

1. Company details

Name of entity:	Tinybeans Group Limited
ABN:	46 168 481 614
Reporting period:	For the half-year ended 31 December 2021
Previous period:	For the half-year ended 31 December 2020

2. Results for announcement to the market

			US\$
Revenues from ordinary activities	up	48.7% to	6,448,305
Loss from ordinary activities after tax attributable to the owners of Tinybeans Group Limited	up	84.4% to	(1,270,592)
Loss for the half-year attributable to the owners of Tinybeans Group Limited	up	84.4% to	(1,270,592)

Dividends

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

Comments

The loss for the Group after providing for income tax amounted to US\$1,270,592 (31 December 2020: US\$688,948).

The Group generated total sales revenue of US\$6,448,305 up from US\$4,337,673 in the previous half-year. The increase of 48.7% was driven by advertising revenue with a growing number of brand partners and larger average campaign sizes as a direct result of successful sales and marketing strategies.

Total expenses amounted to US\$7,727,228, up from US\$5,345,415. Specifically, employee benefits expense increased by US\$1,076,723 in line with increased investments in resources and product growth initiatives. Also included in total expenses are substantial increases in non-cash expenses such as share-based payments, and non-recurring expenses relating to the Group's planned uplist to Nasdaq.

Refer to the Chairman's message and Chief Executive Officer's message within the attached Interim Report for further commentary.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	9.84	6.55
<i>Calculated as:</i>		
	31 Dec 2021 US\$	31 Dec 2020 US\$
Net assets	11,502,401	8,782,549
Less: Right-of-use asset	(31,583)	(154,609)
Less: Intangibles	(5,792,160)	(5,833,364)
Add: Lease liabilities	31,844	226,147
Net tangible assets	5,710,502	3,020,723
	Number	Number
Total number of shares issued	58,058,950	46,108,500

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.

Previous period

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

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

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

Not applicable.

10. Audit qualification or review

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

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

11. Attachments

Details of attachments (if any):

The Interim Report of Tinybeans Group Limited for the half-year ended 31 December 2021 is attached.

12. Signed

As authorised by the Board of Directors



Signed _____

Date: 25 February 2022

Edward Geller
Executive Director, Chief Executive Officer
New York

For personal use only

Tinybeans Group Limited

ABN 46 168 481 614

Interim Report - 31 December 2021

Directors

John Dougall
Edward Geller
Andrew Whitten
Andrea Cutright
Kathy Mayor

Company secretaries

David Hwang
Rebecca Woodman

Registered office

Level 5, 126 Phillip Street, Sydney NSW 2000, Australia
Telephone: +61 2 8072 1400; Fax: +61 2 8072 1440
Email: investors@tinybeans.com

Principal places of business

Level 5, 126 Phillip Street, Sydney NSW 2000, Australia
25 W 36th St, 5th Floor New York, NY, 10018, United States of America

Share register

Automic Registry Services
Level 5, 126 Phillip Street, Sydney NSW 2000, Australia
Telephone: 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia)
Email: hello@automic.com.au

Auditor

Grant Thornton Audit Pty Ltd
Level 17, 383 Kent Street, Sydney NSW 2000, Australia

Stock exchange listing

Tinybeans Group Limited shares are listed on the Australian Securities Exchange (ASX code: TNY) and the OTC Markets Group of America (OTCQB: TNYZF)

Website

www.tinybeans.com

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Dear Fellow Shareholder,

I am pleased to present the Interim Report for the half-year ended 31 December 2021 ('H1-FY22') for Tinybeans Group Limited (ASX: TNY) ('Tinybeans' or the 'Company'), the parenting platform that serves four million parents and their families monthly on its owned and operated assets plus a reach to over 28 million individuals.

Over the past six months your Board, along with the Leadership Team, has worked hard to continue to execute its three-year strategy, transforming what was an app for childhood memories and parenting content, to a personalised parenting platform that helps parents raise amazing kids.

Our entire team of 70+ full and part-timers has proven resilient to the challenges and demands of the past six months while still being able to invest in the longer-term potential of the platform.

From a performance perspective, we have achieved US\$6.45 million in sales revenue for H1-FY22, representing growth of 49% on the same period 12 months earlier. This strong growth emulates the momentum continuing to build and the enhanced value proposition. At the close of the half, we also had over 46k paid subscribers, demonstrating how valuable the platform is for parents everywhere. The investment in prior periods has begun to pay off.

