

SECOND QUARTER ACTIVITIES & CASHFLOW REPORT FOR PERIOD ENDED 30 JUNE 2021

Highlights

- Successful completion of rights issue
- Additional funding secured with strategic placement in July 2021
- Strengthened leadership team
- Successful recipient of Gold Coast City investment grant
- Closing cash balance of A\$5,725,000, excluding additional placement funds of A\$1,080,000 (before costs)

TYMLEZ Group Limited (ASX: TYM, 'TYMLEZ' or 'Company'), a software company focused on commercialising blockchain solutions in energy and sustainability, is pleased to release an operational update and the Appendix 4C for the quarter ended 30 June 2021.

Commenting on the quarter, TYMLEZ CEO Daniel O'Halloran said, "During the quarter, TYMLEZ has maintained a very clear focus on the key steps to set the company up for success. We completed a successful rights issue, and secured additional funding from strategic investors with a subsequent placement, that has injected the capital required to enable the Company to execute on its strategy of delivering real solutions in key markets leveraging our software platform. We have seen increasing demand for the solutions we can deliver and increased acceptance of blockchain technology more generally in the market.

"With the capital raise successfully completed, we have also been building the TYMLEZ team, and establishing our new global headquarters on the Gold Coast, Australia. The foundations are clearly laid, and we are well prepared for our next stage of growth.

"Looking ahead, we will continue to focus on building pipeline in the energy and sustainability sectors and closing business with customers who see the benefit in solutions based on our platform."

Successful completion of rights issue

During the quarter, TYMLEZ completed an important capital raise to strengthen the Company's balance sheet and fund the Company's growth in the energy and sustainability sectors.

The rights issue was taken up by 56% of existing shareholders and the shortfall was oversubscribed, resulting in a total of A\$5.8 million (before costs) being raised in June 2021.

Additional funding secured with placement

A further A\$1.08 million in funding was secured in early July. This was led by a syndicate of strategic professionals and sophisticated investors.

The lead investor in this syndicate was James Kruger who has also taken on a role as Strategic Advisor to the TYMLEZ Board & CEO moving forward.

James was a long-standing Macquarie Group Executive Director based in Asia, and most recently Chairman of Macquarie Innovation Vision Partners GP, which held positions in several globally significant technology companies. He is currently on the board of various high-growth companies, including Canberra's Quantum Brilliance, and advises several Asian-based fund platforms. James is also an adviser to Red Earth Energy Storage Limited, Australia's leader in renewable energy storage solutions. The Board wishes to express its thanks to all shareholders, new and existing, for their ongoing support.

Strengthened leadership team

During the quarter the Company made three key appointments to its leadership team. The team is experienced, focused and highly motivated to drive the Company to success and deliver the next stage of growth.

- **Dan Voyce** was appointed TYMLEZ's Chief Technology Officer in late June 2021. He is a start-up expert with over 20 years' experience in this environment, building high performance development teams and leading them to successfully deliver solutions for enterprises in Australia and the UK. Dan is an expert in Blockchain, IoT and Big Data, and will drive value by strategically developing modern technology stacks to deliver solutions for TYMLEZ customers. Dan is based in Melbourne.
- **Jonathan Overall** joined TYMLEZ in early July 2021 as Vice President, Business Development & Sales. He is a deeply experienced senior executive with a demonstrated track record spanning 35 years of scaling businesses in FinTech, Blockchain, Telecommunications and Media. Jonathan has led business transformations in Australia, Asia Pacific and Europe by embracing cutting edge digital technology and being an advocate of the business benefits of green energy solutions. Jonathan is based in Sydney.
- **Michael McSweeney** joined TYMLEZ in early July 2021 as the Group Financial Controller. Michael is a Chartered Accountant, initially with KPMG and over the past 25 years' in commercial organisations and start-ups in Telecommunications, Technology and Infrastructure. Michael is based on the Gold Coast.

TROEF project update

The Company received A\$73,000 as a cash receipt from the TROEF project.

As previously advised, the TROEF project is a cooperation between TYMLEZ and a collection of major Dutch companies ('Consortium') that have a collective goal to create decentralised green energy solutions.

