OVERVIEW
AUGUST 2017
INVESTOR UPDATE

COVATA

DISCLAIMER

This presentation is the property of Covata Limited (Covata). It is a presentation of non-specific background information about the current activities of Covata. It is information given in summary form and does not purport to be complete.

All persons should seek appropriate professional investment advice in reviewing or considering this presentation and all other information with respect to Covata, its business, financial performance and operations. Neither the provision of this presentation nor the information contained therein, or any associated communication to any person should be taken as constituting financial advice regarding the purchase or dealing of shares in Covata. This presentation does not purport to provide all information that might reasonably be required to complete a detailed assessment of Covata.

Individuals should conduct their own investigation of investment and financial parameters relevant to their personal requirements for investment purposes. The presentation may contain forward looking statements regarding the intentions of the Company, and these will be affected by many other factors beyond the control of the Company.

Forward-looking statements include, but are not limited to, statements concerning Covata's planned strategies and programs and other statements that are not historical facts. Although Covata believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. The presentation must be considered in the light of these uncertainties and investments in Covata should be considered as speculative in nature.

This presentation does not constitute an offer, invitation or recommendation to subscribe for, or purchase any security and neither this presentation nor anything contained in it shall form the basis of any contract or commitment. This presentation does not constitute an offer or invitation in any jurisdiction anywhere, or to any person to whom, such an offer would be unlawful.

OUR INVESTMENT PROPOSITION IS COMPELLING

Outstanding Cyber Security Platform

Major Customers Global Partners

Large Market Opportunity Strong drivers

Defensible Platform High Barriers to Entry

Proven Business Model Sales Momentum

Solid Financial Position and Cost Control

COVATA IS AT THE CENTRE OF THE DATA SECURITY MARKET

GOVERNMENT AND ENTERPRISE

How can organisations discover, protect and control sensitive data from breaches, unauthorised access or use, and manage external and internal threat?

BUSINESS AND CONSUMER

How can I protect my commercial or personal data like passwords, customer lists, HR information, pricing, bids and tenders, and still be able to share when necessary?

[THE SOLUTION]

A platform that enables organisations to locate their information, encrypt at rest and in transit, control the keys, manage and track access

A platform that enables you to create a secure vault for your sensitive data and only share access with people who need to know

WE ARE BUILDING MOMENTUM

Pre-2014

- Est. 2007
- Secure Objects patent
- ASX 2014

Mid FY17

- New Board and CEO
- Business reset
- Platform Pivot

FY18

- DSP strategy
- Microsoft Azure
- Sales momentum, credible pipeline
- CipherPoint US acquisition
- Expand UK presence
- Growth organically and by acquisition

FY19-FY20

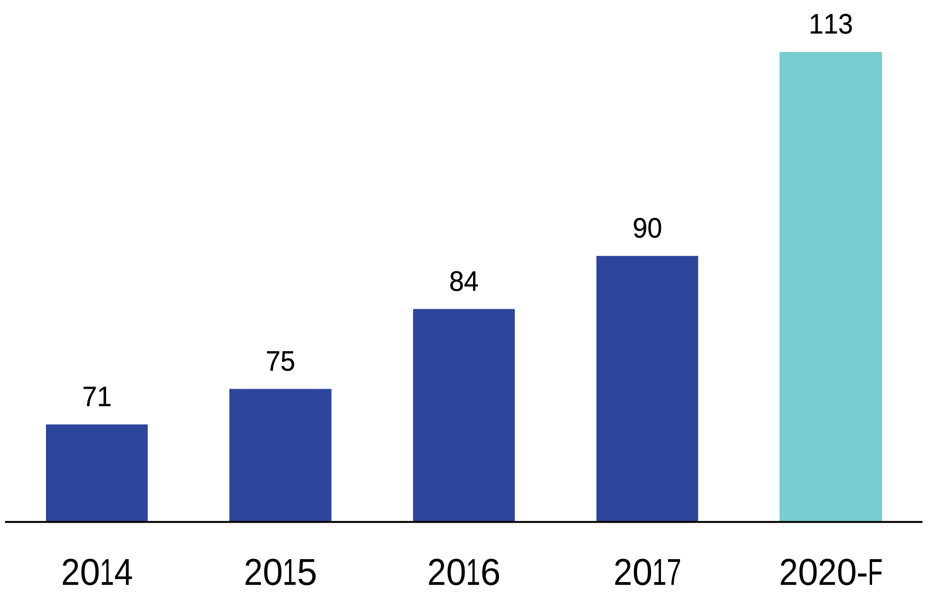
- Leading Data Security Platform (DSP)
- Scale the business
- Global presence
- Integrations
- Partner Programs

