



GROWTH CAPITAL RAISE

MAY 2018

[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.

COVATA LIMITED

DISCOVER, CLASSIFY, CONTROL AND SECURELY PROTECT DATA FOR GOVERNMENT AND BUSINESSES

SNAPSHOT

ASX:CVT

Shares on issue	651.14M
-----------------	---------

Share price	A\$3.3c
-------------	---------

Market cap	A\$21.49M
------------	-----------

26 Staff	
----------	--

ABOUT

An Australian software company that allows you to manage data through its lifecycle by offering discovery, auto-classification, protection, control and secure archiving across multiple content platforms

INVESTMENT THESIS

- The only ASX-listed pure-play Data Security Platform
- Well positioned in fast-growing cyber security and collaboration markets
- Products in use by 24 Australian and 2 US government agencies, and multiple enterprise customers
- Rebuilt, agile team - all with equity
- Sales focus already delivering returns
- Recent acquisition of data classification IP gives Covata a critical edge
- Lean operation with ability to scale
- Growth opportunities

OUR SOLUTIONS SECURE SENSITIVE DATA

[SAFESHARE]

An easy to use, browser based secure data exchange

[ECLIPSE]

Security for SharePoint

[ECLIPSE365]

Office 365 Cloud-based release from 1 July 2018

[COVATA SECURE] Data Security Platform

DISCOVER

CLASSIFY

CONTROL

PROTECT

[PRODUCT INFORMATION] [COVATA] COVATA DATA DISCOVERY

WHY DO YOU NEED COVATA DATA DISCOVERY?

Data security and privacy compliance are core principles of any effective enterprise or government operation. Creating and maintaining trust when dealing with personal or private data is essential, because well-managed data security is simply good business. Organizations cannot properly manage risk and secure information without knowing what sensitive data they have, how much of it exists, and where it's located. However, most organizations are potentially unaware of the amount and types of sensitive data that

exist within the extended network and across unexpected locations and sources. Covata's Data Discovery solution helps organizations to quickly and easily find sensitive and regulated information to ensure the proper assessment and management of possible data breach risks. By doing so, it helps to maintain trust both internally within the organization, and externally with customers or other stakeholders.

CONTENT DISCOVERY FOR SENSITIVE AND REGULATED DATA

Covata's Data Discovery solution finds sensitive and regulated data in file shares, SharePoint, SharePoint Online, OneDrive for Business, and more. As a core component of the Covata Data Security Platform (DSP), a single and integrated installation of the Data Discovery solution enables administrators and security staff to find sensitive and compliance regulated data in file, forms, lists, on-premise or on-premise and in Cloud environments. The Data Discovery solution includes templates for identifying information such as credit card

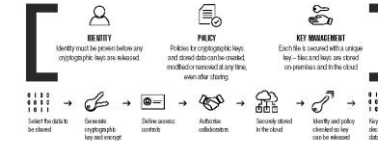
FEATURES

- Centralized scanning across on-premise and Cloud
- Pre-configured scanning rules to find compliance risks (SSNs), passport numbers, health-care data, etc.
- Easily customized rules to find sensitive information
- Alerts can be set up to provide time awareness, if needed
- Considerable reporting of where and how much sensitive data awareness and accountability

[PRODUCT INFORMATION] [COVATA] SAFESHARE

SAFESHARE IS AN ENTERPRISE AND GOVERNMENT-READY FILE SHARING SOLUTION THAT SECURES SENSITIVE DATA

In an increasingly interconnected world, collaboration and sharing of files both within and across organizational boundaries is a necessity. Safeshare allows enterprises to securely collaborate on files with both regular and ad hoc users (internal and external) without compromising privacy and data sovereignty. Safeshare takes a patented and highly effective approach to security data by using identity, policy and privacy management.



PROTECTING INDUSTRY VERTICALS

While the underlying reason to protect sensitive data is different across industry verticals, the need to protect and secure data remains consistent across all:

- Protect account information and other customer data while sharing documents
- Share evidence and case documents securely across departments and organizations
- Enable collaboration with sensitive documents within and across government agencies
- Protect medical records and Personally Identifiable Information (PII) data
- Protect student data and research

ENSURING COMPLIANCE NEEDS

Privacy is essential to compliance regulations. Sensitive data to be protected. Security issues are new respects to board level data and are at the heart of emerging governments. Tough legislation is a shock in place and even more regulatory requirements are emerging.

- PCI/DSS
- HIPAA
- FISMA
- SOX
- GDPR
- PIPEDA
- NISPS
- NISPS

OVERVIEW

COVATA SAFESHARE IS A HIGHLY SECURE FILE SHARING APPLICATION. IT IS PART OF COVATA'S DATA SECURITY PLATFORM (DSP) THAT ENABLES ENTERPRISE AND GOVERNMENT TO DISCOVER, PROTECT AND CONTROL SENSITIVE INFORMATION, WHILST TRANSFERRING AND SHARING IT SAFELY WITH BOTH INTERNAL AND EXTERNAL STAKEHOLDERS.

