



ASX ANNOUNCEMENT | COVATA LIMITED

Foreign & Commonwealth Office Services and Covata to partner in UK Government

SYDNEY – 11 May 2016 – Covata Limited (ASX: CVT) (Covata or the Company) is pleased to name the Foreign & Commonwealth Office Services (FCOS) as the government body it intends to enter into a reseller agreement with by June 30, 2016.

- **The Foreign Commonwealth Office (FCO) is charged with protecting British interests around the world, employing 14,000 people in nearly 270 diplomatic offices**
- **FCOS is the commercial services operation managing the FCO global regional hubs**
- **Reseller Agreement expected to be finalised by late June to supersede the Heads of Agreement announced on the 29th of April**
- **FCOS intended to be first customer of Safe Share on signing of the Reseller Agreement**
- **Partnering with FCOS to deliver Safe Share over FCOS trusted infrastructure to facilitate sales into other Government Departments and Agencies**
- **Total Covata UK Government pipeline of more than 250,000 potential end users**
- **For clarity, the Government pipeline is in addition to the current “Telco” channel pipeline**
- **The company expects this deal to rapidly accelerate the signing of government contracts over the coming two quarters and beyond**
- **This announcement and FCOS is not related to the previously announced ‘Prime’ tender award in UK Government which continues to progress**

The Heads of Agreement with FCOS is intended to not only enable FCOS/FCO to be a customer of Safe Share, but also facilitate sales into other UK Government Departments and Agencies.

It is anticipated that this partnership, which will see Safe Share delivered over FCOS trusted infrastructure, will accelerate the conversion of the current government pipeline consisting of more than 250,000 potential end users. This alliance once formalised through execution of a binding Reseller Agreement, will be a significant differentiator to other secure file-sharing providers seeking to provide services to the UK government. Security risk in SaaS offerings is determined as much by the underlying infrastructure as the software itself. Having FCOS as a reseller of Safe Share deployed in a SaaS model over government



networks (of varying levels of security clearance from public to classified) is truly a unique and innovative new offering in Government SaaS.

Background on FCO and FCOS:

The Foreign Commonwealth Office (FCO) is charged with protecting British interests around the world and has a worldwide network of embassies and consulates, employing over 14,000 people in nearly 270 diplomatic offices. FCO works with international organisations, such as the EU, NATO and UN, as well as other UK Government departments and agencies to promote UK interests and global security, including UK National Authority for Counter Eavesdropping (UK NACE). FCOS, previously a division of FCO, now operates as a separate commercial services operation managing the global regional hubs. FCOS has for over 60 years, provided a wide range of mission-critical technology, logistics, IT and security services to FCO and its partners (including other government departments and agencies) located in the UK and around the world.

The FCO responsibilities include:

- Safeguarding the UK's national security by countering terrorism and weapons proliferation, and working to reduce conflict
- Building the UK's prosperity by increasing exports and investment, opening markets, ensuring access to resources, and promoting sustainable global growth
- Supporting British nationals around the world through modern and efficient consular services and IT infrastructure.

Trent Telford, Covata CEO said, "FCOS is the largest and most trusted government related Infrastructure-as-a-Service and IT supplier across the UK Government. They support not only FCO but also numerous other departments and agencies by way of classified and non-classified networks and services. To be partnering with them for secure file sharing over the top of these trusted networks is a game changing opportunity for Covata. It is a markedly different scenario to other channel partners as this is government selling Safe Share on approved and trusted networks to other government departments/agencies. The reseller agreement will also allow Covata to bring customers to this arrangement thus strengthening the sales offering when Covata is directly engaged with government agencies. We have already been active in working with FCOS to bring some of our pipeline to them as joint opportunities – demonstrating to FCOS that Covata is a value added partner."

As previously announced, it is anticipated that the definitive reseller agreement will be finalised by the end of June ahead of Covata's new G Cloud 8 listing. Pricing will start at the published G Cloud 7 prices of £6 - £8 per user per month and Covata will share this with FCOS on commercial terms similar to any other channel partner model.



The Company expects the net receipts in AUD will be better than in the telco channel subscription model (previously estimated at approximately 3 AUD per user), as the currency value on conversion to AUD is double given the originating earnings are in GBP.

Beyond the 14,000 employees of FCO, the total addressable market across the wider UK Government is substantial; millions of employees across numerous departments and agencies, and all external users these employees deal with for sensitive communications, both commercial and diplomatic around the world.

Covata will not, at this time, provide further information on the commercial aspects until final terms are agreed and the binding Reseller Agreement is signed, but look forward to updating the market when appropriate. To clarify, this announcement, and FCOS, is not related to the previously announced 'Prime' tender award in UK Government where Covata was named as a vendor on the submission; this is a separate pending deal for Covata to be announced in due course as stated in the Q3FY16 Business Update.

In summary, the Company expects this deal to accelerate its government pipeline growth over the coming two quarters and beyond, whilst complementing 'Telco only' subscription growth.

FCOS and Covata may soon be widely discoverable prior to definitive Reseller Agreement being signed.

In parallel to FCOS and Covata finalising the Reseller Agreement, an instance of Safe Share will be deployed into the FCOS 'innovation hub' network (in May). This standalone deployment of Safe Share on FCOS infrastructure will be used to demonstrate not only Safe Share's secure file sharing function, but also multi tenancy, allowing UK government departments and agencies to see first hand the power of Safe Share. Government 'Use Cases' will be constructed and demonstrable; that is, scenarios where Safe Share solves government business or security problems hitherto not possible in this way.

This dedicated demonstration environment will augment the list of capabilities and product information currently public on G Cloud 7. Put simply, Government departments will not only be able to search and find the software benefits of Safe Share on G-Cloud 7, they will experience it running live on government trusted and secure infrastructure – and buy it from FCOS if it fills a need. The combination of Safe Share with its long standing government grade security and credentials, and running on secure government infrastructure, is expected to be a unique and valuable offering to the domestic and foreign offices of UK Government.



- Since announcing the Heads of Agreement on 29 April 2016, negotiations towards a binding Reseller Agreement have progressed to a point where the Company and FCOS have agreed that it is appropriate for the Company to make an updating announcement naming FCOS as the party to the Heads of Agreement.
- For more information visit <https://www.fcosservices.gov.uk/our-organisation/>
- *FCOS is headquartered at Hanslope Park, Milton Keynes, England.*

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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 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.