



Q3-FY23 Quarterly Activity Results

Third Quarter Fiscal 2023

(ASX: TNY; OTCQB: TNYZF)

Approved by the Board of Tinybeans Group Ltd
April 24th (23rd in the US), 2023

Unless otherwise noted, amounts are in **USD** and are unaudited



Q3-FY23: Disciplined Cash flow Management

“Today, Tinybeans Group is reporting that whilst the business was not net cash flow positive in the period, it was operational cash flow positive by USD\$200k. The net cash burn of US\$108k (of which US\$157k was related to foreign exchange losses) was a significant reduction from the US\$1M cashburn, for the comparative prior period.

We launched our new free version of the Tinybeans app last week and with it an upgraded paid subscription called Tinybeans+ (which replaces previous subscription products). This is a significant move towards our new consumer strategy shared late 2022 to relaunch our free product and upgrade the paid product. As part of this strategy, we also have increased the pricing of our app subscription from \$4.99 to \$7.99 per month or \$39.99 to \$74.99 per annum (all in USD), which will drive revenue growth. This has had little impact on churn so far and we are monitoring this closely.

Our third quarter of the fiscal (Q3-FY23) achieved revenues of US\$1.56M, down 16% pcp (prior corresponding period).

Our subscription revenues however continue to grow, with paid subscriptions of US\$0.52M, up 12% pcp. The quarter finished with over 53k paid subscriptions and a renewal rate of over 93%.

With advertising revenues continuing to be challenged by the tightening global economy, ad revenue was US\$0.97M, down 26% pcp. We remain focused on delivering value to our branded clients and driving their success on our platforms.

Based on this downturn, we are no longer expecting to be cash flow positive in Q4-FY23.

Our audience grew through the quarter, with MAU hitting over 3.2M.

We're optimistic with the future by the feedback we continue to get from our millions of parents, and with the release of free product, we expect that audience to grow. Our next focused product release is the new Android app, which is expected to be released in Q4-FY23. This culminates a 9 month project which should see the feedback from these customers improve significantly and our ratings grow accordingly.

As privacy becomes more and more relevant, the Tinybeans brand is further becoming a beacon across the internet.

Tinybeans continues to be more relevant than ever to parents everywhere.”

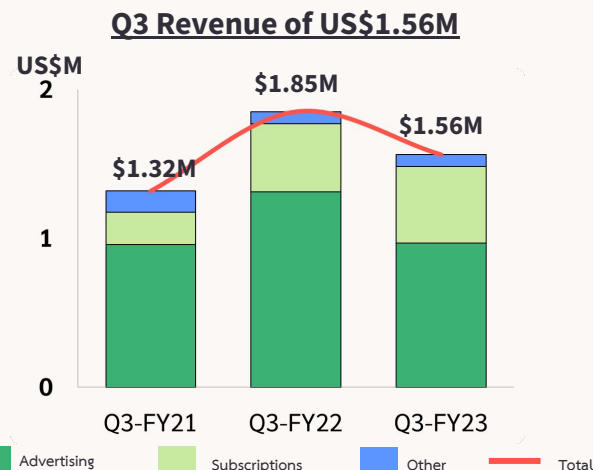
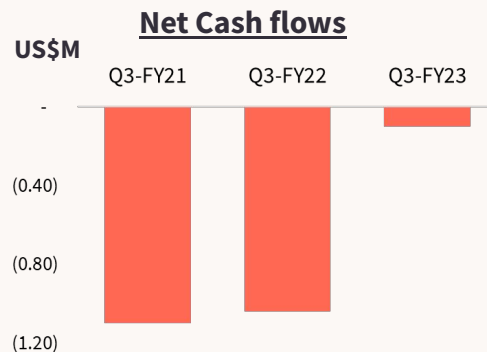


