

ASX RELEASE

21 January 2019

Record Revenue Growth of \$1M+ Quarter with December Quarterly Report and 4C

Tinybeans Group Limited (ASX: TNY) ("Tinybeans" or "the Company"), the mobile and web platform through which millions of families effortlessly capture and share their kids' stories privately, is pleased to report the achievement of the following **significant milestones** for the December quarter FY2019.

- **First \$1M+ revenue quarter, growth of 135% on Q2-FY18;**
- **Launched an upgraded premium subscription offering, delivering recurring revenue growth of 37% on Q2-FY18;**
- **Acceleration in Advertising revenue, for both brand partnerships and programmatic reaching \$736k, an increase of over 200% on Q2-FY18;**
- **Registered users hits 3 Million and Monthly Active Users (MAU) grew to 1.1 Million, up by 34% on Q2-FY18;**
- **Cash receipts of \$889k – highest on record. Expectation of turning operating cash flow positive during calendar 2019 affirmed;**
- **TNY is making strong progress in building scale to drive profitable growth and positive cash flow.**

	Q2FY18	Q2FY19	% Growth
Advertising Revenue	\$ 244,696	\$ 736,051	201%
Subscription Revenue	\$ 130,417	\$ 179,117	37%
Printing Revenue	\$ 88,472	\$ 172,754	95%
Total Revenue	\$ 463,586	\$ 1,087,922	135%

Tinybeans Chief Executive Officer, Eddie Geller, said:

*"Since the start of 2018, we set a team goal of delivering a **\$1m revenue quarter**. We saw this as an important proof point, validating both our offering to subscribers and advertisers as well as the scalability of our platform. It is exciting to achieve this goal in Q2-FY19 and have such strong positive momentum for ongoing growth. With the growing number of families on our trusted platform and brand partners who recognise our unique offering, we are well placed to deliver on the next milestones, which includes turning operating cash flow positive during calendar 2019. I'd like to thank the whole TNY team for their outstanding contribution to this performance."*

Key Operating Metrics

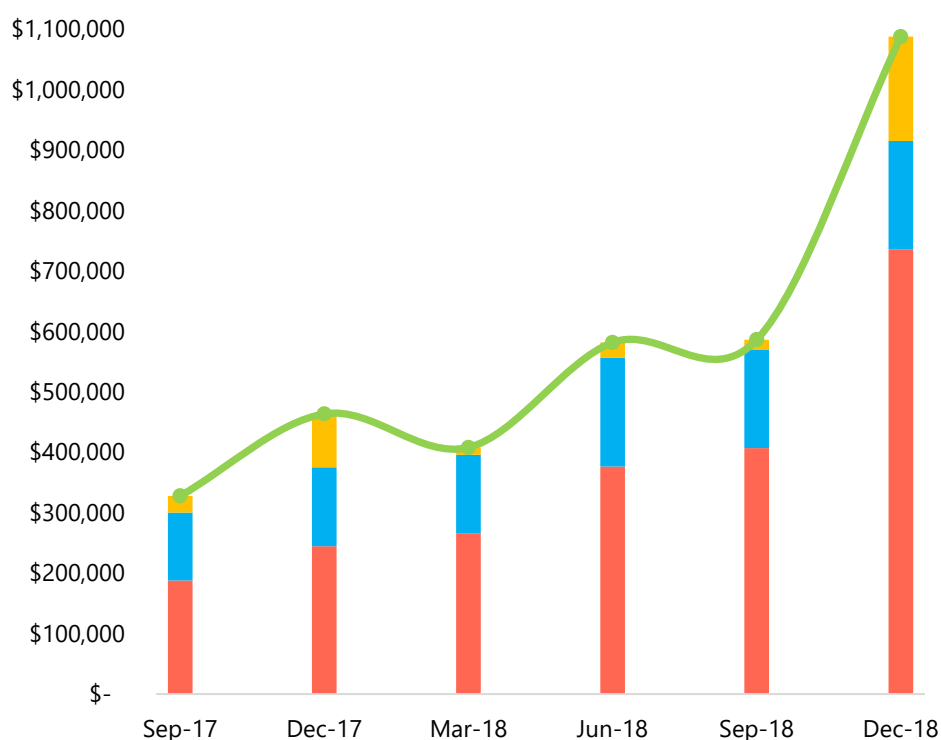
	Dec 2017	Dec 2018	Dec 2019
Registered Members	1.45M	2.1M	3M
Monthly Active	542K	798K	1.1M
Premium TCV	\$591k	\$990k	\$1.38M
Quarterly Revenues	\$415k	\$463k	\$1.09M
Advertising	\$188k	\$245k	\$736k

