

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 2023
Previous period: For the half-year ended 30 June 2022

2. Results for announcement to the market

				A\$
Revenue from ordinary activities	up	100 %	to	13,124
Loss from ordinary activities after tax attributable to the owners of Tymlez Group Limited	up	6.82 %	to	(2,094,781)
Loss for the year attributable to the owners of Tymlez Group Limited	up	6.82 %	to	(2,094,781)

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	(0.01)	0.23

4. Control gained over entities

Not applicable

5. Loss of control over entities

Not applicable

6. Dividends

Current period

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

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):

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 2023 is attached.

12. Signed



Jonathan Hart
Company Secretary
On behalf of the Board of Directors
Tymlez Group Limited
31 August 2023

Tymlez Group Limited

ABN 37 622 817 421

Consolidated Interim Financial Statements

For the Half Year Ended 30 June 2023

Tymlez Group Limited

ABN 37 622 817 421

Contents

For the Half Year Ended 30 June 2023

	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	18
Independent Auditor's Review Report	19

Directors' Report

For the Half Year Ended 30 June 2023

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 2023.

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:

Fady El Turk	(Appointed 29 May 2023)
Raffaele Marcellino	(Appointed 31 May 2023)
Darren Scott	(Appointed 5 June 2023)
Rhys Evans	(Resigned 5 June 2023)
Daniel O'Halloran	(Resigned 30 March 2023; Re-appointed 22 May 2023; Resigned 31 May 2023)
Eglantine Etienneble	(Resigned 29 May 2023)
Jason Conroy	(Resigned 22 May 2023)

Principal activities and significant changes in nature of activities

TYMLEZ (ASX:TYM) is a pioneer in the development and delivery of carbon reporting and guarantee of origin solutions. The Group provides companies across the globe with world-class solutions designed to empower them in their decarbonisation journeys.

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

Review of operations

The consolidated loss of the Group after providing for income tax amounted to \$2,094,781 (30 June 2022: \$1,961,111).

TYMLEZ set a strong foundation for continued growth in the second half of 2023 and beyond with the achievement of a number of key milestones and the implementation of a number of operational overhauls.

During the period, TYMLEZ achieved a number of key successes including:

- **Appointment of new Board and CEO.** TYMLEZ appointment of a new Board of Directors comprised of industry veterans including the Group's new CEO, Mr Fady (Freddy) El Turk.
- **Safetytech Accelerator and Lloyd's Register webinar.** After the completion of an industry leading whitepaper into the feasibility of assuring the green credentials of future maritime fuels, TYMLEZ successfully participated in a webinar with Lloyd's Register where maritime executives from across the globe were presented to on the capabilities of the TYMLEZ Platform.
- **Dovu integration.** In February 2023, TYMLEZ successfully completed its integration with the Dovu carbon credit marketplace which allows customers to natively offset their carbon emissions directly through the TYMLEZ Platform. The functionality has already been deployed in TYMLEZ's project with the Queensland Government and will be available for all TYMLEZ customers moving forward.
- **Commencing development on the TROEF project.** TYMLEZ has been a lead member within the consortium since its inception in early 2021 and has been focused heavily on aligning all consortium partners on the overall vision and goals of the project. Development of the first phase commenced in the first half of 2023 and was completed post 30 June 2023.

Directors' Report

For the Half Year Ended 30 June 2023

Review of operations (continued)

- **Cost reduction measures.** Over the course of the first six months of the year, TYMLEZ has instigated a number of cost reduction measures aimed at extending the Group's runway while it continues to develop its business development opportunities. Measures include the reduction in overall global staff headcount, closure of office space in Melbourne, and optimisations for the TYMLEZ Platform infrastructure.
- **Updated business development plan.** The development of a modern business development plan which will aim to accelerate customer onboarding and broaden the scope of the Group's target geographies.

Significant changes in state of affairs

The following significant changes in the state of affairs of the Company occurred during the financial half year:

- i. There were significant changes to the Board and management of the Company during the half year period. The following changes occurred during the period:

Executive and Non-Executive Directors

Mr Jason Conroy (resigned 22 May 2023)
Ms Eglantine Etienne (resigned 29 May 2023)
Mr Fady El Turk (appointed 29 May 2023)
Mr Daniel O'Halloran (resigned 30 March 2023, re-appointed 22 May 2023, resigned 31 May 2023)
Mr Raffaele Marcellino (appointed 31 May 2023)
Mr Rhys Evans (resigned 5 June 2023)
Mr Darren Scott (appointed 5 June 2023)

Chief Executive Officer

Acting CEO - Mr Daniel O'Halloran (appointed 1 January 2023; resigned 31 May 2023)
CEO (and Acting CTO) - Mr Fady El Turk (appointed 29 June 2023)

- ii. 773,410 ordinary shares at \$0.0192 per share were issued to a consultant in lieu of fees for consulting and advisory services.

