

Covata Limited

Investor presentation
November 2014



Investment case

Significant time and resources spent developing the Covata Platform which has a number of significant competitive advantages in the IT security market place

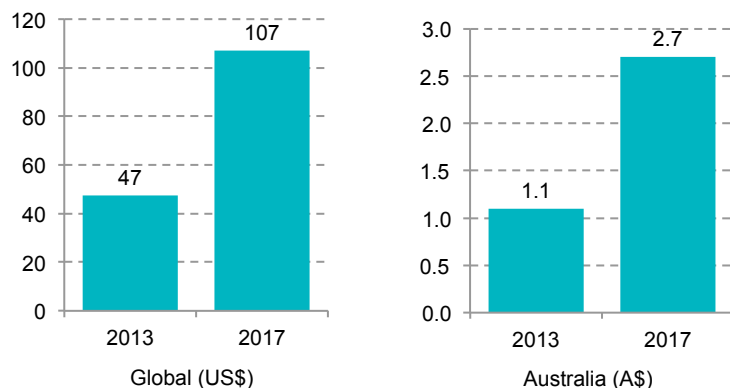
- Significant market opportunity: The IT security market is estimated to be valued at US \$68 billion and is expected to continue to grow strongly
- High barriers to entry:
 - Unique IP portfolio with patent protection and certifications in place
 - Covata has spent in excess of A\$30m over 6 years to develop an enterprise ready solution
 - Equivalent accreditation / certifications can take up to 24 months to obtain
- There is no market competitor that offers a similar solution that can be integrated as easily into existing infrastructure
- Commercialisation strategy and global partnerships in place
- Strong Board and Management team

Industry overview

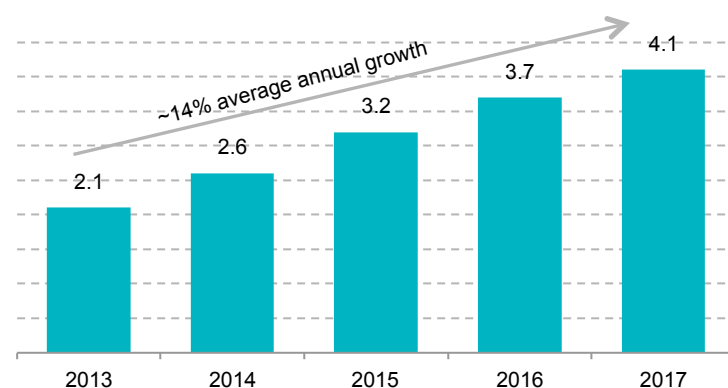
The IT security market is estimated to be valued at US\$68 billion and is expected to continue to grow strongly

- Protecting and securing data and proprietary information is of high importance to government and enterprise
 - Prevalence of information in digital form
 - Increasing distribution / exchange of information using unsecure mediums
- The International Data Corporation in 2013 estimated spending in cloud computing will reach US\$107 billion globally and AU \$2.7 billion in Australia, by 2017
- Global cloud-based security market is predicted to grow to US\$4.1 billion by 2017 as reported by Gartner
- There are a number of key trends identified in the IT security market including:
 - Increased adoption by government and business to use cloud as a cost effective means of storing information
 - Growing demand for flexibility and customisation in IT security solutions
 - Employees using personal devices (BYOD) to access information on an organisation's network or cloud

CLOUD COMPUTING MARKET (\$ billion)