Advertising revenues increased to US\$5.65 million representing growth of 52% on the period 12 months prior. More brands are signing up for direct advertising deals plus more advertisers are increasing their investments across the programmatic platform.

The continued investment in high quality product culminated in a new web site launch Tinybeans.com. YouTube Kids being our launch sponsor is further evidence of the value we deliver to brands.

With US\$5.16 million in cash as at 31 December 2021 the Company is positioned for further growth.

I would like to thank my fellow Directors as well as our management team and staff for their efforts over what has been an incredibly busy but rewarding first half of FY22 at Tinybeans. I also thank our Shareholders for your support and belief in our ability to achieve the goals we have set out for our Company.

As we continue to grow the Company, we are making strong progress in building scale to drive growth across all major metrics. I look forward to having you share in Tinybeans' success.



John Dougall
Non-Executive Director and Chairman

25 February 2022
New York



I am proud to present Tinybeans' Interim Report for the half-year ended 31 December 2021.

In our first two quarters of FY22, we have delivered record results across revenues, cashflows and all audience metrics. The team we have put together have done a marvellous job in not only launching a range of new products but also delivering record growth under which was a difficult time.

We launched our new paid subscription product, *Beanstalk* with great early results. This further enhances the value proposition to parents and drives dual revenue lines for Tinybeans. One team, single focus has proven to be successful as we expanded on the products, we offer to our brand partners.

Some of the H1-FY22 highlights include:

- operational revenues totalled US\$6.45 million, an increase of 49% on the previous corresponding period ('pcp');
- advertising revenue reaching over US\$5.65 million, an increase of 52% pcp;
- subscription revenues increased to US\$0.58 million, an increase of 42% pcp;
- monthly recurring revenues reached over US\$148k, an increase of over 200% pcp; and
- cash balance of US\$5.16 million as at 31 December 2021.

Over the past 12 months, Tinybeans has both renewed and attracted new advertisers on its platform. Some of the new brands include YouTube Kids, Microsoft, Hills Nutrition, Paramount, plus we renewed business with Lego, Amazon, Apple, MGA Entertainment and many more.

Built on the trust and safety that has always been core to who we are, Tinybeans inspires parents to both create memories and share them. The new website Tinybeans.com also offers the market leading capability of delivering content uniquely to each family tailored to their children's ages, interests, and where they live with a combination of utility and personalised content, the new Tinybeans (through its app and website) has taken a significant step toward accomplishing our goal of being the go-to resource for all things parenting.

We remain committed to our roadmap, and we are confident in our ability to grow the Life-Time Value of a customer (beyond the US\$178 that it is today). With a Life-Time Value/Customer Acquisition Cost ('LTV/CAC') multiple of 3.6, we can double down on growth to drive revenue acceleration.

We face another exciting and promising year ahead as we continue to deliver on our mission to partner with parents through the journey of nurturing tiny humans together.

While consumer trust continues to erode across many sources of information, inspiration, and connection, Tinybeans continues to place its stake in the ground as a trusted member of the family, which parents can count on for relevant content, safe connections, and private photo sharing to help parents raise amazing kids.

Thank you for your continued support as a Tinybeans member and Shareholder.



Eddie Geller
Executive Director, Chief Executive Officer

25 February 2022
New York



The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Tinybeans Group Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2021.

Directors

The following persons were Directors of Tinybeans Group Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

John Dougall
Edward Geller
Andrew Whitten
Andrea Cutright
Kathy Mayor

Principal activities

The principal activities of the Group during the course of the financial half-year consisted of providing mobile and web-based platforms that allow parents to securely record and share digital data privately and securely. It connects parents with the most trusted digital tools and resources to help every family thrive.

There were no significant changes in the nature of those activities during the financial half-year.

Review of operations

The loss for the Group after providing for income tax amounted to US\$1,270,592 (31 December 2020: US\$688,948).

The Group generated total sales revenue of US\$6,448,305 up from US\$4,337,673 in the previous half-year. The increase was driven by advertising revenue with a growing number of brand partners and larger average campaign sizes as a direct result of successful sales and marketing strategies.

