

# Media release

31 January 2020

## Tambla Delivers Fourth Consecutive Positive Operating Cashflow Quarter

- **\$1.3 million operating cashflow surplus recorded for CY2019 (\$993,000 for the quarter) – the first time the Company has achieved four positive operating cashflow quarters for the past decade**
- **Achieved after capitalisation of development costs - \$691,000 for the quarter and \$2.08 million for the year**
- **Quarterly cash receipts improved at \$3.1 million**
- **Growing overseas recurring revenues from Tambla-PayCE with five US based customers and expansion of Canadian based customer with Tambla-Rostima**
- **Robust business development pipeline continues to grow, with project underway for key new customer in the local government sector**
- **New Global Customer Support Desk went live, which provides 24/7 customer support for Tambla's product suite**
- **Company achieves ISO 27001 re-accreditation**
- **Chris Fydler appointed Managing Director after 2 ½ years as CEO**

Australian intelligent workforce solutions company Tambla Limited (ASX: TBL) ('Tambla' or 'the Company') is pleased to deliver another strong quarter for the period ended 31 December 2019.

Tambla continued its track record of delivering stable and predictable recurring revenue streams from long term customer contracts which again resulted in another operating cashflow positive quarter. Receipts from customers totalled \$3.1 million which is up on the previous quarter (Q3 2019: ~\$2.3 million) with recurring revenue making up ~68% of the total revenue base.

Tambla ended the year with an operating cashflow surplus of \$1.3 million after capitalising \$2.08m of development costs for 2019 (\$691,000 for Q4). This is the first time the Company has achieved four positive operating cashflow quarters in the past decade, which is an outstanding achievement and a testament to the quality of Tambla's product offering.

The business development pipeline continued to build during the quarter, and the Company strengthened its presence in the government sector with a new local government customer signed.

Increasing overseas growth with Tambla's entry into the United States through partner Alayacare continuing with a total of 5 new customers signing up to Tambla-PayCE, with a growing pipeline of recurring revenue. Implementations of these new customers are expected to go-live in the current quarter. Additionally, Tambla-Rostima's Canadian based airport customer expands with new airport sites going live during the quarter.

Furthermore, an important milestone for the Company's industry-leading customer service offering was achieved when Tambla's new Global Customer Support Desk, which provides 24/7 customer support for the suite of products, went live.

Tambla prides itself on its ability to maintain very high customer retention, and initiatives such as the Global Customer Support Desk will help us maintain high levels of customer satisfaction.

The Company achieved a further milestone with the re-accreditation of ISO 27001. ISO 27001 is an internationally recognised best practice standard which assesses a company's IT security management system (ISMS) and ensures that there is a framework of policies and procedures in place, to effectively manage the organisation's IT risk management processes.

Post-quarter end, the Company successfully completed a minimum holding buy-back of ordinary shares from shareholders who hold 1,000 or less shares in the Company, with a total of 44,633 ordinary shares acquired under the scheme at a price of \$0.44 a share.

At Board level, the Company was delighted to appoint CEO Chris Fydler as Managing Director in November. Chris has made a significant contribution to Tambla in his time as CEO, and that is set to continue as he assumes the Managing Director role.

His appointment followed the decision by Matthew Michalewicz to step down from the Board as a non-executive director after three and a half years. The Board thanks Matt for his contribution.

Tambla enters 2020 in a stable financial position with a solid cash balance of \$547,000 as at 31 December 2019 and together with its stable revenue base, the Company is well positioned for a solid performance in FY 2020.

**Managing Director Chris Fydler commented:** *"The December Quarter was another period of steady delivery for Tambla and we were pleased to round out the year with the fourth consecutive operating cash flow quarter.*

*A key objective has been to enhance our suite of products and this remains an ongoing focus as it underpins our growing base of stable recurring revenue streams. The delivery of the Global Customer Support Desk was a key initiative for the Company and will help us maintain high retention rates and strengthen our business development initiatives.*

*As we enter CY2020, it is pleasing to note that our business development pipeline continues to strengthen and this bodes well for the year ahead. We look forward to reporting full year audited results in February."*

-ENDS-

**For further information, please contact:**

**Tambla Limited**  
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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 cash flow report for entities subject to Listing Rule 4.7B

Name of entity

**TAMBLA LIMITED**

ABN

**79 000 648 082**

Quarter ended ("current quarter")

**31 December 2019**

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	3,092	10,390
1.2 Payments for		
(a) research and development	(408)	(1,484)
(b) product manufacturing and operating costs	(793)	(2,517)
(c) advertising and marketing	(53)	(253)
(d) leased assets	-	-
(e) staff costs	(1,379)	(5,207)
(f) administration and corporate costs	(55)	(184)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	7
1.5 Interest and other costs of finance paid	(24)	(49)
1.6 Income taxes paid	(4)	(4)
1.7 Government grants and tax incentives	616	616
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>993</b>	<b>1,315</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(41)	(410)
(d) investments		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(e) intellectual property		
	(f) other non-current assets	(691)	(2,084)
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) 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	<b>Net cash from / (used in) investing activities</b>	<b>(732)</b>	<b>(2,494)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities	-	1,250
3.3	Proceeds from exercise of options		
3.4	Interest payment related to issues of equity securities or convertible debt securities	(32)	(75)
3.5	Proceeds from borrowings	643	942
3.6	Repayment of borrowings	(622)	(947)
3.7	Transaction costs related to loans and borrowings	(33)	(111)
3.8	Dividends paid	-	-
3.9	Other (Loan – R&D funding)	(243)	250
	Other (Repayment of lease liabilities)	(94)	(369)
3.10	<b>Net cash from / (used in) financing activities</b>	<b>(381)</b>	<b>940</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	665	787
4.2	Net cash from / (used in) operating activities (item 1.9 above)	993	1,315

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(732)	(2,494)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(381)	940
4.5	Effect of movement in exchange rates on cash held	2	(1)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>547</b>	<b>547</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	547	665
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>547</b>	<b>665</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
76
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

	\$A'000
Directors remuneration	76

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	2,140	271
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 <b>Total financing facilities</b>	2,140	271

7.5 **Unused financing facilities available at quarter end** 1,869

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Debtor factoring facility \$1,500,000	Interest rate 0.1% daily	Secured
R&D funding facility \$640,000	Interest rate 1.25% monthly	Secured

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	993
8.2 Cash and cash equivalents at quarter end (Item 4.6)	547
8.3 Unused finance facilities available at quarter end (Item 7.5)	1,869
8.4 Total available funding (Item 8.2 + Item 8.3)	2,416
8.5 <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	2.4

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

## 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.

Date: 31 January 2020

Authorised by: By The Board

(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. **If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively**