

1. Company details

Name of entity:	Tinybeans Group Limited
ABN:	46 168 481 614
Reporting period:	For the year ended 30 June 2023
Previous period:	For the year ended 30 June 2022

2. Results for announcement to the market

				US\$	
Revenues from ordinary activities	down	22.6%	to	8,437,193	
Loss from ordinary activities after tax attributable to the owners of Tinybeans Group Limited	up	49.6%	to	(6,772,110)	
Loss for the year attributable to the owners of Tinybeans Group Limited	up	49.6%	to	(6,772,110)	
		2023 US\$	2022 US\$	Change US\$	Change %
Revenues from ordinary activities		8,437,193	10,903,290	(2,466,097)	(23%)
Loss from ordinary activities after tax attributable to the owners of Tinybeans Group Limited		(6,772,110)	(4,528,299)	(2,243,811)	50%
Loss for the year attributable to the owners of Tinybeans Group Limited		(6,772,110)	(4,528,299)	(2,243,811)	50%

Dividends

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

Comments

The Group's total revenue of US\$8,437,193 decreased by 23% compared to US\$10,903,290 the previous year, with economic headwinds continuing to impact advertising revenue sales which were down 36.1% to US\$5,763,073 from US\$9,025,887 in FY22. Paid Subscription revenue grew by 39% to US\$2.1 million supported by an increase in new paid users and a price increase.

Total expenses (excluding impairment) decreased by 25.45% to US\$11,493,689, down from US\$15,416,805 in the prior year, as a result of cost savings initiatives representing savings of over \$4M over 12 months.

The loss for the Group after providing for income tax amounted to US\$6,772,110 (30 June 2022: US\$4,528,299), however the loss was impacted by the once-off, non-cash impairment of goodwill of US\$3,726,339. Without this write-off the loss would have been US\$3,045,771 an improvement of US\$1,482,528 on FY22. The impairment was in relation to goodwill created on the purchase of the Red Tricycle asset in March 2020, and after the Board and new CEO reviewed the intangible assets in mid-August 2023 as part of the annual audit, it was deemed prudent to write off the goodwill on acquisition and to carry the asset at the value of its intangible assets of \$1,606,207, as these assets are currently still in use and generating revenue for the Tinybean's business.

Refer to the Chair's message and Chief Executive Officer's message within the attached Annual Report for further commentary.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	2.03	6.41

Calculated as:

	Consolidated	
	2023	2022
	US\$	US\$
Net assets	2,849,629	9,423,304
Less: Intangibles	(1,606,207)	(5,512,410)
Net tangible assets	<u>1,243,422</u>	<u>3,910,894</u>
	Consolidated	
	2023	2022
Total number of shares issued	<u>61,385,455</u>	<u>61,044,497</u>

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 have been audited and an unmodified opinion has been issued.

11. Attachments

Details of attachments (if any):

The Annual Report of Tinybeans Group Limited for the year ended 30 June 2023 is attached.

12. Signed

As authorised by the Board of Directors

Signed  _____

Date: 24 August 2023

Chantale Millard
Non-Executive Director and Chair
Australia

Tinybeans Group Limited

ABN 46 168 481 614

Annual Report - 30 June 2023

Directors	Chantale Millard (Non-Executive Director and Chair) Andrea Cutright (Non-Executive Director) Andrew Silverberg (Non-Executive Director) Catherine Cohen (Non-Executive Director)
Company secretary	Elizabeth Spooner
Registered office	Level 5, 126 Phillip Street, Sydney NSW 2000, Australia Telephone: +61 2 8072 1400; Fax: +61 2 8072 1440 Email: investors@tinybeans.com
Principal place of business	Level 5, 126 Phillip Street, Sydney NSW 2000, Australia
Share register	Automic Registry Services Level 5, 126 Phillip Street, Sydney NSW 2000, Australia Telephone: 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) Email: hello@automic.com.au
Auditor	William Buck Level 29, 66 Goulburn Street, Sydney NSW 2000, Australia
Stock exchange listing	Tinybeans Group Limited shares are listed on the Australian Securities Exchange (ASX code: TNY) and the OTC Markets Group of America (OTCQB: TNYF)
Website	www.tinybeans.com
Corporate Governance Statement	<p>The Directors and management are committed to conducting the business of Tinybeans Group Limited in an ethical manner and in accordance with the highest standards of corporate governance. Tinybeans Group Limited has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ('Recommendations') to the extent appropriate to the size and nature of its operations.</p> <p>The Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed, which is approved at the same time as the Annual Report can be found at: https://tinybeans.com/investors/corporate-governance/ in accordance with the ASX Listing Rule 4.10.3.</p>

Chair's message	3
Chief Executive Officer's message	5
Directors' report	6
Auditor's independence declaration	19
Consolidated statement of profit or loss and other comprehensive income	20
Consolidated statement of financial position	21
Consolidated statement of changes in equity	22
Consolidated statement of cash flows	23
Notes to the consolidated financial statements	24
Directors' declaration	52
Independent auditor's report to the members of Tinybeans Group Limited	53
Shareholder information	58

Dear Shareholders,

I am honoured to be writing this first Chair's letter to you, having been appointed to the Board and as your Chair in February 2023. I would like to thank you for your continued support of Tinybeans over the past year, and while it has been a very challenging year for the business, I am genuinely excited by the potential I see for our subscribers, advertisers, team members and shareholders.

Strengthened leadership to better deliver on the Company's potential

FY23 was a year of significant change for the business. A board refresh was undertaken in February 2023 with three non-executive directors appointed to replace the previous ones, including my appointment as Chair.

In May 2023, we announced the departure of former Managing Director and CEO Eddie Geller, with his transition away from the business in June. I would like to thank the Tinybeans' Executive Team and my fellow Directors for stepping in during this transition phase, until our new CEO Zsofi Paterson started in the role on 17 July 2023.

Zsofi Paterson is an experienced scale-up CEO with a strong track record in building and leading high performing teams to drive revenue, earnings and brand growth in digital subscription and digital revenue businesses in the US, Australia and other key international markets. A mother of two young daughters, Zsofi has been a Tinybeans' user for the past three years, and like your new Directors, can see the opportunity to unlock the significant potential of our business.

Responding to challenging market conditions

Over the past 12 months the business reset its cost base, taking \$2.73 million of operating costs and \$4.0 million of total annualised costs out of the business with total expenses reducing by 25.45% in FY23. This was in direct response to the tough economic challenges faced by the business due to a weakening in the US advertising market leading to a 36% decrease in advertising revenue year on year. With the decline continuing into H1 FY24, we continue to maintain our laser focus on costs.

Financial performance

The statutory NPAT for FY23 was a loss of US\$(6.8) million, compared to a loss of US\$(4.5) million in FY22. However, FY23 included a one-off non-cash write down of goodwill of US\$3.7 million, so underlying FY23 NPAT was a loss of US\$(3.0) million and delivered a \$1.5 million improvement on FY22.

As part of the normal FY23 annual audit process, in mid-August 2023 the Board and the new CEO has reviewed the carrying value of the goodwill and intangible assets purchased as part of the Red Tricycle acquisition in March 2020 and accordingly has determined that it is prudent to write off all goodwill associated with this acquisition. The Board has elected to continue to carry the asset at the value of its intangible assets of US\$1.6 million, as these assets are currently still in use and generating revenue for the Tinybeans business.

Subscriber growth

On a positive note, the business also achieved several key milestones in FY23, particularly around subscribers. We launched the new Tinybeans free and Tinybeans + App experience in April 2023, and this has been positively received with substantial growth in paid and freemium subscribers. We also implemented a price increase in May. Since the launch and pricing change we have seen renewal rates of our monthly subscribers continue at approximately 90% and a 26k increase in users at 30 June 2023 (increasing to 39k new users at 31 July 2023). The business has a large renewal of annual subscribers in Q2 FY24 and the team is working hard to further enhance the App experience, to retain as many of these annual subscribers as possible.

Capital raising strengthens balance sheet

In June 23 the Board undertook a capital raising to strengthen the Company's balance sheet. We successfully raised A\$3.4 million, and I would like to thank all current and new shareholders who participated in the raise, for supporting the business and the appointment of Zsofi as our new CEO. The capital raising will allow the business to invest in its technology, marketing and product, under Zsofi's new leadership.

A fresh perspective to reset the business in 1H FY24

Zsofi has been in the role now for 5 short weeks and is rapidly progressing her review and assessment of the business, our team and the go forward strategy. With advertising revenue still representing a large portion of our revenue, gaining an understanding of the revenue drivers and the inherited declining revenue pipeline, has been a key focus.

As expected, with a new leader comes a fresh perspective and energy and the business is currently undergoing a full re-set, to galvanise and focus the teams, enhance our product and tech, re-define the brand and value proposition to align it with the core Tinybeans consumer, and refresh and align content to better serve our core consumer.

Zsofi has the capability and strong leadership to undertake the task ahead of us, and a laser like focus and determination to succeed. Some of this reset will require investment, and the business will continue to maintain its disciplined approach to cashflow management under the new leadership team.

Our opportunity

With change also comes opportunity, and since my appointment as Chair in February 2023, I have been excited and humbled to hear stories from Tinybeans' users as to how Tinybeans makes their lives richer, allowing them to keep and share precious moments and memories with family near and far. Many of our users utilise the Tinybeans App every day and this level of engagement is very difficult to create.

There is something special about Tinybeans and with the business reset underway, the Board, CEO and management are optimistic about the future of the business and unlocking its full potential for the benefit of our users and shareholders. We look forward to updating you on our progress at our AGM in November 2023.



Chantale Millard

Non-executive Director and Chair



Dear Shareholders,

I am pleased to be sharing my first update as the CEO of Tinybeans, a product my family has used and loved every day since we had our first daughter three years ago.

I had the pleasure of introducing myself to many of you during the recent capital raise the Board successfully undertook following my appointment and before my official start on 17 July. To those I haven't yet met, I am delighted to be in this role, and feel well positioned to lead this company through its next chapter.

Prior to joining Tinybeans, I was the CEO of '*Centr, by Chris Hemsworth*' - one of the leading health & wellness digital apps. I was appointed CEO shortly after Centr's launch in 2019. Over four years, I rebuilt the team, scaled the product globally, led an exit to New York Private Equity group Highpost Capital and stewarded a smooth transition to new ownership. I have expertise in building high performing teams underpinned by strong culture, aligned by a shared mission, and leading them to build digital products and consumer brands that deliver long term value for customers, shareholders and employees.

I am writing this update on my final day in New York, having spent 4 weeks on the ground meeting the Tinybeans team and rapidly understanding the business. I have spent dedicated time with the management team, leaders and team members across all functions including product and engineering, sales, content, growth, customer support, HR and finance, who have been engaged, energized and excited for a new chapter and new leadership. They have responded positively to my deeply focussed questions and early attempts to bring alignment, visibility and clarity to Tinybeans' role in the world.

With the benefit of my previous experience and hands-on approach, I am returning to Australia with a good understanding of the business and the risks, challenges and opportunities ahead. We have a good platform to build off, but work is required to align the customer, product and revenue model and to build a compelling global brand that shows up consistently and meets customer needs. I have confidence we can do this and I look forward to sharing a strategic plan later in the year.

To my family and thousands of others, Tinybeans is the central way we share and connect with our family about our children. It's a product that at its core provides utility and joy, and that is unique and special.

Thank you for your ongoing support of Tinybeans and for me in my first year as your CEO.



Best regards,
Zsofi Paterson
CEO, Tinybeans



The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Tinybeans Group Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2023.

