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 2019
Previous period:	For the half-year ended 30 June 2018

2. Results for announcement to the market

				A$
Revenue from ordinary activities	down	(27.21) %	to	161,118
Loss from ordinary activities after tax attributable to the owners of Tymlez Group Limited	down	53.46 %	to	(2,427,884)
Loss for the half year attributable to the owners of Tymlez Group Limited	down	53.46 %	to	(2,427,884)

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	1.23	0.18

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

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9. Foreign entities

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

Not applicable

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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.

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11. Attachments

Details of attachments (if any):

The Half-Year Report of Tymlez Group Limited for the half-year ended 30 June 2019 is attached.

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12. Signed

Justyn Stedwell
Company Secretary
On behalf of the Board of Directors
Tymlez Group Limited
30 August 2019

Tymlez Group Limited

ABN 37 622 817 421

Consolidated Interim Financial Statements

For the Half Year Ended 30 June 2019

Tymlez Group Limited

ABN 37 622 817 421

Contents

For the Half Year Ended 30 June 2019

Tymlez Group Limited

ABN 37 622 817 421

Directors' Report
For the Half Year Ended 30 June 2019

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 2019.

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:

Michael Reh

Reinier van der Drift

Daniel Charles Dickens

Rodney Hannington

Review of operations

During the period from 1 January 2019 to 30 June 2019 (the "Half-Year") the Company has focused on increasing customer awareness, broadening sales infrastructure, implementing new use cases to widen adoption, and seeking to attract high profile customers to drive broader endorsement and awareness.

In February 2019, the TYMLEZ Blockchain Platform was selected as the foundation for securing the Personally Identifiable Information (PII) of users of a new service from the South Africa National public sector. This will be the largest Blockchain project for South Africa, and the TYMLEZ Platform is intended to ensure South African Government and associated national entities can deliver secure PII to any Public or Private Sector Stakeholders.

The Company also progressed a number of other sales opportunities during the Half-Year including with Urban Farming an initiative supported by Singapore's Temasek and BrightSolver of South Africa. The Company notes that conversion of sales leads to customers has been slower than expected, with the economic conditions in Europe not favourable for potential customers to invest in new technology systems. As a result while there are a number of active sales leads in development, the timing of conversion has been delayed. The Company is also evaluating its overall sales and marketing strategy and commercial approach in light of this situation.

The Company's partner network and geographic reach continued to increase during the Half-Year, with growth in both software suppliers and technology vendors. The TYMLEZ platform is complementary to SUSE, HPE and EPI-Use and large partners like Boston Consulting (Platinion) and KPN have also been a priority in the sales effort.

In relation to the Blockchain-in-a-Box collaboration with HPe, sales representatives from HPe have been appointed to market the product and have received training from TYMLEZ sales and technical staff on the value proposition. The onboarding and systems trials have commenced for early-bird HPe customers to ensure that a functional end-to-end processes are in place prior to the official launch by the end of 2019.

In February 2019, the Company achieved official partner status in the Google Cloud Technology Partner Programme. The Company has been working with Google to strengthen this relationship and access of the Google Marketplace, with further updates expected in the second half of 2019.

The Company also continued to explore further opportunities within the data centre space, such as a potential platform integration of TBSP with SAP HANA. The SAP HANA business data platform is unrivaled, combining a robust database with services for creating innovative applications.

From an operational perspective, the Company finished the development of the new TBSP Version 2.0 during the Half-Year. The main features of the new release are the support of BFT (Byzantine Fault-Tolerant), improved user experience and extended support for deployment scenarios such as Kubernetes, Docker and Vagrant. All existing business scenarios will be available, including Tracking and Tracing, HR Onboarding and Secure Document Handling.

The Company has already made progress with a newer version of the platform known as TBSN Version 2.1, planned to be released into Controlled Availability in the third Quarter. The main feature of the new version is the support of a new database "PostgreSQL".

