ASX ANNOUNCEMENT | COVATA LIMITED (ASX:CVT)

30 November 2016

2016 AGM Chairman's Address
Presented by Charles Archer

Good morning ladies and gentlemen. I am Charles Archer, the Chairman of Covata. On behalf of my fellow directors, I am pleased to welcome you to the 2016 Covata Limited Annual General Meeting.

I would like to take this opportunity to reflect on last year's achievements which have strengthened our global market standing, and discuss board and management team changes which I believe position Covata well for success in the year ahead.

First and foremost, I would like to acknowledge the challenging year we have faced. With the share price hitting an all-time low, anticipated revenue lower than expected, and deals taking longer to come to fruition, it is not easy for me, Trent or management to stand before you under these conditions. What we do know is that substantial work has been completed, exciting deals and opportunities are in the pipeline and the Covata team remain dedicated to execution and success.

Covata Product Offerings

Covata's strength has always been in our world-class technology. It has differentiated us in discussions with marquee brand names, and when meeting with government departments and agencies in Australia and the UK – a sector notorious for rigid security requirements. We have continued to invest strategically in our technology and development capabilities to further support our go-to-market strategy and the commercialisation of our two products; Safe Share and Covata Delta.

In 2016 our engineering team announced the release of Safe Share version 3.0. This major release that included multi-tenancy, a key function to support our whole of government strategy, and also features like fingerprinting and improved instant revocation, was directly influenced by technical requirement discussions with partners, customers and prospects. In April, Safe Share was named the winner of the "Cutting Edge Managed File Transfer Solution" category for the 2016 InfoSec Awards. Positive feedback on this release and its deployment played a key role in securing a partnership with leading Taiwanese Telco, Chunghwa, and positioning Covata as a key security vendor in the UK government market.

Safe Share

At the end of July, Safe Share became the first file sharing application to achieve Tier 2 Secret classification on G Cloud. It was accepted onto the UK Government's G Cloud 8 marketplace, significantly enhancing its market position.

This government platform allows public sector organisations to find, build and integrate digital services from pre-approved suppliers. On G Cloud 8, Safe Share can be deployed and hosted on an Official Accredited Cloud Platform delivered by government hosting partner Foreign Commonwealth Office Services, using security-cleared staff. Safe Share remains the only file sharing application currently accepted in this restricted marketplace over trusted government infrastructure.

Having spent much of my career working within the realms of government, I know the hurdles present when

operating in this space. However, I also know the numerous commercial opportunities that this key vertical represents, with more than 250,000 potential end users within a total addressable market of 5.3 million public sector employees.

The progress and success Covata has achieved within the UK government as a result of delivering Safe Share to 15 Australian government departments and agencies, has paved the way for future success in the government space.

Covata Delta

In February 2016, Covata announced the launch of what has now been branded as Delta, but was then referred to as Key-as-a-Service. When complete, our data centric security product Covata Delta will enable developers and software engineers from all around the world to embed Covata's security into their apps, products and services. With Covata's help, security and protecting valuable data will no longer be an afterthought. Trent will talk to you about Covata Delta in further detail.

Enhancing Board and Management

Alongside our continued investment in the development of our technology and commercialisation strategies, we have also focused internally on ensuring we have a strong and experienced team to support company growth. In October we made some changes to our board of directors to better align with our UK government focus. After a number of years in their roles, Philip King and Joseph Miller stepped down, and we welcomed technology and UK government veteran Bill McCluggage to the Board.

I have enjoyed working alongside both Phil and Joe for several years. They have been instrumental in the transition of Covata from an Australian start-up to a publicly listed and internationally recognised security company. I would like to take this opportunity to reiterate our sincere thanks to both Phil and Joe for their support and dedication to Covata.

I would like to formally welcome Bill to our board. Bill has over 15 years of experience working in Managing Director, IT Director, CTO and CIO roles within both devolved and central government bodies, the private sector and notably, as the Government CIO in Ireland and Deputy CIO of the UK Cabinet Office. This follows a distinguished 24-year career as an engineering officer within the Royal Air Force. Bill will be focused on opening doors in the UK for Covata to drive growth in the government sector. Bill has worked closely with Trent over the last few months, and sees a successful future ahead for Safe Share.

