

1. Company details

Name of entity:	Tinybeans Group Limited
ABN:	46 168 481 614
Reporting period:	For the year ended 30 June 2022
Previous period:	For the year ended 30 June 2021

2. Results for announcement to the market

			US\$
Revenues from ordinary activities	up	34.2% to	10,903,290
Loss from ordinary activities after tax attributable to the owners of Tinybeans Group Limited	up	40.0% to	(4,528,299)
Loss for the year attributable to the owners of Tinybeans Group Limited	up	40.0% to	(4,528,299)

Dividends

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

Comments

The Group has reported a record-level operating performance during the financial year ended 30 June 2022 ('FY22'). The year saw further growth across all business lines. The Consumer revenue business had its biggest change through the release of a paid for only product, Beanstalk, while advertising continued its growth, albeit adjusted given the intentional reduction of programmatic advertising across the platform. The Group now have over 51,000 paying subscribers generating over US\$170,000 in recurring revenues.

The Group generated total sales revenue of US\$10,903,290 up from US\$8,123,770 in the previous year, an increase of 34.2% which represents the highest level of revenue in the Group's history. This growth was driven largely by the strength in the Group's advertising revenues — which increased over 31% from the same period 12 months earlier. These results highlight the appeal of the Group's value proposition to current and prospective advertising partners who seek to engage with the young families on the Group's platform with strong engagement from paid subscribers.

The loss for the Group after providing for income tax amounted to US\$4,528,299 (30 June 2021: US\$3,233,949).

Total expenses amounted to US\$15,490,685, up from US\$11,943,427. During the pandemic, the Group purposefully set out to strengthen its sales and marketing capabilities, enhance appeal to brand partners and subscribers, upgrade product development and ensure its technology platform is robust and highly scalable.

Some of the FY22 Highlights include:

- Revenue increased to a record US\$10.9m, up 34% pcp;
- Advertising revenue hit a record US\$9m, up 31% pcp, won 17 \$100k deals vs 13 in FY21;
- Subscription revenue hit a record US\$1.5m, up 77% pcp;
- Direct advertising grew by 56% up on FY21;
- Successfully retired Red Tricycle and (re)introduced one brand Tinybeans to ad market;
- Grew National deal size from \$30k to \$51k (+69%);
- Monthly Active Users (MAU) across FY22 grew hit 2.95M for the qtr, up 16% on Q3;
- Advertising wins from both new and existing partners, including CooperVision, Hill's Pet Nutrition, MGA, Microsoft, VTech, Marriott and Paramount;
- Cash balance at the end of the fourth fiscal quarter of 2022 was US\$4.2m (AUD\$2.85m);
- Loss for FY22 to \$4.5m, up 40% vs pcp, from the adjusted FY21 loss of \$3.2m; and
- Tinybeans recently reviewed all costs with the goal of becoming cash flow positive. The Company has reduced its General and Administrative costs as it starts FY23.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>6.41</u>	<u>3.49</u>
<i>Calculated as:</i>		
	Consolidated 2022 US\$	2021 US\$
Net assets	9,423,304	7,274,706
Less: Right-of-use assets	-	(100,370)
Less: Intangibles	(5,512,410)	(5,685,360)
Add: Lease liabilities	-	127,839
	<u>3,910,894</u>	<u>1,616,815</u>
	Consolidated 2022	2021
Total number of shares issued	61,044,497	46,290,127

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

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

Previous period

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

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

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

Not applicable.

10. Audit qualification or review

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

The financial statements are currently in the process of being audited.

11. Attachments

Details of attachments (if any):

The Unaudited Preliminary Final Report of Tinybeans Group Limited for the year ended 30 June 2022 is attached.

