



OVERVIEW

AUGUST 2017

INVESTOR UPDATE

[COVATA]

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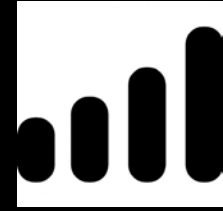
OUR INVESTMENT PROPOSITION IS COMPELLING



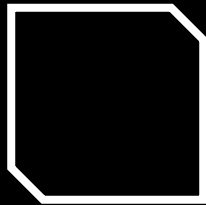
Outstanding Cyber
Security Platform



Major Customers
Global Partners



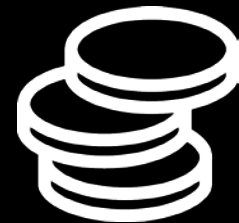
Large Market Opportunity
Strong drivers



Defensible Platform
High Barriers to Entry



Proven Business Model
Sales Momentum



Solid Financial Position
and Cost Control

COVATA IS AT THE CENTRE OF THE DATA SECURITY MARKET

GOVERNMENT AND ENTERPRISE

How can organisations discover, protect and control sensitive data from breaches, unauthorised access or use, and manage external and internal threat?

BUSINESS AND CONSUMER

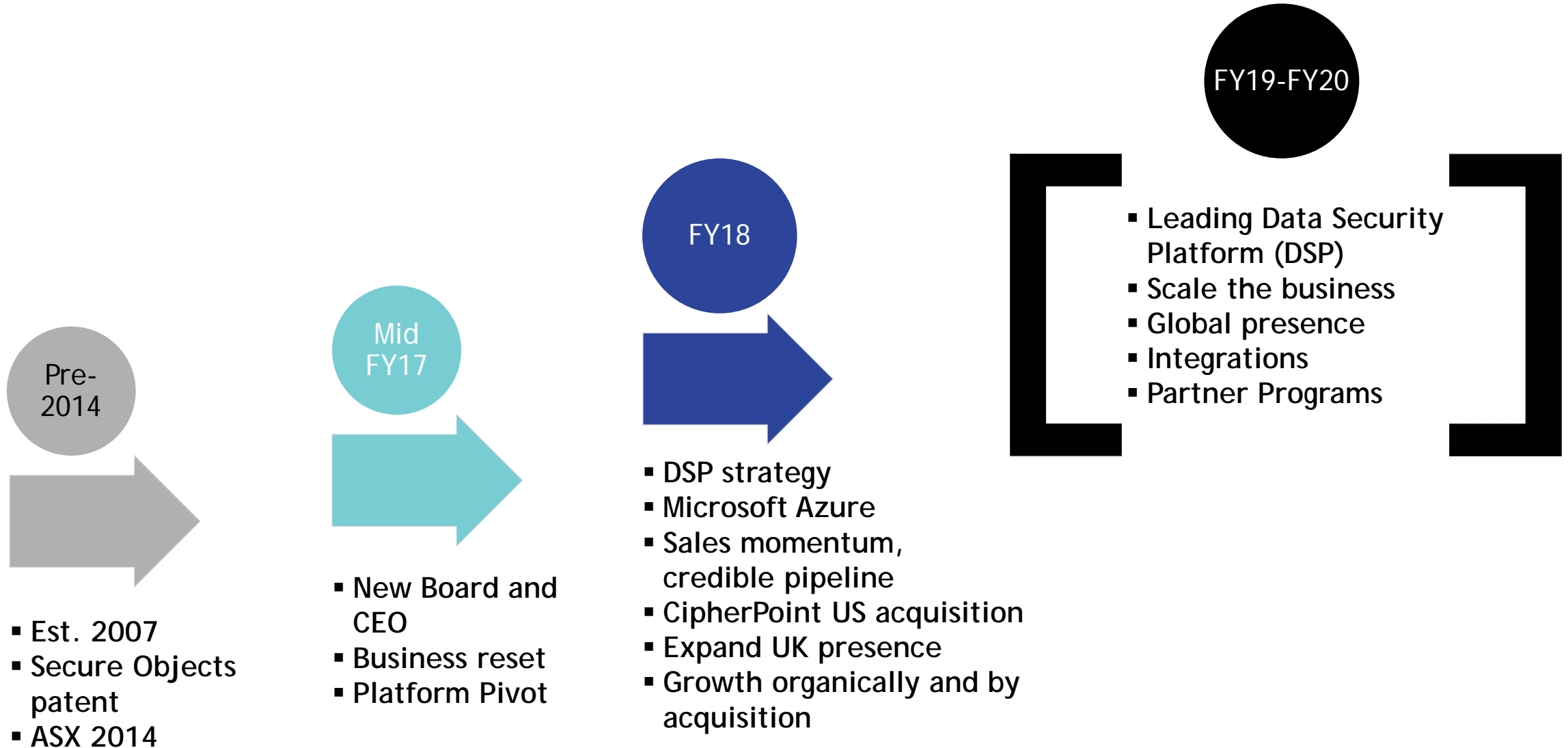
How can I protect my commercial or personal data like passwords, customer lists, HR information, pricing, bids and tenders, and still be able to share when necessary?

