



**TZ Limited**

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**www.tz.net**

13 November 2019

Ms Maria Clemente  
ASX Limited  
20 Bridge Street  
SYDNEY NSW 2000

Dear Maria

**TZ LIMITED (THE "COMPANY" OR "TZL")**

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We refer to your letter of 7 November 2019 and subsequent correspondence and reply as follows (using the same numbering):

1. Due to the project-based nature of the business, the Company expects to report an improved but negative net operating cash flow result in Q2, followed by improved results in the third and fourth quarters. The Company is on a path of improved business performance and is targeting to be EBITDA break-even in the near future.

As noted in the Appendix 4C, the Q1 result was significantly affected by a large once-off payment for rectification works that had been accrued since last financial year and the creditor balances at 30 September 2019 are now at normal operating levels.

2. The Company has today announced a Share Purchase Plan which will see the raising of additional funds within the next five weeks, up to a maximum of \$2.2M before costs. The Company has engaged Delcor Advisory Group Pty Ltd to manage the capital raise. We understand that the raise will be supported by our major shareholders.
3. The Company expects to achieve a much-improved profit result in comparison to previous years. With the additional funds from the SPP capital raise, TZL expects to be able to continue its operations and meet its business objectives.
4. The Company confirms that it is in compliance with the ASX listing rules, and in particular, ASX listing rule 3.1.
5. It is hereby confirmed that the Company's responses to your questions have been authorised and approved by the Company's board of directors

We trust the contents of this letter satisfactorily address the issues raised in your letter. However, if you wish to discuss any of the above matters further, please do not hesitate to contact the writer.

Yours faithfully

TZ LIMITED

CRAIG SOWDEN  
Company Secretary

**Think SMART. Think TZ.**



7 November 2019

Reference: 10383

Mr Craig Sowden  
Company Secretary  
TZ Limited

By email: csowden@tz.net

Dear Mr Sowden

**TZ Limited ('TZL'): Appendix 4C Query**

ASX refers to TZL's Appendix 4C quarterly report for the period ended 30 September 2019 lodged with the ASX Market Announcements Platform and released on 29 October 2019 (the 'Appendix 4C').

ASX notes that TZL has reported:

- negative net operating cash flows for the quarter of \$1,502,000;
- cash at the end of the quarter of \$134,000; and
- estimated cash outflows for the next quarter of \$4,425,000.

It is possible to conclude, based on the information in the Appendix 4C, that if TZL were to continue to expend cash at the rate indicated by the Appendix 4C, TZL may not have sufficient cash to continue funding its operations.

**Request for Information**

In view of that, ASX asks TZL to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market under Listing Rule 18.7A:

1. Does TZL expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has TZL 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?
3. Does TZL expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that TZL is complying with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.
5. Please confirm that TZL's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of TZL with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that TZL considers may be relevant to ASX forming an opinion on whether TZL is complying with Listing Rule 12.2 that a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing.

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### When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **12:00 PM AEDT Monday, 11 November 2019**.

If we do not have your response by then, ASX will have no choice but to consider suspending trading in TZL's securities under Listing Rule 17.3. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, TZL's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market. Your response should be sent to me by e-mail. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### Listing Rule 3.1 and 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to TZL's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that TZL's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

### Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in TZL's securities under Listing Rule 17.1. If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

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**Enquiries**

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

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**Maria Clemente**

Adviser, Listings Compliance (Sydney)