

# REPLACEMENT PROSPECTUS

Tymlez Group Limited

ACN 622 817 421

## Proposed ASX Code: TYM

By this replacement prospectus (**Prospectus**), Tymlez Group Limited ACN 622 817 421 (**Company**) invites investors to apply for up to 36,363,637 Offer Shares at an issue price of \$0.22 per Offer Share to raise up to \$8,000,000. The Offer is subject to a Minimum Subscription of \$5,000,000.

The Offer made by this Prospectus is conditional upon ASX confirming that it will admit the Company to Official Quotation, subject to the satisfaction of such terms and conditions prescribed by the ASX Listing Rules, as well as other conditions detailed in this Prospectus.

**The Offer is scheduled to close at 5.00pm (AEDT) on 23 November 2018 unless extended or withdrawn. Applications must be received before that time to be valid.**

## Important Notice

Applicants should read this Prospectus in its entirety before deciding to apply for Offer Shares. If, after reading this Prospectus, you have any questions about the Offer, you should contact your professional advisors.

There are risks associated with an investment in the Company and the Offer Shares are to be regarded as a speculative investment. Please refer to Section 6 of this Prospectus ('Risk Factors') for the risk factors associated with the Offer.

\* Peak Asset Management is an authorised representative of Arrow Securities Group Pty Ltd (AFSL #448218).  
Peak Asset Management shall provide the services of the Lead Manager in connection with the Offer.

Lead Manager\*



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## IMPORTANT NOTICE

### General

This replacement prospectus (**Prospectus**) is dated 6 November 2018 and replaces the Original Prospectus dated 23 October 2018. A copy of this Prospectus was lodged with ASIC on 6 November 2018. Neither ASIC nor ASX takes any responsibility for the contents of this Prospectus.

The Company has lodged an application with ASX for admission of the Company to the official list of the ASX and for Official Quotation of the Offer Shares.

It is important that you read this Prospectus carefully and in full before deciding to subscribe for Offer Shares.

### Overview of the Material Changes from the Original Prospectus

The principal differences between the Original Prospectus and this Prospectus may be summarised as follows. The Prospectus now includes:

- > additional disclosure on the Company's business strategies following completion of the Offer and the proposed use of funds raised pursuant to the Offer;
- > refined disclosure of the Company's sales channels for the Tymlez Platform and the case study illustrations of uses of the Tymlez Platform;
- > enhanced disclosure of the risk factors affecting the Company in Sections 1.4 and 6.1; and
- > enhanced disclosure of the Lead Manager's participation in the Offer and the terms of their remuneration in Section 1.3.

### Conditional Offer

The Offer is subject to and conditional upon approval of the admission of the Company's Shares to Official Quotation on the ASX.

### Expiry Date

No securities will be issued on the basis of this Prospectus later than thirteen (13) months after the date of the Original Prospectus.

### Investment Advice

This Prospectus does not take into account your financial circumstances, financial objectives or particular needs (including your financial or taxation issues). Therefore, this Prospectus does not constitute investment advice. You should obtain professional investment advice before subscribing for Offer Shares under this Prospectus.

### Additional Copies of Prospectus

Additional copies of this Prospectus are available at the registered office of the Company.

The Corporations Act prohibits any person from passing onto another person an Application Form unless it is attached to or accompanied by the complete and unaltered version of this Prospectus.

Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company Secretary via email at justyn.stedwell@tymlez.com.

A copy of this Prospectus can be downloaded from the website of the Company, [www.tymlez.com](http://www.tymlez.com). If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

Please note that no document or information included on our website is incorporated by reference into this Prospectus.

### Restrictions on Offer


This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. No action has been taken to register or qualify the Shares, or otherwise to permit a public offering of the Shares, in any jurisdiction outside Australia and the Offer is not an offer or invitation in any jurisdiction where, or to any person whom, such an offer or invitation would be unlawful.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who reside outside Australia and who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any person who has a registered address in any other country who receives this Prospectus may only apply for Shares where that person can rely on a relevant exception from, or is not otherwise subject to, the lodgement, filing, registration or other requirements of any applicable securities laws in the jurisdiction in which they have a registered address.

The Company will not offer to sell, nor solicit an offer to purchase, any securities in any jurisdiction where such offer, sale or solicitation may not lawfully be made. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

### Application Forms

Applications for Offer Shares can only be made pursuant to the Application Form attached to and forming part of this Prospectus. The Corporations Act prohibits any person from passing the Application Form to any other person unless it is



attached to, or accompanied by, a complete and unaltered version of the Prospectus.

The Application Form contained in this Prospectus contains a declaration that the Applicant has personally received the complete and unaltered Prospectus prior to completing the Application Form.

#### **Exposure Period**

In accordance with Chapter 6D of the Corporations Act, the Original Prospectus was subject to an Exposure Period of seven (7) days from the date of the Original Prospectus. This period was extended by a further seven (7) days by ASIC, being to 6 November 2018. The purpose of the Exposure Period is to enable the Prospectus to be examined by market participants prior to the raising of funds. If this Prospectus is found to be deficient, Applications received during the Exposure Period will be dealt with in accordance with section 724 of the Corporations Act. Namely, Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period and will receive no preference.

#### **Privacy**

If you apply for Offer Shares you will provide personal information to the Company and the Share Registry. This enables your Application to be assessed, you to be registered as the holder of Shares, you to be entered in the Company's register of members and to enable the Company to contact you. The Company may from time to time be required to disclose your personal information to the Australian Taxation Office, other government agencies or as required by law. The Company and the Share Registry may disclose your personal information to its agents and service providers as authorised by the *Privacy Act 1988* (Cth) or for purposes required by the ASX Listing Rules or the

Corporations Act. You may access your personal information by contacting the Share Registry and may request corrections to such personal information.

#### **Forward Looking Statements**

Various statements in this Prospectus constitute statements relating to intentions, future acts and events. Such statements are generally classified as forward looking statements and involve known and unknown risks, uncertainties and other important factors that could cause those future acts, events and circumstances to differ from the way implicitly portrayed within this Prospectus. These risks, uncertainties and other factors include, but are not limited to, the matters described in Section 6 of this Prospectus ('Risk Factors'). The Company gives no assurance that the anticipated results, performance or achievements expressed or implied in those forward looking statements will be achieved. Except to the extent required by law, the Company has no intention to update or review forward looking statements or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus.

#### **Statements of Past Performance**

This Prospectus includes information regarding the past performance of the Group, including but not limited to the financial information included in Section 7 of the Prospectus. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

#### **Definitions**

Please refer to the Glossary in Section 12 of this Prospectus for terms and abbreviations used in parts of this Prospectus.

#### **Miscellaneous**

The financial amounts in this Prospectus are expressed in Australian dollars unless stated otherwise. Items displayed in photographs in this Prospectus are not necessarily assets owned by the Company. The inclusion of photographs supplied by persons or entities other than the Company does not constitute an endorsement or recommendation by those persons or entities of the Offer Shares.

All reference to time relate to the time in Victoria, Australia unless otherwise stated.

#### **Lead Manager**

Peak Asset Management is an authorised representative of Arrow Securities Group Pty Ltd (AFSL #448218). Peak Asset Management shall provide the services of the Lead Manager in connection with the Offer.

Peak Asset Management has acted as Lead Manager to the Offer. The Lead Manager has not authorised, permitted or caused the issue or lodgement, submission, despatch or provision of this Prospectus and there is no statement in this Prospectus that is based on any statement made by it or by any of its affiliates, officers or employees. To the maximum extent permitted by law, the Lead Manager and its affiliates, officers, employees and advisors expressly disclaim all liabilities in respect of, and make no representations regarding, and take no responsibility for, any part of this Prospectus other than references to its name and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Prospectus.

# LETTER FROM THE BOARD

Dear Investor,

Welcome to the Prospectus of Tymlez Group Limited ACN 622 817 421 (**Company**). On behalf of the Board, it is my pleasure to offer you the opportunity to become a Shareholder in the Company.

By the issue of this Prospectus, the Company is seeking to raise up to \$8,000,000 through the issue of 36,363,637 Offer Shares at an Offer Price of \$0.22 per Offer Share.

## TYMLEZ PLATFORM

The Company operates a software development business established in The Netherlands in 2016 which provides businesses with a scalable blockchain solution platform that enables them to develop, deploy and manage distributed blockchain applications in their business and organisations (**Tymlez Business**).

The Tymlez Business is based in Amsterdam, The Netherlands and also maintains offices in Weinheim (Germany), Seattle (USA) and Melbourne (Australia).

The Tymlez Business has developed a blockchain solution platform, which is a customisable interface supported by blockchain technology, from which individual applications can be developed to address individual user cases (**Tymlez Platform**). The Tymlez Platform is optimized for developing compliance applications, 'smart contracts' based applications and Internet of Things (IoT) applications.

The Tymlez Platform is unique because it allows for direct customization of a blockchain-based platform that can be readily integrated with the existing process systems of businesses. Furthermore, rather than seeking to replace components or functions, the Tymlez Platform aims to seamlessly integrate with an organisation's existing ecosystems to optimise and improve process flows.

For example, the Tymlez Platform has been used to develop secured document sharing applications, smart contract applications and digital asset management applications for clients of the Tymlez Business.

## LISTING ON THE ASX

As noted above, the Company has developed an innovative and readily scalable technology product, being the flagship Tymlez Platform that has been tested and proven in the European marketplace, and which has generated revenues and delivered a strong pipeline of growth opportunities.

The Company is therefore seeking to list on the ASX in order to capitalise on the growth opportunities for the Tymlez Platform by expanding its sales and marketing efforts in Europe as well as in the Asia-Pacific and US regions. Company growth will be driven by recruiting additional business development and marketing personnel and aggressively pursuing further marketing initiatives in these markets.

In addition, the Company intends to utilise the funds raised from the Offer to undertake further research and development activities on blockchain technology and further product development on the Tymlez Platform. This will ensure that the Tymlez Business continues to be competitive and relevant in the IT industry and that the Tymlez Platform remains at the forefront of innovation in the marketplace for blockchain services and blockchain products.

The Company believes that raising funds from Australia's equity capital markets and a listing on the ASX will provide the Company with the necessary funding to achieve the above intentions for the expansion of the Tymlez Business.

This Prospectus contains detailed information about the Company, the Tymlez Business and the risks of participating in an investment of this nature. The Board recommends that investors read this Prospectus carefully and in its entirety. The Offer is conditional on the Company gaining approval from the ASX for the Admission and the Company raising the Minimum Subscription.

On behalf of the Board, I look forward to welcoming you as a Shareholder of the Company.

Yours faithfully,



**Rodney Hannington**

Non-Executive Chairman  
On behalf of the Board of Directors





# 01.

## INVESTMENT OVERVIEW

# 01. INVESTMENT OVERVIEW

The following is a summary only and is not intended to be comprehensive. Prospective investors should read the full text of this Prospectus and if you are uncertain about any matter you should consult your professional advisors before making an investment decision.

## 1.1 PURPOSE OF THE PROSPECTUS

The purpose of this Prospectus is to:

- (a) facilitate the Company's Admission to the Official List of the ASX; and
- (b) to raise up to \$8,000,000 pursuant to the Offer, in order to assist the Company in meeting its commercial objectives, which include:
  - > increasing marketing and sales activities to drive increased sales of the licences for the Tymlez Platform;
  - > pursuing further development of the Tymlez Platform to preserve its position as a market leading product; and
  - > expanding the footprint of the Tymlez Business to the North American region and the Asia-Pacific region.

## 1.2 SUMMARY OF THE OFFER

This Prospectus provides investors with the opportunity to participate in the initial public offering of Offer Shares in Tymlez Group Limited ACN 622 817 421, a company incorporated in Victoria, Australia.

### 1.2.1 THE OFFER

| Key Offer statistics   | Minimum Subscription | Maximum Subscription |
|--|----------------------|----------------------|
| Offer Price  | \$0.22               | \$0.22               |
| <b>Shares on issue as at the date of this Prospectus</b>             |                      |                      |
| Shares held by Tyhold <sup>1</sup>                                   | 65,404,233           | 65,404,233           |
| Shares held by Other Investors                                       | 34,732,791           | 34,732,791           |
| Shares held by the Lead Manager                                      | 2,104,876            | 2,104,876            |
| <b>Subtotal</b>  | <b>102,241,900</b>   | <b>102,241,900</b>   |
| <b>Shares to be issued following completion of the Offer</b>         |                      |                      |
| Offer Shares to be issued  | 22,727,273           | 36,363,637           |
| Shares to be issued to the Lead Manager or its nominees <sup>2</sup> | 4,260,336            | 4,280,483            |
| <b>Subtotal</b>  | <b>26,987,609</b>    | <b>40,644,120</b>    |
| <b>Total Shares on issue at completion of the Offer</b>              | <b>129,229,509</b>   | <b>142,886,020</b>   |
| Total cash proceeds to the Company from the Offer                    | \$5,000,000          | \$8,000,000          |
| Total cash expenses of the Offer (before GST)                        | \$664,514.73         | \$847,664.73         |
| Market capitalisation at completion of the Offer <sup>3</sup>        | \$28,430,492         | \$31,434,924         |

#### Notes:

1. Tyhold is entitled to be issued up to 8,000,000 additional Shares upon the achievement of the relevant performance milestones pursuant to the Tyhold Deferred Shares. For more information on the key terms of the issuance of the Tyhold Deferred Shares, please refer to Section 3.10 of this Prospectus.
2. Pursuant to the Lead Manager Mandate, 2,000,000 Shares and Shares equivalent to 2% of the Company's Enterprise Value as at Admission are to be issued to the Lead Manager (or its nominees) on Admission. This amount is an estimate only based on an approximate calculation of the Company's Enterprise Value as at Admission and includes Shares relating to the GST payable on such amount. For more information on the terms of the Lead Manager Mandate, please refer to Section 9.9 of this Prospectus.  
The Lead Manager (or its nominees) are also entitled to be issued 2,000,000 Options following completion of the Offer. For more information on the key terms of the issuance of such Options, please refer to Section 3.11 of this Prospectus.
3. Calculated as the total number of Shares on issue on completion of the Offer multiplied by the Offer Price.

### 1.2.2 KEY DATES\*

| EVENT  | DATE (AEDT)      |
|--|------------------|
| Original Prospectus lodged with ASIC                 | 23 October 2018  |
| Prospectus lodged with ASIC                          | 6 November 2018  |
| Exposure Period ends                                 | 6 November 2018  |
| Offer Opening Date and Prospectus released to market | 7 November 2018  |
| Offer Closing Date                                   | 23 November 2018 |
| Expected Allotment Date of Offer Shares              | 27 November 2018 |
| Expected dispatch of Holding Statements              | 30 November 2018 |
| Admission of Company to ASX                          | 7 December 2018  |

\* Please note that the dates set out in the above timetable may be varied in accordance with the Corporations Act, and, where required, in consultation with ASX. These dates are indicative only and are subject to change. The Company reserves the right to vary the dates without prior notice.

### 1.3 OVERVIEW OF THE COMPANY

| ITEM  | SUMMARY  | FURTHER INFORMATION |
|---|--|---------------------|
| <b>Who is the issuer of this Prospectus?</b>                              | Tymlez Group Limited ACN 622 817 421 ( <b>Company</b> ) is an Australian incorporated company seeking to be listed on ASX.   | <b>Section 1.2</b>  |
| <b>What does the Company do?</b>  | The Company operates a software development business which provides businesses with a scalable blockchain solution platform that enables them to develop, deploy and manage distributed blockchain applications in their business and organisations.   | <b>Sections 2</b>   |
| <b>Business ownership and structure</b>                                   | Pursuant to the Share Purchase Agreement, the Company acquired Tymlez Holding B.V., a company incorporated in The Netherlands ( <b>Tymlez Holding</b> ). Tymlez Holding, along with its various wholly-owned subsidiaries operates the Tymlez Business. Please refer to Section 2.1 of this Prospectus for more information on the Company's corporate structure.  | <b>Section 2</b>    |
| <b>Capital structure of the Company as at the date of this Prospectus</b> | As at the date of this Prospectus the Company has 102,241,900 Shares on issue held by the following Shareholders:<br>(a) Tyhold holds 65,404,233 Shares, constituting 63.97% of the total Shares on issue as at the date of this Prospectus;<br>(b) Other Investors hold 34,732,791 Shares, constituting 33.97% of the total Shares on issue as at the date of this Prospectus; and<br>(c) the Lead Manager holds 2,104,876 Shares, constituting 2.06% of the total Shares on issue as at the date of this Prospectus. | <b>Section 3</b>    |
| <b>Where are the Company's business operations located?</b>               | The Company's business activities are currently located in The Netherlands, Germany and USA.<br><br>However, the Company has undertaken steps to commence business activities in Australia and is expanding the Tymlez Business to the Asia-Pacific Region.  | <b>Section 2</b>    |

## 01. INVESTMENT OVERVIEW *Continued*

| ITEM  | SUMMARY  | FURTHER INFORMATION |
|---|--|---------------------|
| <b>What will be the Company's principal activities after Admission?</b> | <p>Following successful completion of the Offer, the Company will focus on:</p> <ul style="list-style-type: none"> <li>(a) increasing marketing and sales activities to drive increased sales of the licences for the Tymlez Platform;</li> <li>(b) pursuing further development of the Tymlez Platform to preserve its position as a market leading product; and</li> <li>(c) expanding the footprint of the Tymlez Business to the North American and the Asia-Pacific regions.</li> </ul> <p>Notwithstanding that the Company intends to pursue the expansion of the Tymlez Business as outlined above, there is no guarantee that such expansion will be successfully implemented by the Company. Furthermore, even if successfully implemented, there is no guarantee that the Company will achieve a commercial return from such expansion.</p>  | <b>Section 2</b>    |
| <b>How will the Company generate revenue?</b>                           | <p>The Company's income will be derived from its ownership of the Tymlez Business and commercialisation of the Tymlez Platform. The Company will generate revenue from sales of licences of the Tymlez Platform, as well as from the provision of various services in connection with or related to licensing of the Tymlez Platform. Please refer to Section 2.4 for more information on how the Company will generate revenue.</p>   | <b>Section 2</b>    |
| <b>Who are the directors of the Company?</b>                            | <p>The directors of the Company are:</p> <ul style="list-style-type: none"> <li>&gt; Mr Rodney Hannington (Non-Executive Chairman);</li> <li>&gt; Mr Michael Reh (Executive Director);</li> <li>&gt; Mr Reinier Van Der Drift (Executive Director); and</li> <li>&gt; Mr Daniel Dickens (Non-Executive Director).</li> </ul> <p><i>Please refer to Section 5.1 of this Prospectus for profiles of each director. Details of the securities holdings of each director are set out in Section 5.4 of this Prospectus.</i></p>  | <b>Section 5</b>    |
| <b>Who is the Company Secretary?</b>                                    | <p>Mr Justyn Stedwell is the Company Secretary.</p> <p><i>Please refer to Section 5.2 of this Prospectus for Mr Stedwell's profile.</i></p>  | <b>Section 5</b>    |
| <b>Who is the Lead Manager?</b>   | <p>Pursuant to the Lead Manager Mandate, the Company has appointed Peak Asset Management to provide the services of Lead Manager in connection with the Offer.</p> <p>In consideration for providing corporate and fundraising services in its role as Lead Manager, the Lead Manager will be entitled to the following fees upon completion of the Offer:</p> <ul style="list-style-type: none"> <li>&gt; 1% management fee for funds raised under the Offer (whether such funds are raised by the Lead Manager or another party);</li> <li>&gt; a 5% capital raising fee for any funds raised by the Lead Manager;</li> <li>&gt; 2,000,000 Shares in the Company, to be issued to the Lead Manager or its nominees;</li> <li>&gt; 2,000,000 Options in the Company, to be issued to the Lead Manager or its nominees, each exercisable for \$0.35 to acquire one (1) Share and expiring four (4) years from the date of issue; and</li> <li>&gt; Shares in the Company equivalent to 2% of the Enterprise Value of the Company, to be issued to the Lead Manager or its nominees.</li> </ul> <p><i>For more information on the terms of the Lead Manager Mandate and the fees payable to the Lead Manager, please refer to Section 9.9 of this Prospectus.</i></p> | <b>Section 9.9</b>  |



## 1.4 KEY RISK FACTORS

Investing in the Company involves substantial risks. The key risks as listed in the table below are not exhaustive and an investment in the Company should be considered speculative. Before making an investment decision, potential investors should read the entire Prospectus. In particular, investors should give full consideration to the detailed discussion on the risks that are associated with, and which could affect the financial performance of, an investment in the Company, as set out in Section 6 of this Prospectus ('Risk Factors').

| RISK FACTORS   | SUMMARY   | FURTHER INFORMATION |
|--|---|---------------------|
| <b>Sufficiency of funding</b>  | As at the date of this Prospectus the Company is not cash flow positive, meaning the Company is reliant on raising funds from investors in order to continue its operations. Upon completion of the Offer the Board anticipates that the Company will have sufficient funds to pursue its activities for a further two (2) years, following which the Company may need to raise additional capital in order to continue its operations if the Company is not profitable at such time. | <b>Section 6</b>    |
| <b>Failure to retain existing customers or attract new customers</b> | The continued success of the Tymlez Business and its growth prospects are dependent on the Company's ability to attract further business from existing customers and to attract new customers.  | <b>Section 6</b>    |
| <b>Reliance on Tymlez Platform</b>                                   | The Tymlez Business model is heavily reliant on the Company's ability to ensure that its customers are satisfied with the flagship Tymlez Platform product.   | <b>Section 6</b>    |
| <b>Disruption or failure of technology systems</b>                   | The Tymlez Business is dependent on the performance, reliability and availability of global communications systems, including servers, the internet, hosting services and the cloud environment.  | <b>Section 6</b>    |
| <b>Security breach and data privacy</b>                              | The Tymlez Platform may involve the storage and transmission of the Company's customers' confidential and proprietary information. The Tymlez Business could be materially impacted by security breaches of the Company's customers' data and information.  | <b>Section 6</b>    |
| <b>Ability to attract and retain key personnel</b>                   | The success of the Tymlez Business is heavily dependent on the retention of key personnel, in particular the founders of the Company, Mr Michael Reh and Mr Reinier Van Der Drift.  | <b>Section 6</b>    |
| <b>Intellectual property</b>   | The Company relies on its intellectual property and trade secrets, which include information relating to the development of the Tymlez Platform and integration with its customers. As the Company has not obtained formal protection or registration for such intellectual property, the operation of the Tymlez Business is subject to the risk of its intellectual property being infringed by third parties.  | <b>Section 6</b>    |

## 1.5 KEY FINANCIAL INFORMATION

| TOPIC   | SUMMARY  | FURTHER INFORMATION |
|---|--|---------------------|
| <b>Are there any forecasts of future earnings?</b>                | There are no forecasts of future earnings of the Company provided in this Prospectus.  | <b>Section 7</b>    |
| <b>Will the Company have sufficient funds for its activities?</b> | <p>In the Board's opinion, upon successful completion of the Offer, the Company will have sufficient funds to pursue its activities for a further two (2) years from funds raised pursuant to the Offer, existing cash holdings and ongoing cash revenues from the Tymlez Business.</p> <p><i>For more information, please refer to the Financial Information in Section 7 of this Prospectus.</i></p> | <b>Section 7</b>    |

## 01. INVESTMENT OVERVIEW *Continued*

| TOPIC   | SUMMARY  | FURTHER INFORMATION     |
|---|--|-------------------------|
| <b>What is the financial outlook for the Company?</b> | <p>Investors should be aware that the development and commercialisation of technologies, such as the Tymlez Platform is subject to an inherent risk of failure, and therefore the financial outlook of the Company is uncertain.</p> <p>The Company is in its development and expansion phase and is not currently profitable. However the Company is aiming to become profitable through the expansion activities outlined above that the Company will pursue using funds raised pursuant to the Offer.</p> <p>Notwithstanding this, there is no guarantee that such expansion will be successfully implemented by the Company. Furthermore, even if successfully implemented, there is no guarantee that the Company will achieve a commercial return from such expansion.</p> <p><i>For more information on the financial position of the Company, please refer to the Financial Information in Section 7 of this Prospectus.</i></p> | <b>Sections 2 and 7</b> |
| <b>Will the Company pay dividends</b>                 | The Board anticipates that significant expenditure will be incurred in executing its proposed expansion strategies following completion of the Offer. These activities are expected to dominate at least, the two year period following the date of Admission. Accordingly, the Company does not expect to declare any dividends during that period.   | <b>Sections 3 and 9</b> |

### 1.6 CAPITAL STRUCTURE FOLLOWING THE OFFER

#### SHARES

Following completion of the Offer, the share capital structure of the Company will be as follows at the Minimum Subscription and the Maximum Subscription respectively:

| Shareholder  | Minimum Subscription |               | Maximum Subscription |               |
|--|----------------------|---------------|----------------------|---------------|
|  | Number of Shares     | %             | Number of Shares     | %             |
| <b>Shares on issue as at the date of this Prospectus</b>     |                      |               |                      |               |
| Tyhold   | 65,404,233           | 50.61%        | 65,404,233           | 45.77%        |
| Other Investors  | 34,732,791           | 26.88%        | 34,732,791           | 24.31%        |
| Lead Manager   | 2,104,876            | 1.63%         | 2,104,876            | 1.47%         |
| <b>Subtotal</b>  | <b>102,241,900</b>   | <b>79.12%</b> | <b>102,241,900</b>   | <b>71.55%</b> |
| <b>Shares to be issued following completion of the Offer</b> |                      |               |                      |               |
| Shares to be issued to the Lead Manager or its nominees*     | 4,260,336            | 3.30%         | 4,280,483            | 3.00%         |
| Offer Shares   | 22,727,273           | 17.59%        | 36,363,637           | 25.45%        |
| <b>Subtotal</b>  | <b>26,987,609</b>    | <b>20.88%</b> | <b>40,644,120</b>    | <b>28.45%</b> |
| <b>Total Shares on issue on Admission</b>                    | <b>129,229,509</b>   | <b>100%</b>   | <b>142,886,020</b>   | <b>100%</b>   |

\* Pursuant to the Lead Manager Mandate, 2,000,000 Shares and Shares equivalent to 2% of the Company's Enterprise Value as at Admission are to be issued to the Lead Manager (or its nominees) on Admission. This amount is an estimate only based on an approximate calculation of the Company's Enterprise Value as at Admission and includes Shares relating to the GST payable on such amount. For more information on the terms of the Lead Manager Mandate, please refer to Section 9.9 of this Prospectus.

Investors should also note that, subject to the achievement of the relevant performance milestones, the Company may issue up to 8,000,000 additional Shares to Tyhold as deferred consideration for the sale of Tymlez Holding under the Share Purchase Agreement (**Tyhold Deferred Shares**). For more information on the performance milestones, upon the achievement of which Tyhold is entitled to be issued the Tyhold Deferred Shares, please refer to Section 3.10 of this Prospectus.

Where all of the performance milestones are achieved and 8,000,000 Shares are issued pursuant to the Tyhold Deferred Shares, the share capital structure of the Company will be as follows:

| Shareholder  | Minimum Subscription |               | Maximum Subscription |               |
|--|----------------------|---------------|----------------------|---------------|
|  | Number of Shares     | %             | Number of Shares     | %             |
| <b>Shares on issue as at the date of this Prospectus</b>       |                      |               |                      |               |
| Tyhold   | 65,404,233           | 47.66%        | 65,404,233           | 43.35%        |
| Other Investors  | 34,732,791           | 25.31%        | 34,732,791           | 23.02%        |
| Lead Manager   | 2,104,876            | 1.53%         | 2,104,876            | 1.40%         |
| <b>Subtotal</b>  | <b>102,241,900</b>   | <b>74.50%</b> | <b>102,241,900</b>   | <b>67.76%</b> |
| <b>Shares to be issued following completion of the Offer</b>   |                      |               |                      |               |
| Shares to be issued to the Lead Manager or its nominees*       | 4,260,336            | 3.10%         | 4,280,483            | 2.84%         |
| Offer Shares   | 22,727,273           | 16.56%        | 36,363,637           | 24.10%        |
| <b>Subtotal</b>  | <b>26,987,609</b>    | <b>19.67%</b> | <b>40,644,120</b>    | <b>26.94%</b> |
| <b>Tyhold Deferred Shares</b>                                  |                      |               |                      |               |
| Shares issued to Tyhold pursuant to the Tyhold Deferred Shares | 8,000,000            | 5.83%         | 8,000,000            | 5.30%         |
| <b>Subtotal</b>  | <b>8,000,000</b>     | <b>5.83%</b>  | <b>8,000,000</b>     | <b>5.30%</b>  |
| <b>Total Shares</b>  | <b>137,229,509</b>   | <b>100%</b>   | <b>150,886,020</b>   | <b>100%</b>   |

\* Pursuant to the Lead Manager Mandate, 2,000,000 Shares and Shares equivalent to 2% of the Company's Enterprise Value as at Admission are to be issued to the Lead Manager (or its nominees) on Admission. This amount is an estimate only based on an approximate calculation of the Company's Enterprise Value as at Admission and includes Shares relating to the GST payable on such amount. For more information on the terms of the Lead Manager Mandate, please refer to Section 9.9 of this Prospectus.

## OPTIONS

Following completion of the Offer, the Company will also issue 2,000,000 Options to the Lead Manager (or its nominees) exercisable at \$0.35, with an expiry date of four (4) years from the date of issue pursuant to the Lead Manager Mandate. For more information on the key terms of the Options to be issued to the Lead Manager (or its nominees), please refer to Section 3.11 of this Prospectus.

