

Tymlez Group Limited
Appendix 4D
Half-Year Report

1. Company details

Name of entity: Tymlez Group Limited
 ABN: 37 622 817 421
 Reporting period: For the half-year ended 30 June 2022
 Previous period: For the half-year ended 30 June 2021

2. Results for announcement to the market

					A\$
Revenue from ordinary activities	up	-	%	to	-
Loss from ordinary activities after tax attributable to the owners of Tymlez Group Limited	up	36.30	%	to	(1,961,111)
Loss for the year attributable to the owners of Tymlez Group Limited	up	36.30	%	to	(1,961,111)

Dividends

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

Comments

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

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.23	0.53

4. Control gained over entities

Name of entity: Tymlez USA Inc. (newly incorporated entity)
 Date of gain of control: 19 May 2022

	Reporting period A\$
Contribution of Tymlez Pty Ltd to Tymlez Group Limited's loss from ordinary activities	-

5. Loss of control over entities

Not applicable

6. Dividends

Current period

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

Previous period

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

7. Dividend reinvestment plans

Not applicable

8. Details of associates and joint venture entities

Not applicable

9. Foreign entities

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

Not applicable

10. Audit qualification or review

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

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

11. Attachments

Details of attachments (if any):

The Half-Year Report of Tymlez Group Limited for the half-year ended 30 June 2022 is attached.

12. Signed



Belinda Cleminson
Company Secretary
On behalf of the Board of Directors
Tymlez Group Limited
31 August 2022

Tymlez Group Limited

ABN 37 622 817 421

Consolidated Interim Financial Statements

For the Half Year Ended 30 June 2022

Tymlez Group Limited

ABN 37 622 817 421

Contents

For the Half Year Ended 30 June 2022

	Page
Consolidated Interim Financial Statements	
Directors' Report	1
Auditor's Independence Declaration under Section 307C of the Corporations Act 2001	3
Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income	4
Consolidated Interim Statement of Financial Position	5
Consolidated Interim Statement of Changes in Equity	6
Consolidated Interim Statement of Cash Flows	7
Notes to the Financial Statements	8
Directors' Declaration	19
Independent Auditor's Review Report	20

Directors' Report

For the Half Year Ended 30 June 2022

The directors submit the consolidated interim financial report of the the Group, being Tymlez Group Limited ("the Company") and its controlled entities, for the half year ended 30 June 2022.

Information on directors

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

Daniel O'Halloran

Jason Conroy

Rhys Evans (Appointed 7 February 2022)

Eglantine Etienne (Appointed 29 June 2022)

Luca Febbraio (Resigned 22 August 2022)

Principal activities and significant changes in nature of activities

TYMLEZ (ASX:TYM) is a pioneer in the development of enterprise software solutions for carbon reporting, guarantee of origin and trusted certification using blockchain technology. The TYMLEZ platform empowers companies across the globe to accurately report on their carbon footprint and move to eliminate greenwashing as they transition to carbon neutrality.

There were no significant changes in the nature of Tymlez Group Limited's principal activities during the financial half year.

Review of operations

The consolidated loss of the Group after providing for income tax amounted to \$1,961,111 (30 June 2021: \$1,438,856).

During the half-year from 1 January to 30 June 2022, the Group has focused on building strong industry partnerships as it continues to gain traction in the Australian and international markets.

In March 2022, it was announced that TYMLEZ was the first recipient of a grant from the HBAR Foundation's Sustainable Impact Fund, having been awarded a maximum of USD\$1M (approx. AUD\$1.45M) which is to be paid out over the term of the grant via HBAR (cryptocurrency native to the Hedera Network). The grant, which is designed to accelerate the Group's transition to the Hedera network, was awarded after a lengthy due-diligence process which validated TYMLEZ's solutions and their market fit.

Other highlights during the period include:

- Rhys Evans and Eglantine Etienne joined the TYMLEZ Board as Non-Executive Directors;
- TYMLEZ expanded into the United States, having incorporated an office in Dallas;
- A Memorandum of Understanding ("MoU") was signed with Mavericks Microgrids. This is the first MoU the Group signed after entering the US; and
- Delivered a successful pilot to UON to demonstrate carbon emissions reporting in the dewatering industry.

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the half year.