Eddie Geller
Co-Founder and
Chief Executive Officer

THIRD QUARTER (Q3) FISCAL 2023 SUMMARY

Tinybeans launches free and Tinybeans+

- Revenues of **US\$1.56M**, down 16% pcp, largely driven by advertising revenues of **US\$0.97M**, down 26% pcp. Paid subscriptions increased to **US\$0.52M**, up 12% pcp. Other Revenue include Affiliate & Photo Books generated **US\$80k**.
- Tinybeans achieved **positive operating cash flow of US\$200k** for the Q3 period and with it a net cash burn of US\$108k (of which US\$157k was related to foreign exchange losses). This was a significant reduction from the US\$1M cashburn, 12 months prior.
- With difficult macroeconomic conditions continuing to impact Tinybeans advertising revenue, coupled with ongoing investment in our product, the company no longer expects Q4-FY23 to be net cash flow positive. However, with Operating Expenses down 46% pcp in Q3 and over **US\$4.4M of annualised savings** achieved thus far in FY23, cash burn is expected be low in Q4.
- Subscription revenue generated **US\$0.59M**, up 12% pcp. On April 19, the Company increased the price of the monthly subscription from US\$4.99 to US\$7.99 per month and annual subscription from US\$39.99 to US\$74.99. Monthly Active Users (MAU) grew to 3.2M, up from 3.1M on Q2-FY23.
- The Company launched Tinybeans Free and Tinybeans+ on April 19 giving a scalable platform for growth and expects to increase the user base and paid conversion prospects into the future.

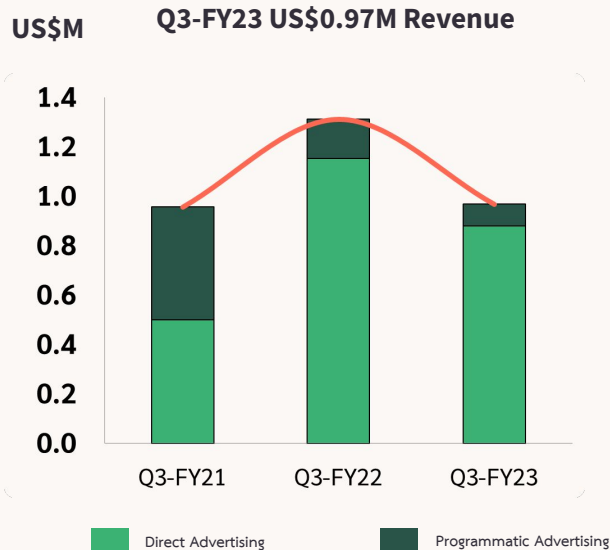


ADVERTISING REVENUES

Strong economic headwinds continue to affect advertising revenues

- Advertising revenues* hit **US\$0.97M, down 26% pcp**. The decline was related to continuing challenges in the advertising industry in the U.S. based on the slowdown in economic activity.
- New projects have begun focusing on performance based ad elements across the platform to drive more performance based ad units which at present advertisers are looking for.
- Contracted 9x \$100k+ deals through Q3. Key partnerships in the quarter include Microsoft, Sevierville Tennessee, Smithfield and Visit Arizona.
- The Ad Sales team are adapting the sales and ad product approach to the changing economic conditions which expect will give benefit in FY24.

*includes programmatic



Microsoft

Smithfield

ARIZONA



CONSUMER REVENUES

Subscription Revenue Growth

- Consumer revenues hit a record **US\$0.59M, up 10% pcp**. Subscription revenue hit **US\$0.51M, up 12% pcp**, with the number of paid subscriptions above **53k**.
- A change to Affiliate revenue recognition impacted the revenues for Q3 with over **US\$70k** having to be being moved into Q4. Affiliate revenues this Q3 FY23 hit **US\$55k**.
- Monthly Recurring Revenues (MRR) hit **US\$176k**.
- The renewal rate for subscriptions during the quarter remained at **93%**, signaling the value and stickiness of the paid product despite the communication of the price increase in March, 2023.
- The Company launched **Tinybeans Free and Tinybeans+** on April 19 to ensure a more accelerated growth strategy for paid subscription base. With free users being monetized through advertising, while offering an ad free service to its paid subscribers.
- Tinybeans increased its subscription prices - the monthly subscription increased from US\$4.99 to US\$7.99 and the annual subscription increased from US\$39.99 to US\$74.99. The price increase became effective on April 19, 2023.

