

Senetas US\$8M investment in Votiro

14 November 2018



Senetas commits up to US\$8M investment in Votiro – leading Israeli CDR (content disarm and reconstruction) company



- Provides a majority shareholding in Votiro, a leading international provider of content disarm and reconstruction (CDR) technology
- Votiro's patented CDR technology protects companies from sophisticated threats in attachments and files from all communication channels
- Votiro was seeking an experienced strategic partner – Senetas's goal is to leverage its global distribution and business development capability to scale Votiro's award-winning technology
- Votiro was founded in 2010 by former cybersecurity experts in the Israel Defense Force and now has 37 staff across Israel and Singapore
- Co-founder and CEO Aviv Grafi will continue to lead the business post investment
- The investment advances Senetas's vision to provide leading security solutions without compromising performance or user experience, while expanding product suite



Advances Senetas strategy: products aimed at security, without compromising usability

OUR STRATEGY

“ To be recognised globally as a trusted provider of high-assurance security solutions. Protection without compromising systems' performance or user experience. ”

Votiro further expands product suite



CN SERIES

CERTIFIED HIGH-
ASSURANCE
HARDWARE
ENCRYPTION



CV SERIES

STRONG &
EFFECTIVE
VIRTUALISED
ENCRYPTION



SUREDROP

SECURE FILE
SHARING &
SYNCHRONISATION



VOTIRO

CONTENT DISARM &
RECONSTRUCTION
TECHNOLOGY

Votiro snapshot

**Leading CDR
provider**

400
Customers
1.5 million
end users

US\$3.5-4.0M
CY19E revenue

**Strong Patent
Portfolio**

**Demand for
CDR growing
strongly**

37
Employees

**Strong sales
pipeline**
across multiple
geographies and
industries

**Industry
recognition
& government
certifications**

Key transaction terms

Convertible Note

- Up to US\$8M in three tranches which can be called by Votiro or put by Senetas
- Senior secured over Votiro's Israeli operating company and its assets
- Convertible note plus convertible preference shares (carrying voting rights)
- Maturity date of 30 June 2020
- Conversion into ordinary shares on maturity or earlier on certain M&A events

Governance

- 5 board members, key decisions require Senetas director consent
- 2 Senetas representatives
 - 2 nominees from existing Votiro board
 - 1 Independent agreed by Senetas

Further opportunity

- The investment will provide Senetas with a majority shareholding on conversion of the full investment
- Senetas has a pre-emptive right on further funding and a first right of refusal to acquire Votiro in the future

Votiro financials

- Senetas investment to fund ongoing investment in sales and marketing as the business scales
- Cash breakeven anticipated in 1H CY20
- Strong revenue growth to US\$3.5M – US\$4.0M in CY19 expected to be driven by
 - Senetas investment allowing Votiro to capitalise on global sales pipeline
 - Moving from an upfront license to subscription revenues
 - Securing strategic partnerships, discussion underway
 - Leveraging Senetas distribution relationships in US and Europe
- Investment likely to be initially equity accounted



Our goal is to accelerate Votiro's growth

FUNDING



Allows Votiro to make necessary investments to scale

DOMESTIC DISTRIBUTION



Distribution agreements in Australia / NZ

GLOBAL DISTRIBUTION



Access to cyber-security distribution partners in Europe, US and Asia

BUSINESS DEVELOPMENT



On the ground business development resources in APAC, US and EU

GOVERNANCE



Senetas CEO and Chairman to join Votiro board

PRODUCT EVOLUTION



Broaden Votiro from a defensive product to a business tool by combining with SureDrop

Votiro

A leader in content disarm and reconstruction
(‘CDR’) technology



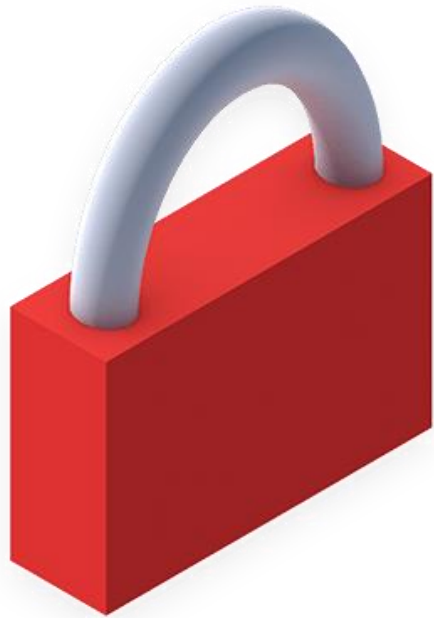
Standard cyber security defences are powerless against file-borne zero-day attacks

The number of users attacked with malicious Office documents rose more than 4x compared with Q1 2017. In just three months, its share of exploits used in attacks grew to almost 50% - this is double the average share of exploits for Microsoft Office across 2017.

