

# **Tinybeans Group Limited**

**ABN 46 168 481 614**

**Annual Report - 30 June 2022**

Directors	John Dougall Edward Geller Andrew Whitten Andrea Cutright Kathy Mayor Greg West
Company secretaries	David Hwang Rebecca Woodman
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Auditor	Grant Thornton Audit Pty Ltd Level 17, 383 Kent 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: TNYZF)
Website	<a href="http://www.tinybeans.com">www.tinybeans.com</a>
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: <a href="https://tinybeans.com/investors/corporate-governance/">https://tinybeans.com/investors/corporate-governance/</a> in accordance with the ASX Listing Rule 4.10.3.</p>

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Dear Fellow Shareholder,

I am pleased to present the 2022 Annual Report for Tinybeans Group Limited (ASX: TNY).

The Board has worked hard to support management as they executed on our agreed strategy of building out a platform that is the trusted resource where millions of parents go to raise amazing kids.

Your Board changed through the financial year with the addition of Greg West, another independent director based in Sydney.

Your team has proven resilient to the demands of the last 12 months, albeit under a difficult period with major markets falling substantially, Tinybeans included. In an operational standpoint, Tinybeans ended the year strongly, positioning us for further growth albeit more modestly across the advertising and consumer revenue businesses.

We successfully raised over US\$6 million through the year based on two tranches and feel humbled to have had the strong shareholder support to further drive our growth. Through this fund raising, a substantial portion of the funds raised were from U.S. existing and new institutional investors.

From a performance perspective, we are proud of having achieved just under US\$11 million in sales revenue for FY22, which is 34.2% up on FY21. This growth included both the acquisition of Red Tricycle back in February 2020 and the successful execution of the leadership's plans. We were able to continue to navigate sometimes unpredictable market forces with COVID-19, to deliver a strong outcome.

The Company set sights on accelerating growth across consumer revenue while continuing to grow advertising. A new product roadmap was forged with constructive feedback from our customers. This began our work to create Beanstalk, the new subscription product launching to our customers in October.

With this new transformation beginning in FY22 and continuing in FY23, the Company is well placed to leverage its brand trust with parents. The audience of 3 million users who use our service monthly, will grow and our value proposition to generate even more paid subscriptions is integral to our investment plan.

I would like to thank my fellow Directors as well as our Leadership Team and Staff for the impressive amount of effort and dedication they have provided over the past year to further evolve and grow the Company.

I thank all our existing and new Shareholders who foster our common vision to further develop Tinybeans. The next year promises to be an exciting time as our Company continues to execute on our growth strategy.



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John Dougall  
Non-Executive Director and Chairman

29 September 2022  
Sydney



I am proud to present to you the Tinybeans annual report for financial year 2022.

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

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

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

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

Some of the FY22 Highlights include:

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

FY23 promises to be another year of growth. We are planning on launching an array of new product upgrades that we believe will support acceleration in our consumer revenues, and we aim to drive continued growth in advertising revenues through enhancing ad integration and adding new in-demand features. We see our photos and sharing platform expanding as we double down on new areas of engagement that align with our vision of content, commerce, and related services.

The Company expects to maintain a positive cash balance without raising further equity capital. We expect our expenses to settle, and our revenues continue to grow, which will enable us to be cashflow positive and profitable over time.

We are proud of Tinybeans' record FY22 results and the promising trends we are seeing in the early days of our Beanstalk launch. As we progress into FY23, we remain confident in our ability to execute on our strategy to become the trusted resource where millions of parents go to raise amazing kids.



Eddie Geller  
Executive Director, Chief Executive Officer

29 September 2022  
New York



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 2022.

### **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:

John Dougall  
Edward Geller  
Andrew Whitten  
Andrea Cutright  
Kathy Mayor  
Greg West (appointed on 30 March 2022)

### **Principal activities**

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 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 parents a wealth of content to assist them in the journey of parenting from where to go over the weekend, to best travel destinations for parents to things to buy – 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 generated total sales revenue of US\$10,903,290 up from US\$8,123,770 in the previous year. The increase was driven by advertising revenue with a growing number of brand partners and larger average campaign sizes as a direct result of successful sales and marketing strategies. The Group's audience from Search Engine Optimisation ('SEO') has begun to recover delivering growth in overall Monthly Active Users ('MAU'), hitting just under three million users.

The product and engineering teams were able to deliver a suite of enhancements to the platform through the 12 months to ensure that the subscription product moved from a freemium model to a paid only model. This enabled the subscription business to grow to US\$1.5 million for FY22, growth of 77%.

Also, the team launched a new web site – tinybeans.com and a suite of other feature upgrades to further add to the value proposition for brands. The Group is a high trust tech company exclusively dedicated to parenting.

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

Total expenses amounted to US\$15,490,685, up from US\$11,943,427. Specifically, employee benefits expense increased by US\$1,262,854 in line with increased investments in resources and product growth initiatives. Also included in total expenses are substantial increases in non-cash expenses such as share-based payments and expenses relating to the Group's (at the time) planned uplist to Nasdaq, which has since been shelved.

Refer to the Chairman's message on page 3 and Chief Executive Officer's message on page 4 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 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 total loan amounts of US\$800,000 were repaid in full as at year end, of which US\$500,000 were settled in cash in December 2021 and US\$300,000 settled in shares in January 2022. 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 US\$3,248 interest accrued was forgiven by one of the directors.

On 26 November 2021, the Company raised US\$5,034,162 by issuing 11,568,000 ordinary shares at A\$0.60 each. On 16 December 2021, the Company through the share purchase plan raised a further US\$86,274 by issuing 200,823 ordinary shares at A\$0.60 each.

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**

Chris Motsay resigned as Chief Financial Officer effective 23 July 2022.

As of 1 September 2022 the Group became a fully distributed company. The New York office was officially closed on 31 August 2022.

No other matter or circumstance has arisen since 30 June 2022 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 year ending 30 June 2023 promises to be the Group's most successful year yet. The Group has invested significantly in product growth initiatives that includes the launch of an array of new product upgrades that will support the acceleration in consumer subscription revenues, and drive continued growth in advertising revenues through enhancing advertising integration and adding new in-demand features.

The Group is ideally positioned to execute on its growth strategy and continue to build out its revenues between both advertising and consumer to create a sustainable company.

Refer to the Chairman'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**

<b>Name:</b>	<b>John Dougall</b>
<b>Title:</b>	Non-Executive Director and Chairman
<b>Qualifications:</b>	Bachelor of Commerce, University of Melbourne
<b>Experience and expertise:</b>	John was appointed to the board on 15 March 2018. He has worked at senior executive and board level in a number of technology companies based in Melbourne, New York, Sydney, London and San Francisco. John has also been the Managing Director of four ASX-listed companies, successfully exporting Australian technology to China, India, The Philippines, Vietnam and Latin America. Additionally, John also served as President and Chief Executive Officer of an Australian company that ultimately listed on the Nasdaq selling its software solutions to major retailers in the US and Europe. John has served as a Director to several Industry Associations, as past Chairman of the Australian Government's CSIRO Information Technology Advisory Board, as well as advising Government on Industry Strategy and Trade.
<b>Other current directorships:</b>	Non-Executive Chairman of SportsHero Limited (ASX: SHO) since October 2019.
<b>Former directorships (last 3 years):</b>	None
<b>Special responsibilities:</b>	None
<b>Interests in shares:</b>	264,958 ordinary shares
<b>Interests in options:</b>	600,000 unlisted options
<b>Name:</b>	<b>Edward (Eddie) Geller</b>
<b>Title:</b>	Executive Director and Chief Executive Officer
<b>Experience and expertise:</b>	Eddie was appointed to the board on 11 March 2014. He has been an entrepreneur in the technology and internet sectors since 1994. Eddie founded his first company in 1995 and then in 1999 was the founder/CEO of Unique World. Eddie 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, Eddie mentored the Company's team and then in 2013. Eddie drove the commercial aspects of the business and became Chief Executive Officer in early 2014.
<b>Other current directorships:</b>	None
<b>Former directorships (last 3 years):</b>	None
<b>Special responsibilities:</b>	None
<b>Interests in shares:</b>	6,470,465 ordinary shares
<b>Interests in options:</b>	1,200,000 unlisted options

