



## ASX RELEASE

22 October 2024

### *Q1 FY25 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 30 September 2024 (Q1 FY25).

#### Q1 FY25 Key Callouts:

- **Record quarterly subscription revenue** of US\$0.81 million (Q1 FY24: US\$0.66 million, +23% prior comparative period (pcp), with continued high renewal rate of 93% for Paid Subscribers in Q1. Total Revenue for Q1 also up by 1% vs pcp to US\$1.41 million
- **Material cost-base reset**, with US\$2 million (AU\$3 million) in annualised costs taken out of the business late in Q1 to enable strategic focus on the subscription-led strategy and to reduce reliance on advertising revenue
- **Product development transition to AU is underway**. Entered into a long-term contract with Propel Ventures to tap into highly skilled, multi-disciplinary capabilities under a flexible and cost-effective model
- **Operating expenses** continue to be controlled, with expenses 19% lower in Q1 vs pcp. Cash-burn was inline with expectation and is expected to materially decrease over Q2 and the remainder of FY25
- **Babylist partnership beginning to generate subscriber growth**, with further integration occurring during Q1 and CY 2025 with the upcoming release of Tinybeans gift subscription
- **Other brand, marketing & major partnership efforts are underway in the US and AU**, which are expected to generate brand awareness and subscriber growth in the US and AU in CY2025
- **Increased focus on privacy is driving parents to look for alternative solutions to social media for sharing photos of their kids and families**. Tinybeans app is the privacy solution, and the business is becoming a thought leader in this space with a number of pickups in the AU media during Q1, increasing brand awareness
- **Key new hires have been made in Q1**, adding capability across Product Development & Engineering, and together with previously reported new hires, finalise a leadership transition for the Company since the CEO commenced in July 2023.
- **New Board Director Mike Rothman, founder and former CEO of Fatherly**, a leading parenting brand, appointed to assist in accelerating the Company’s strategy in the US.

Zsofi Paterson, CEO of Tinybeans, said:

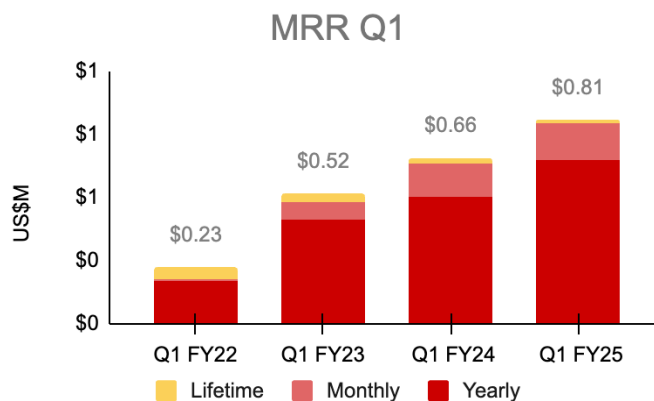
*“In Q1, we undertook a major restructure to reduce our cost-base and extend our runway to execute our subscription-led growth strategy. This restructure took out US\$2 million in annualised costs, transitioned our product development from in-house in the US to outsourced in Australia (and Vietnam), and strengthened the Tinybeans leadership team. We also had the strongest quarter ever for subscription revenue, with 23% year-on-year growth, inline with our go-forward strategy. We commenced a range of brand, marketing, partnership and PR efforts in the US and AU, and secured further partnership*



opportunities with Babylist in the US, which should assist with generating paid subscriber and MAU growth in 2025, which is our top priority.”

### Subscription recurring revenue increases by 23% in Q1 FY25 vs pc

- Q1 was another record quarter for subscription revenue, with paid subscription recurring revenue increasing by 23% vs pc to US\$0.81 million, up from US\$0.66 million pc. The increase was due to Tinybeans+ high subscriber renewals, with underlying subscriber numbers broadly remaining flat at 51k at the end of Q1.



- The Company experienced ongoing high renewal rates in Q1 FY25, with a blended renewal rate for Paid Subscribers of 93%
- Monthly Active Users of the Tinybeans app remained high, with over 900k paid subscribers, free subscribers and followers active in the month. This largely under-monetized group presents an opportunity for future monetization in 2025 in-line with the go-forward strategy.
- In-app engagement remains strong with 92% of Paid Subscribers active within the last 30 days and each Paid Subscriber inviting 21 Followers on average
- The ‘daily use’ metric of Daily Active Users over Weekly Active Users (DAU/WAU) remains high for Paid Subscribers at 59%, indicating the strength of Tinybeans as a daily use product
- Q2 FY25 is the key quarter for subscription renewals with over 50% of Tinybeans+ annual plans up for renewal. Key focus is retention of these subscribers, and with high ongoing engagement, the Company is well-positioned for a strong renewal period and has plans in place to retain and win-back.
- In Q2 FY25, the Company will launch a Tinybeans gift product. This will enable family and friends to purchase a Tinybeans gift subscription for expecting and new parents. This product feature has been requested by Tinybeans subscribers over several years and is intended to aid strong organic referral and word-of-mouth behaviour.

### Material Cost Base Reset as the Company doubles-down on subscription-led strategy

- In September, Tinybeans initiated a restructure of the Company to align the business with the go-forward strategy focussed on growth of its paid subscription business. The restructure is expected to take out over US\$2 million (AU\$3 million) of annualised costs, or approximately 20% of operating expenses compared to FY24.
- As part of the restructure, the Company transitioned the business’ product and engineering efforts to Propel Ventures, a leading product & software development company in Melbourne, Australia. The core Melbourne-based product & software development team, led by an experienced new Tinybeans Head of Product, will be supplemented by high-quality offshore engineers, which will allow for more flexible, cost-effective product development and the ability to draw on multi-disciplinary skills.

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- The restructure was completed in September, and the transition to Propel is occurring over October and November. The Company is pleased with the progress to date.

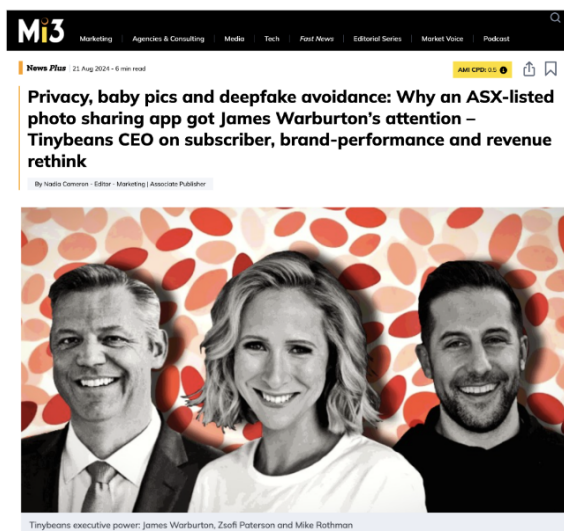
#### **Babylist partnership & expanding opportunities; Tinybeans gift subscription**

- In June 2024, Tinybeans announced a major US strategic partnership with leading digital parenting platform Babylist. Each year, Babylist helps over 9 million people make purchase decisions through its baby registry, app, ecommerce shop and comprehensive product guides.
- The partnership leverages the ever-growing Babylist audience to drive Tinybeans brand awareness, audience and subscribers through a targeted affiliate and sales partnership.
- The integration is now live, and Tinybeans has placements across a number of Babylist's newsletters, specifically those reaching women in their third trimester and is beginning to see these translate to visits to the Tinybeans website and app store pages, generating a gradual increase in Free Subscribers and conversion to Paid Subscribers.
- As noted above, the Company will be launching a Tinybeans gift product in early Q2 FY25. This gift product will be available on the Babylist gift registry, which will enable thousands of expecting mothers each year to add it to their baby registry as a gift of choice. The Company will then look to replicate this model with other major registries in the US and AU.
- Further, from January 2025, Tinybeans will include gift cards in Babylist's 'Hello Baby' box program, which is a gift box sent to over 300,000 Babylist customers over the course of the year. Given the distribution and inclusion, this is also expected to generate subscriber growth and brand awareness in the US, which will aid ongoing lower-funnel marketing efforts.

#### **New Brand, Partnership & PR Efforts - Cementing Tinybeans as a solution in the privacy space**

- Inline with the Company's strategic plan, other material strategic, channel, B2B and talent partnerships to grow audience, revenue, relevance and scale are being pursued in the US and Australia.
- During Q1 FY25, the Company executed tactical partnerships with a leading US Employee Perks Program, Australia's largest independent women's media group and a leading global baby-sleep aid company.
- The Company also pursued a proactive PR pilot in AU to drive awareness and re-establish Tinybeans as the leader in safe and secure family sharing. PR efforts focussed on digital privacy, AI misuse and sharenting, leveraging the CEO and Directors. The efforts generated over 28 pieces of coverage across nationally syndicated newspapers, including SMH, The Age; trade publications and niche parenting platforms.

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Tinybeans executive power: James Warburton, Zsofi Paterson and Mike Rothman

Zsofi Paterson, chief executive of Tinybeans, a private, family oriented photo-sharing app, says enforcing age restrictions will help delay children's exposure to "the often harmful effects of social media, such as cyberbullying, privacy invasions and the pressure of comparison".



## Women's Health's ultimate Father's Day gift guide

### Tinybeans subscription



As parents are becoming more aware of the risks associated with sharing photos of their children online, the need for alternatives is skyrocketing. Luckily, Tinybeans has emerged as a secure way for dads to share precious moments with family and friends. Tinybeans is essentially a journal, visual diary and time capsule designed for parents to preserve their family's memories and share them with a trusted circle. By gifting dad a subscription, he'll be starting fatherhood on the right foot, with the peace of mind to be able to focus on the important things.

