

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



tinybeans

INTERIM REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

TINYBEANS GROUP LIMITED
ABN 46 168 481 614
AND CONTROLLED ENTITIES

CORPORATE DIRECTORY

DIRECTORS

Mr. Edward Geller
Mr. Kim Heras
Mr. Stephen O'Young

COMPANY SECRETARY

Mr. Anand Sundaraj, resigned 21 November 2017
Ms Tania Zordan, appointed 21 November 2017

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

Link Market Services
Level 12, 680 George Street
Sydney NSW 2000
Telephone: (02) 8280 7100
Website: www.linkmarketservices.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

CORPORATE ACCOUNTANT

Traverse Accountants
Suite 305, Level 3
35 Lime Street
Sydney NSW 2000
Website: www.traverseaccountants.com.au

STOCK EXCHANGE LISTING

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

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TINYBEANS GROUP LIMITED
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CHAIRMAN'S MESSAGE

Dear Fellow Shareholder,

I am thrilled to present the half year report ended December 2017 for Tinybeans Group Limited (ASX: TNY), the technology platform that provides parents with a happy space to capture and enjoy their children's life stories.

It has been an exciting period for our Company following our successful raise of \$6.5 million via the Initial Public Offer in April 2017, as we have achieved growth across several key metrics.

Our user growth metrics accelerated through this half which in turn drove revenue increase. Monthly active users, which is our key metrics for engagement and in turn revenue, delivered a record result reaching 798,645 active users on the Tinybeans platform.

These activity levels represent growth of 47% in Tinybeans' monthly active users compared to December 2016. The near-term growth dynamics for the Company are even more positive, with monthly active users growing by more than 113,000 (16% increase) between June 2017 and December 2017. This increase in active users on the Tinybeans platform over the half is a direct result of many product developments, including improved social sharing, app navigation and new onboarding enhancements.

Tinybeans has grown its registered user base to 2.11 million parents and family members representing growth of 9%. Tinybeans acquired and engaged more users than previous quarters with far less marketing spend, validating further, the Company's strategy in relation to product related user growth rather than larger increases in marketing spend.

We built out the brand partnerships team through this reporting period resulting in partnership wins with Metlife, Mustela, Enfamil, DK Books, LilleBaby and SpinMaster (Sago Mini) to name a few. We expect more brands to be partnering with us as the audience growth continues and the proposition around our targeting capabilities gets more widely known and adopted.

The Tinybeans audience represent an increasingly attractive and engaged audience for personalised content and product recommendations for brands. This was proven recently with the holiday gift guide we launched where our partners achieved 140% above the industry benchmark for open rates and 280% for click through rates. They were all thrilled with their results and have shown strong interest in partnering on a larger scale in 2018.

Tinybeans is very pleased to report sales revenue for the period grew to \$747,674, an increase of 28% on the previous corresponding reporting period. Advertising was the largest contributor delivering \$400k (53%) of this revenue, which demonstrates growth of over 62% over the previous corresponding half-year results. Both brand partnership and programmatic revenue grew substantially.

Premium subscription revenue also grew for the half-year delivering \$242k (32%) which was an increase of 5% on the previous corresponding reporting period.

We see significant scope to further monetise Tinybeans' large, active, 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.

We built out a talented team of 30 staff over the course of the reporting period, almost doubling the team since FY17, with the plan around hiring largely completed.

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 year 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.

The next half year promises to be a fruitful period as we continue to execute on our product growth strategy, and I look forward to having you share in Tinybeans' success.



Eddie Geller
Executive Chairman and Chief Executive Officer

TINYBEANS GROUP LIMITED
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DIRECTOR'S REPORT

The Directors of Tinybeans Group Limited submit the financial report of the Company for the half year ended 31 December 2017, 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 \$2,272,060 (31 December 2016: \$435,059). The Group has generated total revenue of \$819,644 up from \$622,340 in the previous year's financial half-year.

