

**TINYBEANS GROUP LIMITED
AND CONTROLLED ENTITIES
ABN 46 168 481 614**



ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

**TINYBEANS GROUP LIMITED
AND CONTROLLED ENTITIES
ABN 46 168 481 614**

CORPORATE DIRECTORY

DIRECTORS

Mr. John Dougall
Ms. Megan Gardner
Mr. Edward Geller
Ms. Mary Godfrey
Mr. Stephen O'Young, resigned 13 May 2020
Mr. Andrew Whitten, appointed 13 May 2020

COMPANY SECRETARY

Mr. Dean Jagger

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

L1, 26-28 Wentworth Ave
Surry Hills NSW 2010
Email: investors@tinybeans.com
Website: www.tinybeans.com

SHARE REGISTRY

Automic Group
Level 5, 126 Phillip Street
Sydney NSW 2000
Telephone: 1300 288 664 (within Australia)
Telephone: +61 (2) 9698 5414 (outside Australia)
Email: hello@automic.com.au
Website: www.automicgroup.com.au

AUDITORS

RSM Australia Partners
Level 13, 60 Castlereagh Street
Sydney NSW 2000
Telephone: (02) 8226 4500
Facsimile: (02) 8266 4501
Website: www.rsm.global/australia/

STOCK EXCHANGE LISTING

Tinybeans Group Limited's shares are listed on the Australian Securities Exchange (ASX code: TNY).

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**TINYBEANS GROUP LIMITED
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CHAIRMAN'S MESSAGE

Dear Fellow Shareholder,

I am pleased to present the 2020 Annual Report for Tinybeans Group Limited (ASX: TNY), my third since becoming the chairman in March 2018.

I am delighted with what we have achieved and delivered in terms of results in the past Financial Year. Your Board has worked hard to support the Leadership Team as they executed on our agreed strategy of building out a platform from which parents and families all over the world can benefit and have their children thrive. Your team has proven resilient to the challenges and demands of the past year and ended the year with a strong financial position, positioning us for further growth and expansion of the business and to weather through any external adversities.

We successfully executed the acquisition of Red Tricycle – which further increased our footprint in the market and contributes to strengthening our capabilities in accessing new avenues of revenue and growth. At the corporate governance level, we have continued to evolve by restructuring the Leadership Team by welcoming three new members, each committed to sales leadership, product growth and technical excellence.

From a performance perspective, we are proud of having achieved just under \$6 million in sales revenue for FY20, representing annual growth of over 54%. This strong growth emulates the momentum continuing to build and cultivate across the Company with our enhanced value proposition. At the close of the year we had achieved 4.65M registered users, an increase from 3.35M last year, as we enabled parents and families around the world to remain connected through global mandates to socially distance.

Through the second half of our financial year, COVID-19 began to create a potential temporary impact for the current business year. Our first action has been the implementation of measures to protect the health and safety of our employees. Moreover, we continue to review action plans to protect the performance of our business. We keep monitoring developments closely and will activate and implement other initiatives as needed.

The Company has stabilized costs while growing revenue. As we head into FY21 with total sales pipeline (contracts not yet signed) at over \$5.5M USD, I am confident that the Company is in a solid financial position to maximize its opportunities in the coming 12 months.

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

I thank all of our existing and new Shareholders who repeatedly foster our common vision to further develop Tinybeans. The next 12 months promises to be an exciting time as we continue to execute on our growth strategy. I look forward to sharing Tinybeans' success with you.



John Dougall
Non-executive Director and Chairman



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CEO'S MESSAGE

I am proud to present to you the Tinybeans annual report for financial year 2020. This is our fourth since becoming a public company.

We were featured as Apple's "App of the Day" in the U.S. twice through the year (Oct 2019 and March 2020) and reached the milestone of over 100,000 5-star reviews in the Apple and Google Play stores with our 4.65M registered users at the end of the quarter.

I am delighted in our progress with the acquisition and operational integration of Red Tricycle and our now larger team continues to focus on our enhanced value proposition which heightens our ability to drive revenue growth. Our single team, single focus has proven to be successful as it has expanded on the products we offer to our partners.

Some of the FY20 Highlights include:

- Operational Revenues for FY20 totalled over \$5.98M, an increase of 54% on FY19;
- Subscription revenues increased from FY19 to FY20 by 42%;
- Monthly Active Users (MAU) reached over 3.7M, delivering growth of 200% on FY19;
- Advertising revenue reaching over \$4.4M for FY20, up over 58% on FY19;
- 50 deals signed in Q4, the total sales pipeline heading into FY21 stands at over \$5.5M USD; and
- Cash balance of \$5.22M at June 30.

We see significant scope to further monetise Tinybeans' large, active and growing base as we continue to prove the value of our platform to all stakeholders and enhance the user experience for parents and family members.

Over the past 12 months, Tinybeans has both renewed and attracted new advertisers on the platform. Some of the new brands include General Mills, Kraft, YouTube Kids and, two of the big four technology companies, Amazon and Apple. We also renewed partnerships with Lego Systems Inc., re-committing to a 50% larger partnership for the calendar year.

In the year to come, Tinybeans expects continued growth as our Monthly Active Users grew from 1.23M last year to reaching over 3.7M at the end of the year. The platform also saw record engagement with weekly active users on Tinybeans hitting a record 1.12M and premium subscriptions grew strongly reaching a record 21,000 paying subscribers, an increase of 28%.

In April we began to disclose our forward booked contracts to provide insight into the trajectory of revenues and as of July 1, Tinybeans has a 300% increase compared to the past year with \$4.3M in forward booked contracts.

The last few months have demonstrated our ability to withstand challenges and maximize opportunities. I am excited by the new talent on the leadership team as we embark on a fresh 3-year strategy that leverages what we have achieved to date and looks to accelerate the opportunities with parents and larger partners into the future. Not only have we been endeavouring to drive all facets of the business, but we are doing that while embracing many cultural developments happening in society. These stem from equality and inclusiveness that are vital to improve the wellbeing of all.

We face another exciting and promising year ahead as we continue to deliver on our mission to partner with parents through the journey of nurturing tiny humans together.



Eddie Geller
Chief Executive Officer

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DIRECTORS' REPORT

The directors present their report, together with the financial statements, on the Consolidated Group (referred to hereafter as the 'Consolidated Group' or "Group") consisting of Tinybeans Group Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2020.

Review of Operations

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

The loss for the Group after income tax amounted to \$4,527,544 (2019: \$3,451,481).

The Group has generated total sales revenue of \$5,979,450 up from \$3,887,876 in the previous year. The Group has also claimed Research and Development tax offsets of \$137,646 in Australia, and \$167,074 in the United States for offset against payroll tax.

Operating expenses amounted to \$10,904,056 (2019: \$7,750,270). Employee benefits expense increased by \$1,261,677 due to increased headcount during the year, including the 20 employees of Red Tricycle Inc. which account to 92% or \$1,157,826 of the increase. Also, the administrative costs were higher by \$772,823, of which \$311,151 was for Red Tricycle Inc., and the remaining increases were mainly due to higher costs in;

- (1) hosting attributed with the increased storage and processing required to service our members and customers,
- (2) legal fees associated with the acquisition of Red Tricycle Inc., and
- (3) consulting fees for various contract roles.

AASB 16 'Leases' had no significant impact on the current period. The current profit before income tax expense was decreased by \$23,748. This included a reduction in rent of \$384,226, offset by an increased depreciation expense of \$392,186 and increased finance costs of \$15,788. As at 30 June 2020, net current assets were reduced by \$246,936 (attributable to current lease liabilities) and net assets decreased by \$27,996 (attributable to right-of-use assets and lease liabilities).

Tinybeans Group Ltd successfully raised \$5,000,000 by issuing 5,000,000 shares at an issue price of \$1 per share on 31 July 2019, and \$12,000,000 by issuing 6,000,000 shares at an issue price of \$2 per share on 31 January 2020. The funds from the former capital raise were used to provide additional growth capital while the funds in the latter capital raise were used to fund the acquisition of Red Tricycle Inc..

Principal Activities

The principal activities of the Group during the course of the financial year consisted of providing mobile and web-based platforms that allow parents to securely record and share digital data privately and securely. It connects parents with the most trusted digital tools and resources to help every family thrive. There were no significant changes in the nature of those activities during the financial year.

Dividends

No dividends were paid or declared by the Group since the end of the previous financial year and the Directors do not recommend dividends be paid for the year ended 30 June 2020.

Significant Changes in the State of Affairs

On 27 February 2020, Tinybeans Group Limited acquired 100% of Red Tricycle Inc. for the total consideration of USD\$7,719,823 (AUD\$11,774,192). Red Tricycle Inc. is one of the world's leading parenting websites and business directory platforms focused on parents with children 0-13 years of age. It was acquired to expand the value proposition to Tinybeans' clients by the Red Tricycle platform offering and extends Tinybeans' retention through the parenting journey given Red Tricycle's child age profile goes up to 13 years.

There were no other significant changes to the Group's state of affairs during the financial year.

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DIRECTORS' REPORT (CONT.)

Likely Developments and Expected Results of Operations

The Group is currently active in continuing its software platform development and focus on sales growth. Likely developments and expected results will be announced to the market as they emerge.

Matters Subsequent to Year End

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not financially affected the Consolidated Group up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other significant event has arisen after the reporting date that significantly affects, or may significantly affect the Consolidated Group's operations, the results of those operations, or the Consolidated Group's state of affairs in future financial years.

Directors

The following persons held office as Directors of Tinybeans Group Limited at any time during or since the end of the financial year:

Mr. John Dougall
Ms. Megan Gardner
Mr. Edward Geller
Ms. Mary Godfrey
Mr. Stephen O'Young, resigned 13 May 2020
Mr. Andrew Whitten, appointed 13 May 2020

Company Secretary

The following persons held office as Company Secretary of Tinybeans Group Limited at any time during or since the end of the financial year:

Mr. Dean Jagger

Information on Directors

**Mr. John Dougall
Non-executive Director and Chairman**

Qualifications: Bachelor of Commerce, University of Melbourne
Appointed: 15 March 2018

Experience and expertise: Mr Dougall has worked at senior executive and board level in a number of technology companies based in Melbourne, New York, Sydney, London and San Francisco. John has also been the Managing Director of four ASX-listed companies, successfully exporting Australian technology to China, India, The Philippines, Vietnam and Latin America. Additionally, John also served as President and CEO of an Australian company that ultimately listed on the NASDAQ, selling its software solutions to major retailers in the USA and Europe.

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DIRECTORS' REPORT (CONT.)

Other current directorships: Mr Dougall has served as a Director to several Industry Associations, as past Chairman of the Australian Government's CSIRO Information Technology Advisory Board, as well as advising Government on Industry Strategy and Trade.

Former directorships (last 3 years): Mr Dougall is the Non-executive Chairman of SportsHero Limited (ASX: SHO) since October 2019.
Special responsibilities: Mr Dougall has not held directorships of other listed entities.
Mr Dougall has no special responsibilities.

**Ms. Megan Gardner
Non-executive Director**

Qualifications: Master of Business Administration, Harvard University
Bachelor of Arts, Smith College
Appointed: 19 March 2018

Experience and expertise: Ms Gardner, based in San Francisco, is a sought-after board member and advisor for fast-growing technology businesses (portfolio spans North America, Europe, Asia, and Australia). Ms Gardner serves on several private technology company boards and is the recent chair of YPO's Golden Gate chapter. Her practice has a particular focus on fundraising and mergers and acquisitions with skills honed from her years as an investment banker. Her portfolio companies have successfully completed numerous rounds of fundraising and several transactions, including sales to Oracle, IKEA and Morgan Stanley Global Private Equity (24 Seven). Formerly, as CEO and founder of Plum District, Ms. Gardner raised venture capital funding from top-tier Silicon Valley investors and expanded the e-commerce company to two-dozen cities. While scaling the business to 350 employees and contractors, she worked with top retailers like Target, Gap, and Whole Foods, and created partnerships with Facebook, Google, and Disney.

Ms Gardner is based in San Francisco, USA.

Other current directorships: Ms Gardner has not held directorships of other listed entities.
Former directorships (last 3 years): Ms Gardner has not held directorships of other listed entities.
Special responsibilities: Ms Gardner has no special responsibilities.

