



17 November 2022

## TZ Limited 2022 AGM – Chairman’s Message

*"I would like to acknowledge the Gadigal of the Eora Nation, the traditional custodians of this land and pay my respects to the Elders both past and present."*

Dear Shareholders,

The Financial Year 2022 was another challenging year for TZ Limited. The company continues to deal with post Covid supply chain disruptions and price increases. Despite the many headwinds the company managed to grow revenue to \$20.38m, up 24% on the previous year. EBITDA of \$225,000 was an increase of 64% from the previous year (FY21 \$137,000).

FY22 was still a “transitional year” for TZ Limited. There have been numerous issues along the way. However, changing management; restructuring the business; revising the product suite; launching a new software based open platform; rewriting the software stack - these are all significant events and the issues along the way were not totally unexpected.

The performance was even more admirable given the internal changes being made throughout the entire business. The growth numbers especially encouraging as the company consciously chose to sacrifice top line revenue and earnings by pursuing a more “recurring revenue model”. Previous sales included one-off license fees at the time of the initial purchase. This software fee has now morphed into a recurring charge for software and hosting, resulting in the “lump sum” software payment being spread over the period of the software licensing agreement.

The board of directors and management are focused on delivering long term shareholder value by this move to the “recurring revenue model” and with the advent of new products and a further improved software offering. Monthly Recurring Revenue (MRR) is currently \$308,000 per month, which is up nearly 50% year on year.

The company is particularly excited on launching of the OpEL product, an open software platform utilizing other manufacturer’s hardware, is expected to boost sales and earnings significantly. Sales of OpEL have already commenced with new and existing clients.

Important to note, that TZ’s software upgrade will continue through FY23. Building out the functionality of the “TZ Exchange Point operating model”. The more flexibility and increased product/services offering is designed to keep TZ ahead of its competition.

The financial management remains challenging. The post Covid supply chain issues, mainly delays or unavailable stock, led to delays on installation. Inventory needed to increase (from \$1m to \$2.5m) to offset delivery risks. The company is exploring all options to improve financial performance.

The board identified that extra financial skills would be most complimentary in the pursuit of TZ’s growth story. Duncan McCulloch became available and TZ was able to secure his services. Duncan is a chartered accountant with a background steeped in corporate advisory. The experience from roles with



Deloitte; McGrathNicol and Ferrier Hodgson is unique and a real benefit to a company of TZ's size, especially given its aspirations.

In closing I want to thank my fellow directors and TZ's management team, the "C-Suite Executives" -the Chief Executive Office (CEO); The Chief Operating Office (COO); The Chief Technical Officer (CTO); and the Chief Marketing Officer (CMO) – for all their efforts during what has been a challenging and extremely busy FY 2022. The company would like to acknowledge its shareholders for their continued support.

The company expects revenue and earnings growth to continue throughout FY 2023.

A handwritten signature in black ink that reads "Peter J. Graham".

Peter Graham  
Chairman

Authorised for release by the Board of Directors.

**For further information, please contact:**

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**About TZ Limited**

At TZ, we engineer solutions to improve physical access control using smart devices and even smarter technology. We invent solutions to solve real-world problems, solutions designed to work in harmony with existing technology for total connectivity. That's why we are the trusted partner of global corporations like Apple, Microsoft, SunCorp, Adidas and WesTrac.

With offices in Australia, Singapore, India, America and the United Kingdom, TZ solutions support agile workplaces, contactless e-commerce deliveries, campus package management; first responder's chain of custody; data cabinet security, and so much more. Our products implement rules to control who can access what, when and where. – then report on these actions for intelligent business insights.

As the world evolves, so does our technology. We call this "Edge Logistics IT". TZ has always provided connected devices and the software that controls them. TZ solutions will deliver intelligent access for every device to enable a new level of customer control.

For additional information on TZ Limited, please visit [www.tz.net](http://www.tz.net).