

Q4 2021 Shareholder Newsletter

DEAR STAKEHOLDERS,

CEO Corner

Since my last note on the activities at Sertainty, much progress has been made. While it is true that it has taken time to bring the company to the point of generating revenue, for a disruptive, breakthrough technology like ours, the time to market is almost always much longer. We've spent years educating the market on the merits and uses of our Unbreakable Exchange Protocol technology. In the beginning, almost nobody was using the language we used. Now we hear it being repeated back to us from every corner of the marketplace. Prime examples from top-level market influencers include:

"Adversaries are not stealing our networks; they're stealing the data on the network, so if the data isn't protected at the data level [instead of] at the perimeter level, then we're not going to survive moving into the future," says Thomas Sasala, Director of the Army Architecture Integration Center and Chief Data Officer at the U.S. Army.

"Shifting the focus of security from the technical hygiene of code and configuration to self-defending data will save time and resources while unlocking rapid and safe innovation," says Royal Hansen, Google Security VP, at the 2021 RSA Conference.

With market forces accelerating our efforts, major business developments will lead to revenue in the near future. There are two products with Sertainty's technology embedded in them that launched this year. Four enterprise-level prospects are currently evaluating one. When fully realized, sales contracts at this level will represent significant annualized revenue streams. The second product has had multiple successful proofs of concept, including being evaluated by a giant European Automotive OEM company that believes the product solves many of the problems associated with meeting GDPR-related requirements. Our team is also building a strategic long-term business pipeline. These efforts will serve as the engine for future company growth. Please find more detail below about these exciting business opportunities in the near and long-term future.

Moreover, we continue to enhance our capabilities by bringing highly successful and notable people into key critical roles. Attracting some of the top talent in the industry is just one of many signs that Sertainty is coming of age.

In closing, we have traversed some difficult times during our journey as a company, and I believe we are about to experience the first fruits of our labors. I want to thank you most sincerely as our investors for your continued support over the years

Sincerely,



Business Activities Update

Here at Sertainty, we have had a busy and eventful year. Between exciting updates with our current partners and solidifying opportunities with new entities, we have plenty to share with you. Existing partnerships are flourishing and making headway with their Sertainty-supported products by securing new customers and performing product enhancements. We are working hard to expand our network and have made headway with new partnerships in the education and government sectors.



Annual Recurring Revenue Partner Update

We are eager to share updates on our current Annual Recurring Revenue partners. Although usually indicative of a subscription-based revenue stream, the Sertainty revenue model assumes a specific percentage of royalties on the customers' application revenue. This percentage is dependent on the partnership.

Transformations Inc.

Transformations, Inc. achieved a successful launch of their SmartDelivery solution with four carefully selected customers. SmartDelivery is a mobile app that provides a first-to-the-market communications system with the ability to secure email documents containing Personally Identifiable Information (PII) in a regulatory compliant manner for enterprises such as healthcare, insurance, and more. This technology will also support these organizations' corporate sustainability goals by helping reduce their carbon footprint. The Sertainty UXP technology satisfies the regulatory requirements by providing proof of exclusive access by the intended recipient and a built-in, real-time, irrefutable, and comprehensive audit trail.

As a result of the SmartDelivery launch, TI uncovered enhancements that will help improve the effectiveness of the product and ultimately increase profitability. These upgrades are set to roll out in the coming months.

In addition to their work on SmartDelivery, TI continues to refine and perfect their core product, Uluro. As it stands, Uluro is in the process of essential upgrades to utilize the latest version of Sertainty technology.

As TI continues to grow and expand their offerings, they have identified and begun conversations with potential new customers. They are currently working to secure these partnerships and increase their overall revenue stream.

SmartEye Technology

Using Sertainty technology to enable their product, Smart Eye Technology is making a name for themselves in the market as a trusted and proven way for individuals to protect shared, highly sensitive files and documents. Whether sharing internally with employees — working on-site or remotely — or externally with vendors and customers, the Smart Eye product is built on the Sertainty Data Privacy Platform technology, which provides unprecedented data security.

Smart Eye achieved a successful proof of concept (POC). This POC served as the precursor to the official launch and involved a limited and focused testing phase. Their initial POC success led directly into a larger and more thorough beta testing process involving a substantial group of both B2B entities and global enterprises. As customers for Smart Eye, these aforementioned entities would contribute significantly in annualized revenue for Sertainty.

Currently, Smart Eye is in development for the second version of their app to increase functionality and security using the feedback received during beta testing. The second version will also include updated Sertainty technology that enables an elevated authentication and encryption performance. The current version Smart Eye app is live in both the Android and Apple stores and is available to the general public. You can learn more about Smart Eye and their app’s abilities by downloading the app here:



Apple Version



Android Version

Reseller Partner Update

Reseller Partner Update

As part of our strategy, Sertainty is working to leverage integrators' (Managed Security Service Providers and Value-Added Resellers) market power by solidifying partnerships with them. Our strategy includes the engagement of key integrators, as explained below, in both India and Mexico. They will not only utilize our technology in their solutioning but also co-partner with us in the selling of those solutions.