- Kaspersky report

- Even the most advanced security ecosystems are helpless in protecting organizations from sophisticated, customized malware attacks against **unknown** vulnerabilities coming in via infected files
- These attacks have proven to evade every traditional security systems, including advanced sandbox solutions, causing catastrophic financial and reputational damages
- Most incoming files are not processed through an effective sanitization system, and **can easily bypass the entire organization's cybersecurity defence layers**

Votiro's patented CDR technology proactively eliminates content based threats



- Protects against the most advanced, persistent cyber-attacks
- Neutralizes exploit attempts before they're disclosed
- A single solution for all channels of incoming files
- 100% success rate in disarming zero-day attacks
- Integrates with any security system
- No impact to business productivity – neutralized in < 1 second
- Original content and functionality guaranteed

How does CDR neutralize a file?

3 STAGES TO NEUTRALIZATION



CDR has moved from fringe technology to must-have technology

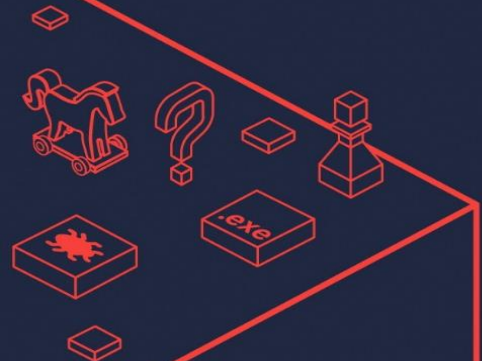


“Content-based targeted attacks represent a significant risk, particularly in modern content collaboration scenarios where extended teams of people exchange content from outside to inside the organization. [CDR] technology prevents those cyberattacks by scanning and deconstructing, validating file attributes against format specifications and blocking threats before they spread in the organization's systems.”



“Votiro goes beyond protecting email attachments, providing an advanced API that organizations can integrate into applications and content services, implementing protection from growing threats such as ransomware ... This technology can prevent a ransomware attack, rather than trying to fix the content once the damage is done. There are few products available to fix such issues in sharing platforms like Box and Dropbox.”

~ Joe Mariano, Monica Basso, Karen A. Hobert, Michael Woodbridge, Gartner, 2017



One solution to sanitize content for all channels



Votiro can protect against content-based threats from all communication channels



MAIL



- Supports all mail servers
- Maintains email content & keeps attachments intact
- Quick & easy deployment and integration
- Zero-Day Exploit Protection

DISARMER API



- Integrates with existing applications
- Fully secure REST API
- Supports complex organization policies
- Zero-Day Exploit Protection

CONTENT COLLABORATION PLATFORMS



- Integrates with existing file sharing platforms
- Zero latency
- Enhances security in cloud-based content sharing
- Zero-Day Exploit Protection

REMOVABLE DEVICES



- Imports files from removable media safely
- User-friendly interface
- Supports organization policies
- Zero-Day Exploit Protection

FILE TRANSFER



- Integrates with existing file servers
- Supports network separation architecture
- Enables seamless workflow
- Zero-Day Exploit Protection

