

## ASX RELEASE

28 April 2021

# Third Fiscal Quarter 2021 and 4C Cashflow Report

**Tinybeans Group Limited (ASX: TNY)** (“Tinybeans” or “the Company”), the technology platform that connects parents with the most trusted digital tools and resources on the planet to help every family thrive, provides the following business update and 4C Cash Report for the third quarter of fiscal year 2021.

Unless otherwise noted, all amounts are in AUD.

### Q3-FY21 Financial Highlights

- Operational Revenues in Q3 increased 58% to \$2.0M compared to the prior corresponding period (“pcp”).
- EBITDA for Q3 improved 59% to (\$612)K, compared to the pcp. Excluding growth investments, Tinybeans delivered another positive operating EBITDA profit of \$293k.
- Subscription revenue increased 6% to \$284k compared to the pcp.
- E-Commerce revenue increased 45% to \$83k compared to Q2 FY21.
- Cash receipts at March 31, 2021 were \$1.95M. The Company’s \$1.1M cash burn during Q3-FY21 comprised:
  - \$905k – Product investments
  - \$224k – Core product enhancements/maintenance
  - \$23k – One off costs

### Q3-FY21 Operational Highlights

- Monthly Active Users increased 21% to 4.2M compared to the pcp.
- Advertising wins from both new and existing partners, including Kraft Heinz, Target, V-Tech, Google, Dorel Juvenile & Amazon.

### Outlook

- Forward contracted revenues reached \$3.2M, supporting a record revenue forecast in Q4-FY21.

**Tinybeans Chief Executive Officer Eddie Geller, said:**

*"I'm pleased to report we delivered a robust set of results in Q3, and we made meaningful progress on our strategy to build a scalable subscription platform capable of generating substantial recurring revenues for years to come.*

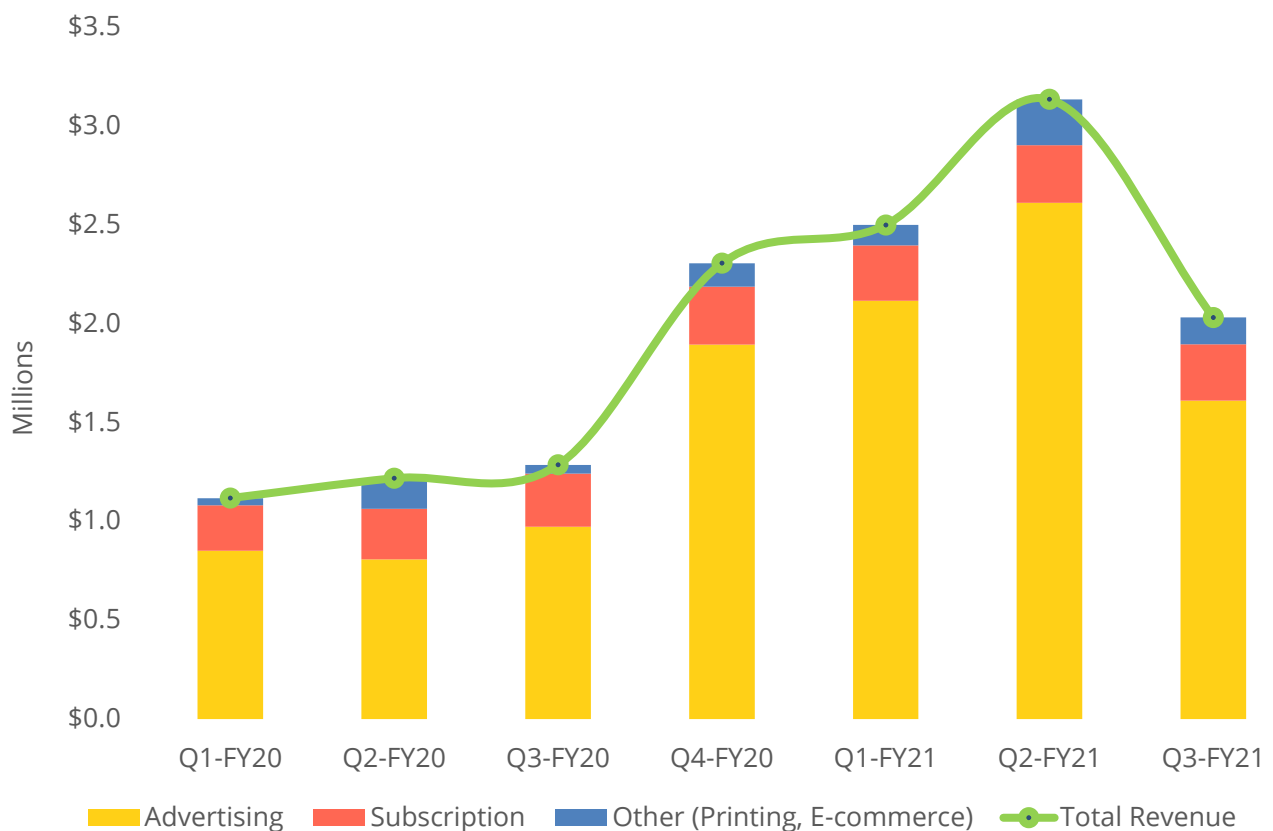
*On a product level, we continued to invest across the platform to drive growth in our subscription base and recurring revenues. We launched Beanstalk, a paid content experience that offers parents a newsletter with support, ideas and advice across four different content categories. In addition, we have introduced an invite-only, video-driven parenting community experience in the app, allowing users to directly connect with fellow parents to swap tips and recommendations. These launches, as well as our recent entrance into the pet parenting market, illustrate the exciting progress we are making with our product innovation pipeline.*