Directors' Report
For the Half Year Ended 30 June 2019

Review of operations (continued)

Following the Company's review of its capital markets and investor relation activities which took into consideration feedback from multiple investors, Hawkesbury Partners was appointed as the corporate advisers as part of commitment to improve the shareholder engagement process.

Matters or circumstances arising after the end of the half year

Subsequent to 30 June 2019, the Company and its previous lead broker/manager signed a Deed of Termination and agreed to terminate the previously executed mandate.

Subsequent to 30 June 2019, the Board of Directors resolved to offer Mr Jitze Jongsma (Chief Financial Officer) 90,000 options with an exercise price of $0.35 in the Company for no consideration under the terms and conditions set out in the Employee Share Option Plan Rules. These options will vest on 22 November 2020 and have an expiry date of 21 March 2021. Mr Jongsma has taken up the offer and it is envisaged that the options will be issued on or around 11 September 2019.

In August 2019, the Company's management completed a series of meetings in Sydney and Melbourne with existing shareholders and also met with new investors and brokers to build market awareness. The Company is evaluating options to strengthen its balance sheet.

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.

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 2019 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.

Executive Director & CEO: ....

Michael Reh

Non-Executive Chairman: ....

Rodney Hannington

Dated this 30th day of August 2019

HLB MANN JUDD

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the half-year financial report of Tymlez Group Limited for the half-year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(b) any applicable code of professional conduct in relation to the review.

This declaration is in respect of Tymlez Group Limited and the entities it controlled during the half-year ended 30 June 2019.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Jude Lau
Partner

Melbourne
30 August 2019

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Tymlez Group Limited

ABN 37 622 817 421

Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income

For the Half Year Ended 30 June 2019

	30 June 2019 $	Restated 30 June 2018 $
Revenue	**161,118**	221,344
Other income	**1,736**	7,659
Employee benefits expense	**(1,222,937)**	(803,217)
Depreciation and amortisation expense	**(325,541)**	(110,483)
Management fees	**(424,093)**	(131,788)
Occupancy expenses	**(12,274)**	(57,530)
Office expenses	**(44,593)**	(63,225)
Professional fees	**(225,029)**	-
Selling and distribution expenses	**(184,914)**	(186,045)
Other expenses	**(131,294)**	(458,763)
Finance costs	**(20,063)**	-
Loss before income tax	**(2,427,884)**	(1,582,048)
Income tax expense	**-**	-
Loss for the half year	**(2,427,884)**	(1,582,048)
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	**17,181**	65,094
Other comprehensive income/(loss) for the half year, net of tax	**17,181**	65,094
Total comprehensive income/(loss) for the half year	**(2,410,703)**	(1,516,954)
Profit/(loss) attributable to:		
Members of the parent entity	**(2,427,884)**	(1,582,048)
	(2,427,884)	(1,582,048)
Total comprehensive income attributable to:		
Members of the parent entity	**(2,410,703)**	(1,516,954)
	(2,410,703)	(1,516,954)
Earnings per share:		
Basic, loss for the half year attributable to ordinary equity holders of the parent (cents)	**(1.86)**	(1.67)
Diluted, loss for the half year attributable to ordinary equity holders of the parent (cents)	**(1.86)**	(1.67)
Earnings per share for continuing operations:		
Basic, loss from continuing operations attributable to ordinary equity holders of the parent (cents)	**(1.86)**	(1.67)
Diluted, loss from continuing operationd attributable to ordinary equity holders of the parent (cents)	**(1.86)**	(1.67)

The accompanying notes form part of these financial statements.
The Group has applied AASB 16 using the modified retrospective approach and has not restated comparatives. The comparatives have been prepared using AASB 117.