Revenue Growth

The second quarter of FY19 delivered an overall revenue result of **\$1,087,922**. The record results were made up from significant growth from each of the three revenue lines. Advertising revenues increased to **\$736k**, driven by seasonal holiday campaigns. Seeing growth across both direct **brand partnerships** of **357%** on the same period last year to **\$349k**, whilst growing programmatic advertising **\$386k**, which is **130%** on the same period last year. More brands are signing up for direct advertising deals plus more advertisers are increasing their investments across the programmatic platform. These results demonstrate the value to advertisers in the TNY audience and targeting capabilities based on the unique data set to get to the right people with the right message.

Premium subscription revenue rose **37%** on the same period 12 months ago to **\$179k** for the quarter with total contract value for premium subscriptions rising from **\$861k** to **\$998k** in the last 3 months.

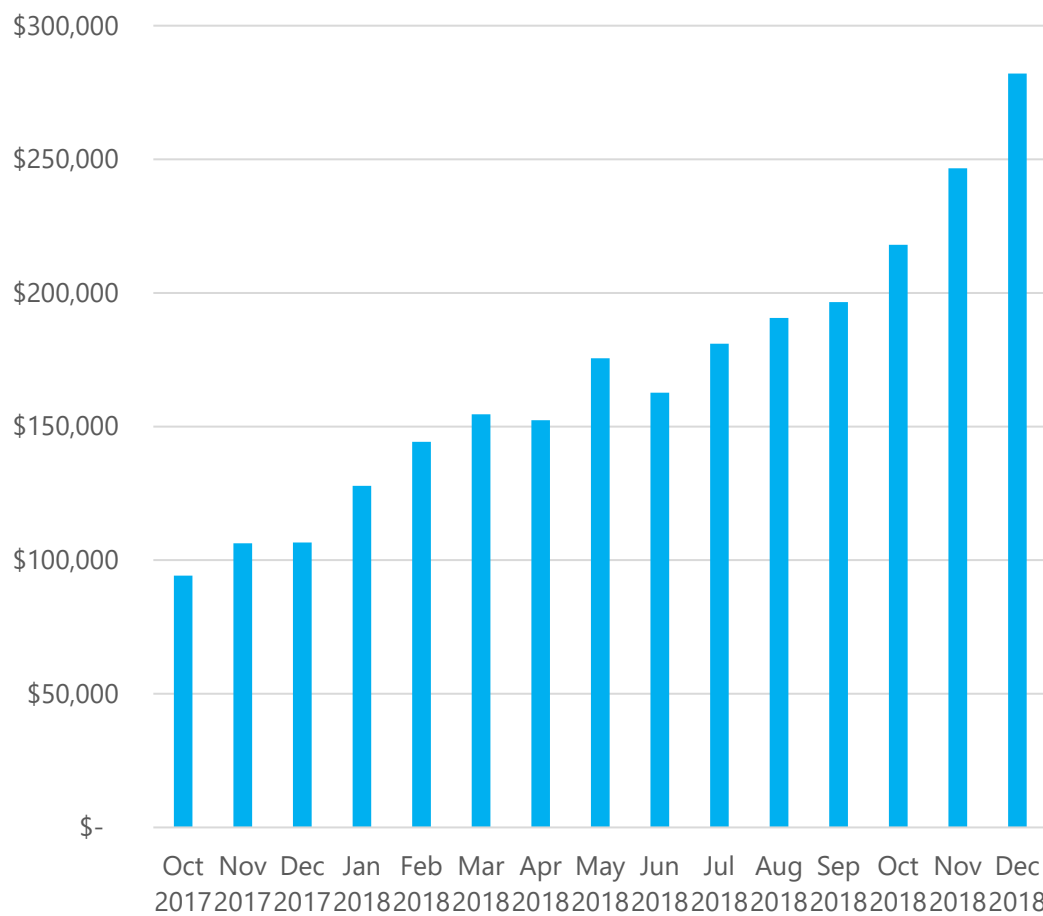
Printing revenues grew strongly to **\$172k** up over **95%** on the same period 12 months ago. This is an encouraging start since TNY recently made upgrades to the printing features of the platform.