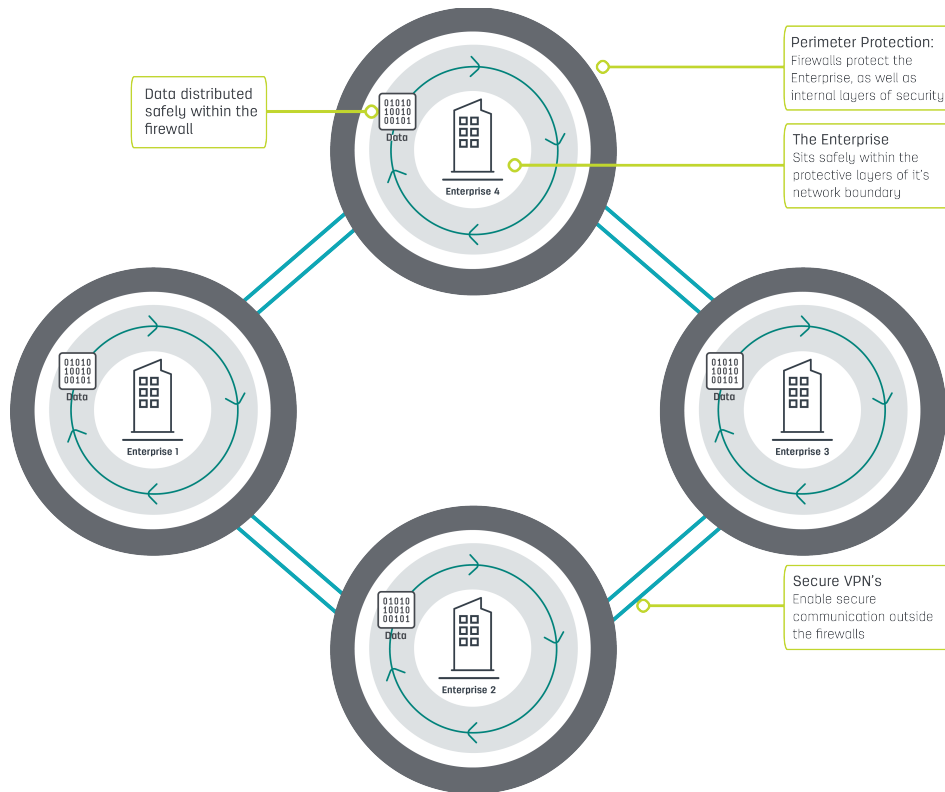
CLOUD SECURITY SPENDING (US\$ billion)



Traditional approach to data security

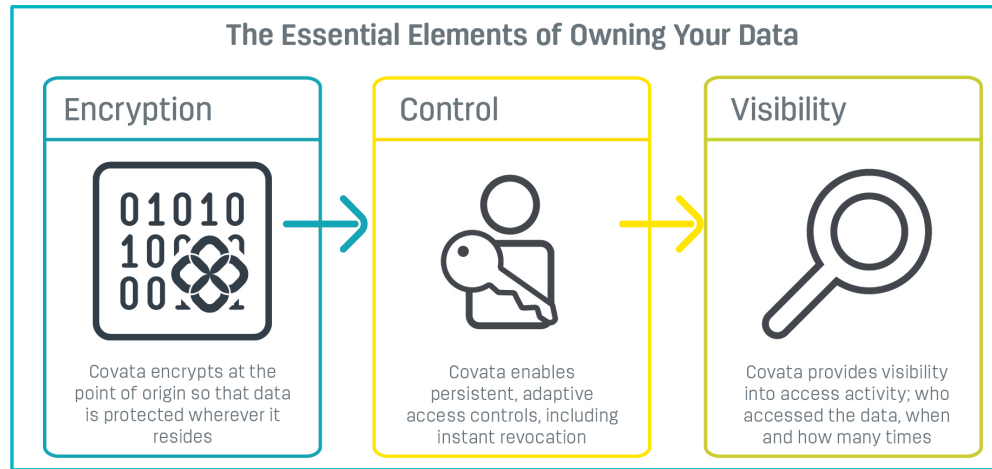
Data security traditionally focuses on the network or perimeter level

NETWORK / PERIMETER SECURITY (TRADITIONAL APPROACH)



- Security at the network or perimeter level leaves individual data files unsecure
 - All data can be accessed once the perimeter is breached
 - Network is hackable from outside organisations
 - Potential for documents to be leaked from inside an organisation
 - Can require costly hardware solutions
- Difficult to control the security and integrity of data when sharing files outside of an organisation
 - Data can be compromised once shared via email or uploaded to and accessed from an unsafe cloud storage site

