



Q4-FY22 Quarterly Activity Report **Fourth Quarter Fiscal 2022**

(ASX: TNY; OTCQB: TNYYF)

Approved by the Board of Tinybeans Group Ltd
July 28th (27th in the US), 2022

Unless otherwise noted, amounts are in USD and are unaudited



FROM THE CEO

Q4-FY22: Continuing the Path to Cash Flow Positive

“In FY22, we delivered revenue growth of 34% over the pcp, hitting **US\$10.9M**, the highest in our history. Our growth during the year was driven by strength in advertising, up **31% pcp** (prior corresponding period), and recurring revenues with subscriptions, **up 77% pcp**.

We are pleased to report that Tinybeans delivered a good performance in Q4, generating overall revenue of **US\$2.6M, up 5%** on the same period 12 months prior (pcp). The result includes **US\$2.06M in advertising revenues** is down **7% on pcp**, which relates to brands delaying and pausing campaigns due to macroeconomic conditions. We grew **Beanstalk**, our paid subscription product, to **US\$480K, up 111% pcp** and **US\$166k** in Monthly Recurring Revenues (MRR). The quarter finished with **51k paying subscribers**.

As predicted, our audience from Search Engine Optimization (SEO) has begun to recover delivering growth in **overall MAU, hitting just under 3M**.

As the U.S economy recently has been showing signs of stress and with the goal of getting to cash flow positive, we've taken concerted efforts to become more efficient with expenses and operating margin.

We're pleased to report that our cashburn for **Q4 was \$600k, with a cash balance of US\$4.2M** as of June 30. We remain confident of becoming operationally cash flow positive in the next 12-18 months.

Advertising: We are on our way in FY23 to delivering double digit revenue growth in advertising, however this may be slower due to economic conditions. We will also continue to make strategic decisions to pull back on programmatic ad revenue to support growth in our subscription product.

Subscriptions: We have employed a new customer centric product strategy for FY23 aimed at restoring 5 star app ratings and rebuilding organic growth for the audience on the web, amongst other key growth drivers.

FY23 promises to be our most successful year yet. We are launching an array of new product upgrades that should support acceleration in our consumer revenues, and we aim to drive continued growth in advertising revenues.

While consumer trust continues to erode across many sources of information, inspiration and connection, Tinybeans has never been more relevant than today as we continue to place our stake in the ground as a trusted member of the family, which parents can count on for relevant content, safe connections and private photo sharing **to help parents raise amazing kids.**”



Eddie Geller
Co-Founder and
Chief Executive Officer

FY22 - Biggest Year Ever!!

+34%
pcp

- Revenues of **US\$10.9M**, up **34% pcp**, largely driven by advertising revenues of **US\$9M**, up **31% pcp** and Paid subscriptions to **US\$1.5M**, up **77% pcp**. Other revenue includes Printing and Affiliate revenues.
- At 56% growth in direct advertising revenues, significantly outpaced single digit industry growth rate outside of top 4*.
- Successfully retired Red Tricycle and (re)introduced one brand Tinybeans to ad market.
- Tinybeans intends on **becoming cash flow positive**. The Company expects to maintain a positive cash balance **without raising further equity capital**.
- Made significant changes to the leadership team + changes in product, engineering and growth teams. All setting up for an even more successful FY23.



19
Contracts >
\$100k
(13 in FY21)



51K
Paying
Subscribers

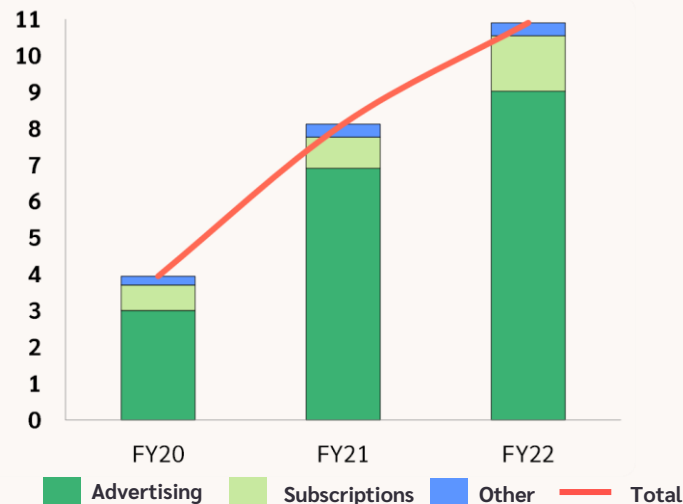


#1
Apple Guides
Partner



* Google, Meta and Amazon are on track to absorb more than 50% of all ad money (digiday.com)

