

**30 April 2025**

## **ASX Announcement**

### **MARCH 2025 – QUARTERLY ACTIVITIES REPORT**

TZ Limited (ASX: TZL) (“TZ” or “the Company”) today released its Appendix 4C - Quarterly Cash Flow Report for the quarter ended 31 March 2025. To accompany the Appendix 4C, the Company provides an update on its quarterly business activities for the same period below.

It has been an important quarter for TZ Limited (ASX: TZL) (“TZ” or “the Company”), highlighted by the acquisition of Keyvision Holdings Pty Ltd. This strategic acquisition is expected strengthen TZ’s SaaS and recurring revenue base and expands cross-selling opportunities across its global operations. The acquisition was funded by a new \$4m debt facility.

While sales in the US market performed below budget due to tariff-related supply chain uncertainty, the business is well-positioned to recover lost ground during the June quarter, supported by a strong and growing sales pipeline.

The key points of the Company’s fiscal 2025 Q3 performance are:

- The net cash from operating activities for this quarter was an outflow of \$1.03M.
- The cash flows for operating activities during the quarter were:
  - Receipts of \$2.23M
  - Payments of product manufacturing and operating costs of \$1.49M
  - Payments for staff costs of \$0.99M
  - Administration and corporate costs: \$0.704 million (up from \$0.52 million in the prior quarter), primarily due to one-off fees associated with the establishment of the new debt facility.
- Per item 6.1 of the Appendix 4C, \$100K was paid to directors for non-executive directors’ fees.

## **BUSINESS UPDATE**

The US business continues to navigate a challenging trading environment marked by ongoing volatility in import tariffs. Despite this, TZ successfully diversified its supply base away from China, minimising long-term disruption. However, a surge in imports in

response to new tariffs created port congestion, delaying shipments by up to 6–8 weeks and impacting Q3 revenue.

The US business is currently operating at 60% of their budgeted targets which in turn, has impacted the Company's top line revenue and overall profitability this year. The other territories in which the Company operates are all operating ahead of budget but in aggregate, are unable to bridge the shortfall in the US. The Company is unable to quantify the impact of the US tariff situation on its anticipated FY 2025 consolidated revenue and profitability at this time, however the Company will update the market in due course in accordance with its continuous and periodic disclosure obligations.

Despite the delays in the US, Telezygology Inc. is developing a very strong pipeline of sales with deployments for the first and second quarter of fiscal year 2026. TZ anticipates the next quarter will substantially offset the FY25 shortfall.

Recurring annuity revenue remains on track to deliver 20% growth year-on-year, reflecting the increasing contribution of SaaS-based offerings, particularly from Keyvision.

Operating expenditure remains well-controlled, running 10% below budget despite one-off legal and transactional costs related to the acquisition and refinancing activities. The \$4 million secured debt facility also enabled a partial repayment of the First Samuel debenture, reducing the outstanding balance to \$1.5 million.

## **OUTLOOK**

Looking ahead, the Company remains confident in a stronger performance in the final quarter of FY25 and into FY26. In addition to the expected rebound in US sales, demand for TZ's DC Cabinet Security products is growing in response to global data centre expansion.

Keyvision is already delivering significant project wins with major property developers, with recurring subscription revenue forecast to reach ~\$1.6 million per annum within the next 12 months.

Provided these trends continue, FY26 is shaping up to be a strong growth year for TZ.

## **SPECIAL NOTE**

TZL's wholly owned Singapore-based subsidiary, TZI Singapore Pte Limited won the Building Services & Facilities category at the SBR International Business Awards 2025 ceremony held at Marina Bay Sands Hotel on 24 April 2025.

The award recognises the transformative business initiatives, strategies and projects that stand out in the competitive landscape of the Singapore market. In particular, the award acknowledges the significant achievement that TZ's innovative Smart Locker solution, delivered in partnership with real estate giant CapitaLand, has made in setting the standard for harnessing smart technologies to meet the needs of modern tenants and commercial amenities.

CapitaLand is one of Asia's largest diversified real estate groups. Through the implementation of this innovative smart locker initiative, enabled by TZ technology, they have redefined workplace efficiency, security and tenant experience as part of an ambitious digital transformation being rolled out across their key Singapore properties. So far, over 2,500 smart lockers have been installed into properties such as CapitaHub, CapitaSpring, Rochester Commons, and Geneo.

CapitaLand and TZ are currently exploring AI-based solutions to enhance the locker system's capabilities. Predictive maintenance, personalised user experiences, and advanced data analytics for better decision-making are just some of the developments being discussed.

