

Tinybeans Group Ltd
Appendix 4E
Preliminary final report

1. Company details

| | |
|-------------------|---------------------------------|
| Name of entity: | Tinybeans Group Ltd |
| ABN: | 46 168 481 614 |
| Reporting period: | For the year ended 30 June 2024 |
| Previous period: | For the year ended 30 June 2023 |

2. Results for announcement to the market

| | | | | US\$ |
|---|------|-------|----|-------------|
| Revenues from ordinary activities | down | 35.8% | to | 5,425,324 |
| Loss from ordinary activities after tax attributable to the owners of Tinybeans Group Ltd | down | 33.6% | to | (4,499,476) |
| Loss for the year attributable to the owners of Tinybeans Group Ltd | down | 33.6% | to | (4,499,476) |

Dividends

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

Comments

The loss for the Group after providing for income tax amounted to US\$4,499,476 (30 June 2023: US\$6,772,110).

The Group's total revenue of US\$5,413,302 decreased by 36% compared to US\$8,437,193 in FY23, with sales team changes and challenges in the US advertising market continuing to impact advertising revenue sales which were down 66% to US\$1,958,902 from US\$5,763,073 in FY23. Paid Subscription revenue grew by 40% to US\$2,966,636 supported by a price increase in April 2023 and a continued high renewal rate of 89%.

The business strategy has a renewed focus on growing the highly valuable paid subscription business, whilst continuing to drive revenue from advertising and other channels where possible.

Total expenses (excluding FY23 impairment) decreased by 13.7% to US\$9,924,863, down from US\$11,497,616 in FY23, and operating expenses decreased by 15% to \$8,458,806 from \$10,003,810 in FY23, thanks to ongoing cost management measures yielding reductions in staff and administrative costs.

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

3. Net tangible assets

| | Reporting period Cents | Previous period Cents |
|---|-------------------------------|------------------------------|
| Net tangible assets per ordinary security | <u>1.76</u> | <u>2.03</u> |

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

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

Previous period

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

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

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

Not applicable.

10. Audit qualification or review

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

The financial statements have been audited and an unmodified opinion has been issued.

11. Attachments

Details of attachments (if any):

The Annual Report of Tinybeans Group Ltd for the year ended 30 June 2024 is attached.

12. Signed

Signed  _____

Date: 29 August 2024

2024



Annual Report

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| | |
|--------------------------------|---|
| Directors | Chantale Millard (Non-Executive Director and Chair) Andrea Cutright (Non-Executive Director) Andrew Silverberg (Non-Executive Director) Catherine Cohen (Non-Executive Director) Edward Geller (Executive Director) - Resigned 19 July 2023 James Warburton (Non-Executive Director) - Appointed 1 July 2024 Michael Rothman (Non-Executive Director) - Appointed 5 August 2024 |
| Company secretary | Adam Gallagher |
| Registered office | Level 5, 126 Phillip Street, Sydney NSW 2000, Australia Telephone: +61 2 8072 1400; Fax: +61 2 8072 1440 Email: investors@tinybeans.com |
| Principal place of business | Level 5, 126 Phillip Street, Sydney NSW 2000, Australia |
| Share register | Automic Registry Services Level 5, 126 Phillip Street, Sydney NSW 2000, Australia Telephone: 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) Email: hello@automic.com.au |
| Auditor | William Buck Level 29, 66 Goulburn Street, Sydney NSW 2000, Australia |
| Stock exchange listing | Tinybeans Group Ltd shares are listed on the Australian Securities Exchange (ASX code: TNY) and the OTC Markets Group of America (OTCQB: TNYF) |
| Website | www.tinybeans.com |
| Corporate Governance Statement | <p>The Directors and management are committed to conducting the business of Tinybeans Group Limited in an ethical manner and in accordance with the highest standards of corporate governance. Tinybeans Group Limited has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ('Recommendations') to the extent appropriate to the size and nature of its operations.</p> <p>The Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed, which is approved at the same time as the Annual Report can be found at: https://tinybeans.com/investors/corporate-governance/ in accordance with the ASX Listing Rule 4.10.3.</p> |

Tinybeans Group Ltd

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30 June 2024

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Chair's Letter

Dear Shareholders,

Firstly I would like to thank all Tinybeans shareholders for their continued support of the business, with some shareholders having been there for the whole Tinybeans journey and others joining in the recent equity raise.

FY24 was a year of change, with our new CEO Zsofi Paterson starting in July 2023. As part of Zsofi's first 90-day assessment of the business and on the back of a continuing steep decline in advertising revenue, a new business strategy was created and launched at the AGM in November 2023. The business strategy has a renewed focus on growing the highly valuable paid subscription business, whilst continuing to drive revenue from advertising and other channels.

To execute this strategy, there were key areas of the business that needed to be strengthened in FY24 to allow for growth in FY25 and also to retain as many paid subscribers as possible as they cycled through the first subscription renewal year since the large increase in pricing in April 2023. These initiatives included launching the new Android app in September 2023, stabilising the product and improving the user and customer experience, creating better content with intention and focus, refreshing the Tinybeans branding across the web and app, building strong operating rhythm across the business and improving employee retention rates.

Pleasingly, these key initiatives were achieved in FY24 with paid subscriber retention rates remaining high at 89% for FY24, increasing subscription revenue by 40% year on year, however the lower revenue from advertising sales continued to impact cash burn. Zsofi and the team have been prudent with cash flow management, reducing operating costs by 15% year on year and are continuing to refine costs and find efficiencies, as the business aligns its cost base with the go-forward strategy of the business.

The belief in the Tinybeans offer and its ability to scale has not changed and the Board and Management teams are aligned in driving the business to unlock shareholder value. With its first major partnership launched in June 2024 with Babylist US, the business is now in discussions with other strategic partners and talent to grow brand awareness and revenue.

Tinybeans is perfectly positioned to take advantage of the increased focus by parents around the security of sharing photos and videos of their kids online. Tinybeans can be a voice of authority on this subject as it is a solution for parents, with the App trusted by thousands of parents to safely share photos and videos of their kids safely and securely with loved ones.

FY25 brings with it a refreshed board with James Warburton and Mike Rothman joining the Board, bringing invaluable experience and insights from their careers in digital media and paid subscription businesses.

Thank you again for being part of the Tinybeans journey and I look forward to sharing further updates at the AGM in November.

Best regards,

Chantale Millard
Chair

CEO Letter

Dear Shareholders,

I joined Tinybeans as CEO in July 2023 as a passionate user of the app and a strong believer in the underlying opportunity for the Company. While it has been a big year of transition for the Company, my belief in the opportunity has not wavered.

In a survey we conducted in June 2024, 93% of Tinybeans subscribers confirmed they had recommended Tinybeans to at least one person, and over 60% had recommended it to at least 3 people. These referral rates are extraordinary and provide insight into the value Tinybeans offers parents and families.

In the same survey, 90% of Tinybeans subscribers cited privacy as the key reason for choosing Tinybeans, and 81% perceived Tinybeans as the safest platform to share content about their children. Tinybeans continues to solve a need - for privacy, connection and joy - which have a positive impact on family lives. With the ongoing risks and dangers associated with privacy, AI and sharing on social media, it's never been more relevant.

FY24 has been a big year for the Company, with learnings, challenges and accomplishments. Highlights include:

- High subscriber retention of 89% following the Tinybeans+ price increase in May 2023, demonstrating the value we offer to families around the world
- Clarified and refined the company's strategy, with a go-forward focus on building a valuable subscription business with recurring revenue and strong customer lifetime value
- Successfully completed a capital raise, introducing new investors to the Company and maintaining support from our existing shareholders, including Thorney Investment Group
- Secured a major strategic partnership with Babylist, a leading US digital parenting company; and building a healthy pipeline of other potential partners in US and AU to aid our marketing and growth efforts
- Tightened and refreshed the Tinybeans brand to center on privacy, joy and connection, across mobile apps, website and marketing channels, attracting new partners and users
- Launched the new android app, hitting 4 stars in US Google Play Store; stabilized and improved the performance and user experience of the iOS app; while delivering a product roadmap with a focus on onboarding and activation, as the key steps to informing lifetime value and user retention
- Reduced employee attrition, increased engagement and began to build a core team in Australia

Financially, the company delivered 40% year-on-year growth in subscription revenue with revenues of US\$2.9 million, and reduced operating costs by 15% year-on-year.

Following the capital raise completed in May 2024, and with the options available to participants in that raise, the Company is in a good position to execute its strategy, and moving forward, will be laser focussed on efficient use of capital in areas that will generate long-term value and return.

As we begin FY25, we are focussed on building brand awareness and subscriber acquisition in order to grow market share and drive net subscriber growth in Australia and the US. We have strong product market fit, and excellent engagement and retention metrics, so this is the Company's key objective. We will utilize strategic, brand and marketing partnerships to cost effectively drive growth, along with our engaged user base who are our biggest brand advocates.

We continue our focus on shifting the Company's commercial model away from content led publishing to tie more centrally to the Tinybeans app and better utilize our valuable 1st party data. With the ongoing macro challenges facing the publishing and advertising market in the US and Australia, we must decrease our reliance on this revenue and manage our cost base accordingly.

Privacy, along with joy and connection, are at the forefront of our messaging and value proposition and have never been more relevant or needed. Like thousands of families around the world, my family relies on Tinybeans to share precious memories and stay connected about our children. I remain excited about what's ahead as we continue to rationalize our efforts and double down on our strategic objectives moving forward.

Thank you for your continued support.

Best regards,
Zsofi Paterson
CEO, Tinybeans

Tinybeans Group Ltd
Directors' report
30 June 2024

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Tinybeans Group Ltd (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 2024.

Directors

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

| | |
|-------------------|---|
| Chantale Millard | Non-Executive Director and Chair |
| Andrea Cutright | Non-Executive Director |
| Andrew Silverberg | Non-Executive Director |
| Catherine Cohen | Non-Executive Director |
| James Warburton | Non-Executive Director, appointed 1 July 2024 |
| Michael Rothman | Non-Executive Director, appointed 5 August 2024 |
| Edward Geller | Executive Director, resigned on 19 July 2023 |

Principal activities

Tinybeans is a trusted partner for millions of families worldwide, providing a platform that celebrates, protects and preserves the joy of parenting. Tinybeans is on a mission to foster love, not likes. Unlike traditional social media platforms, we provide a private, secure and authentic space for intentional parents to connect with their loved ones. By combining technology with a deep understanding of family needs and digital privacy, we exist to make parenting more joyful, simple and meaningful.

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 loss for the Group after providing for income tax amounted to US\$4,499,476 (30 June 2023: US\$6,772,110).