Directors

The following persons were Directors of Tinybeans Group Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Chantale Millard	appointed Non-Executive Director and Chair on 6 February 2023
Andrea Cutright	
Andrew Silverberg	appointed Non-Executive Director on 6 February 2023
Catherine Cohen	appointed Non-Executive Director on 6 February 2023
Kathy Mayor	resigned on 13 October 2022
Greg West	resigned on 13 October 2022
John Dougall	resigned on 6 February 2023
Andrew Whitten	resigned on 6 February 2023
Edward Geller	resigned on 19 July 2023

Principal activities

Tinybeans Group Limited is a high trust app and web platform offering a personalised experience for new and growing families that helps them achieve their #1 goal in life—to raise amazing kids. It helps families thrive by giving them a safe, useful and inspirational place to go to capture and share memories, engage with trustworthy content and find thoughtful recommendations tailored to their family's needs, interests and where they live. The Tinybeans app is available on iOS and Android devices, and also provides families a rich web based experience. Beyond the app, Tinybeans provides parents with a wealth of content to assist them in the journey of parenting from where to go over the weekend, to best travel destinations and ideas on things to buy to make life as a parent easier – all available on tinybeans.com.

There were no significant changes in the nature of those activities during the financial year.

Dividends

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

Review of operations

The Group's total revenue of US\$8,437,193 decreased by 23% compared to US\$10,903,290 the previous year, with economic headwinds continuing to impact advertising revenue sales which were down 36.1% to US\$5,763,073 from US\$9,025,887 in FY22. Paid Subscription revenue grew by 39% to US\$2.1 million supported by an increase in new paid users and a price increase.

The loss for the Group after providing for income tax amounted to US\$6,772,110 (30 June 2022: US\$4,528,299). The FY23 loss includes the \$3.7 million non-cash impairment of goodwill.

Total expenses (excluding the goodwill impairment) decreased by 25.45% to US\$11,493,689, down from US\$15,416,805 in the prior year, as a result of cost savings initiatives representing savings of over US\$4M over 12 months.

The business launched its new Tinybeans free and Tinybeans + App experience in April 2023, and this has been positively received with growth in paid and freemium subscribers. We also implemented a price increase in May 2023. Since the launch and pricing change we have seen renewal rates for our monthly subscribers continue at approximately 90% and a 26k increase in users. The business has a large renewal of annual subscribers in Q2 FY24 and the team is working hard to further enhance the App experience, to retain as many of these annual subscribers as possible.

The pricing for Tinybeans + App subscriptions increased from US\$4.99 to US\$7.99 per month or US\$39.99 to US\$74.99 per annum, which has resulted in an increase of 22% in Monthly Recurring Revenue (MRR) from US\$166k at the end of FY22 to US\$203k at the end of FY23.

Refer to the Chairman's message on page 3 and Chief Executive Officer's message on page 5 for further commentary.

The directors consider that the Group will continue as a going concern, as explained in note 2 to the financial statements.

Significant changes in the state of affairs

On 9 May 2023, the business announced the departure of former Managing Director and CEO Eddie Geller, with his transition away from the business in June 2023 with new CEO Zsofi Paterson starting in the role on 17 July 2023.

Zsofi Paterson is an experienced scale-up CEO with a strong track record in building and leading high performing teams to drive revenue, earnings and brand growth in digital subscription and digital revenue businesses in the US, Australia and other key international markets. A mother of two young daughters, Zsofi has been a Tinybeans' user for the past three years, and like your new Directors, can see the opportunity to unlock the significant potential of our business.

To support the incoming CEO and future investment requirements of the business, on the 27 June 2023, the Company launched a Capital Raising to raise A\$2,500,000 and was successful in raising A\$3,367,971 (prior to transaction costs), with the funds received in July 2023.

There were no other significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year

Subsequent to year end:

- the Company completed its Capital Raising and has issued 22,453,138 new fully paid ordinary shares of \$0.15 each, raising additional capital of \$3,367,971;
- Zsofi Paterson started as the Group's Chief Executive Officer on 17 July 2023; and
- the business launched its long-awaited Android App to a small group of super users in August 2023, with a launch to the broader market scheduled for September 2023. The feedback on the new App so far has been very positive and the broader launch of the Android App will unlock a new target market for the business in FY24.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

The opportunity is big for the Tinybeans business with its on trend and loved products and FY24 will be a transformational year for the business under the guidance and leadership of its new CEO. The business is currently undergoing a full business re-set, to galvanise and focus the teams, enhance our product and technology, re-define the brand and value proposition and refresh and align content to better serve our core consumer. Some of this reset will require investment, and the business will continue to maintain its disciplined approach to cashflow management under the new leadership team.

The business will also continue to innovate and upgrade its Tinybeans App with an array of new products and features to delight the customer. With a large renewal of annual subscribers in Q2 FY24, many of these new features will be rolled out in H1 FY24, to ensure as high a renewal rate as possible and to grow its subscription base. There will also be a key focus on stabilising the businesses advertising revenue, off the back of the soft sales pipeline coming into H1 FY24.

Under new leadership the Tinybeans business is well positioned to create and implement its new growth plans, to unlock the full potential of the Tinybeans business in a sustainable and profitable way.

Refer to the Chair's message on page 3 and Chief Executive Officer's message on page 4 for further commentary.

Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name:	Chantale Millard
Title:	Non-Executive Director and Chair
Qualifications:	B Com, FCPA, GAICD
Experience and expertise:	Chantale is an experienced executive, and Non-Executive Director, with her most recent executive role as Managing Director and CEO of Maggie Beer Holdings Ltd. Prior to this Chantale held executive roles in large private companies and private equity owned businesses in Australia and overseas. Her experience includes FMCG in the food and wine industry, e-commerce, manufacturing, hospitality, publishing and financial services. Since transitioning from her executive career, Chantale now holds several Non-Executive Director positions and Advisory board roles. Chantale has a Bachelor of Commerce, is a qualified FCPA and a member of the Australian Institute of Company Directors (GAICD).
Other current directorships:	None
Former directorships (last 3 years):	Executive Director, Maggie Beer Holdings Limited (MBH)
Special responsibilities:	None
Interests in shares:	None
Interests in options:	None

Name: **Andrea Cutright**
Title: Non-Executive Director
Qualifications: Bachelor of Arts (Mass Communication), University of California, Berkeley.
Experience and expertise: Andrea was appointed to the board on 28 October 2020. She has served as VP Global Subscriber Marketing and Insights for Disney+ streaming service, responsible for all customer marketing touchpoints, developing strong relationships with subscribers, and overseeing market intelligence and insights. Andrea was co-founder and Chief Executive officer of Foodily.com, acquired by IAC in 2015. She started her career at Yahoo! in various marketing and product positions.

Other current directorships: None
Former directorships (last 3 years): None
Special responsibilities: None
Interests in shares: 67,391 ordinary shares
Interests in options: 200,000 unlisted options

Name: **Andrew Silverberg**
Title: Non-Executive Director
Qualifications: Bachelor of Science (Business, Management and Finance), Brooklyn College
Experience and expertise: Andrew was appointed to the board on 6 February 2023. Andrew is a highly experienced investor who has held senior leadership roles in the money management industry over the course of his career. He has also helped advise various public and private companies globally. Andrew is currently an Investment Manager with Thorney Investment Group where he manages the firm's US-listed equities, unlisted investments and properties. Prior to joining Thorney, Andrew held impactful roles with Talpion Fund Management, Fred Alger Management and Mark Asset Management.

Other current directorships: Non-Executive Director of Visioneering Technologies, Inc.
Former directorships (last 3 years): None
Special responsibilities: None
Interests in shares: None
Interests in options: None

Name: **Catherine Cohen**
Title: Non-Executive Director
Qualifications: Bachelor of Arts, Monash University, Graduate Diploma in Financial Planning, Kaplan
Experience and expertise: Catherine was appointed to the board on 10 February 2023. Catherine is a financial advisor and investor focused on small, micro and early-stage investments. Catherine has extensive experience in technology, sales management and processes, and recruitment.

Other current directorships: None
Former directorships (last 3 years): None
Special responsibilities: None
Interests in shares: 100,000 ordinary shares
Interests in options: None

Name: **Edward Geller (resigned on 19 July 2023)**
Title: Executive Director and Former Chief Executive Officer
Experience and expertise: Edward was appointed to the board on 11 March 2014. He has been an entrepreneur in the technology and internet sectors since 1994. Edward founded his first company in 1995 and then in 1999 was the founder/CEO of Unique World. Edward grew Unique World to a prosperous software and management consulting business with just under 100 staff, and then successfully exited to a large US company in 2011. As a seed investor in PushStart in early 2012, Edward mentored the Company's team and then in 2013. Edward drove the commercial aspects of the business and became Chief Executive Officer in early 2014.

Other current directorships: None
Former directorships (last 3 years): None
Special responsibilities: None
Interests in shares: 6,562,094 ordinary shares
Interests in options: 1,200,000 unlisted options

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last three years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretaries

The former company secretary was David Hwang who resigned on 24 August 2022. Effective 24 August 2022, Elizabeth Spooner was appointed as company secretary.

Ms Elizabeth Spooner is an admitted lawyer and Company Secretary who works at Automic Group. She is an experienced governance and compliance professional who works closely with a number of boards of both listed and unlisted public companies. Ms Spooner holds a Juris Doctor degree from the Australian National University, a Bachelor of Business Administration with Bachelor of Arts (majoring in Human Resources) and a Graduate Diploma of Applied Corporate Governance from the Governance Institute of Australia.

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2023, and the number of meetings attended by each Director were:

	Full Board	
	Attended	Held
Chantale Millard*	5	5
Andrea Cutright	9	11
Edward Geller	10	11
Andrew Silverberg*	5	5
Catherine Cohen*	4	5
Kathy Mayor**	2	2
Greg West**	2	2
John Dougall***	6	6
Andrew Whitten***	6	6

Held: represents the number of meetings held during the time the Director held office.

* Chantale Millard, Andrew Silverberg and Catherine Cohen were appointed to the Board on 6 February 2023.

** Kathy Mayor and Greg West resigned on 13 October 2022.

*** John Dougall and Andrew Whitten resigned on 6 February 2023.

Remuneration report (audited)

The remuneration report, which has been audited as required by 308(3C) of the Corporations Act 2001, details the key management personnel ('KMP') remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to KMP

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation; and
- transparency.

The Board is responsible for determining and reviewing remuneration arrangements for its Directors and executives. The performance of the Group depends on the quality of its Directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The reward framework is designed to align executive reward to shareholders' interests. The Board has considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design;
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive Director remuneration is separate.

Non-Executive Directors' remuneration

Fees and payments to Non-Executive Directors reflect the demands and responsibilities of their role. Non-Executive Directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure Non-Executive Directors' fees and payments are appropriate and in line with the market. The Chair's fees are determined independently to the fees of other Non-Executive Directors based on comparative roles in the external market. The Chair is not present at any discussions relating to the determination of his own remuneration. Non-Executive Directors may receive share options as a form of payment for their services. To preserve independence and impartiality, Non-Executive Directors are not entitled to any form of variable remuneration payments and the level of their fees is not set with reference to measures of the Group's performance.

ASX listing rules require the aggregate Non-Executive Directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 14 January 2022, where the shareholders approved a new constitution that stipulated the maximum annual aggregate remuneration of A\$700,000.

Executive remuneration

Executive remuneration and other terms of employment are reviewed annually having regard to performance against goals set at the start of the year, relevant comparative information and independent expert advice as well as basic salary, remuneration packages include superannuation.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits;
- short-term performance incentives;
- long-term incentives; and
- other remuneration such as superannuation.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board based on individual and business unit performance, the overall performance of the Group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Group and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPIs') being achieved. The long-term incentives ('LTI') include share-based payments.

Group performance and link to remuneration

In considering the Group's performance and its effect on shareholder wealth, the Board has regard to a broad range of factors, some of which are financial and others of which relate to the progress on the Group's projects, results and progress of platform development activities and other operational factors.

