

Rule 4.3A

## Appendix 4E

### Preliminary final report

Name of entity:

**Tinybeans Group Limited**

ABN or equivalent company  
reference:

**46 168 481 614**

#### 1. Reporting period

Reporting period:

**Year ended 30 June 2019**

Previous corresponding period:

**Year ended 30 June 2018**

#### 2. Results for announcement to the market

Current Period  
2019  
\$

2.1	Revenue from ordinary activities	Up	122%	to	3,829,660
2.2	Loss from ordinary activities for the period after tax attributable to members	Down	27%	to	(3,451,481)
2.3	Net loss for the period attributable to members	Down	27%	to	(3,451,481)
2.4	Dividends	Amount per security		Franked amount per security	
	Final dividend	NIL		N/A	
	Interim dividend	NIL		N/A	
2.5	Record date for determining entitlements to the dividends	N/A			
2.6 Brief explanation of any of the figures reported above to enable the figures to be understood:					
The loss for the Group after income tax amounted to \$3,451,481 (2018: \$4,665,452).					
The Group has generated total sales revenue of \$3,829,660 up from \$1,726,563 in the previous year. The Group has also claimed Research and Development tax offsets of \$111,227 in Australia, and \$349,203 in the United States for offset against payroll tax.					

Operating expenses amounted to \$7,750,270 (2018: \$6,644,512). Employee benefits expense increased by \$818,770 due to the share-based payments in relation the employee option plan, more employees on a higher salary level, and with the three non-executive directors who joined in late FY2018 in service for the full-year. Also, the administrative costs were higher by \$331,872, mainly due to the rent expenses of bigger offices in Sydney and New York since October and December 2017, respectively; and higher hosting costs attributed with the increased storage and processing required to service our members and customers.

### 3. Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Current Period 2019 \$	Previous Period 2018 \$
Revenue from contracts with customers	3,829,660	1,726,563
Other income	473,863	254,367
Bad debts expense	(4,669)	(128)
Depreciation and amortisation expense	(113,036)	(42,867)
Employee benefits expense	(5,030,994)	(4,212,224)
Administration	(1,779,232)	(1,523,028)
Marketing	(607,803)	(537,607)
Other expenses	(214,536)	(328,658)
Loss before income tax expense	(3,446,747)	(4,663,582)
Income tax expense	(4,734)	(1,870)
<b>Loss after income tax expense from continuing operations</b>	<b>(3,451,481)</b>	<b>(4,665,452)</b>
<b>Attributable to:</b>		
Members of the Parent Company	(3,451,481)	(4,665,452)
<b>Items that may be reclassified to profit or loss</b>		
Exchange differences on translating foreign operations, net of tax	3,561	867
Total comprehensive loss for the year	(3,447,920)	(4,664,585)
Basic loss per share (cents per share)	(10.50)	(17.67)
Diluted loss per share (cents per share)	(10.50)	(17.67)

#### 4. Consolidated Statement of Financial Position

	Current Period 30 June 2019 \$	Previous Period 30 June 2018 \$
<b>Current Assets</b>		
Cash and cash equivalents	982,018	4,052,369
Trade and other receivables	1,283,324	565,486
Other assets	270,895	198,243
<b>Total Current Assets</b>	<b>2,536,237</b>	<b>4,816,098</b>
<b>Non-Current Assets</b>		
Property, plant and equipment	55,672	95,411
Intangible assets	-	68,030
<b>Total Non-Current Assets</b>	<b>55,672</b>	<b>163,441</b>
<b>Total Assets</b>	<b>2,591,909</b>	<b>4,979,539</b>
<b>Current Liabilities</b>		
Trade and other payables	754,942	483,476
Contract liabilities	522,546	388,648
Employee benefits	163,430	178,029
<b>Total Current Liabilities</b>	<b>1,440,918</b>	<b>1,050,153</b>
<b>Non-Current Liabilities</b>		
Contract liabilities	469,395	323,443
Employee benefits	22,496	13,108
<b>Total Non-Current Liabilities</b>	<b>491,891</b>	<b>336,551</b>
<b>Total Liabilities</b>	<b>1,932,809</b>	<b>1,386,704</b>
<b>Net Assets</b>	<b>659,100</b>	<b>3,592,835</b>
<b>Equity</b>		
Issued capital	13,000,412	12,674,511
Reserves	531,074	339,229
Accumulated losses	(12,872,386)	(9,420,905)
<b>Total Equity</b>	<b>659,100</b>	<b>3,592,835</b>

