

**TINYBEANS GROUP LIMITED
ABN 46 168 481 614
AND CONTROLLED ENTITIES**



INTERIM REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

**TINYBEANS GROUP LIMITED
ABN 46 168 481 614
AND CONTROLLED ENTITIES**

CORPORATE DIRECTORY

DIRECTORS

Mr. John Dougall
Ms. Megan Gardner
Mr. Edward Geller
Ms. Mary Godfrey
Mr. Kim Heras (resigned 30 October 2018)
Mr. Stephen O'Young

COMPANY SECRETARY

Mr. Andrew Whitten, resigned 30 October 2018
Mr. Dean Jagger, appointed 30 October 2018

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

L1, 26-28 Wentworth Ave
Surry Hills NSW 2010
Email: investors@tinybeans.com
Website: www.tinybeans.com

SHARE REGISTRY

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

AUDITORS

RSM Australia Partners
Level 13, 60 Castlereagh Street
Sydney NSW 2000
Telephone: (02) 8226 4500
Facsimile: (02) 8266 4501
Website: www.rsm.global/australia

STOCK EXCHANGE LISTING

Tinybeans Group Limited's shares are listed on the Australian Securities Exchange (ASX code: **TNY**).

TINYBEANS GROUP LIMITED
ABN 46 168 481 614
AND CONTROLLED ENTITIES

TABLE OF CONTENTS

	Page
Chairman's message	3
CEO's message	4
Directors' Report	5
Auditor's Independence Declaration	7
Consolidated Statement of Profit or Loss and Other Comprehensive Income	8
Consolidated Statement of Financial Position	9
Consolidated Statement of Changes in Equity	10
Consolidated Statement of Cash Flows	11
Notes to the Financial Statements	12
Directors' Declaration	19
Independent Auditor's Report	20

TINYBEANS GROUP LIMITED
ABN 46 168 481 614
AND CONTROLLED ENTITIES

CHAIRMAN'S MESSAGE

Dear Fellow Shareholder,

I am pleased to present the half year report for the period ended December 2018 for Tinybeans Group Limited (ASX: TNY) ("Tinybeans" or the "Company"), the technology platform that connects parents with the most trusted tools and resources on the planet to help every family thrive.

As the Chairman of a company that serves over 3 million parents and their families, I'm proud of the value and impact we have on real people everywhere.

I'm very pleased about the growth prospects of the Company having achieved \$1.67 million in sales revenue for the half, which is almost as much as the Company delivered for the entire FY18, demonstrating phenomenal growth in the last 6 months alone. Revenue for H1-FY19 was over 123% more on the same period 12 months prior, again representing an acceleration in revenues that should continue to grow into the future.

This growth reflects the momentum continuing to build across the Company's revenue drivers, largely advertising, with supported recurring revenues in premium subscriptions and printed product sales.

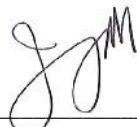
Advertising revenues increased to over \$1.1 million representing growth of over 185% on the previous year, driven by seasonal holiday campaigns. More brands are signing up for direct advertising deals plus more advertisers are increasing their investments across the programmatic platform. These results demonstrate the value to advertisers in the Tinybeans audience and our targeting capabilities based on the unique data set to get to the right people with the right message.

The Group continues to innovate and refine its platform to give its members new capabilities, provide more ways to engage, reminisce and consume relevant content to assist in their parenting journey.

We see significant upside to further monetise Tinybeans' large, active and growing base as we continue to prove the value of our platform to all stakeholders and enhance the user experience for parents and family members.

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 FY19 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 our revenues, we're making strong progress in building scale to drive profitable growth and positive cash flow. I am pleased to reaffirm our commitment of turning operating cash flow positive during calendar year 2019. I look forward to having you share in Tinybeans' success.



John Dougall

Non-executive Director and Chairman



TINYBEANS GROUP LIMITED
ABN 46 168 481 614
AND CONTROLLED ENTITIES

CEO'S MESSAGE

I am thrilled to present the half year report ended December 2018 for Tinybeans Group Limited.

In our first two quarters of FY19, we've delivered record revenue results of \$1.67 million, demonstrating the revenue growth potential of the amazing audience that uses Tinybeans every day.

