Covata Limited
ASX Spotlight Series

Discussion Slides and Investor Presentation

4 March 2015

covata

ASX Spotlight Series, NYC

Discussion Slides

Trent Telford – CEO Covata Limited

4pm, Thursday 4th of March, 2015

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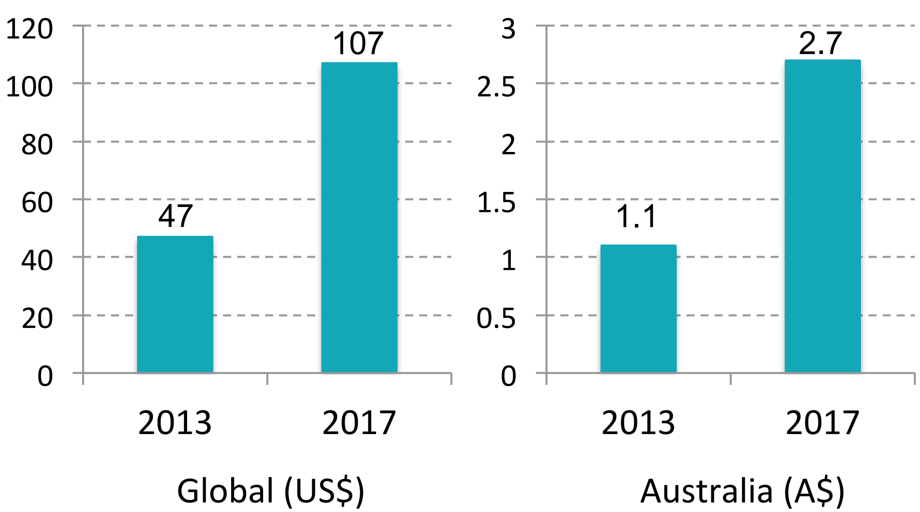
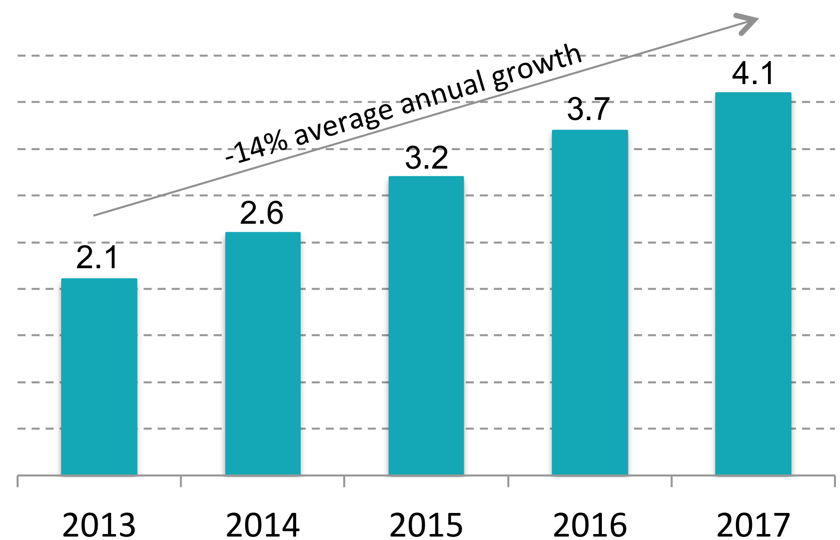
Industry Overview

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

CLOUD COMPUTING MARKET ($ billion)



CLOUD SECURITY SPENDING (US$ billion)

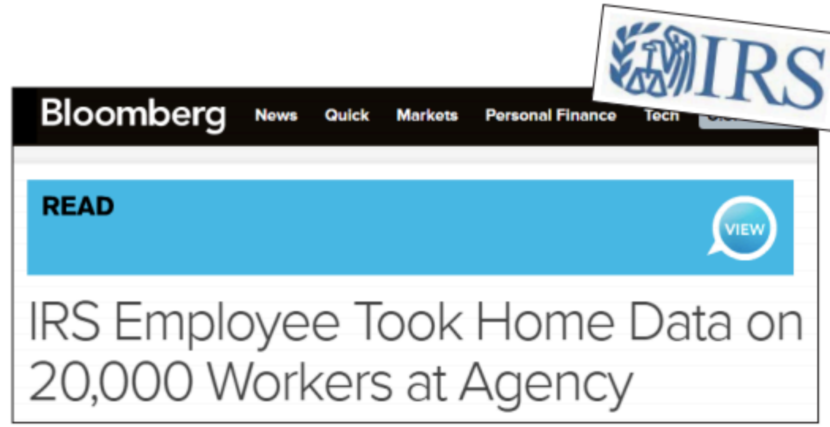


"People are recognizing that existing technologies aren't working. It's almost impossible to think of a company that hasn't been hacked — the Pentagon's secret network, the White House, JPMorgan — it is pretty obvious that prevention and detection technologies are broken."

