

COMPANY ANNOUNCEMENT FIRST QUARTER ACTIVITIES & CASHFLOW REPORT

27 April 2023

FOR THE PERIOD ENDED 31ST MARCH 2023

ASX: TYM

HIGHLIGHTS

- Independent Consultant Review
- Global Capital Markets Feedback
- Dovu Integration
- Safetytech Accelerator and Lloyd's Register Webinar
- Participation at World Economic Forum at Davos
- Connecting Green Hydrogen MENA
- Continued Customer Development
- Cost Reductions
- Closing cash balance of A\$1.47 million

TYMLEZ Group Limited ("TYMLEZ") announces its operational update and Appendix 4C for the quarter ended 31 March 2023.

INDEPENDENT CONSULTANT REVIEW

During the quarter, the Board engaged Mr Andrew Macadam as an independent consultant to review the operational readiness and strategic positioning of TYMLEZ.

As part of this engagement, Andrew also attended potential customer and strategic investor meetings alongside TYMLEZ's Acting CEO Mr Daniel O'Halloran most recently in the United Arab Emirates ("UAE"). Andrew also spent time reviewing TYMLEZ's operating structure and product development processes, including interviewing key staff members and assessing workflow management.

Andrew is a senior commercial executive, strategic advisor and consultant with global experience in sales, marketing, strategic growth opportunities, start-ups and cloud computing.

Notably, Andrew is a former Global Managing Director of Microsoft for Startups, Microsoft's digital ecosystem removing barriers to building a company with free access to technology, coaching and support for founders in any stage of development. Andrew consults to clients in startup or scaleup phase to provide strategic guidance on areas of business to generate growth and revenue. Andrew's detailed profile can be viewed at: <https://www.linkedin.com/in/andrewmacadam>

A summary of Andrew's key findings in respect of TYMLEZ's strategic positioning is as follows:

- TYMLEZ has developed a differentiated technology solution in the global market which gives it significant competitive advantages. A clear direction and validation for the business has been built from the learnings from the numerous pilot projects and digital twins completed and built by TYMLEZ and the strategic partner alliances TYMLEZ has been building since its re-launch in 2021;
- The digital twins TYMLEZ has developed enable real-time visualisation by customers who operate complex industrial processes and provides them with the opportunity to invest in reusable and reliable technology that produces immutable results that can be easily audited;
- Whilst the guarantee of origin for green resources (e.g. green hydrogen and sustainable aviation fuel) and carbon credit tokenisation target markets are still in their infancy, market feedback is that the 'use case' for TYMLEZ's technology in each of these markets is expected to grow significantly, particularly as large global companies and sovereigns have committed to ambitious 2030 net zero targets;
- It was clear that many green hydrogen facilities are still yet to progress, this was a market that was going to grow dramatically in the coming years and there was a real need for traceability of what is being (and will be) produced to ensure that net zero targets are met and proven;

- TYMLEZ has a number of potential customers, particularly in the United States of America ("US") and UAE, that are starting to ramp up their investment in green hydrogen where the next 12-18 months will be critical for those customers to firstly use digital twins to develop proofs of concept and then use TYMLEZ to allow results to be accurately audited and tokens to be issued and then traded; and
- Feedback from independent global institutional investors and potential global customers (in the US, UAE and other investment grade regions) is that it would be very difficult to invest in or sign up with TYMLEZ given that the Company is listed on the ASX with the requisite disclosure and reporting requirements which are perceived by those investors and customers to make confidentiality of their agreements and commercial terms difficult to maintain and protect. See further below at "Global Capital Markets Feedback".

Recommendations were made by Andrew across a number of key areas for TYMLEZ including operational performance and readiness, competitive landscape analysis, risk management assessment and customer and partnership engagement and a number of these have been, and are being, implemented by TYMLEZ's Board and management team.

GLOBAL CAPITAL MARKETS FEEDBACK

Commentary from global institutional equity investors and potential global customers identified by Andrew Macadam is consistent with the feedback that TYMLEZ has received over the past 10 months of engaging on the subject of capital raising with various potential global equity investors.

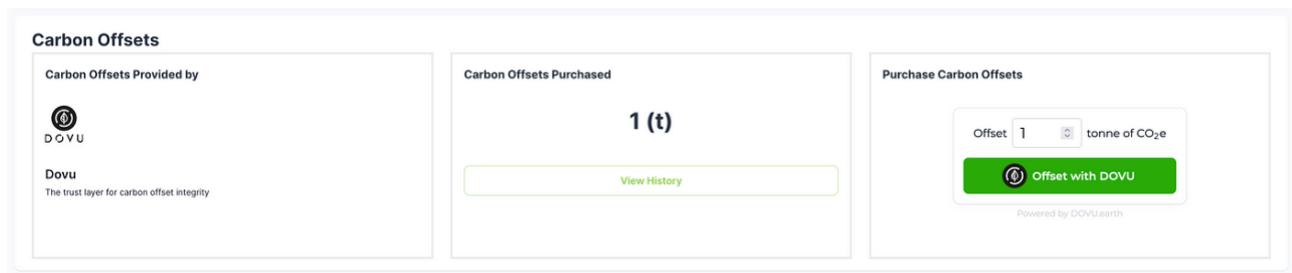
TYMLEZ has been attempting to raise capital globally, firstly from within the local market, then the US, and more recently from the UAE and other markets. TYMLEZ has sought interest for investment from strategic investors who are either potential customers or have strategic interests in professional services, aviation, maritime, mining and energy industries nationally and globally.

