

# Media release

16 April 2018

## ComOps EBITDA and Cash Flow Positive for Q1 2018

- Q1 EBITDA of \$104,000 versus a loss of \$420,000 in PCP
- Operating cash flow of \$51,000 and cash balance growing to \$684,000
- March quarter revenue solid at \$2.5m. Ahead of budget and 13% above PCP
- Recurring revenue now representing 69% of total revenue
- Sales pipeline has strengthened considerably and COM well placed for growth

Workforce management and optimisation technology company **ComOps Limited (ASX: COM)** (**'ComOps'** or **'the Company'**) is pleased to report solid financial and operational performance for first quarter of calendar 2018. By every measure, the Company has performed well for the period and a solid platform for stable, incremental growth has been established.

### A strong financial performance

Earnings before interest, tax, depreciation and amortisation (EBITDA) was \$104,000 for Q1, a significant improvement on the prior quarter loss, and 66% up on budget. The Company recorded positive operating cash flow for the quarter of \$51,000 resulting in ComOps' cash balance increasing to \$684,000 at the end of the period (Q4 December 17: \$667,000).

Revenue for the period, traditionally the slowest quarter of the year due to the Christmas holiday season, was particularly pleasing at \$2.5 million and ahead of budget.

69% of the revenue for the quarter was recurring in nature and the percentage of recurring revenue has increased against the previous corresponding period by an impressive 10%. The certainty and predictability of the revenue base continues to improve as more long-term contracts and contract renewals are secured.

An ongoing focus on cost control saw expenses meeting budget for the quarter and management continues to place a great deal of emphasis on maintaining costs in order to progressively improve margins.

During the quarter the company undertook a buy-back of unmarketable share holdings, which resulted in the buyback of 172 shareholdings for \$7,497 including costs.

## **Commentary**

**ComOps Chief Executive Officer Chris Fydler commented:** “We are pleased with the progress made in the first quarter across all areas of the business and we have established an excellent platform to deliver positive earnings growth and cash flow. We have been able to achieve this whilst providing significant updates and additional feature sets to our products.

We have a steadily growing revenue base that is recurring and predictable, and one that is underpinned by a healthy tendering and sales pipeline. Our cost base is now stable, and we have every confidence of meeting our core growth objectives. Converting current opportunities into paid contracts is the team’s immediate priority.”

## **Well placed for the first half**

The Company is trading well in the second quarter and ComOps confirms that revenue and cash are expected to increase again. A number of new contracts are in a pre-approval stage and will be reported once signed. The Company looks forward to updating shareholders on progress.

The Appendix 4C quarterly report follows.

## **About ComOps**

ComOps is an Australian company that provides effective workforce management and optimisation solutions to enterprises globally who are looking to simplify complex workforce environments. It specialises in interpreting Award Wages and Enterprise Bargaining Agreements and equivalent structures.

ComOps supports more than 180 customers in over 5,800 locations globally, including leading organisations within global aviation, health, hospitality, ports, retail and transportation.

## **Enquiries/Additional Information**

ComOps Limited

Niall Cairns, Chairman

Chris Fydler, Chief Executive Officer

Christopher Brooke, Company Secretary

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## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

#### Name of entity

COMOPS LIMITED

#### ABN

79 000 648 082

#### Quarter ended ("current quarter")

31 March 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	2,562	2,562
1.2 Payments for		
(a) research and development	(496)	(496)
(b) product manufacturing and operating costs	(647)	(647)
(c) advertising and marketing	(13)	(13)
(d) leased assets	-	-
(e) staff costs	(1,324)	(1,324)
(f) administration and corporate costs	(38)	(38)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1.8 Other (Refund of Rental incentive/bond)	8	8
<b>1.9 Net cash from / (used in) operating activities</b>	<b>51</b>	<b>51</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(39)	(39)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(39)</b>	<b>(39)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
3.4	Transaction costs related to issues of shares, convertible notes or options	(8)	(8)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Loan - R&D funding) Other (Loan - related parties)	- -	- -
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(8)</b>	<b>(8)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	667	667
4.2	Net cash from / (used in) operating activities (item 1.9 above)	51	51
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(39)	(39)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(8)	(8)
4.5	Effect of movement in exchange rates on cash held	13	13
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>684</b>	<b>684</b>

5.	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	684	667
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>684</b>	<b>667</b>

6.	<b>Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to these parties included in item 1.2	59
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	N/A

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

	<b>\$A'000</b>
Directors remuneration	59
Directors Interest payment	0

7.	<b>Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
7.1	Aggregate amount of payments to these parties included in item 1.2	
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

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8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	1,500	0
8.2	Credit standby arrangements		
8.3	Other (please specify)		
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
Debtor factoring facility \$1,500,000      Interest rate 0.1% daily      Secured			

9.	<b>Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1	Research and development	(450)
9.2	Product manufacturing and operating costs	(667)
9.3	Advertising and marketing	(20)
9.4	Leased assets	-
9.5	Staff costs	(1,338)
9.6	Administration and corporate costs	(30)
9.7	Other (provide details if material)	-
9.8	<b>Total estimated cash outflows</b>	<b>(2,505)</b>

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity		
10.2	Place of incorporation or registration		
10.3	Consideration for acquisition or disposal		
10.4	Total net assets		
10.5	Nature of business		

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



Company secretary

Date: 16 April 2018

Print name: Christopher Brooke

## 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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.