I'm very proud of the Tinybeans team and our partners that work with us and serve the 3 million members across the world in relation to their children. During the month of December 2018, 1.1 million of these members were active on the Tinybeans platform.

Now that we've built out our team, we are very focused on driving revenue growth, while keeping costs level, so that the revenue growth we're seeing can soon be able to cover our monthly operating costs.

We're thrilled to also report that revenue receipts were over \$1.5 million for the half year, ending the half year with a cash balance of over \$2 million.

Over the past 6 months, Tinybeans attracted many new advertisers on the platform. Some running tests, whilst others re-signed for ongoing programs. Some of the advertising partners that ran on the Tinybeans platform in H1-FY19 include Macmillan Kids, Regalo Baby, Haven Life, My 1st Years, Wildbrain, Hatch Baby, Mixbook, Livie and Luca, DK Books, BuyBuyBaby, eOne, BarkBox & Kabrita.

With Tinybeans, we want to harness the power of the trust we have with our audience—other parents—on an emotional level. We speak to our audience as peers: those who've been in our shoes; shared the same joys and worries; who understand the awesome responsibility of parenting, but also the incredible journey on which it takes us. We're connecting with a global community of parents over what we have in common and sharing a unique way to capture the emotional moments that mean so much.

Tinybeans expects continued growth in overall registered members and monthly active users (MAU) during FY19 and for its core market share to grow. We're also expecting accelerated growth in revenues, particularly advertising revenues, based on direct and programmatic based deals. We're super excited about the next 6 months (and beyond) as we see this year being key to allowing us to accelerate the revenues so that we get to cashflow positive while still growing our unique audience and the data that sits behind it.

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



Edward Geller
Chief Executive Officer



TINYBEANS GROUP LIMITED
ABN 46 168 481 614
AND CONTROLLED ENTITIES

DIRECTOR'S REPORT

The Directors of Tinybeans Group Limited submit the financial report of the Company for the half year ended 31 December 2018, which comprises the results of Tinybeans Group Limited and the entities it controlled (the "Group") during the period.

Principal Activities

The principal activities of the Group during the course of the reporting period consisted of providing mobile and web-based platforms that allow parents to securely record and share digital data privately and securely. There were no significant changes in the nature of those activities during the reporting period.

Review of Operations

The loss for the Group after income tax amounted to \$2,099,688 (31 December 2017: \$2,272,060). The Group has generated total revenue of \$1,668,631 up from \$747,674 in the previous year's financial half-year.

Operating expenses amounted to \$3,787,315 (31 December 2017: \$3,089,962). The increases in the average number of employees from 25.5 to 28.2 and in the average annual salary levels from \$132.5k to \$151.8k in the first half of FY2018 and FY2019, respectively, have driven the increase in employee benefits expense by \$513,937. In the 2017 half, the NY team was being recruited however in 2018 the team was already in place. Also, the administrative costs were higher by \$116,297, 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. Additionally, marketing expenses grew with the execution of a new marketing plan created by the Head of Marketing, who joined in late FY18.

Tinybeans is an Australian and US-based technology platform that provides parents with a happy space to capture and enjoy their children's life stories.

The December reporting period saw continued quarter-on-quarter growth, with monthly active users (MAU) increasing by 34% for the period reaching just under 1.1 million users.

The financial half-year had cash receipts from customers of \$1,532,477.

Significant Changes in the State of Affairs

There were no significant changes to the Group's state of affairs.

Matters Subsequent to the Reporting Period

No other significant subsequent event has arisen that significantly affects the operations of the Group.

Rounding of Amounts

The Group is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporate Instrument to the nearest dollar.

Auditors' 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 director's report.

Proceedings on Behalf of the Company

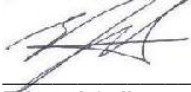
No person has applied for leave of court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

The Group was not a party to any such proceedings during the financial half-year.

**TINYBEANS GROUP LIMITED
ABN 46 168 481 614
AND CONTROLLED ENTITIES**

DIRECTOR'S REPORT (CONT.)