Total expenses amounted to US\$7,727,228, up from US\$5,345,415. Specifically, employee benefits expense increased by US\$1,076,723 in line with increased investments in resources and product growth initiatives. Also included in total expenses are substantial increases in non-cash expenses such as share-based payments and non-recurring expenses relating to the Group's planned uplist to Nasdaq.

Refer to the Chairman's message and Chief Executive Officer's message for further commentary.

Significant changes in the state of affairs

On 30 September 2021, the Directors (lenders) provided to the Group US\$800,000 in loans that also had options attached to them. On 29 October 2021, the Directors cancelled their option entitlement attached to the loans and the unsecured loans interest rate of 12% per annum was changed to accrue from commencement of the term, with interest paid monthly in arrears. US\$500,000 was repaid during the financial half-year.

On 26 November 2021, the Company raised US\$5,034,162 by issuing 11,568,000 ordinary shares at A\$0.60 each. On 16 December 2021, the Company through the share purchase plan raised a further US\$86,274 by issuing 200,823 ordinary shares at A\$0.60 each.

There were no other significant changes in the state of affairs of the Group during the financial half-year.

Coronavirus (COVID-19) pandemic

The consequences of the Coronavirus (COVID-19) pandemic are continuing to be felt around the world, and its impact on the Group, if any, has been reflected in its published results to date. Whilst it would appear that control measures and related government policies, including the roll out of the vaccine and boosters, have started to mitigate the risks caused by COVID-19, it is not possible at this time to state that the pandemic will not subsequently impact the Group's operations going forward, especially with the Delta and Omicron variants. The Group now has experience in the swift implementation of business continuation processes should future lockdowns of the population occur, and these processes continue to evolve to minimise any operational disruption. Management continues to monitor the situation both locally and internationally.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

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

On behalf of the Directors



Edward Geller
Executive Director, Chief Executive Officer

25 February 2022
New York

Auditor's Independence Declaration

To the Directors of Tinybeans Group Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Tinybeans Group Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

L M Worsley

L M Worsley
Partner – Audit & Assurance

Sydney, 25 February 2022

Tinybeans Group Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2021



		Consolidated	
	Note	31 Dec 2021	31 Dec 2020
		US\$	US\$
Revenue from contracts with customers	5	6,448,305	4,337,673
Other income		8,260	314,414
Interest revenue calculated using the effective interest method		71	4,336
Expenses			
Cost of goods sold		(644,029)	(230,199)
Employee benefits expense		(4,605,457)	(3,528,734)
Depreciation and amortisation expense		(361,256)	(388,597)
Compliance and consultancy costs		(1,028,047)	(532,418)
Hosting and online software		(637,877)	(462,202)
Recovery/(impairment) of receivables		(10,000)	-
Impairment of assets		-	(49,005)
Marketing and advertising expense		(124,822)	(31,519)
Occupancy costs		(20,657)	(16,743)
Other expenses		(274,484)	(99,380)
Finance costs		(20,599)	(6,618)
Total expenses		<u>(7,727,228)</u>	<u>(5,345,415)</u>
Loss before income tax benefit		(1,270,592)	(688,992)
Income tax benefit		-	44
Loss after income tax benefit for the half-year attributable to the owners of Tinybeans Group Limited		(1,270,592)	(688,948)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		32,387	46,089
Other comprehensive income for the half-year, net of tax		32,387	46,089
Total comprehensive income for the half-year attributable to the owners of Tinybeans Group Limited		<u>(1,238,205)</u>	<u>(642,859)</u>
		Cents	Cents
Basic earnings per share	12	(2.62)	(1.50)
Diluted earnings per share	12	(2.62)	(1.50)

Refer to note 3 for detailed information on change in presentation currency and restatement of comparatives.

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Tinybeans Group Limited
Consolidated statement of financial position
As at 31 December 2021