Tymlez Group Limited

ABN 37 622 817 421

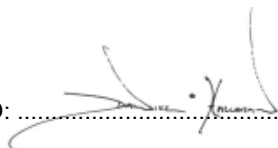
Directors' Report For the Half Year Ended 30 June 2022

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the half year ended 30 June 2022 has been received and can be found on page 3 of the consolidated interim financial report.

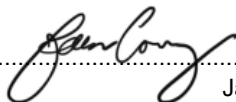
This report is signed in accordance with a resolution of the Board of Directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

Executive Director & CEO:



Daniel O'Halloran

Acting Non-Executive Chairman:



Jason Conroy

Dated this 31st day of August 2022

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Tymlez Group Limited ("the Company") for the half-year ended 30 June 2022, 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 review; and
- (b) any applicable code of professional conduct in relation to the review.

This declaration is in relation to the Company and the entities it controlled during the period.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Melbourne
31 August 2022



Michael Gummery
Partner

hlb.com.au

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

Level 9, 575 Bourke Street, Melbourne VIC 3000 | GPO Box 2850, Melbourne VIC 3001

T: +61 (0) 3 9606 3888 F: +61 (0) 3 9606 3800 E: mailbox@hlbvic.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

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

Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income

For the Half Year Ended 30 June 2022

	30 June 2022	30 June 2021
	\$	\$
Other income	301,091	270,507
Employee benefits expense	(1,190,845)	(829,661)
Impairment of digital assets	(62,775)	-
Directors' fees and wages	(330,041)	(207,338)
Insurance expense	(113,409)	(95,086)
Occupancy expenses	(65,038)	(61,994)
Office expenses	(26,687)	(49,520)
Professional fees	(259,246)	(330,456)
Selling and distribution expenses	(13,729)	(52,677)
Subcontracting costs	(16,376)	-
Other expenses	(165,408)	(65,835)
Finance costs	(18,648)	(16,796)
Loss before income tax	(1,961,111)	(1,438,856)
Income tax expense	-	-
Loss for the half year	(1,961,111)	(1,438,856)
Other comprehensive income, net of income tax		
Items that will be reclassified to profit or loss when specific conditions are met		
Exchange differences on translating foreign controlled entities	10,636	179
Other comprehensive income for the half year, net of tax	10,636	179
Total comprehensive loss for the half year	(1,950,475)	(1,438,677)
Profit/(loss) attributable to:		
Members of the parent entity	(1,961,111)	(1,438,856)
	(1,961,111)	(1,438,856)
Total comprehensive income attributable to:		
Members of the parent entity	(1,950,475)	(1,438,677)
	(1,950,475)	(1,438,677)
Earnings per share:		
Basic, loss for the half year attributable to ordinary equity holders of the parent (cents)	(0.20)	(0.45)
Diluted, loss for the half year attributable to ordinary equity holders of the parent (cents)	(0.20)	(0.45)

The accompanying notes form part of these financial statements.

Consolidated Interim Statement of Financial Position
As At 30 June 2022

		30 June 2022	31 December 2021
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		2,968,882	4,960,227
Trade and other receivables		257,904	218,063
Other assets		87,323	219,281
TOTAL CURRENT ASSETS		3,314,109	5,397,571
NON-CURRENT ASSETS			
Intangible assets	5	47,597	-
TOTAL NON-CURRENT ASSETS		47,597	-
TOTAL ASSETS		3,361,706	5,397,571
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		412,853	746,267
Borrowings		291,259	319,397
Employee benefits		61,018	52,473
Other liabilities		167,635	138,411
TOTAL CURRENT LIABILITIES		932,765	1,256,548
NON-CURRENT LIABILITIES			
Borrowings		123,035	150,620
TOTAL NON-CURRENT LIABILITIES		123,035	150,620
TOTAL LIABILITIES		1,055,800	1,407,168
NET ASSETS		2,305,906	3,990,403
EQUITY			
Issued capital	6	23,265,665	23,218,766
Reserves		(3,447,463)	(3,677,178)
Accumulated losses		(17,512,296)	(15,551,185)
TOTAL EQUITY		2,305,906	3,990,403

The accompanying notes form part of these financial statements.