*We also continued our advertising momentum throughout the quarter. As vaccination programs rolled out, we also saw a strong increase in brands requesting campaign proposals through 2021. In Q3 alone, we submitted 29 proposals each worth over USD \$100k in revenue, which is double what was requested last quarter. This activity demonstrates the positive impact we are having on our brands, as well as the increase in activity across our growing partner network.*

*Looking ahead to Q4, we are forecasting record revenue performance, supported by over \$3.2M in forward contract revenue. Across our organization, we will continue working to execute on our growth strategy and create additional value for our customers and shareholders alike."*

## Revenue

Revenues for Q3 increased 58% (+90% in USD) to \$2.0M compared to the year-ago quarter. As previously communicated, Q3 advertising performance typically reflects seasonal softness due to large brands having calendar year budgets and needing their first quarter to reset them and determine the strategy for the ensuing period. This increase was driven by the return of local advertisers to the Tinybeans platform as the vaccine-induced economic recovery began. Note that Q3-FY20 did not include Red Tricycle revenues and reflects an advertising mix of smaller campaigns and brands compared to Q3-FY21.



	Q3-FY19	Q3-FY20	Q3-FY21	% Growth
<i>Advertising Revenue</i>	\$ 762,511	\$ 972,592	\$ 1,611,236	66%
<i>Subscription Revenue</i>	\$ 186,941	\$ 268,326	\$ 283,677	6%
<i>Other (Printing &amp; E-com)</i>	\$ 42,630	\$ 44,524	\$ 135,873	205%
<b>Total Revenue</b>	<b>\$ 992,082</b>	<b>\$ 1,285,441</b>	<b>\$ 2,030,786</b>	<b>58%</b>

The Company expects that all revenue lines (printing excluded) will grow through Q4 in line with seasonal adjustments, including contributions from additional product releases across subscriptions.

## Forward Contracted Revenues

As of March 31, through the remainder of calendar 2021, Tinybeans has \$3.2M in forward contracted revenues.