US\$M Revenue up 34% to US\$10.9M

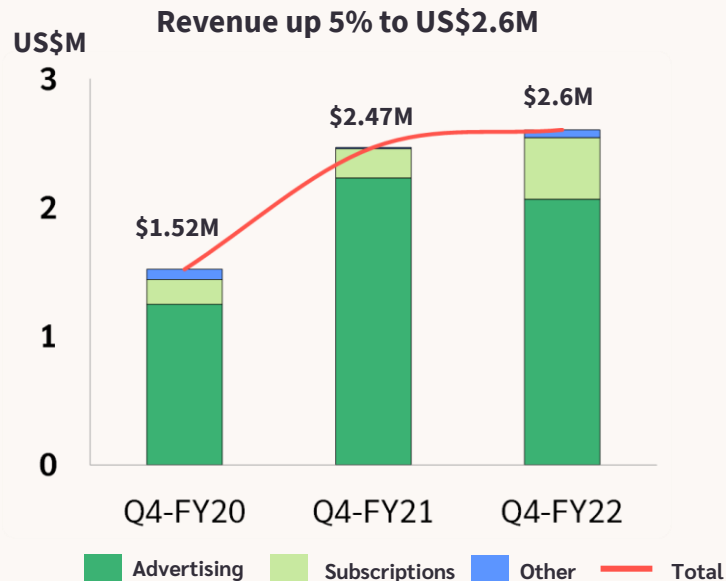


Major Growth Drivers

- Powerful value proposition for advertisers of high trust + first party data
- Existing and repeat brands (64% repeat, 36% new)
- Doubling Recurring Revenues with paid subscriptions

Growth continues, revenue of US\$2.6M

- Revenues of **US\$2.6M, up 5% pcp**, largely driven by advertising revenues of **US\$2.06M, down 7% pcp** and Paid subscriptions to **US\$480K, up 111% pcp**. Other revenue includes Printing and Affiliate Revenues.
- Tinybeans advertising revenue was impacted by brands pausing, delaying and some cancelling campaigns due to macroeconomic conditions. The Q4 advertising revenue split was 22% from new brands and 78% from existing brands.
- Subscription revenues continued to grow into the quarter, **111% up** on 12 months prior and also **4% up** on Q3.
- Monthly Active Users (MAU) hit **2.94m, up 13% on Q3** – Audience from SEO began to grow again, reclaiming lost ground in calendar 2021.
- Cash receipts at June 30, 2022 was a record **US\$3.1m**. Cash burn for Q4 was approximately **US\$410k**. Cash balance end of quarter was over **US\$4.2m**.

