Appendix 4E

Preliminary final report

1 Company details

Name of entity	TZ Limited
ABN	26 073 979 272
Reporting period	For the year ended 30 June 2022
Previous period	For the year ended 30 June 2021

2 Results for announcement to the market

Revenues from ordinary activities	up	31% to	$21,428,560
Earnings before interest, tax, depreciation and amortisation, adjusted for impairment ('adjusted EBITDA')	up	831% to	$1,278,529
Profit from ordinary activities after tax attributable to the owners of TZ Limited	up	103% to	$42,896
Profit for the year attributable to the owners of TZ Limited	up	103% to	$42,896

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The profit for the consolidated entity after providing for income tax amounted to $42,896 (30 June 2021: loss of $1,658,204).

The earnings before interest, tax, depreciation and amortisation ('EBITDA'), adjusted for impairment, was a profit of $1,278,529 (30 June 2021: $137,364).

EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for non-specific non-cash and significant items. The directors consider adjusted EBITDA to reflect the core earnings of the consolidated entity.

Additional information supporting the Appendix 4E disclosure requirements can be found in the Annual Report which contains the Directors' report and the 30 June 2022 Financial Statements and accompanying notes.

3 Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	1.36	(1.74)

As at 30 June 2022, the net tangible assets per ordinary security of 1.36 presented above is inclusive of right-of-use assets and lease liabilities.

4 Control gained over entities

Not applicable.

5 Loss of control over entities

Not applicable.

6 Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7 Dividend reinvestment plans

Not applicable.

8 Details of associates and joint venture entities

Not applicable.

9 Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10 Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been audited and an unmodified opinion has been issued.

11 Signed

As authorised by the Board of Directors

Peter Graham
Chairman

31 August 2022, Sydney

tz22

ANNUAL REPORT

Contents

General information

The financial statements cover TZ Limited as a consolidated entity consisting of TZ Limited and the entities it controlled at the end of 30 June 2022. The financial statements are presented in Australian dollars, which is TZ Limited's functional and presentation currency.

TZ Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office		Level 2, 40 Gloucester Street The Rocks NSW 2000
Principal place of business	Australia	Level 2, 40 Gloucester Street The Rocks NSW 2000
	USA	999 E. Touhy Avenue, Suite 460 Des Plaines, IL 60018
	Singapore	Suntec Tower 2, 9 Temasek Boulevard #29-01 Singapore 038989
	Europe	New Road, Oxford OX11BY, United Kingdom

A description of the nature of the consolidated entity's operations and its principal activities are included in the Directors' Report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 31 August 2022. The Directors have the power to amend and reissue the financial statements.

Corporate Governance Statement

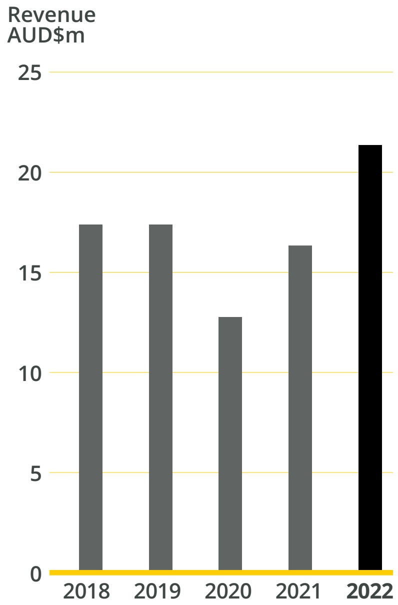
The Directors and management are committed to conducting the business of TZ Limited in an ethical manner and in accordance with the highest standards of corporate governance. TZ Limited has adopted and substantially complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ('Recommendations') to the extent appropriate to the size and nature of its operations.

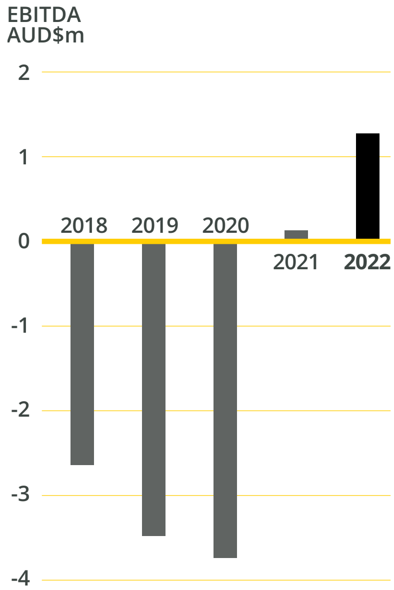
The Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed, was approved at the same time as the annual report can be found at tz.net/investors/corporate-governance

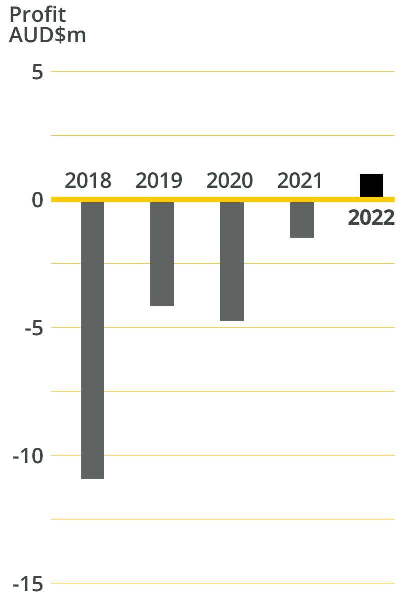
ASX code	TZL
ABN	26 073 979 272
Directors	Peter Graham John D'Angelo Simon White
Company secretary	Mathew Watkins
Annual General Meeting	Thursday, 17 November 2022
Share register	Computershare Investor Services Pty Limited Yarra Falls 452 Johnston Street Abbotsford VIC 3067 T 1300 787 272 F +61 3 9473 2500
Auditor	PKF Brisbane Audit Level 6, 10 Eagle Street Brisbane QLD 4000
Solicitors	K&L Gates Level 31, 1 O'Connell Street Sydney NSW 2000
Bankers	St George Bank Limited Level 3, 1 Chifley Square Sydney NSW 2000
Stock exchange listing	TZ Limited shares are listed on the Australian Securities Exchange
Website	www.tz.net TZ Limited's public website contains information regarding its products and the company, including an investor services section
Email	info@tz.net

Highlights and overview

REVENUE	ADJUSTED EBITDA	PROFIT
$21.4 m	**$1.3 m**	**$43 k**
▲ 31%	▲ 831%	▲ 103%







Profitable, scalable operations

After several years focused on reducing operating costs, operational restructuring and product rationalisation, the focus has shifted in FY22 to more effectively and efficiently delivering customer-service expectations and clarifying customer value propositions.

Resolution of product and service performance issues has resulted in both a substantial increase in client satisfaction and substantial reductions in customer service costs associated with problem resolution.

Product rationalisation has delivered a more standardised set of software modules, framed around primary customer use-cases and readily customised to the customer-specific operating environment.

Broader growth positioning

Revenue growth has been driven by effective conversion of more focussed sales efforts initiated in FY21.

During FY22, the business has also begun the process of repositioning its core offer to leverage growing market awareness of the demand for Edge-related IT solutions – namely, information management systems that capture and integrate data at exchange points in geographically distributed digital networks.

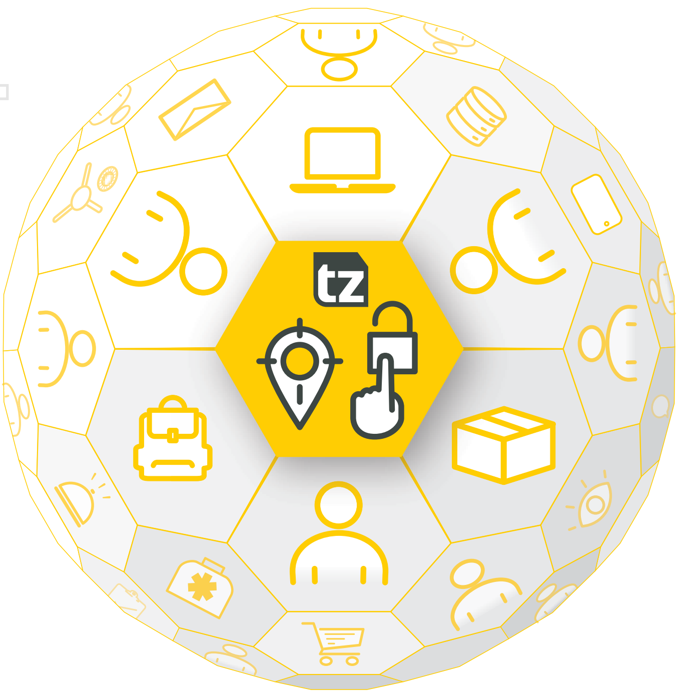
Broadening and clarifying the potential value to be leveraged from TZ's core Edge Logistics IT capabilities, rather than focusing on the physical role of TZ lockers as edge interface exchange points, has created a much broader platform for future growth.

Bank of America
SUNCORP
WesTrac CAT
Microsoft
NEDBANK
adidas
VIRGINIA TECH
Schneider Electric

TZ Edge Logistics solutions

The new TZ Edge Logistics solutions positioning more clearly reflects customer demand drivers, wider market growth potential, adjacent market opportunities and core business capabilities.

While smart lockers remain a key element of TZ Edge Logistics solutions, the new positioning emphasises the opportunity for customers to leverage TZ's proprietary information management and analysis capabilities to create value in a wide variety of innovative ways, justifying widespread integration of TZ software modules into customers' logistics information management systems.



Empowering the interface between person and object

The rapid development of digitally enabled management tools has enabled individual items, such as IT hardware, postal items, physical parts, stored documents and so on, to be identified and inventoried through automated tracking systems. This has opened the door to a wide variety of efficiency-creating innovations in enterprise resource and logistics management.

Viewed from this perspective, TZ's Smart Locker management systems represent important exchange points in the geographically diverse networks of places where items are deposited or collected by people, in their transition from businesses to buyers, postal senders to receivers, warehouses to distribution points, and so on.

The core value of TZ Edge Logistics solutions lies in their proven, advanced capability to empower two key operational management capabilities:

- Auditable tracking – the ability to capture auditable data that proves an individual has deposited or collected an item at a particular time.
- Access management – the capacity to provide an identified individual with unique access to a particular item.

These core capabilities underpin each of the distinct use-cases that now frame our customised customer solution offers, including:

- Corporate personnel storage
- Corporate asset management
- Chain of custody
- Distribution logistics
- Postal logistics

Chairman's message

The TZ Limited Board embarked upon a restructuring three years ago aimed at removing the debt and making the operations profitable.

The Board is pleased to report a second consecutive year of positive EBITDA in announcing FY22's outcome of adjusted EBITDA of $1,278,529 (FY21 EBITDA $137,364).

TZ intends to build on these results in FY23. Focus will be on increasing earnings and repaying the last remaining debenture ($2.5m), thus removing the security over the Company. It is the Company's aim to achieve debt repayment within the near term. The challenging issues of "supply chain" remain. These issues led the company to increase inventory from circa $1m to nearly $3m – this was to avoid delays in deliveries and instalments through the period of supply chain disruptions. TZ maintains a healthy cash balance (over the past few months it ranges between $1.5m to $2m) and a surplus of Accounts Receivable over Accounts Payable (recent range $1.5m to $2m). The above, coupled with forecast positive cashflow, should see the company retire the debenture once satisfied that remaining liquidity would be "sufficient working capital".