- Richard A. Clarke, the first Cyber Security Czar at the White House, 2014

Data breaches in 2014

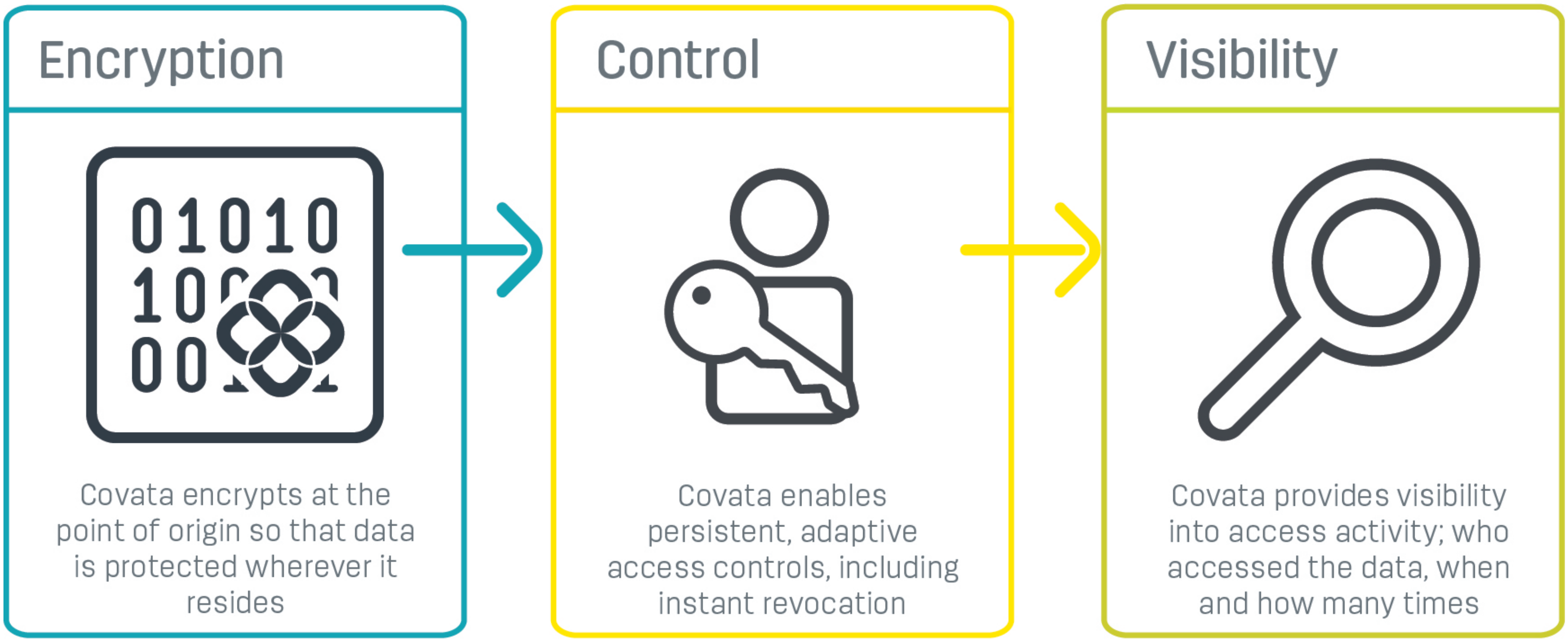
Increased cloud adoption. Increased security breaches.



