

ComOps releases positive Appendix 4C Cash Flow Report for the Period Ended 30 September 2015 (Q3 2015)

Sydney, 15 October 2015 - ComOps Limited ("ComOps") is pleased to release its Appendix 4C Quarterly Cash Flow Report for Q3 of the 2015 Financial Year as required by LR 4.7B.

Highlights

- Acquisition of Rostima (expanding into the Global Maritime and Aviation markets)
- All Rostima Aviation customer contracts expected to novate by Oct 2015
- Operating cash flow positive for the 3rd consecutive quarter (first time since 2010)
- Cash balances continue to increase to just under \$1.1 million
- Forecasting positive operating cash flow and increasing cash balances for Q4
- Business continuing to gain positive momentum:
 - o New HTML5 version of e-Tivity, including analytics, is on track for a scheduled release date in Q1 2016
 - o 5% of e-Tivity clients are beta-testing the new HTML 5 version of the product
 - o First of two UK based e-Tivity anchor clients are testing to go live in Q1 2016
 - o A National Border Security Company is on track to go live with the Microster WFM solution in Q4 2015
 - o Investment in customer support capability delivering a 42% reduction in open support tickets, continuing to drive synergies and efficiencies

ComOp's 3rd quarter of the 2015 financial year, delivered a 3rd consecutive quarter of positive operational cash flow and is a trend that is expected to continue.

The acquisition of Rostima, which expands ComOps into the global maritime and aviation markets, is an important strategic step for the company. It has been funded by a combination of existing cash reserves and an unsecured non-convertible loan provided, on an arms-length basis, by major shareholder Kestrel Growth Companies Ltd. It is expected to be cash positive and contribute significant earnings in its first year.

Looking forward, ComOps is well placed to expand its market leading position, the benefits of its technology to its growing global customer base and deliver positive returns to all stakeholders and shareholders.

The Appendix 4C quarterly report follows.

About ComOps

ComOps, under the brand names Microster, e-Tivity, Rostima 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, Aviation, Security, Transportation, Health, Mining, Government, Retail and Hospitality.

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

Enquiries/Additional Information:

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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")

30 September 2015

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from customers	2,853	7,807
1.2 Payments for		
(a) staff costs	(1,054)	(2,890)
(b) advertising and marketing	(2)	(11)
(c) research and development	(567)	(1,638)
(d) leased assets	-	-
(e) other working capital	(979)	(2,726)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	3	5
1.5 Interest and other costs of finance paid	(7)	(10)
1.6 Income taxes paid	-	-
1.7 Other (M&A - Legal & Advisory Costs)	-	(114)
Other (ERP Discontinued Operations' Costs)	-	(3)
Other (ATO – R&D refund)	-	484
Other (Creditor/Staff Costs – prior quarters)	(68)	(418)
Net operating cash flows	179	486

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (9 months) \$A'000
1.8 Net operating cash flows (brought forward)	179	486
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	(342)	(342)
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(7)	(72)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other	-	450
Net investing cash flows	(349)	36
1.14 Total operating and investing cash flows	(170)	522
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	250	250
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (Cost of share placement from prior quarter)	-	-
Net financing cash flows	250	250
Net increase (decrease) in cash held	80	772
1.21 Cash at beginning of quarter/year to date	1,008	316
1.22 Exchange rate adjustments to item 1.21	-	-
1.23 Cash at end of quarter	1,088	1,088

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	45
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	45
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	1,234	266
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	911	841
4.2 Deposits at call		
4.3 Bank overdraft		
4.4 Other – Security Deposit	177	167
Total: cash at end of quarter (item 1.23)	1,088	1,008

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity *	ComOps International Limited ComOps Asia Sdn Bhd	
5.2 Place of incorporation or registration	ComOps International Limited – London, UK ComOps Asia Sdn Bhd – Kuala Lumpur, Malaysia	
5.3 Consideration for acquisition or disposal	\$342k	
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	

* ComOps International Limited (incorporated in the UK) and ComOps Asia Sdn Bhd (incorporated in Malaysia), both 100% owned subsidiaries of ComOps, agreed to purchase the operating business from Rostima Limited (incorporated in the UK), acquiring selected assets and selected assumed liabilities including the intellectual property of Rostima, its book debts, the benefit of its customer contracts and its work in progress, its goodwill and its tangible assets, in accordance with an announcement to the ASX on 27th August 2015.

The consideration for the acquisition consists of GBP60k (approximately AUD \$130k) in cash and \$210k of shares (10 million shares at 2.1 cents per share), plus an earn out of a further 10 million shares subject to performance hurdles. The consideration in 5.3 above also includes payment of assumed liabilities of \$212k.

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: 15th October 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.