The Group's total revenue of US\$5,413,302 decreased by 36% compared to US\$8,437,193 in FY23, with sales team changes and challenges in the US advertising market continuing to impact advertising revenue sales which were down 66% to US\$1,958,902 from US\$5,763,073 in FY23. Paid Subscription revenue grew by 40% to US\$2,966,636 supported by a price increase in April 2023 and a continued high renewal rate of 89%.

The business strategy has a renewed focus on growing the highly valuable paid subscription business, whilst continuing to drive revenue from advertising and other channels where possible.

Total expenses (excluding FY23 impairment) decreased by 15% to US\$9,924,863, down from US\$11,497,616 in FY23 thanks to ongoing cost management measures yielding reductions in staff and administrative costs.

The business underwent much change in FY24 with Zsofi Paterson starting in the CEO role in July 2023. On the back of a continuing steep decline in advertising revenue, a new business strategy was launched in November 2023 with a renewed focus on growing the highly valuable paid subscription business. Key focus areas and achievement for FY24, which have set the business up for growth were:

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Directors' report
30 June 2024

- Launched new Tinybeans Android app, lifting US Google Play Store ratings from 2.6 to 4 Stars
- Improved underlying product, core features and overall app performance on iOS, maintaining US App Store 4.9 Star rating and increasing weekly uploads by 20% in Q4
- Improved the content strategy to deliver insightful, relatable, and positive content through premium newsletters and marketing channels, enhancing the Tinybeans brand's appeal to subscribers and brand partners.
- Ensured renewal rates remained high after the large price increase implemented in April 2023, with a renewal rate for monthly and annual paid subscribers of 89% after a full cycle of renewals
- Completed a unified, uplifted brand experience across the web and app platforms creates a cohesive multi-platform experience focused on joy, connection, and family privacy
- Rebuilt the advertising sales team with an aim to stabilise the revenue decline and rebuild the advertising revenue pipeline
- Created a strong operating rhythm across teams and reduced staff turnover, with improved engagement scores
- First strategic partnership announced with Babylist in June 2024, expected to generate brand awareness, subscriber acquisition and revenue in the US
- Successful completion of Capital Raise, with new investors joining the register, to fund the growth initiatives
- Board has been refreshed with James Warburton and Mike Rothman joining the Board and bringing invaluable experience and insights from their careers in digital media and paid subscription businesses

Refer to the Chair's message and Chief Executive Officer's message 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

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

Matters subsequent to the end of the financial year

On 1 July 2024, Mr James Warburton was appointed as a Non-executive Director.

On 5 August 2024, Mr Michael Rothman was appointed as a non-executive Director. Ms Andrea Cutright will step down as non-executive Director effective 1 September 2024.

No other matter or circumstance has arisen since 30 June 2024 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 business will continue to focus on its core strategy of growing the valuable paid subscription side of the business, whilst maximising advertising revenue opportunities. It is expected that the advertising revenue market in the US is going to continue to be challenging. This confirms the businesses strategy to focus on growing the valuable recurring revenue from paid subscribers.

The Tinybeans app is now stable on both ios and Android, with an improved user experience deployed in FY24. These improvements allowed the business to continue to have a high renewal rate of paid subscribers and will allow the business to invest in growth initiatives, including strategic partnerships. In June 2024, Tinybeans announced its first major strategic partnership with US based Babylist.

Tinybeans is perfectly positioned to take advantage of the increased focus by parents around security of sharing photos and videos of their kids and loved ones online. Tinybeans can be a voice of authority on this subject as it is the solution for parents, with the App trusted by thousands of parents to share videos and photos of their kids, safely and securely with loved ones.

Since the completion of the capital raise in May 2024, Tinybeans has been investing in marketing for growth and the business has employed key data and analytics and partnership team members to do this. The business will continue to review its cost base in line with its revenue and refine where required.

Environmental regulation

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

Information on directors

Name: Chantale Millard (appointed 6 February 2023)
Title: Non-Executive Director and Chair
Qualifications: B Com, FCPA, GAICD
Experience and expertise: Chantale is an experienced Non-Executive Director, Chair and Executive, holding positions across a diverse range of industries including publicly listed, large Family Office and privately owned businesses. Chantale's most recent executive role was Managing Director and CEO of Maggie Beer Holdings Ltd which she left in February 2023. Prior to this Chantale held executive roles in Australia and overseas. Since transitioning from her executive career, Chantale now holds several Non-Executive Director, Chair and Advisory board positions. Chantale has a Bachelor of Commerce, is an FCPA and a member of the Australian Institute of Company Directors (GAICD).

Other current directorships: None
Former directorships (last 3 years): Executive Director, Maggie Beer Holdings Limited (ASX: MBH)
Interests in shares: 167,343
Interests in options: 34,433

Name: Andrea Cutright (appointed 28 October 2020)
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
Interests in shares: 235,722
Interests in options: 200,000

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

Other current directorships: None
Former directorships (last 3 years): None
Interests in shares: 73,269
Interests in options: None

Name: Catherine Cohen (appointed 6 February 2023)
Title: Non-Executive Director
Qualifications: Bachelor of Arts, Monash University, Graduate Diploma in Financial Planning, Kaplan
Experience and expertise: Catherine was appointed to the board on 10 February 2023. Catherine is a financial advisor and investor focused on small, micro and early-stage investments. Catherine has extensive experience in technology, sales management and processes, and recruitment

Other current directorships: None
Former directorships (last 3 years): None
Interests in shares: 200,405
Interests in options: 20,658

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Name: James Warburton (appointed 1 July 2024)
Title: Non-Executive Director
Experience and expertise: James has had an extensive executive and entrepreneurial career in the media, marketing, sports, events and advertising industry. Most recently, James was Managing Director and CEO of Seven West Media for 5 years, having been appointed in August 2019. During this time, he restored the Network's balance sheet, drove digital to 50% of earnings, divested assets and integrated Prime Media to enable the National Network to lead both ratings and revenue share in the market against its major competitors
Other current directorships: None
Former directorships (last 3 years): Seven West Media Limited (ASX: SWM)
Interests in shares: None
Interests in options: None

Name: Michael Rothman (appointed 5 August 2024)
Title: Non-Executive Director
Experience and expertise: Michael co-founded and served as CEO of Fatherly, the leading digital lifestyle brand for Dads. Under his leadership, Fatherly earned Webby awards and Peabody nominations for its website, newsletter and podcast products, culminating in a successful trade sale of the business. Prior to his work at Fatherly, Michael was one of the founding employees at Thrillist, where he was responsible for digital sales and revenue operations during the company's first seven years. His contributions to the media parenting space have been recognised with numerous accolades, including being named one of Ad Age's 40 under 40 and Ideo and Melinda Gates' Care100.
Other current directorships: None
Former directorships (last 3 years): None
Interests in shares: None
Interests in options: None

'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 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Adam Gallagher

Mr Adam Gallagher is a highly experienced company secretary, director and executive with a broad corporate skillset and provides governance services to listed companies through his firm Applied Corporate Governance Partners. Adam holds graduate Diplomas in Applied Corporate Governance and Information Systems, a Masters in Commerce and a Bachelor of Economics

Meetings of directors

During the 2024 financial year, 16 meetings of directors were held, and 2 meetings of the Audit & Risk Management Committee were held. Eligible attendance by each director at the meetings during the year was as follows:

| | Full Board | | Nomination and Remuneration Committee | | Audit and Risk Committee | |
|-------------------|------------|------|---------------------------------------|------|--------------------------|------|
| | Attended | Held | Attended | Held | Attended | Held |
| Chantale Millard | 16 | 16 | - | - | 2 | 2 |
| Andrea Cutright | 14 | 16 | - | - | 2 | 2 |
| Andrew Silverberg | 14 | 16 | - | - | 2 | 2 |
| Catherine Cohen | 16 | 16 | - | - | 2 | 2 |

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

During the 2024 financial year, Chantale Millard continued as Chair of the Board and the Audit and Risk Committee for the full financial year. The meeting attendance table above shows eligible attendance.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel 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, 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.

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 key management personnel

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
- 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.

In consultation with external remuneration consultants (refer to the section 'Use of remuneration consultants' below), 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
- 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
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The Chair's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The Chair is not present at any discussions relating to the determination of their own remuneration. Non-executive directors do not receive any performance-based incentives.

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 maximum annual aggregate remuneration of A\$700,000.

Executive remuneration

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

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 ('KPI's') being achieved. KPI's include profit contribution, customer satisfaction, leadership contribution and product management.

The long-term incentives ('LTI') include long service leave and share-based payments. Shares are awarded to executives over a period of three years based on long-term incentive measures. These include increase in shareholders value relative to the entire market and the increase compared to the Group's direct competitors. The Board reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 30 June 2024.

Consolidated entity performance and link to remuneration

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

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

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

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

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

| Year ended | Revenue US\$ | EBITDA US\$ |
|--|-----------------|----------------|
| 30 June 2024 | 5,413,302 | (3,656,340) |
| 30 June 2023 | 8,437,193 | (6,137,950) |
| 30 June 2022 | 10,903,290 | (3,731,498) |
| 30 June 2021 | 8,123,770 | (2,549,689) |
| 30 June 2020 | 4,150,160 | (4,088,200) |
| 30 June 2019 (converted using the average forex rate of US\$0.7156/A\$1) | 2,740,330 | (2,385,604) |
| 30 June 2018 (converted using the average forex rate of US\$0.7753/A\$1) | 1,338,629 | (3,582,440) |

Use of remuneration consultants

During the financial year ended 30 June 2024, 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 2023 Annual General Meeting ('AGM')

At the 2023 AGM, 86% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2023. 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 key management personnel of the Group are set out in the following tables.

The key management personnel of the Group consisted of the following directors of Tinybeans Group Ltd:

- Chantale Millard - Non-Executive Director and Chair
- Andrea Cutright - Non-Executive Director
- Catherine Cohen - Non-Executive Director
- Andrew Silverberg - Non-Executive Director
- James Warburton - Non-Executive Director
- Michael Rothman - Non-Executive Director
- Edward Geller - Executive Director (resigned 19 July 2023)

And the following persons:

- Zsofi Paterson - Chief Executive Officer (appointed 19 July 2023)
- Edward Geller - Executive Director (resigned 19 Jul 2023)

| 30 Jun 2024 | Short-term benefits | | | Long-term benefits | Share-based payments | Total US\$ |
|--|---------------------------------|-----------------------|--------------------------|-------------------------------|----------------------------|---------------|
| | Cash salary and fees US\$ | Cash bonus US\$ | Non- monetary US\$ | Long service leave US\$ | Equity- settled US\$ | |
| <i>Non-Executive Directors:</i> | | | | | | |
| Chantale Millard | 63,338 | - | - | - | 13,174 | 76,512 |
| Andrea Cutright | 25,000 | - | - | - | 24,395 | 49,395 |
| Andrew Silverberg | 55,000 | - | - | - | 9,802 | 64,802 |
| Catherine Cohen | 19,673 | - | - | - | 7,904 | 27,577 |
| <i>Other Key Management Personnel:</i> | | | | | | |
| Zsofi Paterson | 246,423 | - | - | - | - | 246,423 |
| | 409,434 | - | - | - | 55,275 | 464,709 |

Tinybeans Group Ltd
Directors' report
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30 Jun 2023

Non-Executive Directors:

| | Cash salary and fees US\$ | Cash bonus US\$ | Non- monetary US\$ | Long-term benefits Long service leave US\$ | Share-based payments Equity-settled Salary and fees US\$ | Total US\$ |
|-------------------|---------------------------------|-----------------------|--------------------------|--|---|---------------|
| Chantale Millard | 13,520 | - | - | - | 13,500 | 27,040 |
| Andrea Cutright | 25,000 | - | - | - | 25,000 | 50,000 |
| Andrew Silverberg | 10,045 | - | - | - | 10,045 | 20,090 |
| Catherine Cohen | 8,112 | - | - | - | 8,100 | 16,224 |
| Kathy Mayor | 6,250 | - | - | - | 6,250 | 12,500 |
| Greg West | - | - | - | - | 5,048 | 5,048 |
| John Dougall | 50,477 | - | - | - | - | 50,477 |
| Andrew Whitten | 12,110 | - | - | - | 11,778 | 23,888 |

Executive Directors:

| | | | | | | |
|---------------|---------|--------|--------|---|---|---------|
| Edward Geller | 227,487 | 13,332 | 19,203 | - | - | 260,022 |
|---------------|---------|--------|--------|---|---|---------|

Other Key Management

Personnel:

| | | | | | | |
|--------------|----------------|---------------|---------------|----------|---------------|----------------|
| Chris Motsay | 28,625 | - | 87 | - | - | 28,712 |
| | <u>381,626</u> | <u>13,332</u> | <u>19,290</u> | <u>-</u> | <u>79,753</u> | <u>494,001</u> |

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

| Name | Fixed remuneration | | At risk - STI | | At risk - LTI | |
|---------------------------------|--------------------|-------------|---------------|-------------|---------------|-------------|
| | 30 Jun 2024 | 30 Jun 2023 | 30 Jun 2024 | 30 Jun 2023 | 30 Jun 2024 | 30 Jun 2023 |
| <i>Non-Executive Directors:</i> | | | | | | |
| Chantale Millard | 100% | 100% | - | - | - | - |
| Andrea Cutright | 100% | 100% | - | - | - | - |
| Andrew Silverberg | 100% | 100% | - | - | - | - |
| Catherine Cohen | 100% | 100% | - | - | - | - |
| Kathy Mayor | - | 100% | - | - | - | - |
| Greg West | - | 100% | - | - | - | - |
| John Dougall | - | 100% | - | - | - | - |
| Andrew Whitten | - | 100% | - | - | - | - |
| <i>Executive Directors:</i> | | | | | | |
| Edward Geller | - | 96% | - | 4% | - | - |
| <i>Other Key Management</i> | | | | | | |
| <i>Personnel:</i> | | | | | | |
| Chris Motsay | - | 100% | - | - | - | - |
| Zsofi Paterson | 57% | - | 43% | - | - | - |

Service agreements

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

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

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Directors' report
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Name: Andrea Cutright
Title: Non-Executive Director
Agreement commenced: 28 October 2020
Term of agreement: Resignation effective 1 September 2024
Details: Base remuneration of US\$50,000 per annum, comprising of US\$25,000 to be paid in cash monthly in arrears; and US\$25,000 to be paid in either shares in the Company, subject to shareholder approval at a general meeting of the Company, or in cash if shareholder approval is not obtained.

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

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

Name: James Warburton
Title: Non-Executive Director
Agreement commenced: 1 July 2024
Term of agreement: Ongoing
Details: Base remuneration of AU\$50,000 per annum (exclusive of GST).

Name: Michael Rothman
Title: Non-Executive Director
Agreement commenced: 5 August 2024
Term of agreement: Ongoing
Details: Base remuneration of US\$50,000 per annum, comprising US\$25,000 to be paid in cash on a quarterly basis in arrears; and US\$25,000 to be paid in either shares in the Company, subject to shareholder approval at a general meeting of the Company, or in cash if shareholder approval is not obtained.

Name: Zsofi Paterson
Title: Chief Executive Officer
Agreement commenced: 17 July 2023
Term of agreement: Ongoing
Details: Base remuneration of AU\$400,000 per annum, inclusive of superannuation. Short term incentive included US\$200,000 subject to short term KPI's. 6,000,000 unquoted options subject to vesting conditions as described in the Company's ASX announcement dated 24 June 2024.

Name: Edward Geller
Title: Former Executive Director and Chief Executive Officer
Agreement commenced: 1 January 2015
Term of agreement: Employment ended 19 July 2023
Details: Effective 8 May 2023, base remuneration of US\$268,000.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

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

Share-based compensation

| Name | Date | Shares | Issue Price | US\$ |
|-------------------|------------|---------|-------------|--------|
| Andrea Cutright | 13/12/2023 | 168,331 | A\$0.221 | 25,000 |
| Catherine Cohen | 13/12/2023 | 59,086 | A\$0.204 | 8,100 |
| Chantale Millard | 13/12/2023 | 98,447 | A\$0.204 | 13,500 |
| Andrew Silverberg | 13/12/2023 | 73,269 | A\$0.204 | 10,045 |

Options

There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2024.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2024.

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each director and other members of key management personnel 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 | Disposals/ other | Balance at the end of the year |
|------------------------|----------------------------------|----------------------------------|----------------|------------------|--------------------------------|
| Ordinary shares | | | | | |
| Andrea Cutright | 67,391 | 168,331 | - | - | 235,722 |
| Edward Geller* | 7,472,502 | - | - | - | 7,472,502 |
| Catherine Cohen | 100,000 | 59,086 | 41,319 | - | 200,405 |
| Chantale Millard | - | 98,447 | 68,866 | - | 167,313 |
| Andrew Silverberg | - | 73,269 | - | - | 73,269 |
| Zsofi Paterson (CEO) | - | - | - | - | - |
| | <u>7,639,893</u> | <u>399,133</u> | <u>110,185</u> | <u>-</u> | <u>8,149,211</u> |

* At date of resignation.

Option holding

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

| | Balance at the start of the year | Granted | Acquired | Expired/ forfeited/ other | Balance at the end of the year |
|---|----------------------------------|----------|---------------|---------------------------|--------------------------------|
| Options over ordinary shares | | | | | |
| Andrea Cutright | 200,000 | - | - | - | 200,000 |
| Edward Geller* (expired 12 December 2023) | 1,200,000 | - | - | - | 1,200,000 |
| Catherine Cohen | - | - | 20,658 | - | 20,658 |
| Chantale Millard | - | - | 34,433 | - | 34,433 |
| Andrew Silverberg | - | - | - | - | - |
| Zsofi Paterson (CEO) | - | - | - | - | - |
| | <u>1,400,000</u> | <u>-</u> | <u>55,091</u> | <u>-</u> | <u>1,455,091</u> |

Loans to key management personnel and their related parties

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.

Tinybeans Group Ltd
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Other transactions with key management personnel and their related parties

Chantale Millard and Andrew Silverberg each received USD30,000 for extra work performed to cover the CEO role for the months of May, June and July 2023.

This concludes the remuneration report, which has been audited.

Shares under option

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

| Grant date | Expiry date | Exercise price | Number under option |
|-------------------|------------------|----------------|---------------------|
| 15 July 2020 | 15 July 2024 | A\$0.9200 | 19,875 |
| 15 September 2020 | 15 July 2024 | A\$0.9200 | 19,875 |
| 16 December 2020 | 15 July 2024 | A\$1.6000 | 13,250 |
| 16 December 2020 | 16 December 2024 | A\$1.6000 | 13,250 |
| 11 December 2020 | 08 January 2026 | A\$1.7500 | 150,000 |
| 11 December 2020 | 08 January 2026 | A\$2.2500 | 150,000 |
| 11 December 2020 | 08 January 2026 | A\$3.5000 | 300,000 |
| 21 January 2021 | 22 February 2026 | A\$1.5000 | 100,000 |
| 12 April 2021 | 12 April 2025 | A\$1.4700 | 13,250 |
| 31 August 2021 | 20 July 2025 | A\$1.3000 | 212,000 |
| 10 February 2022 | 8 February 2026 | A\$0.6900 | 219,250 |
| 28 April 2022 | 28 April 2026 | A\$0.4100 | 26,500 |
| 1 July 2022 | 28 June 2026 | A\$0.1700 | 457,750 |
| 1 July 2022 | 1 July 2026 | A\$0.1700 | 50,000 |
| 24 October 2022 | 24 October 2026 | A\$0.2500 | 26,500 |
| 03 February 2023 | 1 March 2026 | A\$0.2200 | 100,000 |
| 03 February 2023 | 03 February 2027 | A\$0.2000 | 179,500 |
| 27 July 2023 | 27 July 2027 | A\$0.1700 | 897,736 |
| 27 November 2023 | 27 November 2027 | A\$0.1500 | 26,500 |
| 23 April 2024 | 23 April 2025 | A\$0.0950 | 13,623,105 |
| 27 May 2024 | 27 May 2025 | A\$0.0950 | 14,412,718 |
| 30 May 2024 | 30 May 2025 | A\$0.0600 | 53,000 |
| | | | 31,064,059 |

Shares issued on the exercise of options

There were no ordinary shares of Tinybeans Group Ltd issued on the exercise of options during the year ended 30 June 2024 and up to the date of this report.

Risks and governance

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

Macroeconomic risks

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

Performance of technology

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

Data breaches and other data security incidents

The Group collects a wide range of personal and other confidential and sensitive information from families in the ordinary course of business and store that data electronically. As an online business the Group may be subject to cyber-attacks. The Group has robust 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.

The Group uses an external provider to test its cybersecurity resilience and the Group constantly monitors for alerts issued by industry groups.

Advertising revenue and paid subscription revenue

The ongoing challenges in the US Advertising Revenue market are expected to continue. The business will continue to maximise advertising revenue, as its resources allow. The business will use improved in-app ad placements and video units, enabling stronger in-app offer for brand partners.

With product improvements and the launch of the Android app, the business is expected to grow its paid subscriber base. This will be done using several growth initiatives including marketing, talent and partnerships.

There is a risk that Advertising revenue will drop further and/or efforts to grow paid subscribers will not be successful which will impact the cash and profitability position of the business.

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 substandard performance of suppliers, negative family experiences, complaints or other adverse events which involve the Group's apps and websites. The business also operates in the US, which can be highly litigious and there is the risk that business could infringe IP, Privacy or Copyright laws. To mitigate this as much as possible, current management uses best practice IP and Copyright practices and has had its Privacy policies reviewed by external legal counsel.

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 US.

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.

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

Tinybeans Group Ltd
Directors' report
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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 of the liability 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.

Non-audit services

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

Officers of the Company who are former partners of William Buck

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

Auditor's independence declaration

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

Auditor

William Buck continues in office in accordance with section 327 of the Corporations Act 2001.

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



29 August 2024

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of Tinybeans Group Limited

As lead auditor for the audit of Tinybeans Group Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Tinybeans Group Limited and the entities it controlled during the year.

William Buck

William Buck

Accountants & Advisors

ABN: 16 021 300 521

Lloyd Crawford

Lloyd Crawford

Partner

Sydney, 29 August 2024

Tinybeans Group Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

| | Note | Consolidated 30 Jun 2024 US\$ | 30 Jun 2023 US\$ |
|---|------|-------------------------------------|---------------------|
| Revenue | 5 | 5,413,302 | 8,437,193 |
| Other income | 6 | 63 | 1,669 |
| Interest revenue calculated using the effective interest method | | 12,022 | 13,341 |
| Expenses | | | |
| Subscription, Photobooks and Affiliate expenses | | (443,864) | (236,087) |
| Employee benefits expense | | (5,477,671) | (6,873,259) |
| Depreciation and amortisation expense | 7 | (734,208) | (630,401) |
| Compliance and consultancy costs | | (1,302,325) | (1,519,560) |
| Hosting and online software | | (1,161,803) | (1,278,585) |
| Marketing and advertising expense | | (535,975) | (553,113) |
| (Impairment)/recovery of assets | | (831) | 6,607 |
| Impairment of goodwill | | - | (3,726,339) |
| Occupancy costs | | (10,365) | (14,894) |
| Other expenses | | (254,549) | (394,923) |
| Finance costs | 7 | (3,272) | (3,401) |
| Loss before income tax expense | | (4,499,476) | (6,771,752) |
| Income tax expense | 8 | - | (358) |
| Loss after income tax expense for the year attributable to the owners of Tinybeans Group Ltd | 18 | (4,499,476) | (6,772,110) |
| Other comprehensive loss | | | |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | | |
| Foreign currency translation | | (78,198) | (108) |
| Other comprehensive loss for the year, net of tax | | (78,198) | (108) |
| Total comprehensive loss for the year attributable to the owners of Tinybeans Group Ltd | | (4,577,674) | (6,772,218) |
| | | Cents | Cents |
| Basic earnings per share | 28 | (4.91) | (11.06) |
| Diluted earnings per share | 28 | (4.91) | (11.06) |

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

Tinybeans Group Ltd
Statement of financial position
As at 30 June 2024

| | | Consolidated | |
|--------------------------------|-------------|---------------------|--------------------|
| | Note | 30 Jun 2024 | 30 Jun 2023 |
| | | US\$ | US\$ |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | | 3,386,591 | 1,547,112 |
| Trade and other receivables | 9 | 831,388 | 1,159,499 |
| Contract assets | 10 | 37,209 | 124,118 |
| Other assets | 11 | 395,820 | 299,705 |
| Total current assets | | <u>4,651,008</u> | <u>3,130,434</u> |
| Non-current assets | | | |
| Property, plant and equipment | 12 | 23,180 | 26,117 |
| Intangibles | 13 | 958,700 | 1,606,207 |
| Total non-current assets | | <u>981,880</u> | <u>1,632,324</u> |
| Total assets | | <u>5,632,888</u> | <u>4,762,758</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 14 | 776,091 | 691,978 |
| Contract liabilities | 15 | 1,255,080 | 1,070,010 |
| Income tax | 8 | 115,517 | 115,329 |
| Total current liabilities | | <u>2,146,688</u> | <u>1,877,317</u> |
| Non-current liabilities | | | |
| Contract liabilities | 15 | 1,816 | 35,812 |
| Total non-current liabilities | | <u>1,816</u> | <u>35,812</u> |
| Total liabilities | | <u>2,148,504</u> | <u>1,913,129</u> |
| Net assets | | <u>3,484,384</u> | <u>2,849,629</u> |
| Equity | | | |
| Issued capital | 16 | 33,913,287 | 28,942,966 |
| Reserves | 17 | 1,044,299 | 1,278,147 |
| Accumulated losses | 18 | (31,473,202) | (27,371,484) |
| Total equity | | <u>3,484,384</u> | <u>2,849,629</u> |

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

Tinybeans Group Ltd
Statement of changes in equity
For the year ended 30 June 2024

| Consolidated | Issued capital US\$ | Reserves US\$ | Accumulated losses US\$ | Total equity US\$ |
|--|--------------------------------|--------------------------|------------------------------------|------------------------------|
| Balance at 1 July 2022 | 28,788,228 | 1,828,722 | (21,193,646) | 9,423,304 |
| Loss after income tax expense for the year | - | - | (6,772,110) | (6,772,110) |
| Other comprehensive loss for the year, net of tax | - | (108) | - | (108) |
| Total comprehensive loss for the year | - | (108) | (6,772,110) | (6,772,218) |
| <i>Transactions with owners in their capacity as owners:</i> | | | | |
| Share-based payments (note 29) | - | 105,656 | - | 105,656 |
| Shares issued to Directors | 154,738 | - | - | 154,738 |
| Foreign exchange movements | - | (61,851) | - | (61,851) |
| Transfers within equity | - | (594,272) | 594,272 | - |
| Balance at 30 June 2023 | <u>28,942,966</u> | <u>1,278,147</u> | <u>(27,371,484)</u> | <u>2,849,629</u> |
| | Issued capital US\$ | Reserves US\$ | Accumulated losses US\$ | Total equity US\$ |
| Balance at 1 July 2023 | 28,942,966 | 1,278,147 | (27,371,484) | 2,849,629 |
| Loss after income tax expense for the year | - | - | (4,499,476) | (4,499,476) |
| Other comprehensive loss for the year, net of tax | - | (78,198) | - | (78,198) |
| Total comprehensive loss for the year | - | (78,198) | (4,499,476) | (4,577,674) |
| <i>Transactions with owners in their capacity as owners:</i> | | | | |
| Contributions of equity, net of transaction costs (note 16) | 4,892,570 | - | - | 4,892,570 |
| Shares issued to Directors | 77,751 | - | - | 77,751 |
| Share-based payments (note 29) | - | 242,108 | - | 242,108 |
| Transfers within equity | - | (397,758) | 397,758 | - |
| Balance at 30 June 2024 | <u>33,913,287</u> | <u>1,044,299</u> | <u>(31,473,202)</u> | <u>3,484,384</u> |

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

Tinybeans Group Ltd
Statement of cash flows
For the year ended 30 June 2024

| | Note | Consolidated 30 Jun 2024 US\$ | 30 Jun 2023 US\$ |
|--|-------------|--|-----------------------------|
| Cash flows from operating activities | | | |
| Loss before income tax expense for the year | | (4,499,476) | (6,771,752) |
| Adjustments for: | | | |
| Depreciation and amortisation | | 734,208 | 630,401 |
| Impairment of goodwill | | - | 3,726,339 |
| Write off of non-current assets | | - | 75,625 |
| Net gain on disposal of non-current assets | | (63) | (324) |
| Share-based payments | | 141,420 | 269,009 |
| Foreign exchange differences | | 61,047 | (70,574) |
| Interest received | | (12,022) | (13,341) |
| Interest and other finance costs | | 3,272 | 3,401 |
| | | <u>(3,571,614)</u> | <u>(2,151,216)</u> |
| Change in operating assets and liabilities: | | | |
| Decrease in trade and other receivables | | 316,148 | 465,130 |
| Decrease in contract assets | | 86,909 | 218,303 |
| Increase in prepayments | | (96,113) | (110,918) |
| Increase/(decrease) in trade and other payables | | 83,281 | (534,754) |
| Increase/(decrease) in contract liabilities | | 151,075 | (73,474) |
| | | <u>(3,030,314)</u> | <u>(2,186,929)</u> |
| Other revenue | | 5,163 | - |
| Interest received | | 12,022 | 13,341 |
| Interest and other finance costs paid | | (3,272) | (3,401) |
| Income taxes paid | | - | (4,419) |
| Net cash used in operating activities | | <u>(3,016,401)</u> | <u>(2,181,408)</u> |
| Cash flows from investing activities | | | |
| Payments for property, plant and equipment | 12 | (14,758) | (16,050) |
| Payments for intangibles | 13 | (51,851) | (423,870) |
| Proceeds from disposal of property, plant and equipment | | - | 11,493 |
| Net cash used in investing activities | | <u>(66,609)</u> | <u>(428,427)</u> |
| Cash flows from financing activities | | | |
| Proceeds from issue of shares | 16 | 5,484,954 | - |
| Share issue transaction costs | | (592,384) | - |
| Net cash from financing activities | | <u>4,892,570</u> | <u>-</u> |
| Net increase/(decrease) in cash and cash equivalents | | 1,809,560 | (2,609,835) |
| Cash and cash equivalents at the beginning of the financial year | | 1,547,112 | 4,213,867 |
| Effects of exchange rate changes on cash and cash equivalents | | 29,919 | (56,920) |
| Cash and cash equivalents at the end of the financial year | | <u><u>3,386,591</u></u> | <u><u>1,547,112</u></u> |

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

Note 1. General information

The financial statements cover Tinybeans Group Ltd as a Group consisting of Tinybeans Group Ltd and the entities it controlled at the end of, or during, the year. The financial statements are presented in US dollars, which is Tinybeans Group Ltd's functional and presentation currency.

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

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

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 August 2024. The directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

The accounting policies that are material to the Group are set out below. The accounting policies adopted are consistent with those of the previous financial year, 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.

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\$4,499,476 (2023: US\$6,772,110, including a one off, non-cash impairment expense of US\$3,726,339) and had net cash outflows from operating activities of US\$3,016,401 (2023: US\$2,181,408) for the year ended 30 June 2024. As at that date, the Group had net current assets of US\$2,504,320 (2023: US\$1,253,117) and net assets of US\$3,484,384 (2023: US\$2,849,629).