12. Signed

As authorised by the Board of Directors



Signed _____

Date: 31 August 2022

Edward Geller
Executive Director, Chief Executive Officer
New York

Tinybeans Group Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2022



	Note	Consolidated 2022 US\$	2021 US\$
Revenue from contracts with customers	2	10,903,290	8,123,770
Other income	3	58,026	580,673
Interest revenue calculated using the effective interest method		1,070	4,991
Expenses			
Cost of goods sold		(913,678)	(424,654)
Employee benefits expense		(9,160,936)	(7,898,082)
Depreciation and amortisation expense		(773,327)	(672,545)
Compliance and consultancy costs		(2,220,134)	(1,568,042)
Hosting and online software		(1,304,516)	(989,014)
Recovery/(impairment) of receivables		(9,663)	15,345
Impairment of assets		-	(49,005)
Marketing and advertising expense		(429,022)	(88,737)
Occupancy costs		(36,108)	(30,100)
Other expenses		(619,827)	(226,834)
Finance costs		(23,474)	(11,759)
Total expenses		<u>(15,490,685)</u>	<u>(11,943,427)</u>
Loss before income tax benefit		(4,528,299)	(3,233,993)
Income tax benefit		-	44
Loss after income tax benefit for the year attributable to the owners of Tinybeans Group Limited	10	(4,528,299)	(3,233,949)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(194,139)	239,348
Other comprehensive income for the year, net of tax		(194,139)	239,348
Total comprehensive loss for the year attributable to the owners of Tinybeans Group Limited		<u>(4,722,438)</u>	<u>(2,994,601)</u>
		Cents	Cents
Basic earnings per share	12	(8.32)	(7.02)
Diluted earnings per share	12	(8.32)	(7.02)

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

Tinybeans Group Limited
Consolidated statement of financial position
As at 30 June 2022



	Note	Consolidated 2022 US\$	2021 US\$
Assets			
Current assets			
Cash and cash equivalents		4,213,867	2,155,365
Trade and other receivables	4	1,624,629	1,751,050
Contract assets		342,421	114,280
Other assets		264,412	293,884
Total current assets		<u>6,445,329</u>	<u>4,314,579</u>
Non-current assets			
Property, plant and equipment	5	47,903	31,332
Right-of-use assets		-	100,370
Intangibles	6	5,512,410	5,685,360
Total non-current assets		<u>5,560,313</u>	<u>5,817,062</u>
Total assets		<u>12,005,642</u>	<u>10,131,641</u>
Liabilities			
Current liabilities			
Trade and other payables	7	1,283,652	1,752,101
Contract liabilities		1,059,522	575,593
Lease liabilities		-	89,096
Income tax		119,390	130,048
Employee benefits		-	14,243
Total current liabilities		<u>2,462,564</u>	<u>2,561,081</u>
Non-current liabilities			
Contract liabilities		119,774	249,598
Lease liabilities		-	38,743
Employee benefits		-	7,513
Total non-current liabilities		<u>119,774</u>	<u>295,854</u>
Total liabilities		<u>2,582,338</u>	<u>2,856,935</u>
Net assets		<u>9,423,304</u>	<u>7,274,706</u>
Equity			
Issued capital	8	28,788,228	22,618,819
Reserves	9	1,828,722	1,749,913
Accumulated losses	10	<u>(21,193,646)</u>	<u>(17,094,026)</u>
Total equity		<u>9,423,304</u>	<u>7,274,706</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Tinybeans Group Limited
Consolidated statement of changes in equity
For the year ended 30 June 2022



Consolidated	Issued capital US\$	Reserves US\$	Accumulated losses US\$	Total equity US\$
Balance at 1 July 2020	22,154,067	725,761	(14,057,478)	8,822,350
Loss after income tax benefit for the year	-	-	(3,233,949)	(3,233,949)
Other comprehensive income for the year, net of tax	-	239,348	-	239,348
Total comprehensive income for the year	-	239,348	(3,233,949)	(2,994,601)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	1,055,277	-	1,055,277
Shares issued on the exercise of options (note 8)	238,635	(51,779)	-	186,856
Shares issued to Directors (note 8)	226,117	-	-	226,117
Foreign exchange movements	-	(21,293)	-	(21,293)
Transfer from share-based payment reserve to accumulated losses	-	(197,401)	197,401	-
Balance at 30 June 2021	<u>22,618,819</u>	<u>1,749,913</u>	<u>(17,094,026)</u>	<u>7,274,706</u>

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

Consolidated	Issued capital US\$	Reserves US\$	Accumulated losses US\$	Total equity US\$
Balance at 1 July 2021	22,618,819	1,749,913	(17,094,026)	7,274,706
Loss after income tax expense for the year	-	-	(4,528,299)	(4,528,299)
Other comprehensive loss for the year, net of tax	-	(194,139)	-	(194,139)
Total comprehensive loss for the year	-	(194,139)	(4,528,299)	(4,722,438)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 8)	5,613,306	-	-	5,613,306
Share-based payments	-	782,235	-	782,235
Conversion of debt to equity (note 8)	350,629	-	-	350,629
Shares issued to Directors (note 8)	105,474	-	-	105,474
Foreign exchange movements	-	(80,608)	-	(80,608)
Transfer from share-based payment reserve to accumulated losses	-	(428,679)	428,679	-
Share issued for corporate advisory services (note 8)	100,000	-	-	100,000
Balance at 30 June 2022	<u>28,788,228</u>	<u>1,828,722</u>	<u>(21,193,646)</u>	<u>9,423,304</u>