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



Edward Geller
Chief Executive Officer
New York, 26 February 2019

RSM Australia Pty Ltd

Level 13, 60 Castlereagh Street Sydney NSW 2000
GPO Box 5138 Sydney NSW 2001

T +61(0) 2 8226 4500

F +61(0) 2 8226 4501

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Tinybeans Group Ltd for the half-year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the review.

**RSM AUSTRALIA PARTNERS**

G N Sherwood
Partner

Sydney, NSW

Dated: 26 February 2019

TINYBEANS GROUP LIMITED
ABN 46 168 481 614
AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Note	31 DEC 2018 \$	31 DEC 2017 \$
Sales revenue	2	1,668,631	747,674
Other income	2	23,730	72,089
Total income		1,692,361	819,763
Depreciation and amortisation expense	3	(56,401)	(12,960)
Employee benefits expense	5	(2,444,151)	(1,930,214)
Production development		-	(21,000)
Administration		(823,365)	(707,068)
Marketing		(351,483)	(263,461)
Other expenses		(111,915)	(155,259)
Loss before income tax expense		(2,094,954)	(2,270,199)
Income tax expense		(4,734)	(1,861)
Loss attributable to members of the parent entity		(2,099,688)	(2,272,060)
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss when specific conditions are met:			
Exchange differences on translating foreign operations		8,596	867
Total comprehensive loss for the period		(2,091,092)	(2,271,193)
Basic loss per share (cents)	6	(6.41)	(8.69)
Diluted loss per share (cents)	6	(6.41)	(8.69)

These interim financial statements should be read in conjunction with the accompanying notes.

TINYBEANS GROUP LIMITED
ABN 46 168 481 614
AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note	31 DEC 2018 \$	30 JUN 2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		2,012,094	4,052,369
Trade and other receivables		1,146,176	763,729
TOTAL CURRENT ASSETS		3,158,270	4,816,098
NON-CURRENT ASSETS			
Property, plant and equipment		76,335	95,411
Intangible assets		34,015	68,030
TOTAL NON-CURRENT ASSETS		110,350	163,441
TOTAL ASSETS		3,268,620	4,979,539
LIABILITIES			
CURRENT LIABILITIES			
Deferred revenue		496,801	388,649
Trade and other payables	8	439,370	483,475
Provisions		154,654	178,029
TOTAL CURRENT LIABILITIES		1,090,825	1,050,153
NON-CURRENT LIABILITIES			
Deferred revenue		417,818	323,443
Provisions		18,317	13,108
TOTAL NON-CURRENT LIABILITIES		436,135	336,551
TOTAL LIABILITIES		1,526,960	1,386,704
NET ASSETS		1,741,660	3,592,835
EQUITY			
Issued capital		12,910,414	12,674,511
Reserves	9	351,839	339,229
Accumulated losses		(11,520,593)	(9,420,905)
TOTAL EQUITY		1,741,660	3,592,835

These interim financial statements should be read in conjunction with the accompanying notes.

TINYBEANS GROUP LIMITED
ABN 46 168 481 614
AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Note	Shares on Issue	Reserves	Accumulated losses	Total
		\$	\$	\$	\$
Balance at 1 July 2017		9,318,011	499,066	(4,901,896)	4,915,181
Loss for the period		-	-	(2,272,060)	(2,272,060)
Foreign currency translation		-	867	-	867
Total comprehensive income for the period		-	867	(2,272,060)	(2,271,193)
Transactions with owners, as owners					
Movements in options reserve	9	-	(51,767)	146,443	94,676
Balance at 31 December 2017		9,318,011	448,166	(7,027,513)	2,738,664
Balance at 1 July 2018		12,674,511	339,229	(9,420,905)	3,592,835
Loss for the period		-	-	(2,099,688)	(2,099,688)
Foreign currency translation		-	8,596	-	8,596
Total comprehensive income for the period		-	8,596	(2,099,688)	(2,091,092)
Transactions with owners, as owners					
Shares issued during the period		241,028	-	-	241,028
Costs of capital raising		(5,125)	-	-	(5,125)
Movements in options reserve	9	-	4,014	-	4,014
Balance at 31 December 2018		12,910,414	351,839	(11,520,593)	1,741,660

These interim financial statements should be read in conjunction with the accompanying notes.

