



17 October 2017

PLACEMENT AND ANNOUNCEMENT OF PROPOSED SHARE PURCHASE PLAN

Covata Limited ("the Company") (ASX:CVT) is pleased to announce that it has obtained commitments from sophisticated and professional investors for a placement of 8,510,639 fully paid ordinary shares ("Placement Shares") at an issue price of \$0.047 per share ("Placement"). On completion, the Placement will raise approximately \$400,000 before costs.

Participants in the Placement are existing institutional shareholders of the Company.

The Placement Shares will be issued under the Company's existing capacity under ASX Listing Rule 7.1.

In conjunction with the Placement, the Company is pleased to announce that it intends to offer eligible shareholders the opportunity to apply for new fully paid ordinary shares ("Shares") in the Company under a Share Purchase Plan (the "SPP") at an issue price of \$0.047 per share. The SPP is not underwritten.

Funds raised under the SPP and Placement will be applied towards improving and developing application integrations to drive customer uptake, developing Covata's data security platform and enabling its Azure cloud deployment, funding additional sales, lead generation and marketing activities and general working capital requirements.

Commenting on the capital raise, CEO Ted Pretty stated, *"we are excited about the transformation of Covata that has taken place this year. Growing sales momentum for the core Safe Share product and recently acquired technology from CipherPoint give us increasing confidence for the year ahead. We are inviting shareholders to increase their holdings in Covata and to provide us the ability to capitalise on the pipeline of opportunities that we are seeing, particularly in the UK and the USA"*.

SPP Details

The SPP provides the opportunity for eligible shareholders (being those holders of fully paid shares with an address on the Company's register of shareholders in Australia or New Zealand as at the Record Date of 7.00pm 16 October 2017) to subscribe for up to \$15,000 worth of Shares without incurring brokerage or other transaction costs.

The issue price will be 4.7c per Share, representing:

- a 19.90% discount to the volume weighted average price ("VWAP") of Shares over the last 5 days on which sales of the Company's Shares were recorded prior to this announcement; and
- a 17.5% discount to the 15 day VWAP.

There are over 2,800 eligible shareholders, so those shareholders wishing to apply for Shares in the SPP are encouraged to do so as soon as possible by following the directions contained in the SPP booklet to be mailed to them. For those shareholders holding less than a marketable parcel of Shares (i.e. a holding valued less than \$500), the SPP also offers an opportunity to increase their shareholding to a marketable parcel.

The Company will accept applications from all eligible shareholders under the SPP, subject to limitations under the ASX Listing Rules and Corporations Act. The Directors reserve the right to scale back SPP acceptances on a first come, first served basis.

Top Up Placement

In addition, sophisticated shareholders (as defined under the Corporations Act) may request to participate in a top up placement ("Top Up Placement") up to the limit of Covata's available placement capacity, prior to the completion of the SPP, which subject to completion of the Placement will be up to approximately 30.5 million shares. Requests for Top Up Placement shares must be lodged with Covata no later than 20 October 2017 and should be addressed to Covata's Head of Finance, Steven Bliim, by email to steven.bliim@covata.com.

The Shares issued pursuant to the SPP and the placement shares will be issued on the same terms as, and will rank equally in all respects with, the existing fully paid ordinary shares in the Company. Shareholder approval is not required for the SPP or the placement.

An indicative timetable is provided below. The SPP is currently scheduled to close on 10 November 2017, however, the timetable is subject to change and therefore shareholders are encouraged to lodge their applications ahead of the advertised closing date.

Event	Date
SPP	
Record Date	16 October 2017
Announcement of SPP	17 October 2017
Dispatch of SPP documentation	23 October 2017
Opening Date	23 October 2017
Closing Date	10 November 2017
Allotment of SPP Shares	14 November 2017
Top Up Placement	
Final date for lodgement of requests	20 October 2017
Issue of placement shares	24 October 2017

Full details of the SPP can be found in the offer document which will be mailed to shareholders, consisting of the SPP terms and conditions and the Application Form for eligible shareholders. The SPP booklet will also be announced to ASX upon dispatch to eligible shareholders.

- Ends -

About Covata

Covata Limited is a global technology brand, listed on the ASX, that provides data-level security solutions for enterprise, government and citizens. Our data-centric security platform discovers, protects, monitors and analyses sensitive information, however and wherever it's shared.

We ensure security is never an afterthought, protecting information at a data-level from the start, and at every point of its journey. Safe and efficient sharing of data across internal and external stakeholders, devices, networks and geographic regions is enabled and encouraged. You have total control, visibility and auditability of your sensitive information.

For further information, please visit covata.com.

Covata Investor Relations contact:

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