



TZ Limited

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27 January 2026

ASX Announcement

ACTIVITIES REPORT FOR THE QUARTER ENDED 31 DECEMBER 2025

TZ Limited (ASX: TZL) (“**TZ**” or “the **Company**”), today releases its Appendix 4C - Quarterly Cash Flow Report for the quarter ended 31 December 2025. Accompanying the 4C, the company provides an update on operating performance.

HIGHLIGHTS:

- Operations for the quarter resulted in an outflow of A\$790,000. This outcome was negatively impacted by the timing of a large payment, which was contractually due on 16 December 2025, but was received shortly after quarter end.
- The significant cash flows for operating activities during the quarter were:
 - Receipts of A\$2.6 million.
 - Payments of product manufacturing and operating costs of A\$1 million.
 - Payments for staff costs of A\$1.47 million.
 - Payments for administration and corporate costs of A\$0.6 million.
- Revenue for 1H FY26 was approximately 30% below internal expectations (A\$5.5 million versus A\$8.0 million). The Company expects to materially improve performance in 2H FY26 and therefore does not intend to revise prior full-year guidance. However, revenue is now expected to be towards the lower end of the previously stated range, at approximately A\$17 million.

BUSINESS UPDATE

Smart Locker/Smart Access

Recent education-sector conferences in the United States have generated increased engagement and sales momentum heading into the second half of FY26. The Company is now prioritising installation and commissioning ahead of 30 June 2026 to enable revenue recognition within the current financial year. In parallel, purchasing activity from the Company’s largest corporate customers has resumed following the resolution of unrelated, client-specific delays.

Data Centre Security

Sales to Microsoft via Wesco Anixter remain a key strategic focus. TZ is finalising a factoring facility to support future purchase orders on attractive terms and improve working capital flexibility. The Company is also participating in several data-centre security tenders, some of which are substantial. Increased emphasis is being placed on global conferences, targeted marketing, expanded distribution channels and additional Business Development Manager (BDM) capacity to capitalise on improving momentum in the sector.

Keyvision

The integration of Keyvision is now complete, with finance, software, hosting and quality assurance functions fully transitioned into TZ. With integration largely finalised, the operational focus has shifted to stabilising performance and expanding sales activity during the second half of FY26.

Think SMART. Think TZ.

FINANCE AND CORPORATE

Debt Repayment

The company's debt repayment of A\$2.75m due 31 December 2025, was rolled by our financiers, Causeway Finance, to mid-February. This will allow TZ time to adopt and execute one of current strategies under consideration.

Factoring Facility

The company hopes to finalise a "Factoring Facility" to be used against future Microsoft orders through Anixter Wesco (enabling up to 95% drawdown on future Purchase Orders (POs)).

Telezygology Inc.

As previously announced, TZ rejected a non-binding indicative proposal of approximately A\$8 million for its US subsidiary, Telezygology Inc., which currently generates annual recurring revenue of more than A\$2.5 million. The Board continues to assess inbound interest while also considering the subsidiary's current commercial opportunities in the US market.

Other Corporate Opportunities

In addition to discussions relating to Telezygology, the Company has received preliminary approaches regarding other potential transactions. One opportunity is of particular interest and follow-up discussions are underway. These matters remain at an early and confidential stage.

BUSINESS ACTIVITIES AND DIRECTOR REMUNERATION

Per item 6.1 of the Appendix 4C, A\$103,000 was paid to directors for non-executive directors' fees.

Additional operational initiatives during the period included:

- **Data Centre Security – FY26 Focus**

The Company is actively pursuing new distribution partners and high-value Business Development Managers (BDMs) and has registered for two global conferences. Marketing collateral and software conversion work is either completed or underway, supporting a more targeted international market strategy.

- **Software and Hosting Review**

Recently appointed director Anton Schiavello is undertaking a review of TZ's software and hosting infrastructure, drawing on his experience developing the Nuraspace office application. This review is expected to deliver valuable operational and strategic insights.

- **AI Adoption**

The Company continues to integrate AI across multiple functions, including software development efficiency, multilingual sales and marketing materials, platform localisation for international markets, mobile and web applications, and technical support. TZ's smaller scale is expected to support faster and more flexible adoption relative to larger competitors.

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

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")

31 December 2025

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	2,596	5,361
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(985)	(2,107)
(c) advertising and marketing	(154)	(209)
(d) leased assets		
(e) staff costs	(1,470)	(2,876)
(f) administration and corporate costs	(623)	(1,263)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	(154)	(371)
1.6 Income taxes paid	(1)	(1)
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)	0	4
1.9 Net cash from / (used in) operating activities	(789)	(1,460)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(17)	(26)
(d) investments		
(e) intellectual property		
(f) other non-current assets	(1)	(1)

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		
	(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	(18)	(27)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	750	750
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	(6)	(6)
3.5	Proceeds from borrowings	0	750
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings	0	(23)
3.8	Dividends paid		
3.9	Other (provide details if material)	(58)	(114)
3.10	Net cash from / (used in) financing activities	686	1,357

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	567	513
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(789)	(1,460)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(18)	(27)

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)	686	1,357
4.5	Effect of movement in exchange rates on cash held	48	111
4.6	Cash and cash equivalents at end of period	494	494

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	494	567
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)	494	567

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	103
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.</i> <i>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)	(789)
8.2 Cash and cash equivalents at quarter end (item 4.6)	494
8.3 Unused finance facilities available at quarter end (item 7.5)	
8.4 Total available funding (item 8.2 + item 8.3)	494
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.63
<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: A significant sum, due December 16th from the company's largest project, did not hit the bank account till after year end. An uplift in sales, should see a return to positive cashflow in Q3 and Q4, pending installation prior to June 30th, 2026.</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 considering various alternatives to fund the debt repayment, originally due December 31st 2025, but subsequently rolled till February 15th 2026. The company hopes to announce a "Factoring Facility" soon. Simultaneously, the company has been approached by Interested parties regarding an equity investment.</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. Per the reasons listed above.

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: 27 Jan 2026

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.