

Tymlez Group Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity: Tymlez Group Limited
ABN: 37 622 817 421
Reporting period: For the year ended 31 December 2022
Previous period: For the year ended 31 December 2021

2. Results for announcement to the market

				A\$
Revenue from ordinary activities	up	100 %	to	71,852
Loss from ordinary activities after tax attributable to the owners of Tymlez Group Limited	up	23.60 %	to	(4,506,896)
Loss for the year attributable to the owners of Tymlez Group Limited	up	23.60 %	to	(4,506,896)

Dividends

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

Comments

The loss for the consolidated entity after providing for income tax amounted to \$4,506,896 (2021: loss of \$3,646,443).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.17	0.40

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 USA Inc. to Tymlez Group Limited's loss from ordinary activities after tax	-

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.

Current period

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

7. Dividend reinvestment plans

Not applicable

8. Details of associates and joint venture entities

Not applicable

9. Foreign entities

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

Not applicable

10. Audit qualification or review

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

The accounts are in the process of being audited and on publication of the audited financial statements in March 2023, the accounts may contain a material uncertainty related to going concern paragraph in the independent auditor's report.

11. Attachments

Details of attachments (if any):

The Preliminary Report of Tymlez Group Limited for the year ended 31 December 2022 is attached.

12. Signed



Jonathan Hart
Company Secretary
On behalf of the Board of Directors
Tymlez Group Limited
27 February 2023

Tymlez Group Limited

ABN 37 622 817 421

Preliminary Report - 31 December 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2022

	Note	2022 \$	2021 \$
Continuing Operations			
Revenue	1	71,852	-
Other income	1	484,287	373,779
Employee benefits expense		(2,625,277)	(2,010,059)
Impairment of digital assets		(90,174)	-
Directors' fees and wages		(731,411)	(841,942)
Insurance expense		(218,166)	-
Occupancy expenses		(117,518)	(136,008)
Office expenses		(38,730)	(98,108)
Professional fees		(616,148)	(461,480)
Selling and distribution expenses		(67,203)	(97,126)
Subcontracting costs		(66,969)	-
Subscriptions		(158,363)	(36,996)
Other expenses		(306,054)	(312,564)
Finance costs		(27,022)	(26,161)
Loss before income tax		(4,506,896)	(3,646,665)
Income tax (expense)/benefit		-	222
Loss for the year		(4,506,896)	(3,646,443)
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that will be reclassified to profit or loss when specific conditions are met			
Exchange differences on translating foreign controlled entities	8	(3,002)	903
Other comprehensive income/(loss) for the year, net of tax		(3,002)	903
Total comprehensive income/(loss) for the year		(4,509,898)	(3,645,540)
Profit/(loss) attributable to:			
Members of the parent entity		(4,506,896)	(3,646,443)
		(4,506,896)	(3,646,443)
Total comprehensive income attributable to:			
Members of the parent entity		(4,509,898)	(3,645,540)
		(4,509,898)	(3,645,540)
Earnings per share:			
Basic, loss for the year attributable to ordinary equity holders of the parent (cents)	2	(0.45)	(0.56)
Diluted, loss for the year attributable to ordinary equity holders of the parent (cents)	2	(0.45)	(0.56)
Earnings per share for continuing operations:			
Basic, loss from continuing operations attributable to ordinary equity holders of the parent (cents)	2	(0.45)	(0.56)
Diluted, loss from continuing operations attributable to ordinary equity holders of the parent (cents)	2	(0.45)	(0.56)

Tymlez Group Limited

ABN 37 622 817 421

Consolidated Statement of Financial Position As At 31 December 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		2,702,596	4,960,227
Trade and other receivables	3	183,373	218,063
Other assets		179,852	219,281
TOTAL CURRENT ASSETS		3,065,821	5,397,571
NON-CURRENT ASSETS			
Intangible assets	4	38,955	-
TOTAL NON-CURRENT ASSETS		38,955	-
TOTAL ASSETS		3,104,776	5,397,571
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	5	505,593	746,267
Borrowings	6	364,566	319,397
Employee benefits		68,040	52,473
Contract liabilities		226,084	138,411
TOTAL CURRENT LIABILITIES		1,164,283	1,256,548
NON-CURRENT LIABILITIES			
Borrowings	6	-	150,620
TOTAL NON-CURRENT LIABILITIES		-	150,620
TOTAL LIABILITIES		1,164,283	1,407,168
NET ASSETS		1,940,493	3,990,403
EQUITY			
Issued capital	7	25,302,324	23,218,766
Reserves	8	(3,579,550)	(3,677,178)
Accumulated losses		(19,782,281)	(15,551,185)
TOTAL EQUITY		1,940,493	3,990,403

