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ASX Announcement

TYMLEZ OPERATIONS UPDATE INVESTOR CALL AUDIO TRANSCRIPTION

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[START OF TRANSCRIPT]

Operator: Welcome to the TYMLEZ investor teleconference. In a moment, I will introduce Mr. Rod Hannington from TYMLEZ, who will briefly commence the call and hand over to our two speakers, Mr. Michael Reh and Reinier Van der Drift. All participants are in listen-only mode. There will be a presentation followed by a question and answer session. If you wish to ask a question, you will need to press the star key followed by the number one on your telephone keypad.

Please go ahead, Mr. Hannington.

Rodney H.: Thanks, Isy. Hello, everyone. Good afternoon from Melbourne. My name is Rod Hannington and I'm the non-executive chairman of TYMLEZ. I welcome you all to the call. It looks like we have about 50 people on the call today so we're most pleased with that attendance. Thank you. I'll be hosting the call, along with our operator Isy today, and I'll shortly hand over to Mike and Reinier to present. We plan to review the content of the presentation we've posted on the ASX portal, which should take about 20 to 30 minutes. Then we'll move to a Q&A session after the content presentation.

We'd also like to confirm that a full recording of today's call will be available tomorrow, via a link on the ASX announcement portal and on the TYMLEZ website. We hope you all have your presentations in front of you now, and that you're ready to go. As we progress through the slides, we'll call out the page numbers, so you can keep up, so let me begin by moving to page two. Before I hand over to

Mike, I would just like to draw your attention to the disclaimer and ask that you read this when reviewing this presentation.

Thank you very much everyone. You'll hear from me again at the back end of the presentation in the Q&A area. Now I'll hand over to Mike. Thanks, Mike.

Michael Reh: Hello, good morning. Thank you so much so, very warm welcome everyone. Good morning and good afternoon to you guys listening, from Germany. My name is Michael Reh and I'm the CEO and co-founder of TYMLEZ. Thanks for joining. 2018 was a very exciting year for us. We moved into the office spaces in Germany and the Netherlands. And of course, we did our IPO, but let me start first with a business summary of 2018 and our financials.

So, as you can see in our financial report 2018, our recognized revenues were about $399,000 Australian dollars for the year. And our accounting principles are compliant with AASB 15. This means practically that only revenues that relate to the corresponding period of the contract can be recognized. However, an amount of $301,000 Australian dollars has been closed in 2018, but could not yet be recognized in that year, and that is going to happen this year.

So together, this represents an amount of 7$00,000 Australian dollars. Of our recognized revenues, 23% were recurring revenues, and this corresponds with our platform-as-service revenue. Essentially this means that customers take a license on a subscription basis. In total, we've received amounts of $492,000 Australian dollars from our customers in 2018.

What is essential for our success and penetration is basically the success of our global partnering system, and in 2018 we have increased our focus on building a strong partner eco system in the different regions to provide different design, develop, and delivery capabilities which are generating more business opportunities and use cases the year 2019.

So, let's move on to slide number four, and let me quickly introduce TYMLEZ for those of you who do not know much about TYMLEZ. I've had the opportunity in the past to present TYMLEZ in separate locations in Australia but maybe we started with a name TYMLEZ. And TYMLEZ T-y-m-l-e-z is the style of the word the word timeless t-i-m-e-l-e-s-s. And, it expresses the way how we build products and how we help customers to stay relevant during their digital transformation journey.

The principles of TYMLEZ is something I have been working at SAP with Dr. Vishal Sikka. He was the former CTO SAP and the former CEO of InfoSys and now he's an advisor of TYMLEZ. Basically, what Timelessness is, is a quality of products, systems and services that are explicitly designed transcend the effects of technological

business and societal change, and this requires, this is what we call in our language, the separation of concerns that on the surface appear to be tightly coupled.

And there for the decoupling of software of concept and container is very essential. In order to achieve timeless-ness in a very disruptive business world, software systems must be designed for continuous transformation.

Our mission is to bring the blockchain to the enterprise, as we believe the blockchain is a major contributor to everyone's digital transformation agenda.

It will help our clients to stay relevant in today's fast-moving and fast-changing world. The way in how we do that is that we deliver an enterprise ready platform solution which handles the entire lifecycle of blockchain based application.

Moving on to the next slide number 5. In order to bring out the blockchain to the enterprise, enterprises need to have a 360-degree view of what it takes to productize a highly scalable and secure blockchain application. And this is more than just having or using blockchain technology. We're using some best of bread open source technology, like the consensus protocol from Tendermint. And we've enriched all that by our own IP. All of that is packaged as a ready to go platform.

