

29 April 2022

ASX Announcement

FIRST QUARTER ACTIVITIES & CASHFLOW REPORT

For period ended 31 March 2022

ASX: TYM

Highlights

- HBAR Foundation US\$1 Million Grant and Strategic Partnership
- Demonstrated Queensland Government Pilot
- New Board Director Appointed
- Europe Operations Consolidation
- Closing cash balance of A\$3.941M

TYMLEZ Group Limited (ASX: TYM, 'TYMLEZ' or 'Company'), 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 31 March 2022.

STRATEGIC PARTNERSHIP AND \$1M USD GRANT



Hedera™



THE HBAR
FOUNDATION



TYMLEZ

HBAR FOUNDATION US\$1 MILLION GRANT AND STRATEGIC PARTNERSHIP

In March 2022, TYMLEZ announced a new strategic partnership with the HBAR Foundation Sustainable Impact Fund, which is accompanied by a US\$1 million (approx. AU\$1.4 million) grant, with an initial US\$100,000 (approx. AU\$140,000) as the upfront payment.

This partnership is the culmination of six months of close collaboration between TYMLEZ and the HBAR Foundation. This close working relationship has enabled a robust integration between the TYMLEZ Platform and the open-source Guardian on Hedera, which leverages TYMLEZ's ability to offer verified, encrypted carbon relevant data to develop the world's most secure, trusted and scalable, carbon reporting solutions for ESG compliance, Guarantee of Origin (GO), and Voluntary Carbon Market (VCM) ecosystems that are not yet available in the marketplace.

The collaboration with the HBAR Foundation will allow TYMLEZ to accelerate the rollout of solutions with industry partners and governments in both Australia and abroad. The capability of the TYMLEZ platform is now further enhanced with the support of HBAR Foundation's grant as well as Hedera's innovative technology.

Since the announcement of the partnership, TYMLEZ has been working closely with the HBAR Foundation to demonstrate the capabilities of the TYMLEZ Platform to potential customers which are seeking ESG focused solutions. The Company has also been a lead party in the development of a token taxonomy framework which would provide TYMLEZ customers with the ability to generate revenue through the sale of their carbon offset tokens, which are generated by the TYMLEZ Platform, through integrated exchanges and marketplaces in the Hedera ecosystem. Customers will also have the ability to purchase offset tokens as a method of becoming carbon neutral, all from within the TYMLEZ Platform.

Having transaction fees locked at a static figure made Hedera the clear choice when deciding upon a new blockchain platform to replace the legacy TYMLEZ Blockchain Solution Platform (TBSP). Where companies utilising other public blockchains are subject to fluctuations in

operating costs based on the value of the underlying token, Hedera offers TYMLEZ a fixed fee for every transaction. This allows TYMLEZ to accurately forecast expected blockchain fees when providing pricing for solutions, ensuring the long-term profitability of all commercial contracts.

The partnership with the HBAR Foundation has accelerated TYMLEZ's development timeframes and now allows the Company to focus on commercialisation without limitations imposed by the underlying blockchain platform.



PRODUCT DEMONSTRATION



DEMONSTRATED QUEENSLAND GOVERNMENT PILOT

The previously announced project with Queensland Government, to pilot the TYMLEZ Platform in utilising Behind-The-Meter (BTM) energy monitoring devices capturing site-wide energy usage, continues to progress towards achieving the goals of creating the City of Gold Coast's first-ever energy community.

During the quarter, TYMLEZ successfully demonstrated the TYMLEZ Energy Footprint Solution at the Cohort Innovation Space, located in the Gold Coast Health and Knowledge Precinct. This was overwhelmingly acclaimed by the Queensland Government, the main stakeholder. The success of the demonstration is an indicator of the initial effective progress on the key component of the TYMLEZ Platform pilot, which accelerates and promotes the growing collaboration with the Queensland Government.

Throughout the demonstration, TYMLEZ illustrated the strength of the Smart Energy Data Solution which provide a centralised energy footprint from across the site, enabling Cohort to make smarter energy asset investment and operational decisions to reduce costs and achieve key Environment, Social and Governance (ESG) targets via the blockchain technology powered TYMLEZ Platform.

The solution developed as part of the pilot also captures key carbon related metrics to produce an accurate, verified carbon footprint of the site. Going beyond static emission factors, which are updated on a yearly basis, TYMLEZ has developed a robust pipeline for ingesting the local grid emission factor from AEMO, where live data is pulled every 15 minutes of all generators to determine the mix of renewable energy on the grid, ultimately creating a real-time carbon emissions factor. This allows the Government and Cohort to track their actual carbon footprint and to implement strategies to reduce their output or to generate offsets.

The TYMLEZ Platform also delivers solar production forecasting through the use of solar radiation data, combined with geo-spatial mapping of the roof-space, overlaid with information on the expected generation capabilities of a specific solar panel type. This allows stakeholders to determine solar requirements and to analyse the effects solar systems will have on the net carbon output of the site, before a single panel is installed.