AND IMPLEMENTING A PROVEN BUSINESS MODEL

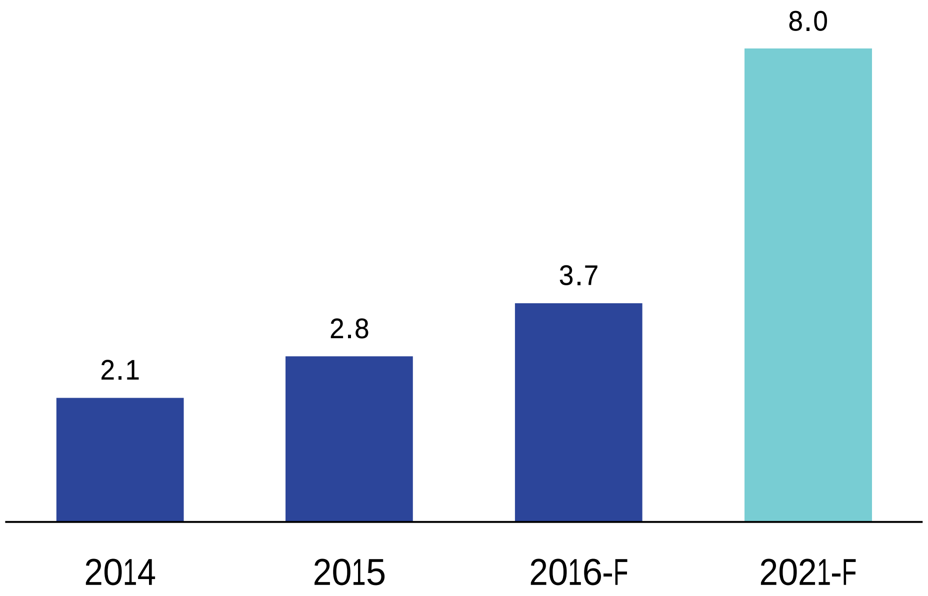
RECURRING LICENCE MODEL	DIRECT AND VIA STRONG PARTNERS	TIERED CLIENTS
▪ Enterprise and/or SaaS pricing ▪ Cloud, hybrid, on-premises ▪ Feature upsell ▪ Support options	Microsoft Microsoft Azure T Systems macquarie TELECOM	▪ Government ▪ Enterprise ▪ SMB

THE CYBER SECURITY REVENUE OPPORTUNITY IS LARGE AND GROWING

Cyber Security Market Growth ($USbn)[1]



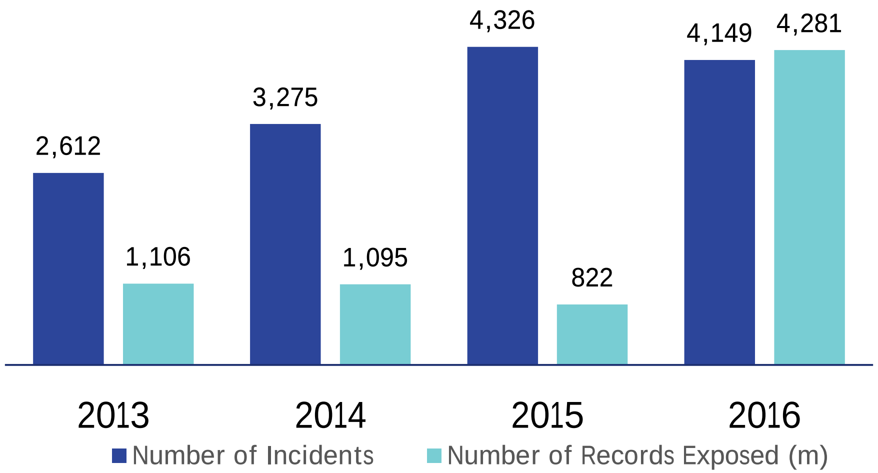
Data Security Growth ($USbn)[2]



[1] Gartner Research Reports
[2] Markets and Markets: Cyber Security Market - Global Forecast to 2021 (2016)

DATA BREACHES AND REGULATION DRIVE DEMAND

Reported breaches[1]



Total global cost to business

US$2.1 trillion by 2019[2]

Stricter compliance and regulatory requirements

General Data Protection Regulation (EU)

