



tinybeans

Where Parents Go.

Approved by the Board of
Tinybeans Group Ltd

October 29th (28th in the US), 2021

Unless otherwise noted, amounts are in USD and are yet to be audited

Q1-FY22 Quarterly Activity Report
First Quarter Fiscal 2022

(ASX: TNY; OTCQX: TNYF)

Q1-FY22: Another Record Quarter

Eddie Geller, Chief Executive Officer, said:

"We are delighted to report a solid start to the new fiscal year with another **record revenue performance**. In Q1-FY22, we delivered overall revenue of US\$2.54M, which is an increase of 42% on pcp. This includes US\$2.26M in advertising revenues, which is up 49% pcp. Delivering these strong results despite the seasonal weakness that typically characterizes Q1 is a testament to the tireless work of our team and our continued progress on our growth strategy.

During the first quarter, **we also launched Beanstalk**, our new paid subscription offering, and the early results are very positive, with download to paid conversion at 14%. The Beanstalk offering is a strategic decision to align all our members on a single paid subscription that provides superior value and full access to our expanding and evolving suite of parenting resources.

We are confident in our ability to not only drive subscription growth from within our existing audiences, but also acquire new **subscribers at attractive returns** through new paid channels, something that our past offering didn't permit. Importantly, as the rollout of Beanstalk matures, our **complementary advertising business** has continued to grow, with more brands committing to the platform and signing longer term deals as we continue to enhance both the advertising and overall user experience on our platform.

Just last week, we continued to progress our platform enhancements through **launching our new website experience, tinybeans.com**, which unites our legacy website and Red Tricycle content site under the Tinybeans brand. I'm proud of the team's work to produce an incredible site that brings together the very best of our memories and content experiences all under a single brand.

Q2-FY22 is currently on track to be **another record quarter**. We already have over USD\$2.5M in direct advertising contracts signed, and we are working diligently to advance the rollout of Beanstalk and continue growing subscription revenues. We have made **exceptional progress** on our objectives to date, and we remain focused on further positioning Tinybeans as **the go-to resource for all things parenting.**"

First Quarter Fiscal 2022 Summary

Tinybeans at a Glance!

- Strong progress in launching the brand and platform that strives to be the go to resource for all things parenting.
- Growing complementary revenue streams with brand partners and subscribers
- Subsequent to the quarter, Tinybeans launched an entirely new website and app driving a new, more comprehensive parenting experience. The new services will also include an upgraded advertising platform for brands.



20
\$100k+
Ad Partners



26K*
Paying
Subscribers

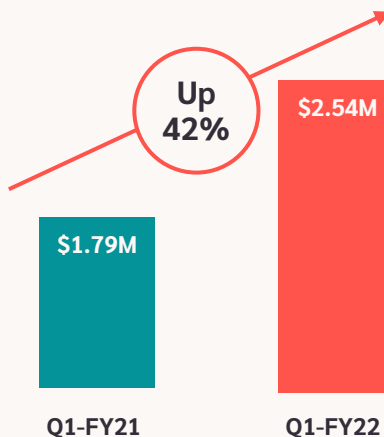


#1 Apple
Guides Partner



* As at October 25, 2021.