The demonstration allowed the Queensland Government to acquire a comprehensive understanding of the strengths of the TYMLEZ Platform and how it can be incorporated into other initiatives around the State. The project remains ongoing with client requested changes being implemented over the coming period.

TYMLEZ continues to look forward to an ongoing relationship with the State Government.

A banner image showing a modern meeting room with several laptops on a table and a window overlooking a cityscape.

RHYS EVANS JOINS THE TYMLEZ BOARD



NEW BOARD DIRECTOR APPOINTED

TYMLEZ has always been committed to building an experienced, robust, and well-rounded board of directors that can drive the Company's success and deliver the next phase of growth. In line with this commitment, TYMLEZ recently appointed a new independent non-executive director, Rhys Evans, to the Board, effective 7th February 2022.

Rhys Evans is a skilled legal advisor with over 25 years of extensive corporate and commercial experience providing in-house services to large, mid-sized and boutique companies, as well as companies operating in the technology, banking and financial services sectors.

Rhys has demonstrated experience in advising clients on a broad range of commercial matters involving information technology procurement projects, commercial and financial transactions, capital raisings, infrastructure projects, financial product development, industry compliance, structuring, litigation strategy, and risk mitigation for Australian and international clients, which is essential for the development of the Company.

Holding a Bachelor of Laws (Bond), Rhys was not only appointed to leadership roles within Minter Ellison Lawyers, but has worked as corporate counsel within several ASX-listed companies. This has enhanced his skillset in working among multi-disciplinary teams and advising senior executives and boards on a wide variety of legal, compliance and governance issues.

Commenting on his appointment, Rhys Evans said: *"I'm looking forward to working with the amazing TYMLEZ Board to deliver real value to our shareholders. The Company offers solutions which are becoming more and more necessary as companies begin to transition to carbon neutral operations. TYMLEZ has a bright future, and I am delighted to be a part of it."*

With experience in assisting clients deliver key commercial outcomes for business operations in established corporations and start-ups, Rhys is passionate about assisting companies achieve their commercial potential whilst mitigating risk and maximising accountability and governance for stakeholders.

CONSOLIDATION OF EUROPEAN OPERATIONS



EUROPE OPERATIONS CONSOLIDATION

During the quarter, the Company consolidated its European operations through the relocation of key roles to Australia and the closure of the German office. This change corresponds to the successful relocation of corporate headquarters from Amsterdam to the Gold Coast Health and Knowledge Precinct in Queensland Australia, supported by a grant from the Council of the City of the Gold Coast.

The consolidation of the European team has allowed the Company to generate a saving of approximately \$670,000 per year, with a capable team based in the Netherlands to continue delivering the TROEF project. The relocation of key roles to Australia has also resulted in the expansion of the local operational and development team and enables TYMLEZ to obtain an approximate annual \$300,000 net savings, with a strengthened and well-rounded team.

The Company looked to gain efficiencies through centralising the development function to the Melbourne office where work on the core TYMLEZ Platform, and solutions for clients, can be more effectively guided by the Company's CTO. Centralising of the development function has already resulted in a significant increase in development output, including the successful demonstration of the initial deliverable to the Queensland State Government.

To streamline operational processes, the finance and product functions were also relocated to the Gold Coast, where the onboarding of new staff is supported by the Company's grant from the City of Gold Coast.

The savings generated will allow TYMLEZ to scale and meet the requirements of new customers while remaining within budgetary caps, ensuring the effective use of shareholder funds.

Authorised by the TYMLEZ Board of Directors.

//End

For any queries relating to this announcement, please contact investors@tymlez.com

ABOUT TYMLEZ

TYMLEZ is a sustainability focused enterprise-grade solutions provider that develops and deploys leading software applications which leverage blockchain technology. The Company is focused on supporting clean energy and sustainability initiatives, along with other opportunities to develop products that rely on secure, trackable and traceable data transfer.

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 2022

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	90	90
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(8)	(8)
(d) leased assets	(32)	(32)
(e) staff costs	(671)	(671)
(f) administration and corporate costs	(295)	(295)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes/GST received/(paid)	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(917)	(917)
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 \$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)	-	-
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	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(105)	(105)
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	(105)	(105)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,960	4,960
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(917)	(917)
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 (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(105)	(105)
4.5	Effect of movement in exchange rates on cash held	3	3
4.6	Cash and cash equivalents at end of period	3,941	3,941

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	3,941	4,960
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)	3,941	4,960

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 *	188
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.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	108	108
7.2	NIL	NIL
7.3	435	435
7.4	543	543
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.	
	<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	(917)
8.2	3,941
8.3	-
8.4	3,941
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)
	4.30
<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: N/A Item 8.5 is more than 2 quarters
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: N/A Item 8.5 is more than 2 quarters

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 Item 8.5 is more than 2 quarters

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 April 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.