**Mr. Edward (Eddie) Geller
Executive Director, Chief Executive Officer**

Qualifications: N/A
Appointed: 11 March 2014

Experience and expertise: Mr Geller has been an entrepreneur in the technology and internet sectors since 1994. Mr Geller founded his first company in 1995 and then in 1999 was the founder/CEO of Unique World. Eddie grew Unique World to a prosperous software and management consulting business with just under 100 staff, and then successfully exited to a large US company in 2011.

As a seed investor in PushStart in early 2012, Eddie saw something special in Tinybeans. Tinybeans was one of the startups that was incubated through the Pushstart program and was a certain standout.

Over 2012, Eddie mentored the Tinybeans team and fell in love with the opportunity and decided to invest and become active. Through

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DIRECTORS' REPORT (CONT.)

	2013, Eddie drove the commercial aspects of the business which enabled him to take on the CEO role in early 2014. Mr Geller, who is originally from Sydney, Australia, now resides in New York with his wife and 4 boys, having moved in late 2014.
Other current directorships:	Mr Geller has not held directorships of other listed entities.
Former directorships (last 3 years):	Mr Geller has not held directorships of other listed entities.
Special responsibilities:	Mr Geller has no special responsibilities.
Ms Mary (Missy) Godfrey Non-executive Director	
Qualifications:	Bachelor of Science, Skidmore College
Appointed:	19 March 2018
Experience and expertise:	Ms Godfrey is the founder and CEO of M3 Strategic Advisory Services, an independent consulting firm for transformational growth and turnarounds in the media, technology and lifestyle sectors. Previously, Missy was the CEO of SpaFinder Wellness, a global marketing, commerce and media company sold to BlackHawk Network, as well as CEO of Socialflow, a SaaS platform for social media marketing. Missy is a senior operating executive and general manager with a distinguished track record spanning over two decades in multiple diverse sectors, including traditional and digital media, luxury goods, advertising, private equity investing, and wealth management. Ms Godfrey is an expert in the strategic planning, product launches and start-up growth initiatives.
Other current directorships:	Ms Godfrey has not held directorships of other listed entities.
Former directorships (last 3 years):	Ms Godfrey has not held directorships of other listed entities.
Special responsibilities:	Ms Godfrey has no special responsibilities.
Mr. Stephen O'Young Executive Director, Chief Technology Officer	
Qualifications:	Bachelor of Engineering, University of New South Wales
Appointed:	11 March 2014
Resigned:	13 May 2020
Experience and expertise:	Mr O'Young spent 15 years of his professional life creating software and architecting enterprise systems for large companies like Allianz, Suncorp and IAG. Then in 2012, Stephen left the corporate world to found the Company. His experience in building world class, secure applications enabled him to be the chief architect of Tinybeans. With Mr O'Young's experience in designing enterprise platforms in large financial organisations, he has been able to architect the Tinybeans platform with the same levels of robustness, stability and security.
Other current directorships:	Mr O'Young has not held directorships of other listed entities.
Former directorships (last 3 years):	Mr O'Young has not held directorships of other listed entities.
Special responsibilities:	Mr O'Young has no special responsibilities.

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DIRECTORS' REPORT (CONT.)

**Mr. Andrew Whitten
Non-executive Director**

Qualifications:	Bachelor of Arts (Economics) University of New South Wales, Master of Laws and Legal Practice, University of Technology Sydney. Graduate Diploma in Applied Corporate Governance, Governance Institute
Appointed:	13 May 2020
Experience and expertise:	Mr Whitten, who is based in Sydney, is a corporate lawyer with a focus on ASX listed companies. Andrew has advised many companies on ASX related matters and transactions including IPO's, capital raisings and acquisitions. He has developed significant expertise across a wide range of industry sectors, with an emphasis on technology. Mr Whitten is an Executive Director of the Automic Group. He is a Company Secretary and Director of various ASX listed entities and unlisted entities.
Other current directorships:	Mr Whitten a Non-executive Director of AppsVillage Limited (ASX: APV) since June 2020.
Former directorships (last 3 years):	Mr Whitten has not held directorships of other listed entities.
Special responsibilities:	Mr Whitten has no special responsibilities.

Meetings of Directors

The number of meetings of the Group's Board of Directors and of each board committee held during the financial year ended 30 June 2020 and the number of meetings attended by each Director were:

Director	Directors Meetings	
	Held Whilst in Office	Attended
John Dougall	9	9
Megan Gardner	9	9
Edward Geller	9	9
Mary Godfrey	9	9
Stephen O'Young ¹	8	8
Andrew Whitten ²	1	1

¹ Up to resignation date

² From appointment date

Directors' Interests

Information on the Directors' and their associates' interests in shares and options of the Company at 30 June 2020 can be found in the Remuneration Report on page 12.

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DIRECTORS' REPORT (CONT.)

Shares Under Option

At the date of this report, the unissued ordinary shares of the Group under option granted to directors are as follows:

	Grant date	Expiry date	Number of options granted	Exercise price \$	Total value of options \$
John Dougall	10/12/2018	12/12/2023	150,000	0.75	22,245
Megan Gardner	10/12/2018	12/12/2023	100,000	0.75	14,830
Edward Geller	10/12/2018	12/12/2023	300,000	0.75	44,490
Mary Godfrey	10/12/2018	12/12/2023	100,000	0.75	14,830
Stephen O'Young	10/12/2018	12/12/2023	150,000	0.75	22,245
John Dougall	10/12/2018	12/12/2023	150,000	1.00	19,275
Megan Gardner	10/12/2018	12/12/2023	100,000	1.00	12,850
Edward Geller	10/12/2018	12/12/2023	300,000	1.00	38,550
Mary Godfrey	10/12/2018	12/12/2023	100,000	1.00	12,850
Stephen O'Young	10/12/2018	12/12/2023	150,000	1.00	19,275
John Dougall	10/12/2018	12/12/2023	300,000	1.50	30,570
Megan Gardner	10/12/2018	12/12/2023	200,000	1.50	20,380
Edward Geller	10/12/2018	12/12/2023	600,000	1.50	61,140
Mary Godfrey	10/12/2018	12/12/2023	200,000	1.50	20,380
Stephen O'Young	10/12/2018	12/12/2023	300,000	1.50	30,570
			3,200,000		384,480

All options were granted over unissued fully paid ordinary shares in the Company. These options have vested on 29 October 2019, but none of them have been exercised as at the end of the financial year.

Shares Issued on the Exercise of Options

406,265 shares were issued during the financial year ended 30 June 2020 on the exercise of options.

Environmental Regulations

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Indemnity and Insurance of Directors and Officers

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

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

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

The Group was not a party to any such proceedings during the year.

Corporate Governance Statement

A copy of the Corporate Governance Statement has not been disclosed within the Annual Report but is available on the website <https://tinybeans.com/investors/corporate-governance/> in accordance with the ASX Listing Rule 4.10.3.

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DIRECTORS' REPORT (CONT.)

Rounding of Amounts

The Group is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporate Instrument to the nearest dollar.

Declaration by Directors

Before it approved the Company's 2020 financial statements, the Board was satisfied that the financial records have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Group, and their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The Directors received the Lead Auditor's Independence Declaration under s.307 of the Corporations Act 2001, which is set out on page 17. The external auditor did not provide non-audit services to the Company during the year ended 30 June 2020.

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.

Officers of the company who are former partners of RSM Australia Partners

There are no officers of the Company who are former Partners of RSM Australia Partners.

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 on page 17.

Auditor

RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

Signed in accordance with a resolution of the Board of Directors, made pursuant to s.298(2) of the Corporations Act 2001.



Edward Geller
Chief Executive Officer
New York, 11 September 2020

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REMUNERATION REPORT

This report outlines the remuneration arrangements in place for Directors and executives of Tinybeans Group Limited. The information in this report has been audited as required by 308(3C) of the Corporations Act 2001.

Directors and Key Management Personnel

The full Board of Directors sets remuneration policies and practices generally and makes specific recommendations on remuneration packages and other terms of employment for Executive Directors, other Senior Executives and Non-Executive Directors (if any).

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

Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the Group's operations.

Remuneration of Non-Executive Directors is determined by the Board within the maximum amount approved by shareholders from time to time. Fees for Non-Executive Directors are not linked to the Group's performance.

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 Board also gives consideration to the Group's result and cash consumption for the year. It does not utilise earnings per share as a performance measure or contemplate payment of any dividends in the short to medium term given that all efforts are currently being expended to develop the Group.

Details of the nature and amount of each element of the emoluments of each Director of Tinybeans Group Limited are set out below.

Directors

Names and positions held of key management personnel in office at any time during the financial year are:

Mr. John Dougall	Non-executive Director and Chairman
Ms. Megan Gardner	Non-executive Director
Mr. Edward Geller	Chief Executive Officer
Ms. Mary Godfrey	Non-executive Director
Mr. Stephen O'Young	Executive Director (resigned 13 May 2020)
Mr. Andrew Whitten	Non-executive Director (appointed 13 May 2020)

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REMUNERATION REPORT (CONT.)

Key Management Personnel Compensation

	Salary and directors' fees	Bonus	Non-monetary benefits	Total
	\$	\$	\$	\$
2020				
John Dougall	100,000	-	26,783	126,783
Megan Gardner	72,341	-	17,855	90,196
Edward Geller ¹	386,751	35,647	104,655	527,053
Mary Godfrey	72,341	-	17,855	90,196
Stephen O'Young ²	262,707	30,000	26,783	319,490
Andrew Whitten ³	7,903	-	-	7,903
Total Compensation	902,043	65,647	193,931	1,161,621

¹ Eddie Geller is compensated in USD. The amounts included here have been converted to AUD.

² Stephen O'Young resigned as a director on 13 May 2020.

³ Andrew Whitten appointed as a director on 13 May 2020.

	Salary and directors' fees	Bonus	Non-monetary benefits	Total
	\$	\$	\$	\$
2019				
John Dougall	100,000	-	45,307	145,307
Megan Gardner	71,395	-	30,205	101,600
Edward Geller	363,886	-	124,834	488,720
Mary Godfrey	71,395	-	30,205	101,600
Kim Heras ⁴	19,839	-	-	19,839
Stephen O'Young	220,000	-	45,307	265,307
Total Compensation	846,515	-	275,858	1,122,373

⁴ Kim Heras resigned as a director on 30 October 2018.

Non-monetary benefits

Non-monetary benefits are largely made up of expenses related to options each of the directors own. In the case of Edward Geller, there are also health benefits and other subscriptions that contribute towards the non-monetary benefits amount.

Performance of the Company and its Link to Remuneration

Key Performance Indicators (KPIs) are set annually, with a certain level of consultation with key management personnel. 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.

The table below provides a summary of the Company's performance in FY2020. The information below is taken into account by the Board when setting and determining short-term and long-term remuneration for key management personnel. It does not utilise earnings per share as a performance measure given that all efforts are currently being expended to develop the Group.

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REMUNERATION REPORT (CONT.)

Period	Registered Members In millions	Monthly Active Users In millions	Revenue \$	Profit/(Loss) after Tax \$
FY2020	4.65	3.72	5,979,450	(4,527,544)
FY2019	3.35	1.23	3,887,876	(3,451,481)
FY2018	2.50	0.94	1,726,563	(4,665,452)
FY2017	1.77	0.68	1,046,447	(2,056,624)

Shares Held by Key Management Personnel and Their Associates

	Balance 30 June 2019	Additions (Deductions)	Balance 30 June 2020
John Dougall	55,436	114,539	169,975
Megan Gardner	35,512	166,227	201,739
Edward Geller	5,989,329	576,615	6,565,944
Mary Godfrey	35,512	(2,838)	32,674
Stephen O'Young ¹	6,733,574	(1,291,336)	5,442,238
Andrew Whitten ²	13,000	10,000	23,000
Sarah-Jane Kurtini ³	3,061,542	(637,444)	2,424,098
Total	15,923,905	(1,064,237)	14,859,668

Options Held by Key Management Personnel and Their Associates

	Balance 30 June 2019	Deductions	Balance 30 June 2020
John Dougall	600,000		600,000
Megan Gardner	509,065	(109,065)	400,000
Edward Geller	1,200,000		1,200,000
Mary Godfrey	400,000		400,000
Stephen O'Young	600,000		600,000
Sarah-Jane Kurtini ³	106,000	(106,000)	-
Total	3,415,065	(215,065)	3,200,000

¹ Stephen O'Young resigned as a director on 13 May 2020.

