

Tymlez Group Limited
Appendix 4D
Half-Year Report

1. Company details

Name of entity: Tymlez Group Limited
ABN: 37 622 817 421
Reporting period: For the half-year ended 30 June 2020
Previous period: For the half-year ended 30 June 2019

2. Results for announcement to the market

Revenue from ordinary activities	down	(39.93) %	to	A\$ 96,790
Loss from ordinary activities after tax attributable to the owners of Tymlez Group Limited	down	(30.80) %	to	(1,680,185)
Loss for the year attributable to the owners of Tymlez Group Limited	down	(30.80) %	to	(1,680,185)

Dividends

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

Comments

An explanation of the above figures is contained in the review of operations included within the attached Directors' Report.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>(0.11)</u>	<u>1.23</u>

4. Control gained over entities

Not applicable

5. Loss of control over entities

Not applicable

6. Dividends

Current period

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

Previous period

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

7. Dividend reinvestment plans

Not applicable

8. Details of associates and joint venture entities

Not applicable

9. Foreign entities

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

Not applicable

10. Audit qualification or review

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

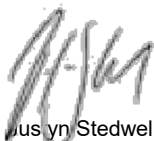
This report is based on accounts which have been subject to review in accordance with ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*. A copy of the review report is attached.

11. Attachments

Details of attachments (if any):

The Half-Year Report of Tymlez Group Limited for the half-year ended 30 June 2020 is attached.

12. Signed



Gus yn Stedwell
Company Secretary
On behalf of the Board of Directors
Tymlez Group Limited
28 August 2020

Tymlez Group Limited

ABN 37 622 817 421

Consolidated Interim Financial Statements

For the Half Year Ended 30 June 2020

Tymlez Group Limited

ABN 37 622 817 421

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For the Half Year Ended 30 June 2020

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Tymlez Group Limited

ABN 37 622 817 421

Directors' Report

For the Half Year Ended 30 June 2020

The directors submit the consolidated interim financial report of the the Group, being Tymlez Group Limited ("the Company") and its controlled entities, for the half year ended 30 June 2020.

Information on directors

The names of each person who has been a director during the half year and to the date of this report are:

Reinier van der Drift

Jitze Jongsma

Niv Dagan

Daniel O'Halloran (Appointed 2 April 2020)

Justyn Stedwell (Resigned 2 April 2020)

Review of operations

During the period from 1 January to 30 June 2020 (the "Half Year"), the Company has focused on implementing the strategy as presented in Q3 of 2019. The Company has dedicated most of its development energy to the Energy and Telematics platforms. These have now reached a state of readiness. Live tests in co-operation with major players are now negotiated.

Following the new strategy, where the Company focuses on the marketing and sales of marketplace for the Energy as well as Telematics market, the team added crucial capabilities to the platform to run marketplaces at scale, such as divisible assets, contract to contract calls as well as multi-signatures capabilities.

The Blockchain-in-A-Box global demo center has been updated with the latest version along with a running demo of the energy marketplace. Google Cloud Marketplace has been updated to the latest full version and after some quiet months, the Company saw increased deployments in June 2020.

The Company has also put a lot of energy in decreasing operational costs. Since 30 June 2019, the operational costs have decreased by around 30%. The Company has successfully completed the restructuring of the Group, resulting in the transfer of all operations to the Dutch entity, and the USA and Germany entities left dormant. The Company is currently in the process of winding up these entities. This results in further reductions in audit and accounting costs in the 2nd half of the 2020 financial year.

Following the new strategic direction of the Company, with the primary focus on the marketing and sales of the two marketplaces for the energy and telematics markets, the Company announced that Mr Daniel O'Halloran, one of the Company's current Non-Executive Directors, will be stepping into the role of Managing Director Tymlez Energy Pty Ltd, a wholly owned subsidiary of the Company, with the responsibility to market and sell the energy marketplace into the global market.

With its inception, there are significant opportunities to be explored by Tymlez Energy beginning in the Asia/Pacific Region. The acceleration of Tymlez Energy into these markets firms up our commitment to providing a better and more efficient way to trade and have access to green energy, therefore, bringing our customers goal to zero carbon emissions even closer. Governments in these regions have announced a "Green Recovery" post COVID-19 and the Company believes we are strategically placed with our market offering for steady growth.

