# COVATA

**ASX ANNOUNCEMENT (ASX: CVT)**

30 September 2019

## CHAIRMAN'S ADDRESS – 2019 ANNUAL GENERAL MEETING

I would like to welcome shareholders to this meeting. 2019 has been an eventful year.

I think it is appropriate that I begin by taking shareholders through a brief summary of activity during the year and record my personal thanks to the Chief Executive, Ted Pretty, Chief Financial Officer, Steve Bliim, and the Covata team who have delivered above and beyond expectations over the past year. In addition, I must thank Quinert Rodda & Associates for all their sage advice during the year.

It is perhaps best that my review cover four streams of activity. First; our SafeShare business, second; our SharePoint security business, Eclipse, third; our intention to acquire dataglobal and fourth; our future in Content Services.

**SafeShare**
The year commenced with the successful Launch of SafeShare for ITAR and saw the first US-based deployments within customers of the SafeShare product. This was quickly followed with securing T-Systems South Africa as a customer and channel partner.

The SafeShare product underwent a dramatic shift away from being a standalone, online secure document vault, and can now provide integration with common Microsoft Office online applications, such as Word and Excel. Documents can now be securely shared and edited through the browser-based application, while maintaining our high-quality encryption, access controls, identity management and audit trail.

Additionally, the team, in partnership with UK-Based Byzgen Limited, launched SafeShare Trust, which integrates blockchain technology into Covata's existing data security platform to deliver data and access control, immutability and real-time auditability.

On 30 January 2019, the Company announced it had entered into an agreement whereby Gibraltar Holdings Pty Limited, later its nominee Cybr5 Pty Ltd, had an option until mid March 2019 to acquire 100% of the shares of Cocoon Data Holdings Pty Limited (**Cocoon**) for $5,000,000. Cocoon holds the relevant IP, licences and customer contracts of the SafeShare business.

The disposal of SafeShare was successfully completed in mid July of this year. The sale has freed-up resources to allow management to focus on our Eclipse product along with the continued partnership with dataglobal.

**Eclipse**

Shareholders will recall Covata acquired Eclipse in 2017. After a lengthy marketing process, a start-up deployment of Eclipse with DHL Information Services (Europe) s.r.o. commenced in September 2018, which subsequently progressed to a master Supply and Services Agreement in May 2019. Our first licence was valued at €244,360. This customer has indicated its intention to take further licences for users under the Supply and Services Agreement as the product is more widely adopted across its business units.

Over this time, important Eclipse product improvements have been implemented, including extending our solution to be able to provide greater security for documents stored in Microsoft OneDrive and SharePoint Online. '*Blinding the IT Admin*' is a message that continues to resonate strongly with the market and is driving interest in our Eclipse product offering.

**Acquisition of dataglobal**

As shareholders know, the Company announced plans earlier this calendar year to pursue a major transformational acquisition of German-based Content Services software provider dataglobal GmbH (**dataglobal**). Covata first partnered with dataglobal in March of 2018, by acquiring intellectual property used to conduct sensitive information discovery and classification for the purpose of augmenting our own data security products.

The rationale for the acquisition was to push further into the broader area of Content Services, which is complementary to our Eclipse business.

The Company entered into a binding but conditional agreement to acquire the entire dataglobal business. The acquisition conditions included the preparation of a prospectus, completion of due diligence, regulatory and shareholder approvals, compliance with ASX Listing Rules, and finalisation of a capital raising. Whilst management were able to satisfy almost all conditions in this complex transaction, earlier this month we unfortunately had to withdraw the prospectus due to market conditions, timing and the level of support. As a result, the transaction could not be completed at this time.

It remains our view that the dataglobal acquisition would have delivered Covata's shareholders significant additional value.

**Future Strategy – Content Services**

With the sale of SafeShare complete, and using the proceeds of that sale, the Company intends to focus on its Eclipse business and building a future in Content Services, leveraging the data classification technology originally licensed from dataglobal.

The Company continues to enjoy a good relationship with dataglobal and both parties intend to continue to work together.

Ted will provide shareholders with an outline of our strategy for the year ahead in the presentation to be conducted following the formal conclusion of this meeting.

**Summary**

In summary, whilst the 2019 year was heavy with transactional matters, much has been achieved.

We have validated the potential of our Eclipse product by securing an important major European customer and we have embarked on a broader Content Services strategy with the support of the technology licensed from dataglobal.

Whilst the formal acquisition of dataglobal could not be completed, the Board remains supportive of the strategy of moving into Content Services.

In finishing, I would like to thank my fellow Board members for their ongoing support, as well as our Covata employees who continue to demonstrate their loyalty to the Company and commitment towards its success.

To our shareholders, both longstanding and new – thank you for your support. We will continue to strive to be open, transparent and available. I look forward to the next year with optimism. Thank you.

-Ends-

**About Covata**

Covata 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.

Our Data Security Console empowers businesses to discover, protect and control sensitive information across multiple platforms and repositories with industry best security for Microsoft SharePoint & Office 365, Secure Enterprise File Sharing & Collaboration, and Access Security Broker capabilities through our API translator.

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 [covata.com](covata.com).

**Covata investor relations contacts:**

Steven Bliim
Covata Limited
Chief Financial Officer, Executive Director and Joint Company Secretary
steven.bliim@covata.com
+61 2 8412 8200

Michael Brown
Pegasus Advisory
mbrown@pegasusadvisory.com.au
+61 400 280 080