Health Insurance Portability and Accountability Act (US)

PCI Security Standards (Global)

Data Privacy Legislation (Australia)

Sarbanes-Oxley Act (SOX) (US)

[1] Risk Based Security: Data Breach QuickView Report (January 2017)
[2] Juniper Research: The Future of Cybercrime & Security: Financial and Corporate Threats & Mitigation (2015)

THE RECENT CIPHERPOINT ACQUISITION ADDS SCALE AND CAPABILITY

CIPHERPOINT HAS:

- **deeper Microsoft integration**
- **an established customer base**
- **sensitive data discovery**
- **watermarking**
- **a US sales footprint**
- **European GDPR capability**

Acquisition terms align with shareholders:

- **on strategy**
- **builds capability**
- **expands geographic reach**
- **largely share based consideration**
- **shares leveraged to performance**

Business-Critical SharePoint Partner

CipherPoint

OUR COMBINED PRODUCT FEATURES ADDRESS THE MARKET

FEATURE SET	[COVATA] SafeShare	[CIPHERPOINT] Eclipse
Discovery		✓
Defence grade encryption	✓	✓
End-to-end security	✓	
Zero knowledge	✓	
Data classification	✓	✓
Protection of files	✓ **(Client)**	✓ **(Server)**
Secure sharing and collaboration	✓	✓
Access management, watermarking, audit trails	✓	
Governance risk compliance (GRC)		✓
Rest API for integration	✓	

THE PIVOT TO A DSP DELIVERS OUR FUTURE

GOVERNMENT ENTERPRISE BUSINESS

DISCOVER | PROTECT | CONTROL

SharePoint
SharePoint Online

OneDrive for Business

File Storage and Productivity

File Servers

Data Discovery

File & Field Encryption

Access and Use Control

Activity /Analytics

DATA SECURITY PLATFORM

WE HAVE A CLEAR PLATFORM/PRODUCT ROADMAP

DEVELOPMENT	RATIONALE
SAAS PLATFORM ON AZURE	▪ Moves Covata Secure (DSP) to the cloud and to digital marketplaces
INTEGRATIONS AND USEABILITY	▪ Application integrations drive use ▪ Security information and event management provide real-time analysis
DATA SECURITY PLATFORM	▪ Offers customers a single pane of glass for data discovery, security, GRC, data loss prevention, analytics
SALES AND CHANNEL SYSTEMS	▪ Drives lead generation and sales and manages channels
CAPABILITY	▪ Technical investment in Application Interface builds future value

WE MAINTAIN CRITICAL SECURITY CERTIFICATIONS

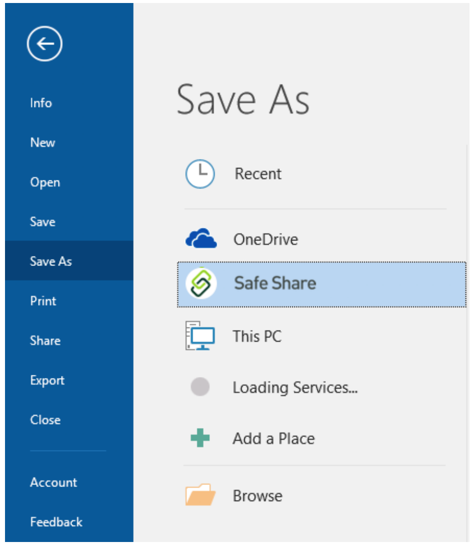
NIST National Institute of Standards and Technology Technology Administration U.S. Department of Commerce	FIPS 140-2 LVL, DESIGN ASSURANCE LVL 3	Certifies highest level of protection, US and Canada
	FIPS 197 ADVANCED ENCRYPTION STD 256	Sufficient to protect classified information in US Government
	ISO 27001	ISO/IEC 27001 is the best known standard for an information security management system (ISMS)
HM Government G-Cloud Supplier	G-CLOUD 9	G-Cloud is UK public sector Digital Marketplace to procure pre-approved SaaS services
U.S.ARMY	USA CoN	Certificate of Networthiness from the United States Army

ALIGNING WITH MICROSOFT AS #1 OPENS THE MARKET

On-premises software still strong but Azure Cloud sales double in 2017[1]

