

Tinybeans Group Ltd
Appendix 4D
Half-year report

1. Company details

Name of entity: Tinybeans Group Ltd
ABN: 46 168 481 614
Reporting period: For the half-year ended 31 December 2023
Previous period: For the half-year ended 31 December 2022

2. Results for announcement to the market

			US\$
Revenues from ordinary activities	down	46.7% to	2,770,011
Loss from ordinary activities after tax attributable to the owners of Tinybeans Group Ltd	up	72.6% to	(2,461,917)
Loss for the half-year attributable to the owners of Tinybeans Group Ltd	up	72.6% to	(2,461,917)

Dividends

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

Comments

The loss for the consolidated entity after providing for income tax amounted to US\$2,461,917 (31 December 2022: US\$1,426,686).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>1.29</u>	<u>2.03</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

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

Previous period

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

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

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

Not applicable.

10. Audit qualification or review

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

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

11. Attachments

Details of attachments (if any):

The Interim Report of Tinybeans Group Ltd for the half-year ended 31 December 2023 is attached.

12. Signed

Signed _____



Date: 29 February 2024

Chantale Millard
Chair

Tinybeans Group Ltd

ABN 46 168 481 614

Interim Report - 31 December 2023

Tinybeans Group Ltd
Corporate directory
31 December 2023

Directors	Chantale Millard (Chair) Andrea Cutright Catherine Cohen Andrew Silverberg
Company secretary	Leah Pieris
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
Share register	Automic Registry Services Level 5, 126 Phillip Street, Sydney NSW 2000, Australia Telephone: 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) Email: hello@automic.com.au
Auditor	William Buck Level 29, 66 Goulburn Street, Sydney NSW 2000, Australia
Stock exchange listing	Tinybeans Group Limited shares are listed on the Australian Securities Exchange (ASX code: TNY) and the OTC Markets Group of America (OTCQB: TNYF)
Website	www.tinybeans.com

CEO Letter

Dear Shareholders,

Over the last 6 months, my first 6 months as the CEO of Tinybeans, we have accomplished a lot, whilst facing some challenges.

As you will see, the Company reported its highest ever half for subscription revenue, increasing 36% year-on-year for the half; as well as reducing costs quickly and materially by 22% year-on-year for the half in light of a challenging outlook.

Some other key highlights include:

- Developing and implementing a clear and compelling company strategy focused on the Tinybeans subscription app where there is unrealised value and greater potential for enterprise value creation.
- Building a streamlined team motivated by a new vision, a clear plan and an emerging culture focussed on quality, accountability and collaboration.
- Launching a refreshed brand strategy and visual identity, along with a new website, laying the foundation for growth. Initial feedback and results from the launch in January 2024 are very promising.
- Releasing a new Android app, rapidly improving the important Star ratings on the US Google Play Store from 2.1 to 3.8 and enabling subscriber growth; whilst working to improve the iOS App to address legacy performance issues.
- Restructuring and strengthening the sales team and sales offering, and now in the process of rebuilding the sales pipeline.
- Refining our content strategy and improving the quality of our content, and it's showing in the highest ever newsletter open and click-through rates.

Tinybeans continues to see strong engagement and retention metrics, enviable on any consumer subscription index. We are a true daily-use-product, with over 60% of Paid Subscribers using Tinybeans every day or week to save and share memories with their families. This level of engagement continues over several years, demonstrated so clearly in Q2 FY24 when over 80% of Paid Subscribers renewed their Tinybeans subscription after an 87% price increase. These engagement and retention metrics continue to give me confidence in the opportunity we have to build an enduring product-led business that serves new parents in a variety of ways.

The focus of the past 6 months has been resetting and course correcting after years of challenged performance, demonstrated so markedly with the continued steep decline in ad sales revenue over the past half.

The focus of the next 6 months is building momentum and laying the foundations for subscriber and revenue growth. We have a product roadmap focussed on quality and growth, supported by data and customer insights. We are enabling new diversified marketing channels for the first time to build brand awareness and scalable subscriber acquisition. We have a sales team motivated and positioned to succeed, and a highly engaged team overall with a common goal, who will be bolstered with some additional key hires soon.