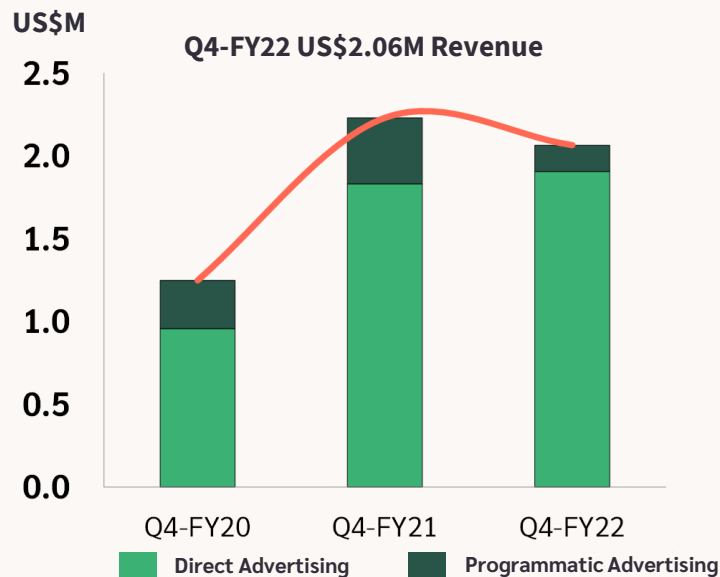


ADVERTISING REVENUES

Unique Audience Demographics Supporting Strong Growth in Advertising Revenues

- We serve consumers and help parents raise amazing kids. Through solving their problems, we monetize several ways including with advertising.
- Direct Advertising grew 4% pcp to **US\$1.91M**, while programmatic declined 60% from **\$0.4M to \$0.16M**. Driven by the intentional removal of certain ads in the app to improve the value proposition of the subscription product.
- Advertising revenues* hit **US\$2.06M**, down 7% pcp, with 22% from new brands and 78% from existing brands.
- Q4-FY22 advertising revenue driven by partnership wins with CooperVision, Hill's Pet, MGA/Little Tikes, Microsoft, VTech, Marriott and Paramount.
- Closed **19 > US\$100K** contracts in FY22 (13 in entire FY21) with 10 of those at \$200k+.

*includes programmatic

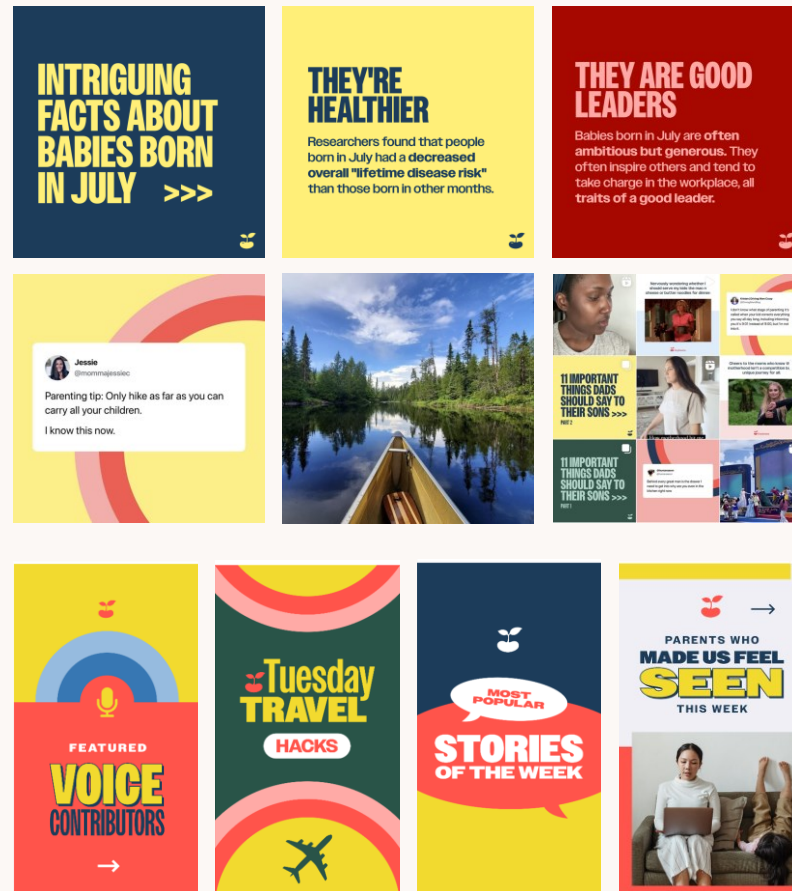


The most high trust touchpoints



Growing and growing

- By implementing new strategies, fresh designs, and contracting content creators, there has been an overall steady increase on all social media analytics:
 - **Audience:** Unique Views began on an average of 2500, have increased over 1400% hitting an all time high of over 450k.
 - **Engagement** has increased 200% over the past 3 months.
 - **Social Impressions:** Starting with an average of 100k have steadily grown, reaching a high of over 1 million.