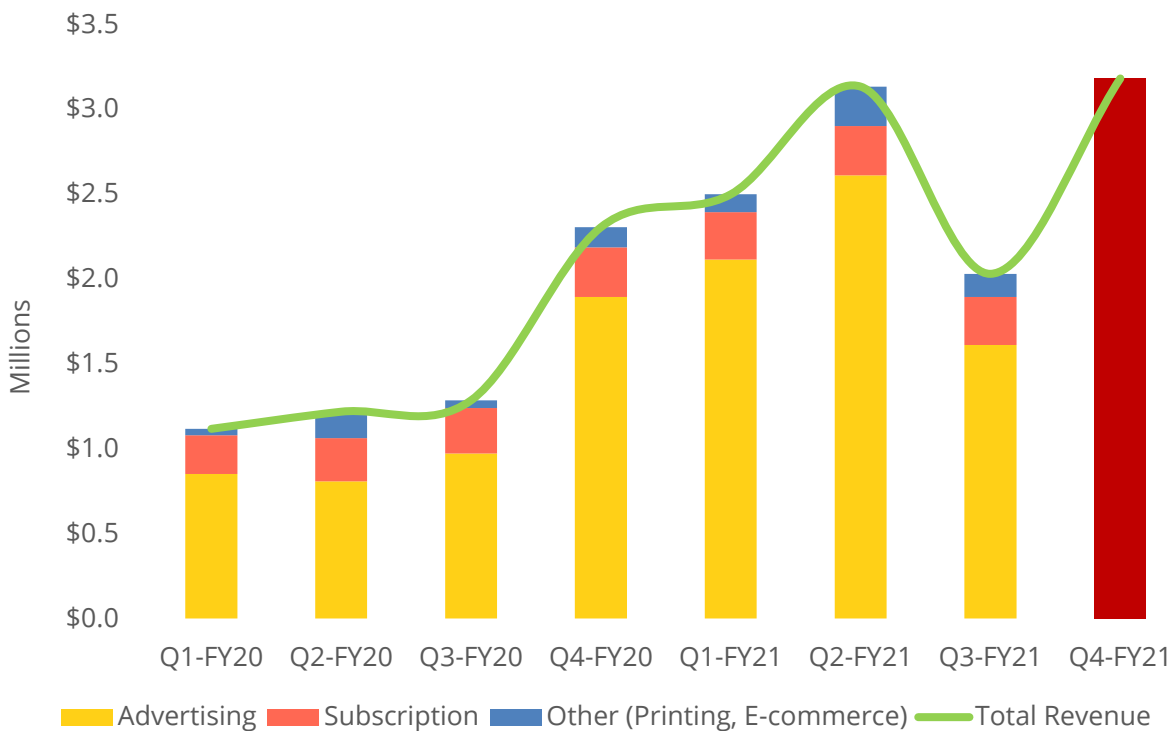
This \$3.2M in forward contracts includes, \$2.6M in signed Direct Advertising and over \$630K in Premium Subscriptions (without assumed auto-renewals).


These contracted advertising revenues are related to signed contracts with Hills Science, Kraft-Heinz and many other brands that have committed to the platform for calendar 2021.

Revenue will be recognised from these contracts monthly from April and onwards. Note that although these contracts are signed, clients can postpone their engagements, or even cancel completely in certain cases for advertising.

With the Tinybeans brand advertising value proposition and an integrated sales team, the Company's pipeline of brand partner opportunities has continued to develop strongly. The qualified pipeline (opportunities greater than a 50% probability of becoming a contracted campaign) for the next 60 days is over \$4M.

Adding the Programmatic advertising and e-commerce revenues based on seasonal and growth expectations, the upcoming Q4 period is expected to be a record quarter.