Covata Technology: The Covata Platform

Covata has developed a new, *patented* approach to IT security

The Essential Elements of Owning Your Data



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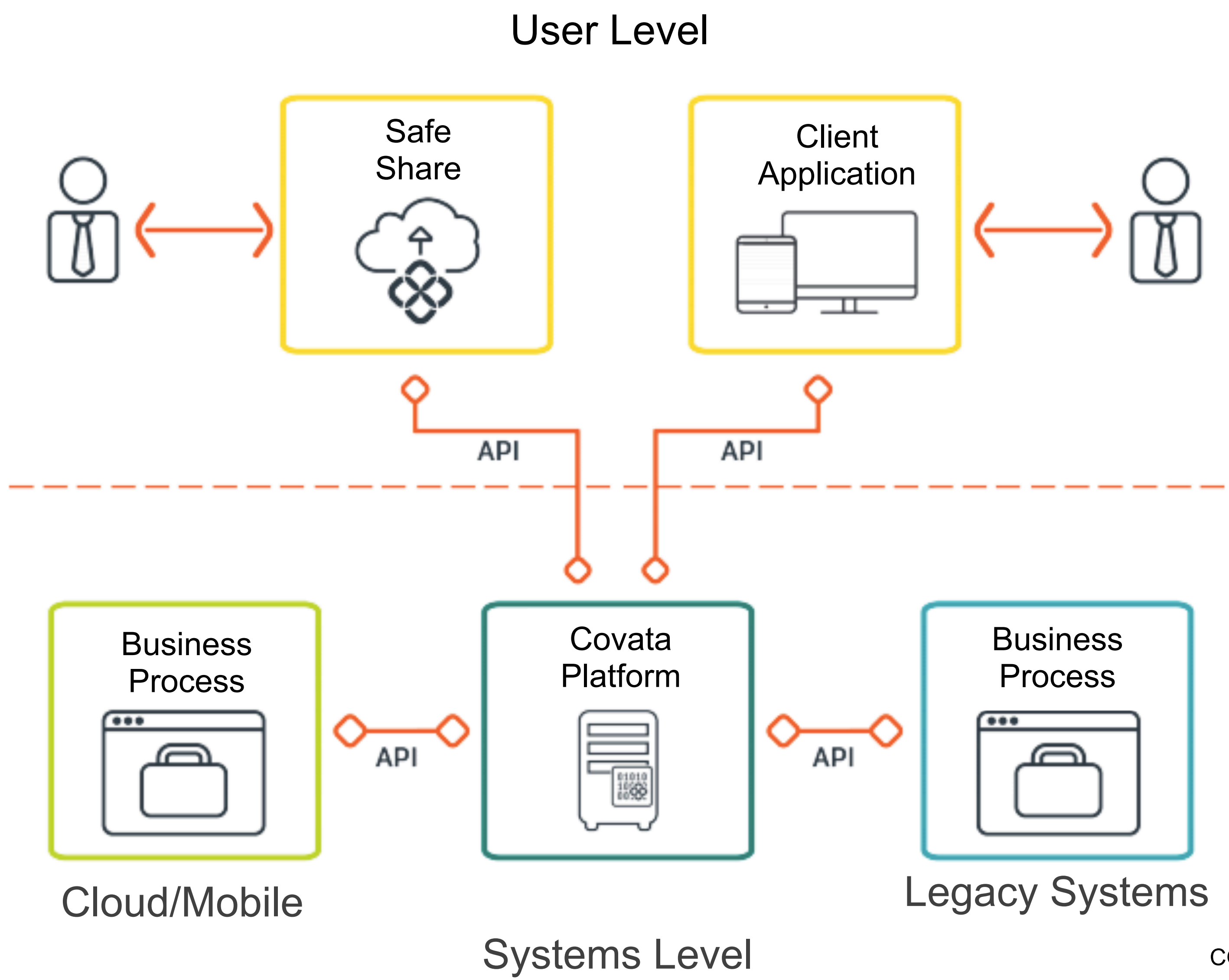
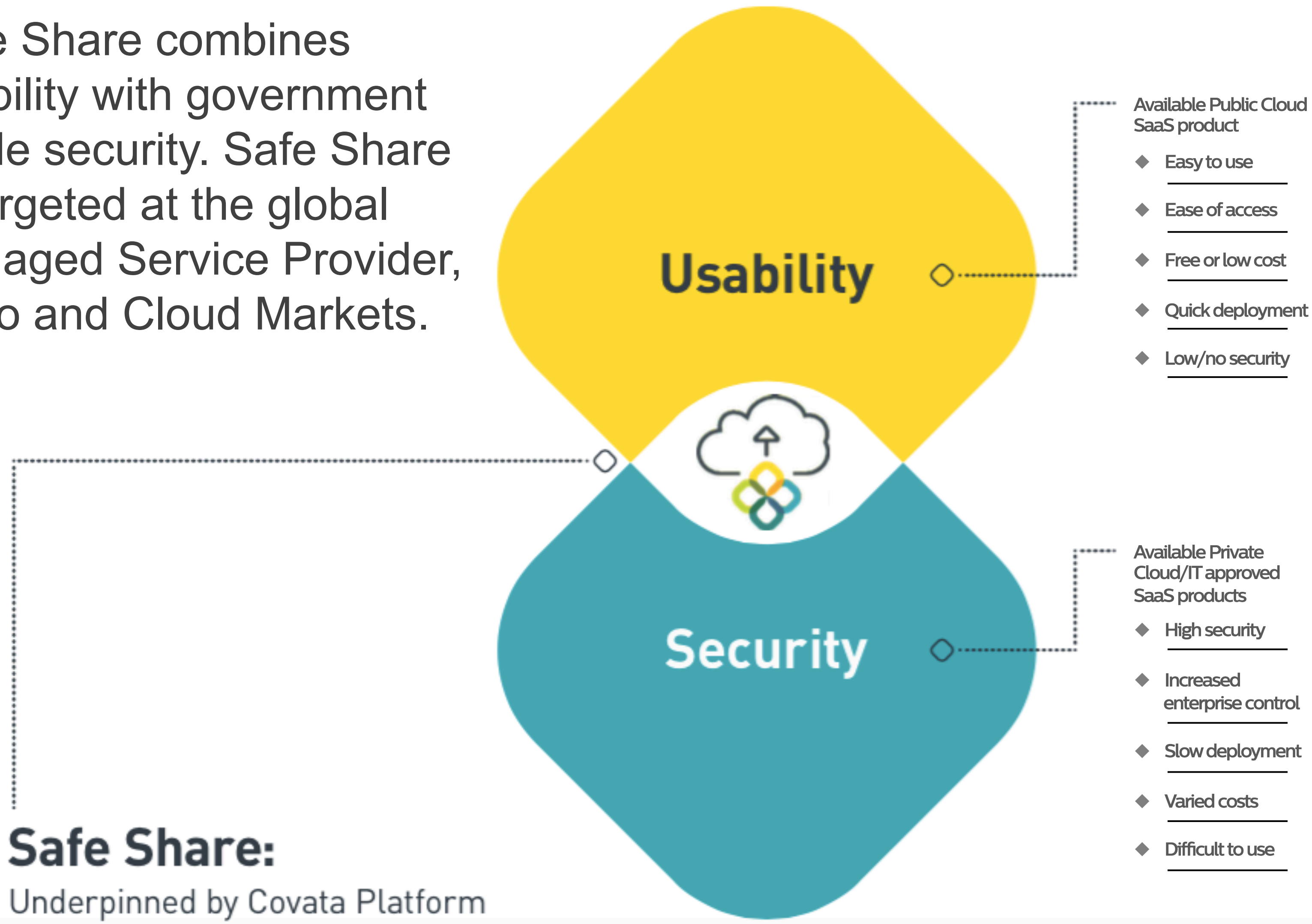


Safe Share – Product Built on the Covata Platform

Safe Share combines usability with government grade security. Safe Share is targeted at the global Managed Service Provider, Telco and Cloud Markets.