Consolidated Interim Statement of Financial Position

As At 30 June 2019

	Note	30 June 2019 $	31 December 2018 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		**2,116,304**	4,481,774
Trade and other receivables		**144,337**	239,640
Other assets		**168,767**	177,610
TOTAL CURRENT ASSETS		**2,429,408**	4,899,024
NON-CURRENT ASSETS			
Property, plant and equipment		**95,523**	87,894
Right-of-use asset		**530,713**	-
Intangible assets		**2,228,175**	2,496,819
TOTAL NON-CURRENT ASSETS		**2,854,411**	2,584,713
TOTAL ASSETS		**5,283,819**	7,483,737
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		**909,437**	1,263,868
Lease liability		**105,963**	-
TOTAL CURRENT LIABILITIES		**1,015,400**	1,263,868
NON-CURRENT LIABILITIES			
Lease liability		**430,227**	-
TOTAL NON-CURRENT LIABILITIES		**430,227**	-
TOTAL LIABILITIES		**1,445,627**	1,263,868
NET ASSETS		**3,838,192**	6,219,869
EQUITY			
Issued capital	4	**14,487,114**	14,488,706
Reserves		**(5,851,488)**	(5,899,287)
Accumulated losses		**(4,797,434)**	(2,369,550)
TOTAL EQUITY		**3,838,192**	6,219,869

The accompanying notes form part of these financial statements.
The Group has applied AASB 16 using the modified retrospective approach and has not restated comparatives. The comparatives have been prepared using AASB 117.

Consolidated Interim Statement of Changes in Equity

For the Half Year Ended 30 June 2019

	Issued Capital	Accumulated Losses	Foreign Currency Translation Reserve	Option Reserve	Deferred Consideration Shares Reserve	Common Control Reserve	Total
	$	$	$	$	$	$	$
Balance at 1 January 2019	**14,488,706**	**(2,369,550)**	**154,918**	**275,800**	**602,019**	**(6,932,024)**	**6,219,869**
Net profit/(loss) for the period	-	(2,427,884)	-	-	-	-	(2,427,884)
Total other comprehensive income for the period	-	-	17,181	-	-	-	17,181
Transactions with owners in their capacity as owners							
Contribution of equity, net of transaction costs	(1,592)	-	-	-	-	-	(1,592)
Issue of options	-	-	-	30,618	-	-	30,618
Balance at 30 June 2019	**14,487,114**	**(4,797,434)**	**172,099**	**306,418**	**602,019**	**(6,932,024)**	**3,838,192**
Balance at 1 January 2018	**8,860,248**	**(46,458)**	**(249)**	**-**	**425,886**	**(6,755,891)**	**2,483,536**
Net profit/(loss) for the period (restated)	-	(1,582,048)	-	-	-	-	(1,582,048)
Total other comprehensive income for the period (restated)	-	-	65,094	-	-	-	65,094
Transactions with owners in their capacity as owners							
Contribution of equity, net of transaction costs	472,285	-	-	-	-	-	472,285
Balance at 30 June 2018 (restated)	**9,332,533**	**(1,628,506)**	**64,845**	**-**	**425,886**	**(6,755,891)**	**1,438,867**

The accompanying notes form part of these financial statements.
The Group has applied AASB 16 using the modified retrospective approach and has not restated comparatives. The comparatives have been prepared using AASB 117.

Tymlez Group Limited

ABN 37 622 817 421

Consolidated Interim Statement of Cash Flows

For the Half Year Ended 30 June 2019

	30 June 2019 $	30 June 2018 $
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	**157,684**	253,466
Payments to suppliers and employees	**(2,565,868)**	(1,297,192)
Interest received	**925**	7,659
Finance costs	**(8,464)**	-
VAT refunded	**105,913**	-
Net cash provided by/(used in) operating activities	**(2,309,810)**	(1,036,067)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment for intangible asset	**-**	(326,289)
Purchase of property, plant and equipment	**(22,058)**	(48,176)
Net cash provided by/(used in) investing activities	**(22,058)**	(374,465)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issue of shares	**-**	79,008
Payment of lease liabilities	**(49,288)**	-
Payment of share issue costs	**(1,592)**	(19,136)
Net cash provided by/(used in) financing activities	**(50,880)**	59,872
Net increase/(decrease) in cash and cash equivalents held	**(2,382,748)**	(1,350,660)
Cash and cash equivalents at beginning of the half year	**4,481,774**	2,025,893
Effects of exchange rate changes on cash and cash equivalents	**17,278**	(13,635)
Cash and cash equivalents at end of the half year	**2,116,304**	661,598