I remain excited by the opportunity that lies ahead for Tinybeans. Thank you for your continued support of the company and confidence in me.

Regards,

Zsofi Paterson
CEO, Tinybeans

Chair's Letter

Dear Shareholders,

The first half of FY24 has seen our new CEO Zsofi Paterson achieve some key business milestones, with the business having its highest ever subscription revenue half in its history (+36% year on year) and a further reduction in its cost base, with expenses reducing by 22% year on year. This was however achieved against some key business challenges, the biggest being the continued decline in advertising revenue which was down 72% year on year.

Over the past 6 months, Zsofi has done an excellent job in restructuring where needed, and unifying the Tinybeans team, giving them a clear vision for the company's future, building operating rhythm to drive momentum and laying the foundations for growth. This new momentum allowed the business to achieve some long-awaited projects including the launch of its Android app in September 2023, which has resulted in material increase in US Google Play Store ratings for the Android app from 2.1 to 3.8 Stars, and a 50% increase in Free Subscribers acquired each month since launch.

The business also successfully cycled its first large annual subscription renewal in Q2 FY24 with a renewal rate of 80%, which is impressive considering over 50% of its annual subscribers moved onto new pricing for the first time since the substantial increase in pricing for Tinybeans+ in April 2023. This high renewal rate was as a result of the roll out of new product features, together with a targeted customer communication plan.

As mentioned, a key challenge for FY24 was the businesses continued decline in advertising revenue, which was exacerbated by the lack of sales pipeline coming into FY24, together with an underperforming sales team. This has been addressed by Zsofi and the sales team has been rebuilt with new and experienced sellers hired, under an experienced leader with a track record of growth in the digital space. The business is beginning to see momentum building in its pipeline.

At the 2023 AGM Zsofi shared the businesses new strategy which is focussed on growing its subscription revenue, where there is unrealised value and greater potential for enterprise value creation and this plan is now in its execution phase. As noted at the AGM and in its recent quarterly announcement, to fully execute this plan, the business was reviewing its options for funding, including strategic partnerships and joint ventures. Whilst the business explores all options it has received a binding Loan Note to the value of A\$2 million from shareholders. With US\$2.34 million of cash at bank at 31 December 2023, this Loan Note is currently undrawn, but gives confidence and surety to the business to continue implementing its growth plans.

A key part of this new strategy was the brand refresh and in January 2024, the business rolled out its refreshed brand across all platforms, assets and channels, with a new visual identity that is modern, compelling & unified. It also launched the refreshed Tinybeans.com website which is now for the first time focussed on driving Tinybeans app subscriptions, making further progress to align the businesses product and revenue strategy.

We are excited about the opportunity for Tinybeans, with a clear direction and focussed team. We can see the green shoots of growth appearing and we look forward to sharing these with you in the near future. I would like to thank shareholders for their continued support and belief in the business.

Regards,

Chantale Millard
Chair, Tinybeans

Tinybeans Group Ltd
Directors' report
31 December 2023

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Tinybeans Group Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

Directors

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

Chantale Millard	
Andrea Cutright	
Edward Geller	resigned 19 July 2023
Catherine Cohen	
Andrew Silverberg	
John Dougall	resigned 28 July 2023

Principal activities

Tinybeans is a leading global consumer subscription platform, serving millions of Millennial and Gen Z parents and their families monthly. At its core, Tinybeans is a private photo-sharing app and media platform that connects families and turns moments into memories. Tinybeans has been loved and trusted by parents and families around the world since its founding in Australia in 2012 and is an ongoing resource for parents due to its insightful, relatable and credible content written by a team of dedicated parents and experts. Tinybeans enjoys over 150,000 5-star reviews in the Apple App and Google Play stores and has users in almost every country in the world.

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

Dividends

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

Review of operations

The loss for the consolidated entity after providing for income tax amounted to US\$2,461,917 (31 December 2022: US\$1,426,686).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year.

