



TZ Limited

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30 October 2025

ASX Announcement

SEPTEMBER QUARTER FINANCIAL YEAR 2026 ACTIVITIES REPORT & APPENDIX 4C

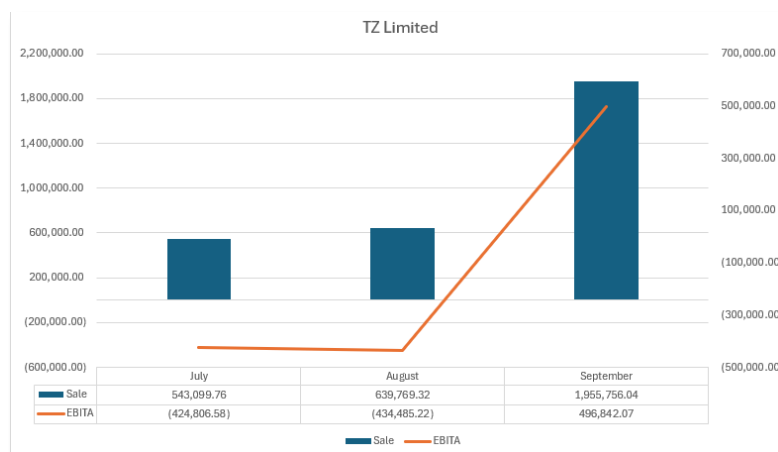
TZ Limited (ASX:TZL) (“**TZ**” or “the **Company**”) today released its Appendix 4C Quarterly Cash Flow Report for the quarter ended 30 September 2025. To accompany the Appendix 4C, the Company is pleased to provide an update on operating performance and progress against its strategic growth initiatives for the three months ended 30 September 2025.

Key Highlights of Q1 FY2026 Performance:

- **Cash Receipts:** A\$2.765 million on sales revenue of A\$3.14 million, a minor A\$75,000 variance to budget.
- **Manufacturing and Operating Costs:** A\$1.12 million.
- **Staff Costs:** were \$1.4 million.
- **Administration and Corporate Costs:** A\$640,000.
- **Interest Cost:** A\$217,000.

Business Conditions

The Company is experiencing a marked improvement in overall business conditions, with evidence that the most challenging phase of the recent “tariff storm” and related economic slowdown has passed. Monthly sales performance improved steadily across the quarter, July sales were A\$560,000, rising to A\$650,000 in August and A\$1.96 million in September. This momentum has continued into Q2 FY2026, supporting management’s confidence in sustained revenue growth in the months ahead.



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Financial Position

- **Net Operating Cash Flow:** Net cash outflow from operating activities was A\$671,000.
- **Revenue Guidance:** FY2026 revenue guidance of **A\$17 – 21 million** is reaffirmed. Several significant purchase orders, not previously in the pipeline, were received during the quarter with delivery scheduled for the second half of FY2026.
- **Financing:** The Company secured an additional A\$750,000 in borrowing during the quarter, primarily to support Microsoft Data Centre Security sales (with 90-day settlement terms post-delivery). Total borrowings now stand at A\$6.25 million.
- **Director Payments:** In accordance with item 6.1 of the Appendix 4C, A\$87,000 was paid in non-executive director's fees.

Microsoft Update

- The Company previously reported the first and second tranche orders from Microsoft on 9 May and 20 May 2025. Both tranches were successfully shipped and installed prior to 30 September 2025.
- The successful installation and performance of these initial orders has led to Microsoft placing 3 additional orders in the last 10 days of October. These new orders exceed A\$300,000. The Company is encouraged by the increasing frequency and consistency of orders from Microsoft, reflecting growing confidence in TZ's technology and execution capabilities.

General Business Update

- In addition, several major US corporate clients have indicated significant forthcoming capital expenditure programs. These include both large-scale "refresh" projects of existing locker infrastructure and new installations for expansion programs, each representing potentially substantial opportunities for TZ.
- TZ attended the Ignite Investment Summit held in Hong Kong, where Chairman Peter Graham presented the TZ investment opportunity to attending institutional investors and participated in a series of one-on-one meetings during the conference.
- In addition to the Summit, broader investor meetings were conducted across Asia, including in Singapore and Hong Kong, where there was strong interest in TZ's Data Centre Security offering and the Company's KeyVision™ platform.

Outlook

The Company remains highly confident in its growth trajectory for FY2026. The previously stated revenue guidance of A\$17 million to A\$21 million is reaffirmed, supported by the continued strengthening of sales momentum, expanding order book, and improving operating conditions across key markets.

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The Data Centre Security division continues to gain meaningful traction, with active participation in multiple tenders and requests for proposal from major global technology clients. Based on current momentum and visibility, this division is now expected to generate annual revenue approaching A\$5 million in FY2026, a substantial increase from approximately A\$1 million in the prior year.

Further reinforcing management's optimism, the strong uptake from Microsoft and growing engagement from several large US corporates underline TZ's emerging position as a trusted partner in the secure smart-locker and data-centre access segments. The Company anticipates further expansion of these relationships through FY2026 as it delivers on its strategic growth plan and builds a scalable, high-margin recurring revenue base.

For further information, please contact:

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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")

30 September 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,765	2,765
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(1,122)	(1,122)
(c) advertising and marketing	(55)	(55)
(d) leased assets		
(e) staff costs	(1,406)	(1,406)
(f) administration and corporate costs	(640)	(640)
1.3 Dividends received (see note 3)		
1.4 Interest received	0	0
1.5 Interest and other costs of finance paid	(217)	(217)
1.6 Income taxes paid	0	0
1.7 Government grants and tax incentives	0	0
1.8 Other (provide details if material)	4	4
1.9 Net cash from / (used in) operating activities	(671)	(671)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(9)	(9)
(d) investments		
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment	0	0
	(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	(9)	(9)
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	750	750
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings	(23)	(23)
3.8	Dividends paid		
3.9	Other (provide details if material)	(56)	(56)
3.10	Net cash from / (used in) financing activities	671	671
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	513	513
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(671)	(671)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(9)	(9)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	671	671
4.5	Effect of movement in exchange rates on cash held	63	63
4.6	Cash and cash equivalents at end of period	567	567

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	567	513
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)	567	513

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	87
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>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.</i>		

7. Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	6,250	6,250
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	6,250	6,250
7.5 Unused financing facilities available at quarter end		
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>The \$1.5 million of the secured debenture facility with First Samuel was drawn down as of 30th Sep.</p> <p>The interest rate of the facility is 12% p.a.</p> <p>\$4.75 million loan drawn from Causeway @12% pa interest.</p>	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(694)
8.2 Cash and cash equivalents at quarter end (item 4.6)	567
8.3 Unused finance facilities available at quarter end (item 7.5)	
8.4 Total available funding (item 8.2 + item 8.3)	567
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.82
<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?	
<p>Answer: The company has seen an uplift in sales which should see a return to positive cashflow in Q2 and Q3 FY2026.</p>	
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?	
<p>Answer: The Company is assessing its capital requirements subsequent to the recent further orders from Microsoft (90 day settlement terms)</p>	

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: Yes. Improved economic conditions and increased sales will lead to positive cash flow quarters ahead.

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: 30 October 2025

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.