Industry Certifications

The Covata Platform has been awarded a number of prestigious IT certifications that are a barrier to entry for competition

Security Certificates

NIST National Institute of Standards and Technology Technology Administration U.S. Department of Commerce; FIPS VALIDATED 140-2	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
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Certified Common Criteria EAL4+	Common Criteria EAL 4+	◆ Indicates particular versions of the software verified against international standards
New Zealand MINISTRY OF DEFENCE Manatū Kaupapa Waonga; Australian Government Department of Defence	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

Commercialization Strategy

Covata has identified three key commercialization channels which will provide scalability and diversity of revenue streams

Channel	Description	Current customer/partner and target markets
Reseller Partners & Distributors	• Covata has developed a strategy of utilizing a network of trusted partners and distributors for specific regions/client groups • Utilizes reseller trusted relationships while minimizing number of required sales staff	nscglobal, T-Systems, macquarie TELECOM, TPG
Direct Sales	• Direct sales to certain customer segments including Government and Defense Agencies • Strong reputation in the intelligence community	Australian Government
Original Equipment Manufacturers (OEMs)	• OEM clients would "embed" the Covata Platform within their existing software ecosystem	Currently in various stages of negotiations with a number of potential global OEM partners

Strong Board and Management Team

Executive Management

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 & Executive Director

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

Non-Executive Directors

Phillip Dunkelberger

- President & 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

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

Philip King

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Michael Quinert

- Over 28 years' experience as a commercial lawyer, including three years with the Australian Securities Exchange (ASX) and more than 20 years as a partner in Melbourne law firms.

C Level Executives

Nick Chiarelli
Chief Financial Officer

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

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Chief Technology Officer

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

Spotlight Series

Investor Presentation

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Covata Ltd Investment Case

Significant time and resources spent developing the Covata Platform, which has a number of key competitive advantages in the IT security marketplace

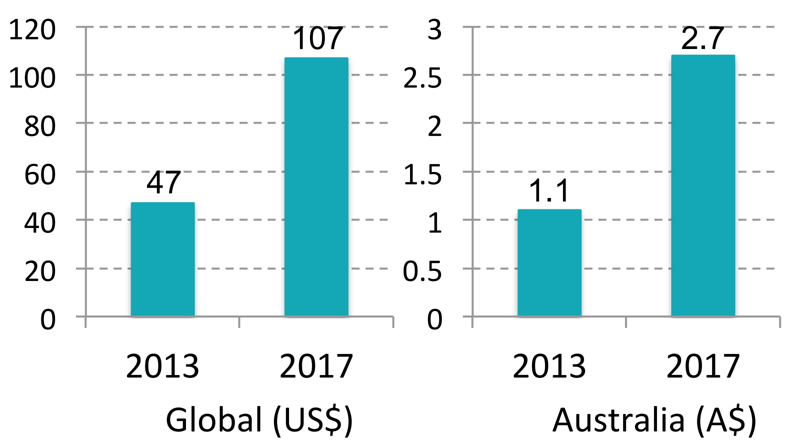
- Significant market opportunity: The IT security market is estimated to be valued at US $68 billion and is expected to continue to grow strongly
- High barriers to entry:
  - Unique IP portfolio with patent protection and certifications in place
  - Covata has spent in excess of A$30m over 6 years to 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
- Proven commercialization strategy and global partnerships in place
- Strong Board and Management team

Industry Overview

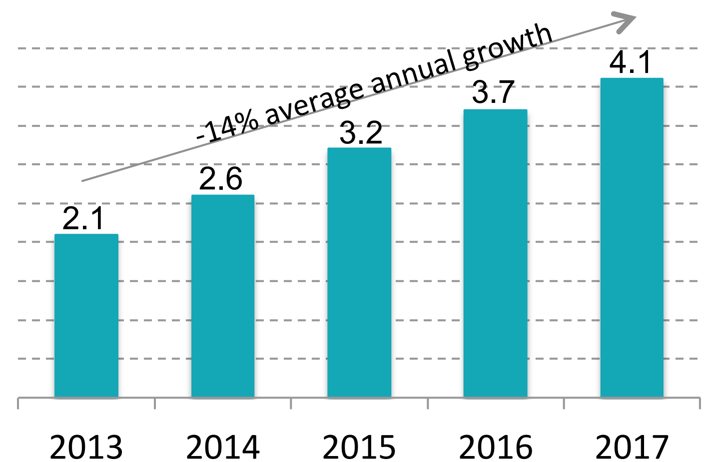
The IT security market is estimated to be valued at US$68 billion and is expected to continue to grow strongly

- Protecting and securing data and proprietary information is of high importance to government, enterprise and increasingly consumers
- 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 customization in IT security solutions
  - Employees using personal devices (BYOD) to access information on an organization's network or cloud
  - With the proliferation of the Internet of Things an increasing number of devices are connected to the Internet increasing potential exposure to hacks

CLOUD COMPUTING MARKET ($ billion)



CLOUD SECURITY SPENDING (US$ billion)



It is estimated global spending in cloud computing will reach US $107 billion by 2017.