**Name:** **Andrew Whitten**  
**Title:** Non-Executive Director  
**Qualifications:** Bachelor of Arts (Economics) University of New South Wales, Master of Laws and Legal Practice, University of Technology Sydney. Graduate Diploma in Applied Corporate Governance, Governance Institute.  
**Experience and expertise:** Andrew was appointed to the board on 13 May 2020. Andrew is a corporate lawyer, investor and advisor with a focus on growth companies and ASX listed companies. He has advised many companies on ASX related matters and transactions including initial public offerings, capital raisings and acquisitions. He has developed significant expertise across a wide range of industry sectors, with an emphasis on technology. Andrew is a Director of various ASX listed entities and unlisted entities.  
**Other current directorships:** Non-Executive Director of AdRabbit Limited (TSXV RAB) since June 2020.  
**Former directorships (last 3 years):** None  
**Special responsibilities:** None  
**Interests in shares:** 131,057 ordinary shares  
**Interests in options:** 200,000 unlisted options

**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:** 21,577  
**Interests in options:** 200,000 unlisted options

**Name:** **Kathy Mayor**  
**Title:** Non-Executive Director  
**Qualifications:** B.S. in Management Engineering and an MBA (Harvard Business School).  
**Experience and expertise:** Kathy was appointed to the board on 28 October 2020 and is currently the Chief Commercial Officer at Transformco and a Non-Executive Director of Viking Cruises and Phunware. Two-times Chief Marketing Officer and one-time Chief Digital Officer at Fortune 500 companies, she has experience across qualitative brand-building and storytelling, quantitative planning and performance marketing, and ever-innovating product management and marketing technology. Kathy has previously been on the Pinterest Advisory Board as well as the ABS-CBN Digital Advisory Board.  
**Other current directorships:** Non-Executive Director of Phunware (Nasdaq: PHUN) since December 2018.  
**Former directorships (last 3 years):** None  
**Special responsibilities:** None  
**Interests in shares:** 21,577 ordinary shares  
**Interests in options:** 200,000 unlisted options

**Name:** **Greg West**  
**Title:** Non-Executive Director  
**Experience and expertise:** Greg was appointed to the board on 30 March 2022. He is a Chartered Accountant and is an experienced ASX Non-Executive director with a background in investment banking, financial services, the biotech and education sectors. He is also the Executive Chair of the Australian Universities investment company, Education Australia Ltd and on the Council of the University of Wollongong. Previously, Greg was Chief Executive Officer of a dual listed (ASX and NASDAQ) biotech company. He has worked at Price Waterhouse and has held senior finance executive roles in investment banking with Bankers Trust, Deutsche Bank, NZI and other financial institutions.  
**Other current directorships:** Director of IDP Education (ASX: IEL) and Fertoz Ltd (ASX: FTZ).  
**Former directorships (last 3 years):** None  
**Interests in shares:** Nil  
**Interests in options:** Nil



'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 Dean Jagger who resigned on 23 July 2021. Effective 23 July 2021, David Hwang and Rebecca Woodman were appointed as joint secretaries.

Rebecca is a company secretary with Automic Group. She has a Graduate Diploma in Applied Corporate Governance from the Governance Institute of Australia and a Bachelor of Laws and a Bachelor of Arts from University of Technology, Sydney. Rebecca resigned as joint company secretary on 29 June 2022.

David is an experienced corporate lawyer specialising in listings on ASX (IPOs and reverse listings), equity capital markets, mergers and acquisitions and providing advice on corporate governance and compliance issues. David was the Managing Principal – Legal and Company Secretarial at Automic Group and resigned as company secretary on 24 August 2022.

Elizabeth Spooner was appointed as company secretary on 24 August 2022. She 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 2022, and the number of meetings attended by each Director were:

	Full Board	
	Attended	Held
John Dougall	14	14
Edward Geller	14	14
Andrew Whitten	14	14
Andrea Cutright	11	14
Kathy Mayor	12	14
Greg West*	3	3

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

\* Greg West was appointed to the Board on 30 March 2022.

### 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 have 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 Chairman's fees are determined independently to the fees of other Non-Executive Directors based on comparative roles in the external market. The Chairman 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\$500,000.

***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;
- share-based payments; 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 2022 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 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 2022, 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 2021 Annual General Meeting ('AGM')*

At the 2021 AGM, 98.5% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2021. 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 consisted of the following Directors of Tinybeans Group Limited:

- John Dougall - Non-Executive Director and Chairman
- Edward Geller - Executive Director and Chief Executive Officer
- Andrew Whitten - Non-Executive Director
- Andrea Cutright - Non-Executive Director
- Kathy Mayor - Non-Executive Director
- Greg West - Non-Executive Director (appointed 30 March 2022)

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 <sup>4</sup> US\$	Equity-settled options US\$	
<b>2022</b>						
<i>Non-Executive Directors:</i>						
John Dougall	36,425	-	-	36,422	-	72,847
Andrew Whitten	21,853	-	-	21,853	78,489	122,195
Andrea Cutright	25,000	-	-	25,000	78,489	128,489
Kathy Mayor	25,000	-	-	25,000	78,489	128,489
Greg West <sup>1</sup>	5,463	-	-	5,463	-	10,926
<i>Executive Directors:</i>						
Edward Geller <sup>2,3</sup>	218,000	31,000	20,688	50,000	-	319,688
<i>Other KMP:</i>						
Chris Motsay <sup>5</sup>	232,000	14,000	716	-	86,652	333,368
	563,741	45,000	21,404	163,738	322,119	1,116,002

- 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.

	Short-term benefits			Share-based payments			Total US\$
	Cash salary and fees US\$	Cash bonus US\$	Non- monetary US\$	Equity- settled salary and fees US\$	Equity- settled options and fees US\$	Equity- settled bonus <sup>3</sup> US\$	
<b>2021</b>							
<i>Non-Executive Directors:</i>							
John Dougall	22,417	-	-	52,307	-	-	74,724
Andrew Whitten	13,450	-	-	31,384	98,680	-	143,514
Andrea Cutright <sup>1</sup>	10,110	-	-	23,589	98,680	-	132,379
Kathy Mayor <sup>1</sup>	10,110	-	-	23,589	98,680	-	132,379
Megan Gardner <sup>2</sup>	6,699	-	-	15,630	-	-	22,329
Mary Godfrey <sup>2</sup>	6,699	-	-	15,630	-	-	22,329
<i>Executive Directors:</i>							
Edward Geller	210,000	-	20,091	50,000	-	55,000	335,091
<i>Other KMP:</i>							
Chris Motsay <sup>4,5</sup>	47,045	13,806	388	-	-	-	61,239
	326,530	13,806	20,479	212,129	296,040	55,000	923,984

- 1 Represents remuneration from 28 October 2020 to 30 June 2021.
- 2 Represents remuneration from 1 July 2020 to 10 December 2020.
- 3 \$55,000 represents accrued bonus to be settled in cash or shares, which was subject to approval at the annual general meeting.
- 4 Represents remuneration from 19 April 2021 to 30 June 2021.
- 5 Chris' bonus was calculated based on his employment agreement of US\$70,000 annual bonus prorated from his start date, from 19 April 2021 to 30 June 2021.

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

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2022	2021	2022	2021	2022	2021
<i>Non-Executive Directors:</i>						
John Dougall	100%	100%	-	-	-	-
Andrew Whitten	36%	31%	-	-	64%	69%
Andrea Cutright	39%	25%	-	-	61%	75%
Kathy Mayor	39%	25%	-	-	61%	75%
Megan Gardner	-	100%	-	-	-	-
Mary Godfrey	-	100%	-	-	-	-
Greg West	100%	-	-	-	-	-
<i>Executive Directors:</i>						
Edward Geller	90%	84%	10%	-	-	16%
<i>Other KMP:</i>						
Chris Motsay	70%	77%	4%	23%	26%	-

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

Name	Cash bonus paid/payable		Cash bonus forfeited	
	2022	2021	2022	2021
<i>Executive Directors:</i>				
Edward Geller	31%	-	69%	-
<i>Other KMP:</i>				
Chris Motsay <sup>1</sup>	-	-	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. However he received a "Thank you" bonus.