Overall Rank	Vendor	Management & Monitoring	Software & Data Integration	User Interface	API Complexity	Technical Support	Training & Documentation	Reporting & Billing
1st	Microsoft Azure	**1st**	**2nd**	**1st**	**2nd**	**1st**	**1st**	**1st**
2nd	amazon web services	2nd	1st	2nd	1st	2nd	2nd	1st
3rd	Google Cloud Platform	3rd	3rd	3rd	3rd	3rd	3rd	4th
4th	IBM SOFTLAYER	4th	4th	4th	4th	4th	4th	3rd
5th	ORACLE CLOUD	5th	5th	5th	5th	5th	5th	5th
6th	vmware	6th	6th	6th	6th	6th	6th	6th
7th	SAP HANA	7th	8th	7th	7th	8th	7th	7th
8th	rackspace	8th	7th	8th	8th	7th	8th	8th
9th	Alibaba Cloud aliyun.com	9th	9th	9th	9th	9th	9th	9th

Office365, SharePoint, OneDrive …

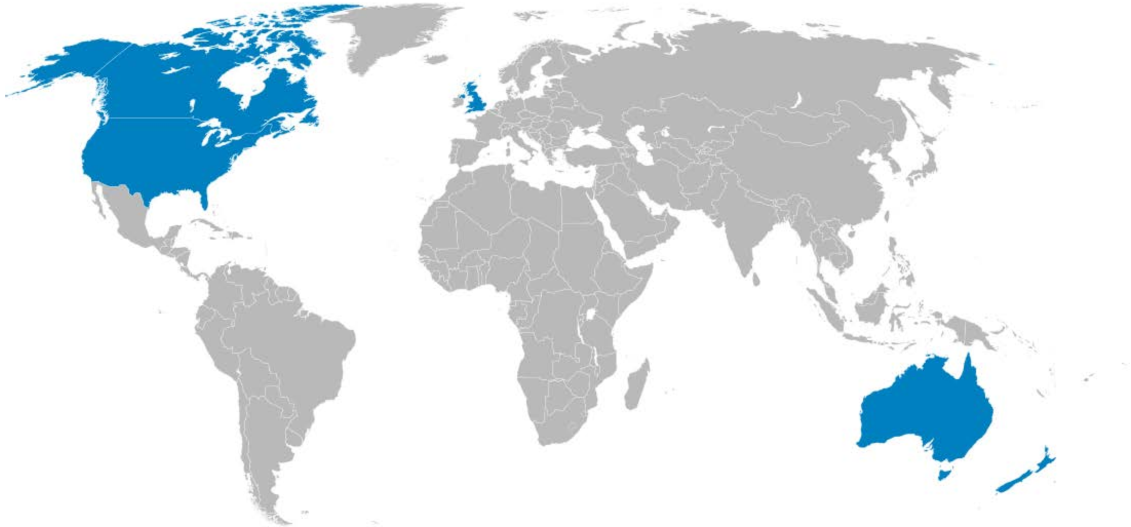


Integration pathway with Microsoft Office365

[1] Bloomberg (21 July 2017)

WE INTEND TO BUILD A GLOBAL BUSINESS AND FOOTPRINT

COVATA



GOVERNMENT

Australian Government

23 departments

CORPORATE

Messe Berlin

Mountain States Health Alliance

Haemonetics®

First State Investments

FHLBanks
A Nation of Local Lenders

Arthur J. Gallagher

BUSINESS

dimension data

nscglobal

macquarie telecom

WE HAVE A SOUND FINANCIAL POSITION TO GROW

CASH	▪ No debt ▪ $6.3m net cash (as at 30 June 2017)
R&D	▪ We leverage incentives and invest in our platform ▪ FY17 Australian R&D receipt $1.45m (Q2 FY18)
COSTS	▪ Costs down 50%, lean team (20) ▪ Investment in lead generation and sales capacity
MARGINS	▪ Long term gross margins of 70%+ ▪ Targeting net income margins of 20-25% once through breakeven

OUR BOARD AND TEAM ARE EXPERIENCED AND COMMITTED

BILL McCLUGGAGE
CHAIRMAN

DAVID IRVINE
NON-EXECUTIVE DIRECTOR

LINDSAY TANNER
NON-EXECUTIVE DIRECTOR

TED PRETTY
CEO

DEREK BROWN
CCO

WOODY SHEA
CTO

MIKE FLECK
VP SECURITY

HUGH STODART
HEAD OF PRODUCT
& ENGINEERING

STEVEN BLIIM
HEAD OF FINANCE

THANK YOU

Contact:
Steven Bliim
Head of Finance and Company Secretary

P + 61 2 8412 8200
M + 61 457 600 052

E steven.bliim@covata.com