US\$2.54M Revenue



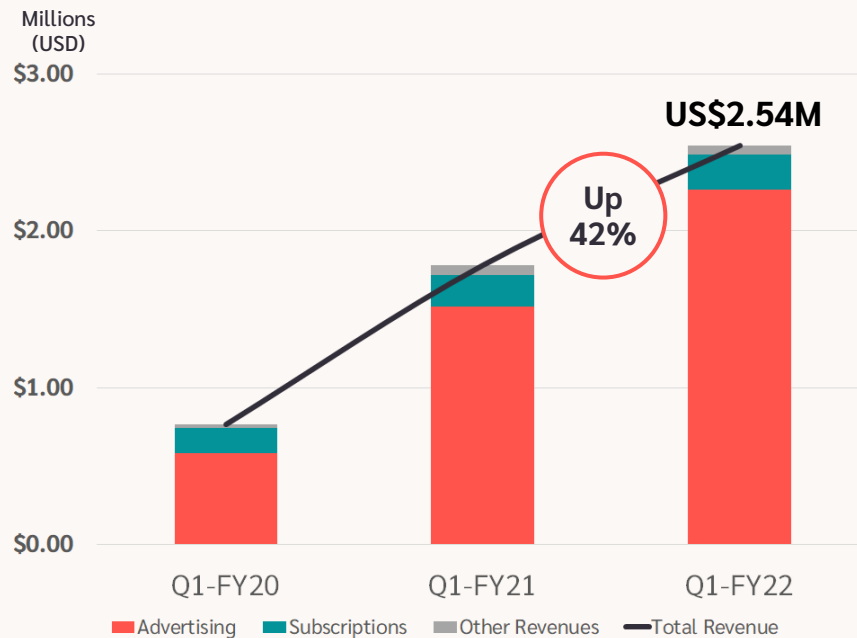
Major Growth Drivers

- Growing value proposition for advertisers
- US\$2.5M+ in contracted Ad Revenues in Q2-FY22
- New Subscription Strategy launched - positive early growth trends

Growth Continues through Q1-FY22

Record Revenues

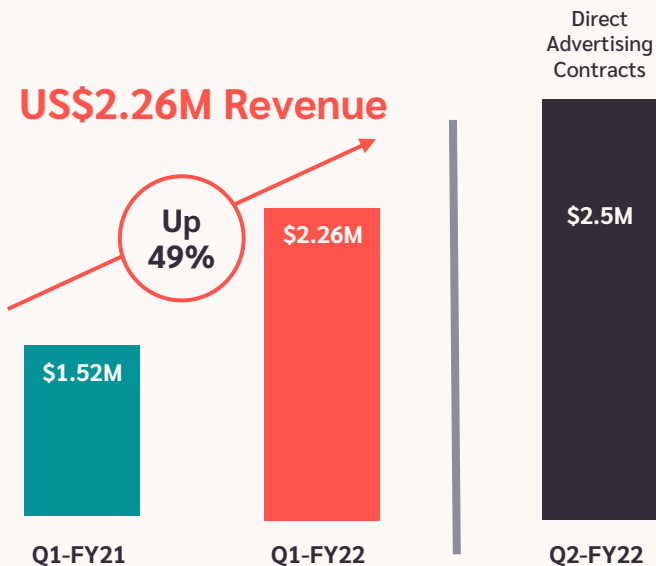
- Revenue hit a record US\$2.54M, up 42% YoY
- Advertising revenue hit a record US\$2.26M, up 49% YoY
- Subscription revenue hit US\$225K, up 13% YoY
- Other revenues include e-commerce (affiliate) & printing
- Over US\$1M invested through Q1 in product growth initiatives, all culminating into new Beanstalk and impending new web site/app launches in Q2.
- Platform enhancements around first party data and ad targeting are driving appeal to advertisers, with more brands engaged on the Tinybeans platform than ever before.



Growing Revenue Stream

Advertising Revenues

- Advertising revenue hit a record **US\$2.26M**, up **49% YoY**, with 30% from new brands and 70% from existing brands
- Q1-FY22 advertising revenue performance marks a new quarterly record, driven by big partnership wins with Google, LEGO & Microsoft
- Closed 7 >\$100K contracts in Q1-FY22 (13 in entire FY21)
- New \$100K partners include Melissa & Doug and Microsoft
- First ever US\$1M contract closed with Hill's Pet Nutrition for 2022 partnership subsequent to the quarter
- Forward booked direct advertising contracts over US\$2.5M



