



23 August 2019

LETTER TO SHAREHOLDERS

Dear Shareholders,

As shareholders would be aware, we will be holding our AGM on Monday 30 September 2019. A notice of meeting will be dispatched shortly.

At the conclusion of the meeting, I will conduct a brief presentation on the progress or otherwise of the dataglobal acquisition and the status of the Prospectus issued on 26 June 2019 to raise the funding to complete that acquisition.

By way of background, I note the following:

- On 30 January 2019, the Company announced that it had entered into an agreement to sell its SafeShare business to Cybr5 Pty Limited subject to shareholder approval. The Company also announced that it had entered into a conditional agreement to acquire the business of dataglobal GmbH and its intention to raise \$13.7m via a prospectus to fund the acquisition both subject to shareholder approval;
- On 10 May 2019, shareholders overwhelmingly approved the sale of the SafeShare business and that sale was completed on 17 July 2019;
- On 26 June 2019, the Company lodged the Prospectus with ASIC and ASX;
- On 7 August 2019, shareholders overwhelmingly approved a number of resolutions relating to the acquisition including the raising of funds, a share consolidation, a change of name and the issue of shares under the Prospectus; and
- On 8 August 2019 the Company announced it had extended the Offer period until Friday 13 September 2019.

Although all necessary approvals have been obtained by the Company, it and its brokers are yet to raise the full amount of the funds required by the Prospectus.

The Company continues to receive expressions of encouragement and support for the dataglobal transaction. The Board and management maintain their belief that the strategy we have developed to create a new global content services player is very compelling.

The Company is currently assessing the prospects of being able to complete the Offer on the existing or other terms. We advise that ultimately if the minimum subscription is not met the Company would examine all options available to it including but not limited to restructuring or revising the terms of the transaction or Offer under the Prospectus. A further update will be provided at or before the AGM.

Yours sincerely,

Ted Pretty
Managing Director and CEO

-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 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