Note 2. Material accounting policy information (continued)

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\$3,386,591 (2023: US\$1,547,112) as of 30 June 2024;
- the Group has successfully completed two capital raises with one completed in July 2023 and the other in May 2024 raising a total of US\$5.48M (prior to transaction costs);
- the Group intends to manage expenses and cash accordingly to be able to get to cashflow positive in the near future; and
- the Group has performed a cash flow forecast and determined that it has adequate cash resources in place to fund its operations for at least 12 months from the date of approval of these financial statements and will consider cost-out efforts to manage any softness in revenue;
- 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.
- In addition, the avenue for additional proceeds was put in place as part of the capital raise completed in May 2024 with the Entitlement Offer including 1 new free Attaching Option for every 2 New Shares subscribed under the Entitlement Offer. Each Attaching Option is exercisable at A\$0.095 per option into 1 New Share on or before the date that is 12 months from the date of issue of the Attaching Options. If fully exercised this will give additional proceeds of US\$1,870,725 to the business. Further, for each Attaching Option exercised, Tinybeans will issue to the exercising option holder (for nil consideration) 1 new option Piggyback Option. Each Piggyback Option is then exercisable at A\$0.13 per option into 1 New Share on or before the date that is 3 years from the date of issue of the Attaching Options. If the Piggyback Options are fully exercised it will provide an additional US\$2,559,939 of proceeds to the group.

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 of 30 June 2024.

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 24.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Tinybeans Group Ltd ('Company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. Tinybeans Group Ltd and its subsidiaries together are referred to in these financial statements as the 'Group'.

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.

Note 2. Material accounting policy information (continued)

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 Ltd's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into US dollars 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.

Foreign operations

The assets and liabilities of foreign operations are translated into US dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into US dollars using the average exchange rates, which approximate the rates at the dates of the transactions, 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 foreign 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 is expected 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 measurement 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 measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Note 2. Material accounting policy information (continued)

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

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

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

Advertising revenue

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

Photobook revenue

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

Subscription revenue

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

Other revenue

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

Interest

Interest revenue 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.

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.

Note 2. Material accounting policy information (continued)

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 days.

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

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

Contract assets

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

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 (excluding land) 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 period of the lease or the estimated useful life of the assets, whichever is shorter.

Note 2. Material accounting policy information (continued)

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

Intangible assets

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

Software development

Software development costs are capitalised when:

- it is probable that the project will be a success considering its commercial and technical feasibility and there is future economic benefit to the Group; the Group is able to use or sell the asset;
- the Group has sufficient resources and intent to complete the development; and
- its costs can be measured reliably.

Capitalised software development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite useful life of five years. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Acquired software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Impairment of non-financial assets

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

These amounts 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.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service 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.

Note 2. Material accounting policy information (continued)

Other long-term employee benefits

The liability for annual leave and long service 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 using the projected unit credit method. 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.

Share-based payments

Equity-settled and cash-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 are 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.

The cost of equity-settled transactions are 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.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

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.

Note 2. Material accounting policy information (continued)

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 that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

Issued capital

Ordinary shares are classified as equity.

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

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Tinybeans Group Ltd, 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 shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

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 2024. 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.

Revenue from contracts with customers - subscription revenue

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

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. 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. 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.

Impairment of non-financial assets other than goodwill

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets 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 fair value less costs of disposal or value-in-use calculations, 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.

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 EBITDA (earnings before interest, tax, depreciation and amortisation). 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.

| | Consolidated | |
|-------------------------------|---------------------------|---------------------------|
| | 30 Jun 2024 | 30 Jun 2023 |
| | US\$ | US\$ |
| Loss after income tax | (4,499,476) | (6,772,110) |
| Income tax | - | 358 |
| Depreciation and amortisation | 734,208 | 630,401 |
| Interest revenue | (12,022) | (13,341) |
| Finance costs | 3,272 | 3,401 |
| EBITDA | <u>(3,774,018)</u> | <u>(6,151,291)</u> |

Major customers

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

Note 5. Revenue

| | Consolidated | |
|----------------------|-------------------------|-------------------------|
| | 30 Jun 2024 | 30 Jun 2023 |
| | US\$ | US\$ |
| Advertising revenue | 1,958,902 | 5,763,073 |
| Photobook revenue | 111,118 | 130,226 |
| Subscription revenue | 2,966,636 | 2,116,626 |
| Affiliate revenue | 376,646 | 427,268 |
| Revenue | <u>5,413,302</u> | <u>8,437,193</u> |

Note 5. Revenue (continued)

Disaggregation of revenue

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

| | Consolidated | Consolidated |
|--------------------------------------|---------------------|---------------------|
| | 30 Jun 2024 | 30 Jun 2023 |
| | US\$ | US\$ |
| <i>Geographical regions</i> | | |
| United States of America | 5,403,422 | 8,423,013 |
| Australia | 9,880 | 14,180 |
| | <u>5,413,302</u> | <u>8,437,193</u> |
| <i>Timing of revenue recognition</i> | | |
| Goods transferred at a point in time | 477,884 | 557,494 |
| Services transferred over time | 4,935,418 | 7,879,699 |
| | <u>5,413,302</u> | <u>8,437,193</u> |

Note 6. Other income

| | Consolidated | Consolidated |
|--|---------------------|---------------------|
| | 30 Jun 2024 | 30 Jun 2023 |
| | US\$ | US\$ |
| Net gain on disposal of property, plant and equipment | 63 | 324 |
| Net gain on settlement of financial liabilities and directors fees by equity | - | 525 |
| Other income including cash flow boost | - | 820 |
| | <u>63</u> | <u>1,669</u> |

Note 7. Expenses

Consolidated
30 Jun 2024 30 Jun 2023
US\$ US\$

Loss before income tax includes the following specific expenses:

Cost of sales

Cost of sales

587,134 581,127

Depreciation

Office equipment, fixtures and fittings

- 525

Computer equipment

13,424 26,142

Total depreciation

13,424 26,667

Amortisation

Software development

215,098 98,048

Acquired software

189,365 189,365

Content repository

316,321 316,321

Total amortisation

720,784 603,734

Total depreciation and amortisation

734,208 630,401

Finance costs

Interest and finance charges paid/payable on lease liabilities

- 52

Other interest and finance charges paid/payable

3,272 3,349

Finance costs expensed

3,272 3,401

Net foreign exchange loss

Net foreign exchange loss

24 1,348

Net gain/(loss) on disposal

Net gain/(loss) on disposal of property, plant and equipment

63 (7,673)

Leases

Short-term lease payments

- 15,948

Share-based payments expense

Share-based payments expense

242,108 105,656

Note 8. Income tax

| | Consolidated | Consolidated |
|--|---------------------|---------------------|
| | 30 Jun 2024 | 30 Jun 2023 |
| | US\$ | US\$ |
| <i>Numerical reconciliation of income tax expense and tax at the statutory rate</i> | | |
| Loss before income tax expense | (4,499,476) | (6,771,752) |
| Tax at the statutory tax rate of 25% | (1,124,869) | (1,692,938) |
| Tax effect amounts which are not deductible/(taxable) in calculating taxable income: | | |
| Impairment of goodwill | - | 931,585 |
| Other non-allowable items | 36,829 | 62,222 |
| | (1,088,040) | (699,131) |
| Current year tax losses not recognised | 1,301,086 | 916,700 |
| Current year temporary differences not recognised | 94,582 | (4,232) |
| Difference in overseas tax rates | (307,628) | (212,979) |
| Income tax expense | - | 358 |

| | Consolidated | Consolidated |
|--|---------------------|---------------------|
| | 30 Jun 2024 | 30 Jun 2023 |
| | US\$ | US\$ |
| <i>Tax losses not recognised</i> | | |
| Unused Australian tax losses for which no deferred tax asset has been recognised | 6,354,293 | 3,803,552 |
| Potential tax benefit @ 25% | 1,588,573 | 950,888 |
| Unused USA tax losses for which no deferred tax asset has been recognised | 18,996,140 | 16,348,749 |
| Potential tax benefit @ 34.75% (2023: 34.75%) | 6,601,159 | 5,681,190 |

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

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

Tax rate in the US

The US tax rate which includes federal, state and local taxes is 34.75% (2023: 34.75%).

| | Consolidated | Consolidated |
|---|---------------------|---------------------|
| | 30 Jun 2024 | 30 Jun 2023 |
| | US\$ | US\$ |
| <i>Deferred tax liability</i> | | |
| Deferred tax liability comprises temporary differences attributable to: | | |
| Amounts recognised in profit or loss: | | |
| Software | 31,561 | 78,902 |
| Content repository | 52,720 | 131,800 |
| - temporary differences | (84,281) | (210,702) |
| Deferred tax liability | - | - |

Note 8. Income tax (continued)

| | Consolidated 30 Jun 2024 US\$ | 30 Jun 2023 US\$ |
|--------------------------|-------------------------------------|---------------------|
| Provision for income tax | 115,517 | 115,329 |
| Provision for income tax | <u>115,517</u> | <u>115,329</u> |

Note 9. Trade and other receivables

| | Consolidated 30 Jun 2024 US\$ | 30 Jun 2023 US\$ |
|---------------------------------------|-------------------------------------|---------------------|
| <i>Current assets</i> | | |
| Trade receivables | 803,247 | 1,132,062 |
| Accrued revenue and other receivables | 41 | 12,804 |
| GST receivable | 28,100 | 14,633 |
| | <u>831,388</u> | <u>1,159,499</u> |

Allowance for expected credit losses

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

| Consolidated | Carrying amount | | Allowance for expected credit losses | |
|----------------------------|---------------------|---------------------|--------------------------------------|---------------------|
| | 30 Jun 2024 US\$ | 30 Jun 2023 US\$ | 30 Jun 2024 US\$ | 30 Jun 2023 US\$ |
| Not overdue | 436,415 | 706,074 | - | - |
| Less than 3 months overdue | 287,622 | 360,692 | - | - |
| Over 3 months overdue | 79,210 | 65,296 | - | - |
| <i>Other receivables</i> | | | | |
| Not overdue | 41 | 12,804 | - | - |
| | <u>803,288</u> | <u>1,144,866</u> | <u>-</u> | <u>-</u> |

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

| | Consolidated 30 Jun 2024 US\$ | 30 Jun 2023 US\$ |
|-------------------------|-------------------------------------|---------------------|
| Opening balance | - | 9,663 |
| Unused amounts reversed | - | (9,663) |
| Closing balance | <u>-</u> | <u>-</u> |

Note 10. Contract assets

| | Consolidated | |
|--|---------------------|--------------------|
| | 30 Jun 2024 | 30 Jun 2023 |
| | US\$ | US\$ |
| <i>Current assets</i> | | |
| Contract assets | <u>37,209</u> | <u>124,118</u> |
| <i>Reconciliation</i> | | |
| Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below: | | |
| Opening balance | 124,118 | 342,421 |
| Additions | 37,209 | 124,118 |
| Transfer to trade receivables | <u>(124,118)</u> | <u>(342,421)</u> |
| Closing balance | <u>37,209</u> | <u>124,118</u> |

Note 11. Other assets

| | Consolidated | |
|-----------------------|---------------------|--------------------|
| | 30 Jun 2024 | 30 Jun 2023 |
| | US\$ | US\$ |
| <i>Current assets</i> | | |
| Prepayments | <u>395,820</u> | <u>299,705</u> |

