

1. Company details

Name of entity:	Tinybeans Group Limited
ABN:	46 168 481 614
Reporting period:	For the year ended 30 June 2021
Previous period:	For the year ended 30 June 2020

2. Results for announcement to the market

			US\$
Revenues from ordinary activities	up	102.1% to	8,042,974
Loss from ordinary activities after tax attributable to the owners of Tinybeans Group Limited	down	34.8% to	(3,054,678)
Loss for the year attributable to the owners of Tinybeans Group Limited	down	34.8% to	(3,054,678)

Dividends

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

Comments

The Group acquired Red Tricycle, Inc on 27 February 2020, and its financial statements form part of the Consolidated Group since the date of acquisition.

The loss for the Group after providing for income tax amounted to US\$3,054,678 (30 June 2020: US\$4,686,336).

The Group generated total sales revenue of US\$8,042,974 up from US\$3,980,247 in the previous year. The increase of 102.1% was driven by advertising revenue with a growing number of brand partners and larger average campaign sizes as a direct result of successful sales and marketing strategies.

Total expenses amounted to US\$11,814,838, up from US\$8,997,376. Specifically, employee benefits expense increased by \$3,186,965 in line with the increased activities. The Group invested in product growth initiatives, which have only begun to materialise.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	2.61	5.00

Calculated as:

	Consolidated 2021 US\$	Consolidated 2020 US\$
Net assets	7,281,010	8,777,972
Less: Right-of-use assets	(100,370)	(274,077)
Less: Intangibles	(6,098,241)	(6,510,364)
Add: Lease liabilities	127,839	293,397
	<u>1,210,238</u>	<u>2,286,928</u>

Consolidated
2021 2020

Total number of shares issued	46,290,127	45,782,275
-------------------------------	------------	------------

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 2021 is attached.

12. Signed

As authorised by the Board of Directors

Signed  _____

Edward Geller
Executive Director, Chief Executive Officer
New York

Date: 31 August 2021

For personal use only

Tinybeans Group Limited

ABN 46 168 481 614

Unaudited Preliminary Final Report - 30 June 2021

Tinybeans Group Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2021



	Note	Consolidated 2021 US\$	2020 US\$
Revenue from contracts with customers	2	8,042,974	3,980,247
Other income		580,673	267,929
Interest revenue calculated using the effective interest method		4,991	20,419
Expenses			
Cost of goods sold		(424,654)	(360,267)
Employee benefits expense		(7,769,493)	(4,582,528)
Depreciation and amortisation expense		(672,545)	(454,456)
Compliance and consultancy costs		(1,568,042)	(900,894)
Hosting and online software		(989,014)	(656,454)
Recovery/(impairment) of receivables		15,345	(13,557)
Impairment of assets	5,6	(49,005)	(1,612,452)
Marketing and advertising		(88,737)	(109,339)
Occupancy costs		(30,100)	(32,241)
Other expenses		(226,834)	(258,976)
Finance costs		(11,759)	(16,212)
Total expenses		<u>(11,814,838)</u>	<u>(8,997,376)</u>
Loss before income tax benefit		(3,186,200)	(4,728,781)
Income tax benefit		<u>131,522</u>	<u>42,445</u>
Loss after income tax benefit for the year attributable to the owners of Tinybeans Group Limited		(3,054,678)	(4,686,336)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>239,777</u>	<u>(143,410)</u>
Other comprehensive income for the year, net of tax		<u>239,777</u>	<u>(143,410)</u>
Total comprehensive income for the year attributable to the owners of Tinybeans Group Limited		<u>(2,814,901)</u>	<u>(4,829,746)</u>
		Cents	Cents
Basic earnings per share	10	(6.63)	(11.57)
Diluted earnings per share	10	(6.63)	(11.57)

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

	Note	Consolidated 2021 US\$	2020 US\$
Assets			
Current assets			
Cash and cash equivalents		2,155,365	3,602,480
Trade and other receivables	3	1,751,050	1,178,313
Contract assets		33,484	297,422
Other assets		293,884	262,668
Total current assets		<u>4,233,783</u>	<u>5,340,883</u>
Non-current assets			
Property, plant and equipment	4	31,332	25,313
Right-of-use assets	5	100,370	274,077
Intangibles	6	6,098,241	6,510,364
Total non-current assets		<u>6,229,943</u>	<u>6,809,754</u>
Total assets		<u>10,463,726</u>	<u>12,150,637</u>
Liabilities			
Current liabilities			
Trade and other payables		1,744,385	807,017
Contract liabilities		575,593	615,797
Borrowings		-	584,293
Lease liabilities		89,096	170,411
Employee benefits		14,243	90,189
Total current liabilities		<u>2,423,317</u>	<u>2,267,707</u>
Non-current liabilities			
Contract liabilities		249,598	382,913
Lease liabilities		38,743	122,986
Deferred tax		463,545	595,023
Employee benefits		7,513	4,036
Total non-current liabilities		<u>759,399</u>	<u>1,104,958</u>
Total liabilities		<u>3,182,716</u>	<u>3,372,665</u>
Net assets		<u>7,281,010</u>	<u>8,777,972</u>
Equity			
Issued capital	7	23,037,339	22,578,225
Reserves	8	1,808,162	722,200
Accumulated losses		<u>(17,564,491)</u>	<u>(14,522,453)</u>
Total equity		<u>7,281,010</u>	<u>8,777,972</u>

