



# FNN INVESTOR EVENT

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[COVATA]

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# COVATA

## WE DISCOVER, CLASSIFY, CONTROL AND SECURELY PROTECT DATA FOR GOVERNMENT AND BUSINESSES

### SNAPSHOT

### ASX:CVT

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Shares on issue	651.14M
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Share price	A\$4.3c
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Market cap	A\$28.0M
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26 Staff	
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### ABOUT

An Australian software company that allows you to manage data through its lifecycle by offering discovery, auto-classification, protection, control and secure archiving across multiple content platforms

# INVESTMENT THESIS

- The only ASX pure-play Data Security Platform
- Well positioned in fast-growing cyber security and collaboration markets
- In use by government in 29 Australian and 2 US agencies
- Rebuilt, agile team - all with equity
- Shift to sales focus already delivering returns
- Recent acquisition of data classification IP gives Covata a critical edge
- Lean operation with ability to scale

# OUR SOLUTIONS SECURE SENSITIVE DATA

## [SAFESHARE]

An easy to use, browser based secure data exchange

## [ECLIPSE]

Security for SharePoint

## [ECLIPSE365]

O365 Cloud-based release from 1 July 2018

## [COVATA SECURE] Data Security Platform

DISCOVER

CLASSIFY

CONTROL

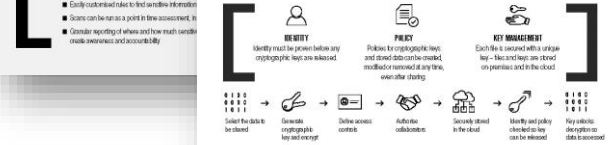
PROTECT

### [PRODUCT INFORMATION] [COVATA] COVATA DATA DISCOVERY

**WHY DO YOU NEED COVATA DATA DISCOVERY?**  
Data security and privacy compliance are core principles of any effective enterprise or government operation. Creating and maintaining trust when dealing with personal or private data is essential, because well-managed data security is simply good business. Organizations cannot properly manage risk and secure information without knowing what sensitive data they have, how much of it exists, and where it's located. However, most organizations are generally unaware of the amount and types of sensitive data that exist within the extended network and across unexpected locations and sources.

### [PRODUCT INFORMATION] [COVATA] SAFESHARE

**SAFESHARE IS AN ENTERPRISE AND GOVERNMENT-READY FILE SHARING SOLUTION THAT SECURES SENSITIVE DATA**  
In an increasingly interconnected world, collaboration and sharing of files both within and across organizational boundaries is a necessity. Safeshare allows enterprises to securely collaborate on files with both regular and ad hoc users (internal and external) without compromising privacy and data sovereignty. Safeshare takes a patented and highly effective approach to security data by using identity, policy and privacy management.

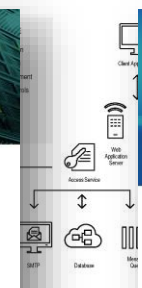


- PROTECTING INDUSTRY VERTICALS**  
While the underlying reason to protect sensitive data is different across industry verticals, the need to protect and secure data remains consistent across all:
- HEALTH CARE** - Protect account information and other customer data while sharing documents
  - FINANCIAL SERVICES** - Share evidence and source documents securely across departments and organizations
  - GOVERNMENT** - Enable collaboration with sensitive documents within and across government agencies
  - PHARMACEUTICALS** - Protect medical records and Personally Identifiable Information (PII) data
  - EDUCATION** - Protect student data and research
- ENSURING COMPLIANCE NEEDS**  
Privacy is an ongoing compliance requirement, sensitive data to be protected. Security issues are new respects to board level data and are at the heart of emerging governments. Tough legislation is already in place and even more regulatory requirements are emerging.
- FOI/BSA** - Updated security by encrypting files containing sensitive information at the file level
  - GDPR** - Data collaboration covered by GDPR, 142 and related by AEO-262 data encryption
  - SOX** - Each individual document uniquely encrypted before upload, stored, and in transit
  - PCI** - Own encryption keys and choose when to store encrypted data to ensure compliance with privacy and data sovereignty requirements
  - PHIPA** - Integrated Protected Health Information (PHI) and other sensitive information of data sensitive files with encryption to maintain HIPAA compliance