MYRTLE BEACH CASE STUDY

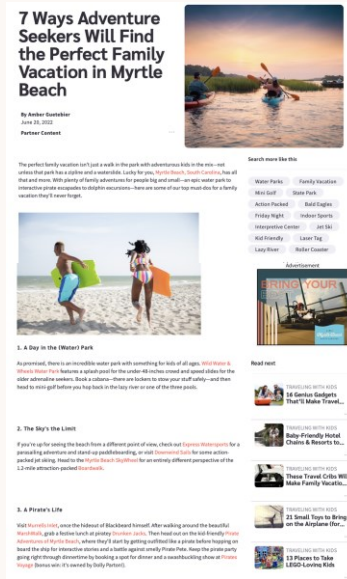
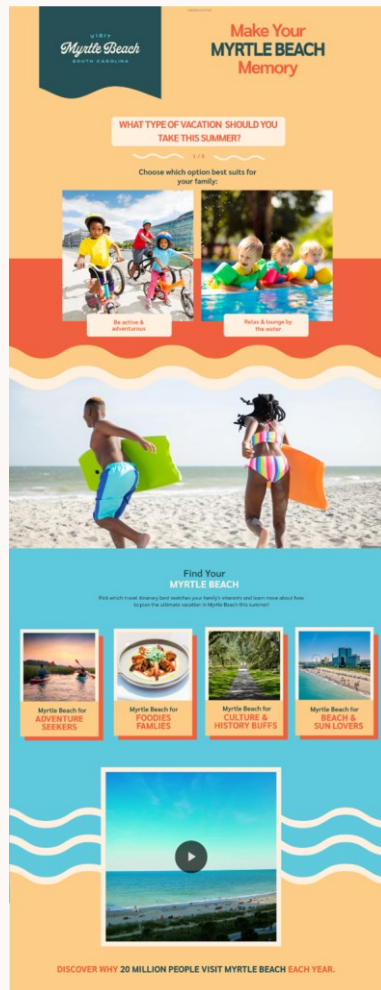
Travel continues to invest in Tinybeans

Campaign Objectives:

- Raise awareness of Myrtle Beach to drive destination recovery and growth via alignment with the #1 website for family travel
- Reach + connect with parents and families looking for summer travel ideas + inspiration
- Showcase all the family-focused offerings Myrtle Beach has to offer

Campaign Overview (to date):

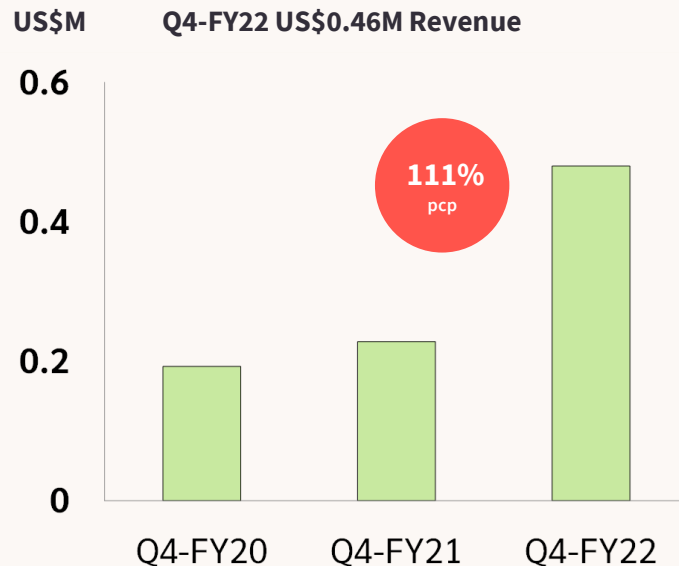
- Custom hub designed to bring Myrtle Beach to life + drive traffic to VisitMyrtleBeach.com via custom content + a quiz
 - Over 22,000 page views across hub + all content
- Custom video highlighting the best of Myrtle Beach
 - Over 6,000 views and 3% engagement rate
- 4x unique itineraries: Adventure Seekers, Foodie Families, Culture & History Buffs, Beach Bunnies
 - Adventure Seekers is top performing with 1:30 time spent
- Over 14,000 social engagements
- All media placements outperforming Tinybeans + industry benchmarks



