

Media release

18 July 2018

ComOps EBITDA and Cash Flow Positive Again for Q2 2018

- Q2 EBITDA of \$96,000 takes 1HY EBITDA to \$200,000 versus loss of ~\$1m 1HY 2017
- Another positive cash flow quarter takes cash balance to \$739,000
- Quarterly receipts from customers stable at \$2.6m aided by strong recurring revenue
- New material tender secured in the quarter

Workforce management and optimisation technology company **ComOps Limited (ASX: COM)** ('ComOps' or 'the Company') is pleased to report another solid quarter of growth for the three months ended 30 June 2018. An ongoing focus on cost management, sales growth and continuing investment in the core technology has shaped the quarter.

Solid Financial Performance Continues

Earnings before interest, tax, depreciation and amortisation (EBITDA) was \$96,000 for Q2 which takes EBITDA for the first half to ~\$200,000, a major turnaround from 12 months ago when ComOps reported an EBITDA loss of circa \$1m.

This is a very pleasing development for the Company and demonstrates that the growth and cost management initiatives put in place in the past 12 months are now reflected in the bottom line.

Operating cash flow was again positive at \$60,000 taking cash at bank to \$739,000. This is the third quarter running where ComOps' cash balance has increased.

Receipts from customers was stable at \$2.6 million which is broadly in line with previous quarters. It again reflects ComOps' solid and recurring revenue streams being generated from long term contracts. The percentage of revenue that is recurring remains at 69%, underpinned by these contracts.

New material contract secured and strengthening tender pipeline

During the quarter, ComOps further strengthened its position as a dependable workforce management software company in the Australian public transport sector by securing a five-year contract, initially valued at up to \$1 million, for the licensing, implementation, hosting and maintenance of the Company's proprietary Microster software to the State Transit Authority of New South Wales (STA) which operates Sydney's buses.

STA operates 2,000 buses travelling over 300 routes in Sydney. It runs 15,000 services daily transporting more than 600,000 passengers to their destinations.

As a result, ComOps' workforce management software is now used across Transport NSW's trains, ferries and buses operations and gives the Company a strong foothold in the government transport sector.

Tendering activity was also solid in the quarter with a high degree of focus on the transport sector. While a competitive space, ComOps' is uniquely positioned in the Australian market and continues to invest in its workforce management and optimisation technology so it is tailored specifically for customers' operations. This technology investment is giving ComOps a considerable strategic advantage in transport and other sectors.

Commentary

ComOps Chief Executive Officer Chris Fydler commented: "We are pleased to have delivered another positive quarter of earnings and the half year EBITDA performance is most encouraging. We are continuing to manage costs tightly but at the same time invest in our technology and business to ensure we maintain a solid growth trajectory.

"ComOps has again strengthened its presence with Transport NSW. Transport is a sector where we see considerable scope for growth, in both the government and private sectors. Other sectors including health, hospitality and retail are also being actively pursued and the tendering pipeline is healthy. Our focus this quarter is on winning new business and locking in some other long-term contracts, and with renewal rates of +90%, we are confident of meeting our objectives here."

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, transportation, retail, hospitality and health.

Enquiries/Additional Information

ComOps Limited
Niall Cairns, Chairman
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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")

30 June 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,602	5,164
1.2 Payments for		
(a) research and development	(452)	(948)
(b) product manufacturing and operating costs	(872)	(1,519)
(c) advertising and marketing	(16)	(29)
(d) leased assets	-	-
(e) staff costs	(1,286)	(2,610)
(f) administration and corporate costs	(12)	(50)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	(3)	(4)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	54	54
1.8 Other (Refund of Rental incentive/bond)	43	51
1.9 Net cash from / (used in) operating activities	60	111

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(39)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(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)	-	-
2.6	Net cash from / (used in) investing activities	-	(39)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(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)	-	-
3.10	Net cash from / (used in) financing activities	-	(8)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	684	667
4.2	Net cash from / (used in) operating activities (item 1.9 above)	60	111
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(39)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(8)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-5	8
4.6	Cash and cash equivalents at end of quarter	739	739

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	739	684
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	739	684

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter
\$A'000

74

N/A

	\$A'000
Directors remuneration	74
Directors Interest payment	0

7. Payments to related entities of the entity and their associates

- 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

Current quarter
\$A'000

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8. Financing facilities available		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
Add notes as necessary for an understanding of the position			
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.	Estimated cash outflows for next quarter	\$A'000
9.1	Research and development	(450)
9.2	Product manufacturing and operating costs	(644)
9.3	Advertising and marketing	(20)
9.4	Leased assets	-
9.5	Staff costs	(1,526)
9.6	Administration and corporate costs	(20)
9.7	Other (provide details if material)	-
9.8	Total estimated cash outflows	(2,660)

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: 18 July 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.