

## COMPANY ANNOUNCEMENT THIRD QUARTER ACTIVITIES & CASHFLOW REPORT

28 October 2022

### FOR PERIOD ENDED 30 SEPTEMBER 2022

ASX: TYM

### HIGHLIGHTS

- New Partnership – Lloyd’s Register & Safetytech Accelerator
- New Partnership – Magnum Mining & Exploration
- Extraordinary Meeting
- First HBAR Foundation Sustainable Impact Fund Grantee to Go-Live on the Hedera Mainnet
- New Leadership Appointments
- Closing cash balance of A\$1.8M

TYMLEZ Group Limited (“TYMLEZ”), a software company focused on commercialising its technology solutions for green fuels and resources and for the tokenisation and management of carbon emissions and offsets, is pleased to release an operational update and the Appendix 4C for the quarter ended 30 September 2022.

## NEW PARTNERSHIP – LLOYD’S REGISTER & SAFETYTECH ACCELERATOR

This quarter, after a competitive selection process involving some 30 other parties, TYMLEZ was selected to collaborate with Lloyd’s Register Maritime Decarbonisation Hub and Safetytech Accelerator to conduct a commercial feasibility study to determine the best process for assuring the greenhouse gas footprint of low-carbon fuels such as green hydrogen and green ammonia for maritime use.

On completion of the study, Safetytech Accelerator will publish a whitepaper and TYMLEZ will feature in a webinar from Safetytech. The Company is hopeful that this may potentially lead to an opportunity to pilot the outcome with select Lloyd’s Register clients, with a view to creating an industry standard in the certification of green hydrogen and green ammonia for the maritime industry.

The agreement is for a six month set term, with TYMLEZ being paid a fee by Safetytech Accelerator to cover costs associated with the project including resources and materials, with any potential future projects to be covered under a separate agreement.

TYMLEZ is excited about the potential of this project, to help shape the future of a decarbonised maritime industry and looks forward to a long and fruitful relationship with both Lloyd’s Register Maritime Decarbonisation Hub and Safetytech Accelerator.

The ASX announcement can be viewed [here](#).

## NEW PARTNERSHIP – MAGNUM MINING & EXPLORATION

In late July 2022, TYMLEZ announced its new partnership with Magnum Mining and Exploration Limited (Magnum), to provide guarantee of origin for green pig iron. This is the Company’s first commercial agreement since its relaunch in late 2021.

Green steel is becoming increasingly important as end-users throughout the globe seek to decarbonise their operations across their supply chains. Green pig iron is a core component to the production of green steel and the TYMLEZ Platform will transparently and verifiably generate investment grade guarantee of origin certificates for each tonne of green pig iron produced by Magnum.

This agreement signals the commencement of a multi-year journey between TYMLEZ and Magnum and is set to run for six months from the delivery of the TYMLEZ Platform solution to Magnum. The project focuses on the delivery of a digital twin of Magnum’s green pig iron facility in Nevada, USA, which will allow Magnum to provide verification to its customers for each tonne of green pig iron, as well as provide real-time carbon reporting for operational decision making and reporting. Payment to TYMLEZ will be through a cost-recovery fee for service, including costs for development and hosting of the solution.

TYMLEZ looks forward to a prosperous relationship with Magnum as the two companies work

together to bring verified, green pig iron production to the United States.

The ASX announcement can be viewed [here](#).

## EXTRAORDINARY MEETING

On the 23rd of August 2022, TYMLEZ held an extraordinary general meeting of shareholders. The following four resolutions were successfully passed by way of a poll, called by the acting Chairman pursuant to the previously issued Notice of Meeting:

- Election of Ms Eglantine Etienne as Director;
- Approval of Issue of 7,500,000 Options to Mr Jason Conroy, Director of the Company;
- Approval of Issue of 7,500,000 Options to Mr Rhys Evans, Director of the Company; and
- Approval of Issue of 7,500,000 Options to Ms Eglantine Etienne, Director of the Company. The ASX announcement, including proxy vote numbers and poll results, can be viewed [here](#).

## FIRST HBAR FOUNDATION SUSTAINABLE IMPACT FUND GRANTEE TO GO-LIVE ON THE HEDERA MAINNET

Earlier this quarter, TYMLEZ launched its first carbon emissions tracking project utilising the Guardian on the Hedera Mainnet.

The solution for calculating and reporting on carbon emissions for the Queensland Government is an Australian first and paves the way for state-wide verified emissions reporting using the TYMLEZ Platform.

Key to the ongoing success of TYMLEZ is the ability to provide clients with accurate carbon and Environmental, Social and Governance (ESG) data verified by one of the world's greenest, scalable, and business-focused distributed ledger technology solutions. The Company has seen strong demand for its solutions from customers in industries such as raw minerals and oil and gas who are looking for solutions to provide verified carbon emissions and offset reporting along with real-time carbon metrics for operational decision making.