### OVERVIEW

COVATA SAFESHARE IS A HIGHLY SECURE FILE SHARING APPLICATION. IT IS PART OF COVATA'S DATA SECURITY PLATFORM (DSP) THAT ENABLES ENTERPRISE AND GOVERNMENT TO DISCOVER, PROTECT AND CONTROL SENSITIVE INFORMATION, WHILST TRANSFERRING AND SHARING IT SAFELY WITH BOTH INTERNAL AND EXTERNAL STAKEHOLDERS. SAFESHARE ENABLES ANY FILE TO BE UPLOADED, ENCRYPTED, STORED AND SECURELY SHARED BY INTERNAL AND EXTERNAL USERS. BEFORE SHARING, THE OWNER OF THE DATA (THE 'ORIGINATOR') CAN APPLY SOPHISTICATED ACCESS CONTROLS OVER WHO HAS ACCESS, WHEN THEY HAVE ACCESS AND HOW THEY CAN CONSUME THE DATA. SAFESHARE PROVIDES DETAILED AUDIT TRACKING INTO WHO, WHEN AND HOW ALL INFORMATION HAS BEEN ACCESSED (BY 'COLLABORATORS' AND 'VIEWERS').

### SAFESHARE COMPONENTS



### [PRODUCT INFORMATION] [COVATA] ECLIPSE

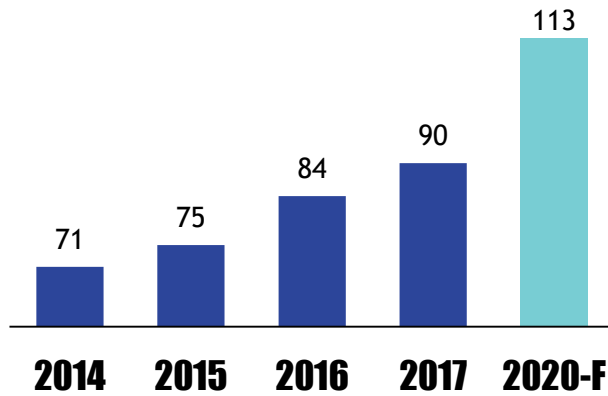
#### CIIPHERPOINT ECLIPSE PROVIDES DATA SECURITY AND PRIVACY COMPLIANCE SOLUTIONS FOR SHAREPOINT, OFFICE 365 AND FILE SERVERS

Technologies such as SharePoint, Office 365 and legacy file servers contain vast amounts of sensitive information that require a unique approach to secure it from unauthorized access, without impacting the end user experience. A typical large enterprise has over a billion files, but very little visibility or control into what information is contained within those files, or who is accessing them. While businesses and government agencies of different sizes have varying numbers of files, most organizations are faced with the same challenge, and knowing where sensitive data resides. This creates increased risk as a result of unmanaged regulatory compliance gaps and failure to properly enforce enterprise security policies. Covata's CipherPoint Eclipse provides transparent data encryption integrated with centrally managed permissions to secure sensitive information in SharePoint, Office 365 and file servers from unauthorized access. Unlike traditional data at rest encryption solutions that enforce end-user access controls, CipherPoint Eclipse enforces security at the application level to ensure that encrypted files and objects are only decrypted for authorized users and processes. All access requests are logged in real time to enable user activity and more quickly respond to suspicious behavior. CipherPoint Eclipse permissions allow customers to strongly enforce "need-to-know" - the right access for the right users, using centrally managed Risk and Attribute-Based Access Control policies. This combination of granular encryption and strictly enforced access controls means that CipherPoint Eclipse can meet control, backup, server, database and application administrator access to sensitive data.

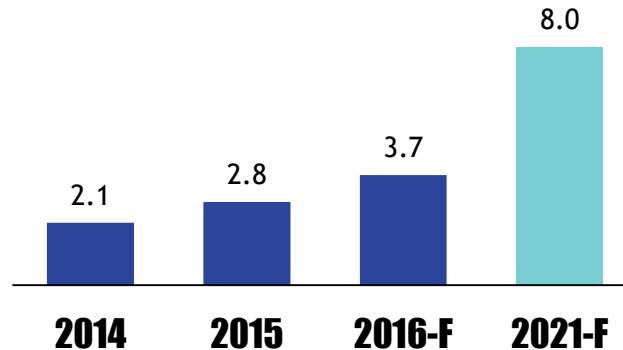
- PROTECTING INDUSTRY VERTICALS**
- HEALTH CARE** - Secure medical data in SharePoint, etc., and ability enforce the need to know, including privileged user access controls for account information
  - FINANCIAL SERVICES** - Flexible policies allow insurance businesses to quickly fulfill privacy requirements for member information
  - GOVERNMENT** - Provides means for decisions to collaborate without exposing the enterprise to non-compliance risks and high impact data breaches
  - PHARMACEUTICALS** - Easily comply with mandates to secure Personally Identifiable Information and protect intellectual property, government information, and classified data from compromised administrative accounts
- ENSURING COMPLIANCE NEEDS**
- GDPR** - Secure personal data from unauthorized access
  - HIPAA** - Encrypt patient information and control and audit access to it according to the Security Rule, maintain Safe Harbor from breach notification
  - FOIA** - Encrypt technical data and enforce Mandatory Access Controls to ensure only authorized users have access to controlled information
  - PCI/BSA** - Encrypt cardholder data, enforce business need-to-know, and monitor access
  - PHIPA** - File-level encryption and granular end-user access controls secure Personally Identifiable Information from theft while still allowing access logging across the time to detect suspicious activity

