



## ASX RELEASE

29 April 2024

### Q3 FY24 Quarterly Activities Report

**Tinybeans Group Limited (ASX: TNY) (OTCQB: TNYF) ("Tinybeans" or "the Company")**, provides this update on its business activities alongside the Company's Appendix 4C cash flow report for the quarter ended 31 March 2024 (Q3 FY24).

#### Q3 FY24 Key Callouts:

- **Record quarterly subscription revenue** of US\$0.77m (Q3 FY23: US\$0.51m, +50% pcp)
- **High subscriber engagement rates** with 83% of Paid Subscribers active in the last 30 days, and 66% active within the last week
- **84% blended renewal rate** across monthly and annual Tinybeans+ subscribers resulting in a 2.6% decline of Paid Subscribers to 51.5k (Q3 FY23: 52.9k) until acquisition efforts commence
- **Restoring confidence to advertising sales** with 2 deals over US\$100,000 secured with leading global consumer toy and entertainment brands, and 5 client renewals
- **Successfully launched a fully underwritten A\$5.0m equity raising** by way of a pro-rata accelerated non-renounceable entitlement offer in April 2024
- **Strong balance sheet** with cash balance at the end of March of US\$1.61m<sup>1</sup> (A\$2.51m<sup>2</sup>), pro forma cash balance of approximately US\$4.52m (A\$7.05m<sup>3</sup>) based on a completion of the entitlement offer (net of costs).

Zsofi Paterson, CEO of Tinybeans, said:

*"Over Q3, we have strengthened the Tinybeans brand, launched a refreshed website, improved the core Tinybeans product experience and commenced strategic partnership discussions. With capital secured, I am delighted that we can turn our focus to growth. My team and I have a clear strategy, ambitious goals and have demonstrated our ability to execute to plan. The capital raised will enable us to add much needed capabilities to the team across Product, Data & Analytics and Marketing to build off good existing foundations, continue our transformation, and begin to execute a US and Australia focussed growth strategy over FY25 and beyond."*

<sup>1</sup> Cash balance does not include the at-call Loan Note of US\$1.307m/A\$2.0 million (Loan Note). The Loan Note is presently undrawn and as at the date of this Quarterly Activities Report, it is Tinybeans' present intention not to draw down on the Loan Note subject to successful completion of the Entitlement Offer, launched on 15 April 2024. The Loan Note is due to mature on 30 September 2024.

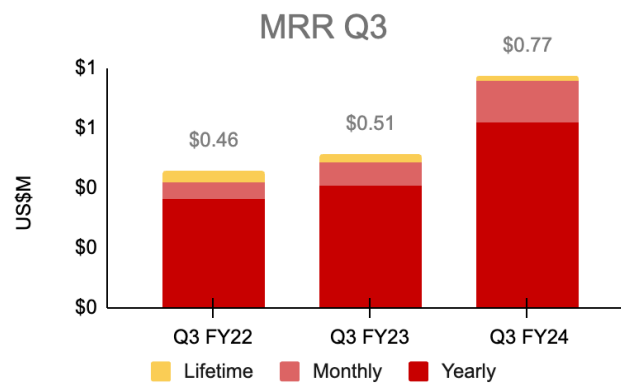
<sup>2</sup> AUD/USD of 0.6417

<sup>3</sup> AUD/USD of 0.6417

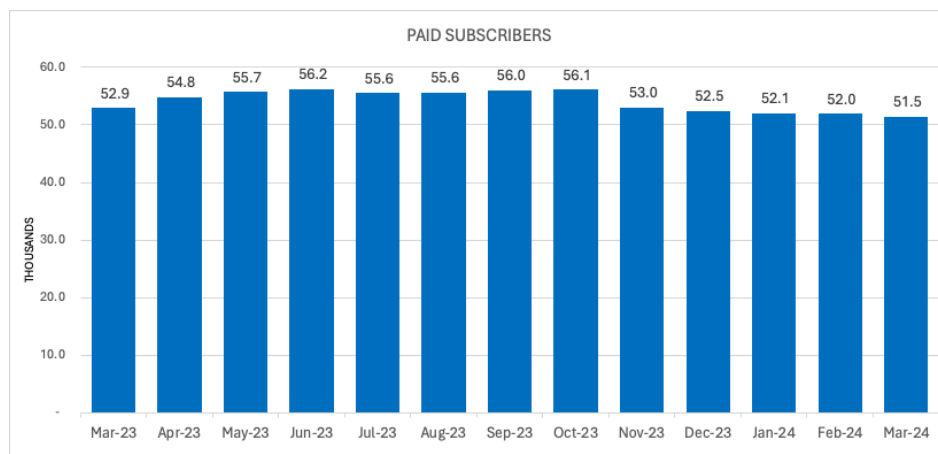


### Subscription recurring revenue increases by 50% on pcip

- Q3 FY24 paid subscription recurring revenue increased by 50% pcip to US\$0.77 million, up from US\$0.51 million. Increase in MRR is due to Tinybeans+ pricing changes and strong renewals, with underlying subscriber numbers broadly remaining flat (see below).
- Average Revenue Per User (subscription revenue only) increased from US\$5.30 per month/US\$63.60 per year in December 2023 to US\$6.15 per month/US\$73.80 per year at March 2024, due to subscribers renewing and being acquired at the increased Tinybeans subscription pricing.



