

Covata Ltd

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Covata looks to Eclipse with dataglobal

- The microcap hopes to sell its subsidiary Cocoon Data Holdings for \$5 million and divest of its SafeShare IP
- Its Eclipse data security and compliance solution for SharePoint and Office365 would become front and centre to form part of its main undertaking

What does Covata do?

Covata Ltd (ASX:CVT) is a data security company undergoing a period of transformation and is looking to trade in future as dataglobal Limited after fully-completing a reverse takeover by Heilbronn, Germany-based dataglobal GmbH and its founder and substantial shareholder Wolfgang Munz.

Sydney, Texas and London-based Covata is undergoing a series of steps to complete the takeover which it expects will propel it into the global content services marketplace.

What does Covata own?

The company has two current assets, the Eclipse data security and compliance solution for file servers and key information systems such as Microsoft SharePoint and Office365, and SafeShare.

Covata is proposing to sell its SafeShare intellectual property — housed in subsidiary Cocoon Data Holdings Pty Limited — and subsidiary licensee Covata Australia Pty Limited to Gibraltar Holdings Pty Limited nominee Cybr5 Pty Ltd for \$5 million.

A \$150,000 deposit has already been received with the remaining \$4.85 million to be paid on completion of the sale if shareholders agree at an upcoming meeting on Friday next week.

The sale would effectively change the main undertaking of the company ahead of the Dataglobal merger, putting Eclipse at front and centre.

Dataglobal's business would then become part of the company's main undertaking after the proposed merger, along with any intellectual property to do with its data security console or any other assets housed outside Cocoon.

The Covata-turned-Dataglobal entity would also retain its licence to use SafeShare intellectual property in Dataglobal technology.

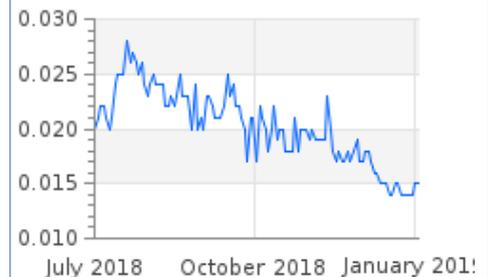
Inflection points

Upcoming shareholder vote that could introduce \$4.85 million of additional funds to the balance sheet

Price: A\$0.015

Market Cap: A\$10.1M

1 Year Share Price Graph



Share Information

Code: CVT

Listing: ASX

52 week High Low
A\$0.06 A\$0.01

Sector: Tech

Website: www.covata.com

Company Synopsis:

Covata Ltd (ASX:CVT) is listed on the Australian Securities Exchange.

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Filing of March quarter reporting expected this week

Regulatory milestones for Dataglobal reverse takeover

Successful reverse takeover by Dataglobal

Repositioning and related commercialisation milestones

Significant transactions and company development

Chairman William McCluggage notes Eclipse and Console progress this financial year

"In quarter 1 of financial year 2019, new product features were launched, including extending the reach of our Eclipse data security product from SharePoint on-premises to the Cloud via SharePoint Online and OneDrive and implementing ByzGen blockchain technology into Covata's existing data security platform to deliver data and access control immutability and real-time auditability," Covata chairman William McCluggage wrote in its December half-year report published in February.

"Additionally, Covata has developed a unique Data Security Console that provides CEOs, business owners and IT administrators with a single pane of glass to discover and understand where sensitive data is stored and whether it is appropriately secured. Trials are slated to start shortly with partner customers.

"Following initial engagement in early 2018, the company was approved to enter a 'start-up' deployment phase of Eclipse for SharePoint with a European-based Global 500 customer in Q1 FY2019. Negotiations with procurement and business units continued through the remainder of the period and the deployment was moved into 'staging' in January 2019.

"The next phases are expected to be a move into full production and a final purchase approval process."

Covata will hold a general meeting at 10am on Friday, May 10, 2019 at Nexia Australia, 1 Market Street, Sydney to vote on a change to its main undertaking and proposed divestment to Cybr5 Pty Ltd.

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