



# **TYMLEZ GROUP LIMITED**

**ABN 37 622 817 421**

## **ANNUAL REPORT 2021**



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# YEAR HIGHLIGHTS

The focus of 2021 was Restructure. Laying a solid foundation for rapid growth in 2022, 2021 saw TYMLEZ achieve several key restructuring milestones



## Pilots

TYMLEZ entered into pilots with the Queensland Government, and mining services provider UON to deliver solutions designed to monitor, calculate, report on their carbon emissions.



## Capital Raise

Backed by strong support from the existing shareholder base, TYMLEZ went to market to successfully raise \$6.9m before costs in capital, including a private placement of \$1m to a group of strategic investors.



## Solutions

Under the refreshed three pillars of ESG Compliance, Guarantee of Origin, and Smart Energy, TYMLEZ has developed a suite of sustainability-focused solutions, all powered by the world-leading TYMLEZ Platform



## Development

Leveraging one of the world's greenest blockchain platforms to deliver leading-edge sustainability solutions, development activities scaled exponentially in 2021



## Refreshed Board

Industry veterans in energy infrastructure, green gases (incl. green hydrogen), and renewable energy, TYMLEZ now has a strengthened board with the skillsets required to accelerate growth in 2022.



## Relocation

With support from the Council of the City of the Gold Coast, TYMLEZ relocated its corporate headquarters from Amsterdam, Netherlands to the Innovative Gold Coast Health and Knowledge Precinct in Queensland, Australia.



## Image

TYMLEZ refreshed its corporate image to highlight the major milestones achieved as part of the 2021 restructure. The updated image delivers the message of the new and improved TYMLEZ.



## Partnerships

TYMLEZ has partnered with leading industry bodies to cement itself in the Australian business landscape.



# CHAIRMAN'S MESSAGE

We are pleased to present the 2021 Annual Report, outlining the results of a successful year for TYMLEZ as we refined our strategic direction, restructured the business, and expanded our market presence.

With the growth of our business, we saw several changes to our Board of Directors over the past twelve months.

We wish to thank the former Chairman, Wayne Clay, and fellow directors, Jitze Jongsma and Tim Ebbeck, who stepped down from the Board in Q4, for their valuable contributions. We wish them all the very best for the future.

In addition to my recent appointment, the Board was delighted to welcome Luca Febbraio and Rhys Evans as independent non-executive directors and I look forward to the counsel and experience they will undoubtedly offer.

Since taking the helm in April 2021, Daniel O'Halloran has led the organisation's response to exercising strict capital discipline and becoming a leader in sustainability focused solutions using blockchain technology.

The culmination of the strategic changes over the past year, combined with the strength of a renewed board and experienced and motivated leadership team, and the successful capital raise and additional funding mid-year, lay the foundation for growth and, undoubtedly positions TYMLEZ to capture the opportunities a decarbonised future will bring.

With the continued support and confidence of our shareholders, we look forward to pursuing the many growth opportunities for TYMLEZ in 2022 and beyond.

Jason Conroy  
Chairman (Acting)



# CEO'S MESSAGE



Last year, we took important steps to refresh our model to better align with the accelerating sustainability goals and ambitions of organisations in Australia and globally. Shaping our business around three key pillars - ESG Compliance, Guarantee of Origin and Smart Energy - builds on the momentum of our early successes as a pioneer in the space and demonstrates our responsiveness to customer needs to capture the opportunities in this dynamic marketplace.

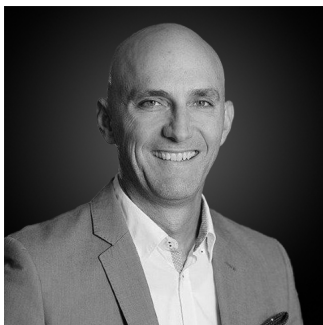
In 2021, our innovative solutions helped secure partnerships with major private and public sector organisations. Chief amongst these were TYMLEZ's agreements with the Transparent Reduction of CO2 and Optimisation of Energy in an Ecosystem of Flexibility (TROEF) Consortium in the Netherlands, and the Queensland Government who will now use our Energy Footprint Solution to help tack, analyse, and forecast energy consumption at the Gold Coast Health and Knowledge Precinct. We also entered into a Memorandum of Understanding with UON Pty Ltd, an industry leader in sustainable dewatering, to conduct a pilot program to monitor and capture data to calculate CO2 emissions, which can be utilised by end customers as part of their Scope 2 and Scope 3 emissions reporting. We are confident that the successful delivery of these programs will be a gateway to greater involvement in projects of increasing size and scale as global momentum swings towards a cleaner world.

To affirm our role in this future and signal our commitment to renewable energy excellence in Australia, TYMLEZ relocated its head office to the Gold Coast, Queensland and became members of three important industry bodies: Australian Hydrogen Council, Australia's peak industry body for the hydrogen industry, Blockchain Australia, the leading body for blockchain companies in Australia, and the Smart Energy Council, the independent body for the Australian smart energy industry.

I would like to thank each member of the TYMLEZ team for their hard work and dedication throughout these past 12 months. This year I look forward to building on the achievements of 2021 and meeting the expectations of our shareholders and society at large.

Daniel O'Halloran  
CEO

# BOARD OF DIRECTORS



**Jason Conroy**  
**Chairman (Acting)**

Jason joined TYMLEZ in November 2021 as a Non-Executive Director and stepped into the role of Acting Chairman in December 2021. Jason is a highly experienced senior executive and non-executive director with over 30 years' international experience in the energy, infrastructure, utilities, renewables, and blockchain sectors. He has a track record for creating significant shareholder value, particularly through corporate finance, restructuring, transformation, and mergers and acquisitions.



**Daniel O'Halloran**  
**CEO**

Daniel joined the board of TYMLEZ in April 2020 and assumed the role of CEO in October of that year. A highly respected start-up executive Daniel has taken multiple businesses from concept to commercial success in numerous global markets. Having spent the early part of his career on the front line of the energy market, Daniel is now applying his skill set to the TYMLEZ team and taking lead for the next stage of business development.



**Luca Febbraio**  
**Non-Executive Director**

Luca joined the TYMLEZ Board in November 2021 as a Non-Executive Director. Luca has over 25 years' international experience in corporate and business development, in the energy and infrastructure sectors. Luca was previously Associate Director at Macquarie Bank, focusing on the origination and techno-commercial due diligence of investment opportunities in projects and companies in the new energy space (renewable, BESS, green H2, biogas) and waste (FOGO).



**Rhys Evans**  
**Non-Executive Director**

Rhys joined the TYMLEZ Board in February 2022 as a Non-Executive Director. Rhys Evans is a skilled legal advisor with over 25 years of corporate and commercial experience. He has worked extensively across large, medium and boutique firms and in-house for companies operating in the technology, banking and financial services sectors.



# FINANCIAL HIGHLIGHTS

With the appointment of an Australian based Financial Controller, TYMLEZ restructured its finance operations with a focus on repatriating all activities to Australia. The relocation of the finance business unit has given Management easier access to finance resources, allowing for more informed decision making and greater transparency over business activities.

Throughout 2021, TYMLEZ placed emphasis on fiscal responsibility, which is highlighted by the below snapshots. A reduction in net loss for the fiscal year whilst the business underwent a major restructure and signed its first two pilots in Australia, demonstrates Management's commitment to greater fiscal control and more strategic use of Company resources.

As the Australian finance operations continue to mature into 2022, the Management team will continue with its commitment to fiscal responsibility and the clinical use of funds to ensure the appropriate funding is available to pursue new opportunities and to accelerate growth in the new year.

## Profit/(Loss)

**(\$3.6m)**

Down from (\$3.7m) in 2020

## Other Income

**\$0.4m**

Up from \$0.2m in 2020

## Net Assets

**\$4.0m**

Up from \$0.6m in 2020

## Loss Per Share

**(\$0.56)**

Down from (\$1.63) in 2020



# BUSINESS OUTLOOK

Leveraging the foundations laid in 2021, TYMLEZ is expecting to see strong growth during the 2022 fiscal year



## **Focus on Commercialisation**

Having successfully signed its first two pilots in Australia, TYMLEZ will focus on the commercialisation of its solutions in 2022



## **Growth in Demand**

Events such as COP26 have accelerated industry demands for innovative solutions for capturing, calculating, and reporting on carbon emissions



## **ESG is a Requirement**

Investors have made it clear that they expect companies to set and achieve ambitious climate targets if they are to continue to receive institutional support and funding



## **Regulation Will Drive Growth**

Governments across the world are setting climate targets based on their commitment to limit the impact of global warming, driving companies to implement new technologies such as those offered by TYMLEZ



## **Solutions to Meet Demand**

TYMLEZ has developed a suite of solutions to meet the evolving needs of businesses looking to become carbon neutral and to report on their ESG obligations



## **Continual Growth in Australia**

As the need for sustainability solutions in Australia grows, TYMLEZ will continue to expand its domestic operations



# OPERATIONAL UPDATES

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# PILOTS

Over the course of 2021, TYMLEZ placed a major focus on restructuring and refocusing its business development activities. Prior to this, TYMLEZ focused on the development of an in-house blockchain platform to be sold to customers to allow them to develop their own blockchain based solutions, built by their internal development teams. In late 2020, it became apparent to the new TYMLEZ management team that many companies lacked the internal expertise required to develop their own blockchain based solutions, and as such a new approach to market was required.

Rather than offering customers a platform on which to build their own solutions, TYMLEZ pivoted to develop and integrate solutions built upon the TYMLEZ Platform, centered on the three pillars of ESG Compliance, Guarantee of Origin, and Smart Energy. This shift in business model has seen rapid uptake from the market, demonstrated by the signing of two major pilots with the Queensland Government and UON, in FY21.



## Queensland Government

TYMLEZ announced a new partnership with Economic Development Queensland, part of the Queensland Government, to pilot the TYMLEZ Platform at the Gold Coast Health and Knowledge Precinct.

The pilot is the first of its kind in Australia that allows the State Government to access information on real-time energy consumption and carbon emissions via the TYMLEZ Platform, powered by blockchain technology. The QLD Government can act with confidence when it comes to making investment decisions to reduce energy consumption and carbon emissions with data from encrypted hardware devices, verified through a full trust chain.

The pilot signifies the importance and need for TYMLEZ solutions in the wider market and marks the start of a strong relationship with a key client.



## UON

Operating one of the most advanced dewatering operations across Western Australia's Pilbara region, UON is a trusted supplier to some of Australia's largest mine operators. Always seeking to be a leader in innovation in the region, UON has partnered with TYMLEZ to operate a pilot at a remote modular Hybrid Energy site to calculate and report on the CO2 emissions related to its dewatering activities.

The TYMLEZ Platform will monitor multiple energy generation and storage sources, including on-site diesel consumption, to calculate a CO2 footprint from UON's hybrid solar and diesel generation and storage systems, with the data to be securely validated and stored on a distributed blockchain ledger. The data captured and calculated by the platform will be verified to comply with the requirements of UON's customers.

The pilot is planned to operate for six months, with an option to be deployed as a full commercial solution across UON dewatering sites at the end of the period under a five-year exclusivity agreement.



# PILOTS

Further to the pilots entered into in Australia, the Transparent Reduction of CO2 and Optimisation of Energy in an Ecosystem of Flexibility (TROEF) consortium, in which TYMLEZ is the blockchain partner, officially received funding from the Dutch Government.

With the goal of decarbonising the Netherlands, TYMLEZ, and its partners such as Royal BAM, KPN, and Stedin will be focused on creating the “Internet of Energy,” allowing for the creation of smart cities and smart energy communities.

Working with consortium partners, TYMLEZ will focus on the delivery of the blockchain platform and the facilitation of the verification of energy and carbon data for use in smart energy solutions.

The grant from the Dutch Government supports the project for four years, enabling the development, implementation, and testing of solutions developed by the consortium.

Throughout 2021, TYMLEZ cemented itself as a key partner as the Company lead a number of key deliverables, aimed at accelerating the road to commercialisation over the next two years.

**TROEF**  
SHARING ENERGY





# CAPITAL RAISE

Seeing the significant amount that had been undertaken and with a clear vision of the future direction of the Company, shareholders and strategic partners supported TYMLEZ in a \$6.9m before costs capital raise which was finalised in July 2021.

The funds raised have been utilised strategically to:

1. Secure key hires including the Australian development team being led by the new Chief Technology Officer who joined the Company in June 2021. The development team have accelerated platform development and revolutionised stability, performance, and scalability.
2. Support business development activities which were crucial to the signing of the Queensland Government and UON pilots.
3. Refresh the TYMLEZ corporate image through ongoing marketing, thought leadership, and shareholder engagement. During the period, the Company also launched its updated website, providing potential customers with a clear image of the solutions available through the TYMLEZ Platform.

TYMLEZ has focused on uplifting shareholder engagement over 2021 and plans to continue this focus over FY22 and beyond.

# SOLUTIONS

TYMLEZ has been committed to strong regulatory and industry engagement. Through memberships in organisations such as the Australian Hydrogen Council, Smart Energy Council, and Blockchain Australia, the Company has worked to develop a suite of products that are ready to tackle the sustainability challenges facing companies today. TYMLEZ's three pillars of sustainability encompass a collection of solutions designed to empower organisations on their sustainability journey.

## Three Pillars of Sustainability



### ESG Compliance

The TYMLEZ Platform supports the monitoring of ESG initiatives with the ability to produce comprehensive reports covering all organisational activities.



### Guarantee of Origin

TYMLEZ offers a range of solutions for guaranteeing the origin of resources and verifying their green, sustainable, and carbon neutral credentials for regulatory reporting and the claiming of renewable energy certificates and carbon credits.



### Smart Energy

Leveraging the capabilities of the TYMLEZ platform, we have developed a suite of sustainable solutions targeted at improving the way businesses produce, consume, and store their energy.



# SOLUTIONS



## ESG Compliance

ESG goals are no longer tomorrow's problem. Organisations need tools to monitor and report on their progress accurately and transparently. Regulatory pressures and the need for good corporate citizenship are driving companies across all industries to set ambitious environmental, social, and governance (ESG) targets. The TYMLEZ Platform supports the monitoring of ESG initiatives with the ability to produce comprehensive reports covering all organisational activities.

ESG reporting has become commonplace amongst corporations – resulting in increased operational costs for businesses associated with the collection and auditing of carbon sensitive data. Manual data aggregation and validation also lead to lags in reporting and the inability to monitor metrics in real-time.

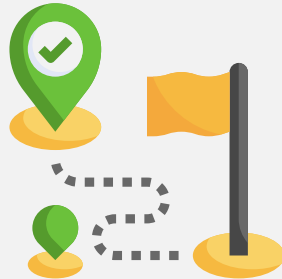
TYMLEZ ESG Compliance solutions provide businesses with highly scalable, automated, and self-auditing solutions for capturing ESG metrics for ongoing reporting and operational decision making.