Tymlez Group Limited

ABN 37 622 817 421

Consolidated Interim Statement of Changes in Equity

For the Half Year Ended 30 June 2022

	Issued Capital \$	Accumulated Losses \$	Foreign Currency Translation Reserve \$	Option Reserve \$	Deferred Consideration Shares Reserve \$	Common Control Reserve \$	Total \$
Balance at 1 January 2022	23,218,766	(15,551,185)	149,822	3,105,024	-	(6,932,024)	3,990,403
Net profit/(loss) for the period	-	(1,961,111)	-	-	-	-	(1,961,111)
Total other comprehensive income for the period	-	-	10,636	-	-	-	10,636
Transactions with owners in their capacity as owners							
Contribution of equity, net of transaction costs	45,186	-	-	-	-	-	45,186
Issue of options	-	-	-	220,792	-	-	220,792
Options exercised	1,713	-	-	(1,713)	-	-	-
Balance at 30 June 2022	23,265,665	(17,512,296)	160,458	3,324,103	-	(6,932,024)	2,305,906
Balance at 1 January 2021	16,657,725	(12,736,351)	148,919	2,819,160	602,019	(6,932,024)	559,448
Net profit/(loss) for the period	-	(1,438,856)	-	-	-	-	(1,438,856)
Total other comprehensive income for the period	-	-	179	-	-	-	179
Transactions with owners in their capacity as owners							
Contribution of equity, net of transaction costs	5,294,523	-	-	-	-	-	5,294,523
Issue of options	-	-	-	162,028	-	-	162,028
Lapsed options	-	107,964	-	(107,964)	-	-	-
Forfeited options	-	2,692	-	(2,692)	-	-	-
Balance at 30 June 2021	21,952,248	(14,064,551)	149,098	2,870,532	602,019	(6,932,024)	4,577,322

The accompanying notes form part of these financial statements.

Consolidated Interim Statement of Cash Flows
For the Half Year Ended 30 June 2022

	30 June 2022 \$	30 June 2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from grant income	166,391	90,441
Payments to suppliers and employees	(1,924,138)	(1,529,211)
Interest received	519	74
Finance costs	(2,242)	(1,388)
Net VAT and GST refunded	12,268	13,749
Net cash used in operating activities	(1,747,202)	(1,426,335)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issue of shares	886	5,651,160
Proceeds from oversubscription of shares (to be repaid)	-	163,702
Repayment of borrowings	(245,277)	(101,774)
Repayment of lease liabilities	-	(55,763)
Payment of share issue costs	-	(341,421)
Net cash provided by/(used in) financing activities	(244,391)	5,315,904
Net increase/(decrease) in cash and cash equivalents held	(1,991,593)	3,889,569
Cash and cash equivalents at beginning of the half year	4,960,227	1,841,170
Effects of exchange rate changes on cash and cash equivalents	248	(7,372)
Cash and cash equivalents at end of the half year	2,968,882	5,723,367

Notes to the Financial Statements

For the Half Year Ended 30 June 2022

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

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

The financial report was authorised for issue by the Directors on 31 August 2022.

Comparatives are consistent with prior periods, unless otherwise stated.

1 Basis of Preparation

This interim financial report for the reporting period ended 30 June 2022 has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*.

The interim financial report is intended to provide users with an update on the latest annual financial statements of Tymlez Group Limited. As such it does not contain information that represents relatively insignificant changes occurring during the half year within Tymlez Group Limited. This interim financial report does not include all the notes normally included in an annual financial report. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of Tymlez Group Limited for the year ended 31 December 2021, together with any public announcements made during the half year.

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

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

Going concern

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

As at 30 June 2022, the Group has a net assets position of \$2,305,906 and its current assets exceed its current liabilities by \$2,381,344. During the financial period, the Group had cash outflows from operating activities of \$1,747,202, and a net loss from operating activities of \$1,961,111.

The Group has prepared a cash flow forecast for the period ending 30 September 2023, which indicates that without further fundraising, the Group will have insufficient funds to meet its expenditure commitments and to support its current level of corporate overheads and growth. It therefore would need to raise additional funds in order to fund its growth and to continue as a going concern.

Notes to the Financial Statements

For the Half Year Ended 30 June 2022

1 Basis of Preparation (continued)

To address the future additional funding requirements of the Group, since 30 June 2022, the directors have undertaken the following initiatives:

- 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 prepare 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 necessarily incurred should the Group not continue as a going concern.