### Service agreements

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

Name:	John Dougall
Title:	Non-Executive Director and Chairman
Agreement commenced:	15 March 2018
Term of agreement:	Ongoing
Details:	Effective 1 July 2021, base remuneration of A\$100,000 per annum, comprising of A\$50,000 to be paid in cash monthly 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:	Edward Geller
Title:	Executive Director and Chief Executive Officer
Agreement commenced:	1 January 2015
Term of agreement:	Ongoing
Details:	Base remuneration of US\$210,000, and annual entitlement of US\$50,000 to be issued in fully paid ordinary shares in the Company, subject to shareholder approval at a general meeting of the Company, or in cash if shareholder approval is not obtained; Discretionary bonus of up to US\$100,000 is accrued subject to the AGM approval.

Name: Andrew Whitten  
 Title: Non-Executive Director  
 Agreement commenced: 13 May 2020  
 Term of agreement: Ongoing  
 Details: Effective 1 July 2021, base remuneration of A\$60,000 per annum, comprising of A\$30,000 to be paid in cash monthly 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: Andrea Cutright  
 Title: Non-Executive Director  
 Agreement commenced: 28 October 2020  
 Term of agreement: Ongoing  
 Details: Effective 1 July 2021, 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: Kathy Mayor  
 Title: Non-Executive Director  
 Agreement commenced: 28 October 2020  
 Term of agreement: Ongoing  
 Details: Effective 1 July 2021, 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: Greg West  
 Title: Non-Executive Director (appointed 30 March 2022)  
 Details: Base remuneration of A\$60,000 per annum, comprising of A\$30,000 to be paid in cash no later than two months after the date of the annual general meeting; 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: Chris Motsay  
 Title: Chief Financial Officer  
 Agreement commenced: 19 April 2021  
 Term of agreement: Employment ended on 23 July 2022  
 Details: Base salary of US\$234,000 per annum; and an annual bonus up to US\$70,000 connected to agreed goals and KPIs being met.

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, the Board elected to pay him US\$14,000 as a discretionary "Thank you" bonus.

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 a 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 2022 are set out below:

Name	Date	Shares	Issue price (A\$)	Total value US\$
John Dougall	2 Feb 2022	53,292	1.3135	50,991
Edward Geller	2 Feb 2022	50,972	1.3135	48,771
Andrew Whitten	2 Feb 2022	31,975	1.3135	30,594
Andrea Cutright	2 Feb 2022	21,577	1.4639	16,761
Kathy Mayor	2 Feb 2022	21,577	1.4639	16,761

The shares issued during FY22 are in relation to FY21 Directors fees which was approved at the AGM held on 14 January 2022.

\* Total value of shares issued converted from A\$ to US\$ using the average rate of 0.728446

#### Options

Values of options over ordinary shares granted, exercised and lapsed for Directors and other KMP as part of compensation during the year ended 30 June 2022 are set out below:

Name	Value of options granted during the year US\$	Value of options vested during the year US\$	Value of options lapsed/exercised during the year US\$	Remuneration consisting of options for the year %
<i>Non- Executive directors</i>	-	-	-	-
Andrew Whitten	-	239,807	-	64.23%
Andrea Cutright	-	239,807	-	61.09%
Kathy Mayor	-	239,807	-	61.09%
<i>Other KMPs</i>	-	-	-	-
Chris Motsay	125,850	-	-	25.99%

Name	Grant date	Vesting date	Exercise price	Fair value of options granted	Number of options granted	Value of options granted US\$
Andrew Whitten*	11 Dec 2020	11 Dec 2021	A\$1.75	A\$1.2550	50,000	45,710
Andrew Whitten*	11 Dec 2020	11 Dec 2021	A\$2.25	A\$1.2225	50,000	44,524
Andrew Whitten*	11 Dec 2020	11 Dec 2021	A\$3.50	A\$1.1593	100,000	84,452
Andrea Cutright*	11 Dec 2020	11 Dec 2021	A\$1.75	A\$1.2550	50,000	45,710
Andrea Cutright*	11 Dec 2020	11 Dec 2021	A\$2.25	A\$1.2225	50,000	44,524
Andrea Cutright*	11 Dec 2020	11 Dec 2021	A\$3.50	A\$1.1593	100,000	84,452
Kathy Mayor*	11 Dec 2020	11 Dec 2021	A\$1.75	A\$1.2550	50,000	45,710
Kathy Mayor*	11 Dec 2020	11 Dec 2021	A\$2.25	A\$1.2225	50,000	44,524
Kathy Mayor*	11 Dec 2020	11 Dec 2021	A\$3.50	A\$1.1593	100,000	84,452
Chris Motsay*	20 Jul 2021	20 Jul 2022	A\$1.30	A\$0.8390	150,000	91,675

\* Total value of options issued converted from A\$ to US\$ using the average rate of 0.728446

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
<b>Ordinary shares</b>					
John Dougall	211,666	53,292	-	-	264,958
Edward Geller <sup>1</sup>	6,617,596	50,972	712,305	-	7,380,873
Andrew Whitten <sup>2</sup>	29,082	31,975	70,000	-	131,057
Andrea Cutright	-	21,577	-	-	21,577
Kathy Mayor	-	21,577	-	-	21,577
Chris Motsay <sup>2</sup>	-	-	32,342	-	32,342
	<u>6,858,344</u>	<u>179,393</u>	<u>814,647</u>	<u>-</u>	<u>7,852,384</u>

- 1 Additions related to the loan and interest payable of US\$305,819 due to Edward Geller which was converted to equity during the year.
- 2 Additions related to shares purchased on the market by Andrew Whitten and Chris Motsay.

**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
<b>Options over ordinary shares</b>					
John Dougall	600,000	-	-	-	600,000
Edward Geller	1,200,000	-	-	-	1,200,000
Andrew Whitten	200,000	-	-	-	200,000
Andrea Cutright	200,000	-	-	-	200,000
Kathy Mayor	200,000	-	-	-	200,000
Chris Motsay*	-	150,000	-	-	150,000
	<u>2,400,000</u>	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>2,550,000</u>

- \* The contract of Chris Motsay, the Chief Financial Officer, was ended on 23 July 2022 and hence his options have lapsed subsequent to year end.

**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.

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 total loan amounts of US\$800,000 were repaid in full as at year end, 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 loss on settlement of US\$44,810.

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 US\$3,248 were forgiven.



	Bridging loan advanced US\$	Bridging loan settled in shares US\$	Bridging loan repaid in cash US\$	Interest accrued US\$	Interest settled in shares US\$	Interest settled in cash US\$
<b>Directors</b>						
Andrew Whitten	300,000	-	300,000	6,312	-	6,312
Eddie Geller <sup>1</sup>	300,000	300,000	-	10,652	5,819	4,833
Andrea Cutright <sup>2</sup>	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\$44,810) on conversion date, which was included as part of the net gain on settlement in other income during the year (refer note 6 to the financial statements).
- 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.

***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 2022	A\$0.6000	79,500
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
02 April 2019	02 April 2023	A\$0.6000	60,000
02 April 2019	02 April 2023	A\$0.6000	60,000
02 April 2019	02 April 2023	A\$0.6000	60,000
20 May 2019	20 May 2023	A\$0.6000	26,500
19 August 2019	19 August 2023	A\$1.1000	72,433
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
19 December 2019	27 March 2024	A\$2.2000	26,500
15 July 2020	15 July 2024	A\$0.9200	226,938
15 September 2020	15 July 2024	A\$0.9200	119,251
16 December 2020	15 July 2024	A\$1.6000	101,999
16 December 2020	16 December 2024	A\$1.6000	39,750
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	39,750
20 July 2021	20 July 2025	A\$0.6900	471,000
31 August 2021	20 July 2025	A\$1.3000	849,000
10 February 2022	8 February 2026	A\$0.4100	119,250
1 July 2022	1 July 2026	A\$0.1700	1,303,438
			<u>6,335,309</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**

Nil shares were issued during the financial year ended 30 June 2022 on the exercise of options (2021: 326,225 shares).