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

Tinybeans Group Limited
Consolidated statement of cash flows
For the year ended 30 June 2022



	Note	Consolidated 2022 US\$	2021 US\$
Cash flows from operating activities			
Loss before income tax benefit for the year		(4,528,299)	(3,233,993)
Adjustments for:			
Depreciation and amortisation		773,327	672,545
Impairment of assets		-	49,005
Share-based payments		1,100,173	1,322,406
Net gain on disposal of non-current assets		(12,331)	(93)
Gain on settlement of financial liabilities by equity		(50,258)	-
Paycheck protection program - loan forgiven		-	(584,293)
Foreign currency differences		245,259	(24,156)
Interest received		(1,070)	(4,991)
Interest and other finance costs		23,474	11,759
		<u>(2,449,725)</u>	<u>(1,791,811)</u>
Change in operating assets and liabilities:			
Decrease/(increase) in trade and other receivables		126,421	(572,737)
Decrease/(increase) in contract assets		(228,141)	183,142
Decrease/(increase) in prepayments		29,472	(31,216)
Increase/(decrease) in trade and other payables		(580,913)	971,667
Increase/(decrease) in contract liabilities		354,105	(173,519)
Decrease in employee benefits		(21,756)	(72,469)
		<u>(2,770,537)</u>	<u>(1,486,943)</u>
Interest received		1,070	4,991
Interest and other finance costs paid		(23,474)	(11,759)
Income taxes refunded/(paid)		(10,658)	44
		<u>(2,803,599)</u>	<u>(1,493,667)</u>
Net cash used in operating activities			
Cash flows from investing activities			
Payments for property, plant and equipment	5	(41,358)	(25,945)
Payments for intangibles	6	(396,802)	(104,840)
Proceeds from disposal of property, plant and equipment		12,331	2,434
		<u>(425,829)</u>	<u>(128,351)</u>
Net cash used in investing activities			
Cash flows from financing activities			
Proceeds from issue of shares	8	5,876,070	-
Proceeds from exercise of options		-	186,838
Repayment of lease liabilities		(206,257)	(198,191)
Share issue transaction costs	8	(262,764)	-
		<u>5,407,049</u>	<u>(11,353)</u>
Net cash from/(used in) financing activities			
Net increase/(decrease) in cash and cash equivalents		2,177,621	(1,633,371)
Cash and cash equivalents at the beginning of the financial year		2,155,365	3,602,480
Effects of exchange rate changes on cash and cash equivalents		(119,119)	186,256
		<u>4,213,867</u>	<u>2,155,365</u>
Cash and cash equivalents at the end of the financial year			

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

Note 1. Operating segments

Identification of reportable operating segments

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

The Group has identified a single operating segment, which is the whole of the consolidated operation. The segment disclosure for the reporting segment is consistent to those amounts present in the primary statements and notes.

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

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

Types of products and services and geographical information

The principal products and services are: advertising, photobook (printing) and subscriptions. Refer to note 2 for revenue from products and services, which are principally all in the US.

Major customers

There were no significant major customers that represents 10% or more of the external revenue of the Group.

Note 2. Revenue from contracts with customers

	Consolidated	
	2022	2021
	US\$	US\$
Advertising revenue	9,025,887	6,903,477
Photobook revenue	183,700	235,955
Subscription revenue	1,524,492	859,061
Affiliate revenue	169,211	125,277
	<u>10,903,290</u>	<u>8,123,770</u>

Disaggregation of revenue

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

	Consolidated	
	2022	2021
	US\$	US\$
<i>Geographical regions</i>		
United States of America	10,882,310	8,101,593
Australia	20,980	22,177
	<u>10,903,290</u>	<u>8,123,770</u>
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	352,911	361,232
Services transferred over time	10,550,379	7,762,538
	<u>10,903,290</u>	<u>8,123,770</u>

Note 3. Other income

	Consolidated	
	2022	2021
	US\$	US\$
Net foreign exchange gain/(loss)	(4,567)	2,911
Net gain on disposal of property, plant and equipment	12,331	93
Paycheck protection program - loan forgiven*	-	584,293
Research and development tax offset incentives/(refund)	-	(34,339)
Gain on settlement of financial liabilities by equity	50,258	-
Other income including cash flow boost	4	27,715
	<u>58,026</u>	<u>580,673</u>
Other income	<u>58,026</u>	<u>580,673</u>

* The loan forgiven related to a government's initiative to support businesses impacted by COVID-19 during 2020, under the Small Business Administration ('SBA') Paycheck Protection Program. The loan advanced were used to retain workers, maintain payroll or make mortgage payments, lease payments, and utility payments. The loan was forgiven during the previous financial year as the Group met the necessary SBA's requirements. No interest was charged on this loan.