The Board believes the biggest positive or step forward in FY22 was the building of the software platform income stream. The management team developed a product that is being positively accepted in the marketplace. The Monthly Recurring Revenue (MRR) has grown to circa $260,000 per month with another $26,000 per month to be added near term from the recently announced Ricoh agreement (23 August 2022). Management has the objective to grow this to around $500,000 per month over the next 18 months.

The predominant risk going forward is the Company's increased cost base. The Company needed to build a more robust infrastructure to cater for overall growth (revenue and earnings). This entailed an increase in the number of employees (especially the introduction of Operations in India) and significant software development costs. The Board and management decided the expansion necessary if the company was to grow without substantial issues along the way.

Lastly, I want to conclude by acknowledging that the Board and management are acutely aware that shareholders want a return on their investment (especially given recent capital raises to reduce debt were done at 12 and 12.5 cents). This is driving the TZ team. In FY23 we are determined to reward shareholders with an appreciation in the company's value, resulting in a higher share price.

Peter Graham
Non-Executive Chairman

Chief Executive Officer's message

At the end of my first year as Chief Executive Officer (CEO), I am pleased to report that we have made substantial progress towards mitigating operational risks and putting in place the systems and practices essential to restore scalable profitability to the global operations of TZ.

Mario Vecchio
Chief Executive Officer

A solid platform for growth

The management team are assured that customer confidence and substantial simplification of our solution-based service offers provides the operational platform needed for sustained growth in coming years. To gain further competitive advantage, our aim is now to disrupt the traditionally hardware-focussed Smart Locker marketplace by reframing customer opportunities in terms of delivering significant operational advantages through TZ API integration into their enterprise management systems.

A number of key initiatives, enabled by our centralised and efficient management systems, will be critical to the scalable development and realisation of new business opportunities – in relation to both cross-selling within existing customers and on-boarding of new customers. These include a broader, global approach to leveraging third party hardware and business management services, continued development of critical sales partnerships, increasing focus on selling our TZ Cloud subscriptions that generate monthly, recurring revenue streams, and further innovating the scalable adaptability of core software modules to address customer use-case opportunities.

Scalable, customisable, quality outcomes

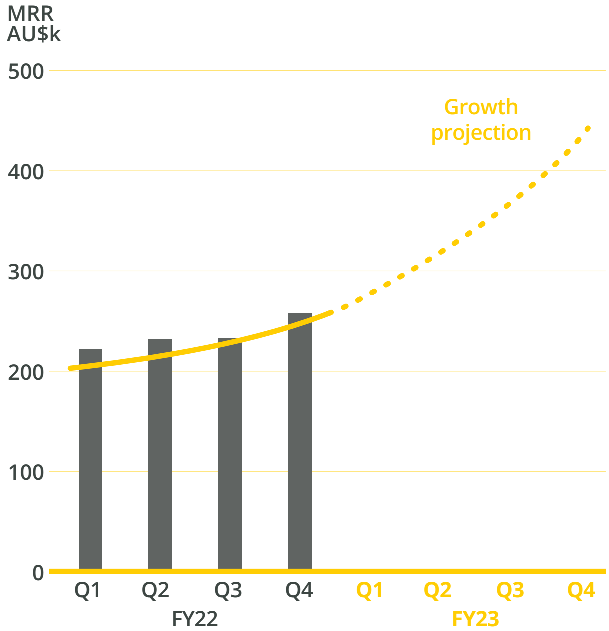
In making the shift from Smart Locker hardware manufacturers and suppliers to Edge Logistics solutions. TZ looks forward to leveraging our hard-won reputation for innovative outcome delivery at the highest level of quality while substantially reducing the risks and costs associated with meeting or exceeding these outcome expectations.

Focused sales delivery

A primary driver of our successful turn-around in revenue growth during FY22 flowed from efforts invested to focus and streamline sales around profitable opportunities in core areas of existing strengths. This has seen an increase of 31% in customer sales revenue, from $16.4M in FY21 to $21.4M in FY22.

Further effort has been invested during FY22 to frame our customer solution offers more clearly around use-case value propositions. These align with our standardised software modules, establishing client expectations that can be delivered more efficiently and reliably in a scalable way.

MONTHLY RECURRING REVENUE (MRR)



Chief Executive Officer's message *continued*

Integrated global management systems and disciplines

The final step towards globally consistent, best-practice Enterprise Resource Planning (ERP) and Customer Relationship Management (CRM) systems has enabled substantial increases in operating efficiencies, risk mitigation and improved management decision making.

For example, FY22 saw the first globally integrated introduction of:

- Integrated, real-time financial reporting
- Inventory management
- MRR subscription tracking
- Staff manage approvals (cost oversight)

Improved product delivery experiences

A critical project management shift in FY22 has been the move away from on-site assembly, programming and testing of customised locker systems, to production manufacturing and testing that enables functional installation with great efficient outcomes, in a client friendly way. This has effectively minimised many of the customer relationship management issues experienced previously.

Rebuild our core technology capabilities

Cost reducing efforts over previous years had seen our technology capabilities reduced to a bare minimum. In 2022 we have begun the process of rebuilding a team capable of developing and maintaining an integrated stack of core software, and translating it in to use case-based application modules that are readily adaptable to each new client application. As the focus shifts to operational information management solutions, we are also strengthening our Application Programming Interface (API) capabilities to enable more efficient and painless integration into client's own operational software systems.

Reducing cost of inputs

A focus on reducing the costs of hardware elements including locks and lockers was begun in FY22, which aims to realise significant reduction in cost of sales over the coming year. This effort reflects a more global approach to supply chain sourcing, which also includes off-shoring of business operations resourcing, including accounting some aspects of software development.

Outlook

The staged process of operational management evolution towards a sustainable and scalable level of performance consistent with globally competitive best practices will continue into the new financial year. It is anticipated that profit growth will increase through our software subscription revenue growth and the scale out of TZ Cloud Services, secured in part by stronger relationships with key selling partners.

TZ Cloud

One of our top priorities for customer relationship management will be to convert existing and established customer arrangements from perpetual software licencing to recurring revenue-based subscriptions (MRR). This increasing familiar approach to servicing for software-driven solutions is both simpler and less costly to manage, and supports a deeper level of integration into customers' recurring operating budgets (i.e. as opposed to CAPEX).

This transition is supported by our rapidly developing Cloud-based deployment of information management software and API capabilities. We anticipate that the company's MRR will grow at 50% per annum.

Partnerships to drive growth

A key source of new business opportunity will be built on relationships with strategic partners who look to TZ to provide integrated capabilities in their own value-adding offers. The rapid simplification and standardisation of our core capability delivering modules will enable these partners to sell and integrate their benefits with more confidence, knowing that quality outcomes can be delivered while sustaining high-profit margins and/or customer satisfaction levels. For example:

Asset management

Many enterprises are now looking to integrate their IT asset management with flexible third party solutions providers. TZ's Edge Logistics capabilities are integral for these solution providers' ability to maintain constant, auditable records of hardware deployments, upgrades, repairs and maintenance processes.

Critical security

Government-related agencies that support mission-critical management of physical assets with important legal provenance or security implications. For example, Police departments in the US are increasingly reliant on specialists to install systems that deliver a legally compliant chain of custody for physical evidence, as well as risk minimising management of firearms or other dangerous goods

Directors' report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or 'TZ') consisting of TZ Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2022.

Directors

The following persons were Directors of TZ Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

- Peter Graham
  Chairman
- John D'Angelo
  Non-Executive Director
- Simon White
  Non-Executive Director
  (Appointed on 26 August 2021)
- Scott Beeton
  Managing Director
  (Resigned on 17 September 2021)

Principal activities

During the financial year the principal continuing activities of the consolidated entity consisted of the development of intelligent devices and smart device systems that enable the commercialisation of hardware and software solutions for the management, control and monitoring of business assets and the provision of associated value added services through Telezygology Inc., TZI Australia Pty Limited ('TZI'), TZI Singapore Pte Ltd and TZI UK Limited.

All of the operations of the consolidated entity are based in Australia, the United States of America, United Kingdom and Singapore.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations and significant changes in the state of affairs

Review of operations

The profit for the consolidated entity after providing for income tax amounted to $42,896 (30 June 2021: loss of $1,658,204).

The financial highlights were the EBITDA result of $1.2m but even more encouraging the positive cashflow in the 2HFY22. TZ had what we referred to as a "transformative period" in the first half where there were several changes to the company, including new CEO, CFO, CTO and Head of Marketing. Therefore several personal left the company resulting in substantial redundancy payments. The redundancies, the new Sydney office, the expansion in India led to 1HFY22 of an EBITDA loss of $1.13m. The full year result of positive EBITDA of $1.2m illustrates the strong recovery and resulting positive cashflow in the second half.

Capital

In July 2021 $2m debt was agreed to be converted into equity with First Samuel and this was completed in August 2021 with the issue of 16,666,667 shares at a deemed notional price of 12 cents per share. Simultaneously, a new debenture facility of $2.5m with First Samuel was entered into with a maturity date of 31 July 2022 and carrying a coupon rate of BBSW + 4.5%. The facility was fully drawn and as at balance date 30 June 2022, the debenture is TZ's only debt. The maturity date has subsequently been rolled to 31 October 2022. The company wants to be secure in "working capital' before making this last debt repayment.

Board and management changes

Simon White joined the board in August 2021. Simon worked in corporate advisory and equity capital markets, with significant exposure to IPO's, equity placements and corporate restructuring. Simon is Director of Investor Relations with Paradigm Biopharma, an ASX Top 300 company. Simon is integral in improving Corporate Governance at TZ Limited.

September 2021 saw Mario Vecchio appointed CEO to replace Scott Beeton. As with Simon White, Mario was a "targeted acquisition". Vecchio tabled a strategic proposal centred on TZ developing a "cloud based software business". Vecchio's career was building software sales which he had demonstratively achieved at previous employments, Progility Technologies, APJC Bigswitch and Aryaka Networks.

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Directors' report *continued*

Employee Incentive Scheme

In March 2022, the Company issued 1,962,500 fully paid ordinary shares ('Employee Shares') to its employees pursuant to TZ Limited's employee Equity Incentive Plan ('EIP') which was approved by shareholders during the Company's 2021 Annual General Meeting held on 27 January 2022. The Employee Shares were issued to incentivise talent retention. The Employee Shares are subject to a voluntary escrow until 27 January 2025 (the escrow can be waived by the Company in certain circumstances at the Directors discretion under the EIP).

Operating risks and outlook

The board and management perceive the main risk to be the global economic situation. Supply chain issues are subsiding but the risk to general business conditions from an interest rate tightening cycle are yet to be determined.

The company has a solid pipeline for 1H FY23 but like most businesses TZ is uncertain what business conditions will be like in 2H.

Significant changes in the state of affairs

In July 2021, the Company drew down the full value of a new facility established in June 2021 for $2.5 million and repaid $2.1 million of the previous facility that expired at the end of July 2021. The remaining $2 million of debt under the previous facility was converted into shares following shareholder approval. This resulted in 16,666,667 shares being issued to First Samuel Limited.