		Consolidated	
	Note	31 Dec 2021	30 Jun 2021
		US\$	US\$
Assets			
Current assets			
Cash and cash equivalents		5,162,784	2,155,365
Trade and other receivables	6	2,798,393	1,751,050
Contract assets		900,128	114,280
Other assets		320,842	293,884
Total current assets		9,182,147	4,314,579
Non-current assets			
Property, plant and equipment		39,511	31,332
Right-of-use assets		31,583	100,370
Intangibles	7	5,792,160	5,685,360
Total non-current assets		5,863,254	5,817,062
Total assets		15,045,401	10,131,641
Liabilities			
Current liabilities			
Trade and other payables		1,730,110	1,752,101
Contract liabilities		1,163,726	575,593
Borrowings	8	309,271	-
Lease liabilities		31,844	89,096
Income tax		125,742	130,048
Employee benefits		3,069	14,243
Total current liabilities		3,363,762	2,561,081
Non-current liabilities			
Contract liabilities		179,238	249,598
Lease liabilities		-	38,743
Employee benefits		-	7,513
Total non-current liabilities		179,238	295,854
Total liabilities		3,543,000	2,856,935
Net assets		11,502,401	7,274,706
Equity			
Issued capital	9	27,386,758	22,618,819
Reserves	10	2,288,831	1,749,913
Accumulated losses		(18,173,188)	(17,094,026)
Total equity		11,502,401	7,274,706

Refer to note 3 for detailed information on change in presentation currency and restatement of comparatives.

Tinybeans Group Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2021



Consolidated	Issued capital US\$	Reserves US\$	Accumulated losses US\$	Total equity US\$
Balance at 1 July 2020	22,154,067	725,761	(14,057,478)	8,822,350
Loss after income tax benefit for the half-year	-	-	(688,948)	(688,948)
Other comprehensive income for the half-year, net of tax	-	46,089	-	46,089
Total comprehensive income for the half-year	-	46,089	(688,948)	(642,859)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	351,428	-	351,428
Shares issued on the exercise of options	238,635	(50,098)	-	188,537
Foreign exchange movements	-	63,093	-	63,093
Transfer from share-based payment reserve to accumulated losses	-	(173,712)	173,712	-
Balance at 31 December 2020	<u>22,392,702</u>	<u>962,561</u>	<u>(14,572,714)</u>	<u>8,782,549</u>

Refer to note 3 for detailed information on change in presentation currency and restatement of comparatives.

Consolidated	Issued capital US\$	Reserves US\$	Accumulated losses US\$	Total equity US\$
Balance at 1 July 2021	22,618,819	1,749,913	(17,094,026)	7,274,706
Loss after income tax expense for the half-year	-	-	(1,270,592)	(1,270,592)
Other comprehensive income for the half-year, net of tax	-	32,387	-	32,387
Total comprehensive income for the half-year	-	32,387	(1,270,592)	(1,238,205)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 9)	4,767,939	-	-	4,767,939
Share-based payments	-	708,661	-	708,661
Foreign exchange movements	-	(10,700)	-	(10,700)
Transfer from share-based payment reserve to accumulated losses	-	(191,430)	191,430	-
Balance at 31 December 2021	<u>27,386,758</u>	<u>2,288,831</u>	<u>(18,173,188)</u>	<u>11,502,401</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Tinybeans Group Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2021



		Consolidated	
	Note	31 Dec 2021	31 Dec 2020
		US\$	US\$
Cash flows from operating activities			
Loss before income tax benefit for the half-year		(1,270,592)	(688,992)
Adjustments for:			
Depreciation and amortisation		361,256	388,597
Impairment of assets		-	49,005
Share-based payments		783,143	460,097
Net gain on disposal of non-current assets		(12,331)	(93)
Paycheck protection program - loan forgiven		-	(584,293)
Foreign currency differences		73,439	(126,067)
Interest received		(71)	(4,336)
Interest and other finance costs		11,328	6,618
Finance costs - non-cash		9,271	-
		(44,557)	(499,464)
Change in operating assets and liabilities:			
Increase in trade and other receivables		(1,047,343)	(231,958)
Increase in contract assets		(785,848)	(51,887)
Increase in prepayments		(26,958)	(49,788)
Increase in other operating assets		(79,991)	-
Increase/(decrease) in trade and other payables		(31,262)	592,775
Increase/(decrease) in contract liabilities		517,773	(145,119)
Decrease in employee benefits		(18,687)	(78,738)
		(1,516,873)	(464,179)
Interest received		71	4,336
Interest and other finance costs paid		(11,328)	(6,618)
Income taxes refunded/(paid)		(4,306)	44
Net cash used in operating activities		(1,532,436)	(466,417)
Cash flows from investing activities			
Payments for property, plant and equipment		(17,162)	(13,821)
Payments for intangibles	7	(375,660)	-
Proceeds from disposal of property, plant and equipment		12,331	2,434
Net cash used in investing activities		(380,491)	(11,387)
Cash flows from financing activities			
Proceeds from issue of shares	9	5,120,436	-
Share issue transaction costs	9	(352,497)	-
Proceeds from exercise of options		-	188,537
Proceeds from borrowings		800,000	-
Repayment of borrowings		(500,000)	-
Repayment of lease liabilities		(101,350)	(150,330)
Net cash from financing activities		4,966,589	38,207
Net increase/(decrease) in cash and cash equivalents		3,053,662	(439,597)
Cash and cash equivalents at the beginning of the financial half-year		2,155,365	3,602,480
Effects of exchange rate changes on cash and cash equivalents		(46,243)	234,858
Cash and cash equivalents at the end of the financial half-year		5,162,784	3,397,741

