

# Covata Limited Business Update

14 July, 2015





## **CEO Business Update**

**13 July 2015**

**Washington D.C**

Dear Investors,

As an Australian company based overseas it is a challenge to be in front of the capital markets and shareholders regularly. With this in mind, and the strong interest in Covata with regards to Cisco and our Managed Service Provider (MSP)/Telco strategy, it is timely to provide a business update, aside from the course of ordinary announcements and the forthcoming AGM.

I would like to open with a re-cap of the Covata go-to-market strategy. It is keenly focused right now on two of the three segments we outlined at the time of listing – OEM (Cisco) and Telco/MSP. The third, being Government, is being addressed in Australia through Macquarie Telecom.

We are, across the board, on schedule with all plans advised in earlier investor presentations. The company has been focused on three efforts. Selling into new channel partners, activating signed channel partners and helping them sell through to end-users.

Whilst this has not yet resulted in revenue from T-Systems in the June Quarter, our focus on securing new partnerships with global Telco's will place us in a strong long-term position. The model of selling 'through' each Telco by training and supporting the internal sales process, allows us to build monthly recurring revenue from end-user seat licenses. This business model is underway with T-Systems this quarter, and will continue to gain momentum throughout FY2016-2017.

To gain scale in this business model, we are pushing hard to expand our Telco/MSP partners in Europe. The pipeline is robust and we will remain focused on it this quarter, and beyond, with the T-Systems case study supporting our pitch.

Additionally, Latin America and Asia is a key focus as we articulated in the Investor Presentation on March 26. Since announcing this strategy, we have engaged highly regarded people with many years of Telco experience in these regions to open doors, and I can confirm we are in active discussions with a number of Telco's in both regions.

We see this Telco/MSP channel as a 'land-grab'. With this in mind we are focused, in the short term, on signing as many Telco's of a high-grade in the targeted regions - as after completing due diligence and choosing Covata, they are unlikely to offer multiple versions of a similar product to their customers. Revenue for this quarter and next is important to prove our model to the market

and we remain confident of the strong numbers this model will deliver over time. The activities to date are evidence of our fast pace to 'own' this channel for our product segment.

Our experience in activating and supporting the sales process with our channel partner T-Systems is that they wish to be highly involved in the go-to-market enablement of their sales staff. Together we have produced marketing collateral and messaging in German, Portuguese and Spanish, and educated T-System Product Management to articulate our value proposition into the European sales teams.

'Turning on' a Telco of this scale is a sizeable task and we have employed extra people in Sales and Marketing to execute. The good news is that it's done and we have full visibility of pipeline and communications.

The Sales and Marketing effort put into T-Systems has produced a scalable and repeatable process for go-to-market and end-user adoption. This process will apply to the next Telco we switch on; Colt being the first, with more to follow.

The second major focus for Covata is Cisco – our 'OEM' strategy.

Cisco has been through a company-changing event in the last few months. For the past 20 years the company has been led by John Chambers, widely regarded as the strategic mastermind behind making Cisco the giant it is today. As of this month, his successor, Chuck Roberts takes over. We believe Covata's objectives will be well served by his appointment and it is a positive signal given his strong security, software and cloud services background.

Our partner's inside Cisco are upbeat about the coming financial years in Cisco as it pertains to its Services organisation. Cisco runs a financial year starting July 26<sup>th</sup>, almost perfectly aligned to our Australian financial year. We are currently engaged with Cisco with regards to revenue targets for the 2016 financial year.

We will support the growth in Cisco in the San Francisco Bay Area and continue to develop the teams we have in Sydney and London to underpin the planned rapid growth trajectory. We believe that it is vital for us to place our key staff alongside, and often inside, our customers. Time is of the essence and nothing beats customer engagement to do this. The Covata team is made up of dedicated and astute professionals who are prepared to work hard to take Covata to the next level.

The following slides provide more detail on some of the aspects touched on here.

Regards,



Trent Telford

CEO & Founder

# Re-Cap: CVT Business Activities

As outlined in the Investor Update on the 26<sup>th</sup> of March 2015

- Deliver on existing deals

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- Expand the sales scope of Safe Share across Europe, Asia Pac and Latin America

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- Open up the Covata Platform, with the power of Secure Objects, to transform the way all industries and new technologies protect data

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- Continue to expand Safe Share and increase adoption

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Additional Information on Following Pages

# Existing Deals Update



# ...T...Systems...

Covata has developed a strong relationship with T-Systems and has spent three months enabling and supporting their European network of account managers.

- Weekly sales and marketing meetings held with Covata team lead with T-Systems.
- German marketing material has been created, specific for German audience, following market and industry analysis. Materials have also been provided in Spanish and Portuguese.
- A strong sales pipeline has been established.
- Focusing on activating revenue this quarter now enablement has been done.
- Sales campaign underway to enterprise market of T-Systems. Targeting enterprise customers of 500-5,000 + seats.