	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18
Printing	\$27,771	\$88,472	\$12,286	\$25,162	\$17,055	\$172,754
Subscription Revenue	\$112,159	\$130,417	\$130,234	\$180,028	\$162,302	\$179,117
Advertising Revenue	\$188,006	\$244,696	\$265,544	\$376,596	\$407,019	\$736,051
Total Revenue	\$327,935	\$463,586	\$408,063	\$581,787	\$586,377	\$1,087,922

Monthly Recurring Revenues

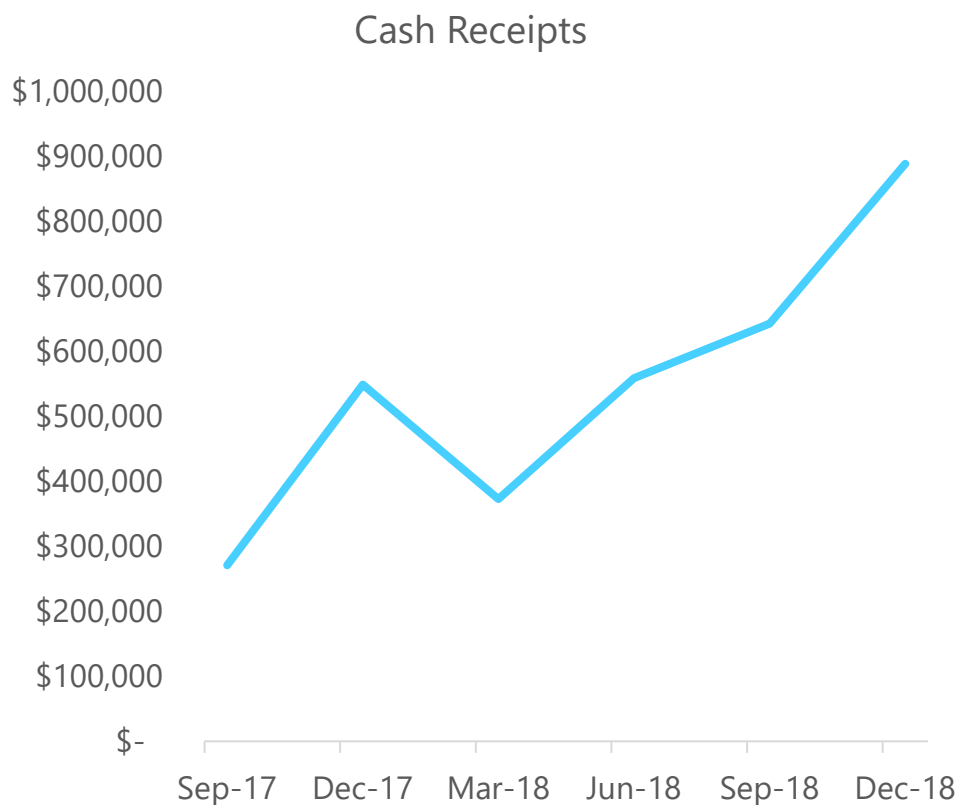
In this quarter, monthly recurring revenues accelerated to **\$282k per month**, representing a **43%** increase on the previous quarter. The investments in programmatic advertising and premium are making the largest impact to the recurring results.



Note: MRR includes subscription, programmatic and a 6 month trailing average of brand partnerships revenues

Cash Receipts

Tinybeans is pleased to report a positive cash flow trajectory. With continued record revenue growth, Tinybeans has had accelerated growth in cash receipts, with Q2 receipts hitting a record **\$889k** for the period. Tinybeans remains committed to turning operating cash flow positive on a run rate basis in calendar 2019.

