

**ASX RELEASE**

**21 August 2017**

## **Tinybeans Preliminary Final Report and Appendix 4E**

**Highlights:**

- **Tinybeans had grown its registered user base in FY17 to more than 1.77 million parents and family members, representing growth of 48% year-on-year.**
- **Continued quarter on quarter growth with Q4 experiencing a 18% increase in Monthly Active Users (MAU). The results were up by 56%+ year-on-year. The company expects a continuous and sustained growth curve.**
- **\$1.1M in revenue, representing 90% growth year-on-year, with significant scope for further expansion — a direct result of growing the advertising revenue streams on the Tinybeans platform**
- **Significant scope to further monetise Tinybeans' large, active, growing base as the Company continues to prove the value of its platform and enhance the user experience for parents and family members**

Parenting and family platform Tinybeans Group Limited ((**ASX: TNY**), "**Tinybeans**" or "**the Company**") is pleased to present its Preliminary Final Report for the year ending 30 June 2017 and Appendix 4E.

Tinybeans achieved just under \$1.1M in revenue for FY17, representing growth of 90% compared to the \$0.55 million reported at 30 June 2016. This contributed to an overall total income of \$1.77M, including R & D and Export Market Development Grants and other one-off items.

This healthy growth reflects the momentum continuing to build across the Company's revenue drivers: advertising from brands, premium subscriptions and printed product sales.

Tinybeans sees significant scope to further monetise its platform through these and other revenue drivers as the Company continues to scale up its business development.

The Company expects to see recent investments into its platform and recruitment to make a positive impact on revenue growth into FY18.

**For more information, please contact:**

**Tim Dohrmann**

Investor and Media Enquiries

+61 468 420 846

[tim@nwrcommunications.com.au](mailto:tim@nwrcommunications.com.au)

**About Tinybeans Group Limited**

**Tinybeans Group Limited (ASX: TNY)** owns and operates the established and globally trusted social media platform Tinybeans.

Tinybeans is the safer way for parents to record and share precious moments and milestones with family and friends privately and securely. Founded in Sydney, Australia in 2012, Tinybeans has built a deeply engaged customer base and currently has more than 680,000 monthly active users and over 1,770,000 registered users.

Tinybeans provides parents with rich content about developmental milestones and offers parents products and services based on the age and developmental stage of their child. The Company currently generates revenue from premium subscriptions, advertising from brands, the sale of printed products and the sale of targeted usage data and market analytics.

[www.tinybeans.com](http://www.tinybeans.com)

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 2017**

Previous corresponding period:

**Year ended 30 June 2016**

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

Current Period  
2017  
\$

2.1	Revenue from ordinary activities	Up	<b>90%</b>	to	<b>1,046,447</b>
2.2	Loss from ordinary activities for the period after tax attributable to members	Up	<b>136%</b>	to	<b>(2,056,624)</b>
2.3	Net loss for the period attributable to members	Up	<b>136%</b>	to	<b>(2,056,624)</b>
<b>2.4</b>	<b>Dividends</b>	Amount per security		Franked amount per security	
	Final dividend		<b>NIL</b>		<b>N/A</b>
	Interim dividend		<b>NIL</b>		<b>N/A</b>
<b>2.5</b>	<b>Record date for determining entitlements to the dividends</b>	<b>N/A</b>			

#### 2.6 Brief explanation of any of the figures reported above to enable the figures to be understood:

The large increase in operating loss is due to significant one-off costs associated with the Company listing on the Australian Stock Exchange. These costs amounted to \$298,558. An additional \$481,789 was recognised directly on the balance sheet as a cost of equity.

There was an increase in employee benefits expense driven by an increase in employee numbers, payment of director bonuses for successfully listing the Group on the ASX and other payments which were associated with the listing process during FY17.

