

1. Company details

Name of entity:	TZ Limited
ABN:	26 073 979 272
Reporting period:	For the half-year ended 31 December 2024
Previous period:	For the half-year ended 31 December 2023

2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	34.2% to	5,295,062
Earnings before interest, tax, depreciation and amortisation, adjusted for impairment ('adjusted EBITDA')	down	177.2% to	(522,906)
Loss from ordinary activities after tax attributable to the owners of TZ Limited	down	688.1% to	(1,043,142)
Loss for the half-year attributable to the owners of TZ Limited	down	688.1% to	(1,043,142)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the consolidated entity after providing for income tax amounted to \$1,043,142 (31 December 2023: Profit of \$177,364).

The earnings before interest, tax, depreciation and amortisation adjusted for impairment ('adjusted EBITDA') was a loss of \$522,906 (31 December 2023: profit of \$677,637).

Adjusted EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for specific non-cash and significant items. The directors consider adjusted EBITDA to reflect the core earnings of the consolidated entity.

Refer to 'Review of operations' in the Directors' Report for further commentary on the results for the half-year ended 31 December 2024.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>(1.85)</u>	<u>(1.63)</u>

The net tangible assets presented above is inclusive of right-of-use assets and lease liabilities.

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

All foreign entities are in compliance with IFRS which is equivalent to Australian Accounting Standards.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to review by the auditors and the review report is attached as part of the Interim Report.

11. Attachments

Details of attachments (if any):

The Interim Report of TZ Limited for the half-year ended 31 December 2024 is attached.

12. Signed

As authorised by the Board of Directors



Signed _____

Date: 24 February 2025

Peter Graham
Chairman
Sydney



TZ Limited

ABN 26 073 979 272

Interim Report - 31 December 2024

TZ Limited
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31 December 2024



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Directors	Peter Graham John D'Angelo Simon White
Company secretary	Mathew Watkins
Registered office	Level 2, 40 Gloucester Street The Rocks NSW 2000 Head office Tel: +61 2 9053 6753
Principal place of business	TZ Limited and TZI Australia Pty Limited Level 2, 40 Gloucester Street The Rocks NSW 2000 Australia Telezygology, Inc. 200 Howard Avenue, Suite 280 Des Plaines IL 60018 USA TZI Singapore Pte Limited Suntec Tower 2, 9 Temasek Boulevard #29-01 Singapore 038989 TZI UK Limited 3rd Floor 207 Regent Street London W1B 3HH England
Share register	Computershare Investor Services Pty Limited Yarra Falls 452 Johnston Street Abbotsford VIC 3067 Tel: 1300 787 272 Fax: +61 3 9473 2500
Auditor	BDO Audit Pty Ltd Level 7, 420 King William Street Adelaide SA 5000
Solicitors	K&L Gates Level 31, 1 O'Connell Street Sydney NSW 2000
Bankers	St George Bank Limited Level 3, 1 Chifley Square Sydney NSW 2000 ANZ Banking Group Ltd Ground Floor, 20 Martin place Sydney 2000
Stock exchange listing	TZ Limited shares are listed on the Australian Securities Exchange (ASX code: TZL)
Website	www.tz.net TZ Limited's public website contains information regarding its products and the company, including an investor services section E-mail: info@tz.net

Corporate Governance Statement The directors and management are committed to conducting the business of TZ Limited in an ethical manner and in accordance with the highest standards of corporate governance. TZ Limited has adopted and substantially complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ('Recommendations') to the extent appropriate to the size and nature of its operations. The Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed, was approved at the same time as the annual report can be found at <http://tz.net/investors/corporate-governance/>

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or 'TZ') consisting of TZ Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2024.

Directors

The names of Directors who held office during or since the end of the half year are:

Peter Graham – Non-Executive Chairman
John D'Angelo - Non-Executive Director
Simon White - Non-Executive Director

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Review of operations

The Directors of TZ Limited present the Operations Report for the first half of the 2025 fiscal year.