Note 4. Trade and other receivables

	Consolidated	
	2022	2021
	US\$	US\$
<i>Current assets</i>		
Trade receivables	1,490,433	1,629,503
Less: Allowance for expected credit losses	(9,663)	-
	<u>1,480,770</u>	<u>1,629,503</u>
Accrued revenue and other receivables	1,130	213
Research and development incentive	111,708	111,708
	<u>112,838</u>	<u>111,921</u>
GST receivable	31,021	9,626
	<u>1,624,629</u>	<u>1,751,050</u>

Allowance for expected credit losses

The Group has recognised a loss of US\$9,663 (2021: recovery of US\$15,345) in profit or loss in respect of the expected credit losses for the year ended 30 June 2022.

Movements in the allowance for expected credit losses are as follows:

	Consolidated	
	2022	2021
	US\$	US\$
Opening balance	-	24,445
Additional provisions recognised	9,663	-
Receivables written off during the year as uncollectable	-	(9,100)
Unused amounts reversed	-	(15,345)
	<u>9,663</u>	<u>-</u>
Closing balance	<u>9,663</u>	<u>-</u>

Note 5. Property, plant and equipment

	Consolidated	
	2022 US\$	2021 US\$
<i>Non-current assets</i>		
Leasehold improvements - at cost	13,337	13,337
Less: Accumulated depreciation	(13,337)	(13,337)
	<u>-</u>	<u>-</u>
Office equipment, fixtures and fittings - at cost	33,014	26,900
Less: Accumulated depreciation	(25,164)	(22,411)
	<u>7,850</u>	<u>4,489</u>
Computer equipment - at cost	117,294	84,024
Less: Accumulated depreciation	(77,241)	(57,181)
	<u>40,053</u>	<u>26,843</u>
	<u><u>47,903</u></u>	<u><u>31,332</u></u>

Reconciliations

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

Consolidated	Leasehold improvements US\$	Office equipment, fixtures and fittings US\$	Computer equipment US\$	Total US\$
Balance at 1 July 2020	1,888	7,481	15,944	25,313
Additions	-	-	25,945	25,945
Disposals	-	-	(2,341)	(2,341)
Exchange differences	-	-	391	391
Depreciation expense	(1,888)	(2,992)	(13,096)	(17,976)
	<u>-</u>	<u>4,489</u>	<u>26,843</u>	<u>31,332</u>
Balance at 30 June 2021	-	4,489	26,843	31,332
Additions	-	6,114	35,244	41,358
Depreciation expense	-	(2,753)	(22,034)	(24,787)
	<u>-</u>	<u>7,850</u>	<u>40,053</u>	<u>47,903</u>
Balance at 30 June 2022	<u><u>-</u></u>	<u><u>7,850</u></u>	<u><u>40,053</u></u>	<u><u>47,903</u></u>

Note 6. Intangibles

	Consolidated	
	2022	2021
	US\$	US\$
<i>Non-current assets</i>		
Goodwill	5,338,791	5,338,791
Less: Accumulated impairment	<u>(1,612,452)</u>	<u>(1,612,452)</u>
	<u>3,726,339</u>	<u>3,726,339</u>
Software Development	501,642	104,840
Less: Accumulated amortisation	<u>(64,067)</u>	<u>-</u>
	<u>437,575</u>	<u>104,840</u>
Acquired Software	946,826	946,826
Less: Accumulated amortisation	<u>(441,852)</u>	<u>(252,487)</u>
	<u>504,974</u>	<u>694,339</u>
Content repository	1,581,603	1,581,603
Less: Accumulated amortisation	<u>(738,081)</u>	<u>(421,761)</u>
	<u>843,522</u>	<u>1,159,842</u>
	<u><u>5,512,410</u></u>	<u><u>5,685,360</u></u>

