

Media release

22 January 2019

Tambla Primed for Growth in 2019 After Strong Q4 Performance

- Receipts from customers up 32% on prior quarter to \$2.9m – year to date receipts are \$10.3m
- Cash balance solid at \$787,000 – up from \$551,000 at end Q3 and after \$388,000 debt payment
- Tambla finishes CY2018 strongly with operating cash flow of \$164,000
- On track to deliver positive EBITDA for CY2018 and double-digit sales growth
- Well placed for growth in CY2019 with expanded sales and BD team, solid balance sheet, growing recurring revenue base and healthy tendering pipeline

Australian intelligent workforce solutions company **Tambla Limited (ASX: TBL)** (**'Tambla** or **'the Company'**) is pleased to report excellent financial and operational performance for the quarter ended 31 December 2018 and for CY2018.

Receipts from customers were up 32% to \$2.9m (Q3: \$2.2m) which again reflects the solid recurring revenue streams that are delivered each quarter from Tambla's long-term contracts with government and blue-chip customers. Total receipts from customers for CY2018 was \$10.3m and is a near record high over the past 6 years.

Tambla ended the quarter with recurring revenue accounting for 62% of total revenue. Based on the current long-term contract base, this is forecast to grow to +65% in CY2019.

Operating cash flow for the quarter was particularly encouraging at \$660,000, a significant turnaround on the prior quarter's negative operating cash flow of (\$607,000). Operating cash flow for CY2018 was \$164,000 reflecting a strong finish to the year and representing the strongest annual cash flow result since 2015.

As at 31 December 2018, cash at bank was \$787,000. Tambla ended CY2018 with negligible debt of \$26,000 after the repayment during the quarter of a \$388,000 R&D financing facility.

With expected double-digit sales growth for the full year, Tambla is on track to report positive earnings before interest, tax, depreciation and amortisation for Q4 and CY2018 in its entirety.

Well positioned for a strong 2019

Tambla is well placed at the start of 2019 with a growing tendering and customer pipeline; a strong balance sheet; very high levels of customer satisfaction for the Company's technology suite; stable earnings streams; and larger and more experienced sales and marketing team that was strengthened in Q4 with new appointments. These provide a solid foundation for growth this year and underpin revenue and earnings.

The Company looks forward to providing more regular updates to shareholders on operational progress as the year unfolds. The Appendix 4C quarterly report follows.

-ENDS-

For further information, please contact:

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About Tambla

Tambla is an innovative enterprise HR software company delivering cloud-first intelligent workforce solutions to organisations with large “shift-based” workforces. Tambla provides these companies with the tools to ensure visibility, optimisation and compliance of their workforce globally. At present, over 340,000 workers globally are managed by Tambla software.

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

TAMBLA LIMITED

ABN

79 000 648 082

Quarter ended ("current quarter")

31 December 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,924	10,290
1.2 Payments for		
(a) research and development	(362)	(1,793)
(b) product manufacturing and operating costs	(756)	(2,996)
(c) advertising and marketing	(6)	(74)
(d) leased assets	-	-
(e) staff costs	(1,591)	(5,694)
(f) administration and corporate costs	(35)	(156)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	4
1.5 Interest and other costs of finance paid	(10)	(16)
1.6 Income taxes paid	(8)	(8)
1.7 Government grants and tax incentives	502	556
1.8 Other (Refund of Rental incentive/bond)	-	51
1.9 Net cash from / (used in) operating activities	660	164

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(2)	(49)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	(2)	(49)

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	327	383
3.6	Repayment of borrowings	(357)	(357)
3.7	Transaction costs related to loans and borrowings	-	(19)
3.8	Dividends paid	-	-
3.9	Other (Loan - R&D funding)	(388)	-
	Other (Loan - related parties)	-	-
3.10	Net cash from / (used in) financing activities	(418)	(1)

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	551	667
4.2	Net cash from / (used in) operating activities (item 1.9 above)	660	164
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	(49)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(418)	(1)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(4)	6
4.6	Cash and cash equivalents at end of quarter	787	787

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	787	551
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)	787	551

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**

82

N/A

	\$A'000
Directors remuneration	82
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**

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	26
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	(400)
9.2 Product manufacturing and operating costs	(870)
9.3 Advertising and marketing	(20)
9.4 Leased assets	-
9.5 Staff costs	(1,691)
9.6 Administration and corporate costs	(40)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	(3,021)

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: 22 January 2019

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.