Despite a challenging 12 months on the ASX, with growing pressure felt by the board and management, I am proud of the work that has been undertaken and achievements made to date. Covata has consolidated and focused its presence globally and is now working alongside some of the most recognised names in business and technology. The solid foundation, strong partnerships and global clout the Company has developed since I last stood here before you at our 2015 AGM, are proof of the dedication and commitment present. I would like to thank the board and management for their support, but equally, I would also like to thank our employees around the globe who continue to work hard for the Company and contribute to its success every day.

Lastly to our valued shareholders, many of you who have been with us from the beginning, and to those who have joined us more recently - thank you for your support. We strive to be open, transparent and available, and for those present at the AGM, we thank you for taking the time to be here. In my opinion the strategy that will be outlined by Trent, and is supported by the board, will do a substantial amount to rebuild the market position of the Company. As option holders and shareholders ourselves, be assured that we remain committed to driving the value of our share price and the future success of Covata.

I will now pass to Trent for his business update, before we continue with the formal proceedings.

ASX ANNOUNCEMENT | COVATA LIMITED **(ASX:CVT)**

30 November 2016

2016 AGM CEO Address
Presented by Trent Telford

Introduction

Good morning ladies and gentlemen. Thank you for joining us at Covata's AGM. I would like to formally welcome my fellow board members, and thank them for the support they have provided over the year.

I would like to echo Chuck's sentiment in that this is not an easy time to be standing before you. Equally, I would like to acknowledge that this is where we are. We are all keenly focused on a growth strategy aligned to our goals, that we believe will deliver shareholder value in 2017.

This address serves to update you on our partner progress, product solutions, business channels, and the strategic and tactical work that has been undertaken over the past year, as well as to reinforce what we are doing going forward. I truly believe in the plans ahead for Covata, but recognise the hard work involved to get us there. Today I will give you some insights into those plans, with a personal view on our future to close my address.

Existing Partner Update

There are five existing partnerships that I would like to update the market on, as well as relationships where investors have requested further information. While our partners have been slow to deliver revenue, they are strong names validating our technology.

Cisco

In April 2015, just less than 18 months ago, we signed a ten-year agreement with Cisco. While it was originally signed as an OEM agreement, in practice, it has not worked this way. The intention was for Cisco to include Covata in cloud solutions sold by the SXP team to its customers. Instead we have spent a significant amount of time working with Cisco to better understand where we fit, and where our value proposition lies within its technology stack. Both companies now have a much clearer understanding, and we are driving this relationship forward.

We have pursued and worked on potential pilots with Cisco in healthcare and manufacturing that have not progressed for Cisco - this has been beyond our control. Unfortunately, the cloud division of Cisco has faced challenges in the past year and we have been caught up in this. However, they too are aware of these issues and are refocusing. There is increased recognition that partners like Covata can be a serious force in providing innovative capability to Cisco's customers. There are new budgets under review, and accordingly, we remain positive about the year ahead. We continue to work with Cisco to progress opportunities within the partnership and will update the market with progress.

We are simultaneously pursuing relationships with other system integrators and organisations under a more flexible low cost model with Covata Delta – more to come on this.

Sumatics

Sumatics is a company related to Cisco that we formed a strategic partnership with, and whom were instrumental in helping to sign the Cisco partnership. Sumatics remain active in progressing the Cisco

partnership and are tied to specific success criteria by way of warrants, once an $8 million revenue run rate is achieved. Both Covata and Sumatics are focused on reaching this goal with Cisco.

Prime Tenderer

In February 2016, we announced that Covata was named in a successful government tender with a Prime Tenderer. In April, we notified the market about a 'current state', and a 'future state'. The Prime's current state remains problematic with regards to the takeover of infrastructure and services from the incumbent. This is causing issues for the Prime from both a reputational and financial perspective. It is not only Covata in this position with the Prime; there is also a major global Telco sharing similar frustrations after being named in the bid.