WEB

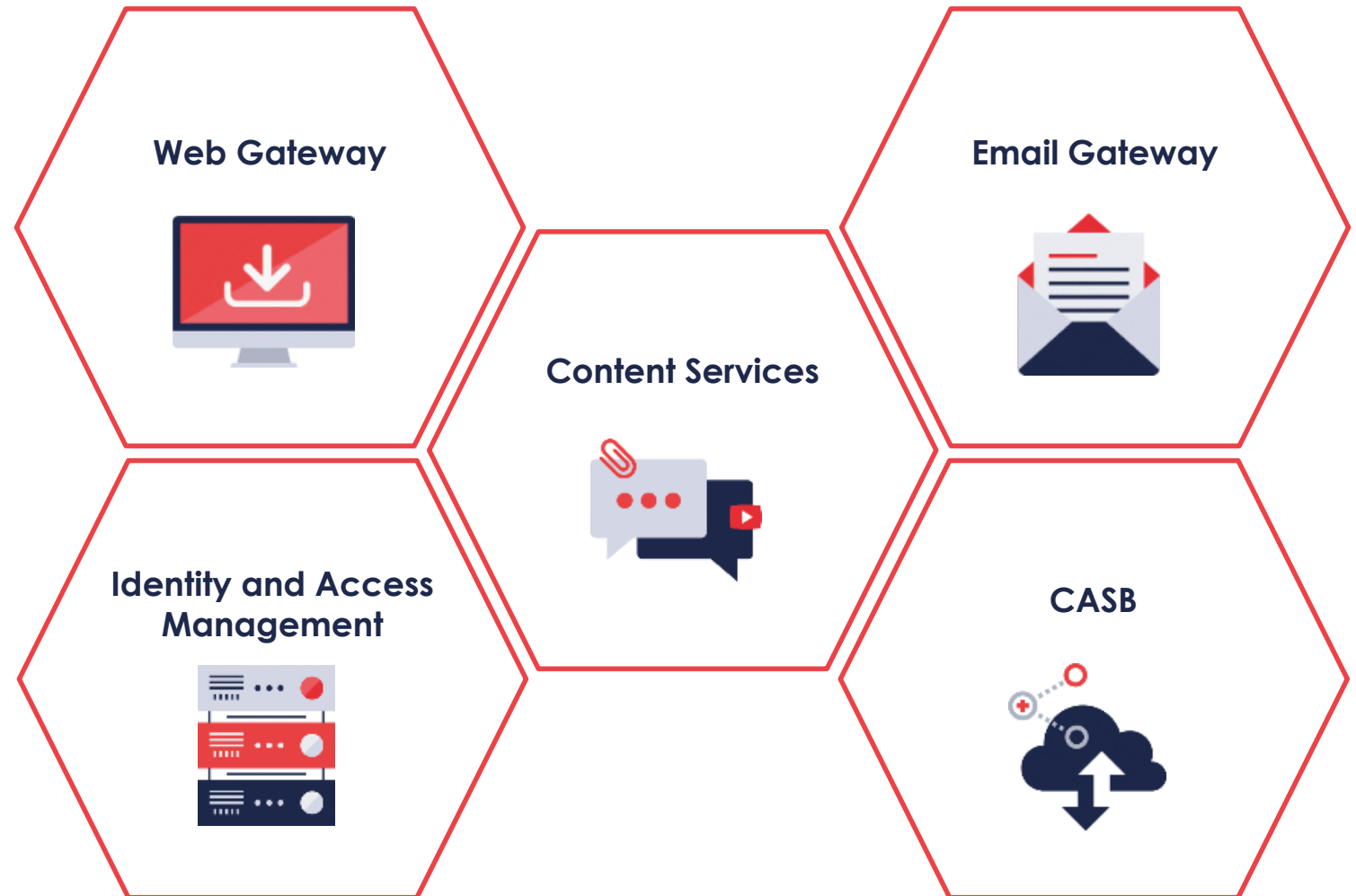


- Integrates with existing proxy servers
- Enhances web isolation protection
- Disarms any downloaded file from any browser
- Zero-Day Exploit Protection

Significant opportunity across multiple end user markets

Drivers of demand:

- Global regulatory changes catalyst for review of cybersecurity
- Increased frequency and cost of cyber attacks
- Need for new technology to combat the usability and security constraints of sandbox software
- Malware increasingly advanced