2 Additions to the Group's Accounting Policies

(a) Revenue and other income

Grant income

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.

Transaction price - Digital assets

The Hedera grant income contract provides for payment in the grantor's digital asset, HBAR. The digital asset's fair value is determined by referencing publicly available pricing data from digital asset exchanges at the applicable date of recognition.

Interest income

Interest income 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 Financial Statements

For the Half Year Ended 30 June 2022

2 Additions to the Group's Accounting Policies (continued)

(b) Digital assets - Cryptocurrency

Digital assets are assets such as HBAR, which use an open-source software-based online system where transactions are recorded in a public ledger (blockchain) using its own unit of account. Digital Assets are an emerging technology and asset class, and as such there are no specific accounting standards that cover the treatment, rather digital assets are assessed by applying existing accounting standards in conjunction with guidance released by the accounting standard setting bodies such as the International Accounting Standards Board ("IASB").

The Group considers the digital assets it holds meet the recognition criteria of intangible assets (identifiable, controllable, and capable of generating future economic benefits) and therefore have accounted for these assets in accordance with AASB 138 *Intangible Assets*.

The Group measures digital assets at cost less accumulated impairment as it is determined that there is no active market for the digital assets the Group currently holds. Digital assets classified as intangible assets are considered to be indefinite life intangible assets given their nature.

Digital assets are derecognised when the Group disposes of the asset or when the Group otherwise loses control of and therefore, access to the economic benefits associated with ownership of the digital asset.

(c) Impairment of non-financial assets

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

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

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

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

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

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

(d) Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time at 1 January 2022. The adoption of these standards has not resulted in material adjustments to the reported financial position, performance or cash flow of the Group.

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

Notes to the Financial Statements

For the Half Year Ended 30 June 2022

3 Critical Accounting Estimates and Judgements

The directors make estimates and judgements during the preparation of these consolidated interim 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.

Key judgement - Accounting treatment for digital assets (cryptocurrency)

Management note that the topic of digital assets and the accounting for digital assets continues to be considered by the IASB and continues to monitor new comments and interpretations released by the IASB and other standard setters from around the world.

In line with this, the Group has considered its position for the half year ended 30 June 2022 and has determined that the Group's digital assets fall into the intangible asset method (the method noted by the IASB in its most recent deliberations).

Management has assessed that, under the intangible asset method and due to the determination that there is a lack of an active market, the measurement of the digital assets at cost less any impairment is appropriate under the respective accounting standards.

On initial recognition, the fair value of digital assets is determined by reference to the quoted price in United States Dollars (USD) on the respective transaction dates from the Coin Market Cap website (www.coinmarketcap.com) at closing Coordinated Universal Time. The Group considers this fair value to be a Level 2 input on the basis that there is not an active market with sufficient volume.

Notes to the Financial Statements

For the Half Year Ended 30 June 2022

4 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 (who are identified as the chief operating decision makers) in assessing performance and determining the allocation of resources.

Management has determined that the Company has two reportable segments, namely, Australia and Europe. The Company is managed primarily on the basis of geographical segments as the operations of Tymlez Group Limited in each of these geographic areas have different risk profiles. 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 makers with respect to operating segments, are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of Tymlez Group Limited.

(b) Segment assets

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

(c) Segment liabilities

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

Tymlez Group Limited

ABN 37 622 817 421

Notes to the Financial Statements For the Half Year Ended 30 June 2022

4 Operating Segments (continued)

(d) Segment performance

	Australia		Europe		Elimination		Total	
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2022	2021	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$	\$	\$
INCOME								
Other segment income	176,800	-	132,657	270,433	(8,885)	-	300,572	270,433
Interest income	200,389	70,723	-	-	(199,870)	(70,649)	519	74
Total segment revenue	377,189	70,723	132,657	270,433	(208,755)	(70,649)	301,091	270,507
Impairment expense	62,775	-	-	-	-	-	62,775	-
Interest paid	108,979	5,113	109,539	82,332	(199,870)	(70,649)	18,648	16,796
Other segment expenses	1,903,247	807,677	398,110	901,410	(120,578)	(16,520)	2,180,779	1,692,567
Total segment expenses	2,075,001	812,790	507,649	983,742	(320,448)	(87,169)	2,262,202	1,709,363
Segment net profit/(loss)	(1,697,812)	(742,067)	(374,992)	(713,309)	111,693	16,520	(1,961,111)	(1,438,856)

