

30 April 2020

ASX Announcement

## **QUARTERLY ACTIVITIES & CASHFLOW REPORT**

Quarter ended 31 March 2020

Melbourne, Australia and Amsterdam, Netherlands, 30 April 2020: TYMLEZ Group Limited (ASX:TYM) (TYMLEZ or the Company), an innovation 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 31 March 2020 (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\$1.78 for illustrative purposes.

### **Highlights for the Quarter**

- First trial customers began testing TYMLEZ Blockchain Solution Platform on The Google Marketplace
- Daniel O’Halloran joins the Board as a non-executive Director
- OurEnergy project with DNVGL completed
- Revised Company strategy to pursue a position in the global energy market as well as the telematics market.
- TYMLEZ joined Dutch “Tech Against Corona” initiative and the TYMLEZ contribution was mentioned in the Harvard Business Review
- 10 trial deployments for Google Marketplace
- Cash receipts for the Quarter of \$118k including tax refunds
- Closing cash balance of \$463k
- Successful raise in March and April 2020

### **Operations Update**

As mentioned in the previous update, TYMLEZ focusses on pivoting the sales model towards direct Infrastructure-as-a-Solution development and sales. The Company focusses on the business development of the energy marketplace, which marketplace is a natural extension of the 2-year OurEnergy project with €2B Norway-based energy consultancy firm, DNVGL. The other market segment TYMLEZ addresses is the automotive sector with a global marketplace for telematics.

As such the development activities have been aligned with the new goals. The Company has engaged with potential customers in both sectors. Unfortunately, due to the lockdown in Europe as a result of COVID-19, the first order closings related to the marketplaces slipped into in QTR2.

The restructuring of the Company is in its final stages and on schedule to be completed in QTR2.

### **TYMLEZ live on Google Marketplace**

Since December 10th, 2019, the TMLEZ stack is available as a one-click and deploy environment on the Google Cloud Marketplace (GCP) and via HP's Enterprise Solutions.

As mentioned in the previous update, we started marketing efforts with a narrow focus on the Netherlands, Germany & Seattle, to attract customers to Tymlez's technology. Thus far we've had 10 trial deployments of our technology, a modest success, which will allow us to extrapolate metrics to begin a larger scale campaign in the near future.

The TYMLEZ stack has been updated recently to the latest version and in the next 2 weeks new functionalities will be added to make developers' lives easier.

### **Daniel O'Halloran Joins TYMLEZ Board**

Daniel O'Halloran is an experienced Board Member, Energy Industry Executive and Investor, with more than 13 years' experience consulting in the transmission power grid sector.

As founder and CEO of a number of successful energy transmission companies, he has worked closely with major utility asset owners in Australian, Canadian and American markets to maximize grid efficiencies through the introduction of smart grid and green energy integration along with better understand customer usage trends.

Daniel joining our board was announced to the market on the 2<sup>nd</sup> of April and he has been working closely with the executive team and the board to help us achieve our near and long term goals.

### **OurEnergy 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 was formally completed at the end of March.

TYMLEZ is now organizing the funding for the 2<sup>nd</sup> phase of the marketplace development. For this phase a new consortium is being formed which will consist of TYMLEZ & DNVGL, with the new addition of OrangeNXT, a subsidiary of €65M ICT (AMS:ICT) Group, a Dutch AEX listed technology and consultancy firm and various producers of solar and wind energy.

This new project will focus on bringing the marketplace live and test on a small and larger scale, utilizing TYMLEZ's Blockchain technology, and managed by the TYMLEZ energy team.

Like the previous project of the past 2 years, an application for co-funding is being requested at the Dutch government. Furthermore, the producers will need to pay the normal license fees which are mandatory to work with the marketplace.

## **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 telematics firms store their driver and vehicle movement and diagnostics data in a cloud based eco-system, securely, using the TYMLEZ Blockchain, and universally combine with multiple companies, this data for licensing non-personally identifiable diagnostics and driver data. Through this universalization, TYMLEZ will provide driver and vehicle 'automotive DNA' to assist the EEV, automotive insurance and automotive dealer industry. TYMLEZ is in the mid stages of this telematics marketplace development, and the eco-system will be licensed to the telematics data providers to assist in uniform delivery of such data. The Global Telematics Marketplace (GTM) will begin to monetize over the upcoming 2 quarters while the firms provide modification input to the platform.

Infrastructure as a Service via the development of these two progressive marketplaces represent the new focus established with the executive team in Q1. As we build out the platforms, and have them operating in a cash-flow positive environment, we will begin to look at other marketplaces and eco-systems where the combination of infrastructure and Blockchain technology provide much heralded solutions to quell the problems inherent in these early stage growth sectors.

### **TYMLEZ joined Dutch "Tech Against Corona" initiative**

The Dutch government launched an initiative to unleash the innovation power of tech start-ups and scale-ups to fight COVID-19.

TYMLEZ was one of the first companies to be selected for this initiative and offered its marketplace concept to bring transparency in the procurement process of medical supplies across the globe. TYMLEZ is very encouraged by the positive response in the various media.