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## EVENT NEWS

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## TZ and CapitaLand take home SBR International Business Award under Building Services & Facilities

**They deployed innovative Smart Locker technology across flagship developments such as CapitaSpring, Rochester Commons, and Geneo.**

Smart locker solution provider TZ and CapitaLand Group, one of Asia's largest diversified real estate groups, have won the Building Services & Facilities category in the SBR International Business Awards 2025 for the innovative Smart Locker technology solution deployed at CapitaLand's properties.

The award celebrates a significant contribution to the rethinking of workspace efficiency, security, and tenant experience through the deployment of intelligent locker solutions across CapitaLand developments such as CapitaSpring, Rochester Commons, and Geneo.

## **Revolutionising traditional lockers**

At the heart of this breakthrough solution is a cloud-controlled and edge-operated design locker system which enables the use of multiple digital authentication methods, including facial recognition, mobile card, and QR code access via CapitaLand's tenant experience platform, CapitaStar@Work. Another critical feature of the system is that it ensures continuous operation even without network connectivity, ensuring that staff can get access to their personal belongings in the event of network disruption in the premises.

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The SmartLocker initiative also addresses security concerns surrounding digital authentication methods at the workplace. The digital authentication system ensures that users get access only to their own lockers. Real-time logging and audit trails allow relevant teams to track access and usage, as well as receive alerts for issues faced by users. CapitaLand is committed to creating a safer environment for its employees and tenants, acknowledging the importance of security at the workplace.

On the physical front, a key benefit derived from this system is the reduction of reliance on large pedestal drawers and manual key management, allowing more area to be repurposed for other uses. The SmartLocker system is also designed to scale, allowing for expansion to additional areas, covering more square footage and accommodating a larger tenant population.

Since its implementation in various locations, the SmartLocker solution has had significant impact on office space management, with tenants expressing their satisfaction with the locker system, thanks to the security features and its ease of use.

## **What the future brings**

With artificial intelligence (AI) now integrated into smart technology systems, the teams from CapitaLand and TZ are exploring an AI-based solution to enhance the locker system's capabilities. Predictive maintenance, personalised user experiences, and advanced data analytics for better decision-making are just some of the developments being discussed.

“The SmartLocker initiative sets new standards for organisations and the use of their workspace, whilst creating lasting value for our tenants, their employees, and the broader community. The project's commitment to user convenience, operational efficiency, and scalability ensures that the demand for its implementation in more workspaces will keep growing. We have no doubt that the SmartLocker system will

become a ubiquitous workplace feature in no time,” said Fleur Lim, Vice President, Group Admin at CLI.

The SBR International Business Awards recognises the achievements of foreign companies in Singapore as well as the transformative business initiatives, strategies and projects that stand out in the competitive landscape of the Lion City.

## 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")**

31 March 2025

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	2,232	8,356
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(1,485)	(4,725)
(c) advertising and marketing	(42)	(177)
(d) leased assets		
(e) staff costs	(988)	(2,891)
(f) administration and corporate costs	(704)	(1,681)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	(210)	(446)
1.6 Income taxes paid	(2)	(3)
1.7 Government grants and tax incentives	168	183
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,029)</b>	<b>(1,382)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses	(1099)	(1099)
(c) property, plant and equipment	(3)	(19)
(d) investments		
(e) intellectual property	(90)	(310)
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment	0	0
	(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	<b>Net cash from / (used in) investing activities</b>	<b>(1,192)</b>	<b>(1,428)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	937	937
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	0	667
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings	4,000	4,000
3.6	Repayment of borrowings	(1,300)	(1,800)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)	(51)	(150)
3.10	<b>Net cash from / (used in) financing activities</b>	<b>3,586</b>	<b>3,654</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	561	1,050
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,029)	(1,382)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,192)	(1,428)



Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,586	3,654
4.5	Effect of movement in exchange rates on cash held	(159)	(127)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>1,767</b>	<b>1,767</b>

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	1,767	561
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,767</b>	<b>561</b>

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	100
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>		

<b>7.</b>	<b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	5,500	5,500
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	<b>Total financing facilities</b>	5,500	5,500
7.5	<b>Unused financing facilities available at quarter end</b>		
7.6	<p>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> <p>The \$2.8 million of the secured debenture facility with First Samuel was drawn down as of 31<sup>st</sup> December.</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>The Company plans to establish new terms, including partial repayment of the debenture, once refinancing to support the Keyvision acquisition is finalised.</p>		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,029)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1767
8.3	Unused finance facilities available at quarter end (item 7.5)	
8.4	Total available funding (item 8.2 + item 8.3)	1767
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	1.72
	<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: No. The company has seen an uplift in sales which should see a return to positive cashflow in Q3 and Q4.	
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: The Company is currently completing an acquisition which includes a new finance facility.	

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: Yes. Per the reasons listed above.

*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.*

## 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: 30 April 2025

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 – 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.