SCALABLE SUBSCRIPTION MODEL

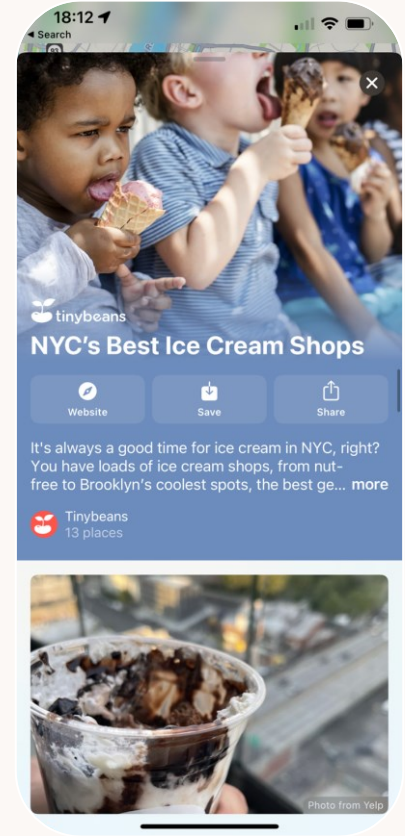
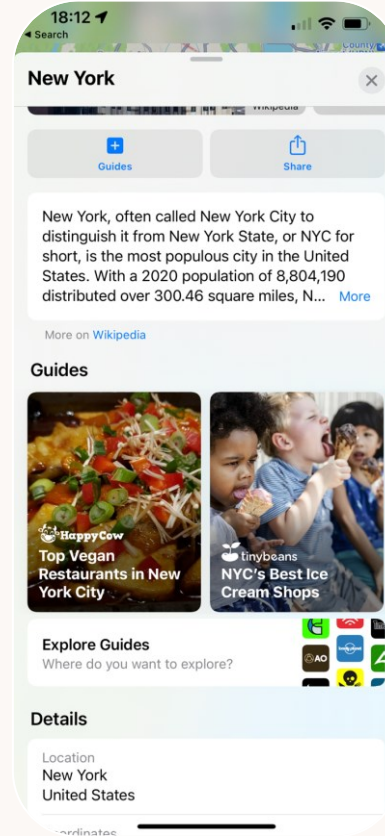
Subscriptions Continue to Grow

- The last quarter has seen [Teresa Lopez](#), the company's new Chief Growth Officer craft a new strategy for audience and consumer revenue growth. As part of this, the Company, is also completing the recruiting of a core team to drive accelerated results.
- Subscription revenue hit a record **US\$480K, up 111% pcp**, with the number of paid subscribers to **51k**. Monthly Recurring Revenues (MRR) grew to **US\$166k**.
- Trial to paid conversion for Q4-FY22 was **89%** (+2% vs Q3). Despite growing audiences and launched the paid acquisition program, there are stronger conversion rates driven by new product development and optimization of the acquisition channels.
- Expecting to launch Referral program and Influencer & Partnerships program in future months.



Audience

- Monthly Active Users (MAU) across **Q4-FY22** grew to **2.95M** for the **qtr**, up 16% on Q3.
- Invested in Search Engine Optimizations (SEO) and implemented improvements that resulted in an increase of **10% Organic Sessions** Q4-FY22 vs previous quarter. Expecting to see further organic growth as we keep optimizing this acquisition channel.
- New Social Media strategy leaning into trending content, travel and first person relatable essays about parenting as well as the launch of new channels such as TikTok resulted in an increase of +20% of sessions coming from Social Media in Q4-FY22 vs previous quarter.
- Partnerships with [Apple](#) continue to drive engagement and growth where Tinybeans remains in the top 3 amongst over 100+ partners.