SAFESHARE ENABLES ANY FILE TO BE UPLOADED, ENCRYPTED, STORED AND SECURELY SHARED BY INTERNAL AND EXTERNAL USERS. BEFORE SHARING, THE OWNER OF THE DATA (THE 'ORIGINATOR') CAN APPLY SOPHISTICATED ACCESS CONTROLS OVER WHO HAS ACCESS, WHEN THEY HAVE ACCESS AND HOW THEY CAN CONSUME THE DATA. SAFESHARE PROVIDES DETAILED AUDIT TRACKING INTO WHO, WHEN AND HOW ALL INFORMATION HAS BEEN ACCESSED (BY 'COLLABORATORS' AND 'VIEWERS').

SAFESHARE COMPONENTS



[PRODUCT INFORMATION] [COVATA] ECLIPSE

CIPHERPOINT ECLIPSE PROVIDES DATA SECURITY AND PRIVACY COMPLIANCE SOLUTIONS FOR SHAREPOINT, OFFICE 365 AND FILE SERVERS

Technologies such as SharePoint, Office 365 and legacy file servers contain vast amounts of sensitive information that require a unique approach to secure it from unauthorized access, without impacting the end user experience. A typical large enterprise has over a billion files, but very little visibility or control into what information is contained within those files, or who is accessing them. While businesses and government agencies of different sizes have varying numbers of files, most organizations are faced with the same challenge, and knowing where sensitive data resides. This creates increased risk as a result of unmanaged regulatory compliance gaps and failure to properly enforce enterprise security policies. Covata's CipherPoint Eclipse provides transparent data encryption integrated with centrally managed permissions to secure sensitive information in SharePoint, Office 365 and file servers from unauthorized access. Unlike traditional data at rest encryption solutions that enforce end-user access controls, CipherPoint Eclipse enforces security at the application level to ensure that encrypted files and objects are only decrypted for authorized users and processes. All access requests are logged in real time to enable user activity and more quickly respond to suspicious behavior. CipherPoint Eclipse permissions allow customers to strongly enforce "need-to-know" - the right access for the right users, using centrally managed Risk- and Attribute-Based Access Control policies. This combination of granular encryption and strictly enforced access controls means that CipherPoint Eclipse can meet control, backup, server, database and application administrator access to sensitive data.

PROTECTING INDUSTRY VERTICALS

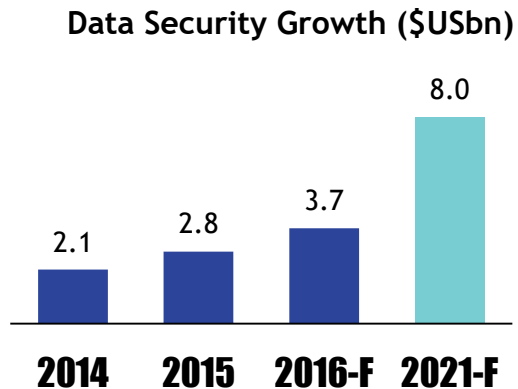
- Secure regulated data in SharePoint, etc., and ability enforce the need to know, including privileged user access controls for account information
- Flexible policies allow insurance businesses to quickly fulfill privacy requirements for member information
- Provide a means for clinicians to collaborate without exposing the enterprise to non-compliance risks and high impact data breaches
- Easily comply with mandates to secure Personally Identifiable Information and protect infrastructure protection, government information, and classified data from compromised administrative accounts

ENSURING COMPLIANCE NEEDS

- GDPR - Secure personal data from unauthorized access
- HIPAA - Encrypt patient information and control and audit access to it according to the Security Rule, maintain Safe Harbor from breach notification
- FISMA - Encrypt technical data and enforce Mandatory Access Controls to ensure only authorized users have access to controlled information
- PCI/DSS - Encrypt cardholder data, enforce business need-to-know, and monitor access
- PIPEDA - File level encryption and granular end user access controls secure Personally Identifiable Information from theft while still allowing access logging across the time to detect suspicious activity

THERE ARE TWO MAJOR DRIVERS OF OPPORTUNITY

Cyber breaches, regulation



Total global cost to business from data breaches estimated at US\$2.1 trillion by 2019



General Data Protection Regulation (GDPR) (EU)



Notifiable Data Breaches (NDB) (Australia)

Digital transformation

Digital transformation is driving demand for new Content Services (digital business) and Collaboration (digital workplace)

The content services platform (CSP) market - estimated revenues over \$6BN in 2016 with CAGR of 8%. The content collaboration platform (CCP) market - estimated revenues \$2.7BN with CAGR of over 40%

