

Media release

18 April 2019

Tambla Reports Solid Q1 2019 Performance

- Receipts from customers solid at ~\$2.8m with recurring revenue sitting at 65% of total revenue
- Operating cashflow positive at \$253k for the quarter
- Cash balance at \$1.75m after completion of oversubscribed \$1.25m Convertible Note issue – gives Tambla the necessary financial flexibility to deliver further organic growth
- EBITDA and Net Profit after Tax positive for the quarter reflecting continued focus on cost management, after commencing capitalisation of product upgrades
- Substantial Infrastructure upgrade completed to the Sydney and Melbourne Data Centres
- Commencement of new Marketing initiatives to accelerate the company's current growth plans
- Tendering pipeline solid across government and private sector

Australian intelligent workforce solutions company **Tambla Limited (ASX: TBL)** ('**Tambla** 'or '**the Company**') is pleased to report a very solid start to CY 2019 with encouraging progress made for the quarter ended 31 March 2019.

Receipts from customers were solid at \$2.78m when compared to Q1 2018 (\$2.56m) and again demonstrates the stable nature of Tambla's revenue base which is derived predominantly from long-term, recurring contracts with government and blue-chip customers which have large employee bases.

Recurring revenue made up 65% of the total revenue for the quarter. Earnings before interest, tax, depreciation and amortisation (EBITDA) was positive for the quarter at \$246k and encouraging when compared to a total EBITDA of \$302k for FY 2018. Net Profit after Tax was positive at \$177k.

Operating cash flow was again positive at \$253k which reflects Tambla's ongoing focus on managing its cost base conservatively, after investing further in product upgrades.

The result was achieved after partly capitalising development costs (\$320k) on three of the Company's proprietary IT platforms: The Microster V12 upgrade; refresh of the Salvus Platform; and the upgrade of the eTivity system. Investment in these IT platforms will help enhance customer workforce productivity and is a critical future value driver for Tambla and greatly enhances its market competitiveness. A further investment of \$199k was made in the company's Infrastructure Technology, with a significant upgrade of equipment at its Sydney and Melbourne Data Centres.

As at 31 March 2019, cash at bank was \$1.75m which was strengthened with the substantial issue of \$1.25m of Convertible Notes in the quarter, which were oversubscribed.

These funds, together with Tambla's stable monthly recurring revenue streams, conservative cost base and strengthened balance sheet, gives the Company the necessary financial flexibility to pursue a number of organic growth initiatives. These include continued investment in its technology platforms to further enhance their functionality, and further sales and business development activities to improve market awareness of Tambla's technology suite.

On track for growth in CY 2019

Tambla has commenced CY 2019 well and is in excellent shape to capitalise on a number of growth opportunities open to the Company in CY 2019. This is combined with a significant increase in marketing investment from Q2 which will focus on new customer acquisition. Tendering activity is encouraging in the government and private sectors and there is considerable headroom in the Australian and New Zealand markets to further consolidate market share.

Organic growth is Tambla's focus for the immediate term but the Company is regularly assessing acquisition opportunities that make a positive and immediate contribution to earnings.

The Appendix 4C quarterly report follows and further updates will be made in the quarter.

-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")

31 March 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,786	2,786
1.2 Payments for		
(a) research and development	(291)	(291)
(b) product manufacturing and operating costs	(775)	(775)
(c) advertising and marketing	(44)	(44)
(d) leased assets	-	-
(e) staff costs	(1,383)	(1,383)
(f) administration and corporate costs	(39)	(39)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(2)	(2)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (Refund of Rental incentive/bond)	-	-
1.9 Net cash from / (used in) operating activities	253	253

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(199)	(199)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(d) intellectual property	-	-
	(e) other non-current assets	(320)	(320)
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)	-	-
2.6	Net cash from / (used in) investing activities	(519)	(519)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	1,250	1,250
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(1)	(1)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(26)	(26)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Loan - R&D funding)	-	-
	Other (Loan - related parties)	-	-
3.10	Net cash from / (used in) financing activities	1,223	1,223

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	787	787
4.2	Net cash from / (used in) operating activities (item 1.9 above)	253	253
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(519)	(519)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,223	1,223

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	5	5
4.6	Cash and cash equivalents at end of quarter	1,749	1,749

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	1,549	787
5.2	Call deposits	200	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,749	787

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**

82

N/A

	\$A'000
Directors remuneration	82
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**

8. Financing facilities available <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. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(250)
9.2 Product manufacturing and operating costs	(686)
9.3 Advertising and marketing	(40)
9.4 Leased assets	-
9.5 Staff costs	(1,378)
9.6 Administration and corporate costs	(40)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	(2,394)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
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: 18 April 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.