



ASX RELEASE

30 September 2021

Tinybeans Releases 2021 Annual Report

Tinybeans Group Limited (ASX: TNY) (OTCQX: TNYF) (“Tinybeans” or “the Company”), an inclusive, informative, go-to resource for all things parenting, released today its Annual Report for the year ended 30 June 2021.

Tinybeans’ CEO, Eddie Geller, said:

“As detailed in our annual report, Tinybeans delivered record-level operating performance during fiscal year 2021. Tinybeans’ revenue increased a record 96% from FY20, representing the highest level of revenue growth in our history. This growth was driven largely by the strength in our advertising revenues, which increased 121% from FY20.

These results highlight the appeal of our value proposition to current and prospective advertising partners who seek to engage with the young families on our platform. We also believe the strong engagement from our subscribers is a testament to the value of our content and users’ sustained demand for a platform that puts their privacy at the forefront.

As we progress into FY22, we remain focused on supporting the growth of our advertising business and continuing to scale our subscription base. We are proud of the momentum we have generated and will work to continue executing on our strategic objectives.”

The announcement was approved for release by the CEO.

For more information, please contact:

Australian Investors

Michael Brown – Pegasus Advisory

+61 400 248 080

mbrown@pegasusadvisory.com.au

U.S. Investors

Jackie Keshner – Gateway IR

+1 949 574 3860

TNY@gatewayir.com

About Tinybeans Group

Tinybeans Group Limited (ASX:TNY, OTCQX:TNYF) is a leading app and web platform enabling parents to capture their children's everyday memories and share them privately with families everywhere. The platform provides rich recommendations that spark everyday family inspiration for what to do, what to buy, and which services to use for their children's needs.

Being twice named Apple’s App of the Day in the U.S. puts Tinybeans in the elite company of the best apps in the world! Plus, Tinybeans became Apple’s #1 content partner and exclusive parenting partner for one of their newest products, Apple Guides. With over 80+ partners and 1,000+ Guides on the platform, Tinybeans is the 5th most read on the platform (total views of Guides content).

Tinybeans serves a deeply engaged user base in over 100 countries/territories and enjoys over 130,000 5-star reviews in the Apple App Store and the Google Play stores.

Tinybeans Group Limited (ACN 168 481 614)

e: info@tinybeans.com w: www.tinybeans.com

Page 1 of 1

Tinybeans Group Limited

ABN 46 168 481 614

Annual Report - 30 June 2021

For personal use only

Directors	John Dougall Edward Geller Andrew Whitten Andrea Cutright Kathy Mayor
Company secretaries	David Hwang Rebecca Woodman
Registered office	Level 5, 126 Phillip Street, Sydney NSW 2000, Australia Telephone: +61 2 8072 1400; Fax: +61 2 8072 1440 Email: investors@tinybeans.com
Principal places of business	Level 5, 126 Phillip Street, Sydney NSW 2000, Australia 25 W 36th St, 5th Floor New York, NY, 10018, United States of America
Share register	Automic Registry Services Level 5, 126 Phillip Street, Sydney NSW 2000, Australia Telephone: 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) Email: hello@automic.com.au
Auditor	Grant Thornton Audit Pty Ltd Level 17, 383 Kent Street, Sydney NSW 2000, Australia
Stock exchange listing	Tinybeans Group Limited shares are listed on the Australian Securities Exchange (ASX code: TNY) and the OTC Markets Group of America (OTCQX: TNYF)
Website	www.tinybeans.com
Corporate Governance Statement	<p>The Directors and management are committed to conducting the business of Tinybeans Group Limited in an ethical manner and in accordance with the highest standards of corporate governance. Tinybeans Group Limited has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ('Recommendations') to the extent appropriate to the size and nature of its operations.</p> <p>The Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed, which is approved at the same time as the Annual Report can be found at: https://tinybeans.com/investors/corporate-governance/ in accordance with the ASX Listing Rule 4.10.3.</p>

Chairman's message	3
Chief Executive Officer's message	4
Directors' report	5
Auditor's independence declaration	18
Consolidated statement of profit or loss and other comprehensive income	19
Consolidated statement of financial position	20
Consolidated statement of changes in equity	21
Consolidated statement of cash flows	22
Notes to the consolidated financial statements	23
Directors' declaration	60
Independent auditor's report to the members of Tinybeans Group Limited	61
Shareholder information	65

For personal use only

Dear Fellow Shareholder,

I am pleased to present the 2021 Annual Report for Tinybeans Group Limited (ASX: TNY), and I am delighted that we have doubled our Revenues in the past 12 months.

The Board has worked hard to support the new Leadership Team as they executed on our agreed strategy of building out a platform that is soon to become the go to resource for all things parenting.

Your Board changed through the financial year with Megan Gardner and Mary Godfrey transitioning from the Board and Andrea Cutright and Kathy Mayor joining as new independent directors. We thank Megan and Mary for their contribution and welcome Andrea and Kathy to the Board.

Andrea and Kathy bring substantial experience with marketing and product development with consumers. Their strategic and operational expertise has already had a positive impact on the team and the strategy.

The appointment of Chris Motsay as our New York based Chief Financial Officer in April 2021 has significantly strengthened our Finance and Administration team.

Your team has proven resilient to the demands of the past year and ended the year strongly, positioning us for further growth across all key metrics including audience and revenues, and being able to weather any unseen circumstances as we scale the Company.

We successfully re-located the Product and Engineering functions to the United States of America ('US'), hired a new leadership team, and built out the technical teams and management in the key areas of growth.

From a performance perspective, we are proud of having achieved just on US\$8 million in sales revenue for FY21, which is double what the Company delivered in FY20. This growth included both the acquisition of Red Tricycle back in February 2020 and the successful execution of the leadership's plans. We were able to navigate sometimes unpredictable market forces with COVID-19, to deliver a strong outcome.

The Company set sights on accelerating growth across consumer revenue whilst continuing to grow advertising revenue. A new product roadmap was forged with constructive feedback from our customers. This began our work to create Beanstalk, the new subscription product launching to our customers in October 2021.

With this new transformation beginning in FY21 and continuing in FY22, the Company is well placed to leverage its brand trust with parents. Our plan is to overserve the 4.3 million monthly active users on the platform by continuing to engage them and offer value for which they are willing to pay.

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 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

30 September 2021
Sydney



I am proud to present to you Tinybeans' Annual Report for the financial year 2021.

We are pleased to report Tinybeans' record-level operating performance during FY21. The rebound in COVID-19 impacted industries following the lifting of restrictions in the US that contributed to these record results, and we were pleased to see momentum build in our subscription revenues throughout the financial year.

Tinybeans' revenue increased a record 96% up from FY20, representing the highest level of revenue growth in our history. This growth was driven largely by the strength in our advertising revenues – which increased 121% from the same period 12 months earlier, following the acquisition of Red Tricycle Inc. in February 2020.

These results highlight the appeal of our value proposition to current and prospective advertising partners who seek to engage with the young families on our platform. We also believe the strong engagement from our subscribers is a testament to the value of our content and users' sustained demand for a platform that puts their privacy at the forefront.

During the pandemic, we purposefully set out to strengthen our sales and marketing capabilities, enhance our appeal to brand partners and subscribers, upgrade our product development and ensure our technology platform is robust and highly scalable. As we work to build upon our success in these areas, we believe these strategic initiatives will enable Tinybeans to scale and grow in the years to come.

Some of the FY21 Highlights include:

- revenue increased to a record US\$8.12 million, up 96% on FY20 (2020: US\$4.15 million);
- advertising revenue increased to a record US\$6.90 million, up 121% on the previous corresponding period ('pcp') (US\$3.12 million) – driven by the broader rebound in US advertising, with a growing number of brand partners;
- subscription revenue hit a record US\$859,000, up 23% pcp (2020: US\$700,000) - driven by improved conversion of existing users to paying subscribers;
- monthly active users increased to 4.33 million, up 16% pcp – driving appeal to brand partners;
- a significant amount has been invested in product growth initiatives, as the Company continually invests for the long-term. Growth investments include both allocation of internal resources and external spend;
- advertising wins from both new and existing partners, including Google, Church & Dwight, Enfamil, Visit Florida, Hill's Pet Nutrition and Amazon; and
- cash balance at the end of the fourth fiscal quarter of 2021 was US\$2.16 million (2020: US\$3.60 million). Average operating burn rate per quarter of approximately US\$0.37 million during fiscal 2020-21.

FY22 promises to be our most successful year yet. We are launching an array of new product upgrades that we believe will support acceleration in our consumer subscription revenues, and we aim to drive continued growth in advertising revenues through enhancing ad integration and adding new in-demand features. We see our photos and sharing platform expanding as we double down on new areas of engagement that align with our vision of content, community, commerce, and related services.

We have a robust sales pipeline with ample opportunities in new and existing brand partnerships, along with a unique value proposition built around safety and trust. The Company is ideally positioned to execute on our growth strategy and continue progressing towards a Nasdaq listing in the next 6-12 months to increase our visibility and help broaden our US investor base.

We are proud of Tinybeans' record FY21 results and the promising trends we are seeing in the early days of our Beanstalk launch. As we progress into FY22, we remain confident in our ability to execute on our strategy to become the go-to resource for all things parenting.



Eddie Geller
Executive Director, Chief Executive Officer

30 September 2021
New York



The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Tinybeans Group Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2021.

Directors

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

John Dougall
Edward Geller
Andrew Whitten
Andrea Cutright (appointed 28 October 2020)
Kathy Mayor (appointed 28 October 2020)
Megan Gardner (resigned 10 December 2020)
Mary Godfrey (resigned 10 December 2020)

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

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

Review of operations

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

The loss for the Group after providing for income tax amounted to US\$3,233,949 (30 June 2020: US\$3,921,400).

The Group generated total sales revenue of US\$8,123,770 up from US\$4,150,160 in the previous year. The increase was driven by advertising revenue with a growing number of brand partners and larger average campaign sizes as a direct result of successful sales and marketing strategies.

Total expenses amounted to US\$11,943,427, up from US\$8,997,376. Specifically, employee benefits expense increased by \$3,186,965 in line with the increased activities.

Refer to the Chairman's message and Chief Executive Officer's message for further commentary.

Significant changes in the state of affairs

The Company has changed its presentation currency from Australian dollars to United States dollars, in order to better reflect the Company's underlying successful operating and earnings profile driven by its operations in the United States of America ('US'). Refer to note 4 to the financial statements for further details.

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

Matters subsequent to the end of the financial year

The consequences of the Coronavirus (COVID-19) pandemic are continuing to be felt around the world, and its impact on the Group, if any, has been reflected in its published results to date. Whilst it would appear that control measures and related government policies, including the roll out of the vaccine, have started to mitigate the risks caused by COVID-19, it is not possible at this time to state that the pandemic will not subsequently impact the Group's operations going forward, especially with the delta variant. The Group now has experience in the swift implementation of business continuation processes should future lockdowns of the population occur, and these processes continue to evolve to minimise any operational disruption. Management continues to monitor the situation both locally and internationally.

As announced on 30 September 2021, the Directors (lenders) provided to the Group US\$800,000 in loans. The loans are for a period of six months subject to early repayment by the Group at any time. The loans are interest free for the first 45 days and then at a rate of 12% per annum. Subject to obtaining shareholder approval at the annual general meeting the lenders are entitled to 50% share option coverage (one share option for every two dollars advanced) converted into Australian dollars. That is, 549,149 total options to Directors based on an exchange rate of 0.7284.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

The year ending 30 June 2022 promises to be the Group's most successful year yet. The Group has invested significantly in product growth initiatives that includes the launch of an array of new product upgrades that will support the acceleration in consumer subscription revenues, and drive continued growth in advertising revenues through enhancing advertising integration and adding new in-demand features.

The Group is ideally positioned to execute on its growth strategy and continue progressing towards a Nasdaq listing in the next 6-12 months to increase its visibility and help broaden the US investor base.

Refer to the Chairman's message and Chief Executive Officer's message for further commentary.

