

# Media release

24 October 2019

## Tambla Delivers Another Positive Operating Cashflow Quarter

- **Fourth consecutive Operating Cash flow positive quarter with seven out of the last eight quarters positive**
- **Receipts from customers for the quarter steady at ~\$2.3m**
- **Cash at end of quarter was \$665,000**
- **First revenue received from FY2019 product development program**
- **Leading Australian logistics provider implements Insights, Tambla's new Business Analytics product**
- **First US based customer implementation for the new Tambla-PayCE**
- **Sales pipeline very strong in Australia, New Zealand and now the United States – underpinned by continued take-up of new and existing products**
- **Predictive recurring revenues & controlled cost base expected to continue to deliver positive operational cashflow results**

Australian intelligent workforce solutions company Tambla Limited (ASX: TBL) ('Tambla' or 'the Company') is pleased to deliver another strong quarter for the period ended 30 September 2019.

Tambla maintained its track record of delivering stable and predictable recurring revenue streams from its long-term customer contracts which again resulted in another operating cash flow positive quarter. Receipts from customers was \$2.3m which is in line with the previous quarter (Q2 2019: ~\$2.3m) with recurring revenue making up 67% of the total revenue base.

The company delivered \$50,000 of positive operating cash flow and invested \$1.07m on R&D and product developments and enhancements, of which \$601,000 was capitalised. Year-to-date, Tambla has invested \$2.47m (\$1.39m capitalised) on R&D and product updates and enhancements to ensure its suite of products maintain and extend Tambla's market-leading advantage. Revenue is now being earned from these new products (PayCE and Insights) and is expected to increase significantly in the coming quarters.

As well, the Company has been successful with new product implementations for Australia & New Zealand, and pleasingly, completed its first customer implementation for the much larger United States market – a major development for Tambla.

In Australia, Tambla completed a key implementation of its Insights product for a customer in the logistics' sector. Tambla Insights unlocks the value of a customer's workforce data with real-time, actionable insights into critical operational metrics. The implementation is progressing well with the go-live phase expected to occur early in Q4.

Tambla's maiden implementation for an Alayacare customer in the United States marks an important entry into this large workforce management market. This implementation is expected to go-live early in the current quarter which gives Tambla an important reference customer for its growing pipeline in the United States.

The new Tambla PayCE product is an "out of the box" SaaS solution that can be implemented quickly and easily, providing our partners and complimentary software vendors with an extremely sophisticated capability that, has been designed to accommodate employment regulations around the world. PayCE provides these organisations with a solution that provides significant productivity, efficiencies and ROI.

Further investment has been made in the Company's sales, business development and implementation team with a new senior Business Development member recruited in the quarter. The team of now 6 personnel are comfortably servicing all markets - four of this team focussed on maintaining and growing our domestic revenues and one of the team dedicated to developing the Alayacare partnership.

Tambla enters Q4 in good shape with a cash balance of \$665,000, a solid and predictable cash generating recurring revenue base and funding facilities of approximately \$2.0m, which are forecast to deliver another positive operating cash flow quarter.

The business development pipeline is at record levels with the inclusion of the United States customer opportunities. The benefits from the recent implementation of Tambla PayCE in the US, and the new Tambla Insights implementation in Australia, will be evident from Q4 and is expected to grow strongly into CY2020 and onwards.

**Chief Executive Officer Chris Fydler commented:** *"Tambla's third quarter was a critical period for the Company and marked our first entry into the United States with a top quality customer implementation. We have a well formulated strategy to capitalise on what is a large market for intelligent workforce management solutions and our growing sales pipeline there is most encouraging. That said, there is still considerable scope for growth domestically".*

*"We have continued to invest in enhancing our suite of products and this remains an ongoing focus so Tambla can deliver stable recurring revenue streams and maintain its track record of very high customer retention and re-competes on an ongoing basis. Revenue in the current quarter is expected to be again stable at current levels before tracking up from Q1 CY2020."*

-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”)**

**30 September 2019**

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	2,264	7,298
1.2 Payments for		
(a) research and development	(469)	(1,076)
(b) product manufacturing and operating costs	(391)	(1,724)
(c) advertising and marketing	(76)	(200)
(d) leased assets	-	-
(e) staff costs	(1,195)	(3,828)
(f) administration and corporate costs	(76)	(129)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	6
1.5 Interest and other costs of finance paid	(8)	(25)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (Refund of Rental incentive/bond)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>50</b>	<b>322</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(45)	(369)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	(601)	(1,393)
<b>2.2 Proceeds from disposal of:</b>		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
<b>2.3 Cash flows from loans to other entities</b>	-	-
<b>2.4 Dividends received (see note 3)</b>	-	-
<b>2.5 Other (provide details if material)</b>	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(646)</b>	<b>(1,762)</b>
<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	1,250
3.3 Proceeds from exercise of share options	-	-
3.4 Interest payment related to issues of shares, convertible notes or options	(31)	(43)
3.5 Proceeds from borrowings	299	299
3.6 Repayment of borrowings	(299)	(325)
3.7 Transaction costs related to loans and borrowings	(78)	(78)
3.8 Dividends paid	-	-
3.9 Other (Loan - R&D funding)	493	493
Other (Repayment of lease liabilities)	(100)	(275)
<b>3.10 Net cash from / (used in) financing activities</b>	<b>284</b>	<b>1,321</b>

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>4. 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	980	787
4.2 Net cash from / (used in) operating activities (item 1.9 above)	50	322
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(646)	(1,762)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	284	1,321
4.5 Effect of movement in exchange rates on cash held	(3)	(3)
<b>4.6 Cash and cash equivalents at end of quarter</b>	<b>665</b>	<b>665</b>

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	665	880
5.2 Call deposits	-	100
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>665</b>	<b>980</b>

<b>6. 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	47
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	

	\$A'000
Directors remuneration	47
Directors Interest payment	0

<b>7. 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. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	1,993	493
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
R&D funding facility \$492,500	Interest rate 1.25% monthly	Secured
<b>9. Estimated cash outflows for next quarter</b>		<b>\$A'000</b>
9.1 Research and development		(350)
9.2 Product manufacturing and operating costs		(964)
9.3 Advertising and marketing		(75)
9.4 Leased assets		-
9.5 Staff costs		(1,456)
9.6 Administration and corporate costs		(40)
9.7 Other (provide details if material)		-
<b>9.8 Total estimated cash outflows</b>		<b>(2,885)</b>

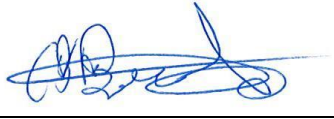
10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		



**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: 24 October 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.