# CYBER BREACHES AND REGULATION DRIVE DEMAND

Cyber Security Growth (\$USbn)<sup>1</sup>



Data Security Growth (\$USbn)<sup>2</sup>



## REGULATION



General Data Protection Regulation (GDPR) (EU)



Sarbanes-Oxley Act (SOX) (US)



Notifiable Data Breaches (NDB) (Australia)

**Total global cost to business from data breaches estimated at US\$2.1 trillion by 2019<sup>3</sup>**

<sup>1</sup> Gartner Research Reports

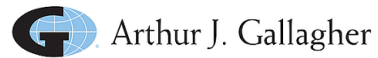
<sup>2</sup> Markets and Markets: Cyber Security Market - Global Forecast to 2021 (2016)

<sup>3</sup> Juniper Research: The Future of Cybercrime & Security: Financial and Corporate Threats & Mitigation (2015)

# SAMPLE CUSTOMERS AND PARTNERS

## CUSTOMERS

### ENTERPRISE



### GOVERNMENT



## PARTNERS



## CHANNEL



# RECENT INITIATIVES SUPPORT OUR GROWTH



CipherPoint Eclipse for Microsoft SharePoint provides transparent security and encryption for restricted and regulated data - Covata acquired CipherPoint in 2017 to help organisations protect data in the Microsoft environment



dataglobal GmbH is the global benchmark for data classification that enables data to be discovered, classified, controlled and protected. It has connectors into Microsoft, SAP, Oracle. In March 2018 Covata acquired dg's data classification capability





# OPERATING HIGHLIGHTS

## REBUILD

### H2 FY17

- Significant cost reductions
- New baseline set: from development to sales focus
- Rebuild of team

### 2014-2016

- Listed
- Single product focus
- Nominal revenues

## EXPANSION

### H1 FY18

- Pivoted to DSP
- Acquired CipherPoint
- Achieved bookings of \$2.28m
- H1 FY18 revenue already up 38% on the full year FY17
- Cash receipts up 238% on FY17

## GROWTH

### 9 months YTD FY18<sup>1</sup>

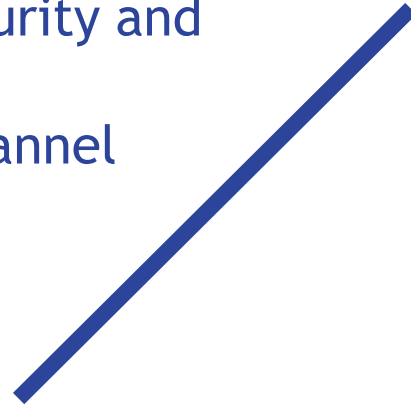
- Cash receipts  
\$721K ↑ 1063% PCP FY17
- Revenue  
\$910K ↑ 188% PCP FY17

<sup>1</sup> Unaudited

# OPPORTUNITIES OUTWEIGH RISKS

## OPPORTUNITIES

- Data security thematic strong
- Classification gives Covata an edge
- Growing market
- Target customers focused on security and compliance
- Expand sales through reseller channel



## RISKS

- New market entrants
- Extended sales cycles
- Customer inertia

# OUR GROWTH PLAN

- Built data security approach
- Expanded sales team
- Increased lead generation and product demos

**FY18  
INITIATE**

- New discovery, classification security features, O365 and cloud
- New channels
- Marquee sales

**FY19  
EXPAND**

- Expanded sales team
- New blockchain and collaboration initiatives

**FY20  
ACCELERATE**

Acquisition of IP and other M&A under consideration

# **OUR INVESTMENT THESIS IS STRONG**

**Huge market opportunity driven by regulation**

**Small, agile team**

**Focused on growth with strategies to address risks**



## CONTACT

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# THANK YOU