Environmental regulation

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

Information on directors

Name:	John Dougall
Title:	Non-Executive Director and Chairman
Qualifications:	Bachelor of Commerce, University of Melbourne
Experience and expertise:	John was appointed to the board on 15 March 2018. He has worked at senior executive and board level in a number of technology companies based in Melbourne, New York, Sydney, London and San Francisco. John has also been the Managing Director of four ASX-listed companies, successfully exporting Australian technology to China, India, The Philippines, Vietnam and Latin America. Additionally, John also served as President and Chief Executive Officer of an Australian company that ultimately listed on the Nasdaq selling its software solutions to major retailers in the US and Europe. John has served as a Director to several Industry Associations, as past Chairman of the Australian Government's CSIRO Information Technology Advisory Board, as well as advising Government on Industry Strategy and Trade.
Other current directorships:	Non-Executive Chairman of SportsHero Limited (ASX: SHO) since October 2019
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	211,666 ordinary shares
Interests in options:	600,000 unlisted options
Name:	Edward (Eddie) Geller
Title:	Executive Director and Chief Executive Officer
Experience and expertise:	Eddie was appointed to the board on 11 March 2014. He has been an entrepreneur in the technology and internet sectors since 1994. Eddie founded his first company in 1995 and then in 1999 was the founder/CEO of Unique World. Eddie grew Unique World to a prosperous software and management consulting business with just under 100 staff, and then successfully exited to a large US company in 2011. As a seed investor in PushStart in early 2012, Eddie mentored the Company's team and then in 2013 Eddie drove the commercial aspects of the business and became Chief Executive Officer in early 2014.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	6,617,596 ordinary shares
Interests in options:	1,200,000 unlisted options

Name: **Andrew Whitten**
Title: Non-Executive Director
Qualifications: Bachelor of Arts (Economics) University of New South Wales, Master of Laws and Legal Practice, University of Technology Sydney. Graduate Diploma in Applied Corporate Governance, Governance Institute
Experience and expertise: Andrew was appointed to the board on 13 May 2020. Andrew is a corporate lawyer with a focus on ASX listed companies. He has advised many companies on ASX related matters and transactions including initial public offerings, capital raisings and acquisitions. He has developed significant expertise across a wide range of industry sectors, with an emphasis on technology. Andrew is a Company Secretary and Director of various ASX listed entities and unlisted entities.
Other current directorships: Non-Executive Director of AppsVillage Limited (ASX: APV) since June 2020
Former directorships (last 3 years): None
Special responsibilities: None
Interests in shares: 29,082 ordinary shares
Interests in options: 200,000 unlisted options

Name: **Andrea Cutright**
Title: Non-Executive Director
Qualifications: Bachelor of Arts (Mass Communication), University of California, Berkeley
Experience and expertise: Andrea was appointed to the board on 28 October 2020 and is currently the VP Global Subscriber Marketing and Insights for Disney+ streaming service. She is responsible for all customer marketing touchpoints, developing strong relationships with subscribers, and overseeing market intelligence and insights. Andrea was co-founder and Chief Executive officer of Foodily.com, acquired by IAC in 2015. She started her career at Yahoo! in various marketing and product positions.
Other current directorships: None
Former directorships (last 3 years): None
Special responsibilities: None
Interests in shares: None
Interests in options: 200,000 unlisted options

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

Name: **Megan Gardner**
Title: Former Non-Executive Director (resigned 10 December 2020)
Qualifications: Master of Business Administration, Harvard University Bachelor of Arts, Smith College
Experience and expertise: Megan is a board member and advisor for fast-growing technology businesses and has served 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.
Other current directorships: None
Former directorships (last 3 years): None
Special responsibilities: Not applicable as no longer a director
Interests in shares: Not applicable as no longer a director
Interests in options: Not applicable as no longer a director

Name:	Mary Godfrey
Title:	Former Non-Executive Director (resigned 10 December 2020)
Qualifications:	Bachelor of Science, Skidmore College
Experience and expertise:	Mary 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.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Not applicable as no longer a director
Interests in shares:	Not applicable as no longer a director
Interests in options:	Not applicable as no longer a director

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

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

Company secretaries

The joint company secretaries, effective 23 July 2021, are David Hwang and Rebecca Woodman.

David is an experienced corporate lawyer specialising in listings on ASX (IPOs and reverse listings), equity capital markets, mergers and acquisitions and providing advice on corporate governance and compliance issues. David is the Chief Compliance Officer at Automic Group.

Rebecca is an assistant company secretary with Automic Group. She has a Graduate Diploma in Applied Corporate Governance ('FGIA') and a Bachelor of Law ('LLB') and a Bachelor of Arts from University of Technology, Sydney.

The former company secretary was Dean Jagger who resigned on 23 July 2021.

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2021, and the number of meetings attended by each Director were:

	Full Board Attended	Full Board Held
John Dougall	10	10
Edward Geller	10	10
Andrew Whitten	9	10
Andrea Cutright	7	7
Kathy Mayor	7	7
Megan Gardner	3	3
Mary Godfrey	3	3

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

Remuneration report (audited)

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

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

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

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

Principles used to determine the nature and amount of remuneration

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

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

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

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

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

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

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

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

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

Non-Executive Directors' remuneration

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

ASX listing rules require the aggregate Non-Executive Directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 11 December 2020, where the shareholders approved a new constitution that stipulated the maximum annual aggregate remuneration of A\$500,000.

Executive remuneration

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

The executive remuneration and reward framework has four components:

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

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

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

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

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

The long-term incentives ('LTI') include long service leave and share-based payments.

Group performance and link to remuneration

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

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

Remuneration is not therefore directly linked to the Group's performance and is at the discretion of the Board.

Use of remuneration consultants

During the financial year ended 30 June 2021, the Group did not engage any remuneration consultants to review its existing remuneration policies and provide any recommendations.

Voting and comments made at the Company's 2020 Annual General Meeting ('AGM')

At the 2020 AGM, 99.82% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2021. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

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

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

- John Dougall - Non-Executive Director and Chairman
- Edward Geller - Executive Director and Chief Executive Officer
- Andrew Whitten - Non-Executive Director
- Andrea Cutright - Non-Executive Director (appointed 28 October 2020)
- Kathy Mayor - Non-Executive Director (appointed 28 October 2020)
- Megan Gardner - Former Non-Executive Director (resigned 10 December 2020)
- Mary Godfrey - Former Non-Executive Director (resigned 10 December 2020)

And the following person:

- Chris Motsay - Chief Financial Officer (appointed 19 April 2021)

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		Total US\$
	Cash salary and fees US\$	Cash bonus US\$	Non-monetary US\$	Super-annuation US\$	Long service leave US\$	Equity-settled salary and fees US\$	Equity-settled options and bonus US\$	
2021								
<i>Non-Executive Directors:</i>								
John Dougall	22,417	-	-	-	-	52,307	-	74,724
Andrew Whitten	13,450	-	-	-	-	31,384	98,680	143,514
Andrea Cutright ¹	10,110	-	-	-	-	23,589	98,680	132,379
Kathy Mayor ¹	10,110	-	-	-	-	23,589	98,680	132,379
Megan Gardner ²	6,699	-	-	-	-	15,630	-	22,329
Mary Godfrey ²	6,699	-	-	-	-	15,630	-	22,329
<i>Executive Directors:</i>								
Edward Geller ³	210,000	-	20,091	-	-	50,000	55,000	335,091
<i>Other KMP:</i>								
Chris Motsay ^{4,5}	47,045	13,806	388	-	-	-	-	61,239
	<u>326,530</u>	<u>13,806</u>	<u>20,479</u>	<u>-</u>	<u>-</u>	<u>212,129</u>	<u>351,040</u>	<u>923,984</u>

- 1 Represents remuneration from 28 October 2020 to 30 June 2021
- 2 Represents remuneration from 1 July 2020 to 10 December 2020
- 3 \$55,000 represents accrued bonus subject to approval at the annual general meeting
- 4 Represents remuneration from 19 April 2021 to 30 June 2021
- 5 \$13,806 represents KPI bonus accrual from 19 April 2021 to 30 June 2021

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		Total US\$
	Cash salary and fees US\$	Cash bonus US\$	Non-monetary US\$	Super-annuation US\$	Long service leave US\$	Equity-settled salary and fees US\$	Equity-settled options and bonus US\$	
2020 (restated)								
<i>Non-Executive Directors:</i>								
John Dougall ¹	20,131	-	-	-	-	46,973	26,915	94,019
Andrew Whitten ^{1,2}	1,591	-	-	-	-	3,712	-	5,303
Megan Gardner ¹	15,000	-	-	-	-	35,000	17,943	67,943
Mary Godfrey ¹	15,000	-	-	-	-	35,000	17,943	67,943
<i>Executive Directors:</i>								
Edward Geller ^{1,5}	210,000	-	19,449	-	-	50,000	78,830	358,279
^{3,4} Stephen O'Young ¹	141,330	-	-	-	-	34,959	47,047	223,336
	<u>403,052</u>	<u>-</u>	<u>19,449</u>	<u>-</u>	<u>-</u>	<u>205,644</u>	<u>188,678</u>	<u>816,823</u>

- 1 Amounts restated from A\$ to US\$
- 2 Represents remuneration from 13 May 2020 to 30 June 2020
- 3 Represents remuneration from 1 July 2019 to 13 May 2020
- 4 Includes equity-settled bonus of \$20,132 relating to 30 June 2019
- 5 Includes equity-settled bonus of \$25,000 relating to 30 June 2019

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

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2021	2020 (restated)	2021	2020 (restated)	2021	2020 (restated)
<i>Non-Executive Directors:</i>						
John Dougall	100%	71%	-	-	-	29%
Andrew Whitten	31%	100%	-	-	69%	-
Andrea Cutright	25%	-	-	-	75%	-
Kathy Mayor	25%	-	-	-	75%	-
Megan Gardner	100%	74%	-	-	-	26%
Mary Godfrey	100%	74%	-	-	-	26%
<i>Executive Directors:</i>						
Edward Geller	84%	78%	-	7%	16%	15%
Stephen O'Young	-	79%	-	9%	-	12%
<i>Other KMP:</i>						
Chris Motsay	77%	-	23%	-	-	-

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

Name	Cash bonus paid/payable		Cash bonus forfeited	
	2021	2020 (restated)	2021	2020 (restated)
<i>Other KMP:</i>				
Chris Motsay	100%	-	-	-

Service agreements

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

Name: John Dougall
Title: Non-Executive Director and Chairman
Agreement commenced: 15 March 2018
Term of agreement: Ongoing
Details: Effective 1 July 2021, base remuneration of A\$100,000 per annum, comprising of A\$50,000 to be paid in cash monthly in arrears; and A\$50,000 to be paid in either shares in the Company, subject to shareholder approval at a general meeting of the Company, or in cash if shareholder approval is not obtained.

Name: Edward Geller
Title: Executive Director and Chief Executive Officer
Agreement commenced: 1 January 2015
Term of agreement: Ongoing
Details: Annual entitlement to be issued US\$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 US\$100,000.

Name: Andrew Whitten
Title: Non-Executive Director
Agreement commenced: 13 May 2020
Term of agreement: Ongoing
Details: Effective 1 July 2021, base remuneration of A\$60,000 per annum, comprising of A\$30,000 to be paid in cash monthly in arrears; and A\$30,000 to be paid in either shares in the Company, subject to shareholder approval at a general meeting of the Company, or in cash if shareholder approval is not obtained.

Name: Andrea Cutright
 Title: Non-Executive Director
 Agreement commenced: 28 October 2020
 Term of agreement: Ongoing
 Details: Effective 1 July 2021, base remuneration of US\$50,000 per annum, comprising of US\$25,000 to be paid in cash monthly in arrears; and US\$25,000 to be paid in either shares in the Company, subject to shareholder approval at a general meeting of the Company, or in cash if shareholder approval is not obtained.

Name: Kathy Mayor
 Title: Non-Executive Director
 Agreement commenced: 28 October 2020
 Term of agreement: Ongoing
 Details: Effective 1 July 2021, base remuneration of US\$50,000 per annum, comprising of US\$25,000 to be paid in cash monthly in arrears; and US\$25,000 to be paid in either shares in the Company, subject to shareholder approval at a general meeting of the Company, or in cash if shareholder approval is not obtained.