The accompanying notes form part of these financial statements.
The Group has applied AASB 16 using the modified retrospective approach and has not restated comparatives. The comparatives have been prepared using AASB 117.

Notes to the Financial Statements

For the Half Year Ended 30 June 2019

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 30 August 2019.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

This interim financial report for the reporting period ended 30 June 2019 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 2018, 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, except for the adoption of new standards and interpretations effective as of 1 January 2019 included in Note 2 to the 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 2019, the Group has a net asset position of $3,838,192 and its current assets exceed its current liabilities by $1,414,008. During the financial period, the Group had cash outflows from operating activities of $2,309,810, cash outflows from investing activities of $22,058 and a net loss from operating activities of $2,427,884.

The Group has prepared a cash flow forecast for the period ending 30 September 2020, which indicates that, without either a bridge loan or further issue of shares, the Group may have insufficient funds to meet its expenditure commitments and to support its current level of corporate overheads and growth. It therefore would need to raise additional funds in order to fund its growth and to continue as a going concern.

1 Basis of Preparation (continued)

To address the future additional funding requirements of the Group, since 30 June 2019, the directors have undertaken the following initiatives:

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

The directors are confident that they will be able to complete the capital raising initiatives that will provide the Group with sufficient funding to meet its minimum expenditure commitments and support the planned level of overhead expenditures, and therefore, determine that it is appropriate to prepared the financial statements on the going concern basis.

In the event that the Group is unable to successfully complete the fundraising referred to above, a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and therefore whether it will realise assets and discharge liabilities in the normal course of business and at the amounts shown in the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessarily incurred should the Group not continue as a going concern.

2 Changes to the Group's Accounting Policies

Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time at 1 January 2019, the adoption of these standards has not resulted in material adjustments to the reported financial position, performance or cash flow of the Group as outlined below.

The Group applies, for the first time, AASB 16 *Leases* that require restatement of previous financial statements. As required by AASB 134, the nature and effect of these changes are disclosed below. The new accounting policies that have been applied from 1 January 2019 are also disclosed below.

Several other amendments and interpretations applied for the first time in 2019, but did not have an impact on the interim consolidated financial statements of the Group.

AASB 1*6 Leases*

The Group adopted AASB 16 from 1 January 2019 and elected to apply the modified retrospective approach as permitted under the specific transitional provisions in the standard. Under this approach, the right of use asset relating to the operating lease and the lease liability is measured at the present value of remaining lease payments and discounted using the Group's incremental borrowing rate at the date of initial application of AASB 16. As a result of applying the modified retrospective approach, there are no reclassifications or adjustments arising from the new leasing rules that are required to be recognised in the opening balance sheet on 1 January 2019. There is no impact on accumulated losses on 1 January 2019.

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

Adoption of new and revised accounting standards (continued)

Adjustments recognised on adoption of AASB 16

On adoption of AASB 16, the Group recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of AASB 117 *Leases*. As mentioned previously, these liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as of 1 January 2019. The weighted average of the Group's incremental borrowing rate applied to all of the lease liabilities on 1 January 2019 was 5%.