A renewables-led economic recovery will create almost three times as many jobs as a fossil-fuel-led recovery, according to a report by economic consultancy Ernst and Young (EY).

According to Clean Energy Council, Australia's Renewable Energy Target has been instrumental in driving the take up of renewable energy in Australia. The policy is designed to ensure that at least 33,000 gigawatt-hours of Australia's electricity comes from renewable sources by 2020.

More recently, the Australian federal government has released a "technology roadmap" to address climate change, which includes a range of technologies such as gas, hydrogen, carbon capture and storage, and renewables.

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Directors' Report For the Half Year Ended 30 June 2020

Review of operations (continued)

Tymlez Energy will be ideally placed in Australia to engage with the federal and state governments measures post COVID-19 and hope to be a strategic partner with its cutting-edge and revolutionary energy marketplace.

During Q2 of 2020, the first wave of COVID-19 occurred and the Company experienced delays in closing deals as a result. To mitigate the financial impact, the Company was awarded a COVID-19 bridge loan from the Dutch government. The EUR375k loan carries an interest rate of 3% per annum and repayments commences after 12 months, payable in 48 monthly installments.

Further, as reported in the previous update, the Company is teaming with DNVGL, ICT-Group, and various universities and Local Energy Communities in Netherlands as well as Australia to put the marketplace in production. As the marketplace plays a vital role in the energy transition, in the Netherlands as well as Australia, the Company is applying for various relevant government grants to enable larger pilots.

In both the EU as well as Australia, government incentives are made to speed up the energy transition. the Company is well positioned with its tech as well as its partner to leverage those incentives.

In June 2020, the Company released a new version of the TYMLEZ Blockchain solution on the Google Cloud Marketplace, which offers a number of new features, including an escrow smart contract template, the ability to create new applications by uploading custom plugins to TBSP on Google Cloud Platform, as well as the ability to create your own smart contract flows and applications via the Node-RED UI.

The new release comes with enhanced security features, such as the application key requirement that prevents unauthorized users from posting transactions to the blockchain. As well, this release comes with FIDO-U2F as second-factor authentication providing full end to end encryption using W3C Webauthn Standard and U2F-enabled hardware security keys, such as Yubikey.

The new release will further simplify the deployment and use of Blockchain-based solutions and enable global small, medium or multinational enterprise to implement automation through smart contracts, data logging and digital ownership rights in hours rather than months.

Following the new strategic direction of the Company, with the primary focus on the marketing and sales of the two marketplaces for the energy and telematics markets, the Company is pleased to have appointed Dr. Magnus Olofsson as Energy Advisory board member.

Dr. Olofsson currently holds several positions amongst them, Senior Advisor at Nordic Energy Research in Oslo, Norway, Swedish National Expert in ISGAN, International Smart Grid Action Network and vice chair of the Electrical Engineering division of the Royal Swedish Academy of Engineering Sciences.

In addition to the appointment of Magnus Olofsson, the Company has also appointed Mr Cornelius G Ryan as an advisor to the Board and to work alongside Dr. Magnus Olofsson, to the Energy Advisory Board.

Further, in July 2020, the Company has appointed Dr. Friel (Steve) as an advisor to the Board. He will be integral in supporting the Company's focus on the energy and telematics markets. The success of his appointment will allow the Company to better leverage the TYMLEZ platform, with scalable, strategic insights into market design to add ongoing value to our enterprise clients regardless of their size.

Steve's role will be to provide additional technical rigor to ensure that all the Company's customers have a seamless experience for blockchain settlement for their unique market environments.

Tymlez Group Limited

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**Directors' Report
For the Half Year Ended 30 June 2020**

Matters or circumstances arising after the end of the half year

On 9 July 2020, Tymlez Energy Pty Ltd was established and became the wholly owned subsidiary of the Company on 27 July 2020. Tymlez Energy Pty Ltd was incorporated and domiciled in Australia.

On 28 July 2020, Tymlez Holding B.V. signed a COVID-19 bridge loan with the Netherlands government for an amount of EUR 375k (approximately A\$620k). The funds were received on the same day.