Covata Technology: Covata has developed a disruptive approach to IT security



- Enterprise solution to manage data security at the object level as opposed to securing data at the network or perimeter level
- Patented technology which incorporates three core principles:
 - (1) strong encryption
 - (2) rights management (defining what you can or can't do with the data)
 - (3) audit (visibility into who did what with the data)
- Flexible integration into existing enterprise infrastructure
- High security certifications have been obtained for versions of the software
- Significant market opportunity with strong barriers to entry – no known market competitor offering a similar solution
- Commercialisation strategy is progressed - reseller and product development agreement with NSC Global and is in various stages of negotiations with a number of potential OEM providers

Certifications

Covata Platform has been awarded a number of prestigious IT certifications

- Independent certifications provide customers with assurance that technology is of a high standard
- Versions of the Covata Platform have been independently certified by US and Australian organisations
- Provides government, system integrators, resellers and OEM partners with an assurance that the Covata Platform:
 - Provides a high level of security protection
 - Can be integrated to comply with strict government security regulations if required
- Hold a number of registered patents in key jurisdictions including the US, Australia, New Zealand and Singapore

SECURITY CERTIFICATES



FIPS 140-2 Level, Design Assurance Level 3

- Certifies highest level of protection, complying with strict Government security regulations
- Assurance for US and Canadian Government customers, system integrators and resellers



FIPS-197 Advanced Encryption Standards 256

- Security certification sufficient to protect classified information in US Government
 - Supersedes protection at SECRET level



Common Criteria EAL 4+

- Indicates particular versions of the software were independently verified against international standards



DSD Cryptographic Evaluation

- Assures data security is upheld during the transfer of classified information over unclassified networks
- Certification is relied on by Australian and New Zealand Government agencies

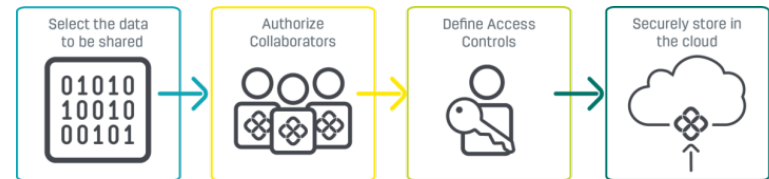
Source: Certificate websites

Enterprise application

First product for commercialisation is Safe Share

- Enterprises typically have a number of different security platforms for different applications (eg. email and mobile devices are likely to have different security overlays)
- The Covata Platform can be integrated to connect into existing systems within an enterprise
 - Significant cost efficiencies and business process benefits
- Covata has developed a commercial cloud based Enterprise File Sharing and Synchronisation product called **Safe Share**
 - **Purposefully built for enterprise users**
 - Demonstrates the application of the Covata Platform and assists with the advancement of its commercialisation strategy
- Safe Share is compatible across many electronic devices and can be accessed via a web browser (Internet), Windows and iOS applications
- Safe Share can be tailored to suit specific enterprise needs

SAFE SHARE PRODUCT OVERVIEW



Safe Share Functionality...



Safe Share Features...



Safe Share, an enterprise-focused solution

covata Safe Share Administration / Dashboard

Home / Share / Download / Remove / More

All Files

Name	Owner	Created
Offsite	Simon Wild	15 Sep 2014
Pentest Aug 2014	Simon Wild	27 Aug 2014
Test	nick.camroll@covata.com	15 Sep 2014
1471-2164-12-408-s2.xlsx	Robert Bartlett	29 Aug 2014
Collateral_White_Paper_Corporate_Files_Sharing_v3.docx	nick.camroll@covata.com	01 Aug 2014
Covata-Intro-9-14-rob.pptx	Robert Bartlett	05 Sep 2014
Load Test Data.zip	nick.camroll@covata.com	15 Sep 2014
Press_Release_Covata_View_Only_Final_03252014.docx	nick.camroll@covata.com	25 Jul 2014
Product Roadmap 2014.pdf	nick.camroll@covata.com	10 Jul 2014
Stock Research.pdf	nick.camroll@covata.com	25 Jul 2014
WhiteCovata_T-Systems_25 July 2014_v2.pptx	nick.camroll@covata.com	25 Jul 2014