Name: Chris Motsay
 Title: Chief Financial Officer
 Agreement commenced: 19 April 2021
 Term of agreement: Ongoing
 Details: Base salary of US\$230,000 per annum; and an annual bonus up to US\$70,000 connected to agreed goals and KPIs being met.

Name: Megan Gardner
 Title: Former Non-Executive Director (resigned 10 December 2020)
 Details: Base remuneration of US\$50,000 per annum, comprising of US\$15,000 to be paid in cash no later than two months after the date of the annual general meeting; and US\$35,000 to be paid in either shares in the Company, subject to shareholder approval at a general meeting of the Company, or in cash if shareholder approval is not obtained.

Name: Mary Godfrey
 Title: Former Non-Executive Director (resigned 10 December 2020)
 Details: Base remuneration of US\$50,000 per annum, comprising of US\$15,000 to be paid in cash no later than two months after the date of the annual general meeting; and US\$35,000 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.

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

Share-based compensation

Issue of shares

Details of shares issued to Directors and other KMP as part of compensation during the year ended 30 June 2021 are set out below:

Name	Date	Shares	Issue price	Total value US\$
John Dougall*	8 January 2021	41,691	A\$1.6790	52,304
Edward Geller	8 January 2021	43,391	A\$1.6790	50,000
Andrew Whitten*	8 January 2021	6,082	A\$0.9245	4,201
Megan Gardner	8 January 2021	30,374	A\$1.6790	35,000
Mary Godfrey	8 January 2021	30,374	A\$1.6790	35,000

* Total value of shares issued converted from A\$ to US\$ using the average rate of 0.7472

Options

Details of options over ordinary shares granted, vested and lapsed for Directors and other KMP as part of compensation during the year ended 30 June 2021 are set out below:

Name	Grant date	Vesting date	Exercise price	Fair value of options granted	Number of options granted	Value of options granted US\$
Andrew Whitten*	11 Dec 2020	11 Dec 2021	A\$1.75	A\$1.2550	50,000	46,887
Andrew Whitten*	11 Dec 2020	11 Dec 2021	A\$2.25	A\$1.2225	50,000	45,673
Andrew Whitten*	11 Dec 2020	11 Dec 2021	A\$3.50	A\$1.1593	100,000	86,623
Andrea Cutright*	11 Dec 2020	11 Dec 2021	A\$1.75	A\$1.2550	50,000	46,887
Andrea Cutright*	11 Dec 2020	11 Dec 2021	A\$2.25	A\$1.2225	50,000	45,673
Andrea Cutright*	11 Dec 2020	11 Dec 2021	A\$3.50	A\$1.1593	100,000	86,623
Kathy Mayor*	11 Dec 2020	11 Dec 2021	A\$1.75	A\$1.2550	50,000	46,887
Kathy Mayor*	11 Dec 2020	11 Dec 2021	A\$2.25	A\$1.2225	50,000	45,673
Kathy Mayor*	11 Dec 2020	11 Dec 2021	A\$3.50	A\$1.1593	100,000	86,623

* Value of options granted converted from A\$ to US\$ using the average rate of 0.7472

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

Additional disclosures relating to KMP

Shareholding

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

	Balance at the start of the year	Received as part of remuneration	Additions	Other movements	Balance at the end of the year
<i>Ordinary shares</i>					
John Dougall	169,975	41,691	-	-	211,666
Edward Geller	6,565,944	43,391	8,261	-	6,617,596
Andrew Whitten	23,000	6,082	-	-	29,082
Megan Gardner*	201,739	30,374	-	(232,113)	-
Mary Godfrey*	32,674	30,374	-	(63,048)	-
	<u>6,993,332</u>	<u>151,912</u>	<u>8,261</u>	<u>(295,161)</u>	<u>6,858,344</u>

* Other movements represents shares held at resignation date, not necessarily physical disposal.

Option holding

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

	Balance at the start of the year	Granted	Exercised	Other movements	Balance at the end of the year
<i>Options over ordinary shares</i>					
John Dougall	600,000	-	-	-	600,000
Edward Geller	1,200,000	-	-	-	1,200,000
Andrew Whitten	-	200,000	-	-	200,000
Andrea Cutright	-	200,000	-	-	200,000
Kathy Mayor	-	200,000	-	-	200,000
Megan Gardner*	400,000	-	-	(400,000)	-
Mary Godfrey*	400,000	-	-	(400,000)	-
	<u>2,600,000</u>	<u>600,000</u>	<u>-</u>	<u>(800,000)</u>	<u>2,400,000</u>

* Other movements represents shares held at resignation date, not necessarily physical disposal. These options do not expire until October 2021.

	Vested and exercisable	Vested and unexercisable	Balance at the end of the year
<i>Options over ordinary shares</i>			
John Dougall	600,000	-	600,000
Edward Geller	1,200,000	-	1,200,000
	<u>1,800,000</u>	<u>-</u>	<u>1,800,000</u>

Other transactions with KMP and their related parties

The Group has business transactions with Automic Pty Ltd and Automic Legal Pty Ltd, where Andrew Whitten, a Non-Executive Director of the Company, was a Director and a former Shareholder until March 2021. 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 2021 are US\$1,176 and US\$2,474 respectively.

The Group's transactions during the financial year with Automic Pty Ltd and Automic Legal Pty Ltd amounted to US\$20,226 and US\$35,879 respectively.

Loans to Directors and executives

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

Loans from Directors and executives

As announced on 30 September 2021, the Directors (lenders) provided to the Group US\$800,000 in loans. The loans are for a period of six months subject to early repayment by the Group at any time. The loans are interest free for the first 45 days and then at a rate of 12% per annum. Subject to obtaining shareholder approval at the annual general meeting the lenders are entitled to 50% share option coverage (one share option for every two dollars advanced) converted into Australian dollars. That is, 549,149 total options to Directors based on an exchange rate of 0.7284, as detailed below.

	Bridging loan advanced US\$	Bridging loan converted A\$	Number of options to be granted
Edward Geller	300,000	411,862	205,931
Andrew Whitten	300,000	411,862	205,931
Andrea Cutright	200,000	274,574	137,287
	<u>800,000</u>	<u>1,098,298</u>	<u>549,149</u>

This concludes the remuneration report, which has been audited.

Shares under option

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

Grant date	Exercise date	Exercise price	Number under option
10 December 2018	10 December 2022	A\$0.6000	117,042
10 December 2018	10 December 2023	A\$0.7500	650,000
10 December 2018	10 December 2023	A\$1.0000	650,000
10 December 2018	10 December 2023	A\$1.5000	1,300,000
02 April 2019	02 April 2023	A\$0.6000	60,000
02 April 2019	02 April 2023	A\$0.6000	60,000
02 April 2019	02 April 2023	A\$0.6000	60,000
20 May 2019	20 May 2023	A\$0.6000	26,500
19 August 2019	19 August 2023	A\$1.1000	196,683
04 September 2019	04 September 2023	A\$1.1000	60,000
04 September 2019	04 September 2023	A\$1.1000	60,000
04 September 2019	04 September 2023	A\$1.1000	60,000
19 December 2019	19 December 2023	A\$2.2000	26,500
27 March 2020	27 March 2024	A\$1.0000	13,250
15 July 2020	15 July 2024	A\$0.9200	486,251
15 September 2020	15 July 2024	A\$0.9200	171,658
16 December 2020	15 July 2024	A\$1.6000	227,404
16 December 2020	16 December 2024	A\$1.6000	59,625
11 December 2020	08 January 2026	A\$1.7500	150,000
11 December 2020	08 January 2026	A\$2.2500	150,000
11 December 2020	08 January 2026	A\$3.5000	300,000
21 January 2021	22 February 2026	A\$1.5000	100,000
12 April 2021	12 April 2025	A\$1.4700	203,000
31 August 2021	20 July 2025	A\$1.3000	1,159,750
			6,347,663

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

Shares issued on the exercise of options

326,225 shares were issued during the financial year ended 30 June 2021 on the exercise of options.

Indemnity and insurance of officers

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

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

Indemnity and insurance of auditor

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

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

Proceedings on behalf of the Company

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

Non-audit services

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

Officers of the Company who are former partners of Grant Thornton Audit Pty Ltd

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

Auditor's independence declaration

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

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

On behalf of the Directors



Edward Geller
Executive Director, Chief Executive Officer

30 September 2021
New York

For personal use only

Auditor's Independence Declaration

To the Directors of Tinybeans Group Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Tinybeans Group Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

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



Grant Thornton Audit Pty Ltd
Chartered Accountants



L M Worsley
Partner – Audit & Assurance

Sydney, 30 September 2021

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

www.grantthornton.com.au

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation.

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



	Note	Consolidated 2021 US\$	Consolidated 2020 (restated) US\$
Revenue from contracts with customers	6	8,123,770	4,150,160
Other income	7	580,673	267,929
Interest revenue calculated using the effective interest method		4,991	20,419
Expenses			
Cost of goods sold		(424,654)	(360,267)
Employee benefits expense		(7,898,082)	(4,582,528)
Depreciation and amortisation expense	8	(672,545)	(454,456)
Compliance and consultancy costs		(1,568,042)	(900,894)
Hosting and online software		(989,014)	(656,454)
Recovery/(impairment) of receivables		15,345	(13,557)
Impairment of assets	8	(49,005)	(1,612,452)
Marketing and advertising expense		(88,737)	(109,339)
Occupancy costs		(30,100)	(32,241)
Other expenses		(226,834)	(258,976)
Finance costs	8	(11,759)	(16,212)
Total expenses		<u>(11,943,427)</u>	<u>(8,997,376)</u>
Loss before income tax benefit		(3,233,993)	(4,558,868)
Income tax benefit	9	44	637,468
Loss after income tax benefit for the year attributable to the owners of Tinybeans Group Limited		(3,233,949)	(3,921,400)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		239,348	(143,410)
Other comprehensive income for the year, net of tax		239,348	(143,410)
Total comprehensive income for the year attributable to the owners of Tinybeans Group Limited		<u>(2,994,601)</u>	<u>(4,064,810)</u>
		Cents	Cents
Basic earnings per share	23	(7.02)	(9.68)
Diluted earnings per share	23	(7.02)	(9.68)

Refer to note 4 for detailed information on change in presentation currency and restatement of comparatives.

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

Tinybeans Group Limited
Consolidated statement of financial position
As at 30 June 2021



	Note	2021 US\$	Consolidated 2020 (restated) US\$	1 July 2019 (restated) US\$
Assets				
Current assets				
Cash and cash equivalents		2,155,365	3,602,480	689,670
Trade and other receivables	10	1,751,050	1,178,313	698,528
Contract assets	11	114,280	297,422	32,835
Other assets	12	293,884	262,668	190,249
Total current assets		4,314,579	5,340,883	1,611,282
Non-current assets				
Property, plant and equipment	13	31,332	25,313	39,099
Right-of-use assets	14	100,370	274,077	322,143
Intangibles	15	5,685,360	6,086,206	-
Total non-current assets		5,817,062	6,385,596	361,242
Total assets		10,131,641	11,726,479	1,972,524
Liabilities				
Current liabilities				
Trade and other payables	16	1,752,101	803,456	530,194
Contract liabilities	17	575,593	615,797	366,983
Borrowings	18	-	584,293	-
Lease liabilities	19	89,096	170,411	222,047
Income tax	9	130,048	130,048	130,048
Employee benefits		14,243	90,189	114,777
Total current liabilities		2,561,081	2,394,194	1,364,049
Non-current liabilities				
Contract liabilities	17	249,598	382,913	329,655
Lease liabilities	19	38,743	122,986	90,711
Employee benefits		7,513	4,036	15,799
Total non-current liabilities		295,854	509,935	436,165
Total liabilities		2,856,935	2,904,129	1,800,214
Net assets		7,274,706	8,822,350	172,310
Equity				
Issued capital	20	22,618,819	22,154,067	9,831,822
Reserves	21	1,749,913	725,761	600,209
Accumulated losses		(17,094,026)	(14,057,478)	(10,259,721)
Total equity		7,274,706	8,822,350	172,310

Refer to note 4 for detailed information on change in presentation currency and restatement of comparatives.