## 1.7 ANSWERS TO KEY QUESTIONS

| TOPIC  | SUMMARY   | MORE INFORMATION   |
|--|---|--------------------|
| <b>Who is the issuer of this prospectus?</b> | Tymlez Group Limited ACN 622 817 421, a company incorporated in Victoria, Australia.  | <b>Section 1.2</b> |
| <b>What is being offered?</b>                | <p>This Prospectus invites investors to apply for up to 36,363,637 Offer Shares at an issue price of \$0.22 per Offer Share to raise up to \$8,000,000.</p> <p>The Minimum Subscription condition under the Offer is \$5,000,000.</p> <p>The Offer will be open to investors with registered addresses in Australia and other investors to whom it is lawful to make an offer to pursuant to this Prospectus.</p> | <b>Section 1.2</b> |
| <b>What is the Offer Price?</b>              | The Offer Price is \$0.22 per Offer Share.  | <b>Section 1.2</b> |

## 01. INVESTMENT OVERVIEW *Continued*

| TOPIC  | SUMMARY   | MORE INFORMATION     |                      |                      |              |             |             |                       |              |              |                    |
|--|---|----------------------|----------------------|----------------------|--------------|-------------|-------------|-----------------------|--------------|--------------|--------------------|
| <b>Is the Offer underwritten?</b>  | No, the Offer is not underwritten.  | <b>N/A</b>           |                      |                      |              |             |             |                       |              |              |                    |
| <b>What are the key dates of the Offer?</b>  | <p>The Offer closes on 23 November 2018.</p> <p>The Offer Shares are expected to be allotted on 27 November 2018.</p> <p>Holding statements for the Offer Shares are expected to be dispatched on 30 November 2018.</p> <p>The Shares are expected to commence trading on ASX on 7 December 2018.</p>   | <b>Section 1.2</b>   |                      |                      |              |             |             |                       |              |              |                    |
| <b>What is the Maximum Subscription available under the Offer?</b>                         | The Company is offering a Maximum Subscription of 36,363,637 Offer Shares to raise \$8,000,000 before costs of the Offer.   | <b>Section 1.2</b>   |                      |                      |              |             |             |                       |              |              |                    |
| <b>What is the Minimum Subscription available under the Offer?</b>                         | The Company is offering a Minimum Subscription of 22,727,273 Offer Shares to raise \$5,000,000 before costs of the Offer. If the Minimum Subscription is not raised then the Company will not proceed with the Offer and will repay all Application monies received (without interest).   | <b>Section 1.2</b>   |                      |                      |              |             |             |                       |              |              |                    |
| <b>What will the market capitalisation of the Company be upon Admission?</b>               | <p>Based on the Offer Price of \$0.22 per Offer Share, the Company's market capitalisation upon Admission will be as follows:</p> <table> <tr> <th></th><th>Minimum Subscription</th><th>Maximum Subscription</th></tr> <tr> <td>Total Shares</td><td>129,229,509</td><td>142,886,020</td></tr> <tr> <td>Market Capitalisation</td><td>\$28,430,492</td><td>\$31,434,924</td></tr> </table>     |                      | Minimum Subscription | Maximum Subscription | Total Shares | 129,229,509 | 142,886,020 | Market Capitalisation | \$28,430,492 | \$31,434,924 | <b>Section 1.2</b> |
|  | Minimum Subscription  | Maximum Subscription |                      |                      |              |             |             |                       |              |              |                    |
| Total Shares   | 129,229,509   | 142,886,020          |                      |                      |              |             |             |                       |              |              |                    |
| Market Capitalisation  | \$28,430,492  | \$31,434,924         |                      |                      |              |             |             |                       |              |              |                    |
| <b>Will the Shares issued under the Offer be listed?</b>                                   | The Company will apply to the ASX for Official Quotation of all Offer Shares as required under the Corporations Act, under the ASX Code, "TYM".   | <b>Section 1.2</b>   |                      |                      |              |             |             |                       |              |              |                    |
| <b>Is there a minimum investment amount under the Offer?</b>                               | Applications for Offer Shares must be for a minimum of 9,091 Offer Shares.  | <b>Section 3</b>     |                      |                      |              |             |             |                       |              |              |                    |
| <b>Are there any conditions to the Offers?</b>   | <p>The Offer is conditional on:</p> <ul style="list-style-type: none"> <li>&gt; the Company being granted conditional approval to list on the ASX; and</li> <li>&gt; the Company raising the Minimum Subscription under the Offer.</li> </ul> <p>If any of these conditions are not met, the Offer will not proceed and Applicants' Application monies will be returned (without interest).</p> | <b>Section 3</b>     |                      |                      |              |             |             |                       |              |              |                    |
| <b>What are the rights and liabilities attaching to the Shares issued under the Offer?</b> | <p>All Offer Shares will rank equally in all respects with existing Shares on issue.</p> <p><i>For a summary of the material rights and liabilities attaching to Shares and Offer Shares, please refer to Section 3.9 ('Company Constitution and Rights attaching to Shares').</i></p>  | <b>Section 3</b>     |                      |                      |              |             |             |                       |              |              |                    |

| TOPIC  | SUMMARY  | MORE INFORMATION     |
|--|--|----------------------|
| <b>Are there any restrictions on securities?</b>   | <p>No Offer Shares will be subject to escrow.</p> <p>However the Board anticipates that the following securities on issue as at the date of this Prospectus, will be subject to escrow restrictions under the ASX Listing Rules as follows:</p> <ul style="list-style-type: none"> <li>&gt; 65,404,233 Shares held by Tyhold will be escrowed for 24 months from the date of Admission;</li> <li>&gt; 1,994,303 Shares held by Other Investors who are neither promoters nor related parties of the Company will be escrowed for 12 months from the date of issue of such Shares;</li> <li>&gt; 550,909 Shares held by Other Investors who are promoters or related parties of the Company will be escrowed for 24 months from the date of Admission; and</li> <li>&gt; 2,104,876 Shares held by the Lead Manager and its associates will be escrowed for 24 months from the date of Admission.</li> </ul> <p>Additionally, the Company anticipates that the following Shares to be issued on Admission will be subject to escrow restrictions under the ASX Listing Rules as follows:</p> <ul style="list-style-type: none"> <li>&gt; 4,260,336* or 4,280,483* Shares to be issued to the Lead Manager or its nominees (on the Minimum Subscription and the Maximum Subscription respectively) will be escrowed for 24 months from the date of Admission.</li> </ul> <p>* Pursuant to the Lead Manager Mandate, 2,000,000 Shares and Shares equivalent to 2% of the Company's Enterprise Value as at Admission are to be issued to the Lead Manager (or its nominees) on Admission. This amount is an estimate only based on an approximate calculation of the Company's Enterprise Value as at Admission and includes Shares relating to the GST payable on such amount. For more information on the terms of the Lead Manager Mandate, please refer to Section 9.9 of this Prospectus.</p> <p><i>For more information on the escrow restrictions that are anticipated to apply to Shares, please refer to Section 3.17 of this Prospectus.</i></p> <p>The Shares issued upon the exercise of the Options to be issued to the Lead Manager (or its nominees) on Admission will be subject to an escrow period of 24 months from Admission.</p> | <b>Section 3</b>     |
| <b>What are the expenses of the Offer?</b>         | <p>The Company estimates that the total cash expenses of the Offer (before GST) will be \$664,514.73 and \$847,664.73 on the Minimum Subscription and the Maximum Subscription respectively. The Group intends to fund such expenses of the Offer from the Company's existing cash and from the monies raised from Other Investors in the 12-month period prior to the IPO.</p>  | <b>Section 10.5</b>  |
| <b>How will the proceeds of the Offer be used?</b> | <p>The Offer proceeds will be used for:</p> <ul style="list-style-type: none"> <li>&gt; increasing marketing and sales activities to drive increased sales of the licences for the Tymlez Platform;</li> <li>&gt; pursuing further development of the Tymlez Platform to preserve its position as a market leading product;</li> <li>&gt; expanding the footprint of the Tymlez Business to the North American region and the Asia-Pacific region; and</li> <li>&gt; working capital purposes for the Tymlez Business.</li> </ul> <p><i>For more information on the intended allocation of funds raised under the Offer, please refer to Section 2.8 of this Prospectus.</i></p>   | <b>Section 2.5.5</b> |



## 01. INVESTMENT OVERVIEW *Continued*

| TOPIC  | SUMMARY  | MORE INFORMATION    |
|--|--|---------------------|
| <b>What are the tax implications of purchasing Shares under this Offer?</b>      | <p>The taxation consequences of an investment in Offer Shares, including the acquisition and disposal of Shares, will depend on the particular circumstances of each Applicant. Section 3.15 provides a general summary of the potential Australian tax implications of participating in the Offer.</p> <p>It is the responsibility of each Applicant to be satisfied as to the particular taxation treatment that applies to each investment. Persons who are considering making an investment in the Company should seek independent professional advice with respect to the taxation consequences arising from such an investment.</p>  | <b>Section 3.15</b> |
| <b>How do I apply for Shares?</b>  | You can apply for Offer Shares by submitting a valid Application Form contained within or accompanying this Prospectus (including the electronic version of the Prospectus) in accordance with the instructions contained within.  | <b>Section 3</b>    |
| <b>What is the allocation policy?</b>  | The Company, in conjunction with the Lead Manager will determine the basis for the allocation of Offer Shares.   | <b>Section 2</b>    |
| <b>When will I receive confirmation that my Application has been successful?</b> | Holding Statements confirming Applicants' allocations under the Offer are expected to be dispatched to Shareholders on 30 November 2018.   | <b>Section 1.2</b>  |
| <b>How can I obtain further information?</b>                                     | <p>You can obtain further information from:</p> <ul style="list-style-type: none"> <li>&gt; the Share Registry, Automic Registry Services, on 1300 288 664 (within Australia) or +612 9698 5414 (outside Australia) in relation to the Application process; or</li> <li>&gt; the Lead Manager on 1300 304 460 in relation to the Offer.</li> </ul> <p>If you require additional copies of the Prospectus, you should contact the Share Registry at 1300 288 664 (within Australia) or +612 9698 5414 (outside Australia) between 9:00 am and 5:00 pm AEDT from Monday to Friday or email <a href="mailto:corporate.actions@automic.com.au">corporate.actions@automic.com.au</a>.</p> <p>If you are unclear in relation to any matter, or are uncertain as to whether the Company is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional advisor before deciding whether to invest.</p> |                     |

# 02.

## COMPANY STRUCTURE AND BUSINESS OVERVIEW

# 02. COMPANY STRUCTURE AND BUSINESS OVERVIEW

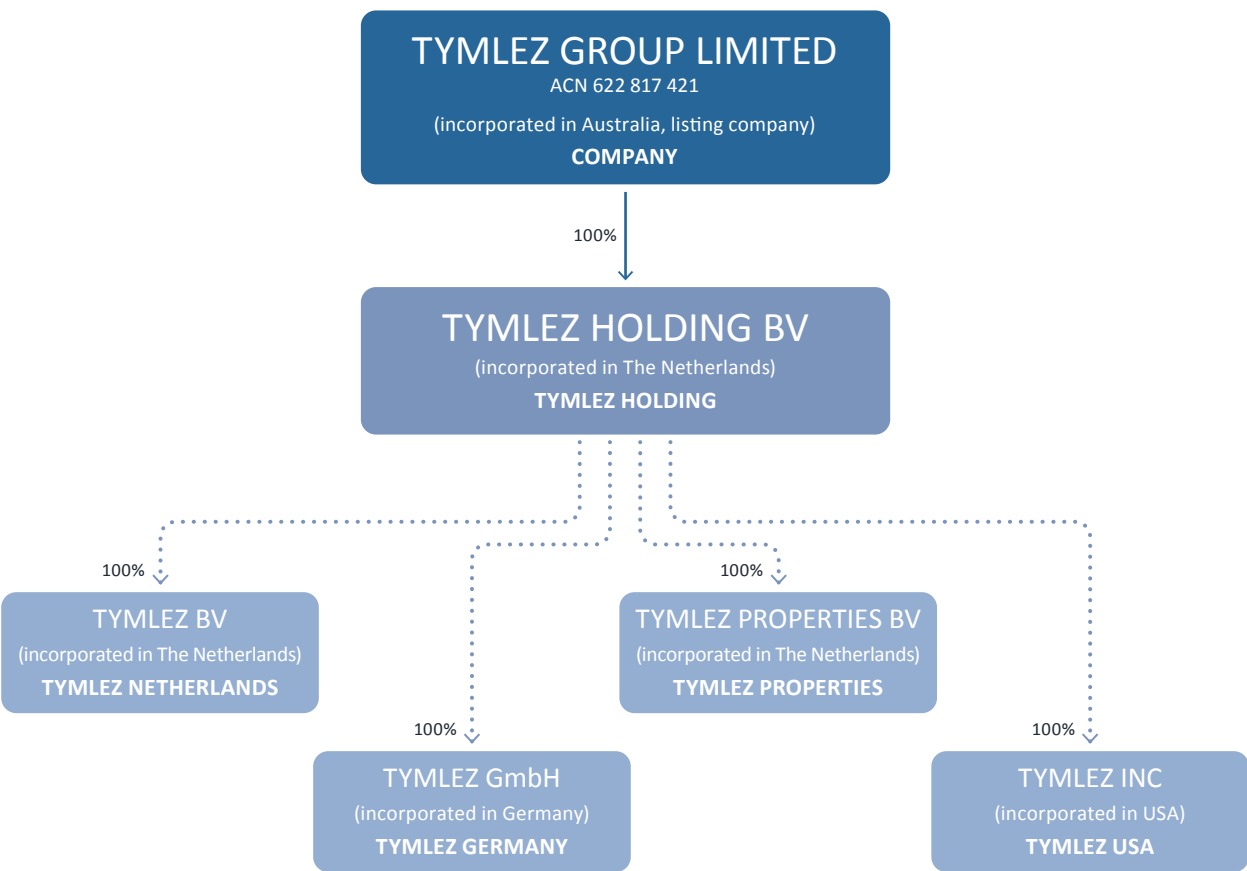
## 2.1 COMPANY BACKGROUND AND STRUCTURE

Tymlez Group Limited ACN 622 817 421 (**Company**) is an unlisted Australian public company that was incorporated in late 2017 for the purposes of acquiring the Tymlez Business to undertake an IPO to list on the ASX.

The Company acquired the Tymlez Business pursuant to a share purchase agreement (**Share Purchase Agreement**) whereby the Company acquired all the issued share capital in Tymlez Holding B.V., a company incorporated in The Netherlands (**Tymlez Holding**). Tymlez Holding is the parent company of four (4) wholly-owned subsidiaries (**Subsidiaries**) which collectively operate the Tymlez Business.

A summary of the group corporate structure of the Company, Tymlez Holding and the Subsidiaries at the time of the Offer (collectively, '**the Group**') is provided below.

**Figure 1: Group corporate structure**



## 2.2 OVERVIEW OF THE TYMLEZ BUSINESS

The Tymlez Business was established in 2016 and is a software development business which provides businesses with a scalable blockchain software solution platform that enables them to develop, deploy and manage distributed blockchain applications in their business and organisations.

The Tymlez Business has developed its flagship blockchain solution platform, which is a customisable interface supported by blockchain technology, from which individual applications can be developed to address individual user cases (**Tymlez Platform**). The Tymlez Platform is optimized for developing compliance applications, 'smart contracts' based applications and Internet of Things (IoT) applications.

The Tymlez Platform is unique because it allows for direct customization of a blockchain-based platform that can be readily integrated with the existing process systems of businesses. Furthermore, rather than seeking to replace components or functions, the Tymlez Platform aims to seamlessly integrate with an organisation's existing ecosystems to optimise and improve process flows.

The Tymlez Business is headquartered in Amsterdam, The Netherlands and has offices in Weinheim (Germany), Seattle (USA), and Melbourne (Australia), employing a total of 33 employees.

The research and product development activities of the Tymlez Business are undertaken by Tymlez Netherlands and Tymlez Germany, while Tymlez Properties holds the intellectual property of the Tymlez Business. The research and development activities are performed in-house as well as outsourced to external developers.

Meanwhile, the sales and marketing requirements of the Tymlez Business are allocated to the various entities within the Group according to the distribution of markets referred to below:

| GROUP ENTITY              | MARKETING REGION                                     |
|---------------------------|--|
| <b>Tymlez Netherlands</b> | Benelux region (Belgium, Netherlands and Luxembourg) |
| <b>Tymlez Germany</b>     | DACH region (Germany, Austria and Switzerland)       |
| <b>Tymlez USA</b>         | North American region                                |

## 2.3 THE TYMLEZ PLATFORM

The Tymlez Platform is a software platform which facilitates the development of applications which use blockchain technology. For an illustration of the application of the Tymlez Platform to provide solutions to businesses, please refer to Section 2.5 of this Prospectus ('Case Studies').

The Tymlez Platform is unique because it allows for direct customization of a blockchain-based platform that can be readily integrated with the existing process systems of businesses. Furthermore, rather than seeking to replace components or functions, the Tymlez Platform aims to seamlessly integrate with an organisation's existing ecosystems to optimise and improve process flows.

The diagram below illustrates the multiple layers in the blockchain technology ecosystem and where the Tymlez Platform is situated within this framework.

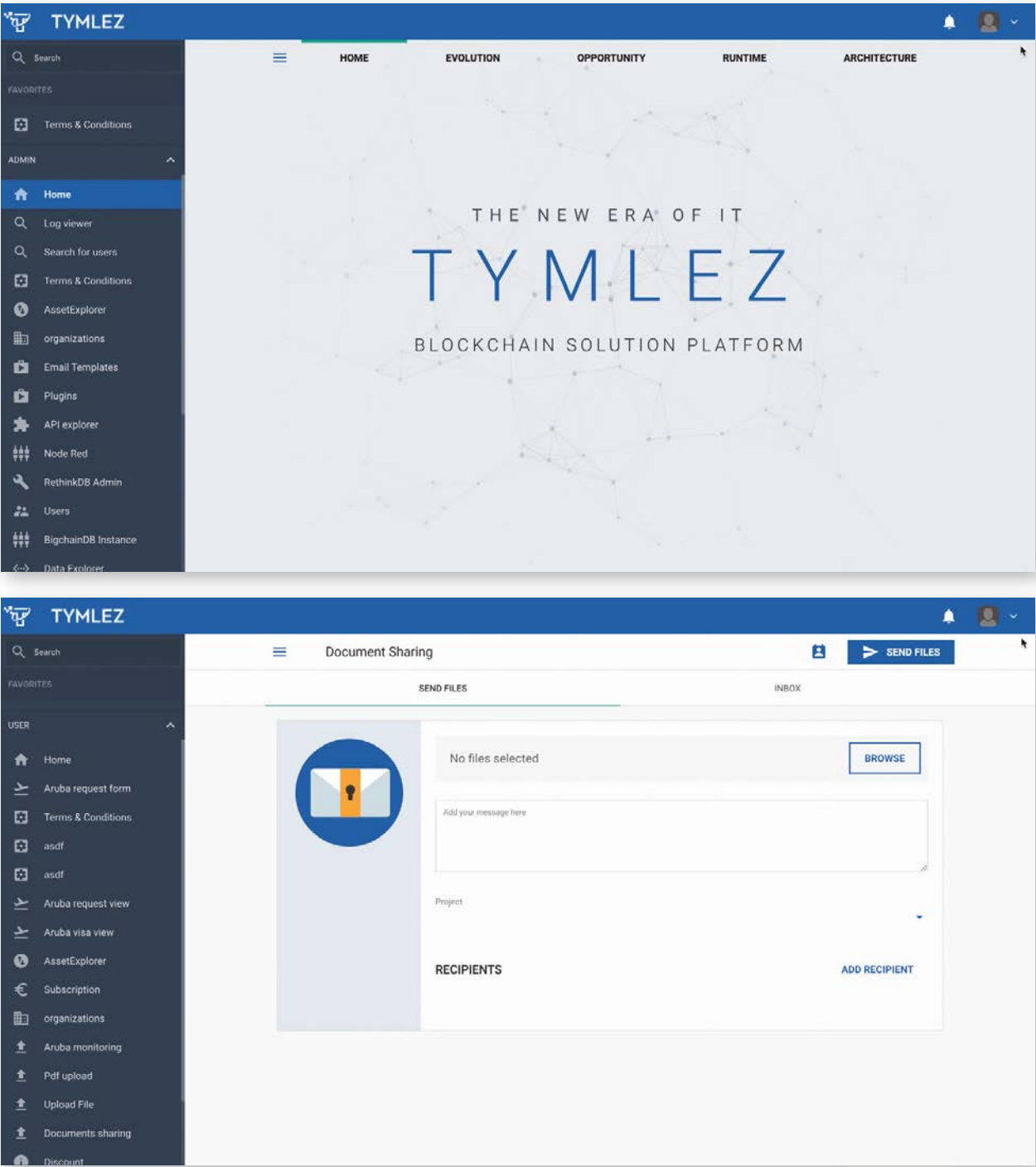
**Figure 2: Blockchain technology architecture**



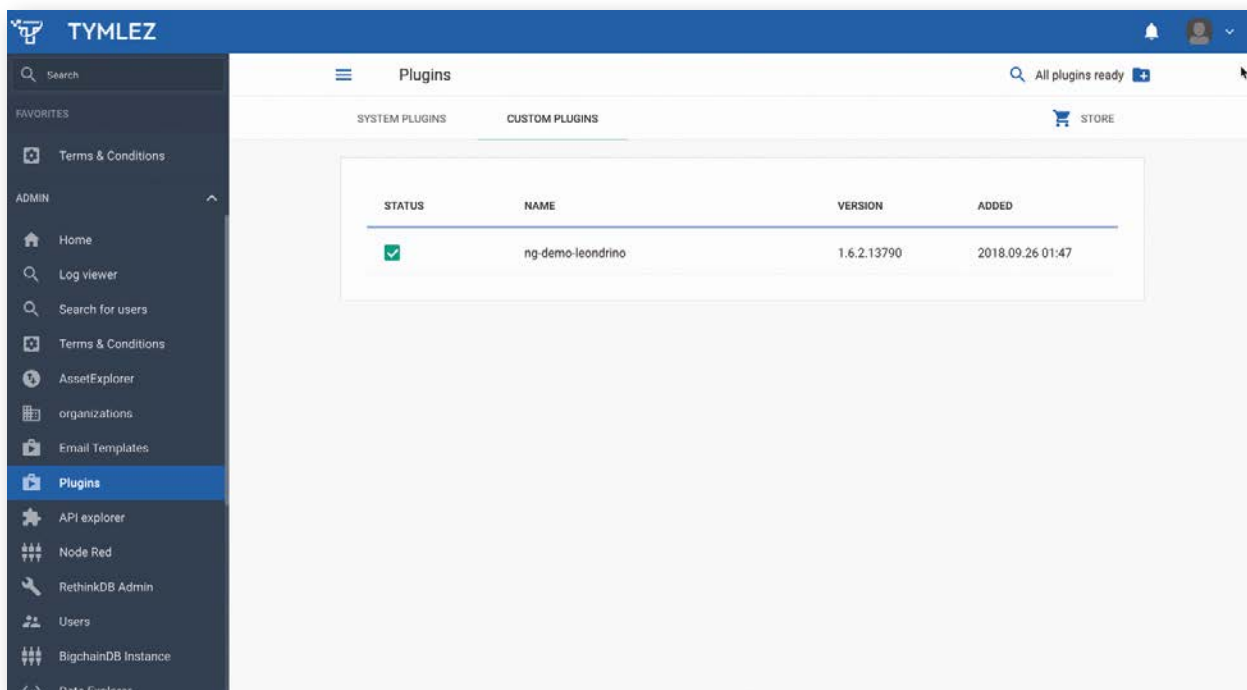
02. COMPANY STRUCTURE AND BUSINESS OVERVIEW Continued

The Tymlez Platform is controlled through a simple, user-friendly web interface, pictured below:

Figure 3: Tymlez Platform interface







#### 4.1.2. Configuration

- In Robomongo, add your demo system to the Robomongo environment. The actual IP address of the demo server is 10.0.1.180.



- Clone the demo source:

```
$ git clone https://gitlab.tymlez.com/demo/ng-demo-ui.git
```

If required, use the following credentials:

```
developer/developer.tymlez
```

- Add the repository to your GitHub Desktop
- Navigate to the `ng-demo-ui` folder and run NPM:

```
$ npm i
```

- In the `ng-demo-ui` folder, you can run each demo example:

## BLOCKCHAIN TECHNOLOGY

As noted above, the Tymlez Platform has been developed using blockchain technology. A 'blockchain' is a distributed ledger of transactions which are related to each other through the use of public and private keys.

Notwithstanding that blockchain technology is the technology behind cryptocurrencies (such as Bitcoin) and while the Tymlez Platform may be licensed by companies whose businesses relate to cryptocurrencies (such as cryptocurrency mining or cryptocurrency exchange platforms), the Tymlez Business is not focussed on cryptocurrencies.

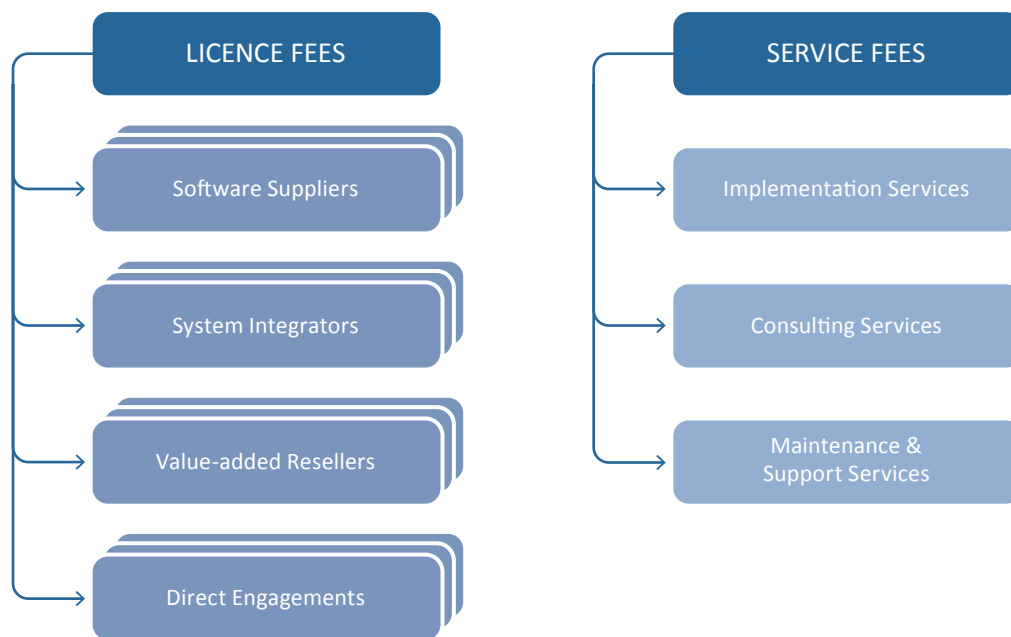
For more information on blockchain technology, please refer to Section 4 of this Prospectus ('Industry Overview').

## 02. COMPANY STRUCTURE AND BUSINESS OVERVIEW Continued

### 2.4 HOW DOES THE COMPANY GENERATE REVENUE?

The Company generates revenues from licensing the Tymlez Platform as well as from services fees for the provision of various services related to the licensing of the Tymlez Platform.

**Figure 4: Overview of the Tymlez Business model**



#### 2.4.1 LICENCE FEES

The Tymlez Platform can be licensed either on a perpetual basis or a subscription basis, and may take the form of a Development Licence or a Production Licence.

##### (i) Licence Type

###### Development Licence

This licence allows the customer to utilise the Tymlez Platform in a 'development and testing environment' which enables them to trial using the Tymlez Platform within their operating processes and to explore opportunities for developing applications using the Tymlez Platform. The development and testing of the Tymlez Platform can be undertaken by the respective businesses internally or with the Company's assistance as part of the Company's consulting services, which are discussed below.

###### Production Licence

Following the development of an application using the Tymlez Platform, businesses seeking to formally implement such applications within their business processes are then required to purchase a Production Licence which enables them to run the relevant application.

##### (ii) Licence duration

###### Perpetual basis

Under this licence model, the Company receives a one-off, upfront licence fee from the sales of Development Licences and Productions Licences, which entitles the holder to utilise the relevant aspect of the Tymlez Platform in perpetuity. Holders of perpetual licences will also receive any software upgrades to the Tymlez Platform that may be developed from time to time at no further cost, but are required to pay ongoing maintenance and support fees as discussed below.

###### Subscription basis

Alternatively, businesses may elect to licence a Development Licence or a Production Licence on a subscription basis whereby the customer is entitled to utilise the Tymlez Platform for a fixed term, typically of either 12, 24 or 36 months. Ongoing maintenance and support services are included in the subscription-based licences.

## 2.4.2 SERVICE FEES

In addition to license fees, Tymlez also generates service revenues from consulting services, implementation services and maintenance and support services.

### **(i) Consulting Services**

The Company is typically engaged by its customers to provide consulting services in the first instance to explore how the Tymlez Platform can provide a blockchain solution to the customer's existing systems. As part of this engagement, the Company works with its customers to obtain an understanding of their business requirements to identify how the Tymlez Platform can be used to develop applications that can be integrated with their existing framework to optimise the operation of their business.

Depending on the nature of each engagement, the Company will explore how the Tymlez Platform can be utilised to develop an application to address the specific requirements of the relevant customer. The fees generated by the Company during this exercise are typically one-off consulting service fees.

### **(ii) Implementation Services**

When the customer agrees to purchase a licence for the Tymlez Platform, the Company may then be engaged to assist with implementing the relevant blockchain solution and to provide inductions and initial training. Where so engaged, the Company will generate revenues from such implementation services requested from its clients based on the time required to implement the solution.

### **(iii) Maintenance and Support Services**

The Company also generates ongoing revenues from the maintenance and support services that may be required from time to time by customers who have purchased a perpetual licence of the Tymlez Platform. These services include providing software updates or bug fixes to the blockchain solution, as well as providing any additional training and support that may be requested by the customer and are billed on time-based billing.

## 2.4.3 SALES CHANNELS

Due to the unique nature of The Tymlez Platform, the Company is able to market and sell its flagship Tymlez Platform through multiple sales channels as discussed below.

### **(i) Software Suppliers (Technology Vendors)**

For software suppliers that seek to expand their product portfolio to include blockchain technology, the Company is able to offer the Tymlez Platform which is a complete and platform-agnostic, blockchain-based platform. The Tymlez Platform enables rapid and agile development of blockchain applications by integrating the various open-source tools of the relevant software suppliers that will enable them to deliver and manage enterprise-scale solutions into a simple-to-use environment that streamlines their customers' digital transformation.

### **(ii) System Integrators (Consultancy Firms)**

For consultancy firms that are looking to design a complete technology ecosystem for their clients, the Company is able to offer the Tymlez Platform. Being an advanced and integrated blockchain development platform, the Tymlez Platform enables the efficient creation of enterprise-scale applications, which can be offered by consultancy firms to address their clients' business needs or support their digital transformation initiatives to incorporate blockchain technology into their processes and operations.

### **(iii) Value Added Resellers**

For software developers seeking to build, expand or enhance their commercial-grade platforms or applications, the Tymlez Platform represents a robust, reliable and adaptable solution that can facilitate such development where applications can be run securely and can be easily managed and automated. The scalability and ability to easily customise the Tymlez Platform allows such developers to react quickly to shifting consumer demands.

### **(iv) Direct Engagements**

In addition, for businesses without their own in-house development capacity, Tymlez can also be directly engaged to develop a blockchain-based solution to address the needs of the relevant customer. In particular, for enterprises looking to automate trust and transparency as a core part of the digital transformation of their businesses, the Tymlez Platform, which relies on permissioned blockchain technology, is a complete software platform that enables rapid development, management, and deployment of blockchain applications with minimal disruption to the existing operations of the customers.

## 02. COMPANY STRUCTURE AND BUSINESS OVERVIEW Continued

### 2.5 CASE STUDIES

The following section provides a summary of several of the Group's engagement where the Tymlez Platform has been used to develop a blockchain technology-based solution for the customer.



|                          |   |
|--------------------------|---|
| <b>Customer profile</b>  | Nico.Lab B.V. is a medical technology company based in The Netherlands that has developed StrokeViewer, which is an application that utilises artificial intelligence technology to assist with the analysis of medical imagery in stroke patients and clinical decision-making. Strokeviewer is able to promptly generate a detailed biomarker report and allows remote image viewing on any device, thereby allowing direct sharing of imaging data between physicians and stroke care centres.   |
| <b>Business case</b>     | Nico.Lab B.V. needed to ensure that the exchange of data between its artificial intelligence software and the various hospitals, nurses and physicians was secure and compliant with the General Data Protection Regulation of the European Union ( <b>GDPR</b> ). Creating 'trust' in the data was also critical to allow physicians to confidently rely on the integrity of the data. Furthermore, maintaining an audit trail of all events and interactions between participants was not only necessary for Nico.Lab B.V. to satisfy the GDPR requirements but was also necessary in order to obtain insurance for the StrokeViewer product.   |
| <b>Solution offered</b>  | The Tymlez Platform was used to develop an application which enabled the secure transfer and encryption of data, thereby improving reliability and integrity of the data and maintaining patient data confidentiality. By allowing individual doctors across various hospitals to independently verify information received, the application was able to introduce trust and transparency into the process. Furthermore, a digital fingerprint is embedded in the individual analyses completed by the StrokeViewer's artificial intelligence engine (which can be of up to 2000 brain scans per patient), thereby allowing users to identify the precise version of the artificial intelligence algorithm that was used to analyse the relevant imagery. |
| <b>Benefits</b>          | <ul style="list-style-type: none"><li>&gt; Enabled GDPR-compliant and secure transportation of patient data, whereby such data is appropriately encrypted to restrict access to relevant parties.</li><li>&gt; Allowed patient imagery and analyses of such data to be digitally fingerprinted, thereby establishing integrity in the data stored.</li><li>&gt; Provided high speed processing and logging of data to ensure analyses conducted by the artificial intelligence engine remain within the 3 minute time limit.</li></ul>  |
| <b>Sales Channel</b>     | Direct engagement.  |
| <b>Licence Type</b>      | Development Licence.  |
| <b>Licence Duration</b>  | Perpetual Basis.  |
| <b>Services provided</b> | Implementation Services, Consulting Services and Maintenance and Support Services.  |
| <b>Status</b>            | The solution has been fully delivered to the customer and the Company shall provide ongoing Maintenance and Support Services.   |



|                          |   |
|--------------------------|---|
| <b>Customer profile</b>  | Happystry is a startup based out of Bangalore, India that seeks to change interactions in the social sector. Happystry is a platform for individuals, small entrepreneurs, social enterprises and corporates to share and discover socially responsible actions, products and services. |
| <b>Business case</b>     | Activities of stakeholders on Happystry's platform earn them a currency ('Dlites' on a blockchain) which can be used as a medium of exchange for responsible products and services within the platform or outside through the partner ecosystem.  |
| <b>Solution offered</b>  | The Tymlez Platform was used to develop and manage the issuance and ownership of the Dlites loyalty tokens.   |
| <b>Benefits</b>          | The Tymlez Platform was used to develop a loyalty token which can leverage the speed and scalability of the underlying architecture, thus outperforming other competing technologies.   |
| <b>Sales Channel</b>     | Direct Engagement.  |
| <b>Licence Type</b>      | Development and Production licenses.  |
| <b>Licence Duration</b>  | Perpetual Basis.  |
| <b>Services provided</b> | Implementation services, Maintenance and Support Services.  |
| <b>Status</b>            | The solution has been fully delivered to the customer and the Company shall provide ongoing Maintenance and Support Services.   |



## 02. COMPANY STRUCTURE AND BUSINESS OVERVIEW *Continued*

### 2.6 INTELLECTUAL PROPERTY ASSETS

The Group's intellectual property assets are summarised in this Section 2.6.

#### 2.6.1 TRADEMARKS

Tymlez Properties holds the following trademarks and trademark applications:

| Trademark                       | TM No     | Registrant        | Registration Date               | Classes         | Expiry Date |
|---------------------------------|-----------|-------------------|---------------------------------|-----------------|-------------|
| <b>AUSTRALIA</b>                |           |                   |                                 |                 |             |
| TYMLEZ                          | 1847276   | Tymlez Properties | 18/11/2016                      | Class 9, 35, 42 | 18/11/2026  |
| <b>EUROPEAN UNION</b>           |           |                   |                                 |                 |             |
| TYMLEZ                          | 015451719 | Tymlez Properties | 30/09/2016                      | Class 9, 35, 42 | 19/05/2026  |
| <b>UNITED STATES OF AMERICA</b> |           |                   |                                 |                 |             |
| TYMLEZ                          | 015451719 | Tymlez Properties | Application filed<br>18/11/2016 | Class 9, 35, 42 |             |
| <b>CANADA</b>                   |           |                   |                                 |                 |             |
| TYMLEZ                          | 1810213   | Tymlez Properties | Application filed<br>18/11/2016 | Class 9, 35, 42 |             |

#### 2.6.2 DOMAIN NAMES

Tymlez Properties holds the following domain names:

|                |                   |                      |                       |
|----------------|-------------------|----------------------|-----------------------|
| www.tymlez.de  | www.tymlez.uk     | www.tymlez.network   | www.tymlez.software   |
| www.tymlez.com | www.tymlez.com.au | www.tymlez.education | www.tymlez.rocks      |
| www.tymlez.nl  | www.tymlez.cloud  | www.tymlez.store     | www.timeless.software |

### 2.7 BUSINESS STRATEGIES AFTER COMPLETION OF THE OFFER

As noted above, the Company has developed the Tymlez Platform, and currently generates revenues from sales of subscription and perpetual licences of the Tymlez Platform. In addition, the Company also generates revenues from the consulting, implementation and support services provided in connection with these products.