### **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 collect 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 have 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.

#### *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, complains 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 Grant Thornton Audit Pty Ltd**

There are no officers of the Company who are former partners of Grant Thornton Audit Pty Ltd.

**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



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Edward Geller  
Executive Director, Chief Executive Officer

29 September 2022  
New York

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**Grant Thornton Audit Pty Ltd**  
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Sydney NSW 2000  
Locked Bag Q800  
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## Auditor's Independence Declaration

### To the Directors of Tinybeans Group Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Tinybeans Group Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

*Grant Thornton*

Grant Thornton Audit Pty Ltd  
Chartered Accountants



L M Worsley  
Partner – Audit & Assurance

Sydney, 29 September 2022

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**ACN-130 913 594**

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



	Note	Consolidated 2022 US\$	2021 US\$
<b>Revenue from contracts with customers</b>	5	10,903,290	8,123,770
Other income	6	58,026	580,673
Interest income calculated using the effective interest method		1,070	4,991
<b>Expenses</b>			
Subscription, Photobooks and Affiliate expenses		(379,545)	(196,862)
Employee benefits expense		(9,160,936)	(7,898,082)
Depreciation and amortisation expense	7	(773,327)	(672,545)
Compliance and consultancy costs		(2,220,134)	(1,568,042)
Hosting and online software		(1,304,516)	(989,014)
(Impairment)/recovery of receivables		(9,663)	15,345
Impairment of assets	7	-	(49,005)
Marketing and advertising expense		(963,155)	(316,529)
Occupancy costs		(36,108)	(30,100)
Other expenses		(619,827)	(226,834)
Finance costs	7	(23,474)	(11,759)
Total expenses		<u>(15,490,685)</u>	<u>(11,943,427)</u>
<b>Loss before income tax benefit</b>		(4,528,299)	(3,233,993)
Income tax benefit	8	-	44
<b>Loss after income tax benefit for the year attributable to the owners of Tinybeans Group Limited</b>		(4,528,299)	(3,233,949)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>(194,139)</u>	<u>239,348</u>
Other comprehensive income for the year, net of tax		<u>(194,139)</u>	<u>239,348</u>
<b>Total comprehensive loss for the year attributable to the owners of Tinybeans Group Limited</b>		<u><u>(4,722,438)</u></u>	<u><u>(2,994,601)</u></u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	21	(8.32)	(7.02)
Diluted earnings per share	21	(8.32)	(7.02)

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

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



	<b>Note</b>	<b>Consolidated 2022 US\$</b>	<b>2021 US\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		4,213,867	2,155,365
Trade and other receivables	9	1,624,629	1,751,050
Contract assets	10	342,421	114,280
Other assets	11	264,412	293,884
Total current assets		<u>6,445,329</u>	<u>4,314,579</u>
<b>Non-current assets</b>			
Property, plant and equipment	12	47,903	31,332
Right-of-use assets	13	-	100,370
Intangibles	14	5,512,410	5,685,360
Total non-current assets		<u>5,560,313</u>	<u>5,817,062</u>
<b>Total assets</b>		<u>12,005,642</u>	<u>10,131,641</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	15	1,283,652	1,752,101
Contract liabilities	16	1,059,522	575,593
Lease liabilities	17	-	89,096
Income tax	8	119,390	130,048
Employee benefits		-	14,243
Total current liabilities		<u>2,462,564</u>	<u>2,561,081</u>
<b>Non-current liabilities</b>			
Contract liabilities	16	119,774	249,598
Lease liabilities	17	-	38,743
Employee benefits		-	7,513
Total non-current liabilities		<u>119,774</u>	<u>295,854</u>
<b>Total liabilities</b>		<u>2,582,338</u>	<u>2,856,935</u>
<b>Net assets</b>		<u>9,423,304</u>	<u>7,274,706</u>
<b>Equity</b>			
Issued capital	18	28,788,228	22,618,819
Reserves	19	1,828,722	1,749,913
Accumulated losses		<u>(21,193,646)</u>	<u>(17,094,026)</u>
<b>Total equity</b>		<u>9,423,304</u>	<u>7,274,706</u>

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

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



<b>Consolidated</b>	<b>Issued capital US\$</b>	<b>Reserves US\$</b>	<b>Accumulated losses US\$</b>	<b>Total equity US\$</b>
Balance at 1 July 2020	22,154,067	725,761	(14,057,478)	8,822,350
Loss after income tax benefit for the year	-	-	(3,233,949)	(3,233,949)
Other comprehensive income for the year, net of tax	-	239,348	-	239,348
Total comprehensive income for the year	-	239,348	(3,233,949)	(2,994,601)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	1,055,277	-	1,055,277
Shares issued on the exercise of options (note 18)	238,635	(51,779)	-	186,856
Shares issued to Directors (note 18)	226,117	-	-	226,117
Foreign exchange movements	-	(21,293)	-	(21,293)
Transfer from share-based payment reserve to accumulated losses	-	(197,401)	197,401	-
Balance at 30 June 2021	<u>22,618,819</u>	<u>1,749,913</u>	<u>(17,094,026)</u>	<u>7,274,706</u>
<b>Consolidated</b>	<b>Issued capital US\$</b>	<b>Reserves US\$</b>	<b>Accumulated losses US\$</b>	<b>Total equity US\$</b>
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 18)	5,613,306	-	-	5,613,306
Share-based payments (note 30)	-	782,235	-	782,235
Conversion of debt to equity (note 18)	350,629	-	-	350,629
Shares issued to Directors (note 18)	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 18)	100,000	-	-	100,000
Balance at 30 June 2022	<u>28,788,228</u>	<u>1,828,722</u>	<u>(21,193,646)</u>	<u>9,423,304</u>

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

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



	Note	Consolidated 2022 US\$	2021 US\$
<b>Cash flows from operating activities</b>			
Loss before income tax benefit for the year		(4,528,299)	(3,233,993)
Adjustments for:			
Depreciation and amortisation	7	773,327	672,545
Impairment of assets		-	49,005
Share-based payments	7	1,046,003	1,322,406
Net gain on disposal of non-current assets		(12,331)	(93)
Net gain on settlement of financial liabilities by equity		(108,552)	-
Paycheck protection program - loan forgiven		-	(584,293)
Foreign currency differences		(105,370)	(24,156)
Interest received		(1,070)	(4,991)
Interest and other finance costs		23,474	11,759
		(2,912,818)	(1,791,811)
Change in operating assets and liabilities:			
Decrease/(increase) in trade and other receivables		126,421	(572,737)
Decrease/(increase) in contract assets		(228,141)	183,142
Decrease/(increase) in prepayments		29,472	(31,216)
Increase/(decrease) in trade and other payables		(117,820)	971,667
Increase/(decrease) in contract liabilities		354,105	(173,519)
Decrease in employee benefits		(21,756)	(72,469)
		(2,770,537)	(1,486,943)
Interest received		1,070	4,991
Interest and other finance costs paid		(23,474)	(11,759)
Income taxes refunded/(paid)		(10,658)	44
Net cash used in operating activities		(2,803,599)	(1,493,667)
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	12	(41,358)	(25,945)
Payments for intangibles	14	(396,802)	(104,840)
Proceeds from disposal of property, plant and equipment		12,331	2,434
Net cash used in investing activities		(425,829)	(128,351)
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	18	5,876,070	-
Proceeds from exercise of options		-	186,838
Repayment of lease liabilities	22	(206,257)	(198,191)
Share issue transaction costs	18	(262,764)	-
Net cash from/(used in) financing activities		5,407,049	(11,353)
Net increase/(decrease) in cash and cash equivalents		2,177,621	(1,633,371)
Cash and cash equivalents at the beginning of the financial year		2,155,365	3,602,480
Effects of exchange rate changes on cash and cash equivalents		(119,119)	186,256
Cash and cash equivalents at the end of the financial year		<u>4,213,867</u>	<u>2,155,365</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. The functional currency of Tinybeans Group Limited is Australian dollars.

