

COMPANY ANNOUNCEMENT SECOND QUARTER ACTIVITIES & CASHFLOW REPORT

29 July 2022

FOR PERIOD ENDED 30 JUNE 2022

ASX: TYM

HIGHLIGHTS

- New Board Director Appointment
- Mavericks Microgrids MoU
- HBAR Foundation Partnership Update
- Entry into the United States
- TROEF Update
- Closing cash balance of A\$2.969M

TYMLEZ Group Limited ("TYMLEZ"), a software company focused on commercialising its sustainability blockchain solutions, is pleased to release an operational update and the Appendix 4C for the quarter ended 30 June 2022.

NEW BOARD DIRECTOR APPOINTMENT

This quarter, TYMLEZ announced the appointment of Eglantine Etienne as the newest member of the Company's Board of Directors.

Eglantine is currently the CTO of PEXA, the operator of the world's first digital property exchange platform, where she oversees Technology and International expansion. Prior to this, she spent four years leading the digital transformation of another iconic Australian brand, DuluxGroup, as the Executive General Manager of IT and Digital.

With a wealth of experience leading large technology projects and teams across the world, Eglantine will help to shape the future of TYMLEZ by working closely with the CEO and operational team to deliver strategic advice and support technical development and delivery.

Eglantine has a solid track record in delivering projects as diverse as new operating model design and implementation, transformation through technology, mergers and acquisitions, introduction of new ways of working and in-house innovation incubators. In parallel to her corporate career, Eglantine has launched a start-up project aiming at accelerating the adoption of new skills and network in the Australian market.

MAVERICKS MICROGRIDS MOU

In May 2022, TYMLEZ signed a non-binding Memorandum of Understanding (MoU) with Mavericks Microgrids, a US based renewable energy infrastructure company, to identify partnership opportunities on its upcoming projects.

Mavericks Micro Grids, a subsidiary of Net Zero Beyond, was formed by a team of energy industry experts with a combined US\$10B in developed, managed, and/or deployed energy infrastructure, looking to harness the power of modern technology to deliver innovative energy solutions to the market.

Specialising in microgrids, virtual power plants (VPPs), and green gas generation, Mavericks is developing leading-edge energy projects in sites across the US. Blue-chip companies and major government entities are already working with Mavericks to implement smart energy solutions.

HBAR FOUNDATION PARTNERSHIP UPDATE

Earlier this year, TYMLEZ announced a strategic partnership with the HBAR Foundation Sustainable Impact Fund, which was accompanied by a US\$1 million value (approx. A\$1.4 million) grant.

This partnership enables a close working relationship with the Hedera development community and regular business development discussions with potential customers, many of whom are in the US.

Since the announcement of the grant, TYMLEZ has received the initial grant instalment of US\$100,000 in value (approx. A\$140,000) paid in HBAR, the native cryptocurrency of the public Hedera network. Because this receipt is non-cash based, this transaction is not reflected in the current Appendix 4C quarterly cash flow report. Should TYMLEZ decide to convert this instalment, or any part of the grant, to cash it will appear in the applicable quarterly cash flow report as a cash receipt at that point in time.

Building on Hedera allows TYMLEZ to offer all the benefits of blockchain to its customers without the complexities often associated with other platforms. TYMLEZ provides customers with “invisible” wallets where TYMLEZ manages carbon token wallets on the blockchain for customers, simplify emissions reporting while still maintaining the verifiability of data provided by the blockchain.

TYMLEZ manages the crypto-currencies required to operate solutions, meaning clients only need to pay a dollar-denominated invoice without needing to manage crypto accounts. TYMLEZ also utilises nodes run by some of the world’s biggest companies including Google and IBM.

ENTRY INTO THE UNITED STATES

Earlier this year, the United States' Security and Exchange Commission (SEC) introduced a landmark proposal which would require publicly listed entities to disclose all climate related risks and greenhouse gas emissions. This presents an opportunity for TYMLEZ to seek and attract new US-based partnerships, accelerate company growth, and maximise returns for shareholders.

TYMLEZ's MoU with Mavericks Microgrids, and the HBAR Foundation partnership, where their major clients are based in the United States, demonstrates the clear opportunities in the region.

This quarter, TYMLEZ incorporated an entity in the United States with an office and team to be established in the State of Texas in coming months. This entry into the United States aims to deliver tangible benefits to the Company in the form of increased market presence and commercial agreements with major entities based there.