² Andrew Whitten appointed as a director on 13 May 2020.

³ Sarah-Jane Kurtini resigned as a director on 16 Feb 2017 but was part of the Management Team as Head of Product Marketing up to 28 February 2020

Service Agreements

John Dougall – Non-executive Director and Chairman

- Agreement commenced on 15 March 2018 and amended on 26 June 2020;
- Base remuneration of AUD\$100,000 per annum, comprising of AUD\$30,000 to be paid in cash not later than two months after the date of the annual general meeting; and AUD\$70,000 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.

**TINYBEANS GROUP LIMITED
AND CONTROLLED ENTITIES
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REMUNERATION REPORT (CONT.)

Megan Gardner – Non-executive Director

- Agreement commenced on 19 March 2018 and amended on 19 April 2019;
- Base remuneration of USD\$50,000 per annum, comprising of:
 1. USD\$15,000 to be paid in cash no later than two months after the date of the annual general meeting; and
 2. an annual entitlement to be issued USD\$35,000 in fully paid ordinary shares in the Company no later than one month after the annual general meeting.

Edward Geller – Executive Director and Chief Executive Officer

- Agreement commenced on 1 January 2015 and amended on 7 February 2017, on 1 January 2019 and on 28 January 2020;
- Base salary of USD\$210,000 per annum;
- Annual entitlement to be issued USD\$50,000 in fully paid ordinary shares in the Company, subject to shareholder approval at a general meeting of the Company, or in cash if shareholder approval is not obtained;
- Discretionary bonus at the Board's decision of up to USD\$100,000.

Mary Godfrey – Non-executive Director

- Agreement commenced on 19 March 2018 and amended on 19 April 2019;
- Base remuneration of USD\$50,000 per annum, comprising of:
 1. USD\$15,000 to be paid in cash no later than two months after the date of the annual general meeting; and
 2. an annual entitlement to be issued USD\$35,000 in fully paid ordinary shares in the Company no later than one month after the annual general meeting.

Stephen O'Young – Executive Director and Chief Technology Officer (resigned as an Executive Director on 13 May 2020)

- Agreement commenced on 1 July 2014 and amended on 8 February 2017, on 1 January 2019 and on 28 January 2020;
- Base salary of AUD\$160,000 per annum;
- Annual entitlement to be issued AUD\$60,000 in fully paid ordinary shares in the Company, subject to shareholder approval at a general meeting of the Company, or in cash if shareholder approval is not obtained;
- Discretionary bonus at the Board's decision of up to AUD\$75,000.

Andrew Whitten - Non-executive Director (appointed as a Non-executive Director on 13 May 2020)

- Agreement commenced on 13 May 2020
- Base remuneration of AUD\$60,000 per annum, comprising of:
 1. AUD\$18,000 to be paid in cash on a monthly basis; and
 2. an annual entitlement to be issued AUD\$42,000 in fully paid ordinary shares in the Company, subject to shareholder approval at a general meeting of the Company, or in cash if shareholder approval is not obtained.

Key Employment Agreements

Sarah Jane Kurtini – Head of Product Marketing (resigned as Head of Product Marketing on 28 February 2020)

- Agreement commenced on 1 July 2014 and amended on 7 February 2017, on 10 February 2017 to incorporate relocation to New York from 1 July 2017, and on 13 June 2019 which covered the relocation back to Sydney from 16 September 2019;

**TINYBEANS GROUP LIMITED
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REMUNERATION REPORT (CONT.)

- Base salary of AUD\$191,625 per annum;
- Discretionary bonus at the Board's decision of up to AUD\$50,000;
- Upon executing a new US based employment agreement, package amounts to USD\$191,625 per annum with USD\$5,950 deduction from the monthly gross salary to pay towards rent.
- One-time relocation allowance of AUD30,000 claimable within two months of the new AU start date of 16 September 2019

Loans to Directors and Key Management Personnel

There were no loans made to directors or key management personnel 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.

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Tinybeans Group Ltd for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



RSM AUSTRALIA PARTNERS



A Travers
Partner

Sydney, NSW

Dated: 11 September 2020

**TINYBEANS GROUP LIMITED
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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR YEAR ENDED 30 JUNE 2020**

	Note	2020 \$	2019 \$
Revenue from contracts with customers	2	5,979,450	3,887,876
Other income	3	402,804	415,647
Total income		6,382,254	4,303,523
Bad debts expense		(21,076)	(4,669)
Depreciation and amortisation expense	4	(729,030)	(113,036)
Employee benefits expense	5	(6,062,977)	(4,801,300)
Share based payments expense	4	(521,384)	(229,694)
Finance costs	4	(24,186)	(4,941)
Administration		(2,674,035)	(1,779,232)
Marketing		(698,892)	(607,803)
Other expenses		(172,476)	(209,595)
Loss before income tax expense		(4,521,802)	(3,446,747)
Income tax expense	6	(5,742)	(4,734)
Loss attributable to members of the parent entity		(4,527,544)	(3,451,481)
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss when specific conditions are met:			
Exchange differences on translating foreign operations		(466,207)	3,561
Total comprehensive loss for the period		(4,993,751)	(3,447,920)
Earnings per share for profit attributable to the owners of Tinybeans Group Limited			
Basic earnings per share (cents)	8	(11.17)	(10.50)
Diluted earnings per share (cents)	8	(11.17)	(10.50)

These financial statements should be read in conjunction with the accompanying notes.

**TINYBEANS GROUP LIMITED
AND CONTROLLED ENTITIES
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	5,220,229	982,018
Trade and other receivables	10	2,138,436	1,283,324
Other assets	11	380,622	270,895
TOTAL CURRENT ASSETS		7,739,287	2,536,237
NON-CURRENT ASSETS			
Property, plant and equipment	13	36,678	55,672
Right-of-use assets	14	397,156	-
Intangible assets	15	10,782,469	-
TOTAL NON-CURRENT ASSETS		11,216,303	55,672
TOTAL ASSETS		18,955,590	2,591,909
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	16	1,169,420	754,942
Contract liabilities	17	892,330	522,546
Lease liabilities	18	246,936	-
Employee benefits	19	130,690	163,430
Borrowings	20	846,677	-
TOTAL CURRENT LIABILITIES		3,286,053	1,440,918
NON-CURRENT LIABILITIES			
Contract liabilities	21	554,866	469,395
Lease liabilities	22	178,215	-
Employee benefits	23	5,849	22,496
TOTAL NON-CURRENT LIABILITIES		738,930	491,891
TOTAL LIABILITIES		4,024,983	1,932,809
NET ASSETS		14,930,607	659,100
EQUITY			
Issued capital	24	31,826,088	13,000,412
Reserves	25	408,076	531,074
Accumulated losses	27	(17,303,557)	(12,872,386)
TOTAL EQUITY		14,930,607	659,100

These financial statements should be read in conjunction with the accompanying notes.

**TINYBEANS GROUP LIMITED
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 30 JUNE 2020

	Note	Shares on Issue \$	Reserves \$	Accumulated losses \$	Total \$
Balance at 1 July 2018		12,674,511	339,229	(9,420,905)	3,592,835
Loss for the period		-	-	(3,451,481)	(3,451,481)
Other comprehensive income		-	3,561	-	3,561
Total comprehensive income for the period		-	3,561	(3,451,481)	(3,447,920)
Transactions with owners, as owners					
Shares issued during the period	24	144,857	-	-	144,857
Shares issued on the exercise of options	24	89,998	(41,410)	-	48,588
Shares issued to directors	24	96,171	-	-	96,171
Costs of capital raising	24	(5,125)	-	-	(5,125)
Movements in options reserve	25	-	229,694	-	229,694
Balance at 30 June 2019		13,000,412	531,074	(12,872,386)	659,100
Balance at 1 July 2019		13,000,412	531,074	(12,872,386)	659,100
Change for change in accounting policy (Note 1)		-	-	13,363	13,363
Balance at 1 July 2019 - restated		13,000,412	531,074	(12,859,023)	672,463
Loss for the period		-	-	(4,527,544)	(4,527,544)
Other comprehensive income		-	(466,207)	-	(466,207)
Total comprehensive income for the period		-	(466,207)	(4,527,544)	(4,993,751)
Transactions with owners, as owners					
Shares issued during the period	24	18,770,062	-	-	18,770,062
Shares issued on the exercise of options	24	347,886	(95,164)	-	252,722
Shares issued to directors	24	350,993	-	-	350,993
Costs of capital raising	24	(643,265)	-	-	(643,265)
Movements in options reserve	25	-	438,373	83,010	521,383
Balance at 30 June 2020		31,826,088	408,076	(17,303,557)	14,930,607

These financial statements should be read in conjunction with the accompanying notes.

**TINYBEANS GROUP LIMITED
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CONSOLIDATED STATEMENT OF CASH FLOWS FOR YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		5,693,396	3,693,074
Payments to suppliers and employees		(8,848,260)	(7,102,875)
Government grants and Research and Development Tax Offset Incentive		188,919	134,105
Interest received		31,304	24,951
Interest and other finance costs paid		(24,186)	-
Net cash used in operating activities	28	<u>(2,958,827)</u>	<u>(3,250,745)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments to acquire property, plant and equipment		(13,201)	(1,113)
Acquisition of businesses	34	<u>(10,024,323)</u>	<u>-</u>
Net cash used in investing activities		<u>(10,037,524)</u>	<u>(1,113)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from shares issued	24	17,308,222	193,445
Cost of raising share capital	24	(643,265)	(5,125)
Repayment of lease liabilities		(368,406)	-
Proceeds from borrowings		846,677	-
Net cash provided by financing activities		<u>17,143,228</u>	<u>188,320</u>
Net decrease in cash held		4,146,877	(3,063,538)
Cash and cash equivalents at beginning of financial year		982,018	4,052,369
Effects of foreign currency exchange		91,334	(6,813)
Cash and cash equivalents at end of financial year	9	<u>5,220,229</u>	<u>982,018</u>

These financial statements should be read in conjunction with the accompanying notes.

**TINYBEANS GROUP LIMITED
AND CONTROLLED ENTITIES
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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

The financial report includes the consolidated financial statements and notes of Tinybeans Group Limited and controlled entities ('Consolidated Group' or 'Group'). The separate financial statements and notes of Tinybeans Group Limited as an individual parent entity ('Company') have not been presented within the financial report as permitted by the *Corporations Act 2001*.

Tinybeans Group Limited is a listed public company limited by shares, incorporated and domiciled in Australia. A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue on 11 September 2020 by the directors of the Company.

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, except for, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 33.

Accounting Policies

a. Principles of Consolidation

A controlled entity is any entity Tinybeans Group Limited has the power to control the financial and operating policies of so as to obtain benefits from its activities.

A list of controlled entities is contained in Note 12 to the financial statements. All controlled entities have a 30 June 2020 financial year-end for this current year.

As at the reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year ended.

All inter-company balances and transactions between entities in the Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the Company.

Where controlled entities have entered or left the Group during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

Minority interests, being that portion of the profit or loss and net assets of subsidiaries attributable to equity interests held by persons outside the Group, are shown separately within the Equity section of the Consolidated Statement of Financial Position and in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

**TINYBEANS GROUP LIMITED
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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

b. Revenue Recognition

Revenue is recognised when it is probable that the economic benefit will flow to the Consolidated Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Revenue from contract

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.

Sale of goods

Sales of goods revenue is recognised at the point of time, which is where the customer has taken delivery of the goods, the control has been transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Advertising revenue

Revenue from the provision of advertising on digital platforms is recognised over the period the advertisements are displayed. Where the advertising revenue relates to an ongoing campaign the revenue is recognised over the period of the campaign.

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.

Bundling of products and services

Where products and/or services are sold as a bundled product, each product and service is treated as a separate performance obligation. In bundling products and services, the price is applied proportionately to each separately identifiable performance obligation within the bundle.