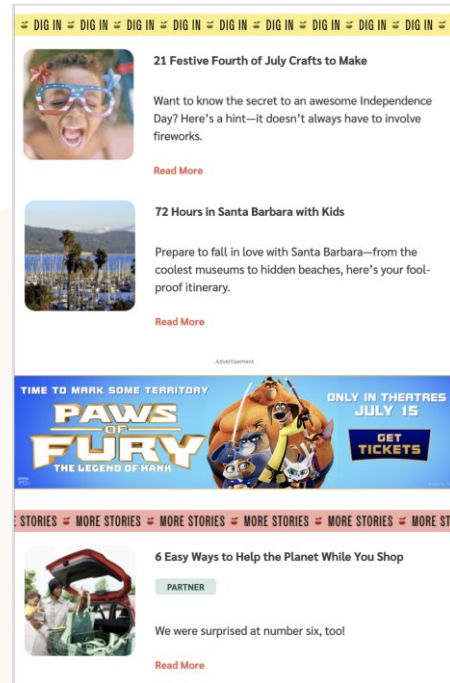
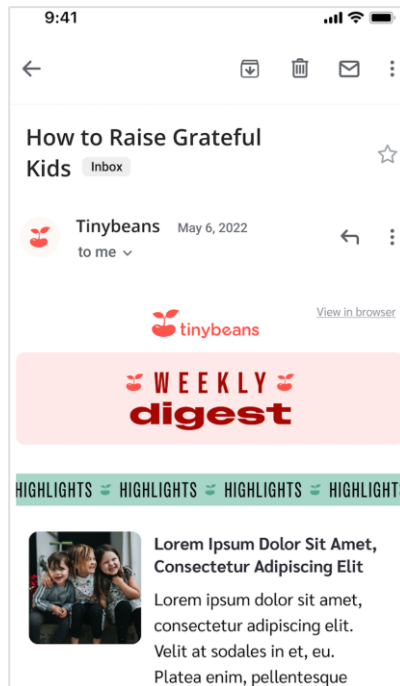
Q4 Highlights

Email

- Redesigned all Editorial newsletters to increase engagement. So far, results have seen an 8% increase in open rates since the launch.
- Migrated off our legacy Red Tricycle Email Service Provider resulting in all email management consolidated through the one service, streamlining operations and improving efficiencies, while reducing cost.

SEO

- Technical improvements across tinybeans.com to increase Google Search Impressions. Since completing this work in April, substantially increasing Google Search Impressions.



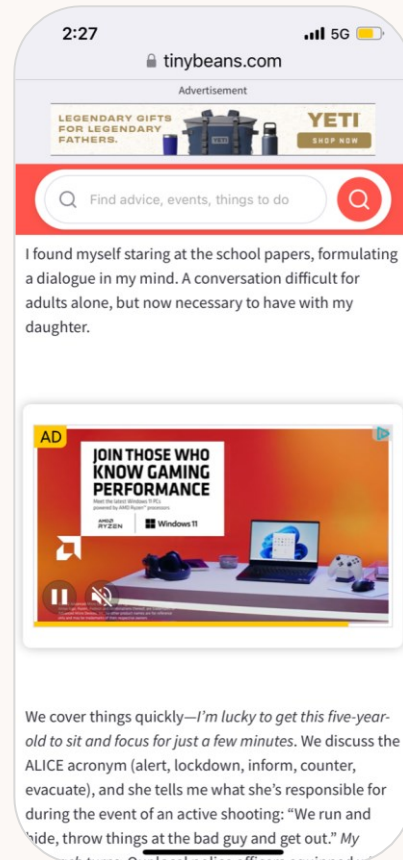
Q4 Highlights

Onboarding and Trial Lengths

- Reduced Beanstalk trial length from 30 to 14 days, allowing the company to realize 11.5 months of revenue (prior it was 11 months), while successfully maintaining the same trial to **paid conversion rate of 90%**.
- Updated app onboarding flow to educate users on the Tinybeans experience before presenting subscription. Early indicators suggest that users who go through the onboarding funnel, convert at a higher rate.

High Performance Ads

- Optimized ads and placements across the site to maintain optimal user experience and increased advertising impressions. Viewability, and in turn CPM's have **increased 20%** as a result.



A photograph of a man with a beard and a young child sitting on a sandy beach. The man is holding the child, and they are both looking down at something in the child's hands. The background is a soft-focus view of the ocean and sky.

