



ASX RELEASE

24 October 2018

Record Results for September Quarterly Report and 4C

Tinybeans Group Limited (ASX: TNY) ("Tinybeans" or "the Company"), the mobile and web platform where millions of families can effortlessly capture and share their kids' stories, is pleased to announce the following results for the September quarter FY2019.

- **Q1-FY2019 revenue of \$586k, an increase of 79% on Q1-FY2018;**
- **Cash receipts of \$643k for Q1, representing growth of 15% on Q4-FY2018, and 237% on the same period 12 months ago. Cash balance at end of Q1-FY2019 is approximately \$3m.**
- **Record growth with registered users exceeding 2.75 Million representing growth of over 250,000 (10%) - the largest ever!**
- **Monthly Active Users (MAU) grew to over 1 Million, up 39% versus the same period 12 months ago**
- **Impressive growth in advertising revenues in Q1, up 116% on Q1-FY18, driven by key brand partnerships and increases in programmatic advertising**
- **TNY continuing the drive towards cash flow positive**

| | Q1FY18 | Q1FY19 | % Growth |
|----------------------------|------------|------------|----------|
| Monthly Active Users (MAU) | 727,672 | 1,008,928 | 39% |
| Subscription Revenue | \$ 112,159 | \$ 162,302 | 45% |
| Advertising Revenue | \$ 188,006 | \$ 407,020 | 116% |
| Total Revenue | \$ 327,935 | \$ 586,377 | 79% |

Tinybeans Chief Executive Officer, Eddie Geller, said:

"We are very pleased to report that the FY2019 year has kicked off as we had planned. The record performance for Q1 in terms of revenue, engagement and cash receipts is encouraging. We are also delighted to see over 250,000 new users join the Tinybeans platform in the quarter, which is over 2,700 on average per day. Given we are yet to fully turn on our marketing efforts, the result is even more encouraging. As we've released key enhancements across our programmatic ad platform, it has seen growth of advertising revenues. Q1 is typically a quiet quarter for advertising in the US, so we're particularly positive with the results. Most importantly, our unequivocal commitment to