Following completion of the IPO, the Company intends to focus on the following principal activities:

#### (A) MARKETING AND SALES

While the Company has successfully developed the Tymlez Platform and generates revenues from the sales of licences of the Tymlez Platform, the Company is seeking to create more awareness of the Tymlez Platform in the market. To encourage brand recognition and drive increased sales of licenses for the Tymlez Platform, the Company intends to organise more marketing events and invest further in digital advertising following completion of the Offer. The Company will also be investing in upgrading its website and customer relations management (CRM) systems in order to improve the Group's and the Tymlez Platform's brand profiles.

Importantly, the Company intends to build a specialised sales and marketing team that will be responsible for devising, executing and evaluating marketing strategies, which will be supported by sales consultants with specific experience in the relevant industry. These sales consultants will be required to have sufficient technical knowledge of the Tymlez Platform in order to pitch how the Tymlez Platform may be used to address the needs of existing and prospective customers.

The Company will also be leveraging off its sales channel partners being the Software Suppliers, System Integrators and Value-Added Resellers referred to Section 2.4 of this Prospectus, as these partners have access to a broad base of existing clientele to whom the Tymlez Platform can be introduced to. Finally, the Company will engage personnel that will conduct tailored training courses on the Tymlez Platform and related content for presentation to the Group's sales channel partners and customers.

## (B) PRODUCT DEVELOPMENT

As outlined in Section 4 of this Prospectus, the blockchain technology market is a new and developing industry. Therefore, notwithstanding that the Tymlez Platform is a readily marketable product, the Company intends to pursue further development of the technology platform to preserve its currency in the market. The Company anticipates that this will include improvements to the speed, flexibility and functionality of the Tymlez Platform in order to expand the addressable market of the Tymlez Platform to support private and public blockchains (please refer to Section 4.3 for more information on private and public blockchains).

To achieve this, the Company will be required to invest in further development and ongoing maintenance and support of the Tymlez Platform to continue to provide its customers and sales partners with a unique and differentiable product, while ensuring that any updates do not disrupt current operations of existing versions of the Tymlez Platform. In addition the Company intends to explore opportunities for further commercialisation of the Tymlez Platform by offering 'pre-developed, generic' versions of the Tymlez Platform which provide specific functionalities such as the 'secured document sharing' functionality.

## (C) EXPANSION IN ASIA-PACIFIC AND USA

In conjunction with the marketing strategies referred to above, the Company intends to pursue geographic expansion of its business to the Asia-Pacific and North American regions, where various IT-leading companies and institutions are based. Following completion of the IPO, the Company will expand its marketing teams in these regions to identify potential customers for the Tymlez Platform, as well as to identify potential sales partners that may be able to assist with penetrating these markets. The Company currently intends to establish sales teams in its Melbourne and Seattle offices comprising of several sales representatives, sales engineers and internal sales personnel. Additionally, the Company will incur expenditure associated with the costs of engaging legal, accounting and corporate advisors to facilitate such expansion as well as travel and accommodation costs.

## 2.8 USE OF FUNDS RAISED UNDER THE OFFER

The Group will receive proceeds of \$5,000,000 on the Minimum Subscription and of \$8,000,000 on the Maximum Subscription from the issue of the Offer Shares at the Offer Price of \$0.22. The Group intends to allocate the proceeds of the Offer to the following expansion strategies as detailed in the table below:

| Use of Funds                                   | Minimum Subscription |             | Maximum Subscription <sup>1</sup> |             |
|--|----------------------|-------------|-----------------------------------|-------------|
|  | Amount (\$)          | %           | Amount (\$)                       | %           |
| Marketing and Sales <sup>2</sup>               | \$1,000,000          | 20%         | \$2,000,000                       | 25%         |
| Product Development <sup>3</sup>               | \$2,000,000          | 40%         | \$3,500,000                       | 44%         |
| Expansion in Asia-Pacific and USA <sup>4</sup> | \$1,500,000          | 30%         | \$1,500,000                       | 19%         |
| Working Capital                                | \$500,000            | 10%         | \$1,000,000                       | 12%         |
| <b>Total</b>                                   | <b>\$5,000,000</b>   | <b>100%</b> | <b>\$8,000,000</b>                | <b>100%</b> |

1. If the Company raises less than the Maximum Subscription then the budgets set out above may be reduced proportionately.
2. This includes costs associated with expanding the Group's internal marketing team and organising marketing events, procuring digital advertising and engaging sales consultants and client trainers. For more information please refer to Section 2.7(A) of this Prospectus.
3. This includes costs associated with development of updated versions of the Tymlez Platform, general maintenance of the Tymlez Platform and developing generic versions of the Tymlez Platform with specific functionalities. For more information please refer to Section 2.7(B) of this Prospectus.
4. This includes costs associated with implementing marketing strategies and employing sales personnel in these regions, as well as expenses relating to travel and legal, accounting and corporate advisory. For more information please refer to Section 2.7(C) of this Prospectus.

The Group intends to fund the expenses of the Offer from the Company's existing cash and from the monies raised from Other Investors in the 12-month period prior to the IPO.

The Directors consider that on completion of the Offer (based on the Minimum Subscription) the Company will have adequate capital to meet its current objectives and requirements as set out in this Prospectus.

However, investors should be aware that the Company may expend its cash reserves on its activities more quickly than anticipated. The Directors will consider further equity funding where it considers that the raising of such further capital is necessary to meet the Company's objectives and requirements.

# 03.

## DETAILS OF THE OFFER



## 03. DETAILS OF THE OFFER

### 3.1 OFFER SHARES OFFERED FOR SUBSCRIPTION

This Prospectus invites investors to apply for a total of up to 36,363,637 Offer Shares at an issue price of \$0.22 per Offer Share to raise up to \$8,000,000. The Offer will be open to investors with registered addresses in Australia and other investors to whom it is lawful to make an offer to pursuant to this Prospectus.

All Offer Shares will be issued as fully paid and will rank equally in all respects with Shares already on issue.

Applications must be for a minimum of 9,091 Offer Shares and thereafter in multiples of 1,000 Offer Shares. The details of how to apply for Offer Shares are set out below.

Applicants should be aware that ASX will not admit any Offer Shares to Official Quotation until the Company has complied with Chapters 1 and 2 of the ASX Listing Rules and is admitted by ASX to the Official List. As such, the Offer Shares may not be able to be traded for some time after the close of the Offer.

In the event that the Company does not receive approval for Admission to the Official List, the Offer will be withdrawn and the Company will repay all Application monies received by it in connection with the Offer (without interest).

### 3.2 MINIMUM APPLICATION

Applications must be for a minimum of 9,091 Offer Shares and thereafter in multiples of 1,000 Offer Shares. Applications to acquire Offer Shares will only be accepted on submission of the Application Form attached to this Prospectus.

The Directors may reject any application or allocate any Applicant fewer Offer Shares than that Applicant applied for.

### 3.3 MINIMUM SUBSCRIPTION

The Minimum Subscription for this Offer is 22,727,273 Offer Shares to raise \$5,000,000. If the Minimum Subscription is not achieved within four (4) months after the date of this Prospectus, the Company will not allot any Offer Shares and all Application Monies will be returned without interest or the Company will issue a supplementary prospectus or replacement prospectus and allow Applicants one (1) month to withdraw their Applications and have their Application monies refunded (without interest).

### 3.4 OVER-SUBSCRIPTIONS

The Company will not accept over-subscriptions.

### 3.5 OFFER OPENING DATE AND OFFER CLOSING DATE

Subscription for Offer Shares will open on 9:00am AEDT on the Offer Opening Date and remain open until 5:00pm AEDT on the Offer Closing Date.

The Offer Opening Date and Offer Closing Date are subject to the right of the Directors to either close the Offer at an earlier time and date or to extend the Offer Closing Date without prior notice. Applicants are encouraged to submit their Applications as early as possible.

### 3.6 APPLICATIONS FOR OFFER SHARES – HOW TO APPLY

Applications for Offer Shares may only be made on the Application Form attached to and forming part of this Prospectus. Please read the instructions on the Application Form carefully before completing it.

Completed Application Forms must be accompanied by a cheque in Australian dollars, crossed “Not Negotiable” and made payable to “Tymlez Group Limited Subscription A/C” and may be lodged at any time after the issue of the Prospectus and on or before the Offer Closing Date as follows:

#### BY POST TO:

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**Tymlez Group Limited**

C/- Automic Group  
GPO Box 5193  
Sydney NSW 2001

#### BY HAND TO:

---

**Tymlez Group Limited**

C/- Automic Group  
Level 5, 126 Phillip Street  
Sydney NSW 2000

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No brokerage or stamp duty is payable by Applicants.

## 03. DETAILS OF THE OFFER *Continued*

### 3.7 ACCEPTANCE OF APPLICATIONS

An Application for Offer Shares may be accepted in full, for any lesser number, or rejected by the Directors, in consultation with the Lead Manager. If any Application is rejected, in whole or in part, the relevant Application monies will be returned without interest.

### 3.8 COMPLIANCE WITH CHAPTERS 1 AND 2 OF THE ASX LISTING RULES

The ASX requires the Company to comply with Chapters 1 and 2 of the ASX Listing Rules in order to be admitted to the Official List of the ASX.

There is a risk that the Company may not be able to meet the ASX's requirements for Admission. In the event that the conditions to the Offer are not satisfied, or the Company does not receive conditional approval for Official Quotation of its securities on the ASX, then the Company will not proceed with the Offer and will return all Application monies received (without interest).

Key requirements of Chapters 1 and 2 of the ASX Listing Rules are:

- > a prospectus must be issued and lodged with ASX. This Prospectus is anticipated to fulfil this requirement;
- > the shareholder spread requirements set out in Listing Rule 1.1 relating to the minimum spread of shareholdings and the minimum number of shareholders must be met;
- > the Company must satisfy either the "profits test" or the "assets test" contained in Listing Rule 1.2 and 1.3 respectively (the Company is relying on the "assets test" for Admission); and
- > the issue price of the Offer Shares under the Prospectus must be at least \$0.20 (the issue price of the Offer Shares under the Offer is \$0.22).

### 3.9 COMPANY CONSTITUTION AND RIGHTS ATTACHING TO SHARES

The Constitution sets out the internal rules of the Company. The section below summarises the material provisions of the Constitution, including the rights and liabilities attached to Shares. This summary is not intended to constitute an exhaustive statement of the rights and liabilities of Shareholders.

#### ISSUE OF SHARES

The issue of Shares by the Company is under the control of the Directors, subject to the Corporations Act, ASX Listing Rules and any rights attached to any special class of shares.

#### TRANSFER OF SHARES

Pursuant to the Constitution, a Shareholder may transfer a Share by any means permitted by the Corporations Act or by law.

The Company participates in the share registration and transfer system known as CHESS, which is operated by ASX under the Security Clearing House Business Rules. Under CHESS, the Company may issue holding statements in lieu of share certificates. The Company is not permitted to charge any fee for registering a transfer of shares. The Directors may refuse to register a transfer of Shares only if the refusal would not contravene the Corporations Act or the ASX Listing Rules, where the registration would create a new parcel of unmarketable securities.

#### VARIATION OF RIGHTS ATTACHING TO SHARES

The rights attached to Shares or any class of shares may, unless their terms of issue state otherwise, be varied with the written consent of 75% of the holders of issued shares of the affected class, or authorised by a special resolution passed at a separate meeting of the holders of the shares of the affected class.

#### MEETINGS OF SHAREHOLDERS (GENERAL MEETINGS)

The Directors may call a meeting of Shareholders whenever they think fit.

Shareholders may call a meeting in accordance with the Corporations Act. Pursuant to the Constitution, the Notice of General Meeting sent to Shareholders must contain certain information.

The Constitution contains provisions prescribing the content requirements for notices of meetings sent to Shareholders. All Shareholders are entitled to attend, and will receive at least 21 days' notice of a general meeting (where the Company is listed on the ASX, a notice period of 28 days applies). A quorum for a general meeting is two (2) Shareholders who are eligible to vote at the general meeting.

The Company will hold an annual general meeting in accordance with the Corporations Act and the ASX Listing Rules.



## VOTING RIGHTS

Subject to any rights or restrictions for the time being attached to any Shares or class of shares of the Company, each Shareholder, whether present in person or by proxy, attorney or representative at a meeting of Shareholders, has one (1) vote on a show of hands and one (1) vote on a poll for each fully paid Share held and a fraction of a vote for each partly paid Share, equivalent to the proportion paid up on that Share. Resolutions of Shareholders will be decided by a show of hands unless a poll is demanded.

A poll may be demanded by the chairperson of the meeting, at least five (5) Shareholders (or their proxy, attorney or representative) entitled to vote on the resolution, or any one or more Shareholders holding not less than five percent (5%) of the votes that may be cast on the resolution on a poll.

## DIRECTORS

The business of the Company is to be managed by or under the direction of the Directors. The Company must have at least three (3) Directors and not more than ten (10). The Board may appoint a person to be a Director at any time, but any such Director must retire at the next annual general meeting (at which meeting he or she may be eligible for election as Director).

The Company in general meeting may elect Directors by ordinary resolution.

At each annual general meeting, with the exception of the Managing Director and those Directors appointed by the Board, one third of the Directors and any Director who will have been in office for three (3) or more years must retire from the Board, and are eligible for re-election.

The aggregate remuneration of the non-executive Directors must not exceed the amount last fixed by ordinary resolution.

## DIVIDENDS

The Directors may pay any interim and final dividends as, in their judgment, the financial position of the Company justifies.

Subject to any rights attaching to Shares which may in the future be issued with special or preferred rights, the Directors may fix the amount, the time for payment and the method of payment of a dividend. Subject to any special rights attaching to Shares or any other class of shares (such as preference shares), dividends will be paid proportionately. The Company is not required to pay any interest on dividends.

## WINDING UP

On a winding up of the Company a liquidator may, with the sanction of a special resolution of the Shareholders, divide among the Shareholders the property of the Company in proportion to the Shares held by them. The liquidator may determine how the division is to be carried out as between the members or different classes of members.

### 3.10 RIGHTS ATTACHING TO TYHOLD DEFERRED SHARES

Under the terms of the Share Purchase Agreement, the Company acquired all the issued shares in Tymlez Holding in consideration for agreeing to issue the following securities to the Tyhold, being an entity controlled by the founders of the Tymlez Business, Mr Michael Reh and Mr Reinier Van Der Drift:

- > an initial tranche of 61,280,000 Shares, which were issued on completion of the Share Purchase Agreement; and
- > the right to be issued up to an additional 8,000,000 Shares subject to the relevant milestones (**Tyhold Deferred Shares**).

A summary of the performance milestones, upon the achievement of which at any time during the 3 years from the date of Admission, Tyhold shall be entitled to be issued Shares pursuant to the Tyhold Deferred Shares, is provided below:

| SHARES           | PERFORMANCE MILESTONE  |
|------------------|--|
| <b>2,000,000</b> | Tymlez Holding generating total accumulated revenue of \$2,000,000 |
| <b>2,000,000</b> | Tymlez Holding generating total accumulated revenue of \$3,000,000 |
| <b>2,000,000</b> | Tymlez Holding generating total accumulated revenue of \$4,000,000 |
| <b>2,000,000</b> | Tymlez Holding generating total accumulated revenue of \$5,000,000 |

Tyhold acknowledges that the Shares issued pursuant to the Tyhold Deferred Shares (if at all) may be subject to escrow restrictions under the ASX Listing Rules, and has agreed to enter into restriction agreements in relation to such Shares as may be required under the ASX Listing Rules.

### 03. DETAILS OF THE OFFER *Continued*

#### EFFECT ON CAPITAL STRUCTURE OF THE COMPANY

The tables below provides a summary of the effect on the Company's capital structure following completion of the IPO at the Minimum Subscription and the Maximum Subscription in two alternate scenarios depending on whether:

- (a) **Scenario 1** – where none of the performance milestones are achieved and no Shares are issued pursuant to the Tyhold Deferred Shares; and
- (b) **Scenario 2** – where all of the performance milestones are achieved and 8,000,000 Shares are issued pursuant to the Tyhold Deferred Shares.

#### Scenario 1

| Shareholder  | Minimum Subscription |               | Maximum Subscription |               |
|--|----------------------|---------------|----------------------|---------------|
|  | Number of Shares     | %             | Number of Shares     | %             |
| <b>Shares on issue as at the date of this Prospectus</b>     |                      |               |                      |               |
| Tyhold   | 65,404,233           | 50.61%        | 65,404,233           | 45.77%        |
| Other Investors  | 34,732,791           | 26.88%        | 34,732,791           | 24.31%        |
| Lead Manager   | 2,104,876            | 1.63%         | 2,104,876            | 1.47%         |
| <b>Subtotal</b>  | <b>102,241,900</b>   | <b>79.12%</b> | <b>102,241,900</b>   | <b>71.55%</b> |
| <b>Shares to be issued following completion of the Offer</b> |                      |               |                      |               |
| Shares to be issued to the Lead Manager or its nominees*     | 4,260,336            | 3.30%         | 4,280,483            | 3.00%         |
| Offer Shares   | 22,727,273           | 17.59%        | 36,363,637           | 25.45%        |
| <b>Subtotal</b>  | <b>26,987,609</b>    | <b>20.88%</b> | <b>40,644,120</b>    | <b>28.45%</b> |
| <b>Total Shares on issue on Admission</b>                    | <b>129,229,509</b>   | <b>100%</b>   | <b>142,886,020</b>   | <b>100%</b>   |

\* Pursuant to the Lead Manager Mandate, 2,000,000 Shares and Shares equivalent to 2% of the Company's Enterprise Value as at Admission are to be issued to the Lead Manager (or its nominees) on Admission. This amount is an estimate only based on an approximate calculation of the Company's Enterprise Value as at Admission and includes Shares relating to the GST payable on such amount. For more information on the terms of the Lead Manager Mandate, please refer to Section 9.9 of this Prospectus.

#### Scenario 2

| Shareholder  | Minimum Subscription |               | Maximum Subscription |               |
|--|----------------------|---------------|----------------------|---------------|
|  | Number of Shares     | %             | Number of Shares     | %             |
| <b>Shares on issue as at the date of this Prospectus</b>       |                      |               |                      |               |
| Tyhold   | 65,404,233           | 47.66%        | 65,404,233           | 43.35%        |
| Other Investors  | 34,732,791           | 25.31%        | 34,732,791           | 23.02%        |
| Lead Manager   | 2,104,876            | 1.53%         | 2,104,876            | 1.40%         |
| <b>Subtotal</b>  | <b>102,241,900</b>   | <b>74.50%</b> | <b>102,241,900</b>   | <b>67.76%</b> |
| <b>Shares to be issued following completion of the Offer</b>   |                      |               |                      |               |
| Shares to be issued to the Lead Manager or its nominees*       | 4,260,336            | 3.10%         | 4,280,483            | 2.84%         |
| Offer Shares   | 22,727,273           | 16.56%        | 36,363,637           | 24.10%        |
| <b>Subtotal</b>  | <b>26,987,609</b>    | <b>19.67%</b> | <b>40,644,120</b>    | <b>26.94%</b> |
| <b>Tyhold Deferred Shares</b>                                  |                      |               |                      |               |
| Shares issued to Tyhold pursuant to the Tyhold Deferred Shares | 8,000,000            | 5.83%         | 8,000,000            | 5.30%         |
| <b>Subtotal</b>  | <b>8,000,000</b>     | <b>5.83%</b>  | <b>8,000,000</b>     | <b>5.30%</b>  |
| <b>Total Shares</b>  | <b>137,229,509</b>   | <b>100%</b>   | <b>150,886,020</b>   | <b>100%</b>   |

\* Pursuant to the Lead Manager Mandate, 2,000,000 Shares and Shares equivalent to 2% of the Company's Enterprise Value as at Admission are to be issued to the Lead Manager (or its nominees) on Admission. This amount is an estimate only based on an approximate calculation of the Company's Enterprise Value as at Admission and includes Shares relating to the GST payable on such amount. For more information on the terms of the Lead Manager Mandate, please refer to Section 9.9 of this Prospectus.

### 3.11 RIGHTS ATTACHING TO OPTIONS

Pursuant to the Lead Manager Mandate, the Company will issue 2,000,000 Options to the Lead Manager (or its nominees) following completion of the Offer, on the terms and conditions below. All other term and conditions of the Options will be in accordance with the requirements of the ASX Listing Rules.

#### OPTIONS NOT LISTED

The Options are transferable and will not be quoted on the ASX. If the Company's Shares have been admitted to Official Quotation by the ASX, then the Company must apply to the ASX within ten (10) business days after the date of issue of any Shares issued upon exercise of the Options, for such Shares to be admitted to Official Quotation.

#### ENTITLEMENT

Each Option entitles the holder to subscribe for one (1) Share upon the exercise of the Option. All Shares issued upon exercise of the Options will rank equally with all Shares in the capital of the Company and will be escrowed for such period as provided under the ASX Listing Rules, as summarised in Section 3.17 of this Prospectus.

#### EXPIRY DATE

The expiry date of the Options to be issued to the Lead Manager (or its nominees) is four (4) years from the date of issue, being the date of Admission (**Expiry Date**).

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**). Options not exercised before the Expiry Date will lapse upon the Expiry Date.

#### EXERCISE PRICE

The amount payable upon the exercise of each Option will be \$0.35 (**Exercise Price**).

#### NOTICE OF EXERCISE

The Options shall be exercised during the Exercise Period by providing notice in writing to the Company in accordance with their terms of issue and payment of the Exercise Price for each Option by electronic funds transfer or any other means of payment to the Company.

#### REORGANISATION OF CAPITAL

If, prior to expiry of the Options, there is a reorganisation of the issued capital of the Company, then the rights of an Optionholder will be varied to the extent necessary in order to comply with the ASX Listing Rules applying to the reorganisation of capital at the time of reorganisation.

#### PARTICIPATION IN NEW ISSUES OF SECURITIES

An Optionholder may only participate in new issues of securities in the Company to Shareholders to the extent that the Option has been exercised and Shares have been allotted in respect of the Option before the record date for determining entitlements to the issue. The Company must give reasonable notice to the Optionholder of any new issue before the record date for determining entitlements to that issue in accordance with the ASX Listing Rules.

#### BONUS ISSUES

If the Company makes a bonus issue of Shares pro rata to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the Optionholder would have received if the Option had been exercised before the record date for the bonus issue.

## 03. DETAILS OF THE OFFER *Continued*

### 3.12 DIVIDEND POLICY

The Board anticipates that significant expenditure will be incurred in executing its proposed expansion strategies following completion of the Offer. These activities are expected to dominate at least, the period of two years following the date of Admission. Accordingly, the Company does not expect to declare any dividends during that period.

Any future determination as to the payment of dividends by the Company will be at the sole discretion of the Directors and will depend on the availability of distributable earnings, operating results and financial condition of the Company, future capital requirements and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

### 3.13 ALLOTMENT

Acceptance of an Application by the Company creates a legally binding contract between the Applicant and the Company for the number of Offer Shares for which the Application is accepted.

The Company will allot and issue the Offer Shares as soon as possible after the grant of Official Quotation of the Offer Shares.

Following the allotment and issue of the Offer Shares, statements illustrating Applicants' shareholdings in the Company will be despatched. It is the responsibility of Applicants to determine their allocation prior to trading in Shares. Applicants who sell Shares before they receive their holding statements will do so at their own risk.

### 3.14 APPLICATION MONIES HELD ON TRUST

All Application monies received for the Offer Shares will be held in trust in a bank account established solely for the purpose of depositing Application monies received pursuant to this Prospectus until the Offer Shares are allotted. Application monies will be returned (without interest) if the Offer Shares are not allotted.

### 3.15 TAXATION

The taxation summary contained in this Section 3.15 provides a general overview of the Australian tax implications to Australian tax resident investors who acquire and hold Offer Shares. The summary is not intended to be a complete statement of the possible taxation implications for investors.

The individual circumstances of each Applicant may affect the taxation implications of the investment for that Applicant. It is the responsibility of each Applicant to be satisfied as to the particular taxation treatment that applies to each investment. Persons who are considering making an investment in the Company should seek independent professional advice with respect to the taxation consequences arising from such an investment.

This summary is based on the current Australian taxation law, and administrative practice of the Commissioner of Taxation (**Commissioner**), as at the date of this Prospectus. However, potential investors should be aware that the law, and the way in which the Commissioner interprets and administers the law, may change at any time, and that the ultimate interpretation of Australian taxation law rests with the courts.

These comments do not apply to Shareholders that are non-Australian tax residents, insurance companies, banks or that carry on a business of trading in shares, or hold shares otherwise than on capital account (i.e. on revenue account). Different tax implications apply to these Shareholders.

#### AUSTRALIAN CAPITAL GAINS TAX FOR AUSTRALIAN RESIDENT SHAREHOLDERS

Australian income tax laws contain a capital gains tax (**CGT**) regime and Australian tax-resident Shareholders will be subject to the CGT regime on a disposal of Shares.

The cost base used to assess any capital gain or loss on Shares is generally the amount a Shareholder pays to acquire the Shares plus any incidental costs of acquisition and non-capital costs of ownership incurred. A capital gain typically arises when an asset is disposed of and the capital proceeds exceed the cost base of acquiring the asset. Conversely, a capital loss generally arises if the cost base exceeds the capital proceeds received.

Capital losses made in the same or prior years can typically be offset against any capital gains. Any remaining net capital gain is included in assessable income and taxed, with the amount of tax payable depending on the individual taxpayer's tax profile. Where a net capital loss is incurred it may be carried forward indefinitely and offset against future capital gains subject to certain restrictions.

## DISPOSING OF SHARES

Applicants who are Australian residents for tax purposes that dispose of Shares may realise a capital gain that may be subject to Australian CGT. Such capital gain would be equal to the capital proceeds received for the disposal of the Shares, less the cost base of the Shares. Complying superannuation entities are entitled to a CGT discount of one-third if the Shares have been owned for at least 12 months at the date that the Shares are disposed of. The net capital gain for individuals or entities acting as trustees of trusts (which have presently entitled beneficiaries) may be reduced by 50% if the Shares were held for at least 12 months immediately prior to the date of disposal (this 50% discount does not apply to companies that hold Shares).

## DUTCH TAX

Each of the Company's subsidiaries will be subject to corporate tax in their relevant tax jurisdiction. In particular, Tymlez Holding, which is the main operating subsidiary will be subject to Dutch corporate tax.

The Directors understand if the Company sells shares in Tymlez Holding, the capital gains may only be taxable in The Netherlands for Dutch Corporate Income Tax purposes when the structure has been set up with the main purpose (or when one of the main purposes is) to avoid Dutch Income Tax.

In the situation that the structure was not set up with the main purpose (or when one of the main purposes is) to avoid Dutch Income Tax but was set up due to sound business reasons with sufficient economic reality (which the Directors believe is the current situation), capital gains upon the disposal of shares (which shares constitute a so called substantial Interest within the meaning of article 17, paragraph 3 under b Dutch Corporate Income Tax Act, being at least 5%) are not taxable in The Netherlands. Please note that it cannot be guaranteed the Dutch Tax Authorities will follow these conclusions.

Dutch Corporate Income Tax currently amounts 20% to 25% (the lower rate is applicable on profits up to €200,000).

Please be informed that a legislation proposal has been submitted in which it has been proposed to lower the Dutch Corporate Income Tax rate in the coming three years to respectively 19% to 25% (2019), 17.5% to 23.9% (2020) and 15% to 20.5% (2021).

Any Dutch withholding tax on dividends from Tymlez Holding will be limited to 15% under the Australia-Netherlands double tax agreement (**DTA**). Please be informed that as of 1 January 2018 there is an exemption from withholding Dutch dividend withholding tax for dividend distributions to qualifying shareholders. This exemption is only applicable if all the conditions set out in article 4, paragraph 2 and 3 of the Dutch Dividend Withholding Tax Act are met. These conditions are that the structure was not set up with the main purpose (or when one of the main purposes is) to avoid Dutch Income Tax but was set up due to sound business reasons with sufficient economic reality.

## DIVIDENDS

Although the Company will derive Australian sourced income, some of the Company's income and gains will be foreign, which are likely to be tax exempt at the level of the Company as non-assessable non-exempt income (**NANE**) of the Company. There may also be foreign sourced licence income, which will be taxable in Australia, with a credit for any foreign withholding tax. Therefore, any dividends paid by the Company are likely to be have a mixture of taxed and untaxed source income, and therefore the dividends are likely to be partly franked.

Australian tax resident Shareholders will be fully subject to Australian tax on the dividends, less the applicable franking credit.

## TAX FILE NUMBERS

A Shareholder is not required to quote their Tax File Numbers (**TFN**), or where relevant, Australian Business Number (**ABN**), to the Company. However, if a Shareholder's TFN, ABN or exemption details are not provided, Australian tax may be required to be deducted by the Company from unfranked dividends at the maximum marginal tax rate plus the Medicare levy.

## GOODS AND SERVICES TAX IMPLICATIONS

No Goods and Services Tax (**GST**) should be payable by Shareholders in respect of the acquisition or disposal of their Shares in the Company, regardless of whether or not the Shareholder is registered for GST. The extent to which each Shareholder is entitled to recover any GST incurred on costs relating to the acquisition or disposal of Shares in the Company will depend on the individual circumstances of each Shareholder. No GST should be payable by Shareholders on receiving dividends distributed by the Company.

## 03. DETAILS OF THE OFFER *Continued*

### 3.16 FOREIGN SELLING RESTRICTIONS AND OVERSEAS APPLICANTS

This Prospectus does not, and is not intended to, constitute an offer of securities in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

The Company has not taken any action to register or qualify the Shares the subject of the Offer, or otherwise to permit a public offering of the Shares, in any jurisdiction outside Australia.

It is the responsibility of an Applicant applying for Offer Shares that is based in a foreign jurisdiction (outside Australia) to ensure compliance with all laws of any foreign jurisdiction that are relevant and applicable to their Application. The return of a properly completed Application Form will be taken by the Company to constitute a representation and warranty that there has been no breach of any applicable foreign jurisdiction laws and that all necessary approvals and consents have been obtained.

### 3.17 ESCROW

No Offer Shares issued will be subject to escrow.

However, the Board anticipates that the following securities on issue as at the date of this Prospectus, will be subject to escrow restrictions under the ASX Listing Rules as follows:

- > 65,404,233 Shares held by Tyhold will be escrowed for 24 months from the date of Admission;
- > 1,994,303 Shares held by Other Investors who are neither promoters nor related parties of the Company will be escrowed for 12 months from the date of issue of such Shares;
- > 550,909 Shares held by other investors who are promoters or related parties of the Company will be escrowed for 24 months from the Date of Admission; and
- > 2,104,876 Shares held by the Lead Manager and its associates will be escrowed for 24 months from the date of Admission.

Additionally, the Company anticipates that the following Shares to be issued on Admission will be subject to escrow restrictions under the ASX Listing Rules:

- > 4,260,336\* or 4,280,483\* Shares to be issued to the Lead Manager or its nominees (on the Minimum Subscription and the Maximum Subscription respectively) will be escrowed for 24 months from the date of Admission.

\* Pursuant to the Lead Manager Mandate, 2,000,000 Shares and Shares equivalent to 2% of the Company's Enterprise Value as at Admission are to be issued to the Lead Manager (or its nominees) on Admission. This amount is an estimate only based on an approximate calculation of the Company's Enterprise Value as at Admission and includes Shares relating to the GST payable on such amount. For more information on the terms of the Lead Manager Mandate, please refer to Section 9.9 of this Prospectus.

It is anticipated that the Shares issued upon the exercise of the 2,000,000 Options to be issued to the Lead Manager (or its nominees) on Admission will be subject to an escrow period of 24 months from the date of Admission.

Escrow agreements in relation to the above Shares and Options will be entered into in accordance with the ASX Listing Rules. However please note that the ASX may determine to increase or reduce the escrow restriction periods that are to apply to the Shareholders and Optionholders once the Company lodges its application for Official Quotation of the Shares.

### 3.18 CHESS

The Company will apply to participate in the Clearing House Electronic Sub-Register System (**CHESS**) operated by ASX Settlement Pty Ltd (**ASX Settlement**), a wholly owned subsidiary of ASX, in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules.

Under this system, the Company will not issue certificates to investors. Instead, investors will receive a statement of their holdings in the Company.

If an investor is broker sponsored, ASX Settlement will send them a CHESS statement. The CHESS statement will set out the number of securities allotted to each investor under the Prospectus, give details of the investor's Holder Identification Number (**HIN**) and provide the investor an identification number of the sponsor.

Alternatively, if an investor is registered on the issuer sponsored subregister, their statement will be dispatched by the Share Registry and will contain the number of securities allotted under the Prospectus and the investor's Security holder Reference Number (**SRN**) and their Sponsor Issuer Number.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their holding changes. A Shareholder may request a statement at any other time, however a charge may be levied for additional statements.

