

QUARTERLY ACTIVITIES & CASHFLOW REPORT

Quarter ended 30 June 2019

Melbourne, Australia and Amsterdam, Netherlands, 31 July 2019: TYMLEZ Group Limited (ASX:TYM) (TYMLEZ or the **Company**), a leader in enterprise software and technology solutions utilising commercial grade blockchain technology, is pleased to release its Appendix 4C – Quarterly Cashflow report and Update for the quarter ended 30 June 2019 (the **Quarter**). All financial results are in Australian dollars unless otherwise stated and are unaudited. Where results occurred in other currencies such as Euros, they have been converted to Australian dollars at the rate of €1.00 = A\$1.62 for illustrative purposes.

Highlights for the Quarter

- **Pre-sales initiatives underway for Blockchain-in-a-Box with HPE and SUSE**
- **TBSP Version 2.1 in late stage development**
- **Cash receipts for the Quarter of A\$0.1 million**
- **Hawkesbury Partners appointed as corporate and capital markets advisers**
- **Closing cash balance of \$2.1 million**

Operations Update

During the Quarter, TYMLEZ was focused on several key initiatives to drive adoption and use cases of the TYMLEZ Blockchain Solutions Platform or *TBSP*. This multi-pronged strategy is designed to increase customer awareness, on board new partners to broaden our sales infrastructure and reach, implement new use cases to widen adoption, and attract marquee type customers to leverage more broadly.

Customers and Sales Pipeline

During the Quarter, there was extensive work by the sales and technical team with Urban Farming Partners Holding B.V. (**Urban Farming Partners**), a Singapore and Dutch Government consortium seeking to promote food security via sustainable farming practices in the urban areas. The TYMLEZ platform has been selected in the following potential Use Cases, which the Company believes will be highly relevant to other potential customers:

- Food safety – tracking and tracing food produced with a virtual barcode
- Regulatory compliance – with blockchain verified audit trail and confirmation of HACCP compliance
- Auditable certification – to confirm authenticity of the product and ingredients throughout
- Information flow between consortium partners – immutable transactions between ERP systems
- Customer loyalty programme – using blockchain to administer the programme.

During the Quarter, the Company appointed a new South Africa Country Manager, Marcus Mudds, to lead the increasingly demanding sales activities in the region. Marcus brings a wealth of experience having previously worked at Accenture and a number of roles at Fujitsu including a solutions architect.

The Company also has a pipeline of sales opportunities across the three regions of Europe, Asia and Australia and Africa. These are at various stages of engagement and the team is working diligently to progress a number of those to the Development Licence stage in the near term.

Partners and Collaborations

A key element of our sales and marketing strategy is our partnership with each of SUSE Software Solutions (**SUSE**) and Hewlett Packard Enterprise (**HPE**) to roll out our Blockchain-in-a-Box offering. This is a TYMLEZ proprietary software platform, which will be sold in a SaaS model, of monthly subscription or pay-per-use. As part of the agreement with each of HPE and SUSE, HPE will provide and lead the sales channels for Blockchain-in-a-Box, making the platform available to purchase for HPE's own customers and users.

We are pleased to confirm that during the Quarter the commercialisation of Blockchain-in-a-Box progressed to the final testing stage, where designated sales representatives from HPE have been appointed to market the products and are currently receiving training from TYMLEZ sales and technical staff, on the value proposition and utilities of Blockchain-in-a-Box. Following the end of the Quarter, onboarding and systems trials have commenced for early-bird HPE customers to ensure that a functional and seamless end-to-end process is in place prior to the official launch by the end of 2019. While it is difficult to estimate the potential traction of the Blockchain-in-a-Box offering, HPE currently has a large number of medium to large enterprises that may be targeted.

Technology Development

During the Quarter, the Company also made considerable progress with a new version of the Platform or TBSN Version 2.1 which is planned to be released into Controlled Availability in the coming quarter. The main feature of the new version is the support of a new database "PostgreSQL". PostgreSQL is a powerful, open source object-relational database system with over 30 years of active development that has earned it a strong reputation for reliability, feature robustness, and performance. The support of PostgreSQL is intended to lower the total cost of ownership for managing and operating the TYMLEZ Platform. All of the current Business scenarios and Use cases from HR Onboarding, Track and Tracing, Smart Contracts will be enhanced with this new database.

In an initiative to supplement the TYMLEZ technical capabilities and build expanded use within the technical community, the Company has been working closely with the Free University of Amsterdam. This has included working with PhD and MSc students from the University on several projects to firm up the business cases and derive sophisticated smart contracts design.

Other Activities

In May 2019, TYMLEZ senior management attended the Consensus Summit in New York as a representative from AUSTRADE selected by the Australian Department of Industry, Innovation and Science. This Consensus Summit, hosted by Coindesk, is the largest annual blockchain conference and brings together delegates from all around the world including technology entrepreneurs, investors and Fortune 500 companies. A number of sales opportunities were identified as part of this conference.

The Company also participated in several other high value conferences during the Quarter, including Interchain Conversations in Berlin; the SUSE Partner Summit DACH 2019; the Innovation Tour by Software AG and the Distribute blockchain conference in Hamburg.

Following the end of the Quarter, CEO Michael Reh also attended the Google Developer Roadshow which took place in Berlin in July 2019. This provided an opportunity to further engage with representatives from Google as part of a strategy to establish how the TYMLEZ platform can work within the Google Cloud Platform.