Google Microsoft



KraftHeinz

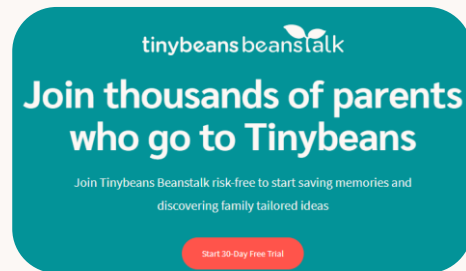
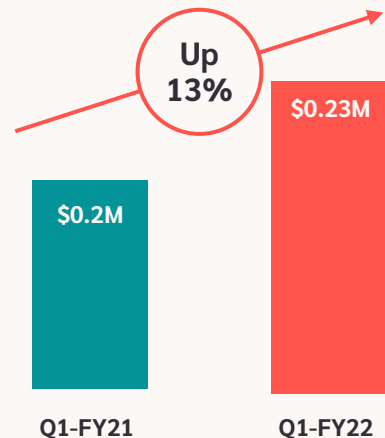


Transitioning Subscription Model

Subscription Revenues

- Subscription revenue hit US\$225K, up 13% YoY
- 26k paid subscribers as at October 25, 2021
- Migrated the subscription model from family-based to single user-oriented and integrated into the app stores subscription platforms adding a 30 free trial period
- Download to paid conversion is currently 14% and continues to be optimized
- Significant work towards the new tinybeans.com website and app launches this month
- Expecting to see accelerated growth through Q2 and beyond

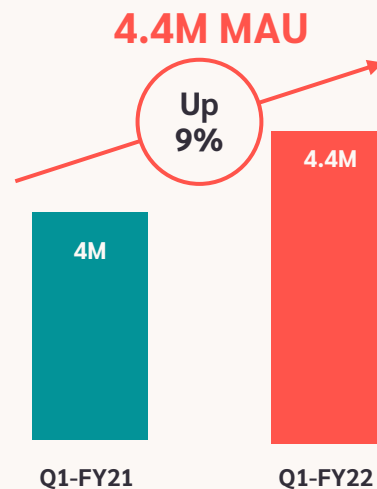
US\$0.23M Revenue



Transitioning Audience Model

Audience

- Audience provides relevancy and reach for brand partners and is a strong origination channel for new subscribers
- Audience engagement continued through a period of deep transition
- Total active members are expected to decline through Q2-FY22 as the merged platforms are integrated and new the subscription product is fully deployed
- Once stabilized through Q2-FY22, the new website and apps are expected to provide further audience growth from Q3-FY22 and beyond, as many new features are released servicing new and existing members
- Partnerships with Apple continue to drive engagement and growth





Financial Results

Profit & Loss Summary

USD (\$Ms)	Q1-22	Q1-21	% Chg
Total Revenue	2.54	1.79	42%
Cost of Goods Sold	(0.13)	(0.13)	-1%
Gross Margin	2.41	1.66	45%
Gross Margin %	95%	93%	
Operating Expenses	(2.57)	(1.93)	-33%
Adjusted EBITDA	(0.16)	(0.26)	39%
Adjusted EBITDA Margin %	-6%	-15%	

Highlights:

- Revenue up +42% vs prior year, driven mainly by ad revenue growth
- Gross Margin continues above 90%, with COGS primarily comprising direct costs supporting ad revenues
- Operating Expenses increased to \$2.57M vs \$1.93M in the prior year, driven by increased investments in resources and compensation to support product and operational investments, and other costs that are variable tied to user growth, such as hosting
- The company is beginning to incur increased General and Administrative costs related to our future plans to uplist to Nasdaq, in areas such as accounting and audit fees, investor relations, etc.
- The current quarter also includes approximately \$0.29M of capitalized software development costs for our current product launches, which started in Q4-FY21 and will be amortized below EBITDA

Note: Adjusted EBITDA defined as reported EBITDA excluding share based payments expense and other non-operating income and expenses. Also, in Q4-FY21, Tinybeans began to recognize capitalized software development costs in accordance with AASB 138, Intangible Assets. These costs totaled \$94K in Q4-FY21, and \$289K in Q1-FY22, and are excluded from Adjusted EBITDA above.