- There was a slight decline in total Paid Subscribers from Q2 FY24, to 51.5k. Churn rates remain low, however there was limited investment in acquisition efforts to drive subscriber growth in the quarter whilst undertaking the capital raise. Following successful completion of capital raise, the Company will be in a position to increase investment and resources to drive subscriber growth in Q4 FY24 and H1 FY25.



- In Q3 FY24, 84% blended renewal rate across monthly and annual Tinybeans+ subscribers
- The new Tinybeans+ price was rolled out for the first time to existing android subscribers on 15 February 2024, so the Company anticipates a slightly higher churn of android subscribers in the short term. Android subscribers currently represent only 10% of Paid Subscribers, so any increased churn is unlikely to be material.
- In-app engagement remains strong for a consumer subscription business with 83% of Paid Subscribers active within the last 30 days, and 66% active within the last week



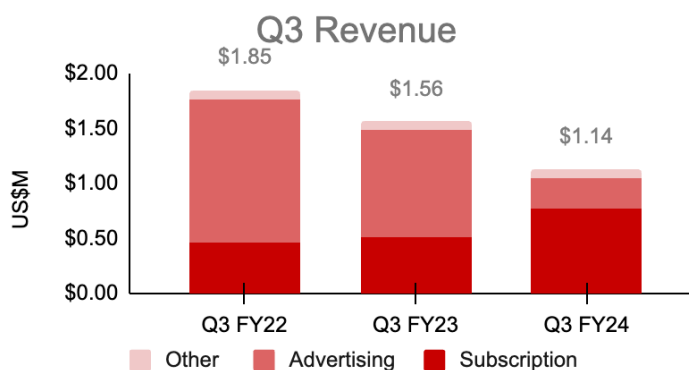
- The 'daily use' metric of Daily Active Users over Weekly Active Users (DAU/WAU) remains high for Paid Subscribers at 58%, indicating strength of Tinybeans as a daily use product
- App store ratings for iOS remained strong, sitting at 4.9 Stars in the US and 4.8 Stars in Australia, with continued improvement also across Android ratings - from 3.7 to 3.8 Stars in the US and 2.4 to 2.5 Stars in Australia. Pleasingly, the ratings provided in the month continue to improve as we address underlying legacy product and technology performance issues

#### Advertising sales revenue bottoms out, positive signs emerging

- The team secured 5 advertising sales renewals in Q3 FY24, along with 2 deals greater than US\$100,000 with leading global consumer brands in the entertainment and toy category (which will be recognised in Q4 FY24 and H1 FY25), demonstrating restored confidence in the Tinybeans platform and its ability to execute on advertising campaigns
- With changes made to the sales team leadership and team members early in January 2024, focus of the quarter was team building, establishing best practices, building the pipeline and reviewing ad-products
- Booked advertising sales revenue for Q4 FY24 is already higher than Q3 FY24 sales revenue, indicating a hopeful 'bottom-out' of sales revenue in Q3 FY24
- Ongoing work to strengthen advertising offer with upcoming ad-product improvements to improve CPMs, add more video inventory, and enable more direct sales
- As per Investor Presentation, a review of overall monetisation to maximise Average Revenue per User across the Tinybeans platform will be undertaken in FY25

#### Cost-base stabilises, ongoing focus on cost & cash management during transition

- Q3 FY24 had total revenue of US\$1.14 million decreasing by 27% compared to pcp, predominantly due to the ongoing decline in advertising sales revenue
- Subscription revenue materially outpaced advertising sales revenue, with US\$0.77m from paid subscription revenue versus US\$0.28m for advertising sales revenue



- Q3 FY24 advertising sales revenue was down 71% pcp, from US\$0.97 million Q3 FY23 to US\$0.28 million Q3 FY24
- This was not unexpected as the Company felt the full effects of the traditionally seasonally low Q3 advertising sales revenue quarter, compounded by the time required to rebuild the sales

pipeline. Initiatives underway to address and improve advertising sales revenue for future quarters, which are showing positive signs, as detailed previously and above.