## 5. Consolidated Statement of Cash Flows

	Current Period 30 June 2019 \$	Previous Period 30 June 2018 \$
<b>Cash flows from operating activities</b>		
Receipts from customers	3,693,074	1,752,734
Payments to suppliers and employees	(7,102,875)	(6,492,527)
Government grants and Research and Development Tax Offset Incentive	134,105	303,827
Interest received	24,951	38,681
<b>Net cash used in operating activities</b>	<b>(3,250,745)</b>	<b>(4,397,285)</b>
<b>Cash flows from investing activities</b>		
Payments to acquire property, plant and equipment	(1,113)	(114,538)
<b>Net cash flows used in investing activities</b>	<b>(1,113)</b>	<b>(114,538)</b>
<b>Cash flows from financing activities</b>		
Proceeds from shares issued	193,445	3,500,000
Cost of raising share capital	(5,125)	(143,500)
Proceeds from borrowings	-	-
<b>Net cash inflow from financing activities</b>	<b>188,320</b>	<b>3,356,500</b>
<b>Net increase (decrease) in cash held</b>	<b>(3,063,538)</b>	<b>(1,155,323)</b>
Cash and cash equivalents at the beginning of financial year	4,052,369	5,205,561
Effects of exchange rate changes on cash	(6,813)	2,131
<b>Cash and cash equivalents at end of financial year</b>	<b>982,018</b>	<b>4,052,369</b>

## 6. Consolidated Statement of Changes in Equity

	Contributed equity	Reserves	Accumulated losses	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2017</b>	9,318,011	499,066	(4,901,896)	4,915,181
Loss for the year	-	-	(4,665,452)	(4,665,452)
Foreign currency translation	-	867	-	867
Total comprehensive income (loss) for the year	-	867	(4,665,452)	(4,664,585)
Transactions with owners in their capacity as owners:				
Issued capital	3,500,000	-	-	3,500,000
Costs of capital raising	(143,500)	-	-	(143,500)
Options cancelled	-	(160,704)	146,443	(14,261)
<b>Balance at 30 June 2018</b>	12,674,511	339,229	(9,420,905)	3,592,835

	Contributed equity	Reserves	Accumulated losses	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2018</b>	12,674,511	339,229	(9,420,905)	3,592,835
Loss for the year	-	-	(3,451,481)	(3,451,481)
Foreign currency translation	-	3,561	-	3,561
Total comprehensive income (loss) for the year	-	3,561	(3,451,481)	(3,447,920)
Transactions with owners in their capacity as owners:				
Issued capital	331,026	-	-	331,026
Costs of capital raising	(5,125)	-	-	(5,125)
Options issued	-	188,284	-	188,284
<b>Balance at 30 June 2019</b>	13,000,412	531,074	(12,872,386)	659,100

## 7. Dividends (in the case of a trust, distributions)

Date dividend is payable

N/A

\*Record date to determine entitlements to the dividend

N/A

If it is a final dividend, has it been declared?

N/A

#### Amount per security

	Amount per security	Franked amount per security at 30% tax (see note 4)	Amount per security of foreign source dividend
<b>Final dividend:</b> Current year	NIL	N/A	N/A
<b>Interim dividend:</b> Current year	NIL	N/A	N/A

#### Total dividend (distribution) per security (interim *plus* final)

	Current period	Previous Period
Ordinary securities	N/A	N/A
Preference securities	N/A	N/A

#### 8. Dividend or distribution plans in operation

N/A
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The last date(s) for receipt of election notices for the <sup>+</sup>dividend or distribution plans