Note 12. Property, plant and equipment

| | Consolidated | |
|--------------------------------|---------------------|--------------------|
| | 30 Jun 2024 | 30 Jun 2023 |
| | US\$ | US\$ |
| <i>Non-current assets</i> | | |
| Computer equipment - at cost | 72,023 | 100,639 |
| Less: Accumulated depreciation | <u>(48,843)</u> | <u>(74,522)</u> |
| | <u>23,180</u> | <u>26,117</u> |

Note 12. Property, plant and equipment (continued)

Reconciliations

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

| Consolidated | Computer equipment US\$ |
|-------------------------|--|
| Balance at 1 July 2022 | 40,053 |
| Additions | 16,050 |
| Disposals | (3,844) |
| Depreciation expense | <u>(26,142)</u> |
| Balance at 30 June 2023 | 26,117 |
| Additions | 14,758 |
| Disposals | (4,271) |
| Depreciation expense | <u>(13,424)</u> |
| Balance at 30 June 2024 | <u><u>23,180</u></u> |

Note 13. Intangibles

| | Consolidated 30 Jun 2024 US\$ | 30 Jun 2023 US\$ |
|--------------------------------|--|-----------------------------|
| <i>Non-current assets</i> | | |
| Software development - at cost | 998,788 | 925,512 |
| Less: Accumulated amortisation | <u>(377,212)</u> | <u>(162,115)</u> |
| | 621,576 | 763,397 |
| Acquired software - at cost | 946,826 | 946,826 |
| Less: Accumulated amortisation | <u>(820,582)</u> | <u>(631,217)</u> |
| | 126,244 | 315,609 |
| Content repository | 1,581,603 | 1,581,603 |
| Less: Accumulated amortisation | <u>(1,370,723)</u> | <u>(1,054,402)</u> |
| | 210,880 | 527,201 |
| | <u><u>958,700</u></u> | <u><u>1,606,207</u></u> |

Note 13. Intangibles (continued)

Reconciliations

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

| Consolidated | Goodwill US\$ | Software development US\$ | Acquired software US\$ | Content repository US\$ | Total US\$ |
|-------------------------|--------------------------|--|---------------------------------------|--|-----------------------|
| Balance at 1 July 2022 | 3,726,339 | 437,575 | 504,974 | 843,522 | 5,512,410 |
| Additions | - | 423,870 | - | - | 423,870 |
| Impairment of assets | (3,726,339) | - | - | - | (3,726,339) |
| Amortisation expense | - | (98,048) | (189,365) | (316,321) | (603,734) |
| Balance at 30 June 2023 | - | 763,397 | 315,609 | 527,201 | 1,606,207 |
| Additions | - | 51,851 | - | - | 51,851 |
| Exchange differences | - | 21,425 | - | - | 21,425 |
| Amortisation expense | - | (215,097) | (189,365) | (316,321) | (720,783) |
| Balance at 30 June 2024 | <u>-</u> | <u>621,576</u> | <u>126,244</u> | <u>210,880</u> | <u>958,700</u> |

Impairment testing

An assessment of indicators and testing of impairment was completed as at year end which resulted in an impairment loss of \$- being recognised during the year ended 30 June 2024 (2023: \$3,726,339)

Note 14. Trade and other payables

| | Consolidated 30 Jun 2024 US\$ | 30 Jun 2023 US\$ |
|----------------------------|--|-----------------------------|
| <i>Current liabilities</i> | | |
| Trade payables | 315,768 | 88,692 |
| Accrued commissions | 23,658 | 36,004 |
| Accrued expenses | 337,361 | 463,905 |
| Other payables | 99,304 | 103,377 |
| | <u>776,091</u> | <u>691,978</u> |

Note 15. Contract liabilities

| | Consolidated | Consolidated |
|--------------------------------|-------------------------|-------------------------|
| | 30 Jun 2024 | 30 Jun 2023 |
| | US\$ | US\$ |
| <i>Current liabilities</i> | | |
| Contract liabilities | <u>1,255,080</u> | <u>1,070,010</u> |
| <i>Non-current liabilities</i> | | |
| Contract liabilities | <u>1,816</u> | <u>35,812</u> |
| | <u><u>1,256,896</u></u> | <u><u>1,105,822</u></u> |

Reconciliation

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

| | | |
|---|-------------------------|-------------------------|
| Opening balance | 1,105,822 | 1,179,296 |
| Payments received in advance | 3,107,671 | 986,047 |
| Transfer to revenue - included in the opening balance | <u>(2,956,597)</u> | <u>(1,059,521)</u> |
| Closing balance | <u><u>1,256,896</u></u> | <u><u>1,105,822</u></u> |

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\$1,256,896 as at 30 June 2024 (US\$1,105,822 as at 30 June 2023) and is expected to be recognised as revenue in future periods as follows:

| | Consolidated | Consolidated |
|-----------------|-------------------------|-------------------------|
| | 30 Jun 2024 | 30 Jun 2023 |
| | US\$ | US\$ |
| Within 6 months | 1,034,782 | 818,521 |
| 6 to 12 months | 220,298 | 251,490 |
| 12 to 18 months | 1,370 | 23,846 |
| 18 to 24 months | 100 | 10,305 |
| 24 to 30 months | 58 | 1,344 |
| 30 to 36 months | 49 | 75 |
| Over 36 months | <u>239</u> | <u>241</u> |
| | <u><u>1,256,896</u></u> | <u><u>1,105,822</u></u> |

Note 16. Issued capital

| | Consolidated | | | |
|------------------------------|---------------------|--------------------|--------------------|--------------------|
| | 30 Jun 2024 | 30 Jun 2023 | 30 Jun 2024 | 30 Jun 2023 |
| | Shares | Shares | US\$ | US\$ |
| Ordinary shares - fully paid | <u>143,400,134</u> | <u>61,385,455</u> | <u>33,913,287</u> | <u>28,942,966</u> |

Note 16. Issued capital (continued)

Movements in ordinary share capital

| Details | Date | Shares | US\$ |
|--|------------------|---------------------------|--------------------------|
| Balance | 1 July 2022 | 61,044,497 | 28,788,228 |
| Shares issued in lieu of directors' fees | 21 December 2022 | <u>340,958</u> | <u>154,738</u> |
| Balance | 30 June 2023 | 61,385,455 | 28,942,966 |
| Placement | 5 July 2023 | 13,451,970 | 1,159,789 |
| Placement | 7 July 2023 | 1,893,727 | 185,505 |
| Placement | 11 July 2023 | 834,884 | 81,783 |
| Placement | 1 August 2023 | 6,272,557 | 772,376 |
| Shares issued in lieu of directors' fees | 13 December 2023 | 548,747 | 77,751 |
| Placement | 22 April 2024 | 27,246,210 | 1,496,349 |
| Placement | 24 May 2024 | 25,884,231 | 1,457,659 |
| Placement | 30 May 2024 | 5,882,353 | 331,493 |
| Cost of capital | | <u>-</u> | <u>(592,384)</u> |
| Balance | 30 June 2024 | <u><u>143,400,134</u></u> | <u><u>33,913,287</u></u> |

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. 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.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

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 Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 2023 Annual Report.

Note 17. Reserves

| | Consolidated | Consolidated |
|------------------------------|---------------------|---------------------|
| | 30 Jun 2024 | 30 Jun 2023 |
| | US\$ | US\$ |
| Foreign currency reserve | (67,695) | 10,503 |
| Share-based payments reserve | 1,108,554 | 1,264,204 |
| Acquisition reserve | 3,440 | 3,440 |
| | <u>1,044,299</u> | <u>1,278,147</u> |

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to US dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve

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

Acquisition reserve

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

Movements in reserves

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

| Consolidated | Foreign currency US\$ | Share-based payments US\$ | Acquisition US\$ | Total US\$ |
|--|--------------------------------------|--|-----------------------------|-----------------------|
| Balance at 1 July 2022 | 10,611 | 1,814,550 | 3,561 | 1,828,722 |
| Foreign currency translation | (108) | - | - | (108) |
| Share-based payments | - | 105,656 | - | 105,656 |
| Foreign exchange movements | - | (61,730) | (121) | (61,851) |
| Lapsed options transferred to accumulated losses | - | (594,272) | - | (594,272) |
| Balance at 30 June 2023 | 10,503 | 1,264,204 | 3,440 | 1,278,147 |
| Foreign currency translation | (78,198) | - | - | (78,198) |
| Share-based payments expense | - | 242,108 | - | 242,108 |
| Lapsed options transferred to accumulated losses | - | (397,758) | - | (397,758) |
| Balance at 30 June 2024 | <u>(67,695)</u> | <u>1,108,554</u> | <u>3,440</u> | <u>1,044,299</u> |

Note 18. Accumulated losses

| | Consolidated | Consolidated |
|---|---------------------|---------------------|
| | 30 Jun 2024 | 30 Jun 2023 |
| | US\$ | US\$ |
| Accumulated losses at the beginning of the financial year | (27,371,484) | (21,193,646) |
| Loss after income tax expense for the year | (4,499,476) | (6,772,110) |
| Transfer from share-based payments reserve | 397,758 | 594,272 |
| Accumulated losses at the end of the financial year | <u>(31,473,202)</u> | <u>(27,371,484)</u> |

Note 19. Dividends

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

Note 20. Key management personnel disclosures

Compensation

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

| | Consolidated | Consolidated |
|------------------------------|---------------------|---------------------|
| | 30 Jun 2024 | 30 Jun 2023 |
| | US\$ | US\$ |
| Short-term employee benefits | 417,631 | 414,248 |
| Share-based payments | 55,275 | 79,753 |
| | <u>472,906</u> | <u>494,001</u> |

Note 21. Remuneration of auditors

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

| | Consolidated | Consolidated |
|--|---------------------|---------------------|
| | 30 Jun 2024 | 30 Jun 2023 |
| | US\$ | US\$ |
| <i>Audit services - William Buck</i> | | |
| Audit and review of the financial statements | <u>83,976</u> | <u>53,842</u> |

Note 22. Contingent liabilities

The Group had no contingent liabilities or capital commitments as at 30 June 2024 and 30 June 2023.

Note 23. Related party transactions

Parent entity

Tinybeans Group Ltd is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 25.

