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TZ 2nd Quarter FY 2024 Highlights & Half Year Business Update

15 January 2024



2nd Quarter FY24 Highlights + Indicative/Unaudited 1st Half FY24 Results

TZ Limited (ASX: TZL) (“**TZ**” or “the **Company**”) today released its Appendix 4C - Quarterly Cash Flow Report for the quarter ended 31 December 2023.

The key points of the Company’s fiscal 2024 Q2 performance are:

- The net cash from operating activities for this quarter was a positive inflow of AUD\$775,000
- The cash flows for operating activities during the quarter were:
 - Receipts of AUD\$5.00 million
 - Payments of product manufacturing and operating costs of AUD\$2.26 million
 - Payments for staff costs of AUD\$1.38 million (down approximately 35% for the same period last year)
 - Payments for administration, corporate and other costs of AUD\$560,000
 - Per item 6.1 of the Appendix 4C, \$66,000 was paid to directors for non-executive directors’ fees during the quarter

Business Update

- Indicative, unaudited, 1st Half FY24 result was Revenue of AUD\$8.07 million and EBITDA of AUD\$780,000
- 2nd Quarter FY24 positive operating cashflow of AUD\$775,000
- Margin target of 50% achieved in overall performance
- Recurring Revenue is currently at AUD\$277,000 per month and is tracking towards the AUD\$3.6 million annual target

TZ Debt – First Samuel AUD\$3.5m Debenture (AUD\$2.5m tranche and AUD\$1m tranche)

- First Samuel has agreed to roll the AUD\$2.5 million Debenture tranche maturing 31 January 2024 to a new maturity date of 30 June 2025. First Samuel will roll the AUD\$1 million Debenture tranche maturing 31 January 2024 to 30 June 2024
- TZ Limited will repay the AUD\$1 million Debenture maturing 30 June 2024, with a repayment installment of AUD\$500,000 on 31 March 2024 and the remaining AUD\$500,000 on 30 June 2024
- TZ has indicated to First Samuel that it is the company’s intention to retire another AUD\$1 million of the AUD\$2.5 million Debenture on 30 June 2025
- TZ and First Samuel will enter refinancing discussions on the remaining AUD\$1.5 million balance at 30 June 2025

Corporate

- TZ Limited has commenced a review of various corporate opportunities, including potential acquisitions, possible divestments and merger and strategic investor opportunities.

TZ Operations – Global Coverage

TZ Limited operates four (4) wholly owned regional subsidiaries based in Sydney, Singapore, Chicago and London to support business in ANZ, Asia, US/Americas and EMEA respectively.



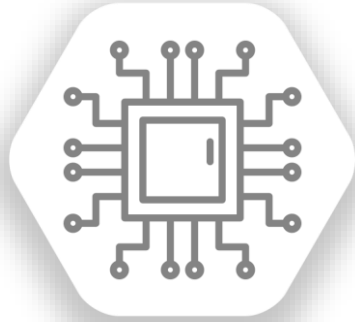
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What TZ Offers

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End-to-End
Locker Supply



Smart Lock
and Control
Electronics



Application
Specific
Software



Cloud-based
Locker Network
Management
Solutions



Integration
Services

Market Segments that TZ Serves

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Smart Locker Solution Specialists