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

	Current Period 2017 \$	Previous Period 2016 \$
Sales revenue	1,046,447	550,661
Other revenue	52,827	42,478
Other income	681,156	712,104
Depreciation and amortisation	(4,766)	(3,156)
Employee benefits	(2,058,145)	(1,023,495)
Finance costs	(66,667)	(100,000)
Cost of listing	(298,558)	-
Product development	(13,969)	(11,050)
Administration	(580,637)	(359,296)
Marketing	(691,011)	(572,900)
Other expenses	(123,213)	(105,497)
Loss before income tax expense	(2,056,536)	(870,150)
Income tax expense	(88)	-
<b>Loss after income tax expense from continuing operations</b>	<b>(2,056,624)</b>	<b>(870,150)</b>
<b>Attributable to:</b>		
Members of the Parent Company	(2,056,624)	(870,150)
<b>Items that may be reclassified to profit or loss</b>		
Exchange differences on translating foreign operations, net of tax	47,882	-
Total other comprehensive loss	-	-
Total comprehensive loss for the year	(2,008,742)	(870,150)
Basic loss per share (cents per share)	(23.00)	(326.37)
Diluted loss per share (cents per share)	(23.00)	(326.37)

#### 4. Consolidated Statement of Financial Position

	Current Period 30 June 2017 \$	Previous Period 30 June 2016 \$
<b>Current Assets</b>		
Cash and cash equivalents	5,205,561	199,569
Trade and other receivables	532,891	797,418
<b>Total Current Assets</b>	<b>5,738,452</b>	<b>996,987</b>
<b>Non-Current Assets</b>		
Property, plant and equipment	26,883	9,533
Intangibles	68,030	-
<b>Total Non-Current Assets</b>	<b>94,913</b>	<b>9,533</b>
<b>Total Assets</b>	<b>5,833,365</b>	<b>1,006,520</b>
<b>Current Liabilities</b>		
Trade and other payables	591,219	315,902
Provisions	111,534	-
Borrowings	-	3,066,666
<b>Total Current Liabilities</b>	<b>702,753</b>	<b>3,382,568</b>
<b>Non-Current Liabilities</b>		
Other liabilities	215,431	-
<b>Total Non-Current Liabilities</b>	<b>215,431</b>	<b>-</b>
<b>Total Liabilities</b>	<b>918,184</b>	<b>3,382,568</b>
<b>Net Assets/(Deficiency in Net Assets)</b>	<b>4,915,181</b>	<b>(2,376,048)</b>
<b>Equity</b>		
Issued capital	9,318,011	345,000
Reserves	499,066	124,224
Accumulated losses	(4,901,896)	(2,845,272)
<b>Total Equity/(Deficiency in Equity)</b>	<b>4,915,181</b>	<b>(2,376,048)</b>

## 5. Consolidated Statement of Cash Flows

	Current Period 30 June 2017 \$	Previous Period 30 June 2016 \$
<b>Cash flows from operating activities</b>		
Receipts from customers	1,366,436	1,011,813
Payments to suppliers and employees	(3,233,160)	(2,085,267)
Interest received	6,255	4,696
Government grant income	672,218	437,737
<b>Net cash (used in)/from operating activities</b>	<b>(1,188,251)</b>	<b>(631,021)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(20,105)	(4,346)
<b>Net cash flows used in investing activities</b>	<b>(20,105)</b>	<b>(4,346)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	6,500,000	-
Cost of raising share equity	(481,789)	-
Proceeds from borrowings	200,000	300,000
<b>Net cash inflow from financing activities</b>	<b>6,218,211</b>	<b>300,000</b>
<b>Net increase in cash held</b>	<b>5,009,855</b>	<b>(335,367)</b>
Cash and cash equivalents at the beginning of the year	199,569	535,106
Effects of exchange rate changes on cash	(3,863)	(170)
<b>Cash and cash equivalents at the end of the year</b>	<b>5,205,561</b>	<b>199,569</b>

## 6. Consolidated Statement of Changes in Equity

	Contributed equity	Reserves	Accumulated losses	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2015</b>	345,000	55,313	(1,975,122)	(1,574,809)
Loss for the year	-	-	(870,150)	(870,150)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(870,150)	(870,150)
Transactions with owners in their capacity as owners:				
Options issued	-	68,911	-	68,911
<b>Balance at 30 June 2016</b>	345,000	124,224	(2,845,272)	(2,376,048)