The loss for the consolidated entity after providing for income tax amounted to \$1,043,142 (31 December 2023: profit of \$177,364).

The half-year FY 2025 result fell below expectations, primarily due to the underperformance of the US business, which missed its revenue target by \$2 million. This shortfall impacted the Company's overall revenue and profitability. The primary driver of the revenue gap was delayed project commencements leading up to the recent US election. While economic caution was evident during this period, post-election sentiment has improved, with budget allocations now being utilised. As a result, customers are expected to prioritise project completion before the fiscal year-end.

Despite these challenges, the US business has a growing sales pipeline, and the Company anticipates regaining lost ground over the next six months.

A restructure of the US Sales and Service Teams since July, plus a major push on Lead Generation, Market Awareness and Customer Success is now starting to yield positive results. Telezygology Inc. is continuing to intensify the US business focus and is now recruiting additional sales and business development resources as sales momentum builds.

Under previous management, the US business experienced a significant revenue decline of 40% in FY23 and FY24 (\$7 million) compared to FY22 and FY21 (\$11.5 million). Simultaneously, gross margins decreased from 50% to approximately 32%. However, the new US management structure has successfully restored profitability by implementing stringent cost controls and margin management. Additionally, the Company has addressed legacy supply chain issues caused by previous purchase commitments and open orders that exceeded near-term supply and demand needs. Where possible, contract manufacturing orders have been cancelled or deferred for phased delivery over three years.

As mentioned, TZ has made substantial efforts in building sales in the US market, launching an aggressive marketing program and investing in our established customer relationships.

While the US subsidiary underperformed relative to plan, both ANZ and ASIA outperformed expectations, mitigating some of the revenue shortfall. With a solid pipeline of high probability pending deals, the company expects both regional businesses to meet or potentially exceed their plan numbers this fiscal year.

As the Company continues to drive efficiencies in its core markets—Australia, the US, and Singapore—it is also working to reinvigorate its European sales efforts. A targeted reseller strategy is being developed, which may generate opportunistic sales in the coming half-year.

The Company remains committed to maintaining strict cost controls and governance measures across all subsidiaries, as reflected in operating expenditure remaining well below budgeted levels.

The Board and management are confident that the Company's operations continue to align efficiently with the policies and procedures established in 2023. Addressing inefficiencies in the US operations was a critical priority before pursuing new business initiatives.

In line with this strategic focus, the Company has announced its latest business initiative.

TZ Limited entered into a Heads of Agreement with Keyvision Holdings during the period. Keyvision is a tenant and landlord app provider, focusing on property management solutions that integrate seamlessly with TZ's smart lockers. The acquisition positions TZ as a leader in both physical and digital smart building technology.

This acquisition is highly synergistic, providing a complementary recurring revenue stream and expanding TZ's reach into the residential and commercial markets for traditional TZ products. Furthermore, the Company expects to finalise the acquisition of Keyvision in February 2025. Keyvision has performed strongly since the second half of FY25, securing multiple new contracts wins.

The Board and management of TZ Limited would like to extend their sincere appreciation to our shareholders for their ongoing support.

Principal activities

During the half year, the principal continuing activities of the consolidated entity consisted of the development and commercialisation of hardware and software solutions for smart locker market, the data centre cabinet security market, and the provision of fully managed cloud services and value-added maintenance and support services through Telezygology Inc., TZI Australia Pty Limited ('TZI'), TZI Singapore Pte Ltd and TZI UK Limited.

All of the operations of the consolidated entity are based in Australia, the United States of America, United Kingdom and Singapore.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half year.

Matters subsequent to the end of the financial half-year

The Company is in the process of refinancing its facility to support the Keyvision acquisition, now expected to finalise by the end of February.

It is anticipated that new terms will be negotiated for the existing First Samuel debenture including partial repayment.