The STI outcomes are available to KMP executives based on achieving specific annual targets and key performance indicators ('KPI's'). The target components are based on revenue, earnings before interest, tax, depreciation and amortisation ('EBITDA') and products. Bonus payable is paid in Cash or TNY Shares (at the employee's discretion) and subject to approval by Shareholders at the November 2023 Annual General Meeting ('AGM'). Should the approval be rejected at the AGM, the bonus will be paid in cash.

KPIs are set annually, with a certain level of consultation with KMP. The measures are specifically tailored to the area each individual is involved in and has a level of control over. The KPIs target areas the Company believes holds greater potential for Group expansion, covering financial and non-financial as well as short-term or long-term goals. The level set for each KPI is based on budgeted figures for the Company and respective industry standards.

Remuneration is at the discretion of the Board but also depends on the Group's performance.

The table below provides a summary of the Group's performance for the current and previous four financial years. The information below is taken into account by the Board when setting and determining short-term and long-term remuneration for KMP. It does not utilise earnings per share as a performance measure given that all efforts are currently being expended to develop the Group.

Year ended	Monthly active users (million)	Revenue US\$	EBITDA US\$
30 June 2023	3.00	8,437,193	(6,137,950)
30 June 2022	2.95	10,903,290	(3,731,498)
30 June 2021	4.30	8,123,770	(2,549,689)
30 June 2020	3.72	4,150,160	(4,088,200)
30 June 2019 (converted using the average forex rate of US\$0.7156/A\$1)	1.23	2,740,330	(2,385,604)
30 June 2018 (converted using the average forex rate of US\$0.7753/A\$1)	0.94	1,338,629	(3,582,440)

Use of remuneration consultants

During the financial year ended 30 June 2023, the Group did not engage any remuneration consultants to review its existing remuneration policies and provide any recommendations.

Voting and comments made at the Company's 2022 Annual General Meeting ('AGM')

At the 2022 AGM, 95.91% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2022. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

Details of the remuneration of KMP of the Group are set out in the following tables.

The KMP of the Group during the year consisted of the following Directors of Tinybeans Group Limited:

- Chantale Millard - Non-Executive Director and Chair (appointed as director 6 February 2023)
- Andrea Cutright - Non-Executive Director
- Catherine Cohen - Non-Executive Director
- Andrew Silverberg - Non-Executive Director
- Kathy Mayor - Former Non-Executive Director
- Greg West - Former Non-Executive Director
- John Dougall - Former Non-Executive Director and Chairman
- Andrew Whitten - Former Non-Executive Director
- Edward Geller - Former Executive Director and Former Chief Executive Officer

And the following person:

- Chris Motsay - Chief Financial Officer (employment ended on 23 July 2022)

	Short-term benefits			Share-based payments		Total US\$
	Cash salary and fees US\$	Cash bonus US\$	Non-monetary US\$	Equity-settled salary and fees ⁴ US\$	Equity-settled options US\$	
2023						
<i>Non-Executive Directors:</i>						
Chantale Millard ¹	13,520	-	-	13,520	-	27,040
Andrea Cutright	25,000	-	-	25,000	-	50,000
Andrew Silverberg ¹	10,045	-	-	10,045	-	20,090
Catherine Cohen ¹	8,112	-	-	8,112	-	16,224
Kathy Mayor ²	6,250	-	-	6,250	-	12,500
Greg West ²	-	-	-	5,048	-	5,048
John Dougall ³	50,477	-	-	-	-	50,477
Andrew Whitten ³	12,110	-	-	11,778	-	23,888
<i>Executive Directors:</i>						
Edward Geller ⁵	227,487	13,332	19,203	50,000	-	310,022
<i>Other KMP:</i>						
Chris Motsay	28,625	-	87	-	-	28,712
	<u>381,626</u>	<u>13,332</u>	<u>19,290</u>	<u>129,753</u>	<u>-</u>	<u>544,001</u>

- 1 Represents remuneration from 6 February 2023 to 30 June 2023.
- 2 Represents remuneration from 1 July 2022 to 12 October 2022.
- 3 Represents remuneration from 1 July 2022 to 6 February 2023.
- 4 Equity-settled salary and fees are subject to shareholders' approval at the annual general meeting or in cash if shareholder approval is not obtained.
- 5 The bonus of US\$13,332 represents the cash bonus true up for FY 22. Eddie was not eligible for a bonus pay-out for FY 23 as his contract was ended on 19 July 2023.

	Short-term benefits			Share-based payments		Total US\$
	Cash salary and fees US\$	Cash bonus US\$	Non-monetary US\$	Equity-settled salary and fees ⁴ US\$	Equity-settled options US\$	
2022						
<i>Non-Executive Directors:</i>						
Chantale Millard	-	-	-	-	-	-
Andrea Cutright	25,000	-	-	25,000	78,489	128,489
Andrew Silverberg	-	-	-	-	-	-
Catherine Cohen	-	-	-	-	-	-
Kathy Mayor	25,000	-	-	25,000	78,489	128,489
Greg West ¹	5,463	-	-	5,463	-	10,926
John Dougall	36,425	-	-	36,422	-	72,847
Andrew Whitten	21,853	-	-	21,853	78,489	122,195
<i>Executive Directors:</i>						
Edward Geller ^{2,3}	218,000	31,000	20,688	50,000	-	319,688
<i>Other KMP:</i>						
Chris Motsay ⁵	232,000	14,000	716	-	86,652	333,368
	<u>563,741</u>	<u>45,000</u>	<u>21,404</u>	<u>163,738</u>	<u>322,119</u>	<u>1,116,002</u>

- 1 Represents remuneration from 30 March 2022 to 30 June 2022.
- 2 \$31,000 represents accrued bonus based on revenue target partially met during the year. The pay-out is subject to approval at the annual general meeting.
- 3 Short-term non-monetary benefits represents Health insurance premium paid.
- 4 Equity-settled salary and fees are subject to shareholders' approval at the annual general meeting or in cash if shareholder approval is not obtained.
- 5 Chris resigned before year end and his contract was ended on 23 July 2022. The bonus of US\$14,000 accrued represented a discretionary "Thank you" bonus and was not performance-based.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2023	2022	2023	2022	2023	2022
<i>Non-Executive Directors:</i>						
Chantale Millard	100%	-	-	-	-	-
Andrea Cutright	100%	39%	-	-	-	61%
Andrew Silverberg	100%	-	-	-	-	-
Catherine Cohen	100%	-	-	-	-	-
Kathy Mayor	100%	39%	-	-	-	61%
Greg West	100%	100%	-	-	-	-
John Dougall	100%	100%	-	-	-	-
Andrew Whitten	100%	36%	-	-	-	64%
<i>Executive Directors:</i>						
Edward Geller	96%	90%	4%	10%	-	-
<i>Other KMP:</i>						
Chris Motsay	100%	70%	-	4%	-	26%

The proportion of the performance based cash bonus paid/payable or forfeited is as follows:

Name	Cash bonus paid/payable		Cash bonus forfeited	
	2023	2022	2023	2022
<i>Executive Directors:</i>				
Edward Geller ²	-	31%	100%	69%
<i>Other KMP:</i>				
Chris Motsay ¹	-	-	-	100%

- 1 As per Chris' employment contract, he needs to be in employment as at the time of the bonus pay-out. Given he was no longer in employment as at 23 July 2022, he was not eligible for a bonus for FY 22 or FY 23. However he received a 'Thank you' bonus in FY 22.
- 2 Eddie Geller is not eligible for a bonus in FY23 due to him leaving employment prior to the bonus payment date and also due to the bonus criteria not being met. The bonus of US\$13,332 paid to Eddie in FY23 represents a cash bonus true up for FY 22.

Service agreements

Remuneration and other terms of employment for KMP are formalised in service agreements. Details of these agreements are as follows:

Name:	Chantale Millard
Title:	Non-Executive Director and Chair
Agreement commenced:	6 February 2023
Term of agreement:	Ongoing
Details:	Base remuneration of A\$100,000 per annum, comprising of A\$50,000 to be paid in cash on a quarterly basis in arrears; and A\$50,000 to be paid in either shares in the Company, subject to shareholder approval at a general meeting of the Company, or in cash if shareholder approval is not obtained.
Name:	Andrea Cutright
Title:	Non-Executive Director
Agreement commenced:	28 October 2020
Term of agreement:	Ongoing
Details:	Base remuneration of US\$50,000 per annum, comprising of US\$25,000 to be paid in cash monthly in arrears; and US\$25,000 to be paid in either shares in the Company, subject to shareholder approval at a general meeting of the Company, or in cash if shareholder approval is not obtained.

Name: Andrew Silverberg
 Title: Non-Executive Director
 Agreement commenced: 6 February 2023
 Term of agreement: Ongoing
 Details: Base remuneration of US\$50,000 per annum, comprising of US\$25,000 to be paid in cash on a quarterly basis in arrears; and US\$25,000 to be paid in either shares in the Company, subject to shareholder approval at a general meeting of the Company, or in cash if shareholder approval is not obtained.

Name: Catherine Cohen
 Title: Non-Executive Director
 Agreement commenced: 6 February 2023
 Term of agreement: Ongoing
 Details: Base remuneration of A\$60,000 per annum, comprising of A\$30,000 to be paid in cash on a quarterly basis in arrears; and A\$30,000 to be paid in either shares in the Company, subject to shareholder approval at a general meeting of the Company, or in cash if shareholder approval is not obtained.

Name: Edward Geller
 Title: Executive Director and Chief Executive Officer
 Agreement commenced: 1 January 2015
 Term of agreement: Employment ended on 19 July 2023
 Details: Effective 8, May 2023, base remuneration of US\$268,000 paid in cash and A\$42,608 to be paid in either shares in the Company, subject to shareholder approval at a general meeting of the Company, or in cash if shareholder approval is not obtained.

KMP have no entitlement to termination payments in the event of removal for misconduct.

The service agreements of KMPs do not include any notice period. The notice period is negotiated on an individual basis and approved by the Board at the time of resignation.

Share-based compensation

Issue of shares

Details of shares issued to Directors and other KMP as part of compensation during the year ended 30 June 2023 are set out below:

Name	Date	Shares	Issue price (A\$)	Total value US\$
John Dougall	21/12/2022	66,845	0.748000	33,651
Kathy Mayor	21/12/2022	45,814	0.748000	23,064
Andrea Cutright	21/12/2022	45,814	0.748000	23,064
Andrew Whitten	21/12/2022	40,107	0.748000	20,190
Edward Geller	21/12/2022	91,629	0.748000	46,128
Gregory West	21/12/2022	50,749	0.298000	10,178

The shares issued during FY23 are in relation to FY22 Directors' fees which was approved at the AGM held on 23 November 2022.

* Total value of shares issued converted from A\$ to US\$ using the average rate of 0.6730.

Options

There were no options that were exercised or lapsed during the financial year. The options have only serviced-based vesting conditions. Options granted carry no dividend or voting rights.

Additional disclosures relating to KMP

Shareholding

The number of shares in the Company held during the financial year by each Director and other members of KMP of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Other movements	Balance at the end of the year
Ordinary shares					
Andrea Cutright	21,577	45,814	-	-	67,391
Edward Geller	7,380,873	91,629	-	-	7,472,502
Catherine Cohen	-	-	100,000	-	100,000
	<u>7,402,450</u>	<u>137,443</u>	<u>100,000</u>	<u>-</u>	<u>7,639,893</u>

Option holding

The number of options over ordinary shares in the Company held during the financial year by each Director and other members of KMP of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted as part of remuneration	Exercised	Other movements	Balance at the end of the year
Options over ordinary shares					
Andrea Cutright	200,000	-	-	-	200,000
Edward Geller	<u>1,200,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,200,000</u>
	<u>1,400,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,400,000</u>

Loans to Directors and executives

There were no loans made to Directors or other KMP of the Company and the Group during the period commencing at the beginning of the financial year and up to the date of this report.