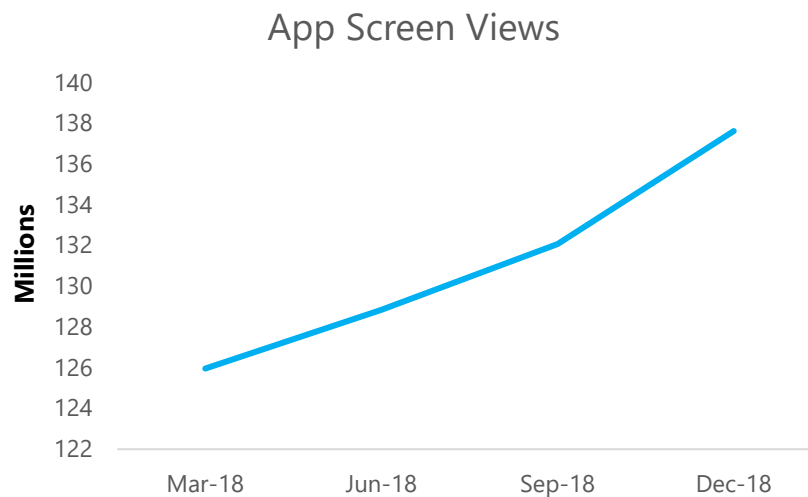


Audience Engagement

Excitingly, registered users hit **3 Million** and monthly active users hit **1.1 Million**.

In the past quarter, the new home screen for the iOS app was launched, i.e. the upgraded feed. A significant amount of work went into the back end infrastructure and front end experience to design a feed that will allow for many more enhancements to the experience. The aim is to have the feed be the central container for engagement and drive a significant increase in time spent in app. By spending more time in app, the user would in turn consume more content and advertising, thus driving revenues.

App Screen Views is a key metric that is the end result of prompting and offering more content into the feed. More screen views means more consumption of content and advertising.



FY19 Strategic & Operational Priorities

TNY continues to be committed to executing on the following priorities to drive shareholder value:

1. Continue to accelerate growth in complementary advertising and data revenue streams by:
 - a. Launched an updated iOS app with new home screen which operates as a in-app feed. This opens the doors to many other opportunities by inserting more content and messaging to engage the user for longer and monetize the app further;
 - b. Drive incremental revenue from existing programs. The 2nd annual Tinybeans holiday gift guide resulted in revenues of over \$100k across 10 various brands; and

- c. Enhancements to the Android version of the app have continued with the next major project having the feed built out so that more content and in turn advertising be consumed;
- 2. Increase premium subscription revenues:
 - a. Launched new features including high resolution photo storage and updated the messaging and app integration to further drive the conversions; and
 - b. Launched printed related benefits in Q2, resulting in record sales for premium in Oct and Nov;
- 3. Operational Management by:
 - a. Continuing to grow the revenues quarter on quarter accounting for seasonal cyclicity of advertising budgets. Q3 is typically a softer quarter than Q2;
 - b. Reviewed the cost base entirely and took steps to reduce spend in an effort to optimize various areas of the business to ensure the returns are as expected;
 - c. At the date of this announcement, both Eddie Geller and Stephen O'Young have agreed, effective January 1 2019, to take a percentage of their salaries in shares, the details are:
 - i. CEO/Director, Eddie Geller has agreed to receive shares in lieu of \$50k USD of his salary. The remaining \$210k USD of Eddie's salary will continue to be paid in cash; and
 - ii. CTO/Director, Stephen O'Young has agreed to receive shares in lieu of \$60k AUD of his salary. The remaining \$160k AUD of Stephen's salary will continue to be paid in cash;
 - d. All securities proposed to be issued to Directors, including those detailed in paragraph c above, will be subject to shareholder approval. This will form part of the notice of AGM later in 2019 that all shareholders will receive; and
 - e. TNY has moved its Share Registry from Link to Automic, effective January 21 2019. The move brings TNY's Legal, Secretarial and Registry services under one company while reducing operating costs;
 - f. Cash burn will reduce through each quarter driving towards cashflow positive through calendar 2019.

