

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 2018

Previous corresponding period:

Year ended 30 June 2017

2. Results for announcement to the market

Current Period
2018
\$

2.1	Revenue from ordinary activities	Up	65%	to	1,726,563
2.2	Loss from ordinary activities for the period after tax attributable to members	Up	127%	to	(4,665,452)
2.3	Net loss for the period attributable to members	Up	127%	to	(4,665,452)
2.4 Dividends		Amount per security		Franked amount per security	
Final dividend		NIL		N/A	
Interim dividend		NIL		N/A	
2.5 Record date for determining entitlements to the dividends		N/A			
2.6 Brief explanation of any of the figures reported above to enable the figures to be understood:					
The large increase in operating loss was driven by the increase in employee numbers, from 18 as at 30 June 2017 to 28 as at 30 June 2018, increasing employee benefits expense by 105% to \$4,212,224, and administrative costs such as health insurance, recruitment, payroll tax and online software. Compliance, accounting and legal costs increased which can be associated with the Group being a public company since April 2017.					

The Company moved to bigger offices in New York and Sydney during the year, which increased its rent by 259% to \$323,404.

One-off costs associated with the capital raise amounted to \$56,971. An additional \$143,500 was recognised directly on the balance sheet as a cost of equity.

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

	Current Period 2018 \$	Previous Period 2017 \$
Sales revenue	1,726,563	1,046,447
Other income	254,367	733,983
Bad debts expense	(128)	-
Depreciation and amortisation	(42,867)	(4,766)
Employee benefits	(4,212,224)	(2,058,145)
Finance costs	-	(66,667)
Cost of listing	-	(298,558)
Product development	-	(13,969)
Administration	(1,523,028)	(580,637)
Marketing	(537,607)	(691,011)
Other expenses	(328,658)	(123,213)
Loss before income tax expense	(4,663,582)	(2,056,536)
Income tax expense	(1,870)	(88)
Loss after income tax expense from continuing operations	(4,665,452)	(2,056,624)
Attributable to:		
Members of the Parent Company	(4,665,452)	(2,056,624)
Items that may be reclassified to profit or loss		
Exchange differences on translating foreign operations, net of tax	867	47,882
Total other comprehensive loss	-	-
Total comprehensive loss for the year	(4,664,585)	(2,008,742)
Basic loss per share (cents per share)	(17.66)	(11.19)
Diluted loss per share (cents per share)	(17.66)	(11.19)

4. Consolidated Statement of Financial Position

	Current Period 30 June 2018 \$	Previous Period 30 June 2017 \$
Current Assets		
Cash and cash equivalents	4,052,369	5,205,561
Trade and other receivables	763,729	532,891
Total Current Assets	4,816,098	5,738,452
Non-Current Assets		
Property, plant and equipment	95,411	26,883
Intangible assets	68,030	68,030
Total Non-Current Assets	163,441	94,913
Total Assets	4,979,539	5,833,365
Current Liabilities		
Trade and other payables	872,124	591,219
Provisions	178,029	111,534
Total Current Liabilities	1,050,153	702,753
Non-Current Liabilities		
Other liabilities	336,551	215,431
Total Non-Current Liabilities	336,551	215,431
Total Liabilities	1,386,704	918,184
Net Assets	3,592,835	4,915,181
Equity		
Issued capital	12,674,511	9,318,011
Reserves	339,229	499,066
Accumulated losses	(9,420,905)	(4,901,896)
Total Equity	3,592,835	4,915,181

5. Consolidated Statement of Cash Flows

	Current Period 30 June 2018 \$	Previous Period 30 June 2017 \$
Cash flows from operating activities		
Receipts from customers	1,752,734	1,366,436
Payments to suppliers and employees	(6,492,527)	(3,233,160)
Interest received	38,681	6,255
Government grant income	303,827	672,218
Net cash used in operating activities	(4,397,285)	(1,188,251)
Cash flows from investing activities		
Purchase of property, plant and equipment	(114,538)	(20,105)
Net cash flows used in investing activities	(114,538)	(20,105)
Cash flows from financing activities		
Proceeds from issue of shares	3,500,000	6,500,000
Cost of raising share equity	(143,500)	(481,789)
Proceeds from borrowings	-	200,000
Net cash inflow from financing activities	3,356,500	6,218,211
Net increase (decrease) in cash held	(1,155,323)	5,009,855
Cash and cash equivalents at the beginning of the year	5,205,561	199,569
Effects of exchange rate changes on cash	2,131	(3,863)
Cash and cash equivalents at the end of the year	4,052,369	5,205,561

6. Consolidated Statement of Changes in Equity

	Contributed equity	Reserves	Accumulated losses	Total
	\$	\$	\$	\$
Balance at 1 July 2016	345,000	124,224	(2,845,272)	(2,376,048)
Loss for the year	-	-	(2,056,624)	(2,056,624)
Foreign currency translation	-	47,882	-	47,882
Total comprehensive loss for the year	-	47,882	(2,056,624)	(2,008,742)
Transactions with owners in their capacity as owners:				
Issued capital	9,454,800	-	-	9,454,800
Costs of capital raising	(481,789)	-	-	(481,789)
Options issued	-	326,960	-	326,960
Balance at 30 June 2017	9,318,011	499,066	(4,901,896)	4,915,181

