufacturing, finance, media and sports industries.

Further information

For further information, please visit cipherpoint.com

Cipherpoint investor relations contacts:

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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Cipherpoint Limited

ABN	**Quarter ended ("current quarter")**
61 120 658 497	31 December 2019

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	44	1,199
1.2	Payments for		
	(a) research and development	(30)	(249)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	(53)	(148)
	(d) leased assets	-	-
	(e) staff costs	(667)	(2,502)
	(f) administration and corporate costs	(336)	(1,860)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	3
1.5	Interest and other costs of finance paid	-	(2)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	810	810
1.8	Other – refund of ASX listing fee	83	83
1.9	**Net cash from / (used in) operating activities**	**(148)**	**(2,666)**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(3)	(3)
	(b) businesses (see item 10)	(6)	(6)
	(c) investments	-	-
	(d) intellectual property	(485)	(485)
	(e) other non-current assets	(13)	(20)
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	1
	(b) businesses (see item 10)	1,136	2,986
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	1	1
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – return of credit card facility deposit	-	102
2.6	**Net cash from / (used in) investing activities**	**630**	**2,576**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	500
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(71)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**-**	**429**

		Current quarter $A'000	Year to date (9 months) $A'000
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of quarter/year to date	1,276	1,503
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(148)	(2,666)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	630	2,576
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	429
4.5	Effect of movement in exchange rates on cash held	(3)	(87)
4.6	**Cash and cash equivalents at end of quarter**	**1,755**	**1,755**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	1,755	1,276
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Term deposits callable with less than 3 months' notice)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,755**	**1,276**

6.	Payments to directors of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	(272)
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

7.	Payments to related entities of the entity and their associates	Current quarter $A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8.	Financing facilities available *Add notes as necessary for an understanding of the position*	Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

9.	Estimated cash outflows for next quarter	$A'000
9.1	Research and development	(54)
9.2	Product manufacturing and operating costs	-
9.3	Advertising and marketing	(69)
9.4	Leased assets	-
9.5	Staff costs	(634)
9.6	Administration and corporate costs	(343)
9.7	Other (provide details if material)	-
9.8	**Total estimated cash outflows**	**(1,100)**

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	STOCO 500 GmbH (renamed Cipherpoint GmbH)	Cocoon Data Holdings Pty Limited
10.2	Place of incorporation or registration	Heilbronn, Germany	Victoria
10.3	Consideration for acquisition or disposal (share-based consideration)	$47K	$5 million
10.4	Total net assets	$41K	($141K)
10.5	Nature of business	Software development	Data Security (Software)

Compliance statement

1. This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
2. This statement gives a true and fair view of the matters disclosed.
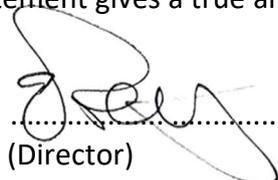
Sign here: .... Date: 30 January 2020
(Director)

Print name: Edward Pretty ....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.