

# Media release

31 July 2019

## Tambla Delivers Positive Cash flow and Earnings in Q2

- Receipts from customers for the quarter consistent at ~\$2.3m
- Unaudited EBITDA of circa \$450,000 for HY ended 30 June 2019
- Cash flow positive after another \$472,000 spent in the quarter on product development
- Team expanded to enhance skills base
- Cash balance at quarter end solid at \$1.0m

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 June 2019.

Tambla is experiencing excellent momentum across its operations and has closed out the first half of CY 2019 with positive cash flow and earnings (subject to final audit), a strengthened team, enhanced product capability and a solid tendering pipeline.

Subject to final audit, Tambla expects to deliver earnings before interest, tax depreciation and amortisation (EBITDA) of circa \$450,000 for the half year.

Receipts from customers of \$2.3m is largely consistent with prior quarters (Q1 2019: ~\$2.8m) with recurring revenue making up 68% of the total revenue base. The quarter-on-quarter variation in cash receipts is largely due to the timing in receipt of several large support & maintenance contracts which will now be recognised in Q3.

Tambla reported another quarter of stable cash generation. The Company was \$19,000 operating cashflow positive for the period, after taking into account \$472,000 spent (year-to-date: \$791,000) on product upgrades, and \$125,000 spent (year-to-date: \$324,000) on enhancing the back-up and storage capabilities of the Sydney and Melbourne data centres.

To fully capitalise on this investment, Tambla has also strengthened its team with the appointment of a new dedicated Head of Service Delivery, the streamlining of one senior leadership role to now focus solely on Sales & Marketing, and other key appointments including the launch of a new Project Delivery Office (PDO), Tambla's version of a Project Management Office (PMO). The Tambla PDO defines and maintains the standards for project management within Tambla, introducing economies of repetition in the execution of its projects. The PDO provides project management support & guidance to Tambla's professional services team, enhancing project delivery services with our customers.

As at 30 June 2019, cash at bank was \$1.0m, and together with its stable recurring revenue base and low cost base, Tambla is on track to deliver another positive quarter of cash generation. At the same time, the Company will continue to invest in strengthening the capability of its suite of market-leading intelligent workforce solutions.

**Chief Executive Officer, Chris Fydler commented:** *"Tambla has had a solid first half and we have put in place some critical building blocks, namely a strengthened team and improved product capability, to grow our market presence in Australia and New Zealand."*

*We continue to grow our pipeline in US and Canada through our rapidly expanding partnership with Alayacare and hope to have our first combined customer operational Q4 this year.*

*Our sector is still highly fragmented and we believe we can achieve greater critical mass with our current products. Recent upgrades are being well received by customers and they are enhancing our business development initiatives. Our balance sheet gives us the necessary flexibility to deliver continued growth in revenue and earnings.”*

-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 June 2019**

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	2,248	5,034
1.2 Payments for		
(a) research and development	(316)	(607)
(b) product manufacturing and operating costs	(558)	(1,333)
(c) advertising and marketing	(80)	(124)
(d) leased assets	-	-
(e) staff costs	(1,250)	(2,633)
(f) administration and corporate costs	(14)	(53)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	5
1.5 Interest and other costs of finance paid	(15)	(17)
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>19</b>	<b>272</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(125)	(324)
(b) businesses (see item 10)	-	-
(c) investments	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
	(d) intellectual property	-	-
	(e) other non-current assets	(472)	(792)
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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(597)</b>	<b>(1,116)</b>

<b>3.</b>	<b>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	(11)	(12)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(26)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Loan - R&D funding)	-	-
	Other (Repayment of lease liabilities)	(175)	(175)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(186)</b>	<b>1,037</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 quarter/year to date	1,749	787
4.2	Net cash from / (used in) operating activities (item 1.9 above)	19	272
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(597)	(1,116)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(186)	1,037

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(5)	-
4.6	<b>Cash and cash equivalents at end of quarter</b>	<b>980</b>	<b>980</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	880	1,549
5.2	Call deposits	100	200
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>980</b>	<b>1,749</b>

**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**

123

N/A

	\$A'000
Directors remuneration	123
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**

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8. <b>Financing facilities available</b> <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	0
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. <b>Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Research and development	(350)
9.2 Product manufacturing and operating costs	(718)
9.3 Advertising and marketing	(80)
9.4 Leased assets	-
9.5 Staff costs	(1,675)
9.6 Administration and corporate costs	(40)
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>(2,863)</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: 31 July 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.