Other amounts payable to Directors

Chantale Millard and Andrew Silverberg will each receive USD30,000 for extra work performed to cover the CEO role for the months of May, June and July 2023. This amount will be paid in FY24.

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Tinybeans Group Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
10 December 2018	10 December 2023	A\$0.7500	450,000
10 December 2018	10 December 2023	A\$1.0000	450,000
10 December 2018	10 December 2023	A\$1.5000	900,000
19 August 2019	19 August 2023	A\$1.1000	8,833
04 September 2019	04 September 2023	A\$1.1000	60,000
04 September 2019	04 September 2023	A\$1.1000	60,000
04 September 2019	04 September 2023	A\$1.1000	60,000
15 July 2020	15 July 2024	A\$0.9200	39,750
15 September 2020	15 July 2024	A\$0.9200	19,875
16 December 2020	15 July 2024	A\$1.6000	33,125
16 December 2020	16 December 2024	A\$1.6000	13,250
11 December 2020	08 January 2026	A\$1.7500	150,000
11 December 2020	08 January 2026	A\$2.2500	150,000
11 December 2020	08 January 2026	A\$3.5000	300,000
21 January 2021	22 February 2026	A\$1.5000	100,000
12 April 2021	12 April 2025	A\$1.4700	13,250
20 July 2021	20 July 2025	A\$0.6900	298,750
31 August 2021	20 July 2025	A\$1.3000	304,750
10 February 2022	8 February 2026	A\$0.4100	26,500
1 July 2022	28 June 2026	A\$0.1700	577,000
1 July 2022	1 July 2026	A\$0.1700	50,000
24 October 2022	24 October 2026	A\$0.2500	26,500
03 February 2023	03 February 2027	A\$0.2200	100,000
03 February 2023	03 February 2027	A\$0.2200	219,250
19 April 2023	19 April 2027	A\$0.2100	100,000
			<u>4,510,833</u>

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options

There were no ordinary shares of Tinybeans Group Limited issued on the exercise of options during the year ended 30 June 2023 and up to the date of this report.

Indemnity and insurance of officers

Indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been a Director or officer of the Group.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Risks and governance

The following is a summary of material business risks that could adversely affect our financial performance and growth potential in future years and how we propose to mitigate such risks.

Macroeconomic risks

As the services sold by the Group are discretionary for many families, the Group's financial performance can be impacted by current and future economic conditions which it cannot control, such as increases in interest rates and inflation, reduced consumer confidence, volatility in global markets, unemployment may impact levels of discretionary spending. The Group stays abreast of these conditions, focuses on its internal debtor controls and diversifies its customer base to help manage these risks.

Performance of technology

The Group operates online applications and is heavily reliant on information technology to make the applications available to families. The Group's platform uses software licensed from other third parties, and also depends on the performance and reliability of internet, mobile and other infrastructure which is outside of the Group's control. The success of the Group also depends on its ability to identify and deploy the most appropriate new technologies and feature in its apps and website. There is a risk that the Group may fail to update, develop or adopt new technologies which may render the Group's services less competitive.

Data breaches and other data security incidents

The Group collects a wide range of personal and other confidential and sensitive information from families in the ordinary course of business and store that data electronically. As an online business the Group may be subject to cyber-attacks. The Group has systems in place to maintain the confidentiality and security of that data and prevent unauthorised access to, or disclosure of that data, however there can be no guarantee that the systems will completely protect against data breaches or other data security incidents.

During the year, the Group conducted a review of its cybersecurity resilience and is in the process of working with an external consultant to implement its improved cybersecurity and IT infrastructure plan. The Group constantly monitors for alerts issued by industry groups.

Advertising Revenue

The current economic environment is creating challenges particularly in the Advertising Revenue market in the USA. A key objective over the next 12 months is to stabilise the Advertising Revenue business, with a new team and sales approach that will be put in place. Another key objective is to improve the customer experience on our App (IOS and Android) which will allow us to grow subscriptions. This growth will come off the back of marketing investment and new business partnerships, which the new CEO will oversee.

There is a risk that Advertising revenue will drop further and impact the profitability of the business, or that the technology roll out won't be fast enough to grow subscriptions and new competitors will enter the market.

Liability and reputational damage

There is a risk that the advice and services offered are not to the standards expected by parents or include criminal or other dangerous activities that may negatively impact the Group's brands and reputation. Parents may seek legal action or seek to hold the Group liable for the recommended activities. The Group's reputation and brands may be adversely impacted by sub-standard performance of suppliers, negative families experiences, complaints or other adverse events which involve the Group's apps and websites.

Competitive market and changes to market trends

The Group operates in a highly competitive market. Innovation is constant and superior products that may be released to the market could result in pricing pressures upon our product and result in unfavourable product positioning within the market. We manage this risk through maintaining product development teams that are highly experienced and remain abreast of the latest technological advances and implications for our current and future products. We also continue to invest in our brand which continues to be well regarded within Australia and United States of America.

Reliance on key personnel

The Group is dependent on its existing personnel as well as its ability to attract and retain skilled employees. Loss of key employees or under-resourcing and inability to recruit suitable staff within a reasonable time period may cause disruptions to the Group's operations and growth initiatives and adversely impact the Group's operations and financial performance.

Compliance and change to laws and regulations

The Group operates in a sector where laws and regulations around its operations are evolving, and is subject to a number of Australian laws and regulations such as consumer protection laws, importation laws, privacy laws and those relating to workplace health and safety. There is a risk that new laws or regulations may be enacted or existing laws or regulations amended in such a way that impose regulations on the Group. As the Group continues to expand internationally, compliance risk expands with it, and there is a risk that the Group will not meet all international applicable laws and regulations.

The Group maintains sufficient internal controls to ensure continued compliance.

Tax risks

Tax laws are complex and subject to change periodically. There is a risk that changes to Australian and international tax laws and practice may impact the Group's ongoing operations and could have an adverse impact on shareholders returns.

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

Officers of the Company who are former partners of William Buck

There are no officers of the Company who are former partners of William Buck.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



Chantale Millard
Non-Executive Director and Chair


24 August 2023
Australia

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF TINYBEANS GROUP LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023 there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

Yours faithfully



William Buck
Accountants & Advisors
ABN: 16 021 300 521



Anthony Travers
Partner
Sydney, 24 August 2023

Tinybeans Group Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2023



	Note	Consolidated 2023 US\$	2022 US\$
Revenue from contracts with customers	5	8,437,193	10,903,290
Other income	6	1,669	62,593
Interest income calculated using the effective interest method		13,341	1,070
Expenses			
Subscription, Photobooks and Affiliate expenses		(236,087)	(379,545)
Employee benefits expense		(6,873,259)	(9,160,936)
Depreciation and amortisation expense	7	(630,401)	(773,327)
Compliance and consultancy costs		(1,519,560)	(2,220,134)
Hosting and online software		(1,278,585)	(1,304,516)
Recovery/(impairment) of receivables		6,607	(9,663)
Impairment of goodwill	13	(3,726,339)	-
Marketing and advertising expense		(553,113)	(963,155)
Occupancy costs		(14,894)	(36,108)
Other expenses		(394,923)	(624,394)
Finance costs	7	(3,401)	(23,474)
Total expenses		<u>(15,223,955)</u>	<u>(15,495,252)</u>
Loss before income tax expense		(6,771,752)	(4,528,299)
Income tax expense	8	<u>(358)</u>	<u>-</u>
Loss after income tax expense for the year attributable to the owners of Tinybeans Group Limited		(6,772,110)	(4,528,299)
Other comprehensive loss			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>(108)</u>	<u>(194,139)</u>
Other comprehensive loss for the year, net of tax		<u>(108)</u>	<u>(194,139)</u>
Total comprehensive loss for the year attributable to the owners of Tinybeans Group Limited		<u><u>(6,772,218)</u></u>	<u><u>(4,722,438)</u></u>
		Cents	Cents
Basic earnings per share	19	(11.06)	(8.32)
Diluted earnings per share	19	(11.06)	(8.32)

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 2023



	Note	Consolidated 2023 US\$	2022 US\$
Assets			
Current assets			
Cash and cash equivalents		1,547,112	4,213,867
Trade and other receivables	9	1,159,499	1,624,629
Contract assets	10	124,118	342,421
Other assets	11	299,705	264,412
Total current assets		<u>3,130,434</u>	<u>6,445,329</u>
Non-current assets			
Property, plant and equipment	12	26,117	47,903
Intangibles	13	1,606,207	5,512,410
Total non-current assets		<u>1,632,324</u>	<u>5,560,313</u>
Total assets		<u>4,762,758</u>	<u>12,005,642</u>
Liabilities			
Current liabilities			
Trade and other payables	14	691,978	1,283,652
Contract liabilities	15	1,070,010	1,059,522
Income tax	8	115,329	119,390
Total current liabilities		<u>1,877,317</u>	<u>2,462,564</u>
Non-current liabilities			
Contract liabilities	15	35,812	119,774
Total non-current liabilities		<u>35,812</u>	<u>119,774</u>
Total liabilities		<u>1,913,129</u>	<u>2,582,338</u>
Net assets		<u>2,849,629</u>	<u>9,423,304</u>
Equity			
Issued capital	16	28,942,966	28,788,228
Reserves	17	1,278,147	1,828,722
Accumulated losses		(27,371,484)	(21,193,646)
Total equity		<u>2,849,629</u>	<u>9,423,304</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 2023



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 16)	5,613,306	-	-	5,613,306
Share-based payments (note 28)	-	782,235	-	782,235
Conversion of debt to equity (note 16)	350,629	-	-	350,629
Shares issued to Directors (note 16)	105,474	-	-	105,474
Foreign exchange movements	-	(80,608)	-	(80,608)
Transfer from share-based payment reserve to accumulated losses	-	(428,679)	428,679	-
Shares issued for corporate advisory services (note 16)	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>
Consolidated	Issued capital US\$	Reserves US\$	Accumulated losses US\$	Total equity US\$
Balance at 1 July 2022	28,788,228	1,828,722	(21,193,646)	9,423,304
Loss after income tax expense for the year	-	-	(6,772,110)	(6,772,110)
Other comprehensive loss for the year, net of tax	-	(108)	-	(108)
Total comprehensive loss for the year	-	(108)	(6,772,110)	(6,772,218)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 28)	-	105,656	-	105,656
Shares issued to Directors (note 16)	154,738	-	-	154,738
Foreign exchange movements	-	(61,851)	-	(61,851)
Transfer from share-based payment reserve to accumulated losses	-	(594,272)	594,272	-
Balance at 30 June 2023	<u>28,942,966</u>	<u>1,278,147</u>	<u>(27,371,484)</u>	<u>2,849,629</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 2023



	Note	Consolidated 2023 US\$	2022 US\$
Cash flows from operating activities			
Loss before income tax expense for the year		(6,771,752)	(4,528,299)
Adjustments for:			
Depreciation and amortisation	7	630,401	773,327
Impairment of goodwill	13	3,726,339	-
Share-based payments	7	269,009	1,046,003
Net gain on disposal of non-current assets		(324)	(12,331)
Net gain on settlement of financial liabilities by equity		-	(108,552)
Security deposits written off		75,625	-
Foreign currency differences		(70,574)	(105,370)
Interest received		(13,341)	(1,070)
Interest and other finance costs		3,401	23,474
		(2,151,216)	(2,912,818)
Change in operating assets and liabilities:			
Decrease in trade and other receivables		465,130	126,421
Decrease/(increase) in contract assets		218,303	(228,141)
Decrease/(increase) in prepayments		(110,918)	29,472
Decrease in trade and other payables		(534,754)	(117,820)
Increase/(decrease) in contract liabilities		(73,474)	354,105
Decrease in employee benefits		-	(21,756)
		(2,186,929)	(2,770,537)
Interest received		13,341	1,070
Interest and other finance costs paid		(3,401)	(23,474)
Income taxes paid		(4,419)	(10,658)
Net cash used in operating activities		(2,181,408)	(2,803,599)
Cash flows from investing activities			
Payments for property, plant and equipment	12	(16,050)	(41,358)
Payments for intangibles	13	(423,870)	(396,802)
Proceeds from disposal of property, plant and equipment		11,493	12,331
Net cash used in investing activities		(428,427)	(425,829)
Cash flows from financing activities			
Proceeds from issue of shares	16	-	5,876,070
Repayment of lease liabilities	20	-	(206,257)
Share issue transaction costs	16	-	(262,764)
Net cash from financing activities		-	5,407,049
Net (decrease)/increase in cash and cash equivalents		(2,609,835)	2,177,621
Cash and cash equivalents at the beginning of the financial year		4,213,867	2,155,365
Effects of exchange rate changes on cash and cash equivalents		(56,920)	(119,119)
Cash and cash equivalents at the end of the financial year		<u>1,547,112</u>	<u>4,213,867</u>

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

Note 1. General information

The financial statements cover Tinybeans Group Limited as a Group consisting of Tinybeans Group Limited ('Company' or 'parent entity') and the entities it controlled at the end of, or during, the year (collectively referred to as the 'Group').