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

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

Date dividend is payable

N/A

+Record date to determine entitlements to the dividend

N/A

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

N/A

Amount per security

	Amount per security	Franked amount per security at 30% tax (see note 4)	Amount per security of foreign source dividend
Final dividend: Current year	NIL	N/A	N/A
Interim dividend: 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 +dividend or distribution plans

N/A

9. Consolidated retained profits/(accumulated losses)

	Current Period 2018 \$	Previous Period 2017 \$
Accumulated losses at the beginning of the financial period	(4,901,896)	(2,845,272)
Net loss attributable to members	(4,665,452)	(2,056,624)
Options expired or cancelled	146,443	-
Accumulated losses at end of financial period	(9,420,905)	(4,901,896)

10. NTA backing

	Current Period 2018	Previous Period 2017
Net tangible asset backing per ordinary share	0.1084	0.1854
Number of ordinary shares on issue used in the calculation of net tangible asset backing per ordinary share	32,508,796	26,145,160
In accordance with Chapter 19 of the ASX Listing Rules, net tangible assets backing per share represent total assets less liabilities ranking ahead of, or equally with, ordinary share capital, divided by the number of ordinary shares on issue at year end.		

11. Significant information

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

On 15 June 2018, Tinybeans raised \$3.5m from the issuance of fully paid ordinary shares. The proceeds will be used to invest in marketing, business development, product development and general working capital to support the growth potential for the Company in the next financial year.

There was a 65% increase in sales revenue mainly from advertising and premium subscriptions.

There was an increase in the employee benefits expense and administrative costs driven by an increase in employee numbers.

The increase in trade and other receivables was driven by a greater accounts receivable balance as at 30 June 2018 of \$324,371 from direct and programmatic advertising partners.

The increase in trade and other payables was driven by a greater deferred revenue balance as at 30 June 2018 of \$712,091, mainly from premium subscriptions of which \$323,443 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 2018	Previous Period 2017
Basic loss per share (cents)	(17.66)	(11.19)

13.2 Returns to shareholders (Including distributions and buy backs)

	Current Period 2018 \$	Previous Period 2017 \$
Ordinary securities	-	-
Preference securities	-	-
Other equity instruments	-	-
Total	-	-

The dividend or distribution plans shown below are in operation.

N/A

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

N/A

Any other disclosures in relation to dividends (distributions).

N/A

13.3 Significant features of operating performance

NIL

13.4 Segment Information

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

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

2018

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

2017			
	USA	Australia	Total
	\$	\$	\$
Revenue and other income			
Sales to external customers	1,028,600	17,847	1,046,447
Other income	32,230	702,753	733,983
Total income	1,059,830	720,600	1,780,430
Employee benefits	602,466	1,455,679	2,058,145
Finance costs	-	66,667	66,667
Administration and cost of listing	363,171	516,024	879,195
Product development, marketing and other expenses	819,557	8,636	828,193
EBITDA	(725,364)	(1,326,406)	(2,051,770)
Depreciation and amortisation	(698)	(4,068)	(4,766)
Profit before income tax expense	(726,062)	(1,330,474)	(2,056,536)
Income tax expense	(88)	-	(88)
Profit after income tax expense	(726,150)	(1,330,474)	(2,056,624)
Segment assets	286,370	5,546,995	5,833,365
Segment liabilities	1,633,651	(715,467)	918,184
Intersegment eliminations	(995,250)	995,250	-
Total liabilities	638,403	279,784	918,184

13.5 Report on trends in performance

Cashflows

During the financial year, the Company had a significant cash outflow from operating activities, partly offset by the proceeds from the issuance of shares on the Australian Stock Exchange. Cash balances decreased from \$5,205,561 at 30 June 2017 to \$4,052,369 at 30 June 2018.

Sales Revenue

Sales revenue has grown in the financial year. This is a direct result of successful marketing and alignment with proven industry partners. Sales revenue has increased by 65% to over \$1.7m, driven largely by advertising revenues amounting \$1.04m representing growth of 118%. Premium revenue was \$551k which is 29% increase from last financial year.

Tinybeans is focused on the expansion of the platform to new users and revenue-generating opportunities. This growth strategy drove user acquisition to rise by more than 41% year-on-year to June 2018, with annual growth in Tinybeans' active user base of more than 37%.

Other Income

Other income includes R & D rebates of \$134,105 and EMDG grants of \$34,159.

Expenses

The increased number of employees from 18 as at 30 June 2017 to 28 as at 30 June 2018 resulted to a significant increase in employee benefits expense by 105% to \$4,212,224, and administrative costs such as health insurance, recruitment, payroll tax and online software. Compliance, accounting and legal costs increased which can be associated with the Company being a public company since April 2017.

The Company moved to bigger offices in New York and Sydney during the year, which increased its rent by 259% to \$323,404.

One-off costs associated with the capital raise amounted to \$56,971. An additional \$143,500 was recognised directly on the balance sheet as a cost of equity.

Balance Sheet

Cash balance decreased as detailed above. Although the trade and other receivables increased, the trade and other payables increased at a much higher rate, resulting to a decrease in current ratio from 8:1 to 5:1.

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

N/A

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

N/A

14. Compliance statement

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

(Tick one)

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

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

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

--



Sign here: Date: 29 August 2018

Print name: Edward Geller
Chief Executive Officer