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

### **Registered office**

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

### **Principal place of business**

25 W 36th St, 5th Floor New York, NY, 10018, United States of America (until 31 August 2022)

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 a wealth of content to assist them in the journey of parenting from where to go over the weekend, to best travel destinations for parents to things to buy – all available on tinybeans.com.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 29 September 2022. 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\$4,528,299 (2021: US\$3,233,949) and had net cash outflows from operating activities of US\$2,803,599 (2021: US\$1,493,667) for the year ended 30 June 2022. As at that date, the Group had net current assets of US\$3,982,765 (2021: US\$1,753,498) and net assets of US\$9,423,304 (2021: US\$7,274,706).

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\$4,213,867 (2021: US\$2,155,365) as at 30 June 2022;
- 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;
- the Group intends to manage expenses and cash accordingly to be able to get to cashflow positive in the near future; and
- 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.

Should the above not eventuate, there is material uncertainty whether the Group will continue as a going concern and, therefore, whether it will realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial statements. However, the Directors believe that the Group will be successful in the above matters and, accordingly, have prepared the financial statements on a going concern basis.

## **Note 2. Significant accounting policies (continued)**

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 2022.

### **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 31.

### **Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Tinybeans Group Limited as at 30 June 2022 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.

## **Note 2. Significant accounting policies (continued)**

### *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.

### **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.

## **Note 2. Significant accounting policies (continued)**

### **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.

### **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.

## **Note 2. Significant accounting policies (continued)**

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.

### **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.

### **Right-of-use assets**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss on a straight-line basis over the lease term.

### **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.

## **Note 2. Significant accounting policies (continued)**

### *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.

### **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.

### **Lease liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

### **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.



## **Note 2. Significant accounting policies (continued)**

### **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.

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.

## **Note 2. Significant accounting policies (continued)**

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.

### **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 2022. 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 30.

#### *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.



### **Note 3. Critical accounting judgements, estimates and assumptions (continued)**

#### *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 14.

#### *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.

#### *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**

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

*Disaggregation of revenue*

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

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>US\$</b>	<b>US\$</b>
<i>Geographical regions</i>		
United States of America	10,882,310	8,101,593
Australia	20,980	22,177
	<u>10,903,290</u>	<u>8,123,770</u>
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	352,911	235,955
Services transferred over time	10,550,379	7,887,815
	<u>10,903,290</u>	<u>8,123,770</u>

**Note 6. Other income**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>US\$</b>	<b>US\$</b>
Net foreign exchange gain/(loss)	(4,567)	2,911
Net gain on disposal of property, plant and equipment	12,331	93
Paycheck protection program - loan forgiven*	-	584,293
Research and development tax offset incentives/(refund)	-	(34,339)
Net gain on settlement of financial liabilities and directors fees by equity (note 28)	50,258	-
Other income including cash flow boost	4	27,715
Other income	<u>58,026</u>	<u>580,673</u>

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

**Note 7. Expenses**

**Consolidated**  
**2022**                      **2021**  
**US\$**                      **US\$**

Loss before income tax includes the following specific expenses:

*Depreciation*

Leasehold improvements (note 12)	-	1,888
Office equipment, fixtures and fittings (note 12)	2,753	2,992
Computer equipment (note 12)	22,034	13,096
Leasehold building right-of-use assets (note 13)	178,788	148,883

Total depreciation	203,575	166,859
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*Amortisation*

Software development (note 14)	64,067	-
Acquired software (note 14)	189,365	189,365
Content repository (note 14)	316,320	316,321

Total amortisation	569,752	505,686
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Total depreciation and amortisation	773,327	672,545
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*Impairment*

Right-of-use asset (note 13)	-	49,005
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*Finance costs*

Interest and finance charges paid/payable on lease liabilities	1,779	6,954
Other interest and finance charges paid/payable	21,695	4,805

Finance costs expensed	23,474	11,759
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*Net foreign exchange loss*

Net foreign exchange loss	4,567	-
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*Leases*

Variable lease payments	-	5,423
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*Superannuation expense*

Defined contribution superannuation expense	7,378	16,174
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*Share-based payments expense*

Employee share option plan expense (note 19)	782,235	1,055,277
Equity-settled director fees	163,768	212,129
Equity-settled consultancy fees	100,000	-
Equity-settled director bonus	-	55,000

	1,046,003	1,322,406
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**Note 8. Income tax**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>US\$</b>	<b>US\$</b>
<i>Income tax benefit</i>		
Current tax	-	(44)
Aggregate income tax benefit	-	(44)
<i>Numerical reconciliation of income tax benefit and tax at the statutory rate</i>		
Loss before income tax benefit	(4,528,299)	(3,233,993)
Tax at the statutory tax rate of 25% (2021: 26%)	(1,132,075)	(840,838)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non allowable items	250,795	405,949
Items not assessable for taxation	-	(93,436)
	(881,280)	(528,325)
Current year tax losses not recognised	998,033	-
Current year temporary differences not recognised	(3,044)	619,894
Utilisation of tax losses not previously recognised	103,420	-
Difference in overseas tax rates	(217,129)	(91,613)
Income tax benefit	-	(44)

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>US\$</b>	<b>US\$</b>
<i>Tax losses not recognised</i>		
Unused Australian tax losses for which no deferred tax asset has been recognised	2,463,595	4,891,980
Potential tax benefit @ 25%	615,899	1,222,995
Unused US tax losses for which no deferred tax asset has been recognised	14,674,681	4,780,795
Potential tax benefit at @34.75% (2021:34.75%)	5,099,452	1,661,326

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 Australia***

The Australian corporate tax rate applicable to base rate entities reduced from 26% to 25% for the 2021-22 income year. The Group qualifies as a base rate entity as it has an aggregate turnover of less than A\$50,000,000 and less than 80% of its assessable income is derived from base rate entity passive income. The Group has remeasured its deferred tax balances, and any unrecognised potential tax benefits arising from carried forward tax losses, based on the effective tax rate that is expected to apply in the year the temporary differences are expected to reverse or benefits from tax losses realised.

***Tax rate in the US***

The US tax rate which includes federal, state and local taxes is 34.75% (2021: 34.75%).

**Note 8. Income tax (continued)**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>US\$</b>	<b>US\$</b>
<i>Deferred tax assets not recognised</i>		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Temporary differences	82,111	109,300
Total deferred tax assets not recognised	<u>82,111</u>	<u>109,300</u>

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.