TROEF UPDATE

Since early 2021, TYMLEZ has been playing an important role in the Transparent Reduction of CO2 and Optimisation of Energy in an Ecosystem of Flexibility (TROEF) consortium that is supported and funded by the Dutch Government.

Partnered with major Dutch entities such as Royal BAM, KPN and Stedin, this four year project is looking to build a CO2 free Netherlands via cooperation from the public and private sectors. TYMLEZ is focused on delivering the underlying blockchain platform and the facilitation of the verification of energy and carbon data for use in smart energy solutions. The TYMLEZ Platform is responsible for capturing energy consumption and generation data from a range of meters and internet of things (IoT) devices, with all data being verified by our underlying blockchain technology.

Powered by the TYMLEZ Platform, the consortium can track energy movement data from a BAM owned wind turbine to multiple residential and C+I premise through a well-designed energy track and trace solution.

The TROEF project continues making progress in achieving the goal of decarbonising the Netherlands and to date, TYMLEZ has received over EUR€ 334,189 (approx. A\$487,047) in grant funds from the Dutch Government.

SUMMARY OF EXPENDITURE INCURRED ON BUSINESS ACTIVITIES

The expenditures of TYMLEZ for the June 2021 quarter can be summarised as follows (A\$1,000)

Advertising and marketing costs	6
Leased assets	33
Staff costs	855
Administration and corporate costs	24
Other Costs (interest, leases etc.)	1

Total cash outflow	919

ADDITIONAL INFORMATION

Payments to related parties and their associates included in operating activities during the quarter was A\$138,000, which relates to the remuneration of executive and non-executive directors.

Authorised by the TYMLEZ Board of Directors.

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For any queries relating to this announcement, please contact:

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ABOUT TYMLEZ

TYMLEZ (ASX: TYM) is a pioneer in the development and delivery of carbon reporting and guarantee of origin solutions built using blockchain technology. TYMLEZ provides companies across the globe with world-class solutions designed to empower them in their decarbonisation journeys.

Visit tymlez.com for more information

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")

30 June 2022

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	-	-
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(6)	(14)
(d) leased assets	(33)	(65)
(e) staff costs	(855)	(1,518)
(f) administration and corporate costs	(24)	(327)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(1)	(2)
1.6 Income taxes/GST received/(paid)	13	13
1.7 Government grants and tax incentives	77	166
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(829)	(1,747)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter	Year to date (6 months)
		\$A'000	\$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)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	1	1
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(140)	(245)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	-	-
3.10	Net cash from / (used in) financing activities	(139)	(244)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,941	4,960
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(829)	(1,747)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(139)	(244)
4.5	Effect of movement in exchange rates on cash held	4	-
4.6	Cash and cash equivalents at end of period	2,969	2,969

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	2,969	3,941
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)	2,969	3,941

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 *	138
6.2	Aggregate amount of payments to related parties and their associates included in item 2	NIL
<i>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.</i>		

*Amount included in 6.1 above relates to remuneration (inclusive of share-based payments) paid to directors

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	45	45
7.2	Credit standby arrangements	NIL	NIL
7.3	Other (please specify)	369	369
7.4	Total financing facilities	414	414
7.5	Unused financing facilities available at quarter end	NIL	
7.6	<p>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.</p> <p>In December 2021, the Group entered into an insurance premium funding arrangement of A\$20k for its IT Liability Insurance with Elantis Premium Funding Limited. The funding arrangement is unsecured, repayable in monthly instalments until 10 September 2022 and has an interest rate of 7.33% per annum.</p> <p>In July 2020, the Group was granted a €375K COVID-19 loan from the Dutch government which is unsecured and interest payable at 3% per annum.</p> <p>In January 2022, the Group entered into an insurance premium funding arrangement of A\$187k for its Directors & Officers Insurance with Elantis Premium Funding Limited. The funding arrangement is unsecured, repayable in monthly instalments until 22 August 2022 and has an interest rate of 5.29% per annum.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(829)
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,969
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	2,969
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	3.58
<p><i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i></p>		
8.6	<p>If item 8.5 is less than 2 quarters, please provide answers to the following questions:</p> <p>8.6.1 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?</p> <div style="border: 1px solid black; padding: 5px; min-height: 30px;"> <p>Answer: N/A</p> </div> <p>8.6.2 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?</p> <div style="border: 1px solid black; padding: 5px; min-height: 30px;"> <p>Answer: N/A</p> </div>	

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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 29 July 2022

On behalf of the Board,

Belinda Cleminson

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.