The company conducted a strategic placement at \$0.075 cents a share in February 2025 to raise \$1.15m to primarily fund expansion plans.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations

Act 2001. On behalf of the Directors



Peter Graham
Chairman

24 February 2025
Sydney

DECLARATION OF INDEPENDENCE
BY LINH DAO
TO THE DIRECTORS OF TZ LIMITED

As lead auditor for the review of TZ Limited for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of TZ Limited and the entities it controlled during the period.



Linh Dao
Director

BDO Audit Pty Ltd

Adelaide, 24 February 2025

TZ Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2024



		Consolidated	
	Note	31 December 2024	31 December 2023
		\$	\$
Revenue from contracts with customers	4	5,295,062	8,050,116
Other income	5	14,724	605
Interest Income		212	369
Expenses			
Raw materials and consumables used		(2,895,032)	(3,931,298)
Employee benefits expense		(1,989,396)	(2,366,397)
Depreciation and amortisation expense		(306,983)	(335,045)
Professional and corporate services		(269,070)	(303,870)
Finance costs		(227,151)	(182,199)
Travel and accommodation expense		(220,012)	(113,518)
Occupancy expense		(61,577)	(114,434)
Net foreign exchange (losses) / gains		15,654	(66,622)
Communications expense		(19,683)	(24,495)
Other expenses		(379,835)	(318,335)
Allowance for expected credit loss		-	(134,115)
Profit/(loss) before income tax (expense)/benefit		(1,043,087)	160,762
Income tax (expense)/benefit		(55)	16,602
Profit/(loss) after income tax (expense)/benefit for the half-year attributable to the owners of TZ Limited		(1,043,142)	177,364
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(75,430)	90,588
Other comprehensive income for the half-year, net of tax		(75,430)	90,588
Total comprehensive income/(loss) for the half-year attributable to the owners of TZ Limited		(1,118,572)	267,952
		Cents	Cents
Basic earnings per share	17	(0.40)	0.07
Diluted earnings per share	17	(0.40)	0.07

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

TZ Limited
Statement of financial position
As at 31 December 2024



		Consolidated	
	Note	31 December 2024 \$	30 June 2024 \$
Assets			
Current assets			
Cash and cash equivalents		560,971	1,049,797
Trade and other receivables	6	1,069,273	1,668,483
Contract assets		101,474	246,336
Inventories		1,301,134	1,467,048
Other assets	7	585,658	425,778
Total current assets		<u>3,618,510</u>	<u>4,857,442</u>
Non-current assets			
Property, plant and equipment		76,541	90,513
Right-of-use assets	8	1,028,346	1,148,929
Intangibles		930,077	849,285
Total non-current assets		<u>2,034,964</u>	<u>2,088,727</u>
Total assets		<u>5,653,474</u>	<u>6,946,169</u>
Liabilities			
Current liabilities			
Trade and other payables	9	3,009,002	2,891,055
Contract liabilities	10	2,286,505	2,550,109
Borrowings	11	2,800,000	3,300,000
Lease liabilities		222,687	204,987
Provisions		471,127	529,726
Total current liabilities		<u>8,789,321</u>	<u>9,475,877</u>
Non-current liabilities			
Lease liabilities		855,994	964,832
Provisions		-	46,010
Total non-current liabilities		<u>855,994</u>	<u>1,010,842</u>
Total liabilities		<u>9,645,315</u>	<u>10,486,719</u>
Net liabilities		<u>(3,991,841)</u>	<u>(3,540,550)</u>
Equity			
Issued capital	12	229,088,981	228,421,700
Reserves		(5,066,979)	(4,991,549)
Accumulated losses		<u>(228,013,843)</u>	<u>(226,970,701)</u>
Total deficiency in equity		<u>(3,991,841)</u>	<u>(3,540,550)</u>

The above statement of financial position should be read in conjunction with the accompanying notes

TZ Limited
Statement of changes in equity
For the half-year ended 31 December 2024



Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 1 July 2023	228,420,393	(5,071,225)	(227,070,053)	(3,720,885)
Loss after income tax expense for the half-year	-	-	177,364	177,364
Other comprehensive income for the half-year, net of tax	-	90,588	-	90,588
Total comprehensive income/(loss) for the half-year	-	90,588	177,364	267,952
<i>Transactions with owners in their capacity as owners:</i>				
Shares issued under employee incentive scheme - Escrow 2 (note 12)	126,250	-	-	126,250
Shares cancelled under employee incentive scheme - Escrow 1 (note 12)	(110,000)	-	-	(110,000)
Share-based payments	-	596	-	596
Balance at 31 December 2023	<u>228,436,643</u>	<u>(4,980,041)</u>	<u>(226,892,689)</u>	<u>(3,436,087)</u>
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 1 July 2024	228,421,700	(4,991,549)	(226,970,701)	(3,540,550)
Loss after income tax benefit for the half-year	-	-	(1,043,142)	(1,043,142)
Other comprehensive income for the half-year, net of tax	-	(75,430)	-	(75,430)
Total comprehensive income for the half-year	-	(75,430)	(1,043,142)	(1,118,572)
<i>Transactions with owners in their capacity as owners:</i>				
Share Capital issued	674,824	-	-	674,824
Less: transaction costs on shares issued	(4,793)	-	-	(4,793)
Shares cancelled under employee incentive scheme - Escrow 1 (note 12)	(2,750)	-	-	(2,750)
Share-based payments	-	-	-	-
Balance at 31 December 2024	<u>229,088,981</u>	<u>(5,066,979)</u>	<u>(228,013,843)</u>	<u>(3,991,841)</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

TZ Limited
Statement of cash flows
For the half-year ended 31 December 2024



	Consolidated	
	31 December 2024	31 December 2023
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	6,124,227	8,723,467
Payments to suppliers and employees (inclusive of GST)	<u>(6,254,927)</u>	<u>(7,521,697)</u>
	(130,700)	1,201,770
Other income	-	605
Interest received	212	369
Government grants received	14,724	-
Interest and other finance costs paid	(235,983)	(165,061)
Income taxes (paid)/refunded	<u>(1,189)</u>	<u>16,602</u>
Net cash from/(used in) operating activities	<u>(352,936)</u>	<u>1,054,285</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(16,291)	(18,225)
Payments for intangibles	(219,827)	(217,882)
Net cash used in investing activities	<u>(236,118)</u>	<u>(236,107)</u>
Cash flows from financing activities		
Repayment of borrowings	(500,000)	-
Proceeds from Capital Raise	667,281	-
Repayment of lease liabilities	<u>(99,232)</u>	<u>(144,888)</u>
Net cash from/(used in) financing activities	<u>68,049</u>	<u>(144,888)</u>
Net increase/(decrease) in cash and cash equivalents	(521,005)	673,290
Cash and cash equivalents at the beginning of the financial half-year	1,049,797	862,946
Effects of exchange rate changes on cash and cash equivalents	<u>32,179</u>	<u>23,965</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>560,971</u></u>	<u><u>1,560,201</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes



Note 1. General information

The financial statements cover TZ Limited as a consolidated entity consisting of TZ Limited and the entities it controlled at the end of, or during, the half year. The financial statements are presented in Australian dollars, which is TZ Limited's functional and presentation currency.

TZ Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Registered office and Principal place of business

Level 2, 40 Gloucester Street
The Rocks NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 27 February 2025.

Note 2. Material accounting policy information

These general-purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general-purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

During the financial half-year ended 31 December 2024, the consolidated entity incurred a net loss after tax of \$1,043,142 (31 December 2023: net profit after tax \$177,364) and a net cash outflow from operating activities of \$352,936 (31 December 2023: net cash inflow from operating activities of \$1,054,285). As at 31 December 2024, the consolidated entity had a net current asset deficiency of \$ 5,170,811 (30 June 2024: net current asset deficiency of \$4,618,435) and net liabilities of \$3,991,841 (30 June 2024: net asset of \$3,540,550). The net current asset deficiency at the reporting date includes the \$2.8M drawn down debenture facility from First Samuel Limited, that is due for repayment in June 2025. The Company is currently finalising the acquisition of Keyvision Holdings Pty Limited and as such, is securing a new finance facility to support the purchase. The Company intends to enter into a new arrangement with First Samuel.