TINYBEANS GROUP LIMITED
ABN 46 168 481 614
AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Note	31 DEC 2018	31 DEC 2017
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,532,477	820,941
Payments to suppliers and employees		(3,825,561)	(3,020,539)
Research and Development Tax Offset incentive		-	231,669
Interest received		16,774	23,676
Net cash (used in)/provided by operating activities		<u>(2,276,310)</u>	<u>(1,944,253)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts from disposal of (payments to acquire) property, plant and equipment		792	(101,028)
Net cash used in investing activities		<u>792</u>	<u>(101,028)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		241,028	-
Cost of raising share capital		(5,125)	-
Net cash provided by financing activities		<u>235,903</u>	<u>-</u>
Net (decrease)/increase in cash held		(2,039,615)	(2,045,281)
Cash and cash equivalents at beginning of financial half-year		4,052,369	5,205,561
Effects of foreign currency exchange		(660)	978
Cash and cash equivalents at end of financial half-year		<u><u>2,012,094</u></u>	<u><u>3,161,258</u></u>

These interim financial statements should be read in conjunction with the accompanying notes.

TINYBEANS GROUP LIMITED
ABN 46 168 481 614
AND CONTROLLED ENTITIES

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The interim financial report includes the condensed consolidated financial statements and notes of Tinybeans Group Limited and controlled entities ('Consolidated Entity' or 'Group'). The separate financial statements and notes of Tinybeans Group Limited as an individual parent entity ('Company') have not been presented within the financial report as permitted by the Corporations Act 2001.

The financial statements were authorised for issue on 25 February 2019 by the Directors of the Company.

Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2018 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 2018 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 Consolidated Entity 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 following Accounting Standards and Interpretations are most relevant to the Consolidated Entity:

AASB 9 Financial Instruments

The Consolidated Entity has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

TINYBEANS GROUP LIMITED
ABN 46 168 481 614
AND CONTROLLED ENTITIES

AASB 15 Revenue from Contracts with Customers

The Consolidated Entity has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a deferred revenue, accrued revenue, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Impact of adoption

AASB 9 and AASB 15 were adopted using the modified retrospective approach and as such comparatives have not been restated. There is no perceived impact on opening retained profits as at 1 July 2018.

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

NOTE 2: OTHER INCOME

	31 DEC 2018	31 DEC 2017
	\$	\$
Sales revenue	<u>1,668,631</u>	<u>747,674</u>
Other income		
Interest received	17,538	30,979
Other revenue	5,669	40,991
Gain on disposal of assets	<u>523</u>	<u>119</u>
Total other income	<u>23,730</u>	<u>72,089</u>
Total revenue and other income	<u>1,692,361</u>	<u>819,763</u>

NOTE 3: RESULTS FOR THE YEAR

	31 DEC 2018	31 DEC 2017
	\$	\$
Expenses		
Rent	208,759	126,055
Share based payments expense	100,185	94,676
Depreciation of plant and equipment	22,386	12,960
Amortisation of intangible assets	34,015	-

TINYBEANS GROUP LIMITED
ABN 46 168 481 614
AND CONTROLLED ENTITIES

NOTE 4: OPERATING SEGMENTS

Identification of reportable operating segments

The Consolidated Entity is organised into operating segments based on geographical location, USA and Australia.

Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans are eliminated on consolidation.

Operating segment information

31 DEC 2018

	USA	Australia	Total
	\$	\$	\$
Revenue and Other Income			
Sales revenue	1,640,799	27,832	1,668,631
Other income	6,189	17,541	23,730
Total revenue and other income	<u>1,646,988</u>	<u>45,373</u>	<u>1,692,361</u>
EBITDA	<u>(1,150,226)</u>	<u>(904,126)</u>	<u>(2,054,352)</u>
Depreciation and amortisation	(19,447)	(36,954)	(56,401)
Interest expense	(30)	(1,709)	(1,739)
Interest revenue	-	17,538	17,538
Profit before income tax expense	<u>(1,169,703)</u>	<u>(925,621)</u>	<u>(2,094,954)</u>
Income tax expense	(4,734)	-	(4,734)
Profit after income tax expense	<u>(1,174,437)</u>	<u>(925,251)</u>	<u>(2,099,688)</u>
Assets	<u>1,620,671</u>	<u>1,647,949</u>	<u>3,268,620</u>
Liabilities	6,835,126	(5,308,166)	1,526,960
Intersegment eliminations	<u>(5,475,333)</u>	<u>5,475,333</u>	<u>-</u>
Net Liabilities	<u>1,359,793</u>	<u>167,167</u>	<u>1,526,960</u>