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

Consolidated	Issued capital US\$	Reserves US\$	Accumulated losses US\$	Total equity US\$
Balance at 1 July 2019	9,831,822	600,209	(9,959,760)	472,271
Loss after income tax benefit for the year	-	-	(4,686,336)	(4,686,336)
Other comprehensive income for the year, net of tax	-	(143,410)	-	(143,410)
Total comprehensive income for the year	-	(143,410)	(4,686,336)	(4,829,746)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 7)	12,247,315	-	-	12,247,315
Share-based payments	499,088	265,401	123,643	888,132
Balance at 30 June 2020	<u>22,578,225</u>	<u>722,200</u>	<u>(14,522,453)</u>	<u>8,777,972</u>
Consolidated	Issued capital US\$	Reserves US\$	Accumulated losses US\$	Total equity US\$
Balance at 1 July 2020	22,578,225	722,200	(14,522,453)	8,777,972
Loss after income tax benefit for the year	-	-	(3,054,678)	(3,054,678)
Other comprehensive income for the year, net of tax	-	239,777	-	239,777
Total comprehensive income for the year	-	239,777	(3,054,678)	(2,814,901)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	459,114	846,185	12,640	1,317,939
Balance at 30 June 2021	<u>23,037,339</u>	<u>1,808,162</u>	<u>(17,564,491)</u>	<u>7,281,010</u>

Tinybeans Group Limited
Consolidated statement of cash flows
For the year ended 30 June 2021



	Note	Consolidated 2021 US\$	2020 US\$
Cash flows from operating activities			
Loss before income tax benefit for the year		(3,186,200)	(4,728,781)
Adjustments for:			
Depreciation and amortisation		672,545	454,456
Impairment of assets		49,005	1,612,452
Share-based payments		1,193,817	739,703
Net gain on disposal of non-current assets		(93)	(130)
Paycheck protection program - loan forgiven		(584,293)	-
Foreign currency differences		(24,156)	(454,949)
Interest received		(4,991)	(20,419)
Interest and other finance costs		11,759	16,212
		(1,872,607)	(2,381,456)
Change in operating assets and liabilities:			
Increase in trade and other receivables		(572,737)	(100,736)
Decrease/(increase) in contract assets		263,938	(176,240)
Increase in prepayments		(31,216)	(78,369)
Increase in trade and other payables		960,390	69,114
Increase/(decrease) in contract liabilities		(173,519)	239,251
Decrease in employee benefits		(72,469)	(37,351)
		(1,498,220)	(2,465,787)
Interest received		4,991	20,419
Interest and other finance costs paid		(11,759)	(16,212)
Income taxes refunded/(paid)		44	(3,910)
Net cash used in operating activities		(1,504,944)	(2,465,490)
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired	9	-	(6,535,088)
Payments for property, plant and equipment	4	(25,945)	(13,323)
Payments for intangibles	6	(93,563)	-
Proceeds from disposal of property, plant and equipment		2,434	4,446
Proceeds from release of security deposits		-	5,950
Net cash used in investing activities		(117,074)	(6,538,015)
Cash flows from financing activities			
Proceeds from issue of shares	7	-	11,531,476
Proceeds from exercise of options		186,838	169,588
Proceeds from borrowings		-	584,293
Repayment of lease liabilities		(198,191)	(229,729)
Share issue transaction costs	7	-	(431,661)
Net cash from/(used in) financing activities		(11,353)	11,623,967
Net increase/(decrease) in cash and cash equivalents		(1,633,371)	2,620,462
Cash and cash equivalents at the beginning of the financial year		3,602,480	689,670
Effects of exchange rate changes on cash and cash equivalents		186,256	292,348
Cash and cash equivalents at the end of the financial year		<u>2,155,365</u>	<u>3,602,480</u>

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

Note 1. Change in presentation currency and restatement of comparatives

Change in presentation currency

The Group's revenues, profits and cash flows are primarily generated in US dollars, and are expected to remain principally denominated in US dollars in the future. During the financial year, the Group changed the currency in which it presents its financial statements from Australian dollars to US dollars, in order to better reflect the underlying performance of the Group.

A change in presentation currency is a change in accounting policy which is accounted for retrospectively. Comparative financial information included in these financial statements for the year ended 30 June 2020, previously reported in Australian dollars, has been restated into US dollars using the procedures outlined below:

- assets and liabilities denominated in non-US dollar currencies were translated into US dollars at the closing rates of exchange on the relevant statement of financial position date;
- non-US dollar income and expenditure were translated at the average rates of exchange prevailing for the relevant period;
- components of equity have been translated at the historic rates prevailing from 1 July 2013, being the earliest period for which audited financial statements were available, and subsequent rates prevailing on the date of each transaction;
- all exchange rates were extracted from the Group's underlying financial records.

Restatement of comparatives

The Group has finalised its business combination accounting, as detailed in note 9. As a consequence of its finalisation, goodwill was impaired by US\$1,612,452, as detailed in note 6. The Group also recognised a further share-based payment expense of US\$129,462 due to a changes in fair value assumptions.

In addition, the Group has realigned various profit or loss line items to be consistent with the current year presentation.

Note 2. Revenue from contracts with customers

	Consolidated 2021 US\$	2020 US\$
Advertising revenue	6,753,477	2,950,189
Photobook revenue	235,955	206,369
Subscription revenue	859,061	699,776
Other revenue	194,481	123,913
Revenue from contracts with customers	<u>8,042,974</u>	<u>3,980,247</u>

Note 3. Trade and other receivables

	Consolidated 2021 US\$	2020 US\$
<i>Current assets</i>		
Trade receivables	1,629,503	792,678
Less: Allowance for expected credit losses	-	(24,445)
	<u>1,629,503</u>	<u>768,233</u>
Accrued revenue and other receivables	213	320
Research and development tax offset	111,708	404,913
	<u>111,921</u>	<u>405,233</u>
GST receivable	<u>9,626</u>	<u>4,847</u>
	<u>1,751,050</u>	<u>1,178,313</u>

Note 4. Property, plant and equipment

	Consolidated	
	2021	2020
	US\$	US\$
<i>Non-current assets</i>		
Leasehold improvements - at cost	13,337	13,337
Less: Accumulated depreciation	<u>(13,337)</u>	<u>(11,449)</u>
	-	1,888
Office equipment, fixtures and fittings - at cost	26,900	26,900
Less: Accumulated depreciation	<u>(22,411)</u>	<u>(19,419)</u>
	4,489	7,481
Computer equipment - at cost	84,024	64,408
Less: Accumulated depreciation	<u>(57,181)</u>	<u>(48,464)</u>
	26,843	15,944
	<u><u>31,332</u></u>	<u><u>25,313</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 2019	6,333	12,468	20,298	39,099
Additions	-	-	13,323	13,323
Disposals	-	-	(4,316)	(4,316)
Exchange differences	-	-	(211)	(211)
Depreciation expense	<u>(4,445)</u>	<u>(4,987)</u>	<u>(13,150)</u>	<u>(22,582)</u>
Balance at 30 June 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	<u>(1,888)</u>	<u>(2,992)</u>	<u>(13,096)</u>	<u>(17,976)</u>
Balance at 30 June 2021	<u><u>-</u></u>	<u><u>4,489</u></u>	<u><u>26,843</u></u>	<u><u>31,332</u></u>

Note 5. Right-of-use assets

	Consolidated	
	2021	2020
	US\$	US\$
<i>Non-current assets</i>		
Leasehold building - right-of-use	417,299	539,146
Less: Accumulated depreciation	<u>(316,929)</u>	<u>(265,069)</u>
	<u><u>100,370</u></u>	<u><u>274,077</u></u>

Note 5. Right-of-use assets (continued)

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 building US\$
Balance at 1 July 2019	-
Additions	539,146
Exchange differences	(1,757)
Depreciation expense	(263,312)
Balance at 30 June 2020	274,077
Additions	9,611
Exchange differences	14,570
Impairment of assets	(49,005)
Depreciation expense	(148,883)
Balance at 30 June 2021	100,370

Note 6. Intangibles

	Consolidated 2021 US\$	Consolidated 2020 US\$
<i>Non-current assets</i>		
Goodwill - at cost	5,762,949	5,762,949
Less: Accumulated impairment	(1,612,452)	(1,612,452)
	4,150,497	4,150,497
Software - at cost	1,040,389	946,826
Less: Accumulated amortisation	(252,487)	(63,122)
	787,902	883,704
Content repository - at cost	1,581,603	1,581,603
Less: Accumulated amortisation	(421,761)	(105,440)
	1,159,842	1,476,163
	6,098,241	6,510,364

Note 6. Intangibles (continued)

