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TZ Limited

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25 June 2021
ASX Announcement

TZ DEBT REPAYMENT AND US BUSINESS UPDATE

Highlights:

- \$7.6 million in principal debt has been paid down and \$392,000 of interest
- Company has agreed with First Samuel to convert \$2 million of outstanding debt to equity at \$0.12, the same price as the Rights Issue
- First Samuel has agreed to a new 12-month debt facility of \$2.5 million at a lower rate of BBSW + 4.5% that will be used to repay the remaining \$2.1 million debt due on 31 July 2021
- US business has surpassed its targets by taking orders for over US\$9.3 million in FY 2021
- Notice of EGM to approve conversion of debt to equity and a new debt facility will be lodged in coming weeks

TZ Limited (ASX: TZL) (the Company), a leader in access control, smart lock and self-serve locker bank systems is pleased to update the market regarding its recapitalisation activities and provide a business update.

The company through a combination of a \$2.58 million Placement (29 April) and a \$7.06 million Rights Issue (11 June) raised \$9.6 million (before costs) in new equity capital allowing the Company to pay down \$7.6 million in principal debt and \$392,000 in interest.

As part of further recapitalisation, the company and First Samuel have agreed to convert a further \$2 million of maturing debt to equity (subject to shareholder approval) leaving a total of \$2.1 million debt owing and due on 31 July 2021.

New Loan Agreement

First Samuel has agreed to provide a new debt facility of \$2.5 million. The 12-month facility has a 1% establishment fee and a reduced coupon rate of BBSW + 4.5%. The facility will be utilised to repay the remaining \$2.1 million of debt due on 31 July 2021.

US Sales Update

The Company is pleased to provide a market update regarding its US business. Purchase orders received this financial year FY 2021 have now surpassed US\$9.3 million. A substantial share of this order book will be recognised and completed in FY 2022.

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The expanding US pipeline demonstrates the benefits of TZ Limited's strategy of diversifying its business model across multiple industry sectors and product applications and leveraging the company's technology edge to deliver recurring revenue and best-in-class solutions to the US market.

Extraordinary General Meeting (EGM)

TZL expects to send a notice of EGM to shareholders shortly to seek approval for the conversion of the debt and the new debenture facility with First Samuel.

TZ Limited CEO Scott Beeton said: "TZ is pleased with the results of recapitalisation, our expanding new business pipeline and growing recurring revenue. The full attention of the Board and Management is now focused on growing TZ's recurring software subscriptions and the newly installed, hosting, monitoring and maintenance services to our global customer base."

"The Board and Management would like to take this opportunity to thank Reach Markets for its advice and support through this critical period and helping the Company achieve its recapitalisation goals."

Join a briefing

Join Scott Beeton, CEO and MD, for an investor briefing, where he will discuss TZ Limited's A-list client base, the growing e-commerce market and how TZ's market-leading software is uniquely positioned as a category leader.

Click here to register for a briefing - <https://tz.investorportal.com.au/webcast/>

For further information, please contact:

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This announcement has been approved by the board of directors.

For additional information on TZ Limited, please visit www.tz.net

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