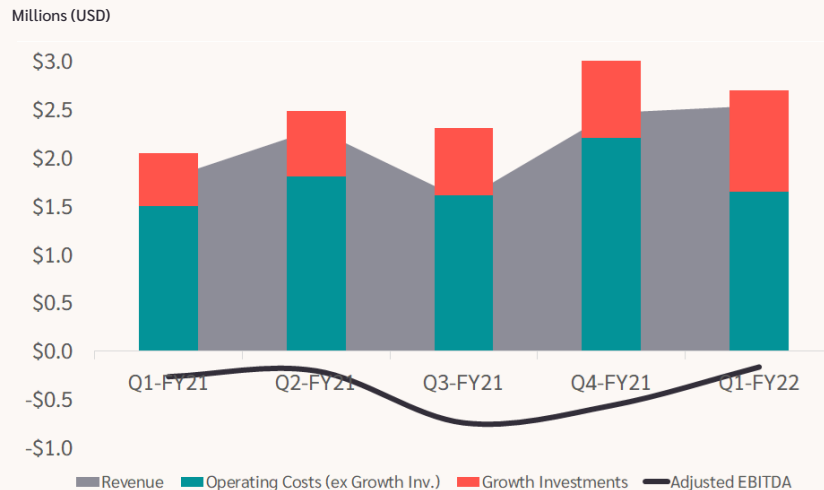


Financial Results

Adjusted EBITDA

Growth investments include:

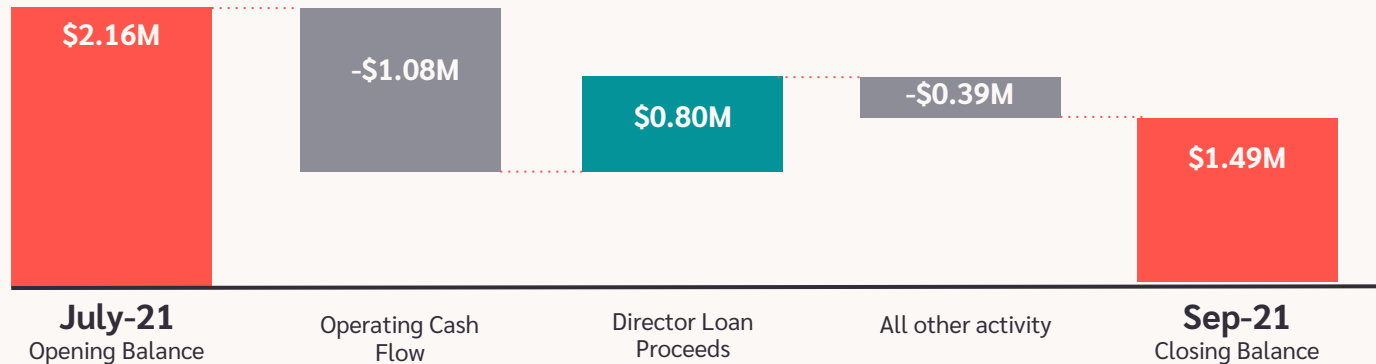
- Beanstalk Subscription Platform
- New Pet Parenting features
- New website launched
- New app launching calendar Q4
- Video-first parenting community
- Content integration across web and apps



	Q1-FY21	Q2-FY21	Q3-FY21	Q4-FY21	Q1-FY22
Revenue	\$ 1.79	\$ 2.30	\$ 1.57	\$ 2.47	\$ 2.54
Operating Costs (ex Growth Inv.)	\$ 1.50	\$ 1.81	\$ 1.61	\$ 2.21	\$ 1.65
Growth Investments	\$ 0.55	\$ 0.68	\$ 0.70	\$ 0.82	\$ 1.05
Adjusted EBITDA	\$ (0.26)	\$ (0.20)	\$ (0.74)	\$ (0.56)	\$ (0.16)

Note: Adjusted EBITDA defined as reported EBITDA excluding share based payments expense and other non-operating income and expenses. Also, in Q4-FY21, Tinybeans began to recognize capitalized software development costs in accordance with AASB 138, Intangible Assets. These costs totaled \$94K in Q4-FY21, and \$289K in Q1-FY22, and are excluded from Adjusted EBITDA above..

