

COMPANY ANNOUNCEMENT

TYMLEZ ANNOUNCES VOLUNTARY DELISTING PROPOSAL

28 April 2023

ASX: TYM

TYMLEZ Group Limited (ASX:TYM) (**TYMLEZ** or the **Company**), has submitted a formal request to the Australian Securities Exchange (**ASX**) to be removed from the official list of the ASX (**Official List**) pursuant to ASX Listing Rule 17.11 (**Delisting**). On 28 April 2023, the Company received approval from ASX in relation to the proposed Delisting, subject to the satisfaction of the conditions set out below. The Delisting will mean that the Company's shares and listed options will no longer be quoted on the ASX. The Delisting will be tabled for shareholder approval at a general meeting to be held on 31 May 2023.

The Delisting is considered by the Company's Board (**Board**) to be in the best interests of the Company for a number of reasons, including underperformance of the trading price of the Company's shares, low levels of trading liquidity and a number of flow on consequences which are set out below. These factors, as well as the costs and administrative burden of remaining listed on ASX, outweigh the benefits associated with remaining listed.

Reasons for seeking removal from the Official List

The Company is seeking removal from the Official List because the Board believes that the Company and its shareholders do not benefit from being publicly listed for the following reasons:

- (a) **Company valuation:** The Board considers that the trading price of the Company's shares in recent years implies a valuation that has been (and remains) consistently and materially lower than the valuations of unlisted companies of a comparable nature and stage to TYMLEZ. The Board is confident that the Company's valuation has a greater prospect of growing towards the Board's assessment of fair value as an unlisted company. The Company's share price (and market capitalisation implied by that price) has also been a discussion point raised as a significant engagement hurdle by potential customers and strategic investors. In addition, the Company's undervalued share price has flow on consequences as set out in paragraphs (b) to (d) below.
- (b) **Illiquidity:** Notwithstanding the Company's ASX listing, trading in the Company's shares has been relatively illiquid which has contributed to high volatility in the Company's share price. Low liquidity has also limited the Company's ability to secure any significant institutional ownership. Further, low trading liquidity and the associated volatility has the potential to adversely impact the Company's capital markets transactions.
- (c) **Capital raising:** When the Company seeks to raise further growth capital in the future whilst listed on ASX, this would likely impose a higher dilutionary cost on non-participating shareholders than if the Company was more fairly valued. The Board also considers that the Company will have access to a much broader universe of technology-focused, global

institutional investors as an unlisted company including those who are unable to invest in ASX-listed companies due to investment mandates.

- (d) **Customer, strategic and corporate opportunities:** The Board considers that the Company will have greater flexibility to pursue and execute value enhancing customer contracts, strategic opportunities and corporate transactions as an unlisted company.
- (e) **Costs:** The Company believes that the ongoing administrative, compliance and direct costs associated with the Company's ASX listing are disproportionate to the benefits of remaining listed.
- (f) **Employees:** The volatility in the Company's share price and (in the Board's opinion) the disconnect between the Company's share price and its fair value relative to similar global companies have impacted the Company's ability to attract high quality employees. Delisting may improve the Company's perception as a more attractive employer and promote employee retention, given the impact share price and illiquidity can have on an employee's decision to join or remain at the Company and any incentive arrangements.

Consequences for the Company and its shareholders

Some of the key consequences for the Company and its shareholders if the Company is removed from the Official List include:

- (a) the Company's shares and listed options will no longer be quoted on the ASX and will no longer be traded on the ASX;
- (b) the Company's shares will only be capable of sale via off-market private transactions which will require the Company's shareholders to identify and agree terms with potential purchasers of the Company's shares in accordance with the Company's Constitution and the Corporations Act 2001 (Cth) (**Corporations Act**);
- (c) as an unlisted public company, the Company will no longer be able to raise capital from the issue of securities to the public by means of limited disclosure fundraising documents;
- (d) for as long as the Company has at least 50 members the Company will remain subject to the "takeovers" provisions of the Corporations Act;
- (e) for as long as the Company has at least 100 members, it will be classed as an "unlisted disclosing entity" under the Corporations Act and therefore be subject to the "continuous disclosure" obligations in section 675 of the Corporations Act which are substantively the same as those imposed under section 674 of the Corporations Act and ASX Listing Rule 3.1. The Company will still provide disclosure to shareholders of material matters in accordance with the Corporations Act on the Company's website. The Company will also continue to lodge annual and interim financial statements (audited and auditor-reviewed, respectively) in accordance with the Corporations Act;
- (f) a reduction of obligations associated with a listing on ASX, which may include relief from some reporting and disclosure requirements, removal of restrictions on the issue of shares by the Company and requirements concerning significant changes to the Company's

- activities;
- (g) the ASX Listing Rules and ASX Corporate Governance Principles and Recommendations will no longer be applicable to the Company. The Company will still be governed by the Corporations Act; and
 - (h) the Company's Constitution and, therefore, shareholders' rights will remain unchanged immediately following the Delisting, such that shareholders will continue to have the right to:
 - i. receive notices of meetings and other notices issued by the Company;
 - ii. exercise voting rights attached to shares; and
 - iii. receive dividends payable by the Company from time to time.