Until the Prime is able to resolve this issue, which it is working on, Covata will not be engaged on a 'future state' work stream. The Prime is one year into a ten-year contract with the government department and I am sure they are looking forward to moving to the future state as much as we are.

Telco Channel Partners

With regards to our Telco channel partners, we advised the market in our FY2016 business update that our Latin American and broader Telco strategy was on hold, whilst we focus on T-Systems and Chungwha.

T-Systems

In March 2015 we signed a partnership agreement with Germany's largest telecommunications provider, T-Systems to sell Safe Share through its digital market place. Within T-Systems we have focused on two specific customer segments; automotive and big data.

T-Systems recently reduced its digital marketplace from 100 down to five vendors, of which Covata is one. T-Systems have made public statements regarding Covata's importance in a recent article, also announcing its strategy to add security and IoT solutions to its portfolio suite to offset declining revenue.

Telco's around the world face strategic and executional challenges in developing cloud digital marketplaces. We believe that like Cisco, T-Systems will be successful in its channel strategy, and we remain supportive of our partner.

Chunghwa

Six months, ago, we signed a reseller partner agreement with Chunghwa, Taiwan's largest Telco. Chunghwa presented with the right mix of enterprise and government customers, seeking secure file sharing, rather than a consumer grade product. Having internal resources available and the right level of commitment to support the sale of Safe Share into its customer base made Chunghwa a suitable partner.

The go-to-market body of work is underway. Key materials are currently being translated and transformed into marketing collateral for pre-defined target segments. These activities are typical for a product inside a Telco. Chunghwa are looking to sell our product as an 'appliance' - pre-installed and shipped on a server for data centre installation - for highly secure private cloud applications. We will provide more information when appropriate. We remain positive about this relationship.

Macquarie Telecom

In February 2015, we signed a non-exclusive agreement with Macquarie Telecom who white labelled Safe Share as Sigbox to resell it into Canberra's government market. There are currently 15 government departments using Sigbox with approximately 1000 users. While the revenue Covata receives is a very small proportion of the total sales value, key here is that government employees are using the product on a daily basis, and this validates its suitability for the government market. We are looking at this validation to focus more broadly on the Australian government market as part of our whole of government strategy. You can

access further information on Sigbox from Macquarie Telecom's website at:
https://macquariegovernment.com/security-services/secure-dropbox/

Product Update

Safe Share

We have two key products that we are focusing on. Let me begin with Safe Share, our flagship product, which is a highly secure, end-to-end encryption file sharing solution.

To date, Safe Share has been sold via channel distribution through various partners. This is a strategy that we continue to pursue. However, we have not achieved expected revenues from these channels – yet – but we do believe the channel will scale in time. None the less, as an ASX listed company, any slippage becomes problematic, so we are presented with the option to either discard this channel because of timing issues, or in addition, open Safe Share up to the market for global access, via a direct Software as a Service (SaaS) channel and generate an additional revenue stream.

This is exactly what we will be launching soon - Safe Share SaaS. We are building off a zero base, we cannot accurately predict how many organisations will sign up quarter by quarter, and therefore, are not making public forecasts at this stage. To augment that take-up, we will focus on building out go-to-market strategies in defined verticals such as legal firms, where compliance is key.

We want to make Safe Share available and accessible for everyone in an organisation, so our proposed business model and pricing will reflect this. More people using the product will see an incremental transfer of data, and a greater need for storage, where the margins for Covata are bigger. In a sense, it's the iCloud model. Apple charges for apps in its App Store, and users are regularly prompted to 'buy more storage'. The more users an organisation has, the more entrenched the product becomes, and the more storage they will require.

We look forward to direct revenue from this online subscription based model. With no partner or channel costs incurred, every dollar is retained by Covata.

Covata Delta

As previously announced to the market, our second product, Covata Delta, is being driven from our San Francisco office by Pavan Singh who joined Covata six months ago. Pavan has engaged in business development across the market, with partners including Cisco, consultants and prospective customers in the US and in Europe.

