

Cipherpoint Ltd

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Covata pursuing major acquisition of dataglobal GmbH

Covata Ltd (ASX:CVT) is pursuing a major transformational acquisition of German-based content services, digital workplace and archiving software provider dataglobal GmbH.

The company has entered into a binding but conditional agreement to acquire dataglobal.

Conditions include completion of due diligence, various approvals and completion of a capital raising of around \$20 million.

Approvals required include re-complying with Chapters 1 and 2 of the ASX Listing Rules and shares will be suspended from trading until this occurs as expected.

Covata's board is of the view that this acquisition delivers on the company's strategy to expand its focus into data discovery, classification, protection and control (encryption) and archiving.

Plans to rebrand as dataglobal Limited

On completion of the acquisition, it is intended that Covata will be rebranded as dataglobal Limited.

The proposed company will be positioned as a leading content services player providing discovery, classification, security, protection and archiving services.

It will operate at scale, with a robust range of products across Europe and with strong future growth prospects in the US and Asia.

Over 550 customers in 40 countries

dataglobal GmbH is based in Heilbronn, Germany and has been in business for 20 years led by its founder Wolfgang Munz, who also directly or indirectly holds all company shares.

The dataglobal business has more than 550 customers in 40 countries with negligible customer turnover.

Its clients cover the automotive, aerospace, chemical, financial, energy, and manufacturing sectors and include Rhenus Logistics, NDR, Mars, Universal, T-Systems, the Federal Network Agency, and the Deutsche Börse.

dataglobal's software portfolio is the future-proof solution for the automated, company-wide classification of data such as its comprehensive archiving.

1 Year Share Price Graph



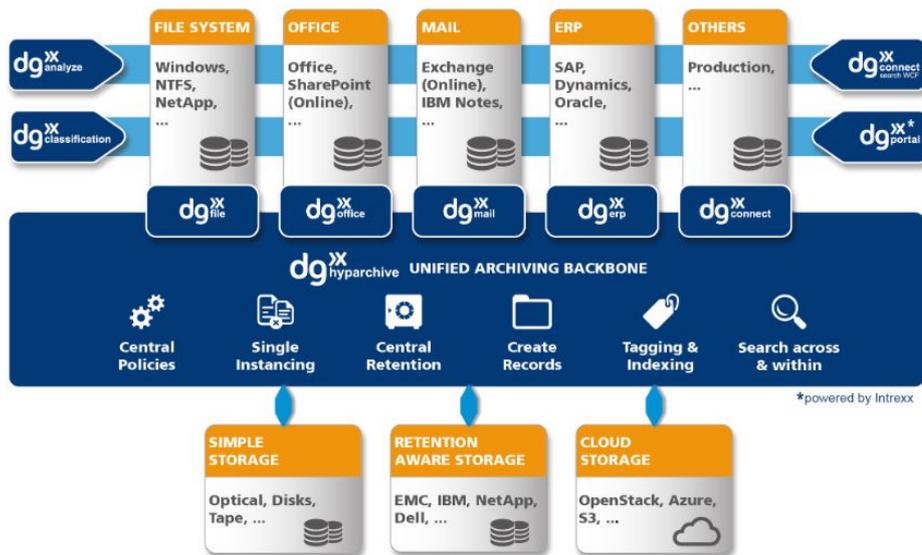
Share Information

Code: CVT
Listing: ASX
Sector: Software & services
Website: www.cipherpoint.com

Company Synopsis:

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

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Revenues are generated from licence sales, maintenance and services, and professional services.

These revenue streams are sourced either through direct sales from employee sales staff or through partners that are trained in dataglobal's product set.

Consideration €13 million in cash and shares

Covata will acquire 100% of dataglobal for €13 million with consideration settled 65% in cash and 35% in Covata shares.

The consideration shares are to be voluntarily escrowed for a period of up to 18 months from the issue date.

Covata has also secured funding via secured convertible notes to support acquisition and working capital costs during the acquisition period.

The company's chief financial officer Steven Bliim has also replaced Lindsay Tanner as a board member.

Wolfgang Munz would become new CEO and join board

Covata's managing director and CEO Ted Pretty said: "I am thrilled that Wolfgang Munz, the founder and CEO of dataglobal, has agreed to merge his business into ours as part of our joint strategy to grow a leader in the Content Services market using both our platforms and products.

"I am also delighted to receive the support of many longstanding shareholders for our strategy by subscribing to the Convertible Notes to allow us to progress with the proposed acquisition of dataglobal."

dataglobal CEO Mr Wolfgang Munz said: "I am delighted that there is now a real possibility that dg and Covata can come together to tackle the significant opportunity in Europe and other markets for our products and platforms.

"This opportunity is driven by digital transformation and the regulatory environment of GDPR (EU general data protection regulations) and privacy laws."

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