Cash Waterfall



Highlights:

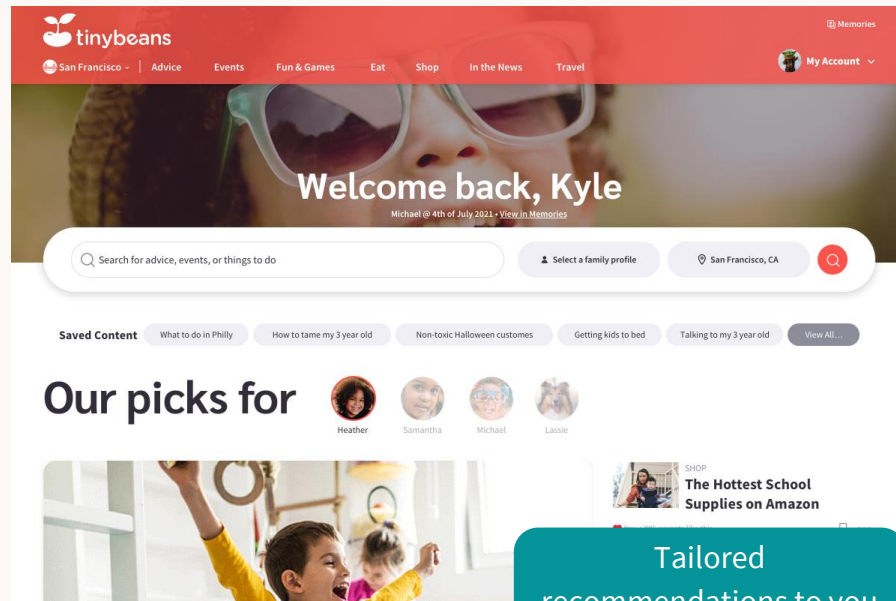
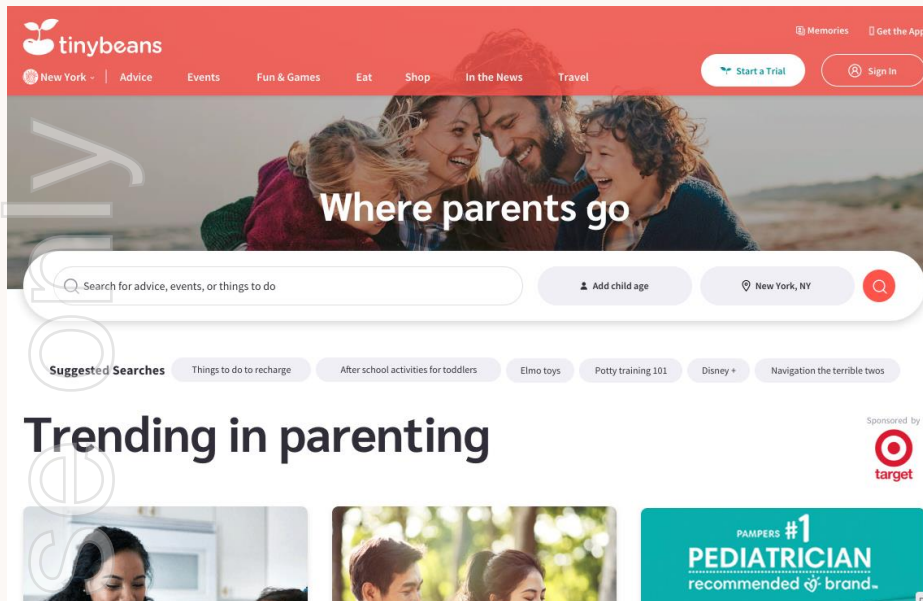
- Working capital lagged behind income statement activity due to timing of revenues and receivables (approx. -US\$0.6M), and timing of post-year end related payables (approx. -US\$0.3M)
- All other activity includes -US\$0.29M of capitalized software development costs
- Quarter end cash balance of US\$1.49M (Note bank balance was US\$1.72M on Oct 1)
- The expected cash burn for Q2-FY22 is approximately -US\$0.5M

