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The power to build business

TrueContext cost-cutting yields red ink reduction in Q3, but sales fall

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TrueContext Mobile Solutions Corp. ([TSX-V:TMN](#)) saw its net losses dramatically reduced in its third quarter, but revenues for the newly public firm also fell compared to a year earlier.

The Ottawa-based company, whose main product is the Pronto Forms mobile data collection technology, said its net loss for the three months that ended Sept. 30, 2009 dropped to \$353,009 from \$1.23 million, with its CEO Alvaro Pombo expressing confidence that the firm could soon be in the black.

"We continue to believe that break-even is achievable in the short term and that we are well-positioned in the high-growth mobility market," said Mr. Pombo in a statement. "We are pleased with the progress made during our third quarter with a cost restructuring, a private placement and a transaction enabling our shares to trade on the TSX Venture Exchange."

The company noted that its cost-cutting measures in the first and second quarters played a major role in the reduction of the bottom-line loss, as did the elimination of a foreign exchange loss on U.S.-denominated preferred shares.

However, third-quarter revenues declined 46.1 per cent to \$149,439, although the company pointed out that sales were up quarter-over-quarter due to an increase in the average number of subscribers to its solution per month to 1,575 from 1,100, along with the corresponding rise in subscriber revenues.

"We are encouraged by the subscription growth patterns and the size and quality of opportunities that we can address," said Mr. Pombo. "Our revenue has been increasing steadily this year and we are focused on gaining traction with customers and partners to accelerate our growth."

The company noted that its third-quarter revenue consisted of approximately \$79,300 in licence revenue, of which \$72,100 was earned through subscriptions and \$7,200 through a perpetual licence sale, with the rest made up of professional services and support revenues.

The earnings statement is TrueContext's second public finance report since it [went public in August](#), following a merger with capital pool company Carlaw Capital II Corp.