The COVID-19 pandemic has created unprecedented economic uncertainty worldwide. Actual economic events and conditions in the future may be materially different from those estimated by the Group at the reporting date. As responses by government continue to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on the Group's operations, its future results and financial position. The state of emergency in Victoria was extended on 16 August 2020 until 13 September 2020 and the state of disaster still in place. Refer to Note 8 to the financial report for further information regarding the impact of COVID-19 on the Group's operations.

Except for the above, no other matters or circumstances have arisen since the end of the financial half year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the half year ended 30 June 2020 has been received and can be found on page 4 of the consolidated interim financial report.

This report is signed in accordance with a resolution of the Board of Directors.

Executive Director & CEO:

Reinier van der Drift

Managing Director & CFO:

Jitze Jongasma

Dated this 28th day of August 2020

Auditor's independence declaration

As lead auditor for the review of the financial report of Tymlez Group Limited and the entities it controlled for the half-year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.

This declaration is in respect of Tymlez Group Limited and the entities it controlled during the period.



**HLB Mann Judd
Chartered Accountants**

Melbourne
28 August 2020



**Jude Lau
Partner**

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HLB Mann Judd (VIC Partnership) is a member of HLB International, the global advisory and accounting network

Tymlez Group Limited

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Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income

For the Half Year Ended 30 June 2020

	30 June 2020	30 June 2019
	\$	\$
Revenue	96,790	161,118
Other income	39	1,736
Employee benefits expense	(898,676)	(1,222,937)
Depreciation and amortisation expense	-	(325,541)
Management fees	(283,754)	(424,093)
Occupancy expenses	(45,869)	(12,274)
Office expenses	(47,265)	(44,593)
Professional fees	(265,734)	(225,029)
Selling and distribution expenses	(67,189)	(184,914)
Other expenses	(146,861)	(131,294)
Finance costs	(21,666)	(20,063)
Loss before income tax	(1,680,185)	(2,427,884)
Income tax expense	-	-
Loss for the half year	(1,680,185)	(2,427,884)
Other comprehensive income, net of income tax		
Items that will not be reclassified subsequently to profit or loss	-	-
Items that will be reclassified to profit or loss when specific conditions are met		
Exchange differences on translating foreign controlled entities	(10,594)	17,181
Other comprehensive income/(loss) for the half year, net of tax	(10,594)	17,181
Total comprehensive income/(loss) for the half year	(1,690,779)	(2,410,703)
Profit/(loss) attributable to:		
Members of the parent entity	(1,680,185)	(2,427,884)
	(1,680,185)	(2,427,884)
Total comprehensive income attributable to:		
Members of the parent entity	(1,690,779)	(2,410,703)
	(1,690,779)	(2,410,703)
Earnings per share:		
Basic, loss for the half year attributable to ordinary equity holders of the parent (cents)	(1.01)	(1.86)
Diluted, loss for the half year attributable to ordinary equity holders of the parent (cents)	(1.01)	(1.86)
Earnings per share for continuing operations:		
Basic, loss from continuing operations attributable to ordinary equity holders of the parent (cents)	(1.01)	(1.86)
Diluted, loss from continuing operations attributable to ordinary equity holders of the parent (cents)	(1.01)	(1.86)

The accompanying notes form part of these financial statements.

Tymlez Group Limited

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Consolidated Interim Statement of Financial Position As At 30 June 2020

	30 June 2020	31 December 2019
Note	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	130,108	714,430
Trade and other receivables	135,012	199,679
Other assets	187,089	229,097
TOTAL CURRENT ASSETS	452,209	1,143,206
TOTAL ASSETS	452,209	1,143,206
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	542,005	570,587
Borrowings	97,197	188,122
TOTAL CURRENT LIABILITIES	639,202	758,709
NON-CURRENT LIABILITIES		
Borrowings	114,587	144,167
TOTAL NON-CURRENT LIABILITIES	114,587	144,167
TOTAL LIABILITIES	753,789	902,876
NET ASSETS/(NET LIABILITIES)	(301,580)	240,330
EQUITY/(NET DEFICIENCY)		
Issued capital	4 15,654,689	14,614,311
Reserves	(5,193,765)	(5,291,662)
Accumulated losses	(10,762,504)	(9,082,319)
TOTAL EQUITY/(NET DEFICIENCY)	(301,580)	240,330

The accompanying notes form part of these financial statements.