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Tinybeans Group Limited as a group consisting of Tinybeans Group Limited ('Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year (collectively referred to as the 'Group').

The financial statements are presented in US dollars ('US\$'), which is Tinybeans Group Limited's presentation currency. The previous presentation currency was Australian dollars ('A\$') - refer to note 3 for further details. The functional currency of Tinybeans Group Limited continues to be Australian dollars.

Tinybeans Group Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Level 5, 126 Phillip Street, Sydney NSW 2000, Australia

Principal place of business

Level 5, 126 Phillip Street, Sydney NSW 2000, Australia

25 W 36th St, 5th Floor New York, NY, 10018, United States of America

The principal activities of the Group during the course of the financial half-year consisted of providing mobile and web-based platforms that allow parents to securely record and share digital data privately and securely. It connects parents with the most trusted digital tools and resources to help every family thrive.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 25 February 2022. The Directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

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

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 discharge of liabilities in the normal course of business.

The Group incurred a loss after tax of US\$1,270,592 (31 December 2020: US\$688,948) and had net cash outflows from operating activities of US\$1,532,436 (31 December 2020: US\$466,417) for the half-year ended 31 December 2021. As at that date, the Group had net current assets of US\$5,818,385 (30 June 2021: US\$1,753,498) and net assets of US\$11,502,401 (30 June 2021: US\$7,274,706).

Note 2. Significant accounting policies (continued)

The Directors believe that it is reasonably foreseeable that the Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial statements after considering the following:

- the Group has cash and cash equivalents of US\$5,162,784 (30 June 2021: US\$2,155,365) as at 31 December 2021;
- the Group has performed a cash flow forecast and determined that it has adequate cash resources in place to fund its operations for at least 12 months from the date of approval of these financial statements;
- on 2 February 2022, the Company raised US\$755,634 through a share placement, further strengthening the Group's statement of financial position (post 31 December 2021);
- on 2 February 2022, the Directors loans of US\$300,000 and accrued interest was converted to equity, further strengthening the Group's statement of financial position (post 31 December 2021);
- the Group expects to raise additional funds, has demonstrated its ability on the ASX to do so, and anticipates raising further funds by way of a dual listing on the Nasdaq; and
- if required, the Group has the ability to continue to raise additional funds on a timely basis pursuant to the Corporations Act 2001 and ASX Listing Rules and the Directors believe that it will be able to continue to source equity or alternative funding if required.

Should the above not eventuate, there is material uncertainty whether the Group will continue as a going concern and, therefore, whether it will realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial statements. However, the Directors believe that the Group will be successful in the above matters and, therefore have prepared the financial statements on a going concern basis.

Accordingly, no adjustments have been made to the financial statements relating to the recoverability and classification of the asset carrying amounts or the amount and classification of liabilities that might be necessary should the Group not continue as a going concern. At this time, the Directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial statements as at 31 December 2021.

Note 3. Change in presentation currency and restatement of comparatives

Change in presentation currency

The Group's revenues, profits and cash flows are primarily generated in US dollars, and are expected to remain principally denominated in US dollars in the future. During the financial year ended 30 June 2021, the Group changed the currency in which it presents its financial statements from Australian dollars to US dollars, in order to better reflect the underlying performance of the Group.

