

ComOps Releases Appendix 4C Cash Flow Report for the Period Ended 31 December 2014

Sydney, 30 January 2015 - ComOps Limited ("ComOps") is pleased to advise shareholders that the Company has released its Appendix 4C Quarterly Cash Flow Report for Q4 of the 2014 Financial Year today, as required by LR 4.7B.

The final quarter of the ComOps financial year shows the culmination of many of the initiatives of the Company in 2014. These include:

- Acquisition of e-Tivity (expanding into the retail and hospitality markets)
- Raising of new capital and the introduction of new institutional and private investors
- Ongoing benefits of the Q2 efficiency program
- Final payments relating to the sale of the Korellus ERP business
- Appointment of Gerry Williams as Chief Executive Officer
- Recruiting new sales management to cover the expanded product range, customer base and market opportunity
- Increasing cash receipts from customers that are up 33% over Q3 and 100% over Q1

Analysis of the Q4 cash flow shows that the operations of the newly enlarged ComOps delivered a negative operating cash flow of \$0.2 million. This is after adding back the costs outlined in Section 1.7; specifically the M&A advisory, legal and consulting costs, the final payments relating to the Korellus ERP sale and prior period creditors. Debtor collections in December were also constrained by many corporate and government customers closing on the 19th rather than the 31st December.

Cash balances at 31 December 2014 (\$0.32m) were lower than expected due to (1) the timing of the GST payment (\$0.45m) in relation to the e-Tivity acquisition, (2) the decision not to utilise the company's \$1.5 million debtor financing facility and (3) December cash collections being lower than expected, due to the mid-December closing of many government and corporate customers. The \$0.45m GST paid on the e-Tivity transaction will be recovered in Q1 2015 in the normal course of business and cash collections have resumed normal practice. Hence, cash flow and cash balances are expected to increase significantly in early Q1 2015 and be further augmented by an expected R&D cash rebate of over \$0.4m.

Looking forward to 2015 we expect the financial reports to have fewer one-off and extraordinary items, and thus be able to show the performance of the ComOps business - now encompassing Microster, e-Tivity and Salvus - more clearly.

The Appendix 4C quarterly report follows.

About ComOps

ComOps, under the brand names Microster, e-Tivity and Salvus, provides effective Workforce Management Solutions including Rostering & Scheduling, Award Interpretation, Labour Cost Management, Fatigue Risk Management, Leave Management, Time & Attendance, Employee Self-Service Portals, Risk Management & Safety Compliance and Workforce Analytics.

ComOps delivers substantial financial and operation advantage by aligning people, productivity and performance, making workforces more productive, reducing fixed & variable overheads, and increasing profitability.

ComOps Workforce Management has clients in global Ports, Security, Transportation, Health, Mining, Government, Retail and Hospitality.

ComOps is a Microsoft Gold Partner and has ISO 9001 Accreditation.

Enquiries/Additional Information:

ComOps Limited

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001, 24/10/2005.

Name of entity

COMOPS LIMITED

ABN

79 000 648 082

Quarter ended ("current quarter")

31 December 2014

Consolidated statement of cash flows

	Current quarter	Year to date (12 months)
	\$A'000	\$A'000
Cash flows related to operating activities		
1.1 Receipts from customers	2,146	6,144
1.2 Payments for		
(a) staff costs	(1,019)	(3,388)
(b) advertising and marketing	-	-
(c) research and development	(602)	(1,582)
(d) leased assets	-	-
(e) other working capital	(729)	(2,443)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	12	15
1.5 Interest and other costs of finance paid	(3)	(24)
1.6 Income taxes paid	-	-
1.7 Other (M&A - Legal & Advisory Costs)	(502)	(627)
Other (ERP Discontinued Operations' Costs)	(50)	(867)
Other (ATO – R&D refund)	-	367
Other (Creditor/Staff Costs – prior quarters)	(61)	(661)
Net operating cash flows	(808)	(3,066)

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	Current quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (brought forward)	(808)	(3,066)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	(2,000)	(2,740)
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(4)	(15)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	1	1
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (GST paid on IP Purchase)*	(450)	(450)
Net investing cash flows	(2,453)	(3,204)
1.14 Total operating and investing cash flows	(3,261)	(6,270)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc	2,679	5,526
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 (Cost of share placement from prior quarter)	-	(54)
Net financing cash flows	2,679	5,472
Net increase (decrease) in cash held	(582)	(798)
1.21 Cash at beginning of quarter/year to date	898	1,114
1.22 Exchange rate adjustments to item 1.21	-	-
1.23 Cash at end of quarter	316	316

* GST was paid on the purchase of IP (\$2.5m cash and \$2m of shares). The GST is expected to be refunded in Q1 2015.

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 1.26	48
1.25	Aggregate amount of loans to the parties included in item 1.11	N/A

1.26 Explanation necessary for an understanding of the transactions

	\$A'000
Directors remuneration	48
Directors Interest payment	0

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

None

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

None

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	1,500	-
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	264	846
4.2 Deposits at call		
4.3 Bank overdraft		
4.4 Other – Security Deposit	52	52
Total: cash at end of quarter (item 1.23)	316	898

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity *	eTivity Solutions Pty Limited	
5.2 Place of incorporation or registration	Sydney, NSW	
5.3 Consideration for acquisition or disposal *	\$2,740k	
5.4 Total Assets * Total Liabilities * Total Net Assets *	To be finalised and reported as part of the 4E and Annual Report	
5.5 Nature of business	IT Development	

* eTivity Solutions, a 100% owned subsidiary of ComOps, agreed to purchase the operating business from Etivity Corporation (APAC) Pty Ltd incorporating selected assets and selected assumed liabilities, and acquire the Etivity Intellectual Property from the owners, in accordance with an announcement to the ASX on 5th September 2014.

The consideration in 5.3 above includes \$2m paid during the quarter for settlement of the acquisition plus the \$500k loan to the IP vendors and the pay-out of the debtor facility of approx. \$240k in Q3.

The final net asset position will be finalised and reported when the company releases its 4E and Annual Report in February / March 2015.

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 does give a true and fair view of the matters disclosed.

Sign here: 
Company Secretary

Date: 30th January 2015

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 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 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting 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.