Tinybeans Group Limited
Consolidated statement of changes in equity
For the year ended 30 June 2021



Consolidated	Issued capital US\$	Reserves US\$	Accumulated losses US\$	Total equity US\$
Balance at 1 July 2019	9,831,822	600,209	(10,259,721)	172,310
Loss after income tax benefit for the year	-	-	(3,921,400)	(3,921,400)
Other comprehensive income for the year, net of tax	-	(143,410)	-	(143,410)
Total comprehensive income for the year	-	(143,410)	(3,921,400)	(4,064,810)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 20)	11,823,157	3,561	-	11,826,718
Share-based payments	-	487,004	-	487,004
Shares issued on the exercise of options (note 20)	263,555	(84,981)	-	178,574
Shares issued to Directors (note 20)	235,533	-	-	235,533
Foreign exchange movements	-	(12,979)	-	(12,979)
Transfer from share-based payment reserve to accumulated losses	-	(123,643)	123,643	-
Balance at 30 June 2020	22,154,067	725,761	(14,057,478)	8,822,350

Refer to note 4 for detailed information on change in presentation currency and restatement of comparatives.

Consolidated	Issued capital US\$	Reserves US\$	Accumulated losses US\$	Total equity US\$
Balance at 1 July 2020	22,154,067	725,761	(14,057,478)	8,822,350
Loss after income tax benefit for the year	-	-	(3,233,949)	(3,233,949)
Other comprehensive income for the year, net of tax	-	239,348	-	239,348
Total comprehensive income for the year	-	239,348	(3,233,949)	(2,994,601)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	1,055,277	-	1,055,277
Shares issued on the exercise of options (note 20)	238,635	(51,779)	-	186,856
Shares issued to Directors (note 20)	226,117	-	-	226,117
Foreign exchange movements	-	(21,293)	-	(21,293)
Transfer from share-based payment reserve to accumulated losses	-	(197,401)	197,401	-
Balance at 30 June 2021	22,618,819	1,749,913	(17,094,026)	7,274,706

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

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



	Note	Consolidated 2021 US\$	Consolidated 2020 (restated) US\$
Cash flows from operating activities			
Loss before income tax benefit for the year		(3,233,993)	(4,558,868)
Adjustments for:			
Depreciation and amortisation	8	672,545	454,456
Impairment of assets		49,005	1,612,452
Share-based payments	8	1,322,406	737,780
Net gain on disposal of non-current assets		(93)	(130)
Paycheck protection program - loan forgiven		(584,293)	-
Foreign currency differences		(24,156)	(148,699)
Interest received		(4,991)	(20,419)
Interest and other finance costs		11,759	16,212
		<u>(1,791,811)</u>	<u>(1,907,216)</u>
Change in operating assets and liabilities:			
Increase in trade and other receivables		(572,737)	(219,935)
Decrease/(increase) in contract assets		183,142	(226,954)
Increase in prepayments		(31,216)	(78,369)
Increase in trade and other payables		971,667	65,553
Increase/(decrease) in contract liabilities		(173,519)	239,251
Decrease in employee benefits		(72,469)	(37,351)
		<u>(1,486,943)</u>	<u>(2,165,021)</u>
Interest received		4,991	20,419
Interest and other finance costs paid		(11,759)	(16,212)
Income taxes refunded/(paid)		44	(3,910)
Net cash used in operating activities		<u>(1,493,667)</u>	<u>(2,164,724)</u>
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired	31	-	(6,535,088)
Payments for property, plant and equipment	13	(25,945)	(13,323)
Payments for intangibles	15	(104,840)	-
Proceeds from disposal of property, plant and equipment		2,434	4,446
Proceeds from release of security deposits		-	5,950
Net cash used in investing activities		<u>(128,351)</u>	<u>(6,538,015)</u>
Cash flows from financing activities			
Proceeds from issue of shares	20	-	11,535,037
Proceeds from exercise of options		186,838	169,588
Proceeds from borrowings		-	584,293
Repayment of lease liabilities	24	(198,191)	(229,729)
Share issue transaction costs	20	-	(431,661)
Net cash from/(used in) financing activities		<u>(11,353)</u>	<u>11,627,528</u>
Net increase/(decrease) in cash and cash equivalents		(1,633,371)	2,924,789
Cash and cash equivalents at the beginning of the financial year		3,602,480	689,670
Effects of exchange rate changes on cash and cash equivalents		186,256	(11,979)
Cash and cash equivalents at the end of the financial year		<u><u>2,155,365</u></u>	<u><u>3,602,480</u></u>

Refer to note 4 for detailed information on change in presentation currency and restatement of comparatives.

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

Note 1. General information

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

The financial statements are presented in US dollars ('US\$'), which is Tinybeans Group Limited's presentation currency. The previous presentation currency was Australian dollars ('A\$') - refer to note 4 for further details. The functional currency of Tinybeans Group Limited continues to be Australian dollars.

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

Registered office

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

Principal place of business

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

25 W 36th St, 5th Floor New York, NY, 10018, United States of America

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.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 30 September 2021. The Directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

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

The following Accounting Standards and Interpretations are most relevant to the Group:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The Group has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the Group's financial statements.

Software-as-a-Service arrangements

The IFRS Interpretations Committee ('IFRIC') has issued two agenda decisions related to accounting for Software-as-a-Service ('SaaS') arrangements:

- In March 2019, the IFRIC considered the accounting for SaaS arrangements (the first agenda decision) and concluded that for many such arrangements the substance is that the entity has contracted to receive services rather than the acquisition (or lease) of software assets. This is because, in a cloud-based environment, the SaaS contract generally only gives the customer the right to receive access to the cloud provider's application software, rather than a license over the intellectual property, that is, control over the software code itself; and
- In April 2021, the IFRIC specifically considered how an entity should account for configuration and customisation costs incurred in implementing these SaaS service arrangements. The IFRIC concluded (the second agenda decision) that these costs should be expensed, unless the criteria for recognising a separate asset are met.

The Group has completed a detailed assessment of its software costs capitalised historically and for the current year, and no adjustments were required.

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.

Note 2. Significant accounting policies (continued)

The Group incurred a loss after tax of US\$3,233,949 (2020 (restated): US\$3,921,400) and had net cash outflows from operating activities of US\$1,493,667 (2020 (restated): US\$2,164,724) for the year ended 30 June 2021. As at that date, the Group had net current assets of US\$1,753,498 (2020 (restated): US\$2,946,689) and net assets of US\$7,274,706 (2020 (restated): US\$8,822,350).

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

- the Group has cash and cash equivalents of US\$2,155,365 (2020: US\$3,602,480) as at 30 June 2021;
- the Group has performed a cash flow forecast and determined that it has adequate cash resources in place to fund its operations for at least 12 months from the date of approval of these financial statements;
- since the reporting date the Group has raised US\$800,000 in loans from Directors. Refer to note 35 for further details;
- the Group intends to raise new capital from investors in the foreseeable future;
- the Group expects to raise additional funds by way of a dual listing on the Nasdaq; and
- if required, the Group has the ability to continue to raise additional funds on a timely basis pursuant to the Corporations Act 2001 and ASX Listing Rules and the Directors believe that it will be able to continue to source equity or alternative funding if required.

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

Accordingly, no adjustments have been made to the financial statements relating to the recoverability and classification of the asset carrying amounts or the amount and classification of liabilities that might be necessary should the Group not continue as a going concern. At this time, the Directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial statements as at 30 June 2021.

Basis of preparation

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

Historical cost convention

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

Critical accounting estimates

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

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 34.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Tinybeans Group Limited as at 30 June 2021 and the results of all subsidiaries for the year then ended.

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

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

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

Note 2. Significant accounting policies (continued)

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

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

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

Foreign currency transactions

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

Entities whose functional currency is not US dollars

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

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

Revenue recognition

The Group recognises revenue as follows:

Revenue from contracts with customers

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

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

Advertising revenue

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

Photobook revenue

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

Subscription revenue

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

Other revenue

Other revenue is primarily derived from affiliates, or partners, where the Group facilitates a transaction between the affiliate and the user. The user "clicks through" the Group's platform to the partner to purchase a good or service, and the Group receives a fee for this activity on a per transaction basis. Other revenue is recognised when it has been received or when the right to receive payment is established.

Note 2. Significant accounting policies (continued)

Interest

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

Government grants

Grants from the government are recognised at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss as other income over the periods necessary to match them with the costs that they are intended to compensate. Research and development tax credit or tax offset incentive and the export market development grant are accounted for as government grants. Government support received under the United States of America ('US') Federal Government's Paycheck protection program was initially recognised as a loan and then subsequently recognised in profit or loss as other income when the loan was forgiven. The Group also received Cash Flow Boost from the Australian Federal Government during the financial year recognised in profit or loss as other income.

Income tax

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

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

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

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

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

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

Current and non-current classification

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

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

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

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

Cash and cash equivalents

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

Note 2. Significant accounting policies (continued)

Trade and other receivables

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

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

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

Contract assets

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

Property, plant and equipment

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

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

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

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

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

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

Right-of-use assets

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

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

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

Intangible assets

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

Goodwill

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

Note 2. Significant accounting policies (continued)

Development costs

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

Software

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

Content repository

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

Impairment of non-financial assets

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

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

Trade and other payables

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

Contract liabilities

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

Borrowings

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

Lease liabilities

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

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

Finance costs

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

Note 2. Significant accounting policies (continued)

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, 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. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

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

Share-based payments

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

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

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

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

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

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

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

Fair value measurement

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

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

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

Note 2. Significant accounting policies (continued)

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

Issued capital

Ordinary shares are classified as equity.

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

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

Where the business combination is achieved in stages, the Group 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 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.

Earnings per share

Basic earnings per share

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

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming conversion of all dilutive potential ordinary shares. Diluted earnings per share is not calculated if anti-dilutive.

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

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

Note 2. Significant accounting policies (continued)

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

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

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

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2021. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

Amending accounting standards

Amending accounting standards issued but not mandatory are not considered to have a significant impact on the financial statements of the Group as they provide either clarification of existing accounting treatment or editorial amendments.

Note 3. Critical accounting judgements, estimates and assumptions

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

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 Group 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 Group 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 Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 33.

Revenue from contracts with customers - subscription revenue

When recognising revenue in relation to the subscriptions the key judgement is the period over which the subscription is recognised. For subscriptions which are lifetime expiry date, the revenue is recognised over a five year period, based on previous experience of interaction of customers with the Group, otherwise the revenue is recognised over the period of the subscription.

Estimation of useful lives of assets

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

Goodwill and other indefinite life intangible assets

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. Goodwill is tested at a cash-generating unit level. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows. Refer to note 15.

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

Impairment of non-financial assets other than goodwill

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

Income tax

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

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Refer to note 9.

Note 4. Change in presentation currency and restatement of comparatives

Change in presentation currency

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

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

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

Restatement of comparatives

The Group has finalised its business combination accounting, as detailed in note 31 which resulted in additional deferred tax liability being recognised as part of the business combination, an adjustment to the purchase price, and the recognition of income tax benefit to the extent of the deferred tax losses not previously recognised but now recognised, as detailed below. As a consequence of its finalisation, goodwill was impaired by US\$1,612,452, as detailed in note 15. The Group also recognised a further share-based payment expense of US\$129,461 due to changes in fair value assumptions and additional revenue of US\$169,913 in 2020 that was incorrectly recognised in an earlier period.

Note 4. Change in presentation currency and restatement of comparatives (continued)

A reconciliation of the comparative figures is provided below:

	US\$
Net assets as at 30 June 2020 (as previously stated) (A\$14,930,607) converted to US dollars	10,303,615
Intangibles assets - Impairment of goodwill	(1,612,452)
Intangibles assets - Adjustment on fair value of shares issued on business combination (note 31)	(424,158)
Adjustment on finalisation of business combination (note 31)	86,809
Transfers to acquisition reserve	3,561
Provision for income tax	(130,048)
Deferred tax not recognised, now recognised	595,023
Net assets as at 30 June 2020 (as restated)	<u>8,822,350</u>
Loss for the year ended 30 June 2020 (as previously stated) (A\$4,527,544) converted to US dollars	(3,031,232)
Impairment of assets	(1,612,452)
Employee expenses - Share-based payments	(129,461)
Amortisation adjustment on finalisation of business combination (note 31)	40,454
Additional advertising revenue recognised	169,913
Income tax adjustment on finalisation of business combination (note 31)	46,355
Income tax benefit on deferred tax now recognised	595,023
Loss for the year ended 30 June 2020 (as restated)	<u>(3,921,400)</u>

Reclassification

The Group has realigned various profit or loss line items to be consistent with the current year presentation with no effect on the loss for the year or net assets.