TINYBEANS GROUP LIMITED
ABN 46 168 481 614
AND CONTROLLED ENTITIES

NOTE 4: OPERATING SEGMENTS (CONT).

31 DEC 2017

	USA	Australia	Total
	\$	\$	\$
Revenue and Other Income			
Sales revenue	743,924	3,750	747,674
Other income	41,110	30,979	72,089
Total revenue and other income	<u>785,034</u>	<u>34,729</u>	<u>819,763</u>
EBITDA	<u>(1,105,987)</u>	<u>(1,180,348)</u>	<u>(2,286,335)</u>
Depreciation and amortisation	(8,610)	(4,350)	(12,960)
Interest expense	(117)	(1,766)	(1,883)
Interest revenue	-	30,979	30,979
Profit before income tax expense	<u>(1,114,714)</u>	<u>(1,155,485)</u>	<u>(2,270,199)</u>
Income tax expense	(1,861)	-	(1,861)
Profit after income tax expense	<u>(1,116,575)</u>	<u>(1,155,485)</u>	<u>(2,272,060)</u>
 Assets	 <u>845,341</u>	 <u>3,051,061</u>	 <u>3,896,402</u>
 Liabilities	 <u>3,309,197</u>	 <u>(2,151,459)</u>	 <u>1,157,738</u>
Intersegment eliminations	(2,404,144)	2,404,144	-
Net Liabilities	<u>905,053</u>	<u>252,685</u>	<u>1,157,738</u>

NOTE 5: EMPLOYEE BENEFITS

	31 DEC 2018	31 DEC 2017
	\$	\$
Salaries and wages	2,395,608	1,872,308
Superannuation	<u>48,543</u>	<u>57,906</u>
Total employee benefits	<u><u>2,444,151</u></u>	<u><u>1,930,214</u></u>

NOTE 6: LOSS PER SHARE

	31 DEC 2018	31 DEC 2017
	\$	\$
a. Reconciliation of earnings:		
Loss after tax	<u>(2,099,688)</u>	<u>(2,272,060)</u>

TINYBEANS GROUP LIMITED
ABN 46 168 481 614
AND CONTROLLED ENTITIES

NOTE 6: LOSS PER SHARE (CONT.)

	No.	No.
Weighted average number of ordinary shares outstanding during the period used in calculating		
b. Calculating EPS	32,749,011	26,145,160
	Cents	Cents
c. Basic EPS	(6.41)	(8.69)
d. Diluted EPS	(6.41)	(8.69)

NOTE 7: CONTROLLED ENTITIES

Controlled Entities Consolidated

	Country of Incorporation	Percentage Owned (%)*	
		31 DEC 2018	31 JUN 2018
PARENT ENTITY:			
Tinybeans Group Limited	Australia		
SUBSIDIARIES OF TINYBEANS GROUP LIMITED			
Tinybeans Pty Limited	Australia	100	100
Tinybeans Innovations Pty Ltd	Australia	100	100
Tinybeans USA Ltd (Delaware C Corp)	USA	100	100

* Percentage of voting power is in proportion to ownership

NOTE 8: TRADE AND OTHER PAYABLES

	31 DEC 2018	30 JUN 2018
	\$	\$
CURRENT		
Accounts payable	111,399	113,609
Accrued expenses	190,977	208,975
Other payables	136,994	160,891
Total	<u>439,370</u>	<u>483,475</u>

TINYBEANS GROUP LIMITED
ABN 46 168 481 614
AND CONTROLLED ENTITIES

NOTE 9: RESERVES

	31 DEC 2018	30 JUN 2018
	\$	\$
CURRENT		
Options reserve	294,494	290,480
Foreign currency translation reserve	57,345	48,749
Total	351,839	339,229

The options reserve records the fair value of options on issue.