In November 2021, the Company completed a capital raise through placement of shares. The Company issued 27,570,000 fully paid ordinary shares at the price of $0.125 (12.50 cents) per share. The raised funds were used for repayment of remaining debt and general working capital.

In March 2022, the Company issued 1,962,500 fully paid ordinary shares ('Employee Shares') to its employees pursuant to TZ Limited's employee Equity Incentive Plan ('EIP') which was approved by shareholders during the Company's 2021 Annual General Meeting held on 27 January 2022. The Employee Shares were issued to incentivise talent retention. The Employee Shares are subject to a voluntary escrow until 27 January 2025 (the escrow can be waived by the Company in certain circumstances at the Directors discretion under the EIP).

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

Further information on the future strategies is detailed in the Managing Director's report which precedes the Directors' report and Annual Financial Statements.

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Directors' report *continued*

Information on the Directors in office as at the date of this report

Peter Graham
Non-Executive Chairman

Peter is an experienced corporate advisor with a unique financial background. From chartered accounting with Ernst and Young early in his career, through Treasury roles with Westpac and UBS, and roles in corporate finance and equities particularly in the gold and base metal resources sector, Peter built a successful finance career before branching into corporate advisory in 1995.

As a corporate advisor for over 20 years, Peter developed an extensive institutional client base for Tolhurst and Pattersons before joining Sequoia in 2015.

Today, Peter is the Head of Delcor Corporate Advisory; Delcor Advisory Investment Group Pty Ltd is a substantial shareholder of TZ Limited. Peter brings significant finance and capital market experience to the TZ Board.

Other current directorships	None
Former directorships (last 3 years)	Chairman of Carpentaria Resources Ltd (ASX: CAP)
Special responsibilities	None
Interests in shares	14,041,704 fully paid ordinary shares
Interests in options	None

John D'Angelo
Non-Executive Director

John has vast international experience in the areas of Marketing, Finance and Engineering. He spent 15 years based in Singapore in senior management positions for JP Morgan and Hartree Partners (part owned by the investment firm Oak-tree Capital). Prior to this, he held management positions at Chase Manhattan Bank and Mitsui Commodities.

John began his career as an Engineer at BHP before moving into the Marketing and Financial Risk Management areas for the company where he spent some time based in the USA. John holds a Bachelor of Engineering (Hons).

Other current directorships	None
Former directorships (last 3 years)	None
Special responsibilities	None
Interests in shares	1,500,950 ordinary shares
Interests in options	None

Simon White
Non-Executive Director

Post a successful AFL career, Simon worked in corporate advisory and equity capital markets, with initial experience at Patersons Stockbroking before joining Sequoia Financial Group (SEQ) and then the Delcor Family office. In this time Simon worked on IPO's, equity placements, corporate advisory and restructuring. He has worked on a variety of deals across many business sectors.

Recently, Simon has been Director of Investor Relations with Paradigm Biopharma, an ASX Top 300 company. Simon's skills in corporate governance will be most beneficial to the TZ Limited Board.

Other current directorships	None
Former directorships (last 3 years)	None
Special responsibilities	None
Interests in shares	None
Interests in options	None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

'Former directorships (in the last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

Directors' report *continued*

Company Secretary

Mathew Watkins was appointed Company Secretary on 25 November 2021. Mathew is a Chartered Accountant who has extensive ASX experience within several industries including biotechnology, bioscience, resources and information technology.

Mathew specialises in ASX statutory reporting, ASX compliance, corporate governance and board and secretarial support. He is appointed Company Secretary on a number of ASX listed companies. Mathew is employed at Vistra, a professional company secretarial and accounting firm. Vistra has vast experience working with listed entities and brings a strong background of working with growing companies within the technology hardware and equipment industry.

Meetings of Directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2022, and the number of meetings attended by each Director were:

	Full Board	
	Attended	Held *
Peter Graham Chairman	13	13
John D'Angelo	13	13
Simon White	11	11
Scott Beeton	2	3

* Represents the number of meetings held during the time the Director held office.

Remuneration report (audited)

The remuneration report, which has been audited, outlines the Director and key management personnel remuneration arrangements for the consolidated entity and the company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's and company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders and conforms with the market best practice for delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- Set competitive remuneration packages to attract and retain high calibre employees
- Link executive rewards to shareholder value creation
- Establish appropriate demanding performance hurdles for variable executive remuneration

The Board reviews and is responsible for the consolidated entity's remuneration policies, procedures and practices.

TZ Limited's employee Equity Incentive Plan ('EIP') was approved by shareholder during the Company's 2021 Annual General Meeting held on 27 January 2022. The Plan was designed to attract, retain, motivate and reward eligible persons (employees and directors) of the Company (collectively the 'Participants') by issuing securities to the Participants. The vesting of those securities may be subject to certain performance criteria to be determined by the Board.

Non-Executive Directors' remuneration

Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-Executive Directors' fees and payments are reviewed annually. The Board considers advice from shareholders and takes into account the fees paid to Non-Executive Directors of comparable companies, when undertaking the annual review process. The Non-Executive Directors receive Director's fees only. The company adheres to the policy that Directors will not participate in any incentive program.

ASX listing rules require that the aggregate Non-Executive Directors remuneration shall be determined periodically by a general meeting. The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The most recent determination was at the AGM held on 30 November 2006, where the shareholders approved an aggregate remuneration of $500,000.

Executive remuneration

The consolidated entity and company aims to reward executives with a level and mix of remuneration based on their position and responsibility, which is both fixed and variable.

The executive remuneration and reward framework has four components:

- Base pay and non-monetary benefits
- Short-term performance incentives
- Share-based payments
- Other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board, based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives can receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and adds additional value for the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the targets of those executives in charge of meeting those targets. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI') being achieved. KPI's can include profit contribution, customer satisfaction, leadership contribution and product management.

Remuneration report (audited) *continued*

The long-term incentives ('LTI') includes long service leave and share-based payments. As noted above, the EIP Plan has been set up to reward executives based on long term incentive measures in the form of restricted fully paid ordinary shares. These include increase in shareholders' value relative to the entire market and the increase compared to the consolidated entity's direct competitors.

Consolidated entity performance and link to remuneration

Remuneration for certain individuals is directly linked to the performance of the consolidated entity. Executives and other employees can be issued with restricted fully paid ordinary shares in the company. The number and the terms of the shares issued are determined by the Board after consideration of the employee's performance and their ability to contribute to the achievement of the consolidated entity's objectives. Refer to the additional information section of the remuneration report for details of the last five years earnings and total shareholders' return ('TSR').

Voting and comments made at the company's 2021 Annual General Meeting ('AGM')

At the last AGM, 99.81% of the shareholders voted to adopt the remuneration report for the year ended 30 June 2021. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Peter Graham was re-elected as a Director while Simon White was elected as a Director, both with shareholder support of 99.85% of the votes cast on those resolutions.

Shareholders, with 99.32% support, ratified the prior issue of 9,374,138 shares in the Company to sophisticated and prtofessional investors at a price of $0.132 (13.20 cents) per share for the purpose of reducing the debt owed to First Samuel.

Shareholders, with 99.08% support, ratified the issue on 12 November 2021 of 27,570,000 fully paid ordinary shares in the Company (Shares) at a price of $0.125 (12.5 cents) per Share in relation to the placement conducted in November 2021 (November Placement) for the purpose of reducing the Company's debt.

Shareholders supported (with 99.52% of the vote) the adoption of a new Employee Incentive Plan (EIP).

The approval for replenishing the 10% Placement Facility was also passed with shareholders approving with 99.53% of the vote.

Lastly, the Resolution to replace the Company's Constitution was also well supported with 99.87% voting in favour.

The Board acknowledged and thank shareholders for their support in passing all resolutions at the 2021 AGM.

Details of remuneration

Amounts of remuneration

The key management personnel of the consolidated entity consisted of the Directors of TZ Limited and the following persons:

- Mario Vecchio
  Chief Executive Officer

  Resigned as Non-Executive Director on 6 October 2020 and
  appointed as Chief Executive Officer on 17 September 2021
- Simon Van Es
  Chief Operating Officer of TZ Limited
- John Wilson
  Vice President APAc and EMEA of TZ Limited
- Brian Leary
  President of Telezygology Inc.

  Resigned on 10 August 2022
- Craig Sowden
  Chief Financial Officer of TZ Limited

  Resigned on 25 November 2021
- Adam Forsyth
  Chief Technology Officer of TZ Limited

  Resigned on 25 February 2022

Remuneration report (audited) *continued*

2022

		Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
		Cash salary and fees	Other**	Bonus	Super-annuation	Employee leave	Options	Share grants	Total
		$	$	$	$	$	$	$	$
Non-Executive Directors	P Graham	105,000	-	-	-	-	-	-	105,000
	J D'Angelo	67,500	-	-	-	-	-	-	67,500
	S White*	57,500	-	-	-	-	-	-	57,500
Executive Directors	S Beeton*	206,297	-	-	16,066	-	-	-	222,363
Other Key Management Personnel	M Vecchio	235,385	18,106	-	17,676	-	-	-	271,167
	S Van Es	229,545	6,250	-	22,239	-	-	1,686	259,720
	J Wilson	248,182	11,748	-	22,256	-	5,516	2,529	290,231
	B Leary	213,892	23,955	-	3,809	-	-	2,529	244,185
	C Sowden*	145,482	-	-	8,951	-	-	-	154,433
	A Forsyth*	174,740	-	-	24,239	-	-	2,529	201,508
		1,683,523	**60,059**	-	**115,236**	-	**5,516**	**9,273**	**1,873,607**

* *Represents remuneration from date of appointment and/or to date of resignation*

** *Represents changes in the accrued amounts of annual leave over the year*

2021

		Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
		Cash salary and fees	Other**	Bonus	Super-annuation	Employee leave	Options	Share grants	Total
		$	$	$	$	$	$	$	$
Non-Executive Directors	P Graham	61,250	-	-	-	-	-	-	61,250
	J D'Angelo*	75,545	-	-	-	-	-	-	75,545
	M Vecchio*	23,494	-	-	-	-	-	-	23,494
Executive Directors	S Beeton	226,485	23,497	-	20,091	-	-	-	270,073
Other Key Management Personnel	S Van Es	198,068	-	-	-	-	-	-	198,068
	J Wilson	296,752	(58,899)	-	25,233	-	10,599	-	273,685
	B Leary	207,497	4,908	-	37,315	-	9,250	-	258,970
	C Sowden	221,747	(5,663)	-	21,066	-	9,250	-	246,400
	A Forsyth	219,311	9,014	-	26,964	-	9,250	-	264,539
		1,530,149	(27,143)	-	130,669	-	38,349	-	1,672,024

* *Represents remuneration from date of appointment and/or to date of resignation*

** *Represents changes in the accrued amounts of annual leave over the year*

Remuneration report (audited) *continued*

The proportion of remuneration linked to performance and the fixed proportion are as follows:

