



**TZ Limited**

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## **ASX Announcement**

### **Half Year Results negatively impacted by “transformational quarter”**

TZ Limited (the ‘Company’) (ASX: TZL) reports revenue of \$8.2m (down 5% on previous corresponding period) with an EBIT loss of \$1.1m.

**The company is confident this will be recovered in the second half of the financial year 2022.**

### **The Transformational Quarter – September to December 2021**

The September to December 2021 quarter saw record cash outflow of \$2.3m, which led to the half year result.

- During this quarter TZ transitioned the role of Chief Executive Officer with Mario Vecchio, an experienced software sales technician, taking over from Scott Beeton.
- Herb To joined TZ as Finance Director, taking over from Craig Sowden. Simon Van Es moved to Head of Operations. Consultant Richard Frawley joined the Company on a full-time (or FTE) basis to oversee the software development area. Additional new appointments were made during the quarter to further build out TZ’s capabilities such as new project managers in the US.
- Accounting functions, in particular invoicing, were moved to TZ’s new Delhi operation, which is a whole new finance team for TZ.
- Most importantly, software capabilities have increased from 3 personnel to 12, under guidance from Richard Frawley in Australia and Raghav Kabada in Singapore. This led to the establishment of a new software and technical team in our Delhi operation.
- Therefore that 2<sup>nd</sup> quarter and subsequent, the half year result, saw a “one-off impact” from all the transitional change. For example, the transformational quarter resulted in \$0.6m in delayed invoicing; settlement deferred tax obligations; \$0.8m accounts receivable slippage and \$0.4m audit adjustments.

TZ is focussed on continuing to build out our product offering/tech capabilities, delivering on it’s current purchase orders prior to the end of FY22 and executing on the opportunity pipeline. The company can report:

- **The transition to a cloud based service’s company is well advanced.**
- **TZ has commenced reporting Monthly Recurring Revenues (MRR) which stood at \$0.235m as at December 31<sup>st</sup> 2021.**
- **TZ is currently participating in \$30m of new tenders.**

**Think SMART. Think TZ.**



**TZ needed to expand its capabilities and resources, across the whole company, to deliver on its order book, with currently \$16m in confirmed sales versus \$11.37m in the corresponding period 2021.**

**At least \$9m of the Purchase Orders are to be delivered in the 2<sup>nd</sup> Half Year, as a minimum.**

**TZ CEO Mario Vecchio commented** *“It was evident that TZ need to expand its capabilities and resources, across the whole company, to deliver on its order book, with currently \$16m in confirmed sales versus \$11.37m in the corresponding period 2021. The Company looks forward to a strong 2<sup>nd</sup> Half with at least \$9m of the purchase orders are to be delivered and a very exciting opportunity pipeline that provides the potential for significant growth in our Company”*

Authorised for release by the Board of Directors.

**For further information, please contact:**

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For additional information on TZ Limited, please visit [www.tz.net](http://www.tz.net)

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