FINANCE

Financial Results

(in USD and unaudited)

FINANCIAL RESULTS (in USD)

Profit & Loss Summary

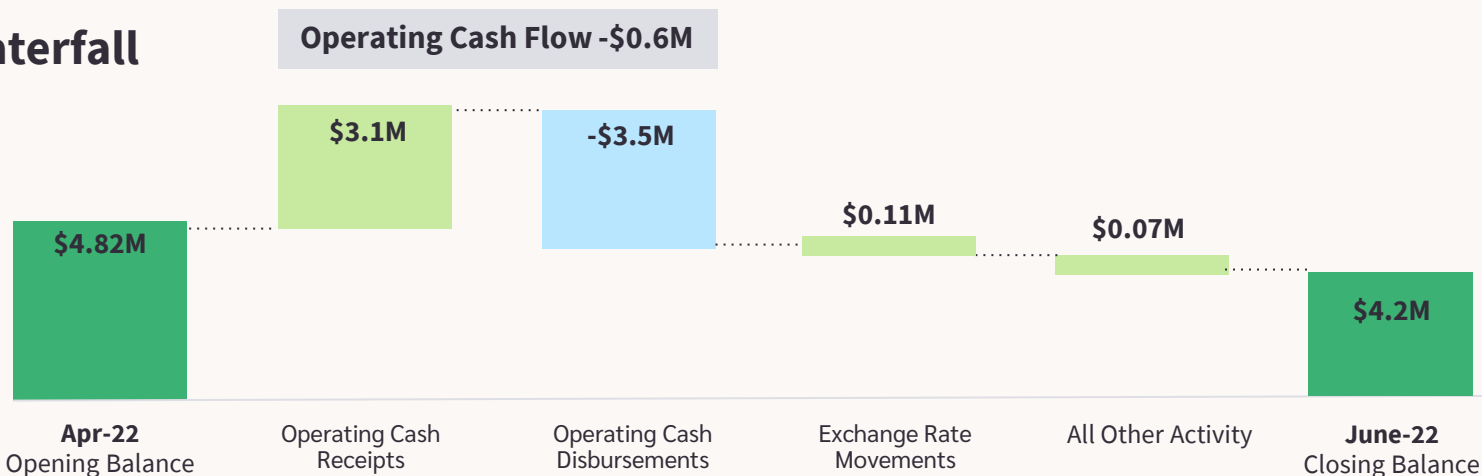
Highlights:

- Revenue up **+5% vs prior year**, driven by both ad sales and subscription growth.
- **Gross Margin settled at 94%**, as ad sales COGS increased to accommodate client fulfillment costs.
- Operating Expenses increased 14% vs prior year, driven by headcount spend to support product and operational investments, along with the start of targeted marketing spend.
- The company capitalized \$21K of software development costs in the current quarter. The total capitalization in FY22 is \$0.5M.
- Due to some softness in the Q4 advertising revenues, the operating margin for Q4 was lower than expected. The Company now expects full year margins to be roughly approximately -24%, which is slightly lower than in FY21 of -22%.
- The Company has reduced its General and Administrative costs as it starts FY23.

USD (\$M)	Q4-FY21	Q4-FY22	% Chg
Total Revenue	2.47	2.6	5%
Cost of Goods Sold	(0.13)	(0.16)	-82%
Gross Margin	2.34	2.44	-4%
Gross Margin %	95%	94%	
Operating Expenses	(2.9)	(3.3)	-14%
Adjusted EBITDA*	(0.7)	(0.85)	-21%
Adjusted EBITDA Margin %	-27%	-33%	

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

Cash Waterfall



Highlights:

- **Operating cash flow was -\$0.6M, versus -\$0.35M in Q4-FY21**
- **Cash receipts for the quarter were \$3.1M**, 65% more than the same period prior year, due to ad sales revenue growth and timing of collections
- Trailing 12 month operating cash flow is approximately **-\$3.2M**
- The expected operating cash burn for Q1-FY23 is between \$1M and \$1.4M
- The company is focused on significantly narrowing its cash flow losses through cost management, while growing revenues in fiscal year 2023

STRATEGIC DIRECTION

Path to Cash Flow Positive

Operational Improvements

- Cash burn for Q4-FY22 was \$0.6M
- Q1-FY23, the largest cash burn quarter is expected to be between \$1M and \$1.4M
- The Company has reduced its General and Administrative costs as it starts FY23.
- **The Company expects to become operationally cash flow positive in the next 12-18 months**