### 3.19 PROFESSIONAL ADVICE

The Directors recommend that potential investors, when making an informed assessment of what will be the assets and liabilities, financial position, profits and losses and prospects of the Company should read this Prospectus in its entirety. Potential investors who have any questions about investing in the Company or are in any doubt about any matter relating to the Offer, should seek the advice of their professional advisors.

### 3.20 WITHDRAWAL

The Company may at any time decide to withdraw this Prospectus and the Offer in which case the Company will return all Application monies without interest at the earliest practicable time.

### 3.21 ASX OFFICIAL QUOTATION

The Company has lodged an application with ASX for admission of the Company to the official list of the ASX and for Official Quotation of the Offer Shares.

If the Offer Shares are not admitted to Official Quotation within three (3) months after the date of this Prospectus, no Offer Shares will be issued. Application monies will be refunded in full without interest at the earliest practicable time.

The fact that the ASX may admit the Company to Official Quotation is not to be taken as an indication of the merits of the Company or the Offer Shares.

If the application for Admission is granted, Official Quotation of the Offer Shares will commence as soon as possible after successful Applicants have been issued their holding statements.

The ASX takes no responsibility for the contents of this Prospectus.



# 04.

## INDUSTRY OVERVIEW



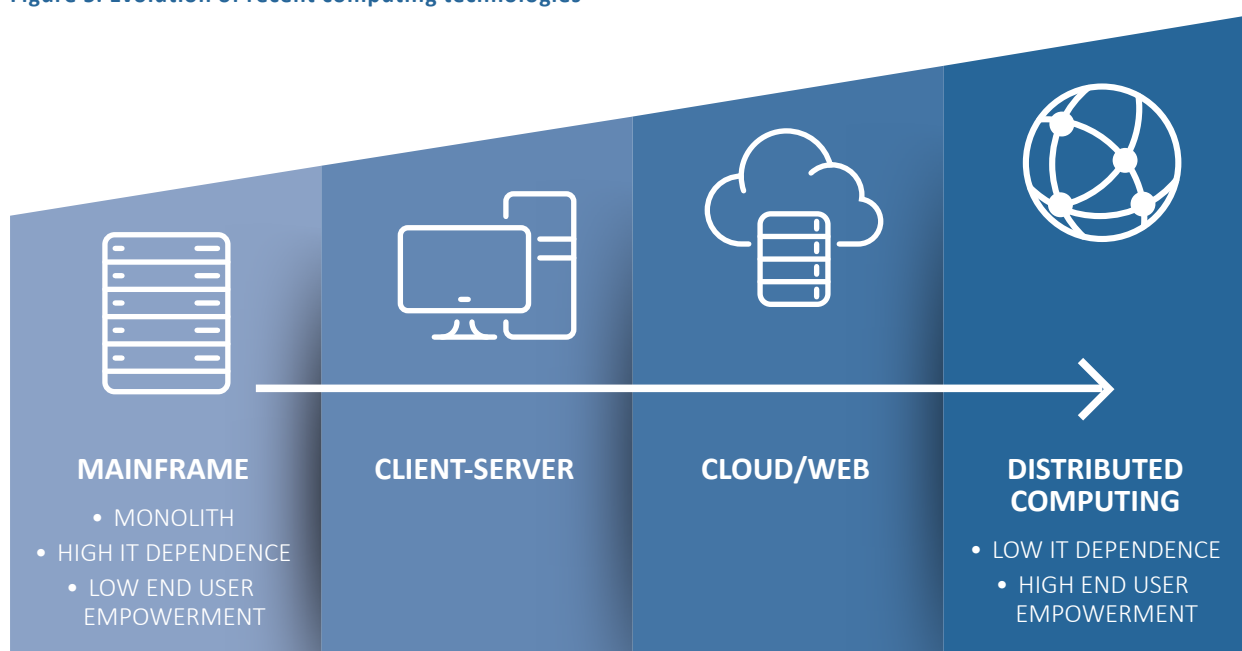
## 04. INDUSTRY OVERVIEW

### 4.1 THE BLOCKCHAIN PHENOMENON

The authors of 'The Second Machine Age', explained that the world is in the midst of a momentous time, where computers and other digital advances will help humans move beyond the realms of their mental capabilities with exacting accuracy and at near real-time speeds, similar to how the industrial revolution helped humanity move beyond physical limitations to manufacture high quality goods at quicker speeds.

Some view blockchain technology as being a foundational technology, akin to the TCP/IP architecture that underpins the internet, while others consider blockchain technology to be a novel application of existing technologies to execute transactions. Regardless of the precise taxonomy, it is apparent that there is increasing recognition of a new era in technology and business systems which is being driven by the use of blockchain technology.

**Figure 5: Evolution of recent computing technologies**



- > **Mainframe** – This is the traditional style of operation, applications, and operating system facilities whereby applications and devices are supported on a single computer.
- > **Client-Server** – The client-server model is a distributed communication framework of network processes among service requestors, clients and service providers. The client-server connection is established through a network or the Internet.
- > **Cloud/Web** – Cloud computing is the delivery of computing services, such as servers, storage, databases, networking, software, analytics, intelligence and more, over the Internet (“the cloud”) to offer faster innovation, flexible resources and economies of scale.
- > **Distributed Computing** – This is the technology on which blockchain technology is based. An overview summary of distributed computing technology is provided in the following section.

In line with this and as noted elsewhere in this Prospectus, the Company is focused on the development of software solutions that are supported by blockchain technology. To that end, the Company has developed the Tymlez Platform, which facilitates the development of applications to address the individual requirements of customers based on blockchain technology. The Company intends to use its flagship Tymlez Platform to develop blockchain based solution applications for its customers.

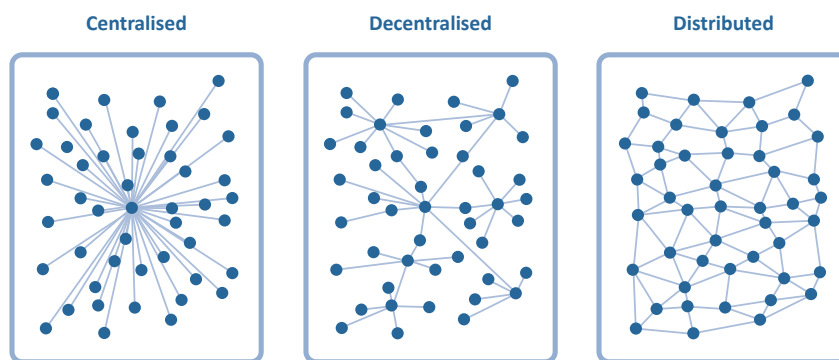
## 04. INDUSTRY OVERVIEW Continued

### 4.2 WHAT IS BLOCKCHAIN?

A 'blockchain' is a type of database or ledger that is used to record transactions. Individual records are contained in a 'block', which are then 'chained' to the next block within the chain, using a cryptographic signature. This allows the entire chain of blocks (i.e. the blockchain) to be used as a ledger, which can be shared and corroborated by users with the appropriate permissions.

As the blockchain is shared across a network of multiple sites, geographies and institutions, it is known as a 'distributed ledger'. Unlike today's typical systems of centralised or decentralised ledgers, which are mainlined by central authorities, distributed networks rely on a group of peers to maintain the integrity of the network. The diagram below provides a graphical illustration of the differences between centralised, decentralised and distributed networks.

**Figure 6: Centralised, decentralised and distributed networks**



The concept of 'Distributed Ledger Technology' (**DLT**) is often used interchangeably with 'blockchain'. However strictly speaking DLT refers to a digital record of transactions shared instantaneously across a network of participants, while blockchain is a technical component of the digital ledger, which refers to the chain of transactions (i.e. blocks) that comprise the ledger. Notwithstanding this, for the purposes of this Section 4 of the Prospectus ('Industry Overview'), 'blockchain technology' will be used to refer to both DLT and the individual blockchain.

### 4.3 FEATURES OF BLOCKCHAIN TECHNOLOGY

Due to the unique characteristics of blockchain technology it has the potential to disrupt how transactions are traditionally executed.

As noted above, blockchain technology operates as a distributed network with individual transactions being verified by cryptographic process. As a result, networks based on blockchain technology do not require a trusted intermediary, such as a central authority or government agency, to oversee and maintain a single version of the blockchain. Rather the blockchain relies on many interconnected data points which store data simultaneously and require consensus from all the data points before a new transaction is recorded on the ledger (i.e. a new 'block' added to the blockchain).

In addition, the distributed nature of the blockchain renders it 'immutable', i.e. unable to be changed, or at least 'tamper evident'. The distributed structure of the blockchain means that any attempts to enter fraudulent data in the blockchain that cannot be verified by all sufficient data points will be identified as a breach of integrity and thus will be rejected.

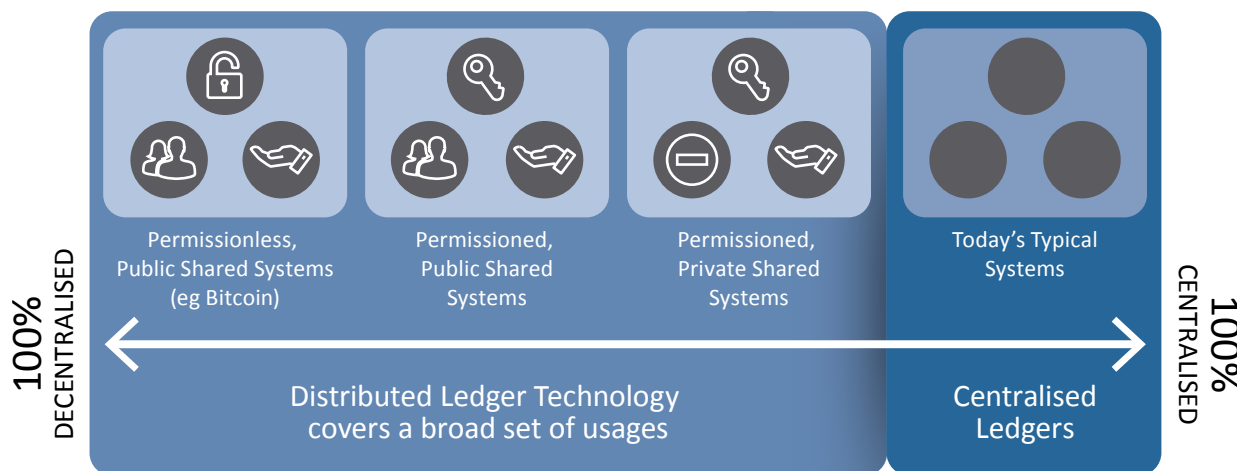
By way of example, the United States' National Association of State Chief Information Officers (NASCIO) explained how blockchain technology could be used to replace a government agency in the context of property transactions:

*"... the purchaser of property wouldn't file a deed at the courthouse. Instead, they would commit the updated deed to a blockchain. If enough participants in the blockchain were at consensus that this constituted a valid transaction, then a sale of property and transfer of ownership would be transacted and recorded. Likewise, an interested party wouldn't need to look up a deed at the courthouse in this scenario. They would simply check the blockchain in real time."*

This example serves to illustrate how blockchain technology can be used to eliminate a third party intermediary that would ordinarily be required to oversee the property transaction (such as the relevant land registry) and to also serve as an accurate record of the land ownership.

Despite this distributed structure, blockchain technology can vary in its degree of centralisation ranging from 'unpermissioned' public ledgers that are accessible to anyone, to more centralised 'permissioned' ledgers that only specific parties can access and modify, as depicted in the figure below. The Company's flagship Tymlez Platform and the applications developed from it, focus on permissioned, private, shared systems, which will be used by the Company's customers and their own customers.

**Figure 7: Varying degrees of centralisation in blockchain technology**



#### 4.4 CURRENT USES OF BLOCKCHAIN TECHNOLOGY

As demonstrated by the discussion of the case studies in Section 2.5 of this Prospectus, blockchain technology in general and the Tymlez Platform has myriad opportunities for application across the private and public sector. These include the following:

- > **Supply chains** – Blockchain technology can be used to record the transfer of materials and goods at various stages of the supply chain, allowing purchasers to view accurate and secure information about the product’s price, date, quality, location and state throughout its lifetime.
- > **Land Registries** – Land registries are able to utilise blockchain technology to create permanent ledgers of all transactions, which not only reduce the risk of fraud but reduce expenditure on title insurance.
- > **Government Services** – In its March 2017 report, Standards Australia (an independent not-for-profit organisation recognized by the Australian Government as the peak non-government standards body in Australia) identified several key government services other than land registries that could benefit from improved efficiencies and public access by incorporating blockchain technology including personal identification and passport documentation, management of health records, vehicle registrations, welfare distribution and monitoring, and public transport scheduling.
- > **Banking and Securities** – The banking and securities industries have been quicker to adopt blockchain technology than initial expectations, including to issue bonds employing blockchain technology as well as to instantaneously clear and settle securities transactions and retail payments.

#### 4.5 CHALLENGES WITHIN THE BLOCKCHAIN INDUSTRY

This section outlines some of the key challenges faced by the companies operating in the blockchain industry. For more information on other risks relevant to the Tymlez Business and the industry in which it operates, please refer to Section 6 of this Prospectus (‘Risk Factors’).

##### (A) CO-OPERATION AND ESTABLISHED STANDARDS

In order for blockchain technology to gain widespread adoption, standards need to be agreed between industry participants that create a common set of protocols. This is particularly challenging for the blockchain industry as it attempts to disrupt many and large markets, resulting in a greater number of participants that need to reach consensus. However within the broader environment, ‘critical mass’ may be achieved in some smaller groups which can collaborate to determine de-facto standards.

##### (B) REGULATORY FRAMEWORKS

In considering whether to adopt blockchain technology, governmental authorities and regulators will often evaluate how blockchain technology can be used to achieve better outcomes against its compliance with prevailing regulatory requirements. Thus, blockchain technology as well as any applications developed using technology will need to comply with relevant regulatory requirements which may differ between jurisdictions.

## 04. INDUSTRY OVERVIEW Continued

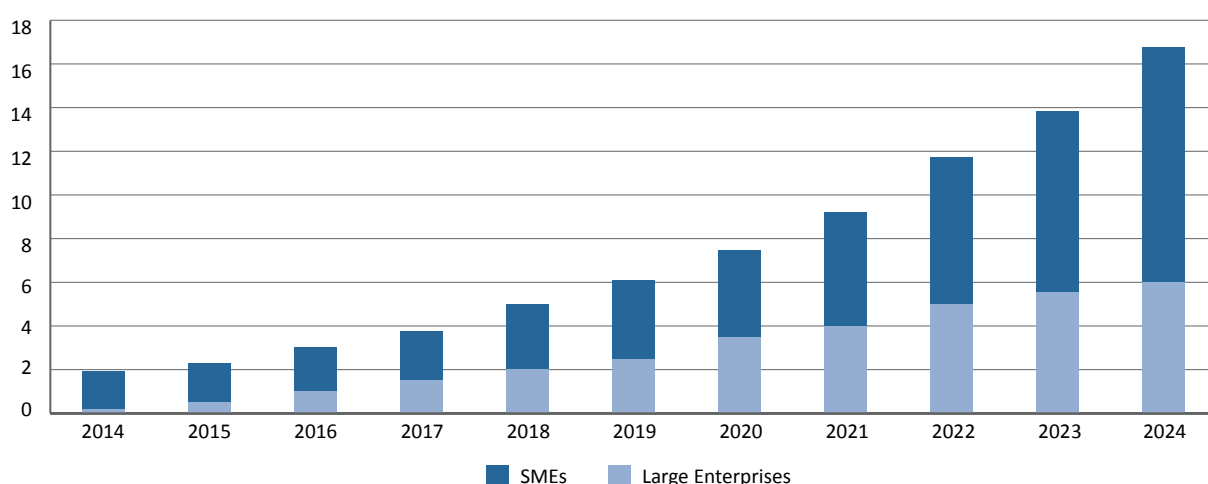
### (C) SCALABILITY AND RESILIENCE

The performance of current blockchain technologies may be insufficient to support the requirements of enterprises. For instance, the transaction processing time of current systems varies from as high as 3 transactions per second to as low as 10,000 transactions per second. As adoption of blockchain technology continues to permeate the industry, the processing capacity of blockchain technology will need to be improved.

### 4.6 OUTLOOK OF BLOCKCHAIN INDUSTRY

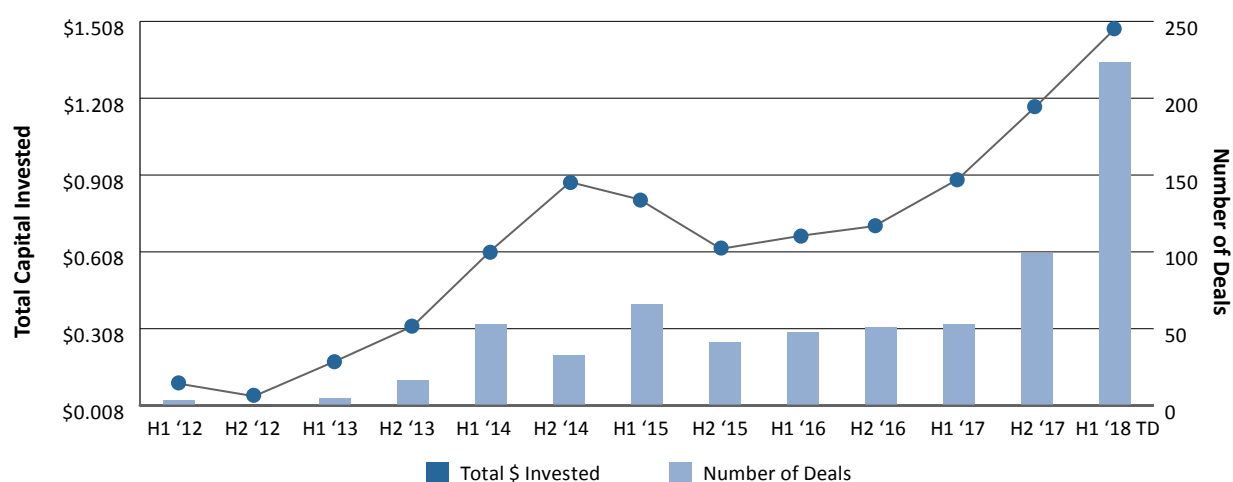
Notwithstanding the above challenges, industry participants anticipate that the blockchain industry will continue to grow as depicted in the figure below, as blockchain technology continues to disrupt traditional methods of transacting.

**Figure 8 – Global Blockchain Market by enterprise size (in US\$b)<sup>1</sup>**



Furthermore, the Board considers that the upwards trend of the global blockchain market is supported by the volume and size of recent investments into blockchain technology-related companies. It is estimated that total investments raised by blockchain technology-related companies from venture capitalists during the first five months of 2018 amounted to approximately US\$1.3b, exceeding the total amount raised for the industry during the 18 months immediately prior.

**Figure 9 – Worldwide Venture Investment in blockchain technology-related companies (in US\$b)<sup>2</sup>**



1. <https://www.ameriresearch.com/product/blockchain-market-size/>

2. <https://news.crunchbase.com/news/with-at-least-1-3-billion-invested-globally-in-2018-vc-funding-for-blockchain-blows-past-2017-totals/>

# 05.

## BOARD AND CORPORATE GOVERNANCE

## 05. BOARD AND CORPORATE GOVERNANCE

The Company is very cognisant of investor expectations with respect to governance and communications. In that regard, the Board is constituted of directors who have extensive skills and experience in both business operations and governance. The Board has a broad base of experiences covering operational, technical, corporate and commercial backgrounds spanning a number of decades across a range of different industries. The Board is well positioned to implement, oversee and monitor the Company's strategic objectives.

### 5.1 DIRECTORS' PROFILES

#### RODNEY HANNINGTON



##### Experience

Rodney has been working in marketing and strategy services in consumer health and fast moving consumer goods in Asia Pacific for over 15 years and has recently joined the board as non-executive chairman. He has valuable international experience in Australia, China, Japan, South Korea and South East Asia, Middle East/Africa, Russia and Ukraine. Working with Consulting Companies, and at Mondelez and Novartis he has extensive market experience including living in Australia, China and Singapore with a very strong network in the health and food industries.

Rodney is a strategic and innovative marketer with deep experience in Asia and Australia. He has led and been a part of several significant company acquisitions and new product launches in China and Australia as a board member, consultant and employee. He has led and overseen the implementation of digital applications for patient engagement in metabolic syndrome diseases and the extension of digital platforms into the operation and data collection for clinical trials. He has strong interpersonal skills with broad cultural experience dealing with diverse cross-functional teams.

After two decades of overseas living and travel Rodney is now located Australia and brings both his Asia Pacific experience and Australian knowledge and expertise to the board.

Rodney is currently a non-executive director of ASX-listed, Eagle Health Holdings Limited (ASX:EHH) and is the Non-Executive Chairman of ASX-listed, Lifespot Health Limited (ASX:LSH). Rodney has been a member of the Monash University Department of Marketing Industry Advisory Board since 2013.

|                                     |  |
|-------------------------------------|--|
| <b>Role</b>                         | Non-Executive Chairman   |
| <b>Location</b>                     | Australia  |
| <b>Independence or affiliations</b> | Independent  |
| <b>Legal or disciplinary action</b> | Rodney has not been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years which is relevant or material to the performance of his duties as a Director or which is relevant to an investor's decision as to whether to subscribe for Shares. |
| <b>Insolvent companies</b>          | Rodney has not been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that he was an officer or within a 12 month period after he ceased to be an officer.   |



## MICHAEL REH



### Experience

Michael co-founded the Tymlez Business in 2016 and currently serves as an Executive Director and the Chief Executive Officer of the Company. Michael is responsible for the day-to-day management of the Group, overseeing the implementation of new applications, which are based on the Tymlez Platform.

Michael has more than 28 years' experience in the information technology industry, having held leadership roles with various IT companies. This includes his tenure at SAP AG from 2001 to 2014 where Michael served as Executive Vice President of the Business Information Technologies division and as Chief Operations Officer of the Board in relation to technology and innovation.

During 2014 to 2016, Michael was appointed as Executive Vice President of Infosys Ltd (India) and CEO (designate) and board member of EdgeVerve Ltd where he led the integration of several Infosys products into EdgeVerve. Michael was also the Head of Product Development and Softlution WebTechnology GmbH where he was responsible for managing a team that developed a web-based customer-relations management system.

|                                     |   |
|-------------------------------------|---|
| <b>Role</b>                         | Executive Director, Chief Executive Officer   |
| <b>Location</b>                     | Germany   |
| <b>Independence or affiliations</b> | Not independent   |
| <b>Legal or disciplinary action</b> | Michael has not been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years which is relevant or material to the performance of his duties as a Director or which is relevant to an investor's decision as to whether to subscribe for Shares. |
| <b>Insolvent companies</b>          | Michael has not been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that he was an officer or within a 12 month period after he ceased to be an officer.   |

## 05. BOARD AND CORPORATE GOVERNANCE *Continued*

### REINIER VAN DER DRIFT



#### Experience

Reinier co-founded the Tymlez Business in 2016 and currently serves as an Executive Director and CMSO of the Company. Reinier is responsible for overseeing the marketing and sales function for the Tymlez Platform.

Reinier has extensive experience working in the ICT industry and in particular within the IT security, identity management and authentication, telecommunications, and business transformation fields of the industry.

In 2009, Reinier founded Authasas B.V. which developed an authentication framework which could be integrated with major software vendors, including Microsoft. Authasas was then acquired by Micro Focus International PLC in 2015, which is a multinational software and information technology business based in England providing software and consultancy services. Immediately after the acquisition of Authasas, Reinier served as Business Development Director for Advance Authentication Solutions before departing in 2016 to establish the Tymlez Business.

Reinier is presently a board member of the Hague Security Delta, which is a Dutch network of businesses, governments and institutions that work together on innovative security solutions and knowledge development. Members of the Hague Security Delta discuss security issues and share knowledge on cyber security, national and urban security, protection of critical infrastructures, and forensics.

|                                     |   |
|-------------------------------------|---|
| <b>Role</b>                         | Executive Director, Chief Marketing & Sales Officer   |
| <b>Location</b>                     | The Netherlands   |
| <b>Independence or affiliations</b> | Not independent   |
| <b>Legal or disciplinary action</b> | Reinier has not been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years which is relevant or material to the performance of his duties as a Director or which is relevant to an investor's decision as to whether to subscribe for Shares. |
| <b>Insolvent companies</b>          | Reinier has not been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that he was an officer or within a 12 month period after he ceased to be an officer.   |

## DANIEL DICKENS



### Experience

Daniel has had a long career working with business and technology as a consultant, a leader of teams, and as an entrepreneur. In the years since starting his first consulting organisation in 2004, Daniel has developed and grown many technology businesses, and has won multiple awards for his work from major software vendors Microsoft and Sage.

Daniel is a proven business leader, and currently retains the position of Chief Technology Officer for Cromwell Property Group – an ASX200 listed fund manager with over A\$10 billion in assets under management. At Cromwell, he has been instrumental in driving business adoption of cloud technologies and is regularly invited to speak at events such as Amazon’s AWS Summit and the Chief Information Security Officer Forum. Daniel also oversees internal technology compliance and risk management as part of this role and is a graduate of the Australian Institute of Company Directors (GAICD).

As an investor, Daniel has participated in numerous ventures from seed to IPO, regularly taking an active interest in the development of the organisation. His industry connections and network have helped many organisations attract and retain long-term clients.

### Role

Non-Executive Director

### Location

Australia

### Independence or affiliations

Independent

### Legal or disciplinary action

Daniel has not been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years which is relevant or material to the performance of his duties as a Director or which is relevant to an investor’s decision as to whether to subscribe for Shares.

### Insolvent companies

Daniel has not been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that he was an officer or within a 12 month period after he ceased to be an officer.

## 05. BOARD AND CORPORATE GOVERNANCE *Continued*

### 5.2 OTHER KEY PERSONNEL

#### MR JITZE JONGSMA (CHIEF FINANCIAL OFFICER)

Jitze is the Chief Financial Officer of the Group and oversees its financial affairs.

Jitze began his career as an accountant and management consultant at KPMG before proceeding to establish his own company.

Jitze's experience encompasses his tenure from 1996 to 2007 at Boymans Storm accountants and advisors in the Netherlands, a mid-sized firm of which he was a co-founder. After selling this company to MTH Meeuwssen Ten Hoopen Holding B.V., Jitze became an audit partner in this firm from 2008 to 2010.

Jitze proceeded to co-found Lighthouse Investments B.V., an investment and corporate advisory firm based in the Netherlands. Jitze continues to serve as partner of this consultancy firm. He holds multiple managerial and supervisory positions at companies that he is involved with. Most of these companies have a high technological innovation profile.

Jitze's educational qualifications include a Masters of Accounting and a Master of Business Administration from Erasmus University Rotterdam.

#### MR JUSTYN STEDWELL (COMPANY SECRETARY)

Justyn Stedwell is a professional company secretary, with over 11 years' experience as a company secretary of ASX-listed companies in various industries including biotechnology, agriculture, mining and exploration, information technology and telecommunications.

Justyn's qualifications include a Bachelor of Commerce (Economics and Management) from Monash University, a Graduate Diploma of Accounting from Deakin University and a Graduate Diploma in Applied Corporate Governance from the Governance Institute of Australia.

He is currently company secretary at several ASX-listed companies, including Imugene Ltd (ASX:IMU), Ultracharge Limited (ASX:UTR), Rectifier Technologies Ltd (ASX:RFT), Eagle Health Holdings Limited (ASX:EHH), Atrum Coal Ltd (ASX:ATU), Fertoz Ltd (ASX:FTZ), Broo Ltd (ASX:BEE), Lifespot Health Ltd (ASX:LSH) and Golden Mile Resources Ltd (ASX:G88).

### 5.3 ADVISORS

Furthermore, in anticipation of the proposed expansion plans for the Tymlez Business following completion of the Offer, the Company has engaged a team of advisors to oversee such expansion as well as to provide strategic advice to the Company's board of directors as may be required from time-to-time.

Any advice provided by this advisory team will not be binding and the Directors ultimately retain full and absolute discretion in relation to all matters ordinarily within their responsibilities.

A brief profile of the current members of the Advisory Board is provided below.

#### MR VISHAL SIKKA

Vishal was an Executive Vice Chairman of Infosys Ltd and later became the CEO and MD of Infosys Ltd. Prior to this role, Vishal was a member of the Executive Board and the Global Managing Board of SAP AG where he led the development of the SAP HANA database management system product. Vishal is a computer scientist and holds a PhD from Stanford University.

#### MR RICHARD KASTELEIN

Richard has extensive experience in the blockchain industry and was the founder of 'Blockchain Industry' and has written over 1500 articles on blockchain technology. Richard holds an honorary PhD and is Chair Professor at the Jiangxi Ahead Institute of Software & Technology (Blockchain Facility).

#### MR KARL HOODS

Karl is currently Chief Digital & Information Officer of the British Department for Business, Energy, Energy and Industrial Strategy and was previously the CIO of the Save the Children Fund where he investigated the use of blockchain solutions in the humanitarian space.

## 5.4 DISCLOSURE OF DIRECTORS AND COMPANY SECRETARY'S INTERESTS

### 5.4.1 DIRECTORS' AND COMPANY SECRETARY'S INTERESTS

Other than as set out below or elsewhere in this Prospectus, no Director and no firm in which a Director is a partner, has an interest in the promotion or in property proposed to be acquired by the Company or in connection with the Company's formation or promotion. Other than as set out below or elsewhere in this Prospectus, no amounts have been paid or agreed to be paid (in cash or shares or otherwise) to any Director or any firm in which any Director is a partner, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in which he is a partner in connection with the formation or promotion of the Company.

As at the date of this Prospectus the Directors and Company Secretary have relevant interests in Shares as set out in the table below:

|                          | Shares            | % of<br>Total Shares |
|--------------------------|-------------------|----------------------|
| <b>Directors</b>         |                   |                      |
| Mr Rodney Hannington     | Nil               | Nil                  |
| Mr Michael Reh           | 65,404,233*       | 63.97%               |
| Mr Reinier Van Der Drift | 65,404,233*       | 63.97%               |
| Mr Daniel Dickens        | 400,000           | 0.39%                |
| <b>Company Secretary</b> |                   |                      |
| Mr Justyn Stedwell       | Nil               | Nil                  |
| <b>Total</b>             | <b>65,804,233</b> | <b>64.36%</b>        |

\* Note: Mr Michael Reh and Mr Reinier Van Der Drift are each deemed to have a relevant interest in all of the 65,404,233 Shares held by Tyhold, which is wholly owned by Mr Reh and Mr Van Der Drift in equal proportions. Tyhold is also eligible to be issued up to an additional 8,000,000 Shares subject to achievement of certain performance milestones pursuant to the Tyhold Deferred Shares. For more information on the terms of the Tyhold Deferred Shares, please refer to Section 3.10 of this Prospectus.

On completion of the Offer, assuming the Directors and Company Secretary do not participate in the Offer, the Directors and Company Secretary will have relevant interests in Shares as set out in the table below:

|                          | % of Total Shares |                      |                      |
|--------------------------|-------------------|----------------------|----------------------|
|                          | Shares            | Minimum Subscription | Maximum Subscription |
| <b>Director</b>          |                   |                      |                      |
| Mr Rodney Hannington     | Nil               | Nil                  | Nil                  |
| Mr Michael Reh           | 65,404,233*       | 50.61%               | 45.77%               |
| Mr Reinier Van Der Drift | 65,404,233*       | 50.61%               | 45.77%               |
| Mr Daniel Dickens        | 400,000           | 0.31%                | 0.28%                |
| <b>Company Secretary</b> |                   |                      |                      |
| Mr Justyn Stedwell       | Nil               | Nil                  | Nil                  |
| <b>Total</b>             | <b>65,804,233</b> | <b>50.92%</b>        | <b>46.05%</b>        |

\* Note: Mr Michael Reh and Mr Reinier Van Der Drift are each deemed to have a relevant interest in all of the 65,404,233 Shares held by Tyhold, which is wholly owned by Mr Reh and Mr Van Der Drift in equal proportions. Tyhold is also eligible to be issued up to an additional 8,000,000 Shares subject to achievement of certain performance milestones pursuant to the Tyhold Deferred Shares. For more information on the terms of the Tyhold Deferred Shares, please refer to Section 3.10 of this Prospectus.

## 05. BOARD AND CORPORATE GOVERNANCE *Continued*

### 5.4.2 RELATED PARTY TRANSACTIONS

Related parties of the Company relevantly include the Directors and entities controlled by Directors. Chapter 2E of the Corporations Act prohibits a public company or an entity that it controls from giving a financial benefit to a related party of the public company unless either the giving of the financial benefit falls within one of the nominated exceptions to the prohibition, or shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

One of the nominated exceptions to the prohibition is where the financial benefit is reasonable in the circumstances of the public company or entity and the related party were dealing at arm's length.

Except where indicated below, the following contracts or transactions with related parties have been determined by Directors who do not have a material personal interest in the matter to fall within the arm's length exception.

#### **Share Purchase Agreement**

As noted earlier in the Prospectus, the Company has entered into the Share Purchase Agreement with Tyhold pursuant to which the Company acquired all the issued share capital in Tymlez Holding. Tyhold is wholly owned by Mr Michael Reh and Mr Reinier Van Der Drift, who are Executive Directors of the Company, in equal proportions. For a summary of the key terms of the Share Purchase Agreement please refer to Section 9.1 of the Prospectus.