Most companies are facing what is called the two-speed IP problem. They have an existing system landscape where they are using systems from Oracle, SAP, Microsoft and many more. But those systems have not been designed to work natively with technologies like the blockchain. You need what is called the "system of engagement". The TYMLEZ blockchain solution platform integrates seamlessly with the existing system landscape to preserve existing investment in hardware software and people. We're using industry standards and programming languages like JavaScript and we have a very intuitive development and management environment, so that developers in the enterprise are quickly getting up to speed and can produce results.

And with our visual development environment, which helps IT and the business to sit together and discuss the changes of a program flow in a non-technical way, meaning not just discussing code, but using the drag-and-drop environment will shorten the time to market for new ideas.

Moving on to the next slide number 6. As I mentioned earlier my name is Michael Reh I'm the CEO and co-founder of TYMLEZ, and we have on the executive board Reinier van der Drift, my business partner and co-founder as well. But behind all this there are our people mainly located in Europe. Our headquarters as most of you guys know is in Amsterdam in the Netherlands, and our main development center is in Germany, in Weinheim which is a city a bit

south of Frankfurt and close to a city called Heidelberg. Some of you have visited us already in Weinheim.

For those of you which haven't had that opportunity I have a few pictures of the team in Germany so you get a small impression of who we are and what we're doing and that there are some real people behind this. And now let me hand over to Reinier, and Reinier it's all yours.

Reinier V.: Well thank you very much Michael. Welcome everyone today, greetings from the Netherlands. For the ones that are new to TYMLEZ and its business I want to give you a brief introduction to our platform, and the way we are selling this platform to the market.

So TYMLEZ blockchain solution platform, which we like to call Tablespoon, is a full stack development platform which is specifically tailored for the enterprise. It has some unique selling points, like the drag and drop functionality, which speeds up development of distributed applications drastically.

The big benefit of the tool is that it allows to quickly develop error-free applications. By leveraging pre-coded and tested building blocks blocks that the tool provides.

This stack meets all the criteria of a typical enterprise demands with regards to scalability, security, and robustness. It's really state of the art product.

The integration with enterprise legacy systems is a key topic. The platform provides the interface to most legacy systems like SAP, Microsoft SQL server, and the like. And of course we integrate seamlessly with enterprise identity management and security systems. And if they're not in place, we provide our own role-based access system and we provide multifactor authentication security on top.

Moving to slide 8, what is important to understand is that we are not selling to individual developers. We are selling to the enterprise. Our platform is designed and optimized to help the enterprise, and the enterprise DevOps to quickly develop and deploy blockchain-based applications to automate trust in their environment or in their supply chain. And because we developed and integrated technology to leverage data from legacy systems, we are addressing a specific problem for the enterprise which is the two-speed IP problem. You heard Mike elaborate a bit on that earlier.

The two speed IP problem describes the struggle that enterprise has with slow moving backend systems and the fast moving frontend systems. This hinders their ability to compete, hence why we are important to them and help them solve this problem. With our stack we are providing them with a real solution to this problem.

However, an extensive platform as Tablespoon cannot be sold without proper consulting service. That's why we deliver consulting services ourselves, you see that in the revenue sheets. But we also

train integrators and other partners to deliver those services for us. Through direct engagements, we are expanding our software library with example code, which are called "application accelerators", and we are selling those as an add-on to our customers and partners. They decrease the development time and then lower the overall development costs. The exciting fact is that we organically grow the overall functionality of the platform, which basically strengthens our position.

Moving to slide 9, as mentioned earlier besides the revenue data of the licensing of the platform, we are selling so called application accelerators, which are example codes which the end customer can use to create a specific application. And currently we are offering four categories of application accelerators which are described in this slide. Highlighting we have:
- secure document sharing
- KYC (Know Your Customer) for onboarding and credential checking
- we have tracking and tracing of digital assets,
- and we have loyalty rewards and token exchange.
These accelerators are sold by our salespersons as an extension to the platform, so it's another revenue driver.

Moving to slide 10, which describes our revenue model. So our main revenue drivers are license sales and consulting. And the license sales are either a subscription license, as you heard Mike explaining earlier, or a perpetual license.
We have the multi-tiered sales model, which I'll show you in a bit, where we are selling through partners. But we also have, as I explained, direct engagements with customers to mature and enhance our platform.

So moving to slide 11, where basically, our sales model is described, if you noticed that we have a four tier sales model, where we support our direct and indirect engagements. The first tier are the technology partners, like HPE, SUSE and Fujitsu. And by integrating with their systems and solutions we are creating a push into the market. So we will always look, when we sign up a partner, whether that partner has connections or agreements with the technology partners that we already have signed up.

The second tier in the market are the system integrators and consulting services companies like Boston Consulting Group Platinion and CGI. They have in most cases, an existing relationship with the same technology partners that we have a relationship with.

The third tier are the value added resellers, like iSphere/EPI-USE. They have the hosting platform, they take our platform, and basically, they deliver it to the right customers.