		Fixed remuneration		At risk - STI		At risk - LTI	
	Name	2022	2021	2022	2021	2022	2021
Non-Executive Directors	P Graham	100%	100%	-	-	-	-
	J D'Angelo	100%	100%	-	-	-	-
	S White	100%	-	-	-	-	-
Executive Directors	S Beeton	100%	100%	-	-	-	-
Other Key Management Personnel	M Vecchio	100%	100%	-	-	-	-
	S Van Es	99%	100%	-	-	1%	-
	B Leary	99%	96%	-	-	1%	4%
	J Wilson	99%	96%	-	-	1%	4%
	C Sowden	100%	96%	-	-	-	4%
	A Forsyth	99%	97%	-	-	1%	3%

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name	Title	Agreement commenced	Term of agreement	Details
Mario Vecchio	Chief Executive Officer	20 September 2021	No fixed term	Base salary of $300,000 plus superannuation and notice period of 3 months
Simon Van Es	Chief Operating Officer	1 July 2021	No fixed term	Remuneration of $250,000 plus superannuation and notice period of 3 months
John Wilson	Vice President APAC and EMEA	8 September 2020	No fixed term	Remuneration of $240,000 including superannuation and notice period of 3 months
Brian Leary	President of Telezygology Inc	1 October 2018	Initial term of 2 years, renewal terms were amended subsequently	Base salary of USD$155,000 and notice period of 3 months

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Remuneration report (audited) *continued*

Share-based compensation

Issue of shares

Details of shares issued in accordance with the TZ Equity Incentive Plan to Directors and other key management personnel as part of compensation during the year ended 30 June 2022 are set out below:

Name	Date	Shares	Issue price	$
S Van Es	11 March 2022	125,000	$0.0920	11,500
J Wilson	11 March 2022	187,500	$0.0920	17,250
B Leary	11 March 2022	187,500	$0.0920	17,250
A Forsyth	11 March 2022	187,500	$0.0920	17,250

The shares are subject to escrow for a period of 36 months commencing on the date of the approval for the Employee Incentive Plan, being the 2021 Annual General Meeting of the company, which was held on 27 January 2022.

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of Directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Expiry date	Exercise price	Fair value per option at grant date
	165,000	6 August 2019	31 August 2024	$0.25	$0.0605
J Wilson	165,000	6 August 2019	31 August 2025	$0.40	$0.0579
	165,000	6 August 2019	31 August 2026	$0.45	$0.0654
	144,000	6 August 2019	31 August 2024	$0.25	$0.0605
B Leary	144,000	6 August 2019	31 August 2025	$0.40	$0.0579
	144,000	6 August 2019	31 August 2026	$0.45	$0.0654
	144,000	6 August 2019	31 August 2024	$0.25	$0.0605
C Sowden	144,000	6 August 2019	31 August 2025	$0.40	$0.0579
	144,000	6 August 2019	31 August 2026	$0.25	$0.0654
	144,000	6 August 2019	31 August 2024	$0.25	$0.0605
A Forsyth	144,000	6 August 2019	31 August 2025	$0.40	$0.0579
	144,000	6 August 2019	31 August 2026	$0.25	$0.0654

Additional information

The earnings of the consolidated entity for the five years to 30 June 2022 are summarised below:

	2022	2021	2020	2019	2018
	$	$	$	$	$
Sales revenue	21,428,560	16,378,223	12,852,402	17,430,926	17,388,505
Adjusted EBITDA *	1,278,529	137,364	(3,739,568)	(3,480,093)	(2,636,165)
Profit/(loss) after income tax	42,896	(1,658,204)	(5,120,229)	(4,359,688)	(11,687,882)

* *Earnings before interest, tax, depreciation, amortisation and other non-operating items*

The factors that are considered to affect total shareholder remuneration ('TSR') are summarised below:

	2022	2021	2020	2019	2018
Share price at financial year end ($)	0.110	0.110	0.030	0.090	0.170
Basic earnings per share (cents per share)	0.021	1.549	(6.360)	(6.180)	(18.450)

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

Ordinary shares	Balance at the start of the year	Additions	Disposals	Other*	Balance at the end of the year
P Graham	14,041,704	-	-	-	**14,041,704**
J D'Angelo	1,400,000	400,950	(300,000)	-	**1,500,950**
S White	-	-	-	-	**-**
S Van Es	-	125,000	-	-	**125,000**
M Vecchio	-	-	-	-	**-**
J Wilson	8,230	187,500	-	-	**195,730**
B Leary	-	187,500	-	-	**187,500**
S Beeton	709,788	-	(709,788)	-	**-**
C Sowden	3,500	-	(3,500)	-	**-**
A Forsyth	16,730	187,500	(15,206)	(189,024)	**-**
	16,179,952	**1,088,450**	**(1,028,494)**	**(189,024)**	**16,050,884**

* *Other represents no longer being designated as a KMP, not necessarily a disposal of holding.*

Option holding

The number of options over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

Options over ordinary shares	Balance at the start of the year	Granted	Expired	Forfeited/other*	Balance at the end of the year
J Wilson	495,000	-	-	-	495,000
B Leary	432,000	-	-	-	432,000
C Sowden	432,000	-	-	(432,000)	-
A Forsyth	432,000	-	-	(432,000)	-
	1,791,000	-	-	(864,000)	927,000

* *Forfeited/other may represent no longer being designated as a KMP. It does not necessarily represent options that have been forfeited.*

No options were exercised during the year ended 30 June 2022.

Other transactions with key management personnel and their related parties

There were no other transactions with KMP personnel and their related parties during the year ended 30 June 2022.

This concludes the remuneration report, which has been audited.

Directors' report

Shares under option

Unissued ordinary shares of TZ Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
6 August 2019	31 August 2024	$0.25	697,000
6 August 2019	31 August 2025	$0.40	697,000
6 August 2019	31 August 2026	$0.45	697,000
			2,091,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options

There were no ordinary shares of TZ Limited issued on the exercise of options during the year ended 30 June 2022 and up to the date of this report.

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 28 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 28 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards

Officers of the Company who are former partners of PKF Brisbane Audit

There are no officers of the Company who are former partners of PKF Brisbane Audit.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' Report.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

Peter Graham
Chairman

31 August 2022, Sydney

Auditor's independence declaration

PKF Brisbane Audit

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF TZ LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022, there have been no contraventions of:

(a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

PKF

PKF BRISBANE AUDIT

SHAUN LINDEMANN
PARTNER

BRISBANE
31 AUGUST 2022

PKF Brisbane Audit ABN 33 873 151 348
Level 6, 10 Eagle Street, Brisbane, QLD 4000 | GPO Box 1568, Brisbane, QLD 4001 | T: +61 7 3839 9733
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Financial report

For the year ended 30 June 2022

Statement of profit or loss and other comprehensive income

		Note	Consolidated 2022 $	2021 $
Revenue	Revenue	4	21,428,560	16,378,223
	Other income	5	1,117,895	1,318,107
	Interest income		128	5,030
Expenses	Raw materials and consumables used		(10,228,802)	(8,710,112)
	Employee benefits expense		(8,330,540)	(6,789,554)
	Occupancy expense		(204,831)	(213,467)
	Depreciation and amortisation expense	6	(975,644)	(852,463)
	Communications expense		(102,274)	(15,076)
	Professional and corporate services		(922,483)	(757,021)
	Travel and accommodation expense		(274,761)	(85,637)
	Net foreign currency exchange losses		(28,743)	(41,343)
	Other expenses		(1,175,492)	(946,756)
	Finance costs	6	(235,315)	(883,004)
Profit/(loss) before income tax expense			**67,698**	**(1,593,073)**
	Income tax expense	7	(24,802)	(65,131)
Profit/(loss) after income tax expense for the year attributable to the owners of TZ Limited			**42,896**	**(1,658,204)**
Other comprehensive income	Foreign currency translation		75,139	15,326
Items that may be reclassified subsequently to profit or loss	Other comprehensive income for the year, net of tax		75,139	15,326
Total comprehensive income for the year attributable to the owners of TZ Limited			**118,035**	**(1,642,878)**

	Note	2022 Cents	2021 Cents
Basic earnings per share	34	0.021	(1.549)
Diluted earnings per share	34	0.021	(1.549)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Financial report *continued*

As at 30 June 2022

Statement of financial position

				Consolidated	
				2022	2021
			Note	$	$
Assets	Current assets	Cash and cash equivalents	8	2,051,162	373,926
		Trade and other receivables	9	4,130,232	2,607,518
		Contract assets	10	2,609,521	1,672,307
		Inventories	11	2,686,840	1,555,395
		Other	12	1,233,935	697,632
		Total current assets		**12,711,690**	**6,906,778**
	Non-current assets	Property, plant and equipment	13	219,132	173,524
		Right-of-use assets	14	378,325	591,012
		Intangibles	15	991,716	1,571,725
		Total non-current assets		**1,589,173**	**2,336,261**
	Total assets			14,300,863	9,243,039
Liabilities	Current liabilities	Trade and other payables	16	3,252,005	3,120,538
		Contract liabilities	17	3,510,546	1,692,768
		Borrowings	18	2,500,000	4,725,884
		Lease liabilities	19	200,032	199,045
		Provisions	20	609,877	613,291
		Total current liabilities		**10,072,460**	**10,351,526**
	Non-current liabilities	Lease liabilities	19	206,050	397,290
	Total non-current liabilities			**206,050**	**397,290**
	Total liabilities			**10,278,510**	**10,748,816**
Net assets/(liabilities)				4,022,353	(1,505,777)
Equity	**Issued capital**		22	227,279,703	221,876,795
	Reserves		23	(4,211,903)	(4,232,391)
	Accumulated losses			(219,045,447)	(219,150,181)
Total equity/(deficiency)				**4,022,353**	**(1,505,777)**

The above statement of financial position should be read in conjunction with the accompanying notes

Financial report *continued*

For the year ended 30 June 2022

Statement of changes in equity

Consolidated		Note	Issued capital $	Reserves $	Accumulated losses $	Total deficiency in equity $
Balance at 1 July 2020			212,426,391	(4,275,193)	(217,506,070)	(9,354,872)
Loss after income tax expense for the year			-	-	(1,658,204)	(1,658,204)
Other comprehensive income for the year, net of tax			-	15,326	-	15,326
Total comprehensive income for the year			**-**	**15,326**	**(1,658,204)**	**(1,642,878)**
Transactions with owners in their capacity as owners:	Contributions of equity, net of transaction costs	22	9,450,404	-	-	9,450,404
	Share-based payments	35	-	41,569	-	41,569
	Options cancelled during the period		-	(14,093)	14,093	-
Balance at 30 June 2021			**221,876,795**	**(4,232,391)**	**(219,150,181)**	**(1,505,777)**

Consolidated		Note	Issued capital $	Reserves $	Accumulated losses $	Total deficiency in equity $
Balance at 1 July 2021			221,876,795	(4,232,391)	(219,150,181)	(1,505,777)
Profit after income tax expense for the year			-	-	42,896	42,896
Other comprehensive income for the year, net of tax			-	75,139	-	75,139
Total comprehensive income for the year			**-**	**75,139**	**42,896**	**118,035**
Transactions with owners in their capacity as owners	Contributions of equity, net of transaction costs	22	5,187,033	-	-	5,187,033
	Share-based payments	35	215,875	7,187	-	223,062
	Options cancelled during the period		-	(61,838)	61,838	-
Balance at 30 June 2022			**227,279,703**	**(4,211,903)**	**(219,045,447)**	**4,022,353**