N/A

#### 9. Consolidated retained profits/(accumulated losses)

	Current Period 2019 \$	Previous Period 2018 \$
Accumulated losses at the beginning of the financial period	(9,420,905)	(4,901,896)
Net loss attributable to members	(3,451,481)	(4,665,452)
Options expired or cancelled	-	146,443
<b>Accumulated losses at end of financial period</b>	<b>(12,872,386)</b>	<b>(9,420,905)</b>

#### 10. NTA backing

	Current Period 2019	Previous Period 2018
Net tangible asset backing per ordinary share	0.0199	0.1084
Number of ordinary shares on issue used in the calculation of net tangible asset backing per ordinary share	33,045,551	32,508,796
In accordance with Chapter 19 of the ASX Listing Rules, net tangible assets backing per share represent total assets less liabilities ranking ahead of, or equally with, ordinary share capital, divided by the number of ordinary shares on issue at year end.		

## 11. Significant information

Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position:

There was a 122% increase in sales revenue to \$3,829,660. Advertising revenue reached \$2,816,657 for FY19, up by 172% on FY18 as Tinybeans attracted many new advertisers on the platform. Also, with over 310k members with access to premium, subscription revenue hit a record of \$737,922 for FY19, representing growth of 34% on FY18.

Operating expenses increased by over 16% to \$7,750,270 with the employee benefits expense and administrative costs accounting for 88% of the total operating expenses.

The increase in trade and other receivables was driven by a greater accounts receivable and accrued revenue and other receivables balances as at 30 June 2019 of \$522,781 (2018: \$324,371) and \$300,130 (2018: \$35,010) respectively, mostly from direct and programmatic advertising partners. Also, the grants receivable for the Research and Development tax offsets amounts to \$460,413 (2018: \$206,105), since we took up this year two years' worth for Research and Development tax offset for the US entity based on FY18 actual claim and FY19 accrual.

The increase in contract liabilities was driven by a greater deferred revenue balance as at 30 June 2019 of \$991,941, mainly from premium subscriptions of which \$469,395 is a non-current component.

### Matters Subsequent to Year End

On 31 July 2019, Tinybeans Group Ltd successfully raised \$5,000,00 by issuing 5,000,000 shares at an issue price of \$1 per share.

There were no other significant events after the reporting date that has significantly affected, or may significantly affect the Consolidated Group's operations, the results of those operations, or the Consolidated Group's state of affairs in future financial years.

## 12. Foreign entities set of accounting standards used in compiling the report (IAS)

The Company is not a foreign entity. Australian Accounting Standards have been applied consistently across all entities in the Group.

## 13. Commentary on the results for the period

### 13.1 Earnings per security (EPS)

	Current Period 2019	Previous Period 2018
Basic loss per share (cents)	(10.50)	(17.67)

### 13.2 Returns to shareholders (Including distributions and buy backs)

	Current Period 2019 \$	Previous Period 2018 \$
Ordinary securities	-	-
Preference securities	-	-
Other equity instruments	-	-
<b>Total</b>	-	-

The dividend or distribution plans shown below are in operation.

N/A

The last date(s) for receipt of election notices for the dividend or distribution plans

N/A

Any other disclosures in relation to dividends (distributions).

N/A

### 13.3 Significant features of operating performance

NIL

### 13.4 Segment Information

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

The consolidated entity is organised into operating segments based on geographical location, USA and Australia.

#### 2019

	USA	Australia	Total
	\$	\$	\$
<b>Revenue and other income</b>			
Sales to external customers	3,563,481	266,179	3,829,660
Other income	410,039	63,824	473,863
Total income	3,973,520	330,003	4,303,523
Employee benefits	3,206,837	1,824,157	5,030,994
Administration and cost of listing	1,253,673	525,560	1,779,233
Product development, marketing and other expenses	854,664	(27,657)	827,007
<b>EBITDA</b>	(1,341,654)	(1,992,057)	(3,333,711)
Depreciation and amortisation	(38,819)	(74,217)	(113,036)
<b>Profit before income tax expense</b>	(1,380,473)	(2,066,274)	(3,446,747)
Income tax expense	(4,734)	-	(4,734)
<b>Profit after income tax expense</b>	(1,385,207)	(2,066,274)	(3,451,481)
Segment assets	1,577,338	1,014,571	2,591,909