# Covata T-Systems Co-branded Advertising

Select examples from a suite of co-branded advertising developed for the European market



## Securely share your data around the world

Covata Safe Share, hosted on T-Systems trusted cloud, allows you to share and track where your corporate data goes, inside and outside the organisation!

Keep your data under control. No matter where in the world it needs to travel.

 **covata** Powered By  **T-Systems**


## Safe Share, the security solution that will provide you and your employees peace of mind

Cumbersome security products are now a thing of the past!

Safe Share is as secure as it is easy-to-use. Because Safe Share's interface is intuitive and user-friendly, today's hyper mobile workforce won't have to compromise security for usability.

Safe Share, hosted on T-Systems trusted cloud, is the premier file sharing product for every security conscious enterprise.



 **covata** Powered By  **T-Systems**

## Is Shadow IT Putting Your Business At Risk?

Without an approved secure file sharing product your staff will use consumer apps to get the job done - unwittingly exposing the business to potential data breaches and loss of IP!



Covata Safe Share, a consumer file sharing alternative, provides staff with an easy to use and secure way to connect, share and collaborate, all hosted on a cloud you trust!

 **covata** Powered By  **T-Systems**



Cisco runs a financial year starting July 26<sup>th</sup>.

Detailed Covata – Cisco planning underway covering targets and investment required for FY2016.

The appointment of Chuck Roberts as the new CEO this month bodes well for Covata given his background in security and software.

Covata intends to build out a team to support Cisco in the San Francisco bay area – with the scale of this team pegged to joint revenue targets for FY2016.





In addition to being a corporate partner for Covata, NSC Global have been using Safe Share as a core business tool in three business areas:

**Project Management:** The PM team within NSC use Safe Share to send large documents securely.

**Engineering:** NSC Global share hardware configuration files with in-house and partner field engineers. These field engineers require mobile access to configuration files when they are on customer sites.

**Sales:** NSC Global sales staff share customer related collateral and sales reports internally using Safe Share due to its security and accessibility. Shared folders enable a collaborative approach to account management.

# Macquarie Telecom |

Macquarie Telecom has co-branded Safe Share as 'SigBox powered by Covata' and is currently distributing it to Australian Government Departments.

The response in Canberra has been strong; Macquarie Telecom has been successful in penetrating the market with several Australian Federal Government Departments currently in trials and/or using SigBox and it is growing rapidly.

Due to existing NDA's and sales strategies, no further information can be given at this time however we will endeavour to provide colour as soon as it can be made public.

# Expanding Sales – Europe, Asia Pac and Latin America





# Expand The Sales Scope of Safe Share across Europe, Asia Pacific and Latin America

Engaged in new discussions with a number of Telco's across Europe, Asia Pacific and Latin America, including one ranked in the top 10 global Telco's by market capitalisation\*.

These are early stage discussions at varying degrees of qualification, however initial feedback has shown the value proposition of Safe Share's features (enterprise grade security + usability), coupled with Australian licensing, is compelling.

\*T-Systems Deutsche Telekom AG is another ranked in the top 10.



Leading multi-national telecommunications and IT provider Colt Technology Services will make Safe Share available to the financial services sector within their global customer base.

Colt capital markets services more than 400 financial institutions, including 18 of the top 25 banks and diversified financial groups.

**Covata and nscglobal will be targeting firms seeking 1000+ seats and will be sold on a per user, per month basis.**

# Covata Multilingual Translation to Support Regional Growth

The company has invested in the translation of important collateral to support international growth and development. Spanish and Portuguese are critical for Latin America as is the deployment of the software stack in the customers native language.

**Covata Safe Share™**

### Enabling Trust in a Zero Trust World

Covata Safe Share™ is a frictionless, enterprise-grade file storage and sharing solution built from the ground up on the world's most secure file encryption standard.

Strict privacy and security regulations have meant that many European organisations have been unable to leverage cloud file sharing solutions.

Safe Share™ has been developed with security at its core, and as a non-US hosted file-sharing solution, will help support your business as it adheres to European regulatory compliance requirements.



**Usability**

**Security**

**Security**

Every file has its own unique key. Data is encrypted and decrypted at the source. Access is subverted with each attempt, at the time of access.

**Enterprise**

The enterprise never loses control of its data. Designed for the enterprise, users and data adhere to corporate policies. All access is audited and controlled.

**Mobility**

Safe Share™ keeps data encrypted everywhere, even on a mobile or a tablet. Data can be safely accessed by internal users and externally by partners and customers.



Accessible via Web Application, Windows Application and iOS Application.



Own your data

**Covata Safe Share™**

### Ihre Daten – Ihr Besitz

Covata Safe Share™ ist eine Lösung für die Speicherung und Freigabe von Dateien für Unternehmen, die sich der Bedeutung der Datensicherheit bewusst sind. Safe Share™ hält die Compliance-Vorgaben europäischer Aufsichtsbehörden ein und unterstützt so Ihr Unternehmen.