 Q4-FY21 Forecast Revenue based on commentary above

## Cash flows

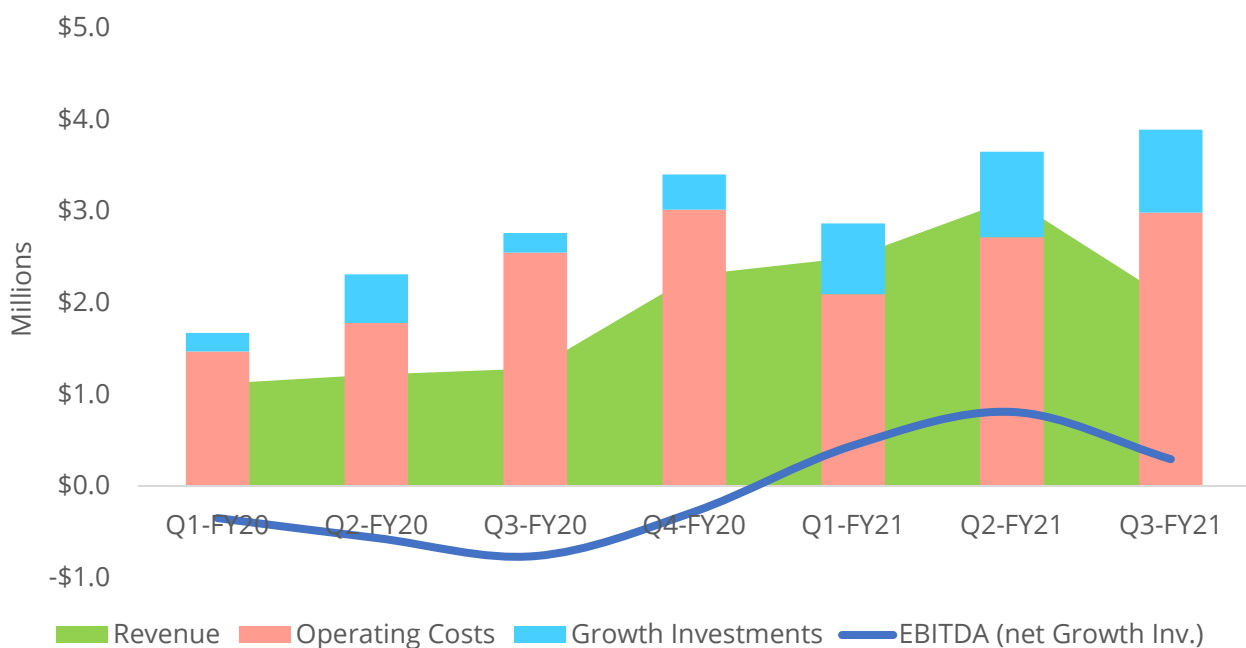
Cash burn for Q3-FY21 was \$1.1M, with cash balance at the end of the quarter being \$3.3M.

The operating cash burn of \$1.1M was elevated as a result of revenue offsets from seasonal advertising weakness. In Q3, team costs remained largely unchanged from Q2. We expect these costs to rise in Q4 as we ramp our investments across the brand, consumer revenues and marketing.

## Positive Operating EBITDA

Tinybeans reported EBITDA (excluding discretionary growth investments) of \$293k for Q3-FY21. Consistent with its strategic objectives, the Company reinvested in growth initiatives to take advantage of the large and timely addressable market opportunities.

The board believes that continuing to innovate and improve the Company's product offering is essential to the future of the business; however, it is important to note that without this investment, the Company would be cash-flow positive.