Tinybeans is a Sydney and New York-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 16% for the period reaching just under 800,000 users.

The financial half-year had cash receipts from customers be \$820,941.

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.

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.

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



Edward Geller
Executive Chairman
Sydney, 26 February 2018

RSM Australia Partners

Level 13, 60 Castlereagh Street Sydney NSW 2000

GPO Box 5138 Sydney NSW 2001

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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 2017, 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

RSM Australia Partners

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

G N Sherwood
Partner

Sydney, NSW

Dated: 26 February 2018

TINYBEANS GROUP LIMITED
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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Note	31 DEC 2017	31 DEC 2016
		\$	\$
Sales revenue		747,674	583,631
Other income	2	<u>72,089</u>	<u>41,620</u>
Total income		819,763	625,251
Depreciation and amortisation expense	3	(12,960)	(1,666)
Employee benefits expense	5	(1,930,214)	(433,688)
Finance costs		-	(66,667)
Production development		(21,000)	(9,454)
Administration		(707,068)	(160,234)
Marketing		(263,461)	(332,710)
Other expenses		<u>(155,259)</u>	<u>(55,891)</u>
Loss before income tax expense		(2,270,199)	(435,059)
Income tax expense		<u>(1,861)</u>	-
Loss attributable to members of the parent entity		<u>(2,272,060)</u>	<u>(435,059)</u>
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss when specific conditions are met:			
Exchange differences on translating foreign operations		<u>867</u>	-
Total comprehensive loss for the period		<u>(2,271,193)</u>	<u>(435,059)</u>
Basic loss per share (cents)	6	(8.69)	(2.91)
Diluted loss per share (cents)	6	(8.69)	(2.91)

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

TINYBEANS GROUP LIMITED
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	Note	31 DEC 2017 \$	30 JUN 2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		3,161,258	5,205,561
Trade and other receivables		554,156	532,891
TOTAL CURRENT ASSETS		<u>3,715,414</u>	<u>5,738,452</u>
NON-CURRENT ASSETS			
Property, plant and equipment		112,958	26,883
Intangible assets		68,030	68,030
TOTAL NON-CURRENT ASSETS		<u>180,988</u>	<u>94,913</u>
TOTAL ASSETS		<u>3,896,402</u>	<u>5,833,365</u>
LIABILITIES			
CURRENT LIABILITIES			
Deferred revenue		306,840	264,887
Trade and other payables	8	429,887	326,332
Provisions		130,727	111,534
TOTAL CURRENT LIABILITIES		<u>867,454</u>	<u>702,753</u>
NON-CURRENT LIABILITIES			
Deferred revenue		270,566	215,431
Provisions		19,718	-
TOTAL NON-CURRENT LIABILITIES		<u>290,284</u>	<u>215,431</u>
TOTAL LIABILITIES		<u>1,157,738</u>	<u>918,184</u>
NET ASSETS		<u>2,738,664</u>	<u>4,915,181</u>
EQUITY			
Issued capital		9,318,011	9,318,011
Reserves	9	448,166	499,066
Accumulated losses		(7,027,513)	(4,901,896)
TOTAL EQUITY		<u>2,738,664</u>	<u>4,915,181</u>

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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Note	Shares on Issue \$	Reserves \$	Accumulated losses \$	Total \$
Balance at 1 July 2016		345,000	124,224	(2,845,272)	(2,376,048)
Loss for the period		-	-	(435,059)	(435,059)
Total comprehensive loss for the period		-	-	(435,059)	(435,059)
Transactions with owners, as owners					
Movements in options reserve	9	-	22,219	-	22,219
Balance at 31 December 2016		<u>345,000</u>	<u>146,443</u>	<u>(3,280,331)</u>	<u>(2,788,888)</u>
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		<u>9,318,011</u>	<u>448,166</u>	<u>(7,027,513)</u>	<u>2,738,664</u>

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

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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Note	31 DEC 2017	31 DEC 2016
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		820,941	887,448
Payments to suppliers and employees		(3,020,539)	(1,161,683)
Research and Development Tax Offset incentive		231,669	561,263
Interest received		23,676	1,054
Net cash (used in)/provided by operating activities		<u>(1,944,253)</u>	<u>288,082</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments to acquire property, plant and equipment		(101,028)	(5,776)
Net cash used in investing activities		<u>(101,028)</u>	<u>(5,776)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	200,000
Net cash provided by financing activities		<u>-</u>	<u>200,000</u>
Net (decrease)/increase in cash held		(2,045,281)	482,306
Cash and cash equivalents at beginning of financial half-year		5,205,561	182,414
Effects of foreign currency exchange		978	-
Cash and cash equivalents at end of financial half-year		<u><u>3,161,258</u></u>	<u><u>664,720</u></u>

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

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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 Group' 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 26 February 2018 by the Directors of the Company.

Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2017 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 2017 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.

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

NOTE 2: REVENUE AND OTHER INCOME

	31 DEC 2017	31 DEC 2016
	\$	\$
Sales revenue	<u>747,674</u>	<u>583,631</u>
Other income		
Interest received	30,979	1,054
Other revenue	<u>40,991</u>	<u>37,655</u>
Gain on disposal of assets	119	-
Other income	-	<u>2,911</u>
Total other income	<u>72,089</u>	<u>41,620</u>
Total revenue and other income	<u>819,763</u>	<u>625,251</u>

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NOTE 3: RESULTS FOR THE YEAR

	31 DEC 2017	31 DEC 2016
	\$	\$
Expenses		
Rent	126,055	31,500
Share based payments expense	94,676	22,219
Depreciation of plant and equipment	12,960	1,666

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 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>(1,106,104)</u>	<u>(1,182,114)</u>	<u>(2,288,218)</u>
Depreciation and amortisation	(8,610)	(4,350)	(12,960)
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>

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NOTE 4: OPERATING SEGMENTS (continued)

Operating segment information (continued)

	USA	Australia	Total
	\$	\$	\$
Assets	845,341	3,051,061	3,896,402
Liabilities	3,309,197	(2,151,459)	1,157,738
Intersegment eliminations	(2,404,144)	2,404,144	-
Net Liabilities	905,053	252,685	1,157,738

31 DEC 2016

	USA	Australia	Total
	\$	\$	\$
Revenue and Other Income			
Sales revenue	582,394	1,237	583,631
Other income	25,224	16,396	41,620
Total revenue and other income	607,618	17,633	625,251
EBITDA	99,405	(533,852)	(434,447)
Depreciation and amortisation	-	(1,666)	(1,666)
Interest revenue	-	1,054	1,054
Profit before income tax expense	99,405	(534,464)	(435,059)
Income tax expense	-	-	-
Profit after income tax expense	99,405	(534,464)	(435,059)
Assets	291,384	653,236	944,620
Liabilities	861,859	2,871,649	3,733,508
Intersegment eliminations	(527,057)	527,057	-
Net Liabilities	334,802	3,398,706	3,733,508

NOTE 5: EMPLOYEE BENEFITS

	31 DEC 2017	31 DEC 2016
	\$	\$
Salaries and wages	1,872,308	401,556
Superannuation	57,906	32,132
Total employee benefits	1,930,214	433,688

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NOTE 6: LOSS PER SHARE

	31 DEC 2017	31 DEC 2016
	\$	\$
a. Reconciliation of earnings:		
Loss after tax	(2,272,060)	(435,059)
	No.	No.
Weighted average number of ordinary shares outstanding during the period used in calculating		
b. Basic loss per share	26,145,160	14,950,494
c. Diluted loss per share	26,145,160	14,950,494
	Cents	Cents
d. Basic loss per share	(8.69)	(2.91)
e. Diluted loss per share	(8.69)	(2.91)

Basic earnings per share is calculated as earnings for the period attributable to the Company over the weighted average number of shares.