A change in presentation currency is a change in accounting policy which is accounted for retrospectively. Comparative financial information included in these financial statements for the half-year ended 31 December 2020, previously reported in Australian dollars, has been restated into US dollars using the procedures outlined below:

- assets and liabilities denominated in non-US dollar currencies were translated into US dollars at the closing rates of exchange on the relevant statement of financial position date;
- non-US dollar income and expenditure were translated at the average rates of exchange prevailing for the relevant period;
- components of equity have been translated at the historic rates prevailing from 1 July 2013, being the earliest period for which audited financial statements were available, and subsequent rates prevailing on the date of each transaction; and
- all exchange rates were extracted from the Group's underlying financial records.

Restatement of comparatives

The Group finalised its business combination accounting during the year ended 30 June 2021, which resulted in a reduction in amortisation for the half-year ended 31 December 2020 of US\$55,674. The Group recognised a further share-based payment expense of US\$167,383 due to changes in fair value assumptions and an impairment of assets of US\$49,005, reflecting similar adjustments made during the year ended 30 June 2021. The Group also recognised additional revenue of US\$250,874 for the half-year ended 31 December 2020 that was incorrectly recognised in the second half of the year ended 30 June 2021.

A reconciliation of the comparative profit or loss figures is provided below:

	US\$
Loss for the financial half-year ended 31 December 2020 (as previously stated) (A\$1,073,809) converted to US dollars	(779,108)
Amortisation adjustment on finalisation of business combination	55,674
Additional advertising revenue recognised	250,874
Employee expenses - share-based payments	(167,383)
Impairment of right-of-use asset	(49,005)
Loss for the financial half-year ended 31 December 2020 (as restated)	<u>(688,948)</u>

Note 4. Operating segments

Identification of reportable operating segments

The Group has one operating segment being the entire operations, based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the CODM) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews earnings before interest, tax, depreciation and amortisation ('EBITDA'). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a quarterly basis.

Operating segment information

	Consolidated	
	31 Dec 2021	31 Dec 2020
	US\$	US\$
Loss after income tax benefit	(1,270,592)	(688,948)
Income tax	-	(44)
Depreciation and amortisation	361,256	388,597
Interest revenue	(71)	(4,336)
Finance costs	20,599	6,618
EBITDA	<u>(888,808)</u>	<u>(298,113)</u>

Note 5. Revenue from contracts with customers

	Consolidated	
	31 Dec 2021	31 Dec 2020
	US\$	US\$
Advertising revenue	5,648,839	3,717,020
Photobook revenue	112,122	160,854
Subscription revenue	585,991	411,915
Other revenue	101,353	47,884
Revenue from contracts with customers	<u>6,448,305</u>	<u>4,337,673</u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	31 Dec 2021	31 Dec 2020
	US\$	US\$
<i>Geographical regions</i>		
United States of America	6,437,927	4,324,524
Australia	10,378	13,149
	<u>6,448,305</u>	<u>4,337,673</u>
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	112,122	160,854
Services transferred over time	6,336,183	4,176,819
	<u>6,448,305</u>	<u>4,337,673</u>

Note 6. Trade and other receivables

	Consolidated	
	31 Dec 2021	30 Jun 2021
	US\$	US\$
<i>Current assets</i>		
Trade receivables	2,770,220	1,629,503
Less: Allowance for expected credit losses	(10,000)	-
	<u>2,760,220</u>	<u>1,629,503</u>
Accrued revenue and other receivables	4,075	213
Research and development incentive	-	111,708
	<u>4,075</u>	<u>111,921</u>
GST receivable	34,098	9,626
	<u>2,798,393</u>	<u>1,751,050</u>

Note 7. Intangibles

	Consolidated	
	31 Dec 2021	30 Jun 2021
	US\$	US\$
<i>Non-current assets</i>		
Goodwill	5,338,791	5,338,791
Less: Accumulated impairment	(1,612,452)	(1,612,452)
	<u>3,726,339</u>	<u>3,726,339</u>
Development	480,500	104,840
Less: Accumulated amortisation	(16,017)	-
	<u>464,483</u>	<u>104,840</u>
Software	946,826	946,826
Less: Accumulated amortisation	(347,170)	(252,487)
	<u>599,656</u>	<u>694,339</u>
Content repository	1,581,603	1,581,603
Less: Accumulated amortisation	(579,921)	(421,761)
	<u>1,001,682</u>	<u>1,159,842</u>
	<u>5,792,160</u>	<u>5,685,360</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Goodwill	Development	Software	Content repository	Total
	US\$	US\$	US\$	US\$	US\$
Balance at 1 July 2021	3,726,339	104,840	694,339	1,159,842	5,685,360
Additions	-	375,660	-	-	375,660
Amortisation expense	-	(16,017)	(94,683)	(158,160)	(268,860)
Balance at 31 December 2021	<u>3,726,339</u>	<u>464,483</u>	<u>599,656</u>	<u>1,001,682</u>	<u>5,792,160</u>