NOTE: All Other Activity includes Investing Activity, Financing Activity, and ForEx.



Growth and Transition

Your go-to resource for all things parenting



Tailored
recommendations to you
and your children

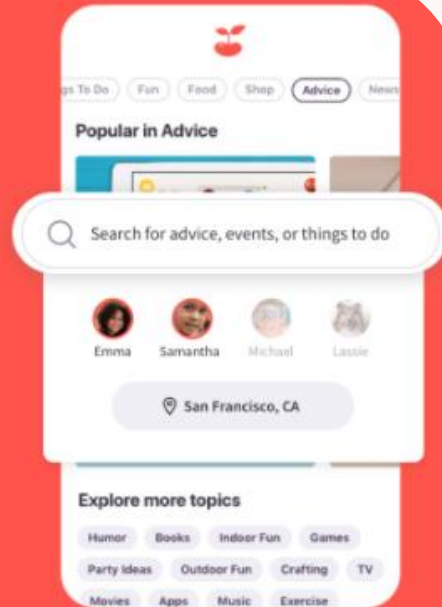
Your go-to resource for all things parenting



Capture your family's
memories & milestones



Get inspiration from other
parents just like you



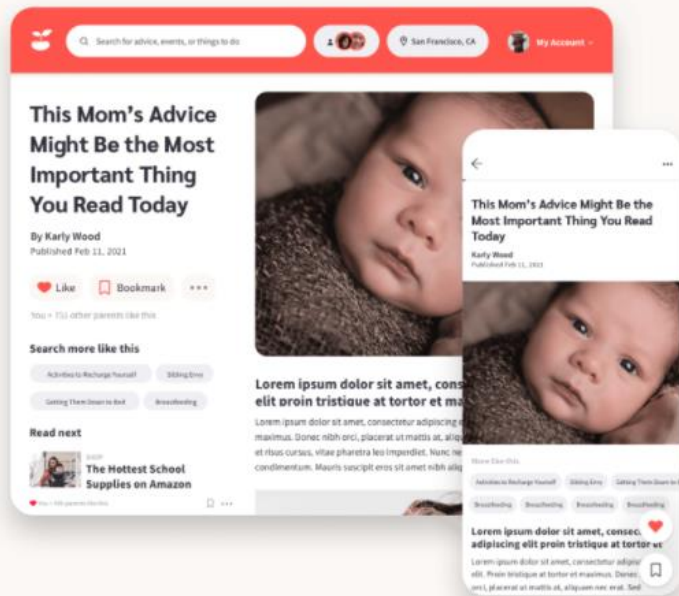
Access thousands of articles
tailored for your family

Tinybeans Ideas

Parenting information that grows with your family. Tinybeans gets you and what your family needs are. We help lighten your load by curating the best events, advice, activities, and products that will make life easier and better.



Picked for Emma



Addressable Market

Massive Opportunity

72 Million



72 Million Millennials; biggest generation ever—and can't live without digital solutions*

\$121 Billion



Internet advertising spending in the United States is now over \$121B, over 50% of total advertising spending.

> \$1 Trillion



The amount of money spent on children in the U.S. every year.