- Continued focus on cost and cash management, with operating expenses now running at around a business-as-usual run-rate until investment in growth begins
- Cash balance at the end of Q3 FY24 was US\$1.61 million, decreasing from US\$2.34m at 31 December 2024
- Higher operational cash burn for Q3 FY24 of US\$763k due to reduced advertising sales revenue and delayed execution of the growth strategy due to diligent cash management pending capital raise

### **Strong execution to plan, building momentum**

- The Company rolled out a brand and website refresh late January 2024, with a clear and compelling vision, articulation of value proposition and stronger focus on the Tinybeans subscription app
- App installs from refreshed Tinybeans website have grown 35% per month since the late January roll-out; and overall brand refresh attributed for renewed interest from select advertising partners
- A stronger brand platform, along with funds from the capital raise, will enable the Company to begin to dedicate resources to drive brand awareness and subscriber acquisition with a 'test and learn approach' in Q4 FY24 and into H1 FY25 as detailed in Investor Presentation dated 15 April 2024. Multiple partnerships and initiatives are being progressed accordingly.
- Commenced this quarter with small sponsorship of popular podcast "Australian Birth Stories", which reaches thousands of women during pregnancy. Designed to aid brand awareness, the Company also saw strong conversion of subscription leads through the funnel.
- The Company undertook a company-wide engagement survey in March 2024. The results indicated strong improvement across all areas since the last engagement survey in April 2023, with strongest areas of improvement being Leadership, Action and Company Confidence
- The Company has commenced hiring key roles across Data & Analytics, Engineering and Marketing, with a number of promising candidates in the recruitment process in US and Australia

### **Launched Entitlement Offer on 15 April 2024 to enable transformation and drive growth**

- On 15 April 2024, the Company launched a fully underwritten pro rata accelerated non-renounceable entitlement offer to eligible existing shareholders to raise approximately A\$5.0 million to fund the go-forward subscription-led strategy and enable transformation and drive growth
- On 17 April 2024, the Company announced the successful completion of the institutional component, with approx. A\$2.32m raised from new and existing institutional and high net worth shareholders
- The Retail Entitlement Offer opened on 22 April to raise an additional approx. A\$2.7m, all of which is fully underwritten
- Proceeds of the raise will be used for new key hires across Product, Data & Analytics and Marketing, as well as working capital to fund the Company's growth plan, which is detailed in the Investor Presentation dated 15 April 2024



As detailed in item 6 of the Appendix 4C at Attachment 1 of this announcement, the Company made payments totalling US\$35,000 to related parties during the quarter for Directors' remuneration.

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**This ASX announcement has been approved for release by the TNY Board.**

**All the financial information in this release is unaudited and all numbers are in US\$ unless otherwise stated**

**For more information, please contact:**

Zsofi Paterson

Chief Executive Officer

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#### **About Tinybeans Group**

**Tinybeans Group Limited (ASX:TNY, OTCQB:TNYF)** 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.

## 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 2024

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$USD'000</b>	<b>Year to date (9 months) \$USD'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,345	5,036
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(137)	(404)
(c) advertising and marketing	(90)	(290)
(d) leased assets		
(e) staff costs	(1,391)	(4,373)
(f) administration and corporate costs	(490)	(1,837)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	12
1.5 Interest and other costs of finance paid	(1)	(2)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(763)</b>	<b>(1,858)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(0)	(73)
(d) investments		
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$USD'000	Year to date (9 months) \$USD'000
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)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(0)</b>	<b>(73)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	(0)	2,243
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	(5)	(247)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,997</b>	<b>2,001</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,340	1,547
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(763)	(1,858)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(0)	(73)

Consolidated statement of cash flows		Current quarter \$USD'000	Year to date (9 months) \$USD'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(5)	1,997
4.5	Effect of movement in exchange rates on cash held	37	(4)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>1,608</b>	<b>1,608</b>

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 \$USD'000	Previous quarter \$USD'000
5.1	Bank balances	1,608	2,340
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,608</b>	<b>2,340</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$USD'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	35
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>		



<b>7.</b>	<b>Financing facilities</b> <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>	<b>Total facility amount at quarter end</b> <b>\$USD'000</b>	<b>Amount drawn at quarter end</b> <b>\$USD'000</b>
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)	1,307	
7.4	<b>Total financing facilities</b>	1,307	
7.5	<b>Unused financing facilities available at quarter end</b>		1,307
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.		
	<p>"Other" Financing Facilities refers to the at call loan note (<b>Loan Note</b>) made available by Tinybean's major shareholder Thorney Group under the Loan Note Subscription Deed (Note Deed) between Thorney Group and Tinybeans executed on 29 February 2024 for the subscription value of \$A2.0 million.</p> <p>Please refer to the market announcement on the 29 February 2024 for further details on this Note Deed. The Loan Note is presently undrawn and as at the date of this Quarterly Activities Report, it is Tinybeans' present intention not to draw down on the Loan Note subject to successful completion of the Entitlement Offer, launched on the 15 April 2024.</p> <p>The cash position above, excludes proceeds from Entitlement Offer launched on 15 April 24 with expected proceeds of approximately US\$2.91 million (net of costs) to be received by the Company.</p> <p>The Loan Note is due to mature on 30 September 2024.</p>		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$USD'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(763)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,608
8.3	Unused finance facilities available at quarter end (item 7.5)	1,307
8.4	Total available funding (item 8.2 + item 8.3)	2,915
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	3.82
	<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: 29 April 2024

Authorised by: Zsofi Paterson  
(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.