## ESG Compliance Solutions

- Carbon Emissions Reporting
- Resource Usage
- Supply Chain Traceability
- Voluntary Carbon Market (VCM) carbon offset verification and validation

See more at <https://tymlez.com/esg-compliance>

# SOLUTIONS



## Guarantee of Origin

The increased push for renewable energy sources that provide consistent and reliable energy output is driving the development of revolutionary manufacturing techniques that result in the development of sustainable fuel sources. Sustainable fuels such as green hydrogen, green ammonia, and biogas and seeing exponential increases in demand from a range of industries such as transportation and manufacturing, where the demand from investors for action on climate change is greatest.

The need for action on climate change is seeing consumers of green fuels requiring proof that the fuels they're consuming are truly green. Guarantee of Origin guarantees the origin of green fuel, from the raw materials used in the manufacturing process through to the energy sources and carbon output of the full supply-chain, verifying the green credentials of the end product.

TYMLEZ offers a range of solutions for guaranteeing the origin of resources and verifying their green, sustainable, and carbon neutral credentials for regulatory reporting and the claiming of renewable energy certificates and carbon credits.

## Guarantee of Origin Solutions

- Green Hydrogen
- Green Ammonia
- Renewable Gas

See more at <https://tymlez.com/guarantee-of-origin>



# SOLUTIONS



## Smart Energy

The way consumers and prosumers use and interact with energy is changing. Lack of transparency over usage, centralisation of generation, and the inability for customers to directly interface with one another is no longer sufficient to meet the needs of the modern energy market.

TYMLEZ has recognised this, and through blockchain based TYMLEZ Platform, has developed a suite of solutions designed to meet the needs of the ever-evolving energy market. The TYMLEZ Platform is designed to scale to meet the most challenging of operating environments and can operate across mission-critical industries.

### Smart Energy Solutions

- Energy Footprint
- Virtual Power Plant
- P2P Energy Trading

See more at <https://tymlez.com/smart-energy>



# DEVELOPMENT

The complexities of becoming carbon neutral are beginning to dawn on the business community. The scale of operations along with their diverse nature is requiring businesses to think big but start small on their journey to net zero. TYMLEZ, therefore, needs to ensure that the TYMLEZ Platform was built to scale alongside customers as they onboard more and more of their business operations onto the Platform.

## Migration to Hedera

Starting in 2021, TYMLEZ began the transition from its legacy TYMLEZ Blockchain Solution Platform (TBSP), to Hedera. The migration to Hedera solved the biggest hurdles facing the Company as it began to commercialise its operations – scalability, sustainability, and commerciality.

The inability to rapidly scale to meet the need of increasing complex customer operations was the primary concern of TBSP. Utilising TBSP required customers to host and maintain their own blockchain nodes which increased the cost and complexity of operating a TYMLEZ solution. As nodes were also limited in number, the number of transactions that could be verified by the platform was also limited – requiring solutions to be limited in scope or for additional nodes to be hosted by the customer, further increasing costs. With Hedera, TYMLEZ is able to deploy solutions that can scale to meet customer demands in an instant. With the ability to process over 10,000 transactions per second (as opposed to TBSP which could process approx. 200), customers can work with TYMLEZ to deploy solutions that can easily grow in scope as more organisational units are brought onto the Platform.

## Performance of the Hedera Network

	1st Generation Blockchain - Bitcoin	2nd Generation Blockchain - Ethereum	3rd Generation Blockchain - Hedera
Transactions Per Second	3+	12+	10,000+
Transaction Confirmation	10-60 Minutes	10-20 Seconds	3-5 Seconds
Energy Usage Per Transaction	885+ kWh	102+ kWh	0.00017kWh

# DEVELOPMENT

Sustainability is at the heart of all TYMLEZ solutions, it's therefore important that the Platform driving these solutions is as sustainable as the results that it delivers. 1st and 2nd generation blockchains (e.g., Bitcoin and Ethereum respectively), which operate with proof-of-work consensus algorithms, are notorious for their high energy usage. While efforts have been taken to increase their reliance on renewable energy sources, their typical energy usage per transaction makes this a challenging task. Hedera solves this issue by offering one of the world's greenest blockchain platforms. With a typical transaction requiring only 0.00017kWh to process (less than a Google search), as opposed to 885+kWh and 102+kWh required by Bitcoin and Ethereum, and through optimisation of the Company's full stack, TYMLEZ provides solutions that are sustainable at their core.

TYMLEZ examined various competing blockchain solutions when searching for a replacement for TBSP. Through extensive research into performance, security, and scalability, TYMLEZ found a range of potential ecosystems on top of which to build its solutions. Where Hedera excelled beyond competing blockchains such as Solana and Hyperledger was its commercially focused model. Transactions on standard blockchains have fees denominated in their native token (e.g., SOL coin for Solana), this creates uncertainty over future costs of running any solution built on the platform as the costs are determined by the volatile nature of the underlying token. Hedera differs in this aspect by locking its transactions fees to a set amount which is denominated in US dollars. This allows TYMLEZ to accurately forecast future costs and to ensure the profitability of solutions being delivered to clients.

## Big Data

To provide customers with granular, real-time, insights into their operations, the TYMLEZ Platform requires the ability to consume vast quantities of data, and the flexibility to increase and decrease the volume of data being ingested at a moment's notice. To provide this ability, TYMLEZ recruited experts in big data to develop a robust set of data pipelines which have the ability to ingest data from across organisational departments into a secure ecosystem, overlayed with machine learning, and underpinned by blockchain. Combined with the performance of Hedera, TYMLEZ's cloud architecture provides a highly-scalable ecosystem for ingesting verified carbon sensitive data to be used for calculating and reporting on carbon metrics.



# REFRESHED BOARD

As the Company continues to evolve and grow in Australia, the management team identified the need for particular skillsets that would enhance the capabilities of the Board to deliver value for shareholders. Stepping down from the Board during the period were Wayne Clay, Tim Ebbeck, and Jitze Jongsma, who were replaced by Jason Conroy, Luca Febbraio, and Rhys Evans (who joined post-year-end). Accompanied by CEO and Board member, Daniel O'Halloran, the refreshed TYMLEZ Board are experts in energy, Guarantee of Origin, Voluntary Carbon Markets, mergers and acquisitions, legal and governance, and compliance – ensuring that the TYMLEZ operational team is supported and guided by an experienced and highly capable Board.

The skill matrix of the Board was designed such that the interests of the shareholders are kept front and centre as the Company focuses heavily on its expansion into the Australian marketplace.



# RELOCATION

In early 2021, TYMLEZ formally commenced the relocation of its operations from Europe to Australia to better focus on customers in the Asia Pacific region. To assist with the relocation, the Company applied for and was awarded, funding as part of the Council of the City of the Gold Coast – Gold Coast Health and Knowledge Precinct Investment Attraction Program, with a maximum funding amount of \$645,500 over two years.

The funding received from the grant has allowed the Company to accelerate its relocation efforts and onboarding of staff in Australia. TYMLEZ now operates in two offices across Australia, with the CEO and operational team being based in the Gold Coast, while the CTO and development team operate from Melbourne. The consolidation of staff to Australia has allowed TYMLEZ to focus on the growing need for ESG, Guarantee of Origin, and Voluntary Carbon Markets solutions in the Australian market, and has allowed for closer cooperation with Australian customers.

Since the relocation to Australia, TYMLEZ has already secured pilots with the Queensland State Government and UON, and has increased its focus on investor relations through regular news updates and detailed reporting being provided to shareholders.





# IMAGE

TYMLEZ utilised the 2021 restructure to consolidate its message to market as the clear choice provider of sustainability focused solutions. Culminating in the launch of the new corporate website (<https://tymlez.com/>) – the Company underwent a major refocus of its marketing approach.

In the second half of 2021, TYMLEZ began to publish regular blog posts highlighting the importance of blockchain in companies' journeys to net zero, and the role that TYMLEZ has to play. In an effort to become a thought leader on sustainability, thoroughly researched posts written by experts across the TYMLEZ team are published and shared online with the wider public. The articles form part of a cohesive plan to engage with shareholders on a more regular basis, to keep them abreast of the work going on within the Company.

A major emphasis has been placed on the uplift of TYMLEZ's marketing strategy, with the foundations being laid for a major change in 2022. Management has been mindful to keep marketing timely and effective and have opted to keep a relatively subdued approach during the period of restructuring. This has allowed TYMLEZ to remain agile, granting flexibility in operations, where early marketing could have opened up opportunities to competitors before TYMLEZ had the opportunity to gain traction in the market.

The restricted, single, clear message to market, that TYMLEZ is a leader in sustainability solutions will help accelerate the adoption of TYMLEZ technologies in the market.

# PARTNERSHIPS

Forging strong industry partnerships is vital for building brand awareness and entering the Australian market. As part of the relocation to Gold Coast, TYMLEZ has worked to establish itself as a member of the Australian business community through partnering with a number of highly regarded industry bodies.



## **Blockchain Australia**

During the year TYMLEZ first became a member of Blockchain Australia, the nation's leading blockchain industry body. With members such as the ASX, CPA Australia, and Macquarie Bank, Blockchain Australia is aiding in highlighting the role of blockchain beyond cryptocurrencies and the role it has to play in enterprise environments.



## **Australian Hydrogen Council**

The Australian Hydrogen Council (AHC) is comprised of some of the world's largest hydrogen producers and consumers including Fortescue Future Industries, BOC, BP, and Toyota. TYMLEZ became a member of the AHC in early December and presented at the organisation's annual conference on the Guarantee of Origin solution that the Company offers for hydrogen producers.



## **Smart Energy Council**

TYMLEZ joined the Smart Energy Council in December 2021 to further grow the company's reach in the smart energy and Guarantee of Origin sectors.



# FINANCIALS

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## Corporate Governance Statement

Tymlez Group Limited and the Board are committed to achieving and demonstrating the highest standards of corporate governance. Tymlez Group Limited has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council, 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 reviews 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.

The 2021 corporate governance statement is dated as at 31 December 2021 and reflects the corporate governance practices in place throughout the 2021 financial year. The 2021 corporate governance statement was approved by the Board on 30 April 2022. A description of the Group's current corporate governance practices is set out in the Group's corporate governance statement which can be viewed at <https://www.tymlez.com/investor-relations/> and should be read in conjunction with the recent Company announcements on the ASX website.

## Directors' Report

The directors present their report, together with the consolidated financial statements of the Group, being Tymlez Group Limited ("the Company") and its controlled entities, for the financial year ended 31 December 2021.

### Information on Directors

The names, qualifications, experience and special responsibilities of each person who has been a director during the year and to the date of this report are:

<b>Daniel O'Halloran</b>	
Experience	Daniel is an experienced board member, energy industry executive and investor, with more than 13 years experience consulting in the transmission power grid sector. As founder and CEO of a number of successful energy transmission companies, he has worked closely with major utility asset owners in Australian, Canadian and American markets to maximise grid and green energy integration. Daniel's investment strategies are deeply driven by innovation, sustainability and positive social impact, with current investments and advisory roles that sit mainly in renewable energy, bio tech, agri tech and AI.
Interest in shares and options	36,150,963 ordinary shares; 1,261,363 listed options (TYM0); 35,044,424 unlisted options
Special responsibilities	Appointed Non-Executive Director on 2 April 2020; Appointed Chief Executive Officer and Managing Director on 1 October 2020
Other current directorships in listed entities	N/A
Other directorships in listed entities held in the previous three years	N/A
<b>Jason Conroy</b>	(Appointed 1 November 2021)
Qualifications	Master of Business Administration (MBA); Bachelor of Commerce (Accounting); Fellow of Chartered Accountants Australia and New Zealand
Experience	Jason is a highly experienced executive and non-executive director with over 30 years' international experience in the energy, infrastructure, and renewables sectors. He has a solid track record for creating value through corporate finance, restructuring, transformation, and mergers and acquisitions.
Interest in shares and options	N/A
Special responsibilities	Acting Non-Executive Chairman; Chair of Audit and Risk Committee; Chair of Nominations and Remuneration Committee
Other current directorships in listed entities	N/A
Other directorships in listed entities held in the previous three years	Verdant Minerals Ltd (ASX: VRM)(resigned 18 June 2019)

## Directors' Report (continued)

### Luca Febbraio

(Appointed 1 November 2021)

Qualifications	Master's degree in electronic and automation engineering MIT Sloan Blockchain Technologies: Business Innovation and Application training course
Experience	Luca has over 25 years' international experience in corporate and business development, in the energy and infrastructure sectors. Luca was Associated Director at Macquarie Bank, focusing on the origination and techno-commercial due diligence of investment opportunities in projects and companies in the new energy space (renewable, BESS, green H2, biogas) and waste (FOGO).
Interest in shares and options	N/A
Special responsibilities	Non-Executive Director
Other current directorships in listed entities	N/A
Other directorships in listed entities held in the previous three years	N/A

### Rhys George Evans

(Appointed 7 February 2022)

Qualifications	LLB, Law
Experience	Rhys Evans is a skilled legal advisor with extensive corporate and commercial experience gained during a period over 25 years of working in large, medium and boutique firms and in-house for companies operating in the technology, banking and financial services sectors.
Interest in shares and options	206,477 ordinary shares
Special responsibilities	Non-Executive Director
Other current directorships in listed entities	N/A
Other directorships in listed entities held in the previous three years	N/A

### Jitze Jongsma

(Resigned 31 December 2021)

Interest in shares and options	8,091,914 ordinary shares; 68,182 listed options (TYM0); 8,000,000 unlisted options as at the date of resignation
Special responsibilities	Former Executive Director; Former Chief Financial Officer
Other current directorships in listed entities	N/A
Other directorships in listed entities held in the previous three years	N/A



## Directors' Report (continued)

### Wayne Clay

(Resigned 30 November 2021)

Interest in shares and options	4,380,553 unlisted options as at the date of resignation
Special responsibilities	Former Non-Executive Chairman
Other current directorships in listed entities	N/A
Other directorships in listed entities held in the previous three years	N/A

### Tim Ebbeck

(Resigned 31 October 2021)

Interest in shares and options	136,500 ordinary shares; 4,380,553 unlisted options as at the date of resignation
Special responsibilities	Former Non-Executive Director; Former Chair of Audit and Risk Committee; Former Chair of Nominations and Remuneration Committee
Other current directorships in listed entities	ReadyTech Limited (ASX: RDY) XPON Technologies Limited (ASX: XPN) Envirosuite Limited (ASX: EVS)
Other directorships in listed entities held in the previous three years	IXUP Limited (ASX: IXU) - resigned in 2018

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

## Company Secretary

The following persons held the position of Company secretary at the end of the financial year:

- Justyn Peter Stedwell has been the company secretary since 13 November 2017. Subsequent to year end, Justyn resigned as company secretary on 4 February 2022.
- Belinda Cleminson was appointed company secretary on 3 September 2021. Belinda has over 18 years' experience as a company secretary of Australian listed and unlisted companies including ASX 200 clients. Belinda is the company secretary of various public and private companies, including ASX, NZX and OTC listed companies across a range of industries including investment management, biotechnology, media, healthcare and e-commerce. Belinda is a member of the Governance Institute of Australia, and a Member of the Australian Institute of Company Directors.

## **Directors' Report (continued)**

### **Principal Activities and Significant Changes in Nature of Activities**

The Group provides a highly scalable, multi-tenant, enterprise-grade smart contract blockchain platform which can be deployed and/or implemented via partners within an enterprise or across a consortium. The Group brings commercial-grade blockchain technology to the enterprise by delivering a scalable platform which enables accelerated development, management, and deployment of enterprise blockchain applications algorithms.

There were no significant changes in the nature of the Group's principal activities during the financial year, other than those outlined in "Significant Changes in State of Affairs" below.

### **Operating Results**

The consolidated loss of the Group after providing for income tax amounted to \$3,646,443 (2020: \$3,654,032).

### **Dividends Paid or Recommended**

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

### **Review of Operations**

During the year from 1 January to 31 December 2021, the Group has focused on strengthening its core capabilities and preparing for growth.

Following the announcement in late 2020 of a fundamental shift in strategic direction towards focusing on solutions for the energy and sustainability sectors, the Group has taken steps to operationalise the change in its approach to the market. The revenue model has also shifted from perpetual licensing with ongoing maintenance fees to a subscription model that is both scalable and more aligned with customer success and needs.

Some operational highlights for the Group in the year ended 31 December 2021 included the following:

- The Group was part of a small group of highly respected organisations (Transparent Reduction of CO2 and Optimisation of Energy in an Ecosystem of Flexibility ("TROEF") consortium) to be awarded a major grant of €675,000 over 4 years for a Netherlands based project to develop a de-centralised energy system;
- In May 2021, the Group was awarded a Gold Coast Health and Knowledge Precinct (GCHKP) Investment Attraction Program Grant totalling \$645,500 over 2 years which provides the Group with financial assistance including tenancy and tax rebates, incentives for capital investment, research and development, job creation, and head office establishment. The grant also covers workforce advisory services and ongoing support;
- The Group signed a pilot agreement with the Queensland Government to implement its smart energy and carbon emissions reporting solution in the Gold Coast Health and Knowledge Precinct;

## Directors' Report (continued)

- The Group signed a pilot agreement with UON to capture CO<sup>2</sup> relevant data and calculate carbon emissions from a dewatering site in Western Australia's Pilbara region. The site is a supplier to a major iron ore producer;
- The Group refreshed its Board with the appointment of two new Board members with backgrounds in Energy and Finance;
- The Group appointed a number of highly experienced executives to its leadership team to drive the business; and
- The Group completed a successful equity raise through the issue of new shares, from which a total of A\$6.921 million (before costs) was raised.

## Significant Changes in State of Affairs

The following significant changes in the state of affairs of the parent entity occurred during the financial year:

1. Issue of 540,910 full paid ordinary shares at \$0.11 each with one free attaching listed option for every two ordinary shares with an exercise price of \$0.065 expiring on 31 December 2023 (TYM0);
2. Issue of 108,000,000 fully paid ordinary shares at \$0.01 under private placement;
3. Issue of 584,073,742 fully paid ordinary shares at \$0.01 on completion of a rights issue;
4. Issue of 200,000 fully paid ordinary shares at \$0.11 each with one free attaching listed option for every two ordinary shares with an exercise price of \$0.065 expiring on 31 December 2023 (TYM0) as settlement of an outstanding debt owing to Peak Asset Management Pty Ltd ("Peak"); and
5. Issue of 2,000,000 fully paid ordinary shares at \$0.009 each in lieu of directors fees.

## Matters or Circumstances Arising After the End of the Period

The Company entered into a Director's Service Agreement with Mr Rhys Evans on 7 February 2022 in relation to his appointment as Non-Executive Director of the Company. Pursuant to this agreement, Mr Evans is entitled to directors' fees of \$75,000 per annum. The fee for the first 12 months is accrued and paid, in arrears, at the end of each 6 month period, either in cash or shares. The conversion shares is subject to shareholders approval and will be calculated based on the accrued amount and the closing price of shares on Mr Evans' commencement date (that is, \$0.030).

On 22 March 2022, the Group announced a strategic partnership with the HBAR Foundation Sustainable Impact Fund, which funds projects focused on increasing transparency in environmental markets on the Hedera network. The Group will partner with HBAR Foundation to develop one of the world's most secure, trusted and scalable carbon reporting solutions for ESG compliance, Guarantee of Origin (GO), and Voluntary Carbon Market (VCM) ecosystems, leveraging the Group's ability to ingest encrypted and verified data directly from IoT devices. As part of the partnership, the Group has been awarded a US\$1m (approximately A\$1.4m) grant by the HBAR Foundation, a fund dedicated to growing the Hedera ecosystem, and will receive US\$100,000 (approximately A\$140,000) as an upfront payment. The grant will be progressively drawn down by the Group on the achievement of development milestones over the term of the grant (4 years). The Group does not expect to incur any material expenses associated with claiming down on the grant. Either party is eligible to terminate the grant for non-performance.



## Directors' Report (continued)

The COVID-19 pandemic continues to create 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. Refer to Note 29 to the financial statements 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 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.

## Future Developments and Results

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

## Environmental Matters

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

## Meetings of Directors

During the financial year, 14 meetings of directors (including committees of directors) were held. Committee meetings for the financial year were conducted as part of the Board meeting. No separate committee meetings were held. Attendances by each director during the year were as follows:

Directors' Meetings	
Number eligible to attend	Number attended
Daniel O'Halloran	14
Jason Conroy (Appointed 1 November 2021)	2
Luca Febbraio (Appointed 1 November 2021)	2
Rhys George Evans (Appointed 7 February 2022)	-
Jitze Jongsma (Resigned 31 December 2021)	14
Wayne Clay (Resigned 30 November 2021)	13
Tim Ebbeck (Resigned 31 October 2021)	12

## Indemnification and Insurance of Officers and Auditors

On 22 November 2021, the Group renewed its directors and officers insurance. This policy remains in force at the date of this Report. No indemnities have been given for any person who is, or has been, an officer of the Group.

The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses insurance contracts as such disclosure is prohibited under the terms of the contract.

## Directors' Report (continued)

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

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

## Options

At the date of this report, the unissued ordinary shares of Tymlez Group Limited under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
13 December 2018	11 December 2022	\$0.350	2,000,000
15 November 2019	31 December 2023	\$0.065	13,863,638
03 December 2019	31 December 2023	\$0.065	1,204,544
27 December 2019	31 December 2023	\$0.065	1,910,505
29 May 2020	31 December 2023	\$0.065	1,084,182
14 July 2020	31 December 2023	\$0.065	1,500,000
11 August 2020	25 August 2023	\$0.055	1,560,000
04 September 2020	31 December 2023	\$0.065	12,734,161
14 September 2020	31 December 2023	\$0.065	750,000
17 September 2020	31 December 2023	\$0.065	100,000
09 October 2020	31 December 2023	\$0.065	1,000,000
14 October 2020	31 December 2023	\$0.065	250,000
30 July 2021	30 November 2024	\$0.035	51,805,530
			<hr/> 89,762,560 <hr/>

No shares were issued on the exercising of options during the year.

## Details of Option Issues

Option holders do not have any rights to participate in any issues of shares or other interests in the Company or any other entity.

For details of options issued to directors and other key management personnel as remuneration during the year ended 31 December 2021, refer to the remuneration report.

## Proceedings on Behalf of Company

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

The Company was not a party to any such proceedings during the year.

## Remuneration Report (Audited)

The remuneration report, which has been audited, outlines the Director and executive remuneration arrangements for the Group, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

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

## **Directors' Report (continued)**

### **Principles Used to Determine the Nature and Amount of Remuneration**

The performance of the Group depends upon the quality of its Directors and Executives. To prosper, the Group must attract, motivate and retain highly skilled Directors and Executives. To that end, the Group embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre executives;
- Focus on creating sustained shareholder value;
- Placing a portion of executive remuneration at risk, dependent upon meeting predetermined performance benchmarks; and
- Differentiation of individual rewards commensurate with contribution to overall results and according to individual accountability, performance and potential.

The Board's policy for determining the nature and amount of remuneration for Key Management Personnel ("KMP") for the Group is based on the following:

- The remuneration policy is to be developed and approved by the Board after professional advice is sought from independent external consultants (where applicable);
- All executive KMP receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits and performance incentives, where appropriate;
- Performance incentives (in the form of a cash bonus) are generally only paid once predetermined key performance indicators (KPIs) have been met;
- Apart from those detailed in this report no other share based/options incentives have been offered to KMP during this reporting financial year; and
- The Board, which also serves as the remuneration committee, reviews the remuneration packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors.

All remuneration paid to KMP is valued at the cost to the Group and expensed.

KMP or closely related parties of KMP are prohibited from entering hedge arrangements that would have the effect of limiting the risk exposure relating to their remuneration. In addition, the Board's remuneration policy prohibits Directors and KMP from using the Group's shares as collateral in any financial transaction.

### **Engagement of Remuneration Consultants**

During the year, the Group did not engage any remuneration consultants.



## Directors' Report (continued)

### Remuneration structure

The structure of Non-Executive, Executive Director and Senior Management remuneration is separate and distinct.

#### A. Non-Executive Director Remuneration

The Board's policy is to remunerate Non-Executive Directors at market rates for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders.

Each Director receives a fee for being a Director of the Group. In addition, the director's service agreements also has provisions to allow the Board, in its absolute discretion and as it considers appropriate, at any time during the Director's term in office, to grant or issue to the Director (or his nominee), options or shares:

- a) with or without vesting conditions;
- b) for such amount of cash consideration, which may be NIL cash consideration; and
- c) otherwise on such terms and conditions (including, where appropriate, exercise and expiry date).

The grant of share based payments to Directors is always subject to the Company obtaining any applicable regulatory and/or shareholder approvals, as required under the ASX Listing Rules and/or the *Corporations Act 2001*.

#### B. Senior Management and Executive Director Remuneration

The Group aims to reward Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group to:

- Reward Executives for the Group, business unit and individual performance against targets set by reference to appropriate benchmarks;
- Align the interests of Executives with those of shareholders;
- Link reward with the strategic goals and performance of the Group;
- Ensure total remuneration is competitive by market standards; and
- Executive remuneration is designed to support the Group's reward philosophies and to underpin the Group's growth strategy. The program comprises the following available components:
  - Fixed remuneration component; and
  - Variable remuneration component including cash bonuses paid, as well as options issued under the Employee Share Options Plan (ESOP).

## Directors' Report (continued)

### Fixed Remuneration

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

### Variable Remuneration

The performance of KMP is measured against criteria agreed annually with each Executive. All bonuses and incentives must be linked to predetermined performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance results leading to long-term growth in shareholder wealth.

The objective of the Short-Term Incentive ("STI") program is to link the achievement of the Group's operational targets with the remuneration received by the executives charged with meeting those targets. The total potential STI available is set at a level to provide sufficient incentive to achieve the operational targets and such that the cost to the Group is reasonable.

Actual STI payments granted depend on the extent to which specific operating targets are met. The operational targets consist of a number of Key Performance Indicators (KPIs) covering both financial and non-financial measures of performance.

On an annual basis, the individual performance of each executive is rated and taken into account when determining the amount, if any, of the short-term incentive pool allocated to each executive. The aggregate of annual STI payments available for executives across the Group are usually delivered in the form of a cash bonus.

The long-term incentives ('LTI') include long service leave and share-based payments. Options are awarded to executives over a period of two to three years based on long-term incentive measures. These include market capitalisation measures, share price measures over a specific period, and achievement of continuous employment hurdle period of service. The Board has reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 31 December 2021.

### Relationship Between Remuneration Policy and Company Performance

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives. The Group aims to align management remuneration to the strategic and business objectives and the creation of shareholder wealth. However, these are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to KMPs. As a consequence, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

The following table shows the gross revenue, profits and dividends for the last 36 months for the Group, as well as the share prices at the end of the respective financial years.

	2021	2020	2019	2018
	\$	\$	\$	\$
Revenue	-	-	306,921	398,500
Net Profit/(Loss)	(3,646,443)	(3,654,032)	(6,719,585)	(2,323,092)
Share Price at Year-end	0.03	0.08	0.04	0.16
Dividends Paid (cents)	-	-	-	-

## Directors' Report (continued)

### Details of Remuneration

Details of the remuneration of key management personnel are set out in the tables in the following pages.

### Key Management Personnel - Directors and Executives

The key management personnel ("KMP") of the Group consisted of the following Directors and executives during the year:

Non-Executive Directors	Position
Jason Conroy (Appointed 1 November 2021)	Acting Non-Executive Chairman
Luca Febbraio (Appointed 1 November 2021)	Non-Executive Director
Wayne Clay (Resigned 30 November 2021)	Non-Executive Chairman
Tim Ebbeck (Resigned 31 October 2021)	Non-Executive Director

Executive Directors	Position
Daniel O'Halloran	Chief Executive Officer and Managing Director
Jitze Jongsma (Resigned 31 December 2021)	Executive Director, Chief Financial Officer

Executives	Position
Dan Voyce (Appointed 28 June 2021)	Chief Technology Officer
Stephen Daniel Friel (Resigned 8 March 2021)	Chief Technology Officer

### Key Management Personnel - Employment and Service Agreements

#### Employment and Service Agreements - Mr Daniel O'Halloran (CEO; Executive Director)

The Company entered into an Employment Agreement with Mr Daniel O'Halloran on 14 December 2020 in relation to his appointment as Chief Executive Officer of the Company. Pursuant to this agreement, Mr O'Halloran shall be entitled to an annual remuneration of \$180,000 (plus superannuation at the superannuation guarantee rate).

With effect from 1 April 2021, Mr O'Halloran's remuneration was increased to A\$275,000 per year (inclusive of superannuation). In addition to his annual remuneration, Mr O'Halloran is also entitled to incentive options for NIL consideration, subject to the achievement of the following vesting conditions:

- 17,522,212 options will vest when the volume-weighted average price (VWAP) is greater than or equal to 5 cents for 30 trading days; and
- a further 17,522,212 options will vest when the VWAP greater than or equal to 10 cents for 30 trading days.

Mr O'Halloran's employment may be terminated by either party giving 6 calendar months' notice in writing to the other party.



## Directors' Report (continued)

### Director's Service Agreement – Mr Jason Conroy (Acting Non-Executive Chairman) – Appointed 1 November 2021

The Company entered into a Director's Service Agreement with Mr Jason Conroy on 1 November 2021 in relation to his appointment as Non-Executive Director of the Company. Pursuant to this agreement, Mr Conroy is entitled to directors' fees of \$75,000 per annum, inclusive of superannuation, in equal monthly installments, in cash.

Further, as Mr Conroy is chair of the Audit and Risk Committee, as well as the Nominations and Remuneration Committee, he is entitled to additional fees of \$10,000 per annum per committee during his term of service in these respective roles.

During the year, the Board has resolved to grant, subject to obtaining shareholders' approval at the 2021 AGM, 10,000,000 unlisted options for NIL consideration to Mr Conroy. These options are subject to the achievement of the following vesting conditions:

- 2,500,000 options will vest when the Company first achieves an average share price of at least \$0.05 over any period of 30 days during the performance period of 48 months after the commencement date;
- a further 2,500,000 options will vest when the Company first achieves an average share price of at least \$0.075 over any period of 30 days during the performance period of 48 months after the commencement date;
- another 2,500,000 options will vest when the Company first achieves an average share price of at least \$0.10 over any period of 30 days during the performance period of 48 months after the commencement date; and
- the last 2,500,000 options will vest when the Company first achieves an average share price of at least \$0.125 over any period of 30 days during the performance period of 48 months after the commencement date.

## Directors' Report (continued)

### **Director's Service Agreement - Mr Luca Febbraio (Non-Executive Director) - Appointed 1 November 2021**

The Company entered into a Director's Service Agreement with Mr Luca Febbraio on 1 November 2021 in relation to his appointment as Non-Executive Director of the Company. Pursuant to this agreement, Mr Febbraio is entitled to directors' fees of \$75,000 per annum. The fee for the first 12 months is accrued and paid, in arrears, at the end of each 6 month period, either in cash or shares. The conversion shares is subject to shareholders approval and will be calculated based on the accrued amount and the closing price of shares on Mr Febbraio's commencement date (that is, \$0.017).

During the year, the Board has resolved to grant, subject to obtaining shareholders' approval at the 2021 AGM, 10,000,000 unlisted options for NIL consideration to Mr Febbraio. These options are subject to the achievement of the following vesting conditions:

- 2,500,000 options will vest when the Company first achieves an average share price of at least \$0.05 over any period of 30 days during the performance period of 48 months after the commencement date;
- a further 2,500,000 options will vest when the Company first achieves an average share price of at least \$0.075 over any period of 30 days during the performance period of 48 months after the commencement date;
- another 2,500,000 options will vest when the Company first achieves an average share price of at least \$0.10 over any period of 30 days during the performance period of 48 months after the commencement date; and
- the last 2,500,000 options will vest when the Company first achieves an average share price of at least \$0.125 over any period of 30 days during the performance period of 48 months after the commencement date.

### **Director's Management Services Agreement - Mr Jitze Jongsma (CFO; Former Executive Director) - Resigned 31 December 2021**

Tymlez Holding B.V. entered into a Service Agreement with Lighthouse Business Improvement B.V., being an entity controlled by Mr Jitze Jongsma, for the provision of such services required for the proper management of Tymlez Holding. In connection with such agreement, Mr Jongsma has been appointed as a Managing Director of Tymlez Holding B.V. as well as Chief Financial Officer of the Company and is entitled to a fee of €12,500 per month pursuant to this agreement.

Mr Jongsma was appointed Managing Director of Tymlez Holding B.V. from 1 April 2019 and subsequently appointed Executive Director of the Company on 29 November 2019. There was no change to the service agreement as a result of the subsequent appointment.

At the 2020 AGM held on 30 July 2021, the shareholders' approved the issue of 8,000,000 incentive options for NIL consideration to Mr Jongsma, subject to the achievement of the following vesting conditions:

- 4,000,000 options will vest when the volume-weighted average price (VWAP) is greater than or equal to 5 cents for 30 trading days; and
- a further 4,000,000 options will vest when the VWAP greater than or equal to 10 cents for 30 trading days.

## **Directors' Report (continued)**

### **Director's Service Agreement - Mr Wayne Clay (Former Non-Executive Chairman) - Resigned 30 November 2021**

The Company entered into a Director's Service Agreement with Mr Wayne Clay on 17 August 2020 in relation to his appointment as Non-Executive Chairman of the Company. Pursuant to this agreement, Mr Clay shall be entitled to directors' fees of \$48,000 per annum. A total of 480,000 ordinary shares will be issued at \$0.10 per share for the first 12 months of salary, comprising 240,000 shares for the initial 6 months of salary to be issued following shareholder approval. The balance of 240,000 ordinary shares will be issued at or before the 6-month commencement date anniversary, subject to shareholder approval and continued employment with the Company. No such shares have been issued as at 31 December 2020.

In addition to the above, Mr Clay is entitled to receive listed options (TYMO) at an exercise price of \$0.065 if and when certain targets are reached. No such options have been issued as at 31 December 2020.

The share-based fee compensation arrangements with Mr Wayne Clay, as outlined above, was cancelled with effect from 1 March 2021. Further, with effect from 1 March 2021, the Board resolved that the Chairman receive a fee of A\$85,000 cash or, subject to Mr Clay's agreement and shareholder approval, may be paid in shares. The Board resolution was accepted by Mr Clay whom has also agreed to waive all director fees previously agreed to be paid in equity up to 1 March 2021.

At the 2020 AGM held on 30 July 2021, the shareholders approved the issue of 4,380,553 incentive options for NIL consideration to Mr Clay. These options were not subject to any vesting conditions and were issued on 13 August 2021.

### **Director's Service Agreement - Mr Tim Ebbeck (Former Non-Executive Director) - Resigned 31 October 2021**

The Company entered into a Director's Service Agreement with Mr Tim Ebbeck on 30 September 2020 in relation to his appointment as Non-Executive Director of the Company. Pursuant to this agreement, Mr Ebbeck is entitled to directors' fees of \$60,000 per annum of which \$50,000 is to be paid in twelve monthly installments and \$10,000 in shares. The shares will be issued after a 6-month period at a price of 11 cents.

With effect from 1 March 2021, the Board resolved that the Non-Executive Director fee for Mr Ebbeck be increased to A\$75,000 in cash per year or, subject to individual agreement and shareholder approval, may be paid in shares. The Board resolution has been accepted by Mr Ebbeck whom has also agreed to waive all director fees previously agreed to be paid in shares up to 1 March 2021.

At the 2020 AGM held on 30 July 2021, the shareholders approved the issue of 4,380,553 incentive options for NIL consideration to Mr Ebbeck. These options were not subject to any vesting conditions and were issued on 13 August 2021.



## **Directors' Report (continued)**

### **Employment Agreement - Mr Dan Voyce (Chief Technology Officer) - Appointed 28 June 2021**

Tymlez Pty Ltd has entered into an Employment Contract with Mr Dan Voyce on 28 June 2021 in relation to his appointment as Chief Technology Officer of the Group. Pursuant to such agreement, Mr Voyce shall be entitled to an annual remuneration of \$280,000 (plus superannuation at the superannuation guarantee rate).

In addition to his annual remuneration, Mr Voyce is also entitled to incentive options for NIL consideration, subject to the achievement of the following vesting conditions:

- that number of incentive options equal to 50% of 1.6% of the post capital raise share capital will vest when the Company first achieves an average market capitalisation of at least A\$70 million over any period of 30 days within 36 months from the commencement date;
- that number of incentive options equal to 10% of 1.6% of the post capital raise share capital will vest if Mr Voyce remains employed by Tymlez Pty Ltd for 12 months after the commencement date;
- that number of incentive options equal to 20% of 1.6% of the post capital raise share capital will vest if Mr Voyce remains employed by Tymlez Pty Ltd for 24 months after the commencement date; and
- that number of incentive options equal to 20% of 1.6% of the post capital raise share capital will vest if Mr Voyce remains employed by Tymlez Pty Ltd for 36 months after the commencement date.

### **Employment Agreement - Mr Stephen Daniel Friel (Former Chief Technology Officer) - Resigned 8 March 2021**

Tymlez Pty Ltd has entered into a Service Agreement with Mr Stephen Friel on 29 October 2020 in relation to his appointment as Chief Technology Officer of the Group. Pursuant to such agreement, Mr Friel was entitled to an annual remuneration of \$150,000 (plus superannuation at the superannuation guarantee rate). Mr Friel resigned as Chief Technology Officer on 8 March 2021.

During the year, 1,000,000 TYMO listed options were issued to Mr Friel following the achievement of the milestone as stipulated in his employment agreement. A further 250,000 TYMO listed options were issued to Mr Friel as settlement of outstanding consultancy fees due to him.

## Directors' Report (continued)

### Remuneration Details for the Year

The following table of benefits and payment details, in respect to the financial year, the components of remuneration for each member of the key management personnel of the Group.

#### Table of benefits and payments

	Short Term Employment Benefits			Post-Employment Benefits	Share Based Payments	
	Cash Salary and Fees	Leave Provision	Cash Bonus	Superannuation Contributions	Shares/Options	Total
	\$	\$	\$	\$	\$	\$
<b>2021</b>						
<b>Directors</b>						
<i>Executive Directors:</i>						
Daniel O'Halloran	236,930	13,980	-	23,248	57,285	331,443
Jitze Jongsma	236,183	-	-	-	11,000	247,183
<i>Non-Executive Directors:</i>						
Jason Conroy *	14,394	-	-	1,439	4,234	20,067
Luca Febbraio *	11,364	-	-	-	4,234	15,598
Wayne Clay **	69,228	-	-	-	48,186	117,414
Tim Ebbeck	62,372	-	-	-	48,186	110,558
<b>Other KMP</b>						
Dan Voyce ***	145,384	6,878	-	12,374	37,605	202,241
Stephen Daniel Friel	31,908	-	-	2,854	20,575	55,337
<b>Total</b>	<b>807,763</b>	<b>20,858</b>	<b>-</b>	<b>39,915</b>	<b>231,305</b>	<b>1,099,841</b>
<b>2020</b>						
<b>Directors</b>						
<i>Executive Directors:</i>						
Daniel O'Halloran	44,734	852	-	4,250	66,876	116,712
Jitze Jongsma	223,308	-	-	-	28,570	251,878
Reinier van der Drift	212,969	-	-	-	25,650	238,619
<i>Non-Executive Directors:</i>						
Wayne Clay	-	-	-	-	118,934	118,934
Tim Ebbeck	11,166	-	-	-	-	11,166
Niv Dagan ****	22,469	-	-	2,232	-	24,701
Justyn Peter Stedwell	38,342	-	-	-	535	38,877
<b>Other KMP</b>						
Stephen Daniel Friel	24,852	710	-	2,361	104,600	132,523
<b>Total</b>	<b>577,840</b>	<b>1,562</b>	<b>-</b>	<b>8,843</b>	<b>345,165</b>	<b>933,410</b>

\* As these share based payments are subject to shareholders' approval, no options have been issued by the Group to Jason Conroy or Luca Febbraio.

\*\* Wayne Clay is the owner of Claytec Pty Ltd ("Claytec") which performed some consultancy work for the Group during the year. During the year (until his resignation as director of the Group on 30 November 2021), Claytec received a total of \$37,823 in consultancy fees. The consultancy fees is not included in Wayne's cash salary and fees in the table.

\*\*\* As at 31 December 2021, no options have been issued by the Group to Dan Voyce. These amounts have been accrued as at the year end date.

\*\*\*\* Niv Dagan is an executive director of Peak Asset Management Pty Ltd ("Peak") which has acted as lead manager and consultant to the Group during the year. During the year (until his resignation as director of the Group on 14 September 2020), Peak received a total of \$262,920 in capital raising fees and consultancy fees.

None of the remuneration paid to key management personnel for the year ended 31 December 2021 is related to the performance of the Group (31 December 2020: None).

## Directors' Report (continued)

### Cash Performance-Related Bonuses

There were no cash bonuses granted as remuneration during the year that was paid or payable to key management personnel.

### Securities Received That Are Not Performance Related

No members of key management personnel are entitled to receive securities which are performance-based as part of their remuneration package. All of the share-based payments related to directors fees taken as shares/options.

### Options and Rights Granted

	Grant details			For the financial year ended 31 December 2021			Overall		
	Date	No.	Value	Lapsed	Vested	Unvested	Vested	Unvested	Lapsed
			\$	No.	No.	No.	%	%	%
Key Management Personnel									
Directors									
Executive Directors:									
Daniel O'Halloran	30 July 2021	35,044,424	48,186	-	-	35,044,424	-	100.00	-
Jitze Jongsma	30 July 2021	8,000,000	11,000	-	-	8,000,000	-	100.00	-
Non-Executive Directors:									
Jason Conroy *	08 December 2021	10,000,000	4,234	-	-	10,000,000	-	100.00	-
Luca Febbraio *	08 December 2021	10,000,000	4,234	-	-	10,000,000	-	100.00	-
Wayne Clay	30 July 2021	4,380,553	48,186	-	4,380,553	-	100.00	-	-
Tim Ebbeck	30 July 2021	4,380,553	48,186	-	4,380,553	-	100.00	-	-
Other KMP									
Dan Voyce **	02 July 2021	15,745,770	37,605	-	-	15,745,770	-	100.00	-
Stephen Daniel Friel	09 October 2020	1,000,000	102,900	-	1,000,000	-	100.00	-	-
Stephen Daniel Friel	14 October 2020	250,000	22,275	-	250,000	-	100.00	-	-
		88,801,300	326,806	-	10,011,106	78,790,194			

\* As these share based payments are subject to shareholders' approval, no shares or options have been issued by the Group to Jason Conroy or Luca Febbraio.

\*\* As at 31 December 2021, no options have been issued by the Group to Dan Voyce. These amounts have been accrued as at the year end date.

There were no options exercised during the year ended 31 December 2021 or 31 December 2020.

Values of the options at grant date were determined using the Black-Scholes and Monte Carlo Simulation method. Refer to Note 20 of the financial statements for further information.

Options granted carry no dividend or voting rights.

All options/rights were issued by Tymlez Group Limited and entitle the holder to ordinary shares in Tymlez Group Limited for each option/right exercised.

There have not been any alterations to the terms or conditions of any share based payment arrangements since grant date.



## Directors' Report (continued)

### Key Management Personnel Options and Rights Holdings

The number of options in Tymlez Group Limited held by each Key Management Personnel and their related parties up to and including the financial year end is as follows:

31 December 2021	Balance at beginning of year No.	Granted as remuneration No.	Exercised No.	Lapsed No.	Market acquisitions No.	Other changes * No.	Balance at the end of year No.	Vested during the year No.	Vested and exercisable No.
<b>Directors</b>									
<i>Executive Directors:</i>									
Daniel O'Halloran	1,136,363	35,044,424	-	-	125,000	-	36,305,787	125,000	1,261,363
Jitze Jongsma	90,000	8,000,000	-	(90,000)	68,182	(8,068,182)	-	68,182	68,182
<i>Non-Executive Directors:</i>									
Jason Conroy **	-	10,000,000	-	-	-	-	10,000,000	-	-
Luca Febbraio **	-	10,000,000	-	-	-	-	10,000,000	-	-
Wayne Clay	-	4,380,553	-	-	-	(4,380,553)	-	4,380,553	4,380,553
Tim Ebbeck	-	4,380,553	-	-	-	(4,380,553)	-	4,380,553	4,380,553
<b>Other KMP</b>									
Dan Voyce ***	-	15,745,770	-	-	-	-	15,745,770	-	-
Stephen Daniel Friel	-	1,250,000	-	-	-	(1,250,000)	-	1,250,000	1,250,000
<b>Total</b>	<b>1,226,363</b>	<b>88,801,300</b>	<b>-</b>	<b>(90,000)</b>	<b>193,182</b>	<b>(18,079,288)</b>	<b>72,051,557</b>	<b>10,204,288</b>	<b>11,340,651</b>

\* These changes represent the holdings associated with the named personnel when they were appointed or on the date of resignation as key management personnel. These do not represent the disposal or purchase of options.

\*\* As these share based payments are subject to shareholders' approval, no options have been issued by the Group to Jason Conroy or Luca Febbraio.

\*\*\* As at 31 December 2021, no options have been issued by the Group to Dan Voyce. These amounts have been accrued as at the year end date.

## Directors' Report (continued)

### Key Management Personnel Shareholdings

The number of ordinary shares in Tymlez Group Limited held by each Key Management Personnel and their related parties up to and including the financial year end is as follows:

31 December 2021	Balance at start of year	Market acquisitions	Share based payment	Market disposals	Other changes during the year *	Balance at end of year
<b>Directors</b>						
<i>Executive Directors:</i>						
Daniel O'Halloran	11,300,321	22,850,642	2,000,000	-	-	36,150,963
Jitze Jongsma	5,456,250	2,635,664	-	-	(8,091,914)	-
<i>Non-Executive Directors:</i>						
Jason Conroy	-	-	-	-	-	-
Luca Febbraio	-	-	-	-	-	-
Wayne Clay	-	-	-	-	-	-
Tim Ebbeck	45,500	91,000	-	-	(136,500)	-
<b>Other KMP</b>						
Dan Voyce	-	-	-	-	-	-
Stephen Daniel Friel	-	-	-	-	-	-
<b>Total</b>	<b>16,802,071</b>	<b>25,577,306</b>	<b>2,000,000</b>	<b>-</b>	<b>(8,228,414)</b>	<b>36,150,963</b>

\* These changes represent the holdings associated with the named personnel when they were appointed or on the date of resignation as key management personnel. These do not represent the disposal or purchase of shares.

### KMP Related Party Transactions

The Group did not undertake any transactions during the year with:

- Key management personnel (KMP), except for those stated below;
- A close member of the family of that person; or
- An entity over which the key management person or family member has, directly or indirectly, control, joint control or significant influence.

### Transactions (Excluding Loans)

Transaction type	Terms and conditions*	Name of KMP	Amount \$
Wayne Clay is the owner of Claytec Pty Ltd ("Claytec") which performed some consultancy work for the Group during the year until his resignation as director of the Group on 30 November 2021. Claytec received the following fees, both before and after Wayne's resignation as director:			
Consultancy fees	N/A	Wayne Clay	37,823

\*The transactions are on normal commercial terms and conditions no more favourable than those available to other parties.

### Income and expenses related to KMP transactions

Transaction type	Expense recognised \$
Consultancy fees	37,823

### End of Audited Remuneration Report

## Directors' Report (continued)

### Auditor's Independence Declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 December 2021 has been received and can be found on page 44 of the annual report.

### Non-Audited Services

No non-audit services were provided by the auditor during the year.

### Auditor

HLB Mann Judd continues in office in accordance with section 327 of the *Corporations Act 2001*.

This director's report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.

Executive Director & CEO: .....  
Daniel O'Halloran



Acting Non-Executive Chairman: .....  
Jason Conroy



Dated this 31st day of March 2022

#### **Auditor's Independence declaration**

As lead auditor for the audit of the consolidated financial report of Tymlez Group Limited for the year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

This declaration is in relation to the Tymlez Group Limited and the entities it controlled during the period.

A handwritten signature in blue ink, appearing to read 'HLB Mann Judd'.

**HLB Mann Judd  
Chartered Accountants**

Melbourne  
31 March 2022

A handwritten signature in blue ink, appearing to read 'Jude Lau'.

**Jude Lau  
Partner**

**[hlb.com.au](http://hlb.com.au)**

**HLB Mann Judd (VIC Partnership) ABN 20 696 861 713**

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# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2021

	Note	2021 \$	2020 \$
<b>Continuing Operations</b>			
Other income	5	373,779	193,152
Employee benefits expense		(2,010,059)	(1,755,002)
Directors' fees and wages		(841,942)	(764,852)
Occupancy expenses		(136,008)	(82,446)
Office expenses		(98,108)	(96,507)
Professional fees		(461,480)	(626,273)
Selling and distribution expenses		(97,126)	(155,724)
Other expenses		(349,560)	(324,525)
Finance costs	6	(26,161)	(40,583)
<b>Loss before income tax</b>		<b>(3,646,665)</b>	<b>(3,652,760)</b>
Income tax (expense)/benefit	7	222	(1,272)
<b>Loss for the year</b>	18	<b>(3,646,443)</b>	<b>(3,654,032)</b>
<b>Other comprehensive income, net of income tax</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>		-	-
<b>Items that will be reclassified to profit or loss when specific conditions are met</b>			
Exchange differences on translating foreign controlled entities	17	903	(3,780)
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>903</b>	<b>(3,780)</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>(3,645,540)</b>	<b>(3,657,812)</b>
<b>Profit/(loss) attributable to:</b>			
Members of the parent entity		(3,646,443)	(3,654,032)
		<b>(3,646,443)</b>	<b>(3,654,032)</b>
<b>Total comprehensive income attributable to:</b>			
Members of the parent entity		(3,645,540)	(3,657,812)
		<b>(3,645,540)</b>	<b>(3,657,812)</b>
<b>Earnings per share:</b>			
Basic, loss for the year attributable to ordinary equity holders of the parent (cents)	8	(0.56)	(1.63)
Diluted, loss for the year attributable to ordinary equity holders of the parent (cents)	8	(0.56)	(1.63)
<b>Earnings per share for continuing operations:</b>			
Basic, loss from continuing operations attributable to ordinary equity holders of the parent (cents)	8	(0.56)	(1.63)
Diluted, loss from continuing operations attributable to ordinary equity holders of the parent (cents)	8	(0.56)	(1.63)

The accompanying notes form part of these financial statements.

## Consolidated Statement of Financial Position

As at 31 December 2021

	Note	2021 \$	2020 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	9	4,960,227	1,841,170
Trade and other receivables	10	218,063	96,470
Other assets	11	219,281	188,336
<b>TOTAL CURRENT ASSETS</b>		<b>5,397,571</b>	2,125,976
<b>TOTAL ASSETS</b>		<b>5,397,571</b>	2,125,976
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	746,267	685,508
Borrowings	13	319,397	422,154
Employee benefits	15	52,473	586
Contract liabilities	14	138,411	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,256,548</b>	1,108,248
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	13	150,620	458,280
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>150,620</b>	458,280
<b>TOTAL LIABILITIES</b>		<b>1,407,168</b>	1,566,528
<b>NET ASSETS</b>		<b>3,990,403</b>	559,448
<b>EQUITY</b>			
Issued capital	16	23,218,766	16,657,725
Reserves	17	(3,677,178)	(3,361,926)
Accumulated losses	18	(15,551,185)	(12,736,351)
<b>TOTAL EQUITY</b>		<b>3,990,403</b>	559,448

The accompanying notes form part of these financial statements.

## Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2021

	Note	Issued Capital \$	Accumulated Losses \$	Foreign Currency Translation Reserve \$	Option Reserve \$	Deferred Consideration Shares Reserve \$	Common Control Reserve \$	Total \$
<b>Balance at 1 January 2021</b>		<b>16,657,725</b>	<b>(12,736,351)</b>	<b>148,919</b>	<b>2,819,160</b>	<b>602,019</b>	<b>(6,932,024)</b>	<b>559,448</b>
Net profit/(loss) for the year	18	-	(3,646,443)	-	-	-	-	(3,646,443)
Total other comprehensive income for the year	17	-	-	903	-	-	-	903
		-	(3,646,443)	903	-	-	-	(3,645,540)
<b>Transactions with owners in their capacity as owners</b>								
Contribution of equity, net of transaction costs	16	6,561,041	-	-	-	-	-	6,561,041
Issue of options	17	-	-	-	515,454	-	-	515,454
Lapsed/forfeited options	17	-	229,590	-	(229,590)	-	-	-
Write-off deferred consideration shares	17	-	602,019	-	-	(602,019)	-	-
<b>Balance at 31 December 2021</b>		<b>23,218,766</b>	<b>(15,551,185)</b>	<b>149,822</b>	<b>3,105,024</b>	<b>-</b>	<b>(6,932,024)</b>	<b>3,990,403</b>
<b>Balance at 1 January 2020</b>		14,614,311	(9,082,319)	152,699	885,644	602,019	(6,932,024)	240,330
Net profit/(loss) for the year	18	-	(3,654,032)	-	-	-	-	(3,654,032)
Total other comprehensive income for the year	17	-	-	(3,780)	-	-	-	(3,780)
		-	(3,654,032)	(3,780)	-	-	-	(3,657,812)
<b>Transactions with owners in their capacity as owners</b>								
Contribution of equity, net of transaction costs	16	2,043,414	-	-	-	-	-	2,043,414
Issue of options	17	-	-	-	1,933,516	-	-	1,933,516
<b>Balance at 31 December 2020</b>		<b>16,657,725</b>	<b>(12,736,351)</b>	<b>148,919</b>	<b>2,819,160</b>	<b>602,019</b>	<b>(6,932,024)</b>	<b>559,448</b>

The accompanying notes form part of these financial statements.

## Consolidated Statement of Cash Flows

For the Year Ended 31 December 2021

	Note	2021 \$	2020 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers		284,743	221,951
Payments to suppliers and employees		(3,394,776)	(3,025,016)
Interest received		349	368
VAT and GST received/(paid)		61,344	61,420
Finance costs		(2,665)	(20,698)
Income taxes received/(paid)		222	(1,272)
<b>Net cash provided by/(used in) operating activities</b>	19	<b>(3,050,783)</b>	<b>(2,763,247)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Proceeds from issue of shares		6,920,738	2,908,061
Proceeds from the issue of convertible notes		-	812,618
Net proceeds from/(repayment of) borrowings		(294,920)	453,123
Payment of lease liabilities		(55,763)	(70,905)
Payment of share issue costs		(423,790)	(195,942)
<b>Net cash provided by/(used in) financing activities</b>		<b>6,146,265</b>	<b>3,906,955</b>
Effects of exchange rate changes on cash and cash equivalents		23,575	(16,968)
Net increase/(decrease) in cash and cash equivalents held		3,119,057	1,126,740
Cash and cash equivalents at beginning of year		1,841,170	714,430
<b>Cash and cash equivalents at end of financial year</b>	9(a)	<b>4,960,227</b>	<b>1,841,170</b>

The accompanying notes form part of these financial statements.



# Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

The consolidated financial report covers Tymlez Group Limited and its controlled entities ('the Group'). Tymlez Group Limited is a for-profit Company limited by shares, 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 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 31 March 2022.

Comparatives are consistent with prior years, unless otherwise stated.

## 1. Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001*.

These financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

### 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 31 December 2021, the Group has a net asset position of \$3,990,403 (2020: \$559,448) and its current assets exceed its current liabilities by \$4,141,023 (2020: \$1,017,728). During the financial year, the Group had cash outflows from operating activities of \$3,050,783 (2020: \$2,763,247) and a net loss from operating activities of \$3,646,443 (2020: \$3,654,032).

The Group has prepared a cash flow forecast for the period ending 30 June 2023, which indicates that, without further fundraising, the Group may have insufficient funds to meet its expenditure commitments and to support its current level of corporate overheads. It therefore would need 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 31 December 2021, the directors have undertaken the following initiatives:

## Notes to the Consolidated Financial Statements (continued)

- Driving revenue growth;
- Continue to monitor and control the Group's ongoing working capital requirements and expenditure commitments;
- Consider appropriate action to raise further capital; and
- Continue management's focus on maintaining an appropriate level of corporate overheads in line with the Group's available cash resources.

Based on past experience, 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 and implement the stated strategies, 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 necessary should the Group not continue as a going concern.

## 2. Summary of Significant Accounting Policies

### (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 Group 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 Note 22 to the financial statements.

### 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.

## Notes to the Consolidated Financial Statements (continued)

### (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. in the 2017 financial period 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 unless it forms part of provisional accounting adjustment 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/benefit 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 year 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.

## Notes to the Consolidated Financial Statements (continued)

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.

### (d) Leases

At inception of a contract, the Group assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Group has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

### Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.



## Notes to the Consolidated Financial Statements (continued)

### Right-of-Use Asset

At the lease commencement, the Group recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Group believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

### Lease Liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Group's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Group's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

### Adoption of Short Term Leases of Low Value Asset Exception

#### *Exceptions to lease accounting*

The Group has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Group recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

### (e) Revenue and Other Income

#### Revenue from Contracts with Customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Group expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer;
2. Identify the performance obligations;

## Notes to the Consolidated Financial Statements (continued)

3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations;
5. Recognise revenue as and when control of the performance obligations is transferred.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Group have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

### Specific Revenue Streams

The revenue recognition policies for the principal revenue streams of the Group are:

#### 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.

#### Grant Revenue

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

#### Interest Revenue

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

## **Notes to the Consolidated Financial Statements (continued)**

### **Other Income**

Other income is recognised when it is received or when the right to receive payment is established.

### **(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 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**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

## Notes to the Consolidated Financial Statements (continued)

### *Classification*

On initial recognition, the Group classifies its financial assets into the following category, those measured at:

- amortised cost

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

### *Amortised cost*

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

### *Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Group uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Group in full, without recourse to the Group to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Group in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.



## Notes to the Consolidated Financial Statements (continued)

### *Trade receivables*

Impairment of trade receivables has been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectible then the gross carrying amount is written off against the associated allowance.

Where the Group renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

### **Financial Liabilities**

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade payables and borrowings.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the consolidated statement of financial position, net of transaction costs.

## **(j) 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, inclusive of on-costs.

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.

### **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.

## **(k) Earnings Per Share**

Basic earnings per share is calculated by dividing the profit/(loss) attributable to owners of the company by the weighted average number of ordinary shares outstanding during the year.

## Notes to the Consolidated Financial Statements (continued)

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

### (l) 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.

### (m) Equity-Settled Compensation

#### *Employee options*

Equity-settled compensation benefits are provided to employees via the Employee Share Option Plan. Information relating to this plan is set out in Note 20.

The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using the Black-Scholes pricing model which incorporates all market vesting conditions. The amount to be expensed is determined by reference to the fair value of the options or shares granted, this expense takes in account any market performance conditions and the impact of any non-vesting conditions but ignores the effect of any service and non-market performance vesting conditions.

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

Non-market vesting conditions are taken into account when considering the number of options expected to vest. At the end of each reporting period, the Group revises its estimate of the number of options which are expected to vest based on the non-market vesting conditions. Revisions to the prior period estimate are recognised in profit or loss and equity.

#### *Share-based payments to non-employees*

Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amounts are recognised in the option reserve and consolidated statement of profit or loss and other comprehensive income respectively. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

## Notes to the Consolidated Financial Statements (continued)

### (n) Foreign Currency Transactions and Balances

#### Transactions 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.

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 year-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 any net investment in foreign entities 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.

### (o) Adoption of New and Revised Accounting Standards

The Group has adopted all standards which became effective for the first time at 1 January 2021, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group.

### (p) New Accounting Standards and Interpretations for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The directors have decided against early adoption of these Standards, but does not expect the adoption of these standards to have any impact on the reported position or performance of the Group.

## **Notes to the Consolidated Financial Statements (continued)**

### **3. Critical Accounting Estimates and Judgements**

The directors make estimates and judgements during the preparation of these consolidated financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

#### **Key Estimates – Share Based Payments**

Equity-settled share awards are recognised as an expense based on their fair value at date of grant. The fair value of equity-settled share options is estimated through the use of option valuation models – which require inputs such as the risk-free interest rate, expected dividends, expected volatility and the expected option life – and is expensed over the vesting period.

Some of the inputs used, such as the expected option life, are not market observable and are based on estimates derived from available data, such as employee exercise behaviour. The models utilised, such as the Black-Scholes option pricing model and the Monte-Carlo Simulation, are intended to value options traded in active markets. The share options issued by the Group, however, have a number of features that make them incomparable to such traded options. Using different input estimates or models could produce different option values, which would result in the recognition of a higher or lower expense. Refer to Note 20 for further details.

### **4. Differences Between the Preliminary and Final Report**

Subsequent to the announcement of its preliminary results on 28 February 2022, the Group made a material change in the results disclosed in the preliminary report and this annual report. A reversal of options to be issued, previously accrued in the 2020 financial year, was recognised in the consolidated statement of profit or loss and other comprehensive income in the preliminary report. It was determined that this should have been processed as an adjustment to reserves instead. This has been corrected in this annual report and the impact on net assets was NIL as the increase in the loss for the year of \$118,934 was offset by the transfer for the same amount from the options reserve.



## Notes to the Consolidated Financial Statements (continued)

### 5. Other Income

	2021	2020
	\$	\$
- Income from government funding	279,153	192,784
- Net gain on early termination of lease	86,877	-
- Interest income	349	368
- Other income	7,400	-
<b>Total other income</b>	<b>373,779</b>	<b>193,152</b>

### 6. Result for the Year

The result for the year includes the following specific expenses:

#### Finance costs:

- Banks and other third parties	25,243	33,481
- Lease liability	918	7,102
<b>Total finance costs</b>	<b>26,161</b>	<b>40,583</b>

### 7. Income Tax Expense

#### Reconciliation of income tax to accounting profit/(loss):

Profit/(loss) before income tax	(3,646,665)	(3,652,760)
Tax at Australian tax rate of 30%	(701,190)	(404,012)
Tax at Overseas tax rates	(195,537)	(333,859)
	<b>(896,727)</b>	<b>(737,871)</b>
Add tax effect of:		
- other deductible items	(136,506)	(72,361)
- other non-deductible expenses	145,228	26,026
- tax losses not brought to account	887,783	785,478
<b>Income tax expense/(benefit)</b>	<b>(222)</b>	<b>1,272</b>

Refer to Note 21 for tax losses not recognised.

## Notes to the Consolidated Financial Statements (continued)

### 8. Earnings Per Share

#### (a) Reconciliation of earnings to profit or loss from continuing operations

	2021	2020
	\$	\$
Loss from continuing operations	<b>(3,646,443)</b>	(3,654,032)
Earnings used to calculate basic EPS from continuing operations	<b>(3,646,443)</b>	(3,654,032)
<b>Earnings used in the calculation of dilutive EPS from continuing operations</b>	<b>(3,646,443)</b>	(3,654,032)

#### (b) Earnings used to calculate overall earnings per share

Earnings used to calculate overall earnings per share	<b>(3,646,443)</b>	(3,654,032)
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#### (c) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS

	2021	2020
	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	<b>653,058,418</b>	224,638,943
Weighted average number of dilutive options outstanding	-	-
<b>Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS</b>	<b>653,058,418</b>	224,638,943

#### (d) Earnings per share

	2021	2020
	Cents	Cents
<b>Earnings per share:</b>		
Basic, loss for the year attributable to ordinary equity holders of the parent	<b>(0.56)</b>	(1.63)
Diluted, loss for the year attributable to ordinary equity holders of the parent	<b>(0.56)</b>	(1.63)
<b>Earnings per share for continuing operations:</b>		
Basic, loss from continuing operations attributable to ordinary equity holders of the parent	<b>(0.56)</b>	(1.63)
Diluted, loss from continuing operations attributable to ordinary equity holders of the parent	<b>(0.56)</b>	(1.63)

## Notes to the Consolidated Financial Statements (continued)

### 9. Cash and Cash Equivalents

		2021	2020
	Note	\$	\$
Cash at bank		4,960,227	1,841,170
<b>Total cash and cash equivalents</b>	9(a)	<b>4,960,227</b>	<b>1,841,170</b>

#### (a) Reconciliation of Cash

Cash and cash equivalents reported in the consolidated statement of cash flows are reconciled to the equivalent items in the consolidated statement of financial position as follows:

Cash and cash equivalents	g	4,960,227	1,841,170
<b>Balance as per consolidated statement of cash flows</b>		<b>4,960,227</b>	<b>1,841,170</b>

### 10. Trade and Other Receivables

#### CURRENT

Deposits	25,750	27,124
Taxes and social security	36,323	55,635
Grant receivable	72,917	-
Other receivables	83,073	13,711
<b>Total current trade and other receivables</b>	<b>218,063</b>	<b>96,470</b>

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements. See Note 24 for details on the Group's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon.

### 11. Other Assets

#### CURRENT

Prepayments	219,281	188,336
<b>Total current other assets</b>	<b>219,281</b>	<b>188,336</b>

### 12. Trade and Other Payables

#### CURRENT

##### Unsecured liabilities:

Trade payables	261,612	97,575
Taxes and social security	7,404	33,546
Sundry payables and accrued expenses	271,007	466,640
Share subscription account	-	59,500
Other payables	206,244	28,247
<b>Total current trade and other payables</b>	<b>746,267</b>	<b>685,508</b>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

## Notes to the Consolidated Financial Statements (continued)

### 13. Borrowings

	Note	2021 \$	2020 \$
CURRENT			
<i>Unsecured liabilities:</i>			
Loan from Netherlands government	13(a)	<b>301,241</b>	227,435
Insurance premium funding	13(b)	<b>18,156</b>	130,120
Lease liability		-	64,599
<b>Total current borrowings</b>		<b>319,397</b>	422,154
NON-CURRENT			
<i>Unsecured liabilities:</i>			
Loan from Netherlands government	13(a)	<b>150,620</b>	379,057
Lease liability		-	79,223
<b>Total non-current borrowings</b>		<b>150,620</b>	458,280

#### (a) Loan from Netherlands Government

The terms and conditions of the loan from the Netherlands government is as follows:

- The Netherlands government has provided 75% (€375,000) of the bridging credit in the form of a loan to Tymlez Holding B.V. on the basis that Tymlez Group Limited is willing to provide the remaining 25%;
- The loan will only be used to finance the capital expenditures and working capital needs of the Group;
- Interest is calculated at 3% per annum on the outstanding part of the principal, accruing on a daily basis;
- Repayment of the principal and interest commences on 1 July 2021 and thereafter, on the last day of each calendar quarter;
- Extensions for repayment may be granted at the request of the Group to a period equal to no more than 16 quarterly installments.

#### (b) Insurance Premium Funding

Insurance premium funding has a fixed interest rate of 7.33% per annum (2020: 5.29% per annum).

## Notes to the Consolidated Financial Statements (continued)

### 14. Contract Liabilities

	2021 \$	2020 \$
CURRENT		
Contract liabilities - grant income	138,411	-
<b>Total current contract liabilities</b>	<b>138,411</b>	<b>-</b>

### 15. Employee Benefits

CURRENT		
Annual leave	52,473	586
<b>Total current employee benefits</b>	<b>52,473</b>	<b>586</b>

### 16. Issued Capital

986,851,523 (2020: 292,036,871) fully paid ordinary shares	26,037,049	19,058,280
Share issue costs	(2,818,283)	(2,400,555)
<b>Total issued capital</b>	<b>23,218,766</b>	<b>16,657,725</b>

#### (a) Ordinary shares

	2021 No.	2020 No.
At the beginning of the reporting year	292,036,871	145,873,153
Shares issued during the year:		
- Shares issued on private placement	108,540,910	25,495,489
- Conversion of convertible note	-	102,125,126
- Shares issued to Lead Manager	200,000	7,220,098
- Shares issued on rights issue	584,073,742	1,910,505
- Shares issued to consultant	-	1,000,000
- Shares issued to directors in lieu of remuneration	2,000,000	8,412,500
<b>At the end of the reporting period</b>	<b>986,851,523</b>	<b>292,036,871</b>

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.



## Notes to the Consolidated Financial Statements (continued)

### (b) Capital Management

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

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

The Group manages its capital structure and makes funding decisions based on the prevailing economic environment and has a number of tools available to manage capital risk. These include maintaining a diversified debt portfolio, the ability to adjust the size and timing of dividends paid to shareholders and the issue of new shares.

The Board monitors a range of financial metrics including return on capital employed and gearing ratios. A key objective of the Group's capital risk management is to maintain compliance with the covenants, if any, attached to the Group's debts. During the financial years ended 31 December 2021 and 2020, there were no covenants attached to the Group's borrowings.

### 17. Reserves

	2021 \$	2020 \$
<b>Foreign currency translation reserve</b>		
Opening balance	148,919	152,699
Exchange differences on translating foreign controlled entities	903	(3,780)
<b>Closing balance</b>	<b>149,822</b>	<b>148,919</b>
<b>Option reserve</b>		
Opening balance	2,819,160	885,644
Issue of options	515,454	1,933,516
Lapsed/forfeited options	(229,590)	-
<b>Closing balance</b>	<b>3,105,024</b>	<b>2,819,160</b>
<b>Deferred consideration shares reserve</b>		
Opening balance	602,019	602,019
Write-off deferred consideration shares	(602,019)	-
<b>Closing balance</b>	<b>-</b>	<b>602,019</b>
<b>Common control reserve</b>		
Opening balance	(6,932,024)	(6,932,024)
<b>Closing balance</b>	<b>(6,932,024)</b>	<b>(6,932,024)</b>
<b>Total reserves</b>	<b>(3,677,178)</b>	<b>(3,361,926)</b>

#### (a) Foreign Currency Translation Reserve

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income - foreign currency translation reserve. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

## Notes to the Consolidated Financial Statements (continued)

### (b) Option Reserve

This reserve records the cumulative value of employee service received for the issue of share options. When the option is exercised the amount in the share option reserve is transferred to share capital.

### (c) Deferred Consideration Shares Reserve

The deferred consideration shares reserve records the equity contingent consideration that forms part of the purchase consideration of a business combination or common control transaction. This amount is not remeasured and the settlement is accounted for within equity. During the year ended 31 December 2021, the deferred consideration shares reserve was transferred to accumulated losses as the period for the achievement of the respective milestones had expired and none of the performance milestones had been met to warrant the issue of the deferred consideration shares.

### (d) Common Control Reserve

The common control reserve records any difference between the cost of the transaction and the carrying value of the net assets acquired in a transaction between entities under common control.

## 18. Accumulated Losses

	2021	2020
	\$	\$
Accumulated losses at the beginning of the financial year	(12,736,351)	(9,082,319)
Net profit/(loss) for the year	(3,646,443)	(3,654,032)
Lapsed/forfeited options	229,590	-
Transfer from deferred consideration shares reserve	602,019	-
<b>Accumulated losses at end of the financial year</b>	<b>(15,551,185)</b>	<b>(12,736,351)</b>

## Notes to the Consolidated Financial Statements (continued)

### 19. Cash Flow Information

#### (a) Reconciliation of result for the year to cashflows from operating activities

Net profit/(loss) for the year	<b>(3,646,443)</b>	(3,654,032)
Non-cash flows in profit/(loss):		
- expenses paid via issue of shares/options	<b>44,175</b>	302,058
- share based payment to directors and employees	<b>440,444</b>	382,842
- interest expense included financing activities	<b>23,496</b>	15,502
- GST claim on capital raising costs	<b>27,962</b>	17,676
- insurance expense paid via insurance premium funding	<b>20,040</b>	161,162
- (gain)/loss on early termination of lease	<b>(86,193)</b>	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	<b>(121,593)</b>	19,147
- (increase)/decrease in other assets	<b>(30,945)</b>	40,761
- increase/(decrease) in other liabilities	<b>138,411</b>	-
- increase/(decrease) in trade and other payables	<b>87,976</b>	(48,949)
- increase/(decrease) in employee benefits	<b>51,887</b>	586
<b>Net cash provided by/(used in) operating activities</b>	<b>(3,050,783)</b>	(2,763,247)

#### (b) Non-cash financing and investing activities

Payment of outstanding debts via the issue of shares	<b>14,500</b>	106,675
Payment of outstanding debts via the issue of TYMO options	<b>132,675</b>	213,262
Issue of options under employee share scheme	<b>132,000</b>	90,008
Insurance premium funding	<b>21,450</b>	169,561
<b>Total non-cash financing and investing activities</b>	<b>300,625</b>	579,506

## Notes to the Consolidated Financial Statements (continued)

### (c) Changes in Liabilities Arising from Financing Activities

	2020	Cash flows	Non-cash changes Foreign exchange movement	Non-cash changes Other non-cash movement	2021
	\$	\$	\$	\$	\$
Insurance premium funding	130,120	(137,849)	-	25,885	18,156
Lease liabilities	143,822	(55,763)	(174,936)	86,877	-
Loan from Netherlands government	606,492	(157,071)	(14,293)	16,733	451,861
<b>Total liabilities from financing activities</b>	<b>880,434</b>	<b>(350,683)</b>	<b>(189,229)</b>	<b>129,495</b>	<b>470,017</b>

	2019	Cash flows	Non-cash changes Foreign exchange movement	Non-cash changes Other non-cash movement	2020
	\$	\$	\$	\$	\$
Insurance premium funding	126,451	(165,893)	-	169,562	130,120
Lease liabilities	205,838	(70,905)	1,787	7,102	143,822
Loan from Netherlands government	-	619,016	(12,524)	-	606,492
Convertible notes	-	812,618	-	(812,618)	-
<b>Total liabilities from financing activities</b>	<b>332,289</b>	<b>1,194,836</b>	<b>(10,737)</b>	<b>(635,954)</b>	<b>880,434</b>

## 20. Share-Based Payments

During the year ended 31 December 2021, the Company granted options to its employees and key management personnel pursuant to its Employee Share Option Plan ("ESOP").

### Employee Share Option Plan ("ESOP")

The ESOP has been established by the Group and approved by shareholders at a general meeting, whereby the Group may, at the discretion of the Board, grant options over ordinary shares in the Company to certain key management personnel of the Group. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Board.

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

	31 December 2021		31 December 2020	
	Weighted Average Exercise Price Per Share Option \$	Number of Options No.	Weighted Average Exercise Price Per Share Option \$	Number of Options No.
As at 1 January	0.166	9,206,000	0.350	3,320,000
Granted during the year	0.026	94,951,300	0.062	5,886,000
Forfeited during the year	0.055	(210,000)	-	-
Expired during the period	0.350	(1,320,000)	-	-
<b>As at 31 December</b>	<b>0.034</b>	<b>102,627,300</b>	0.166	9,206,000
Vested and exercisable at 31 December	0.085	15,087,106	0.215	6,296,000

## Notes to the Consolidated Financial Statements (continued)

No options were exercised during the periods covered by the above table.

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

2021 Grant Date	Expiry Date	Exercise price \$	Share Options 31 December 2021 *	Share Options 31 December 2020
			No.	No.
13 December 2018	11 December 2022	0.350	<b>2,000,000</b>	2,000,000
16 January 2019	15 March 2021	0.350	-	930,000
14 May 2019	15 March 2021	0.350	-	300,000
30 July 2019	15 March 2021	0.350	-	90,000
29 May 2020	31 December 2023	0.065	<b>516,000</b>	516,000
14 July 2020	31 December 2023	0.065	<b>1,500,000</b>	1,500,000
11 August 2020	25 August 2023	0.055	<b>1,560,000</b>	1,770,000
14 September 2020	31 December 2023	0.065	<b>750,000</b>	750,000
17 September 2020	31 December 2023	0.065	<b>100,000</b>	100,000
09 October 2020	31 December 2023	0.065	<b>1,000,000</b>	1,000,000
14 October 2020	31 December 2023	0.065	<b>250,000</b>	250,000
17 June 2021	31 December 2023	0.015	<b>3,000,000</b>	-
02 July 2021	02 July 2025	0.015	<b>15,745,770</b>	-
30 July 2021	30 November 2024	0.035	<b>51,805,530</b>	-
08 December 2021	15 December 2025	0.016	<b>20,000,000</b>	-
08 December 2021	08 December 2026	0.016	<b>4,400,000</b>	-
			<b>102,627,300</b>	9,206,000

\* The options granted in 2021, except for the 51,805,530 options granted on 30 July 2021, have not yet been issued as at 31 December 2021 as these options are either options granted to directors which are subject to shareholders' approval at the 2021 AGM, or employee share options and share-based payments to suppliers that are in the process of being issued, pending the finalisation of relevant information.

The weighted average remaining contractual life of options outstanding at year end was 3.18 years (2020: 2.30 years).



## Notes to the Consolidated Financial Statements (continued)

The weighted average fair value of the options granted during the year was \$0.015 (2020: \$0.084). These values were calculated by using a Black-Scholes and Monte-Carlo option pricing model applying the following inputs:

Grant date:	17 June 2021	02 July 2021	30 July 2021
Expiry date:	31 December 2023	02 July 2025	30 November 2024
Share price at grant date (\$):	0.012	0.018	0.016
Exercise price (\$):	0.015	0.015	0.035
Weighted average life of the option (years):	2.00	2.60	3.30
Expected share price volatility:	132.00%	150.00%	147.63%
Dividend yield:	-%	-%	-%
Weighted average risk-free interest rate:	0.09%	0.14%	0.13%
Weighted average fair value at grant date (\$):	0.0073	0.0132	0.0110

Grant date:	08 December 2021	08 December 2021
Expiry date:	15 December 2025	08 December 2026
Share price at grant date (\$):	0.033	0.033
Exercise price (\$):	0.016	0.016
Weighted average life of the option (years):	3.90	1.79
Expected share price volatility:	150.00%	150.00%
Dividend yield:	-%	-%
Weighted average risk-free interest rate:	1.18%	0.64%
Weighted average fair value at grant date (\$):	0.0258	0.0254

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 31 December 2021 was \$0.033.

## 21. Tax Assets and Liabilities

### Unrecognised Deferred Tax Assets

Deferred tax assets have not been recognised in respect of the following:

	2021	2020
	\$	\$
<i>Australian tax losses not recognised:</i>		
Unused tax losses for which no deferred tax asset has been recognised	4,215,206	1,906,977
Potential tax benefit at 30%	1,264,562	572,093

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therein.

## Notes to the Consolidated Financial Statements (continued)

### 22. Interests in Subsidiaries

#### Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%)*	Percentage Owned (%)*
		2021	2020
<b>Subsidiaries:</b>			
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.	United States of America	100	100
Tymlez Pty Ltd	Australia	100	100

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

### 23. 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.

Management has determined that the Group has two reportable segments, namely, Australia and Europe. The Group is managed primarily on the basis of geographical segments as the operations of the Group 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 the Group.

##### (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. 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.

## Notes to the Consolidated Financial Statements (continued)

### (d) Segment Performance

	Australia		Europe		Elimination		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$
<b>REVENUE</b>								
Other segment income	73,948	-	300,513	192,784	(1,031)	-	373,430	192,784
Interest income	162,797	87,471	-	-	(162,448)	(87,103)	349	368
<b>Total segment revenue</b>	<b>236,745</b>	<b>87,471</b>	<b>300,513</b>	<b>192,784</b>	<b>(163,479)</b>	<b>(87,103)</b>	<b>373,779</b>	<b>193,152</b>
Interest expense	5,845	16,991	182,764	110,694	(162,448)	(87,103)	26,161	40,582
Other segment expenses	2,568,200	1,417,188	1,510,292	2,479,595	(84,209)	(91,453)	3,994,283	3,805,330
Income tax expense	-	-	(222)	1,272	-	-	(222)	1,272
<b>Total segment expenses</b>	<b>2,574,045</b>	<b>1,434,179</b>	<b>1,692,834</b>	<b>2,591,561</b>	<b>(246,657)</b>	<b>(178,556)</b>	<b>4,020,222</b>	<b>3,847,184</b>
<b>Segment operating profit/(loss)</b>	<b>(2,337,300)</b>	<b>(1,346,708)</b>	<b>(1,392,321)</b>	<b>(2,398,777)</b>	<b>83,178</b>	<b>91,453</b>	<b>(3,646,443)</b>	<b>(3,654,032)</b>

### (e) Segment Assets

	Australia		Europe		Elimination		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Segment assets</b>	<b>10,698,909</b>	<b>4,588,071</b>	<b>184,053</b>	<b>198,891</b>	<b>(5,485,391)</b>	<b>(2,660,986)</b>	<b>5,397,571</b>	<b>2,125,976</b>
<b>Total segment assets</b>	<b>10,698,909</b>	<b>4,588,071</b>	<b>184,053</b>	<b>198,891</b>	<b>(5,485,391)</b>	<b>(2,660,986)</b>	<b>5,397,571</b>	<b>2,125,976</b>

### (f) Segment Liabilities

<b>Segment liabilities</b>	<b>2,192,172</b>	<b>820,530</b>	<b>4,700,283</b>	<b>3,406,883</b>	<b>(5,485,287)</b>	<b>(2,660,885)</b>	<b>1,407,168</b>	<b>1,566,528</b>
<b>Total segment liabilities</b>	<b>2,192,172</b>	<b>820,530</b>	<b>4,700,283</b>	<b>3,406,883</b>	<b>(5,485,287)</b>	<b>(2,660,885)</b>	<b>1,407,168</b>	<b>1,566,528</b>

## Notes to the Consolidated Financial Statements (continued)

### 24. Financial Risk Management

The Group's principal financial instruments comprise of trade receivable, trade payables, borrowings and cash at bank. The main purpose of holding these instruments is to invest surplus members' funds in order to maximise returns while not exposing the Group to high levels of risk.

This note presents information about the Group's exposure to financial instrument risks, its objectives, policies and processes for measuring and managing risk.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2021 \$	2020 \$
<b>Financial Assets</b>			
Financial assets at amortised cost:			
Cash and cash equivalents	9	4,960,227	1,841,170
Loans and receivables	10	181,740	40,835
<b>Total financial assets</b>		<b>5,141,967</b>	1,882,005
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost:			
- Trade and other payables	12	738,863	651,962
- Borrowings	13	470,017	880,434
<b>Total financial liabilities</b>		<b>1,208,880</b>	1,532,396

### Objectives, Policies and Processes

The Board of Directors has overall responsibility for the establishment and oversight of the Group's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and the use of derivatives.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The day-to-day risk management is carried out by the Group's finance function under policies and objectives which have been approved by the Board of Directors. Management has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and foreign exchange rate risk and assessment of market forecasts for interest rate and foreign exchange movements.

The Board of Directors receives monthly reports which provide details of the effectiveness of the processes and policies in place.

It is, and has been throughout the period under review, the Group's policy that no trading of financial instruments shall be undertaken. The main risks arising from holding these financial instruments are foreign exchange risk, interest rate risk, liquidity risk and credit risk. The Group is not exposed to price risk. Mitigation strategies for specific risks faced are described below:

## Notes to the Consolidated Financial Statements (continued)

### Liquidity Risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Group maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods.

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period are identified monthly.

At the reporting date, these reports indicate that the Group expects to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

The table below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

The Group's liabilities have contractual maturities which are summarised below:

	Not later than 1 month		Less than 12 months		1 to 2 years	
	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$
Trade and other payables	738,863	651,962	-	-	-	-
Lease liability	-	5,487	-	59,112	-	67,827
Insurance premium funding	1,910	15,723	16,246	114,397	-	-
Loan from Netherlands government	-	-	301,241	227,435	150,620	303,246
<b>Total</b>	<b>740,773</b>	<b>673,172</b>	<b>317,487</b>	<b>400,944</b>	<b>150,620</b>	<b>371,073</b>
	2 to 5 years		Later than 5 years		Total Contractual Cashflow/ Carrying Amount	
	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$
Trade and other payables	-	-	-	-	738,863	651,962
Lease liability	-	11,396	-	-	-	143,822
Insurance premium funding	-	-	-	-	18,156	130,120
Loan from Netherlands government	-	75,811	-	-	451,861	606,492
<b>Total</b>	<b>-</b>	<b>87,207</b>	<b>-</b>	<b>-</b>	<b>1,208,880</b>	<b>1,532,396</b>



## Notes to the Consolidated Financial Statements (continued)

### Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposure to wholesale customers, including outstanding receivables.

The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The utilisation of credit limits by customers is regularly monitored by line management. Customers who subsequently fail to meet their credit terms are required to make purchases on a prepayment basis until creditworthiness can be re-established.

As a result of the type of service provided by the Group, trade receivables may consist of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. As at 31 December 2021 and 31 December 2020, the Group did not have any trade receivables.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. As at 31 December 2021 and 31 December 2020, the Group did not have any trade receivables, accordingly, expected credit losses were not assessed.

The Group does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

The other classes of receivables do not contain impaired assets.

## Notes to the Consolidated Financial Statements (continued)

### Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

#### *(i) Interest rate risk*

The Group is exposed to interest rate risk as surplus funds are invested at floating rates. Borrowings are issued at fixed rates and may expose the Group to fair value interest rate risk. As at 31 December 2021, the only borrowings the Group has relate to the insurance premium funding and the loan from the Netherlands government (refer to Note 13 for further details) (31 December 2020: insurance premium funding and the loan from the Netherlands government).

The Group's policy is to minimise cash flow interest rate risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. At the reporting date, the Group is exposed to changes in market interest rates through its bank deposits, which are subject to variable interest rates.

	2021 \$	2020 \$
<b>Floating rate instruments</b>		
Cash at bank	4,960,227	1,841,170
<b>Total floating rate instruments</b>	<u>4,960,227</u>	<u>1,841,170</u>

#### *(ii) Foreign exchange risk*

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group.

Exposures to currency exchange rates arise from the Group's overseas operations, hence sales and purchases, which are primarily denominated in Euro and USD.

The Group does not hedge nor apply hedge accounting. The implications of this decision are that unrealised foreign exchange gains and losses are recognised in profit and loss in the period in which they occur.

Generally, the Group's risk management procedures distinguish short-term foreign currency cash flows (due within 6 months) from longer-term cash flows. Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no further hedging activity is undertaken.

## Notes to the Consolidated Financial Statements (continued)

Foreign currency denominated financial assets and liabilities, translated into Australian Dollars at the closing rate, are as follows:

	USD	EUR	AUD	Total AUD
	\$	\$	\$	\$
<b>2021</b>				
<i>Nominal amounts</i>				
Financial assets	1,591	147,577	4,992,799	5,141,967
Financial liabilities	(103)	(576,032)	(632,745)	(1,208,880)
<b>Short-term exposure</b>	<b>1,488</b>	<b>(428,455)</b>	<b>4,360,054</b>	<b>3,933,087</b>
<b>2020</b>				
<i>Nominal amounts</i>				
Financial assets	3,314	104,095	1,774,596	1,882,005
Financial liabilities	(8)	(933,388)	(599,000)	(1,532,396)
<b>Short-term exposure</b>	<b>3,306</b>	<b>(829,293)</b>	<b>1,175,596</b>	<b>349,609</b>

## Net Fair Values

### Fair Value Estimation

The fair values of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value less impairment provision of trade receivables and payables is a reasonable approximation of their fair values due to the short-term nature of trade receivables and payables. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. None of the Group's financial instruments are recognised at fair value post initial recognition.

## 25. Key Management Personnel Remuneration

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

The names of directors who have held office during the financial year are outlined in the Directors' Report.

In addition, Mr Stephen Daniel Friel (Chief Technology Officer until 8 March 2021) and Mr Dan Voyce (Chief Technology Office from 28 June 2021), acted in a capacity which meets the definition of key management personnel.

Refer to the remuneration report contained in the Directors' Report for details of the remuneration paid or payable to each member of the KMP for the year ended 31 December 2021.

Key management personnel remuneration included within employee expenses for the year is shown below:

	2021	2020
	\$	\$
Short-term employee benefits	828,621	579,402
Post-employment benefits	39,915	8,843
Share-based payments	231,305	345,165
<b>Total key management personnel remuneration</b>	<b>1,099,841</b>	<b>933,410</b>

## Notes to the Consolidated Financial Statements (continued)

### 26. Related Parties

#### (a) The Group's Main Related Parties are as Follows:

Subsidiaries - refer to Note 22.

Key management personnel - refer to Note 25.

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 \$
<b>KMP related parties</b>				
Peak Asset Management Pty Ltd *:				
- 2021	-	-	-	-
- 2020	262,920	-	-	22,000
Claytec Pty Ltd **::				
- 2021	<b>37,823</b>	-	-	-
- 2020	-	-	-	-
<b>Subsidiaries</b>				
Loan to Tymlez Holding B.V. ***:				
- 2021	-	<b>162,448</b>	<b>3,876,666</b>	-
- 2020	-	87,103	2,439,942	-
Loan to Tymlez Pty Ltd:				
- 2021	-	-	<b>1,506,954</b>	-
- 2020	-	-	220,944	-

\* 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 2020. Niv was a non-executive director of the Group on 29 November 2019 and resigned on 14 September 2020. Accordingly, amounts disclosed here only relate to transactions occurring during the period that he was a key management personnel in the prior year. The amount relates to capital raising fees pursuant to a signed mandate with Peak. This expense was capitalised as capital raising fees in equity.

\*\* Wayne Clay is the owner of Claytec Pty Ltd ("Claytec"). During the year ended 31 December 2021, Wayne provided consulting services to the Group, in addition to his role as non-executive director of the Group. Wayne was appointed as non-executive director of the Group on 14 September 2020 and resigned on 30 November 2021.

\*\*\* This loan is unsecured and interest is charged monthly in arrears on the outstanding portion of the loan account at 5% per annum. The outstanding loan balance is repayable in 5 years and the maximum outstanding balance in the loan is capped at EUR 6,000,000.