In February 2024 the Group received a binding Loan Note to the value of A\$2 million from its shareholders, to help fund the next stage of strategic growth for the business. The Loan Note is currently undrawn, however a market rate interest rate (comparable to other instruments of this type) will be applicable on any drawdowns. No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

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 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Chantale Millard
Chair

29 February 2024

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

TO THE DIRECTORS OF TINYBEANS GROUP LIMITED

As lead auditor for the review of Tinybeans Group Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

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

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



William Buck

Accountants & Advisors

ABN: 16 021 300 521



Lloyd Crawford

Partner

Sydney, 29 February 2024

Tinybeans Group Ltd
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31 December 2023

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General information

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

Tinybeans Group Ltd is a listed public company limited by shares, incorporated and domiciled in Australia.

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 February 2024.

Tinybeans Group Ltd
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023

		Consolidated	
	Note	31 Dec 2023	31 Dec 2022
		US\$	US\$
Revenue	3	2,759,406	5,191,444
Other income		63	679
Interest revenue calculated using the effective interest method		10,605	3,063
Expenses			
Subscription, Photobooks and Affiliate expenses		(203,455)	(202,337)
Hosting and online software		(631,630)	(679,276)
Employee benefits expense		(2,980,802)	(3,978,417)
Depreciation and amortisation expense		(353,584)	(330,357)
Impairment of goodwill		-	6,607
Compliance and consultancy costs		(674,539)	(850,198)
Marketing and advertising expense		(263,969)	(370,496)
Occupancy costs		(4,264)	(4,349)
Other expenses		(118,165)	(210,679)
Finance costs		(1,583)	(2,004)
Loss before income tax expense		(2,461,917)	(1,426,320)
Income tax expense		-	(366)
Loss after income tax expense for the half-year attributable to the owners of Tinybeans Group Ltd		(2,461,917)	(1,426,686)
Other comprehensive loss			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(122,848)	(8,589)
Other comprehensive loss for the half-year, net of tax		(122,848)	(8,589)
Total comprehensive loss for the half-year attributable to the owners of Tinybeans Group Ltd		(2,584,765)	(1,435,275)
		Cents	Cents
Basic earnings per share	10	(2.99)	(2.34)
Diluted earnings per share	10	(2.99)	(2.34)

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

Tinybeans Group Ltd
Statement of financial position
As at 31 December 2023

		Consolidated	
	Note	31 Dec 2023	30 Jun 2023
		US\$	US\$
Assets			
Current assets			
Cash and cash equivalents		2,339,882	1,547,112
Trade and other receivables		869,007	1,159,499
Contract assets		56,793	124,118
Other		421,364	299,705
Total current assets		<u>3,687,046</u>	<u>3,130,434</u>
Non-current assets			
Property, plant and equipment		17,892	26,117
Intangibles	4	<u>1,311,334</u>	<u>1,606,207</u>
Total non-current assets		<u>1,329,226</u>	<u>1,632,324</u>
Total assets		<u>5,016,272</u>	<u>4,762,758</u>
Liabilities			
Current liabilities			
Trade and other payables	5	809,122	691,978
Contract liabilities		1,680,291	1,070,010
Income tax		117,909	115,329
Total current liabilities		<u>2,607,322</u>	<u>1,877,317</u>
Non-current liabilities			
Contract liabilities		12,146	35,812
Total non-current liabilities		<u>12,146</u>	<u>35,812</u>
Total liabilities		<u>2,619,468</u>	<u>1,913,129</u>
Net assets		<u>2,396,804</u>	<u>2,849,629</u>
Equity			
Issued capital	6	30,975,477	28,942,966
Reserves	7	856,970	1,278,147
Accumulated losses		<u>(29,435,643)</u>	<u>(27,371,484)</u>
Total equity		<u>2,396,804</u>	<u>2,849,629</u>

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

Tinybeans Group Ltd
Statement of changes in equity
For the half-year ended 31 December 2023