Guidance Assumptions

- Conservatively, the Company expects the cost base to average out at between \$3.4M and \$3.8M per quarter
- Core revenues include Advertising, Paid Subscriptions, Affiliate + Printing. All expected to grow through FY23 and beyond
- **Positive revenue outlook for rest of 2022 and continuing into 2023**



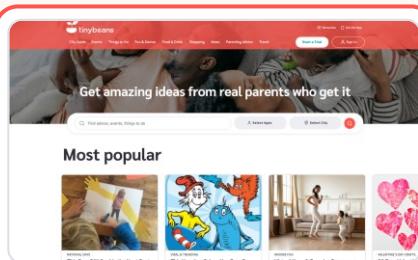
Additional Comments

- Tinybeans recently reviewed all costs with the goal of becoming cash flow positive. To provide more flexibility in the expenses in order to deal with any unforeseen circumstances
- **Growth ambitions adjusted to be more modest**
- Achieving 50/50 revenue split between Advertising and Consumer, is now forecast to be 2026



GROWTH AND STRATEGY

Tinybeans. Synonymous with Parenting.



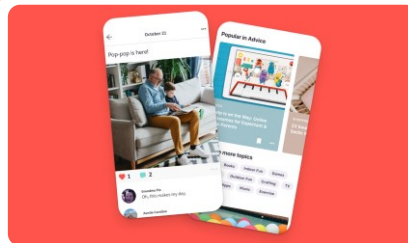
Single Brand

Now a single brand and destination to help parents raise amazing kids. Tinybeans will be where parents go, from capturing memories to getting inspiration and engaging with other parents.



Addressable Market

The parenting market is huge and with the trust Tinybeans has with its core customers, creates a significant opportunity to grow lifetime value and its share of the market



Audience

Value proposition for the platform targeted to new parents, their families and parents of older children. Trust and Privacy still remains high to drive growth.



Multiple Revenue Streams

Growing advertising revenues while accelerating consumer revenues to build a sustainable commercial model for many years to come, striving for a 50/50 split. Huge potential of reaching \$1000 LTV in future years

Other

Item 6.1 (in 4C below) pertain to salary and fee payments to the executive and non-executive directors of US\$78k.

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 the only high trust app and web platform offering a personalized experience for new and growing families that helps them achieve their #1 goal in life—to raise amazing kids. Our purpose is bigger than simply making parenting easier. We help families thrive by giving them a safe, useful and inspirational place to go to capture and share memories, engage with trustworthy content and find thoughtful recommendations tailored to their family's needs, interests and where they live.

Tinybeans engages 28 million mindful parents every month, enjoys over 130,000 5-star reviews in the Apple App and Google Play stores, and has been recognized by Apple for excellence in both content-top 3 most viewed and exclusive parenting partner for Apple Guides, and utility-twice being named U.S. app of the day.

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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")

30 June 2022

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (12 months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers	3,113	11,158
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(158)	(913)
(c) advertising and marketing	(133)	(329)
(d) leased assets		
(e) staff costs	(1,868)	(8,904)
(f) administration and corporate costs	(1,365)	(3,957)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid		(23)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(410)	(2,969)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(8)	(42)

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (12 months) \$US'000
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets	-21	(397)
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)		
2.6	Net cash from / (used in) investing activities	(29)	(439)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		5,869
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		(387)
3.5	Proceeds from borrowings		800
3.6	Repayment of borrowings	(48)	(694)
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	-48	5,588

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (12 months) \$US'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,818	2,155
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(410)	(2,969)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(29)	(439)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(48)	5,588
4.5	Effect of movement in exchange rates on cash held	(118)	(122)
4.6	Cash and cash equivalents at end of period	4,213	4,213

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	4,213	4,818
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)	4,213	4,818

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	78
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)	(410)
8.2	Cash and cash equivalents at quarter end (item 4.6)	4,213
8.3	Unused finance facilities available at quarter end (item 7.5)	
8.4	Total available funding (item 8.2 + item 8.3)	4,213
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	10
<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: <div style="border: 1px solid black; height: 30px; margin-top: 5px;"></div>	
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: <div style="border: 1px solid black; height: 30px; margin-top: 5px;"></div>	
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: <div style="border: 1px solid black; height: 30px; margin-top: 5px;"></div>	
<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: ..July 28, 2022.....

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.