We Have Made Significant Progress with Integrators:

We are working closely with Iniciativa-SeguriData, a pioneer in the integration of information security services in Mexico. Following a successful proof of concept internally, Iniciativa-SeguriData conducted their first demonstration for the Supreme Court of Mexico. Sertainty performed a pivotal role in this initial demonstration, ensuring the accuracy of the Iniciativa-SeguriData security system. Using feedback from their first demonstration, Iniciativa-SeguriData is refining and developing a subsequent demonstration for the Supreme Court of Mexico that utilizes the Sertainty Data Privacy Platform, a secure workflow tool.

In addition to Iniciativa-SeguriData, Sertainty has maintained our reseller partnerships with [Tech Mahindra](#) and [LTI](#).

Strategic Partners Update

In an effort to increase brand trust and expand data security capabilities, Sertainty has solidified several strategic partnerships. These connections are just one step in enabling solutions in the Federal, Department of Defense, and Department of Energy marketplace. While excellent for brand reputation, these opportunities are also lucrative to explore as revenue is a function of the budget for any given contract.

Partnerships in Education:

Sertainty has recently become a formal partner of the CIEDAR Consortium at Texas State University. Through this partnership, we are advancing the cause of data privacy and self-protecting data by providing security solutions to leading researchers and cutting-edge tech projects in the academic community. If you’d like to learn more about this exciting new partnership with CIEDAR, view our press release here: <https://www.sertainty.com/news/sertainty-announces-collaboration-with-texas-states-ciedar-consortium/>

Partnerships in Government:

The environment is ripe for our unique brand of data-level security. In this space, there is a specific movement towards “zero-trust” technology to which data-level security is key.

- Our team has been meeting with the legislators spearheading initiatives involving cybersecurity at the federal level. We have found support in their ranks and hope to impact legislation in a way that can encourage the adoption of data-level security technology such as ours.
- At the project level, we are fostering relationships with people within the DoD who are influencers and decision-makers in the bid selection process. These efforts will support our ability to successfully submit responses to requests in the following two programs:
 - Small Business Innovation Research ([SBIR](#))
 - Small Business Technology Transfer ([STTR](#))
- Additionally, we are working to establish teaming agreements with leading cyber technology universities which not only support these efforts, but also establish our credibility in this space. This places Sertainty at the threshold of penetrating the critical infrastructure market with zero-trust solutions.
- Finally, Sertainty was one of three premier organizations competitively chosen to present solutions at the 2021 Palmetto Tech Bridge Pitch Jam Prize Challenge. This challenge was part of the 14th annual Charleston Defense Contractors Association Defense Summit, one of the largest defense events on the East Coast. If you'd like to learn more about this great recognition, view our press release here: <https://www.sertainty.com/news/palmetto-tech-bridge-pitch-jam-prize-challenge-2021/>



Sertainty Ways of Working Updates

COVID-19 took the world by storm, forcing businesses around the globe to adapt to a new version of normal. Sertainty has and is continuing to take COVID-19 seriously by modifying our workflow and internal processes to keep our team and clientele safe.

During the pandemic we:

- Went fully remote from the spring of 2020 to the summer of 2021.
- Moved into executive facilities that allow Sertainty to better serve our business and client needs.
- Completed a remodel of the new office to empower internal processes, efficiency, and corporate image.
- Adopted the current policy on remote work, allowing both in-office and remote work capabilities for Sertainty staff.

Final Thoughts

As 2021 draws to a close, Sertainty is proud to say that through strategic decisions and clear corporate priorities, we have successfully navigated the shifting market and changing business norms prompted by COVID-19. During this journey, we have established new partnerships, developed our team, and made great progress toward

valuable integrations. Now we are once more looking ahead with great excitement to the next opportunities and innovations.

Despite the many potential setbacks posed by the pandemic, our growing online presence and industry authority has been reflected in the success of our marketing efforts throughout 2021. Can you guess how well the Sertainty website and social platforms have performed this year?

Q: How many people have visited the Sertainty website year-to-date?

- A. Over 3,000
- B. Over 8,000
- C. Over 11,000
- D. Over 25,000

The Sertainty website has garnered over 25,000 views in 2021.

Q: Which month was our best month for web traffic year-to-date?

- A. February
- B. October
- C. July
- D. April

Our web presence has grown throughout the year, culminating in a very successful October, which saw an increase of 204% over web traffic in October 2020.

Q: What was the topic of our most-liked post on LinkedIn?

- A. Zero-trust at the data layer
- B. Sertainty growing with SmartEye technology
- C. Files that defend themselves if stolen
- D. Cyberattacks on the rise

The Sertainty audience has spoken, and they're excited by the idea of self-protecting data that can defend itself against would-be thieves.

Sertainty in the Media

The American Reporter <https://www.theamericanreporter.com/nashville-cybersecurity-company-redefines-cyber-defense-with-a-unique-platform-and-self-protecting-data/>

All Business <https://www.allbusiness.com/protect-business-data-breach-95691-1.html>

Noobpreneur <https://www.noobpreneur.com/2021/11/14/why-data-protection-is-crucial-for-businesses-now-more-than-ever/>

Sertainty Stakeholders Meeting

The company hopes to hold our next in-person Stakeholders Meeting next summer at a time when COVID-19 risks are past or can be acceptably managed. This forum will be an opportunity for all of our stakeholders to ask questions and discuss issues before the group as well as talk individually with company executives. You will be hearing more about this event in the next few months.