Diluted earnings per share is calculated as earnings for the period attributable to the Company over the weighted average number of shares which has been adjusted to reflect the number of shares which would be issued if outstanding options and performance rights were to be exercised. However due to the statutory loss attributable to the Company for both the financial half-year ended 31 December 2017 and the comparative period ended 31 December 2016, the effect of these instruments has been excluded from the calculations of diluted earnings per share for both periods as they would reduce the loss per share.

NOTE 7: CONTROLLED ENTITIES

Controlled Entities Consolidated

	Country of Incorporation	Percentage Owned (%)*	
		31 DEC 2017	31 JUN 2017
		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

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NOTE 8: TRADE AND OTHER PAYABLES

	31 DEC 2017	30 JUN 2017
	\$	\$
CURRENT		
Accounts payable	91,228	96,017
Accrued expenses	135,716	110,554
Other payables	202,943	119,761
Total	<u>429,887</u>	<u>326,332</u>

NOTE 9: RESERVES

	31 DEC 2017	31 DEC 2016
	\$	\$
CURRENT		
Options reserve	399,417	451,184
Foreign currency translation reserve	48,749	47,882
Total	<u>448,166</u>	<u>499,066</u>

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.

	Options reserve	Foreign currency translation reserve	Total
	\$	\$	\$
Balance at 1 July 2016	124,224	-	124,224
Additions during the half-year	22,219	-	22,219
Balance at 31 December 2016	<u>146,443</u>	<u>-</u>	<u>146,443</u>
Balance at 1 July 2017	451,184	47,882	499,066
Additions during the half-year	120,119	867	120,986
Disposals during the half-year	(25,443)	-	(25,443)
Correction of expired options	(146,443)	-	(146,443)
Balance at 31 December 2017	<u>399,417</u>	<u>48,749</u>	<u>448,166</u>

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NOTE 10: SHARE BASED PAYMENTS

On 15 September 2017, 172,500 shares were issued to key personnel at an issue price of \$0.88 per share and a total transactional value of \$68,428.

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 Nomination and Remuneration Committee, 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 Nomination and Remuneration Committee.

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

31 Dec 2017		Exercise price	Balance at the start of the year	Granted	Exercised	Cancelled	Balance at the end of the year
Grant date	Expiry date						
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	318,000	-	-	(53,000)	265,000
15/09/2017	15/09/2021	\$1.2000	-	172,500	-	-	172,500
20/10/2017	20/10/2020	\$0.7000	-	50,000	-	-	50,000
20/10/2017	20/10/2020	\$1.4000	-	50,000	-	-	50,000
20/10/2017	20/10/2020	\$2.0000	-	50,000	-	-	50,000
			<u>672,840</u>	<u>322,500</u>	<u>-</u>	<u>(53,000)</u>	<u>942,340</u>
Weighted average exercise price			\$0.80	\$1.28	-	\$1.20	\$0.94

30 Jun 2017		Exercise price	Balance at the start of the year	Granted	Exercised	Cancelled ¹	Balance at the end of the year
Grant date	Expiry date						
01/02/2014	01/02/2024	\$0.3200	149,158	-	-	(149,158)	-
01/02/2015	01/02/2025	\$0.5200	205,682	-	-	(205,682)	-
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	-	318,000	-	-	318,000
			<u>354,840</u>	<u>672,840</u>	<u>-</u>	<u>(354,840)</u>	<u>672,840</u>
Weighted average exercise price			\$0.43	\$0.80	-	\$0.43	\$0.80

¹ These options were cancelled and reissued on 18 April 2017 as part of the IPO.

NOTE 11: DIVIDENDS

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

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NOTE 12: CONTINGENT ASSETS AND LIABILITIES

The Group had no contingent assets and liabilities during the period ended 31 December 2017.

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
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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 2017 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 Chairman
Sydney, 26 February 2018

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 2017, 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 2017 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 2017 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


G N Sherwood
Partner

Sydney, NSW
Dated: 26 February 2018