[THE SOLUTION]

A platform that enables organisations to locate their information, encrypt at rest and in transit, control the keys, manage and track access

A platform that enables you to create a secure vault for your sensitive data and only share access with people who need to know

WE ARE BUILDING MOMENTUM



AND IMPLEMENTING A PROVEN BUSINESS MODEL

RECURRING LICENCE MODEL

- Enterprise and/or SaaS pricing
- Cloud, hybrid, on-premises
- Feature upsell
- Support options

DIRECT AND VIA STRONG PARTNERS

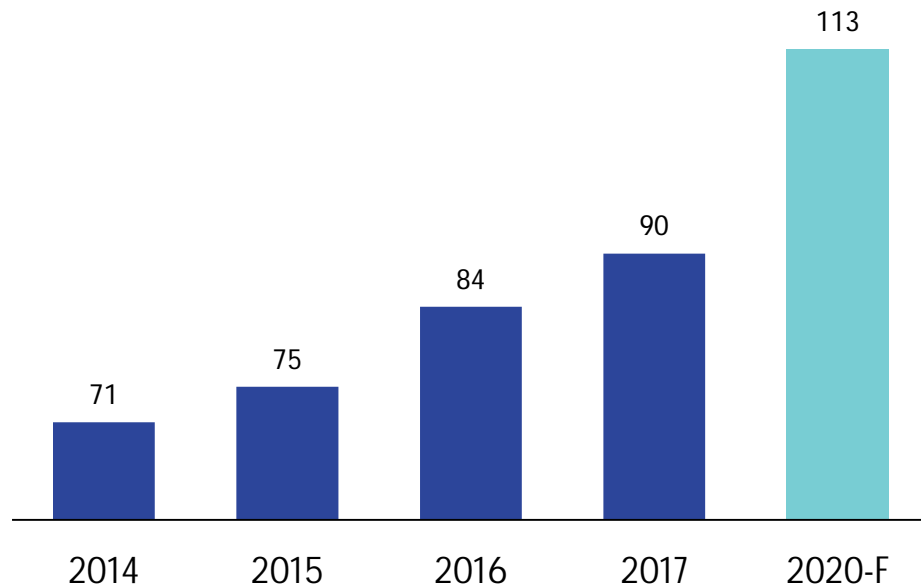


TIERED CLIENTS

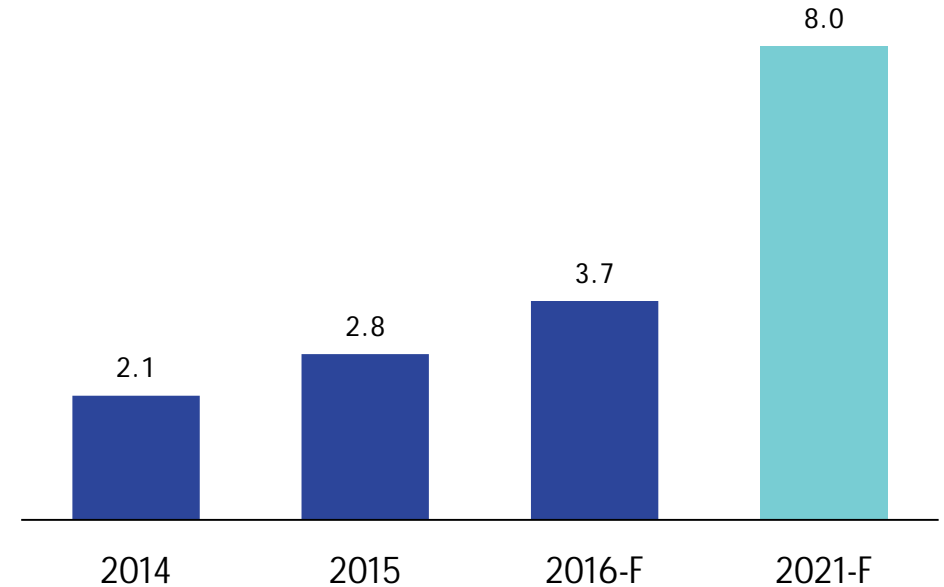
- Government
- Enterprise
- SMB

THE CYBER SECURITY REVENUE OPPORTUNITY IS LARGE AND GROWING

Cyber Security Market Growth (\$USbn)¹



Data Security Growth (\$USbn)²

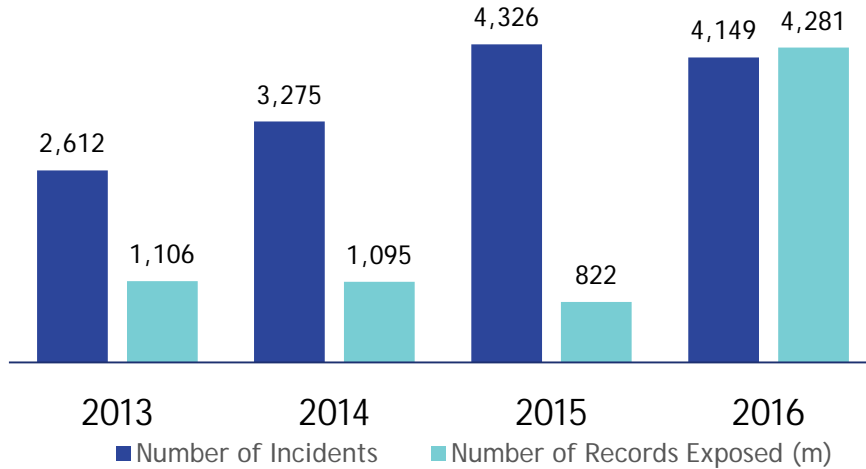


¹ Gartner Research Reports

² Markets and Markets: Cyber Security Market - Global Forecast to 2021 (2016)

DATA BREACHES AND REGULATION DRIVE DEMAND

Reported breaches¹



Stricter compliance and regulatory requirements



General Data Protection Regulation (EU)

Health Insurance Portability and Accountability Act (US)



PCI Security Standards (Global)



Data Privacy Legislation (Australia)



Sarbanes-Oxley Act (SOX) (US)

Total global cost to business
US\$2.1 trillion by 2019²

¹ Risk Based Security: Data Breach QuickView Report (January 2017)

² Juniper Research: The Future of Cybercrime & Security: Financial and Corporate Threats & Mitigation (2015)

THE RECENT CIPHERPOINT ACQUISITION ADDS SCALE AND CAPABILITY

CIPHERPOINT HAS:

- deeper Microsoft integration
- an established customer base
- sensitive data discovery
- watermarking
- a US sales footprint
- European GDPR capability