Key management personnel

Disclosures relating to key management personnel are set out in note 20 and the remuneration report included in the directors' report.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

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

Loans to/from related parties

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

Note 24. Parent entity information

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

Statement of profit or loss and other comprehensive income

| | Parent | Parent |
|--------------------------|--------------------|--------------------|
| | 30 Jun 2024 | 30 Jun 2023 |
| | US\$ | US\$ |
| Loss after income tax | (814,748) | (6,021,831) |
| Total comprehensive loss | (814,748) | (6,021,831) |

Statement of financial position

| | Parent | Parent |
|------------------------------|--------------------|--------------------|
| | 30 Jun 2024 | 30 Jun 2023 |
| | US\$ | US\$ |
| Total current assets | 1,855,048 | 822,534 |
| Total assets | 6,712,257 | 3,108,834 |
| Total current liabilities | 186,543 | 259,205 |
| Total liabilities | 186,543 | 259,205 |
| Equity | | |
| Issued capital | 33,913,287 | 28,942,966 |
| Foreign currency reserve | (770,304) | (446,638) |
| Share-based payments reserve | 1,108,554 | 1,264,204 |
| Acquisition reserve | 3,446 | 3,618 |
| Accumulated losses | (27,729,269) | (26,914,521) |
| Total equity | <u>6,525,714</u> | <u>2,849,629</u> |

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

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2024 and 30 June 2023.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2024 and 30 June 2023.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2024 and 30 June 2023.

Material accounting policy information

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

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates 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 25. 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 | |
|-------------------------------------|---|--------------------|------------------|
| | | 30 Jun 2024 % | 30 Jun 2023 % |
| Tinybeans Pty Limited | Australia | 100.00% | 100.00% |
| Tinybeans Innovations Pty Ltd | Australia | 100.00% | 100.00% |
| Tinybeans USA Ltd (Delaware C Corp) | USA | 100.00% | 100.00% |
| Red Tricycle Inc. | USA | 100.00% | 100.00% |

Note 26. Events after the reporting period

On 1 July 2024, Mr James Warburton was appointed as a Non-executive Director.

On 5 August 2024, Mr Michael Rothman was appointed as a non-executive Director. Ms Andrea Cutright will step down as non-executive Director effective 1 September 2024.

No other matter or circumstance has arisen since 30 June 2024 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.

Note 27. Non-cash investing and financing activities

Non-cash investing and financing activities

| | Consolidated | |
|--|---------------------|---------------------|
| | 30 Jun 2024 US\$ | 30 Jun 2023 US\$ |
| Shares issued in lieu of directors' and consultancy fees | 77,751 | 154,738 |

Note 28. Earnings per share

| | Consolidated | |
|---|---------------------|---------------------|
| | 30 Jun 2024 US\$ | 30 Jun 2023 US\$ |
| Loss after income tax attributable to the owners of Tinybeans Group Ltd | (4,499,476) | (6,772,110) |
| | Number | Number |
| Weighted average number of ordinary shares used in calculating basic earnings per share | 91,596,478 | 61,223,850 |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | 91,596,478 | 61,223,850 |
| | Cents | Cents |
| Basic earnings per share | (4.91) | (11.06) |
| Diluted earnings per share | (4.91) | (11.06) |

32,534,647 options (2023: 4,510,833 options) have been excluded from the diluted earnings per share calculations as they are anti-dilutive

Note 29. 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 Nomination and Remuneration Committee, grant options over ordinary shares in the Company to certain key management personnel of the Group. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Nomination and Remuneration Committee.

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

30 Jun 2024

| Grant date | Expiry date | Exercise price | Balance at the start of the year | Granted | Exercised | Expired/ forfeited/ other | Balance at the end of the year |
|---------------------------------|-------------|----------------|----------------------------------|-----------|-----------|---------------------------|--------------------------------|
| 10/12/2018 | 10/12/2023 | US\$0.75 | 450,000 | - | - | (450,000) | - |
| 10/12/2018 | 10/12/2023 | US\$1.00 | 450,000 | - | - | (450,000) | - |
| 10/12/2018 | 10/12/2023 | US\$1.50 | 900,000 | - | - | (900,000) | - |
| 19/08/2019 | 19/08/2023 | US\$1.10 | 8,833 | - | - | (8,833) | - |
| 04/09/2019 | 04/09/2023 | US\$1.10 | 180,000 | - | - | (180,000) | - |
| 15/07/2020 | 15/07/2024 | US\$0.92 | 39,750 | - | - | (19,875) | 19,875 |
| 15/09/2020 | 15/07/2024 | US\$0.92 | 19,875 | - | - | - | 19,875 |
| 11/12/2020 | 08/01/2026 | US\$1.75 | 150,000 | - | - | - | 150,000 |
| 11/12/2020 | 08/01/2026 | US\$2.25 | 150,000 | - | - | - | 150,000 |
| 11/12/2020 | 08/01/2026 | US\$3.50 | 300,000 | - | - | - | 300,000 |
| 16/12/2020 | 15/07/2024 | US\$1.60 | 33,125 | - | - | (19,875) | 13,250 |
| 16/12/2020 | 16/12/2024 | US\$1.60 | 13,250 | - | - | - | 13,250 |
| 21/01/2021 | 22/02/2026 | US\$1.50 | 100,000 | - | - | - | 100,000 |
| 12/04/2021 | 12/04/2025 | US\$1.47 | 13,250 | - | - | - | 13,250 |
| 20/07/2021 | 20/07/2025 | US\$1.30 | 304,750 | - | - | (92,750) | 212,000 |
| 20/07/2021 | 20/07/2025 | US\$0.69 | 298,750 | - | - | (79,500) | 219,250 |
| 10/02/2022 | 08/02/2026 | US\$0.41 | 26,500 | - | - | - | 26,500 |
| 01/07/2022 | 28/06/2026 | US\$0.17 | 577,000 | - | - | (119,250) | 457,750 |
| 01/07/2022 | 01/07/2026 | US\$0.17 | 50,000 | - | - | - | 50,000 |
| 24/10/2022 | 24/10/2026 | US\$0.25 | 26,500 | - | - | - | 26,500 |
| 07/02/2023 | 03/02/2027 | US\$0.22 | 100,000 | - | - | - | 100,000 |
| 07/02/2023 | 03/02/2027 | US\$0.22 | 219,250 | - | - | (39,750) | 179,500 |
| 02/05/2023 | 19/04/2027 | US\$0.21 | 100,000 | - | - | (100,000) | - |
| 27/07/2023 | 27/07/2027 | US\$0.17 | - | 924,236 | - | (26,500) | 897,736 |
| 27/11/2023 | 27/11/2027 | US\$0.15 | - | 53,000 | - | (26,500) | 26,500 |
| 30/05/2024 | 30/05/2025 | US\$0.06 | - | 53,000 | - | - | 53,000 |
| | | | 4,510,833 | 1,030,236 | - | (2,512,833) | 3,028,236 |
| Weighted average exercise price | | | US\$1.29 | US\$0.19 | US\$0.00 | US\$0.78 | US\$1.13 |

Note 29. Share-based payments (continued)

30 Jun 2023

| Grant date | Expiry date | Exercise price | 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 | US\$0.60 | 79,500 | - | - | (79,500) | - |
| 10/12/2018 | 10/12/2023 | US\$0.75 | 450,000 | - | - | - | 450,000 |
| 10/12/2018 | 10/12/2023 | US\$1.00 | 450,000 | - | - | - | 450,000 |
| 10/12/2018 | 10/12/2023 | US\$1.50 | 900,000 | - | - | - | 900,000 |
| 02/04/2019 | 02/04/2023 | US\$0.60 | 180,000 | - | - | (180,000) | - |
| 20/05/2019 | 20/05/2023 | US\$0.60 | 26,500 | - | - | (26,500) | - |
| 19/08/2019 | 19/08/2023 | US\$1.10 | 72,433 | - | - | (63,600) | 8,833 |
| 04/09/2019 | 04/09/2023 | US\$1.10 | 180,000 | - | - | - | 180,000 |
| 19/12/2019 | 19/12/2023 | US\$2.20 | 26,500 | - | - | (26,500) | - |
| 15/07/2020 | 15/07/2024 | US\$0.92 | 246,813 | - | - | (207,063) | 39,750 |
| 15/09/2020 | 15/07/2024 | US\$0.92 | 119,251 | - | - | (99,376) | 19,875 |
| 11/12/2020 | 08/01/2026 | US\$1.75 | 150,000 | - | - | - | 150,000 |
| 11/12/2020 | 08/01/2026 | US\$2.25 | 150,000 | - | - | - | 150,000 |
| 11/12/2020 | 08/01/2026 | US\$3.50 | 300,000 | - | - | - | 300,000 |
| 16/12/2020 | 15/07/2024 | US\$1.60 | 115,249 | - | - | (82,124) | 33,125 |
| 16/12/2020 | 16/12/2024 | US\$1.60 | 66,250 | - | - | (53,000) | 13,250 |
| 21/01/2021 | 22/02/2026 | US\$1.50 | 100,000 | - | - | - | 100,000 |
| 12/04/2021 | 12/04/2025 | US\$1.47 | 39,750 | - | - | (26,500) | 13,250 |
| 20/07/2021 | 20/07/2025 | US\$1.30 | 1,181,500 | - | - | (876,750) | 304,750 |
| 20/07/2021 | 20/07/2025 | US\$0.69 | 497,500 | - | - | (198,750) | 298,750 |
| 10/02/2022 | 08/02/2026 | US\$0.41 | 145,750 | - | - | (119,250) | 26,500 |
| 01/07/2022 | 28/06/2026 | US\$0.17 | - | 1,356,438 | - | (779,438) | 577,000 |
| 01/07/2022 | 01/07/2026 | US\$0.17 | - | 100,000 | - | (50,000) | 50,000 |
| 24/10/2022 | 24/10/2026 | US\$0.25 | - | 132,500 | - | (106,000) | 26,500 |
| 07/02/2023 | 03/02/2027 | US\$0.22 | - | 100,000 | - | - | 100,000 |
| 07/02/2023 | 03/02/2027 | US\$0.22 | - | 219,250 | - | - | 219,250 |
| 02/05/2023 | 19/04/2027 | US\$0.21 | - | 100,000 | - | - | 100,000 |
| | | | <u>5,476,996</u> | <u>2,008,188</u> | <u>-</u> | <u>(2,974,351)</u> | <u>4,510,833</u> |
| Weighted average exercise price (A\$) | | | 1.29 | 0.19 | - | 0.78 | 1.13 |

Note 29. Share-based payments (continued)

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

| Grant date | Expiry date | 30 Jun 2024 Number | 30 Jun 2023 Number |
|------------|-------------|-----------------------|-----------------------|
| 10/12/2018 | 10/12/2023 | - | 450,000 |
| 10/12/2018 | 10/12/2023 | - | 450,000 |
| 10/12/2018 | 10/12/2023 | - | 900,000 |
| 19/08/2019 | 19/08/2023 | - | 8,833 |
| 04/09/2019 | 04/09/2023 | - | 60,000 |
| 04/09/2019 | 04/09/2023 | - | 60,000 |
| 04/09/2019 | 04/09/2023 | - | 60,000 |
| 15/07/2020 | 15/07/2024 | 19,875 | 39,750 |
| 15/09/2020 | 15/07/2024 | 19,875 | 19,875 |
| 16/12/2020 | 15/07/2024 | 13,250 | 33,125 |
| 16/12/2020 | 16/12/2024 | 13,250 | 13,250 |
| 11/12/2020 | 08/01/2026 | 150,000 | 150,000 |
| 11/12/2020 | 08/01/2026 | 150,000 | 150,000 |
| 11/12/2020 | 08/01/2026 | 300,000 | 300,000 |
| 21/01/2021 | 22/02/2026 | 100,000 | 100,000 |
| 12/04/2021 | 12/04/2025 | 13,250 | 13,250 |
| 20/07/2021 | 20/07/2025 | - | 298,750 |
| 31/08/2021 | 20/07/2025 | 212,000 | 304,750 |
| 10/02/2022 | 08/02/2026 | 219,250 | 26,500 |
| 28/04/2022 | 28/06/2026 | 26,500 | 577,000 |
| 01/07/2022 | 01/07/2026 | 457,750 | - |
| 24/10/2022 | 24/10/2026 | 50,000 | - |
| 03/02/2023 | 03/02/2027 | 26,500 | - |
| 03/02/2023 | 03/02/2027 | 100,000 | - |
| 19/04/2023 | 19/04/2027 | 179,500 | - |
| | | <u>2,051,000</u> | <u>4,015,083</u> |

The weighted average share price during the financial year was A\$0.09 (2023: A\$0.22).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 0.98 years (2023: 1.66 years).

