



20 December 2019

LETTER TO SHAREHOLDERS

Dear Shareholders,

At the EGM held on 17 December 2020, shareholders overwhelmingly resolved to approve the change of name of the company to **Cipherpoint Limited** (to be **ASX:CPT**). Thank you for your support.

This change represents a break with the past and demonstrates our new focus on the business of Cipherpoint, which provides solutions that help enterprise and governments to identify, protect and control access to sensitive information within SharePoint environments.

Our new website at <https://cipherpoint.com/> outlines the features of our **cp.Discover**, **cp.Protect** and **cp.Content** products. Cipherpoint will also continue to enjoy the benefits of its existing relationship with dataglobal GmbH around data classification and archiving.

The company will begin 2020 with the business lean and focused, with 10 full time staff and 3 development contractors. The company will have a small central office in Sydney and a presence in Heilbronn, Germany (for Europe) and Austin, Texas (for the US). We have approximately \$1.8M in cash and an encouraging sales pipeline due to an intense focus on digital marketing. Shareholders can see examples of our digital marketing presence at <https://twitter.com/CipherpointSW> and <https://www.linkedin.com/company/cipherpoint-software-inc..> We have also extended this to the use of Xing, which is the equivalent of LinkedIn for the German-speaking region.

We have an in-market and stable existing product suite and are now underway with the design and development of our new and exciting **cp.Cloud** platform to be launched mid-2020.

In summary, I would make the following points:

1. Our value proposition to customers is: "We help you protect your most sensitive data to enable you to comply with privacy law. We also give you the encryption keys, so you have direct control, unlike many other multinational software vendors". This value proposition is resonating and encouragingly, our pipeline of sales opportunities is building.
2. We are well placed to benefit from the regulatory landscape driving structural growth in the EU. Our presence on the ground will increase our profile and customer contact.
3. Our strategy means we are highly leveraged to growth with a stable fixed cost base.

We'll keep the market updated as we deliver new material contracts, distribution agreements and material financial milestones.

As shareholders, our team are all aligned to strive for success. In my opinion, our current position and prospects provide an opportunity to significantly increase current equity market value.

Let me conclude by thanking you for your support during this transition year. I wish all our shareholders, customers, advisers and staff a safe and joyful festive season and good fortune for the New Year.

Your Sincerely

Ted Pretty
Executive Chairman

-Ends-

About Cipherpoint

Cipherpoint 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.

Cipherpoint empowers businesses to discover, protect and control sensitive information across multiple platforms and repositories with industry best security for Microsoft SharePoint & Office 365 and Secure Enterprise File Sharing & Collaboration.

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 <https://covata.com/cipherpoint.com>

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