US\$M

Q3-FY23 US\$0.59M Revenue

10%
pcp

0.8

0.6

0.4

0.2

0

Q3-FY21

Q3-FY22

Q3-FY23



Subscriptions



Affiliate

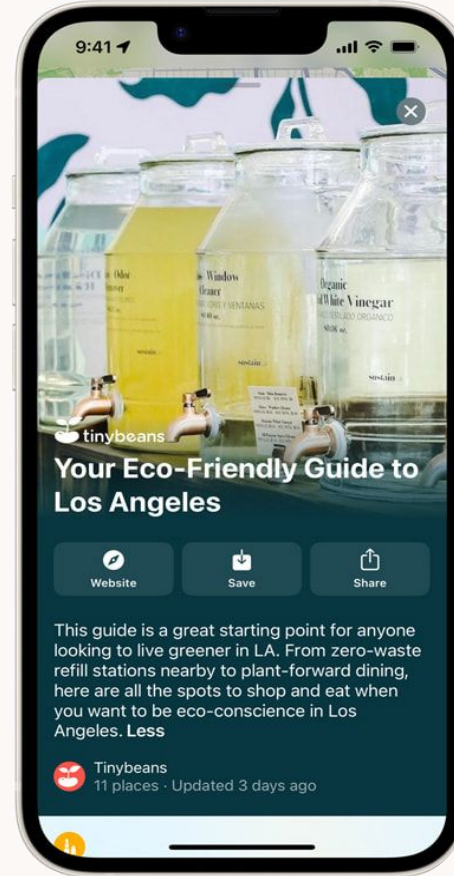


Photo Books

EVOLVING AUDIENCE MODEL

Audience

- Monthly Active Users (MAU) across **Q3-FY23** grew to over **3.2M** for the qtr, more than **100k** increase from Q2-FY23.
- Search Engine Optimizations (SEO) efforts, have resulted in a **+25% growth YoY** in search traffic.
- Tinybeans launched a refreshed Social Media strategy focused on new video content creation, content collaborations and targeted content to our core audience of the “new mom”. This result led to an increase of 3% follower base vs previous quarter, growth up to **556k followers**.
- Tinybeans again featured in Apple Guides releases - see images on the right.
- All paid marketing initiatives were paused to adjust strategy in the lead up to the release of Tinybeans Free and Tinybeans+. It is intended for them to restart in Q4.



Apple announces major progress toward climate goals ahead of Earth Day

Customers are invited to celebrate by learning more about climate change and taking action with Apple



This Earth Day, customers can visit Apple Store locations for special Today at Apple sessions, and explore curated collections across Apple services designed to educate and inspire action to protect the planet.

Ahead of Earth Day, Apple is announcing progress toward its ambitious goal to make every product carbon neutral by 2030, including a new framework for sharing the reduced climate impact of new models of iPhone, iPad, MacBook Air, and Apple Watch. The company is also announcing new partnerships for innovating climate solutions and engaging communities, and inviting customers to learn and take action with new curated collections and tailored activities across Apple platforms.

Already carbon neutral for its global corporate operations, Apple has decreased its comprehensive carbon footprint by over 45 percent since 2015, even as the company's revenue has grown by over 68 percent during that same period. In total last year, the company's extensive environmental efforts — including expanding renewable energy across its global supply chain, and building products with recycled and other low-carbon materials — avoided more than 28

PRODUCT & TECHNOLOGY

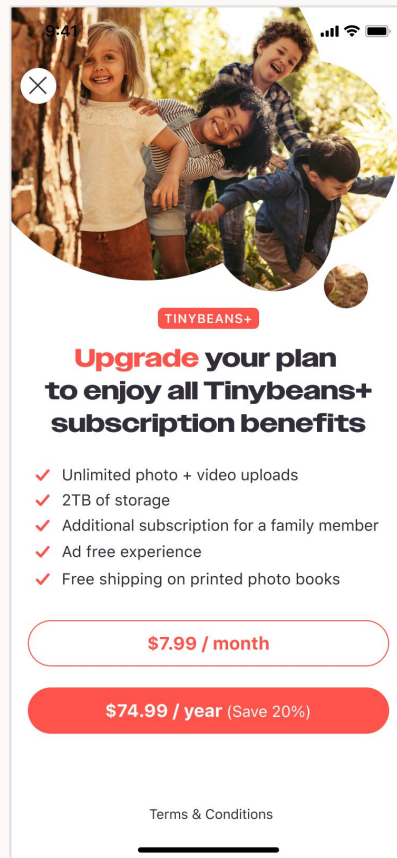
Q3 Highlights

VALUE PROPOSITION

- Launched new free and upgraded subscription product on April 19.
- Homepage update is live. Focusses on the app to more accurately serve the homepage audience and what they're looking for.
- Launched infinite scroll to generate multiple articles in a single view. RESULTS: article p/ session up from 1.4 to 1.7, 30% reading a 2nd article, Ad inventory up 15% on average.
- Newsletter signups on tinybeans.com direct into our database (50+ signups per day).
- Promotional functions including In-app Discount Code Redemption and push notification functionality.
- Updated iOS app with Valentine's Day-themed stickers.

