

31 January 2020

ASX Announcement

QUARTERLY ACTIVITIES & CASHFLOW REPORT

Quarter ended 31 December 2019

Melbourne, Australia and Amsterdam, Netherlands, 31 January 2020: 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 31 December 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

- TYMLEZ Blockchain Solution Platform live on Google Marketplace
- Skip Middleton (Pioneer Corporation, Inbox.com, True Grade) joins as an advisor to the Board
- TYMLEZ awarded \$177,379 government grant for swarm learning
- Restructuring program in effect to work towards intended target of reaching cashflow positivity during 2020
- Increased pipeline of consultancy projects & order book growing - Automotive Marketplace project win
- Cash receipts for the Quarter of \$186k including tax refunds
- Closing cash balance of \$714k

Operations Update

During the Quarter, TYMLEZ focused on pivoting the sales model toward direct solutions consulting. Furthermore, comprehensive restructuring is underway to rationalize the organization and align it with the newly defined goals.

New IT infrastructure has been implemented where Sales, Marketing & Services are integrated into one system by leveraging the partnership with Hubspot (www.hubspot.com). The website has been made integral part of Hubspot enabling TYMLEZ to monitor all customer engagements out of one central system.

An interim senior marketing employee has been hired on a part-time basis to implement Hubspot, to design and execute with Google a marketing campaign to drive sales on Google Cloud Marketplace.

The technical roadmap and the development team is being aligned with the new business goals.

TYMLEZ live on Google Marketplace

After five months of rigorous evaluation, the TYMLEZ Blockchain Solutions Platform (TBSP) went live on Google Marketplace for Kubernetes on December 10th, 2019, as a one-click and deploy environment.

TYMLEZ Blockchain Solutions Platform (TBSP) on 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. An extensive marketing campaign for the solution on GCP will start in February 2020.

TYMLEZ awarded \$177,379 government grant for swarm learning

In December, TYMLEZ was awarded a government grant to develop swarm learning together with Nico.lab. Swarm learning is a technology where blockchain in a box is used to run AI (artificial Intelligence) engines locally on-premise instead of centrally in the cloud. Especially where large datasets are involved, it is more efficient to process them on-premise than to send them to the cloud.

Nico-lab works with TYMLEZ to further develop and test this technology at their customer sites to determine if the projected goals in terms of scalability, security and privacy are met. The project will run until the end of 2020.

Energy Marketplace update

Over the last 2 years, TYMLEZ, DNVGL, the Focafet Foundation and the Universities of Amsterdam and Groningen have been working on developing a fully automated marketplace which enables consumers to trade energy amongst themselves. The project is currently wrapping up and preparing for the next phase in which the technology will be tested in a live setting. The near-term goal for an energy marketplace is a small & larger pilot on a regional basis to scale a secure global energy trading platform with universal commodities in the long term with subscription fees paid to TYMLEZ from energy trading platforms in Europe, which the option to scale globally at the consumer energy trading market matures.

In order to partially fund the next phase, TYMLEZ and DNVGL are applying for a government grant designed to support these activities. Furthermore, the consortium is in talks with various energy companies to join the pilot phase of the project.

Automotive Data - Consumer Telematics marketplace

In Q1 2020, TYMLEZ has been awarded a consultancy project in the automotive branch to investigate and demonstrate the feasibility of having a marketplace where drivers are able to store and/or trade their connected car data on a marketplace in real time. TYMLEZ will build out the infrastructure for a scalable global marketplace for global vehicular movement data sought after by insurance companies,

OEMs and global media companies in the data space (traditionally, Simmons, Nielsen, Experian and others that track consumer movement and shopping patterns).

The short-term goal will be establishing feasibility, universality of data by OEM or aftermarket, and establishing proof of concept for the Netherlands based client. The long term goals of the project is proprietary IP owned by TMLEZ, and monetized in part by TYMLEZ charging subscription and licensing fees storing and sharing such data to relevant and interested OEM's, EV ancillary firms and investors, autonomous driving tech firms, usage based insurance companies as well as data marketing firms.

In the next update, TYMLEZ will detail the project and be able to disclose the financial implications.

Financial and Corporate matters

During the Quarter, cash receipts of \$89k 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 \$909k, which is in line with the forecast made in the September 2019 Quarterly Report. Also, in 2020 management will focus on increasing efficiency and reducing costs.

The Company reported a cash balance of \$714k at 31 December 2019 with forecast cash outflows of \$963k during quarter 1, 2020. The projection for the first quarter of 2020 typically reflects the "start of the year" payments for auditors, insurances etc. The Company will focus license sales to Google Marketplace and HPe's Blockchain in a Box and decrease the current sales team with an intended goal of reaching cashflow positivity during 2020. The Company is currently in the process of raising further funds from its Rights Issue shortfall to provide additional working capital to support short term operations.

– ENDS –

Authorised by the Board of Directors

TYMLEZ

ACN 622 817 421

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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 credentialed 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.

For further information:

Justyn Stedwell
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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")

31 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	89	316
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(57)	(367)
(d) leased assets	(15)	(36)
(e) staff costs	(446)	(2,838)
(f) administration and corporate costs	(575)	(1,178)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	(2)	(10)
1.6 Income taxes received/(paid)	97	195
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(909)	(3,917)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(6)	(24)
(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 (12 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	(6)	(24)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	658	658
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	(74)	(403)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(15)	(90)
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	569	165

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	1,073	4,482
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(909)	(3,917)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(6)	(24)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	569	165

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(13)	8
4.6	Cash and cash equivalents at end of quarter	714	714

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
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

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
94
-

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	296
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	37
9.4 Leased assets (including rent)	37
9.5 Staff costs	377
9.6 Administration and corporate costs	187
9.7 Other (provide details if material)	29
9.8 Total estimated cash outflows	963

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: 31 January 2020

Company secretary

Print name: Justyn Stedwell