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

	Option reserve	Foreign currency translation reserve	Total
Balance at 1 July 2018	290,480	48,749	339,229
Charged during the half-year	35,550	8,596	44,146
Used during the half-year	(31,536)	-	(31,536)
Balance at 31 December 2018	294,494	57,345	351,839

NOTE 10: SHARE BASED PAYMENTS

During the half-year period, 910,013 options were issued to key personnel at an issue price of \$0.60 per share and a total transactional value of \$101,288. 3,200,000 options were issued to the directors in two tranches of 800,000 at an issue price of \$0.75 and \$1.00 per share, and a third tranche of 1,600,000 at an issue price of \$1.50 per share with a total transactional value of \$384,480.

A share option plan has been established by the Consolidated Entity and approved by shareholders at a general meeting, whereby the Consolidated Entity may, at the discretion of the Board, grant options over ordinary shares in the Company to certain key management personnel of the Consolidated Entity. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Board.

TINYBEANS GROUP LIMITED
ABN 46 168 481 614
AND CONTROLLED ENTITIES

NOTE 10: SHARE BASED PAYMENTS (CONT.)

Set out below are summaries of options granted under the plan:

31 Dec 2018

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Cancelled	Balance at the end of the half-year
18/04/2017	18/04/2020	\$0.3210	149,158	-	-	-	149,158
18/04/2017	18/04/2020	\$0.5029	96,617	-	-	-	96,617
18/04/2017	18/04/2020	\$0.5364	109,065	-	-	-	109,065
21/04/2017	21/04/2021	\$1.2000	145,750	-	-	-	145,750
15/09/2017	15/09/2021	\$1.2000	172,500	-	-	(79,500)	93,000
01/07/2018	01/07/2022	\$0.6000	-	117,000	-	-	117,000
10/12/2018	10/12/2022	\$0.6000	-	793,013	-	-	793,013
10/12/2018	10/12/2022	\$0.7500	-	800,000	-	-	800,000
10/12/2018	10/12/2022	\$1.0000	-	800,000	-	-	800,000
10/12/2018	10/12/2022	\$1.5000	-	1,600,000	-	-	1,600,000
			<u>673,090</u>	<u>4,110,013</u>	<u>-</u>	<u>(79,500)</u>	<u>4,703,603</u>
Weighted average exercise price			\$0.80	\$1.06	-	\$1.20	\$1.02

NOTE 11: DIVIDENDS

No dividend was declared or recommended by the Group during the period.

NOTE 12: CONTINGENT ASSETS AND LIABILITIES

The Group had no contingent assets and liabilities during the period ended 31 December 2018.

NOTE 13: EVENTS AFTER THE BALANCE SHEET DATE

No significant subsequent event has arisen that significantly affects the operations of the Group.

**TINYBEANS GROUP LIMITED
ABN 46 168 481 614
AND CONTROLLED ENTITIES**

DIRECTORS' DECLARATION

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 consolidated entity's financial position as at 31 December 2018 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



John Dougall

Non-executive Director and Chairman
Sydney, 26 February 2019

RSM Australia Partners

Level 13, 60 Castlereagh Street Sydney NSW 2000
GPO Box 5138 Sydney NSW 2001

T +61(0) 2 8226 4500

F +61(0) 2 8226 4501

www.rsm.com.au

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF

TINYBEANS GROUP LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Tinybeans Group Ltd which comprises the consolidated statement of financial position as at 31 December 2018, the statement of comprehensive income, statement of changes in equity and consolidated 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 of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The Directors of the Company 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 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 Company's financial position as at 31 December 2018 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 Tinybeans Group Ltd, 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of Tinybeans Group Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

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 Tinybeans Group Ltd is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Company's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

RSM

RSM AUSTRALIA PARTNERS

A handwritten signature in blue ink, appearing to read 'G N Sherwood', with the initials 'GNS' written to the right.

G N Sherwood
Partner

Sydney, NSW
Dated: 26 February 2019