Segment liabilities	7,007,582	(5,074,773)	1,932,809
Intersegment eliminations	(5,692,138)	5,692,138	-
Total liabilities	1,315,444	617,365	1,932,809
<b>2018</b>			
	<b>USA</b>	<b>Australia</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue and other income</b>			
Sales to external customers	1,722,813	3,750	1,726,563
Other income	46,000	208,367	254,367
Total income	1,768,813	212,117	1,980,930
Employee benefits	2,752,573	1,459,652	4,212,225
Administration and cost of listing	988,652	534,376	1,523,028
Product development, marketing and other expenses	700,177	166,215	866,392
<b>EBITDA</b>	(2,672,589)	(1,948,126)	(4,620,715)
Depreciation and amortisation	(33,449)	(9,418)	(42,867)
<b>Profit before income tax expense</b>	(2,706,038)	(1,957,544)	(4,663,582)
Income tax expense	(1,870)	-	(1,870)
<b>Profit after income tax expense</b>	(2,707,908)	(1,957,544)	(4,665,452)
Segment assets	1,598,546	3,380,993	4,979,539
Segment liabilities	5,653,735	(4,267,031)	1,386,704
Intersegment eliminations	(4,590,882)	4,590,882	-
Total liabilities	1,062,853	323,851	1,386,704

### 13.5 Report on trends in performance

#### Cashflows

During the financial year, the Company had a significant cash outflow from operating activities. Cash balances decreased from \$4,052,369 at 30 June 2018 to \$982,018 at 30 June 2019.

#### Sales Revenue

Sales revenue has grown in the financial year. This is a direct result of successful marketing and alignment with proven industry partners. Sales revenue has increased by 122% to \$3,829,660, driven largely by advertising revenues amounting \$2,816,657 representing growth of 172%. Premium revenue was \$737,922 which is 34% increase from last financial year.

Tinybeans is focused on the expansion of the platform to new users and revenue-generating opportunities. This growth strategy drove user acquisition to rise by 34% year-on-year to June 2019, with annual growth in Tinybeans' active user base of 31%, largely driven in Q4 by app updates and the new content platform.

#### Other Income

Other income includes R & D rebates of \$460,430.

Expenses

Operating expenses increased by over 16% to \$7,750,270 with the employee benefits expense and administrative costs accounting for 88% of the total operating expenses, both of these expenses increased as detailed above.

Balance Sheet

Although the trade and other receivables increased at a higher rate than the increase in the trade and other payables, the cash balance decreased as detailed above, resulting to a decrease in current ratio from 5:1 to 2:1.

Matters Subsequent to Year End

On 31 July 2019, Tinybeans Group Ltd successfully raised \$5,000,00 by issuing 5,000,000 shares at an issue price of \$1 per share.

There were no other significant events after the reporting date that has significantly affected, or may significantly affect the Consolidated Group's operations, the results of those operations, or the Consolidated Group's state of affairs in future financial years.

**13.6 Report any factors which have affected the results during the reporting period or which are likely to affect results in the future, including those where the effect could not be quantified.**

N/A

**Any other information required to be disclosed to enable the reader to compare the information presented with equivalent information for previous periods. This must include information needed by an investor to make an informed assessment of the entity's activities and results.**

N/A

**14. Compliance statement**

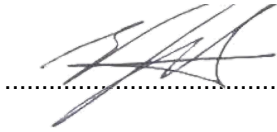
This report is based on accounts to which one of the following applies.  
(Tick one)

- |                                     |  |                          |   |
|-------------------------------------|--|--------------------------|---|
| <input checked="" type="checkbox"/> | The accounts have been audited.  | <input type="checkbox"/> | The accounts have been subject to review.           |
| <input type="checkbox"/>            | The accounts are in the process of being audited or subject to review. | <input type="checkbox"/> | The accounts have not yet been audited or reviewed. |

**15. If the accounts have not yet been audited or subject to audit review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:**

16. If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:

Sign here:



Date: 30 August 2019

Print name:

Edward Geller  
Chief Executive Officer