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 US\$	Software US\$	Content repository US\$	Total US\$
Balance at 1 July 2019	-	-	-	-
Additions through business combinations (note 9)	5,762,949	946,826	1,581,603	8,291,378
Impairment of assets	(1,612,452)	-	-	(1,612,452)
Amortisation expense	-	(63,122)	(105,440)	(168,562)
Balance at 30 June 2020	4,150,497	883,704	1,476,163	6,510,364
Additions	-	93,563	-	93,563
Amortisation expense	-	(189,365)	(316,321)	(505,686)
Balance at 30 June 2021	4,150,497	787,902	1,159,842	6,098,241

Note 7. Issued capital

	2021 Shares	Consolidated 2020 Shares	2021 US\$	2020 US\$
Ordinary shares - fully paid	46,290,127	45,782,275	23,037,339	22,578,225

Movements in ordinary share capital

Details	Date	Shares	US\$
Balance	1 July 2019	33,045,551	9,831,822
Shares issued		11,023,406	11,531,476
Shares issued on the exercise of options		406,265	263,555
Shares issued to directors		445,428	235,533
Cost of raising capital		-	(431,661)
Shares issued on business combination (note 9)		861,625	1,147,500
Balance	30 June 2020	45,782,275	22,578,225
Shares issued on the exercise of options		326,225	232,997
Shares issued to directors		181,627	226,117
Balance	30 June 2021	46,290,127	23,037,339

Note 8. Reserves

	Consolidated 2021 US\$	2020 US\$
Foreign currency reserve	205,179	(34,598)
Share-based payments reserve	1,602,983	756,798
	1,808,162	722,200

Note 8. 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\$	Total US\$
Balance at 1 July 2019	108,812	491,397	600,209
Foreign currency translation	(143,410)	-	(143,410)
Share-based payments	-	265,401	265,401
Balance at 30 June 2020	(34,598)	756,798	722,200
Foreign currency translation	239,777	-	239,777
Share-based payments	-	846,185	846,185
Balance at 30 June 2021	205,179	1,602,983	1,808,162

Note 9. Business combinations

Acquisition of Red Tricycle Inc. (comparative period)

On 27 February 2020, the Group acquired 100% of Red Tricycle Inc. for the total consideration of US\$7,719,823. Red Tricycle Inc. is one of the world's leading parenting websites and business directory platforms focused on parents with children 0-13 years of age. It was acquired to expand the value proposition to Tinybeans' clients by the Red Tricycle platform offering and extends Tinybeans' retention through the parenting journey given Red Tricycle's child age profile goes up to 13 years.

The goodwill of US\$5,762,949 represents the expected synergies from merging this business and enhancing the value proposition and the users' retention which in turn would increase the revenue.

Note 9. Business combinations (continued)

Details of the acquisition are as follows:

	Fair value US\$
Cash and cash equivalents	37,235
Trade and other receivables	262,290
Other assets	35,193
Software platform	946,826
Content repository	1,581,603
Trade and other payables	(201,074)
Contract liabilities	(62,821)
Employee benefits	(1,000)
Deferred tax liability	(641,378)
Net assets acquired	1,956,874
Goodwill	5,762,949
Acquisition-date fair value of the total consideration transferred	<u>7,719,823</u>
Representing:	
Cash paid or payable to vendor	6,572,323
Tinybeans Group Limited shares issued to vendor (note 7)	1,147,500
	<u>7,719,823</u>
Acquisition costs expensed to profit or loss	<u>203,085</u>
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	7,719,823
Less: cash and cash equivalents	(37,235)
Less: shares issued by the Company as part of consideration	(1,147,500)
Net cash used	<u>6,535,088</u>

The purchase price accounting has been updated following the finalisation of the business combination accounting that occurred during the 12-month measurement period, as detailed below.

	Provisional US\$	Final US\$	Movement US\$
Software platform	1,530,000	946,826	(583,174)
Content repository	1,530,000	1,581,603	51,603
Goodwill	4,590,000	5,762,949	1,172,949
Deferred tax liability	-	(641,378)	(641,378)
	<u>7,650,000</u>	<u>7,650,000</u>	<u>-</u>
Software platform - amortisation	104,508	63,122	41,386
Content repository - amortisation	104,508	105,440	(932)
Deferred taxation	-	(46,355)	46,355
Net change in profit or loss and net assets	<u>209,016</u>	<u>122,207</u>	<u>86,809</u>

Note 10. Earnings per share

	Consolidated 2021 US\$	2020 US\$
Loss after income tax attributable to the owners of Tinybeans Group Limited	<u>(3,054,678)</u>	<u>(4,686,336)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>46,055,051</u>	<u>40,517,167</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>46,055,051</u>	<u>40,517,167</u>
	Cents	Cents
Basic earnings per share	(6.63)	(11.57)
Diluted earnings per share	(6.63)	(11.57)

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