The first phase of the project began during the June quarter in which the Consortium created a common business model and mapped out the first steps to create an architecture for solutions. Throughout the remainder of the calendar year, TROEF will develop relevant use cases and a 'tracking and tracing' solution for green energy.

Successful recipient of Gold Coast City investment grant

During the quarter, TYMLEZ submitted an application for the Gold Coast Health and Knowledge Precinct ('GCHKP') Investment Attraction Program Grant. The Company can now advise that the application has been approved and TYMLEZ is a successful recipient of the grant.

As part of this grant, the City of Gold Coast provides a range of benefits including, but not limited to, tenancy rebates, capital investment incentives, job creation incentives, research and development incentives, head office establishment incentives, workforce advisory services, tax rebates and ongoing support. Leveraging the

GCHKP Grant, TYMLEZ has relocated its global headquarters to the Gold Coast, Australia with minimal cost and disruption to the business. The City of Gold Coast is a highly innovative, tech-friendly and safe working environment. This relocation also allows the Company to reduce costs and improve market focus and investor communication.

Financial and corporate

In the quarter, cash outflow (spending) was A\$823,000. During the same period in 2020, cash outflow was A\$735,000. This reflects a 12% increase over the prior period. The net cash outflow (spending minus amounts received) was A\$749,000.

During the quarter, cash receipts of A\$73,000 were attributable to the European operations including the TROEF project.

As part of the equity issue, at balance date there was A\$164,000 in oversubscriptions. This was refunded in July 2021.

Summary of expenditure incurred on business activities

The expenditures of TYMLEZ for the June 2021 quarter can be summarised as follows (A\$1,000):

Advertising and marketing costs	16
Leased assets	36
Product Development	394
Staff costs	202
Administration and corporate costs	175
Total cash outflow	<u>823</u>

Additional information

Payments to related parties and their associates during the quarter was A\$149,000, which consists of salaries of two executive directors and fees for two non-executive directors.

Authorised by the Board of Directors

– ENDS –

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ABOUT TYMLEZ

The TYMLEZ platform enables the efficient and cost-effective deployment of enterprise blockchain applications in growing mission-critical industries including energy, financial services and medical tech. The core functionality allows TYMLEZ to integrate with blockchains, legacy software and modern applications. Solutions developed on the TYMLEZ platform include tracking and tracing, secure document sharing and peer to peer trading.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Tymlez Group Limited

ABN

37 622 817 421

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows	Current quarter	Year to date (6 months)
	\$A'000	\$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	73	97
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(16)	(53)
(d) leased assets	(36)	(107)
(e) staff costs	(596)	(932)
(f) administration and corporate costs	(175)	(419)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes/GST received/(paid)	1	(9)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(749)	(1,423)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
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 Net cash from / (used in) investing activities	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	5,651	5,651
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(341)	(341)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(44)	(158)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (Receipt from oversubscription of shares - to be refunded)	164	164
3.10 Net cash from / (used in) financing activities	5,430	5,316

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,037	1,841
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(749)	(1,423)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	5,430	5,316
4.5	Effect of movement in exchange rates on cash held	7	(9)
4.6	Cash and cash equivalents at end of period	5,725	5,725

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	5,725	1,037
5.2	Call deposits	-	-
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)	5,725	1,037

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 *	149
6.2	Aggregate amount of payments to related parties and their associates included in item 2	NIL
<i>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.</i>		

*Amount included in 6.1 above relates to remuneration (inclusive of share-based payments) paid to directors

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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	NIL	NIL
7.2 Credit standby arrangements	NIL	NIL
7.3 Other (please specify)	611	590
7.4 Total financing facilities	611	590
7.5 Unused financing facilities available at quarter end		NIL
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.		
In July 2020, the Group was granted a €375K COVID-19 loan from the Dutch government which is unsecured and interest payable at 3% per annum.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(749)
8.2 Cash and cash equivalents at quarter end (item 4.6)	5,725
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	5,725
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	7.64
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 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: N/A Item 8.5 is more than 2 quarters	
8.6.2 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: N/A Item 8.5 is more than 2 quarters	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A Item 8.5 is more than 2 quarters	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

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.

Authorised by the Board of Directors on 29 July 2021

On behalf of the Board,

Justyn Stedwell

Company Secretary

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.