The above statement of changes in equity should be read in conjunction with the accompanying notes

Financial report *continued*

For the year ended 30 June 2022

Statement of cash flows

Consolidated		Note	2022 $	2021 $
Cash flows from operating activities	Receipts from customers (inclusive of GST)		21,513,683	14,159,747
	Payments to suppliers and employees (inclusive of GST)		(23,357,466)	(17,168,210)
	Interest received		128	5,030
	Government grants received		476,411	1,391,668
	Interest and other finance costs paid		(233,811)	(920,531)
	Income taxes paid		(24,802)	(65,131)
Net cash used in operating activities		33	**(1,625,857)**	**(2,597,427)**
Cash flows from investing activities	Payments for security deposits		-	(9,158)
	Payments for property, plant and equipment	13	(127,538)	(5,484)
	Payments for intangibles	15	(79,857)	(404,933)
Net cash used in investing activities			**(207,395)**	**(419,575)**
Cash flows from financing activities	Proceeds from issue of shares	22	3,446,250	9,820,384
	Transaction costs on shares issued		(259,217)	(626,895)
	Proceeds from borrowings		2,500,000	-
	Repayment of borrowings		(2,000,000)	(6,743,085)
	Repayment of lease liabilities		(191,032)	(83,634)
Net cash from financing activities			**3,496,001**	**2,366,770**
Net (decrease)/increase in cash and cash equivalents			1,662,749	(650,232)
Cash and cash equivalents at the beginning of the financial year			373,926	1,043,158
Effects of exchange rate changes on cash and cash equivalents			14,487	(19,000)
Cash and cash equivalents at the end of the financial year		8	**2,051,162**	**373,926**

The above statement of cash flows should be read in conjunction with the accompanying notes

Notes to the financial statements

Note 1 Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

These financial statements have been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

Although the consolidated entity generated a net profit for the year ended 30 June 2022 and recorded surplus net assets and net current assets, the consolidated entity incurred cash outflows from operating activities of $1,625,857 for the year (30 June 2021: $2,597,427), and has recorded a $2.5m loan payable to First Samuel Limited, with a maturity date of 31 October 2022.

In assessing the appropriateness of the going concern concept the following factors have been taken into consideration by the Directors:

- The Directors are of the view the consolidated entity is on track to meet revenue targets for the 30 June 2023 financial year. It is expected that, as the monthly revenue levels increase, the consolidated entity's operating business units will be in a position to contribute positive cash flow to the bottom line
- The Directors maintain a positive outlook on achieving profitability in the 30 June 2023 financial year based on the strength of the sales pipeline

In making their assessment, the Directors acknowledge that the ability of the consolidated entity to continue as a going concern is dependent on continuing to meet sales and profitability forecasts, the generation of positive cash flows, the continued support of shareholders and lenders and the raising of additional share capital as and when required in the future.

The financial statements have been prepared on the going concern basis for the above reasons. Accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded assets or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 31.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of TZ Limited ('Company' or 'parent entity') as at 30 June 2022 and the results of all subsidiaries for the year then ended. TZ Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Notes to the financial statements *continued*

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial statements are presented in Australian dollars, which is TZ Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into the entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of software and hardware

Sales of software and hardware are recognised at the point of sale, which is where the customer has taken delivery of the goods.

Rendering of installation and commissioning services

Rendering of installation and commissioning services revenue is recognised at the point in time when software and hardware has been installed.

Rendering of maintenance services

Revenue from maintenance services is typically paid in advance on an annual, quarterly or monthly basis. Revenue is recognised over the period the customer support/hosting relates to (the coverage period). Fees received in advance of the performance of services are deferred and recognised as contract liabilities.

Rendering of professional services

Rendering of professional services revenue is recognised when the service to the customer is completed.

Notes to the financial statements *continued*

Interest revenue

Interest revenue is recognised as it accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Government grants

Grants from the government are recognised at their fair value when there is reasonable assurance that the grant will be received and that the consolidated entity will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss as other income over the periods necessary to match them with the costs that they are intended to compensate.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Reclassification

Comparative figures in the statement of profit or loss and other comprehensive income and in the statement of financial position have been reclassified to conform to the current year presentation.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30- 60 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Contract assets

Contract assets are recognised when the consolidated entity has transferred goods or services to the customer but where the consolidated entity is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Inventories

Finished goods are stated at the lower of cost and net realisable value on an average cost basis. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straightline basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Leasehold improvements	20 - 33%
Plant and equipment	20%
Office equipment	15 - 35%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straightline basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Patents

Expenditure directly attributable to the registration of patents is capitalised at cost and is amortised over the useful life of 15 years.

Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is capitalised if the product or service is technically feasible, adequate resources are available to complete the project, it is probable that future economic benefits will be generated and expenditure attributable to the project can be measured reliably. Expenditure capitalised comprises costs of materials, services, direct labour and an appropriate portion of overheads.

Capitalised development expenditure is stated at cost less accumulated amortisation and any impairment losses and are amortised over the period of expected future sales from the related projects which vary from 3 to 5 years.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities

Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Notes to the financial statements *continued*

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries and other employee benefits expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

Employee benefits not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield, the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification had not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, they are treated as if they had vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award are treated as if they were a modification.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Notes to the financial statements *continued*

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of TZ Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming conversion of all dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2022. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2 Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Revenue from contracts with customers

Determining when to recognise revenues from maintenance services recognised over time is dependent on the extent to which the performance obligations have been satisfied. For maintenance service agreements, revenue recognition requires an understanding of the customer's use of the related products, historical experience and knowledge of the market.

Recognised amounts of contract revenues and related receivables reflect management's best estimate of each contract's outcome and stage of completion. This includes the assessment of the profitability of ongoing contracts and the order backlog. For more complex contracts in particular, costs to complete and contract profitability are subject to significant estimation uncertainty.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, the impact of the Coronavirus (COVID-19) pandemic and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 9, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Capitalised development costs

Distinguishing the research and development phases of a new project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves assessing the value of the asset at fair value less costs of disposal and using value-in-use models which incorporate a number of key estimates and assumptions.

Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement and estimates are required in recognising and measuring current and deferred tax amounts. For any uncertain tax treatment adopted relating to transactions or events, the consolidated entity recognises and measures tax related amounts having regard to both the probability that such amounts may be challenged by a tax authority and the expected resolution of such uncertainties. In such circumstances, tax balances are determined based on either most likely amount or expected value probability based outcomes. Where final tax outcomes vary from what is estimated, such differences will impact the current and deferred tax provisions recognised in the financial statements.

Notes to the financial statements *continued*

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Note 3 Operating segments

Identification of reportable operating segments

The consolidated entity operates in four operating segments being Australia, United States of America ('USA'), Europe (including the United Kingdom) Middle East and Africa ('EMEA') and Asia. The principal activities of each operating segment are identical, being the sale of hardware and software products. These segments are based on the internal reports that are reviewed and used by the Board of Directors (being the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

Other segments represent the activities of the corporate headquarters.

The information reported to the CODM, on at least a monthly basis, is profit or loss and adjusted earnings before interest, tax, depreciation and amortisation and other specific items ('Adjusted EBITDA').

For information about revenue from products and services, refer to note 4.

Intersegment transactions

Transactions between segments are carried out at arm's length and are eliminated on consolidation.

Intersegment receivables, payables and loans

Intersegment receivables, payables and loans are eliminated on consolidation.

Major customers

During the year ended 30 June 2022, 2 customers (2021: 2 customers) each contributed more than 10% to the external revenue of the consolidated entity. These 2 customers contributed 23% (2021: 2 customers contributed 31%) of the consolidated entity's external revenue.

Notes to the financial statements *continued*

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Operating segment information

Consolidated - 2022		Australia $	USA $	EMEA $	Asia $	Other segments $	Total $
Revenue	Sales to external customers	6,180,310	13,660,466	688,069	899,715	-	21,428,560
	Intersegment sales	661,657	968	-	3,222	-	665,847
	Total sales revenue	6,841,967	13,661,434	688,069	902,937	-	22,094,407
	Interest	128	-	-	-	-	128
	Total segment revenue	6,842,095	13,661,434	688,069	902,937	-	22,094,535
	Intersegment eliminations						(665,847)
	Total revenue						21,428,688
Adjusted EBITDA		1,265,890	2,237,984	(134,186)	381,421	(2,472,580)	1,278,529
	Depreciation and amortisation						(975,644)
	Interest revenue						128
	Finance costs						(235,315)
Profit before income tax expense							67,698
Income tax expense							(24,802)
Profit after income tax expense							42,896

Consolidated - 2021		Australia $	USA $	EMEA $	Asia $	Other segments $	Total $
Revenue	Sales to external customers	1,624,423	10,285,266	3,725,828	742,706	-	16,378,223
	Interest	-	-	-	-	5,030	5,030
	Total revenue	1,624,423	10,285,266	3,725,828	742,706	5,030	16,383,253
Adjusted EBITDA		119,151	526,850	1,209,709	341,394	(2,059,740)	137,364
	Depreciation and amortisation						(852,463)
	Interest revenue						5,030
	Finance costs						(883,004)
Loss before income tax expense							(1,593,073)
Income tax expense							(65,131)
Loss after income tax expense							(1,658, 204)

All assets and liabilities, including taxes are not allocated to the operating segments as they are managed on an overall group basis.

Geographical information

Geographical non-current assets	2022 $	2021 $
Australia	1,333,307	2,125,005
United States of America	251,899	205,204
EMEA	3,011	4,626
Asia (Singapore)	956	1,426
	1,589,173	2,336,261

Notes to the financial statements *continued*

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Note 4 Revenue

Consolidated	2022 $	2021 $
Sale and service revenue	21,428,560	16,378,223

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

Consolidated	2022 $	2021 $
Major product and service lines		
Sale of hardware and software	17,555,924	12,909,081
Installation and commissioning services	1,417,886	819,137
Maintenance and support services	2,441,734	2,279,654
Professional services	13,016	370,351
	21,428,560	16,378,223
Timing of revenue recognition		
Goods and services transferred at a point in time	18,986,826	14,098,569
Services transferred over time	2,441,734	2,279,654
	21,428,560	16,378,223

Refer to note 3 for details of revenue disaggregated by geographical regions.

Note 5 Other Income

Consolidated		2022 $	2021 $
Forgiveness of loan		641,484	-
Government grant	Research and development incentive	245,822	1,004,020
	JobSaver	217,668	-
	JobKeeper		192,112
	Cash Boost		50,000
	Export market development		61,841
	Other	12,921	8,695
Other		-	1,439
Other income		1,117,895	1,318,107

Forgiveness of loan

In May 2020, the Company's USA subsidiary, Telezygology Inc., secured a PPP loan of US$464,862 under the US Small Business Administration Paycheck Protection Programme ('PPP') established by the Coronavirus Aid, Relief and Economic Security ('CARES') Act. The loan term had a two years term and carried an interest rate of 1% per annum. During the year ended 30 June 2022, the loan was forgiven in full.

Government grant – Research and Development Incentive

Government grant – Research and Development Incentive represents reimbursements received from the Australian Government for eligible research and development expenditure incurred by the consolidated entity.

