QUARTERLY ACTIVITIES & CASHFLOW REPORT

Quarter ended 30 September 2019

Melbourne, Australia and **Amsterdam, Netherlands, 29 October 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 release its Appendix 4C – Quarterly Cashflow Report and Update for the quarter ended 30 September 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

- **Sales partnerships progressing well with Google Marketplace, SAP Hana, Suse and HPE ready to "go-live" in Q4 2019**
- **Cash receipts for the Quarter of $50k from TKI project – recurring**
- **Closing cash balance of $1.07 million**
- **Geographic expansion into Australia with technology partner Matrix Thread**
- **Pivoting sales model to focus on consultative selling with tighter channel focus**

Operations Update

During the Quarter, TYMLEZ focused on indirect sales channel development and pivoting the sales model toward direct solutions consulting. As highlighted in the Half Yearly review of operations, TYMLEZ focused on developing solutions specifically targeting the enterprise client.

TYMLEZ on Google marketplace

After five months of rigorous evaluation the TYMLEZ Blockchain Solutions Platform (TBSP) is scheduled to go live on the Google Marketplace, Kubernetes one-click and deploy environment. The go-live date is pending now with Google resolving a final issue on their end.

TYMLEZ Blockchain Solutions Platform (TBSP) on the Google Marketplace is a high margin scalable channel that requires no selling or implementation. The basic TYMLEZ stack delivers four nodes with more functionality added as sales progress. The TYMLEZ Blockchain Solutions Platform (TBSP) will be invoiced at $1 / hour in one-minute increments.

TYMLEZ on SAP HANA released

The work with SAP HANA® over the last 6 months forms a cornerstone of our multi-layer platform strategy. In September TYMLEZ Blockchain Solution Platform (TBSP) for the SAP HANA® platform was released.

The completion of integration of TYMLEZ and SAP HANA® solutions, provided the capability to embed blockchain capabilities directly into the SAP HANA® stack.

The TYMLEZ capability is therefore more powerful by enabling clients to leverage all SAP HANA® benefits

including unrivalled transaction processing efficiencies, natively within their current environment, without any data replication. The existence of TYMLEZ blockchain within the SAP HANA® Platform also facilitates the intelligent enterprise ability to embed blockchain capabilities including smart contracts within any business process.

TYMLEZ believes that SAP HANA® is the undisputable leader in near-future enterprise software solutions and will provide significant opportunities to deploy the TYMLEZ Blockchain Solutions Platform or TBSP directly into this large scale enterprise client base.

TYMLEZ now available in Australia

The Company also continued to focus on indirect sales channel development and geographic expansion with the appointment of MatrixThread Pty Ltd (MatrixThread) as a technology partner for the Australian market. MatrixThread is a Melbourne-based IT solution provider specialising in Distributed Ledger Technology (DLT), Artificial Intelligence (AI), Machine Learning and Cloud Infrastructure. The leadership team at MatrixThread have experience in enterprise resource planning (ERP) system implementation, enterprise program management and IT Architecture Design.

MatrixThread will leverage the TYMLEZ Blockchain Solutions Platform (TBSP) to help Australian enterprises to rapidly prototype blockchain solutions and seamlessly integrate with their legacy systems. MatrixThread has expertise in building scalable solutions for various industries using modern technology stack, as well as experience in developing applications for startups and larger enterprises.

TYMLEZ SUSE and HPe deployed

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 our partnership with each of SUSE Software Solutions (SUSE) and Hewlett Packard Enterprise (HPe), Blockchain-in-a-Box progressed to be commercially ready with first customer and use case in October with ongoing subscription revenues.

Financial and Corporate matters

During the Quarter, cash receipts of $50k were attributable to payments from the TKI project. These are recurring sales. Sales for the quarter were $57k.

The Company achieved a net cash outflow for the Quarter of $1.07 million, compared to the forecast outflow of $1.5 million in the June 2019 Quarterly Report. The lower than forecast spend is a result of prudent capital management measures exercised to achieve higher operational efficiency in light of lower than expected revenues.

The Company reported a cash balance of $1.07 million as at 30 September 2019 with forecast cash outflows of $980k for quarter 4. The Company will focus license sales to Google Marketplace and HPe, and decrease the current sales team with a goal to reach cashflow positive by May 2020.

In addition, the Company will focus the sales model toward direct solutions consulting, leveraging engagement with University of Amsterdam and direct deployment of founding partners Michael Reh and Reiner van der Drift. The Company will also optimize developer teams to support HPe and Google scale up, outsource some developers behind consulting revenues and explore off-shore development options.

The Board intends to explore capital raising initiatives in the near term to provide further working capital and fund raising for the Company as it progresses its commercial activities. The Company is currently in discussions with its advisors regarding an appropriate structure and pricing for such capital raising.

The Board is also exploring earnings accretive acquisitions in the technology space, complimentary to the TYMLEZ offering.

Investor Engagement

The Company advises that the Hawkesbury Partners contract has been terminated. The Board will reevaluate the appointment of a new Investor Engagement firm as such time in the future when funds permit.

<p align="center">– ENDS –</p>

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
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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Name of entity:

Tymlez Group Limited

ABN:	**Quarter ended ("current quarter")**
37 622 817 421	30 September 2019

Consolidated statement of cash flows		**Current quarter** **$A'000**	**Year to date** **(9 months)** **$A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	50	227
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	(126)	(310)
	(d) leased assets	(9)	(21)
	(e) staff costs	(742)	(2,390)
	(f) administration and corporate costs	(214)	(1,000)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	1
1.5	Interest and other costs of finance paid	(2)	(8)
1.6	Income taxes received/(paid)	(2)	98
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(1,045)**	**(3,403)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(1)	(23)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property – development costs	-	-
	(e) 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) 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**	**(1)**	**(23)**

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	2,116	4,482
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,045)	(3,403)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1)	(23)
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 (9 months) $A'000
4.5	Effect of movement in exchange rates on cash held	3	19
4.6	**Cash and cash equivalents at end of quarter**	**1,073**	**1,073**

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	1,073	2,116
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,073**	**2,116**

6.	Payments to directors of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	145
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	

Remuneration of directors

7.	Payments to related entities of the entity and their associates	Current quarter $A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	NIL
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	NIL
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

N/A

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**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	463
9.2	Product manufacturing and operating costs	-
9.3	Advertising and marketing	51
9.4	Leased assets (including rent)	14
9.5	Staff costs	194
9.6	Administration and corporate costs	218
9.7	Other (provide details if material)	40
9.8	**Total estimated cash outflows**	**980**

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: ....   Date: 29 October 2019
                    Company secretary

Print name: Justyn Stedwell