- International Data Corporation

Data breaches in 2014

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JPMorganChase

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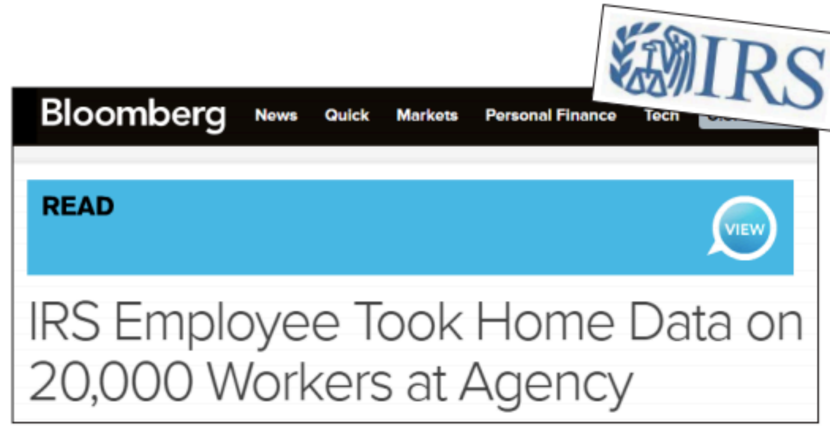
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Hacking Wall Street: group targets publicly traded companies

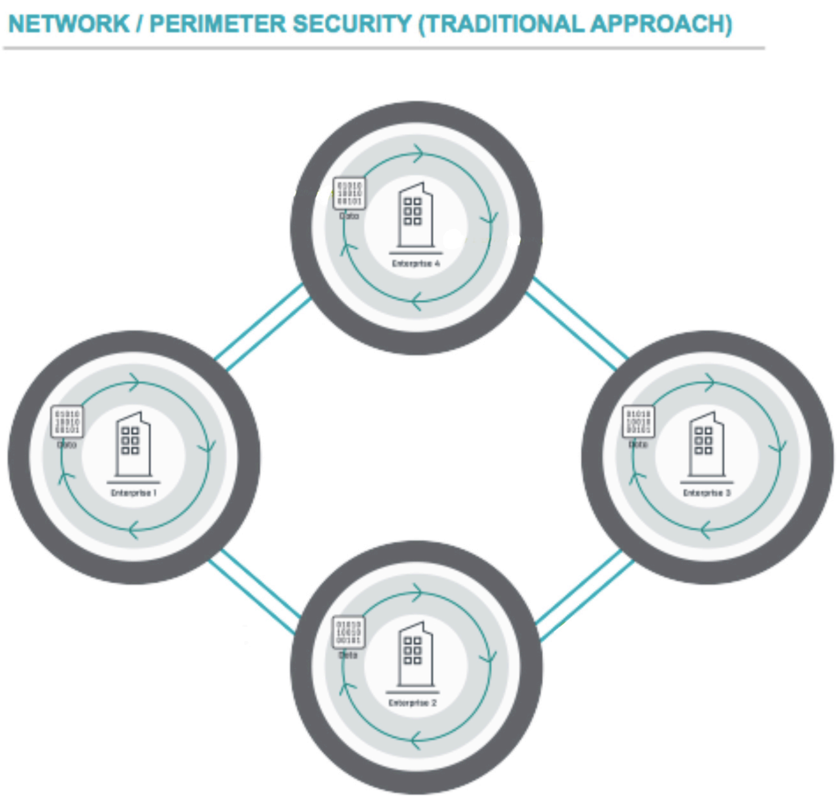
Security risk is a key pillar in holding back cloud adoption

52% of 2,000 global organizations surveyed found that security is a barrier for adopting cloud computing.