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 2023 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:

Fady El Turk

Raffaele Marcellino

Non-Executive Chairman:

Raffaele Marcellino

Dated this 31st day of August 2023

Auditor's independence declaration

As lead auditor for the review of the interim consolidated financial report of Tymlez Group Limited ("the Company") for the half-year ended 30 June 2023, 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 2023

A handwritten signature in black ink, appearing to read 'M Gummery', with a stylized flourish at the end.

**Michael Gummery
Partner**

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Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income

For the Half Year Ended 30 June 2023

	30 June 2023	30 June 2022
	\$	\$
Revenue	13,124	-
Other income	219,826	301,091
Employee benefits expense	(1,091,001)	(1,190,845)
Impairment of digital assets	(22,571)	(62,775)
Directors' fees and wages	(411,087)	(330,041)
Insurance expense	(86,631)	(113,409)
Occupancy expenses	(34,947)	(65,038)
Office expenses	(5,737)	(26,687)
Professional fees	(449,479)	(259,246)
Selling and distribution expenses	(14,112)	(13,729)
Subcontracting costs	(29,064)	(16,376)
Subscriptions	(112,354)	(58,148)
Other expenses	(65,322)	(107,260)
Finance costs	(5,426)	(18,648)
Loss before income tax	(2,094,781)	(1,961,111)
Income tax expense	-	-
Loss for the half year	(2,094,781)	(1,961,111)
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	(13,453)	10,636
Other comprehensive income for the half year, net of tax	(13,453)	10,636
Total comprehensive loss for the half year	(2,108,234)	(1,950,475)
Profit/(loss) attributable to:		
Members of the parent entity	(2,094,781)	(1,961,111)
	(2,094,781)	(1,961,111)
Total comprehensive income attributable to:		
Members of the parent entity	(2,108,234)	(1,950,475)
	(2,108,234)	(1,950,475)
Earnings per share:		
Basic, loss for the half year attributable to ordinary equity holders of the parent (cents)	(0.19)	(0.20)
Diluted, loss for the half year attributable to ordinary equity holders of the parent (cents)	(0.19)	(0.20)

The accompanying notes form part of these financial statements.

Tymlez Group Limited

ABN 37 622 817 421

Consolidated Interim Statement of Financial Position As At 30 June 2023

		30 June 2023	31 December 2022
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		468,187	2,702,596
Trade and other receivables		115,720	183,373
Other assets		81,922	179,852
TOTAL CURRENT ASSETS		665,829	3,065,821
NON-CURRENT ASSETS			
Intangible assets	5	57,723	38,955
TOTAL NON-CURRENT ASSETS		57,723	38,955
TOTAL ASSETS		723,552	3,104,776
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		306,036	505,593
Borrowings		113,963	364,566
Employee benefits		62,751	68,040
Other liabilities		286,003	226,084
TOTAL CURRENT LIABILITIES		768,753	1,164,283
TOTAL LIABILITIES		768,753	1,164,283
NET ASSETS/ (NET LIABILITIES)		(45,201)	1,940,493
EQUITY/ (NET DEFICIENCY)			
Issued capital	6	25,316,194	25,302,324
Reserves		(3,484,333)	(3,579,550)
Accumulated losses		(21,877,062)	(19,782,281)
TOTAL EQUITY/ (NET DEFICIENCY)		(45,201)	1,940,493

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 2023

	Issued Capital \$	Accumulated Losses \$	Foreign Currency Translation Reserve \$	Option Reserve \$	Common Control Reserve \$	Total \$
Balance at 1 January 2023	25,302,324	(19,782,281)	146,820	3,205,654	(6,932,024)	1,940,493
Net profit/(loss) for the period	-	(2,094,781)	-	-	-	(2,094,781)
Total other comprehensive income for the period	-	-	(13,453)	-	-	(13,453)
Transactions with owners in their capacity as owners						
Issue of shares to consultant in lieu of fees	14,858	-	-	-	-	14,858
Transaction costs	(988)	-	-	-	-	(988)
Lapsed options	-	-	-	(32,533)	-	(32,533)
Options vested	-	-	-	141,203	-	141,203
Balance at 30 June 2023	25,316,194	(21,877,062)	133,367	3,314,324	(6,932,024)	(45,201)
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
Lapsed options	-	-	-	(32,533)	-	(32,533)
Options exercised	1,713	-	-	(1,713)	-	-
Balance at 30 June 2022	23,265,665	(17,512,296)	160,458	3,291,570	(6,932,024)	2,273,373

The accompanying notes form part of these financial statements.