Consolidated	Issued capital US\$	Reserves US\$	Accumulated losses US\$	Total equity US\$
Balance at 1 July 2022	28,788,228	1,828,722	(21,193,646)	9,423,304
Loss after income tax expense for the half-year	-	-	(1,426,686)	(1,426,686)
Other comprehensive loss for the half-year, net of tax	-	(8,589)	-	(8,589)
Total comprehensive loss for the half-year	-	(8,589)	(1,426,686)	(1,435,275)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments	-	3,910	-	3,910
Shares issued to directors	154,738	-	-	154,738
Transfers within equity	-	(397,508)	397,508	-
Balance at 31 December 2022	<u>28,942,966</u>	<u>1,426,535</u>	<u>(22,222,824)</u>	<u>8,146,677</u>
Consolidated	Issued capital US\$	Reserves US\$	Accumulated losses US\$	Total equity US\$
Balance at 1 July 2023	28,942,966	1,278,147	(27,371,484)	2,849,629
Loss after income tax expense for the half-year	-	-	(2,461,917)	(2,461,917)
Other comprehensive loss for the half-year, net of tax	-	(122,848)	-	(122,848)
Total comprehensive loss for the half-year	-	(122,848)	(2,461,917)	(2,584,765)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 6)	2,032,511	-	-	2,032,511
Share-based payments	-	99,429	-	99,429
Transfers within equity	-	(397,758)	397,758	-
Balance at 31 December 2023	<u>30,975,477</u>	<u>856,970</u>	<u>(29,435,643)</u>	<u>2,396,804</u>

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

Tinybeans Group Ltd
Statement of cash flows
For the half-year ended 31 December 2023

	Consolidated	
Note	31 Dec 2023	31 Dec 2022
	US\$	US\$
Cash flows from operating activities		
Loss before income tax expense for the half-year	(2,461,917)	(1,426,320)
Adjustments for:		
Depreciation and amortisation	353,584	330,358
Net loss/(gain) on disposal of non-current assets	(63)	6,289
Share-based payments	99,429	71,443
Foreign exchange differences	(101,719)	-
Non-cash directors' fees	-	154,738
Interest received	10,605	2,004
Interest and other finance costs	(1,583)	(3,063)
	<u>(2,101,664)</u>	<u>(864,551)</u>
Change in operating assets and liabilities:		
Decrease in trade and other receivables	278,531	152,874
Decrease/(increase) in contract assets	67,325	(108,202)
Increase in prepayments	(121,658)	(29,360)
Increase/(decrease) in trade and other payables	196,316	(772,802)
Increase in contract liabilities	586,615	110,730
	<u>(1,094,535)</u>	<u>(1,511,311)</u>
Interest received	(10,605)	(2,004)
Interest and other finance costs paid	1,583	3,063
Income taxes paid	-	(1,967)
	<u>(1,103,557)</u>	<u>(1,512,219)</u>
Net cash used in operating activities		
	<u>(1,103,557)</u>	<u>(1,512,219)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(73,276)	(7,565)
Payments for intangibles	-	(118,178)
Proceeds from disposal of property, plant and equipment	9,065	(6,289)
Proceeds from release of security deposits	-	75,125
	<u>(64,211)</u>	<u>(56,907)</u>
Net cash used in investing activities		
	<u>(64,211)</u>	<u>(56,907)</u>
Cash flows from financing activities		
Proceeds from issue of shares	2,243,399	-
Share issue transaction costs	(241,576)	-
Repayment of lease liabilities	-	(15,948)
	<u>2,001,823</u>	<u>(15,948)</u>
Net cash from/(used in) financing activities		
	<u>2,001,823</u>	<u>(15,948)</u>
Net increase/(decrease) in cash and cash equivalents	834,055	(1,585,074)
Cash and cash equivalents at the beginning of the financial half-year	1,547,112	4,213,867
Effects of exchange rate changes on cash and cash equivalents	(41,285)	(8,589)
	<u>2,339,882</u>	<u>2,620,204</u>
Cash and cash equivalents at the end of the financial half-year		
	<u><u>2,339,882</u></u>	<u><u>2,620,204</u></u>

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

Note 1. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

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 the discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a loss of \$2,461,917 (2022: \$1,426,686) and had net cash outflows from operating activities of \$1,103,557 for the half-year ended 31 December 2023 (2022: \$1,512,219). The ability to continue as a going concern and realise its revenue potential is dependent on several factors, the most significant of which is to source additional funding to continue the development of the revenue opportunities for the Group. The results above indicate that a material uncertainty exists which may cast significant doubt on the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Having prepared a forecast through to 1 March 2025, the Directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern, after consideration of the following factors:

- the Group has net current assets of \$1,079,724 and cash at bank of \$2,339,882 as at 31 December 2023.
- in February 2024 the company received a binding Loan Note to the value of A\$2 million, from its shareholders. With US\$2.340 million cash at bank at 31 December 2023, the Loan Note is currently undrawn but gives surety and confidence to the business to continue to implement its strategic plan.
- the Group also continues to explore other funding options including strategic partnerships.
- the Group continues to review its operations to reduce operating costs and improve revenue generation. Importantly, it has rebuilt the advertising sales team and is starting to rebuild the advertising revenue pipeline in H2 FY24.
- with the launch of its brand re-refresh and website in H2 FY24, the Group is positioned to implement new strategies to grow subscription and other revenue channels.

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report. The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

Note 2. Operating segments

Identification of reportable operating segments

The Group has one operating segment being the entire operations, based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the CODM) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The Group has identified a single operating segment, which is the whole of the consolidated operation. The segment disclosure for the reporting segment is consistent to those amounts present in the primary statements and notes.

Tinybeans Group Ltd
Notes to the financial statements
31 December 2023

Note 2. Operating segments (continued)

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

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

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

	Consolidated	
	31 Dec 2023	31 Dec 2022
	US\$	US\$
Loss after income tax benefit	(2,461,917)	(1,426,686)
Income tax	-	366
Depreciation and amortisation	353,584	330,357
Interest revenue	(10,605)	(3,063)
Finance costs	1,583	2,004
EBITDA	<u>(2,117,355)</u>	<u>(1,097,022)</u>

Types of products and services

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

Note 3. Revenue

	Consolidated	
	31 Dec 2023	31 Dec 2022
	US\$	US\$
Advertising revenue	1,076,538	3,825,632
Photobook revenue	58,340	81,461
Subscription revenue	1,392,982	1,024,460
Affiliate revenue	231,546	259,891
Revenue	<u>2,759,406</u>	<u>5,191,444</u>

Disaggregation of revenue

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

	Consolidated	
	31 Dec 2023	31 Dec 2022
	US\$	US\$
<i>Geographical regions</i>		
USA	2,754,166	5,184,304
Australia	5,240	7,140
	<u>2,759,406</u>	<u>5,191,444</u>
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	58,340	81,461
Services transferred over time	2,701,066	5,109,983
	<u>2,759,406</u>	<u>5,191,444</u>

Tinybeans Group Ltd
Notes to the financial statements
31 December 2023

Note 4. Non-current assets - intangibles

	Consolidated	
	31 Dec 2023	30 Jun 2023
	US\$	US\$
Goodwill - at cost	5,338,791	5,338,791
Less: Impairment	(5,338,791)	(5,338,791)
	<u>-</u>	<u>-</u>
Development - at cost	998,788	925,512
Less: Accumulated amortisation	(277,421)	(162,115)
	<u>721,367</u>	<u>763,397</u>
Software - at cost	946,826	946,826
Less: Accumulated amortisation	(725,900)	(631,217)
	<u>220,926</u>	<u>315,609</u>
Content repository - at cost	1,581,603	1,581,603
Less: Accumulated amortisation	(1,212,562)	(1,054,402)
	<u>369,041</u>	<u>527,201</u>
	<u><u>1,311,334</u></u>	<u><u>1,606,207</u></u>

Reconciliations

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

Consolidated	Software development US\$	Acquired software US\$	Content repository US\$	Total US\$
Balance at 1 July 2023	763,397	315,609	527,201	1,606,207
Additions	73,276	-	-	73,276
Amortisation expense	(115,306)	(94,683)	(158,160)	(368,149)
Balance at 31 December 2023	<u>721,367</u>	<u>220,926</u>	<u>369,041</u>	<u>1,311,334</u>

Note 5. Current liabilities - trade and other payables

	Consolidated	
	31 Dec 2023	30 Jun 2023
	US\$	US\$
Trade payables	155,750	88,692
Accrued commissions	-	36,004
Accrued expenses	525,430	463,907
Other payables	127,942	103,375
	<u>809,122</u>	<u>691,978</u>