TYMLEZ also engaged a capital raising firm with clients in the UAE market and the consistent feedback from potential strategic investors is that TYMLEZ's current capital structure is not an attractive offering for investors, with over 1 billion shares on issue, and the TYMLEZ share price is well outside the mandate requirements of most investors. The fact that TYMLEZ is listed on the ASX is also a significant deterrent to investment by those investors.

DOVU INTEGRATION

In February, TYMLEZ successfully completed its integration with the Dovu carbon credit marketplace which allows customers to natively offset their carbon emissions directly through the TYMLEZ Platform.

Numerous Australian and international companies are increasingly acquiring carbon credits to counterbalance their greenhouse gas emissions and diminish their ecological impact. By investing in projects that decrease or eradicate carbon dioxide from the atmosphere, companies can effectively cancel out the emissions generated by their operations. Carbon offsetting can aid businesses in achieving their sustainability targets, adhering to diverse regulations and laws, and enhancing their image among consumers, investors, and other stakeholders. Furthermore, implementing carbon offsetting can also prove to be an economical approach for businesses to accomplish emissions reductions without making significant changes to their operations or procedures.



DOVU integration on the TYMLEZ Platform

Speaking on the completion of the integration, TYMLEZ Acting CEO, Daniel O'Halloran, said, "Our partnership with DOVU further strengthens our offering to the market by allowing our customers to offset their carbon emissions more efficiently. With DOVU also building upon the Hedera network, we can easily integrate the carbon credits our customers purchase directly into their net carbon balance on the TYMLEZ Platform and also provide end-to-end visibility of the carbon credit value chain, allowing for trusted and transparent decarbonisation."

Irfon Watkins, CEO and Founder of DOVU, said, "Our partnership with TYMLEZ is an exciting step forward in the tokenisation of carbon assets. TYMLEZ customers can now seamlessly offset their emissions with complete confidence in their purchase's provenance."

TYMLEZ and DOVU are excited to be offering customers the ability to purchase fully verified carbon credits directly through the TYMLEZ Platform.

SAFTETYTECH ACCELERATOR AND LLOYD'S REGISTER WEBINAR

After the completion of an industry leading whitepaper into the feasibility of assuring the green credentials of future maritime fuels, TYMLEZ successfully participated in a webinar with Lloyd's Register where maritime executives from across the globe were presented to on the capabilities of the TYMLEZ Platform.

Shipowners and operators are increasingly focused on shifting towards zero-carbon fuels, such as hydrogen and green ammonia, to reduce their environmental impact. However, they face a major challenge in the adoption of these fuels - green fuel assurance. One of the largest barriers to the widespread adoption of these sustainable fuels is ensuring that the

fuel is truly sustainable from production to transportation and handling.

To assure buyers that they are receiving genuinely sustainable fuel, it is crucial to verify that the fuel has been produced from renewable sources and has not been blended or mis-sold. Given that green fuels are likely to be more expensive than their grey or blue equivalents, it is essential that buyers can trust that they are receiving a product that is genuinely sustainable. This verification process ensures that the fuel has been sourced sustainably, transported in an environmentally-friendly manner, and adheres to rigorous sustainability standards from the well-to-tank.

The Lloyd's Register Maritime Decarbonisation Hub and Safetytech Accelerator collaborated to assess fuel carbon intensity tracing and verification and technologies by two companies, TYMLEZ and Authentix, who can play a role in capturing the greenhouse gas footprint of the new low carbon fuels. The outcome of this collaboration is a report, "Tracing the true carbon intensity of sustainable marine fuels".

A copy of the report can be found at:

<https://www.lr.org/en/marine-shipping/webinars-virtual-events/report-tracing-the-true-carbon-intensity-of-sustainable-marine-fuels/>

A recording of the webinar can be found at:

<https://www.lr.org/en/marine-shipping/webinars-virtual-events/how-green-is-the-well-to-tank-supply-chain-for-zero-carbon-fuels/>

PARTICIPATION AT WORLD ECONOMIC FORUM AT DAVOS

In January 2023, TYMLEZ Acting CEO, Daniel O'Halloran, attended the World Economic Forum's annual conference in Davos to present on the work that TYMLEZ has been doing with its customers in the global race to net zero.

TYMLEZ spoke on two panels at the event to dignitaries and business leaders from around the globe on the importance of trust and transparency in their carbon reporting – both for carbon tokenisation and the guarantee of origin of green fuels and resources.