PRODUCT STABILITY

- iOS and Android bug fixes.
- Continued development of Android 5.0 for release in Q4-FY23.
- Engaged an external firm to conduct a cyber security audit and took actions accordingly.



9:41

TINYBEANS+

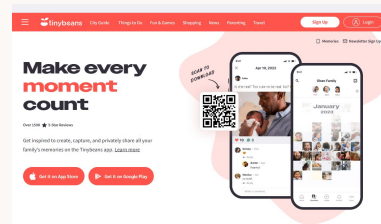
Upgrade your plan to enjoy all Tinybeans+ subscription benefits

- ✓ Unlimited photo + video uploads
- ✓ 2TB of storage
- ✓ Additional subscription for a family member
- ✓ Ad free experience
- ✓ Free shipping on printed photo books

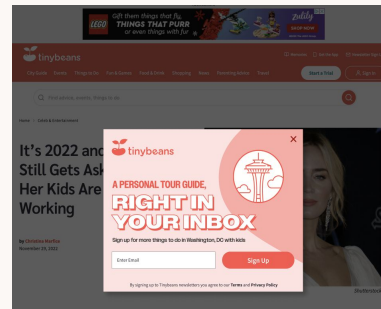
\$7.99 / month

\$74.99 / year (Save 20%)

Terms & Conditions



Tinybeans.com Homepage Update



Newsletter Signup

FINANCIAL RESULTS (in USD)

Profit & Loss Summary

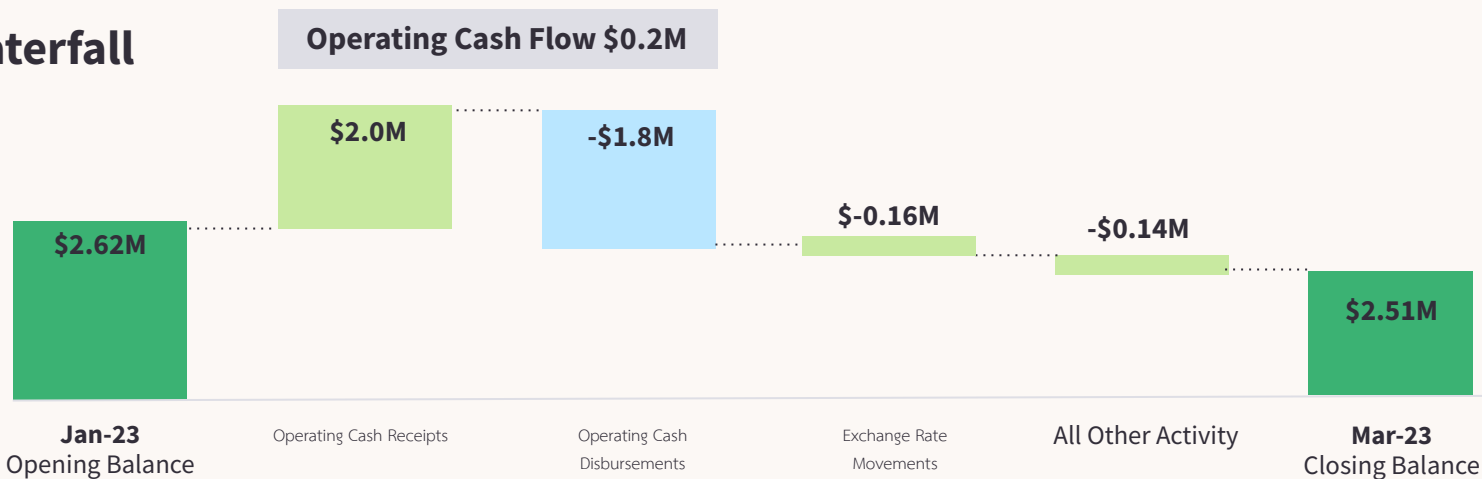
USD (US\$M)	Q3-FY23	Q3-FY22	% Chg
Total Revenue	1.56	1.85	-16%
Cost of Goods Sold	(0.02)	(0.11)	-550%
Gross Margin	1.54	1.74	-13%
Gross Margin %	99%	94%	
Operating Expenses	(2.28)	(3.34)	-46%
Adjusted EBITDA*	(0.74)	(1.60)	116%
Adjusted EBITDA Margin %	-47%	-87%	