The business has come from a position of losing circa \$6M in fiscal year 2023 to achieving profitability last year with restructuring of its operation and tight control of operating expenditure. The Board and management of the Company believe that the foundations are in place to sustain a profitable business over the fiscal year however due to the lumpy nature of its project-oriented business, may see periods of cash outflow particularly where large projects are involved. With the on-going support of shareholders and its financiers, the Directors believe that the Company will be able to meet its obligations and continue its business for the foreseeable future.

The Directors have considered a period of 12 months from the anticipated date of signing the financial report. In making their assessment, the Directors have relied upon the above considerations, and the financial statements have been prepared on the going concern basis for the above reasons.

However, there remains a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern, and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amount stated in the financial report. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

Note 3. Operating segments

Identification of reportable operating segments

The consolidated entity operates in four operating segments being Australia, United States of America ('USA'), Europe Middle East and Africa ('EMEA') and Asia. The principal activities of each operating segment are identical, being the sale of hardware and software products. These segments are based on the internal reports that are reviewed and used by the Board of Directors (being the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

Other segments represent the activities of the corporate headquarters.

The information reported to the CODM, on at least a monthly basis, is profit or loss and adjusted earnings before interest, tax, depreciation and amortisation and other items ('Adjusted EBITDA').

Adjusted EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for non-specific non-cash and significant items. The Directors consider adjusted EBITDA to reflect the core earnings of the consolidated entity.

Types of products and services

For information about revenue from products and services, refer to note 4.

Intersegment transactions

Transactions between segments are carried out at arm's length and are eliminated on consolidation.

Intersegment receivables, payables and loans

Intersegment receivables, payables and loans are eliminated on consolidation.

Operating segment information

	Australia	USA	EMEA	Asia	Other segments	Total
Consolidated						
31 December 2024	\$	\$	\$	\$	\$	\$
Revenue						
Sales to external customers	1,885,363	2,760,046	52,948	596,705	-	5,295,062
Intersegment sales	<u>234,512</u>	<u>49,178</u>	<u>-</u>	<u>2,089</u>	<u>-</u>	<u>285,779</u>
Total sales revenue	2,119,875	2,809,224	52,948	598,794	-	5,580,841
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total segment revenue	<u>2,119,875</u>	<u>2,809,224</u>	<u>52,948</u>	<u>598,794</u>	<u>-</u>	<u>5,580,841</u>
Intersegment eliminations						<u>(285,779)</u>
Total revenue						<u>5,295,062</u>
Adjusted EBITDA	<u>(365,513)</u>	<u>110,884</u>	<u>23,974</u>	<u>101,535</u>	<u>(393,731)</u>	<u>(522,851)</u>
Depreciation and amortisation						<u>(306,983)</u>
Interest revenue						<u>212</u>
Finance costs						<u>(227,151)</u>
Government grant - other						<u>13,686</u>
Loss before income tax expense						<u>(1,043,087)</u>
Income tax expense						<u>(55)</u>
Loss after income tax benefit						<u>(1,043,142)</u>

Note 3. Operating segments (continued)

	Australia	USA	EMEA	Asia	Other segments	Total
Consolidated 31 December 2023	\$	\$	\$	\$	\$	\$
Revenue						
Sales to external customers	3,206,266	4,263,655	139,513	441,051	-	8,050,485
Intersegment sales	144,465	19,451	-	13,895	-	177,811
Total sales revenue	3,350,731	4,283,106	139,513	454,946	-	8,228,296
Interest	-	-	-	-	-	-
Total segment revenue	3,350,731	4,283,106	139,513	454,946	-	8,228,296
Intersegment eliminations						(177,811)
Total revenue						8,050,485
Adjusted EBITDA	336,781	546,110	87,930	59,379	(352,563)	677,637
Depreciation and amortisation						(335,045)
Interest revenue						369
Finance costs						(182,199)
Profit before income tax benefit						160,762
Income tax benefit						16,602
Profit after income tax benefit						177,364

All assets and liabilities, including taxes are not allocated to the operating segments as they are managed on an overall group basis.