- Dell’s first Global Technology Adoption Index

The Traditional Approach To Data Security Is Broken

Data security traditionally focuses on the network or perimeter level



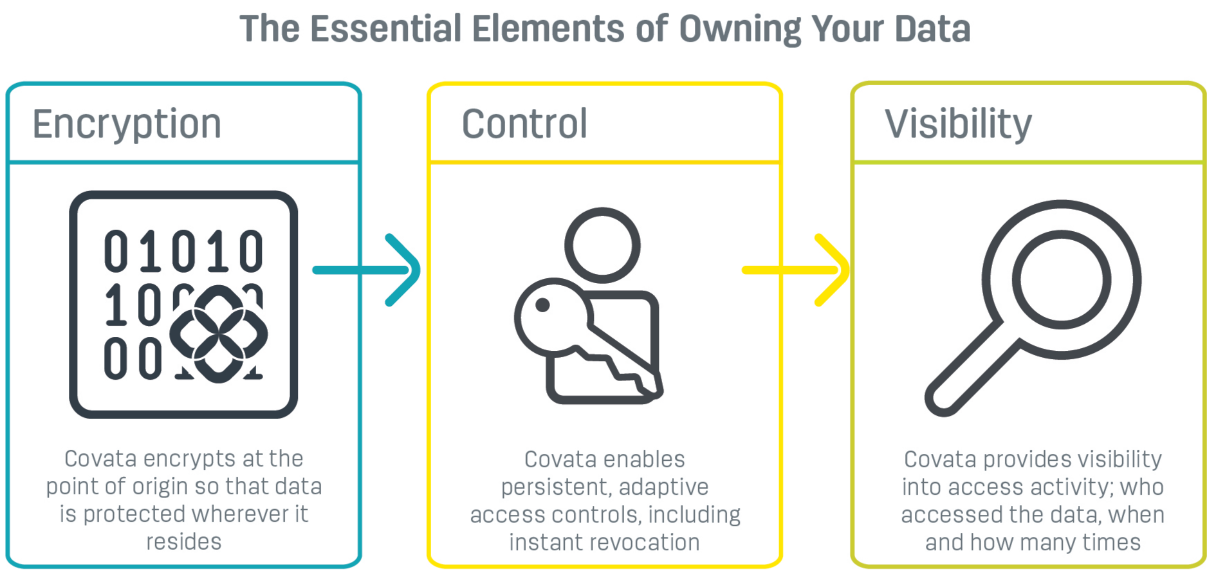
- Security at the network or perimeter level leaves individual data files unsecured
  - All data can be accessed once the perimeter is breached
  - The network is ‘hackable’ from outside organizations
  - Potential for documents to be leaked from inside an organization
  - Can require costly hardware solutions
- It is difficult to control the security and integrity of data when sharing files outside of an organization
  - Data can be compromised once shared via email or uploaded to and accessed from, an unsafe cloud storage site

The Covata Platform

The Covata Platform has been developed as an enterprise specific solution to manage data security at an object level, providing an outward facing data-centric approach.

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 all touch points with data

The Covata Platform

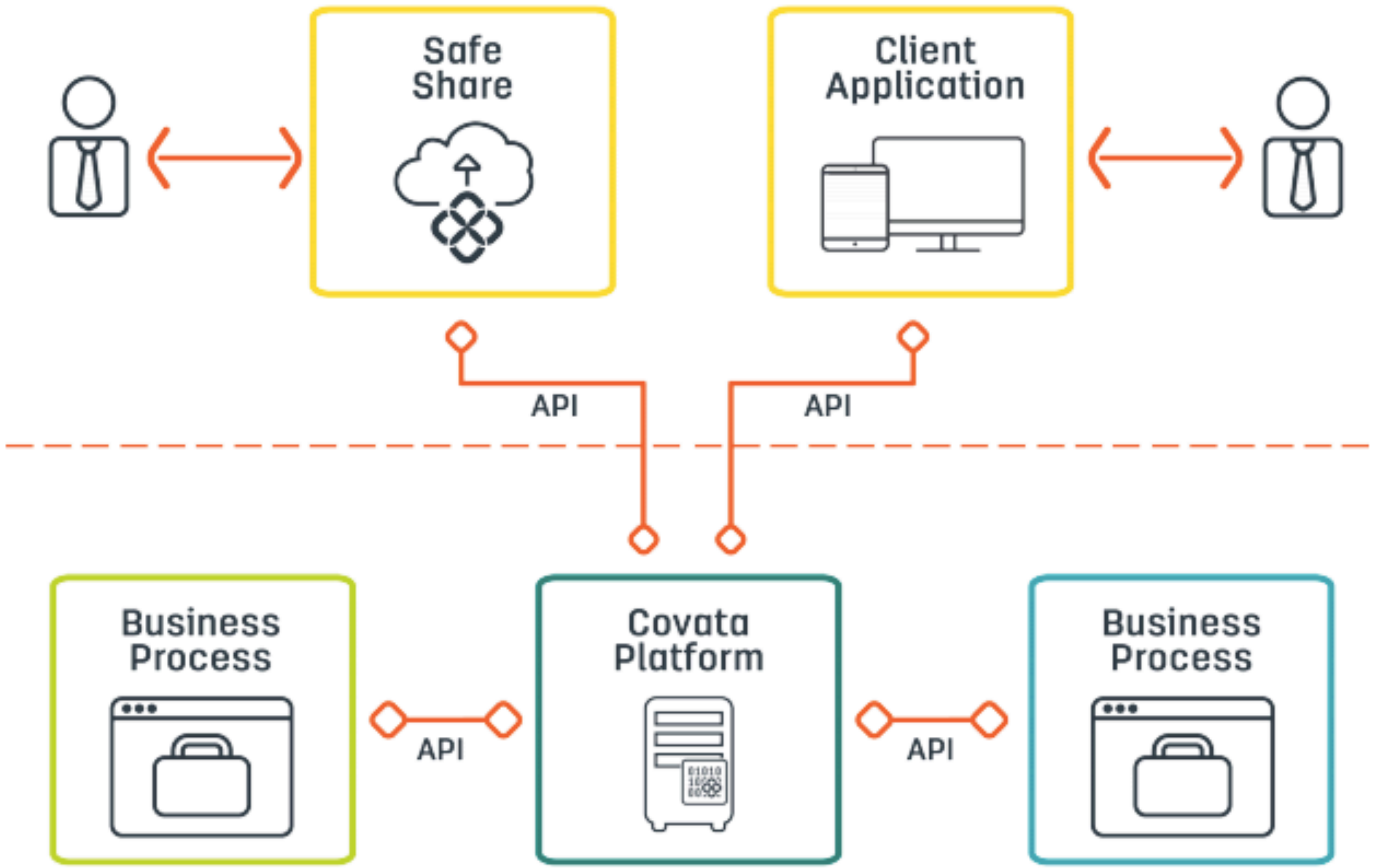
The Platform allows system integrators or in-house software developers to build security into existing business processes