	2019 $
Operating lease commitments disclosed as at 31 December 2018	**814,720**
Discounted using the Group's incremental borrowing rate on 1 January 2019	(111,595)
Less: Short-term leases recognised on a straight-line basis as expense	(8,586)
Less: Adjustment of monthly rental charge rates	(120,834)
Lease liability recognised as at 1 January 2019	**573,705**
Of which are:	
Current lease liabilities	76,876
Non-current lease liabilities	496,829
	573,705

The associated right-of-use assets for property leases were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated statement of financial position as at 31 December 2018. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The recognised right-of-use assets relate to the following types of assets:

	30 June 2019 $	1 January 2019 $
Properties	530,713	573,705
Total right-of-use assets	**530,713**	**573,705**

Impact on segment disclosures and earnings per share

Adjusted EBITDA, segment assets and segment liabilities for June 2019 all increased as a result of the change in accounting policy. Lease liabilities are now included in segment liabilities, whereas finance lease liabilities were previously excluded from segment liabilities.

	Adjusted EBITDA $	Segment Assets $	Segment Liabilities $
Netherlands	15,274	33,323	33,482
Germany	34,014	497,390	502,709
	49,288	530,713	536,191

Earnings per share decreased by 0.01c per share for the six months to 30 June 2019 as a result of the adoption of AASB 16.

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

Adoption of new and revised accounting standards (continued)

Practical expedients applied

In applying AASB 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- reliance on previous assessments on whether leases are onerous
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Group relied on its assessment made applying AASB 117 and Interpretation 4 *Determining whether an Arrangement contains a Lease*.

The Group's leasing activities and how these are accounted for

The Group leases various offices in the Netherlands, Germany and USA. Rental contracts are typically made for fixed periods of between 2 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Until the 2018 financial year, leases of property, plant and equipment were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee’s incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

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

Adoption of new and revised accounting standards (continued)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

3 Operating Segments

Segment information

Identification of reportable segments

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

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

Basis of accounting for purposes of reporting by operating segments

(a) Accounting policies adopted

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

(b) Segment assets

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

(c) Segment liabilities

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

Notes to the Financial Statements

For the Half Year Ended 30 June 2019

3 Operating Segments (continued)

(d) Segment performance

	Australia		Netherlands		Germany		United States of America		Elimination		Total	
	30 June 2019 $	Restated 30 June 2018 $	30 June 2019 $	30 June 2018 $	30 June 2019 $	30 June 2018 $	30 June 2019 $	30 June 2018 $	30 June 2019 $	30 June 2018 $	30 June 2019 $	Restated 30 June 2018 $
REVENUE												
Revenue from external customers	48,464	-	161,118	221,344	802,649	-	-	-	(851,113)	-	161,118	221,344
Other income	156,552	75,815	20,925	7,659	-	-	-	-	(175,741)	(75,815)	1,736	7,659
Total segment revenue	205,016	75,815	182,043	229,003	802,649	-	-	-	(1,026,854)	(75,815)	162,854	229,003
Depreciation and amortisation	-	-	285,914	106,902	38,670	3,390	957	191	-	-	325,541	110,483
Interest paid	-	-	161,404	77,970	16,419	4,715	17,981	(6,870)	(175,741)	(75,815)	20,063	-
Other segment expenses	343,626	39,980	1,083,062	1,028,141	1,589,909	265,227	31,186	367,220	(802,649)	-	2,245,134	1,700,568
Total segment expenses	343,626	39,980	1,530,380	1,213,013	1,644,998	273,332	50,124	360,541	(978,390)	(75,815)	2,590,738	1,811,051
Segment net profit/(loss)	(138,610)	35,835	(1,348,337)	(984,010)	(842,349)	(273,332)	(50,124)	(360,541)	(48,464)	-	(2,427,884)	(1,582,048)