[Shop Now](#)

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### Advertising revenue steady, with decreased focus moving forward

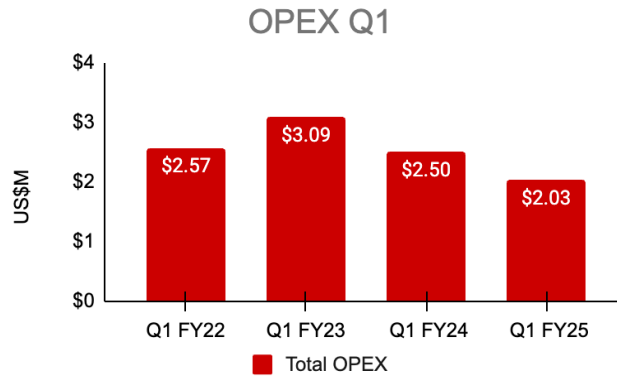
- Q1 FY25 Advertising Revenue was US\$0.58 million, down 19% from pcp of US\$0.73 million.
- During Q1, the Company ran several successful advertising campaigns with tier-one brands in the US including Lego Duplo, Paramount Pictures, Willow and Thrive Market, demonstrating the value and capability that exists.
- As outlined above, the restructure will reduce the business' reliance on publisher-led advertising revenue, which has been in decline for several years and the macro outlook remains challenged. With the changes announced, the Company expects to see advertising revenue continue to reduce as a percentage of overall revenue as subscription revenues increase in time, resulting in a more sustainable operating model with reduced cash burn.
- The Company however remains committed to delivering commercial revenue and serving brand partners with quality brand advertising campaigns and account management, and remains focused on 1st party data, proprietary email products and premium in-app offering, inline with its subscription offering. The ongoing focus on privacy and safety ensures advertisers can trust that their brand will be showcased in a secure, family-friendly environment, enabling advertisers to reach over 3 million people per month.

### Bolstered Board & leadership team

- The Company announced the appointment of Mike Rothman, founder and former CEO of leading US parenting brand & publication Fatherly, to its Board. A digital entrepreneur, executive and investor, Mr Rothman brings extensive experience, relationships and insight from his executive and entrepreneurial career in the US tech, media and marketing industry.
- The Company recruited a new highly experienced Head of Product, based in Melbourne, to lead the Company's product strategy and development efforts and oversee the relationship with Propel Ventures. With this appointment, the Company now has a new leadership team equipped to drive the Company's next phase of growth.



## Focused on cost & cash management



- Total Revenue for Q1 FY25 of US\$1.41 million up 1% pcp, with 57% generated from subscription revenue and 43% from advertising, affiliate & photobook revenue.
- Operating expenses for Q1 FY25 were US\$2.03 million, a reduction of 19% pcp. Operating expenses will continue to decrease following the restructure and engineering transition over Q2 FY25.
- Cash balance at the end of Q1 FY25 was US\$2.21 million.
- Operational cash burn for Q1 FY25 was US\$1.13 million. This was inline with expectations given the cyclical nature of the business, compounded with a delay in receiving some payments from larger advertising campaigns (approximately US\$150k), which were collected early in Q2 FY25.
- The cash burn will reduce substantially in Q2 FY25 and subsequent quarters based on the cyclical nature of sales, annual subscription concentration across Q2 (collected in Q2 and Q3) and the cost-out.

As detailed in item 6 of the Appendix 4C at Attachment 1 of this announcement, the Company made payments totalling US\$53,000 to related parties during the quarter for Directors' remuneration.

**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:

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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")**

30 September 2024

| <b>Consolidated statement of cash flows</b>               | <b>Current quarter<br/>\$USD'000</b> | <b>Year to date<br/>(3 months)<br/>\$USD'000</b> |
|---|--------------------------------------|--|
| <b>1. Cash flows from operating activities</b>            |                                      |  |
| 1.1 Receipts from customers                               | 1,159                                | 1,159  |
| 1.2 Payments for  |                                      |  |
| (a) research and development                              |                                      |  |
| (b) product manufacturing and operating costs             | (154)                                | (154)  |
| (c) advertising and marketing                             | (96)                                 | (96)   |
| (d) leased assets   |                                      |  |
| (e) staff costs   | (1,382)                              | (1,382)  |
| (f) administration and corporate costs                    | (663)                                | (663)  |
| 1.3 Dividends received (see note 3)                       |                                      |  |
| 1.4 Interest received                                     |                                      |  |
| 1.5 Interest and other costs of finance paid              | (1)                                  | (1)  |
| 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>(1,137)</b>                       | <b>(1,137)</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                         | (98)                                 | (98)   |
| (d) investments   |                                      |  |
| (e) intellectual property                                 |                                      |  |
| (f) other non-current assets                              |                                      |  |