The Covata Platform is composed of a set of services which provide the following capabilities:

- Identity Management
- Access Controls
- Key Management & Cryptography
- Data Storage
- Real Time Event Notifications
- Document Conversion
- Audit Capabilities

Covata Technology: The Covata Platform

User Level



Cloud/Mobile

Legacy Systems

Systems Level

Safe Share: Right product, Right time.

Delivering data-centric security, without compromising usability.

Safe Share

The Safe Share product leverages the capabilities of the Covata Platform to provide an Enterprise File Sharing and Synchronization (EFSS) solution. Safe Share provides business users with an IT sanctioned corporate dropbox for the secure distribution of files.

Safe Share has been purposefully built for enterprise users and provides significant cost efficiencies and business process benefits.

The product provides the following capabilities:

- Ability to protect content in the cloud
- Ability to share content
- Ability to track/audit lifecycle of protected data
- Reporting capabilities
- Multi device data synchronization
- Easy to use interface
- No plug-ins required for accessing and creating protected content in the browser

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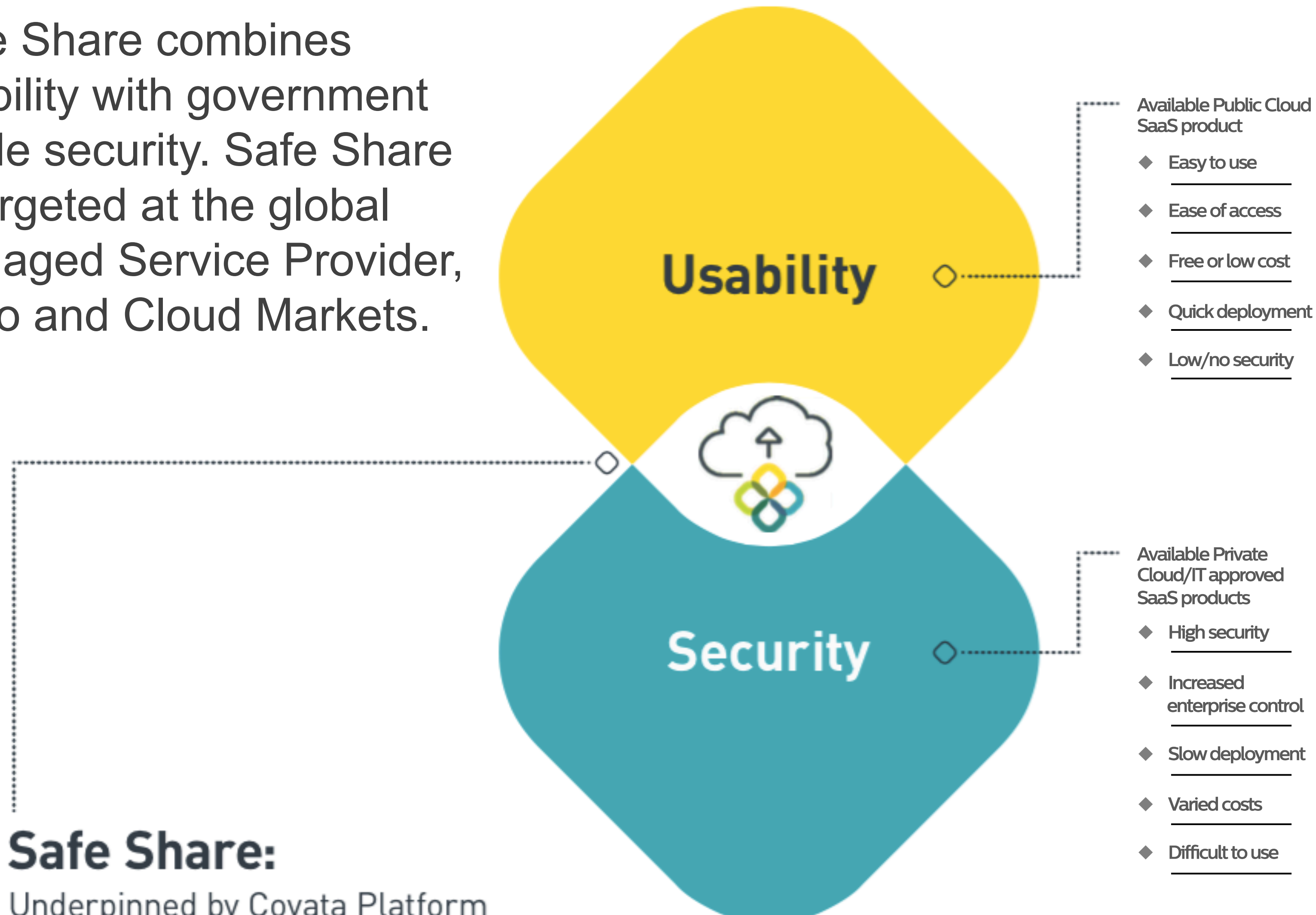
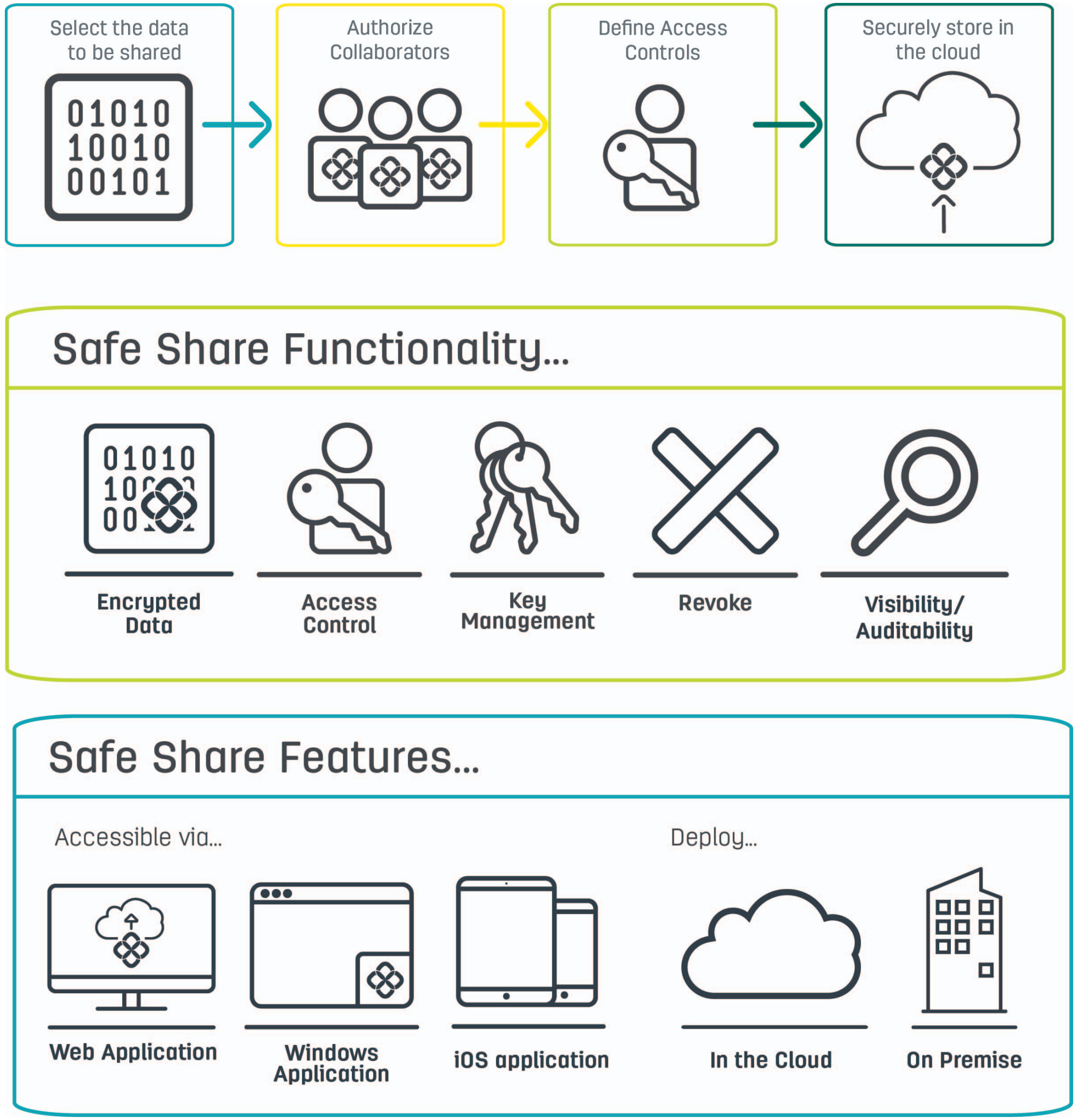


SAFE SHARE PRODUCT OVERVIEW



Industry Certifications

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- Independent certifications provide 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
- Covata holds a number of registered patents in key jurisdictions including the US, Australia, New Zealand & Singapore

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Validated go-to-market strategy

"We [NSC Global] believe that the Covata Platform and Safe Share product will provide immense value as more businesses migrate their practices into the cloud."

- Yaseen Khan, CEO NSC Global/Covata Reseller

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Original Equipment Manufacturers (OEMs)	• OEM clients would “embed” the Covata Platform within their existing software ecosystem	Currently in various stages of negotiations with a number of potential global OEM partners

Global Presence

Covata has assembled a global team of industry experts allowing for agile development, integrated partnerships and in person implementation

- Three regional offices:
  - Sydney, Australia
  - London, United Kingdom
  - Reston, United States
- Increasing company visibility due to strategic media opportunities

Strong Board and Management Team

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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. A continued increase in the number of devices and applications that connect to the internet will increasing exposure and opportunity for potential data breaches.

- 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
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- Commercialization strategy and global partnerships in place

- Strong board and management team

Contact
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VP Growth and Investor Relations
+1 571 353 4273
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