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2022

	Note	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 year		-	(4,506,896)	-	-	-	-	(4,506,896)
Total other comprehensive income for the year	8	-	-	(3,002)	-	-	-	(3,002)
		-	(4,506,896)	(3,002)	-	-	-	(4,509,898)
Transactions with owners in their capacity as owners								
Contribution of equity, net of transaction costs	7	2,081,845	-	-	-	-	-	2,081,845
Options issued	8	-	-	-	162,553	-	-	162,553
Options vested	8	-	-	-	215,590	-	-	215,590
Options exercised	8	1,713	-	-	(1,713)	-	-	-
Lapsed/forfeited options	8	-	275,800	-	(275,800)	-	-	-
Balance at 31 December 2022		25,302,324	(19,782,281)	146,820	3,205,654	-	(6,932,024)	1,940,493
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 year		-	(3,646,443)	-	-	-	-	(3,646,443)
Total other comprehensive income for the year	8	-	-	903	-	-	-	903
		-	(3,646,443)	903	-	-	-	(3,645,540)
Transactions with owners in their capacity as owners								
Contribution of equity, net of transaction costs	7	6,561,041	-	-	-	-	-	6,561,041
Issue of options	8	-	-	-	515,454	-	-	515,454
Lapsed/forfeited options	8	-	229,590	-	(229,590)	-	-	-
Write-off deferred consideration shares	8	-	602,019	-	-	(602,019)	-	-
Balance at 31 December 2021		23,218,766	(15,551,185)	149,822	3,105,024	-	(6,932,024)	3,990,403

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows
For the Year Ended 31 December 2022

	2022	2021
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	77,909	-
Payments to suppliers and employees	(4,350,115)	(3,394,776)
Interest received	5,863	349
VAT and GST received/(paid)	30,435	61,344
Finance costs	-	(2,665)
Income taxes received/(paid)	-	222
Receipts from grant income	459,554	284,743
Net cash provided by/(used in) operating activities	9 (3,776,354)	(3,050,783)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issue of shares	2,024,040	6,920,738
Net proceeds from/(repayment of) borrowings	(475,189)	(294,920)
Payment of lease liabilities	-	(55,763)
Payment of share issue costs	(14,462)	(423,790)
Net cash provided by/(used in) financing activities	1,534,389	6,146,265
Effects of exchange rate changes on cash and cash equivalents	(15,666)	23,575
Net increase/(decrease) in cash and cash equivalents held	(2,257,631)	3,119,057
Cash and cash equivalents at beginning of year	4,960,227	1,841,170
Cash and cash equivalents at end of financial year	2,702,596	4,960,227

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2022

1 Revenue and Other Income

	2022	2021
	\$	\$
Revenue from contracts with customers		
<i>Service fees:</i>		
- Consultancy and professional services	71,852	-
Total revenue	<u>71,852</u>	<u>-</u>
Other income		
- Income from government funding	341,990	279,153
- Hedera grant income - digital assets	132,525	-
- Net gain on early termination of lease	-	86,877
- Interest income	5,863	349
- Other income	3,909	7,400
Total other income	<u>484,287</u>	<u>373,779</u>

2 Earnings per Share

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

Loss from continuing operations	(4,506,896)	(3,646,443)
Earnings used to calculate basic EPS from continuing operations	<u>(4,506,896)</u>	<u>(3,646,443)</u>
Earnings used in the calculation of dilutive EPS from continuing operations	<u>(4,506,896)</u>	<u>(3,646,443)</u>

(b) Earnings used to calculate overall earnings per share

Earnings used to calculate overall earnings per share	<u>(4,506,896)</u>	<u>(3,646,443)</u>
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(c) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS

	2022	2021
	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	994,299,043	653,058,418
Weighted average number of dilutive options outstanding	-	-
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	<u>994,299,043</u>	<u>653,058,418</u>