Gemeinsam mit T-Systems, unserem strategischen Partner in Europa, bietet Covata sicheres Hosting von Daten über bewährte Infrastrukturen.

Verschlüsselte Daten werden ausschließlich in den Datenzentren von T-Systems gespeichert. Dies gewährleistet, dass Ihr Unternehmen deutschen Standards der Datensicherheit entspricht.



**Benutzerfreundlichkeit**

**Sicherheit**

**Sicherheit**

Safe Share™ hält Daten überall verschlüsselt. Daten werden bei ihrer Quelle verschlüsselt. Jeder externe Zugriffsfrequenz wird separat zum aktuellen Zeitpunkt autorisiert, um jegliche Risiken für Informationen zu minimieren.

**Ortsunabhängig**


Ortsunabhängiger Zugriff auf sichere Daten. Daten sind für interne und externe Benutzer, Partner und Kunden auch per Remote-Zugriff jederzeit zugänglich. Verlinken Sie beliebige Geräte über jedes Netzwerk, ohne die Sicherheit Ihrer Daten zu kompromittieren.

**Unternehmen**

Das Unternehmen behält stets die Kontrolle. Daten werden bei T-Systems in deutschen Datenzentren sicher gespeichert. Für Unternehmen konzipiert um zu gewährleisten, dass Benutzer und Daten den Unternehmensrichtlinien entsprechend verwaltet werden. Jeder Zugriff wird umfassend geprüft und kontrolliert.



Zugriff über Internet, Desktop- und Mobilgeräte


**Covata Safe Share™**

### Hacemos posible confiar en un mundo de cero confianza

Safe Share™ de Covata es una solución sin fricciones a nivel empresarial para el almacenamiento e intercambio de archivos (EFS) elaborada desde cero sobre la norma de cifrado de archivos más segura del mundo.


Las grandes organizaciones se han mostrado reacias a apalancar las soluciones de intercambio de archivos en la nube debido a la amenaza que representan las fallas de seguridad cibernética y la posible pérdida de datos delicados.

Safe Share se creó con la seguridad como su valor fundamental y, como una solución de intercambio de archivos no emplazada en los Estados Unidos, ayudará a apoyar a su empresa conforme ésta se adhiera a los estrictos requisitos del cumplimiento normativo.



**Usabilidad**


**Seguridad**

**Seguridad**


Cada archivo cuenta con su propia clave única y los datos se cifran y descifran en el origen. El acceso se autoriza en cada intento en el momento en que se realiza el acceso.

**Empresa**


La empresa nunca pierde el control de sus datos. Diseñado para la empresa, los usuarios y datos se adhieren a las políticas corporativas. Todo acceso se somete a auditoría y control.

**Movilidad**

Safe Share™ mantiene los datos cifrados en todo tipo de entorno, incluidos teléfonos móviles y tabletas. Los datos pueden accederse con seguridad por los usuarios internos, así como por los socios y clientes en forma remota.



Accesible vía aplicación de Internet, aplicación de Windows y aplicación de iOS.



Controle sus datos



# Technology Update



# Covata Internationalisation

The company has completed the back end internationalisation process, which will enable Safe Share to support new languages with a fast and easy deployment.

The screenshot displays the Covata Safe Share web interface. On the left, there is a sidebar with navigation options: 'Hochladen' (Upload) in a green button, 'Erstellen' (Create) in a white button, 'Alle Dateien' (All Files) in a blue button, and links for 'Meine Dateien' (My Files), 'Mir freigegeben' (Shared with me), and 'Freigabe' (Share). The main area shows a file list with columns for selection, name, owner, and last modified date. A file named 'Abschlussbericht.pdf' is selected. To the right, a 'Details' panel is open, showing file information.

**File List:**

	Name	Besitzer	Zuletzt geändert
<input type="checkbox"/>	Freigegebener Ordner	alex.ersteller@covata.de	23. Apr. 2015
<input checked="" type="checkbox"/>	Abschlussbericht.pdf	alex.ersteller@covata.de	23. Apr. 2015

**File Details Panel:**

**Dateidetails**

Name:	Abschlussbericht.pdf
Erstellt:	23. Apr. 2015 09:39
Geändert:	23. Apr. 2015 09:39
Größe:	3,4 MB
Dateityp:	pdf

At the bottom of the main area, it says 'Elemente gesamt: 2' and a pagination control shows '1' of 2 items.

# Engineering, Product and Platform Update

Company offsite meeting held in Washington DC, June 22nd - 24<sup>th</sup>

Key personnel were brought together for a three day intensive offsite used to define further the capabilities of the core platform and outline next iterations of the platform and product required to support current and new customers. The newest version of Safe Share for the MSP market will be released in early October – V3.0. The details remain confidential but much effort is being focused towards automation tools for channel partners and towards very high scalability to meet large customer demands.



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