Government grant – JobSaver

Government grant – JobSaver represents JobSaver support payments received from the New South Wales Government during the Coronavirus ('COVID-19') pandemic to assist eligible businesses cover their payroll costs. These have been recognised as government grants in the financial statements and recorded as other income over the periods in which the related employee benefits are recognised as an expense.

Notes to the financial statements *continued*

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Government grant – JobKeeper

Government grant – JobKeeper represents JobKeeper support payments received from the Australian Government which are passed on to eligible employees during the Coronavirus ('COVID-19') pandemic. These have been recognised as government grants in the financial statements and recorded as other income over the periods in which the related employee benefits are recognised as an expense.

Government grant – Cash Boost

Government grant – Cash Boost represents cash boost support payments received from the Australian Government as part of its 'Boosting Cash Flow for Employers' scheme in response to the Coronavirus ('COVID-19') pandemic. These non-tax amounts have been recognised as government grants and recognised as income once there is reasonable assurance that the consolidated entity will comply with any conditions attached.

Note 6 Expenses

Consolidated		2022 $	2021 $
Profit/(loss) before income tax includes the following specific expenses:			
Depreciation	Leasehold improvements	-	109
	Plant and equipment	74,200	81,449
	Office equipment	11,699	21,610
	Right-of-use assets	212,959	85,659
	Total depreciation	298,858	188,827
Amortisation	Patents	-	8,078
	Development costs	676,786	655,558
	Total amortisation	676,786	663,636
Total depreciation and amortisation		975,644	852,463
Finance costs	Interest and finance charges paid/payable on borrowings	201,472	872,970
	Interest and finance charges paid/payable on lease liabilities	33,843	10,034
Finance costs expensed		235,315	883,004
Leases	Short-term lease payments	203,427	203,756
Defined contribution superannuation expense		342,059	347,386
Share-based payments	Options	7,187	41,569
	Share grants	20,148	-
		27,335	41,569

Note 7 Income tax expense

Consolidated		2022 $	2021 $
Income tax expense	Current tax	24,802	65,131
Aggregate income tax expense		24,802	65,131
Numerical reconciliation of income tax expense and tax at the statutory rate	Profit/(loss) before income tax expense	67,698	(1,593,073)
Tax at the statutory tax rate of 25% (2021: 26%)		16,925	(414,199)
Current year tax losses not recognised		-	495,730
Difference in overseas tax rates/ refunds		7,877	(16,400)
Income tax expense		24,802	65,131

The consolidated entity is in the process of determining its tax loss position to carry forward.

Change in corporate tax rate

The corporate tax rate applicable to base rate entities reduced from 26% to 25% for the 2021-22 income year. The consolidated entity qualifies as a base rate entity as it has a turnover of less than $50 million and less than 80% of its assessable income is derived from base rate entity passive income. The consolidated entity has remeasured its deferred tax balances, and any unrecognised potential tax benefits arising from carried forward tax losses, based on the effective tax rate that is expected to apply in the year the temporary differences are expected to reverse or benefits from tax losses realised. The impact of the change in tax rate on deferred tax balances has been recognised as tax expense in profit or loss or as an adjustment to equity to the extent to which the deferred tax relates to items previously recognised outside profit or loss.

Note 8 Current assets – cash and cash equivalents

Consolidated	2022 $	2021 $
Cash and cash equivalents	2,051,162	373,926

Note 9 Current assets – trade and other receivables

Consolidated	2022 $	2021 $
Trade receivables	4,130,232	2,555,515
Goods and services tax receivable	-	52,003
	4,130,232	2,607,518

Allowance for expected credit losses

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
Consolidated	2022 %	2021 %	2022 $	2021 $	2022 $	2021 $
Not overdue	-	-	2,542,333	1,293,396	-	-
0 to 3 months overdue	-	-	1,227,797	907,570	-	-
3 to 6 months overdue	-	-	334,439	179,573	-	-
Over 6 months overdue	-	-	25,663	174,976	-	-
			4,130,232	2,555,515	-	-

Note 10 Current assets – contract assets

Consolidated	2022 $	2021 $
Contract assets	2,609,521	1,672,307

Reconciliation

Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	2022 $	2021 $
Opening balance	1,672,307	325,042
Additions	11,540,623	1,672,307
Transfer to trade receivables	(10,603,409)	(325,042)
Closing balance	2,609,521	1,672,307

Allowance for expected credit losses

The allowance for expected credit losses on contract assets for the year ended 30 June 2022 is $nil (2021: $nil).

Note 11 Current assets – inventories

Consolidated	2022 $	2021 $
Finished goods - at cost	2,979,362	1,709,385
Less: Provision for impairment	(292,522)	(282,259)
	2,686,840	1,427,126
Stock in transit - at cost		128,269
	2,686,840	1,555,395

Note 12 Current assets – other

Consolidated	2022 $	2021 $
Prepayments and deferred expenses	1,079,140	546,834
Security deposits	154,795	150,798
	1,233,935	697,632

Note 13 Non-current assets – property, plant and equipment

Consolidated	2022 $	2021 $
Leasehold improvements - at cost	418,955	418,955
Less: Accumulated depreciation	(418,955)	(418,955)
	-	-
Plant and equipment - at cost	2,115,249	2,114,214
Less: Accumulated depreciation	(2,040,409)	(1,966,209)
	74,840	148,005
Office equipment - at cost	941,505	811,033
Less: Accumulated depreciation	(797,213)	(785,514)
	144,292	25,519
	219,132	173,524

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Leasehold improvements $	Plant and equipment $	Office equipment $	Total $
Balance at 1 July 2020	109	202,525	73,317	275,951
Additions	-	-	5,484	5,484
Transfers in/(out)	-	26,995	(26,995)	-
Exchange differences	-	(66)	(4,677)	(4,743)
Depreciation expense	(109)	(81,449)	(21,610)	(103,168)
Balance at 30 June 2021	-	148,005	25,519	173,524
Additions	-	1,035	126,503	127,538
Exchange differences	-	-	3,969	3,969
Depreciation expense	-	(74,200)	(11,699)	(85,899)
Balance at 30 June 2022	-	74,840	144,292	219,132

Note 14 Non-current assets – right-of-use assets

Consolidated	2022 $	2021 $
Land and buildings - right-of-use	614,921	703,493
Less: Accumulated depreciation	(236,596)	(112,481)
	378,325	591,012

The consolidated entity leases various premises under non-cancellable operating leases expiring between 1 and 5 years, in some cases, with options to extend. All leases have annual CPI escalation clauses. The above commitments do not include commitments for any renewal options on leases. Lease conditions do not impose any restrictions on the ability of TZ Limited and its subsidiaries from borrowing further funds or paying dividends.

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Right-of-use assets $
Balance at 1 July 2020	62,350
Additions	614,321
Depreciation expense	(85,659)
Balance at 30 June 2021	591,012
Exchange differences	272
Depreciation expense	(212,959)
Balance at 30 June 2022	378,325

Note 15 Non-current assets – intangibles

Consolidated	2022 $	2021 $
Re-acquired right (Intevia Licence) - at cost	10,138,090	10,138,090
Less: Accumulated amortisation	(8,035,887)	(8,035,887)
Less: Impairment	(2,102,203)	(2,102,203)
	-	-
Patents - at cost	2,748,670	2,720,617
Less: Accumulated amortisation	(765,810)	(765,810)
Less: Impairment	(1,786,542)	(1,786,542)
	196,318	168,265
Development costs - at cost	10,892,660	10,823,936
Less: Accumulated amortisation	(5,596,262)	(4,919,476)
Less: Impairment	(4,501,000)	(4,501,000)
	795,398	1,403,460
	991,716	1,571,725

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Patents $	Development costs $	Total $
Balance at 1 July 2020	164,891	1,680,689	1,845,580
Additions	26,604	378,329	404,933
Exchange differences	(15,152)	-	(15,152)
Amortisation expense	(8,078)	(655,558)	(663,636)
Balance at 30 June 2021	168,265	1,403,460	1,571,725
Additions	11,133	68,724	79,857
Exchange differences	16,920	-	16,920
Amortisation expense	-	(676,786)	(676,786)
Balance at 30 June 2022	196,318	795,398	991,716

Notes to the financial statements *continued*

Impairment testing

At 30 June 2022, the cash generating units ('CGU') to which intangible assets belong was tested for impairment. For the purpose of impairment testing, the Package Asset Delivery ('PAD') CGU is determined to be the sole CGU that benefits from the core patented technology and product development costs. The net carrying value of the CGU is as follows:

Consolidated	2022 $	2021 $
Package Asset Delivery - PAD	991,716	1,571,725

Impairment test performed

The recoverable value of the CGU was assessed on a fair value basis (less likely costs of disposal). The fair value was determined by management, through the assistance of a third party valuations specialist.

The fair value hierarchy within which the fair value measurement of the asset is categorised in its entirety is Level 3. The valuation techniques used to measure the fair value less likely costs of disposal were the Relief from Royalty Method and Multi Period Excess Earnings Method. Management used the following key estimates and assumptions in the valuation calculation:

Key items	2022	2021
Growth rate	1.50%	2.25%
Discount rate	10.60%	11.50%
Royalty rate	5.00%	5.00%
Customer attrition rate	10.00%	10.00%
EBITDA margin	50.00%	50.00%

Impairment test results

Based on the testing performed, the recoverable amount of the CGU exceeded the carrying value and no impairment existed at 30 June 2022 (30 June 2021: no impairment).

Impairment test sensitivity

A reasonable possible change in the key assumptions used to determine the recoverable amount of the CGU would not cause the remaining carrying value of the CGU to exceed its recoverable amount.

Note 16 Current liabilities – trade and other payables

Consolidated	2022 $	2021 $
Trade payables	1,840,073	2,159,131
Employee expense payables	322,942	118,966
Goods and services tax payable	289,616	-
Other payables	799,374	842,441
	3,252,005	3,120,538

Refer to note 25 for further information on financial instruments.

Note 17 Current liabilities – contract liabilities

Consolidated	2022 $	2021 $
Contract liabilities	3,510,546	1,692,768

Reconciliation

Reconciliation of the carrying values at the beginning and end of the current and previous financial year are set out below:

	2022 $	2021 $
Opening balance	1,692,768	2,293,752
Amounts invoiced in advance	16,443,141	760,217
Transfer to revenue - included in the opening balance	(1,692,768)	(1,361,201)
Transfer to revenue - performance obligations satisfied in the current period	(13,085,474)	-
Transfer to revenue - other balances	152,879	-
Closing balance	3,510,546	1,692,768

Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was $3,510,546 as at 30 June 2022 ($1,692,768 as at 30 June 2021) and is expected to be recognised as revenue in future periods as follows:

Consolidated	2022 $	2021 $
Within 6 months	3,245,546	1,641,848
Greater than 6 months	265,000	50,920
	3,510,546	1,692,768

Notes to the financial statements *continued*

Note 18 Current liabilities – borrowings

Consolidated	2022 $	2021 $
Loan - First Samuel	2,500,000	4,000,000
Loan - First Samuel - capitalised interest	-	111,044
Loan - PPP	-	614,840
	2,500,000	4,725,884

Refer to note 25 for further information on financial instruments.