	Q1-FY20	Q2-FY20	Q3-FY20	Q4-FY20	Q1-FY21	Q2-FY21	Q3-FY21
Revenue	\$ 1,117,375	\$ 1,218,479	\$ 1,285,441	\$ 2,305,235	\$ 2,499,207	\$ 3,133,835	\$ 2,030,786
Operating Costs	\$ 1,468,232	\$ 1,779,227	\$ 2,551,440	\$ 3,019,364	\$ 2,094,559	\$ 2,719,655	\$ 2,986,797
Growth Investments	\$ 202,798	\$ 533,861	\$ 210,777	\$ 385,142	\$ 774,384	\$ 933,064	\$ 904,662
EBITDA (net Growth Inv.)	\$ (350,858)	\$ (568,330)	\$ (765,767)	\$ (281,752)	\$ 442,558	\$ 808,855	\$ 292,802

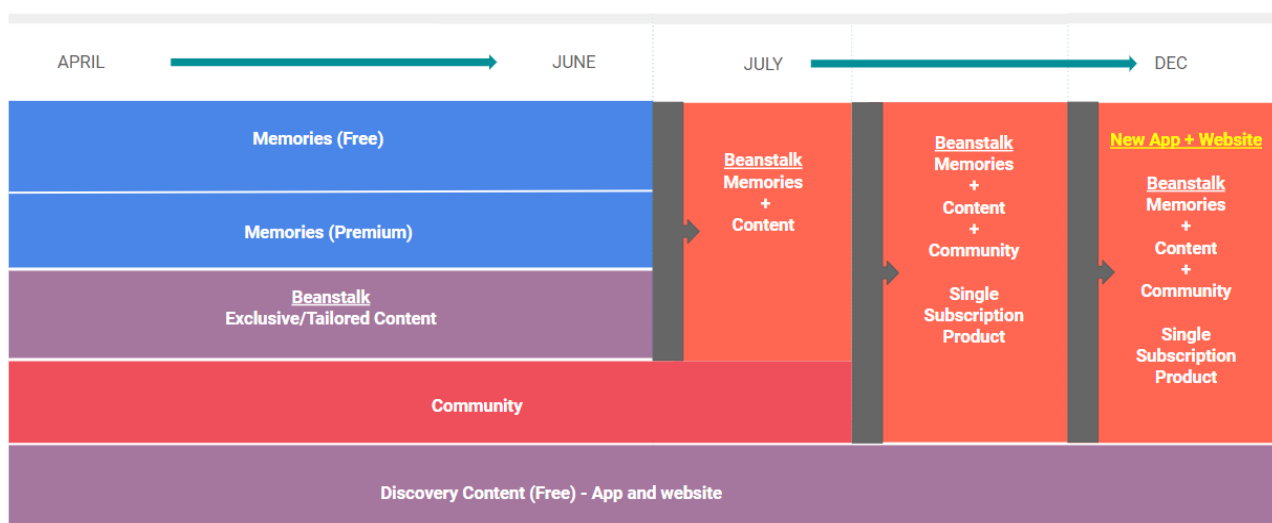
Growth investment areas during Q3-FY21 included:

- **Community** – Launched a video-first community experience enabling parents to post and engage with one another across various topics. This feature is currently invite-only and in a BETA environment to evaluate engagement and iterate on the experience. Further rollouts with new features are planned for Q4 and beyond.
- **Paid Content** – Launched the first version of Tinybeans’ paid content experience, “Beanstalk,” which can be found [here](#). The introduction was initially targeted towards parents with children aged 2-3, with further rollouts across other ages planned in Q4. Part of the product launch includes 30-day free trials, which help drive paid subscriptions.
- **Ad Sales** – Implemented an upgraded Salesforce platform to unify the entire sales team and processes. Also, integrated all campaign data across several internal systems to provide a single view of campaigns, metrics and budget management.
- **Tech Scalability** – Made further investments in performance, scale and experiences to ensure that video uploading is seamless, in anticipation of scaling user growth in future quarters.

## Future Subscription Revenues

The Company continues to execute on its consumer subscription strategy, with ongoing work on foundational elements across subscriptions, payments and many other aspects to fold in a variety of recurring revenue-generating services.

The illustration below highlights the roadmap through calendar year 2021 as a single subscription product to be delivered to parents that incorporates Memories, Content, and Community.