Michael Reh, CEO of TYMLEZ, said:

“This Quarter has been another very busy time for the TYMLEZ team. We have made good progress across our sales and marketing pipeline, our technology development and our partnerships particularly with HPE and SUSE which offer us tremendous value once the Blockchain-in-a-Box offering goes live later this year.”

“That said, we also recognise that our conversion of sales leads to customers has been slower than we would have liked and the market might have expected of us. We have a number of active sales leads in development, but the timing of conversion can sometimes be difficult for us to predict and we believe some of those sales may have been delayed but they are not lost. As a young company, we are also highly dedicated and focused on building our business for the medium to long term.”

Financial and Corporate matters

Financial Results & Cash

During the Quarter, cash receipts of \$0.1 million were attributable to payments for consultancy and professional services delivered as well as Platform as a Service income and perpetual revenue.

The Company achieved a net cash outflow for the Quarter of \$1.3 million, compared to the forecast outflow of \$1.7 million in the March 2019 Quarterly Report. While the Company incurred expected marketing costs, as a result of customer sales not being completed the associated sales execution costs were lower than forecast. The lower than forecast spend is also a result of prudent capital management measures exercised to achieve higher operational efficiency.

The Company reported a cash balance of \$2.1 million as at 30 June 2019.

Investor Engagement

Following the Company’s recent review of its capital markets and investor relation activities which took into consideration feedback from multiple investors, TYMLEZ has appointed Hawkesbury Partners as corporate advisers as part of commitment to improve our shareholders engagement process. Hawkesbury Partners are a Sydney-based boutique capital markets and advisory group with a track record in working with technology and cross border ASX listed companies.

Future Outlook

In the second half of 2019, the Company expects to progress to final delivery stage in relation to its Google Cloud Marketplace partner program. As announced in February, the program involves developer trainings and further testing of the TBSP. The Company and Google Cloud Marketplace are currently conducting technical due diligence on the platform and the official launch of TBSP on Google Cloud Marketplace is expected to take place in the second half of 2019.

The Company will also continue to focus on the commercialisation of Blockchain-in-a-Box, which is progressing well with pre-sales initiatives already kicking off within HPe. Ongoing development work is also in place to provide enhanced database support for SQL, which is expected to provide customers with greater flexibility and cost efficiencies.

The Company also intends to explore further opportunities within the data centre space, such as a potential platform integration of TBSP with SAP HANA. The SAP HANA business data platform is unrivaled, combining a robust database with services for creating innovative applications. The platform enables real-time business events by converging transactions and analytics on one in-memory platform and the Company believes this presents a valuable opportunity to partner with this technology.

The Company will hold an investor conference call in September to provide a further operational and business outlook. The details of the call will be released closer to that time.

– ENDS –

ABOUT TYMLEZ

TYMLEZ is an ASX listed enterprise software and technology company with a highly scalable, enterprise-grade solution, utilising the key features of the blockchain combined with open source software and TYMLEZ's proprietary intellectual property. The TYMLEZ technology enables smart contract blockchain platforms customised for businesses and which can be deployed in minutes and or implemented via partners within an enterprise or across a consortium. The TYMLEZ technology meets key enterprise requirements of scale, robustness and security and can retrieve data from the customer's legacy systems. This scalable platform which enables accelerated development, management, and deployment of enterprise blockchain applications.

TYMLEZ technology is currently deployed with a number of customers across Europe, Asia and Africa, including Grant Thornton and Save the Kids. There are also a growing number of highly credentialled industry partners working with TYMLEZ to drive sales and support the rollout, including Hewlett Packard enterprise; SUSE, the world's largest integrator of SAP solutions; Plantation, a Boston Consulting Group division.; and CGI. Today, TYMLEZ is building a number of use cases for customers to leverage across asset tracking, secure document handling, KYC and HR onboarding, Market Settlement, and Loyalty Programmes.

CONTACTS

TYMLEZ	Investor Enquiries
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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Name of entity:

Tymlez Group Limited

ABN:

37 622 817 421

Quarter ended ("current quarter")

30 June 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	97	192
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(129)	(185)
(d) leased assets	(7)	(14)
(e) staff costs	(423)	(746)
(f) administration and corporate costs	(292)	(684)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(6)	(8)
1.6 Income taxes received/(paid)	12	106
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(748)	(1,339)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(22)	(22)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property – development costs	(506)	(1,019)
(e) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property – development costs	-	-
	(e) 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	(528)	(1,041)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(2)
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)	-	-
3.10	Net cash from / (used in) financing activities	-	(2)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	3,338	4,482
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(748)	(1,339)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(528)	(1,041)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(2)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	54	16
4.6	Cash and cash equivalents at end of quarter	2,116	2,116

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	2,116	3,338
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)	2,116	3,338

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

149

-

Remuneration of directors

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

NIL

NIL

N/A

8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	NIL	NIL
8.2	Credit standby arrangements	NIL	NIL
8.3	Other (please specify)	NIL	NIL
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
N/A			

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Research and development	497
9.2	Product manufacturing and operating costs	-
9.3	Advertising and marketing	201
9.4	Leased assets (including rent)	34
9.5	Staff costs	217
9.6	Administration and corporate costs	507
9.7	Other (provide details if material)	44
9.8	Total estimated cash outflows	1,500

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	N/A	N/A
10.2	Place of incorporation or registration	N/A	N/A
10.3	Consideration for acquisition or disposal	N/A	N/A
10.4	Total net assets	N/A	N/A
10.5	Nature of business	N/A	N/A

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.

Sign here:



Company secretary

Date: 31 July 2019

Print name: Justyn Stedwell