Statement of profit or loss and other comprehensive income

	2020 (restated) US\$ Reported	Consolidated US\$ Adjustment	2020 (restated) US\$ Restated
Extract			
Revenue from contracts with customers	3,980,247	169,913	4,150,160
Expenses			
Employee benefits expense	(4,453,067)	(129,461)	(4,582,528)
Depreciation and amortisation expense	(494,910)	40,454	(454,456)
Impairment of assets	-	(1,612,452)	(1,612,452)
Loss before income tax (expense)/benefit	(3,027,322)	(1,531,546)	(4,558,868)
Income tax (expense)/benefit	(3,910)	641,378	637,468
Loss after income tax benefit for the year attributable to the owners of Tinybeans Group Limited	(3,031,232)	(890,168)	(3,921,400)
Other comprehensive income			
Foreign currency translation	(139,737)	(3,673)	(143,410)
Other comprehensive income for the year, net of tax	(139,737)	(3,673)	(143,410)
Total comprehensive income for the year attributable to the owners of Tinybeans Group Limited	<u>(3,170,969)</u>	<u>(893,841)</u>	<u>(4,064,810)</u>

Note 4. Change in presentation currency and restatement of comparatives (continued)

	Cents Reported	Cents Adjustment	Cents Restated
Basic earnings per share	(7.48)	(2.20)	(9.68)
Diluted earnings per share	(7.48)	(2.20)	(9.68)

Statement of financial position at the beginning of the earliest comparative period

Extract	1 July 2019 (restated) US\$ Reported	Consolidated US\$ Adjustment	1 July 2019 (restated) US\$ Restated
Assets			
Current assets			
Trade and other receivables	375,181	323,347	698,528
Contract assets	526,095	(493,260)	32,835
Total current assets	<u>1,781,195</u>	<u>(169,913)</u>	<u>1,611,282</u>
Total assets	<u>2,142,437</u>	<u>(169,913)</u>	<u>1,972,524</u>
Liabilities			
Current liabilities			
Income tax	-	130,048	130,048
Total current liabilities	<u>1,234,001</u>	<u>130,048</u>	<u>1,364,049</u>
Total liabilities	<u>1,670,166</u>	<u>130,048</u>	<u>1,800,214</u>
Net assets	<u>472,271</u>	<u>(299,961)</u>	<u>172,310</u>
Equity			
Reserves	462,850	137,359	600,209
Accumulated losses	<u>(9,822,401)</u>	<u>(437,320)</u>	<u>(10,259,721)</u>
Total equity	<u>472,271</u>	<u>(299,961)</u>	<u>172,310</u>

Note 4. Change in presentation currency and restatement of comparatives (continued)

Statement of financial position at the end of the earliest comparative period

Extract	2020 (restated) US\$ Reported	Consolidated US\$ Adjustment	2020 (restated) US\$ Restated
Assets			
Non-current assets			
Intangibles	7,440,984	(1,354,778)	6,086,206
Total non-current assets	<u>7,740,374</u>	<u>(1,354,778)</u>	<u>6,385,596</u>
Total assets	<u>13,081,257</u>	<u>(1,354,778)</u>	<u>11,726,479</u>
Liabilities			
Current liabilities			
Trade and other payables	807,017	(3,561)	803,456
Income tax	-	130,048	130,048
Total current liabilities	<u>2,267,707</u>	<u>126,487</u>	<u>2,394,194</u>
Total liabilities	<u>2,777,642</u>	<u>126,487</u>	<u>2,904,129</u>
Net assets	<u>10,303,615</u>	<u>(1,481,265)</u>	<u>8,822,350</u>
Equity			
Issued capital	22,548,118	(394,051)	22,154,067
Reserves	553,425	172,336	725,761
Accumulated losses	<u>(12,797,928)</u>	<u>(1,259,550)</u>	<u>(14,057,478)</u>
Total equity	<u>10,303,615</u>	<u>(1,481,265)</u>	<u>8,822,350</u>

Note 5. Operating segments

Identification of reportable operating segments

Following the integration of the Red Tricycle business with the rest of the Group during the financial year, the Group now only has one operating segment being the entire operations (2020: Two operating segments: Red Tricycle and Tinybeans). The operating segment(s) is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the CODM) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews earnings before interest, tax, depreciation and amortisation ('EBITDA'). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

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

Types of products and services and geographical information

The principal products and services are: advertising, photobook (printing) and subscriptions. Refer to note 6 for revenue from products and services, which are principally all in the US.

Major customers

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

Note 5. Operating segments (continued)

Operating segment information

			Total US\$
Consolidated - 2021			
Revenue			
Sales to external customers			8,123,770
Interest income			4,991
Total revenue			8,128,761
EBITDA			
Depreciation and amortisation			(2,554,680)
Interest revenue			(672,545)
Finance costs			4,991
Loss before income tax benefit			(3,233,993)
Income tax benefit			44
Loss after income tax benefit			(3,233,949)
Consolidated - 2020 (restated)			
	Red Tricycle US\$	Tinybeans US\$	Total US\$
Revenue			
Sales to external customers	1,058,450	3,091,710	4,150,160
Interest income	-	20,419	20,419
Total revenue	1,058,450	3,112,129	4,170,579
EBITDA			
Depreciation and amortisation	(1,615,348)	(2,493,271)	(4,108,619)
Interest revenue	(168,563)	(285,893)	(454,456)
Finance costs	-	20,419	20,419
Loss before income tax benefit	(3,606)	(12,606)	(16,212)
Income tax benefit	(1,787,517)	(2,771,351)	(4,558,868)
Loss after income tax benefit			637,468
			(3,921,400)

Note 6. Revenue from contracts with customers

	Consolidated	
	2021 US\$	2020 (restated) US\$
Advertising revenue	6,903,477	3,120,102
Photobook revenue	235,955	206,369
Subscription revenue	859,061	699,776
Other revenue	125,277	123,913
Revenue from contracts with customers	8,123,770	4,150,160

Note 6. Revenue from contracts with customers (continued)

Disaggregation of revenue

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

	Consolidated 2021 US\$	2020 (restated) US\$
<i>Geographical regions</i>		
United States of America	8,101,593	3,935,884
Australia	<u>22,177</u>	<u>214,276</u>
	<u><u>8,123,770</u></u>	<u><u>4,150,160</u></u>
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	235,955	206,369
Services transferred over time	<u>7,887,815</u>	<u>3,943,791</u>
	<u><u>8,123,770</u></u>	<u><u>4,150,160</u></u>

Note 7. Other income

	Consolidated 2021 US\$	2020 (restated) US\$
Net foreign exchange gain	2,911	14,547
Net gain on disposal of property, plant and equipment	93	130
Paycheck protection program - loan forgiven*	584,293	-
Research and development tax offset incentives/(refund)	(34,339)	210,132
Other income including cash flow boost	<u>27,715</u>	<u>43,120</u>
Other income	<u><u>580,673</u></u>	<u><u>267,929</u></u>

* Refer to note 18 for further details of the loan forgiven.

Note 8. Expenses

	Consolidated 2021 US\$	2020 (restated) US\$
Loss before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Leasehold improvements (note 13)	1,888	4,445
Office equipment, fixtures and fittings (note 13)	2,992	4,987
Computer equipment (note 13)	13,096	13,150
Leasehold building right-of-use assets (note 14)	148,883	263,312
Total depreciation	<u>166,859</u>	<u>285,894</u>
<i>Amortisation</i>		
Software (note 15)	189,365	63,122
Content repository (note 15)	316,321	105,440
Total amortisation	<u>505,686</u>	<u>168,562</u>
Total depreciation and amortisation	<u>672,545</u>	<u>454,456</u>
<i>Impairment</i>		
Right-of-use asset (note 14)	49,005	-
Goodwill (note 15)	-	1,612,452
Total impairment of assets	<u>49,005</u>	<u>1,612,452</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable on lease liabilities	6,954	14,174
Other interest and finance charges paid/payable	4,805	2,038
Finance costs expensed	<u>11,759</u>	<u>16,212</u>
<i>Leases</i>		
Variable lease payments	<u>5,423</u>	<u>6,529</u>
<i>Superannuation expense</i>		
Defined contribution superannuation expense	<u>16,174</u>	<u>58,094</u>
<i>Share-based payments expense</i>		
Employee share option plan expense (note 21)	1,055,277	487,004
Equity-settled director fees	212,129	205,644
Equity-settled director bonus	55,000	45,132
	<u>1,322,406</u>	<u>737,780</u>

Note 9. Income tax

	Consolidated	
	2021	2020
	US\$	(restated) US\$
<i>Income tax benefit</i>		
Current tax	(44)	3,910
Deferred tax - origination and reversal of temporary differences	-	(641,378)
Aggregate income tax benefit	<u>(44)</u>	<u>(637,468)</u>
Deferred tax included in income tax benefit comprises:		
Decrease in deferred tax liabilities	-	(641,378)
<i>Numerical reconciliation of income tax benefit and tax at the statutory rate</i>		
Loss before income tax benefit	(3,233,993)	(4,558,868)
Tax at the statutory tax rate of 26% (2020: 27.5%)	(840,838)	(1,253,689)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non allowable items	405,949	600,176
Items not assessable for taxation	(93,436)	(54,605)
	(528,325)	(708,118)
Current year temporary differences not recognised	619,894	54,244
Difference in overseas tax rates	(91,613)	16,406
Income tax benefit	<u>(44)</u>	<u>(637,468)</u>

	Consolidated	
	2021	2020
	US\$	(restated) US\$
<i>Tax losses not recognised</i>		
Unused Australian tax losses for which no deferred tax asset has been recognised	4,891,980	4,898,649
Potential tax benefit @ 25% (2020: 26%)	1,222,995	1,273,649
Unused US tax losses for which no deferred tax asset has been recognised	4,780,795	3,928,036
Potential tax benefit at @34.75% (2020: 34.75%)	1,661,326	1,364,993

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

The Group has undertaken a preliminary IFRIC 23 'Uncertainty over Income Tax Treatments' assessment on its transfer pricing policies and as a result of this preliminary assessment the Group has identified a provision for income tax which has incorporated historical tax losses. As a result, the value of the tax losses available has been significantly reduced from those disclosed in the prior financial statements.

Note 9. Income tax (continued)

Tax rate in Australia

The Australian corporate tax rate applicable to base rate entities reduced from 27.5% to 26% for the 2020-21 income year and further reduces to 25% prospectively from the 2021-22 income year. The Group qualifies as a base rate entity as it has a turnover of less than \$50,000,000 and less than 80% of its assessable income is derived from base rate entity passive income. The Group has remeasured its deferred tax balances, and any unrecognised potential tax benefits arising from carried forward tax losses, based on the effective tax rate that is expected to apply in the year the temporary differences are expected to reverse or benefits from tax losses realised. The impact of the change in tax rates have been taken into account on initial recognition of the deferred tax liability in the business combination.

Tax rate in the US

The US tax rate is 34.75% (2020: 34.75%).

	Consolidated 2021 US\$	2020 (restated) US\$
<i>Deferred tax assets not recognised</i>		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Temporary differences	109,300	28,685
Total deferred tax assets not recognised	<u>109,300</u>	<u>28,685</u>

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

	Consolidated 2021 US\$	2020 (restated) US\$
<i>Deferred tax liability</i>		
Deferred tax liability comprises temporary differences attributable to:		
Software	173,585	222,820
Content repository	289,960	372,203
Less; deferred tax assets available for offset:		
- temporary differences	(248,298)	(417,942)
- tax losses	(215,247)	(177,081)
Deferred tax liability	<u>-</u>	<u>-</u>
Movements:		
Opening balance	-	-
Credited to profit or loss	-	(641,378)
Additions through business combinations (note 31)	-	641,378
Closing balance	<u>-</u>	<u>-</u>

	Consolidated 2021 US\$	2020 (restated) US\$
<i>Provision for income tax</i>		
Provision for income tax	<u>130,048</u>	<u>130,048</u>

Note 10. Trade and other receivables

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

Allowance for expected credit losses

The Group has recognised a recovery of US\$15,345 (2020 (restated): loss of US\$13,557) in profit or loss in respect of the expected credit losses for the year ended 30 June 2021.