## Notes to the Consolidated Financial Statements (continued)

### 27. Auditor's Remuneration

	2021 \$	2020 \$
Remuneration of the auditor HLB Mann Judd, for:		
- auditing or reviewing the financial statements of the Group	<b>35,600</b>	36,000
	<b>35,600</b>	36,000
Remuneration of other auditors (HLB Network Firms) of subsidiaries for:		
- auditing or reviewing the financial statements of subsidiaries	<b>32,278</b>	33,083
	<b>32,278</b>	33,083
<b>Total auditors' remuneration</b>	<b>67,878</b>	69,083

### 28. Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2021 (31 December 2020: None).

### 29. Impact of Covid-19

The global coronavirus pandemic continues to have a significant impact on the global economy. In particular, the various restrictions and lockdowns aimed at preventing the spread of COVID-19 in New South Wales, Queensland and Victoria have had some impact on the Group's operations in Australia.

The ongoing measures have continued to create uncertainties in relation to the future financial performance of the Group. Despite the Group being primarily focused on the online, decentralised business concept, it is acknowledged that as a result of the current global situation, business has slowed down in a substantial way.

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 the measures implemented by the relevant Government, the Board has implemented, amongst others, the following:

- Limited international exposure and focusing on embarking on projects within Australia as a priority;
- Relocated the Group's head office to Queensland, Australia;
- Taking the online, decentralised business concept further where employees continue working in the respective states that they reside in (New South Wales, Queensland and Victoria);
- During the lockdown periods, employees worked from home and were able to still connect and perform their work online;
- A decision was made to move away from sectors that are suffering as a direct consequence of COVID-19 and are currently focusing on the sustainability sector; and



## Notes to the Consolidated Financial Statements (continued)

- Completed a successful fundraising campaign through rights issues and shortfall offers to raise a total of \$6.921 million (before costs) in June/July 2021 to fund at least 2 years' worth of operating capital.

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.

### 30. Events Occurring After the Reporting Date

The consolidated financial report was authorised for issue on 31 March 2022 by the board of directors.

The Company entered into a Director's Service Agreement with Mr Rhys Evans on 7 February 2022 in relation to his appointment as Non-Executive Director of the Company. Pursuant to this agreement, Mr Evans is entitled to directors' fees of \$75,000 per annum. The fee for the first 12 months is accrued and paid, in arrears, at the end of each 6 month period, either in cash or shares. The conversion shares is subject to shareholders approval and will be calculated based on the accrued amount and the closing price of shares on Mr Evans' commencement date (that is, \$0.030).

On 22 March 2022, the Group announced a strategic partnership with the HBAR Foundation Sustainable Impact Fund, which funds projects focused on increasing transparency in environmental markets on the Hedera network. The Group will partner with HBAR Foundation to develop one of the world's most secure, trusted and scalable carbon reporting solutions for ESG compliance, Guarantee of Origin (GO), and Voluntary Carbon Market (VCM) ecosystems, leveraging the Group's ability to ingest encrypted and verified data directly from IoT devices. As part of the partnership, the Group has been awarded a US\$1m (approximately A\$1.4m) grant by the HBAR Foundation, a fund dedicated to growing the Hedera ecosystem, and will receive US\$100,000 (approximately A\$140,000) as an upfront payment. The grant will be progressively drawn down by the Group on the achievement of development milestones over the term of the grant (4 years). The Group does not expect to incur any material expenses associated with claiming down on the grant. Either party is eligible to terminate the grant for non-performance.

The COVID-19 pandemic continues to create 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. Refer to Note 29 to the financial statements 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 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.

## Notes to the Consolidated Financial Statements (continued)

### 31. Parent Entity

The following information has been extracted from the books and records of the parent, Tymlez Group Limited and has been prepared in accordance with Australian Accounting Standards.

The financial information for the parent entity, Tymlez Group Limited has been prepared on the same basis as the consolidated financial statements except as disclosed below.

#### Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the consolidated financial statements of the parent entity. Dividends received from associates are recognised in the parent entity profit or loss, rather than being deducted from the carrying amount of these investments.

	2021 \$	2020 \$
<b>Statement of Financial Position</b>		
<b>Assets</b>		
Current assets	10,484,999	4,446,981
Non-current assets	101,771	126,329
<b>Total Assets</b>	<b>10,586,770</b>	<b>4,573,310</b>
<b>Liabilities</b>		
Current liabilities	408,266	554,949
<b>Total Liabilities</b>	<b>408,266</b>	<b>554,949</b>
<b>Equity</b>		
Issued capital	23,218,766	16,657,725
Accumulated losses	(16,145,286)	(16,060,543)
Deferred consideration shares reserve	-	602,019
Options reserve	3,105,024	2,819,160
<b>Total Equity</b>	<b>10,178,504</b>	<b>4,018,361</b>
<b>Statement of Profit or Loss and Other Comprehensive Income</b>		
Total profit/(loss) for the year	(916,353)	(1,095,788)
<b>Total Comprehensive Income</b>	<b>(916,353)</b>	<b>(1,095,788)</b>

#### Guarantees

There were no financial guarantees held by the parent entity as at 31 December 2021 or 31 December 2020.

#### Contingent Liabilities

The parent entity did not have any contingent liabilities as at 31 December 2021 or 31 December 2020, other than those outlined in Note 28.

#### Contractual Commitments

The parent entity did not have any commitments as at 31 December 2021 or 31 December 2020.

## Notes to the Consolidated Financial Statements (continued)

### 32. Statutory Information

The registered office of the Company is:

Tymlez Group Limited  
c/o Moray & Agnew  
Level 6, 505 Little Collins Street  
Melbourne VIC 3000

The principal places of business is:

Tymlez Group Limited  
16 Nexus Way  
Southport QLD 4215


Tymlez Holding B.V.  
Kraanspoor 50  
1033 SE Amsterdam  
The Netherlands

## Directors' Declaration

The directors of the Company declare that:

1. The consolidated financial statements and notes for the year ended 31 December 2021 are in accordance with the *Corporations Act 2001* and:
  - a. comply with Accounting Standards, which, as stated in basis of preparation Note 1 to the consolidated financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
  - b. give a true and fair view of the financial position and performance of the Group;
2. The Chief Executive Officer and Chief Finance Officer have given the declarations required by Section 295A of the *Corporations Act 2001*.
3. 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" to the financial statements.

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



Executive Director & CEO: .....  
Daniel O'Halloran



Acting Non-Executive Chairman: .....  
Jason Conroy

Dated this 31st day of March 2022

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

### **REPORT ON THE AUDIT OF THE FINANCIAL REPORT**

#### **Opinion**

We have audited the financial report of Tymlez Group Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2021, consolidated the statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (a) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company and the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

#### **Material Uncertainty Regarding Going Concern**

We draw attention to Note 1 *Going Concern* in the financial report, which indicates that the Group incurred a net loss of \$3,646,443 during the year ended 31 December 2021 and had operating cash outflow of \$3,050,783. As stated in Note 1 *Going Concern*, these events or conditions, along with other matters as set forth in Note 1 *Going Concern*, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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#### **HLB Mann Judd (VIC Partnership) ABN 20 696 861 713**

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## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Regard Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
<b>Share-based payments</b>	
Refer to note 16 (Issued capital), 17 (Reserves) and 20 (Share-based payments).	
<p>The Group pays its employees, directors and certain suppliers via the issue of ordinary shares and options over shares.</p> <p>During the year, there were several share-based payments made to employees, directors and suppliers.</p> <p>The valuation and accounting for share-based payments is complex and is subject to management's estimates and judgement.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• Verifying the key terms and conditions of equity settled share-based payments in respect of ordinary shares and options over shares to the relevant agreements, for services rendered by employees and directors as well as the agreements with suppliers.</li> <li>• Assessing and testing the fair value calculation of share-based payments by checking the accuracy of the inputs to source documents and performing a cross check against our own findings.</li> <li>• Testing the accuracy of the share-based payments amortisation over the vesting periods (where applicable) and the recording of expenses in the consolidated statement of profit or loss and movement in the share-based payment reserve.</li> <li>• Checking the adopted disclosures for compliance with the requirements of AASB 2 <i>Share-based Payment</i>.</li> </ul>

## Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2021, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the



*Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

#### **Auditor's Responsibilities for the Audit of the Financial Report**

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company or the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

## **REPORT ON THE REMUNERATION REPORT**

### **Opinion on the Remuneration Report**

We have audited the Remuneration Report included in pages 30 to 42 of the annual report for the year ended 31 December 2021.

In our opinion, the Remuneration Report of Tymlez Group Limited for the year ended 31 December 2021 complies with section 300A of the *Corporations Act 2001*.

### **Responsibilities**

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



**HLB Mann Judd**  
**Chartered Accountants**

Melbourne  
31 March 2022



**Jude Lau**  
**Partner**

## Additional Information for Listed Public Companies

For the Year Ended 31 December 2021

### ASX Additional Information

Additional information required by the ASX Listing Rules and not disclosed elsewhere in this report is set out below. This information is effective as at 08 April 2022.

### Substantial shareholders

The number of substantial shareholders and their associates are set out below:

Shareholders	Number of Shares	% of issued shares
Gold Coast Tweed Pet Motels Pty Ltd <Tymlez 1 A/C> and Hamilton Hawkes Pty Ltd <Whitecombe Family A/C>	135,655,951	13.74%
10 Bolivianos Pty Ltd, Freedom Trader Pty Ltd, and Mr Niv Dagan	105,814,889	10.72%
Altor Capital Management Pty Ltd ATF Altor Alpha Fund	50,873,681	5.17%

### Voting rights

#### Ordinary Shares

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

#### Options

No voting rights.

### Distribution of equity security

Analysis of numbers of equity security holders by size of holding:

Holding	Shares	Ordinary Shares	Options
1 - 1,000	30		4
1,001 - 5,000	39		23
5,001 - 10,000	62		19
10,001 - 100,000	702		106
100,001 and over	572		50
<b>Total</b>	<b>1,405</b>		<b>202</b>

Based on the price per security, there were 162 holders of less than a marketable parcel of ordinary shares. This equates to a total of 1,004,506 ordinary shares (0.10% of total issued capital).

## Additional Information for Listed Public Companies (continued)

### Twenty largest shareholders - Ordinary shares

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

Holder Name	Ordinary Shares Number Held	% of issued shares
Gold Coast Tweed Pet Motels Pty Ltd <Tymlez 1 A/C>	110,800,000	11.23%
10 Bolivianos Pty Ltd	109,651,513	11.11%
Altor Capital Management Pty Ltd <Altor Alpha Fund A/C>	44,782,777	4.54%
Mr Gavin Jeremy Dunhill	44,500,000	4.51%
Mr Daniel Joseph O'Halloran	33,900,963	3.44%
Hamilton Hawkes Pty Ltd <Whitcombe Family A/C>	24,855,951	2.52%
Tooting Bec Pty Ltd <Bakerloo Superfund A/C>	23,000,000	2.33%
Narrawallee Capital Pty Ltd <The Narrawallee Unit A/C>	20,000,000	2.03%
Mr Noel Russell Cameron & Dr Belinda Caroline Goad <Noel Cameron Super Fund A/C>	18,636,251	1.89%
Mr Todd Joseph Bard	17,125,330	1.74%
Flourich Pty Ltd <GT & JH Super Fund A/C>	15,000,000	1.52%
Cs Fourth Nominees Pty Limited <HSBC Cust Nom Au Ltd 11 A/C>	14,866,631	1.51%
Mr Duncan Gerard Gowans & Mrs Jodie Louise Gowans <Gowans Superfund A/C>	13,500,000	1.37%
Mr Lee Jason Dixon	13,408,594	1.36%
Granet Superannuation And Investment Services PI <Granet Super Fund A/C>	13,324,658	1.35%
MGL Corp Pty Ltd	13,000,000	1.32%
Buprestid Pty Limited <Hanlon Family Super A/C>	11,175,108	1.13%
Pyxis Holdings Pty Ltd <The Mapletree A/C>	10,000,000	1.01%
Bnp Paribas Nominees Pty Ltd Acf Clearstream	9,965,886	1.01%
Mr Graham John Walker	9,053,862	0.92%
<b>Total</b>	<b>570,547,524</b>	<b>57.81%</b>
<b>Total issued capital - selected security class(es)</b>	<b>986,851,523</b>	<b>100.00%</b>

## Additional Information for Listed Public Companies (continued)

### Twenty largest option holders - Listed Options (TYM0)

The names of the twenty largest holders of listed options are listed below:

Holder Name	Listed Options Number held	% of issued options
Tooting Bec Pty Ltd <Bakerloo Superfund A/C>	8,000,000	23.26%
Flourich Pty Ltd <GT & JH Super Fund A/C>	2,117,769	6.16%
Mr Eoin Patrick Flynn	1,603,334	4.66%
Buprestid Pty Limited <Hanlon Family Super A/C>	1,416,478	4.12%
Mr Stephen Daniel Friel	1,250,000	3.63%
Mr Daniel Joseph O'Halloran	1,136,363	3.30%
Conteck Nederland Bv	1,000,000	2.91%
Altor Capital Management Pty Ltd <Altor Alpha Fund A/C>	909,091	2.64%
Mr John Anthony Phelan & Mrs Brenda Margaret Phelan <Phelan Super Fund A/C>	894,546	2.60%
Mr Noel Russell Cameron & Dr Belinda Caroline Goad <Noel Cameron Super Fund A/C>	727,273	2.11%
Bt Portfolio Services Limited <Caergwrl Invest P/L A/C>	681,818	1.98%
Klockmann Investments Pty Ltd <Klockmann Family Smsf A/C>	568,182	1.65%
Ms Eileen Lilian Collins & Mr Adam James Champion <The Eileen Collins Unit A/C>	553,897	1.61%
Marrah Capital Investment Pty Ltd <Gardiner Brookes Super A/C>	500,000	1.45%
MacDonald Family Sf Pty Ltd <MacDonald Family Sf A/C>	500,000	1.45%
Mr Graham John Walker	477,273	1.39%
Allegro Capital Nominees Pty Ltd <Allegro Capital Account>	454,546	1.32%
Ali Burn & Gery Sullivan <P J Roughan Family A/C>	454,545	1.32%
Ausitano Holdings Pty Ltd	454,545	1.32%
Mr Shane Gregory Ciurleo	400,000	1.16%
Mr Martin John Gardiner	350,000	1.02%
Mrs Michelle Annette Solty	350,000	1.02%
Mr Roulan Gillion	345,455	1.00%
<b>Total</b>	<b>25,145,115</b>	<b>73.10%</b>
<b>Total issued capital - selected security class(es)</b>	<b>34,397,030</b>	<b>100.00%</b>

### Unissued equity securities

Options issued:

- 2,000,000 unlisted options exercisable at \$0.35 expiring 10 December 2022 (5 holders)
- 1,560,000 unlisted options exercisable at \$0.055 expiring 25 August 2023 (9 holders)
- 51,805,530 unlisted options exercisable at \$0.035 expiring 30 November 2024 (4 holders)

### Securities exchange

The Company is listed on the Australian Securities Exchange.