Reconciliations

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

Consolidated	Goodwill	Software	Acquired	Content	Total
	US\$	Development	Software	repository	US\$
	US\$	US\$	US\$	US\$	US\$
Balance at 1 July 2020	3,726,339	-	883,704	1,476,163	6,086,206
Additions	-	104,840	-	-	104,840
Amortisation expense	<u>-</u>	<u>-</u>	<u>(189,365)</u>	<u>(316,321)</u>	<u>(505,686)</u>
Balance at 30 June 2021	3,726,339	104,840	694,339	1,159,842	5,685,360
Additions	-	396,802	-	-	396,802
Amortisation expense	<u>-</u>	<u>(64,067)</u>	<u>(189,365)</u>	<u>(316,320)</u>	<u>(569,752)</u>
Balance at 30 June 2022	<u><u>3,726,339</u></u>	<u><u>437,575</u></u>	<u><u>504,974</u></u>	<u><u>843,522</u></u>	<u><u>5,512,410</u></u>

Note 7. Trade and other payables

	Consolidated	
	2022	2021
	US\$	US\$
<i>Current liabilities</i>		
Trade payables	228,058	295,878
Other payables	96,748	225,051
Accrued commissions	363,173	457,524
Accrued expenses	<u>595,673</u>	<u>773,648</u>
	<u><u>1,283,652</u></u>	<u><u>1,752,101</u></u>

Note 8. Issued capital

	2022 Shares	2021 Shares	Consolidated 2022 US\$	2021 US\$
Ordinary shares - fully paid	61,044,497	46,290,127	28,788,228	22,618,819

Movements in ordinary share capital

Details	Date	Shares	US\$
Balance	1 July 2020	45,782,275	22,154,067
Shares issued on the exercise of options		326,225	238,635
Shares issued to Directors		181,627	226,117
Balance	30 June 2021	46,290,127	22,618,819
Shares issued	26 November 2021	11,568,000	5,034,162
Shares issued	16 December 2021	200,823	86,274
Shares issued	2 February 2022	1,765,334	755,634
Conversion of debt to equity	2 February 2022	712,305	350,629
Shares issued (in lieu of directors fees)	2 February 2022	214,271	105,474
Shares issued (as consideration for corporate advisory services)	13 April 2022	293,637	100,000
Cost of raising capital		-	(262,764)
Balance	30 June 2022	61,044,497	28,788,228

Note 9. Reserves

	Consolidated 2022 US\$	2021 US\$
Foreign currency reserve	10,611	204,750
Share-based payments reserve	1,814,550	1,541,602
Acquisition reserve	3,561	3,561
	<u>1,828,722</u>	<u>1,749,913</u>

Note 9. Reserves (continued)

Movements in reserves

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

Consolidated	Foreign currency US\$	Share-based payment US\$	Acquisition US\$	Total US\$
Balance at 1 July 2020	(34,598)	756,798	3,561	725,761
Foreign currency translation	239,348	-	-	239,348
Share-based payments	-	1,055,277	-	1,055,277
Options exercised	-	(51,779)	-	(51,779)
Foreign exchange movements	-	(21,293)	-	(21,293)
Lapsed options transferred to accumulated losses	-	(197,401)	-	(197,401)
Balance at 30 June 2021	204,750	1,541,602	3,561	1,749,913
Foreign currency translation	(194,139)	-	-	(194,139)
Share-based payments	-	782,235	-	782,235
Foreign exchange movements	-	(80,608)	-	(80,608)
Lapsed options transferred to accumulated losses	-	(428,679)	-	(428,679)
Balance at 30 June 2022	<u>10,611</u>	<u>1,814,550</u>	<u>3,561</u>	<u>1,828,722</u>

Note 10. Accumulated losses

	Consolidated	
	2022 US\$	2021 US\$
Accumulated losses at the beginning of the financial year	(17,094,026)	(14,057,478)
Loss after income tax benefit for the year	(4,528,299)	(3,233,949)
Transfer from share-based payments reserve	428,679	197,401
Accumulated losses at the end of the financial year	<u>(21,193,646)</u>	<u>(17,094,026)</u>

Note 11. Dividends

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

Note 12. Earnings per share

	Consolidated	
	2022 US\$	2021 US\$
Loss after income tax attributable to the owners of Tinybeans Group Limited	<u>(4,528,299)</u>	<u>(3,233,949)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>54,438,333</u>	<u>46,055,051</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>54,438,333</u>	<u>46,055,051</u>
	Cents	Cents
Basic earnings per share	(8.32)	(7.02)
Diluted earnings per share	(8.32)	(7.02)

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