



ASX RELEASE

31 July 2023

Q4 FY23 Trading Update

Key Highlights:

- New CEO Zsofi Paterson appointed and started on 17 July 2023
- Launched Equity Raising for A\$2.5M on 27 June 2023 and successfully raised A\$3.3M with Equity Raising oversubscribed
- Launch of Tinybeans Free and Tinybeans + on 19 April 2023 increasing users of the App by 26k since launch
- Paid subscription revenue increased by 22% in Q4 FY23 on pcp after the launch of Tinybeans + and the new pricing implemented in May 2023
- Subscription renewal rate continues to be high at 89% for June 2023, almost 3 months after the recent price increase
- As advised in Q3 FY23, Q4 FY23 would be a negative operating cashflow quarter with lower advertising sales revenue and increased investment in product and technology
- Sales revenue down 35% in Q4 FY23 compared to pcp with economic headwinds in US continuing. A new experienced sales team and strategy was implemented in Q4 FY23 and will leverage the email database of over 2 million engaged users
- New Tinybeans Android App in final stages of testing and expected to launch in August 2023 increasing the potential Tinybeans customer pool substantially
- Pro forma cash of US\$3.91M¹ (approximately A\$5.90M²) at 28 July 2023

Tinybeans Group Limited (ASX: TNY) (OTCQB: TNYF) (“Tinybeans” or “the Company”), the product-led company that is built by parents, for parents, is pleased to provide a trading update on business activities and lodge its latest Appendix 4C³ cashflow report for the quarter ended 30 June 2023 (Q4 FY23).

Chantale Millard, Chair of Tinybeans, said:

“We are excited that Zsofi has started in her new role as CEO of Tinybeans and are pleased with the early positive signs from the implementation of the Tinybeans Free and Tinybeans +. With the Equity Raise completed, we are looking forward to working with Zsofi to move the business to the next phase of growth”.

CEO transition complete & successful completion of Equity Raising

Zsofi Paterson started as CEO of Tinybeans on the 17 July 2023, completing the CEO transition for the business. Zsofi will spend the first 90 days working closely with the Board and the TNY Executive team reviewing the current structure, strategy and opportunities for the business.

¹ Cash balance of US\$1.54M at 30 June 2023 plus US\$302k of June receivables received in early July 23 and net proceeds from the Equity Raising of approximately US\$2.07M

² Assumes AUD:USD foreign exchange conversion of 0.6630

³ Item 6.1 (in the Appendix 4C) pertain to salary and fee payments to the executive and non-executive directors of US\$93k.



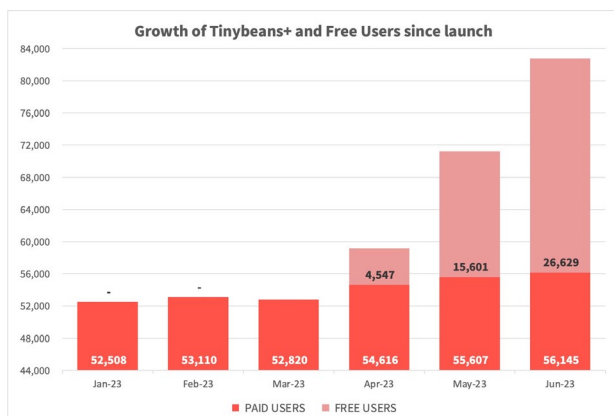
With the Equity Raising completed, the business has successfully raised A\$3.4m which will allow the business to move into its next phase of growth. The Company will continue to be disciplined in its cash flow management, whilst investing in the product, technology and marketing initiatives as outlined in the Equity Raising. TNY would like to thank all its current and new investors who participated in the Equity Raising and looks forward to sharing updates over the coming months.

Operations update

Tinybeans Free and Tinybeans + to drive subscriber growth

Launching Tinybeans Free and Tinybeans + in April 23 has provided a scalable platform for growth, to drive new downloads of the Tinybeans App and increase its marketable user base and conversion to paid subscribers. Since the launch in April 23, the user base has increased by 26k users and paid subscribers have increased by 6.3% in Q4 FY23 to 56,145, compared to 52,831 in Q3 FY23.

Post the app subscription price increase in April 23, a low churn rate has been experienced and the conversion rate from impression to download has also increased.



The Tinybeans' website audience increased 15.3% in Q4 FY23 to 6.0M, compared to 5.2M in Q3 FY23, and represents a year-on-year increase of 25.2% compared to Q4 FY22. A key part of the strategy review will include the potential monetisation of this currently largely un-monetised audience.