Total Items: 13

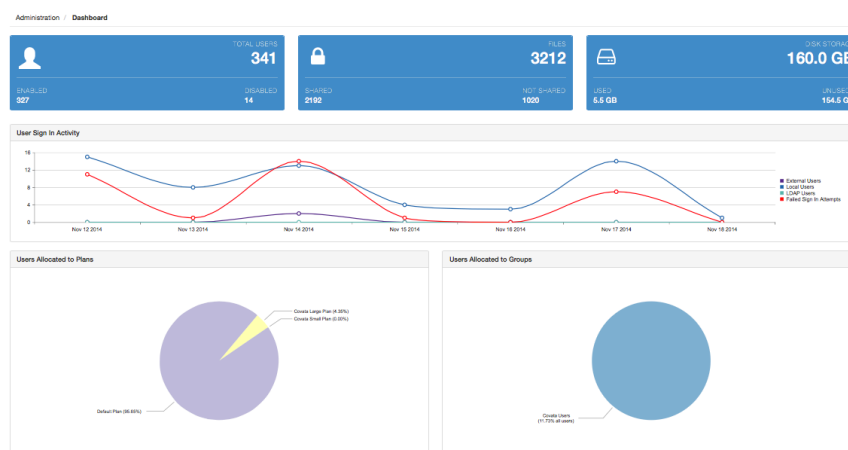
337.4 MB (33%) of 1.0 GB used
Help | Support | Legal | v2.13.462

File details:

Name: Load Test Data.zip
Created: Sep 15 2014 9:42 AM
Modified: Sep 15 2014 3:54 PM
Size: 312.8 MB
File type: zip

Shared with:

- andrew.lum@covata.com
- david.yeung@covata.com
- kevin.mchugh@covata.com



covata Safe Share Administration / Dashboard

Home / Share / Remove / More

All Files

Name	Owner	Created
ATestFolder	helen.fraser@covata.com	04 Sep 2014
Capital Structure	helen.fraser@covata.com	04 Sep 2014
CDL Business Overview	helen.fraser@covata.com	04 Sep 2014
CDL Data Room	helen.fraser@covata.com	04 Sep 2014
Covata Marketing Material	helen.fraser@covata.com	04 Sep 2014
Covata Pen Test Information	helen.fraser@covata.com	04 Sep 2014
Human Resources	helen.fraser@covata.com	04 Sep 2014
NGC Meetings	helen.fraser@covata.com	04 Sep 2014
NGC Meetings	helen.fraser@covata.com	04 Sep 2014

Total Items: 24

3.0 GB (28%) of 1.0 GB used
Help | Support | Legal | v2.13.462

Share dialog:

Name: Human Resources

Collaborators:

helen.fraser@covata.com | v2.winkler@covata.com

This folder has already been shared. Only new collaborators will receive an email notification.

Access Controls:

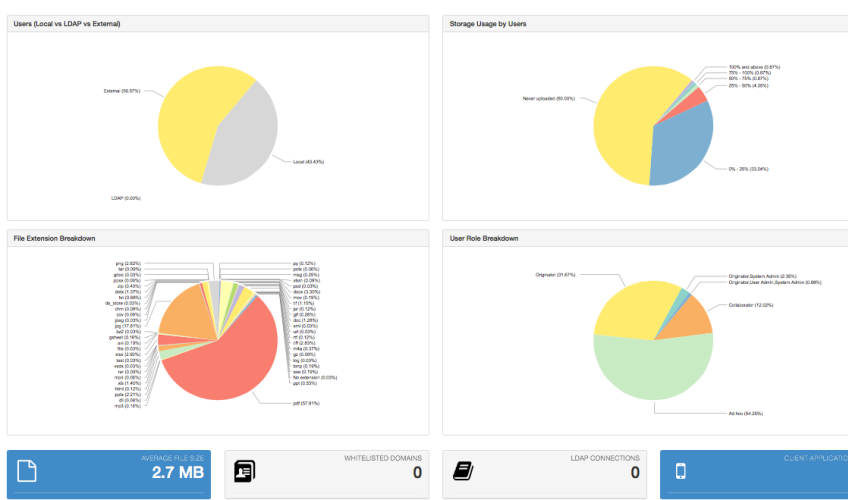
- ☒ Allow downloading of contents?
- ☒ Allow printing of contents?
- ☒ Apply sharing changes to all sub-folders and files?