The financial statements are presented in US dollars ('US\$'), which is Tinybeans Group Limited's presentation currency.

Tinybeans Group Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 5, 126 Phillip Street, Sydney NSW 2000, Australia

Tinybeans Group Limited is a high trust app and web platform offering a personalized experience for new and growing families that helps them achieve their #1 goal in life—to raise amazing kids. It help families thrive by giving them a safe, useful and inspirational place to go to capture and share memories, engage with trustworthy content and find thoughtful recommendations tailored to their family's needs, interests and where they live. The Tinybeans app is available on iOS and Android devices, and also provides families a rich web based experience. Beyond the app, Tinybeans provides parents with a wealth of content to assist them in the journey of parenting from where to go over the weekend, to best travel destinations and ideas on things to buy to make life as a parent easier – all available on tinybeans.com.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 24 August 2023. The Directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group 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. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

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

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

The Group incurred a loss after tax of US\$6,772,110 (including the one off, non-cash impairment expense of US\$3,726,339) (2022: US\$4,528,299) and had net cash outflows from operating activities of US\$2,181,408 (2022: US\$2,803,599) for the year ended 30 June 2023. As at that date, the Group had net current assets of US\$1,253,117 (2022: US\$3,982,765) and net assets of US\$2,849,629 (2022: US\$9,423,304).

The Directors believe that it is reasonably foreseeable that the Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial statements after consideration of the following factors:

- the Group has cash and cash equivalents of US\$1,547,112 (2022: US\$4,213,867) as at 30 June 2023;
- the Group successfully completed a Capital Raise in July 23, raising A\$3.4M (prior to transaction costs);
- the Group intends to manage expenses and cash accordingly to be able to get to cashflow positive in the near future; and
- the Group has performed a cash flow forecast and determined that it has adequate cash resources in place to fund its operations for at least 12 months from the date of approval of these financial statements;
- if required, the Group has the ability to continue to raise additional funds on a timely basis pursuant to the Corporations Act 2001 and ASX Listing Rules and the Directors believe that it will be able to continue to source equity or alternative funding if required.

Accordingly, no adjustments have been made to the financial statements relating to the recoverability and classification of the asset carrying amounts or the amount and classification of liabilities that might be necessary should the Group not continue as a going concern. At this time, the Directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial statements as at 30 June 2023.

Note 2. Significant accounting policies (continued)

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 29.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Tinybeans Group Limited as at 30 June 2023 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

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.

Foreign currency translation

The financial statements are presented in US dollars, which is Tinybeans Group Limited's presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into the entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Entities whose functional currency is not US dollars

The assets and liabilities of entities whose functional currency is not US dollars are translated into US dollars using the exchange rates at the reporting date. The revenues and expenses are translated into US dollars using the average exchange rates for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the non US functional currency operation or net investment is disposed of.

Note 2. Significant accounting policies (continued)

Revenue recognition

The Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The recognition of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The recognition constraint continues until the uncertainty associated with the constraint is resolved.

When another party is involved in providing goods or services to a customer, the Group is considered as a principal if it controls the specified goods or service before that good or service is transferred to a customer. For goods and services provided where the Group is considered as the principal, revenue is recognised in the gross amount of consideration to which it expects to be entitled in exchange for the specified good or service transferred.

The Group is considered an agent if the performance obligation is to arrange for the provision of the specified good or service by another party and it does not control the specified good or service provided by another party before that good or service is transferred to the customer. For goods and services provided by the Group as an agent, revenue is recognised in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

Costs of obtaining a contract are recognised as an asset if those costs are expected to be recovered. Where the amortisation period is less than one year, the Group has adopted a practical expedient to recognise the costs of obtaining a contract as an expense.

Advertising revenue

Revenue from the provision of advertising on digital platforms is recognised over the period the advertisements are displayed.

Photobook revenue

Revenue from the sale of photobooks is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Subscription revenue

Subscription services are treated as a single performance obligation; access to digital platforms and data under the subscription is a series of services substantially integrated with the same pattern of transfer. Accordingly, subscription revenue is recognised evenly over the subscription period. Amounts relating to future subscription periods are reflected as contract liabilities.

Other revenue

Other revenue is primarily derived from affiliates, or partners, where the Group facilitates a transaction between the affiliate and the user. The user "clicks through" the Group's platform to the partner to purchase a good or service, and the Group receives a fee for this activity on a per transaction basis. Other revenue is recognised when the constraint in relation to the variable consideration is resolved.

Interest

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Note 2. Significant accounting policies (continued)

Government grants

Grants from the government are recognised at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss as other income over the periods necessary to match them with the costs that they are intended to compensate. Research and development tax credit or tax offset incentive and the export market development grant are accounted for as government grants.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 to 60 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Contract assets

Contract assets are recognised when the Group has transferred goods or services to the customer but where the Group is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Note 2. Significant accounting policies (continued)

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Leasehold improvements	3 years
Office equipment, fixtures and fittings	5 years
Computer equipment	3-5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired term of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Software development

Software development costs are capitalised when: it is probable that the project will be a success considering its commercial and technical feasibility and there is future economic benefit to the Group; the Group is able to use or sell the asset; the Group has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised software development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite useful life of five years. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Acquired software

Software acquired in a business combination is amortised on a straight-line basis over the period of its expected benefit, being a finite useful life of five years.

Content repository

Content repository acquired in a business combination is amortised on a straight-line basis over the period of its expected benefit, being a finite useful life of five years.

Impairment of non-financial assets

Goodwill is not subject to amortisation and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Note 2. Significant accounting policies (continued)

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Financial liabilities (or part of it) are derecognised when they are extinguished when the obligation specified in the contract is discharged or cancelled or expires. The Group either discharges the liabilities (or part of it) by paying its debts, normally with cash, shares or other financial assets.

An exchange between the Group and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid is recognised in profit or loss.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions. There are no market-based conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Note 2. Significant accounting policies (continued)

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques used to measure fair value are those that are appropriate in the circumstances and which maximise the use of relevant observable inputs and minimise the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Tinybeans Group Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming conversion of all dilutive potential ordinary shares. Outstanding shares or options are excluded if considered anti-dilutive.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 2. Significant accounting policies (continued)

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2023. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 28.

Revenue from contracts with customers - subscription revenue

When recognising revenue in relation to the subscriptions the key judgement is the period over which the subscription is recognised. For lifetime subscriptions which have no expiry date, the revenue is recognised over a five year period, based on previous experience of interaction of customers with the Group, otherwise for other subscriptions, revenue is recognised over the period of the subscription.

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets in accordance with the accounting policy stated note 2. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. Goodwill is tested at a cash-generating unit (CGU) level. Judgement is required to identify the CGU and the level of which goodwill is allocated. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows. Refer to note 13.

Impairment of non-financial assets other than goodwill

The Group assesses impairment of non-financial assets other than goodwill at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves assessing the value of the asset at the higher of fair value less costs of disposal and using value-in-use models, which incorporate a number of key estimates and assumptions.

Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Tax losses are carried forward indefinitely to offset against future taxable income. This is based on the satisfaction of the similar business test, which is performed at each reporting period. Refer to note 8.

Note 4. 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.

A reconciliation between loss before tax and EBITDA is provided below.

	Consolidated	
	2023	2022
	US\$	US\$
Loss after income tax benefit	(6,772,110)	(4,528,299)
Income tax	358	-
Depreciation and amortisation	630,401	773,327
Interest revenue	(13,341)	(1,070)
Finance costs	3,401	23,474
EBITDA	<u>(6,151,291)</u>	<u>(3,732,568)</u>

Types of products and services and geographical information

The principal products and services are: advertising, photobook (printing) and subscriptions.

Refer to note 5 for the geographical information of revenue from products and services. The Group's non-current assets are all allocated in Australia.

Major customers

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

Note 5. Revenue from contracts with customers

	Consolidated	
	2023	2022
	US\$	US\$
Advertising revenue	5,763,073	9,025,887
Photobook revenue	130,226	183,700
Subscription revenue	2,116,626	1,524,492
Affiliate revenue	427,268	169,211
Revenue from contracts with customers	<u>8,437,193</u>	<u>10,903,290</u>

Note 5. Revenue from contracts with customers (continued)

Disaggregation of revenue

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

	Consolidated	
	2023	2022
	US\$	US\$
<i>Geographical regions</i>		
United States of America	8,423,013	10,882,310
Australia	14,180	20,980
	<u>8,437,193</u>	<u>10,903,290</u>
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	557,494	352,911
Services transferred over time	7,879,699	10,550,379
	<u>8,437,193</u>	<u>10,903,290</u>

Note 6. Other income

	Consolidated	
	2023	2022
	US\$	US\$
Net gain on disposal of property, plant and equipment	324	12,331
Net gain on settlement of financial liabilities and directors fees by equity (note 26)	525	50,258
Other income including cash flow boost	820	4
	<u>1,669</u>	<u>62,593</u>

Note 7. Expenses

Consolidated
2023 **2022**
US\$ **US\$**

Loss before income tax includes the following specific expenses:

<i>Cost of sales</i>		
Cost of sales	581,127	913,678
<i>Depreciation</i>		
Office equipment, fixtures and fittings (note 12)	525	2,753
Computer equipment (note 12)	26,142	22,034
Leasehold building right-of-use assets	-	178,788
Total depreciation	26,667	203,575
<i>Amortisation</i>		
Software development (note 13)	98,048	64,067
Acquired software (note 13)	189,365	189,365
Content repository (note 13)	316,321	316,320
Total amortisation	603,734	569,752
Total depreciation and amortisation	630,401	773,327
<i>Finance costs</i>		
Interest and finance charges paid/payable on lease liabilities	52	1,779
Other interest and finance charges paid/payable	3,349	21,695
Finance costs expensed	3,401	23,474
<i>Net foreign exchange loss</i>		
Net foreign exchange loss	1,348	4,567
<i>Net loss on disposal</i>		
Net loss on disposal of property, plant and equipment	7,673	-
<i>Leases</i>		
Short-term assets lease payments	15,948	-
<i>Superannuation expense</i>		
Defined contribution superannuation expense	-	7,378
<i>Share-based payments expense</i>		
Employee share option plan expense (note 17)	105,656	782,235
Equity-settled director fees	138,353	163,768
Equity-settled consultancy fees	-	100,000
Equity-settled director bonus	25,000	-
	269,009	1,046,003

Note 8. Income tax

	Consolidated	
	2023	2022
	US\$	US\$
<i>Income tax expense</i>		
Current tax	358	-
Aggregate income tax expense	<u>358</u>	<u>-</u>
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(6,771,752)	(4,528,299)
Tax at the statutory tax rate of 25%	(1,692,938)	(1,132,075)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Impairment of goodwill	931,585	-
Other non-allowable items	62,222	250,795
	(699,131)	(881,280)
Current year tax losses not recognised	916,700	998,033
Current year temporary differences not recognised	(4,232)	(3,044)
Utilisation of tax losses not previously recognised	-	103,420
Difference in overseas tax rates	(212,979)	(217,129)
Income tax expense	<u>358</u>	<u>-</u>

	Consolidated	
	2023	2022
	US\$	US\$
<i>Tax losses not recognised</i>		
Unused Australian tax losses for which no deferred tax asset has been recognised	3,803,552	2,463,595
Potential tax benefit @ 25%	950,888	615,899
Unused US tax losses for which no deferred tax asset has been recognised	16,348,749	14,674,681
Potential tax benefit at @34.75% (2022:34.75%)	5,681,190	5,099,452

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. The Australian tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed, and the Group carries on a business in Australia.