	Contributed equity	Reserves	Accumulated losses	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2016</b>	345,000	124,224	(2,845,272)	(2,376,048)
Loss for the year	-	-	(2,056,624)	(2,056,625)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(2,056,624)	(2,056,625)
Transactions with owners in their capacity as owners:				
Issued capital	9,454,800	-	-	9,454,800
Costs of capital raising	(481,789)	-	-	(481,789)
Foreign currency translation reserve	-	47,882	-	47,882
Options issued	-	326,960	-	326,960
<b>Balance at 30 June 2017</b>	9,318,011	499,066	(4,901,896)	4,915,181



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

Date dividend is payable

N/A

<sup>+</sup>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

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 2017 \$	Previous Period 2016 \$
(Accumulated losses)/retained profits at the beginning of the financial period	(2,845,272)	(1,975,122)
Net loss attributable to members	(2,056,624)	(870,150)
<b>(Accumulated losses) at end of financial period</b>	<b>(4,901,896)</b>	<b>(2,845,272)</b>

## 10. NTA backing

	Current Period 2017	Previous Period 2016
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Net tangible asset backing per ordinary share	0.2205	3.7751
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## 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:

On 21 April 2017, Tinybeans listed on the Australian Stock Exchange. The significant investment in the stock listing has seen the Company receive gross proceeds of \$6.5m which will be used to invest in marketing, business development, product development and general working capital. While this investment in listing on the Exchange has seen a large loss in the current year, the proceeds received will provide large growth potential for the Company in the next financial year.

There was an increase in the employee benefits expense driven by an increase in employee numbers, payment of director bonuses for successfully listing the Group on the ASX and other payments which were associated with the listing process during FY17.

Borrowings from the convertible notes loans were reduced in FY17 as there were converted to ordinary share capital, reducing the Company's liabilities from \$3,382,568 in 2016 to \$918,184.

The increase in trade and other payables was driven by a greater deferred revenue balance as at 30 June 2017 of \$480,318, of which \$215,431 is a non-current component.

## 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 2017	Previous Period 2016
Basic Loss per share (cents)	(23.00)	(326.37)

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

	Current Period 2016 \$	Previous Period 2015 \$
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 Group operates in one segment being the development and provision of a secure social media platform to parents and families for sharing their child's growth and development.

### 13.5 Report on trends in performance

#### Cashflows

During the financial year, the Company had a significant inflow of cash due to the issue of shares on the Australian Stock Exchange. This listing on the ASX has seen the cash balances increase from \$199,569 at 30 June 2016 to \$5,205,561 at 30 June 2017.

#### Sales Revenue

Sales revenue has grown in the financial year, a direct result of successful marketing and alignment with proven industry partners. Sales revenue has increased by 90% to over \$1m, driven by a 56% growth in users on the previous financial period. Revenue was steady for most of the year as investments into the platform and recruitment into revenue growth will only begin to have an impact in the years to come.

#### Other Income

Other income includes R & D rebates of \$231,669 and EMDG grants of \$70,955.

#### Expenses

The current financial year saw significant one-off expenses from IPO-related costs. These are not expected to continue into the next financial year. Total IPO costs for the year were \$298,558 in addition to share based payments of \$334,913 related to the successful listing of the Group on the ASX. An additional \$481,789 was recognised directly on the balance sheet as a cost of equity.

Employee benefits increased significantly from 2016 due to:

1. Increased number of staff;



2. One off bonuses paid to the Directors on successful listing of the Group on the ASX (\$166,268).

All payments (both cash and non-cash) as above are consistent with the prospectus dated 7 March 2017.

Balance Sheet

The financial year saw many improvements in the balance sheet. Cash balance increases were significant as detailed above and there was a decrease in liabilities from \$3,382,568 in 2016 to \$918,184. The decrease in liabilities was the result of the conversion of convertible notes at the moment of listing on the Exchange.



**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 type="checkbox"/> The accounts have been audited.   | <input type="checkbox"/> The accounts have been subject to review.           |
| <input checked="" 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:**

The report is based upon the accounts which are in the process of being audited, but the company does not anticipate any 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:**

The report is based upon the accounts which are in the process of being audited, but the company does not anticipate any dispute or qualification.

Sign here: .....

( )

Date: 21 August 2017

Print name: Edward Geller  
Chief Executive Officer