Government grants

Revenue from grants is recognised in the financial period to which these grants relate.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

**TINYBEANS GROUP LIMITED
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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

c. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Depreciation

The depreciable amount of office equipment and furniture is depreciated on a diminishing value basis over their useful lives to the Group commencing from the time the asset is held ready for use.

The depreciable amount of leasehold improvements is depreciated on a straight-line basis over their useful lives to the Group commencing from the time the asset is held.

The useful lives used for depreciable assets are:

<i>Class of Fixed Asset</i>	<i>Useful lives</i>
Office equipment	5 years
Furniture and fixtures	5 years
Computer equipment	3-5 years
Leasehold improvements	3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Profit or Loss and Other Comprehensive Income.

d. Intangible Assets

Trademarks

Separately acquired trademarks and licences are shown at historical cost. Trademarks, licenses and customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses. Management considered the nature of these assets and amortised them in the year under review.

Goodwill

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

Software Platform and Content Repository

Software Platform and Content Repository acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

**TINYBEANS GROUP LIMITED
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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

e. **Impairment of Assets**

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

f. **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.

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 corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

g. **Equity-Settled Compensation**

There has been no equity based compensation with the exception of that described at Note 26. The capital subscribed to as per this note was acquired at fair value at the time of purchase.

Options issues have their fair value determined with reference to an approved valuation methodology, such as the Black-Scholes valuation method. On issue, the fair value of an option is taken to the Income Statement as equity settled compensation, with a corresponding credit to the options reserve. This is then disclosed as other comprehensive income in the Statement of Comprehensive Income to show other net profit position of the Group from a third party perspective.

Shares have their value determined using the direct method of share price at date of issue multiplied by the number of shares issued.

h. **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

i. **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.

**TINYBEANS GROUP LIMITED
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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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.

j. Trade and Other Payables

Liabilities for creditors and other amounts are carried at amortised cost, which is the present value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group. The carrying period is dictated by market conditions but is generally less than 30 days.

k. 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.

l. Foreign currency translation

The financial statements are presented in Australian Dollars, which is the Company's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian 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 the statement of profit or loss and other comprehensive income.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian 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.

m. 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 consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

**TINYBEANS GROUP LIMITED
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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

n. **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.

o. **Finance Costs**

Finance costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other finance costs are recognised in the period in which they are incurred.

p. **Goods and Services Tax (GST)**

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows. There is provision made in the Statement of Cash Flows to disclose the applicable GST refunds/payments that have been remitted to the ATO to accurately show the cash position of Tinybeans Group Limited.

q. **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.

r. **Business Combinations**

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is

**TINYBEANS GROUP LIMITED
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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value

s. Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to the owners of the Group excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding 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.

t. Government Grants

Research and development tax credit or tax offset incentive and the export market development grant are accounted for as a government grant as per AASB120. Consequently, a credit has been recognised in the same period necessary to match the benefit of the credit with the costs for which it is intended to compensate. This credit has been presented as other income.

u. Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

i. Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

ii. Employee share plan options valuation

The Company issued 985,483 options to the employees as employee benefit in 2020 financial year as disclosed in Note 26. There is significant judgement and estimation uncertainty in relation to the assumptions used in the Black Scholes Option pricing models. Judgement is required with regards to the fair value of the shares at the issue date, the market volatility, the expected exercise period, and a number of other inputs into the models.

iii. Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and estimated tax losses where management considers that it is probable that future taxable profits will be available to utilise those temporary differences. Significant judgement is required on the part of management and the Board to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits over the future years together with future tax planning strategies. Management and the Board have determined not to raise any deferred tax assets which are estimated at \$897,229 for the full year ended 30 June 2020 and cumulatively at approximately \$3 million. The Board will re-evaluate the probability of utilising these tax assets on an annual basis.

iv. Impairment – general

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

v. Platform and product development costs

Platform and development costs have been expensed in the year in which incurred. These amounts have not been capitalised on the basis that the directors consider that the expenditures do not yet meet the recognition criteria of development costs as defined by AASB 138 Intangible Assets.

vi. Research and development tax offset scheme

Refundable research and development credits received from the research and development tax offset scheme are accounted for as a government grant as per AASB 120. Consequently, a credit is been recognised in the same period necessary to match the benefit of the credit with the costs for which it is intended to compensate. This credit has been presented as other income.

vii. Contract liabilities

Included in contract liabilities is subscription revenue related to the sale of lifetime premiums which are to be recognised in the profit or loss over the subscription period. The key assumption in measuring the deferred revenue is the expected period of usage in relation to lifetime premium subscribers. There is significant estimation uncertainty with regards to the period of use and the directors have estimated the usage period to be five years.

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

viii. Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates, the impact of the Coronavirus (COVID-19) pandemic and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 10, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

ix. Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

v. 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.

As disclosed in the financial report, the Group incurred a loss after tax of \$4,527,544 and had net cash outflows from operating activities of \$2,958,827 for the year ended 30 June 2020. As at that date, the Group had net current assets of \$4,453,234, net assets of \$14,930,607 as well as cash and cash equivalents of \$5,220,229.

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 report after consideration of the following factors:

- The Group has cash and cash equivalents of \$5,220,229 as at 30 June 2020. As at that date the Group had net current assets of \$4,453,234 and net assets of \$14,930,607.
- The Group has performed a cash flow forecast and determined that it has adequate cash resources in place to fund its operations for the next 12 months.
- 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. The Group has raised \$5 million in July 2019 and \$12 million in January 2020. The directors believe that it will be able to continue to source equity or alternative funding if required.

Accordingly, the directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

w. New or amended Accounting Standards and Interpretations adopted

The Consolidated Entity 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.

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

The following Accounting Standards and Interpretations are most relevant to the consolidated entity

AASB 16 Leases

The consolidated entity has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption on opening retained profits as at 1 July 2019 was as follows:

	1 July 2019
Operating lease commitments as at 1 July 2019 (AASB 117)	794,072
Finance lease commitments as at 1 July 2019 (AASB 117)	-
Operating lease commitments discount based on the weighted average incremental borrowing rate of 4% (AASB 16)	(30,901)
Short-term leases not recognised as a right-of-use asset (AASB 16)	-
Low-value assets leases not recognised as a right-of-use asset (AASB 16)	-
Accumulated depreciation as at 1 July 2019 (AASB 16)	(644,183)
 Right-of-use assets (AASB 16)	 118,988
Lease liabilities - current (AASB 16)	(105,625)
Lease liabilities - non-current (AASB 16)	-
Tax effect on the above adjustments	-
 Reduction in opening retained profits as at 1 July 2019	 13,363

x. **Right-of-use assets**

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

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

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

**TINYBEANS GROUP LIMITED
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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

y. **Lease liabilities**

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

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

z. **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 consolidated entity for the annual reporting period ended 30 June 2020. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

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NOTE 2: REVENUE FROM CONTRACTS WITH CUSTOMERS

	2020	2019
	\$	\$
Advertising revenue	4,441,329	2,816,657
Photobook revenue	305,922	275,081
Subscription revenue	1,045,267	737,922
Other revenue	186,932	58,216
Total Revenue From Contracts With Customers	5,979,450	3,887,876

NOTE 3: OTHER INCOME

	2020	2019
	\$	\$
Interest received	30,698	24,241
Research and development tax offset incentives ⁽ⁱ⁾	304,720	460,430
Government grants	-	(72,000)
Gain on disposal of assets	200	523
Other income	67,186	2,453
Total other income	402,804	415,647

⁽ⁱ⁾ Included in the FY19 research and development tax offset incentives is \$157,245 relating to FY18, and \$303,185 relating to FY19. Management did not recognise the receivable for the 2018 financial year as it was the first time the research and development tax credit was being claimed in the United States and there was not sufficient assurance that the entity would comply with the conditions attaching to it.

NOTE 4: RESULTS FOR THE YEAR

	2020	2019
	\$	\$
Expenses		
Rent	10,144	421,683
Share based payments/(credits) expense	521,384	229,694
Depreciation of property, plant and equipment	425,920	45,006
Amortisation of intangible assets	303,110	68,030
Finance costs		
Interest and finance charges paid/payable on lease liabilities	21,146	-
Interest and finance charges paid/payable on payables	3,040	4,941
Total finance costs	24,186	4,941

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NOTE 5: EMPLOYEE BENEFITS

	2020	2019
	\$	\$
Salaries and wages	5,976,922	4,710,645
Superannuation	86,055	90,655
Total employee benefits	<u>6,062,977</u>	<u>4,801,300</u>

NOTE 6: INCOME TAX EXPENSE

	2020	2019
	\$	\$
The components of tax expense comprise:		
Current tax	5,742	4,734
Deferred tax	-	-
Total	<u>5,742</u>	<u>4,734</u>
Prima facie tax benefit on loss from ordinary activities before income tax at 27.5%	(1,243,495)	(947,855)
Add tax effect of:		
— Other non-allowable items	<u>1,151,098</u>	<u>601,991</u>
Subtotal	<u>(92,397)</u>	<u>(345,864)</u>
Less tax effect of:		
— Items not assessable for taxation	(17,187)	-
— Items deductible for taxation but not accounting	(865,259)	(453,962)
Deferred tax assets not brought to account:	<u>980,585</u>	<u>804,560</u>
Income tax expense	<u>5,742</u>	<u>4,734</u>

The Group has estimated carry forward tax losses \$12,548,615 (2019: \$9,003,728) which will be deductible from future assessable income provided that income is derived, and:

- a) The Company and its controlled entities carry on a business in Australia; and
- b) No change in tax legislation adversely affects the Group and its controlled entities in realising the benefit from the deduction for the losses.

The benefit of these losses will only be recognised where it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

NOTE 7: AUDITOR REMUNERATION

	2020	2019
	\$	\$
Remuneration of the auditor of the Group for:		
Audit and review services for the financial year	<u>80,500</u>	<u>49,500</u>
Total:	<u>80,500</u>	<u>49,500</u>

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NOTE 8: EARNINGS PER SHARE

	2020	2019
	\$	\$
a. Reconciliation of earnings:		
Loss after tax	<u>(4,527,544)</u>	<u>(3,451,481)</u>
	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculating EPS	40,517,167	32,860,592
	Cents	Cents
c. Basic EPS	<u>(11.17)</u>	<u>(10.50)</u>
d. Diluted EPS	<u>(11.17)</u>	<u>(10.50)</u>

NOTE 9: CASH AND CASH EQUIVALENTS

	2020	2019
	\$	\$
Cash at bank and on hand	<u>5,220,229</u>	982,018
Total	<u><u>5,220,229</u></u>	<u><u>982,018</u></u>

For the purpose of statement of cash flows, cash and cash equivalents comprise the above.

NOTE 10: TRADE AND OTHER RECEIVABLE

	2020	2019
	\$	\$
CURRENT		
Trade and other receivables from third parties:		
Trade receivables	1,148,641	522,781
Accrued revenue and other receivables	438,471	300,130
Grants receivable	<u>586,746</u>	<u>460,413</u>
Total	2,173,858	1,283,324
Provision for doubtful debts	<u>(35,422)</u>	-
Net Trade and other receivables	<u><u>2,138,436</u></u>	<u><u>1,283,324</u></u>

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NOTE 10: TRADE AND OTHER RECEIVABLES (CONT.)

Allowance for expected credit losses

The consolidated entity has recognised a loss of \$35,422 (2019: nil) in profit or loss in respect of the expected credit losses for the year ended 30 June 2020.

The consolidated entity has increased its monitoring of debt recovery as there is an increased probability of customers delaying payment or being unable to pay due to the Coronavirus (COVID-19) pandemic. Per assessment of the receivables and its recovery, we have provided for the expected credit losses as at 30 June 2020, although the amount is minimal. The COVID-19 has not resulted in additional risk and has not significantly impacted our accounts.