Scalable Multiple Revenue Streams

Advertising revenues

Industry Leading 1st Party Data
100% Brand Safe Quality Content
Local to National Community
Enhances the subscription offering

Consumer revenues

One Subscription with memories,
personalized content & community
+ Future E-Commerce offerings

2021

Revenues

2024

■ Advertising
■ Consumer

Please note that the revenue mix estimates, and the growth bars are for illustrative purposes only

Strategic Pillars - Q1 Update: Executing growth strategy

1

Enhance Customer Value Proposition to Drive LTV

- Launched the significantly upgraded web site and app platforms
- Launched an upgraded ad serving platform to further serve advertisers
- Launched a powerful new feature allowing search by location and children's age
- Launched new subscription product, Beanstalk and began transitioning existing members to the new model



2

Enable the platform to scale the audience

- Integrated the content platforms into one unified web and app experience
- Migrated the subscription model from family to individual
- Consolidated website platforms and infrastructure given the single web instance
- Continued developments with the Apple partnership



3

Elevate the brand to be the Go-To resource for parents and brands

- Relunched all platforms under a single brand, and migrated all Red Tricycle audiences to Tinybeans
- Continued to build out capabilities across all teams - now 70+ full time team members
- Drove upgraded offering to brands, where it is the the only high trust, personalized platform, for prenatal to preteen parents.



Growth and Transition

Tinybeans. Synonymous with Parenting!

Single Brand



Now a single brand for all things parenting. Tinybeans will be where parents go, from capturing memories to getting inspiration and engaging with other parents.

Team



Seasoned team with deep experience in building brands, creating products people love and scaling revenues.

Audience



Value proposition for the platform broader than photo sharing or generic content. User growth set to accelerate once new platform launches.

Multiple Revenue Streams



Growing Advertising revenues while accelerating consumer revenues to build a sustainable commercial model for many years to come.



Other

Item 6.1 (in 4C below) pertain to salary and fee payments to the executive and non-executive directors of US\$72k

This announcement is authorized by the TNY Board.

For More Information

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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.

E: investors@tinybeans.com

i: www.tinybeans.com



Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

TINYBEANS GROUP LIMITED

ABN

46 168 481 614

Quarter ended ("current quarter")

30 September 2021

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (3 months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,023	2,023
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(126)	(126)
(c) advertising and marketing	(43)	(43)
(d) leased assets	-	-
(e) staff costs	(2,175)	(2,175)
(f) administration and corporate costs	(756)	(756)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(2)	(2)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,079)	(1,079)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(1)	(1)

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (3 months) \$US'000
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	(278)	(278)
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(279)	(279)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	800	800
3.6	Repayment of borrowings	(55)	(55)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	745	745

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (3 months) \$US'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,155	2,155
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,079)	(1,079)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(279)	(279)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	745	745
4.5	Effect of movement in exchange rates on cash held	(54)	(54)
4.6	Cash and cash equivalents at end of period	1,488	1,488

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$US'000	Previous quarter \$US'000
5.1	Bank balances	1,488	1,488
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,488	1,488

6.	Payments to related parties of the entity and their associates	Current quarter \$US'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	72
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$ US'000	Amount drawn at quarter end \$ US'000
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities		
7.5 Unused financing facilities available at quarter end		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$ US'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,079)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,488
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	1,488
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	1
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: No, Tinybeans expects to increase its level of net operating cash outflows for the time being as the Company continues to invest in its growth strategy.	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Yes, Tinybeans is exploring opportunities to raise capital. In addition, it has US\$1.9 million accounts receivable balance as of 30 September 2021 which is collectible within the next two months. Plus a growing subscription revenue stream where cash inflows are much earlier in the revenue cycle.	

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Yes, Tinybeans expects to be able to continue its operations and to meet its business objectives with current cash reserves and proceeds from a capital raise to be undertaken in the future. Furthermore, with the reduction in the current cash burn (due to an upcoming record quarter of revenue) the Company has current cash reserves to fund its operations in the short term.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: October 29, 2021.....

Authorised by: Edward Geller, Executive Director and CEO.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.