The Harvard Business Review was also intrigued by the concept of blockchain and how it is being utilized to fight COVID-19. To that end, the revered media publication interviewed TYMLEZ staff and just published an article in their global magazine, which is now publicly accessible for a limited time. The article can be found here: <https://hbr.org/2020/04/how-the-pandemic-is-pushing-blockchain-forward>

More publications can be found here: <https://www.the-blockchain.com/2020/03/29/tech-against-corona-covid-19-dutch-enterprise-blockchain-company-tymlez-helps-dutch-government/>  
And here: <https://fintechnews.ch/fintech/free-blockchain-tech-initiative-against-corona-in-the-netherlands/34086/>

### **Financial and Corporate matters**

During the Quarter, cash receipts of \$43k were attributable to payments for consultancy and professional services delivered as well as Platform as a Service income and perpetual revenue. Total receipts were \$118k.

The Company achieved a net cash outflow for the Quarter of \$688k, which is in line with the forecast made in the December 2019 Quarterly Report. Also, in Q2 and Q3 2020 management will focus on increasing efficiency and reducing costs.

The Company reported a cash balance of \$463k at 31 March 2020. From the last raise an additional amount of \$411k is/ will be received in April and May 2020.

### Additional Information

The March 2020 quarter is a period which is covered by the Use of Funds Statement as outlined in the Company's Replacement Prospectus dated 6 November 2018. A summary of expenditure of the IPO funds raised since listing is set out below:

Use of Funds per November 2018 Prospectus	Funds Raised During IPO	Actual Expenditure	Variance	
		13 Dec 2018 - 31 Mar 2020		
	Amount (\$'000)	Amount (\$'000)	Amount (\$'000)	%
Marketing and Sales	1,064	981	83	8
Product Development	2,127	2,364	(237)	(11)
Expansion in Asia-Pacific and USA	1,596	1,064	532	33
Working Capital	532	910	(378)	(71)
<b>Total</b>	<b>5,319</b>	<b>5,319</b>	-	

*Explanation of material differences in the table above:*

Subsequent to the IPO, revenues earned have not met expectations. Therefore it was decided to slow down the expansion in Asia-Pacific and USA to a considerable degree. Also because TYMLEZ was able to do less work for paying customers, an additional investment was done in Product Development. The lack of revenues has had its effect on the burn-rate of TYMLEZ. Hence a higher investment in working capital than foreseen.

Payments to related parties and their associates during the quarter was \$141K which consists of salaries for two executive directors and fees for non-executive directors.

– ENDS –

Authorised by the Board of Directors

### 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.

For further information:

Justyn Stedwell  
Company Secretary  
(03) 9191 0135

## Appendix 4C

### Quarterly cash flow 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 March 2020

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	43	43
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(59)	(59)
(d) leased assets	(26)	(26)
(e) staff costs	(648)	(648)
(f) administration and corporate costs	24	24
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(5)	(5)
1.6 Income taxes paid	(17)	(17)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(688)</b>	<b>(688)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(7)	(7)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(7)</b>	<b>(7)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	109	109
3.2	Proceeds from issue of convertible debt securities	408	408
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(10)	(10)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(64)	(64)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>443</b>	<b>443</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	714	714
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(688)	(688)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(7)	(7)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	443	443
4.5	Effect of movement in exchange rates on cash held	1	1
4.6	<b>Cash and cash equivalents at end of period</b>	<b>463</b>	<b>463</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	463	463
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>463</b>	<b>463</b>

**6. Payments to related parties of the entity and their associates**

6.1 Aggregate amount of payments to related parties and their associates included in item 1 \*

6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter  
\$A'000**

141

NIL

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

\* Amount included in 6.1 above relates to remuneration paid to directors

**7. Financing facilities**

*Note: the term "facility" includes all forms of financing arrangements available to the entity.*

*Add notes as necessary for an understanding of the sources of finance available to the entity.*

	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	NIL	NIL
7.2 Credit standby arrangements	NIL	NIL
7.3 Other (please specify)	NIL	NIL
7.4 <b>Total financing facilities</b>	<b>NIL</b>	<b>NIL</b>

7.5 **Unused financing facilities available at quarter end** NIL

7.6 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.

Not applicable

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(688)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	463
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	463
8.5 <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	(0.67)

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

- 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:

The Group has decreased costs since Q3 2019. Costs are still decreasing and also expected to do so in Q2 2020. Also the Group is focussing on obtaining government grants and/or loans and bringing in prospects in Europe. Therefore the Group expects that the Q2 level of net operating cash out flows will be substantially lower.

- 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 has concluded a capital raising at the end of March 2020. An amount of AUD 411k has come in / is expected to come in April and May 2020.

- 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. Based on the current capital raising and on expected receipts mentioned above in 8.6.1.



## 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.

Authorised by the Board of Directors on 30 April 2020

On behalf of the Board,



**Justyn Stedwell**

Company Secretary

## 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.