Alpha Release Developer Portal

Covata Delta, currently in an alpha release phase, is our new developer portal. It's being developed as a Software Developer Kit (SDKs) and Application Programming Interface (API's) to allow developers and innovators to plug, build and play with our security offering. It will enable developers to seamlessly integrate security into their apps, products and services and allow highly secure communication between devices and cloud applications in a common language, regardless of what legacy systems or variant code language is used. Developers are inherently not interested in building security. They want to build apps, products and services to meet user needs. Security is hard, it has overheads, so we're making it easier for them to plug and play security.

Every time a piece of data is sent from one application to another, Covata Delta secures it with end-to-end encryption and ties identity and policy to it. When the data reaches the receiving application, Covata Delta confirms the identity of the recipient against pre-defined policies before decrypting the piece of information. The entire process happens in real-time. In this example, we are talking about data that might be shared once a day or once a week. However, the process is the same. We are only just starting to discover all of the instances that Covata Delta can be used for.

A Scenario

Imagine the not too distant future where cars are connected real-time to various cloud services as approved by the vehicle owner. One cloud is for insurance – how and where you drive determines the cost of insurance premiums. The second cloud connects to service departments of dealerships enabling real-time vehicle monitoring to manage services or unscheduled maintenance if a part is about to fail. These are real examples of 'Risk-as-a-Service' in the connected car world. We are currently and actively working with a range of different innovators and system integrators to better understand where Covata Delta can be applied to this and other instances.

Building out the Alpha

To support this business development, which will see Delta develop as a standalone business model, we are in the process of appointing an advisory panel of industry experts and early stage advocates. As we build out our developer community, these sponsors will help drive awareness and adoption of our APIs and SDKs.

In the lead up to the alpha launch of Delta we are hosting a private partner appreciation event in San Francisco in mid-December. Technologists and industry experts who have shown early interest in Delta will be joining other guests from SalesForce, Cisco, ThoughtWorks, Lochbridge, CodeScience, the Tides Foundation, McKesson, San Francisco General Hospital and others, to discuss how security will enable further cloud and IoT innovation.

Taking Covata Delta to Market

Following the event, Delta will be made available to a select group of developers, system integrators and partners for a number of months. We had originally thought we needed to have clearly developed Proof of Concepts (POCs) before we took the product out to the developer market, but now think differently.

It's important to understand that the original Covata Platform, as signed with Cisco, was a closed or 'walled garden' approach. Over the last nine months, we have progressed from this thinking to an open, scalable cloud service approach for all software developers on the Internet.

We have since had conversations with a number of multi-billion dollar companies, whose feedback is that they want something to download, play with and experience. This network will then help give us market feedback, drive use cases, and inspire our current and future partners to better understand how they can align Covata Delta with their offerings. In line with these conversations and budding relationships, we continue to flesh out POCs, focusing on defined verticals such as healthcare, banking and finance, and other industries where security and compliance are legislatively mandated.

We are not aware of any existing models for a key service in the cloud akin to Delta. We intend to drive direct revenue through a transaction based billing model, which will allow developers and innovators to flexibly build security into their offerings. Current market feedback indicates a substantial need for this cloud service.

The portal will be opened up for broader access to all software developers across the Internet once the alpha phase is complete. Again, we cannot accurately predict the number of developers that quarter by quarter, will use the portal once it has been opened up, so are not making public forecasts at this stage.

A Business Model Example

Now let's look at two successful businesses that target the software developer market. Firstly, Twilio, a transaction based API billing cloud communications company, based in San Francisco. Twilio allows software developers to build apps that communicate using voice, video and messaging web based APIs. Founded in 2007, it went public in June 2016, with more than one million developers - 30,000 active paying - using its service. With technology innovation running rampant, developing 'in demand' APIs that assist the ever-growing global developer community is a lucrative business model – and one Delta is seeking to emulate.

Atlassian is another successful example. Atlassian's founders have famously disparaged the use of sales representatives. They are Australia's standout success story and a $6 billion NASDAQ company that sells software directly to developers. My point here is that developers have buying power and represent a substantial market.

Channel Update

In 2015 we implemented our-go-to-market strategy and attained a marquee partner in each of our three channels. In 2016 we strengthened our foundation so that we had the technology and support mechanisms in place to best align with partner and customer needs. We move into 2017 with three well-defined channels: Government, Telco and OEM (platform). Let me provide you with further detail on our government channel and platform business.