The ageing of the trade receivables are as follows:

	2020	2019
	\$	\$
Current	931,720	414,062
1-30 days overdue	41,927	84,699
31-60 days overdue	24,467	6,104
61-60 days overdue	99,985	17,780
Over 90 days overdue	50,542	136
Total trade receivables	<u>1,148,641</u>	<u>522,781</u>

NOTE 11: OTHER ASSETS

Prepayments	271,036	154,741
Deposits paid	109,586	116,154
Total other assets	<u>380,622</u>	<u>270,895</u>

NOTE 12: CONTROLLED ENTITIES

Controlled Entities Consolidated

	Country of Incorporation	Percentage Owned (%)*	
		2020	2019
PARENT ENTITY:			
Tinybeans Group Limited	Australia		
SUBSIDIARIES OF TINYBEANS GROUP LIMITED			
Tinybeans Pty Limited	Australia	100	100
Tinybeans Innovations Pty Ltd	Australia	100	100
Tinybeans USA Ltd (Delaware C Corp)	USA	100	100
Red Tricycle Inc.	USA	100	-

* Percentage of voting power is in proportion to ownership

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NOTE 13: PROPERTY, PLANT AND EQUIPMENT

	2020	2019
	\$	\$
OFFICE EQUIPMENT		
At cost	7,592	7,460
Accumulated depreciation	(5,493)	(4,023)
Total office equipment	<u>2,099</u>	<u>3,437</u>
FURNITURE AND FIXTURES		
At cost	31,388	30,843
Accumulated depreciation	(22,646)	(16,526)
Total furniture and fixtures	<u>8,742</u>	<u>14,317</u>
COMPUTER EQUIPMENT		
At cost	93,331	98,595
Accumulated depreciation	(70,228)	(69,693)
Total computer equipment	<u>23,103</u>	<u>28,902</u>
LEASEHOLD IMPROVEMENTS		
At cost	19,325	18,989
Accumulated depreciation	(16,591)	(9,973)
Total leasehold improvements	<u>2,734</u>	<u>9,016</u>
 Total property, plant and equipment	 <u><u>36,678</u></u>	 <u><u>55,672</u></u>

Movements in Carrying Amounts

	Office Equipment	Furniture and Fixtures	Computer Equipment	Leasehold Improvements	Total
	\$	\$	\$	\$	\$
Balance at 30 June 2018	5,443	22,673	52,713	14,582	95,411
Acquisitions in the year	-	-	3,253	-	3,253
Disposals in the year	-	-	(1,606)	-	(1,606)
Effects of foreign exchange	244	1,018	1,707	651	3,620
Depreciation expense	(2,250)	(9,374)	(27,165)	(6,217)	(45,006)
Balance at 30 June 2019	<u>3,437</u>	<u>14,317</u>	<u>28,902</u>	<u>9,016</u>	<u>55,672</u>
Acquisitions in the year	-	-	19,307	-	19,307
Disposals in the year	-	-	(6,254)	-	(6,254)
Effects of foreign exchange	102	426	791	350	1,669
Depreciation expense	(1,441)	(6,001)	(19,642)	(6,632)	(33,716)
Balance at 30 June 2020	<u><u>2,098</u></u>	<u><u>8,742</u></u>	<u><u>23,104</u></u>	<u><u>2,734</u></u>	<u><u>36,678</u></u>

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NOTE 14: RIGHT-OF-USE ASSET

	2020	2019
	\$	\$
At cost	781,258	-
Accumulated depreciation	(384,102)	-
Total right-of-use of asset	<u>397,156</u>	<u>-</u>
	Right-of-use asset	Total
	\$	\$
Balance at 30 June 2019	-	-
Acquisitions in the year	781,258	781,258
Disposals in the year	-	-
Effects of foreign exchange	8,102	8,102
Depreciation expense	(392,204)	(392,204)
Balance at 30 June 2020	<u>397,156</u>	<u>397,156</u>

The consolidated entity leases buildings for its offices under agreements of three years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

NOTE 15: INTANGIBLE ASSET

	Patents	Goodwill	Software Platform	Content Repository	Total
	\$	\$	\$	\$	\$
Balance at 30 June 2018	68,030	-	-	-	68,030
Acquisitions during the year	-	-	-	-	-
Amortisation expense	(68,030)	-	-	-	(68,030)
Balance at 30 June 2019	-	-	-	-	-
Acquisitions during the year	-	6,999,474	2,333,158	2,333,158	11,665,790
Amortisation expense	-	-	(151,555)	(151,555)	(303,110)
Effects of foreign exchange	-	(348,265)	(115,973)	(115,973)	(580,211)
Balance at 30 June 2020	<u>-</u>	<u>6,651,209</u>	<u>2,065,630</u>	<u>2,065,630</u>	<u>10,782,469</u>

Impairment testing

Goodwill acquired through business combination has been allocated to Red Tricycle, Inc.

The recoverable amount of the consolidated entity's goodwill has been determined by a value-in-use calculation using a discounted cash flow model, based on a 1 year projection period approved by the board and extrapolated for a further 5 years using variable rates, together with a terminal value.

Key assumptions are those to which the recoverable amount of an asset is most sensitive.

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NOTE 15: INTANGIBLE ASSET (CONT.)

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

- 15.67% pre-tax discount rate
- 13% - 30% per annum projected revenue growth rate over 5 years
- Cost of goods sold at 5% of sales
- Operating costs between 84% to 90% over 5 years

The discount rate of 15.67% pre-tax reflects management's estimate of the time value of money and the consolidated entity's weighted average cost of capital adjusted for the risk free rate and the volatility of the share price relative to market movements.

The management believes the growth assumptions are realistic based on a detailed ad sales plan which include consideration of the revenue impact of COVID-19, establishment of new sales roles and partnerships to support intended growth and detailed roadmaps for revenue growth.

Compared to prior years, management have increased their estimation on the cost of goods sold from 3% to 5% to cover for the influencer capability, while their estimation on the operating costs was maintained at the current average rate of 87%.

Based on the above, no impairment of goodwill was recognised since the enterprise value exceeded the carrying amount of goodwill.

NOTE 16: TRADE AND OTHER PAYABLES

	2020	2019
	\$	\$
CURRENT		
Accounts payable	163,831	81,788
Accrued expenses	673,223	480,371
Other payables	332,366	192,783
Total	<u>1,169,420</u>	<u>754,942</u>

NOTE 17: CONTRACT LIABILITIES

	2020	2019
	\$	\$
CURRENT		
Contract liabilities	892,330	522,546
Total	<u>892,330</u>	<u>522,546</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 \$892,330 (\$522,546 as at 30 June 2019) and is expected to be recognised as revenue in future periods as follows:

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NOTE 17: CONTRACT LIABILITIES (CONT.)

	2020	2019
	\$	\$
Within 6 months	638,411	341,838
6 to 12 months	253,919	180,708
Total	<u>892,330</u>	<u>522,546</u>

NOTE 18: LEASE LIABILITIES

	2020	2019
	\$	\$
CURRENT		
Lease liabilities	246,936	-
Total	<u>246,936</u>	<u>-</u>

NOTE 19: EMPLOYEE BENEFITS

	2020	2019
	\$	\$
CURRENT		
Employee provisions	130,690	163,430
Total	<u>130,690</u>	<u>163,430</u>

Amounts not expected to be settled within the next 12 months

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

The following amounts reflect leave that is not expected to be taken within the next 12 months:

	2020	2019
	\$	\$
Employee benefits obligation expected to be settled after 12 months	<u>5,580</u>	<u>36,821</u>

NOTE 20: BORROWINGS

	2020	2019
	\$	\$
CURRENT		
Borrowings	846,677	-
	<u>846,677</u>	<u>-</u>

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NOTE 20: BORROWINGS (CONT.)

The borrowings pertain to the loan made to Tinybeans USA Ltd and Red Tricycle Inc. under the SBA's Paycheck Protection Program which is one of the US government's initiative to support businesses impacted by COVID-19. Loan funds are used by the borrower to retain its workers and maintain its payroll or make its mortgage payments, lease payments, and utility payments.

Forgiveness of the loan is only available for the principal amount that is used for the limited purposes that expressly qualify for forgiveness under SBA requirements, and that to obtain forgiveness, the borrower must request forgiveness from the lender, provide documentation in accordance with the SBA requirements, and certify that the amounts borrower is requesting to be forgiven qualify under those requirements. The borrower shall remain responsible under the loan for any amounts not forgiven, and that interest payable under the loan will not be forgiven, but that the SBA may pay the loan interest on forgiven amounts.

NOTE 21: CONTRACT LIABILITIES

	2020	2019
	\$	\$
NON-CURRENT		
Contract liabilities	554,866	469,395
Total	554,866	469,395

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 \$554,866 (\$469,395 as at 30 June 2019) and is expected to be recognised as revenue in future periods as follows:

	2020	2019
	\$	\$
12 to 18 months	126,133	96,585
18 to 24 months	104,107	92,444
24 to 30 months	92,123	82,406
30 to 36 months	79,374	64,601
over 36 months	153,129	133,359
Total	554,866	469,395

NOTE 22: LEASE LIABILITIES

	2020	2019
	\$	\$
NON-CURRENT		
Lease liabilities	178,215	-
Total	178,215	-

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NOTE 23: EMPLOYEE BENEFITS

	2020	2019
	\$	\$
NON-CURRENT		
Employee provisions	5,849	22,496
Total	<u>5,849</u>	<u>22,496</u>

NOTE 24: ISSUED CAPITAL

	2020		2019	
	No of Shares	\$	No of Shares	\$
Ordinary shares				
<i>Fully Paid</i>				
At the beginning of reporting period	33,045,551	13,000,412	32,508,796	12,674,511
Shares issued	11,885,031	18,770,062	263,377	144,857
Shares issued on the exercise of options	406,265	347,886	96,617	89,998
Shares issued to directors	445,428	350,993	176,761	96,171
Cost of raising capital	-	(643,265)	-	(5,125)
Closing balance at reporting date	<u>45,782,275</u>	<u>31,826,088</u>	<u>33,045,551</u>	<u>13,000,412</u>

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At the shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Capital Management

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

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

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

NOTE 25: RESERVES

	2020	2019
	\$	\$
Options reserve	821,972	478,764
Foreign currency translation reserve	(413,896)	52,310
Total reserves	<u>408,076</u>	<u>531,074</u>

The options reserve records the fair value of options on issue.

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NOTE 25: RESERVES (CONT.)

Foreign currency reserve

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

	Options reserve	Foreign currency translation reserve	Total
	\$	\$	\$
Balance at 30 June 2018	290,480	48,749	339,229
Additions during the year	299,905	3,561	303,466
Disposals during the year	(70,212)	-	(70,212)
Exercise of options during the year	(41,409)	-	(41,409)
Balance at 30 June 2019	478,764	52,310	531,074
Additions (deductions) during the year ¹	669,018	(466,207)	202,811
Disposals during the year	(230,645)	-	(230,645)
Exercise of options during the year	(95,164)	-	(95,164)
Balance at 30 June 2020	821,973	(413,897)	408,076

¹ (\$466,207) is mainly due to the translation of the USD amounts, inc the differences of the P&L forex rates and the BS closing rates.

NOTE 26: SHARE BASED PAYMENTS

During the financial year, key personnel were issued 659,733 options at a strike price of \$1.10 per share, 53,000 options at a strike price of \$2.20 per share and 92,750 options at a strike price of \$1.00 per share, with a total value of \$393,569. 180,000 options were issued to an advisor at a strike price at \$1.10 per share with a value of \$57,857.

647,321 options amounting to \$230,645 were forfeited and 406,265 options amounting to \$95,165 were exercised within the financial year.

A share option plan has been established by the Consolidated Group and approved by shareholders at a general meeting, whereby the Consolidated Group may, at the discretion of the Board, grant options over ordinary shares in the company to certain key management personnel of the Consolidated Group. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Board.

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

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NOTE 26: SHARE BASED PAYMENTS (CONT.)