## FY21 Key Execution Priorities

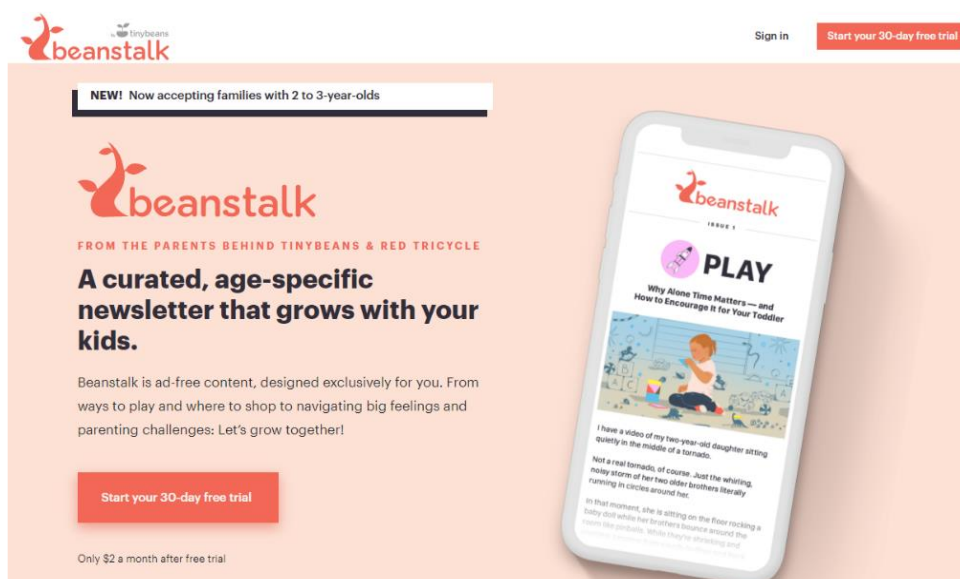
Tinybeans continues to invest across all aspects of the business, as noted in the execution priorities the Company highlighted in its August [investor presentation](#). These priorities include:

### World Class Sales

- During Q3, the team continued to drive business development efforts with new and existing brands as budgets were issued through the calendar year.
- The sales success in Q3 was evidenced by growth in advertising contracts that span the rest of calendar 2021. Proven with over \$2M in new contracts sold in the last 60 days alone.
- Launched an upgraded Salesforce platform across the sales team to drive internal performance and operational efficiency while growing top line revenues.

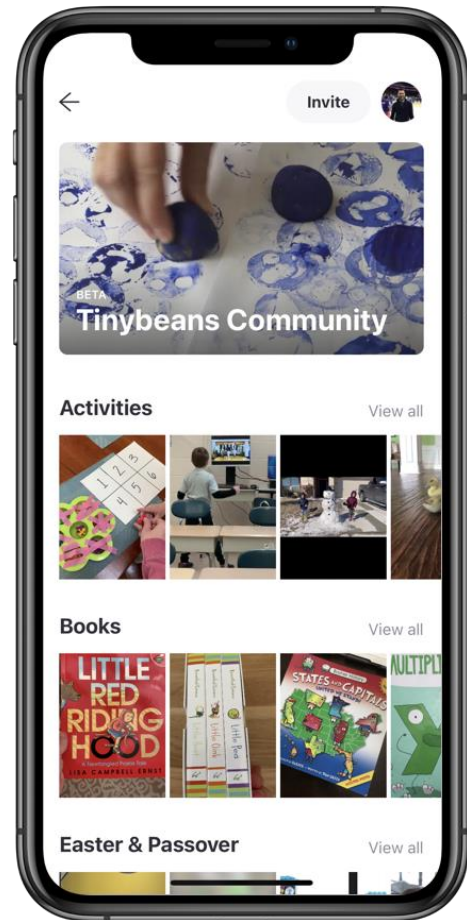
### Marketing

- Beanstalk, the recently launched premium content subscription product, is being tested with parents of 2–3-year-olds. This customized product focuses on children of specific ages and delivers packaged content related to their developmental and emotional stage and what parents are experiencing during that moment in time. At present, this feature is only available for new customers and sent as a newsletter to their inbox. Beanstalk will become an added benefit to all paying premium subscribers in the near future.
- The platforms generated a 20% increase in active users compared to the year-ago quarter. This is in line with expectations given the quarter’s advertising seasonality.