Consolidated Interim Statement of Cash Flows
For the Half Year Ended 30 June 2023

	30 June 2023 \$	30 June 2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	13,223	-
Payments to suppliers and employees	(2,255,168)	(1,924,138)
Interest received	9,228	519
Finance costs	-	(2,242)
Net VAT and GST refunded	20,176	12,268
Receipt from grants	249,692	166,391
Net cash used in operating activities	(1,962,849)	(1,747,202)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issue of shares	-	886
Repayment of borrowings	(260,088)	(245,277)
Payment of share issue costs	(1,061)	-
Net cash provided by/(used in) financing activities	(261,149)	(244,391)
Net increase/(decrease) in cash and cash equivalents held	(2,223,998)	(1,991,593)
Cash and cash equivalents at beginning of the half year	2,702,596	4,960,227
Effects of exchange rate changes on cash and cash equivalents	(10,411)	248
Cash and cash equivalents at end of the half year	468,187	2,968,882

Notes to the Financial Statements

For the Half Year Ended 30 June 2023

The 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 2023.

Comparatives are consistent with prior periods, unless otherwise stated.

1 Basis of Preparation

This interim financial report for the reporting period ended 30 June 2023 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 2022, 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 2023, the Group has a net liabilities position of \$45,201 and its current liabilities exceed its current assets by \$102,924. During the financial period, the Group had cash outflows from operating activities of \$1,962,849, and a net loss from operating activities of \$2,094,781.

The Group has prepared a cash flow forecast for the period ending 31 December 2024, 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 will need to raise additional funds in order to fund its growth and to continue as a going concern for at least 12 months from the date of this financial report.

Notes to the Financial Statements

For the Half Year Ended 30 June 2023

1 Basis of Preparation (continued)

To address the future additional funding requirements of the Group, since 30 June 2023, 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.

Subsequent to 30 June 2023, the Company received firm commitments to raise approximately \$850,000 before costs, from professional and sophisticated investors, via a two-tranche placement of 212,250,000 ordinary shares at an issue price of \$0.004 per share. As at the date of this report, the Company has received \$584,000 before costs and has allotted 146,000,000 ordinary shares to the relevant shareholders on 7 August 2023. Refer to Note 9 "Events Occurring After the Reporting Date" for further details.

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) Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time at 1 January 2023. 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 2023

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 2023 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 2023

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 2023

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
	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$
INCOME								
Revenue from external customers	13,124	-	-	-	-	-	13,124	-
Other segment income	98,531	176,800	121,126	132,657	(9,059)	(8,885)	210,598	300,572
Interest income	265,992	200,389	-	-	(256,764)	(199,870)	9,228	519
Total segment revenue	377,647	377,189	121,126	132,657	(265,823)	(208,755)	232,950	301,091
Impairment expense	22,571	62,775	-	-	-	-	22,571	62,775
Interest paid	135,290	108,979	126,900	109,539	(256,764)	(199,870)	5,426	18,648
Other segment expenses	1,863,421	1,903,247	231,238	398,110	205,075	(120,578)	2,299,734	2,180,779
Total segment expenses	2,021,282	2,075,001	358,138	507,649	(51,689)	(320,448)	2,327,731	2,262,202
Segment net profit/(loss)	(1,643,635)	1,697,812)	(237,012)	(374,992)	(214,134)	111,693	(2,094,781)	(1,961,111)

Tymlez Group Limited

ABN 37 622 817 421

Notes to the Financial Statements For the Half Year Ended 30 June 2023

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
	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$
Segment assets	11,994,287	12,220,314	190,658	187,097	(11,461,393)	(9,302,635)	723,552	3,104,776
Total segment assets	11,994,287	12,220,314	190,658	187,097	(11,461,393)	(9,302,635)	723,552	3,104,776

(f) Segment liabilities

Segment liabilities	6,384,220	5,089,052	5,845,828	5,377,766	(11,461,295)	(9,302,535)	768,753	1,164,283
Total segment liabilities	6,384,220	5,089,052	5,845,828	5,377,766	(11,461,295)	(9,302,535)	768,753	1,164,283

Notes to the Financial Statements

For the Half Year Ended 30 June 2023

5 Intangible Assets

	30 June 2023 \$	31 December 2022 \$
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	170,468	129,129
Accumulated impairment	(112,745)	(90,174)
Net carrying value	57,723	38,955
Total intangibles	57,723	38,955

(a) Movements in carrying amounts of intangible assets

	Digital Assets - Cryptocurrency \$	Development costs \$	Total \$
Half Year ended 30 June 2023			
Balance at the beginning of the half year	38,955	-	38,955
Additions	73,414	-	73,414
Disposals	(32,075)	-	(32,075)
Amortisation	-	-	-
Impairment loss in profit & loss	(22,571)	-	(22,571)
Closing value at 30 June 2023	57,723	-	57,723
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

(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).