Geographical information

	Geographical non-current assets	
	31 December 2024	30 June 2024
	\$	\$
Australia	1,749,024	1,778,657
United States of America	284,074	309,187
EMEA	623	883
Asia (Singapore)	1,243	-
	<u>2,034,964</u>	<u>2,088,727</u>

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts.

Note 4. Revenue from contracts with customers

	Consolidated 31 December 2024	31 December 2023
	\$	\$
Sales and services revenue	<u>5,295,062</u>	<u>8,050,116</u>



Note 4. Revenue from contracts with customers (continued)

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	31 December 2024	31 December 2023
	\$	\$
<i>Major product lines</i>		
Sale of hardware and software	3,249,474	5,999,539
Installation and commissioning services	285,735	394,984
Maintenance and support services	1,759,853	1,640,093
Professional services	-	15,500
	<u>5,295,062</u>	<u>8,050,116</u>
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	3,535,209	6,410,023
Services transferred over time	<u>1,759,853</u>	<u>1,640,093</u>
	<u>5,295,062</u>	<u>8,050,116</u>

Refer to note 3 for details of revenue disaggregated by geographical regions.

Note 5. Other income

	Consolidated	
	31 December 2024	31 December 2023
	\$	\$
Government grant - other	13,686	-
Other income	<u>1,250</u>	<u>605</u>
	<u>14,936</u>	<u>605</u>

Note 6. Trade and other receivables

	Consolidated	
	31 December 2024	30 June 2024
	\$	\$
<i>Current assets</i>		
Trade receivables	1,178,353	1,770,861
Less: Allowance for expected credit losses	<u>(109,080)</u>	<u>(102,378)</u>
	<u>1,069,273</u>	<u>1,668,483</u>



Note 7. Other assets

	Consolidated	
	31 December 2024	30 June 2024
	\$	\$
<i>Current assets</i>		
Prepayments and deferred expenses	483,196	334,524
Security deposits	<u>102,462</u>	<u>91,254</u>
	<u><u>585,658</u></u>	<u><u>425,778</u></u>

Note 8. Right-of-use assets

	Consolidated	
	31 December 2023	30 June 2024
	\$	\$
<i>Non-current assets</i>		
Right-of-use assets	1,261,833	1,249,790
Less: Accumulated depreciation	<u>(233,487)</u>	<u>(100,861)</u>
	<u><u>1,028,346</u></u>	<u><u>1,148,929</u></u>

The consolidated entity leases various premises under non-cancellable operating leases expiring between 1 and 5 years, in some cases, with options to extend. All leases have annual CPI escalation clauses. The above commitments do not include commitments for any renewal options on leases. Lease conditions do not impose any restrictions on the ability of TZ Limited and its subsidiaries from borrowing further funds or paying dividends.

Note 9. Trade and other payables

	Consolidated	
	31 December 2024	30 June 2024
	\$	\$
<i>Current liabilities</i>		
Trade payables	1,740,897	1,540,308
Employee expense payables	34,235	53,136
Goods and services tax payable	424,040	390,497
Other payables	<u>809,830</u>	<u>907,114</u>
	<u><u>3,009,002</u></u>	<u><u>2,891,055</u></u>



Note 10. Contract liabilities

	Consolidated	
	31 December 2024	30 June 2024
	\$	\$
<i>Current liabilities</i>		
Contract liabilities	2,286,505	2,550,109
<i>Reconciliation</i>		
Reconciliation of the carrying values at the beginning and end of the current and previous financial reporting period are set out below:		
Opening balance	2,550,109	2,867,579
Amounts invoiced in advance	3,698,040	11,306,018
Transfer to revenue - included in the opening balance	(2,089,495)	(2,867,579)
Transfer to revenue - performance obligations satisfied in the current period	<u>(1,872,149)</u>	<u>(8,755,909)</u>
Closing balance	2,286,505	2,550,109