So, the focus is on a push strategy. A push strategy for our kind of product is considered to be a winning strategy for complex products with short distribution lines like our product is.

The direct engagement basically creates a pull effect, where the direct engagements are also necessary to extend the functionality of the platform. So the use-cases that are generated through of these direct engagements are also used as marketing material and used as training material and are used by the sales for reference selling.

So I hope this explains to you how we attack the market, and how we are generating our revenues. I'm handing over to Mike again.

Michael Reh: Thank you so much, Reinier. Yeah, let us move on now to slide number 13 and let us talk a little bit about the market and what is happening in the blockchain space. And, basically by 2020, 40% of the world's blockchain business value-add will be derived from manufacturing, primarily in new revenue opportunities.

And what's important to note here is that this is primarily due to new business opportunities and new revenue opportunities. And blockchain has really changed the way how manufacturing can work in the future, especially in the space of track and tracing. The blockchain business value growth shows very typically growth patterns of an emerging technology, and what that means basically, what you can see in the chart here, that there is a significant growth in 2020 happening, and then it's reaching a second peak of growth of 2026. And from an industry point of view there are some important movements here, as by 2021 at least 5% of government entities will adopt blockchain as a transparent ledger for some of their official records.

In the same year, approximately 30% of the higher education institutions in the U.S., in the UK and Australia will be using digital credentials powered by the blockchain. And in other markets, by 2022, 50% of peer-to-peer energy exchanges will use blockchain distributed ledger technology to manage micro-energy transactions and financial settlements among participants. So, utilities will become a provider of an energy sharing economy platform. And that enables them to change the way how they work, and how they think today, moving towards this digital economy.

If we now move on to slide number 15, you can see, what are we going to do from a marketing point of view, and what are our strategic objectives. We have basically selected five sectors or businesses themes which we will focus on to drive our marketing message and our profile. By sector, we are looking to gain and deliver use cases, which in turn will enable us, firstly, to gain references. Secondly, to build better and more, and as Reinier explained earlier, we need to build more accelerator plugins and products for those industries. And, of course, we need to continue to

co-develop product and tighter integrations with selected partners we have.

And we are focusing on building our partner ecosystem in each region, and have them align to our target sectors, so that we can build ready-made accelerators, co-development and solutions for them, in order to address the key challenges and issues within those key sectors.

In addition to that, we are building together with our partners, a marketplace where those plugins can be resold, improved, it can be packaged and distributed. We are focused on developing sector-based accelerators or plugins to provide more added value for both the partner and the customer, in accelerating the development and deployment of those solutions. Which basically aim to generate more revenues for all of us.

That said, let us move onto slide 16, and talk a little bit about the customers, and the different solutions, which we have, and how all of that fits together. So for the last two and a half years we have realized in order to get traction in the market, there was a need for us to focus on developing sector-based use cases and solutions, which are enabling us to create accelerator plugins for resell. And, as a foundation to generate additional use cases. For example, Save the Children in the UK, a use case, now is applicable across the entire NGO sector, but it's also creating an HR onboarding accelerator for HR recruitment for subcontractors for other sectors. Nico.lab, it's a very, very interesting use case that combines their StrokeViewer utilizing brain scans, AI and blockchain encryption. Nico.lab StrokeViewer supports the very complex process of clinical decision making in a world where every minute counts, and within three minutes, StrokeViewer informs the physician with a detailed biomarker report and allows remote image viewing on any kind of device, and thereby enabling direct transfer of imaging data between stroke care centers in a couple of seconds, and our platform, TBSP, is not only used for the secure GVPR compliant data exchange, but also to fingerprint what is going on inside the AI engine, thus creating a complete and transparent audit trail for all participants. We have announced a few weeks ago our partnership with Brightsolver in South Africa, and the TYMLEZ Blockchain Solution Platform (TBSP) has been selected as the foundation for securing and safeguarding what is called PII, Personal Identifiable Information in South Africa. Our TYMLEZ platform ensures that the South American government and their associated national entity can easily deliver secure PII to any kind of public or private sector stakeholder.

That said, we see a lot of interest in block chain based solutions in South Africa, and you might have noticed that we have already a strong ecosystem in South Africa and this is also one of the reasons why we have expanded our team in South Africa with Marcus Mudd, who is now in charge of South Africa and to lead our business there and grow our business.

Moving on to slide number 17, I mentioned that already our ecosystem is essential to us, and our ecosystem is designed to encourage collaboration and utilization skills, and it's really required that we deliver that to the market in order to design, develop, and deliver blockchain applications for digital solutions to our customers. When Reinier spoke a little earlier about the different kind of partners we have, we have software suppliers and technology vendors, which are companies like SUSE and HPE, EPI-Use Labs in South Africa, where our platform is complementary to their platform, and their portfolio because we aid the selling of their technology or their hosting services, the VAR resellers are partner where they are consulting and solution providers, and our platform is of value for them because it adds to their portfolio and capabilities in delivering digital transformational solutions.