Tymlez Group Limited

ABN 37 622 817 421

Notes to the Financial Statements For the Half Year Ended 30 June 2022

4 Operating Segments (continued)

(e) Segment assets

	Australia		Europe		Elimination		Total	
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December
	2022	2021	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$	\$	\$
Segment assets	10,289,266	10,698,909	209,692	184,053	(7,137,252)	(5,485,391)	3,361,706	5,397,571
Total segment assets	10,289,266	10,698,909	209,692	184,053	(7,137,252)	(5,485,391)	3,361,706	5,397,571

(f) Segment liabilities

Segment liabilities	3,214,362	2,192,172	4,978,602	4,700,283	(7,137,164)	(5,485,287)	1,055,800	1,407,168
Total segment liabilities	3,214,362	2,192,172	4,978,602	4,700,283	(7,137,164)	(5,485,287)	1,055,800	1,407,168

Notes to the Financial Statements

For the Half Year Ended 30 June 2022

5 Intangible Assets

	30 June 2022 \$	31 December 2021 \$
Development costs		
Cost	2,678,745	2,678,745
Accumulated amortisation and impairment	(2,678,745)	(2,678,745)
Net carrying value	-	-
Digital Assets - HBAR Cryptocurrency		
Cost	110,372	-
Accumulated impairment	(62,775)	-
Net carrying value	47,597	-
Total intangibles	47,597	-

(a) Movements in carrying amounts of intangible assets

	Digital Assets - Cryptocurrency \$	Development costs \$	Total \$
Half Year ended 30 June 2022			
Balance at the beginning of the half year	-	-	-
Additions	110,372	-	110,372
Amortisation	-	-	-
Impairment loss in profit & loss	(62,775)	-	(62,775)
Closing value at 30 June 2022	47,597	-	47,597

There were no movements in intangible assets during the half year ended 31 December 2021.

(b) Impairment of digital assets (cryptocurrency)

The Group entered into a HBAR Grant and Rewards Agreement with The HBAR Foundation on 21 March 2022 for a period of 4 years. The total value of the grant is approximately USD1,000,000 payable in HBAR (cryptocurrency native to the Hedera Network) with an initial payment of approximately USD100,000 (paid in the equivalent HBAR on date of transaction being 4 May 2022).

The Group acquires HBAR (digital asset) in various separate transactions. Each individual acquisition of HBAR held by the Group represents a unit of account for impairment testing purposes and the Group maintains the carrying values of each acquisition in order to perform impairment testing.

The fair value of the HBAR is determined with reference to the HBAR-USD (US Dollar) rate on the respective transaction dates from the Coin Market Cap website (www.coinmarketcap.com) at closing Coordinated Universal Time. In the event that the fair value of HBAR falls below its carrying value, an impairment is recorded. During the half year ended 30 June 2022, an impairment charge of \$62,775 was recognised in profit and loss.

Notes to the Financial Statements

For the Half Year Ended 30 June 2022

5 Intangible Assets (continued)

(c) Restrictions on use of digital assets

As part of the agreement with The HBAR Foundation, the Group agrees that it will not transfer, or cause to be transferred, any HBARs received under the agreement out of the original payment account, or otherwise transfer, exchange, distribute or sell those HBARs for fiat currency or a different cryptocurrency, unless mutually agreed to transfer as fiat currency, for a period of 6 months from the granting of the HBARs. Exceptions to this requirement are:

- transfer from one TYMLEZ account to another TYMLEZ account;
- transfer to pay transaction fees required to make use of the Hedera Network.