#### **Agreements with Directors**

The Company has entered into Director's Service Agreements with Mr Rodney Hannington and Mr Daniel Dickens, whereby the remuneration payable by the Company under such agreements is as follows:

- > Mr Rodney Hannington (Non-Executive Chairman): \$55,000 per annum (plus superannuation); and
- > Mr Daniel Dickens (Non-Executive Director): \$33,000 per annum (plus superannuation).

Tymlez Holding, which is a wholly-owned subsidiary of the Company has also entered into Management Services Agreements with Timeless-Systems GmbH and Fergil B.V. (being related parties of Mr Michael Reh and Mr Reinier Van Der Drift respectively), whereby the remuneration payable by Tymlez Holding under such agreements is as follows:

- > Mr Michael Reh (Executive Director): €12,500 per month; and
- > Mr Reinier Van Der Drift (Executive Director): €12,500 per month.

The Company has also entered into Deeds of Indemnity, Access and Insurance with each of the Directors. For more information on these agreements, please refer to Section 9 of this Prospectus.

## 5.5 DIRECTORS OF THE GROUP COMPANIES

### TYMLEZ HOLDING B.V. (TYMLEZ HOLDING)

The directors of Tymlez Holding B.V. are Fergil B.V. and Timeless-Systems GmbH, which are wholly owned by Mr Reinier Van Der Drift and Mr Michael Reh respectively. Mr Van Der Drift and Mr Reh are both directors of the Company. Please refer to Section 5.1 for their profiles.

### TYMLEZ PROPERTIES B.V. (TYMLEZ PROPERTIES)

Tymlez Properties B.V. is incorporated in The Netherlands and holds the intellectual property assets of the Company. The sole director of Tymlez Properties B.V. is Tymlez Holding.

### TYMLEZ B.V. (TYMLEZ NETHERLANDS)

Tymlez B.V. is incorporated in The Netherlands and is responsible for the sales and marketing efforts of the Group within the Benelux region (Belgium, The Netherlands and Luxembourg). The sole director of Tymlez B.V. is Tymlez Holding.

### TYMLEZ GMBH (TYMLEZ GERMANY)

Tymlez GmbH is incorporated in Germany and is responsible for the sales and marketing efforts of the Group within the DACH region (Germany, Austria and Switzerland). Monique Janssen is the sole director of Tymlez GmbH.

Monique has over 25 years' experience of working in the information technology and services industry. She began her career as a software engineer and held various roles in product development, product management, and consulting and account management at companies including JBA Ratioplan and SAP. She is a strong business professional skilled in enterprise software, IT strategy, consulting and blockchain. Monique holds a degree in computer science.

## TYMLEZ INC (TYMLEZ USA)

Tymlez Inc is incorporated in USA and is responsible for the sales and marketing efforts of the Group within the North American region. John Haggard is the sole director of Tymlez Inc.

John has over 30 years' experience in the design, development, and delivery of state-of-the-art authentication products, specialising in security solutions for international corporate, governmental, and educational institutions.

### 5.6 EMPLOYEE SHARE OPTION PLAN

The Company has adopted an employee share option plan (**ESOP**), the key terms of which are as follows:

- (a) The ESOP is intended to provide an incentive to retain, in the employment or service or directorship of the Company persons of training, experience and provide the ability to attract new employees, directors or consultants whose services are considered valuable.
- (b) The Board or a committee appointed by the Board will administer the ESOP.
- (c) The ESOP will be open to employees, directors and consultants of the Company or any subsidiary of the Company and any other person as determined by the Board to be eligible to participate in the ESOP.
- (d) Grants will be comprised of options. Each option represents a right to subscribe for Shares, subject to the satisfaction of the applicable vesting conditions, the exercise of the option, the payment of the exercise price and other conditions provided for at the time when the option is granted (if any) (**ESOP Option**).
- (e) ESOP Options may be offered to Eligible Employees (as determined by the Board) from time to time, and the number of ESOP Options the subject of an offer under the ESOP will be determined by the Board. However, no ESOP Options may be granted if the grant will result in number of Shares that have been or may be issued under the ESOP over the previous 3 years (as calculated in accordance with the ESOP rules) exceeding 5% (or a higher percentage as may be determined by the Board, subject to the Corporations Act or ASX Listing Rules) of the issued capital of the Company.
- (f) Any Eligible Employee that receives an offer may nominate an associated entity to hold the ESOP Options offered to them.
- (g) The Board has the absolute discretion to determine the terms and conditions applicable to an offer under the ESOP, including:
  - i. The number of ESOP Options being offered or the method for determining the number;
  - ii. the date when the ESOP Options are granted;
  - iii. any performance or other conditions required to be satisfied before ESOP Options vest and may be exercised;
  - iv. the exercise period (if any) during which ESOP Options may be exercised;
  - v. any applicable issue price and/or exercise price;
  - vi. any disposal restrictions on Shares to be issued or transferred upon exercise of ESOP Options; and
  - vii. any other specific terms and conditions applicable to the offer.

The specific terms and conditions applicable to an offer must be set out in the offer notice.

- (h) Subject to all vesting conditions and exercise conditions having been satisfied or waived by the Board in its discretion, an ESOP Option may be exercised in accordance with the relevant participant's offer notice and the payment of the exercise price (if any).
- (i) Unless otherwise determined by the Board, an ESOP Option will lapse on the earliest of:
  - i. failure to satisfy any performance conditions applicable to the ESOP during their applicable performance period;
  - ii. the expiry of the exercise period (if any);
  - iii. upon the termination of any holder's employment with the Group;
  - iv. in other circumstances specified in the ESOP rules (e.g. whether the Board determines that the participant has committed an act of fraud or gross misconduct in relation to the affairs of the Group).
- (j) In the event of a change of control, the Board may, in its absolute discretion, determine the manner in which any or all of the participants' ESOP Options will be dealt with (including, whether any unvested ESOP Options are to lapse immediately).
- (k) Subject to ASX Listing Rules, the Board may make such adjustments as the Board deems appropriate in the event of any reorganisation (including consolidation, subdivision, reduction, capital return, buy back or cancellation) of the issued share capital of the Company.



## 05. BOARD AND CORPORATE GOVERNANCE *Continued*

- (l) A participant holding an ESOP Option is not entitled to participate in any new issue of securities with respect to the ESOP Option unless they have become entitled to exercise their ESOP Options and do so prior to the record date for the determination of entitlements to the new issue.
- (m) If the Company makes a pro-rata issue to the Shareholders (other than a bonus issue), the exercise price of an ESOP Option will not be reduced.
- (n) A holder of an ESOP Option is not entitled to receive notice of, or vote, at a meeting of Shareholders.
- (o) No ESOP Option may be issued to, or exercised by, a participant if to do so would contravene the Corporations Act, the ASX Listing Rules or any relief or waiver granted by ASIC or ASX that binds the Company in making any offer under the ESOP or otherwise in connection with the operation of the ESOP, including but not limited to ASIC Class Order 14/1000.
- (p) A participant must not sell, transfer, encumber, hedge or otherwise deal with any ESOP Options. Unless otherwise set out in a participant's offer notice, no disposal restrictions apply to Shares held by participants, other than restrictions that apply under the Company's securities trading policy.
- (q) The Board may alter or amend the ESOP at any time, except that no amendment shall be made which would impair the rights of the holder of any ESOP Options already granted.
- (r) The Board may suspend or terminate the ESOP at any time. However, the Board will continue to administer the ESOP during the period of suspension or termination until all ESOP Options have lapsed or vested.

### 5.7 CORPORATE GOVERNANCE

#### 5.7.1 ROLE OF THE BOARD

The Board is responsible for the following principal matters:

- > the strategic direction of the Company;
- > overseeing, negotiating and implementing the significant capital investments and material transactions entered into by the Company;
- > management goals and the Company's policies;
- > monitoring and reviewing the financial and operational performance of the Company;
- > risk management strategy and review; and
- > future expansion of the Company's business activities.

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following:

- > Leadership of the Organisation: overseeing the Company and establishing codes that reflect the values of the Company and guide the conduct of the Board;
- > Strategy Formulation: to set and review the overall strategy and goals for the Company and ensuring that there are policies in place to govern the operation of the Company;
- > Overseeing Planning Activities: developing the Company's strategic plan;
- > Shareholder Liaison: ensuring effective communications with shareholders through an appropriate communications policy and promoting participation at general meetings of the Company;
- > Monitoring, Compliance and Risk Management: developing the Company's risk management, compliance, control and accountability systems and monitoring and directing the financial and operational performance of the Company; and
- > Company Finances: approving expenses and approving and monitoring acquisitions, divestitures and financial and other reporting.

The Board has adopted a Board Charter which sets out its responsibilities, processes and duties of the Board in greater detail.

## 5.7.2 ASX CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS

The Board is committed to principles of best practice in corporate governance.

The Board will conduct itself in accordance with the ASX Corporate Governance Principles and Recommendations, 3rd Edition (2014) as issued by the ASX Corporate Governance Council (**ASX Principles and Recommendations**), to the extent that such principles and recommendations are applicable to an entity of the size and structure of the Company.

The Company has formulated its own Corporate Governance policies and practices using the ASX Principles and Recommendations as a guide.

The Board will review on an ongoing basis the corporate governance policies and structures that the Company has in place to ensure that these are appropriate for the size and structure of the Company and nature of its activities, and that these policies and structures continue to meet the corporate governance standards that the Board is committed to.

### Summary of Company's position in relation to the ASX Principles and Recommendations:

#### ASX PRINCIPLE AND RECOMMENDATION

#### COMPANY'S POSITION

##### **Principle 1 – Lay solid foundations for management and oversight**

##### **The Role of the Board**

The Board is responsible for, and has the authority to determine, all matters relating to strategic direction, policies, practices, management goals and the operations of the Company.

##### **The Role of Management**

It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

The Company's officers and management have all entered into service contracts which outline the responsibilities of each of the company's officers and of management personnel when performing their roles for the Company.

##### **Principle 2 – Structure the Board to add value**

At the date of this Prospectus, the Company has four (4) directors, being Mr Rodney Hannington, Mr Michael Reh, Mr Reinier Van Der Drift and Mr Daniel Dickens.

The Board is an appropriate size to effectively and efficiently oversee the management and operations of the Company, based on the present size of the Company's activities.

The Board is responsible for the nomination and selection of Directors. Given the size of the Company and the nature of its operations, the Board does not believe it to be appropriate to establish a nomination committee at this time. The composition of the Board, its performance and the appointment of new Directors will be reviewed periodically by the Board, taking advice from external advisors where considered appropriate.

## 05. BOARD AND CORPORATE GOVERNANCE *Continued*

### ASX PRINCIPLE AND RECOMMENDATION

### COMPANY'S POSITION

#### Principle 3 – Act ethically and responsibly

##### Code of Conduct

The Board has established a *Code of Conduct* for the Board.

The Board is committed to meeting their responsibilities under the Constitution and Corporations Act when carrying out their functions as company officers.

##### Diversity Policy

The Board has established a *Diversity Policy* in accordance with the ASX Principles and Recommendations, and will endeavour to provide for appointments to the Board and Company in accordance with the *Diversity Policy* as the Company develops and grows.

##### Securities Trading Policy

The Company has adopted a *Securities Trading Policy* for Directors, officers and employees of the Company.

The purpose of the *Securities Trading Policy* is to reduce the risk of insider trading and ensure that the Company's directors, officers and employees are aware of the legal restrictions on trading in Shares whilst in possession of undisclosed information concerning the Company.

The *Securities Trading Policy* sets out when trading in Shares by Directors, officers and employees of the Company is not permitted. Restrictions on trading are imposed by the Company to reduce the risk of insider trading and to minimise the chance that misunderstandings or suspicions arise that the Company's directors, officers, or employees are trading while in possession of undisclosed information concerning the Company.

##### Reporting Unethical or Illegal Practices

Company policy requires employees who are aware of unethical or illegal practices to report these practices to management. Any reports of unethical or illegal practices are investigated by the Board. Reporters of unethical practices may remain anonymous.

#### Principle 4 – Safeguard integrity in corporate reporting

The Company has established an *Audit and Risk Committee* which shall be responsible for monitoring and reviewing financial reporting by the Company.

The Company has adopted a Charter for the *Audit and Risk Committee* which sets out the committee's responsibilities, procedures, guidelines and composition.

#### Principle 5 – Make timely and balanced disclosure

The Company has adopted a *Communication and Disclosure Policy* to ensure compliance with its disclosure obligations under the ASX Listing Rules.

To comply with the ASX Listing Rules, the Company intends to immediately notify the ASX of information:

- > concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- > that would, or would be likely to, influence persons who commonly invest in securities.

The *Communication and Disclosure Policy* includes processes designed to ensure that Company information:

- > is disclosed in a timely manner;
- > is factual;
- > does not omit material information; and
- > is expressed in a clear and objective manner that allows the input of the information when making investment decisions.

The Company is committed to ensuring all investors have equal and timely access to material information concerning the Company. Accordingly, in following and adhering to its *Communications and Disclosure Policy* the Company will comply with its continuous disclosure obligations.

ASX PRINCIPLE AND  
RECOMMENDATION

COMPANY'S POSITION

**Principle 6 – Respect the rights of security holders**

The Board is committed to ensuring that Shareholders receive information relating to the Company on a timely basis and shall endeavour to keep Shareholders well informed of all material developments of the Company.

The Board has adopted a *Communications and Disclosure Policy*, and as part of this policy, will ensure that all relevant announcements and documents are published on the Company's website in a prompt fashion.

The Company will respect the rights and entitlements of the Shareholders under the Constitution and the Corporations Act.

**Principle 7 – Recognise and manage risk**

The Company has established an *Audit and Risk Committee* which shall be responsible for monitoring, identifying and managing risks, and ensuring that these risk identification and management procedures are implemented and followed.

The Audit and Risk Committee has adopted a Charter.

The Company has also adopted a *Risk Management Policy* designed to ensure:

- > all major sources of potential opportunity for harm to the Company (both existing and potential) are identified, analysed and treated appropriately;
- > business decisions throughout the Company appropriately balance the risk and reward trade off;
- > regulatory compliance and integrity in reporting is achieved; and
- > the Company's good standing with its stakeholders continues.

**Principle 8 – Remunerate fairly and responsibly**

The Board is responsible for the Company's remuneration policy and has adopted a *Nomination and Remuneration Policy* which outlines the processes by which the Board shall review officer and management remuneration. The Company has provided disclosure of a summary of its remuneration policies for the Directors in this Prospectus.

The Board is also responsible for, in its sole discretion, determining those Directors, employees and consultants (if any), to whom ESOP Options are to be awarded under the ESOP.

The Company is committed to remunerating its officers and executives fairly and to a level which is commensurate with their skills and experience and which is reflective of their performance. Further disclosure of officer and executive remuneration will be made in accordance with the ASX Listing Rules and the Corporations Act.

## 05. BOARD AND CORPORATE GOVERNANCE *Continued*

As at the date of Admission, the Company will have complied with all of the ASX Principles and Recommendations except as set out below:

| ASX RECOMMENDATION   | SUMMARY OF COMPANY'S POSITION  |
|--|--|
| <b>Recommendation 2.2</b><br>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.   | The Board has not, at this time adopted a board skills matrix. However the Company will seek to have directors with an appropriate range of skills, experience and expertise and an understanding of and competence to deal with current and emerging issues of the Tymlez Business.   |
| <b>Recommendation 2.4</b><br>A majority of the board of a listed entity should be independent directors.   | <p>An independent director is a non-executive director who is not a member of management and who is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement. Two (2) of the Directors are independent, being Mr Rodney Hannington and Mr Daniel Dickens.</p> <p>The Company considers that two (2) of the Directors being independent is appropriate for a company of its size.</p>      |
| <b>Recommendation 7.2</b><br>The board or a committee of the board should (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.                                      | While the Company has established an Audit and Risk Committee the first annual review of the Company's risk management framework has not yet been held.  |
| <b>Recommendation 8.1(b)</b><br>The board of a listed entity should, if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive. | Given the size of the Board and the Company's current operations, as at the date of this Prospectus, the Company has not established a separate Remuneration and Nomination Committee as it is considered that no efficiencies or other benefits would be gained by establishing a separate committee. Prior to establishment of a separate committee, the Board will oversee matters usually within the responsibility of a Remuneration and Nomination Committee. The Board will review this position on an ongoing basis. |

Under the ASX Listing Rules, the Company will be required to provide a Corporate Governance Statement on its website or in its annual report disclosing the extent to which it has followed the ASX Recommendations and Principles in the reporting period. Where the Company does not follow an ASX Recommendation and Principle, it must identify the ASX Recommendation and Principle that has not been followed and give reasons for the departure. Except as set out above, the Board does not anticipate that the Company will depart from the ASX Recommendations and Principles, however, it may do so in the future if it considers that such a departure would be reasonable.

### 5.8 SUBSTANTIAL SHAREHOLDERS

As at the date of this Prospectus, the following Shareholders hold 5% or more of the total number of Shares on issue in the Company:

| Holder | No. of Shares | % (undiluted) |
|--------|---------------|---------------|
| Tyhold | 65,404,233    | 63.97%        |

# 06.

## RISK FACTORS

## 06. RISK FACTORS

The Offer Shares to be issued pursuant to this Prospectus are a speculative investment and as with any share investment, there are risks involved. This section identifies the major areas of risk associated with an investment in the Company and the Offer Shares, but should not be taken as an exhaustive list of the risk factors to which the Company, the Group and the Shareholders are exposed.

The following summary explains some of the risks associated with investment in the Company and which may impact the financial performance of the Company. However, potential investors should read this Prospectus in its entirety and consult their professional advisors before applying for Offer Shares under this Prospectus. The list of risk factors outlined here is not exhaustive.

Neither the Company, its Directors nor any of its professional advisors give any form of guarantee on future dividends, return on capital or the price at which the Shares might trade on ASX.

Investors should consider the non-exhaustive list of risks associated with investing in the Company that are outlined below, and consult with their advisors before making an investment in the Company.

### 6.1 COMPANY-SPECIFIC RISK FACTORS

#### (A) SUFFICIENCY OF FUNDING

At the date of this Prospectus the Company is not cash flow positive, meaning the Company is reliant on raising funds from investors in order to continue its operations. Although the Directors consider that the Company will, on completion of the Offer, have enough working capital to carry out its stated objectives, there can be no assurance that such objectives can be met without further funding. The Company has limited financial resources and may need to raise additional funds from time to time to finance the complete development and commercialisation of its products and services and meet its other longer term objectives. The Company may never achieve profitability and its ability to raise additional funds will be subject to, among other things, factors beyond the control of the Company and its Directors, including cyclical factors affecting the economy and the share markets generally. The Directors can give no assurance that future funds can be raised by the Company on favourable terms, if at all.

#### (B) BUSINESS STRATEGY RISK

The Company's future growth and financial performance is dependent on its ability to successfully execute its business strategy. This will be impacted by a number of factors, including the Company's ability to:

- > achieve further sales of licences for the Tymlez Platform through additional marketing activities in existing markets in which the Tymlez Business operates as well as in markets that the Company will expand into;
- > successfully maintain and develop further marketing channels for sales licences for the Tymlez Platform, whether via the software suppliers, system integrators and/or value added resellers;
- > successfully commercialise the Tymlez Platform as well as to continue to innovate and successfully commercialise new products, enhancements or functionalities that are appealing to customers; and
- > comply with regulatory requirements (if any) applicable to the Tymlez Business.

#### (C) RELIANCE ON FLAGSHIP TYMLEZ PLATFORM PRODUCT

The Company's business model depends on the Company's ability to continue to ensure that its customers are satisfied with the Tymlez Platform. There is a risk that the Company fails to maintain the Tymlez Platform adequately, or that updates may introduce errors and performance issues, causing customer satisfaction in the Tymlez Platform to fall. Customer satisfaction may also fall as a result of real or perceived reductions in functionality, product quality, reliability, cost-effectiveness and customer support for the Tymlez Platform, or a failure to accommodate and reflect changes and development in technology and in the commercial, compliance and regulatory environment. Any of these factors may result in reduced usage, loss of customers, damage to the Company's reputation, an inability to attract new customers or potentially claims for compensation.

The Company's future revenue and growth also depends on its ability to develop enhancements and new features and functionalities for the Tymlez Platform so that it continues to meet customer needs, attract new customers and generate additional revenue from increased usage. There is a risk that the development and introduction of new features and functionalities does not result in a successful outcome due to competition or economic and market conditions. The failure to successfully develop new product features and functionalities may materially adversely impact the Company's future operations and financial performance.

#### (D) FAILURE TO DEAL WITH GROWTH

The Company's business has the potential to grow rapidly. If that occurs and the Company fails to properly manage that growth, then that failure could harm its business. Any failure to meet customer demand properly could adversely affect the Tymlez Business, including demand for the Company's products and services, revenue collection, customer satisfaction and public perception.



## (E) RISK OF OPERATING IN FOREIGN JURISDICTIONS

The Group operates across multiple jurisdictions, in particular the Group's main operating subsidiary, Tymlez Holding, is incorporated and domiciled in The Netherlands. Tymlez Holding will therefore be subject to the laws applicable to companies incorporated in The Netherlands and consequently the Company will be subject to the risks of conducting operations in a foreign jurisdiction. This includes risks relating to difficulty in enforcing contracts in The Netherlands, changes to or uncertainty in the Dutch legal and regulatory regime, including in relation to taxation and foreign investment and practices of Dutch government and regulatory authorities. The Group will also be exposed to such multijurisdictional risks in any existing (e.g. USA) and new territories in which the Group maintains operations from time to time, as well as any other issues in foreign jurisdictions in which the Company may operate.

## (F) FOREIGN SALES

As at the date of this Prospectus, all of the Group's sales are transacted in foreign currencies, namely in USA dollars (US\$) and Euros (€). Notwithstanding that the Group intends to establish Australian operations following successful completion of the Offer, it is envisaged that a majority of the Group's sales will be international sales. Therefore the Group will be subject to a number of risks inherent in selling and operating abroad which could adversely affect the Group's ability to increase or maintain foreign sales. These include, but are not limited to, risks regarding:

- > currency exchange rate fluctuations;
- > local and international economic and political conditions;
- > disruptions of capital and trading markets;
- > accounts receivable collection and longer payment cycles;
- > difficulties in staffing and managing foreign operations;
- > potential hostilities and changes in diplomatic and trade relationships;
- > restrictive governmental actions (such as restrictions on the transfer or repatriation of funds and trade protection measures, including export duties and quotas and customs duties and tariffs);
- > changes in legal or regulatory requirements;
- > the laws and policies of Australia and other countries affecting trade, foreign investment and loans, and import or export licensing requirements; and
- > tax laws.

Changes in circumstances or market conditions resulting from these risks may restrict the Company or its subsidiaries' ability to operate in an affected region and/or adversely affect the profitability of the Company or its subsidiaries' operations in that region.

## (G) KEY PERSONNEL RISK

The Group's performance reflects, to a large extent, the efforts and abilities of its senior management team, in particular Mr Michael Reh and Mr Reinier Van Der Drift, who are executive directors of the Company and founders of the Tymlez Business. While, in most cases these executives are party to an employment contract with the Group, under the terms of these contracts each executive is permitted to terminate their contract upon a certain notice period. Currently, the Group employs a highly experienced and dedicated senior management team; however, its disbandment may have a material adverse impact on the operating and financial performance of the Group.

## (H) TAXATION

Given that the Group will consist of foreign subsidiaries, the Group will be subject to various forms of taxation including but not limited to PAYG, GST and resident and non-resident withholding tax. Any increase, change in the application, or introduction of a new tax in Australia and/or internationally could materially affect the performance and financial position of the Company.

## (I) CONTRACTUAL RISK

The Company has contractual obligations and rights with respect to a number of agreements it is a party to. These agreements may include provisions which allow for termination (for convenience or otherwise). Additionally, no assurance can be given that all agreements will be fully performed by all contracting parties and that the Company will be successful in securing compliance with the terms of each agreement by the relevant third party. If a contracting party were to breach a material agreement or terminate a material agreement, this could have an adverse impact on the Company's business, operations and financial performance.

## 06. RISK FACTORS *Continued*

### (J) POTENTIAL ACQUISITIONS RISK

As part of its business strategy, the Company may make acquisitions of or significant investments in, complementary companies, services, technologies and/or products. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements and achieving the sales and margins anticipated and retaining key staff and customer and supplier relationships.

### (K) GOING CONCERN RISK

The Company's audited accounts for the financial period ended 31 December 2017 and its reviewed interim financial statements for the period ended 30 June 2018 contained a note emphasising uncertainty around the Company's ability to continue as a 'going concern' in the event the Company is unable to secure sufficient funding from a capital raising. Notwithstanding the 'going concern' note referred to in Section 7.3, the Directors believe that there are reasonable grounds to believe that the Company will be able to continue as a going concern. However, in the event that the Offer is not completed successfully or is delayed, there is significant uncertainty as to whether the Company can meet its commitments to its creditors and continue as a going concern, which is likely to have a material adverse effect on the Company's activities.

### (L) DILUTION RISK

The capital structure of the Company will be impacted by the number of Shares issued pursuant to the Offer. Shareholders' respective holding of Shares will also be diluted to the extent that the Company undertakes further capital raising activities and issues securities in the Company under such capital raisings.

As noted in Section 3.10 of the Prospectus, the Company may issue up to an additional 8,000,000 Shares upon achievement of the relevant milestones pursuant to the Tyhold Deferred Shares. Following completion of the Offer, the Company will also issue 2,000,000 Options to the Lead Manager (or its nominees) which if exercised will entitle the Lead Manager (or its nominees) to receive 2,000,000 Shares. Thus, the issue of additional Shares pursuant to the Tyhold Deferred Shares and/or the Options to be issued to the Lead Manager (or its nominees) pursuant to the Lead Manager Mandate, will further dilute the shareholdings of Shareholders.

### (M) SECURITY BREACH AND DATA PRIVACY

The Tymlez Platform may involve the storage and transmission of the Company's customers' confidential and proprietary information. Hacking or exploitation of some unidentified vulnerability in the Tymlez Platform or the Group's databases could lead to loss, theft or corruption of data. This could render the Tymlez Platform unavailable for a period of time or unauthorised disclosure of data, with associated reputational damage, claims by users and regulatory scrutiny and fines.

Although the Company has strategies and protections in place to try and minimise security breaches and to protect data, these strategies might not be successful. In that event, disruption to the Tymlez Platform and unauthorised disclosure of users' data could adversely impact the Group's reputation and performance.

## 6.2 INDUSTRY-SPECIFIC RISK FACTORS

### (A) EMERGING TECHNOLOGY

Blockchain technology has a limited history, with its first use in 2009. The risks relating to blockchain technology, include its unregulated nature, the lack of precedence in relation to its operation and limited knowledge by established markets.

Additionally, the technology surrounding blockchain technology may be rendered obsolete by new inventions and technologies, which would adversely impact the Company. The market for internet-related products is characterised by continued rapid evolution in technology, evolving industry standards, changes in customer needs, heavy competition and frequent new products being developed.

### (B) RESEARCH AND DEVELOPMENT

The Company's future success depends on its ability to enhance existing products and features as well as develop new products. Failure to innovate or anticipate market demands may result in the Company ceasing to maintain a competitive and relevant position in a rapidly changing environment. Further, software development is expensive and the investment in product development often involves long return on investment cycles. Research that is not offset by revenue increases could adversely affect the Company's financial position.

When the Company introduces new products, enhancements, and features (if any) there is a risk that there will be unforeseen costs attached to these initiatives or they will not perform as expected or not be received favourably by clientele. A failure to successfully develop new products may adversely affect the Company's financial position and prospects.

#### (C) AVAILABILITY OF IT STAFF

The Company relies on employees with specialist IT skills in order to develop and maintain its products and services. Any shortage of availability of these skills in the IT employment market could impair the development of the Company's products and business and the rate of such development. Such shortage could also cause wage inflation, which may impact on the Company's profitability.

#### (D) RELIANCE ON CORE INFORMATION TECHNOLOGY AND OTHER SYSTEMS

The availability of the Tymlez Platform is dependent upon the performance, reliability and availability of IT and communication systems. This includes core technologies such as computer servers and back-end processing systems. These systems may be adversely affected by a number of factors including major events such as acts of terrorism or war, a breakdown in utilities such as electricity and fibre optic cabling and even pandemics. Events of that nature may cause one or more of those core technologies to become unavailable. There are also internal and external factors that may adversely affect those systems and technologies such as natural disasters, misuse by employees or contractors or other technical issues. The Company's insurance policies may not cover loss or damage suffered as a result of a system failure.

Any damage to, or failure of, the Company's key systems can result in disruptions in the Company's ability to operate its application development platform. Such disruptions have the potential to reduce the Company's ability to generate revenue, attract and/or retain users, impact user service levels and damage the Company's brand. This could adversely affect the Company's ability to generate new business and cause it to suffer financial loss.

The Company is also reliant on continued access to the internet and on parties that provide a hosting platform for applications created on the Tymlez Platform. Should the internet or such hosting service be disrupted for prolonged periods, the products and services that the Company provides will be compromised which may impact significantly on the Company's reputation and business prospects.

#### (E) PROTECTION OF TECHNOLOGY RIGHTS

The Company relies on its intellectual property and trade secrets, which include information relating to the development of its technology and integration with its customers. There can be no assurance that any intellectual property which the Company or the entities it deals with, may have an interest in now or in the future will afford the Group commercially significant protection of technologies, or that any of the projects that may arise from technologies will have commercial applications.

Securing rights to technologies, and in particular intellectual property, through licensing or otherwise is an integral part of securing potential product value in the information technology and blockchain industry. Competition in retaining and sustaining protection of technologies and the complex nature of technologies can lead to expensive and lengthy disputes for which there can be no guaranteed outcome. The Group's prospects of success depends, in part, on its ability to obtain interests in intellectual property, maintain trade secret protection and operate without infringing the proprietary rights of third parties.

Although the Company will implement all reasonable endeavours to protect the Group's interests in intellectual property, held through its subsidiaries and otherwise, there can be no assurance that these measures have been, or will be sufficient. This could erode the Company's competitive advantage and materially harm its business. The Company cannot be certain that others will not independently develop the same or similar technologies on their own or gain access to trade secrets or disclose such technology, or that the Company will be able to meaningfully protect its trade secrets and unpatented know-how and keep them secret.

#### (F) INFRINGEMENT OF THIRD PARTY IP RIGHTS

If a third party accuses the Company of infringing its intellectual property rights or if a third party commences litigation against the Company for the infringement of patent or other intellectual property rights, the Company may incur significant costs in defending such action, whether or not it ultimately prevails. Costs that the Company incurs in defending third party infringement actions would also include diversion of management's and technical personnel's time. In addition, parties making claims against the Company may be able to obtain injunctive or other equitable relief that could prevent the Company from further developing discoveries or commercialising its products and services. In the event of a successful claim of infringement against the Company, it may be required to pay damages and obtain one or more licences from the prevailing third party. If it is not able to obtain these licences at a reasonable cost, if at all, it could encounter delays in product and service delivery and loss of substantial resources while it attempts to develop alternative products and services. Defence of any lawsuit or failure to obtain any of these licences could prevent the Company from commercialising available products and services and could cause it to incur substantial expenditure.

## 06. RISK FACTORS *Continued*

### (G) INSURANCE RISK

The Company intends to insure its operations in accordance with technology industry practice. However, given this is an emerging industry and associated business, such insurance may not be available or the nature or level may be insufficient to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the Company.

### (H) COMPETITION

The software industry is highly competitive and witnessing constant innovation. Failure to constantly invest in research and development could see the competitive positioning of the Company and its flagship Tymlez Platform deteriorate, impacting the Company's ability to retain existing and secure new customers.

## 6.3 GENERAL INVESTMENT RISKS

Some of the general risks of investment which are considered beyond the control of the Company are as follows:

### (A) RETURNS NOT GUARANTEED

There is no guarantee of any income distribution or capital return on the Shares nor is there a guarantee of repayment of capital amounts. Shareholders will not be entitled to any guaranteed distributions of profits or capital. There is no guarantee that distributions will be at a certain level or that there will be distributions at all.

### (B) STATE OF AUSTRALIAN AND INTERNATIONAL ECONOMIES

A downturn in the Australian and/or the international economy may negatively impact the performance of the Company which in turn may negatively impact the value of securities in the Company. Any deterioration in the local or international economic conditions may have an adverse effect on the performance of the Company.

### (C) CHANGES TO GOVERNMENT POLICIES AND LEGISLATIVE CHANGES

Government policy and legislative changes which are outside the control of the Company may also have a negative impact on the financial performance of the Company.

### (D) MOVEMENTS IN LOCAL AND INTERNATIONAL STOCK MARKETS

The price of stocks in a publicly listed company can be highly volatile and the value of a company's securities can be expected to fluctuate depending on various factors, including stock market sentiment, government policies, investor perceptions, economic conditions and market conditions which affect the retail industry. It is therefore possible that the Company's securities will trade at below the offer price.

### (E) POTENTIAL ACQUISITIONS

As part of its business strategy, the Company may make acquisitions or significant investments in other companies or enterprises. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies or enterprises. Further, there is no guarantee that the Company will make any future acquisitions.

### (F) UNFORESEEN EXPENSES

The Company is not aware of any expenses that it will be required to incur in the two years following Admission and which it hasn't already taken into account. However, if the Company is required to incur any such unforeseen expenses then this may adversely affect the currently proposed expenditure plan and existing budgets for the Company's activities.