TNY expects to release 1HFY19 results the week commencing February 25 2019, if not sooner.

We look forward to updating the market as we progress.

Registry Move

TNY advises that as of 21 January 2019 it has changed its provider for shareholder registry services from Link Market Services Limited to Automic Pty Ltd ("Automic").

Our new share registry contact details will be as follows:

Automic
Level 5
126 Phillip Street
Sydney NSW 2000

P: 1300 288 664 (within Australia)
P: +61 (2) 9698 5414 (outside Australia)
E: hello@automic.com.au
W: www.automic.com.au

All security holder correspondence to:

GPO Box 5193, Sydney NSW 2001

Shareholders can easily and efficiently manage their holdings via Automic's secure and highly accessible online Investor portal. The Investor portal provides among other things an online interface to update and manage shareholder details, view balances and transaction history.

Shareholder registration online

Shareholders that are not already a user of Automic's Investor portal may visit <https://investor.automic.com.au> and signup to register their details using the two simple steps provided in the setup process.

Should shareholders have any queries in relations to their holding with Tinybeans Group Limited, please contact Automic at hello@automic.com.au or on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia).



For more information, please contact:

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mbrown@pegasusadvisory.com.au

Tinybeans Group Limited (ASX: TNY) is a mobile and web-based technology platform that provides parents with one safe space to capture and share their children's life stories with family. Tinybeans offers an experience without the distractions or privacy concerns that arise on other platforms when sharing a child's memories. Tinybeans generates revenue from advertising from brands, premium subscriptions and printed products.

Founded in Sydney, Australia in 2012, Tinybeans serves a deeply engaged user base of 3 Million members and over 1 Million monthly active in over 200 countries/territories and keeps over 180 million precious memories safe.

Every day millions of people including celebrities, politicians and high-profile families rely on Tinybeans as their primary platform for capturing, storing and sharing their children's life stories.

www.tinybeans.com

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

TINYBEANS GROUP LIMITED

ABN

46 168 481 614

Quarter ended ("current quarter")

31 December 2018

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	889	1,532
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(23)	(174)
	(c) advertising and marketing	(130)	(262)
	(d) leased assets	-	-
	(e) staff costs	(1,213)	(2,386)
	(f) administration and corporate costs	(490)	(901)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	7	16
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	(3)	(4)
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(963)	(2,179)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(1)	(1)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	2	2
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) 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	1	1
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	144
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(5)	(5)
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)	-	-
3.10	Net cash from / (used in) financing activities	(5)	139

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	2,979	4,052
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(963)	(2,179)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	1	1
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(5)	139
4.5	Effect of movement in exchange rates on cash held	-	(1)
4.6	Cash and cash equivalents at end of quarter	2,012	2,012

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 \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,012	2,979
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)	2,012	2,979

6. Payments to directors of the entity and their associates
**Current quarter
\$A'000**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

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Item 6.1 pertain to payments for the executive directors' salaries. No payment was made to the non-executive directors during the quarter.

7. Payments to related entities of the entity and their associates
**Current quarter
\$A'000**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

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N/A

8. Financing facilities available

Add notes as necessary for an understanding of the position

**Total facility
amount at quarter
end
\$A'000**
**Amount drawn at
quarter end
\$A'000**

- 8.1 Loan facilities
- 8.2 Credit standby arrangements
- 8.3 Other (please specify)

-

-

-

-

-

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- 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

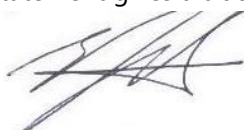
N/A

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Research and development	-
9.2	Product manufacturing and operating costs	21
9.3	Advertising and marketing	140
9.4	Leased assets	-
9.5	Staff costs	997
9.6	Administration and corporate costs	384
9.7	Other	-
9.8	Total estimated cash outflows	1,542

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	-	-
10.2	Place of incorporation or registration	-	-
10.3	Consideration for acquisition or disposal	-	-
10.4	Total net assets	-	-
10.5	Nature of business	-	-

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.



Sign here:
Director

Date: January 21 2019

Print name: **Eddie Geller**

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
- 2 If this quarterly 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 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.