Acquisition terms align with shareholders:

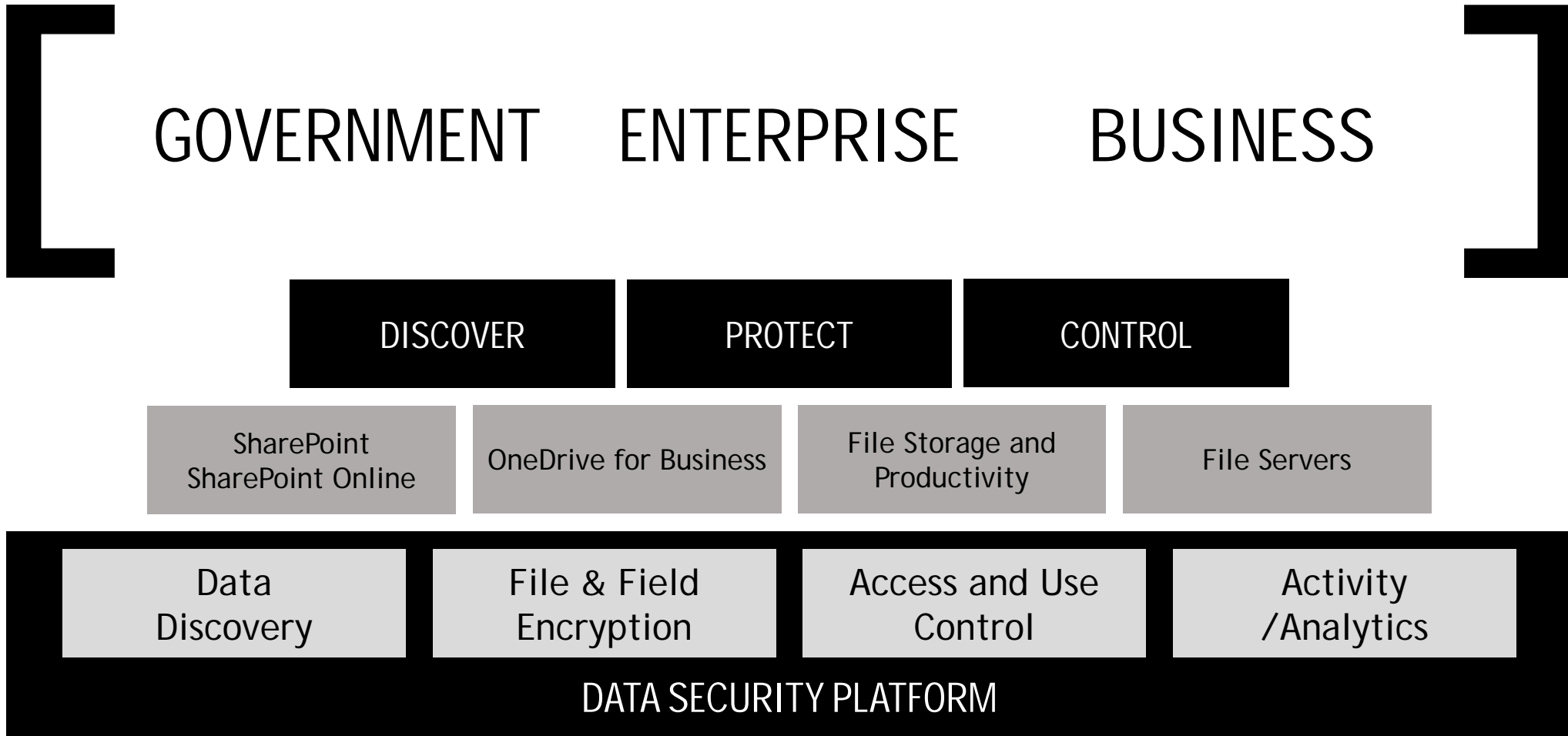
- on strategy
- builds capability
- expands geographic reach
- largely share based consideration
- shares leveraged to performance