2020			Balance at				Balance at
Grant date	Expiry date	Exercise price	the start of the year	Granted	Exercised	Cancelled	the end of the year
18/04/2017	18/04/2020	\$0.3210	149,158	-	-	(149,158)	-
18/04/2017	18/04/2020	\$0.5364	109,065	-	(109,065)	-	-
21/04/2017	21/04/2021	\$1.2000	119,250	-	(26,500)	(39,750)	53,000
15/09/2017	15/09/2021	\$1.2000	40,000	-	-	-	40,000
01/07/2018	01/07/2022	\$0.6000	117,000	-	(117,000)	-	-
10/12/2018	10/12/2022	\$0.6000	516,530	-	(153,700)	(122,563)	240,267
10/12/2018	10/12/2023	\$0.7500	800,000	-	-	-	800,000
10/12/2018	10/12/2023	\$1.0000	800,000	-	-	-	800,000
10/12/2018	10/12/2023	\$1.5000	1,600,000	-	-	-	1,600,000
20/05/2019	20/05/2023	\$0.6000	26,500	-	-	-	26,500
23/05/2019	01/03/2023	\$0.6000	26,500	-	-	(26,500)	-
02/04/2019	02/04/2023	\$0.6000	60,000	-	-	-	60,000
02/04/2019	02/04/2023	\$0.6000	60,000	-	-	-	60,000
02/04/2019	02/04/2023	\$0.6000	60,000	-	-	-	60,000
19/08/2019	19/08/2023	\$1.1000	-	84,500	-	(26,500)	58,000
19/08/2019	31/03/2020 *	\$1.1000	-	63,600	-	(63,600)	-
19/08/2019	30/04/2020 *	\$1.1000	-	26,500	-	(26,500)	-
19/08/2019	31/08/2020 *	\$1.1000	-	74,200	-	-	74,200
19/08/2019	19/08/2023	\$1.1000	-	410,933	-	(192,750)	218,183
04/09/2019	04/09/2023	\$1.1000	-	180,000	-	-	180,000
19/12/2019	19/12/2023	\$2.2000	-	53,000	-	-	53,000
27/03/2020	27/03/2024	\$1.0000	-	92,750	-	-	92,750
			<u>4,484,003</u>	<u>985,483</u>	<u>(406,265)</u>	<u>(647,321)</u>	<u>4,415,900</u>
Weighted average exercise price			\$1.03	\$1.15	0.62	\$0.81	\$1.13

* original expiry date was 19/08/2023 but adjusted with the employment termination

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NOTE 26: SHARE BASED PAYMENTS (CONT.)

2019		Balance at					Balance at
Grant date	Expiry date	Exercise price	the start of the year	Granted	Exercised	Cancelled	the end of the year
18/04/2017	18/04/2020	\$0.3210	149,158	-	-	-	149,158
18/04/2017	18/04/2020	\$0.5029	96,617	-	(96,617)	-	-
18/04/2017	18/04/2020	\$0.5364	109,065	-	-	-	109,065
21/04/2017	21/04/2021	\$1.2000	145,750	-	-	(26,500)	119,250
15/09/2017	15/09/2021	\$1.2000	172,500	-	-	(132,500)	40,000
01/07/2018	01/07/2022	\$0.6000	-	117,000	-	-	117,000
10/12/2018	10/12/2023	\$0.6000	-	793,013	-	(276,483)	516,530
10/12/2018	10/12/2023	\$0.7500	-	800,000	-	-	800,000
10/12/2018	10/12/2023	\$1.0000	-	800,000	-	-	800,000
10/12/2018	10/12/2023	\$1.5000	-	1,600,000	-	-	1,600,000
20/05/2019	20/05/2023	\$0.6000	-	26,500	-	-	26,500
23/05/2019	01/03/2023	\$0.6000	-	26,500	-	-	26,500
02/04/2019	02/04/2023	\$0.6000	-	60,000	-	-	60,000
02/04/2019	02/04/2023	\$0.6000	-	60,000	-	-	60,000
02/04/2019	02/04/2023	\$0.6000	-	60,000	-	-	60,000
			<u>673,090</u>	<u>4,343,013</u>	<u>(96,617)</u>	<u>(435,483)</u>	<u>4,484,003</u>
Weighted average exercise price			\$0.80	\$1.03	0.50	\$0.82	\$1.03

Grant date	Expiry date	2020 No.	2019 No.
18/04/2017	18/04/2020	-	258,223
21/04/2017	21/04/2021	53,000	119,250
15/09/2017	15/09/2021	40,000	40,000
01/07/2018	01/07/2022	-	117,000
10/12/2018	10/12/2022	240,267	516,530
10/12/2018	10/12/2023	3,200,000	3,200,000
20/05/2019	20/05/2023	26,500	26,500
23/05/2019	01/03/2023	-	26,500
02/04/2019	02/04/2023	180,000	180,000
19/08/2019	19/08/2023	58,000	-
19/08/2019	31/08/2020 *	74,200	-
19/08/2019	19/08/2023	218,183	-
04/09/2019	04/09/2023	180,000	-
19/12/2019	19/12/2023	53,000	-
27/03/2020	27/03/2024	92,750	-
Closing balance		<u>4,415,900</u>	<u>4,484,003</u>

The weighted average share price during the financial year was \$1.13 (2019: \$1.03).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 3.23 years (2019: 3.96 years).

* original expiry date was 19/08/2023 but adjusted with the employment termination

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NOTE 26: SHARE BASED PAYMENTS (CONT.)

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
18/04/2017	18/04/2020	\$1.00	\$0.43	80.00%	-	1.76%	\$0.4286
21/04/2017	21/04/2021	\$1.00	\$1.20	80.00%	-	1.79%	\$0.4801
15/09/2017	15/09/2021	\$0.88	\$1.20	80.00%	-	2.08%	\$0.3967
01/07/2018	01/07/2022	\$0.35	\$0.60	60.00%	-	2.04%	\$0.9010
10/12/2018	10/12/2022	\$0.33	\$0.60	75.00%	-	1.93%	\$0.1143
10/12/2018	10/12/2022	\$0.33	\$0.75	75.00%	-	2.11%	\$0.1483
10/12/2018	10/12/2022	\$0.33	\$1.00	75.00%	-	2.11%	\$0.1285
10/12/2018	10/12/2022	\$0.33	\$1.50	75.00%	-	2.11%	\$0.1019
20/05/2019	20/05/2023	\$1.38	\$0.60	100.00%	-	1.23%	\$1.0548
23/05/2019	01/03/2023	\$1.19	\$0.60	100.00%	-	1.14%	\$0.8773
02/04/2019	02/04/2023	\$0.35	\$0.60	76.00%	-	1.38%	\$0.1272
19/08/2019	19/08/2023	\$1.12	\$1.10	100.00%	-	0.68%	\$0.6913
19/08/2019	31/03/2020 *	\$1.12	\$1.10	100.00%	-	0.68%	\$0.6913
19/08/2019	30/04/2020 *	\$1.12	\$1.10	100.00%	-	0.68%	\$0.6913
19/08/2019	31/08/2020 *	\$1.12	\$1.10	100.00%	-	0.68%	\$0.6913
19/08/2019	19/08/2023	\$1.12	\$1.10	100.00%	-	0.68%	\$0.6913
04/09/2019	04/09/2023	\$1.05	\$1.10	100.00%	-	0.72%	\$0.6391
19/12/2019	19/12/2023	\$2.25	\$2.20	99.00%	-	0.81%	\$1.3901
27/03/2020	27/03/2024	\$0.82	\$1.00	100.00%	-	0.28%	\$0.4686

* original expiry date was 19/08/2023 but adjusted with the employment termination

NOTE 27: ACCUMULATED LOSSES

	2020	2019
	\$	\$
Opening balance	(12,872,386)	(9,420,905)
Losses for the year	(4,527,544)	(3,451,481)
Lease adjustment as per AASB 16	13,363	-
Share options expired	83,010	-
Closing balance	(17,303,557)	(12,872,386)

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NOTE 28: CASH FLOW INFORMATION

	2020	2019
	\$	\$
Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Total comprehensive loss for the year	(4,993,751)	(3,447,920)
<i>Non-cash flows in profit:</i>		
Bad debts	21,076	4,669
Depreciation and amortisation expense	729,030	113,036
Gain on disposal of non-current assets	(200)	(523)
Net exchange differences	374,872	3,561
Share based payments expense	587,031	325,865
<i>Changes in current assets and liabilities:</i>		
Increase in trade and other receivables	(855,112)	(717,838)
Increase in other assets	(109,727)	(72,652)
Increase in accounts payable and accruals	832,699	261,207
Increase in contract liabilities	455,255	279,850
Net cash used in operating activities	<u>(2,958,827)</u>	<u>(3,250,745)</u>

NOTE 29: EVENTS AFTER THE BALANCE SHEET DATE

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not financially affected the Consolidated Group up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

There were no other significant events after the reporting date that has significantly affected, or may significantly affect the Consolidated Group's operations, the results of those operations, or the Consolidated Group's state of affairs in future financial years.

NOTE 30: FINANCIAL INSTRUMENTS

General Objectives, Policies and Processes

The Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

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NOTE 30: FINANCIAL INSTRUMENTS (CONT.)

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

The overall objective of the Board is to set policies that seek to reduce risk as far as possible. Further details regarding these policies are set out below:

Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. This usually occurs when debtors or counterparties to derivative contracts fail to settle their obligations owing to the Group. The Group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Group.

The consolidated entity has increased its monitoring of debt recovery as there is an increased probability of customers delaying payment or being unable to pay due to the Coronavirus (COVID-19) pandemic. Per assessment of the receivables and its recovery, we have provided for the expected credit losses as at 30 June 2020, although the amount is minimal. The COVID-19 has not resulted in additional risk and has not significantly impacted our accounts.

The maximum exposure to credit risk at balance date is as follows:

	2019	2019
	\$	\$
Trade receivables	1,148,641	522,781

Liquidity Risk

Liquidity risk is the risk that the Group may encounter difficulties raising funds to meet commitments associated with financial instruments due to creditors. The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

Maturity Analysis of Financial Liabilities

	Carrying Amount	Contractual Cash Flows	< 6 Months
	\$	\$	\$
2020			
CURRENT LIABILITIES			
Accounts payable	163,831	163,831	163,831
Other payables	332,366	332,366	332,366
Accrued expenses	673,223	673,223	673,223

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NOTE 30: FINANCIAL INSTRUMENTS (CONT.)

	Carrying Amount	Contractual Cash Flows	< 6 Months
	\$	\$	\$
2019			
CURRENT LIABILITIES			
Accounts payable	81,788	81,788	81,788
Other payables	192,783	192,783	192,783
Accrued expenses	480,371	480,371	480,371

Interest Rate Risk

The Group is constantly monitoring its exposure to trends and fluctuations in interest rates in order to manage interest rate risk.

The following tables demonstrate the sensitivity to a reasonably possible change in interest rates, with all other variables held constant.

	2020	2019
	\$	\$
Change in Cash and Cash Equivalents		
Increase in interest rate by 1%	52,202	9,820
Decrease in interest rate by 1%	(52,202)	(9,820)

Foreign currency risk

The Consolidated Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

Exposure

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian Dollars, was as follows:

	2020	2019
	\$	\$
Cash at bank	1,209,972	200,875
Trade receivables	1,148,641	522,781
Accrued revenue and other receivables	418,863	285,283
Grants receivable	449,103	349,186
Other assets	261,066	172,075
Trade payables	141,167	52,545
Accrued expenses	190,927	102,459

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NOTE 30: FINANCIAL INSTRUMENTS (CONT.)

	2020	2019
	\$	\$
Other payables	189,589	66,604
Borrowings	846,677	-
Deferred revenue - Current	892,329	522,546
Employee provisions	117,255	101,894
Lease liabilities	137,529	-
Deferred revenue - Non-current	554,865	469,395

Amounts recognised in profit or loss and other comprehensive income

During the year, the following foreign-exchange related amounts were recognised in profit or loss and other comprehensive income:

	2020	2019
	\$	\$
Net foreign exchange gain/(loss) included in other income/other expenses	(466,207)	3,561
Total net foreign exchange (losses) recognised in profit before income tax for the period	(466,207)	3,561

Sensitivity

As shown in the table above, the Group is primarily exposed to changes in the US/\$ exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from revenue and expenses in Tinybeans USA Ltd.

	2020	2019
Impact on post tax profit	\$	\$
US/\$ exchange rate – increase 5%	80,461	65,962
US/\$ exchange rate – decrease 5%	(80,461)	(65,962)

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

NOTE 31: SEGMENT REPORTING

Identification of reportable operating segments

The Consolidated Group is organised into operating segments based on geographical location, USA and Australia. These operating segments are based on internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM') in assessing performance and in determining the allocation of resources.