Just ask our customers

For personal use only



For personal use only



DSV South Africa
Logistics Lockers

For personal use only



Apple

Corporate Package Lockers

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13.001

13.002

13.003

13.004

13.005

13.006

13.007

13.008

13.009

13.010

13.011

13.012

CSL

Employee Storage Lockers

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WesTrac

Retail Click 'n Collect Lockers

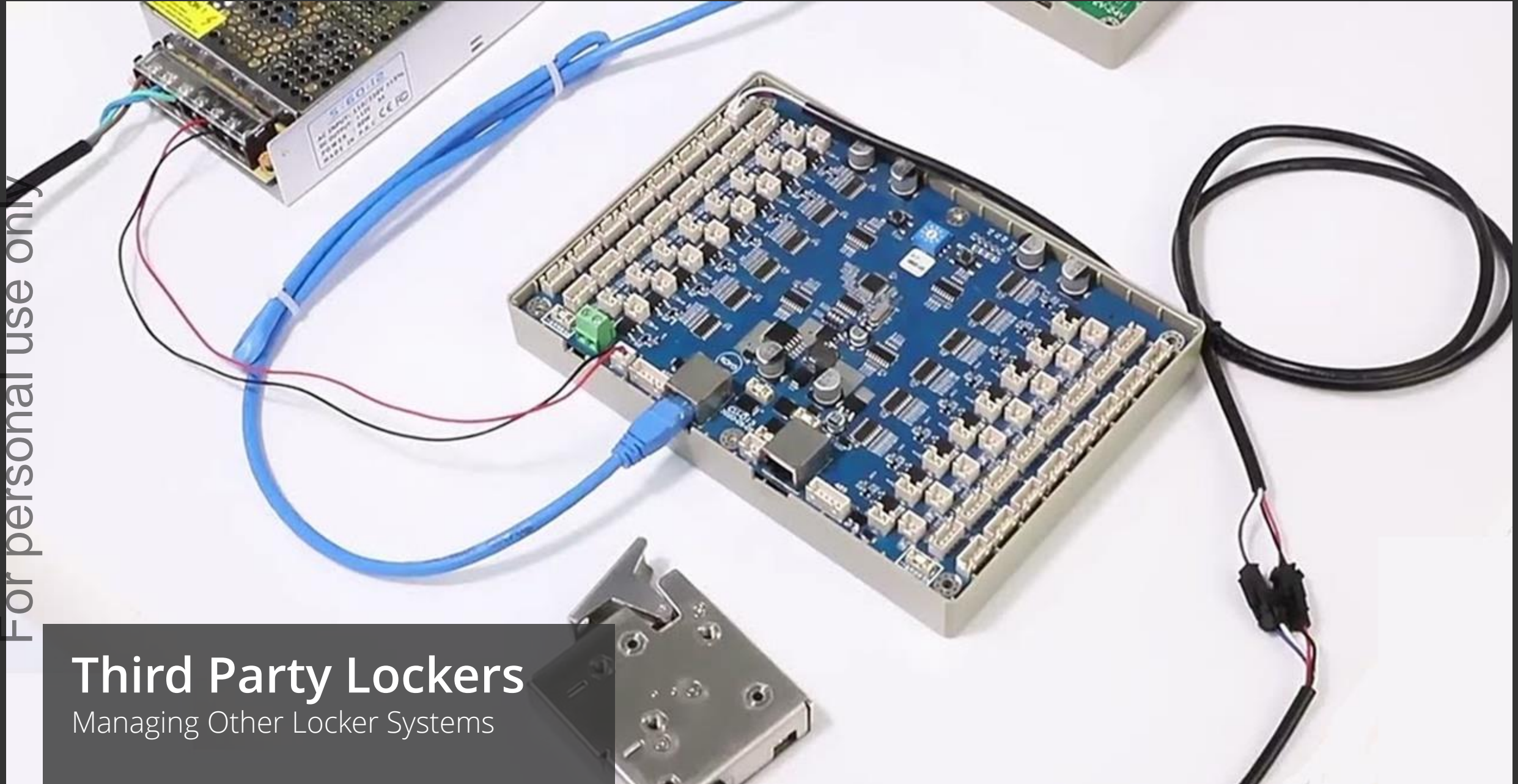
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TZ Cloud

Privately Hosted Enterprise Solutions

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Third Party Lockers

Managing Other Locker Systems

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Think Smart Lockers. Think TZ.

This announcement is authorised for release by
TZ Limited's Board of Directors.

For further information, please contact:

Peter Graham

Chairman

Phone: +61 412 225 616

Email: p.graham@tz.net

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

TZ LIMITED

ABN

26 073 979 272

Quarter ended ("current quarter")

31 December 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	5,003	8,828
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(2,259)	(3,981)
(c) advertising and marketing	(38)	(71)
(d) leased assets		
(e) staff costs	(1,380)	(2,562)
(f) administration and corporate costs	(558)	(993)
1.3 Dividends received (see note 3)		
1.4 Interest received	0	1
1.5 Interest and other costs of finance paid	(2)	(165)
1.6 Income taxes paid	9	21
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	775	1,078
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(11)	(11)
(d) investments		
(e) intellectual property	(117)	(233)
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment	0	1
	(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	(128)	(243)

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		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)	(68)	(128)
3.10	Net cash from / (used in) financing activities	(68)	(128)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	955	863
4.2	Net cash from / (used in) operating activities (item 1.9 above)	775	1,078
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(128)	(243)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(68)	(128)
4.5	Effect of movement in exchange rates on cash held	26	(10)
4.6	Cash and cash equivalents at end of period	1,560	1,560

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	1,560	1,560
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)	1,560	1,560

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	66
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

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.

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	3,500	3,500
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities	3,500	3,500
7.5	Unused financing facilities available at quarter end		0
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>As at 31 December 2023, TZ Limited's loan facility of \$3.5 million with First Samuel Limited was fully drawn. The current facility matures on 31 January 2024. The interest rate of the facility is 90-day BBSW plus 4.5% p.a.</p> <p>The following arrangement has been recently agreed, AUD\$2.5 million of the loan facility maturing on the 31 January 2024 will be extended to a new maturity date of 30 June 2025. First Samuel Limited will roll the AUD\$1 million of the loan maturing 31 January 2024 to 30 June 2024</p> <p>TZ Limited will repay the AUD\$1 million of the loan maturing 30 June 2024, with a repayment installment of AUD\$500,000 on 31 March 2024 and the remaining AUD\$500,000 on 30 June 2024.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	775
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,560
8.3	Unused finance facilities available at quarter end (item 7.5)	
8.4	Total available funding (item 8.2 + item 8.3)	1,560
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
	<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	
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	

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

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.

Date: 15 January 2024

Authorised by: The Board of Directors
(Name of body or officer authorising release – see note 4)

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.