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 |
|------------|-------------|------------------------------|-------------------|------------------------|-------------------|----------------------------|-----------------------------|
| 27/07/2023 | 27/07/2027 | US\$0.16 | US\$0.17 | 106.00% | - | 3.95% | US\$0.116 |
| 27/11/2023 | 27/11/2027 | US\$0.15 | US\$0.15 | 109.00% | - | 4.26% | US\$0.112 |
| 30/05/2024 | 30/05/2028 | US\$0.06 | US\$0.06 | 108.00% | - | 4.11% | US\$0.044 |

Options issued to employees during the FY2023 and FY2024 financial years contain the following terms:

- Vesting occurs on the first anniversary from date of issue
- Maximum term of 3 years
- Convertible into ordinary shares of the Company on exercise

Tinybeans Group Ltd
Consolidated entity disclosure statement
As at 30 June 2024

| Entity name | Entity type | Trustee in a Trust, Partner in a Partnership or a participant in a Joint Venture | Place formed / Country of incorporation | Ownership interest % | Tax residency |
|-------------------------------------|--------------------|---|--|-----------------------------|----------------------|
| Tinybeans Group Limited | Body corporate | N/A | Australia | - | Australia |
| Tinybeans Innovations Pty Ltd | Body corporate | N/A | Australia | 100.00% | Australia |
| Tinybeans Pty Limited | Body corporate | N/A | Australia | 100.00% | Australia |
| Tinybeans USA Ltd (Delaware C Corp) | Body corporate | N/A | USA | 100.00% | USA |
| Red Tricycle Inc. | Body corporate | N/A | USA | 100.00% | USA |

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Tinybeans Group Ltd
Directors' declaration
30 June 2024

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 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

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



29 August 2024

Independent auditor's report to the members of Tinybeans Group Limited

Report on the audit of the financial report



Our opinion on the financial report

In our opinion, the accompanying financial report of Tinybeans Group Limited (the Company) and its subsidiaries (the Group) is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What was audited?

We have audited the financial report of the Group, which comprises:

- the consolidated statement of financial position as at 30 June 2024,
- the consolidated statement of profit or loss and other comprehensive income for the year then ended,
- the consolidated statement of changes in equity for the year then ended,
- the consolidated statement of cash flows for the year then ended,
- notes to the financial statements, including material accounting policy information,
- the consolidated entity disclosure statement, and
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards¹. 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 & 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.

1. Revenue Recognition **Area of focus** (refer also to notes 2, 5, 6 & 15)

The Group derives income from four main income streams and services various customers around the world.

Contracts are held with several key customers and contain a number of different milestones and timelines for revenue recognition.

Subscriptions to the Group's app can be purchased annually or monthly, and therefore must be deferred, and recognised as the performance obligations are achieved.

We have identified revenue recognition as a key audit matter as there is a risk of inaccurately recognising revenue in line with the sales contracts held, and with subscriptions deferred over the period of the service.

How our audit addressed the key audit matter

Our audit procedures included:

- Testing a sample of sales transactions from each revenue stream to test they are compliant with the Groups accounting policies and the Australian Accounting Standards.
- Reviewing year on year movement and assessed reasonableness of movement.
- Assessing the adequacy of the Group's disclosures in respect of the revenue recognition.
- Performing analytical procedures to identify and evaluate a sample of manual journal entries for their appropriate recognition; and
- Tracing revenue information from the Group's accounting records and tracing to supporting documentation.

2. Going Concern **Area of focus** (refer also to note 2)

The financial statements have been prepared on a going concern basis for 30 June 2024, as outlined in Note 2.

During the year, the Group has undertaken a capital raise totalling capital of \$4,970,321 (net of transaction costs).

The Group reports a consolidated loss after tax of \$4,577,674, net cash outflows from operating activities of \$3,016,401, a net current asset position of \$2,504,320 and accumulated losses of \$31,473,202.

Going concern is a key audit matter due to the significant judgement required by management to forecast future cashflows and estimate the successfulness of future strategy's and how effectively these can be implemented in the Group.

How our audit addressed the key audit matter

Our procedures include, but are not limited to, the following:

- Evaluating management's ability to forecast by comparing prior period forecasts with actual results.
- Obtaining management's assessment of the going concern assumption and assessing the appropriateness of this assessment.
- Obtaining a copy of the Board's financial year 2025 forecast that supports the going concern assumption and assessing the cashflows for at least 12 months from the signing date of this report.
- Assess the reasonableness of assumptions built into forecasts and perform sensitivity testing on management's forecasts.
- Assessing the reasonableness of disclosures made in the financial statement.
- Reviewing ASX lodgements and announcements during the year relating to the capital raise to verify the total cash raised. Tracing this capital raise to support from equity raising facilitator and to supporting bank statements.

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Other information

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 2024 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 accordingly 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 (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or 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/media/bwvjcgre/ar1_2024.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report



Our opinion on the Remuneration Report

In our opinion, the Remuneration Report of Tinybeans Group Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

What was audited?

We have audited the Remuneration Report included in pages 7 to 13 of the directors' report for the year ended 30 June 2024.

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.

William Buck

William Buck
Accountants & Advisors
ABN: 16 021 300 521

Lloyd Crawford

Lloyd Crawford
Partner
Sydney, 29 August 2024

¹ We elected to early adopt the revised *ASA600 Audits of a Group Financial Report (Including the work of Component Auditors)* |

Tinybeans Group Ltd
Shareholder information
30 June 2024

The shareholder information set out below was applicable as at 12 August 2024.

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 | 364 | 0.13 | 15 | 0.01 |
| 1,001 to 5,000 | 477 | 0.86 | 10 | 0.04 |
| 5,001 to 10,000 | 126 | 0.67 | 3 | 0.05 |
| 10,001 to 100,000 | 183 | 5.16 | 34 | 3.97 |
| 100,001 and over | 118 | 93.18 | 31 | 95.92 |
| | <u>1,268</u> | <u>100</u> | <u>93</u> | <u>99.99</u> |

The number of shareholdings held in less than marketable parcels was 856 with total shares of 1,507,990.

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest 'ungrouped' security holders of quoted equity securities are listed below:

| | Ordinary shares | |
|---|-------------------|--------------------------|
| | Number held | % of total shares issued |
| UBS NOMINEES PTY LTD | 39,413,696 | 27.49% |
| BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT> | 10,824,989 | 7.55% |
| GE EQUITY INVESTMENTS PTY LTD | 6,589,000 | 4.59% |
| D A CASEY & ASSOCIATES PTY LIMITED <DAVID CASEY FAMILY A/C> | 3,720,000 | 2.59% |
| RICHMOND BRIDGE SUPERANNUATION PTY LTD <RICHMOND BRIDGE SUPER A/C> | 3,300,000 | 2.30% |
| EMT SERVICES SYDNEY PTY LTD | 3,000,000 | 2.09% |
| MR ALEXANDER BEARD & MRS PASCALE MARIE BEARD <AD & MP BEARD SUPER FUND A/C> | 2,941,176 | 2.05% |
| MR ROBERT FEIG | 2,802,254 | 1.95% |
| CITICORP NOMINEES PTY LIMITED | 2,726,732 | 1.90% |
| FIFTY SECOND CELEBRATION PTY LTD <MCBAIN FAMILY A/C> | 2,373,712 | 1.66% |
| WELLS ESTATES PTY LTD <KK WELLS SUPER FUND A/C> | 2,196,000 | 1.53% |
| MR ROBERT FEIG | 1,893,727 | 1.32% |
| MR JOHN LANGLEY HANCOCK | 1,836,168 | 1.28% |
| RUBINO GROUP PTY LTD <RUBINO GROUP A/C> | 1,800,000 | 1.26% |
| CHIFLEY PORTFOLIOS PTY LIMITED <DAVID HANNON RET FUND A/C> | 1,765,000 | 1.23% |
| MR JONATHON MICHAEL PEARCE | 1,764,706 | 1.23% |
| JASFORCE PTY LTD | 1,744,407 | 1.22% |
| US REGISTER CONTROL A/C | 1,616,674 | 1.13% |
| MRS SARAH-JANE KURTINI & MR JASON KURTINI <KURTINI FAMILY A/C> | 1,500,000 | 1.05% |
| MR STEPHEN O'YOUNG <THE O'YOUNG FAMILY A/C> | 1,334,409 | 0.93% |
| | <u>95,142,650</u> | <u>66.35%</u> |

Unquoted equity securities

| | Number on issue | Number of holders |
|---------|------------------------|--------------------------|
| Options | 38,428,647 | 93 |

Substantial holders

Substantial holders in the Company are set out below:

| | Ordinary Shares | |
|--|------------------------|---------------------------------|
| | Number held | % of total shares issued |
| UBS NOMINEES PTY LTD | 39,413,696 | 27.49% |
| BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT> | 10,824,989 | 7.55% |

Options over ordinary shares

| | Number held | % of total options issued |
|---|--------------------|----------------------------------|
| UBS NOMINEES PTY LTD | 11,219,268 | 29.20% |
| ZSOFI PATERSON | 6,000,000 | 15.61% |
| HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2 | 2,848,520 | 7.41% |
| CITICORP NOMINEES PTY LIMITED | 2,058,824 | 5.36% |

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 and upon a poll each share 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.

Restricted securities

Other information

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

There are no issues of securities approved for the purposes of item 7 of section 611 of the *Corporations Act 2001* (Cth) 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.