



Level 2, 40 Gloucester Street
The Rocks NSW 2000 Australia
Telephone (+61) 2 9053 6753

TZ Limited

www.tz.net

ABN 26 073 979 272

21 October 2024

ASX Announcement

SEPTEMBER 2024 – QUARTERLY ACTIVITIES REPORT

TZ Limited (ASX: TZL) (“TZ” or “the Company”) today released its Appendix 4C - Quarterly Cash Flow Report for the quarter ended 30 September 2024.

The key points of the Company’s fiscal 2025 Q1 performance are:

- The net cash from operating activities for this quarter was a positive inflow of \$176K. Note that an interest payment of \$152K on the First Samuel debenture was paid during the quarter.
- The cash flows for operating activities during the quarter were:
 - Receipts of \$3.8M
 - Payments of product manufacturing and operating costs of \$2.0M
 - Payments for staff costs of \$0.9M
 - Payments for administration, corporate and other costs of \$0.5M
- Per item 6.1 of the Appendix 4C, \$79K was paid to directors for non-executive directors’ fees.

BUSINESS UPDATE

The quarterly revenue was \$2.8M, short of the targeted \$3.7M plan, with the Company impacted by delays to projects in the US which would have delivered an additional \$750K in top line revenue.

While the US operating subsidiary fell short of their quarterly revenue target, ANZ, ASIA and EMEA, all exceeded revenue expectations for the quarter.

Significant focus is being placed on the US business with increased marketing, lead generation and investment in business development activities to build the sales pipeline and market penetration. The Company expects to recover the lost ground in the US and improve on the result in the second half of the year.

Annuity revenue is currently tracking at \$3.9M per annum with a forecast 20% growth expected over the fiscal year.

OUTLOOK

The Company is diligently pursuing achievement of its FY25 business objectives and operating within budgeted expectations. The Company believes that it has turned the corner and will continue to operate under a sustainable business model.

IMPORTANT INFORMATION

This announcement includes forward-looking statements. Forward-looking statements can generally be identified by the use of forward-looking words such as “may”, “will”, “expects”, “intends”, “plans”, “estimates”, “anticipates”, “believes”, “continues”, “objectives”, “outlook”, “guidance” or other similar words and include statements regarding plans, strategies and objectives of management, trends and outlook. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause TZ’s actual results, performance and achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. Forward-looking statements are based upon management’s good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect TZ’s business and operations in the future. TZ cannot give any assurance that the assumptions upon which management based its forward-looking statements will prove to be correct, or that TZ’s business and operations will not be affected by other factors not currently foreseeable by management or beyond its control. Any forward-looking statements contained in this announcement speak only as of the date of this announcement.

This announcement is authorised for release by TZ Limited’s Board of Directors.

For further information, please contact:

Peter Graham
Chairman
Phone: +61 412 225 616
Email: p.graham@tz.net

Appendix 4C

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

Name of entity

TZ LIMITED

ABN

26 073 979 272

Quarter ended ("current quarter")

30 September 2024

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	3,790	3,790
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(2,002)	(2,002)
(c) advertising and marketing	(47)	(47)
(d) leased assets		
(e) staff costs	(923)	(923)
(f) administration and corporate costs	(458)	(458)
1.3 Dividends received (see note 3)		
1.4 Interest received	0	0
1.5 Interest and other costs of finance paid	(186)	(186)
1.6 Income taxes paid	0	0
1.7 Government grants and tax incentives	2	2
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	176	176
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(12)	(12)
(d) investments		
(e) intellectual property	(119)	(119)
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	(131)	(131)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
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		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)	(49)	(49)
3.10	Net cash from / (used in) financing activities	(49)	(49)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,050	1,050
4.2	Net cash from / (used in) operating activities (item 1.9 above)	176	176
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(131)	(131)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(49)	(49)
4.5	Effect of movement in exchange rates on cash held	41	41
4.6	Cash and cash equivalents at end of period	1,087	1,087

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	1,087	1,050
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)	1,087	1,050

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	79
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<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>		

7.	Financing facilities <i>Note: the term “facility” includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A’000	Amount drawn at quarter end \$A’000
7.1	Loan facilities	3,500	3,300
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities	3,500	3,300
7.5	Unused financing facilities available at quarter end		
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.		
	<p>The \$3.3 million of the secured debenture facility with First Samuel was drawn down as of 30th June.</p> <p>The interest rate of the facility is 90-day BBSW plus 4.5% p.a.</p> <p>AUD\$2.5 million of the loan facility will be maturing on 30 June 2025.</p> <p>Payment of the balance of AUD\$0.8 million is on hold pending corporate initiatives.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	176
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,087
8.3	Unused finance facilities available at quarter end (item 7.5)	
8.4	Total available funding (item 8.2 + item 8.3)	1,087
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
	<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	
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	
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	
	<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.

Date: 21 October 2024

Authorised by: The Board of Directors
(Name of body or officer authorising release – see note 4)

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 – e.g. 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.