Earlier this year, TYMLEZ announced that it had finalised its search for a new distributed ledger technology upon which to build its solutions, and that the Hedera Network was selected for its commerciality, security, scalability and sustainability. It was also then announced that the HBAR Foundation, an organisation whose mission is to accelerate the adoption of the Hedera network and onboard new ecosystem participants, had chosen TYMLEZ, as the first Australian headquartered company, to receive a US\$1 million (approx. A\$1.4 million) value grant from its Sustainability Impact Fund.

Since the awarding of the grant, TYMLEZ has been actively working with the Hedera ESG ecosystem through the contribution of open-source software. Its contributions allow new

ecosystem members such as carbon credit marketplaces to more easily join the platform, allowing TYMLEZ to offer seamless integration with carbon markets and exchanges. The culmination of these contributions has allowed TYMLEZ to launch its first customer project on Hedera's Mainnet, where all carbon emissions reporting is validated by nodes operated by Hedera's Governing Council members.

TYMLEZ is the first project on the Hedera network utilising the Guardian for the creation of carbon emission tokens in production.

TYMLEZ is proud of its achievement and is excited for what the future holds for our continued relationship with the HBAR Foundation, Hedera, and all ESG ecosystem participants.

## NEW LEADERSHIP APPOINTMENTS

On 1 September 2022, the Company announced key changes to its leadership team. Daniel O'Halloran was appointed the Company's Executive Chairman and Maciek Kiernikowski was announced as the new CEO to lead TYMLEZ to its next stages of growth and expansion.

During his two years at the helm, Daniel was instrumental in helping the Company achieve several key milestones and developments, including:

- Strategically shifting the Company's direction to focus on the provision of blockchain enabled solutions to capitalise on the global transition to a zero-carbon future;
- Re-aligning the Company's focus from developer solutions to modular SaaS products;
- Recapitalising the business by attracting new investors and strengthening shareholder confidence (namely Queensland Government, UON, Magnum Mining & Exploration, and Lloyd's Register);
- Relocating the Company's headquarters from Europe to the Gold Coast, Australia, with the assistance of a government relocation grant;
- Refreshing the Company's Board of Directors and leadership team;
- Exercising strict capital discipline;
- Creating a strategic technology partnership with Hedera, which included a A\$1.4m grant; and
- Establishing an office in the USA.

Maciek's appointment is a welcome addition to the TYMLEZ leadership team. It follows a rigorous, global recruitment process over several months and has the full support of Daniel and the TYMLEZ Board. With a solid technology background, Maciek has successfully managed and grown businesses within both corporate and start-up environments. Maciek's appointment is a further strengthening of the Company's technology leadership, following the recent arrival of Eglantine to the board. With his extensive technology background and experience scaling tech businesses, Maciek was brought in to execute TYMLEZ's growth strategy.

The ASX announcement can be viewed [here](#).

## SUMMARY OF EXPENDITURE INCURRED ON BUSINESS ACTIVITIES

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

Advertising and marketing costs	21
Leased assets	25
Staff costs	924
Administration and corporate costs	252
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Total cash outflow	1,222

## ADDITIONAL INFORMATION

Payments to related parties and their associates included in operating activities during the quarter was A\$200,000, 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 report, 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](https://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 September 2022

<b>Consolidated statement of cash flows</b>	<b>Current quarter</b>	<b>Year to date (9 months)</b>
	<b>\$A'000</b>	<b>\$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	31	31
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(21)	(35)
(d) leased assets	(25)	(90)
(e) staff costs	(924)	(2,443)
(f) administration and corporate costs	(252)	(578)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	3
1.5 Interest and other costs of finance paid		-
1.6 Income taxes/GST received/(paid)	12	24
1.7 Government grants and tax incentives	206	377
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(971)</b>	<b>(2,711)</b>
<b>2. Cash flows from investing activities</b>		
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 \$A'000	Year to date (9 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>-</b>	<b>-</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(196)	(440)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(196)</b>	<b>(439)</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	2,969	4,960
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(971)	(2,711)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(196)	(439)
4.5	Effect of movement in exchange rates on cash held	-	(8)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,802</b>	<b>1,802</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>	
5.1	Bank balances	1,802	2,969
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,802</b>	<b>2,969</b>

<b>6. Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>	
6.1	Aggregate amount of payments to related parties and their associates included in item 1 *	200
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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>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.</i>		
7.1 Loan facilities	NIL	NIL
7.2 Credit standby arrangements	NIL	NIL
7.3 Other (please specify)	219	219
<b>7.4 Total financing facilities</b>	<b>219</b>	<b>219</b>
<b>7.5 Unused financing facilities available at quarter end</b>		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.		
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.		

<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)	(971)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,802
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	1,802
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	1.86
<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>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
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?	
Answer: Yes	
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?	
Answer: The company will aim to raise equity in the coming months to continue its growth initiatives. The Company believes it would be successful in raising sufficient funds to continue with the planned level of operations.	
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: Yes, for the reason noted in 8.6.2 above.	
<i>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.</i>	

## 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 28 October 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.