Government Channel

The government sector has been a market of historical success for Covata. Given the strength of our security products, we have been a natural fit for the hyper security conscious government sector.

With our history in defence and classified intelligence agencies, our G Cloud 8 status, our POC with the Crown Prosecution Service and our recent accreditation from Cyber Essentials, we are building up a strong position within the UK government market. Safe Share is well placed to become the most suitable choice for government departments and agencies focused on procuring the best available file sharing security product.

Crown Prosecution Service

Along with a number of ex-senior government officials operating in consulting capacities – the UK team have spent the last year working closely with several key departments. The recent Crown Prosecution Service announcement is the first public POC resulting from this work. The POC started in the second half of November and is expected to run until Christmas.

This POC will see Safe Share being trialled by major agencies focused on law enforcement and justice. These agencies are seeking a solution to share sensitive digital information pertinent to the prosecution process. The scope of the project requires a SaaS solution that delivers end-to-end encryption, the ability to securely share information with strict access controls and a complete audit trail – all of these attributes are core features of Safe Share. A successful outcome would open Safe Share licensing negotiations to many thousands of government employees and bear well for licensing discussions in many others areas of the UK government.

Whole of Government Strategy

Beyond CPS licensing, we intend to target a further 42 police regions across the UK that capture and share evidence with CPS. If successful, this project would set Safe Share up well to continue to build market share throughout 2017 and beyond.

We will focus on building and executing a 'whole of government strategy', and intend to continue commercial discussions with our key UK based government infrastructure partner FCOS. Historically, government departments have been largely siloed and operate in isolation. Those departments and agencies with cross-domain operational needs, undertake time consuming, out-dated means to share information – often still printing physical documents or CD's. We are working to change this and enable secure content sharing at multiple levels of classification.

We believe this is a substantial market opportunity, set for disruption, and are well supported with the addition of our newest board member, Bill McCluggage. His appointment illustrates the real and near term opportunity the UK government represents for Covata.

OEM (Platform) Channel

Our third and most recent channel is our platform channel, of which Cisco is the founding partner. This channel is serviced by Covata Delta, which, as mentioned, safely and securely allows the exchange of communication between products, cloud apps and the Internet of Things (IoT).

Every aspect of how we live and do business will be disrupted over the next two decades. We are already seeing incredible innovation and development of connected devices and cloud services. In July this year, Gartner estimated that there were around 5.5 million new 'things' – from home security to cars and hospital equipment – being connected to the Internet every single day. That number will total more than 6.4 billion by the end of this year. Whilst IoT opens up a world of possibilities, it also opens up a world of vulnerabilities. We are not seeing the necessary security automatically built in to new products and services that are therefore, exposing businesses to security risk.

The first major IoT breach occurred in October this year, bringing down a number of major web sites in what experts coined as, "serious, unusual and historic." What if it were a connected medical device administering life saving, or life threatening medicine, or perhaps a connected device within a nuclear power plant? All of these connected devices can act as vector points for attack. We know this is just the start, which is why we spent the last year developing Covata Delta.

We have already had interest from research analysts, resulting in Gartner listing Covata Delta in its IoT security product guide released in October. This is a major endorsement and a solid recognition of Covata Delta's uniqueness and security excellence. Additionally, Covata Delta was shortlisted for the IoT Security Solution Award at the Computing Security Excellence Awards held last week in London. I am pleased to announce that Covata won that coveted award, joining other category winners including Splunk, Symantec, Sophos and Microsoft.

We believe that the organisations previously mentioned and attending our Delta launch event will provide excellent use cases and innovations that will further our existing pipeline and develop new opportunities within our platform channel.

Corporate Update

Staffing and Global Structure

At the start of FY2016, we opened an office in San Francisco. Over the year, we expanded our UK team, and structured our Australian engineering team as a resource pool to better service our two product lines as efficiently and cost effectively as possible.