Note 6. Equity - issued capital

	Consolidated			
	31 Dec 2023	30 Jun 2023	31 Dec 2023	30 Jun 2023
	Shares	Shares	US\$	US\$
Ordinary shares - fully paid	<u>84,387,340</u>	<u>61,385,455</u>	<u>30,975,477</u>	<u>28,942,966</u>

Tinybeans Group Ltd
Notes to the financial statements
31 December 2023

Note 6. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	US\$
Balance	1 July 2023	61,385,455		28,942,966
Placement	5 July 2023	13,451,970	US\$0.10	1,317,721
Placement	7 July 2023	1,893,727	US\$0.10	185,505
Placement	11 July 2023	834,884	US\$0.10	81,783
Placement	1 August 2023	6,272,557	US\$0.10	614,444
Shares issued in lieu of directors' fees	13 December 2023	548,747	US\$0.14	77,751
Cost of capital raising		-	US\$0.00	(244,693)
Balance	31 December 2023	<u>84,387,340</u>		<u>30,975,477</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

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

Share buy-back

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

Note 7. Equity - reserves

	Consolidated	
	31 Dec 2023	30 Jun 2023
	US\$	US\$
Foreign currency reserve	(112,423)	10,503
Share-based payments reserve	965,875	1,264,204
Acquisition reserve	3,518	3,440
	<u>856,970</u>	<u>1,278,147</u>

Movements in reserves

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

	Foreign currency reserve	Share-based payments reserve	Acquisition reserve	Total
Consolidated	US\$	US\$	US\$	US\$
Balance at 1 July 2023	10,503	1,264,204	3,440	1,278,147
Revaluation - gross	-	-	78	78
Foreign currency translation	(122,926)	-	-	(122,926)
Share-based payments expense	-	99,429	-	99,429
Transfer to accumulated losses	-	(397,758)	-	(397,758)
Balance at 31 December 2023	<u>(112,423)</u>	<u>965,875</u>	<u>3,518</u>	<u>856,970</u>

Note 8. Contingent liabilities

The Group had no contingent liabilities or capital commitments as at 31 December 2023 and 30 June 2023.

Tinybeans Group Ltd
Notes to the financial statements
31 December 2023

Note 9. Events after the reporting period

In February 2024 the Group received a binding Loan Note to the value of A\$2 million from its shareholders, to help fund the next stage of strategic growth for the business. The Loan Note is currently undrawn, however a market rate interest rate (comparable to other instruments of this type) will be applicable on any drawdowns. No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 10. Earnings per share

	Consolidated	
	31 Dec 2023	31 Dec 2022
	US\$	US\$
Loss after income tax attributable to the owners of Tinybeans Group Ltd	<u>(2,461,917)</u>	<u>(1,426,686)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>82,313,897</u>	<u>61,064,881</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>82,313,897</u>	<u>61,064,881</u>
	Cents	Cents
Basic earnings per share	(2.99)	(2.34)
Diluted earnings per share	(2.99)	(2.34)

Options have been excluded from the diluted earnings per share calculations as they are anti-dilutive.

Tinybeans Group Ltd
Directors' declaration
31 December 2023

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial half-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.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Chantale Millard
Chair

29 February 2024

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

Report on the Half-Year Financial Report

Our Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Tinybeans Group Limited (the Company), and its subsidiaries (the Group) does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year then ended; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

What was reviewed?

We have reviewed the accompanying half-year financial report of the Group, which comprises:

- the consolidated statement of financial position as at 31 December 2023,
- the consolidated statement of profit or loss and other comprehensive income for the half-year then ended,
- the consolidated statement of changes in equity for the half-year then ended,
- the consolidated statement of cash flows for the half-year then ended,
- notes to the financial statements, including material accounting policy information, and the directors' declaration.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the Group in accordance with 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 1 in the Half-year financial report, which indicates that the Group incurred a net loss of \$2,461,917 (2022: \$1,426,686) and had net cash outflows from operating activities of \$1,103,557 for the half-year ended 31 December 2023 (2022: \$1,512,219). As stated in Note 1, these events or conditions, along with other matters as set forth in the Note, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibilities of the directors for the half-year financial report

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

Auditor's responsibilities for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Yours faithfully



William Buck
Accountants & Advisors
ABN: 16 021 300 521



Lloyd Crawford
Partner
Sydney, 29 February 2024