



**ASX ANNOUNCEMENT (ASX: CVT)**

2 July 2018

**COVATA FINANCIAL YEAR 2018 (UNAUDITED) UPDATE**

Covata (“the Company”) is pleased to provide an unaudited update for the financial year ended 30 June 2018.

**FY18 Revenues, Cash Receipts and Costs**

The Company expects (subject to audit) to report the following for FY18:

- revenues of \$1.44M up 239% on FY17 of \$424K
- cash receipts of \$1.1M up 1,093% on the prior year’s cash receipts of \$93K. Q4 cash receipts were \$396K with some deferrals of some payments by customers into the new financial year
- our underlying cost base and expenses were materially lower year on year.

**Key Sales highlights**

Key sales highlights by product for the FY18 Period were:

- SafeShare:
  - Significant growth in average monthly revenues run rate from its SafeShare Government channel partner
  - Signing of new SafeShare licensing agreements in Australia and the United Kingdom with customers operating in industries covering digital imaging and global banking
  - Signing our first two ITAR (International Traffic in Arms Regulations) customers on its SafeShare platform deployed on Amazon’s AWS GovCloud in the United States.
- Eclipse
  - New contract wins with customers operating in global insurance, risk management, heavy industry, energy and healthcare for CipherPoint Eclipse licences
  - Seven renewals for maintenance by existing CipherPoint Eclipse customers
  - Bank of South Pacific Limited (BSP), the Company’s first Eclipse customer in Asia Pacific

We are also pleased to announce CipherPoint has delivered in excess of US\$500,000 revenue in the 12 months to 30 June 2018 along with other performance hurdles in satisfaction of Milestone Two of the Share Sale Agreement. Further details to be provided separately to the ASX.

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### **Current Bids and Pipeline**

The Company continues to make solid progress in Europe on a number of substantial opportunities for the licensing of its (CipherPoint) Eclipse product for securing data across Microsoft SharePoint. This product is receiving strong interest from major European companies as they seek to ensure GDPR compliance and implement their Information Governance Frameworks. Announcements relating to material sales contracts will only be made if and when formal and binding customer orders are received.

The sales pipeline has continued to build and the Company expects to be able to start to convert (unblock) a number of leads to opportunities following the expected release of our cloud-based version of Eclipse for O365, SharePoint Online and OneDrive scheduled for next month.

### **Key Product Initiatives**

Substantial progress was made in product development over the last 12 months with our customer led development approach including:

- Improved user experience for both SafeShare and Eclipse
- Deployment of SafeShare on Azure (Aust), AWS US Gov Cloud
- New features for SafeShare including Edit in Office Online, Create documents from SafeShare and a 'Save to SafeShare' add-on for Microsoft
- Eclipse for O365, SharePoint online and OneDrive (in testing)
- Enhanced tools for sensitive data discovery
- Covata branded version of DataGlobal classification tool
- New architecture for the Data Security Platform (DSP)

It is management's intention, subject to demand, to hold a webinar for investors in late August to provide a product update showing some of these new features and functionality.

### **Capital Raise and Cash**

As shareholders are aware the Company successfully closed a \$1.5m placement in June. Following the decision not to proceed with an underwriting for the Entitlement Offer, Covata extended the final date for existing shareholders to participate in the offer until 5 July 2018. Management expects the combination of our cash balance at the end of June, a conservative level of subscription under the Entitlement Offer, anticipated sales receipts and our likely R&D reimbursement from AusIndustry to be adequate to meet our working capital requirements for FY19.

-Ends-

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### **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 Platform 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.

With offices and resources in the US, UK, Europe and Australia and coverage in all other regions, 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](http://covata.com).

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