



## **ASX ANNOUNCEMENT | COVATA LIMITED**

### **ASX Appendix 4C - Quarterly Cash Flow Report**

#### **For the quarter ended 31 March 2016**

#### **Melbourne – 29 April 2016 – Covata Limited (ASX: CVT) attaches the Company's Appendix 4C Quarterly Cash Flow Report for the period ended 31 March 2016.**

Covata held \$7.7 million in cash at 31 March 2016, compared to \$8.5 million at 31 December 2015.

Net operating cash flow for the quarter ended 31 March 2016 was (\$1.8 million), \$2.4 million less than the previous quarter ended 31 December 2015, which was (\$4.2 million). This decrease is mostly made up of (a) the receipt of \$1.65 million AusIndustry/ATO R&D tax incentive in Q3FY16 and (b) a non-recurring (\$.5 million) research and development investment in Safe Share 3.0 and the Covata Platform paid in Q2FY16.

During the quarter the Group received Net financing cash flows of \$.9 million from the exercise of share options that were set to expire in March 2016.

Please refer to the Investor Update released on the ASX as a standalone announcement for further information pertaining to the last quarter's activities and ongoing business objectives and via the investor relations section of the company's website at [www.covata.com](http://www.covata.com).

\* All dollar amounts are in AUD

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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 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 [www.covata.com](http://www.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")

31 March 2016

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from customers	65	93
1.2 Payments for		
(a) staff costs	(1,979)	(5,769)
(b) advertising and marketing	(262)	(530)
(c) research and development	(57)	(663)
(d) leased assets	-	-
(e) other working capital	(1,256)	(3,976)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	19	255
1.5 Interest and other costs of finance paid	(2)	(9)
1.6 Income taxes paid	-	-
1.7 Other (R&D tax incentive receipt)	1,650	1,650
<b>Net operating cash flows</b>	<b>(1,822)</b>	<b>(8,949)</b>

**Notes:**

- 1.2 (c) The Year to date payments for research and development includes \$.5M of non-recurring expenditures related to Safe Share 3.0 and the Covata Platform in the quarter ending 31 December 2015. Safe Share version 3.0 offers significant new upgrades, including new look and feel and functionalities that enhance data security and ease-of-use for customers and partners.
- 1.4 The Year to date Interest and other items of a similar nature received includes \$.2M related to a term deposit that matured in December 2015.
- 1.7 Other (R&D tax incentive receipt) The Group received a \$1.65 million R&D tax incentive, relating to the period ending 30 June 2015, from AusIndustry in February 2016.

+ See chapter 19 for defined terms.

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**Quarterly report for entities**  
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	Current quarter \$A'000	Year to date (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	(1,822)	(8,949)
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5) <sup>1</sup>	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(7)	(39)
(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	-	1
(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)	81	(88)
<b>Net investing cash flows</b>	<b>74</b>	<b>(126)</b>
<b>1.14 Total operating and investing cash flows</b>	<b>(1,748)</b>	<b>(9,075)</b>
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	952	8,297
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other	-	-
<b>Net financing cash flows</b>	<b>952</b>	<b>8,297</b>
<b>Net increase (decrease) in cash held</b>	<b>(796)</b>	<b>(778)</b>
1.21 Cash at beginning of quarter/year to date	8,528	8,510
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 <b>Cash at end of quarter</b>	<b>7,732</b>	<b>7,732</b>

Notes:

+ 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	(195)
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Director's salaries, director's 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

N/A

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 <sup>2</sup>	-	-
3.2	Credit standby arrangements	-	-

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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	7,732	8,528
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)		
<b>Total: cash at end of quarter (item 1.23)</b>	<b>7,732</b>	<b>8,528</b>

**Acquisitions and disposals of business entities**

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

**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: 29 April 2016

Director  
 Print name: Trent Telford

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## 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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