Note 8. Borrowings

	Consolidated	
	31 Dec 2021	30 Jun 2021
	US\$	US\$
<i>Current liabilities</i>		
Director loans	300,000	-
Accrued interest	9,271	-
	<u>309,271</u>	<u>-</u>

The directors' loans and accrued interest was converted into equity after the reporting date. Refer to note 14 for further details.

Note 9. Issued capital

	Consolidated			
	31 Dec 2021	30 Jun 2021	31 Dec 2021	30 Jun 2021
	Shares	Shares	US\$	US\$
Ordinary shares - fully paid	<u>58,058,950</u>	<u>46,290,127</u>	<u>27,386,758</u>	<u>22,618,819</u>

Movements in ordinary share capital

Details	Date	Shares	US\$
Balance	1 July 2021	46,290,127	22,618,819
Shares issued	26 November 2021	11,568,000	5,034,162
Shares issued through the share purchase plan	16 December 2021	200,823	86,274
Cost of raising capital		-	(352,497)
Balance	31 December 2021	<u>58,058,950</u>	<u>27,386,758</u>

Note 10. Reserves

	Consolidated	
	31 Dec 2021	30 Jun 2021
	US\$	US\$
Foreign currency reserve	237,137	204,750
Share-based payments reserve	2,048,133	1,541,602
Acquisition reserve	3,561	3,561
	<u>2,288,831</u>	<u>1,749,913</u>

Movements in reserves

Movements in each class of reserve during the current financial half-year are set out below:

Consolidated	Foreign currency US\$	Share-based payment US\$	Acquisition US\$	Total US\$
Balance at 1 July 2021	204,750	1,541,602	3,561	1,749,913
Foreign currency translation	32,387	-	-	32,387
Share-based payments	-	708,661	-	708,661
Foreign exchange movements	-	(10,700)	-	(10,700)
Lapsed options transferred to accumulated losses	-	(191,430)	-	(191,430)
Balance at 31 December 2021	<u>237,137</u>	<u>2,048,133</u>	<u>3,561</u>	<u>2,288,831</u>

Note 11. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 12. Earnings per share

	Consolidated	
	31 Dec 2021	31 Dec 2020
	US\$	US\$
Loss after income tax attributable to the owners of Tinybeans Group Limited	(1,270,592)	(688,948)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	48,570,894	45,945,388
Weighted average number of ordinary shares used in calculating diluted earnings per share	48,570,894	45,945,388
	Cents	Cents
Basic earnings per share	(2.62)	(1.50)
Diluted earnings per share	(2.62)	(1.50)

Options have been excluded from the diluted earnings per share calculations as they are anti-dilutive.

Note 13. Contingent liabilities and capital commitments

The Group had no contingent liabilities or capital commitments as at 31 December 2021 and 30 June 2021.

Note 14. Events after the reporting period

On 2 February 2022, the Company through a placement raised US\$755,634 by issuing 1,765,334 ordinary shares at A\$0.60 each. A further 712,305 ordinary shares at A\$0.60 each were issued in settlement of Director loans/related party debt of US\$300,000 and accrued interest. Refer to note 8.

On 2 February 2022, the Company issued 214,271 ordinary shares to directors in lieu of directors' fees for the half-year ended 31 December 2021 and year ended 30 June 2021.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Edward Geller
Executive Director, Chief Executive Officer

25 February 2022
New York

Independent Auditor's Review Report

To the Members of Tinybeans Group Limited

Report on the review of the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Tinybeans Group Limited (the Company) and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

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

- (a) giving a true and fair view of the Group's financial position as at 31 December 2021 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 Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial report, which indicates that Tinybeans Group Limited incurred a net loss of US\$1,270,592 during the half year ended 31 December 2021 and had net cash outflows from operating activities of US\$1,532,436. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a

material uncertainty exists that may cast significant doubt on Tinybeans Group Limited'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 Tinybeans Group Limited's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



L M Worsley
Partner – Audit & Assurance

Sydney, 25 February 2022