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

	Consolidated 2021 US\$	2020 (restated) US\$
Opening balance	24,445	-
Additional provisions recognised	-	13,557
Additions through business combinations	-	10,888
Receivables written off during the year as uncollectable	(9,100)	-
Unused amounts reversed	(15,345)	-
	<u>-</u>	<u>-</u>
Closing balance	<u>-</u>	<u>24,445</u>

Note 11. Contract assets

	Consolidated 2021 US\$	2020 (restated) US\$
<i>Current assets</i>		
Contract assets	<u>114,280</u>	<u>297,422</u>

Reconciliation

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

Opening balance	297,422	32,835
Additions	114,280	259,789
Additions through business combinations (note 31)	-	37,633
Transfer to trade receivables	(297,422)	(32,835)
	<u>114,280</u>	<u>297,422</u>
Closing balance	<u>114,280</u>	<u>297,422</u>

Note 12. Other assets

	Consolidated 2021 US\$	Consolidated 2020 (restated) US\$
<i>Current assets</i>		
Prepayments	218,259	187,043
Security deposits	75,625	75,625
	<u>293,884</u>	<u>262,668</u>

Note 13. Property, plant and equipment

	Consolidated 2021 US\$	Consolidated 2020 (restated) US\$
<i>Non-current assets</i>		
Leasehold improvements - at cost	13,337	13,337
Less: Accumulated depreciation	(13,337)	(11,449)
	<u>-</u>	<u>1,888</u>
Office equipment, fixtures and fittings - at cost	26,900	26,900
Less: Accumulated depreciation	(22,411)	(19,419)
	<u>4,489</u>	<u>7,481</u>
Computer equipment - at cost	84,024	64,408
Less: Accumulated depreciation	(57,181)	(48,464)
	<u>26,843</u>	<u>15,944</u>
	<u>31,332</u>	<u>25,313</u>

Reconciliations

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

Consolidated	Leasehold improvements US\$	Office equipment, fixtures and fittings US\$	Computer equipment US\$	Total US\$
Balance at 1 July 2019	6,333	12,468	20,298	39,099
Additions	-	-	13,323	13,323
Disposals	-	-	(4,316)	(4,316)
Exchange differences	-	-	(211)	(211)
Depreciation expense	(4,445)	(4,987)	(13,150)	(22,582)
Balance at 30 June 2020	1,888	7,481	15,944	25,313
Additions	-	-	25,945	25,945
Disposals	-	-	(2,341)	(2,341)
Exchange differences	-	-	391	391
Depreciation expense	(1,888)	(2,992)	(13,096)	(17,976)
Balance at 30 June 2021	<u>-</u>	<u>4,489</u>	<u>26,843</u>	<u>31,332</u>

Note 14. Right-of-use assets

	Consolidated 2021 US\$	2020 (restated) US\$
<i>Non-current assets</i>		
Leasehold building - right-of-use	466,304	539,146
Less: Accumulated depreciation	(316,929)	(265,069)
Less: Impairment	(49,005)	-
	<u>100,370</u>	<u>274,077</u>

The Group leases land and buildings for its offices over a three year period with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Reconciliations

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

Consolidated	Leasehold building US\$
Balance at 1 July 2019	322,143
Additions	217,003
Exchange differences	(1,757)
Depreciation expense	<u>(263,312)</u>
Balance at 30 June 2020	274,077
Additions including impact of modifications	9,611
Exchange differences	14,570
Impairment of assets*	(49,005)
Depreciation expense	<u>(148,883)</u>
Balance at 30 June 2021	<u>100,370</u>

* The impairment expense was recognised for the Group's Sydney office right-of-use asset which ceased to be used.

For other lease disclosures refer to:

- note 8 for depreciation on right-of-use assets, interest on lease liabilities and other lease expenses;
- note 19 for lease liabilities; and
- consolidated statement of cash flows for repayment of lease liabilities.

Note 15. Intangibles

	Consolidated	
	2021 US\$	2020 (restated) US\$
<i>Non-current assets</i>		
Goodwill	5,338,791	5,338,791
Less: Accumulated impairment	<u>(1,612,452)</u>	<u>(1,612,452)</u>
	3,726,339	3,726,339
<i>Development</i>		
Development	104,840	-
<i>Software</i>		
Software	946,826	946,826
Less: Accumulated amortisation	<u>(252,487)</u>	<u>(63,122)</u>
	694,339	883,704
<i>Content repository</i>		
Content repository	1,581,603	1,581,603
Less: Accumulated amortisation	<u>(421,761)</u>	<u>(105,440)</u>
	1,159,842	1,476,163
	<u>5,685,360</u>	<u>6,086,206</u>

Reconciliations

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

Consolidated	Goodwill US\$	Development US\$	Software US\$	Content repository US\$	Total US\$
Balance at 1 July 2019	-	-	-	-	-
Additions through business combinations (note 31)	5,338,791	-	946,826	1,581,603	7,867,220
Impairment of assets	(1,612,452)	-	-	-	(1,612,452)
Amortisation expense	-	-	(63,122)	(105,440)	(168,562)
Balance at 30 June 2020	3,726,339	-	883,704	1,476,163	6,086,206
Additions	-	104,840	-	-	104,840
Amortisation expense	-	-	(189,365)	(316,321)	(505,686)
Balance at 30 June 2021	<u>3,726,339</u>	<u>104,840</u>	<u>694,339</u>	<u>1,159,842</u>	<u>5,685,360</u>

Impairment testing

Goodwill acquired through business combinations have been allocated to the single cash-generating unit ('CGU') being the Group (2020: Two CGUs being Tinybeans and Red Tricycle).

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

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

- 9.3% pre-tax discount rate;
- 24%-70% per annum projected revenue growth rate over five years;
- gross margin at 78-95% of sales;
- operating expenses as a percent of revenue between 66% to 112% over five years; and
- terminal value based on 3% growth discounted to net present value using the pre-tax discount rate.

The pre-tax discount rate of 9.3% reflects management's estimate of the time value of money and the Group's weighted average cost of capital adjusted for the risk free rate and the volatility of the share price relative to market movements.

Note 15. Intangibles (continued)

Management believes the growth assumptions are realistic based on a detailed advertising sales plan which includes establishment of new sales roles and partnerships to support intended growth and detailed roadmaps for revenue growth. It also includes a consumer revenue plan that contemplates the launch and growth of a new premium paid subscription product that is supported by meaningful investments in content, product features, and marketing.

Based on the above, the recoverable amount of the CGU exceeded the carrying amount and no impairment of goodwill was recognised (2020: carrying amount exceeded the recoverable amount resulting in an impairment of US\$1,612,452).

Sensitivity

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

- the pre-tax discount rate would be required to increase by 6% before goodwill would need to be impaired, with all other assumptions remaining constant;
- revenue would need to decrease by more than 2% per annum before goodwill would need to be impaired, with all other assumptions remaining constant;
- gross margin would have to decrease by more than 1% per annum before goodwill would need to be impaired, with all other assumptions remaining constant;
- operating expenses as a percent of revenue would be required to increase by more than 5% per annum before goodwill would need to be impaired, with all other assumptions remaining constant; and
- the terminal value would require a decrease of more than 9% before goodwill would need to be impaired, with all other assumptions remaining constant.

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

Note 16. Trade and other payables

	2021 US\$	Consolidated 2020 (restated) US\$
<i>Current liabilities</i>		
Trade payables	295,878	113,060
Other payables	225,051	165,851
Accrued commissions	457,524	59,954
Accrued expenses	773,648	464,591
	<u>1,752,101</u>	<u>803,456</u>

Refer to note 25 for further information on financial instruments.

Note 17. Contract liabilities

	Consolidated 2021 US\$	2020 (restated) US\$
<i>Current liabilities</i>		
Contract liabilities	575,593	615,797
<i>Non-current liabilities</i>		
Contract liabilities	249,598	382,913
	<u>825,191</u>	<u>998,710</u>
<i>Reconciliation</i>		
Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:		
Opening balance	998,710	696,638
Payments received in advance	442,278	626,182
Additions through business combinations (note 31)	-	62,821
Transfer to revenue - included in the opening balance	<u>(615,797)</u>	<u>(386,931)</u>
Closing balance	<u>825,191</u>	<u>998,710</u>

Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was US\$825,191 as at 30 June 2021 (US\$998,710 as at 30 June 2020) and is expected to be recognised as revenue in future periods as follows:

	Consolidated 2021 US\$	2020 (restated) US\$
Within 6 months	415,303	440,567
6 to 12 months	160,290	175,230
12 to 18 months	71,242	87,045
18 to 24 months	59,076	71,844
24 to 30 months	48,852	63,574
30 to 36 months	35,048	54,776
Over 36 months	<u>35,380</u>	<u>105,674</u>
	<u>825,191</u>	<u>998,710</u>

Note 18. Borrowings

	Consolidated 2021 US\$	Consolidated 2020 (restated) US\$
<i>Current liabilities</i>		
Loan - Paycheck Protection Program	-	584,293

Refer to note 25 for further information on financial instruments.

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

Note 19. Lease liabilities

	Consolidated 2021 US\$	Consolidated 2020 (restated) US\$
<i>Current liabilities</i>		
Lease liability	89,096	170,411
<i>Non-current liabilities</i>		
Lease liability	38,743	122,986
	<u>127,839</u>	<u>293,397</u>

Refer to note 25 for the maturity analysis of lease liabilities.

Note 20. Issued capital

	2021 Shares	Consolidated 2020 (restated) Shares	2021 US\$	2020 (restated) US\$
Ordinary shares - fully paid	46,290,127	45,782,275	22,618,819	22,154,067

Movements in ordinary share capital

Details	Date	Shares	US\$
Balance	1 July 2019	33,045,551	9,831,822
Shares issued		11,027,750	11,535,037
Shares issued on the exercise of options		406,265	263,555
Shares issued to Directors		445,428	235,533
Cost of raising capital		-	(431,661)
Shares issued on business combination (note 31)		857,281	719,781
Balance	30 June 2020	45,782,275	22,154,067
Shares issued on the exercise of options		326,225	238,635
Shares issued to Directors		181,627	226,117
Balance	30 June 2021	<u>46,290,127</u>	<u>22,618,819</u>

Not included in the above table is 4,344 shares yet to be issued in relation to the business combination.

Note 20. Issued capital (continued)

Ordinary shares

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

Capital risk management

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

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

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

The capital risk management policy remains unchanged from the 2020 Annual Report.

Note 21. Reserves

	Consolidated	2020
	2021	(restated)
	US\$	US\$
Foreign currency reserve	204,750	(34,598)
Share-based payments reserve	1,541,602	756,798
Acquisition reserve	3,561	3,561
	<u>1,749,913</u>	<u>725,761</u>

Foreign currency reserve

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

Share-based payments reserve

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

Acquisition reserve

The reserve is used to recognise additional capital contributions yet to be converted into issued shares.