Tymlez Group Limited

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Consolidated Interim Statement of Changes in Equity

For the Half Year Ended 30 June 2020

	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Option Reserve	Deferred Consideration Shares Reserve	Common Control Reserve	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 January 2020	14,614,311	(9,082,319)	152,699	885,644	602,019	(6,932,024)	240,330
Net profit/(loss) for the period	-	(1,680,185)	-	-	-	-	(1,680,185)
Total other comprehensive income for the period	-	-	(10,594)	-	-	-	(10,594)
Transactions with owners in their capacity as owners							
Contribution of equity, net of transaction costs	1,040,378	-	-	-	-	-	1,040,378
Issue of options	-	-	-	108,491	-	-	108,491
Balance at 30 June 2020	15,654,689	(10,762,504)	142,105	994,135	602,019	(6,932,024)	(301,580)
Balance at 1 January 2019	14,488,706	(2,369,550)	154,918	275,800	602,019	(6,932,024)	6,219,869
Net profit/(loss) for the period (restated)	-	(2,427,884)	-	-	-	-	(2,427,884)
Total other comprehensive income for the period	-	-	17,181	-	-	-	17,181
Transactions with owners in their capacity as owners							
Contribution of equity, net of transaction costs	(1,592)	-	-	-	-	-	(1,592)
Issue of options	-	-	-	30,618	-	-	30,618
Balance at 30 June 2019	14,487,114	(4,797,434)	172,099	306,418	602,019	(6,932,024)	3,838,192

The accompanying notes form part of these financial statements.

Tymlez Group Limited

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Consolidated Interim Statement of Cash Flows For the Half Year Ended 30 June 2020

	30 June 2020 \$	30 June 2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	96,165	157,684
Payments to suppliers and employees	(1,487,651)	(2,565,868)
Interest received	39	925
Finance costs	(8,712)	(8,464)
Net VAT and GST refunded	66,421	105,913
Net cash provided by/(used in) operating activities	(1,333,738)	(2,309,810)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment for intangible asset	-	-
Purchase of property, plant and equipment	-	(22,058)
Net cash provided by/(used in) investing activities	-	(22,058)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issue of shares	109,062	-
Proceeds from the issue of convertible notes	812,618	-
Repayment of borrowings	(98,930)	-
Repayment of lease liabilities	(35,724)	(49,288)
Payment of share issue costs	(33,143)	(1,592)
Net cash provided by/(used in) financing activities	753,883	(50,880)
Net increase/(decrease) in cash and cash equivalents held	(579,855)	(2,382,748)
Cash and cash equivalents at beginning of the half year	714,430	4,481,774
Effects of exchange rate changes on cash and cash equivalents	(4,467)	17,278
Cash and cash equivalents at end of the half year	130,108	2,116,304

The accompanying notes form part of these financial statements.

Tymlez Group Limited

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Notes to the Financial Statements

For the Half Year Ended 30 June 2020

The interim consolidated interim financial report covers Tymlez Group Limited and its controlled entities ("the Group"). Tymlez Group Limited is a for-profit Company limited by shares, which are publicly traded on the Australian Securities Exchange (ASX), incorporated and domiciled in Australia.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated interim financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The financial report was authorised for issue by the Directors on 28 August 2020.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

This interim financial report for the reporting period ended 30 June 2020 has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*.

The interim financial report is intended to provide users with an update on the latest annual financial statements of Tymlez Group Limited. As such it does not contain information that represents relatively insignificant changes occurring during the half year within Tymlez Group Limited. This interim financial report does not include all the notes normally included in an annual financial report. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of Tymlez Group Limited for the year ended 31 December 2019, together with any public announcements made during the half year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

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 is authorised for issue.

As at 30 June 2020, the Group has a net assets deficiency position of \$301,580 and its current liabilities exceed its current assets by \$186,993. During the financial period, the Group had cash outflows from operating activities of \$1,333,738, cash outflows from investing activities of \$NIL and a net loss from operating activities of \$1,680,185.