| Consolidated statement of cash flows                      | Current quarter<br>\$USD'000 | Year to date<br>(3 months)<br>\$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 Net cash from / (used in) investing activities</b> | <b>(98)</b>                  | <b>(98)</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   |          |          |
| 3.4 Transaction costs related to issues of equity securities or convertible debt securities |          |          |
| 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 Net cash from / (used in) financing activities</b>                                  | <b>0</b> | <b>0</b> |

|   |         |         |
|---|---------|---------|
| <b>4. Net increase / (decrease) in cash and cash equivalents for the period</b> |         |         |
| 4.1 Cash and cash equivalents at beginning of period                            | 3,387   | 3,387   |
| 4.2 Net cash from / (used in) operating activities (item 1.9 above)             | (1,137) | (1,137) |
| 4.3 Net cash from / (used in) investing activities (item 2.6 above)             | (98)    | (98)    |

| Consolidated statement of cash flows |   | Current quarter<br>\$USD'000 | Year to date<br>(3 months)<br>\$USD'000 |
|--------------------------------------|---|------------------------------|---|
| 4.4                                  | Net cash from / (used in) financing activities<br>(item 3.10 above) | 0                            | 0                                       |
| 4.5                                  | Effect of movement in exchange rates on<br>cash held                | 58                           | 58                                      |
| <b>4.6</b>                           | <b>Cash and cash equivalents at end of<br/>period</b>               | <b>2,209</b>                 | <b>2,209</b>                            |

| 5.         | Reconciliation of cash and cash<br>equivalents<br>at the end of the quarter (as shown in the<br>consolidated statement of cash flows) to the<br>related items in the accounts | Current quarter<br>\$USD'000 | Previous quarter<br>\$USD'000 |
|------------|---|------------------------------|-------------------------------|
| 5.1        | Bank balances   | 2,209                        | 3,387                         |
| 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<br/>quarter (should equal item 4.6 above)</b>  | <b>2,209</b>                 | <b>3,387</b>                  |

| 6.  | Payments to related parties of the entity and their<br>associates                          | Current quarter<br>\$USD'000 |
|-----|--|------------------------------|
| 6.1 | Aggregate amount of payments to related parties and their<br>associates included in item 1 | 53                           |
| 6.2 | Aggregate amount of payments to related parties and their<br>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.*



| 7. <b>Financing facilities</b><br><i>Note: the term "facility" includes all forms of financing arrangements available to the entity.<br/>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>   | <b>Total facility amount at quarter end<br/>\$USD'000</b> | <b>Amount drawn at quarter end<br/>\$USD'000</b> |
|---|---|--|
| 7.1 Loan facilities   |   |  |
| 7.2 Credit standby arrangements   |   |  |
| 7.3 Other (please specify)  |   |  |
| 7.4 <b>Total financing facilities</b>   |   |  |
| 7.5 <b>Unused financing facilities available at quarter end</b>   |   |  |
| 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. <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)  | (1,137)          |
| 8.2 Cash and cash equivalents at quarter end (item 4.6)  | 2,209            |
| 8.3 Unused finance facilities available at quarter end (item 7.5)  | -                |
| 8.4 Total available funding (item 8.2 + item 8.3)  | 2,209            |
| 8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>  | 1.94             |
| <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?  |                  |
| <p>Answer: Subscription (and advertising) revenue business is cyclical, with Q1 FY25 having highest operating cash usage for the year and is in line with our expectations and prior years. Net operating cash usage is expected to improve significantly over the remaining quarters of FY25. The business also expected to receive approximately US\$150k in receivables in Q1 FY25, which was received in early October 2024. Had these receivables been received on time, the business would have had more than 2 quarters of funding. Further, as announced in September 2024 and outlined in the Q1 FY25 Quarterly Activity update, the business has reduced operating costs by US\$2m (annualised), which will take affect from Q2 FY25. Receipt timing and cost reductions coupled with Q2/Q3 FY25 being strong cash receipt periods shows that 1.94 closing Q1 funding is not indicative of going forward cash usage.</p> |                  |

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: The Company notes the cost-saving initiatives set out in 8.6.1. A further potential source of future funding is the 29,506,411 options on issue with an exercise price of \$0.095 AUD, expiring on 27 May 2025. If all options were exercised this would provide additional funding of US\$1.88 million (subject to the prevailing exchange rate at the times(s) of exercise) during FY25. The Company notes that it is not reliant on the exercise of these options to achieve its business objectives.

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: Yes, as outlined in 8.6.1 and 8.6.2 above.

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: .....22 October 2024.....

Authorised by: .....By the board.....  
(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.