Classification and security are key features of both the CSP and CCP markets

OPERATING HIGHLIGHTS, NEAR TERM FOCUS

TRANSITION

H1 FY18

- Pivoted to DSP
- Acquired CipherPoint
- Achieved bookings of \$2.28m
- H1 FY18 revenue already up 38% on the full year FY17
- Cash receipts up 238% on FY17

EXPANSION

9 months YTD FY18¹

- Focus was on ramping leads
- Cash receipts \$721K ↑ 1063% on previous corresponding period (PCP) FY17
- Revenue \$910K ↑ 188% PCP FY17

GROWTH

FY18-FY19

- Highest level of user presentations
- Focus on demonstrating marquee customer wins
- Refine sales model to shorten sales cycle
- Leverage lean model to deliver more products
- Concentrate on key markets - Europe

¹ Unaudited

RECENT DEALS HAVE ENHANCED CAPABILITY



CipherPoint Eclipse for Microsoft SharePoint provides transparent security and encryption for restricted and regulated data - Covata acquired CipherPoint in 2017 to help organisations protect data in the Microsoft environment



Q1 FY19 launch of Eclipse for

- Office 365
- SharePoint Online
- OneDrive



empowering your digital business

dataglobal GmbH is the global benchmark for data classification that enables data to be discovered, classified, controlled and protected. In March 2018 Covata acquired dg's data classification capability. It has connectors into Microsoft, SAP and Oracle



Product roadmap Q1 Q2 FY19 includes -

- joint dg-Covata discovery tool
- enforcing security using classification



FOUR NEW INITIATIVES WILL TARGET GROWTH

Covata Europe

Covata is proposing to expand its European operations with additional sale and technical sales resources in the DACH region in Q1 and Q2 to

- address its pipeline of leads based on GDPR demand
- exploit dataglobal co-sell opportunities

dataglobal-Plus

Dataglobal-Plus is our working name for accelerating our integration into dg's platform and product portfolio including

- SafeShare into dg archive
- Developing a next generation data management platform incorporating both Covata and dg products

Next-gen VDR

A new cloud and SaaS based virtual data room and secure business sharing platform - beta launch Q1 FY19

- with browser based document collaboration and in-line edit capability
- white-label distribution model
- lower competitive price point

Covata Labs

- **AI/Machine Learning** - developing predictive, self-configuring and autonomic techniques for data classification at the point of creation and ingestion
- **SecureTender** - is the working name of our new tender/offer platform for emerging markets - offers security (transparency) through a secure 'lock up' during tender period

CAPITAL RAISE TO FUND GROWTH

Terms of the Offer

Covata is seeking to raise up to \$3.29M through a contemporaneous placement of \$1.5M and \$1.79M non-renounceable rights issue (“Offer”)

- A single tranche placement to raise up to \$1.5M through the issue of up to 54 million shares at an issue price of 2.8¢ per share (“Issue Price”) together with a one (1) for three (3) free attaching option (“Attaching Option”) exercisable at 5.5¢ with a 24-month expiry (“Placement”)
- A 1 for 11 non-renounceable rights issue to raise \$1.79M at an issue price of 2.8¢ per share together with a one (1) for three (3) free Attaching Option (“Entitlement Issue”)

Issue Price

The issue price of \$0.028 (2.8c) is a 23% discount to the 15-day VWAP of \$0.036 (3.6c) Covata’s ASX-traded fully-paid ordinary shares

CAPITAL RAISE TO FUND GROWTH

Use of Funds

dataglobal-Plus	Integration of dataglobal platform and Covata's existing product set to accelerate growth and development of Data Management Platform
Covata Europe	Expansion of Covata's operations into Europe through first half of FY19 to address growing pipeline of GDPR-driven leads
Next-gen VDR	Apply SafeShare's core security engine into a new standalone Virtual Data Room product
Covata Labs	AI/Machine learning - Developing predictive, self-configuring and autonomic techniques for data classification at the point of creation SecureTender - Platform to facilitate secure and transparent tender process, aimed at emerging markets

Net proceeds and Senior management participation

Net proceeds are expected to be \$3.1M after expenses of the Offer

Senior management intends to participate in the rights issue

TIMETABLE

Indicative timetable	
Trading Halt	Tuesday 29 May
Placement Firm Bids due	12pm Wednesday 30 May (Perth time)
Acceptances due	5pm Wednesday 30 May (Perth time)
Announce Offer	Thursday 31 May
Settlement of Placement	Tuesday 5 June
Record Date	Friday 8 June
Despatch Prospectus	Thursday 14 June
Closing Date (on or about)	Monday 25 June
Shortfall Settled (anticipated)	Monday 9 July



CONTACT

Steven Bliim
Head of Finance and Company Secretary

P + 61 2 8412 8200

E steven.bliim@covata.com

THANK YOU