Tinybeans Android App to launch

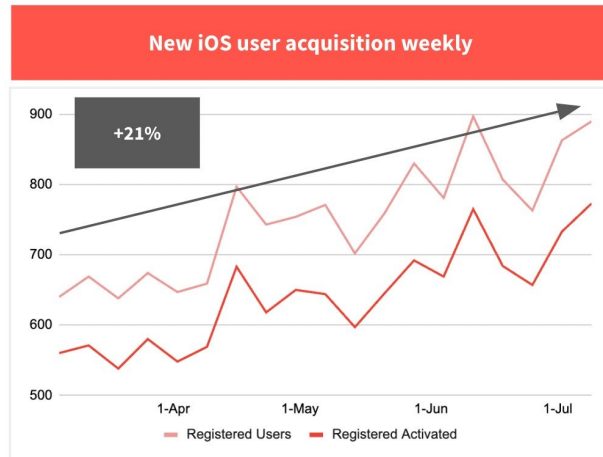
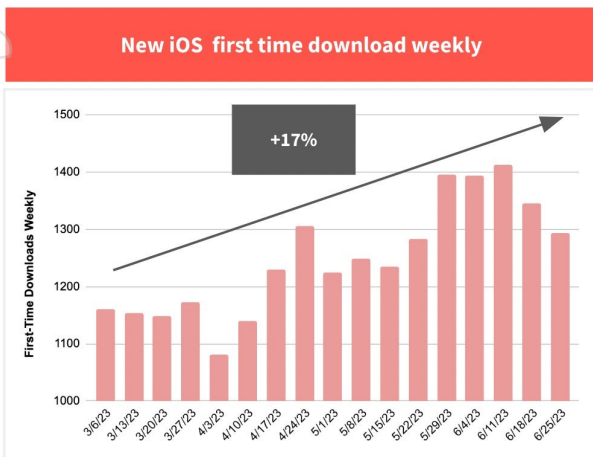
Over the past month, the business has been testing its long-awaited new Android App with a select group of Android users. The feedback has been very positive and Tinybeans Free and Tinybeans + is expected to launch to Android users mid-August 2023.

Due to historical and ongoing issues with the previous Tinybeans Android App, at present Android users represent only approx. 10% of the Tinybeans subscribers and with up to 50% of all smart phone users in the US being Android customers, this now represents a big opportunity to increase its subscription base.

For iOS users total first time downloads increased 5.6% in Q4 FY23 to 23,141, compared to 21,908 in Q3 FY23.



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Financial update

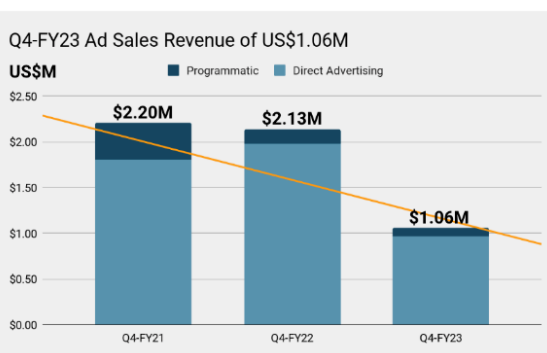
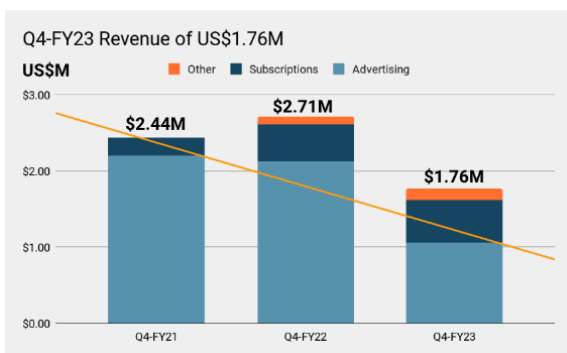
Revenue