The Group has undertaken Interpretation 23 'Uncertainty over Income Tax Treatments' assessment on its transfer pricing policies and as a result of this assessment the Group has identified a provision for income tax which has incorporated historical tax losses.

Tax rate in the US

The US tax rate which includes federal, state and local taxes is 34.75% (2022: 34.75%).

	Consolidated	
	2023	2022
	US\$	US\$
<i>Deferred tax assets not recognised</i>		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Temporary differences	-	82,111
Total deferred tax assets not recognised	<u>-</u>	<u>82,111</u>

Note 8. Income tax (continued)

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

	Consolidated	
	2023	2022
	US\$	US\$
<i>Deferred tax liability</i>		
Deferred tax liability comprises temporary differences attributable to:		
Software	78,902	126,243
Content repository	131,800	210,880
Less; deferred tax assets available for offset:		
- temporary differences	-	(82,111)
- tax losses	(210,702)	(255,012)
Deferred tax liability	<u>-</u>	<u>-</u>
	Consolidated	
	2023	2022
	US\$	US\$
<i>Provision for uncertain tax position</i>		
Provision for income tax	<u>115,329</u>	<u>119,390</u>

Note 9. Trade and other receivables

	Consolidated	
	2023	2022
	US\$	US\$
<i>Current assets</i>		
Trade receivables	1,132,062	1,490,433
Less: Allowance for expected credit losses	-	(9,663)
	<u>1,132,062</u>	<u>1,480,770</u>
Accrued revenue and other receivables	12,804	1,130
Research and development incentive	-	111,708
	<u>12,804</u>	<u>112,838</u>
GST receivable	14,633	31,021
	<u>1,159,499</u>	<u>1,624,629</u>

Allowance for expected credit losses

The Group has recognised a loss of \$nil (2022: US\$9,663) in profit or loss in respect of the expected credit losses for the year ended 30 June 2023.

Note 9. Trade and other receivables (continued)

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Carrying amount		Allowance for expected credit losses	
	2023	2022	2023	2022
Consolidated	US\$	US\$	US\$	US\$
Not overdue	706,074	1,207,661	-	-
Less than three months overdue	360,692	260,010	-	-
Over three months overdue	65,296	22,762	-	9,663
<i>Other receivables</i>				
Not overdue	12,804	900	-	-
Trade and other receivables	<u>1,144,866</u>	<u>1,491,333</u>	<u>-</u>	<u>9,663</u>

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

	Consolidated	
	2023	2022
	US\$	US\$
Opening balance	9,663	-
Additional provisions recognised	-	9,663
Unused amounts reversed	(9,663)	-
Closing balance	<u>-</u>	<u>9,663</u>

Note 10. Contract assets

	Consolidated	
	2023	2022
	US\$	US\$
<i>Current assets</i>		
Contract assets	<u>124,118</u>	<u>342,421</u>

Reconciliation

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

Opening balance	342,421	114,280
Additions	124,118	342,421
Transfer to trade receivables	(342,421)	(114,280)
Closing balance	<u>124,118</u>	<u>342,421</u>

Note 11. Other assets

	Consolidated	
	2023	2022
	US\$	US\$
<i>Current assets</i>		
Prepayments	299,705	188,787
Security deposits	-	75,625
	<u>299,705</u>	<u>264,412</u>

Note 12. Property, plant and equipment

	Consolidated	
	2023	2022
	US\$	US\$
<i>Non-current assets</i>		
Office equipment, fixtures and fittings - at cost	-	33,014
Less: Accumulated depreciation	-	(25,164)
	<u>-</u>	<u>7,850</u>
Computer equipment - at cost	100,639	117,294
Less: Accumulated depreciation	(74,522)	(77,241)
	<u>26,117</u>	<u>40,053</u>
	<u>26,117</u>	<u>47,903</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	Office equipment, fixtures and fittings US\$	Computer equipment US\$	Total US\$
Balance at 1 July 2021	4,489	26,843	31,332
Additions	6,114	35,244	41,358
Depreciation expense	(2,753)	(22,034)	(24,787)
Balance at 30 June 2022	7,850	40,053	47,903
Additions	-	16,050	16,050
Disposals	(7,325)	(3,844)	(11,169)
Depreciation expense	(525)	(26,142)	(26,667)
Balance at 30 June 2023	<u>-</u>	<u>26,117</u>	<u>26,117</u>

Note 13. Intangibles

	Consolidated	
	2023	2022
	US\$	US\$
<i>Non-current assets</i>		
Goodwill	5,338,791	5,338,791
Less: Accumulated impairment	<u>(5,338,791)</u>	<u>(1,612,452)</u>
	<u>-</u>	<u>3,726,339</u>
Software development	925,512	501,642
Less: Accumulated amortisation	<u>(162,115)</u>	<u>(64,067)</u>
	<u>763,397</u>	<u>437,575</u>
Acquired software	946,826	946,826
Less: Accumulated amortisation	<u>(631,217)</u>	<u>(441,852)</u>
	<u>315,609</u>	<u>504,974</u>
Content repository	1,581,603	1,581,603
Less: Accumulated amortisation	<u>(1,054,402)</u>	<u>(738,081)</u>
	<u>527,201</u>	<u>843,522</u>
	<u><u>1,606,207</u></u>	<u><u>5,512,410</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 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	3,726,339	437,575	504,974	843,522	5,512,410
Additions	-	423,870	-	-	423,870
Impairment during the year	<u>(3,726,339)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,726,339)</u>
Amortisation expense	<u>-</u>	<u>(98,048)</u>	<u>(189,365)</u>	<u>(316,321)</u>	<u>(603,734)</u>
Balance at 30 June 2023	<u><u>-</u></u>	<u><u>763,397</u></u>	<u><u>315,609</u></u>	<u><u>527,201</u></u>	<u><u>1,606,207</u></u>

Impairment testing

In accordance with the Group's accounting policies, indefinite life assets are allocated to CGUs in order to determine the recoverable amount for the annual impairment test.

Goodwill acquired through business combinations have been allocated to the single cash-generating unit ('CGU') being the Group.

An assessment of indicators and testing of impairment was completed as at year end which resulted in an impairment loss of \$3,726,339 being recognised during the year ended 30 June 2023.

The recoverable amount of the Group's CGU (including goodwill) has been determined by a value-in-use calculation using a discounted cash flow model, based on a one year projection period approved by management and extrapolated for a further four years using a steady rate, together with a terminal value.

The following key assumptions were used in the discounted cash flow model:

- 15% pre-tax discount rate;
- 2-35% per annum projected revenue growth rate over five years, across the different revenue streams;
- operating expenses as a percent of revenue between 90%-101% over five years; and
- terminal value based on 3% growth discounted to net present value using the pre-tax discount rate.

Note 13. Intangibles (continued)

The pre-tax discount rate of 15% reflects management's estimate of the time value of money and the Group's weighted average cost of capital adjusted for the risk free rate and the volatility of the share price relative to market movements.

Management believes the growth assumptions are realistic based on the current known economic conditions in the USA for advertising revenues, a detailed advertising sales plan which includes establishment of new sales roles and partnerships to support intended growth and detailed roadmaps for revenue growth. It is also based on a very conservative scale up of subscription growth, with work to be done on the technology, content and marketing plan.

Based on the above, an impairment charge of \$3,726,339 has been applied as the carrying amount of the CGU exceeded its recoverable amount.

Note 14. Trade and other payables

	Consolidated	
	2023	2022
	US\$	US\$
<i>Current liabilities</i>		
Trade payables	88,692	228,058
Other payables	103,377	96,748
Accrued commissions	36,004	363,173
Accrued expenses	463,905	595,673
	<u>691,978</u>	<u>1,283,652</u>

Refer to note 21 for further information on financial instruments.

Note 15. Contract liabilities

	Consolidated	
	2023	2022
	US\$	US\$
<i>Current liabilities</i>		
Contract liabilities	<u>1,070,010</u>	<u>1,059,522</u>
<i>Non-current liabilities</i>		
Contract liabilities	<u>35,812</u>	<u>119,774</u>
	<u>1,105,822</u>	<u>1,179,296</u>

Reconciliation

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

Opening balance	1,179,296	825,191
Payments received in advance	986,047	929,698
Transfer to revenue - included in the opening balance	<u>(1,059,521)</u>	<u>(575,593)</u>
Closing balance	<u>1,105,822</u>	<u>1,179,296</u>

Note 15. Contract liabilities (continued)

Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was US\$1,105,822 as at 30 June 2023 (US\$1,179,296 as at 30 June 2022) and is expected to be recognised as revenue in future periods as follows:

	Consolidated	
	2023	2022
	US\$	US\$
Within 6 months	818,521	884,033
6 to 12 months	251,490	175,488
12 to 18 months	23,846	48,901
18 to 24 months	10,305	35,087
24 to 30 months	1,344	23,821
30 to 36 months	75	10,305
Over 36 months	241	1,661
	<u>1,105,822</u>	<u>1,179,296</u>

Note 16. Issued capital

	Consolidated			
	2023	2022	2023	2022
	Shares	Shares	US\$	US\$
Ordinary shares - fully paid	<u>61,385,455</u>	<u>61,044,497</u>	<u>28,942,966</u>	<u>28,788,228</u>

Movements in ordinary share capital

Details	Date	Shares	US\$
Balance	1 July 2021	46,290,127	22,618,819
Shares issued	26 November 2021	11,568,000	5,034,162
Shares issued (in lieu of directors fees)	2 February 2022	214,271	105,474
Conversion of debt to equity	2 February 2022	712,305	350,629
Shares issued	16 December 2021	200,823	86,274
Shares issued	2 February 2022	1,765,334	755,634
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
Shares issued (in lieu of director fees)	21 December 2022	340,958	154,738
Balance	30 June 2023	<u>61,385,455</u>	<u>28,942,966</u>

Ordinary shares

Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management

Management controls the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

Note 16. Issued capital (continued)

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distribution to shareholders and share issues.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The capital risk management policy remains unchanged.

Note 17. Reserves

	Consolidated	
	2023	2022
	US\$	US\$
Foreign currency reserve	10,503	10,611
Share-based payments reserve	1,264,204	1,814,550
Acquisition reserve	3,440	3,561
	<u>1,278,147</u>	<u>1,828,722</u>

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of operations whose function currency is not the US dollar, into US dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

Acquisition reserve

The reserve is used to recognise additional capital contributions yet to be converted into issued shares in relation to the acquisition of Red Tricycle Inc. in 2020.