The Group has prepared a cash flow forecast for the period ending 31 December 2021, which indicates that, without either a bridge loan or further issue of shares, the Group may have insufficient funds to meet its expenditure commitments and to support its current level of corporate overheads and growth. It therefore would need to raise additional funds in order to fund its growth and to continue as a going concern.

In the first quarter of 2020, the Group raised approximately \$109,000 via a rights issue and eligible shareholder shortfall offer. In the next quarter, \$812,618 was raised via the issue of convertible notes that were later fully converted to ordinary shares, together with the interest payable, on 3 June 2020.

Notes to the Financial Statements

For the Half Year Ended 30 June 2020

1 Basis of Preparation (continued)

On 28 July 2020, Tymlez Holding B.V. signed a COVID-19 bridge loan with the Netherlands government for an amount of EUR 375k (approximately A\$620k). The funds were received on the same day.

Refer to Note 8 for information regarding the impact of COVID-19 on the Group's operations.

To address the future additional funding requirements of the Group, since 30 June 2020, the directors have undertaken the following initiatives:

- Driving revenue growth;
- Continue to monitor and control the Group's ongoing working capital requirements and 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 above initiatives have led to some reduction in overheads.

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 prepared the financial statements on the going concern basis.

In the event that the Group is unable 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.

2 Changes to the Group's Accounting Policies

Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time at 1 January 2020, the adoption of these standards has not resulted in material adjustments to the reported financial position, performance or cash flow of the Group.

3 Operating Segments

Segment information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance and determining the allocation of resources.

Notes to the Financial Statements

For the Half Year Ended 30 June 2020

3 Operating Segments (continued)

Identification of reportable segments (continued)

Management has determined that the Company has four reportable segments, namely, Australia, the Netherlands, Germany and the United States of America. The Company is managed primarily on the basis of geographical segments as the operations of Tymlez Group Limited in each of these geographic areas have different risk profiles and environment in which the business operates in. Operating segments are therefore determined on the same basis.

Basis of accounting for purposes of reporting by operating segments

(a) Accounting policies adopted

Unless stated below, all amounts reported to the Board of Directors, being the chief operating decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of Tymlez Group Limited.

(b) Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

(c) Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

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Notes to the Financial Statements For the Half Year Ended 30 June 2020

3 Operating Segments (continued)

(d) Segment performance

	Australia		Netherlands		Germany		United States of America		Elimination		Total	
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE												
Revenue from external customers	-	-	95,747	161,118	-	-	1,043	-	-	-	96,790	161,118
Other segment income	-	48,464	-	-	642,763	802,649	-	-	(642,763)	(851,113)	-	-
Interest revenue	36,200	156,552	-	20,925	-	-	-	-	(36,161)	(175,741)	39	1,736
Total segment revenue	36,200	205,016	95,747	182,043	642,763	802,649	1,043	-	(678,924)	(1,026,854)	96,829	162,854
Depreciation and amortisation	-	-	-	285,914	-	38,670	-	957	-	-	-	325,541
Interest paid	13,584	-	15,626	161,404	12,261	16,419	16,356	17,981	(36,161)	(175,741)	21,666	20,063
Other segment expenses	410,704	343,626	1,430,981	1,083,062	543,995	1,589,909	33,121	31,186	(663,453)	(802,649)	1,755,348	2,245,134
Total segment expenses	424,288	343,626	1,446,607	1,530,380	556,256	1,644,998	49,477	50,124	(699,614)	(978,390)	1,777,014	2,590,738
Segment net profit/(loss)	(388,088)	(138,610)	(1,350,860)	(1,348,337)	86,507	(842,349)	(48,434)	(50,124)	20,690	(48,464)	(1,680,185)	(2,427,884)

Tymlez Group Limited

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Notes to the Financial Statements For the Half Year Ended 30 June 2020

3 Operating Segments (continued)

(e) Segment assets

	Australia		Netherlands		Germany		United States of America		Elimination		Total	
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Segment assets	1,976,772	1,455,552	261,664	217,434	73,355	191,693	6,704	15,443	(1,866,287)	(760,966)	452,208	1,119,156
Segment asset increases for the period:												
- Capital expenditure	-	-	-	-	-	22,756	-	1,294	-	-	-	24,050
Total segment assets	1,976,772	1,455,552	261,664	217,434	73,355	214,449	6,704	16,737	(1,866,287)	(760,966)	452,208	1,143,206