The aim of our investment in the San Francisco office was to support our Cisco partnership. Given previously described challenges with Cisco, we have carefully monitored and managed office growth over the year. Without the San Francisco team, we would have been unable to develop and advance the Covata Delta platform to its current stage.

Given our US focus shifted to Covata Delta, which is managed out of San Francisco, it made business and financial sense to refocus capital into business activities previously described – resulting in the closure of the Washington DC office and a relocation of resources to Sydney.

Covata's offering is attracting significant talent from around the world. I believe that the appointment of Bill McCluggage, who worked closely with the Company for several months in the lead up to joining the board, illustrates this.

To augment the Company's current team, we appointed an independent executive search firm at the start of the second quarter to source additional highly qualified Board and Executive members. The focus of all new appointments is to immediately open up new networks and opportunities to drive revenue from our technology. We are excited about some of the people currently in the pipeline and look forward to announcing these to the market in due course.

Cost Management

While we are progressing, we are conscious of our current expenditure. We have implemented a cost reduction program which started last quarter and will continue, with the intent to extend runway to the third quarter of FY2018, without the need to rely on capital markets. Every dollar we earn will extend runway even further.

The closure of the DC office, new employment contracts and cost reductions already in place have seen reduced spend in October and November. We anticipate that December and January will see further changes and cost savings. Full benefits are expected to be realised within the third quarter of FY2017.

Moving Forward

I trust my address today has highlighted the large body of work undertaken since we listed, the substantial progress we have made in the last 12 months, what we have learned, and the opportunities that lie ahead. Building a business, particularly a global cyber security company, takes time. However, we believe the foundation has been laid and we are on the right path to deliver results for our shareholders.

We operate across three defined regions, Asia Pacific, Europe and the US, and are targeting three identified channels, Government, Telco and OEM (platform). We are containing expenditure through a cost reduction program, where every incremental dollar we receive in revenue will add to the runway.

We are acutely focused on the Safe Share business getting to break even within a reasonable time frame. The acquisition of government contracts and SaaS revenue over the coming periods should deliver this under a new cost base. In my personal opinion, with the current government pipeline, this is not as far off as some may think.

The investment in Delta will continue against specified milestones. As the Delta platform evolves, the Company will assess development options which may include other strategic investment partners.

In summary, while we have experienced numerous successes and achievements along the way, there have been a number of delays and unavoidable setbacks. Where things have been in our control we have been largely on track. Where some third parties have been involved, challenges have presented themselves, but none that are unique in the enterprise software space. With the substantial amount of work I have outlined today, we firmly believe in the future of the Company.

Board and management remain fully committed to driving forward our product streams, partnerships and business channels to maximise value for our shareholders. We have entered FY2017 with a strong balance sheet, which we believe will provide the Company with the runway required to achieve key milestones. The Company currently has 44.3 million options and loan shares on issue to board, management and employees. We believe that board, management and employees are very much aligned with the goals of shareholders.

Finally, I would like to thank our employees who have worked tirelessly to drive the business forward, our board who provide invaluable support and guidance, and our shareholders whose continued support during these challenging times is what allows us to continue to build Covata.

Thank you for your time today.

- End -

Media and Investor Relations contact

Dana Danieli
VP Marketing, Communications & Investor Relations
61 400 993 305
dana.danieli@covata.com

About Covata

Covata is an ASX listed technology company that enables true ownership and control over your data in the cloud and over mobile services. We deliver data-centric security solutions without compromising simple usability, providing true end-to-end security. Your data is always protected wherever it may travel – inside your network, beyond the domain, to mobile devices and to the cloud – with granular access controls that extend to external users, view-only restrictions, real-time revocation and complete visibility and auditability. Own Your Data, control your data and choose where it is stored – with complete assurance that it is protected and secure. For further information, please visit Covata.com.

Covata 2016 AGM

Trent Telford – Chief Executive Officer

30 November 2016

AGENDA

"

We are all keenly focused on a growth strategy aligned to our goals, that we believe will deliver shareholder value in 2017.