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 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	10,611	1,814,550	3,561	1,828,722
Foreign currency translation	(108)	-	-	(108)
Share-based payments	-	105,656	-	105,656
Foreign exchange movements	-	(61,730)	(121)	(61,851)
Lapsed options transferred to accumulated losses	-	(594,272)	-	(594,272)
Balance at 30 June 2023	<u>10,503</u>	<u>1,264,204</u>	<u>3,440</u>	<u>1,278,147</u>

Note 18. Dividends

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

Note 19. Earnings per share

	Consolidated	
	2023	2022
	US\$	US\$
Loss after income tax attributable to the owners of Tinybeans Group Limited	(6,772,110)	(4,528,299)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	61,223,850	54,438,333
Weighted average number of ordinary shares used in calculating diluted earnings per share	61,223,850	54,438,333
	Cents	Cents
Basic earnings per share	(11.06)	(8.32)
Diluted earnings per share	(11.06)	(8.32)

4,510,833 options (2022: 5,476,996 options) have been excluded from the diluted earnings per share calculations as they are anti-dilutive.

Note 20. Cash flow information

Non-cash investing and financing activities

	Consolidated	
	2023	2022
	US\$	US\$
Shares issued in lieu of directors' and consultancy fees	154,738	205,474
Shares issued on conversion of loan	-	350,629
	154,738	556,103

Note 21. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies. The Group's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of objectives where such impacts may be material. The Board periodically reviews the effectiveness of the process put in place and the appropriateness of the objectives and policies it sets.

Market risk

Foreign currency risk

The Group has funds from the recent Capital Raise held in its Australian AUD currency bank account, which it will need to convert to USD over time and it will look to do so when AUD/USD rates are advantageous. If the AUD/USD exchange rate moves by US\$0.05 either way, the impact would be up to US\$195k (depending on the balance at the time). On this basis it is not considered a material risk.

Price risk

The Group implemented a price increase in May 2023, which so far has not impacted its renewal rate. There is a large portion of its annual subscribers renewing in Q2 FY24 and it may have an impact at this time.

Note 21. Financial instruments (continued)

Interest rate risk

The Group does not have any interest bearing debt and therefore its only interest rate risk is on its cash deposits. The Group is not exposed to any significant interest rate risk as the Group has no borrowings at the reporting date.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than one year.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2023	Weighted average interest rate %	1 year or less US\$	Between 1 and 2 years US\$	Between 2 and 5 years US\$	Over 5 years US\$	Remaining contractual maturities US\$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	88,692	-	-	-	88,692
Other payables	-	103,377	-	-	-	103,377
Total non-derivatives		192,069	-	-	-	192,069
Consolidated - 2022	Weighted average interest rate %	1 year or less US\$	Between 1 and 2 years US\$	Between 2 and 5 years US\$	Over 5 years US\$	Remaining contractual maturities US\$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	228,058	-	-	-	228,058
Other payables	-	96,748	-	-	-	96,748
Total non-derivatives		324,806	-	-	-	324,806

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 22. Fair value measurement

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Note 23. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by William Buck, the auditor of the Company:

	Consolidated	
	2023	2022
	US\$	US\$
<i>Audit services - William Buck (2022: Grant Thornton Audit Pty Ltd)</i>		
Audit or review of the financial statements	53,842	319,906

Note 24. Contingent liabilities and capital commitments

The Group had no contingent liabilities or capital commitments as at 30 June 2023 and 30 June 2022.

Note 25. Key management personnel disclosures

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	2023	2022
	US\$	US\$
Short-term employee benefits	414,248	630,145
Share-based payments	129,753	485,857
	<u>544,001</u>	<u>1,116,002</u>

Note 26. Related party transactions

Parent entity

Tinybeans Group Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 27.

Key management personnel

Disclosures relating to key management personnel are set out in note 25 and the remuneration report included in the Directors' report.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	2023	2022
	US\$	US\$
Payment for other expenses:		
Interest paid to key management personnel (settled in cash and in shares)	-	17,925

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Note 26. Related party transactions (continued)

Loans to/from related parties

There were no loans outstanding to or from related parties as at the current and previous reporting date.

On 30 September 2021, the Directors (lenders) provided to the Group US\$800,000 in loans that also had options attached to them. On 29 October 2021, the Directors cancelled their option entitlement attached to the loans and the unsecured loans interest rate of 12% per annum was changed to accrue from commencement of the term, with interest paid monthly in arrears

The loans were settled in full as at 30 June 2022, of which US\$500,000 were settled in cash in December 2021 and US\$300,000 settled in shares in January 2022, resulting to a net gain on settlement of \$50,258. Interest accrued on the loans amounted to US\$21,172 of which US\$12,105 were settled in cash, and US\$5,819 was settled in shares. The remaining amount of \$3,248 were forgiven.

	Bridging loan advanced US\$	Bridging loan repaid in shares US\$	Bridging loan repaid in cash US\$	Interest accrued US\$	Interest settled in shares US\$	Interest settled in cash US\$
Directors						
Andrew Whitten	300,000	-	300,000	6,312	-	6,312
Edward Geller ¹	300,000	300,000	-	10,652	5,819	4,833
Andrea Cutright ²	200,000	-	200,000	4,208	-	960
	<u>800,000</u>	<u>300,000</u>	<u>500,000</u>	<u>21,172</u>	<u>5,819</u>	<u>12,105</u>

- 1 The loan from Eddie amounting to A\$427,384 (including interest accrued) as at 26 November 2021 was converted to fully paid ordinary shares at a deemed conversion price of A\$0.60 per share. The transaction resulted to net loss on settlement of A\$64,180 (approximately US\$46,000) on conversion date, which was recorded as other income during the previous year (refer note 6).
- 2 Total interest payable on Andrea's loan was US\$4,208, of which US\$960 was repaid in cash and the remaining amount of US\$3,248 was forgiven.

Terms and conditions

All transactions were made on mutually agreed terms.

Note 27. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2023 %	2022 %
Tinybeans Pty Limited	Australia	100%	100%
Tinybeans Innovations Pty Ltd	Australia	100%	100%
Tinybeans USA Ltd (Delaware C Corp)	USA	100%	100%
Red Tricycle Inc.	USA	100%	100%

Note 28. Share-based payments

A share option plan has been established by the Group and approved by shareholders at a general meeting, whereby the Group may, at the discretion of the Board, grant options over ordinary shares in the Company to certain key management personnel of the Group. The options are issued for nil consideration and vest on condition of continued employment.

Refer to note 7 for the share-based payment expense for the year.

Note 28. Share-based payments (continued)

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

2023		Exercise price (A\$)	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year	
Grant date	Expiry date							
10/12/2018	10/12/2022	0.60	79,500	-	-	(79,500)	-	
10/12/2018	10/12/2023	0.75	450,000	-	-	-	450,000	
10/12/2018	10/12/2023	1.00	450,000	-	-	-	450,000	
10/12/2018	10/12/2023	1.50	900,000	-	-	-	900,000	
02/04/2019	02/04/2023	0.60	180,000	-	-	(180,000)	-	
20/05/2019	20/05/2023	0.60	26,500	-	-	(26,500)	-	
19/08/2019	19/08/2023	1.10	72,433	-	-	(63,600)	8,833	
04/09/2019	04/09/2023	1.10	180,000	-	-	-	180,000	
19/12/2019	19/12/2023	2.20	26,500	-	-	(26,500)	-	
27/03/2020	27/03/2024	0.00	-	-	-	(207,063)	(207,063)	
15/07/2020	15/07/2024	0.92	246,813	-	-	(99,376)	147,437	
15/09/2020	15/07/2024	0.92	119,251	-	-	-	119,251	
11/12/2020	08/01/2026	1.75	150,000	-	-	-	150,000	
11/12/2020	08/01/2026	2.25	150,000	-	-	-	150,000	
11/12/2020	08/01/2026	3.50	300,000	-	-	(82,124)	217,876	
16/12/2020	15/07/2024	1.60	115,249	-	-	(53,000)	62,249	
16/12/2020	16/12/2024	1.60	66,250	-	-	-	66,250	
21/01/2021	22/02/2026	1.50	100,000	-	-	(26,500)	73,500	
12/04/2021	12/04/2025	1.47	39,750	-	-	(876,750)	(837,000)	
12/04/2021	12/04/2025	0.00	-	-	-	(198,750)	(198,750)	
20/07/2021	20/07/2025	1.30	1,181,500	-	-	(119,250)	1,062,250	
20/07/2021	20/07/2025	0.69	497,500	-	-	(779,438)	(281,938)	
10/02/2022	08/02/2026	0.41	145,750	-	-	(50,000)	95,750	
01/07/2022	28/06/2026	0.17	-	1,356,438	-	(106,000)	1,250,438	
28/09/2022	01/07/2026	0.17	-	100,000	-	-	100,000	
24/10/2022	24/10/2026	0.25	-	132,500	-	-	132,500	
07/02/2023	03/02/2027	0.22	-	100,000	-	-	100,000	
07/02/2023	03/02/2027	0.22	-	219,250	-	-	219,250	
02/05/2023	19/04/2027	0.21	-	100,000	-	-	100,000	
			5,476,996	2,008,188	-	(2,974,351)	4,510,833	
Weighted average exercise price (A\$)				0.97	1.22	-	0.56	1.21

Note 28. Share-based payments (continued)

2022		Exercise price (A\$)	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Grant date	Expiry date						
10/12/2018	10/12/2022	0.60	117,042	-	-	(37,542)	79,500
10/12/2018	10/12/2023	0.75	650,000	-	-	(200,000)	450,000
10/12/2018	10/12/2023	1.00	650,000	-	-	(200,000)	450,000
10/12/2018	10/12/2023	1.50	1,300,000	-	-	(400,000)	900,000
02/04/2019	02/04/2023	0.60	180,000	-	-	-	180,000
20/05/2019	20/05/2023	0.60	26,500	-	-	-	26,500
19/08/2019	19/08/2023	1.10	196,683	-	-	(124,250)	72,433
04/09/2019	04/09/2023	1.10	180,000	-	-	-	180,000
19/12/2019	19/12/2023	2.20	26,500	-	-	-	26,500
27/03/2020	27/03/2024	1.00	13,250	-	-	(13,250)	-
15/07/2020	15/07/2024	0.92	486,251	-	-	(239,438)	246,813
15/09/2020	15/07/2024	0.92	191,533	-	-	(72,282)	119,251
11/12/2020	08/01/2026	1.75	150,000	-	-	-	150,000
11/12/2020	08/01/2026	2.25	150,000	-	-	-	150,000
11/12/2020	08/01/2026	3.50	300,000	-	-	-	300,000
16/12/2020	15/07/2024	1.60	227,404	-	-	(112,155)	115,249
16/12/2020	16/12/2024	1.60	192,750	-	-	(126,500)	66,250
21/01/2021	22/02/2026	1.50	100,000	-	-	-	100,000
12/04/2021	12/04/2025	1.47	203,000	-	-	(163,250)	39,750
12/04/2021	12/04/2025	1.30	-	53,000	-	(53,000)	-
20/07/2021	20/07/2025	1.30	-	1,806,750	(625,250)	-	1,181,500
20/07/2021	20/07/2025	0.69	-	497,500	-	-	497,500
10/02/2022	08/02/2026	0.41	-	145,750	-	-	145,750
			<u>5,340,913</u>	<u>2,503,000</u>	<u>(625,250)</u>	<u>(1,741,667)</u>	<u>5,476,996</u>
Weighted average exercise price (A\$)			1.34	1.13	1.30	1.21	1.29

Note 28. Share-based payments (continued)

Set out below are the options exercisable at the end of the financial year:

Grant date	Expiry date	2023 Number	2022 Number
10/12/2018	10/12/2022	-	79,500
10/12/2018	10/12/2023	1,800,000	1,800,000
02/04/2019	02/04/2023	-	180,000
20/05/2019	20/05/2023	-	26,500
19/08/2019	19/08/2023	8,833	72,433
04/09/2019	04/09/2023	180,000	180,000
19/12/2019	19/12/2023	-	26,500
15/07/2020	15/07/2024	39,750	246,813
15/09/2020	15/07/2024	19,875	191,533
11/12/2020	08/01/2026	150,000	150,000
11/12/2020	08/01/2026	150,000	150,000
11/12/2020	08/01/2026	300,000	300,000
16/12/2020	15/07/2024	33,125	115,249
16/12/2020	16/12/2024	13,250	66,250
21/01/2021	22/02/2026	100,000	100,000
12/04/2021	12/04/2025	13,250	39,750
11/12/2020	08/01/2026	304,750	-
16/12/2020	15/07/2024	298,750	-
16/12/2020	16/12/2024	26,500	-
21/01/2021	22/02/2026	577,000	-
		<u>4,015,083</u>	<u>3,724,528</u>

The weighted average exercise price at the end of the financial year was A\$1.21 (2022: A\$1.29).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.66 years (2022: 2.29 years).