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>US\$</b>	<b>US\$</b>
<i>Deferred tax liability</i>		
Deferred tax liability comprises temporary differences attributable to:		
Software	126,243	173,585
Content repository	210,880	289,960
Less; deferred tax assets available for offset:		
- temporary differences	(82,111)	(248,298)
- tax losses	(255,012)	(215,247)
Deferred tax liability	<u>-</u>	<u>-</u>

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>US\$</b>	<b>US\$</b>
<i>Provision for uncertain tax position</i>		
Provision for income tax	<u>119,390</u>	<u>130,048</u>

**Note 9. Trade and other receivables**

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

*Allowance for expected credit losses*

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

**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	
	2022	2021	2022	2021
Consolidated	US\$	US\$	US\$	US\$
Not overdue	1,207,661	1,462,272	-	-
Less than three months overdue	260,010	105,664	-	-
Over three months overdue	22,762	61,567	9,663	-
<i>Other receivables</i>				
Not overdue	900	-	-	-
Trade and other receivables	<u>1,491,333</u>	<u>1,629,503</u>	<u>9,663</u>	<u>-</u>

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

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

**Note 10. Contract assets**

	Consolidated	
	2022	2021
	US\$	US\$
<i>Current assets</i>		
Contract assets	<u>342,421</u>	<u>114,280</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	114,280	297,422
Additions	342,421	114,280
Transfer to trade receivables	<u>(114,280)</u>	<u>(297,422)</u>
Closing balance	<u>342,421</u>	<u>114,280</u>

**Note 11. Other assets**

	Consolidated 2022 US\$	2021 US\$
<i>Current assets</i>		
Prepayments	188,787	218,259
Security deposits	75,625	75,625
	<u>264,412</u>	<u>293,884</u>

**Note 12. Property, plant and equipment**

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

**Reconciliations**

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

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

**Note 13. Right-of-use assets**

	Consolidated	
	2022	2021
	US\$	US\$
<i>Non-current assets</i>		
Leasehold building - right-of-use	-	466,304
Less: Accumulated depreciation	-	(316,929)
Less: Impairment	-	(49,005)
	<u>-</u>	<u>(49,005)</u>
	<u>-</u>	<u>100,370</u>

*Reconciliations*

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

Consolidated	Leasehold building US\$
Balance at 1 July 2020	274,077
Additions including impact of modifications	9,611
Exchange differences	14,570
Impairment of assets*	(49,005)
Depreciation expense	<u>(148,883)</u>
Balance at 30 June 2021	100,370
Additions including impact of modifications	174,340
Disposals	(95,922)
Depreciation expense	<u>(178,788)</u>
Balance at 30 June 2022	<u>-</u>

\* The impairment expense recognised during the year ended 30 June 2021 was for the Group's Sydney office right-of-use asset which ceased to be used.

For other lease disclosures refer to:

- note 7 for depreciation on right-of-use assets, interest on lease liabilities and other lease expenses;
- note 17 for lease liabilities; and
- consolidated statement of cash flows for repayment of lease liabilities.



**Note 14. Intangibles**

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

**Reconciliations**

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

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

**Impairment testing**

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

The recoverable amount of the Group's 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;
- 16%-49% per annum projected revenue growth rate over five years;
- operating expenses as a percent of revenue between 56% to 99% over five years; and
- terminal value based on 3% growth discounted to net present value using the pre-tax discount rate.

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 a detailed advertising sales plan which includes establishment of new sales roles and partnerships to support intended growth and detailed roadmaps for revenue growth.

#### **Note 14. Intangibles (continued)**

Based on the above, the recoverable amount of the CGU exceeded the carrying amount and no impairment of goodwill was recognised.

##### *Sensitivity*

As disclosed in note 3, the Directors have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease. The sensitivities are as follows:

- the pre-tax discount rate would be required to increase by 23% before goodwill would need to be impaired, with all other assumptions remaining constant;
- revenue growth would need to decrease by more than 21% per annum before goodwill would need to be impaired, with all other assumptions remaining constant; and
- operating expenses as a percent of revenue would be required to increase by more than 35% per annum before goodwill would need to be impaired, with all other assumptions remaining constant.

Management believes that other reasonable changes in the key assumptions on which the recoverable amount of the goodwill is based would not cause the CGU's carrying amount to exceed its recoverable amount.

#### **Note 15. Trade and other payables**

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

Refer to note 23 for further information on financial instruments.

#### **Note 16. Contract liabilities**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>US\$</b>	<b>US\$</b>
<i>Current liabilities</i>		
Contract liabilities	<u>1,059,522</u>	<u>575,593</u>
<i>Non-current liabilities</i>		
Contract liabilities	<u>119,774</u>	<u>249,598</u>
	<u>1,179,296</u>	<u>825,191</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	825,191	998,710
Payments received in advance	929,698	442,278
Transfer to revenue - included in the opening balance	<u>(575,593)</u>	<u>(615,797)</u>
Closing balance	<u>1,179,296</u>	<u>825,191</u>

**Note 16. 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\$1,179,297 as at 30 June 2022 (US\$825,191 as at 30 June 2021) and is expected to be recognised as revenue in future periods as follows:

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>US\$</b>	<b>US\$</b>
Within 6 months	884,034	415,303
6 to 12 months	175,488	160,290
12 to 18 months	48,901	71,242
18 to 24 months	35,087	59,076
24 to 30 months	23,821	48,852
30 to 36 months	10,305	35,048
Over 36 months	1,661	35,380
	<u>1,179,297</u>	<u>825,191</u>

**Note 17. Lease liabilities**

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>US\$</b>	<b>US\$</b>
<i>Current liabilities</i>		
Lease liability	-	89,096
<i>Non-current liabilities</i>		
Lease liability	-	38,743
	<u>-</u>	<u>127,839</u>

**Note 18. Issued capital**

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

**Note 18. Issued capital (continued)**

*Movements in ordinary share capital*

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

*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.

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 19. Reserves**

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

*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.

**Note 19. Reserves (continued)**

*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:

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

**Note 20. Dividends**

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

**Note 21. Earnings per share**

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

5,476,996 options (2021: 5,340,913 options) have been excluded from the diluted earnings per share calculations as they are anti-dilutive.

## **Note 22. Cash flow information**

### *Non-cash investing and financing activities*

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>US\$</b>	<b>US\$</b>
Shares issued in lieu of directors' and consultancy fees	205,474	-
Shares issued on conversion of loan	350,629	-
Paycheck protection program - loan forgiven	-	584,293
	<u>556,103</u>	<u>584,293</u>

### *Changes in liabilities arising from financing activities*

<b>Consolidated</b>	<b>Lease liability</b>
	<b>US\$</b>
Balance at 1 July 2020	293,397
Net cash used in financing activities	(198,191)
Acquisition of leases	9,611
Foreign exchange difference	<u>23,022</u>
Balance at 30 June 2021	127,839
Net cash used in financing activities	(206,257)
Acquisition of leases	<u>78,418</u>
Balance at 30 June 2022	<u>-</u>

## **Note 23. 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 is not exposed to any significant foreign currency risk.

#### *Price risk*

The Group is not exposed to any significant price risk.

#### *Interest rate risk*

The Group's main interest rate risk arises from its cash and cash equivalents and long-term borrowings. 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.

**Note 23. Financial instruments (continued)**

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.

<b>Consolidated - 2022</b>	<b>Weighted average interest rate %</b>	<b>1 year or less US\$</b>	<b>Between 1 and 2 years US\$</b>	<b>Between 2 and 5 years US\$</b>	<b>Over 5 years US\$</b>	<b>Remaining contractual maturities US\$</b>
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	228,058	-	-	-	228,058
Other payables	-	96,748	-	-	-	96,748
Total non-derivatives		324,806	-	-	-	324,806
<b>Consolidated - 2021</b>						
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	295,878	-	-	-	295,878
Other payables	-	225,051	-	-	-	225,051
<i>Interest-bearing - fixed</i>						
Lease liability	4.00%	92,428	39,518	-	-	131,946
Total non-derivatives		613,357	39,518	-	-	652,875

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

**Note 24. 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 25. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the Company, and unrelated firms:

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>US\$</b>	<b>US\$</b>
<i>Audit services - Grant Thornton Audit Pty Ltd</i>		
Audit or review of the financial statements	<u>319,906</u>	<u>192,682</u>
<i>Audit services - RSM Australia Partners</i>		
Audit or review of the financial statements	<u>-</u>	<u>27,488</u>
<i>Other services - RSM Australia Partners</i>		
Other services	<u>-</u>	<u>14,036</u>
	<u><u>-</u></u>	<u><u>41,524</u></u>

**Note 26. Contingent liabilities and capital commitments**

The Group had no contingent liabilities or capital commitments as at 30 June 2022 and 30 June 2021.

**Note 27. 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:

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>US\$</b>	<b>US\$</b>
Short-term employee benefits	630,145	360,815
Share-based payments	<u>485,857</u>	<u>563,169</u>
	<u><u>1,116,002</u></u>	<u><u>923,984</u></u>

**Note 28. Related party transactions**

*Parent entity*

Tinybeans Group Limited is the parent entity.