### (G) CHANGES IN ACCOUNTING STANDARDS

Australian Accounting Standards (**AAS**) are developed and implemented by the Australian Accounting Standards Board (**AASB**). The AASB may introduce new or refined accounting standards, which may affect the measurement and recognition of balance sheet items and income statements, including revenue and receivables. Conversely, interpretations of existing AAS may differ. Changes to AAS issued by the AASB or changes to generally held views about the application of such AAS may adversely affect the performance and position reported in the Company's consolidated financial statements.

#### (H) UNFORESEEN LITIGATION

Any unforeseen litigation may adversely affect future earnings of the Company due to the associated legal costs and expenses that may need to be met to protect the Company's position. The performance of the Company will be influenced by any litigation involving the Company. The legal costs and expenses associated with litigation may adversely affect future earnings of the Company and investment returns.

#### 6.4 SPECULATIVE INVESTMENT

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares.

Therefore, the Offer Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Offer Shares. Prospective investors should consider that the investment in the Company is highly speculative and should consult their professional advisors before deciding whether to apply for Offer Shares pursuant to this Prospectus.

# 07.

## FINANCIAL INFORMATION



## 07. FINANCIAL INFORMATION

Investors should note that the information included in this Prospectus on the past performance of the Group including the financial information included in this Section 7 should not be relied upon as being indicative of future performance of the Group.

### 7.1. INTRODUCTION

The financial information of the Company and its controlled subsidiaries ('the Group') contained in this Section includes the:

- (a) audited historical consolidated statement of profit or loss and other comprehensive income for the period from 13 November 2017 (date of incorporation) to 31 December 2017 and reviewed historical consolidated statement of profit or loss and other comprehensive income for the 6-month period ended 30 June 2018;
  - (b) audited historical consolidated statement of cash flows for the period from 13 November 2017 (date of incorporation) to 31 December 2017 and reviewed historical consolidated statement of cash flows for the 6-month period ended 30 June 2018;
  - (c) reviewed historical consolidated statement of financial position as at 30 June 2018; and
- (items a – c are together referred to as the '**Historical Financial Information – the Group**').
- (d) reviewed pro forma historical statement of financial position as at 30 June 2018 (the '**Pro Forma Historical Financial Information**').

This section also includes historical financial information of Tymlez Holding BV ('**Tymlez Holding**') and its controlled entities ('**Tymlez Holding Group**'). The Company acquired 100% of the share capital of Tymlez Holding for which completion occurred on 14 November 2017. The financial information of Tymlez Holding Group contained in this Section includes:

- (a) audited historical statement of profit or loss and other comprehensive income for the period from 18 April 2016 (date of incorporation) to 31 December 2016 and the year ended 31 December 2017 and reviewed historical statement of profit or loss and other comprehensive income for the 6-month period ended 30 June 2018;
- (b) audited historical statement of cash flows for the period from 18 April 2016 (date of incorporation) to 31 December 2016 and the year ended 31 December 2017 and reviewed historical statement of cash flows for the 6-month period ended 30 June 2018; and
- (c) reviewed historical statement of financial position as at 30 June 2018.

(items a – c are together referred to as the '**Historical Financial Information – Tymlez Holding Group**').

### FOREIGN CURRENCY CONVERSION

As the historical financial information presented in Section 7.6, as extracted from Tymlez Holding Group's financial statements, is presented in Euros ('EUR'), it has been converted and presented in Australian dollars ('AUD') using the following exchange rates:

| AUD 1.00 = EUR X.XXXX   | Period ended<br>30/06/2018 | Year ended<br>31/12/2017 | Period ended<br>31/12/2016 |
|---|----------------------------|--------------------------|----------------------------|
| Average rate for the period (used for conversion of the statement of profit or loss and other comprehensive income and the statement of cashflow) | 0.6374                     | 0.6795                   | 0.6786                     |
| Spot rate at period end (used for conversion of the statement of financial position)  | 0.6344                     | 0.6530                   | 0.6872                     |

Tymlez Group Limited ('**the Company**') has a 31 December year-end for accounting purposes. In addition, investors should be aware that past performance is not an indication of future performance. There are no forecasts included in this Section 7 ('Financial Information').

### 7.2 FINANCIAL INFORMATION

The financial information included in this Section 7 was prepared by management and was adopted by the Directors. The Directors are responsible for the inclusion of all financial information in this Prospectus. The basis of preparation is identified in the relevant sections.



## 07. FINANCIAL INFORMATION *Continued*

### 7.3 BASIS OF PREPARATION OF THE HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information included in this Section has been prepared in accordance with the measurement and recognition criteria (but not the disclosure requirements) of Australian Accounting Standards (**AAS**) and the summary of significant accounting policies outlined in Section 7.8. The financial information is presented in an abbreviated form in so far as it does not include all the disclosures and notes required in an annual financial report prepared in accordance with AAS and the Corporations Act.

The Historical Financial Information and Pro Forma Historical Financial Information has been prepared for the Offer.

The Historical Financial Information of the Group presented in section 7.5 has been extracted from the reviewed interim financial statements for the period ended 30 June 2018 and the audited financial statements for the period ended 31 December 2017. HLB Mann Judd (Vic) Partnership reviewed the interim financial statements for the period ended 30 June 2018 and audited the financial statements for the period ended 31 December 2017. Both the review conclusion and the audit report were unmodified and contained an emphasis of matter paragraph related to the application of the going concern basis of accounting.

The Historical Financial Information of Tymlez Holding Group presented in section 7.6 has been extracted from the audited financial statements of Tymlez Holding Group for the period ended 31 December 2016, the year ended 31 December 2017, and the reviewed interim financial statements for the period ended 30 June 2018. HLB Den Hartog reviewed the interim financial statements for the period ended 30 June 2018 and audited the financial statements for the period ended 31 December 2016 and the year ended 31 December 2017. The review conclusion and the audit reports were unmodified.

The Pro Forma Historical Financial Information has been reviewed by HLB Mann Judd Corporate Finance Pty Ltd as set out in the Investigating Accountant's Report (**IAR**) in Section 8. Investors should note the scope and limitations of the IAR.

### 7.4 GENERAL FACTORS AFFECTING THE OPERATING RESULTS OF THE GROUP

Below is a discussion of the main factors which affected the Group's operations and relative financial performance for the periods ended 30 June 2018 and 31 December 2017 which the Group expects may continue to affect it in the future. The discussion of these general factors is intended to provide a summary only and does not detail all factors that affected the Group's historical operating and financial performance, nor everything which may affect the Group's operations and financial performance in the future. The information in this section should also be read in conjunction with the risk factors set out in Section 6 ('Risk Factors') of the Prospectus, and the other information contained in this Prospectus.

### 7.5 HISTORICAL FINANCIAL INFORMATION – THE GROUP

#### 7.5.1 HISTORICAL CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The table below presents the Historical Consolidated Statement of Profit or Loss and Other Comprehensive Income of the Group for the period from 13 November 2017 (incorporation) to 31 December 2017 and the period ended 30 June 2018.

|  | Reviewed<br>Period ended<br>30/6/18 | Audited<br>Period ended<br>31/12/17 |
|--|-------------------------------------|-------------------------------------|
|  | AUD                                 | AUD                                 |
| Revenue  | 229,003                             | 300,680                             |
| Other income   | 78,729                              | –                                   |
| Employee benefits expense  | (803,217)                           | (5,174)                             |
| Depreciation and amortisation expense                              | (110,483)                           | (478)                               |
| Management fees  | (131,788)                           | –                                   |
| Occupancy expenses   | (57,530)                            | (5,073)                             |
| Office expenses  | (63,225)                            | (13,548)                            |
| Selling and distribution expenses                                  | (186,045)                           | (123,803)                           |
| Unrealised foreign exchange losses                                 | –                                   | (43,651)                            |
| Other expenses   | (458,763)                           | (155,307)                           |
| Finance costs  | –                                   | (104)                               |
| <b>Loss before income tax</b>                                      | <b>(1,503,319)</b>                  | <b>(46,458)</b>                     |
| Income tax expense   | –                                   | –                                   |
| <b>Loss for the period ended</b>                                   | <b>(1,503,319)</b>                  | <b>(46,458)</b>                     |
| Exchange differences on translation of foreign controlled entities | (13,635)                            | (249)                               |
| <b>Other comprehensive loss for the period, net of tax</b>         | <b>(13,635)</b>                     | <b>(249)</b>                        |
| <b>Total comprehensive loss for the period ended</b>               | <b>(1,516,954)</b>                  | <b>(46,707)</b>                     |

### Management Discussion and Analysis

The following commentaries and notes aim to provide an understanding of the Group's financial performance for the stated periods.

Compared to the previous periods, the revenues are increasing. In the industry that the Group operates in, revenues tend to fall in the last two months of the year. Until recently, the Group has had its focus on direct sales whilst sales channels are being developed. It is expected that the sales channels will boost future revenues. In the coming years the Group will maintain its focus on product innovation and marketing.

As a result of funding received from the 2017 seed round capital raising, investment in marketing/sales and development increased. The Group views these investments as key factors that will influence the future growth of the Group.

In the first half of 2018, the total expenditure incurred by the Company has increased quite significantly. This is mainly due to the establishment of a sales office in Seattle (USA) and a development office in Weinheim (Germany).

The growth of the Group is evident in the increase in employee benefit expenses (personnel costs). Employee numbers have increased from 12 to 25 as at 30 June 2018. The item 'management fees' represents remuneration paid to the executive directors, Michael Reh and Reinier Van Der Drift.

The occupancy expenses include rent paid for offices in the Netherlands, Germany and the USA. The policy of the Group is to establish its presence in these countries through the use of efficient and affordable offices.

The selling expenses include costs related to attending relevant trade conferences, travel, website development/SEO marketing and sales enhancing software.

In preparation for the IPO planned for the latter part of 2018, significant expenditure was incurred in relation to legal fees, audit fees and other relevant costs. These costs, plus other expenditure, are reported as 'other expenses'.

As the Group has international operations, there is some vulnerability to gains/losses from foreign exchange differences between the Australian dollar, Euro and American dollar. This is reflected in the line item 'exchange differences'.

## 07. FINANCIAL INFORMATION *Continued*

### 7.5.2 HISTORICAL CONSOLIDATED STATEMENT OF CASH FLOWS

The table below presents the Historical Consolidated Statement of Cash Flows of the Group for the period from 13 November 2017 (incorporation) to 31 December 2017 and the period ended 30 June 2018.

|  | Reviewed<br>Period ended<br>30/6/18 | Audited<br>Period ended<br>31/12/17 |
|--|-------------------------------------|-------------------------------------|
|  | AUD                                 | AUD                                 |
| <b>Cash flow from operating activities</b>           |                                     |                                     |
| Receipts from customers                              | 253,466                             | 78,534                              |
| Payments to suppliers and employees                  | (1,297,192)                         | (276,346)                           |
| Interest received/(paid)                             | 7,659                               | (104)                               |
| <b>Cash flow from operating activities</b>           | <b>(1,036,067)</b>                  | <b>(197,916)</b>                    |
| <b>Cash flow from investing activities</b>           |                                     |                                     |
| Payment for intangible asset                         | (326,289)                           | (119,916)                           |
| Purchase of property plant and equipment             | (48,176)                            | (8,840)                             |
| Cash acquired via common control transaction         | –                                   | 66,253                              |
| <b>Cash flow from investing activities</b>           | <b>(374,465)</b>                    | <b>(62,503)</b>                     |
| <b>Cash flow from financing activities</b>           |                                     |                                     |
| Proceeds from issue of shares                        | 79,008                              | 2,923,600                           |
| Repayment of borrowings                              | –                                   | (445,687)                           |
| Payment of share issue costs                         | (19,136)                            | (191,352)                           |
| <b>Cash flow from financing activities</b>           | <b>59,872</b>                       | <b>2,286,561</b>                    |
| Net change in cash & cash equivalents                | (1,350,660)                         | 2,026,142                           |
| Cash & cash equivalents funds at beginning of period | 2,025,893                           | –                                   |
| Effects of exchange rate changes                     | (13,635)                            | (249)                               |
| <b>Cash &amp; cash equivalents at end of period</b>  | <b>661,598</b>                      | <b>2,025,893</b>                    |

#### Management Discussion and Analysis

The following commentaries and notes aim to provide an understanding of the Group's cashflow for the stated periods.

In November 2017, the Company issued shares to new investors in a seed round capital raising of \$2.9 million. These proceeds were used to support the operations of the Group, the development of the product, as well as marketing. Further, the proceeds also funded costs incurred in preparation for the upcoming IPO scheduled for the latter part of 2018. These expenditures are evident in the significant increase in payments to suppliers and employees as well as investment in intangible assets. The investment in intangible assets represents investment in the intellectual property that the Group is developing.

The above table show that the receipt from customers have increased relative to the previous period. As product development and marketing efforts grow, the Group aims for a further rise in its commercial position and client base.

The proceeds from issue of shares received in the period ended 30 June 2018 relates to monies received from the last tranche of the seed capital raising which brings the total seed round capital raising to approximately \$3.0 million.

At the end of the 30 June 2018 financial period, the Group has cash and cash equivalents of \$661,598. The Group has taken measures to ensure that it is sufficiently solvent and able to continue as a going concern. Such measures include: focus on revenues and receivables, an issue of convertible notes to existing shareholders subsequent to 30 June 2018 and a focus on cash management.

### 7.5.3 HISTORICAL CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The table below presents the Historical Consolidated Statement of Financial Position of the Group as at 30 June 2018.

|                                  | Reviewed<br>Period ended<br>30/6/18 |
|----------------------------------|-------------------------------------|
|                                  | AUD                                 |
| <b>Current assets</b>            |                                     |
| Cash and cash equivalents        | 661,598                             |
| Trade and other receivables      | 261,919                             |
| Other assets                     | 58,033                              |
| <b>Total current assets</b>      | <b>981,550</b>                      |
| <b>Non-current assets</b>        |                                     |
| Property plant and equipment     | 60,139                              |
| Intangible assets                | 1,267,943                           |
| <b>Total non-current assets</b>  | <b>1,328,082</b>                    |
| <b>Total assets</b>              | <b>2,309,632</b>                    |
| <b>Current liabilities</b>       |                                     |
| Trade and other payables         | 674,083                             |
| Employee benefits                | 2,333                               |
| Other liabilities                | 194,349                             |
| <b>Total current liabilities</b> | <b>870,765</b>                      |
| <b>Total liabilities</b>         | <b>870,765</b>                      |
| <b>Net Assets</b>                | <b>1,438,867</b>                    |
| <b>Equity</b>                    |                                     |
| Issued capital                   | 9,332,533                           |
| Reserves                         | (6,343,889)                         |
| Accumulated losses               | (1,549,777)                         |
| <b>Total equity</b>              | <b>1,438,867</b>                    |

#### Management Discussion and Analysis

The following commentaries and notes aim to provide an understanding of the Group's consolidated statement of financial position as at 30 June 2018.

The development costs of the Group's product have been capitalised as Intangible assets. The Group has commenced amortising these capitalised costs over a period of 5 years from 1 January 2018.

The current liabilities include trade payables, taxes and accruals for costs.

As at 30 June 2018, a total of 95,429,233 ordinary shares have been issued to shareholders. 61,280,000 ordinary shares were issued to the founders of the Company in consideration for the acquisition of all the shares in Tymlez Holding BV on 14 November 2017.

The acquisition of Tymlez Holding BV also included provisions for deferred consideration shares which are subject to the fulfilment of certain conditions. Further, as the acquisition of Tymlez Holding BV relates to a transaction where there is no change in control in respect of the entity acquired, adjustments in respect of this, together with the provision for deferred consideration shares are included in Reserves.

The Group expects to increase its market capitalisation and create a sustainable financial position to realise future growth through a successful IPO.

## 07. FINANCIAL INFORMATION *Continued*

### 7.5.4 CONTINGENT LIABILITIES

As disclosed in the Group's audited financial statements for the period ended 31 December 2017 and its reviewed interim financial statements for the period ended 30 June 2018, Peak Asset Management Pty Ltd ('Peak') acted as Lead Manager to the Offer and was entitled to receive performance shares (as part of its fees) upon achievement of certain milestones. The conditions and issuance of such performance shares were indicative only and were subject to final ASX approval.

Subsequent to the interim financial statements being finalised and as part of the prospectus finalisation phase, based on feedback received from the ASX, the Company and Peak revised the terms of the performance shares to those outlined section 3.10 of the prospectus.

## 7.6 HISTORICAL FINANCIAL INFORMATION – TYMLEZ HOLDING GROUP

### 7.6.1 HISTORICAL STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The table below presents the Historical Statement of Profit or Loss and Other Comprehensive Income of Tymlez Holding Group for the financial period ended 31 December 2016, the year ended 31 December 2017 and the period ended 30 June 2018.

|                                  | Reviewed<br>Period ended<br>30/6/18 | Audited<br>Year ended<br>31/12/17 | Audited<br>Period ended<br>31/12/16 | Reviewed<br>Period ended<br>30/6/18 | Audited<br>Year ended<br>31/12/17 | Audited<br>Period ended<br>31/12/16 |
|----------------------------------|-------------------------------------|-----------------------------------|-------------------------------------|-------------------------------------|-----------------------------------|-------------------------------------|
|                                  | EUR                                 |                                   |                                     | AUD                                 |                                   |                                     |
| <b>Sales</b>                     |                                     |                                   |                                     |                                     |                                   |                                     |
| Total revenues                   | 141,083                             | 332,614                           | 68,150                              | 221,345                             | 489,480                           | 100,422                             |
| Cost of Sales                    | –                                   | –                                 | (9,954)                             | –                                   | –                                 | (14,668)                            |
| <b>Gross profit</b>              | <b>141,083</b>                      | <b>332,614</b>                    | <b>58,196</b>                       | <b>221,345</b>                      | <b>489,480</b>                    | <b>85,755</b>                       |
| <b>Costs</b>                     |                                     |                                   |                                     |                                     |                                   |                                     |
| Personnel costs                  | (511,962)                           | (3,630)                           | (213)                               | (803,217)                           | (5,342)                           | (314)                               |
| Management fees                  | (84,000)                            | –                                 | –                                   | (131,788)                           | –                                 | –                                   |
| Housing                          | (36,669)                            | (24,724)                          | (18,264)                            | (57,530)                            | (36,384)                          | (26,913)                            |
| Office expenses                  | (40,299)                            | (48,897)                          | (31,370)                            | (63,225)                            | (71,958)                          | (46,225)                            |
| Selling expenses                 | (118,583)                           | (50,194)                          | (39,390)                            | (186,045)                           | (73,866)                          | (58,043)                            |
| General expenses                 | (267,339)                           | (323,896)                         | (254,525)                           | (419,427)                           | (476,651)                         | (375,055)                           |
| Depreciation/<br>Amortisation    | (70,012)                            | (1,743)                           | (1,005)                             | (109,842)                           | (2,565)                           | (1,481)                             |
| <b>Operating costs</b>           | <b>(1,128,864)</b>                  | <b>(453,084)</b>                  | <b>(344,767)</b>                    | <b>(1,771,074)</b>                  | <b>(666,766)</b>                  | <b>(508,031)</b>                    |
| <b>Operating results</b>         | <b>(987,781)</b>                    | <b>(120,470)</b>                  | <b>(286,571)</b>                    | <b>(1,549,729)</b>                  | <b>(177,286)</b>                  | <b>(422,276)</b>                    |
| Financial income<br>and expenses | (43,442)                            | (25,468)                          | (1,383)                             | (68,156)                            | (37,479)                          | (2,038)                             |
| <b>Result before taxes</b>       | <b>(1,031,223)</b>                  | <b>(145,938)</b>                  | <b>(287,954)</b>                    | <b>(1,617,885)</b>                  | <b>(214,765)</b>                  | <b>(424,314)</b>                    |
| Taxes                            | –                                   | –                                 | –                                   | –                                   | –                                 | –                                   |
| <b>Result after taxes</b>        | <b>(1,031,223)</b>                  | <b>(145,938)</b>                  | <b>(287,954)</b>                    | <b>(1,617,885)</b>                  | <b>(214,765)</b>                  | <b>(424,314)</b>                    |

### Management Discussion and Analysis

Set out below is a discussion of the key factors that affected the Results for the financial period ended 31 December 2016 ("FP2016"), financial year ended 31 December 2017 ("FY2017") and financial period ended 30 June 2018 ("FP2018"). The discussion of these factors is intended to provide a summary only and does not detail all the factors.

The analysis shows that employee costs have increased due to the increase in the number of employees since the incorporation of the Company to 25 as at 30 June 2018.

In 2018, the Company also leased offices in The Netherlands, Germany and USA. The focus is on efficient but effective spaces in order to keep the costs low.

As mentioned earlier, the general expenses are relatively high due to additional legal and audit costs to prepare the Company for the IPO.

Depreciation/Amortisation has increased in 2018 resulting from the commencement of amortisation of the capitalised development costs from 1 January 2018.

## 7.6.2 AUDITED HISTORICAL STATEMENT OF CASH FLOWS – TYMLEZ HOLDING GROUP

The table below presents the Historical Statement of Cash Flows of Tymlez Holding Group for financial period ended 31 December 2016, the year ended 31 December 2017 and the period ended 30 June 2018.

|  | Reviewed<br>Period ended<br>30/6/18 | Audited<br>Year<br>ended<br>31/12/17 | Audited<br>Period ended<br>31/12/16 | Reviewed<br>Period ended<br>30/6/18 | Audited<br>Year<br>ended<br>31/12/17 | Audited<br>Period ended<br>31/12/16 |
|--|-------------------------------------|--------------------------------------|-------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
|  | EUR                                 |                                      |                                     | AUD                                 |                                      |                                     |
| <b>Cash flow from operating activities</b>                             |                                     |                                      |                                     |                                     |                                      |                                     |
| <b>Operating result</b>  | <b>(987,781)</b>                    | <b>(120,470)</b>                     | <b>(286,571)</b>                    | <b>(1,549,729)</b>                  | <b>(177,286)</b>                     | <b>(422,276)</b>                    |
| Adjustments for:   |                                     |                                      |                                     |                                     |                                      |                                     |
| Amortisation and depreciation  | 70,012                              | 1,743                                | 1,005                               | 109,842                             | 2,565                                | 1,481                               |
| Movement of accounts receivable  | 4,255                               | (102,916)                            | (83,564)                            | 6,676                               | (151,453)                            | (123,136)                           |
| Movement of short-term liabilities<br>(excluding finance company debt) | 181,815                             | 87,481                               | 120,533                             | 285,249                             | 128,738                              | 177,611                             |
| Interest paid  | (43,442)                            | (25,468)                             | (1,383)                             | (68,156)                            | (37,479)                             | (2,038)                             |
| <b>Cash flow from operating activities</b>                             | <b>(775,141)</b>                    | <b>(159,630)</b>                     | <b>(249,980)</b>                    | <b>(1,216,118)</b>                  | <b>(234,915)</b>                     | <b>(368,358)</b>                    |
| <b>Cash flow from investing activities</b>                             |                                     |                                      |                                     |                                     |                                      |                                     |
| Investments in intangible fixed assets                                 | (206,998)                           | (434,118)                            | (229,643)                           | (324,759)                           | (638,855)                            | (338,390)                           |
| Investments in tangible fixed assets                                   | (30,484)                            | (5,826)                              | (8,228)                             | (47,826)                            | (8,574)                              | (12,124)                            |
| <b>Cash flow from investing activities</b>                             | <b>(237,482)</b>                    | <b>(439,944)</b>                     | <b>(237,871)</b>                    | <b>(372,585)</b>                    | <b>(647,429)</b>                     | <b>(350,514)</b>                    |
| <b>Cash flow from financing activities</b>                             |                                     |                                      |                                     |                                     |                                      |                                     |
| Movement of share capital  | –                                   | –                                    | 20,000                              | –                                   | –                                    | 29,471                              |
| Movement of share premium reserve                                      | –                                   | –                                    | 280,000                             | –                                   | –                                    | 412,593                             |
| Movement of other related parties                                      | –                                   | 1,943,699                            | –                                   | –                                   | 2,860,378                            | –                                   |
| Movement of loans to shareholders                                      | 267,536                             | (241,820)                            | 241,820                             | 419,737                             | (355,866)                            | 356,333                             |
| <b>Cash flow from financing activities</b>                             | <b>267,536</b>                      | <b>1,701,879</b>                     | <b>541,820</b>                      | <b>419,737</b>                      | <b>2,504,512</b>                     | <b>798,397</b>                      |
| Net change in cash funds   | (745,087)                           | 1,102,305                            | 53,969                              | (1,168,967)                         | 1,622,168                            | 79,525                              |
| FX adjustment  | (8,508)                             | –                                    | –                                   | 32,995                              | 70,008                               | (990)                               |
| Cash funds at beginning of period                                      | 1,156,274                           | 53,969                               | –                                   | 1,770,711                           | 78,535                               | –                                   |
| <b>Cash funds at end of period</b>                                     | <b>402,679</b>                      | <b>1,156,274</b>                     | <b>53,969</b>                       | <b>634,740</b>                      | <b>1,770,711</b>                     | <b>78,535</b>                       |

### Management Discussion and Analysis

Set out below is a discussion of the key factors that affected the cash flows for financial period ended 31 December 2016 (“FP2016”), financial year ended 31 December 2017 (“FY2017”) and financial period ended 30 June 2018 (“FP2018”). The discussion of these factors is intended to provide a summary only and does not detail all the factors.

## 07. FINANCIAL INFORMATION *Continued*

The operating results of the Tymlez Holding Group has grown. As Tymlez Holding Group is the main operating entity of Tymlez Group Limited (the consolidated group), majority of the income and expenditure of the consolidated group relates to the operations of Tymlez Holding Group. Accordingly, the key factors described in Section 7.5.1 above are relevant to the movement in the results of Tymlez Holding Group.

Tymlez Holding Group has capitalised development costs in relation to its product and from 1 January 2018, has commenced amortising these capitalised costs over a period of 5 years. Therefore, resulting in an increase in depreciation and amortisation expenses.

As the seed capital raising is conducted in Australia, in order to fund the operations in Tymlez Holding Group, an inter-company loan account was established between the Company and Tymlez Holding, where monies are transferred to Tymlez Holding and interest is payable on the outstanding amount at 5% per annum.

Tymlez Holding Group has international operations as well as monies held in different currencies, there is some vulnerability to gains/losses from foreign exchange differences between the Australian dollar, Euro and American dollar. This impact is taken into account in "FX adjustment".

### 7.6.3 AUDITED HISTORICAL STATEMENT OF FINANCIAL POSITION – TYMLEZ HOLDING GROUP

The table below presents the Historical Statement of Financial Position of Tymlez Holding Group as at 30 June 2018.

|                                      | Reviewed<br>Period ended<br>30/6/18 | Reviewed<br>Period ended<br>30/6/18 |
|--------------------------------------|-------------------------------------|-------------------------------------|
|                                      | EUR                                 | AUD                                 |
| <b>Current assets</b>                |                                     |                                     |
| Cash and cash equivalents            | 402,679                             | 634,740                             |
| Trade and other receivables          | 166,161                             | 261,918                             |
| Other assets                         | 24,574                              | 38,736                              |
| <b>Total current assets</b>          | <b>593,414</b>                      | <b>935,394</b>                      |
| <b>Non-current assets</b>            |                                     |                                     |
| Property plant and equipment         | 38,152                              | 60,139                              |
| Intangible assets                    | 804,383                             | 1,267,943                           |
| <b>Total non-current assets</b>      | <b>842,535</b>                      | <b>1,328,082</b>                    |
| <b>Total assets</b>                  | <b>1,435,949</b>                    | <b>2,263,476</b>                    |
| <b>Current liabilities</b>           |                                     |                                     |
| Trade and other payables             | 265,052                             | 417,799                             |
| Employee benefits                    | 1,480                               | 2,333                               |
| Other liabilities                    | 123,295                             | 194,349                             |
| <b>Total current liabilities</b>     | <b>389,827</b>                      | <b>614,481</b>                      |
| <b>Non-current liabilities</b>       |                                     |                                     |
| Loans from associated parties        | 2,211,233                           | 3,485,551                           |
| <b>Total non-current liabilities</b> | <b>2,211,233</b>                    | <b>3,485,551</b>                    |
| <b>Total liabilities</b>             | <b>2,601,060</b>                    | <b>4,100,032</b>                    |
| <b>Net Assets/(Liabilities)</b>      | <b>(1,165,111)</b>                  | <b>(1,836,556)</b>                  |
| <b>Equity/(Net deficiency)</b>       |                                     |                                     |
| Issued capital                       | 300,000                             | 472,888                             |
| Reserves                             | (287,954)                           | (639,142)                           |
| Retained earnings                    | (1,177,157)                         | (1,670,302)                         |
| <b>Total equity/(Net deficiency)</b> | <b>(1,165,111)</b>                  | <b>(1,836,556)</b>                  |

## Management Discussion and Analysis

The following commentaries and notes aim to provide an understanding of Tymlez Holding Group's statement of financial position as at 30 June 2018.

The operations in The Netherlands, Germany and the USA are consolidated under Tymlez Holding BV and this represents the main operations of the Company. Most items on the balance sheet of Tymlez Holding BV therefore resemble or are identical to the items on the balance sheet of Tymlez Group Ltd., the consolidated group. The loan from associated parties represents part of the 2017 monies raised from the share issue that was transferred to Tymlez Holding BV for use in its operations via an inter-entity loan account.

### 7.6.4 APPLICATION OF AASB 15 CONTRACTS WITH CUSTOMERS AND AASB 9 FINANCIAL INSTRUMENTS

The Company performed an impact assessment regarding the application of AASB 15 *Contracts with Customers* and AASB 9 *Financial Instruments*, which became applicable to the Company and Tymlez Holding Group for the financial reporting period ended 30 June 2018. The assessments identified that application of these standards had no impact on the Group and Tymlez Holding Group.

## 7.7 PRO FORMA HISTORICAL FINANCIAL INFORMATION

### 7.7.1 REVIEWED PRO FORMA HISTORICAL FINANCIAL INFORMATION OF THE GROUP

The following transactions contemplated in this Prospectus which are to take place or have taken place on or before the completion of the Offer, referred to as the pro forma adjustments, are presented as if they, together with the Offer, had occurred on or before 30 June 2018 and are set out below:

- (a) Issue of \$700,000 worth of convertible notes between 1 July 2018 and the Offer date and recognising fees payable \$46,200 (GST inc).
- (b) Interest payable on convertible notes issued post 1 July 2018 amounted to \$6,168.
- (c) Conversion of convertible notes into ordinary shares on the Offer date at \$0.15 per share.
- (d) Conversion of liability owing to Peak Asset Management of \$210,488 to ordinary shares at \$0.10 per share.
- (e) (i) The Company executed a deed of variation to amend the milestones attached to the deferred consideration payable to Tyhold. This resulted in the deferred consideration shares reserve being increased by \$176,133. It also impacted the common control reserve by the same amount.
  - (ii) In addition, the Company executed a separate deed of variation to amend the lead manager's mandate to issue 2 million shares and 2 million options (including GST) as part of the lead manager's mandate. The value of these shares and options including GST totalled \$694,800 and has been included in section 10.5 expenses of offer.
- (f) Issuing a minimum of 22,727,273 shares or up to a maximum of 36,363,637 shares at \$0.22 per share to raise a minimum of \$5 million or up to a maximum of \$8 million before costs. The expense associated with the Offer consists of cash and equity settled components as outlined in section 10.5 and would range between \$1,922,719 and \$2,128,616. The amount payable post 30 June 2018 totalled \$1,714,020 and \$1,919,917.

The pro forma historical Statement of Financial Position is intended to be illustrative only and will not reflect the actual position and balances as at the date of this Prospectus or at the conclusion of the Offer.