Note 11. Borrowings

	Consolidated	
	31 December 2024	30 June 2024
	\$	\$
<i>Current liabilities</i>		
Loan - First Samuel	<u>2,800,000</u>	<u>3,300,000</u>

Loan - First Samuel

This facility carries a coupon rate of BBSW + 4.5% per annum and a facility fee of 1% per annum payable in advance. The Group intends to renegotiate the First Samuel debentures as part of a new financing initiative (refer to Note 18).

As at 31 December 2024, the total loan facility was \$3,500,000 (30 June 2024: \$3,500,000) of which \$2,800,000 (30 June 2024: \$3,300,000) was utilised.

Note 12. Issued capital

	Consolidated			
	31 December 2024	30 June 2024	31 December 2024	30 June 2024
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>265,555,767</u>	<u>256,583,114</u>	<u>229,088,981</u>	<u>228,421,700</u>

Note 12. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2024	256,583,114		228,421,700
Shares Capital issued	14 November 2024	8,997,653	\$ 0.075	674,824
Less: share issue costs		<u>-</u>		<u>(4,793)</u>
Shares cancelled under employee incentive scheme - Escrow 1	20 December 2024	<u>(25,000)</u>	\$0.110	<u>(2,750)</u>
Balance	31 December 2024	<u>265,555,767</u>		<u>229,088,981</u>

Note 13. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 14. Fair value measurement

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments.

Note 15. Contingent assets and contingent liabilities

As at 31 December 2024, there are \$82,064 (30 June 2024: \$72,101) held in St. George Bank Limited and ANZ banking Group Ltd, representing a bank guarantee.

The consolidated entity does not have any other contingent liabilities at 31 December 2024 (as at 31 December 2024: nil).

Note 16. Related party transactions

Parent entity

TZ Limited is the parent entity.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	31 December 2024	31 December 2023
	\$	\$
Payment for other expenses:		
Interest paid/(payable) to First Samuel Limited - an entity with significant influence	152,046	153,033

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	31 December 2024	30 June 2024
	\$	\$
Current payables:		
Interest paid/(payable) to First Samuel Limited - an entity with significant influence	143,212	152,046

Note 16. Related party transactions (continued)

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	31 December 2024	30 June 2024
	\$	\$
Current borrowings:		
Interest bearing loan from First Samuel Limited - an entity with significant influence	2,800,000	3,300,000

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates. Refer to note 11.

Note 17. Earnings per share

	Consolidated	
	31 December 2024	31 December 2023
	\$	\$
Profit/(loss) after income tax attributable to the owners of TZ Limited	<u>(1,043,142)</u>	<u>177,364</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>258,892,484</u>	<u>256,647,458</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>258,892,484</u>	<u>256,647,458</u>
	Cents	Cents
Basic earnings per share	(0.40)	0.07
Diluted earnings per share	(0.40)	0.07

Note 18. Events after the reporting period

The Company is currently finalising the acquisition of Keyvision Holdings Pty Limited and as such is putting in place a new finance facility to support the transaction. The Board intends to renegotiate the First Samuel debenture as part of this refinancing initiative, anticipating a new debenture arrangement going forward.

The company conducted a strategic placement at \$0.075 cents per share in February 2025, raising \$1.15m, to fund expansion plans.

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Peter Graham
Chairman

24 February 2025
Sydney

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF TZ LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of TZ Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- i. Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.



Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is true and fair and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A stylized blue ink signature of the BDO firm, consisting of the letters 'BDO' in a cursive, handwritten style.

BDO Audit Pty Ltd

A blue ink signature of Linh Dao, written in a cursive, handwritten style.

Linh Dao
Director

Adelaide, 24 February 2025