Conditions and proposed timetable

The ASX's decision to approve the Delisting is subject to TYMLEZ's compliance with the following conditions:

- (a) The Company's removal from the Official List is approved by a special resolution of shareholders of the Company.
- (b) The notice of meeting seeking shareholder approval for the Company's removal from the Official List must include, in a form and substance satisfactory to ASX, the following:
 - i. a timetable of key dates, including the time and date at which the Company will be removed from the Official List if that approval is given;
 - ii. details that if holders wish to sell their securities on ASX, they will need to do so before the Company is removed from the Official List;
 - iii. details of the processes that will exist after the Company is removed from the Official List to allow shareholders to dispose of their holdings and how they can access those processes; and
 - iv. the information prescribed in section 2.11 of ASX Guidance Note 33.
- (c) The removal of the Company from the Official List not taking place any earlier than one month after security holder approval has been obtained so that security holders have at least that period to sell their securities on ASX should they wish to do so.
- (d) The Company applying for its securities to be suspended from quotation at least two (2) business days before its proposed delisting date.
- (e) The Company releasing the full terms of ASX's decision to the market (this announcement satisfies this requirement and sets out the terms of ASX's decision).

Further details relating to the proposed removal from the Official List will be included in the Notice of Annual General Meeting which will be despatched to the Company's shareholders in due course.

The proposed timetable for the satisfaction of conditions and the expected date of removal of the Company from the Official List are as follows:

Event	Indicative date*
Notice of Annual General Meeting seeking shareholder approval of the Delisting to be sent to shareholders	1 May 2023
Annual General Meeting to be held to approve the Delisting	31 May 2023
Results of Annual General Meeting announced to market	Immediately after Annual General Meeting
Suspension Date (date on which Shares are suspended from trading on ASX)	3 July 2023
Anticipated Delisting Date (date on which Delisting is expected to take effect)	5 July 2023

*Dates and times are indicative only and subject to change by the Company or ASX.

The Delisting will not take place any earlier than one month after shareholder approval has been obtained. Shares and listed options may continue to be traded on ASX up until the Suspension Date, after which trading will be suspended until the Delisting Date. The Company is not intending to offer its shareholders the opportunity to sell their holdings through a share buy-back or other facility. The Company notes that shareholders (and listed optionholders) will be given an opportunity to sell their shares (and listed options) on the ASX in the one-month period between the date of shareholder approval and the Delisting Date, if they do not wish to remain shareholders (or optionholders). Following the Delisting, the Company's shareholders will be able to dispose of their shareholdings in private transactions, in accordance with the Company's constitution and the Corporations Act.

Remedies available

Part 2F.1 Members' rights and remedies: If a shareholder of the Company considers the proposed Delisting to be contrary to the interests of the shareholders of the Company as a whole or oppressive to, unfairly prejudicial to, or unfairly discriminatory against a shareholder or shareholders the shareholder may apply to the Court for an order under Part 2F.1 of the Corporations Act. Under section 233 of the Corporations Act, the Court can make any order that it considers appropriate in relation to the Company, including an order that the Company be wound up or an order regulating the conduct of the Company's affairs in the future.

Part 6.10 Division 2 Subdivision B – Unacceptable circumstances: If a shareholder of the Company considers the proposed delisting involves "unacceptable circumstances" the shareholder may apply to the Takeovers Panel for a declaration of unacceptable circumstances and other orders under Part 6.10 Division 2 Subdivision B of the Corporations Act. Under section 657D of the Corporations Act, if the Takeovers Panel has declared circumstances to be unacceptable it may make any order that it thinks appropriate to protect the rights or interests of any person or group of persons where the Takeovers Panel is satisfied that those rights or interests are being affected, or will be or are likely to be affected, by the circumstances.

Commenting on the Delisting proposal, TYMLEZ's Independent Chairman Jason Conroy said "The Board believes that a delisting of TYMLEZ is in the best interests of its shareholders. TYMLEZ's share price and listing obligations, including being required to publicly report material news and contracts, has been prohibitive to our engagement with prospective customers, strategic partners and investors. Our outlook for 2023 is to continue the development of our key relationships built in global markets where there is an increasing interest for our products to enable a wide variety of infrastructure and green energy projects to verify carbon offsets and provide guarantee of origin. With this, we are seeing a significant emerging interest in TYMLEZ's technology offering in the aviation, maritime and mining industries. Accordingly, the Board also believes that a delisting will vastly improve TYMLEZ's opportunity to build a successful business and attract capital globally."

This announcement is authorised by TYMLEZ's Board of Directors.

For any queries, please contact:

Jonathan Hart
Company Secretary
jonathan.hart@tymlez.com

ABOUT TYMLEZ

TYMLEZ develops technology products for carbon offset tokenisation and guarantee of origin of green resources (e.g. green hydrogen and sustainable aviation fuel).

Visit tymlez.com for more information.