Note 21. Reserves (continued)

Movements in reserves

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

Consolidated	Foreign currency US\$	Share-based payment US\$	Acquisition US\$	Total US\$
Balance at 1 July 2019	108,812	491,397	-	600,209
Foreign currency translation	(143,410)	-	-	(143,410)
Additional contribution	-	-	3,561	3,561
Share-based payments	-	487,004	-	487,004
Options exercised	-	(84,981)	-	(84,981)
Foreign exchange movements	-	(12,979)	-	(12,979)
Lapsed options transferred to accumulated losses	-	(123,643)	-	(123,643)
Balance at 30 June 2020	(34,598)	756,798	3,561	725,761
Foreign currency translation	239,348	-	-	239,348
Share-based payments	-	1,055,277	-	1,055,277
Options exercised	-	(51,779)	-	(51,779)
Foreign exchange movements	-	(21,293)	-	(21,293)
Lapsed options transferred to accumulated losses	-	(197,401)	-	(197,401)
Balance at 30 June 2021	<u>204,750</u>	<u>1,541,602</u>	<u>3,561</u>	<u>1,749,913</u>

Note 22. Dividends

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

Note 23. Earnings per share

	Consolidated 2021 US\$	Consolidated 2020 (restated) US\$
Loss after income tax attributable to the owners of Tinybeans Group Limited	<u>(3,233,949)</u>	<u>(3,921,400)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>46,055,051</u>	<u>40,517,167</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>46,055,051</u>	<u>40,517,167</u>
	Cents	Cents
Basic earnings per share	(7.02)	(9.68)
Diluted earnings per share	(7.02)	(9.68)

5,340,913 (2020 (restated): 4,415,900) options have been excluded from the diluted earnings per share calculations as they are anti-dilutive.

Note 24. Cash flow information

Non-cash investing and financing activities

	Consolidated 2021 US\$	Consolidated 2020 (restated) US\$
Shares issued in relation to business combinations	-	719,781
Shares yet to be issued in relation to business combinations	-	3,561
Paycheck protection program - loan forgiven	584,293	-
	<u>584,293</u>	<u>723,342</u>

Changes in liabilities arising from financing activities

Consolidated	Lease liability US\$
Balance at 1 July 2019	312,758
Net cash used in financing activities	(229,729)
Acquisition of leases	217,003
Foreign exchange difference	<u>(6,635)</u>
Balance at 30 June 2020	293,397
Net cash used in financing activities	(198,191)
Acquisition of leases	9,611
Foreign exchange difference	<u>23,022</u>
Balance at 30 June 2021	<u><u>127,839</u></u>

Note 25. Financial instruments

Financial risk management objectives

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

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

Market risk

Foreign currency risk

The Group is not exposed to any significant foreign currency risk.

Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

The Group's main interest rate risk arises from its cash and cash equivalents and long-term borrowings. The Group is not exposed to any significant interest rate risk as the Group has no borrowings at the reporting date.

Note 25. Financial instruments (continued)

Credit risk

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

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available. The COVID-19 pandemic has not resulted in additional risk and has not significantly impacted the expected credit losses.

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

Liquidity risk

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

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

Remaining contractual maturities

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

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

Consolidated - 2020 (restated)	Weighted average interest rate %	1 year or less US\$	Between 1 and 2 years US\$	Between 2 and 5 years US\$	Over 5 years US\$	Remaining contractual maturities US\$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	113,060	-	-	-	113,060
Other payables	-	165,851	-	-	-	165,851
Paycheck Protection Program loan*	-	584,293	-	-	-	584,293
<i>Interest-bearing - fixed</i>						
Lease liability	4.00%	178,739	125,446	-	-	304,185
Total non-derivatives		1,041,943	125,446	-	-	1,167,389

* This loan was forgiven in the financial year ended 30 June 2021 as part of the SBA Paycheck Protection Program.

Note 25. Financial instruments (continued)

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

Note 26. Fair value measurement

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

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

Note 27. Remuneration of auditors

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

	Consolidated 2021 US\$	2020 (restated) US\$
<i>Audit services - Grant Thornton Audit Pty Ltd</i> Audit or review of the financial statements	192,682	-
<i>Audit services - RSM Australia Partners</i> Audit or review of the financial statements	27,488	54,215
<i>Other services - RSM Australia Partners</i> Other services	14,036	19,793
	<u>41,524</u>	<u>74,008</u>

Note 28. Contingent liabilities and capital commitments

The Group had no contingent liabilities or capital commitments as at 30 June 2021 and 30 June 2020.

Note 29. Key management personnel disclosures

Compensation

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

	Consolidated 2021 US\$	2020 (restated) US\$
Short-term employee benefits	360,815	422,501
Share-based payments	563,169	394,322
	<u>923,984</u>	<u>816,823</u>

Note 30. Related party transactions

Parent entity

Tinybeans Group Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 32.

Note 30. Related party transactions (continued)

Key management personnel

Disclosures relating to key management personnel are set out in note 29 and the remuneration report included in the Directors' report.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	2020
	2021	(restated)
	US\$	US\$
Payment for goods and services:		
Payment for compliance and consultancy services from Automic Pty Ltd*	20,226	22,004
Payment for compliance and consultancy services Automic Legal Pty Ltd*	35,879	101,069

Receivable from and payable to related parties

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

	Consolidated	2020
	2021	(restated)
	US\$	US\$
Current payables:		
Trade payables to Automic Pty Ltd*	1,176	329
Trade payables to Automic Legal Pty Ltd*	2,474	4,145

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

Loans to/from related parties

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

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 31. Business combinations

Acquisition of Red Tricycle Inc. (comparative period)

On 27 February 2020, the Group acquired 100% of Red Tricycle Inc. for the total consideration of US\$7,295,665. Red Tricycle Inc. is one of the world's leading parenting websites and business directory platforms focused on parents with children 0-13 years of age. It was acquired to expand the value proposition to Tinybeans' clients by the Red Tricycle platform offering and extends Tinybeans' retention through the parenting journey given Red Tricycle's child age profile goes up to 13 years.

The goodwill of US\$5,338,791 represents the expected synergies from merging this business with the Group and enhancing the value proposition offered to customers resulting in increased revenue to the Group.

Note 31. Business combinations (continued)

Details of the acquisition are as follows:

	Fair value US\$		
Cash and cash equivalents	37,235		
Trade and other receivables (including impairment of receivables of US\$10,888)	224,657		
Contract assets	37,633		
Other assets	35,193		
Software platform	946,826		
Content repository	1,581,603		
Trade and other payables	(201,074)		
Contract liabilities	(62,821)		
Employee benefits	(1,000)		
Deferred tax liability	(641,378)		
Net assets acquired	1,956,874		
Goodwill	5,338,791		
Acquisition-date fair value of the total consideration transferred	<u>7,295,665</u>		
Representing:			
Cash paid or payable to vendor	6,572,323		
Tinybeans Group Limited shares issued to vendor (note 20)	719,781		
Tinybeans Group Limited shares yet to be issued to vendor (note 21)	3,561		
	<u>7,295,665</u>		
Acquisition costs expensed to profit or loss in compliance and consultancy costs	<u>203,085</u>		
Cash used to acquire business, net of cash acquired:			
Acquisition-date fair value of the total consideration transferred	7,295,665		
Less: cash and cash equivalents	(37,235)		
Less: shares issued by the Company as part of consideration	(719,781)		
Less: shares yet to be issued by the Company as part of consideration	(3,561)		
Net cash used	<u>6,535,088</u>		
The purchase price accounting has been updated following the finalisation of the business combination accounting that occurred during the 12-month measurement period (and errors were specified) as detailed below.			
	Provisional US\$	Final US\$	Movement US\$
Software platform	1,530,000	946,826	(583,174)
Content repository	1,530,000	1,581,603	51,603
Goodwill	4,590,000	5,338,791	748,791
Deferred tax liability ¹	-	(641,378)	(641,378)
Shares issued or yet to be issued ²	(1,147,500)	(723,342)	424,158
	<u>6,502,500</u>	<u>6,502,500</u>	-
Software platform - amortisation	104,508	63,122	41,386
Content repository - amortisation	104,508	105,440	(932)
Deferred taxation	-	(46,355)	46,355
Net change in profit or loss and net assets	<u>209,016</u>	<u>122,207</u>	<u>86,809</u>

Note 31. Business combinations (continued)

- 1 Correction of prior period error
- 2 The share price for the shares issued was estimated at A\$2.00 per share when the acquisition was agreed. The actual share price on acquisition-date was A\$1.25 per share. This is a correction of prior period error.

Note 32. Interests in subsidiaries

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

Name	Principal place of business / Country of incorporation	Ownership interest	
		2021 %	2020 (restated) %
Tinybeans Pty Limited	Australia	100%	100%
Tinybeans Innovations Pty Ltd	Australia	100%	100%
Tinybeans USA Ltd (Delaware C Corp)	USA	100%	100%
Red Tricycle Inc.	USA	100%	100%

Note 33. Share-based payments

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

Refer to note 8 for the share-based payment expense for the year.

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

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

Note 33. Share-based payments (continued)

Weighted average exercise price (A\$)			1.13	1.41	0.77	1.20	1.26
2020			Balance at the start of the year	Granted	Exercised	Forfeited/lapsed/expired	Balance at the end of the year
Grant date	Expiry date	Exercise price					
18/04/2017	18/04/2020	A\$0.32	149,158	-	-	(149,158)	-
18/04/2017	18/04/2020	A\$0.54	109,065	-	(109,065)	-	-
21/04/2017	21/04/2021	A\$1.20	119,250	-	(26,500)	(39,750)	53,000
15/09/2017	15/09/2021	A\$1.20	40,000	-	-	-	40,000
01/07/2018	01/07/2022	A\$0.60	117,000	-	(117,000)	-	-
10/12/2018	10/12/2022	A\$0.60	516,530	-	(153,700)	(122,563)	240,267
10/12/2018	10/12/2023	A\$0.75	800,000	-	-	-	800,000
10/12/2018	10/12/2023	A\$1.00	800,000	-	-	-	800,000
10/12/2018	10/12/2023	A\$1.50	1,600,000	-	-	-	1,600,000
02/04/2019	02/04/2023	A\$0.60	180,000	-	-	-	180,000
20/05/2019	20/05/2023	A\$0.60	26,500	-	-	-	26,500
23/05/2019	01/03/2023	A\$0.60	26,500	-	-	(26,500)	-
19/08/2019	31/03/2020	A\$1.10	-	63,600	-	(63,600)	-
19/08/2019	30/04/2020	A\$1.10	-	26,500	-	(26,500)	-
19/08/2019	31/08/2020	A\$1.10	-	74,200	-	-	74,200
19/08/2019	19/08/2023	A\$1.10	-	495,433	-	(219,250)	276,183
04/09/2019	04/09/2023	A\$1.10	-	180,000	-	-	180,000
19/12/2019	19/12/2023	A\$2.20	-	53,000	-	-	53,000
27/03/2020	27/03/2024	A\$1.00	-	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 (A\$) 1.03 1.15 0.62 0.81 1.13

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

Grant date	Expiry date	2021 Number	2020 (restated) Number
21/04/2017	21/04/2021	-	53,000
15/09/2017	15/09/2021	-	40,000
10/12/2018	10/12/2022	117,042	240,267
10/12/2018	10/12/2023	2,600,000	3,200,000
02/04/2019	02/04/2023	120,000	60,000
20/05/2019	20/05/2023	26,500	26,500
19/08/2019	19/08/2023	196,683	-
04/09/2019	04/09/2023	60,000	26,500
19/12/2019	19/12/2023	26,500	-
27/03/2020	27/03/2024	13,250	-
		<u>3,159,975</u>	<u>3,646,267</u>

The weighted average exercise price at the end of the financial year was A\$1.26 (2020: A\$1.13).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.84 years (2020: 3.28 years).