(f) Segment liabilities

Segment liabilities	78,772	318,333	1,726,289	216,809	56,375	427,432	758,640	701,268	(1,866,287)	(760,966)	753,789	902,876
Total segment liabilities	78,772	318,333	1,726,289	216,809	56,375	427,432	758,640	701,268	(1,866,287)	(760,966)	753,789	902,876

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Notes to the Financial Statements For the Half Year Ended 30 June 2020

4 Issued Capital

	30 June 2020	31 December 2019
	\$	\$
267,109,564 (2019: 145,873,153) fully paid ordinary shares	17,884,220	16,846,988
Share issue costs	(2,229,531)	(2,232,677)
Total issued capital	15,654,689	14,614,311

(a) Ordinary shares

	30 June 2020	31 December 2019
	No.	No.
At the beginning of the reporting period	145,873,153	130,679,971
Shares issued during the period:		
- Shares issued on private placement	568,182	15,068,182
- Conversion of debt payable to Lead Manager	7,220,098	125,000
- Conversion of convertible notes	102,125,126	-
- Shares issued to Directors in lieu of fees	8,412,500	-
- Shares issued to consultant in lieu of fees	1,000,000	-
- Shares issued pursuant to rights issue	1,910,505	-
At the end of the reporting period	267,109,564	145,873,153

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

(b) Capital Management

The key objectives of the Company when managing capital is to safeguard its ability to continue as a going concern and maintain optimal benefits to stakeholders. The Company defines capital as its equity and net debt.

There has been no change to capital risk management policies during the period.

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Notes to the Financial Statements

For the Half Year Ended 30 June 2020

5 Share-based Payments

During the period ended 30 June 2020, the Company issued options to its Directors and employees, pursuant to the Employee Share Option Plan and resolutions passed at the Company's most recent Annual General Meeting (for options issued to Directors) and a board meeting (for options issued to employees).

A summary of the Company options issued is as follows:

2020				Granted	Exercised	Forfeited	Balance	Vested and
Grant Date	Expiry Date	Exercise price	Start of the year	during the year	during the year	during the year	at the end of the year	exercisable at the end of the year
03 June 2020	31 December 2023	0.065	-	516,000	-	-	516,000	516,000
2019								
13 December 2018	11 December 2022	0.350	2,000,000	-	-	-	2,000,000	2,000,000
16 January 2019	15 March 2021	0.350	-	930,000	-	-	930,000	-
14 May 2019	15 March 2021	0.350	-	460,000	-	(160,000)	300,000	300,000
30 July 2019	15 March 2021	0.350	-	90,000	-	-	90,000	-

There were no options exercised during the period ended 30 June 2020 (31 December 2019: None).

The weighted average remaining contractual life of options outstanding at half year end was 1.99 years (2019: 2.26). The weighted average exercise price of outstanding shares at the end of the reporting period was \$0.31 (2019: \$0.35).

The weighted average fair value of the options granted during the half year was \$ 0.02 (2019: \$ 0.08). These values were calculated by using a binomial option pricing model applying the following inputs:

Grant date:	03 June 2020
Expiry date:	31 December 2023
Share price at grant date (\$):	0.042
Exercise price (\$):	0.065
Weighted average life of the option (years):	3.58
Expected share price volatility:	92.67 %
Risk-free interest rate:	0.34 %
Fair value at grant date (\$):	0.02

Historical volatility has been the basis for determining expected share price volatility as it assumed that this is indicative of future movements.

The share price at 30 June 2020 was \$ 0.063.

Notes to the Financial Statements

For the Half Year Ended 30 June 2020

6 Interests in Subsidiaries

Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2020	Percentage Owned (%)* 2019
Subsidiaries:			
Tymlez Holding B.V.	Netherlands	100	100
Tymlez GmbH	Germany	100	100
Tymlez Properties B.V.	Netherlands	100	100
Tymlez B.V.	Netherlands	100	100
Tymlez Inc	U.S.A.	100	100

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

7 Contingencies

Contingent Liabilities

Tymlez Group Limited had the following contingent liabilities at the end of the reporting period:

Sinteag Ventures, Inc Services Agreement

Sinteag Ventures, Inc ("Sinteag"), an entity related to Mr Skip Middleton, has been appointed as an advisor to the Board of Directors of the Company with overall responsibility for increasing sales and revenue, including the preparation and implementation of a marketing plan. As part of the terms of Sinteag's engagement, the Company has agreed to unrestricted share incentives to Sinteag upon achievement of certain milestones. The share incentives will be issued in seven tranches within 36 months of the initial date of contract (i.e., 1 January 2020). Rewards will be based on total eligible contracts brought to the Company from 1 January 2020 up to and including 31 December 2023. The milestones that are required to be achieved are as follows:

- 1,000,000 ordinary shares issued for bringing to the Company a total of USD 750,000 signed contracts with existing paid performance and no receivables over 50 days;
- 1,000,000 ordinary shares issued for bringing to the Company a total of USD1,500,000 signed contracts with existing paid performance and no receivables over 50 days;
- 2,000,000 ordinary shares issued for bringing to the Company a total of USD2,500,000 signed contracts with existing paid performance and no receivables over 50 days;
- 2,000,000 ordinary shares issued for bringing to the Company a total of USD4,000,000 signed contracts with existing paid performance and no receivables over 50 days;
- 2,000,000 ordinary shares issued for bringing to the Company a total of USD7,500,000 signed contracts with existing paid performance and no receivables over 50 days;
- 2,000,000 ordinary shares issued for bringing to the Company a total of USD10,000,000 signed contracts with existing paid performance and no receivables over 50 days;
- 5,000,000 ordinary shares issued for bringing to the Company a total of USD25,000,000 signed contracts with existing paid performance.

Notes to the Financial Statements

For the Half Year Ended 30 June 2020

7 Contingencies (continued)

To qualify as an eligible contract, each contract brought must be in good standing with no receivables over 50 days. Contracts brought that are rejected by the Company without good cause will be counted toward the bonus structure awards.

As at 30 June 2020, the Board has assessed the probability of Sinteag meeting the stated milestones to be remote and no provision was recognised in the accounts as a result.

8 Impact of COVID-19

A state of emergency was declared in Victoria on 16 March 2020 due to the global coronavirus pandemic, known as COVID-19. A state of disaster was subsequently declared on 2 August 2020. The Australian Government, together with State and Territory Premiers, announced a series of measures aimed at preventing the spread of COVID-19. Governments of other countries where the Group is active, such as The Netherlands, Germany and the USA have also announced similar measures.

The ongoing measures create uncertainties in relation to the future financial performance of the Group. Despite the Group being primarily focused on the online, decentralized business concept, it is acknowledged that as a result of the current global situation, business has slowed down in a substantial way. For this reason, management has performed a risk assessment and formed alternative forecast scenarios that are used as guidelines for the near future. The forecast is based on the experience that business has slowed down substantially.

Where applicable, the uncertainties around key estimates and significant judgements have been disclosed.

In addressing and implementing the necessary changes to ensure the Group complies with these measures, the Board has agreed to implement, amongst others, the following:

- The Group was successful in its application for a payroll grant in the Netherlands for a total amount of EUR 36k (A\$ 59k). As at the date of this report, the Group has received EUR19,553 (A\$32,416)
- The Group was successful in its application for a loss of production capacity grant in Germany for a total amount of EUR 15k (A\$ 26k). As at the date of this report, the full amount has been received by the Group
- The Group applied for and received in the Netherlands a government COVID-19 bridge loan of EUR 375k (A\$ 620k)
- Travel and marketing costs have been reduced;
- Where possible and fair, suppliers have been asked to accept late(r) repayments; and
- Costs of development have been reduced.

Management are constantly in the process of quantifying the other possible impacts associated with the implementation of these measures and have estimated the resulting impact (financial and operational) that this might have on the Group's future results and financial position, which include the following:

- The reduction in costs for the year are projected to offset the decrease in revenues; and
- Development will take place at a slower pace.

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Notes to the Financial Statements For the Half Year Ended 30 June 2020

9 Related Parties

(a) The Company's main related parties are as follows:

The ultimate parent entity, which exercises control over the Company, is Tyhold 2 B.V. which is incorporated in the Netherlands and owns 24.49% of Tymlez Group Limited

Subsidiaries - refer to Note 6.