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.

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NOTE 31: SEGMENT REPORTING (CONT.)

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

Types of products and services

The principal products and services of each of these operating segments are advertising, premium subscriptions, and printing, predominantly performed by Tinybeans USA Ltd.

Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans are eliminated on consolidation.

2020

	USA \$	Australia \$	Total \$
Revenue and other income			
Sales to external customers	5,667,764	311,686	5,979,450
Other income	171,416	231,388	402,804
Total income	<u>5,839,180</u>	<u>543,074</u>	<u>6,382,254</u>
Employee benefits inc share-based payments	4,310,663	2,273,698	6,584,361
Administration and cost of listing	1,674,202	999,833	2,674,035
Product development, marketing and other expenses	920,863	(4,233)	916,630
Depreciation and amortisation	617,383	111,647	729,030
Profit before income tax expense	(1,683,931)	(2,837,871)	(4,521,802)
Income tax expense	(5,742)	-	(5,742)
Profit after income tax expense	<u>(1,689,673)</u>	<u>(2,837,871)</u>	<u>(4,527,544)</u>
Segment assets	<u>14,400,162</u>	<u>4,555,428</u>	<u>18,955,590</u>
Segment liabilities	10,196,762	(6,171,779)	4,024,983
Intersegment eliminations	(7,119,313)	7,119,313	-
Total liabilities	<u>3,077,449</u>	<u>947,534</u>	<u>4,024,983</u>

2019

	USA \$	Australia \$	Total \$
Revenue and other income			
Sales to external customers	3,621,306	266,570	3,887,876
Other income	352,214	63,433	415,647
Total income	<u>3,973,520</u>	<u>330,003</u>	<u>4,303,523</u>

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NOTE 31: SEGMENT REPORTING (CONT.)

	USA \$	Australia \$	Total \$
Employee benefits inc share-based payments	3,206,837	1,824,157	5,030,994
Administration and cost of listing	1,253,673	525,560	1,779,233
Product development, marketing and other expenses	854,664	(27,657)	827,007
Depreciation and amortisation	38,819	74,217	113,036
Profit before income tax expense	(1,380,473)	(2,066,274)	(3,446,747)
Income tax expense	(4,734)	-	(4,734)
Profit after income tax expense	(1,385,207)	(2,066,274)	(3,451,481)
Segment assets	1,577,338	1,014,571	2,591,909
Segment liabilities	7,007,582	(5,074,773)	1,932,809
Intersegment eliminations	(5,692,138)	5,692,138	-
Total liabilities	1,315,444	617,365	1,932,809

NOTE 32: RELATED PARTY TRANSACTIONS

Subsidiaries

The Group's principal subsidiaries at 30 June 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Country of incorporation	Percentage owned	
		2020	2019
Tinybeans Innovations Pty Ltd	Australia	100%	100%
Tinybeans Pty Ltd	Australia	100%	100%
Tinybeans USA Ltd (Delaware C Corp)	USA	100%	100%
Red Tricycle Inc.	USA	100%	-

Key Management Personnel Compensation

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

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NOTE 32: RELATED PARTY TRANSACTIONS (CONT.)

	Salary and directors' fees	Bonus	Non-monetary benefits	Total
	\$	\$	\$	\$
2020				
John Dougall	100,000	-	26,783	126,783
Megan Gardner	72,341	-	17,855	90,196
Edward Geller	386,751	35,647	104,655	527,053
Mary Godfrey	72,341	-	17,855	90,196
Stephen O'Young ¹	262,707	30,000	26,783	319,490
Andrew Whitten ²	7,903	-	-	7,903
Total Compensation	902,043	65,647	193,931	1,161,621

¹ Stephen O'Young resigned as a director on 13 May 2020.

² Andrew Whitten appointed as a director on 13 May 2020.

	Salary and directors' fees	Bonus	Non-monetary benefits	Total
	\$	\$	\$	\$
2019				
John Dougall	100,000	-	45,307	145,307
Megan Gardner	71,395	-	30,205	101,600
Edward Geller	363,886	-	124,834	488,720
Mary Godfrey	71,395	-	30,205	101,600
Kim Heras *	19,839	-	-	19,839
Stephen O'Young	220,000	-	45,307	265,307
Total Compensation	846,515	-	275,858	1,122,373

³ Kim Heras resigned as a director on 30 October 2018.

Shares Held by Key Management Personnel and Their Associates

	Balance 30 June 2019	Additions (Deductions)	Balance 30 June 2020
John Dougall	55,436	114,539	169,975
Megan Gardner	35,512	166,227	201,739
Edward Geller	5,989,329	576,615	6,565,944
Mary Godfrey	35,512	(2,838)	32,674
Stephen O'Young ¹	6,733,574	(1,291,336)	5,442,238
Andrew Whitten ²	13,000	10,000	23,000
Sarah-Jane Kurtini ³	3,061,542	(637,444)	2,424,098
Total	15,923,905	(1,064,237)	14,859,668

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NOTE 32: RELATED PARTY TRANSACTIONS (CONT.)

Options Held by Key Management Personnel and Their Associates

	Balance 30 June 2019	Deductions	Balance 30 June 2020
John Dougall	600,000	-	600,000
Megan Gardner	509,065	(109,065)	400,000
Edward Geller	1,200,000	-	1,200,000
Mary Godfrey	400,000	-	400,000
Stephen O'Young	600,000	-	600,000
Sarah-Jane Kurtini ³	106,000	(106,000)	-
Total	3,415,065	(215,065)	3,200,000

¹ Stephen O'Young resigned as a director on 13 May 2020.

² Andrew Whitten appointed as a director on 13 May 2020.

³ Sarah-Jane Kurtini resigned as a director on 16 Feb 2017 but was part of the Management Team as Head of Product Marketing up to 28 February 2020

Other Transactions and Balances

The Group has business transactions with Automic Pty Ltd and Automic Legal Pty Ltd, where Andrew Whitten, a non-executive director of the Group, is a director and a shareholder. Automic Pty Ltd provides registry services and Automic Legal Pty Ltd provides legal and company secretarial services to the Group.

The outstanding accounts payable in the Group's books for Automic Pty Ltd and Automic Legal Pty Ltd as at 30 June 2020 are \$6,006 and \$477, respectively.

The Group's transactions during the financial year with Automic Pty Ltd and Automic Legal Pty Ltd amounted to \$32,791 (FY2019: \$2,893) and \$150,614 (FY2019: \$73,922), respectively.

NOTE 33: PARENT ENTITY DISCLOSURES

	2020 \$	2019 \$
Financial position		
Assets		
Total current assets	4,071,504	817,504
Total non-current assets	12,094,930	320,739
Total assets	16,166,434	1,138,243
Liabilities		
Total current liabilities	559,525	458,507
Total liabilities	559,525	458,507
Equity		
Contributed equity	31,825,988	13,000,312
Reserves	821,972	478,764
Accumulated losses	(12,799,340)	(9,787,961)
Total equity	19,848,620	3,691,115

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NOTE 33: PARENT ENTITY DISCLOSURES (CONT.)

	2020 \$	2019 \$
Financial performance		
Loss for the year	(4,241,711)	(3,011,379)
Other comprehensive income	-	-
Total comprehensive loss	<u>(4,241,711)</u>	<u>(3,011,379)</u>

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2020 and 30 June 2019.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2020 and 30 June 2019.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in Note 1, except for the investments in subsidiaries which are accounted for at cost, less any impairment, in the parent entity.

NOTE 34: BUSINESS COMBINATIONS

On 27 February 2020, Tinybeans Group Limited acquired 100% of Red Tricycle Inc. for the total consideration of \$11,774,191 payable in cash and equity of \$10,024,323 and \$1,749,868. Red Tricycle Inc. is one of the world's leading parenting websites and business directory platforms focused on parents with children 0-13 years of age. It was acquired to expand the value proposition to Tinybeans' clients by the Red Tricycle platform offering and extends Tinybeans' retention through the parenting journey given Red Tricycle's child age profile goes up to 13 years.

The goodwill of \$6,999,474 represents the expected synergies from merging this business and enhancing the value proposition and the users' retention which in turn would increase the revenue.

The acquired business contributed revenues of \$1,626,810 and loss after tax of \$328,507 to the consolidated entity for the period from 27 February to 30 June 2020.

The values identified in relation to the acquisition of Red Tricycle Inc. are provisional as at 30 June 2020.

Details of the acquisition are as follows:

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NOTE 34: BUSINESS COMBINATIONS (CONT.)

	\$
Cash and cash equivalents	57,807
Trade and other receivables	407,210
Other assets	54,637
Software Platform	2,333,158
Content Repository	2,333,158
Trade and other payables	(312,170)
Contract liabilities	(97,530)
Employee benefits	(1,553)
Net assets acquired	4,774,717
Goodwill	6,999,474
Acquisition-date fair value of the total consideration transferred	<u>11,774,191</u>
Representing:	
Cash paid or payable to vendor	10,024,323
Shares issued or to be issued to vendor	1,749,868
Total consideration	<u>11,774,191</u>
Acquisition costs expensed to profit or loss	<u>309,817</u>
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	10,024,323
Less: cash and cash equivalents	(53,956)
Net cash used	<u>9,970,367</u>

The fair value of trade receivables is \$348,783. The gross contractual amount for trade receivables due is \$364,643, of which \$15,860 is not expected to be collected.

NOTE 35: CONTINGENT ASSETS AND LIABILITIES

Tinybeans USA Ltd and Red Tricycle Inc. can apply for the forgiveness of the loan up to the principal amount of \$846,677 under the SBA's Paycheck Protection Program. The likelihood of the loan forgiveness is probable considering that the loan funds were used to retain its workers and maintain its payroll or make lease and utility payments, duly supported with documentation. No asset has been recognised within these financial statements.

NOTE 36: CAPITAL COMMITMENTS

There are no capital commitments present for the Group at balance date.

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NOTE 37: COMPANY DETAILS

The **registered office** of the Company is:

Tinybeans Group Limited
Level 1, 26-28 Wentworth Ave
Surry Hills NSW 2010

The **principal place of business** is:

Tinybeans Group Limited
Level 1, 26-28 Wentworth Ave
Surry Hills NSW 2010

**TINYBEANS GROUP LIMITED
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DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 18 to 57, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards and the Corporations Regulations 2001; and
 - b. give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the Company and Consolidated Group.
2. the Company has included in Note 1 to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards;
3. the Directors have been given the declaration required by Section 295A of the Corporations Act from the Chief Executive Officer for the financial year ended 30 June 2020;
4. in the Director's opinion 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
5. the remuneration disclosures included on pages 12 to 16 of the Directors' Report (as part of the Audited Remuneration Report) for the year ended 30 June 2020, comply with section 300A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors.



John Dougall
Non-executive Director and Chairman
Sydney, 11 September 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Tinybeans Group Ltd

Opinion

We have audited the financial report of Tinybeans Group Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) giving a true and fair view of the entity's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the entity in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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 confirm that the independence declaration required by the Corporations Act 2001, which has been given to the Directors of the Company, would be in the same terms if given to the Directors as at the time of this auditor's report.