## Product

- Launched Community feature in beta across a selection of users. Community features a video-first experience where parents can post and share experiences to ask questions and provide support and advice to one another. Early feedback has been positive as new releases continue on a biweekly basis. Waitlist has strong demand.
- Introduced a new public profile where users may review and edit their posts, as well as manage their profile settings. Currently available only to users in the Community Beta.



## Technology

- Major Community release with 3X improvement in video loading and uploading.
- Began to build out machine learning technical stack for predictive analytics and personalisation. This is the underpinning of the recommendation engine that suggests new content and future products to Tinybeans users.
- Further work around security and server infrastructure to maximize cost utilization across hosting services.

## People

- Recruited Chris Motsay as CFO in April 2021 to lead finance and operations.
- Recruited Allison Musmand as CMO in January 2021 to lead the brand and consumer revenues.
- With vaccinations being rolled out across the U.S., the Company began to formally transition to a hybrid work environment. The Company's head office in NY is currently supported with remote work.

## Other

Item 6.1 (in 4C below) pertain to salary and fee payments to the executive and non-executive directors of \$148k.

This announcement is authorised by the TNY Board.

-----//-----





**For more information, please contact:**

Australian Investors

**Michael Brown – Pegasus Advisory**

+61 400 248 080

[mbrown@pegasusadvisory.com.au](mailto:mbrown@pegasusadvisory.com.au)

U.S. Investors

**Jackie Keshner – Gateway IR**

+1 949 574 3860

[TNY@gatewayir.com](mailto:TNY@gatewayir.com)

**About Tinybeans Group**

**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 Apple's App of the Day in the U.S. in October 2019, and again in March 2020, puts Tinybeans in the elite company of the best apps in the world!

Tinybeans' Red Tricycle website is also Apple's exclusive parenting partner for Apple's newest Maps feature—Guides. With 80 Guides (and counting!), all guides are available [here](#).

Tinybeans serves a deeply engaged user base in over 100 countries/territories and enjoys over 120,000 5-star reviews in the Apple App Store and the Google Play stores.

[www.tinybeans.com](http://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")**

31 March 2021

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,952	7,246
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(61)	(227)
(c) advertising and marketing	(162)	(557)
(d) leased assets	-	-
(e) staff costs	(2,130)	(6,153)
(f) administration and corporate costs	(951)	(2,374)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	7
1.5 Interest and other costs of finance paid	(3)	(12)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	256	342
1.8 Other (provide details if material)	-	51
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,098)</b>	<b>(1,677)</b>

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(2)	(20)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	(52)	(52)
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	3
(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 Net cash from / (used in) investing activities</b>	<b>(54)</b>	<b>(69)</b>

<b>3. Cash flows from financing activities</b>		
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	54	186
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(61)	(250)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
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>(7)</b>	<b>(64)</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	4,464	5,220
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,098)	(1,677)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(54)	(69)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(7)	(64)
4.5	Effect of movement in exchange rates on cash held	8	(97)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>3,313</b>	<b>3,313</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b>	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1	Bank balances	3,313	4,464
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,313</b>	<b>4,464</b>

**6. Payments to related parties of the entity and their associates**

Current quarter \$A'000
148

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

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

Item 6.1 pertain to salary and retainer fee payments to the executive and non-executive directors.

**7. Financing facilities**

*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.*

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	-	-
7.2	-	-
7.3	-	-
7.4	-	-

**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.

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(1,098)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	3,313
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	3,313
8.5 <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	<b>3</b>

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

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:

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:

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:

### 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 28, 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.