



ASX ANNOUNCEMENT

22 November 2017

AGM Q&A

Sydney, Australia – Covata Limited (ASX: CVT) is pleased to provide the following summary of Investor Questions & Answers covered at the AGM for the benefit of shareholders who may not have attended.

1. Sales and Sales Pipeline

The company has secured some key contract wins and is building a credible sales pipeline. From a marketing perspective, we have undertaken more focused campaigns and now have stronger lead management processes and sales disciplines in place. We are focusing on expanding usage by existing government customers and new enterprise sales. SME sales are a second priority at this stage. It is not our intention to target low value consumer/SMB customers with the current product set.

Whilst we are optimistic that we are pressing the right buttons to achieve sales momentum we remain subject to usual government and corporate pilot and procurement processes. Overall, our progress is expected to be positive but is likely to be lumpy quarter to quarter.

2. Sales Model

We are pursuing a blend of direct and indirect (channels). In the medium to long term we will primarily adopt an indirect channel model once we have reference customers and better sales activity in each market.

3. Microsoft Azure

Our Azure instance of SafeShare is now live and we have our first customer. We will shortly launch specific Azure cloud marketing initiatives.

4. Scale

Our technology platform is highly scalable at low cost. Accordingly, management believes the business is able to grow. The company will consider further small acquisitions that accelerate domestic and international expansion of the customer base and/or build out product capability.



5. CipherPoint

CipherPoint has been a great acquisition in terms of talent, technology and footprint. The teams have merged very well. Revenue to date has been US\$142K against a target of 6 months to 31 December 2017 of US\$300K.

6. Pre FY18 activities

All earlier prospects, POCs and pilots have now been reviewed and qualified in or out of our pipeline.

The trial announced with a leading UK Agency is still on foot, with customer training for the pilot taking place last week. The Northern Ireland bid and 'Prime Tender' opportunity did not proceed.

7. Cisco

The Cisco agreement remains on foot although we have been advised that Cisco has sold and discontinued its SXP platform. We can advise we are proactively engaging with Cisco on other opportunities. There are no guarantees of any future sales.

8. Technology

Covata and CipherPoint products are well established and stable. With respect to development, we have a clear roadmap focused on expanding data security features, as well as seamless integration with productivity platforms such as the Microsoft stack.

9. Opportunities and challenges

The business has familiar challenges such as well funded competition, market shifts, the speed of technology development and business execution risk. Our response is to remain focused, spend wisely, find good partners and prioritise well.

10. Intellectual Property

We intend to undertake an external analysis and valuation of IP which will commence shortly.

11. People

We have refreshed the development team and it has become more commercially focused. We now have resources in Sydney, as well as Austin (Texas) where the .Net and security resources are excellent. We have issued stock based incentives for retention purposes.



12. Capital Raise

A small raise was undertaken to ensure we are adequately funded. The raise was supported by institutional/sophisticated investors and other shareholders. Having a stronger balance sheet sends a positive message to potential customers.

13. Reporting

It is Management's intention to shortly commence reporting operational metrics. This includes the initial stage customer numbers and user numbers, as well as our current reporting on cash and revenues. Thereafter we will endeavour to report against additional measures familiar to SaaS and subscription businesses, including: customer growth, user growth, ARR/MRR, renewals/churn, channel performance, COGS and gross margins.

14. Disclosures

Announcements will follow continuous disclosure requirements under Listing Rules 3 and 3.1A. Generally, any participation in trials POCs, bids and open tenders will not be announced (unless strategic and material).

- Ends -



About Covata

Covata is a leading provider of software solutions that protect data and enable secure collaboration. Our data-centric security platform empowers governments and businesses to discover, protect and control their sensitive information. Our products and platform support multiple use cases including search, governance and compliance, user behaviour and analytics and file synchronization and sharing.

Covata also provides data discovery, transparent data encryption, centralised permissions management, and activity logging for sensitive and regulated information in SharePoint.

With offices and resources in the US, UK, Europe and Australia and coverage in all other regions, our customers span the public sector and defence, aerospace, technology, finance, media and sports industries.

We ensure security is never an afterthought, protecting information and ensuring the safe and efficient sharing of data across internal and external stakeholders, devices, networks and geographic regions providing organizations with control, visibility and auditability of their sensitive information.

For further information, please visit covata.com.

Covata Investor Relations contact:

Steven Bliim
Covata Limited
Head of Finance and Joint Company Secretary
steven.bliim@covata.com