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2022

2 Earnings per Share (continued)

(d) Earnings per share

	2022 Cents	2021 Cents
Earnings per share:		
Basic, loss for the year attributable to ordinary equity holders of the parent	(0.45)	(0.56)
Diluted, loss for the year attributable to ordinary equity holders of the parent	(0.45)	(0.56)
Earnings per share for continuing operations:		
Basic, loss from continuing operations attributable to ordinary equity holders of the parent	(0.45)	(0.56)
Diluted, loss from continuing operations attributable to ordinary equity holders of the parent	(0.45)	(0.56)

3 Trade and Other Receivables

CURRENT		
Deposits	14,325	25,750
Taxes and social security	33,672	36,323
Grant receivable	51,625	72,917
Other receivables	83,751	83,073
Total current trade and other receivables	183,373	218,063

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 14 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.

4 Intangible Assets

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	129,129	-
Accumulated amortisation and impairment	(90,174)	-
Net carrying value	38,955	-
Total intangibles	38,955	-

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2022

4 Intangible Assets (continued)

(a) Movements in carrying amounts of intangible assets

	Digital Assets - Cryptocurrency \$	Development costs \$	Total \$
Year ended 31 December 2022			
Balance at the beginning of the year	-	-	-
Additions	129,129	-	129,129
Amortisation expense	-	-	-
Impairment loss in profit & loss	(90,174)	-	(90,174)
Closing value at 31 December 2022	38,955	-	38,955

There were no movements in intangible assets during the 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 year ended 31 December 2022, an impairment charge of \$90,174 was recognised in profit and loss.

(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.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2022

5 Trade and Other Payables

	Note	2022 \$	2021 \$
CURRENT			
<i>Unsecured liabilities:</i>			
Trade payables		93,025	261,612
Taxes and social security		8,593	7,404
Sundry payables and accrued expenses		155,180	271,007
Other payables		248,795	206,244
Total current trade and other payables		505,593	746,267

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.

6 Borrowings

CURRENT			
<i>Unsecured liabilities:</i>			
Loan from Netherlands government	6(a)	229,500	301,241
Insurance premium funding	6(b)	135,066	18,156
Total current borrowings		364,566	319,397
NON-CURRENT			
<i>Unsecured liabilities:</i>			
Loan from Netherlands government	6(a)	-	150,620
Total non-current borrowings		-	150,620

(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.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2022

6 Borrowings (continued)

(b) Insurance premium funding

Insurance premium funding has a fixed interest rate of 5.23% per annum (2021: 7.33% per annum).

7 Issued Capital

	2022	2021
	\$	\$
1,091,421,885 (2021: 986,851,523) fully paid ordinary shares	28,132,273	26,037,049
Share issue costs	(2,829,949)	(2,818,283)
Total issued capital	25,302,324	23,218,766

(a) Ordinary shares

	2022	2021
	No.	No.
At the beginning of the reporting year	986,851,523	292,036,871
Shares issued during the year:		
- Shares issued on private placement	101,157,704	108,540,910
- Shares issued on exercise of options	13,637	-
- Shares issued to Lead Manager	-	200,000
- Shares issued on rights issue	-	584,073,742
- Shares issued to directors in lieu of remuneration	3,399,021	2,000,000
At the end of the reporting period	1,091,421,885	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.

8 Reserves

(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.

(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.

Notes to the Consolidated Financial Statements

For the Year Ended 31 December 2022

8 Reserves (continued)

(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 2022, 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.

9 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

	2022	2021
	\$	\$
Net profit/(loss) for the year	(4,506,896)	(3,646,443)
Non-cash flows in profit/(loss):		
- impairment of digital assets	90,174	-
- income received in the form of digital assets, net of forex differences	(129,129)	-
- expenses paid via issue of shares/options	-	44,175
- share based payment to directors and employees	427,514	440,444
- interest expense included financing activities	27,022	23,496
- GST claim on capital raising costs	996	27,962
- insurance expense paid via insurance premium funding	355,380	20,040
- (gain)/loss on early termination of lease	-	(86,193)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	34,690	(121,593)
- (increase)/decrease in other assets	39,429	(30,945)
- increase/(decrease) in other liabilities	87,673	138,411
- increase/(decrease) in trade and other payables	(218,774)	87,976
- increase/(decrease) in employee benefits	15,567	51,887
Net cash provided by/(used in) operating activities	(3,776,354)	(3,050,783)