Loan – First Samuel

On 1 July 2021, the consolidated entity drew down the full debenture facility of $2,500,000 that was established with First Samuel on 30 June 2021, and which matures on 31 October 2022. This facility carries a coupon rate of BBSW + 4.5% per annum and a facility fee of 1% per annum payable in advance. The drawn funds were used to repay $2,111,044 of debt due under the previous facility which existed at 30 June 2021 and matured on 31 July 2021 as well as the facility fee of the new debenture facility.

Of the total facility drawn down at 30 June 2021:

- $2,111,044 was repaid on the 1 July 2021, from funds drawn from the new loan facility
- $2,000,000 was converted into ordinary shares of the Company at a price of $0.12 per share on 16 August 2021 (refer to note 22)

Loan – PPP

In May 2020, the Company's USA subsidiary, Telezygology Inc., secured a PPP loan of US$464,862 under the US Small Business Administration Paycheck Protection Programme ('PPP') established by the Coronavirus Aid, Relief and Economic Security ('CARES') Act. The loan term is two years and carries an interest rate of 1% per annum. This PPP loan was treated as forgiven by the US Small Business Administration and recorded as "paid in full" in May 2022.

Total secured liabilities

The total secured current liabilities are as follows:

Consolidated	2022 $	2021 $
Loan - First Samuel	2,500,000	4,000,000
Loan - First Samuel - capitalised interest	-	111,044
	2,500,000	4,111,044

Assets pledged as security

The facilities are secured by first ranking security interest over the assets of the consolidated entity.

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated	2022 $	2021 $
Total facilities	Loan - First Samuel (expired facility)	-	4,000,000
	Loan - First Samuel (current facility)	2,500,000	2,500,000
	Loan - PPP	-	614,840
		2,500,000	7,114,840
Used at the reporting date	Loan - First Samuel (expired facility)	-	4,000,000
	Loan - First Samuel (current facility)	2,500,000	-
	Loan - PPP	-	614,840
		2,500,000	4,614,840
Unused at the reporting date	Loan - First Samuel (expired facility)	-	-
	Loan - First Samuel (current facility)	-	2,500,000
	Loan - PPP	-	-
		-	2,500,000

Notes to the financial statements *continued*

Note 19 Current liabilities – lease liabilities

Consolidated	2022 $	2021 $
Lease liability	200,032	199,045

Refer to note 21 for further information.

Note 20 Current liabilities – provisions

Consolidated	2022 $	2021 $
Employee benefits	609,877	613,291

Note 21 Non-current liabilities – lease liabilities

Consolidated	2022 $	2021 $
Lease liability	206,050	397,290

Refer note 25 for details of the undiscounted future lease commitments.

Reconciliations

Reconciliations of the lease liability (current and non-current) at the beginning and end of the current financial year are set out below:

Consolidated	2022 $	2021 $
Opening balance	596,335	65,648
Additions	-	614,321
Accretion of interest	33,834	10,034
Payments - principal	(191,032)	(83,634)
Payments - interest	(33,834)	(10,034)
Exchange differences	779	-
Closing balance	406,082	596,335

Notes to the financial statements *continued*

Note 22 Equity – issued capital

Consolidated	2022 Shares	2021 Shares	2022 $	2021 $
Ordinary shares - fully paid	22,708,114	176,508,947	227,279,703	221,876,795

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2020	91,725,605		212,426,391
Issue of shares	26 November 2020	2,446,807	$0.1050	256,915
Issue of shares	7 January 2021	2,000,000	$0.0900	180,000
Issue of shares	29 April 2021	21,500,000	$0.1200	2,580,000
Issue of shares	11 June 2021	58,836,535	$0.1200	7,060,384
Less: share issue costs		-		(626,895)
Balance	30 June 2021	176,508,947		221,876,795
Issue of shares	16 August 2021	16,666,667	$0.1200	2,000,000
Issue of shares	12 November 2021	27,570,000	$0.1250	3,446,250
Issue of shares – equity incentive plan	11 March 2022	1,962,500	$0.1100	215,875
Less: share issue costs		-		(259,217)
Balance	30 June 2022	222,708,114		227,279,703

Ordinary shares

Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Unquoted options

At 30 June 2022, there were 2,091,000 (2021: 2,091,000) options on issue associated with share-based payment arrangements (see note 35). Each option entitles the holder to subscribe for one fully paid share in the company upon exercise at any time from the date the vesting conditions have been satisfied until expiry of the options.

Capital risk management

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company or invest in growth was seen as value adding.

The capital risk management policy remains unchanged from the 30 June 2021 Annual Report.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

Notes to the financial statements *continued*

Note 23 Equity – reserves

Consolidated	2022 $	2021 $
Foreign currency reserve	(4,246,674)	(4,321,813)
Share-based payments reserve	34,771	89,422
	(4,211,903)	(4,232,391)

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Foreign currency $	Share-based payments $	Total $
Balance at 1 July 2020	(4,337,139)	61,946	(4,275,193)
Foreign currency translation	15,326	-	15,326
Share-based payments	-	41,569	41,569
Cancelled options transferred to accumulated losses	-	(14,093)	(14,093)
Balance at 30 June 2021	(4,321,813)	89,422	(4,232,391)
Foreign currency translation	75,139	-	75,139
Share-based payments	-	7,187	7,187
Cancelled options transferred to accumulated losses	-	(61,838)	(61,838)
Balance at 30 June 2022	(4,246,674)	34,771	(4,211,903)

Note 24 Equity – dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 25 Financial instruments

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and foreign exchange risks and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The consolidated entity's foreign exchange risk is managed to ensure sufficient funds are available to meet foreign currency commitments in a timely and cost-effective manner. The consolidated entity will continually monitor this risk and consider entering into forward foreign exchange, foreign currency swap and foreign currency option contracts if appropriate.

Creditors and debtors as at 30 June 2022 were reviewed to assess currency risk at year end. The value of transactions denominated in a currency other than the functional currency of the respective subsidiary was insignificant and therefore the risk was determined as immaterial.

Price risk

The consolidated entity is not exposed to any significant price risk.

Interest rate risk

The consolidated entity's main interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the consolidated entity to interest rate risk. Borrowings issued at fixed rates expose the consolidated entity to fair value interest rate risk.

The consolidated entity invests surplus cash in term deposits with fixed returns. The Board makes investment decisions after considering advice received from professional advisors.

The consolidated entity monitors its interest rate exposure continuously.

As at the reporting date, the consolidated entity had the following variable rate exposures:

	2022		2021	
	Weighted average interest rate	Balance	Weighted average interest rate	Balance
Consolidated	%	$	%	$
Cash and cash equivalents	-	2,051,162	0.10	373,926
Loan – First Samuel	5.38%	(2,500,000)	7.48%	(4,111,044)
Net exposure to cash flow interest rate risk		(448,838)		(3,737,118)

An analysis by remaining contractual maturities is shown in 'liquidity and interest rate risk management' below.

The consolidated entity has a net cash deficit totalling $448,838 (2021: net cash deficit $3,737,118). An official increase/decrease in interest rates of 100 basis point (2021: 100 basis point) percentage point would have an adverse/favourable effect on profit before tax of $4,488 (2021: adverse/favourable $37,371) per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts' forecasts.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

The consolidated entity has a concentration of credit risk exposure with 1 customer (2021: 1 customers), which as at 30 June 2022 owed the consolidated entity $594,880 (2021: $278,096) representing 14% (2021: 11%) of trade receivables. Of this balance, $nil (2021: $210,678) was outside the customer's respective terms of trade, as a result management is confident of collection and no impairment was made as at 30 June 2022. There are no guarantees against these receivables but management closely monitors the receivable balance on a monthly basis and is in regular contact with this customer to mitigate risk.

There is a concentration of credit risk for cash at bank and cash on deposit as most monies in Australia are held with one financial institution, St George Bank.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than one year.

Notes to the financial statements *continued*

Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Financing arrangements

Unused borrowing facilities at the reporting date:

Consolidated	2022 $	2021 $
Loan – First Samuel (current facility)	-	2,500,000

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2022		Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives	Trade payables	-	1,840,073	-	-	-	1,840,073
Non-interest bearing	Other payables	-	1,122,316	-	-	-	1,122,316
	GST payable	-	289,616	-	-	-	289,616
Interest-bearing – variable	Loan – First Samuel	5.38	2,500,000	-	-	-	2,500,000
Interest-bearing – fixed rate	Lease liability	6.87	200,032	206,050	-	-	406,082
Total non-derivatives			5,952,037	206,050	-	-	6,158,087

Consolidated - 2021		Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives	Trade payables	-	2,159,131	-	-	-	2,159,131
Non-interest bearing	Other payables	-	961,407	-	-	-	961,407
Interest-bearing – variable	Loan – First Samuel	7.48	4,111,044	-	-	-	4,111,044
Interest-bearing – fixed rate	Loan – PPP	1.00	614,840	-	-	-	614,840
	Lease liability	7.57	199,045	218,238	179,052	-	596,335
Total non-derivatives			8,045,467	218,238	179,052	-	8,442,757

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 26 Fair value measurement

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments.

Note 27 Key management personnel disclosures

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the consolidated entity is set out below:

Consolidated	2022 $	2021 $
Short-term employee benefits	1,743,582	1,503,006
Post-employment benefits	115,236	130,669
Share-based payments	14,789	38,349
	1,873,607	1,672,024

Note 28 Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by PKF Brisbane Audit, the auditor of the Company:

Consolidated	2022 $	2021 $
Audit services - PKF Brisbane Audit		
Audit or review of the financial statements	90,250	85,500
Other services - PKF Brisbane		
Tax services	10,550	10,000
	100,800	95,500

Note 29 Contingent liabilities

The consolidated entity does not have any contingent liabilities at 30 June 2022 and 30 June 2021.

Note 30 Related party transactions

Parent entity

TZ Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 32.

Key management personnel

Disclosures relating to key management personnel are set out in note 27 and the remuneration report included in the Directors' Report.

Transactions with related parties

The following transactions occurred with related parties:

Consolidated	2022 $	2021 $
Payment for other expenses:		
Interest paid/(payable) to First Samuel Limited - an entity with significant influence	134,449	848,795

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

Consolidated	2022 $	2021 $
Current borrowings:		
Loan from First Samuel Limited - an entity with significant influence	2,500,000	4,111,044

Terms and conditions

Refer to note 18 for details of terms and conditions on the First Samuel Limited loan facility.