6 Issued Capital

	30 June 2022	31 December 2021
	\$	\$
989,365,160 (2021: 986,851,523) fully paid ordinary shares	26,082,148	26,037,049
Share issue costs	(2,816,483)	(2,818,283)
Total issued capital	23,265,665	23,218,766

(a) Ordinary shares

	30 June 2022	31 December 2021
	No.	No.
At the beginning of the reporting period	986,851,523	292,036,871
Shares issued during the period:		
- Shares issued on private placement	-	108,540,910
- Shares issued to Lead Manager	-	200,000
- Shares issued to directors in lieu of remuneration	2,500,000	2,000,000
- Shares issued pursuant to rights issue	-	584,073,742
- Shares issued on exercise of options	13,637	-
At the end of the reporting period	989,365,160	986,851,523

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

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

(b) Capital Management

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

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

Notes to the Financial Statements

For the Half Year Ended 30 June 2022

7 Interests in Subsidiaries

Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2022	Percentage Owned (%)* 2021
Subsidiaries:			
Tymlez Holding B.V.	Netherlands	100	100
Tymlez GmbH **	Germany	100	100
Tymlez Properties B.V.	Netherlands	100	100
Tymlez B.V.	Netherlands	100	100
Tymlez Inc **	U.S.A.	100	100
Tymlez Pty Ltd	Australia	100	100
Tymlez USA Inc. (Incorporated 19 May 2022) **	U.S.A.	100	-

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

**These entities are currently dormant.

8 Contingencies

In the opinion of the Directors, the Company did not have any contingent assets or liabilities at 30 June 2022 (31 December 2021: None).

9 Events Occurring After the Reporting Date

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

Subsequent to 30 June 2022, the Group made the following announcements to the ASX in respect of agreements that was signed:

- On 28 July 2022, the Group signed an agreement with Magnum Mining and Exploration Limited (ASX: MGU) to develop a digital twin for its green pig iron production facility in Nevada, USA; and
- On 16 August 2022, the Group was selected to collaborate with Lloyd's Register Maritime Decarbonisation Hub (Lloyd's) and Safetytech Accelerator to undertake a feasibility study for the guarantee of origin of green hydrogen and green ammonia in the maritime industry.

On 22 August 2022, Luca Febbraio resigned as non-executive director of the Board.

The following resolutions were passed at an extraordinary meeting of shareholders that was held on 23 August 2022:

- Election of Ms Eglantine Etienne as Director; and

Notes to the Financial Statements

For the Half Year Ended 30 June 2022

9 Events Occurring After the Reporting Date (continued)

- Approval of issue of 7,500,000 options each to Mr Jason Conroy, Mr Rhys Evans and Ms Eglantine Etienne, non-executive directors of the Group. These options will vest in 4 tranches of 1,875,000 each on the Company's share price achieving \$0.05, \$0.075, \$0.10 and \$0.125 based on the volume weighted average market price over a consecutive period of 20 market trading days (during which the Company's shares have traded) with a payment amount payable by each director calculated based on 150% of the closing price of the Company's shares on the date of appointment of each director.

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

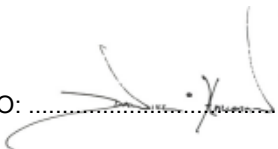
Directors' Declaration

The directors of the Company declare that:

1. The consolidated interim financial statements and notes, as set out on pages 4 to 18 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standard AASB 134 *Interim Financial Reporting*; and
 - (b) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the half-year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

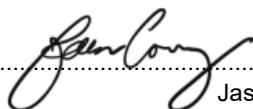
This declaration is made in accordance with a resolution of the Board of Directors pursuant to section 303(5)(a) of the *Corporations Act 2001*.

Executive Director & CEO:



Daniel O'Halloran

Acting Non-Executive Chairman:



Jason Conroy

Dated this 31st day of August 2022

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

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Tymlez Group Limited ("the Company") which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

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

- (a) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Regarding Going Concern

We draw attention to Note 1 Going Concern, in the half-year financial report, which indicates that the Group incurred a net loss after tax of \$1,961,111 and a net operating cash outflow of \$1,747,202 during the half-year ended 30 June 2022. As stated in Note 1 Going Concern, the Group will need to raise further funds during the next 12 months in order to meet its forecast expenditure and settle its liabilities as and when they fall due. As stated in Note 1 Going Concern, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

hlb.com.au

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

Level 9, 575 Bourke Street, Melbourne VIC 3000 | GPO Box 2850, Melbourne VIC 3001

T: +61 (0) 3 9606 3888 F: +61 (0) 3 9606 3800 E: mailbox@hlbvic.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

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 review report.

Responsibility of the Directors for the Financial Report

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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

HLB Mann Judd

**HLB Mann Judd
Chartered Accountants**

Melbourne
31 August 2022



**Michael Gummery
Partner**