TYMLEZ Acting CEO, Daniel O'Halloran, presenting at Davos

The World Economic Forum's annual meeting in Davos has long been a platform for world leaders and business executives to discuss and advance key global issues. In recent years, the conference has taken on the challenge of tackling climate change as a top priority. The WEF's climate change ambitions are centered around driving collective action and accelerating the transition to a low-carbon economy. The conference aims to bring together stakeholders from across the public and private sectors to explore innovative solutions and partnerships that can help achieve the Paris Agreement's goals of limiting global warming to well below 2 degrees Celsius above pre-industrial levels. The Davos conference plays a crucial role in catalyzing global cooperation and raising awareness of the urgent need to combat climate change.

CONNECTING GREEN HYDROGEN MENA

With COP28 rapidly approaching, the host city of Dubai, and wider MENA region, are focusing heavily on innovative technologies which can be used to empower their journeys to net zero futures.

In March, representatives from TYMLEZ attended the Connecting Green Hydrogen MENA 2023 event in Dubai to hear from industry leaders on the future of hydrogen production in the region and to network with green hydrogen facility operators.

The message from the event was clear, hydrogen has a major role to play in decarbonising the region and technologies such as the TYMLEZ Platform will have a pivotal role to play. Representatives from producers across the region attended the event seeking technologies that will enable them to transparently prove the green credentials of their end products.

TYMLEZ sees great opportunities in the MENA region.

CONTINUED CUSTOMER DEVELOPMENT

Proving the efficiency and viability of a new technology such as the TYMLEZ Platform is a critical step towards successful commercialisation. The process involves rigorous testing and evaluation of the technology's performance, reliability, and scalability, among other factors. Commercialisation is a vital process, and without proof of concept, it can be challenging to secure investment and support from stakeholders and decision makers within organisations. By demonstrating the capabilities and real-world potential of the TYMLEZ Platform, TYMLEZ is becoming more attractive to potential customers, partners, and investors.

TYMLEZ's outlook for 2023 is to continue the development of key relationships built in 2022 in global markets where there is an increasing interest for our products to enable a wide variety of infrastructure and green energy projects to verify carbon offsets and provide guarantee of origin. With this, we are seeing a significant emerging interest in TYMLEZ's technology offering in the aviation, maritime, and mining industries.

COST REDUCTIONS

The Company has implemented the following cost reduction measures:

- Reduction of its global staff headcount (including contractors) from 19 as at 31 December 2022 to 12 now;
- Closure of the Melbourne office space with staff to work from home; and
- Cessation of all non-essential expenditure, including domestic and overseas travel.

TYMLEZ is further conducting a review of its remaining European operations which consist of an office in the Netherlands, two staff and participation in the TROEF project. This review may result in further savings in recurring annual operating costs.

SUMMARY OF EXPENDITURE INCURRED ON BUSINESS ACTIVITIES

The operating expenditures of TYMLEZ for the March 2023 quarter can be summarised as follows (A\$'000):

Advertising and marketing costs	11
Leased assets	24
Staff costs	777
Administration and corporate costs	309

Total cash outflow	1,121

ADDITIONAL INFORMATION

Payments to related parties and their associates included in operating activities during the quarter was A\$170,000, which relates to the remuneration of executive and non-executive directors.

Authorised by the TYMLEZ Board of Directors.

//End

For any queries relating to this announcement, please contact:

investors@tymlez.com

ABOUT TYMLEZ

TYMLEZ develops technology products for carbon offset tokenisation and guarantee of origin of green resources (e.g. green hydrogen and sustainable aviation fuel).

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")

31 March 2023

Consolidated statement of cash flows	Current quarter	Year to date (3 months)
	\$A'000	\$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	13	13
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(11)	(11)
(d) leased assets	(24)	(24)
(e) staff costs	(777)	(777)
(f) administration and corporate costs	(309)	(309)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	6
1.5 Interest and other costs of finance paid		-
1.6 Income taxes/GST received/(paid)	3	3
1.7 Government grants and tax incentives	87	87
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,012)	(1,012)
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 (3 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	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(1)	(1)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(209)	(209)
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	(210)	(210)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,703	2,703
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,012)	(1,012)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

Consolidated statement of cash flows		Current quarter	Year to date (3 months)
		\$A'000	\$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(210)	(210)
4.5	Effect of movement in exchange rates on cash held	(7)	(7)
4.6	Cash and cash equivalents at end of period	1,474	1,474

5.	Reconciliation of cash and cash equivalents	Current quarter	Previous quarter
		\$A'000	\$A'000
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts			
5.1	Bank balances	1,474	2,703
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)	1,474	2,703

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 *	170
6.2	Aggregate amount of payments to related parties and their associates included in item 2	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 (inclusive of share-based payments) paid to directors

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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)	78	78
7.4 Total financing facilities	78	78
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.		
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.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,012)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,474
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	1,474
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.46
<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: Yes, we have initiated capital raising discussions with key participants within the decarbonisation space and are confident that funding will be secured.	
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, we do. Based on solid interest in our venture and strategic direction we believe we will be successful in securing funding.	
<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 27 April 2023

On behalf of the Board,

Jonathan Hart

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.