## 07. FINANCIAL INFORMATION *Continued*

### 7.7.2 PRO FORMA HISTORICAL CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

The Pro Forma Historical Consolidated Statement of Financial Position as at 30 June 2018 set out below, has been prepared to illustrate the financial position of the Company, following completion of the Offer and the transactions outlined in Section 7.7.1.

|                                  | Tymlez Group<br>Limited<br>30/6/18 –<br>section 7.5.3 | Proforma<br>transactions | Impact of offer  |                  | Total proforma   |                   |
|----------------------------------|---|--------------------------|------------------|------------------|------------------|-------------------|
|                                  |   |                          | Min              | Max              | Min              | Max               |
| <b>Current assets</b>            |   |                          |                  |                  |                  |                   |
| Cash and cash equivalents (1)    | 661,598   | 653,800                  | 4,478,054        | 7,276,589        | 5,793,452        | 8,591,987         |
| Trade and other receivables      | 261,919   | –                        | –                | –                | 261,919          | 261,919           |
| Other assets                     | 58,033  | –                        | –                | –                | 58,033           | 58,033            |
| <b>Total current assets</b>      | <b>981,550</b>  | <b>653,800</b>           | <b>4,478,054</b> | <b>7,276,589</b> | <b>6,113,404</b> | <b>8,911,939</b>  |
| <b>Non-current assets</b>        |   |                          |                  |                  |                  |                   |
| Property plant and equipment     | 60,139  | –                        | –                | –                | 60,139           | 60,139            |
| Intangible assets                | 1,267,943   | –                        | –                | –                | 1,267,943        | 1,267,943         |
| <b>Total non-current assets</b>  | <b>1,328,082</b>                                      | <b>–</b>                 | <b>–</b>         | <b>–</b>         | <b>1,328,082</b> | <b>1,328,082</b>  |
| <b>Total assets</b>              | <b>2,309,632</b>                                      | <b>653,800</b>           | <b>4,478,054</b> | <b>7,276,589</b> | <b>7,441,486</b> | <b>10,240,021</b> |
| <b>Current liabilities</b>       |   |                          |                  |                  |                  |                   |
| Trade and other payables (2a)    | 674,083   | (210,488)                | –                | –                | 463,595          | 463,595           |
| Borrowings (2b)                  | –   | –                        | –                | –                | –                | –                 |
| Employee benefits                | 2,333   | –                        | –                | –                | 2,333            | 2,333             |
| Other liabilities                | 194,349   | –                        | –                | –                | 194,349          | 194,349           |
| <b>Total current liabilities</b> | <b>870,765</b>  | <b>(210,488)</b>         | <b>–</b>         | <b>–</b>         | <b>660,277</b>   | <b>660,277</b>    |
| <b>Total liabilities</b>         | <b>870,765</b>  | <b>(210,488)</b>         | <b>–</b>         | <b>–</b>         | <b>660,277</b>   | <b>660,277</b>    |
| <b>Net Assets</b>                | <b>1,438,867</b>                                      | <b>864,288</b>           | <b>4,478,054</b> | <b>7,276,589</b> | <b>6,781,209</b> | <b>9,579,744</b>  |
| <b>Equity</b>                    |   |                          |                  |                  |                  |                   |
| Issued capital (3)               | 9,332,533   | 883,161                  | 4,694,609        | 7,549,766        | 14,910,304       | 17,765,461        |
| Reserves (4)                     | (6,343,889)   | –                        | 254,800          | 254,800          | (6,089,089)      | (6,089,089)       |
| Retained earnings (5)            | (1,549,777)   | (18,873)                 | (471,355)        | (527,977)        | (2,040,005)      | (2,096,627)       |
| <b>Total equity</b>              | <b>1,438,867</b>                                      | <b>864,288</b>           | <b>4,478,054</b> | <b>7,276,589</b> | <b>6,781,209</b> | <b>9,579,744</b>  |

#### Note 1 – Cash and cash equivalents

|   | Min<br>\$        | Max<br>\$        |
|---|------------------|------------------|
| <b>Audited as at 30 June 2018</b>               | <b>661,598</b>   | <b>661,598</b>   |
| <i>Pro forma transactions:</i>                  |                  |                  |
| Proceeds from issue of convertible notes (a)    | 700,000          | 700,000          |
| Cash payments convertible notes costs (a)       | (46,200)         | (46,200)         |
| <b>Pro-forma transactions subtotal</b>          | <b>653,800</b>   | <b>653,800</b>   |
| Proceeds from shares issued under the Offer (f) | 5,000,000        | 8,000,000        |
| Cash payments Offer costs (f)                   | (521,946)        | (723,411)        |
| <b>Impact of Offer subtotal</b>                 | <b>4,478,054</b> | <b>7,276,589</b> |
| <b>Closing balance</b>                          | <b>5,793,452</b> | <b>8,591,987</b> |

|   | Min<br>\$      | Max<br>\$      |
|---|----------------|----------------|
| <b>Note 2a – Trade &amp; other payables</b> |                |                |
| <b>Audited as at 30 June 2018</b>           | <b>674,083</b> | <b>674,083</b> |
| <i>Pro forma transactions:</i>              |                |                |
| Conversion of payables to shares (d)        | (210,488)      | (210,488)      |
| Pro-forma transactions subtotal             | (210,488)      | (210,488)      |
| <b>Closing balance</b>                      | <b>463,595</b> | <b>463,595</b> |

|  | Min<br>\$ | Max<br>\$ |
|--|-----------|-----------|
| <b>Note 2b – Borrowings</b>              |           |           |
| <b>Audited as at 30 June 2018</b>        | <b>–</b>  | <b>–</b>  |
| <i>Pro forma transactions:</i>           |           |           |
| Convertible notes issued (a)             | 700,000   | 700,000   |
| Interest payable on convertible note (b) | 6,168     | 6,168     |
| Conversion of notes to shares (c)        | (706,168) | (706,168) |
| <b>Pro-forma transactions subtotal</b>   | <b>–</b>  | <b>–</b>  |
| <b>Closing balance</b>                   | <b>–</b>  | <b>–</b>  |

|   | Min<br>\$         | Max<br>\$         |
|---|-------------------|-------------------|
| <b>Note 3 – Issued capital</b>  |                   |                   |
| <b>Audited as at 30 June 2018</b>   | <b>9,332,533</b>  | <b>9,332,533</b>  |
| Shares issued on conversion of convertible notes (c)                                    | 706,168           | 706,168           |
| Shares issued to settle outstanding trade payables (d)                                  | 210,488           | 210,488           |
| Capital raising costs incurred net of tax effect (a)                                    | (33,495)          | (33,495)          |
| <b>Pro-forma transactions subtotal</b>  | <b>883,161</b>    | <b>883,161</b>    |
| Shares issued under the Offer (f)   | 5,000,000         | 8,000,000         |
| Capital raising costs incurred net of tax effect (e)(ii), (f)                           | (1,242,665)       | (1,391,940)       |
| Shares issued to lead manager as share based payment for transaction costs (e)(ii), (f) | 937,274           | 941,706           |
| <b>Impact of Offer subtotal</b>   | <b>4,694,609</b>  | <b>7,549,766</b>  |
| <b>Closing balance</b>  | <b>14,910,304</b> | <b>17,765,461</b> |

|  | Min<br>\$          | Max<br>\$          |
|--|--------------------|--------------------|
| <b>Note 4 – Reserves</b>   |                    |                    |
| <b>Audited as at 30 June 2018</b>  | <b>(6,343,889)</b> | <b>(6,343,889)</b> |
| Adjustment to reserves from variation to share purchase agreement (e)(i) | –                  | –                  |
| <b>Pro-forma transactions subtotal</b>                                   | <b>–</b>           | <b>–</b>           |
| Options issued to lead manager (e)(ii)                                   | 254,800            | 254,800            |
| <b>Impact of Offer subtotal</b>  | <b>254,800</b>     | <b>254,800</b>     |
| <b>Closing balance</b>   | <b>(6,089,089)</b> | <b>(6,089,089)</b> |

## 07. FINANCIAL INFORMATION *Continued*

| <b>Note 5 – Accumulated losses</b>         | <b>Min<br/>\$</b>  | <b>Max<br/>\$</b>  |
|--|--------------------|--------------------|
| <b>Audited as at 30 June 2018</b>          | (1,549,777)        | (1,549,777)        |
| <i>Pro forma transactions:</i>             |                    |                    |
| Interest expense for convertible notes (b) | (6,168)            | (6,168)            |
| Deferred tax asset expensed (a)            | (12,705)           | (12,705)           |
| <b>Pro-forma Transactions subtotal</b>     | <b>(18,873)</b>    | <b>(18,873)</b>    |
| Deferred tax asset expensed (e)(ii), (f)   | (471,355)          | (527,977)          |
| <b>Impact of Offer subtotal</b>            | <b>(471,355)</b>   | <b>(527,977)</b>   |
| <b>Pro forma total</b>                     | <b>(2,040,005)</b> | <b>(2,096,627)</b> |

### 7.7.3 SUBSEQUENT EVENTS

Other than the following, the Directors are not aware of any significant events since the end of the reporting period.

- > On 11 July 2018, Mr Rodney Harrington was appointed as a director and non-executive chairman of the Company.
- > As noted in Section 7.7.1 (a), the Company issued convertible notes totalling \$700,000 to existing shareholders. Interest of 5% per annum was payable on the notes and the notes were converted into ordinary shares at \$0.15 per share. This transaction was reflected in the Pro Forma Historical Consolidated Statement of Financial Position as outlined in Section 7.7.2.
- > As noted in Section 7.7.1 (d), a liability of \$210,488 due to Peak Asset Management was converted at \$0.10 per share into 2,104,876 ordinary shares and issued to Peak Asset Management as settlement of the outstanding debt. This transaction is reflected in the Pro Forma Historical Consolidated Statement of Financial Position as outlined in Section 7.7.2.
- > As noted in section 7.7.1 (e), separate deeds of variation were executed with Tyhold and the Lead Manager on 23 October 2018 which amended the deferred consideration payable to Tyhold and the remuneration arrangements of the Lead Manager.
- > The Group's unaudited cash balance was \$565,918 as at 30 September 2018.

## 7.8 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies which have been adopted in the preparation of the Historical Financial Information and Pro Forma Historical Financial Information, is set out as follows:

### (A) BASIS FOR CONSOLIDATION

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a December financial year end.

A list of controlled entities is contained in section 2.1 of the Prospectus.

### Subsidiaries

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent 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 relevant activities of the entity.

## (B) BUSINESS COMBINATIONS

Business combinations are accounted for by applying the acquisition method which requires an acquiring entity to be identified in all cases, unless it is a combination involving entities or businesses under common control. The acquisition date under this method is the date that the acquiring entity obtains control over the acquired entity.

For transactions meeting the definition of “transactions between entities under common control”, the Group accounts for the assets and liabilities of the entities acquired at their pre-combination carrying amount without fair value uplift. The accounting is applied on the basis that there has been no substantive economic change. No goodwill is recognised as part of the transaction, instead, any difference between the cost of transaction and the carrying value of the net asset acquired has been recorded in equity. The acquisition of Tymlez Holding B.V. met the definition of a transaction between entities under common control as per AASB 3 and no fair value uplift was applied.

The fair value of identifiable assets and liabilities acquired are recognised in the consolidated financial statements at the acquisition date.

Goodwill or a gain on bargain purchase may arise on the acquisition date, this is calculated by comparing the consideration transferred and the amount of non-controlling interest in the acquiree with the fair value of the net identifiable assets acquired. Where consideration is greater than the net assets acquired, the excess is recorded as goodwill. Where the net assets acquired are greater than the consideration, the measurement basis of the net assets are reassessed and then a gain from bargain purchase recognised in profit or loss.

All acquisition-related costs are recognised as expenses in the periods in which the costs are incurred except for costs to issue debt or equity securities.

Any contingent consideration which forms part of the combination is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity then it is not remeasured and the settlement is accounted for within equity. Otherwise subsequent changes in the value of the contingent consideration liability are measured through profit or loss.

## (C) INCOME TAX

The tax expense recognised in the consolidated statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the period and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements.

Deferred tax is not provided for the following:

- > The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- > Taxable temporary differences arising on the initial recognition of goodwill.
- > Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

## 07. FINANCIAL INFORMATION *Continued*

### (D) LEASES

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

### (E) REVENUE AND OTHER INCOME

#### **Pre 1/1/2018**

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Group and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

#### **Licence fees**

Revenue from this stream is recognised in the accounting period in which the licences are issued. Licences sold on a subscription basis is earned over the subscription period on a straight-line basis. Revenue from selling perpetual licences where the Group receives an upfront fee is apportioned between sale of licence income upfront and software upgrade over a period of time.

#### **Rendering of services**

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

#### **Interest revenue**

Interest is recognised using the effective interest method.

#### **Other income**

Other income is recognised on an accruals basis when the Group is entitled to it.

#### **Post 31/12/17**

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or services to a customer.

#### **Licence fees**

Revenue from this stream is recognised in the accounting period in which the licences are issued. Licences sold on a subscription basis is earned over the subscription period as performance obligations are satisfied over time. Revenue from selling perpetual licences where the Group receives an upfront fee is apportioned between sale of licence income which recognised upfront and software upgrade over a period of time. The transaction price allocated to these software upgrades is recognised as a contract liability at the time of the initial sale transaction is released on a straight-line basis.

#### **Rendering of services**

Revenue from providing such services is recognised in the accounting period in which the services are rendered.

#### **Interest revenue**

Interest is recognised using the effective interest method.

#### **Other income**

Other income is recognised on an accruals basis when the Group is entitled to it.

## (F) BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

## (G) GOODS AND SERVICES TAX (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

Cash flows in the consolidated statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

## (H) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments with original maturities of 3 months or less, which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the consolidated statement of cash flows and are presented within current liabilities on the consolidated statement of financial position.

## (I) FINANCIAL INSTRUMENTS

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

### Financial Assets

The Group's financial assets are divided into the following categories which are described in detail below:

> loans and receivables.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the consolidated statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Group's trade and other receivables fall into this category of financial instruments.

In some circumstances, the Group renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Group does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

### Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired.

The Group's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

## 07. FINANCIAL INFORMATION *Continued*

### Trade and other payables

Trade and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Payment terms are usually 30 days from invoice date.

### Impairment of financial assets

At the end of the reporting period the Group assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

### Financial assets at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

## (J) PROPERTY, PLANT AND EQUIPMENT

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

Costs include purchase price, other directly attributable costs and the initial estimate of costs of dismantling and restoring the asset, where applicable.

### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Group, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

| Fixed asset class   | Depreciation rate |
|---------------------|-------------------|
| Plant and Equipment | 20%               |

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

## (K) INTANGIBLES

### Development costs

Capitalised development costs are measured at cost less accumulated amortisation and accumulated impairment losses.

The cost of capitalised development costs, where the assets are developed within the Group, includes direct labour, contract labour and software. Costs incurred subsequent to initial recognition are capitalised when it is expected that additional future economic benefits will flow to the Group. The costs are capitalised only when they will deliver future economic benefits and the benefits can be measured reliably.

Development costs have a finite life and will be amortised on a systematic basis matched to the future economic benefits over the useful life of the project which is 5 years commencing 1 January 2018.

### Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

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

## (L) IMPAIRMENT OF NON-FINANCIAL ASSETS

At the end of each reporting period the Group determines whether there is any evidence of impairment for its non-financial assets.

Where an indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

## (M) EMPLOYEE BENEFITS

### Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages and salaries are recognised as a part of current employee benefits in the consolidated statement of financial position.

### Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yield at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee benefits expense.

The Group's obligations for long-term employee benefits are presented as non-current employee benefits in its consolidated statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current employee benefits.

### Defined contribution schemes

Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

## (N) SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

## (O) FOREIGN CURRENCY TRANSACTIONS AND BALANCES

### Transaction and balances

Foreign currency transactions are recorded at the spot rate on the date of the transaction.

At the end of the reporting period:

- > Foreign currency monetary items are translated using the closing rate;
- > Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction; and
- > Non-monetary items that are measured at fair value are translated using the rate at the date when fair value was determined.



## 07. FINANCIAL INFORMATION *Continued*

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in prior reporting periods are recognised through profit or loss, except where they relate to an item of other comprehensive income or whether they are deferred in equity as qualifying hedges.

### Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- > assets and liabilities are translated at period-end exchange rates prevailing at that reporting date;
- > income and expenses are translated at average exchange rates for the period where the average rate approximates the rate at the date of the transaction; and
- > retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the consolidated statement of financial position. These differences are recognised in the consolidated statement of profit or loss and other comprehensive income in the period in which the operation is disposed.

### (P) GOING CONCERN

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business, for a period of at least 12 months from the date the financial report was authorised for issue.

As at 30 June 2018, the Group has a net asset position of \$1.439 million and its current assets exceed its current liabilities by \$110,785. During the financial period, the Group had cash outflows from operating activities of \$1.036 million, cash outflows from investing activities of \$374,465 and a net loss from operating activities of \$1.503 million.

The Group has prepared a cash flow forecast for the year ending 30 September 2019, which indicates that the Group does not have sufficient cash to meet its minimum expenditure commitments and support its current level of corporate overheads and growth and therefore needs to raise additional funds in order to fund its growth and to continue as a going concern.

To address the future additional funding requirements of the Group, since 30 June 2018, the directors have undertaken the following initiatives:

- > Issued convertible notes and raised a total of A\$700,000 from its existing shareholders with interest payable at 5% per annum in July and August 2018;
- > Commenced the process of applying for admission onto the official list of the Australian Securities Exchange ("ASX") and is seeking to raise between A\$5 million and A\$8 million before costs during the initial public offering ("IPO") by issue of between 22,727,273 and 36,363,637 ordinary shares at \$0.22 per share;
- > Continue to monitor and control the Group's ongoing working capital requirements and minimum expenditure commitments; and
- > Continue management's focus on maintaining an appropriate level of corporate overheads in line with the Group's available cash resources.

The directors are confident that they will be able to complete the capital raising initiatives that will provide the Group with sufficient funding to meet its minimum expenditure commitments and support the planned level of overhead expenditures, and therefore, determine that it is appropriate to prepare the financial statements on the going concern basis.

In the event that the Group is not able to successfully complete the fundraising referred to above, a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and therefore whether it will realise assets and discharge liabilities in the normal course of business and at the amounts shown in the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessarily incurred should the Group not continue as a going concern.

### (Q) ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The Group has adopted all standards which became effective for the first time at 30 June 2018, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group.



08.

INVESTIGATING  
ACCOUNTANT'S  
REPORT

## 08. INVESTIGATING ACCOUNTANT'S REPORT



5 November 2018

The Board of Directors  
Tymlez Group Limited  
C/- Moray & Agnew Lawyers  
Level 6, 505 Collins Street  
Melbourne VIC 3000

Dear Directors,

### **Independent Limited Assurance Report on Tymlez Group Limited's historical and pro forma historical financial information**

#### **8.1 Introduction**

We have been engaged by Tymlez Group Limited (the "Company") and its controlled entities (the "Group") to report on the pro forma historical financial information of the Group for inclusion in a public offer document ("the Replacement Prospectus") dated on or about 6 November 2018 and relating to the issue of a minimum of 22,727,273 shares or up to a maximum of 36,363,637 shares at \$0.22 per share to raise a minimum of \$5 million or up to a maximum of \$8 million before costs in the Company and listing on the Australian Securities Exchange ("the ASX") ("the Offer").

Expressions and terms defined in the Replacement Prospectus have the same meaning in this report.

The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Services License under the *Corporations Act 2001*. HLB Mann Judd Corporate Finance Pty Ltd ("HLB Mann Judd") holds an appropriate Australian Financial Services License (AFS License Number 240988) under the *Corporations Act 2001*. Refer to our Financial Services Guide included as part 2 of this report.

#### **8.2 Scope**

##### **8.2.1 Historical Financial Information**

You have requested HLB Mann Judd to review the Historical Financial Information, as set out in Section 7.5 of the Replacement Prospectus comprising:

- The Group's historical statement of profit or loss and other comprehensive income for the period from 13 November 2017 (incorporation) to 31 December 2017 and the period ended 30 June 2018;
- The Group's historical statement of financial position as at 30 June 2018; and
- The Group's historical statement of cash flows for the period from 13 November 2017 (incorporation) to 31 December 2017 and the period ended 30 June 2018.

The historical financial information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Group's adopted accounting policies. The Historical Financial Information of the

**HLB Mann Judd Corporate Finance Pty Ltd ABN 49 097 176 139** Australian Financial Services Licence No 240988

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Liability limited by a scheme approved under Professional Standards Legislation other than for the acts or omissions of financial services licensees

HLB Mann Judd Corporate Finance Pty Ltd is a member of **HLB International**. A world-wide network of independent accounting firms and business advisers.

Group has been extracted from the reviewed interim financial statements for the period ended 30 June 2018 and the audited financial statements for the period ended 31 December 2017. HLB Mann Judd (Vic) Partnership reviewed the interim financial statements for the period ended 30 June 2018 and audited the financial statements for the period ended 31 December 2017. Both the review conclusion and the audit report were unmodified and contained an emphasis of matter paragraph titled Material Uncertainty Regarding Going Concern related to the application of the going concern basis of accounting.

The Historical Financial Information is presented in the Replacement Prospectus in an abbreviated form, in so far as it does not include all of the presentation and disclosure required by AAS and other regulatory professional reporting requirements appropriate to general purpose financial report prepare in accordance with the *Corporations Act 2001*.

The Historical Financial Information of Tymlez Holding Group presented in Section 7.6 has been extracted from the audited financial statements of Tymlez Holding Group for the period ended 31 December 2016, the year ended 31 December 2017, and the reviewed interim financial statements for the period ended 30 June 2018, which has been subject to audit and review by the auditors of Tymlez Holding Group. The review conclusion and the audit reports were unmodified and were considered and tested by HLB Mann Judd (Vic) Partnership as part of its audit of the Group's financial statements for the period ended 31 December 2017 and review of the Group's interim financial statements for the period ended 30 June 2018 in accordance with the requirements set out in *ASA 600 Special Considerations-Audits of a Group Financial Report*.

#### **8.2.2 Pro Forma historical financial information**

You have requested HLB Mann Judd to review the pro forma historical statement of financial position as at 30 June 2018 included in Section 7.7 of the Replacement Prospectus, referred to as "the pro forma historical financial information".

The pro forma historical financial information has been derived from the historical financial information of the Group, after adjusting for the effects of pro forma adjustments described in Section 7.7.1 of the Replacement Prospectus. The stated basis of preparation is the recognition and measurement principles contained in AAS applied to the historical financial information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in Section 7.7.1 of the Replacement Prospectus, as if those event(s) or transaction(s) had occurred as at 30 June 2018. Due to its nature, the pro forma historical financial information does not represent the Group's actual or prospective financial position and financial performance.

#### **8.3 Directors' responsibility**

The directors of the Group are responsible for the preparation of the historical financial information and pro forma historical financial information, including the selection and determination of pro forma adjustments made to the historical financial information and included in the pro forma historical financial information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro forma historical financial information that are free from material misstatement, whether due to fraud or error.



### **8.4 Our responsibility**

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement *ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the historical and pro forma historical financial information.

### **8.5 Conclusions**

#### ***8.5.1 Historical financial information***

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information, as described in Section 7.5 of the Replacement Prospectus, comprising:

- The Group's historical statement of profit or loss and other comprehensive income for the period from 13 November 2017 (incorporation) to 31 December 2017 and the period ended 30 June 2018;
- The Group's historical statement of financial position as at 30 June 2018; and
- The Group's historical statement of cash flows for the period from 13 November 2017 (incorporation) to 31 December 2017 and the period ended 30 June 2018

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 7.3 of the Replacement Prospectus.

#### ***8.5.2 Pro Forma historical financial information***

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma historical financial information as outlined in Section 7.7 of the Replacement Prospectus, being the Pro Forma Statement of Financial Position as at 30 June 2018, is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in Section 7.3 of the Replacement Prospectus.

### **8.6 Restriction on Use**

Without modifying our conclusions, we draw attention to Sections 7.1 to 7.2 of the Replacement Prospectus, which describes the purpose of the financial information, being for inclusion in the Replacement Prospectus. As a result, the financial information may not be suitable for use for another purpose.



We disclaim any responsibility for any reliance on the report or the financial information to which it relates for any purpose other than that for which it was prepared. This report should be read in conjunction with the full Replacement Prospectus.

#### **8.7 Consent**

HLB Mann Judd has consented to the inclusion of this assurance report in the Replacement Prospectus in the form and context which it is included. At the date of this report, this consent has not been withdrawn.

#### **8.8 Disclosure of Interests**

HLB Mann Judd has no financial or other interest that could reasonably be regarded as affecting our ability to give an unbiased conclusion on the matters that are subject of this report for which normal professional fees will be received. No director of HLB Mann Judd or any individuals involved with the preparation of this report have any interest in the outcome of the Offer other than the preparation of this report and participation in due diligence procedures for which normal professional fees will be received.

Our associated entity, HLB Mann Judd (Vic Partnership) is the auditor of the Company and from time to time, provides the Company with certain professional services where it is considered that our independence is not affected for which normal professional fees are received.

#### **8.9 Liability**

The liability of HLB Mann Judd is limited to the inclusion of this report in the Replacement Prospectus. Unless specifically referred to in this Report, or elsewhere in the Replacement Prospectus, HLB Mann Judd was not involved in the preparation of any other part of the Replacement Prospectus and did not cause the issue of any other part of the Replacement Prospectus. Accordingly, HLB Mann Judd makes no representations or warranties as to the completeness or accuracy of the information contained in any other part of the Replacement Prospectus.

#### **8.10 Financial Services Guide**

We have included our Financial Services Guide as part 2 of this report. The Financial Services Guide is designed to assist retail clients in their use of any general financial product advice in our report.

Yours faithfully

**HLB Mann Judd Corporate Finance Pty Ltd**

A handwritten signature in blue ink, appearing to be 'Jude Lau', written over a light blue horizontal line.

**Jude Lau**

Director



## Part 2 Financial Services Guide

### What is the purpose of this Financial Services Guide?

This Financial Services Guide (FSG) provides you with information about us to help you decide whether to use the services that we offer.

It explains:

- The services offered by us;
- How instructions may be provided to us;
- How we are remunerated; and
- The details of our internal and external complaints handling procedures and how you can access them.

This FSG is provided by HLB Mann Judd Corporate Finance Pty Ltd (AFSL: 240988). In this FSG, each of the companies is referred to as "we", "our" or "us", and collectively referred to as "HLB Mann Judd".

### What Services can we provide?

Under our AFS licence authorisation, we may carry on a financial services business to provide:

- financial product advice on basic deposit products, securities, derivatives limited to old law securities options contracts and warrants, and
- dealing services in respect of the above financial products.

Collectively these are referred to as "Services". HLB Mann Judd provides corporate finance services including valuations and merger and acquisition advice. This includes capital raising, strategic option analysis and financial modelling.

### Will you provide me with advice which is suitable to my needs and financial circumstances?

We provide general financial product advice only, not personal financial product advice because the advice has been prepared without taking into consideration your personal objectives, financial situation or needs. You should consider the appropriateness of the advice, having regard to your objectives, financial situation and needs before acting on the advice.

We are authorised to provide you with personal advice in relation to basic deposit products, securities and derivatives limited to old law securities options contracts and warrants. We may not provide advice of any kind in relation to any other interest, financial products or other investments.

Generally if personal advice is given – that is, the advice that takes into account your particular circumstances, financial situation and needs, you would be provided with a Statement of Advice (SOA) / Statement of Additional Advice (SOAA) in accordance with the requirements of the Corporations Act. The SOA/SOAA would contain the advice, the basis on which it is given and the information about fees, commissions and associations which may have influenced the provision of the advice.

In some circumstances, SOA or SOAA is not required to be given. In this case, a Record of Advice (ROA) documenting the personal advice is to be given. You may request a copy of the ROA from your adviser up to 7 years after the advice has been given.

If a recommendation to acquire a particular financial product is made, you would be provided with a Product Disclosure Statement containing information about the particular product, which will enable you to make an informed decision in relation to purchasing that product.

### How do I give information to HLB Mann Judd?

You can give us information by telephone, post, fax or email, using the details provided below. In some cases, however, you will need to complete and return certain documents, such as application form and client identification form.

### How does HLB Mann Judd get paid for its Services?

HLB Mann Judd payments come from fees generated from the provision of Services.

The fees will vary depending on the services provided, the complexity and nature of the services and other factors such as the size of the transaction. The fees will be negotiated on a case by case basis and will be clearly disclosed to you in our engagement letter.

Our staff are paid a salary and may be entitled to receive bonuses or non-monetary benefits. These bonus payments are not an additional cost to you.

The fees and charges that you pay to us may ultimately benefit our employees, directors or other associates of our authorising licensee or its authorised representatives.

### What fee does the person who referred me receive?

We do not currently pay a fee to any person who refers you to use our Services. However, we may enter into referral arrangements with such parties in the future. Any fees or commissions payable for the referral will be disclosed to you. Furthermore, we may receive payments for referring you to other service providers or product issuers.

### Disclosure of Interest

We may provide services in relation to products and services provided by other product issuers or invest in those products ourselves. To the extent permitted by law, we may receive fees and other benefits from these product issuers as a result of you investing in one of their products or using one of their services. We may pay to, or receive fees or commissions from, third parties to the extent permitted by law.

Except as disclosed in this FSG, we do not have any relationships or associations which might reasonably be expected to be capable of influencing the way we provide our Services to you.

### Compensation Arrangements

We are covered by our professional indemnity insurance in place that complies with section 912B of the *Corporations Act* and ASIC Regulatory Guide 126.

### Who can I complain to if I have a complaint about the Services provided to me?

If you have a complaint about the Services provided to you, you should take the following steps:

1. Contact us and tell us your complaint.  
If your complaint is not satisfactorily resolved within seven days, please call our complaints Manager on (03) 9606 3888.
2. Alternatively, you can put your complaint in writing and forward it to:  
The Complaints Manager  
HLB Mann Judd Corporate Finance  
Level 9, 575 Bourke Street, Melbourne VIC 3000  
Tel: (03) 9606 3888  
Fax: (03) 9606 3800  
Email: [jreidy@hlbvic.com.au](mailto:jreidy@hlbvic.com.au)
3. We will endeavour to investigate and resolve your complaint and communicate our decision to you within 45 days. If you still do not get a satisfactory outcome, you may be able to lodge a complaint with The Financial Ombudsman Service (FOS). You can write to FOS at GPO Box 3, Melbourne VIC 3001 or call them on **1300 780 808** or visit **[www.fos.or.au](http://www.fos.or.au)**

HLB Mann Judd Corporate Finance Pty Ltd (AFS Licence 240988)  
Level 9, 575 Bourke Street, Melbourne VIC 3000  
Tel: (03) 9606 3888  
Fax: (03) 9606 3800  
Email: [jreidy@hlbvic.com.au](mailto:jreidy@hlbvic.com.au)

Date Issued: 5 November 2018





09.

MATERIAL  
CONTRACTS



## 09. MATERIAL CONTRACTS

The Group has entered into various agreements which the Board consider to be material and relevant to potential investors in the Company. Set out below is a summary of these material contracts.

### LIST OF MATERIAL CONTRACTS:

1. Share Purchase Agreement;
2. BCG Platinion Partnership Agreement;
3. Partner Agreements;
4. Save the Children Agreement;
5. Consortium Agreement.

### EMPLOYMENT AGREEMENTS, CORPORATE ADVISORY AGREEMENTS AND VOLUNTARY RESTRICTION AGREEMENTS:

6. Directors' Service Agreements;
7. Directors' Management Service Agreements;
8. Directors' Deeds of Indemnity, Access and Insurance;
9. Lead Manager Mandate; and
10. Restriction Agreements.

## 1. SHARE PURCHASE AGREEMENT

Pursuant to the Share Purchase Agreement entered into on 14 November 2017 and subsequently varied on 23 October 2018, between the Company and Tyhold, the Company acquired all the issued share capital in Tymlez Holding, being a company incorporated in The Netherlands (**Acquisition**). The Share Purchase Agreement provides that the Acquisition occurred on the following terms and conditions:

- > Tyhold agreed to sell, and the Company agreed to purchase, all the issued share capital in Tymlez Holding, being 20,000 ordinary shares;
- > in consideration for the Acquisition, the Company issued 61,280,000 fully paid ordinary shares to Tyhold on completion of the Share Purchase Agreement; and
- > any claims under the Share Purchase Agreement are limited to the value of the purchase consideration paid.

Furthermore, the Company will issue up to an additional 8,000,000 Shares to Tyhold as deferred consideration pursuant to the Share Purchase Agreement subject to the achievement of the performance milestones referred to below at any time during the three (3) years from the date of Admission (**Tyhold Deferred Shares**):

| SHARES TO BE ISSUED | PERFORMANCE MILESTONE  |
|---------------------|--|
| 2,000,000           | Tymlez Holding generating total accumulated revenue of \$2,000,000 |
| 2,000,000           | Tymlez Holding generating total accumulated revenue of \$3,000,000 |
| 2,000,000           | Tymlez Holding generating total accumulated revenue of \$4,000,000 |
| 2,000,000           | Tymlez Holding generating total accumulated revenue of \$5,000,000 |

For more information on the Tyhold Deferred Shares please refer to Section 3.10 of this Prospectus.

## 2. BCG PLATINION PARTNERSHIP AGREEMENT

Tymlez Netherlands (which was previously known as Tymlez Software & Consultancy B.V.) has entered into a strategic partnership agreement (**BCG Platinion Partnership Agreement**) with the Boston Consulting Group Inc (**BCG**) pursuant to which the parties have agreed to cooperate to establish a business model offering BCG's services and the Company's products as a complete solution. The key terms of the BCG Platinion Partnership Agreement are as follows:

- > Tymlez Netherlands grants BCG a non-exclusive, non-transferable, royalty-free right and licence during the term to use the Tymlez Platform for internal development of additional functionalities and use cases and for demonstration to clients.
- > Tymlez Netherlands will provide BCG with access to the Tymlez Platform, a brief technical introduction and applicable user manuals, and reasonable training and technical support as may be required by BCG.
- > In relation to the joint provision of products (and services) to the customers, Tymlez Netherlands and BCG agree that the terms of each engagement will be separately agreed and confirmed whereby BCG will enter into a contract for the provision of consultancy services while the Group will enter into a contract to licence the products with the customer respectively.
- > Each party retains sole and exclusive ownership of any intellectual property owned or licenced.
- > The agreement is for a term of one year and unless formal notice is issued by either party the agreement will, on expiry of the initial term, continue in force for an additional term of one year.

In connection with the BCG Partnership Agreement, Tymlez Netherlands has also entered into an agreement with Platinion B.V., which is a unit of the Boston Consulting Group Inc, for the purposes of jointly developing blockchain enabled solutions. Pursuant to this agreement, Tymlez Netherlands has agreed to grant Platinion a development license for the Tymlez Platform and will provide training sessions to enable Platinion's personnel to develop and demonstrate proof of concept solutions. Platinion has agreed to pay Tymlez Netherlands €12,000 for the initial development licence and will reimburse Tymlez Netherlands for expenses incurred in relation to the training services provided.