- The Company achieved an **EBITDA result of -47% for Q3**, 85% better than pcp. Seasonally the weakest quarter for the Company based on the advertising calendar.
- Revenue down **16% vs prior year**, largely driven by the decline in ad revenues.
- **Gross Margin reduced** based on a change of accounting policy with subscription cost of goods sold. Now Paid Subscription transaction fees are expensed in the month the revenue is accrued versus up front over 12 months.
- Operating Expenses were **46% down** on the prior year led by reduction in people expenses and supporting administrative costs.
- Costs continued to be reduced across the entire business - now at over **US\$4.4M annually in savings** across FY23.

* Adjusted EBITDA defined as reported EBITDA excluding share based payments expense & other non-operating income & expenses.

FINANCIAL RESULTS (in USD)

Cash Waterfall



Highlights:

- Operating cash flow was **\$0.2M, versus -\$1.04M in Q3-FY22**.
- **-\$157k was related to exchange rate losses.** This has no impact to operations as all funds being used for the business are in USD.
- Other Activity is R & D capitalization in the U.S.
- **Cash receipts for the quarter were \$2M.**

Other

Item 6.1 (in 4C below) pertain to salary and fee payments to the executive and non-executive directors of US\$80k.

This announcement is authorized by the TNY Board.

For More Information

E: investors@tinybeans.com I: www.tinybeans.com

Tinybeans Group Limited (ASX:TNY, OTCQB:TNYF) is a product-led company that is built by parents, for parents. We are parent obsessed. We start with serving new families and continue through all the stages of the parenting journey. Parents today are hyper focused on spending time with their kids, and Tinybeans is uniquely positioned to serve their needs by inspiring them to create meaningful memories and privately sharing them through our high-trust photo-sharing app. Spending time with their amazing kids is parents' top priority. Helping them make that happen is ours.

Tinybeans engages 28 million Millennial and Gen Z parents every month through the #1 most trusted private photo sharing app and the #1 local and national website dedicated to fun things to do with your kids. Tinybeans enjoys over 150,000 5-star reviews in the Apple App and Google Play stores and has been recognized by Apple for excellence for both content-top 3 most viewed and exclusive parenting partner for Apple Guides, and utility-twice being named U.S. app of the day.

For more information, visit Tinybeans.com, download the Tinybeans app from the Apple App Store and the Google Play store, or follow along with @tinybeanskids on social media.

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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")

31 March 2023

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (9 months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,021	7,377
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(15)	(451)
(c) advertising and marketing	(32)	(166)
(d) leased assets		
(e) staff costs	(1,562)	(5,567)
(f) administration and corporate costs	(219)	(2,562)
1.3 Dividends received (see note 3)		
1.4 Interest received	8	11
1.5 Interest and other costs of finance paid		(2)
1.6 Income taxes paid	(9)	(9)
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	192	(1,369)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		(16)
(d) investments		

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (9 months) \$US'000
	(e) intellectual property		
	(f) other non-current assets	(142)	(260)
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment	2	11
	(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	(140)	(265)

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		
3.6	Repayment of borrowings		(16)
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		(16)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,620	4,214
4.2	Net cash from / (used in) operating activities (item 1.9 above)	192	(1,370)

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (9 months) \$US'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(140)	(265)
4.4	Net cash from / (used in) financing activities (item 3.10 above)		(16)
4.5	Effect of movement in exchange rates on cash held	(160)	(51)
4.6	Cash and cash equivalents at end of period	2,512	2,512

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	2,512	2,620
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)	2,512	2,620

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	80
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)	192
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,512
8.3	Unused finance facilities available at quarter end (item 7.5)	
8.4	Total available funding (item 8.2 + item 8.3)	2,512
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<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:	
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:	

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:

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:April 24, 2023.....

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.