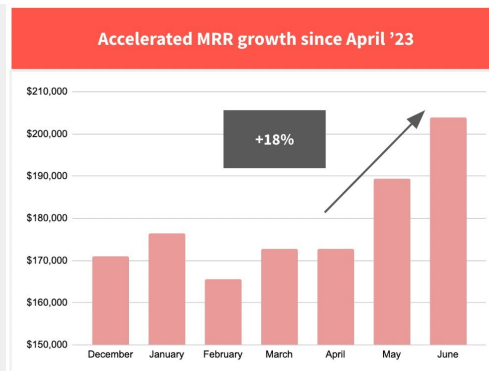
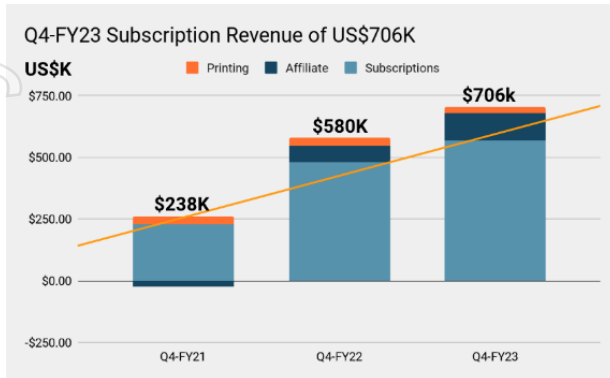
Q4 FY23 total revenue of US\$1.7M was down approximately 35% on pcp and was driven by advertising revenues decreasing by 50% compared to pcp, to US\$1.0M and was driven largely by economic headwinds in the US. A new sales team and sales strategy has been implemented into the business in Q4 FY23, which will leverage the 2.1m engaged users on its email database to increase sales. The emails currently have an open rate of between 25-40% across the relevant newsletters.

Paid subscription revenue increased 22% in Q4 FY23 to US\$0.71M from US\$0.54M in Q4 FY22 as a result of an increase in paid users since the launch of Tinybeans + and the new pricing implemented in May 2023. The new pricing for App subscriptions increased from US\$4.99 to US\$7.99 per month or US\$39.99 to US\$74.99 per annum, which has resulted in an increase of 18% in Monthly Recurring Revenue (MRR) from US\$172k at the end of Q3 FY23 to US\$203k by the end of Q4 FY23.

A large renewal event will occur in Q2 FY24 with approximately 50% of its annual subscribers rolling onto new increased pricing and with renewal rates at approximately 90% for the monthly subscribers, revenue will be boosted in Q2 FY24, noting that renewal rates for annual subscribers may not be as high as monthly subscribers but historically it has been strong.

Marketing of the Tinybeans App and Tinybeans website remained low in Q4 FY23, with the new CEO reviewing the marketing and brand strategy prior to upweighted investment. Targeted marketing will however increase after the launch of the Android App to grow its users with this customer base.





Cashflow

Tinybeans' available cash balance at 30 June 2023 was US\$1.54M. In early July 23, US\$302k of June 23 receivables were received which would've increased the cash balance to US\$1.842M. The operating cash balance on 24 July 2023 was US\$1.934M (excluding Equity Raise proceeds).

From the Equity Raising, the gross proceeds of the Placement and institutional component of the Entitlement Offer settled on Tuesday, 4 July 2023, raising approximately A\$2.5 million before transaction costs (equivalent to approximately US\$1.7 million²). The retail component of the Entitlement Offer is expected to settle on Monday, 31 July 2023, raising a further A\$0.9 million (equivalent to approximately US\$0.6 million²) before transaction costs.

Post the change of management and the successful completion of the Equity Raising, Tinybeans resumed investment in technology and new product development in Q4 FY23 to improve the performance and functionality of the Tinybeans App and Website to grow subscriptions, ensure renewals remain high, stabilise and grow advertising revenue. A disciplined approach to cashflow will continue whilst the business deploys resources in a strategic manner.

This release has been approved for release by the TNY Board
All the financial information in this release is unaudited

For more information, please contact:

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Chief Executive Officer
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About Tinybeans Group

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.

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 June 2023

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (.....months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,680	9,057
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(130)	(581)
(c) advertising and marketing	(42)	(208)
(d) leased assets		
(e) staff costs	(1,451)	(7,018)
(f) administration and corporate costs	(813)	(3,375)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	13
1.5 Interest and other costs of finance paid	(1)	(3)
1.6 Income taxes paid	(10)	(19)
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(765)	(2,134)
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		
(e) intellectual property		
(f) other non-current assets	(164)	(424)

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Consolidated statement of cash flows		Current quarter \$US'000	Year to date (.....months) \$US'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		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	(164)	(429)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	32	32
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	(62)	(62)
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	(30)	(46)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,512	4,214
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(765)	(2,134)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(164)	(429)

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (.....months) \$US'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(30)	(46)
4.5	Effect of movement in exchange rates on cash held	(9)	(61)
4.6	Cash and cash equivalents at end of period	1,544	1,544

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	1,544	2,512
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)	1,544	1,544

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	93
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. 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)	(765)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,544
8.3 Unused finance facilities available at quarter end (item 7.5)	
8.4 Total available funding (item 8.2 + item 8.3)	1,544
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	2
<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:	
<i>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.</i>	

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:31 July 2023.....

Authorised by:Chantale Millard, Non-Executive Chair.....
(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.