## 09. MATERIAL CONTRACTS *Continued*

### 3. PARTNER AGREEMENTS

Tymlez Netherlands has entered into agreements with various Value Added Resellers as referred to in Section 2.4 of the Prospectus (**Partner**), whereby the Partner agrees to market the Tymlez Platform on behalf of Tymlez (**Partner Agreements**). As at the date of this Prospectus, Tymlez Netherlands has entered into Partner Agreements with the following Partners:

- > Nazreen Jacobs IT Services & Distribution CC, trading as Simplified IT Services;
- > Tamara Online Pvt Ltd, trading as Happystry;
- > iSphere Technologies CC; and
- > Access Alto UK Ltd.

While the terms of the Partner Agreements vary with each individual Partner, the key terms of such Partner Agreements may be summarised as follows:

- > Tymlez Netherlands grants the Partner a non-exclusive, non-transferable right and licence to use the Tymlez Platform to market and sell the Tymlez Platform on behalf of the Group.
- > The Partner shall use its best endeavours to actively market the Tymlez Platform to achieve sales of the Tymlez Platform, including but not limited to developing joint marketing activities with Tymlez Netherlands.
- > The Partner is to provide Tymlez Netherlands with a monthly activity report providing amongst other things, details of all sales of the Tymlez Platform achieved.
- > The Partner is entitled to appoint resellers to assist with achieving additional sales of the Tymlez Platform provided that any such appointment is subject to the overarching terms and conditions of the relevant Partner Agreement.
- > Sales of the Tymlez Platform achieved will be based on a standard price list, subject to any discounts that may be negotiated between Tymlez Netherlands and the respective Partner.
- > Pursuant to the Partner Agreement entered into with Access Alto UK Ltd, Tymlez Netherlands is also authorised to market the hosting services of the Partner to its customers.

### 4. SAVE THE CHILDREN AGREEMENT

Tymlez Netherlands (which was previously known as Tymlez Software & Consultancy B.V.) has entered into an agreement (**Save the Children Agreement**) with The Save the Children Fund, a company limited by guarantee incorporated in the UK (**SCUK**) pursuant to which Tymlez Netherlands has agreed to provide a humanitarian proof of concept, as a donation in kind to SCUK. The key terms of the Save the Children Agreement are as follows:

- > The donation in kind, to be provided by Tymlez Netherlands to SCUK, shall be comprised of a donation of a development licence of the Tymlez Platform on a perpetual basis (valued at £225,000), blockchain training and workshops (valued at £7,500) and consultancy services (valued at £2,000 per day).
- > In addition to the above, Tymlez will develop and deliver a customised proof of concept solution to SCUK, including and design of the Tymlez Platform to SCUK's requirements.
- > The parties agree that all intellectual property rights in any works developed by Tymlez Netherlands shall vest in Tymlez Netherlands, while Tymlez will grant SCUK a royalty-free worldwide irrevocable and perpetual licence to use such intellectual property for its internal business purposes.

### 5. CONSORTIUM AGREEMENT

Tymlez Netherlands has entered into an agreement relating to the development of a project funded by The Netherlands Enterprise Agency with a grant of €280,000 (**Consortium Agreement**), the key terms of which are as follows:

- > In addition to Tymlez Netherlands, the parties to the Consortium Agreement are DNV GL Netherlands B.V. (a global quality assurance and risk management company), Stichting FOCAFET Foundation (a non-profit foundation which provides free and open solutions) and the University of Groningen.
- > In order for a proof of concept application to be developed, Tymlez Netherlands agrees to provide the parties to the Consortium Agreement access to its flagship Tymlez Platform which shall include smart contracting and online settlement capabilities, as well as such guidelines for use, business plans and roadmaps for commercialisation that may be required.
- > Tymlez Netherlands shall remain the sole owner of any and all intellectual property contained its technology and the Tymlez Platform supplied as part of the Consortium Agreement as well as in relation to any developments and improvements to such intellectual property.

## 6. DIRECTORS' SERVICE AGREEMENTS

### (A) MR RODNEY HANNINGTON (NON-EXECUTIVE CHAIRMAN)

The Company has entered into a Directors' Service Agreement with Mr Rodney Hannington in relation to his appointment as Non-Executive Chairman of the Company. Pursuant to such agreement, Mr Hannington shall be entitled to directors' fees of \$55,000 per annum (plus superannuation).

### (B) MR DANIEL DICKENS (NON-EXECUTIVE DIRECTOR)

The Company has entered into a Directors' Service Agreement with Mr Daniel Dickens in relation to his appointment as Non-Executive Director of the Company. Pursuant to such agreement, Mr Dickens shall be entitled to directors' fees of \$33,000 per annum (plus superannuation).

## 7. DIRECTORS' MANAGEMENT SERVICES AGREEMENT

### (A) MR MICHAEL REH (EXECUTIVE DIRECTOR)

Tymlez Holding has entered into a consulting agreement with Timeless-Systems GmbH, being an entity controlled by Mr Michael Reh, for the provision of such services required for the proper management of the Tymlez Business. In connection with such agreement, Mr Reh has been appointed as an Executive Director of the Company and is entitled to a monthly fee of €12,500.

### (B) MR REINIER VAN DER DRIFT (EXECUTIVE DIRECTOR)

Tymlez Holding has entered into a consulting agreement with Fergil B.V., being an entity controlled by Mr Reinier Van Der Drift, for the provision of such services required for the proper management of the Tymlez Business. In connection with such agreement, Mr Van Der Drift has been appointed as an Executive Director of the Company and is entitled to a monthly fee of €12,500.

## 8. DIRECTORS' DEEDS OF INDEMNITY

Each of the Directors has entered into Deeds of Indemnity, Insurance and Access with the Company. The material terms of the Deeds of Indemnity, Insurance and Access are as follows:

- > to the extent permitted by law, the Company indemnifies the Director from any liabilities arising out of the Director discharging their duties and providing services as director;
- > the Directors will be given access to board papers and company files for a period up to seven (7) years from the date on which the Directors cease to be an officer of the Company; and
- > the Company must maintain an insurance policy for the Directors for the term in which they hold office and for a period of seven (7) years following the date they cease to be a Director.

## 09. MATERIAL CONTRACTS *Continued*

### 9. LEAD MANAGER MANDATE

The key terms of the Lead Manager Mandate between the Company and the Lead Manager entered into on 8 August 2017 and subsequently varied on 23 October 2018 are as follows:

- > The Lead Manager has been engaged as the lead manager to the Offer for twenty four (24) months from 8 August 2017 (**Engagement Period**).
- > In consideration for providing corporate and fundraising services in its role as lead manager, the Lead Manager will be entitled to the following fees upon completion of the Offer:
  - 1% management fee for funds raised under the Offer (whether such funds are raised by the Lead Manager or another party);
  - a 5% capital raising fee for any funds raised by the Lead Manager;
  - 2,000,000 Shares in the Company, to be issued to the Lead Manager or its nominees;
  - 2,000,000 Options in the Company, to be issued to the Lead Manager or its nominees, each exercisable for \$0.35 to acquire one (1) Share and expiring four (4) years from the date of issue; and
  - Shares in the Company equivalent to 2% of the Enterprise Value of the Company, to be issued to the Lead Manager or its nominees.
- > The Lead Manager also received a consulting fee of \$5,000 (excl. GST) per month for the first twelve (12) months of the Engagement Period (**Consulting Fee**).
- > If the Company does not achieve the Admission during the Engagement Period, other than the Consulting Fee, no other fees shall be payable.

### 10. RESTRICTION AGREEMENTS

The Company has entered into (or will enter into prior to Admission) Restriction Agreements with holders of restricted securities for the purposes of complying with Chapter 9 of the ASX Listing Rules. The Agreements are in the approved form as set out in Appendix 9A of the ASX Listing Rules.

# 10.

## ADDITIONAL INFORMATION

## 10. ADDITIONAL INFORMATION

### 10.1 DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection during normal office hours, free of charge, at the registered office of the Company for a period of at least twelve (12) months from the date of lodgement of this Prospectus with the ASIC:

- > the current Constitution of the Company; and
- > the consents referred to in Section 10.4 of this Prospectus.

### 10.2 DIRECTORS' INTERESTS

Other than as set out below or elsewhere in this Prospectus, no Director and no firm in which a Director is a partner, has an interest in the promotion or in property proposed to be acquired by the Company in connection with its formation or promotion. Other than as set out below or elsewhere in this Prospectus no amounts have been paid or agreed to be paid (in cash, Shares or otherwise) to any Director or any firm in which any Director is a partner, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in which he is a partner in connection with the formation or promotion of the Company.

### 10.3 INTERESTS OF EXPERTS AND ADVISORS

Except as disclosed below or elsewhere in this Prospectus, no expert nor any firm of which such expert is a partner, has or has had any interest in the formation or promotion of, or in any property proposed to be acquired by, the Company in connection with its formation or promotion, and no amounts have been paid (in cash, Shares or otherwise), or agreed to be paid, to any expert or to any firm in which such expert is a partner for services rendered by him or the firm in connection with the promotion or formation of the Company.

- > Professional fees payable to the Investigating Accountant for work performed in relation to the Offer are \$21,000 paid or payable to HLB Mann Judd Corporate Finance Pty Ltd.
- > Professional fees payable to the Auditor for work performed in relation to the Offer are \$29,500 paid or payable to HLB Mann Judd (Vic) Partnership.
- > Professional fees paid or payable to the Company's Australian solicitors, Moray & Agnew Lawyers, for work performed in relation to the Offer are approximately \$145,000.
- > The professional fees payable to the Lead Manager for work done in relation to the Offer are summarised in Section 9.9 of this Prospectus.
- > Automic Registry Services acted as the share registry for the Company. Standard commercial fees are payable to Automic Registry Services for share registry services in relation to the Offer made pursuant to this Prospectus.

### 10.4 CONSENTS

The following consents have been given in accordance with the Corporations Act:

- HLB Mann Judd Corporate Finance Pty Ltd has given and has not before lodgement of this Prospectus withdrawn its written consent to be named in this Prospectus as the Investigating Accountant and to the inclusion in this Prospectus of its Investigating Accountant's Report of this Prospectus in the form and context in which it is included. Notwithstanding that it may be referred to elsewhere in this Prospectus, HLB Mann Judd Corporate Finance Pty Ltd has only been involved in the preparation of the Investigating Accountant's Report and was not involved in the preparation of any other part of this Prospectus. HLB Mann Judd Corporate Finance Pty Ltd did not authorise or cause the issue of this Prospectus and does not accept any liability to any person in respect of any false or misleading statement in, or omission from, any part of this Prospectus other than in respect of the Investigating Accountant's Report.
- HLB Mann Judd (Vic) Partnership has given and has not before lodgement of this Prospectus withdrawn its written consent to be named in this Prospectus as the Auditor of the Company and its controlled entities. HLB Mann Judd (Vic) Partnership was not involved in the preparation of any part of this Prospectus. HLB Mann Judd (Vic) Partnership did not authorise or cause the issue of this Prospectus and does not accept any liability to any person in respect of any false or misleading statement in, or omission from, any part of this Prospectus.

- (c) Moray & Agnew Lawyers has given and has not, before lodgement of this Prospectus, withdrawn its written consent to being named in this Prospectus as Australian solicitors to the Company in the form and context in which they are named. Moray & Agnew Lawyers did not authorise or cause the issue of this Prospectus and do not accept any liability to any person in respect of any false or misleading statement in, or omission from, any part of this Prospectus.
- (d) HLB Den Hartog has given and has not before lodgement of this Prospectus withdrawn its written consent to be named in this Prospectus as the Auditor of Tymlez Holding and its controlled entities. HLB Den Hartog was not involved in the preparation of any part of this Prospectus. HLB Den Hartog did not authorise or cause the issue of this Prospectus and does not accept any liability to any person in respect of any false or misleading statement in, or omission from, any part of this Prospectus.
- (e) Peak Asset Management has given and has not before lodgement of this Prospectus withdrawn its written consent to be named in this Prospectus as the Lead Manager of the Company. Peak Asset Management did not authorise or cause the issue of this Prospectus and does not accept any liability to any person in respect of any false or misleading statement in, or omission from, any part of this Prospectus.
- (f) Automic Registry Services has given and, as at the date hereof, has not withdrawn, its written consent to be named in this Prospectus as Share Registry in the form and context in which it is named. Automic Registry Services has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registry to the Company. Automic Registry Services has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

## 10.5 EXPENSES OF THE OFFER

The estimated expenses of the Offer are as follows:

| Estimated expenses  | Minimum Subscription  | Maximum Subscription  |
|---|-----------------------|-----------------------|
| Legal fees (Australia)  | \$145,000.00          | \$145,000.00          |
| Legal fees (The Netherlands)  | \$39,179.00           | \$39,179.00           |
| Auditor and Investigating Accountant fees (Australia)                 | \$50,500.00           | \$50,500.00           |
| Offshore taxation advisor   | \$8,048.00            | \$8,048.00            |
| Marketing and Roadshow expenses                                       | \$27,272.73           | \$27,272.73           |
| Fees payable to the Lead Manager*                                     | \$300,000.00          | \$480,000.00          |
| Prospectus graphic design and printing fees                           | \$15,392.00           | \$15,392.00           |
| Share Registry fees   | \$2,000.00            | \$2,000.00            |
| ASX Listing fees  | \$73,917.00           | \$77,067.00           |
| ASIC prospectus lodgement fees  | \$3,206.00            | \$3,206.00            |
| <b>Total cash expenses (excluding GST)</b>                            | <b>\$664,514.73</b>   | <b>\$847,664.73</b>   |
| Shares and Options to be issued to the Lead Manager or its nominees** | \$1,083,703.36        | \$1,087,732.36        |
| <b>Total Offer expenses (excluding GST)</b>                           | <b>\$1,748,218.09</b> | <b>\$1,935,397.09</b> |
| GST (not claimable)   | \$174,501.00          | \$193,219.00          |
| <b>Total</b>  | <b>\$1,922,719.09</b> | <b>\$2,128,616.09</b> |
| <b>Amount payable post 30 June 2018</b>                               | <b>\$1,714,020.00</b> | <b>\$1,919,917.00</b> |

\* The Company reserves the right to pay brokerage fees to the Lead Manager of up to 6% of funds raised under the Offer.

\*\* Pursuant to the Lead Manager Mandate, 2,000,000 Options, 2,000,000 Shares and Shares equivalent to 2% of the Company's Enterprise Value as at Admission are to be issued to the Lead Manager (or its nominees) on Admission. This amount is an estimate only based on an approximate calculation of the Company's Enterprise Value as at Admission and includes Shares relating to the GST payable on such amount. For more information on the terms of the Lead Manager Mandate, please refer to Section 9.9 of this Prospectus.



## 10. ADDITIONAL INFORMATION *Continued*

### 10.6 LITIGATION

The Company is not involved in any litigation, arbitration or other legal proceedings and the Directors are not aware of any threatened or pending litigation or arbitration against the Company.

### 10.7 WORKING CAPITAL STATEMENT

The Directors believe that, on completion of the Offer, the Company will have sufficient working capital to carry out its objectives as stated in this Prospectus.

### 10.8 CONTINUOUS DISCLOSURE OBLIGATIONS FOLLOWING LISTING

Following Admission, and pursuant to section 111AC of the Corporations Act, the Company will be a disclosing entity and will therefore be subject to regular reporting and disclosure obligations. Following Admission, the Company is required to continuously disclose all information to the market that a reasonable person would expect to have a material effect on the value or price of the Company's securities. All price-sensitive information will be released through the ASX before it is disclosed to market participants and Shareholders, and the distribution of non-price sensitive information will also be managed through the ASX.

### 10.9 DIRECTORS' STATEMENT

The Directors state that they have made all reasonable enquiries and have reasonable grounds to believe that any statements by the Directors in this Prospectus are true and not misleading and that in respect to any other statements made in this Prospectus by persons other than Directors, the Directors have made reasonable enquiries and have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given the consent required by section 716 of the Corporations Act to the issue of this Prospectus and have not withdrawn that consent, before lodgement of this Prospectus with ASIC.

This Prospectus is prepared on the basis that:

- > certain matters may be reasonably expected to be known to professional advisors of any kind with whom Applicants may reasonably be expected to consult; and
- > information is known to Applicants or their professional advisors by virtue of any Acts or laws of the Commonwealth of Australia or any State of Australia.

# 11.

## DIRECTOR'S AUTHORISATION

## 11. DIRECTOR'S AUTHORISATION

In accordance with section 720 of the Corporations Act, the lodgement and issue of this Prospectus has been consented to and authorised by each of the Directors.

Signed for and on behalf of the Company



**Rodney Hannington**

Non-Executive Chairman

Dated: 6 November 2018

# 12.

## GLOSSARY OF TERMS

## 12. GLOSSARY OF TERMS

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

| TERM                     | DESCRIPTION  |
|--------------------------|--|
| <b>\$ or A\$</b>         | means Australian dollars.  |
| <b>AAS</b>               | means the Australian Accounting Standards.   |
| <b>AASB</b>              | means the Australian Accounting Standards Board.   |
| <b>Admission</b>         | means the Company's admission to the official list of the ASX following its application for admission under Chapters 1 and 2 of the ASX Listing Rules. |
| <b>AEDT</b>              | means Australian Eastern Daylight Savings Time.  |
| <b>Applicant</b>         | means a person who submits an Application.   |
| <b>Application</b>       | means a valid application to subscribe for Offer Shares under this Prospectus.   |
| <b>Application Form</b>  | means the Application Form attached to or accompanying this Prospectus and which relates to the Offer.   |
| <b>ASIC</b>              | means the Australian Securities and Investments Commission.  |
| <b>ASX</b>               | means Australian Stock Exchange Limited ACN 008 624 691 or the Australian Securities Exchange (as the context requires).                               |
| <b>ASX Listing Rules</b> | means the listing rules of ASX as at the date of this Prospectus.  |
| <b>ASX Settlement</b>    | means ASX Settlement Pty Ltd ACN 008 504 532.  |
| <b>Auditor</b>           | means HLB Mann Judd (Vic) Partnership.   |
| <b>Board</b>             | means the Board of Directors of the Company unless the context indicates otherwise.  |
| <b>CHESS</b>             | means the ASX Clearing House Electronic Subregistry System.  |
| <b>Company</b>           | means Tymlez Group Limited ACN 622 817 421 a company incorporated in Victoria, Australia.  |
| <b>Company Secretary</b> | means Mr Justyn Stedwell. For Mr Stedwell's profile, please refer to Section 5.2 of this Prospectus.   |
| <b>Constitution</b>      | means the Constitution of the Company as may be amended from time to time.   |
| <b>Corporations Act</b>  | means the <i>Corporations Act 2001</i> (Cth).  |
| <b>Directors</b>         | means one or more directors of the Company. For the profiles of each of the Directors, please refer to Section 5.1 of this Prospectus.                 |
| <b>ESOP</b>              | means the Employee Share Option Plan adopted by the Company, the key terms of which are summarised in Section 5.6 of this Prospectus.                  |
| <b>ESOP Option</b>       | means the options issued or proposed to be issued under the ESOP.  |

| TERM                         | DESCRIPTION   |
|------------------------------|---|
| <b>Exposure Period</b>       | means the period of seven (7) days after the date of lodgement of the Original Prospectus, which period was extended by ASIC by a further seven (7) days pursuant to section 727(3) of the Corporations Act.  |
| <b>Financial Information</b> | means the information described as Financial Information in Section 7 of this Prospectus.   |
| <b>Group</b>                 | means the group of companies which operate the Tymlez Business, comprising the Company, Tymlez Holding, Tymlez Netherlands, Tymlez Germany, Tymlez Properties and Tymlez USA. For more information, please refer to Section 2.1 of this Prospectus. |
| <b>Issuer Sponsored</b>      | means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.                     |
| <b>Lead Manager</b>          | means Peak Asset Management which will provide the services of Lead Manager in connection with the Offer.   |
| <b>Lead Manager Mandate</b>  | means the mandate entered into between the Company and the Lead Manager for the services of the Lead Manager in connection with the Offer, the key terms of which are summarised in Section 9.9 of this Prospectus.                                 |
| <b>Maximum Subscription</b>  | means the maximum amount to be raised under the Offer made by this Prospectus, being \$8,000,000.   |
| <b>Minimum Application</b>   | means the minimum application for Offer Shares that can be made by an Applicant under this Offer, being valid subscriptions for at least 9,091 Offer Shares.  |
| <b>Minimum Subscription</b>  | means the minimum amount to be raised under the Offer made by this Prospectus, being \$5,000,000.   |
| <b>NPAT</b>                  | means net profit after tax.   |
| <b>Offer</b>                 | means the invitation made to the public pursuant to this Prospectus to subscribe for up to 36,363,637 Offer Shares at an Offer Price of \$0.22.   |
| <b>Offer Closing Date</b>    | means 23 November 2018 or such earlier or later date as the Directors may determine.  |
| <b>Offer Opening Date</b>    | means 7 November 2018 or such other date as the Directors may determine.  |
| <b>Offer Period</b>          | means the period commencing on the Offer Opening Date and ending on the Offer Closing Date.   |
| <b>Offer Shares</b>          | means the Shares issued pursuant to the Offer made under this Prospectus.   |
| <b>Official Quotation</b>    | means official quotation by ASX in accordance with the ASX Listing Rules.   |
| <b>Option</b>                | means an option to acquire Shares in the Company, whereby the key rights attaching to such Options are summarised in Section 3.11 of this Prospectus.   |
| <b>Optionholder</b>          | means a holder of Options in the Company.   |
| <b>Original Prospectus</b>   | means the prospectus dated 23 October 2018 and which was lodged with ASIC on that date.   |

## 12. GLOSSARY OF TERMS *Continued*

| TERM                          | DESCRIPTION  |
|-------------------------------|--|
| <b>Other Investors</b>        | means investors who have invested in the Company and hold Shares prior to the date of the Original Prospectus.   |
| <b>Prospectus</b>             | means this prospectus dated 6 November 2018 and which was lodged with ASIC on that date.   |
| <b>Share</b>                  | means a fully paid ordinary share in the capital of the Company.   |
| <b>Share Registry</b>         | means Automatic Registry Services.   |
| <b>Shareholder</b>            | means a holder of Shares in the Company.   |
| <b>Tyhold</b>                 | means Tyhold 2 B.V., being a company incorporated in The Netherlands which is wholly owned by Mr Michael Reh and Mr Reinier Van Der Drift in equal proportions. Mr Reh and Mr Van Der Drift are directors of the Company.  |
| <b>Tyhold Deferred Shares</b> | means up to 8,000,000 Shares to be issued to Tyhold as deferred consideration shares pursuant to the Share Purchase Agreement subject to the achievement of the relevant performance milestones. For more information on the terms of issue and the performance milestones attaching to the Tyhold Deferred Shares, please refer to Section 3.10 of this Prospectus. |
| <b>Tymlez Business</b>        | means the software development business which provides businesses with a scalable blockchain software solution platform that enables them to develop, deploy and manage distributed blockchain applications in their business and organisations.   |
| <b>Tymlez Germany</b>         | means Tymlez GmbH, being a company incorporated in Germany.  |
| <b>Tymlez Holding</b>         | means Tymlez Holding B.V., being a company incorporated in The Netherlands.  |
| <b>Tymlez Netherlands</b>     | means Tymlez B.V., being a company incorporated in The Netherlands.  |
| <b>Tymlez Platform</b>        | means the Company's flagship blockchain solution platform, which is a customisable interface supported by blockchain technology, from which individual applications can be developed.  |
| <b>Tymlez Properties</b>      | means Tymlez Properties B.V., being a company incorporated in The Netherlands.   |
| <b>Tymlez USA</b>             | means Tymlez Inc, being a company incorporated in the USA.   |

Adviser Code



Automic Pty Ltd (ACN 152 260 814) trading as Automic advises that Chapter 2C of the Corporation Act 2001 requires information about you as a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. Primarily, your personal information is used in order to provide a service to you. We may also disclose the information that is related to the primary purpose and it is reasonable for you to expect the information to be disclosed. You have a right to access your personal information, subject to certain exceptions allowed by law and we ask that you provide your request for access in writing (for security reasons). Our privacy policy is available on our website - [www.automic.com.au](http://www.automic.com.au)

#### CORRECT FORMS OF REGISTRABLE TITLE

Note that ONLY legal entities can hold Shares. The application must be in the name of a natural person(s), companies or other legal entities acceptable by the Company. At least one full given name and surname is required for each natural person.

| Type of Investor            | Correct Form of Registration                                  | Incorrect Form of Registration  |
|-----------------------------|---|---------------------------------|
| Individual                  | Mr John Richard Sample  | J R Sample                      |
| Joint Holdings              | Mr John Richard Sample & Mrs Anne Sample                      | John Richard & Anne Sample      |
| Company                     | ABC Pty Ltd   | ABC P/L or ABC Co               |
| Trusts                      | Mr John Richard Sample<br><Sample Family A/C>                 | John Sample Family Trust        |
| Superannuation Funds        | Mr John Sample & Mrs Anne Sample<br><Sample Family Super A/C> | John & Anne Superannuation Fund |
| Partnerships                | Mr John Sample &<br>Mr Richard Sample<br><Sample & Son A/C>   | John Sample & Son               |
| Clubs/Unincorporated Bodies | Mr John Sample<br>< Food Health Club A/C>                     | Food Health Club                |
| Deceased Estates            | Mr John Sample<br><Estate Late Anne Sample A/C>               | Anne Sample (Deceased)          |

#### INSTRUCTIONS FOR COMPLETING THE FORM

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

This is an Application Form for Ordinary Fully Paid Shares ('Shares') in Tymlez Group Limited ACN 622 817 421 (**the Company**), made under the terms set out in the Prospectus dated 6 November 2018. The expiry date of the Prospectus is the date which is 13 months after the date of the original Prospectus, 23 October 2018.

The Prospectus contains important information relevant to your decision to invest and you should read the entire Prospectus before applying for Shares. If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the Prospectus and any supplementary prospectus (if applicable). While the Prospectus is current, the Company will send paper copies of the Prospectus, and any supplementary prospectus (if applicable) and an Application Form, on request and without charge.

- Shares applied for & payment amount** - Enter the number of Shares you wish to apply for. Your application must be for a minimum of 9,091 Offer Shares and thereafter in multiples of 1,000 Offer Shares. Next, enter the amount of the Application Monies payable. To calculate this amount, multiply the number of Shares applied for by the offer price, which is A\$0.22 per share.
- Applicant name(s) and postal address** - Note that ONLY legal entities can hold Shares. The application must be in the name of a natural person(s), companies or other legal entities acceptable by the Company. At least one full given name and surname is required for each natural person. You should refer to the table above for the correct forms of registrable title(s). Applicants using the wrong form of names may be rejected. Next, enter your postal address for the registration of your holding and all correspondence. Only one address can be recorded against a holding.
- Contact Details** - Please provide your contact details for us to contact you between 9:00am AEST and 5:00pm AEDT should we need to speak to you about your application. In providing your email address you elect to receive electronic communications. You can change your communication preferences at any time by logging in to the Investor Portal accessible at <https://investor.automic.com.au/#/home>
- CHES Holders** - If you are sponsored by a stockbroker or other participant and you wish to hold shares allotted to you under this Application on the CHES subregister, enter your CHES HIN. Otherwise leave the section blank and on allotment you will be sponsored by the Company and a "Securityholder Reference Number" (SRN) will be allocated to you.
- TFN/ABN/Exemption** - If you wish to have your Tax File Number, ABN or Exemption registered against your holding, please enter the details. Collection of TFN's is authorised by taxation laws but quotation is not compulsory and it will not affect your Application.
- Payment** - Payments for applications made through this application form can only be made by cheque. Payment can be made by both BPAY and EFT but only by making an online application, which can be accessed by following the web address provided on the front of the application form. **Do not forward cash with this Application Form as it will not be accepted.**

Your cheque must be made payable to "Tymlez Group Limited" and drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable". Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid. Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured.

#### DECLARATIONS

BY SUBMITTING THIS APPLICATION FORM WITH THE APPLICATION MONIES, YOU DECLARE THAT:

- you have received a paper or electronic copy of the Prospectus that accompanies this Application Form and have read the Prospectus in full and agree to be bound by the terms and conditions of the offer as declared in the Prospectus;
- all details and statements made on the form are complete and accurate;
- where information has been provided about another individual, that individual's consent has been obtained to transfer the information to the Company;
- the Company and their respective officers and agents are authorised to do anything on your behalf (including the completion and execution of documents) to enable the Shares to be allocated to you;
- you agree to be bound by the constitution of the Company;
- neither the Company nor any person or entity guarantees any particular rate of return on the Shares, nor do they guarantee the repayment of capital.

#### LODGEMENT INSTRUCTIONS

The Offer opens at 9.00am (AEDT) on 7 November 2018 and is expected to close at 5.00pm (AEDT) on 23 November 2018. The Company may elect to extend the Offer or close it (after the Offer is open) at any earlier date and time, without further notice. Applicants are therefore encouraged to submit their Applications as early as possible. Completed Application Forms and cheques must be:

| POSTED TO:   | DELIVERED TO (during business hours only - 9am to 5pm (AEDT):                               |
|--|---|
| Tymlez Group Limited<br>C/- Automic Group<br>GPO Box 5193<br>Sydney NSW 2001 | Tymlez Group Limited<br>C/- Automic Group<br>Level 5, 126 Phillip Street<br>Sydney NSW 2000 |

**Your Application Form must be received by Automic no later than 5.00pm (AEDT) 23 November 2018**

If you have any enquiries in respect of this Application, please contact Automic by either phone on 1300 288 664 (within Australia), +61 2 9698 5414 or at [corporate.actions@automic.com.au](mailto:corporate.actions@automic.com.au).

Adviser Code

Automic Pty Ltd (ACN 152 260 814) trading as Automic advises that Chapter 2C of the Corporation Act 2001 requires information about you as a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. Primarily, your personal information is used in order to provide a service to you. We may also disclose the information that is related to the primary purpose and it is reasonable for you to expect the information to be disclosed. You have a right to access your personal information, subject to certain exceptions allowed by law and we ask that you provide your request for access in writing (for security reasons). Our privacy policy is available on our website - [www.automic.com.au](http://www.automic.com.au)

#### CORRECT FORMS OF REGISTRABLE TITLE

Note that ONLY legal entities can hold Shares. The application must be in the name of a natural person(s), companies or other legal entities acceptable by the Company. At least one full given name and surname is required for each natural person.

| Type of Investor            | Correct Form of Registration                                  | Incorrect Form of Registration  |
|-----------------------------|---|---------------------------------|
| Individual                  | Mr John Richard Sample  | J R Sample                      |
| Joint Holdings              | Mr John Richard Sample & Mrs Anne Sample                      | John Richard & Anne Sample      |
| Company                     | ABC Pty Ltd   | ABC P/L or ABC Co               |
| Trusts                      | Mr John Richard Sample<br><Sample Family A/C>                 | John Sample Family Trust        |
| Superannuation Funds        | Mr John Sample & Mrs Anne Sample<br><Sample Family Super A/C> | John & Anne Superannuation Fund |
| Partnerships                | Mr John Sample &<br>Mr Richard Sample<br><Sample & Son A/C>   | John Sample & Son               |
| Clubs/Unincorporated Bodies | Mr John Sample<br>< Food Health Club A/C>                     | Food Health Club                |
| Deceased Estates            | Mr John Sample<br><Estate Late Anne Sample A/C>               | Anne Sample (Deceased)          |

#### INSTRUCTIONS FOR COMPLETING THE FORM

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

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# CORPORATE DIRECTORY

## DIRECTORS OF THE COMPANY

Mr Rodney Hannington (Non-Executive Chairman)  
Mr Michael Reh (Executive Director)  
Mr Reinier Van Der Drift (Executive Director)  
Mr Daniel Dickens (Non-Executive Director)

## COMPANY SECRETARY

Mr Justyn Stedwell

## PRINCIPAL PLACE OF BUSINESS

Gustav Mahlerplein 2  
1082MA Amsterdam  
The Netherlands

## REGISTERED ADDRESS

C/- Moray & Agnew Lawyers  
Level 6, 505 Collins Street  
Melbourne VIC 3000

## ASX CODE

TYM

## SHARE REGISTRY\*

### AUTOMIC REGISTRY SERVICES

Level 5, 126 Phillip Street  
Sydney NSW 2000

\* This entity is included for information purposes only.  
It has not been involved in the preparation of this Prospectus.

## SOLICITORS TO THE COMPANY (AUSTRALIA)

### MORAY & AGNEW LAWYERS

Level 6, 505 Collins Street,  
Melbourne VIC 3000

## AUDITOR (AUSTRALIA)

### HLB MANN JUDD (VIC) PARTNERSHIP

Level 9, 575 Bourke Street,  
Melbourne VIC 3000

## INVESTIGATING ACCOUNTANT

### HLB MANN JUDD CORPORATE FINANCE PTY LTD

Level 9, 575 Bourke Street,  
Melbourne VIC 3000

## AUDITOR (THE NETHERLANDS)

### HLB DEN HARTOG

Prins Willemstraat 29  
2584HT The Hague  
The Netherlands

## LEAD MANAGER

### PEAK ASSET MANAGEMENT

Level 39, 55 Collins Street  
Melbourne VIC 3000