Notes to the financial statements *continued*

Note 31 Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

Parent	2022 $	2021 $
Loss after income tax	(937,073)	(849,470)
Total comprehensive income	(937,073)	(849,470)

Statement of financial position

Parent		2022 $	2021 $
Total current assets		8,606,957	6,128,239
Total assets		10,220,093	7,700,842
Total current liabilities		6,295,769	8,187,702
Total liabilities		6,295,769	8,187,702
Equity	Issued capital	227,279,703	221,876,795
	Share-based payments reserve	34,771	89,422
	Accumulated losses	(223,390,150)	(222,453,077)
Total equity/(deficiency)		3,924,324	(486,860)

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2022 and 30 June 2021.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Capital commitments – property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 and 30 June 2021.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 32 Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

		Ownership interest	
Name	Principal place of business / Country of incorporation	2022 %	2021 %
Telezygology, Inc	United States of America	100	100
TZ Holdings Inc	United States of America	100	100
TZ Development Technologies Inc	United States of America	100	100
TZ Tooling Inc	United States of America	100	100
TZI Australia Pty Limited	Australia	100	100
TZ Administration Services Pty Ltd	Australia	100	100
TZI Singapore Pte Ltd	Singapore	100	100
TZI UK Limited	United Kingdom	100	100

Notes to the financial statements *continued*

Note 33 Cash flow information

Reconciliation of profit/(loss) after income tax to net cash used in operating activities

Consolidated		2022 $	2021 $
Profit/(loss) after income tax expense for the year		42,896	(1,658,204)
Adjustments for	Depreciation and amortisation	975,644	852,463
	Share-based payments	27,335	41,569
	Foreign exchange differences	62,917	(6,993)
	Forgiveness of loan	(641,484)	-
	Interest accrued on borrowings	112,548	(37,527)
Change in operating assets and liabilities	Increase in trade and other receivables	(1,522,714)	(486,816)
	Increase in contract assets	(937,214)	(1,347,265)
	Decrease/(increase) in inventories	(1,131,445)	42,361
	Decrease/(increase) in other operating assets	(336,579)	71,070
	Increase/(decrease) in trade and other payables	(92,125)	582,604
	Increase/(decrease) in contract liabilities	1,817,778	(600,984)
	Decrease in employee benefits	(3,414)	(49,705)
Net cash used in operating activities		(1,625,857)	(2,597,427)

Non-cash investing and financing activities

Consolidated	2022 $	2021 $
Additions to the right-of-use assets	-	614,321
Shares issued under employee share plan	215,875	-
Shares issued on conversion of loan	2,000,000	256,915
Forgiveness of loan	641,484	-
	2,857,359	871,236

Changes in liabilities arising from financing activities

Consolidated	Loan – First Samuel	Loan –° PPP	Lease liabilities	Total
Balance at 1 July 2020	11,000,000	676,054	65,648	11,741,702
Net cash used in financing activities	(6,743,085)	-	(83,634)	(6,826,719)
Shares issued on conversion of loan	(256,915)	-	-	(256,915)
Lease additions	-	-	614,321	614,321
Exchange differences	-	(61,214)		(61,214)
Balance at 30 June 2021	4,000,000	614,840	596,335	5,211,175
Net cash from/(used in) financing activities	500,000	-	(191,032)	308,968
Shares issued on conversion of loan	(2,000,000)	-	-	(2,000,000)
Forgiveness of loan	-	(641,483)	-	(641,483)
Exchange differences	-	26,643	779	27,422
Balance at 30 June 2022	2,500,000	-	406,082	2,906,082

Notes to the financial statements *continued*

Note 34 Earnings per share

Consolidated	2022 $	2021 $
Profit/(loss) after income tax attributable to the owners of TZ Limited	42,896	(1,658,204)

Consolidated	2022 Number	2021 Number
Weighted average number of ordinary shares used in calculating basic earnings per share	209,125,760	107,057,626
Weighted average number of ordinary shares used in calculating diluted earnings per share	209,125,760	107,057,626

Consolidated	2022 Cents	2021 Cents
Basic earnings per share	0.021	(1.549)
Diluted earnings per share	0.021	(1.549)

For the purpose calculating the diluted earnings per share the denominator has excluded 2,091,000 options (2021: 2,091,000 options) as the effect would be anti-dilutive.

Notes to the financial statements *continued*

Note 35 Share-based payments

TZ Limited's employee Equity Incentive Plan

TZ Limited's employee Equity Incentive Plan ('EIP') was approved by shareholders during the Company's 2021 Annual General Meeting held on 27 January 2022. The Plan was designed to attract, retain, motivate and reward eligible persons (employees and directors) of the Company (collectively the 'Participants') by issuing securities to the Participants. The vesting of those securities may be subject to certain performance criteria to be determined by the Board.

Set out below are summaries of options granted under the plan:

2022

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Forfeited/ Expired	Balance at the end of the year
06/08/2019	31/08/2024	$0.25	697,000	-	-	-	697,000
06/08/2019	31/08/2025	$0.40	697,000	-	-	-	697,000
06/08/2019	31/08/2026	$0.45	697,000	-	-	-	697,000
			2,091,000	-	-	-	2,091,000
Weighted average exercise price			$0.3667	$0.0000	$0.0000	$0.0000	$0.3667

2021

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Forfeited/ Expired	Balance at the end of the year
06/08/2019	31/08/2024	$0.25	787,000	-	-	(90,000)	697,000
06/08/2019	31/08/2025	$0.40	787,000	-	-	(90,000)	697,000
06/08/2019	31/08/2026	$0.45	787,000	-	-	(90,000)	697,000
			2,361,000	-	-	(270,000)	2,091,000
Weighted average exercise price			$0.3667	$0.0000	$0.0000	$0.3667	$0.3667

Note 36 Events after the reporting period

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Directors' declaration

In the Directors' opinion:

- The attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements
- The attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements
- The attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the financial year ended on that date
- There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors

Peter J Graham.

Peter Graham
Chairman

31 August 2022, Sydney

PKF Brisbane Audit

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TZ LIMITED

Report on the Financial Report

Opinion

We have audited the accompanying financial report of TZ Limited (the company), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion the financial report of TZ Limited is in accordance with the *Corporations Act 2001*, including:

a) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the year ended on that date; and

b) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the consolidated entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

1. Carrying amount of intangible assets with finite useful lives

Why significant

As at 30 June 2022 the carrying value of intangible assets with finite useful lives was $991,716 (2021: $1,571,725), as disclosed in Note 15.

The group's accounting policy in respect of intangible assets with finite useful lives is outlined in Note 1.

The carrying amount of intangible assets with finite useful lives is a key audit matter due to:

- the significant audit effort required to test the carrying amount of intangible assets with finite useful lives; and
- the level of judgement applied in evaluating management's assessment of impairment.

As outlined in Notes 1 and 15, management assessed the carrying amount of intangible assets with finite useful lives through impairment testing utilising a fair value less costs of disposal model in which significant judgements are applied in determining key assumptions. The judgements made in determining the underlying assumptions in the model have a significant impact on the carrying amount of intangible assets with finite useful lives, and accordingly the amount of any impairment charge, to be recorded in the current financial year.

How our audit addressed the key audit matter

In assessing this key audit matter, we involved senior audit team members who understand the industry.

Our audit procedures included, amongst others:

- evaluating management's methodology for determining the carrying amount of intangible assets with finite useful lives by comparing the fair value less costs of disposal model with generally accepted valuation methodology and accounting standard requirements;
- conducting sensitivity analysis on key assumptions such as weighted average cost of capital (WACC) and growth rates, within reasonable foreseeable ranges;
- challenging the key assumptions used in the value in use model by:
  - assessing growth rates used in comparison to historical results
  - evaluating the WACC rate used in comparison to market and industry information available
  - assessing yearly revenue forecasts in comparison to historical results and approved budgets, and
  - assessing the impact of the COVID-19 pandemic on all key assumptions;
- assessing the appropriateness of the group's accounting policy for the capitalisation of development costs;
- obtaining a list of additions to intangible assets and assessing against the recognition criteria of AASB 138 *Intangible Assets*;
- assessing management's estimate of future economic benefits related to the costs capitalised; and
- assessing the appropriateness of the related disclosures in Note 1 and 15.

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Other Information

The Directors are responsible for the other information. The other information comprises the information included in the consolidated entity's Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibilities for the Financial Report

The Directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the consolidated entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.
As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the consolidated entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our

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auditor's report. However, future events or conditions may cause the consolidated entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the group financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022. The Directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of TZ Limited for the year ended 30 June 2022 complies with section 300A of the *Corporations Act 2001*.

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PKF BRISBANE AUDIT

SHAUN LINDEMANN
PARTNER

BRISBANE
31 August 2022

Shareholder information

The shareholder information set out below was applicable as at 31 July 2022.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares		Options over ordinary shares	
	Number of holders	% of total shares issued	Number of holders	% of total options issued
1 to 1,000	1,314	0.14	-	-
1,001 to 5,000	371	0.45	-	-
5,001 to 10,000	174	0.62	-	-
10,001 to 100,000	417	7.66	2	7.17
100,001 and over	189	91.13	5	92.83
	2,465	100.00	7	100.00
Holding less than a marketable parcel	1,652	0.50	-	-

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

Ordinary shares	Number held	% of total shares issued
First Samuel Ltd ACN 086243567 (ANF ITS MDA Clients A/C)	53,786,356	24.15
HSBC Custody Nominees (Australia) Limited	18,036,428	8.10
Delcor Advisory Investment Group Pty Ltd	14,041,074	6.30
One Managed Investment Funds Limited (TI Growth A/C)	9,194,403	4.13
Mr Scott Joseph Bogue	6,100,000	2.74
National Nominees Limited	5,650,003	2.54
Mr David Frederick Oakley (DFO Investment A/C)	4,748,174	2.13
Mr Philip Anthony Feitelson	3,801,500	1.71
One Managed Investment Funds Limited (TI Absolute Return A/C)	3,701,993	1.66
Briar Place Pty Limited (MJ Family A/C)	2,970,460	1.33
Mr David Frederick Oakley	2,963,684	1.33
Mr Erich Gustav Brosell	2,750,000	1.23
Exelmont Pty Ltd	2,443,545	1.10
Mr Peter Howells	2,228,571	1.00
Guthrie CAD/GIS Software Pty Ltd	2,080,000	0.93
Surflodge Pty Ltd (JE Lynch Staff Super FD A/C)	1,995,670	0.90
Guthrie CAD/GIS Software Pty Ltd (Guthrie Super Fund A/C)	1,700,000	0.76
Jalsu Pty Ltd (The Fisher Assets A/C)	1,699,236	0.76
Technical Investing Pty Limited (TI Family Wealth A/C)	1,642,016	0.74
Bourse Securities Pty Ltd	1,625,570	0.73
	143,158,683	64.27

Shareholder information *continued*

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares	2,091,000	7

Substantial holders

Substantial holders in the Company, as disclosed in substantial holding notices given to the Company, are set out below:

Ordinary shares	Number held	% of total shares issued
First Samuel Ltd ACN 086243567 (ANF ITS MDA Clients A/C)	53,032,227	23.81
Delcor Advisory Investment Group Pty Ltd	14,041,074	6.36
Technical Investing Pty Limited	11,818,412	6.10

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Unquoted options

There are no voting rights attached to unquoted options. There are no other classes of equity securities.

Securities subject to voluntary escrow

Class	Expiry date	Number of shares
Ordinary shares	27 January 2025	1,962,500

Buy-backs

The Company is not currently undertaking any on-market buy-backs.

Closing date for Director nominations for Annual General Meeting

An election of Directors will be held at the Company's 2022 Annual General Meeting on 17 November 2022.

Notice is hereby given in accordance with ASX Listing Rules 3.13.1 and Clause 14.7 of the Company's constitution that the closing date for receipt of nominations from persons wishing to be considered for election as a Director is Thursday, 29 September 2022 ('Closing Date').

Nomination must be received in writing no later than 5.00pm (AEST) on the Closing Date at the Company's registered office.

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