Option valuation inputs - current year

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date	Fair value at grant date*
01/07/2022	27/06/2026	A\$0.18	A\$0.17	0.92%	-	0.03%	A\$0.1167	US\$0.0785
28/09/2022	01/07/2026	A\$0.25	A\$0.17	0.92%	-	0.03%	A\$0.1791	US\$0.1205
24/10/2022	24/10/2026	A\$0.25	A\$0.25	0.92%	-	0.03%	A\$0.1684	US\$0.1133
03/02/2023	03/02/2027	A\$0.22	A\$0.22	1.06%	-	0.03%	A\$0.1631	US\$0.1098
03/02/2023	03/02/2027	A\$0.22	A\$0.22	1.06%	-	0.03%	A\$0.1631	US\$0.1098
04/19/2023	04/19/2027	A\$0.21	A\$0.21	0.97%	-	0.03%	A\$0.1446	US\$0.0973

* Converted using the average forex rate of US\$0.67302/A\$1

Note 29. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2023	2022
	US\$	US\$
Loss after income tax	(6,021,831)	(2,312,614)
Total comprehensive loss	(6,021,831)	(2,312,614)

Statement of financial position

	Parent	
	2023	2022
	US\$	US\$
Total current assets	822,534	1,702,619
Total assets	3,108,834	9,683,526
Total current liabilities	259,205	451,055
Total liabilities	259,205	451,055
Equity		
Issued capital	28,942,966	28,788,228
Foreign currency reserve	(446,638)	(481,362)
Share-based payments reserve	1,264,204	1,814,550
Acquisition reserve	3,618	3,745
Accumulated losses	(26,914,521)	(20,892,690)
Total equity	<u>2,849,629</u>	<u>9,232,471</u>

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2023 and 30 June 2022.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- Investment in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 30. Events after the reporting period

Subsequent to year end:

- the Company completed its Capital Raising and has issued 22,453,138 new fully paid ordinary shares of \$0.15 each, raising additional capital of \$3,367,971;
- Zsofi Paterson started as the Group's Chief Executive Officer on 17 July 2023; and
- the business launched its long-awaited Android App to a small group of super users in August 2023, with a launch to the broader market scheduled for September 2023. The feedback on the new App so far has been very positive and the broader launch of the Android App will unlock a new target market for the business in FY24.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the financial 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.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Chantale Millard
Non-Executive Director and Chair

24 August 2023
Australia

Tinybeans Group Limited

Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Tinybeans Group Limited (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment assessments – Intangible assets	
Area of focus Refer also to notes 2, and 13	How our audit addressed it
<p>The Group's net assets include a significant amount of intangible assets, the majority of which have originated from acquisitions in the current and prior years.</p> <p>As at 30 June 2023 the Group's net assets include Goodwill of US \$nil (2022: US\$3.7 million).</p> <p>There is a risk that the Group may not trade in line with initial expectations and forecasts, resulting in the carrying amount of intangible assets exceeding the recoverable amount and therefore requiring impairment.</p> <p>In accordance with the requirements of AASB 136 Impairment of Assets, the Group is required to test goodwill for impairment annually and whenever there is an indicator of impairment. The recoverable amount for each Cash Generating Unit (CGU) to which goodwill has been allocated has been calculated based on value-in-use models, which use discounted cash flow forecasts. The Directors make judgements over certain key inputs including, but not limited to, revenue growth, gross margins, discount rates, long term growth rates and inflation rates. The impairment testing resulted in an impairment of US\$3,726,339.</p> <p>Due to the high degree of judgement and estimation involved in the determination of the recoverable amount of each CGU, and the significance of the carrying amounts involved, we have determined that this is an area of significance in our audit of the financial report.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> — giving consideration to and performing an assessment of management's determination of CGUs; — a detailed evaluation of the Group's budgeting procedures upon which the forecasts are based and testing the principles and integrity of the discounted future cash flow models; — testing the accuracy of the calculation derived from each forecast model and assessing key inputs to the calculations such as revenue growth, gross margins, discount rates and working capital assumptions; — engaging our own valuation specialists to critically evaluate the appropriateness of the discount rates and the long-term growth rates used in the discounted cash flow model; — reviewing the historical accuracy of the forecasts by comparing actual results with the original forecasts from prior years — performing sensitivity analysis of the calculations; and — assessing whether disclosure in the financial report is appropriate.
Revenue Recognition	
Area of focus Refer also to notes 2, 5, 6 and 15	How our audit addressed it
<p>The Group derives income from four main income streams and services various customers around the world.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> — Testing a sample of sales transactions from each revenue stream to ensure they are

<p>Contracts are held with several key customers and contain a number of different milestones and timelines for revenue recognition.</p> <p>Subscriptions to the Group's app can be purchased annually or monthly, and therefore must be deferred, and recognised as the performance obligations are achieved.</p> <p>We have identified revenue recognition as a key audit matter as there is a risk of inaccurately recognising revenue in line with the sales contracts held, and with subscriptions deferred over the period of the service.</p>	<p>compliant with the Groups accounting policies and the Australian Accounting Standards;</p> <ul style="list-style-type: none"> — Reviewing year on year movement and assessed reasonableness of movement; — Assessing the adequacy of the Group's disclosures in respect of the revenue recognition; — Performing analytical procedures to identify and evaluate a sample of manual journal entries for their appropriate recognition; and — Tracing revenue information from the Group's accounting records and tracing to supporting documentation.
Going Concern	
<p>Area of focus Refer also to Note 2</p>	<p>How our audit addressed it</p>
<p>The financial statements have been prepared on a going concern basis for 30 June 2023, as outlined in Note 2.</p> <p>During the year, the Group has undertaken a capital raise which is to be finalised after year-end. This has been disclosed as part of Note 30. At the time of signing this audit report, the Group has raised total capital of \$3,367,971.</p> <p>The Group reports a consolidated loss after tax of \$6,772,218, net cash outflows from operating activities of \$2,181,408, a net current asset position of \$1,253,107 and accumulated losses of \$27,371,484.</p> <p>Going concern is a key audit matter due to the significant judgement required by management to forecast future cashflows and estimate the successfulness of future strategy's and how effectively these can be implemented in the Group.</p>	<p>Our procedures include, but are not limited to, the following:</p> <ul style="list-style-type: none"> — Evaluating management's ability to forecast by comparing prior period forecasts with actual results. — Obtaining management's assessment of the going concern assumption and assessing the appropriateness of this assessment. — Obtaining a copy of the Board's financial year 2024 forecast that supports the going concern assumption and assessing the cashflows for at least 12 months from signing date of the auditor's report. — Assess the reasonableness of assumptions built into forecasts and perform sensitivity testing on management's forecasts. — Assessing the reasonableness of disclosures made in the financial statement disclosures. — Reviewing ASX lodgements and announcements for the post year-end capital raise to verify the total cash raised. Tracing this capital raise to support from equity raising facilitator and to supporting bank statements.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other Matter

The financial report of Tinybeans Group Limited for the year ended 30 June 2022 was audited by another auditor who expressed an unmodified opinion on that financial report on 29 September 2022.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our independent auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 15 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Tinybeans Group Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Yours faithfully



William Buck

Accountants & Advisors

ABN: 16 021 300 521



Anthony Travers

Partner

Sydney, 24 August 2023

The shareholder information set out below was applicable as at 14 August 2023.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares		Options over ordinary shares	
	Number of holders	% of total shares issued	Number of holders	% of total shares issued
1 to 1,000	415	0.27	-	-
1,001 to 5,000	586	1.82	-	-
5,001 to 10,000	143	1.28	-	-
10,001 to 100,000	217	9.45	20	22.35
100,001 and over	77	87.18	12	77.65
	1,438	100.00	32	100.00
Holding less than a marketable parcel	-	-	-	-

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below⁽¹⁾:

	Ordinary shares	
	Number held	% of total shares issued
UBS NOMINEES PTY LTD	15,910,252	18.98
BNP PARIBAS NOMINEES PTY LTD < IB AU NOMS RETAILCLIENT DRP >	9,361,405	11.17
CITICORP NOMINEES PTY LIMITED	4,580,782	5.46
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,512,726	5.38
FIFTY SECOND CELEBRATION PTY LTD < MCBAIN FAMILY A/C >	2,373,712	2.83
MR CHRISTOPHER MURRAY ABBOTT	2,300,000	2.74
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	2,254,720	2.69
MR ROBERT FEIG	1,893,727	2.26
RUBI HOLDINGS PTY LTD < JOHN RUBINO S/F A/C >	1,800,000	2.15
MR STEPHEN O'YOUNG < THE O'YOUNG FAMILY A/C >	2,761,744	3.29
GE EQUITY INVESTMENTS PTY LTD	1,710,000	2.04
MRS SARAH-JANE KURTINI & MR JASON KURTINI < KURTINI FAMILY A/C >	1,500,000	1.79
MR EDWARD GELLER	1,309,007	1.56
MR DAMIEN JOHN SMITH < SMITH FAMILY A/C >	1,282,609	1.53
MR JOHN LANGLEY HANCOCK	1,247,932	1.49
FLANNIGAN HOLDINGS PTY LTD < FLANNIGAN FAMILY S/F A/C >	993,568	1.19
MR ADAM P LOWENSTEINER	927,649	1.11
THIRTY-FIFTH CELEBRATION PTY LTD < JC MCBAIN SUPER FUND A/C >	906,697	1.08
US REGISTER CONTROL A/C	783,574	0.93
EMT SERVICES SYDNEY PTY LTD	666,667	0.80
	59,076,771	70.47

(1) Similar to last year's annual report, the above list is based on the list of registered holders, and not 'grouped holdings'.

Unquoted equity securities

	Number on issue	Number of holders
Options	4,510,833	32

Substantial holders with 5% or more

Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
THORNEY TECHNOLOGIES LTD, JASFORCE PTY LTD	15,955,221	19.03
EDWARD GELLER AND ASSOCIATED ENTITIES	6,562,094	7.83
PAUL J. ISAAC AND ASSOCIATED ENTITIES AND HOLDINGS	5,263,118	6.28

	Options over ordinary shares	
	Number held	% of total options issued
MR EDWARD GELLER	1,200,000	-

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote.

On a poll, each shareholder has:

- one vote for each fully paid share; and
- voting rights pro rata to the amount paid up on each partly paid share held by the shareholder.

Options do not carry a right to vote.

There are no other classes of equity securities.

Other information

The Company is not currently conducting an on-market buy-back.

There are no issues of securities approved for the purposes of item 7 of section 611 of the Corporations Act 2001 that have not yet been completed.

No securities were purchased on-market during the reporting period under or for the purposes of an employee incentive scheme or to satisfy the entitlements of the holders of options or other rights to acquire securities granted under an employee incentive scheme.