*Subsidiaries*

Interests in subsidiaries are set out in note 29.

*Key management personnel*

Disclosures relating to key management personnel are set out in note 27 and the remuneration report included in the Directors' report.



**Note 28. Related party transactions (continued)**

*Transactions with related parties*

The following transactions occurred with related parties:

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>US\$</b>	<b>US\$</b>
Payment for goods and services:		
Payment for compliance and consultancy services from Automic Pty Ltd*	-	20,226
Payment for compliance and consultancy services Automic Legal Pty Ltd*	-	35,879
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*

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	<b>Consolidated</b>	
	<b>2022</b>	<b>2021</b>
	<b>US\$</b>	<b>US\$</b>
Current payables:		
Trade payables to Automic Pty Ltd*	-	1,176
Trade payables to Automic Legal Pty Ltd*	-	2,474

\* Entity connected with Andrew Whitten until he resigned as a Non-Executive Director of Automic and ceased to be a shareholder in March 2021.

*Loans to/from related parties*

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 total loan amounts of US\$800,000 were repaid in full as at year end, 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 loss on settlement of US\$44,810.

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 US\$3,248 were forgiven.

	<b>Bridging loan</b>	<b>Bridging loan</b>			<b>Interest settled</b>	<b>Interest settled</b>
	<b>advanced</b>	<b>repaid in</b>	<b>repaid in cash</b>	<b>accrued</b>	<b>in shares</b>	<b>in cash</b>
<b>Directors</b>	<b>US\$</b>	<b>shares</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>	<b>US\$</b>
Andrew Whitten	300,000	-	300,000	6,312	-	6,312
Eddie Geller <sup>1</sup>	300,000	300,000	-	10,652	5,819	4,833
Andrea Cutright <sup>2</sup>	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\$44,810) on conversion date, which was included as part of the net gain on settlement in other income during the 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.

**Note 28. Related party transactions (continued)**

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

*Terms and conditions*

All transactions were made on mutually agreed terms.

**Note 29. 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	
		2022 %	2021 %
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 30. 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 30. Share-based payments (continued)**

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

Grant date	Expiry date	Exercise price (A\$)	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/other	Balance at the end of the year
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 30. Share-based payments (continued)**

2021			Balance at the start of the year	Granted	Exercised	Forfeited/ lapsed/ expired	Balance at the end of the year
Grant date	Expiry date	Exercise price					
21/04/2017	21/04/2021	A\$1.20	53,000	-	(53,000)	-	-
15/09/2017	15/09/2021	A\$1.20	40,000	-	-	(40,000)	-
10/12/2018	10/12/2022	A\$0.60	240,267	-	(123,225)	-	117,042
10/12/2018	10/12/2023	A\$0.75	800,000	-	(150,000)	-	650,000
10/12/2018	10/12/2023	A\$1.00	800,000	-	-	(150,000)	650,000
10/12/2018	10/12/2023	A\$1.50	1,600,000	-	-	(300,000)	1,300,000
02/04/2019	02/04/2023	A\$0.60	180,000	-	-	-	180,000
20/05/2019	20/05/2023	A\$0.60	26,500	-	-	-	26,500
19/08/2019	31/08/2020	A\$1.10	74,200	-	-	(74,200)	-
19/08/2019	19/08/2023	A\$1.10	276,183	-	-	(79,500)	196,683
04/09/2019	04/09/2023	A\$1.10	180,000	-	-	-	180,000
19/12/2019	19/12/2023	A\$2.20	53,000	-	-	(26,500)	26,500
27/03/2020	27/03/2024	A\$1.00	92,750	-	-	(79,500)	13,250
15/07/2020	15/07/2024	A\$0.92	-	623,127	-	(136,876)	486,251
15/09/2020	15/07/2024	A\$0.92	-	318,471	-	(126,938)	191,533
11/12/2020	08/01/2026	A\$1.75	-	150,000	-	-	150,000
11/12/2020	08/01/2026	A\$2.25	-	150,000	-	-	150,000
11/12/2020	08/01/2026	A\$3.50	-	300,000	-	-	300,000
16/12/2020	15/07/2024	A\$1.60	-	275,590	-	(48,186)	227,404
16/12/2020	16/12/2024	A\$1.60	-	192,750	-	-	192,750
21/01/2021	22/02/2026	A\$1.50	-	100,000	-	-	100,000
12/04/2021	12/04/2025	A\$1.47	-	203,000	-	-	203,000
			<u>4,415,900</u>	<u>2,312,938</u>	<u>(326,225)</u>	<u>(1,061,700)</u>	<u>5,340,913</u>
Weighted average exercise price (A\$)			1.13	1.41	0.77	1.20	1.26

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

Grant date	Expiry date	2022 Number	2021 Number
10/12/2018	10/12/2022	79,500	117,042
10/12/2018	10/12/2023	1,800,000	2,600,000
02/04/2019	02/04/2023	180,000	120,000
20/05/2019	20/05/2023	26,500	26,500
19/08/2019	19/08/2023	72,433	196,683
04/09/2019	04/09/2023	180,000	60,000
19/12/2019	19/12/2023	26,500	26,500
27/03/2020	27/03/2024	-	13,250
15/07/2020	15/07/2024	246,813	-
15/09/2020	15/07/2024	191,533	-
11/12/2020	08/01/2026	150,000	-
11/12/2020	08/01/2026	150,000	-
11/12/2020	08/01/2026	300,000	-
16/12/2020	15/07/2024	115,249	-
16/12/2020	16/12/2024	66,250	-
21/01/2021	22/02/2026	100,000	-
12/04/2021	12/04/2025	39,750	-
		<u>3,724,528</u>	<u>3,159,975</u>

The weighted average exercise price at the end of the financial year was A\$1.29 (2021: A\$1.26).

### Note 30. Share-based payments (continued)

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.29 years (2021: 2.84 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*
20/07/2021	20/07/2025	A\$1.27	A\$1.30	96.00%	-	0.13%	A\$0.8390	US\$0.6112
20/07/2021	20/07/2025	A\$1.27	A\$1.30	96.00%	-	0.13%	A\$0.8390	US\$0.6112
10/02/2022	08/02/2026	A\$0.69	A\$0.69	105.00%	-	1.14%	A\$0.4405	US\$0.3209
28/04/2022	28/04/2026	A\$0.39	A\$0.41	105.00%	-	1.14%	A\$0.4405	US\$0.3209

\* Converted using the average forex rate of US\$0.728/A\$1

### Note 31. Parent entity information

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

#### Statement of profit or loss and other comprehensive income

	Parent	
	2022 US\$	2021 US\$
Loss after income tax	(2,312,614)	(5,244,652)
Total comprehensive loss	(2,312,614)	(5,244,652)

#### Statement of financial position

	Parent	
	2022 US\$	2021 US\$
Total current assets	1,702,619	855,019
Total assets	9,683,526	7,404,039
Total current liabilities	451,055	592,878
Total liabilities	451,055	592,878
Equity		
Issued capital	28,788,228	22,618,819
Foreign currency reserve	(481,362)	1,227,256
Share-based payments reserve	1,814,550	1,541,602
Acquisition reserve	3,745	3,561
Accumulated losses	(20,892,690)	(18,580,077)
Total equity	9,232,471	6,811,161

#### 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 2022 and 30 June 2021.

#### Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

**Note 31. Parent entity information (continued)**

*Capital commitments - Property, plant and equipment*

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 and 30 June 2021.

*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 32. Events after the reporting period**

Chris Motsay resigned as Chief Financial Officer effective 23 July 2022.

As of 1 September 2022 the Group became a fully distributed company. The New York office was officially closed on 31 August 2022.

No other matter or circumstance has arisen since 30 June 2022 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 2022 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



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Edward Geller  
Executive Director, Chief Executive Officer

29 September 2022  
New York



## Independent Auditor's Report

### To the Members of Tinybeans Group Limited

#### 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 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

- a giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the year ended on that date; and
- b 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.