"

Trent Telford, CEO & Founder

EXISTING PARTNER UPDATE

SAFE SHARE UPDATE

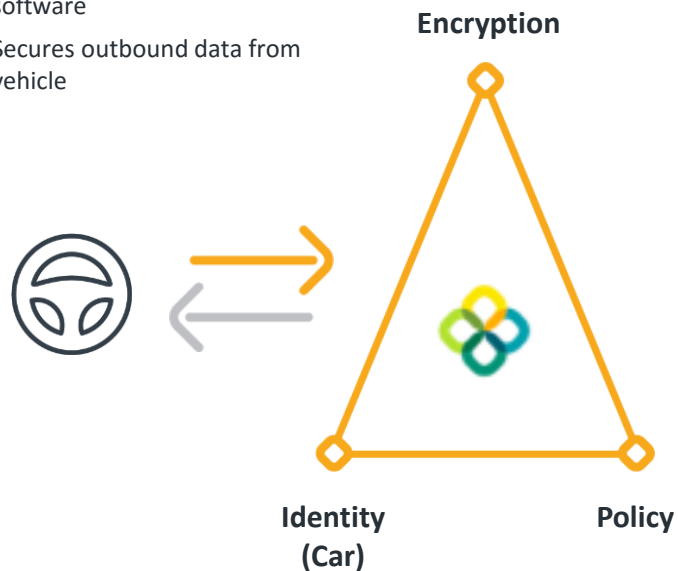## Current

Underway

Telco

Government

SaaS (Direct)

COVATA DELTA IN ACTION

Connected Car

Covata Delta embedded within cars communication software

Secures outbound data from vehicle

Encryption

Key Service

Encryption

Insurance Company

Covata Delta embedded in insurance IoT software

Receives data and key to decrypt from Covata Delta cloud, based on permission granted by car owner and policy holder

Delta

Identity (Car)

Policy

Policy

Identity (Insurance Cloud)

COVATA DELTA GO-TO-MARKET

Current

Underway

SaaS – Developer Portal

Automotive Systems Integrators

Cloud Solution Providers

Healthcare & Medical Innovators

covata

8

COVATA DELTA – THE TWILIO MODEL

Covata Delta Cloud Service
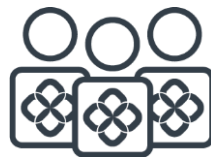Public Web APIs

$$$ Transaction Service

Applications and Services

Developer Innovation

Covata Delta
Developer Portal SDKs

Channel Update

GOVERNMENT AND PLATFORM CHANNEL UPDATE

We move into 2017 with well defined channels

Government	OEM (Platform)
• Historical success in this sector • Achieved G Cloud 8 status and Cyber Essentials Accreditation • Crown Prosecution Service Proof of Concept underway • Focus on whole of government strategy • Strong pipeline	• Cisco – founding partner • Channel now serviced by Covata Delta • First major IoT breach occurred in October 2016 highlighting the need for data centric security solution

Corporate Update

covata

AFFIRMATIVE BUSINESS ACTIONS UNDERTAKEN

The right people, processes and focus

Staffing and Global Structure	Cost Containment

Staffing and Global Structure

- Opened office in San Francisco
- Expanded UK team
- Structured engineering as a resource pool around two product lines
- Engaged a select number of highly specialised consultants
- Closed Washington DC office
- Appointed firm to attract new board and management talent to open networks and drive opportunities

Cost Containment

- Cost reduction program intended to extend runway into Q3 FY2018
- Reduced spend in October/November
- Anticipate further savings in December/January
- Full benefits expected to be realised Q3 FY2017

MOVING FORWARD

✓ Operate in three defined regions – AsiaPac, UK/Europe, USA

✓ Target three identified channels – Telco, Government, OEM (Platform)

✓ Further manage expenditure through cost reduction program

✓ Focus on two clear product lines

    - Safe Share as a Service and Government

    - Covata Delta for all developers and Cisco

Safe Share
A product to help
solve the immediate threat
of data breaches.

Covata Delta
The data security
solution to underpin an
interconnected world.

Covata 2016 AGM

Chuck Archer – Chairman

30 November 2016

Contact

Dana Danieli
VP Marketing, Communications & Investor Relations
dana.danieli@covata.com

covata