Notes to the Financial Statements

For the Half Year Ended 30 June 2019

3 Operating Segments (continued)

(e) Segment assets

	Australia		Netherlands		Germany		United States of America		Elimination		Total	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018	30 June 2019	31 December 2018
	$	$	$	$	$	$	$	$	$	$	$	$
Segment assets	15,821,645	15,995,437	2,652,123	2,104,424	681,253	217,797	23,627	4,401	(13,916,892)	(12,567,686)	5,261,756	5,754,373
Segment asset increases for the period:												
- Capital expenditure	-	-	6,020	1,644,127	16,043	76,407	-	8,830	-	-	22,063	1,729,364
Total segment assets	**15,821,645**	15,995,437	**2,658,143**	3,748,551	**697,296**	294,204	**23,627**	13,231	**(13,916,892)**	(12,567,686)	**5,283,819**	7,483,737

(f) Segment liabilities

	Australia		Netherlands		Germany		United States of America		Elimination		Total	
Segment liabilities	367,110	431,318	6,893,463	5,802,250	694,197	250,777	677,730	616,926	(7,186,873)	(5,837,673)	1,445,627	1,263,598
Total segment liabilities	367,110	431,318	6,893,463	5,802,250	694,197	250,777	677,730	616,926	(7,186,873)	(5,837,673)	1,445,627	1,263,598

Notes to the Financial Statements

For the Half Year Ended 30 June 2019

4 Issued Capital

	30 June 2019 $	31 December 2018 $
130,679,971 (2018: 130,679,971) fully paid ordinary shares	**16,716,052**	16,716,052
Share issue costs	**(2,228,938)**	(2,227,346)
Total issued capital	**14,487,114**	14,488,706

(a) Ordinary shares

	30 June 2019 No.	31 December 2018 No.
At the beginning of the reporting period	**130,679,971**	90,515,100
Shares issued during the period:		
- Issued to Tyhold 2 B.V. on conversion of loan	**-**	4,124,133
- Fourth round seed capital raising	**-**	790,000
- Conversion of convertible notes	**-**	4,707,791
- Conversion of debt payable to Lead Manager	**-**	2,104,876
- Shares issued on IPO	**-**	24,175,632
- Shares issued to Lead Manager	**-**	4,262,439
At the end of the reporting period	**130,679,971**	130,679,971

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.

5 Share-based Payments

During the year ended 30 June 2019, the Company issued options to its Directors and employees, pursuant to the Employee Share Option Plan and resolutions passed at the Company's most recent Annual General Meeting (for options issued to Directors) and a board meeting (for options issued to employees).

There were no options issued to Tymlez Group Limited's employees or key management personnel in the comparative period.

A summary of the Company options issued is as follows:

Grant Date	Expiry Date	Exercise price	Start of the year	Granted during the year	Exercised during the year	Forfeited during the year	Balance at the end of the year	Vested and exercisable at the end of the year
2018								
13 December 2018	11 December 2022	0.35	2,000,000	-	-	-	2,000,000	2,000,000
2019								
16 January 2019	15 March 2021	0.35	-	930,000	-	-	930,000	-
14 May 2019	15 March 2021	0.35	-	460,000	-	-	460,000	460,000

There were no options exercised during the period ended 30 June 2019 (31 December 2018: None).

The weighted average remaining contractual life of options outstanding at half year end was 2.74 years (2018: 3.95). The weighted average exercise price of outstanding shares at the end of the reporting period was $0.35 (2018: $0.35).

The weighted average fair value of the options granted during the half year was $ 0.08 (2018: $ 0.14). These values were calculated by using a binomial option pricing model applying the following inputs:

Grant date:	16 January 2019	14 May 2019
Expiry date:	15 March 2021	15 March 2021
Share price at grant date ($):	0.23	0.18
Exercise price ($):	0.35	0.35
Weighted average life of the option (years):	2	2
Expected share price volatility:	105.87 %	80.44 %
Dividend yield:	- %	- %
Risk-free interest rate:	1.85 %	1.28 %
Fair value at grant date ($):	0.10	0.04

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

The share price at 30 June 2019 was $ 0.155.

