



ASX ANNOUNCEMENT | COVATA LIMITED

ASX Appendix 4C

Quarterly Cash Flow Report

For the quarter ended 30 June 2015

Melbourne, 31 July, 2015 - Covata Limited (ASX: CVT) attaches the Company's Appendix 4C Quarterly Cash Flow Report for the period ended 30 June 2015.

Covata held \$8.5 million in cash at 30 June 2015, compared to \$11.7 million at 31 March 2015.

Net operating cash flow for the quarter was (\$3.4 million) compared to (\$2.6 million) for the quarter ended 31 March 2015. The additional spend is primarily attributable to approximately \$860k of consulting fees, paid to Asia Principal Capital Group (APCG), incurred over the previous 18 months and relating to a number of strategic initiatives including the signing of key agreements with Cisco, Sumatics and NSC Global.

Average monthly operating costs (exclusive of extraordinary non-recurring items) for the quarter remained at \$870k.

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About Covata

Covata enables true ownership and control over your data in the cloud and over mobile services. We deliver data-centric security solutions without compromising simple usability; providing true end-to-end security. Your data is always protected wherever it may travel – inside your network, beyond the



domain, to mobile devices and to the cloud – with granular access controls that extend to external ad hoc users, view-only restrictions, real time revocation and complete visibility and auditability.

Own Your Data, control your data and choose where it is stored – with complete assurance that it is protected and secure. For further information please visit Covata.com.

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

COVATA LIMITED

ABN

61 120 658 497

Quarter ended ("current quarter")

30 June 2015

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from customers	10	42
1.2	Payments for (a) staff costs	(1,505)	(6,276)
	(b) advertising and marketing	(119)	(495)
	(c) research and development	-	(43)
	(d) leased assets	-	-
	(e) other working capital	(1,784)	(4,525)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	10	82
1.5	Interest and other costs of finance paid	(3)	(26)
1.6	Income taxes paid	-	-
1.7	Other (R&D concession receipt)	-	2,343
	Net operating cash flows	(3,391)	(8,898)

+ See chapter 19 for defined terms.

Appendix 4C
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	Current quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	(3,391)	(8,898)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5) ¹	-	1,177
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(57)	(144)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	6	27
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (Security Deposits and Rental Bonds)	3	(244)
Net investing cash flows	(48)	816
1.14 Total operating and investing cash flows	(3,439)	(8,082)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	204	14,334
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	100
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other	-	-
Net financing cash flows	204	14,434
Net increase (decrease) in cash held	(3,235)	6,352
1.21 Cash at beginning of quarter/year to date	11,745	2,158
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	8,510	8,510

Notes:

- On 31 October 2014, Covata Limited (formerly Prime Minerals Limited) acquired 100% of the ordinary share capital and voting rights of Cocoon Data Holdings Limited as detailed in the Bid Implementation Agreement dated 27 June 2014. This is treated as a reverse acquisition under the guidelines and principles of AASB 3 Business Combinations whereby Cocoon Data Holdings Limited is treated as the acquirer and Prime Minerals Limited is the acquiree. As a result, the Statement of Cash Flows comprises the cash transactions for Cocoon Data Holdings Limited (and its group entities) for the full quarter and year to date periods and the cash transactions of Covata Limited from the date of acquisition (31 October 2014) to the period end date of 30 June 2015.

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	(251)
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions	
	Directors salaries, directors fees, social security payments and superannuation.	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

The acquisition of Cocoon Data Holdings Limited by Covata Limited is accounted for under AASB 2 Share Based Payments whereby the non-cash consideration in a reverse acquisition is deemed to be the fair value of the deemed issue of shares by the legal acquiree (Cocoon Data Holdings Limited), equivalent to the current shareholders interest in the legal acquirer (Prime Minerals Limited) post the acquisition. The consideration net of cash acquired is reported in the Statement of Cash Flows as positive \$1,177,000 in item 1.9a, being the cash held by Covata Limited as at the date of acquisition.

- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Short-term loan facilities ²	7,050	2,301
3.2 Credit standby arrangements	-	-

2. Short-term loan facility secured against existing term deposit of \$7million; and \$50,000 corporate credit card.

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Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	1,810	2,745
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (Term deposits callable with less than 3 months notice, less short-term borrowings secured against existing term deposits)	6,700	9,000
Total: cash at end of quarter (item 1.23)		8,510	11,745

Acquisitions and disposals of business entities

		Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	Prime Minerals Limited	
5.2	Place of incorporation or registration	Western Australia	
5.3	Consideration for acquisition or disposal	Nil	
5.4	Total net assets	1,285,563	
5.5	Nature of business	Mining	

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: Date: 31 July 2015

 Director

Print name: Trent Telford

+ See chapter 19 for defined terms.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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