OUR COMBINED PRODUCT FEATURES ADDRESS THE MARKET

FEATURE SET	[COVATA] SafeShare	[CIPHERPOINT] Eclipse
Discovery		✓
Defence grade encryption	✓	✓
End-to-end security	✓	
Zero knowledge	✓	
Data classification	✓	✓
Protection of files	✓ (Client)	✓ (Server)
Secure sharing and collaboration	✓	✓
Access management, watermarking, audit trails	✓	
Governance risk compliance (GRC)		✓
Rest API for integration	✓	

THE PIVOT TO A DSP DELIVERS OUR FUTURE



WE HAVE A CLEAR PLATFORM/PRODUCT ROADMAP

DEVELOPMENT	RATIONALE
SAAS PLATFORM ON AZURE	<ul style="list-style-type: none">▪ Moves Covata Secure (DSP) to the cloud and to digital marketplaces
INTEGRATIONS AND USEABILITY	<ul style="list-style-type: none">▪ Application integrations drive use▪ Security information and event management provide real-time analysis
DATA SECURITY PLATFORM	<ul style="list-style-type: none">▪ Offers customers a single pane of glass for data discovery, security, GRC, data loss prevention, analytics
SALES AND CHANNEL SYSTEMS	<ul style="list-style-type: none">▪ Drives lead generation and sales and manages channels
CAPABILITY	<ul style="list-style-type: none">▪ Technical investment in Application Interface builds future value

WE MAINTAIN CRITICAL SECURITY CERTIFICATIONS



FIPS 140-2 LVL,
DESIGN ASSURANCE LVL 3

Certifies highest level of protection, US and Canada



FIPS 197 ADVANCED
ENCRYPTION STD 256

Sufficient to protect classified information in US
Government



ISO 27001

ISO/IEC 27001 is the best known standard for an
information security management system (ISMS)



HM Government
G-Cloud
Supplier

G-CLOUD 9

G-Cloud is UK public sector Digital Marketplace to
procure pre-approved SaaS services












USA CoN

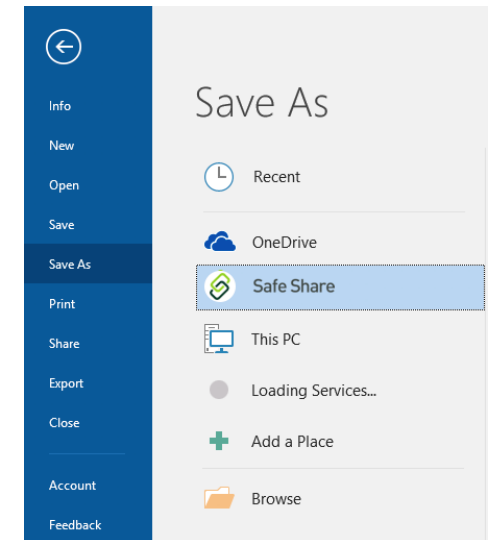
Certificate of Networthiness from the United States
Army

ALIGNING WITH MICROSOFT AS #1 OPENS THE MARKET

On-premises software still strong but Azure Cloud sales double in 2017¹

Overall Rank	Vendor	Management & Monitoring	Software & Data Integration	User Interface	API Complexity	Technical Support	Training & Documentation	Reporting & Billing
1st	 Microsoft Azure	1st	2nd	1st	2nd	1st	1st	1st
2nd	 amazon web services	2nd	1st	2nd	1st	2nd	2nd	1st
3rd	 Google Cloud Platform	3rd	3rd	3rd	3rd	3rd	3rd	4th
4th	 IBM SOFTLAYER	4th	4th	4th	4th	4th	4th	3rd
5th	 ORACLE CLOUD	5th	5th	5th	5th	5th	5th	5th
6th	 vmware	6th	6th	6th	6th	6th	6th	6th
7th	 SAP HANA	7th	8th	7th	7th	8th	7th	7th
8th	 rackspace	8th	7th	8th	8th	7th	8th	8th
9th	 Alibaba Cloud aliyun.com	9th	9th	9th	9th	9th	9th	9th

Office365, SharePoint, OneDrive ...