Notes to the Financial Statements

For the Half Year Ended 30 June 2019

6 Interests in Subsidiaries

Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2019	Percentage Owned (%)* 2018
Subsidiaries:			
Tymlez Holding B.V.	Netherlands	**100**	100
Tymlez GmbH	Germany	**100**	100
Tymlez Properties B.V.	Netherlands	**100**	100
Tymlez B.V.	Netherlands	**100**	100
Tymlez Inc	U.S.A.	**100**	100

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

7 Correction of Prior Period Error

During the half year ended 30 June 2018, the Group accounted for the unrealised translation gain/(losses) in respect of its net investment in its foreign operation totalling $78,729 via profit or loss rather than through other comprehensive income. This had the effect of overstating revenue and understating the reported loss and total comprehensive loss for the half year by $78,729. It also meant that the foreign currency translation reserve was understated by the same amount. There was no related income tax impact. The error has been corrected by restating each of the following affected balances:

		30 June 2018	
	Previously stated	Adjustments	Restated
	$	$	$
Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income			
Other income	86,388	(78,729)	7,659
Loss for the half year	(1,503,319)	(78,729)	(1,582,048)
Exchange differences on translating foreign controlled entities	(13,635)	78,729	65,094
Other comprehensive income/(loss) for the half year, net of tax	(13,635)	78,729	65,094
Consolidated Interim Statement of Changes in Equity			
Foreign currency translation reserve	(13,884)	78,729	64,845

Basic and diluted earnings per share decreased by 0.08 cents from (1.59) cents to (1.67) cents.

Except for those disclosed above, there is no other impact to the financial statements as a result of this error.

Notes to the Financial Statements

For the Half Year Ended 30 June 2019

8 Contingencies

Contingent Assets

During the reporting period, the Company has sought detailed written advice on its entitlement to claim input tax credits of GST included in expenses incurred in relation to its activities since its incorporation, including identification of the full input tax credits and reduced input tax credits available to the Company. This review is still underway and is expected to be completed within the next 6 months. At the date of this report, the Company is unable to estimate the amount it will be entitled to claim.

9 Events Occurring After the Reporting Date

The consolidated interim financial report was authorised for issue on 30 August 2019 by the board of directors.

Subsequent to 30 June 2019, the Company and its previous lead broker/manager signed a Deed of Termination and agreed to terminate the previously executed mandate.

Subsequent to 30 June 2019, the Board of Directors resolved to offer Mr Jitze Jongsma (Chief Financial Officer) 90,000 options with an exercise price of $0.35 in the Company for no consideration under the terms and conditions set out in the Employee Share Option Plan Rules. These options will vest on 22 November 2020 and have an expiry date of 21 March 2021. Mr Jongsma has taken up the offer and it is envisaged that the options will be issued on or around 11 September 2019.

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.

Tymlez Group Limited

ABN 37 622 817 421

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) give a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the half-year ended on that date.

2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, based on the factors outlined in Note 1 Going Concern.

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

Executive Director & CEO ....

Michael Reh

Non-Executive Chairman ....

Rodney Hannington

Dated this 30th day of August 2019

Independent auditor's review report to the members of Tymlez Group Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Tymlez Group Limited ("the company") and its controlled entities ("the Group"), which comprises the consolidated interim statement of financial position as at 30 June 2019, the consolidated interim statement of profit or loss and other comprehensive income, the consolidated interim statement of changes in equity and the consolidated interim statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Conclusion

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

(a) giving a true and fair view of the Group's financial position as at 30 June 2019 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 financial report, which indicates that the Group incurred a net loss after tax of $2,427,884 during the period ended 30 June 2019 (2018: loss of $1,582,048) and reduced its cash balance by $2,382,748 (2018: reduction of $1,350,660). As stated in Note 1, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' Responsibility for the Half-Year Financial Report

The directors of the 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

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as 30 June 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations*

2001. As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Jude Lau
Partner

Melbourne
30 August 2019