



ASX ANNOUNCEMENT | COVATA LIMITED

Covata Formalises Strategic Partnerships in the United States

SYDNEY – 20 March 2015 – Covata Limited (ASX:CVT) (“Covata” or “the Company”) has formalised partnership arrangements with New York based consulting firm Sumatics, and Asia Principal Capital Group (APCG).

Covata is pleased to announce formal partnerships with both Sumatics and APCG to further advance its go to market strategy of commercialising the Covata Platform and Safe Share product.

Sumatics Growth Partnership

Covata has been working with Sumatics to develop its Original Equipment Manufacturer (OEM) channel to achieve the goal of ‘Covata Inside’ the product/s of other technology companies, by way of a ‘Revenue Producing Agreement’ (RPA).

To this end, Covata, with the assistance of Sumatics, is in advanced discussions with a Fortune 100 Company in relation to a licensing distribution agreement for the Covata Platform and Safe Share Product.

Under the terms of the contract Covata has agreed to issue Sumatics options over 38,240,979 shares at a strike price of 27.4 cents per share upon the execution, by Covata, of the first RPA delivered by Sumatics. The trigger for the vesting of the options is when net revenue received by Covata under the first RPA reaches an annual run rate of US\$8,000,000. In the event of change of control, the option vesting may be accelerated, but only within 2 years of issue date and with other restrictions. Sumatics will also receive 15% revenue share from the first RPA for 8 years.

Sumatics is a boutique technology and strategy advisor providing very focused relationships and high-end advice to the technology industry. Sumatics is led, in part, by globally respected ex Cisco Senior Executive Helen Ojha and has been working with Covata since late 2014.

Trent Telford, Founder and CEO of Covata, said of the arrangement, “When we debuted on the ASX in November last year we identified the OEM channel as a key pillar of our go-to-market strategy. There are a number of potential opportunities in discussion [with Fortune 500 companies] and we expect this partnership will deliver very substantial long-term value to our shareholders. Revenue from these types of OEM deals is highly prized; it establishes that Covata’s business model and technology scales beyond one-to-one sales events.”

“It is important to be clear that these options are only issued to Sumatics on signing an RPA, and only vest upon Covata receiving substantial revenue from a Fortune 500 type Software licensing/OEM deal. Additionally, the revenue share aspect incentivises Sumatics to drive



substantial revenues for Covata. This is a material amount of potential stock to be issued, but we expect it to deliver a big return for our shareholders.”

APCG - Business Acceleration Partnership

Covata has entered into an agreement to recognise its long term and historically successful relationship with Asia Principal Capital Group. APCG have played, and continue to play, a significant role in developing and building key relationships for CVT including having brought the NSC Global and Sumatics agreements to fruition. NSC Global is performing an important role in building the Telco/MSP channel model in Europe.

Under the terms of the APCG contract, Covata has agreed to issue APCG 2,373,129 ordinary shares in CVT when the Company enters into an RPA.

About APCG: APCG are a leading ‘technology accelerator’ who specialise in high growth international technology companies.

Mr Telford continued, “I value the long standing strategic relationship we have with the team at APCG. Our shareholders are looking to ensure continued global growth from the company and APCG are helping us deliver this; as evidenced by NSC and Sumatics.”

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About Covata

Covata 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 ad hoc 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.