Key audit matter	How our audit addressed the key audit matter
<b>Going concern (Note 2)</b>	
<p>The financial statements have been prepared on a going concern basis as outlined in Note 2.</p> <p>During the year, the Group has undertaken a capital raise and has reassessed their future strategy. The Group reports a consolidated loss after tax of \$4,528,299, net cash outflows from operating activities of \$2,803,599 for the year ended 30 June 2022, and accumulated losses of \$21,193,646 and net current assets of \$3,982,765 as at 30 June 2022.</p> <p>Going concern is a key audit matter due to the significant management judgement in forecasting future cashflows, the history of losses, and the requirement for the Group to execute its strategy successfully.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"><li>• Obtaining management's assessment of the going concern assumption and assessing the appropriateness of significant inputs and assumptions of their assessment, including evaluating Board approved forecast cash flows for at least 12 months from the expected date of signing;</li><li>• Enquiring with management and the Board of Directors as to their knowledge of events or conditions that may cast significant doubt on the Group's ability to continue as a going concern;</li><li>• Performing sensitivity analysis over management's forecasts (including assessing against historical results); and</li><li>• Assessing the appropriateness of the financial statement disclosures.</li></ul>
<b>Income taxes</b>	
<p>In accordance with AASB Interpretation 23: <i>Uncertainty over Income Tax Treatments</i>, management must determine the probability of the tax authority accepting their tax treatments and consider such probabilities when determining the Group's income tax provision, deferred tax balances and related disclosures.</p> <p>This is a key audit matter due to the complexity of cross-border operations and the level of management judgement required.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"><li>• Obtaining and reviewing management's assessment of uncertain tax positions;</li><li>• Assessing the objectivity, competence and capability of management's expert used in the assessment of uncertain tax positions;</li><li>• Utilising auditor's experts to review management's assessment of uncertain tax positions;</li><li>• Reviewing correspondence with the Group's external tax advisors; and</li><li>• Assessing the appropriateness of the financial statement disclosures.</li></ul>

## Revenue recognition

In accordance with AASB 15 *Revenue from Contracts with Customers*, management is required to follow a 5-step process of revenue recognition that requires revenue to be recognised to the extent that identified performance obligations are fulfilled.

This area is a key audit matter due to the significant judgement involved in determining the performance obligations, allocating the transaction price to the performance obligations and determining the timing of revenue recognition.

Our procedures included, amongst others:

- Obtaining an understanding of the processes and controls around capturing contract information, billing and revenue recognition;
- Obtaining an understanding of the IT general controls for relevant IT systems involved in revenue recognition and billing processes;
- Assessing the implementation of identified relevant internal controls in relation to IT general controls and controls specific to revenue recognition;
- Obtaining management's assessment of revenue recognition policies and assessing for compliance with AASB 15;
- Testing a sample of contracts from each significant revenue stream to verify that the revenue recognition aligned with the accounting policy; and
- Assessing the appropriateness of the financial statement disclosures.

## Impairment assessment of goodwill (Note 14)

In accordance with AASB 136 *Impairment of Assets*, management must assess assets for impairment indicators and, where indicators are identified, estimate the asset's recoverable amount. Goodwill and assets not available for use are required to be tested for impairment annually.

This is a key audit matter because significant judgement is required to identify and determine the appropriate cash-generating unit to which the goodwill is allocated and the appropriate inputs utilised in the value-in-use model to estimate the recoverable amount of the cash-generating unit.

Our procedures included amongst others:

- Obtaining management's assessment of impairment indicators of assets with finite useful lives and assessing for consistency with other information;
- Assessing and evaluating management's assessment of the cash-generating unit to which goodwill is allocated based on the nature of the business and the reporting of results;
- Obtaining management's value in use model and assessing for compliance with the requirements of AASB 136;
- Critically challenging the value-in-use model, including relevant inputs and assumptions by:
  - Comparing forecast to prior actual results;
  - Reviewing approved budgets; and
  - Obtaining an understanding of the Group's strategy and plans.
- Using an auditor's valuation expert to assess the appropriateness of the model and the discount rate; and
- Assessing the appropriateness of the financial statement disclosures.

### Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022, but does not include the financial report and our 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.

### 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 Group's ability 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 have 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 the financial report is located at the Auditing and Assurance Standards Board website at: [https://www.auasb.gov.au/auditors\\_responsibilities/ar1\\_2020.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf). This description forms part of our auditor's report.

### Report on the remuneration report

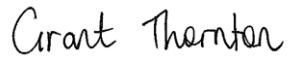
#### Opinion on the remuneration report

We have audited the Remuneration Report included in pages 8 to 16 of the Directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Tinybeans Group Limited, for the year ended 30 June 2022 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.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



L M Worsley  
Partner – Audit & Assurance  
Sydney, 29 September 2022

The shareholder information set out below was applicable as at 14 September 2022.

**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	471	0.42	-	-
1,001 to 5,000	674	2.90	-	-
5,001 to 10,000	163	2.08	3	0.34
10,001 to 100,000	210	11.99	54	35.50
100,001 and over	56	82.61	14	64.16
	<b>1,574</b>	<b>100.00</b>	<b>71</b>	<b>100.00</b>
Holding less than a marketable parcel	<b>806</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Equity security holders**

*Twenty largest quoted equity security holders*

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

	Ordinary shares	
	Number held	% of total shares issued
UBS Nominees Pty Ltd	6,029,400	9.88
Mr Edward Geller	6,053,587	9.92
HSBC Custody Nominees (Australia) Limited	4,438,276	7.27
BNP Paribas Nominees Pty Ltd (IB AU Noms Retail Client DRP)	4,297,554	7.04
Mr Stephen O'Young (The O'Young Family A/C)	2,853,123	4.67
Truebell Capital Pty Ltd (Truebell Investment Fund)	2,518,089	4.13
Citicorp Nominees Pty Limited	2,081,733	3.41
Rubi Holdings Pty Ltd (John Rubino S/F A/C)	2,000,000	3.28
Mrs Sarah-Jane Kurtini and Mr Jason Kurtini (Kurtini Family A/C)	1,800,098	2.95
Fifty Second Celebration Pty Ltd (McBain Family A/C)	1,706,712	2.80
Merrill Lynch (Australia) Nominees Pty Limited (MLPRO A/C)	1,345,764	2.20
Mr Christopher Murray Abbott	1,288,000	2.11
HSBC Custody Nominees (Australia) Limited - A/C 2	1,176,857	1.93
Mrs Christine Anne Smith (Smith Family A/C)	1,000,000	1.64
Thirty-Fifth Celebration Pty Ltd (JC McBain Super Fund A/C)	906,697	1.49
Giovanni Nominees Pty Ltd (Giovanni Family Fund A/C)	800,000	1.31
Merrill Lynch (Australia) Nominees Pty Limited	799,416	1.31
Buduva Pty Ltd	645,050	1.06
US Register Control A/C	525,782	0.86
Jamie Dean Carey	450,000	0.74
	<b>42,716,138</b>	<b>70.00</b>

(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*

	<b>Number on issue</b>	<b>Number of holders</b>
Options	5,907,334	71

**Substantial holders**

Substantial holders in the Company are set out below:

	<b>Ordinary shares</b>	
	<b>Number held</b>	<b>% of total shares issued</b>
Edward Geller and associated entities	6,470,465	10.60
Thorney Technologies Ltd; Tiga Trading; Thorney Opportunities Limited and associated entities	6,320,722	10.35
Paul J. Isaac and associated entities and holdings	4,879,967	7.99
Stephen O'Young and associated entities	3,780,026	6.19
Rubi Holdings Pty Ltd	2,800,000	4.59
John McBain (McBain Family Trust & J C McBain Super Fund) and associated entities	2,681,435	4.39
	<b>Options over ordinary shares</b>	
	<b>Number held</b>	<b>% of total options issued</b>
Mr Edward Geller	1,200,000	20.31

**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.

**Securities subject to voluntary escrow**

The Company has 293,637 fully paid ordinary shares on issue which are subject to voluntary escrow. The escrow period expires 14 March 2023.

**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.