Whereas, when you talk about SI, the system integrator, these are large partners who have responsibility to bring together large transformational projects and these are companies like Boston Consulting as well as the KPNs of the world. The majority of the new engagement and use cases on our platform are already driven by our partner ecosystem and it's growing on a monthly basis where those partners are approaching us and using our accelerators as a foundation, it's an 80% foundation and with the tools we have, you can easily tailor that and enhance the product with additional sector based requirements.

That said, one of our very important partners is SUSE, SUSE the open source company, and many of you might know SUSE as SUSE is used as the operating system for most SAP implementations and talking about SUSE, then I have to move on to slide number 18, last week I had been a speaker at SUSECON in Nashville, Tennessee, SUSECON is the SUSE flagship conference on a global basis, so together with my colleague Johann Els from SUSE, I did a joint presentation on how to use a TYMLEZ blockchain on the SUSE product called SUSE containers and service platform, and that platform is an enterprise class container management solution that enables IT and dev ops professionals to more easily deploy, manage, and scale container based application and services.

It was a truly global event, with more than 1000 participants from 45 countries, lots of knowledge sharing from a technology point of view and more than 150 working or breakout sessions. I personally have met with many of the existing SUSE hardware as well as software partners like Infosys, Wipro, HPE, CCS, and many more and we had discussions about how can we bring the different value propositions together in order to deliver more value, finally, to our customers. There were lots of great discussions with SUSE developers and their community members about things we can do together and how we can build better products.

Talking about events, let us move on to the next slide. Now, talking more about the operational aspect of 2019, and for us, our priorities for the rest of the year are very clear and obvious. We need to generate revenues. This is basically where the rubber hits the road. As we are selling primarily to the business, to the head of the business or directly to the C- level, we have to present at very specific events. Now, these are smaller, but topic-focused events like supply chain management are logistics. This is why we are also teaming up with companies like Gartner and their chief information officer events where all the global CEOs and CIOs are coming together.

And parallel to that, we are also presenting together with our partners at their events, so like what I did last week with SUSE. But we also are developing as we speak our digital presence through basically all channels. It starts with the website where we have to create an awesome user experience, and we are redesigning our website to align it with the sector-based messaging, which Reinier explained earlier, as well as the use cases and the educational topics we have, advisory topic as well as promoting our platforms.

We are pretty busy this year, with our go to market activities, and to create more awareness about the blockchain market as well as what the business value is for the different industries. That said, let me now hand over to Rod.

Rodney H.: Thank you. Thanks, Mike and Reinier. Just lastly, then, on slide 21, just regarding the capital market's performance, in the last 16 weeks since we've began trading our stock on the ASX, we've seen investor response to news of new channel partners in our direct use cases. Looking back over the last quarter, we believe we've made good progress, we're relatively happy with the progress to date, and as you saw earlier, new use cases and partner expansion is moving nicely and we look forward to keeping the market well-informed as much as possible on new news and successes.

Please also look out for our Twitter account, where we post category and education material, so not only are there some information about blockchain in the appendix in our deck here, but also on Twitter we often, in the team, post material that can be informative about blockchain, the category, and applies in the segment.

So, that's the end of our presentation. I'm now going to hand back to Isy, as we move into the Q and A part of the call, and let's see if we've got any questions. Over to you, Isy.

Operator: Thank you. If you wish to ask a question, please press star one on your telephone and wait for your name to be announced. If you wish to cancel your request, please press star two. If you are on a speakerphone, please pick up the handset to ask your question. We'll now pause briefly.

	Once again, if you wish to ask a question, please press star one on your telephone and wait for your name to be announced. Thank you. We are showing now questions. I'll now hand back to Rod for the closing remarks.
Rodney H.:	Thanks, Isy. Thanks everyone, for joining the call today. We hope you've found this helpful and informative. The board invite you all to continue to invest and support TYMLEZ, as we evolve in this very exciting sector. We will be announcing our AGM date this week, and as well as setting up a series of investor engagement meetings around our AGM, so we look forward to meeting as many of you as possible face to face, if you're able to join us in Melbourne or Sydney in May. Thanks from all of us, we wish you all a great day ahead, and that's the end of the call. Thank you, Isy, over to you.
Operator:	That does include our conference for today. Thank you for participating, you may now disconnect.

[END OF TRANSCRIPT]

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ABOUT THE TYMLEZ GROUP LIMITED
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Blockchain designed for business. TYMLEZ provides a highly scalable, multi-tenant, enterprise-grade smart contract blockchain platform which can be deployed in minutes and / or implemented via partners within an enterprise or across a consortium. We bring commercial-grade blockchain technology to the enterprise. We do this by delivering a scalable platform which enables accelerated development, management, and deployment of enterprise blockchain applications.