Folder details:

Name: Human Resources
Created: May 28 2014 5:37 PM
Modified: Jul 25 2014 4:33 PM



Shared with:

- helen.fraser@covata.com
- v2.winkler@covata.com



Commercialisation strategy

Three key commercialisation channels

Channel	Description	Current customer / partner and target markets
Reseller partners and distribution	<ul style="list-style-type: none">▪ Covata has developed a strategy of utilising a network of trusted partners and distributors for specific regions / client groups▪ Utilises reseller trusted relationships while minimising number of required sales staff	
Direct sales	<ul style="list-style-type: none">▪ Direct sales to certain customer segments including Government and Defence Agencies▪ Strong reputation in the intelligence community	
Original Equipment Manufacturers (OEMs)	<ul style="list-style-type: none">▪ OEM clients would “embed” the Covata Platform within their existing software ecosystem<ul style="list-style-type: none">— Provide scalability and attractive margins	Currently in various stages of negotiations with a number of potential global OEM partners ¹

1. Discussions remain preliminary, incomplete and confidential

Strong Board and Management Team

BOARD OF DIRECTORS

Charles Archer

*Executive
Chairman*

- Over 28 years experience as Assistant Director of the FBI as head of the Criminal Justice Information Services Division
- Testified before multiple Senate and House committees on advancing technology for Criminal Justice

Trent Telford

*Founder, CEO
and Executive
Director*

- Founded company in October 2007
- Experienced company Director and CEO and founder of one of Australia's first mobile marketing technology companies with STW Group

Phillip Dunkelberger

*Non-Executive
Director*

- President and CEO of Nok Nok Labs, Inc, a leader in strong authentication solutions
- Co-Founder and CEO of PGP Corporation (acquired by Symantec in 2010)

Joseph Miller

*Non-Executive
Director*

- Managing Director of Europlay Capital Advisors, LLC ("ECA"), an Los Angeles based boutique merchant bank and financial advisory firm
 - ECA services and invests in technology, media, telecom etc.

Philip King

*Non-Executive
Director*

- Over 30 years experience in financial services, payments and IT
- Co-founded Asia Principal Capital Limited in Brunei and Singapore

EXECUTIVE MANAGEMENT

Trent Telford

*Founder, CEO and
Executive Director*

- Founded company in October 2007
- Experienced company Director and CEO and founder of one of Australia's first mobile marketing technology companies with STW Group

Nick Chiarelli

*Chief Financial
Officer*

- 15 years financial / accounting experience in Sydney and London
- Managed Covata's finance function for 4 years

Vic Winkler

*Chief Technology
Officer*

- Over 30 years experience in information and cyber security, cloud security, and systems and applications development
- Previously security architect for Booz Allan Hamilton and Lead Cloud Technologist at Sun Microsystems

In summary

Covata is well positioned to grow globally, underpinned by...

- Significant market opportunity: The IT security market is estimated to be valued at US \$68 billion and is expected to continue to grow strongly
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Q&A

Disclaimer

Some of the information contained in this presentation contains “forward-looking statements” which may not directly or exclusively relate to historical facts. These forward-looking statements reflect Covata Limited’s current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside the control of Covata Limited.

Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks. Because actual results could differ materially from Covata Limited’s current intentions, plans, expectations, assumptions and beliefs about the future, you are urged to view all forward-looking statements contained herein with caution.

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