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

Key Audit Matters

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

Key Audit Matter	How our audit addressed this matter
Recognition of Revenue Refer to Note 1(b) in the financial statements	
The Auditing Standards presume an inherent risk of fraud relating to revenue recognition and management override of control. Revenue recognition has been identified as a Key Audit Matter. The revenue recognition and the completeness of the associated unearned contract liabilities is considered a key audit matter due to the nature of the services being invoiced or paid for in advance of the 'services' being delivered. Revenue recognition is considered complex due to the multiple revenue streams, and the level of non-routine processes requiring manual intervention. The associated risks include: 1. The prior period implementation of AASB 15, <i>Revenue from Contracts with Customers</i> was complex and some issues were identified with regards to the basis upon which revenue was recognised. While the net effect of this was not material this will continue to be a key focus area for the audit. 2. There are multiple subscription periods and additional marketing-related revenue streams. 3. There is a risk that revenue may be overstated due to the unearned revenue being incorrectly quantified or recognised in advance. 4. There is judgement required around the determination of the recognition period for "lifetime subscriptions". 5. Revenues in relation to advertising contracts are non-routine with the service delivery taking place over extended periods of time. The timing around the recognition of the revenue is therefore considered a key audit matter.	We obtained a detailed understanding of each of the revenue streams and the systems and processes in place for calculating and recording revenue. Our testing of the revenue transactions included, among other things, the following: • Assessing whether the Group's revenue recognition policies in relation to each of the revenue streams was in accordance AASB 15, <i>Revenue from Contracts with Customers</i>. This included reviewing the contracts with customers, identifying the performance obligations in the contracts, and testing that the revenue was recognised based on performance obligations being met in accordance with transaction price related to the performance obligations. • Performing predictive analytical audit procedures to assess whether the revenue recognised was consistent with our expectations. • Evaluating and testing the operating effectiveness of management's controls related to revenue recognition. • Inspection of sales contracts, invoices, and other related documents in respect of the advertising revenue, and testing a sample of transaction to obtain assurance that the revenue was recognised over the period of the service delivery. • Testing a sample of transactions to determine that the revenue and deferred revenue in relation to those transactions was correctly accounted for. • Inspection of the deferred revenue listing, confirming it is consistent with the underlying accounting records and the data extracted from the web platform. • Critically evaluating management's assumptions around the amortisation period of lifetime subscriptions, and ensured that the financial statements contained adequate disclosure with regards to these judgements.

Share Based Payments

Refer to Note 25 & 26 in the financial statements

The company issued 985,483 options to employees as part of the employee benefits share scheme. The fair value of the options is inherently complex and requires significant judgement to be made with regards to the assumptions used in the model as part of the option valuation process.

Determining the fair value of the options is inherently complex and requires significant judgement to be made with regards to the valuation methodology applied, and the assumptions contained therein.

Our testing of the employee share options included, among other things, the following:

- Obtain the company's valuation model and ensure the valuation methodology is appropriate under the circumstances.
- Review the inputs and assumptions within the valuation model and test the mathematical accuracy of the formulas in the software.
- Review the Employee Incentive Plan's Terms and Conditions to obtain assurance that the accounting treatment was consistent with the vesting and other conditions in the Plan.
- Ensure the cancellation of any options conducted within the period were accounted for in accordance with AASB 2, Share-based Payment
- Review the related financial statement disclosures for compliance with the requirements of the Australian Accounting Standards.

Acquisition of Red Tricycle

Refer to Note 34 in the financial statements

On 30 January 2020, the Group entered into a binding agreement to acquire 100% of the share capital of Red Tricycle for a price of \$11.7m, payable in both cash and shares. The transaction was completed on 27 February 2020.

The transaction was treated as a business combination in accordance with AASB 3 *Business Combinations*, and the Group has therefore included a provisional Purchase Price Allocation ("PPA"). The PPA will be finalised in the 2021 financial statements. As detailed in Note 34, the provisional accounting at acquisition date has resulted in goodwill of \$6.9m and other intangible assets of \$4.6m being recognised.

This was considered a key audit matter because the accounting for the transaction is complex, and involves significant judgments in applying the accounting standards. These include the recognition and valuation of consideration paid, including contingent consideration, the identification and valuation of intangible assets, and the determination of the fair value of the tangible assets acquired.

Our audit procedures included, among others:

- Obtaining the purchase agreement, and other associated documents, and ensuring that the transaction had been accounted for in compliance with AASB 3 Business Combinations.
- Verifying the cash consideration to the signed purchase agreement and to bank statements.
- Reviewing the share capital elements of the consideration to the purchase agreement and assessed the appropriateness of the fair value.
- Ensuring the value of tangible assets agreed to the acquiree's balance sheet at the date of acquisition and purchase agreement and the assessed appropriateness of the fair value determined.
- Evaluating the provisional purchase price allocation performed by management including the assessment of the fair values applied to the assets and liabilities acquired.
- Reviewing and evaluating the appropriateness of the related financial statement disclosures.

Impairment of Goodwill and Intangible Assets

Refer to Note 15 in the financial statements

At 30 June 2020, the Group showed goodwill and intangible assets with a provisional carrying amount of \$10.7m, which represents approximately 56% of the Group's total assets. The assets were recognised in connection to the acquisition of Red Tricycle during the year.

As required under AASB 136, management have tested both goodwill and intangible assets for impairment. As goodwill does not generate cashflows that are largely independent from other assets, its recoverable amount was determined by calculating the recoverable amount of the cash generating unit ("CGU") to which it belongs. This recoverable amount was then compared to the CGU's carrying amount. In this instance, the recoverable amount was determined to be its value in use.

We determined the impairment review of goodwill and intangible assets to be a Key Audit Matter because of the materiality of the balances, the apparent existence of impairment indicators, and because of the significant management judgements and assumptions used to determine the value in use of the CGU which contains it.

Our audit procedures in relation to the valuation of goodwill will focus on the following:

- Assessing management's allocation of the goodwill across determined CGUs, based on the nature of the Group's business and the manner in which results are monitored and reported
- Evaluating the assumptions and methodologies used by the Group in preparing the value in use calculation, in particular those relating to the sales growth rate, projected future expenditure, and pre-tax discount rate.
- The cash flow projections for the determined cash-generating unit have been assessed and challenged by us, and includes an assessment of the historical accuracy of management's estimates and evaluation of business plans.
- Reviewing the completeness and accuracy of the disclosures included in the financial report to ensure compliance with Australian Accounting Standards.

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 2020, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information, and 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 that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the ability of the entity 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 entity 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: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf.

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 16 of the directors' report for the year ended 30 June 2020.

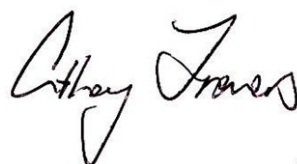
In our opinion, the Remuneration Report of Tinybeans Group Ltd, for the year ended 30 June 2020, complies with section 300A of the Corporations Act 2001.

Responsibilities

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



RSM Australia Partners



Anthony Travers
Partner

Sydney, 11 September 2020

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ADDITIONAL INFORMATION FOR PUBLIC LISTED COMPANIES

Additional information required by the ASX Listing Rules and not disclosed elsewhere in this report is set out below.

Corporate Governance Statement

Refer to the link for the Corporate Governance statement on the Group's website.

<https://tinybeans.com/investors/corporate-governance/>

Distribution Schedule of Equity Securities as at 13 August 2020

Spread of Holdings	Shares	Options
1 – 1,000	618	-
1,001 – 5,000	881	-
5,001 – 10,000	208	2
10,001 – 100,000	204	29
100,001 and over	49	9
Total	1,960	40

As at 13 August 2020, there were 702,858 and 154,423 ordinary shares held in voluntary escrow until 17 March 2021 and 15 June 2021, respectively.

Unmarketable parcels

There were 347 shareholders holding less than a marketable parcel totalling 120,884 shares as at 13 August 2020.

The number of holders of each class of equity security as at 13 August 2020:

Class of security	Number
Ordinary fully paid shares	1,960
Options	40

Substantial Shareholders

The names of substantial shareholders as at 13 August 2020 who have notified the Company in accordance with Section 671B of the Corporations Act 2001 are:

Holder Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
EDWARD GELLER; ME & 4 BOYS PTY LTD; ME & 4 BOYS PROSPERITY PTY LTD	5,584,797	12.20
STEPHEN O'YOUNG; STEPHEN O'YOUNG <ATF O'YOUNG FAMILY TRUST>; SOYABEAN PTY LTD <ATF SOYABEAN SUPER FUND>	5,442,238	11.89
UBS NOMINEES PTY LTD; JASFORCE PTY LTD; HSBC CUSTODY NOMINEES	4,357,867	9.52
DR JOHN MCBAIN; PICTON COVE PTY LTD; MCBAIN FAMILY TRUST; JC MCBAIN SUPER FUND	4,171,277	9.11
RUBI HOLDINGS PTY LTD	2,800,000	6.12
JASON KURTINI & SARAH-JANE KURTINI	2,422,098	5.29

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ADDITIONAL INFORMATION FOR PUBLIC LISTED COMPANIES (CONT.)

Voting Rights

Every member is entitled to be present at a meeting and may vote. Options do not carry a right to vote.

On a show of hands, every Member has one vote.

On a poll every member 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 member.

Top 20 Holdings as at 13 August 2020

Holder Name	Balance at 13 August 2020	%
STEPHEN O'YOUNG <O'YOUNG FAMILY TRUST A/C>	5,047,335	11.02
ME & 4 BOYS PTY LTD <ME & 4 BOYS TRUST A/C>	4,936,209	10.78
UBS NOMINEES PTY LTD	3,065,645	6.70
RUBI HOLDINGS PTY LTD <JOHN RUBINO S/F A/C>	2,800,000	6.12
JASON KURTINI & SARAH-JANE KURTINI <KURTINI FAMILY TRUST A/C>	2,420,098	5.29
FIFTY SECOND CELEBRATION PTY LTD <MCBAIN FAMILY A/C>	2,126,503	4.64
THIRTY-FIFTH CELEBRATION PTY LTD <JC MCBAIN SUPER FUND A/C>	2,017,774	4.41
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	1,313,596	2.87
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	944,512	2.06
CITICORP NOMINEES PTY LIMITED	802,559	1.75
NATIONAL NOMINEES LIMITED	630,000	1.38
FORDHOLM CONSULTANTS PTY LTD <DIANA BOEHME SUPER FUND A/C>	570,576	1.25
BUNGEELTAP PTY LTD <H & B ROBERTSON S/F A/C>	550,000	1.20
BUDUVA PTY LTD	475,050	1.04
SOYABEAN PTY LTD <SOYABEAN SUPER FUND A/C>	392,903	0.86
ZANQUINN SUPERANNUATION PTY LTD <VIP PETFOODS SUPER FUND A/C>	376,280	0.82
FLANNIGAN HOLDINGS PTY LTD <FLANNIGAN FAMILY S/F A/C>	370,000	0.81
MR THOMAS KISS	350,000	0.76
ME & 4 BOYS PROSPERITY PTY LIMITED <ME & 4 BOYS SUPER PROS A/C>	331,878	0.72
MR EDWARD GELLER	310,710	0.68
TOTAL	29,831,628	65.16

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ADDITIONAL INFORMATION FOR PUBLIC LISTED COMPANIES (CONT.)

Unquoted Equity Securities as at 13 August 2020

Holder Name	Number of Options Held	% Held of Issued Options
EDWARD GELLER	1,200,000	23.94
JOHN DOUGALL	600,000	11.97
STEPHEN O'YOUNG	600,000	11.97
MEGAN GARDNER	400,000	7.98
MARY GODFREY	400,000	7.98
GRADY EDELSTEIN	182,850	3.65
ULA MIKUS	182,850	3.65
CLAUDINE PATEL	180,000	3.59
EDDIE YOON	180,000	3.59
MARIA CENTINO	150,750	3.01
NINA LAWRENCE	100,000	2.00
DUC TRUNG HOANG	87,700	1.75
AAMIR KHAN	83,917	1.67
MEGAN HARPER	80,563	1.61
JEFFREY MARIANO	79,500	1.59
KYLE MARTIN	75,000	1.50
MARK WUNSCH	75,000	1.50
KELSEY SCHROTH	59,625	1.19
DANIEL RODRIGUES	55,208	1.10
MARSHALL MASSEY	54,063	1.08
LAURA STABBERT	46,375	0.93
ANTHONY JAN WAKULICZ	26,500	0.53
RENELLIE ROMERO	23,188	0.46
JAMIE ADERSKI	19,875	0.40
ALBERTO MASTROTTO	19,875	0.40
STEPHANIE NELSON	19,875	0.40
COURTNEY TAYLOR	19,875	0.40
NORA BUCHHOLTZ	9,938	0.20
TOTAL	5,012,527	100.00

The name of the Company Secretary is:

Mr. Dean Jagger

Registered Office and Principal Place of Business

L1, 26-28 Wentworth Ave

Surry Hills NSW 2010

Email: investors@tinybeans.com

Website: www.tinybeans.com