Mr Niv Dagan, a non-executive Director of the Company, owns a total of 16,881,180 ordinary shares (directly and beneficially owned) in the Company, which represents 6.3% of the total ordinary shares on issue.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	Expenses	Revenue	Balance outstanding	
	\$	\$	Owed to the Company	Owed by the Company
			\$	\$
KMP related parties				
Peak Asset Management Pty Ltd *:				
- As at 30 June 2020	-	-	-	-
- As at 31 December 2019 **	-	-	-	48,976
- For the half year ended 30 June 2020	49,623	-	-	-
- For the half year ended 30 June 2019	-	-	-	-
Subsidiaries				
Loan to Tymlez Holding B.V.:				
- As at 30 June 2020	-	-	1,866,287	-
- As at 31 December 2019	-	-	760,966	-
- For the half year ended 30 June 2020	-	36,161	-	-
- For the half year ended 30 June 2019	-	154,816	-	-

* Niv Dagan is an executive director of Peak Asset Management Pty Ltd ("Peak") which acted in the capacity of lead manager and consultant to the Group's fund raising during the period, both before and after his appointment as a director. Niv was appointed as non-executive director of the Company on 29 November 2019. Accordingly, amounts disclosed here only relate to transactions occurring in the period from when he was appointed to 30 June 2020.

Notes to the Financial Statements

For the Half Year Ended 30 June 2020

9 Related Parties (continued)

(b) Transactions with related parties (continued)

** The amount accrued relates to capital raising fees pursuant to a signed mandate with Peak. Since Niv was appointed as non-executive director of the Company, Peak assisted the Company in the successful completion of a private placement as well as a rights issue. This expense has been capitalised as capital raising fees in equity.

10 Events Occurring After the Reporting Date

The consolidated interim financial report was authorised for issue on 28 August 2020 by the board of directors.

On 9 July 2020, Tymlez Energy Pty Ltd was established and became the wholly owned subsidiary of the Company on 27 July 2020. Tymlez Energy Pty Ltd was incorporated and domiciled in Australia.

On 28 July 2020, Tymlez Holding B.V. signed a COVID-19 bridge loan with the Netherlands government for an amount of EUR 375k (approximately A\$620k). The funds were received on the same day.

The COVID-19 pandemic has created unprecedented economic uncertainty. Actual economic events and conditions in the future may be materially different from those estimated by the Group at the reporting date. As responses by government continue to evolve, management recognises that it is difficult to reliably estimate with any degree of certainty the potential impact of the pandemic after the reporting date on the Group's operations, its future results and financial position. The state of emergency in Victoria was extended on 16 August 2020 until 13 September 2020 and the state of disaster still in place. Refer to Note 8 for further information regarding the impact of COVID-19 on the Group's operations.

Except for the above, no other matters or circumstances have arisen since the end of the financial half year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

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Directors' Declaration

The directors of the Company declare that:

1. The consolidated interim financial statements and notes, as set out on pages 5 to 19 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standard AASB 134 *Interim Financial Reporting*; and
 - (b) give a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the half-year ended on that date.
2. In the directors opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable based on the factors outlined in Note 1 "Going Concern".

This declaration is made in accordance with a resolution of the Board of Directors.

Executive Director & CEO:

Reinier van der Drift

Managing Director & CFO:

Jitze Jongsma

Dated this 28th day of August 2020

Independent Auditor's Review Report to the Members of Tymlez Group Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Tymlez Group Limited ("the company") and its consolidated entities ("the Group"), which comprises the consolidated interim statement of financial position as at 30 June 2020, the consolidated interim statement of profit or loss and other comprehensive income, the consolidated interim statement of changes in equity and the consolidated interim statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Regarding Going Concern

We draw attention to Note 1 Going Concern, in the half-year financial report, which indicates that the Group incurred a net loss after tax of \$1,680,185 during the period ended 30 June 2020 (2019: loss of \$2,427,884) and, as of that date, had a net assets deficiency over liabilities of \$301,580. As stated in Note 1, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 30 June 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group,

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ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report 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 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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



HLB Mann Judd
Chartered Accountants

Melbourne
28 August 2020



Jude Lau
Partner