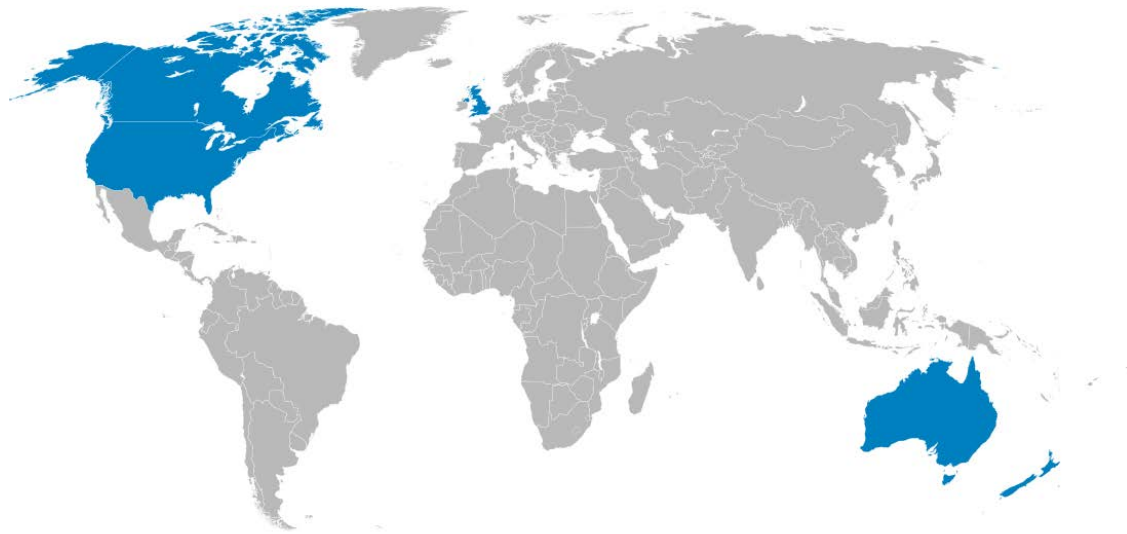


Integration pathway with Microsoft Office365

¹ Bloomberg (21 July 2017)

WE INTEND TO BUILD A GLOBAL BUSINESS AND FOOTPRINT

[COVATA]

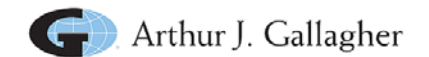


GOVERNMENT



Australian Government
23 departments

CORPORATE



BUSINESS



WE HAVE A SOUND FINANCIAL POSITION TO GROW

CASH	<ul style="list-style-type: none">▪ No debt▪ \$6.3m net cash (as at 30 June 2017)
R&D	<ul style="list-style-type: none">▪ We leverage incentives and invest in our platform▪ FY17 Australian R&D receipt \$1.45m (Q2 FY18)
COSTS	<ul style="list-style-type: none">▪ Costs down 50%, lean team (20)▪ Investment in lead generation and sales capacity
MARGINS	<ul style="list-style-type: none">▪ Long term gross margins of 70%+▪ Targeting net income margins of 20-25% once through breakeven

OUR BOARD AND TEAM ARE EXPERIENCED AND COMMITTED

BILL McCLUGGAGE
CHAIRMAN

DAVID IRVINE
NON-EXECUTIVE DIRECTOR

LINDSAY TANNER
NON-EXECUTIVE DIRECTOR



TED PRETTY
CEO



DEREK BROWN
CCO



WOODY SHEA
CTO



MIKE FLECK
VP SECURITY



HUGH STODART
HEAD OF PRODUCT
& ENGINEERING



STEVEN BLIIM
HEAD OF FINANCE

THANK YOU

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