Notes to the Financial Statements

For the Half Year Ended 30 June 2023

5 Intangible Assets (continued)

(b) Impairment of digital assets (cryptocurrency) (continued)

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 2023, an impairment charge of \$22,571 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.

6 Issued Capital

	30 June 2023	31 December 2022
	\$	\$
1,092,195,295 (2022: 1,091,421,885) fully paid ordinary shares	28,147,131	28,132,273
Share issue costs	(2,830,937)	(2,829,949)
Total issued capital	25,316,194	25,302,324

(a) Ordinary shares

	30 June 2023	31 December 2022
	No.	No.
At the beginning of the reporting period	1,091,421,885	989,365,160
Shares issued during the period:		
- Shares issued on private placement	-	101,157,704
- Shares issued to directors in lieu of remuneration	-	899,021
- Shares issued to consultant in lieu of fees	773,410	-
At the end of the reporting period	1,092,195,295	1,091,421,885

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.

Notes to the Financial Statements

For the Half Year Ended 30 June 2023

6 Issued Capital (continued)

(a) Ordinary shares (continued)

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.

7 Interests in Subsidiaries

Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2023	Percentage Owned (%)* 2022
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. **	U.S.A.	100	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 Group did not have any contingent assets or liabilities at 30 June 2023 (31 December 2022: None).

9 Events Occurring After the Reporting Date

The consolidated interim financial report was authorised for issue on 31 August 2023 by the board of directors.

In July/August 2023, the Company received firm commitments to raise approximately \$850,000 before costs, from professional and sophisticated investors, via a two-tranche placement of 212,250,000 ordinary shares at an issue price of \$0.004 per share. This placement includes 212,250,000 free attaching options on a 1:1 basis (to be listed subject to meeting the ASX requirements) at an exercise price of \$0.01 and expiring on 21 July 2026. 62,500,000 of the placement shares and the 212,250,000 free attaching options is subject to shareholder approval. As at the date of this report, the Company has received \$584,000 before costs and has allotted 146,000,000 ordinary shares to the relevant shareholders on 7 August 2023.

Notes to the Financial Statements

For the Half Year Ended 30 June 2023

9 Events Occurring After the Reporting Date (continued)

Copeak Corporate Pty Ltd <The Trustee for Peak Asset Management Unit Trust> ("PEAK") was engaged to act as lead manager for the placement. Pursuant to the executed engagement with PEAK, the term of the engagement is for the period 30 June 2023 to 31 December 2024 and the fees for the capital raising are as follows:

1. A 6% capital raising fee on all funds raised under the offer (excluding GST) ("Capital Raising Fee"); and
2. Subject to raising a minimum of \$850,000, the Company will issue PEAK (or its nominees) with 37.5M listed options (the listing of the options is subject to meeting spread requirements) with an exercise price of \$0.01 and an expiry of three years from issue date ("Options"). In the absence of shareholder approval, the fee is payable in cash to the equivalent value.

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 17 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 2023 and of its performance for the half-year ended on that date.
2. In the directors opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable based on the factors outlined in Note 1 "Going Concern".

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



Executive Director & CEO:

Fady El Turk

Raffaele Marcellino

Non-Executive Chairman:

Raffaele Marcellino

Dated this 31st day of August 2023

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

Report on the Interim Financial Report

Conclusion

We have reviewed the interim financial report of Tymlez Group Limited ("the company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2023, 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 interim financial report of the Group 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 2023 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*.

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 review of the interim financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Regarding Going Concern

We draw attention to Note 1 *Going Concern* in the interim financial report, which indicates that the Group had net cash outflows from operating activities of \$1,962,849 during the half-year ended 30 June 2023 and, as of that date, its current liabilities exceeded its current assets by \$102,924 and its total liabilities exceeded its total assets by \$45,201. As stated in Note 1 *Going Concern*, the Group's cash flow forecast to 31 December 2024 indicates that it will need to raise additional funds during this period in order to continue as a going concern. 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 conclusion is not modified in respect of this matter.

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Responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the interim 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 interim 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 interim 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 interim 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 2023 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 an interim 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 2023

A handwritten signature in black ink, appearing to read 'M Gummery', with a stylized flourish at the end.

Michael Gummery
Partner