Votiro's market recognition



LEADING INDUSTRY RECOGNITION



GOVERNMENT CERTIFICATIONS



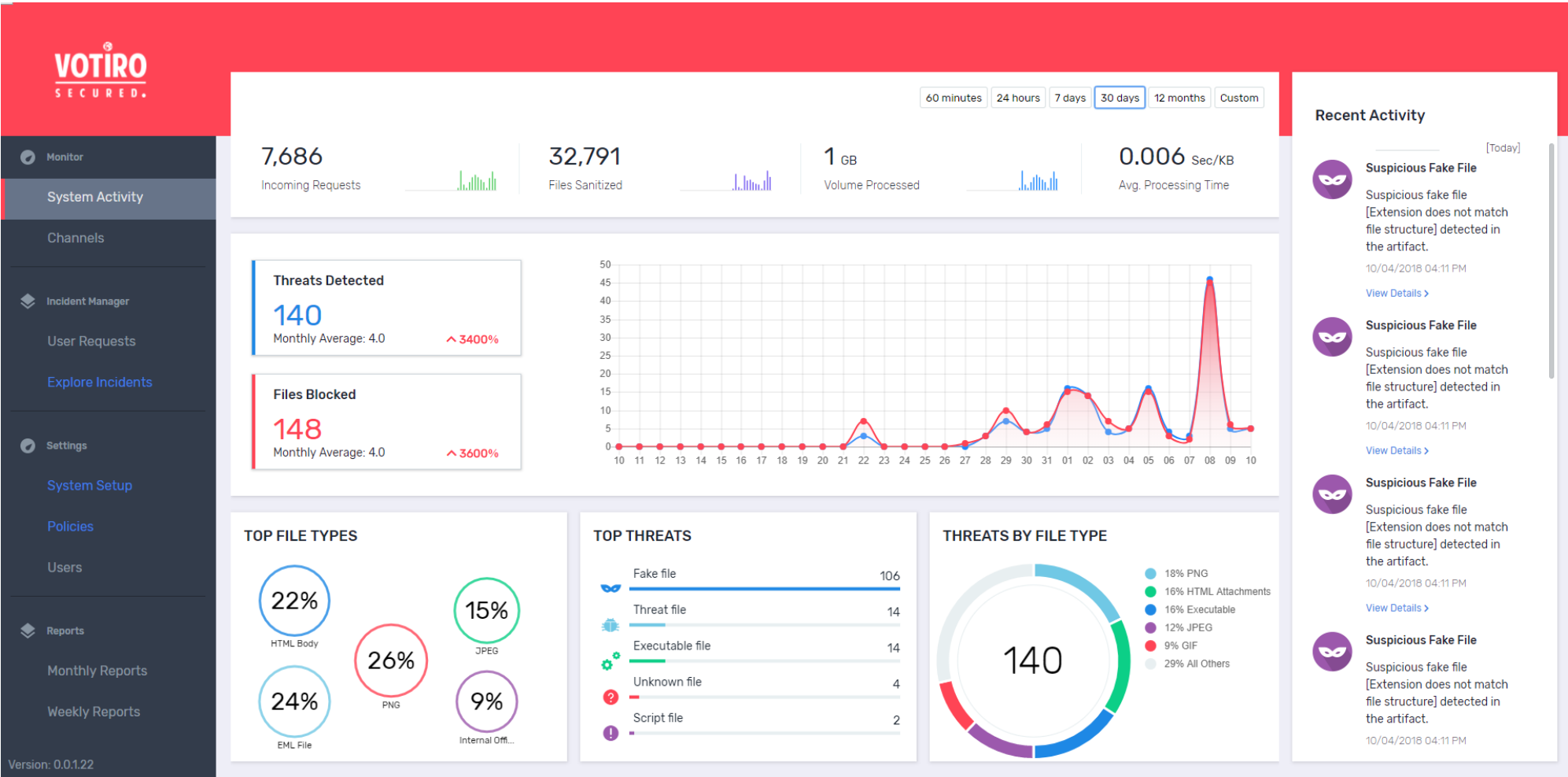
Australian Signal Directorate



INDUSTRY AWARDS RECOGNIZING WORLD LEADING INTELLECTUAL PROPERTY



Votiro's Content Security Platform – clear customer value proposition



A clear synergy between Votiro and SureDrop

- SureDrop provides the usability, familiarity and convenience of a drop box, file sharing application; plus the implementation of best-in-class security
- Product differentiation – security model – end to end encryption security and 100% data location control (sovereignty)
- Numerous customer trials in APAC underway
- **Opportunity to integrate with Votiro CDR technology to enhance capabilities – taking Votiro from defensive product to a broader business tool**

SUREDROP



Summary



SUMMARY

- **\$8M Investment:** Senetas commits up to US\$8M investment in Votiro – leading Israeli CDR (content disarm and reconstruction) company
- **Majority shareholding:** Provides a majority shareholding in Votiro with pre-emptive right on further funding and a first right to acquire Votiro
- **Advances vision:** The investment advances Senetas's vision to provide leading security solutions without compromising performance or user experience, while expanding product suite
- **Leverages capability:** Senetas to leverage its global distribution and business development capability to scale Votiro's award-winning technology
- **Maintains strategic flexibility:** Senetas's balance sheet remains strong with no debt and significant cash reserves to provide the strategic flexibility to continue to invest in core products and pursue opportunistic investments

Thank you