Note 33. Share-based payments (continued)

Option valuation inputs - current year

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

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date	Fair value at grant date*
15/07/2020	15/07/2024	A\$0.84	A\$0.92	119.03%	-	0.29%	A\$0.6352	US\$0.4747
15/09/2020	15/07/2024	A\$0.93	A\$0.92	121.00%	-	0.24%	A\$0.7121	US\$0.5321
16/12/2020	15/07/2024	A\$1.48	A\$1.60	119.41%	-	0.11%	A\$1.1058	US\$0.8263
16/12/2020	16/12/2024	A\$1.48	A\$1.60	123.33%	-	0.11%	A\$1.1456	US\$0.8560
11/12/2020	08/01/2026	A\$1.51	A\$1.75	125.19%	-	0.35%	A\$1.2550	US\$0.9378
11/12/2020	08/01/2026	A\$1.51	A\$2.25	125.19%	-	0.35%	A\$1.2225	US\$0.9135
11/12/2020	08/01/2026	A\$1.51	A\$3.50	125.19%	-	0.35%	A\$1.1593	US\$0.8663
21/01/2021	22/02/2026	A\$1.60	A\$1.50	124.98%	-	0.37%	A\$1.3569	US\$1.0139
12/04/2021	12/04/2025	A\$1.50	A\$1.47	119.50%	-	0.10%	A\$1.1566	US\$0.8643

* Converted using the average forex rate of US\$0.7472/A\$1

Option valuation inputs - prior period (reassessment)

During the financial year, the company reviewed the valuation of the options and recalculated the options granted in the prior years. The valuation model inputs used to determine the fair value at the grant date was reassessed, details are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date	Fair value at grant date*
18/04/2017	18/04/2020	A\$1.00	A\$0.32	128.60%	-	1.76%	A\$0.7328	US\$0.5529
18/04/2017	18/04/2020	A\$1.00	A\$0.54	128.60%	-	1.76%	A\$0.6105	US\$0.4606
21/04/2017	21/04/2021	A\$1.00	A\$1.20	128.60%	-	1.79%	A\$0.3902	US\$0.2944
15/09/2017	15/09/2021	A\$0.88	A\$1.20	126.96%	-	2.08%	A\$0.3916	US\$0.3036
10/12/2018	10/12/2022	A\$0.33	A\$0.60	101.95%	-	1.93%	A\$0.1496	US\$0.1070
10/12/2018	10/12/2023	A\$0.33	A\$0.75	117.33%	-	2.11%	A\$0.2012	US\$0.1439
10/12/2018	10/12/2023	A\$0.33	A\$1.00	117.33%	-	2.11%	A\$0.1863	US\$0.1332
10/12/2018	10/12/2023	A\$0.33	A\$1.50	117.33%	-	2.11%	A\$0.1632	US\$0.1167
02/04/2019	02/04/2023	A\$0.35	A\$0.60	102.29%	-	1.45%	A\$0.1754	US\$0.1255
20/05/2019	20/05/2023	A\$1.38	A\$0.60	102.13%	-	1.26%	A\$1.0442	US\$0.7469
19/08/2019	19/08/2023	A\$1.12	A\$1.10	102.94%	-	0.73%	A\$0.7192	US\$0.4826
04/09/2019	04/09/2023	A\$1.05	A\$1.10	102.70%	-	0.76%	A\$0.6676	US\$0.4480
19/12/2019	19/12/2023	A\$2.25	A\$2.20	105.16%	-	0.84%	A\$1.5323	US\$1.0282
27/03/2020	27/03/2024	A\$0.82	A\$1.00	83.95%	-	0.26%	A\$0.4419	US\$0.2965

* Converted using the average forex rate for the year

Note 33. Share-based payments (continued)

The original valuation model inputs were as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date	Fair value at grant date*
18/04/2017	18/04/2020	A\$1.00	A\$0.32	70.00%	-	1.90%	A\$0.3955	US\$0.2984
18/04/2017	18/04/2020	A\$1.00	A\$0.54	70.00%	-	1.90%	A\$0.2935	US\$0.2214
21/04/2017	21/04/2021	A\$1.00	A\$1.20	80.00%	-	1.79%	A\$0.4801	US\$0.3622
15/09/2017	15/09/2021	A\$0.88	A\$1.20	80.00%	-	2.08%	A\$0.3967	US\$0.3076
10/12/2018	10/12/2022	A\$0.33	A\$0.60	75.00%	-	1.93%	A\$0.1143	US\$0.0818
10/12/2018	10/12/2023	A\$0.33	A\$0.75	75.00%	-	2.11%	A\$0.1483	US\$0.1061
10/12/2018	10/12/2023	A\$0.33	A\$1.00	75.00%	-	2.11%	A\$0.1285	US\$0.0919
10/12/2018	10/12/2023	A\$0.33	A\$1.50	75.00%	-	2.11%	A\$0.1019	US\$0.0729
02/04/2019	02/04/2023	A\$0.35	A\$0.60	76.00%	-	1.38%	A\$0.1272	US\$0.0910
20/05/2019	20/05/2023	A\$1.38	A\$0.60	100.00%	-	1.23%	A\$1.0548	US\$0.7545
19/08/2019	19/08/2023	A\$1.12	A\$1.10	100.00%	-	0.68%	A\$0.6913	US\$0.4639
04/09/2019	04/09/2023	A\$1.05	A\$1.10	100.00%	-	0.72%	A\$0.6391	US\$0.4289
19/12/2019	19/12/2023	A\$2.25	A\$2.20	99.00%	-	0.81%	A\$1.3901	US\$0.9328
27/03/2020	27/03/2024	A\$0.82	A\$1.00	100.00%	-	0.28%	A\$0.4686	US\$0.3145

* Converted using the average forex rate for the year.

Modification of options

In January 2020, some options granted in August 2019 with vesting end date of 19 August 2020 were modified to accelerate the vesting end date and allowed employees who were made redundant to exercise the vested options within 30 to 120 days after the vesting end date.

Number of options	Original vesting end date	Modified vesting end date
63,600	19 August 2020	1 March 2020; expiring 30 days after
26,500	19 August 2020	1 March 2020; expiring 60 days after
60,000	19 August 2020	1 May 2020; expiring 120 days after

Note 34. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2021 US\$	2020 (restated) US\$
Loss after income tax	(5,244,652)	(3,502,323)
Total comprehensive income	(5,244,652)	(3,502,323)

Note 34. Parent entity information (continued)

Statement of financial position

	Parent	
	2021 US\$	2020 (restated) US\$
Total current assets	855,019	2,813,666
Total assets	7,404,039	9,208,839
Total current liabilities	592,878	386,489
Total liabilities	592,878	386,489
Equity		
Issued capital	22,618,819	22,154,067
Foreign currency reserve	1,227,256	(559,250)
Share-based payments reserve	1,541,602	756,798
Acquisition reserve	3,561	3,561
Accumulated losses	(18,580,077)	(13,532,826)
Total equity	<u>6,811,161</u>	<u>8,822,350</u>

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

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2021 and 30 June 2020.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2021 and 30 June 2020.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2021 and 30 June 2020.

Significant accounting policies

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

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

Note 35. Events after the reporting period

The consequences of the Coronavirus (COVID-19) pandemic are continuing to be felt around the world, and its impact on the Group, if any, has been reflected in its published results to date. Whilst it would appear that control measures and related government policies, including the roll out of the vaccine, have started to mitigate the risks caused by COVID-19, it is not possible at this time to state that the pandemic will not subsequently impact the Group's operations going forward, especially with the delta variant. The Group now has experience in the swift implementation of business continuation processes should future lockdowns of the population occur, and these processes continue to evolve to minimise any operational disruption. Management continues to monitor the situation both locally and internationally.

As announced on 30 September 2021, the Directors (lenders) provided to the Group US\$800,000 in loans. The loans are for a period of six months subject to early repayment by the Group at any time. The loans are interest free for the first 45 days and then at a rate of 12% per annum. Subject to obtaining shareholder approval at the annual general meeting the lenders are entitled to 50% share option coverage (one share option for every two dollars advanced) converted into Australian dollars. That is, 549,149 total options to Directors based on an exchange rate of 0.7284.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

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

On behalf of the Directors



Edward Geller
Executive Director, Chief Executive Officer

30 September 2021
New York

Independent Auditor's Report

To the Members of Tinybeans Group Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Tinybeans Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

- a giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

Material uncertainty related to going concern

We draw attention to Note 2 in the financial statements, which indicates that the Group incurred a net loss of US\$3,233,949 during the year ended 30 June 2021, and had net cash outflows from operating activities of US\$1,493,667. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter

How our audit addressed the key audit matter

Revenue recognition

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

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

Our procedures included, amongst others:

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

Finalisation of acquisition accounting

In February 2020, Tinybeans Group Limited acquired Red Tricycle Inc. At 30 June 2020, the Group provisionally accounted for the acquisition.

In accordance with AASB 3 *Business Combinations*, the entity retrospectively adjusted these provisional amounts.

During the year, the acquisition accounting was finalised as disclosed in Note 31.

This is a key audit matter due to the pervasive impact on the financial statements, and the significant judgement required in assessing the final purchase price allocation, including the determination of the fair value of acquired assets and liabilities.

Our procedures included, amongst others:

- Reviewing the merger plan and associated documentation in relation to the acquisition;
- Obtaining management's purchase price allocation and accounting treatment of the acquisition and assessing for compliance with AASB 3;
- For the fair value of net assets acquired at acquisition date, obtaining supporting schedules and reconciliations, and selecting a sample of items to agree to supporting documentation;
- Obtaining management's valuation of the fair value of acquired intangible assets and assessing the reasonableness of the inputs to the valuation performed, including using an internal auditor's expert;
- Assessing the appropriateness of deferred tax liabilities arising from acquired intangible assets; and
- Assessing the appropriateness of the financial statement disclosures.

Impairment of goodwill

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

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

Our procedures included amongst others:

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

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

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf. 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 the Directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Tinybeans Group Limited, for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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



Grant Thornton Audit Pty Ltd
Chartered Accountants



L M Worsley
Partner – Audit & Assurance
Sydney, 30 September 2021

The shareholder information set out below was applicable as at 13 September 2021.

Distribution of equitable securities

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

	Ordinary shares		Options over ordinary shares	
	Number of holders	% of total shares issued	Number of holders	% of total shares issued
1 to 1,000	565	0.69	-	-
1,001 to 5,000	798	4.49	1	0.05
5,001 to 10,000	188	3.17	11	1.25
10,001 to 100,000	197	14.34	81	44.30
100,001 and over	49	77.31	9	54.40
	1,797	100.00	102	100.00
Holding less than a marketable parcel	204	-	-	-

Equity security holders

Twenty largest quoted equity security holders

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

	Ordinary shares	
	Number held	% of total shares issued
ME & 4 Boys Pty Ltd (Me & 4 Boys Trust A/C)	4,936,209	10.66
UBS Nominees Pty Ltd	3,746,348	8.09
BNP Paribas Nominees Pty Ltd (IB AU Noms Retail Client DRP)	3,291,547	7.11
Rubi Holdings Pty Ltd (John Rubino S/F A/C)	2,800,000	6.05
Mr Stephen O'Young (The O'Young Family A/C)	2,205,788	4.77
HSBC Custody Nominees (Australia) Limited – A/C 2	1,834,003	3.96
Jason Kurtini & Sarah-Jane Kurtini (Kurtini Family Trust A/C)	1,800,098	3.89
HSBC Custody Nominees (Australia) Limited	1,775,236	3.84
Citicorp Nominees Pty Limited	1,093,215	2.36
Fifty Second Celebration Pty Ltd (McBain Family A/C)	1,085,962	2.35
Mr Stephen O'Young (The O'Young Family A/C)	1,047,335	2.26
Thirty-Fifth Celebration Pty Ltd (JC McBain Super Fund A/C)	900,416	1.95
Truebell Capital Pty Ltd (Truebell Investment Fund)	699,997	1.51
Bungeeltap Pty Ltd (H & B Robertson S/F A/C)	530,000	1.14
Buduva Pty Ltd	475,050	1.03
Picton Cove Pty Ltd	447,000	0.97
Mr Christopher Murray Abbott	400,000	0.86
Merrill Lynch (Australia) Nominee Pty Limited	398,675	0.86
Soyabean Pty Ltd (Soyabean Super Fund A/C)	392,903	0.85
Flannigan Holdings Pty Ltd (Flannigan Family S/F A/C)	370,000	0.80
	30,229,782	65.31

Unquoted equity securities

	Number on issue	Number of holders
Options	6,347,663	102

Substantial holders

Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Edward Geller; ME & 4 Boys Pty Ltd; Me & 4 Boys Prosperity Pty Ltd	5,622,188	12.15
UBS Nominees Pty Ltd; Jasforce Pty Ltd; HSBC Custody Nominees	4,043,849	8.74
Stephen O'Young; Stephen O'Young (Atf O'Young Family Trust); Soyabean Pty Ltd (Atf Soyabean Super Fund)	3,798,026	8.20
Rubi Holdings Pty Ltd	2,800,000	6.05
Dr John McBain; Picton Cove Pty Ltd; McBain Family Trust; JC McBain Super Fund	2,681,435	5.79

Voting rights

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

Ordinary shares

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

There are no other classes of equity securities.