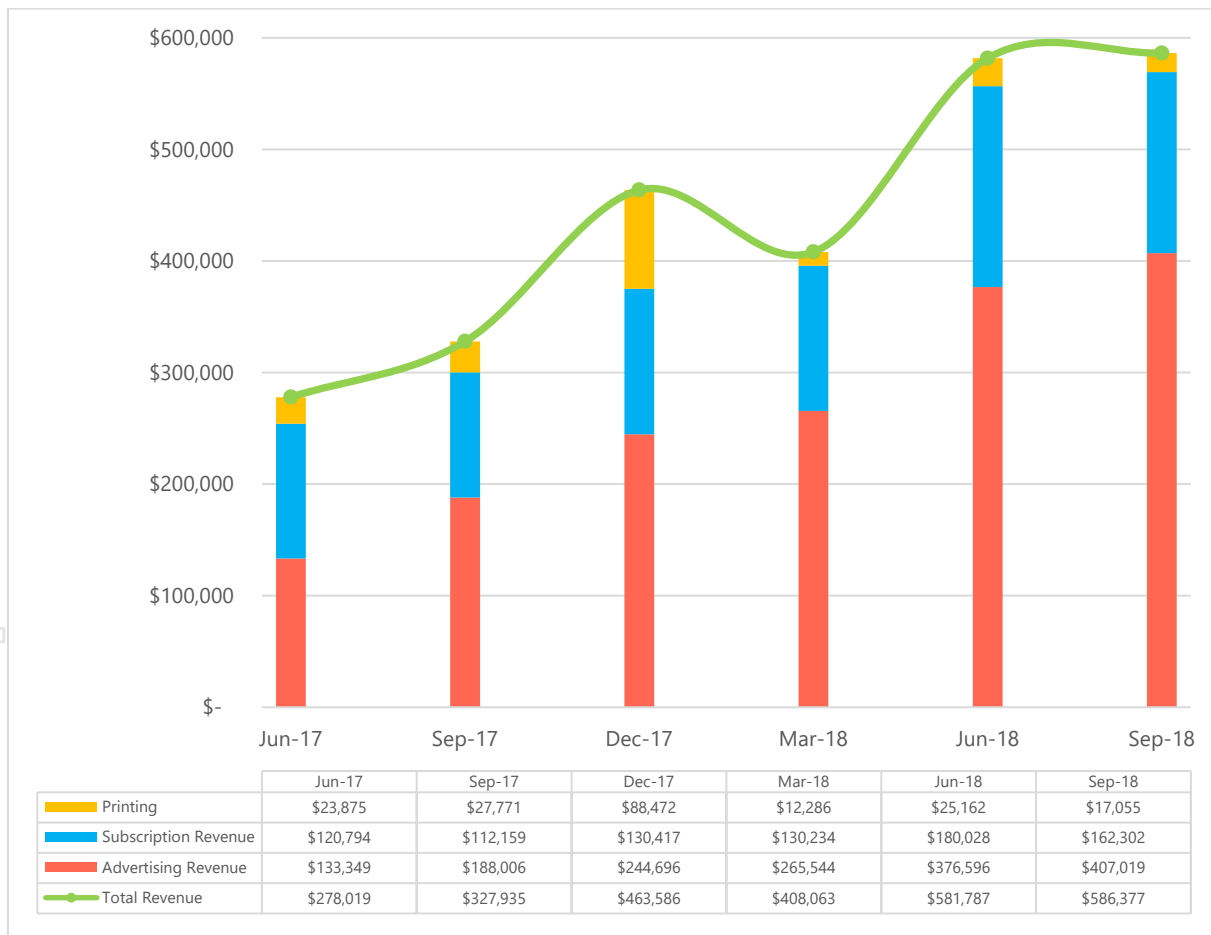


customer satisfaction by super-serving and delighting families is paying off as we drive to build scale and become cash flow positive and profitable."

Revenue Growth

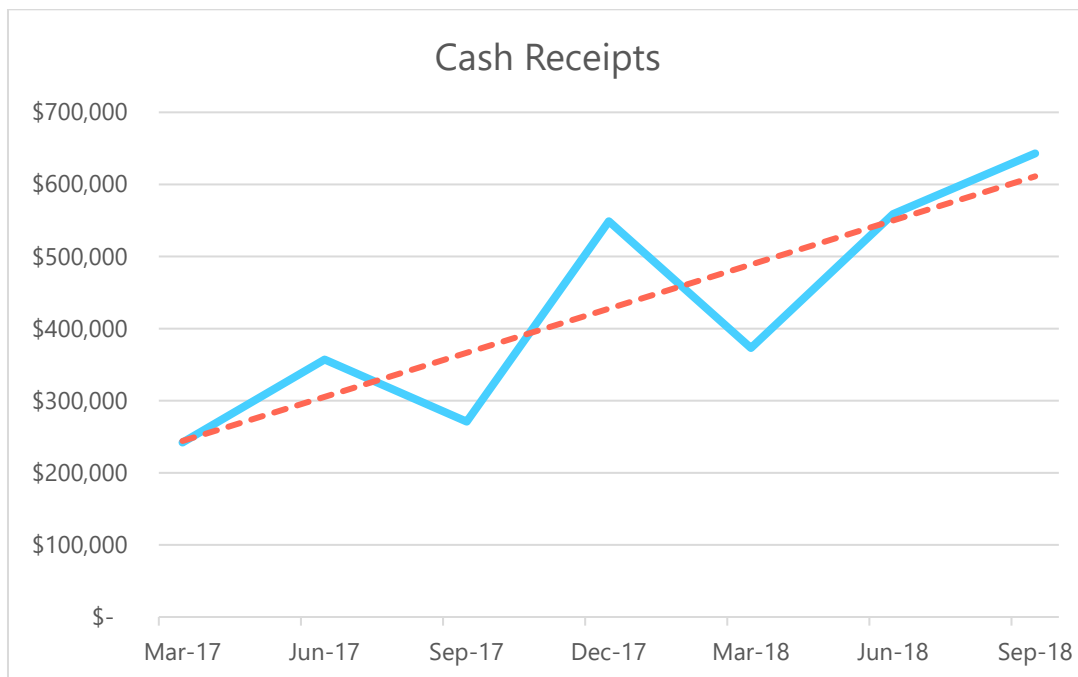
As Tinybeans shared with the market earlier this financial year, the focus around driving the premium subscriptions and advertising revenues have yielded the results we had planned. Seeing growth across both direct **brand partnerships** of **246%** on the same period last year to **\$216k**, whilst growing programmatic advertising by **191% to \$191k**, demonstrating the returns from the investments in recent months. More brands are signing up for direct advertising deals plus more advertisers are increasing their investments across the programmatic platform.

We expect this to further accelerate into Q2, given it's the largest by quarter of spend within the advertising calendar.



Cash Receipts

With continued record revenue growth in the preceding quarters, Tinybeans has also had growth in cash receipts. As this trend continues, the Company sees this continued growth being sustained as the company gets closer to cash flow positive. Tinybeans is committed to turning cash flow positive on a run rate basis in calendar-end 2019.

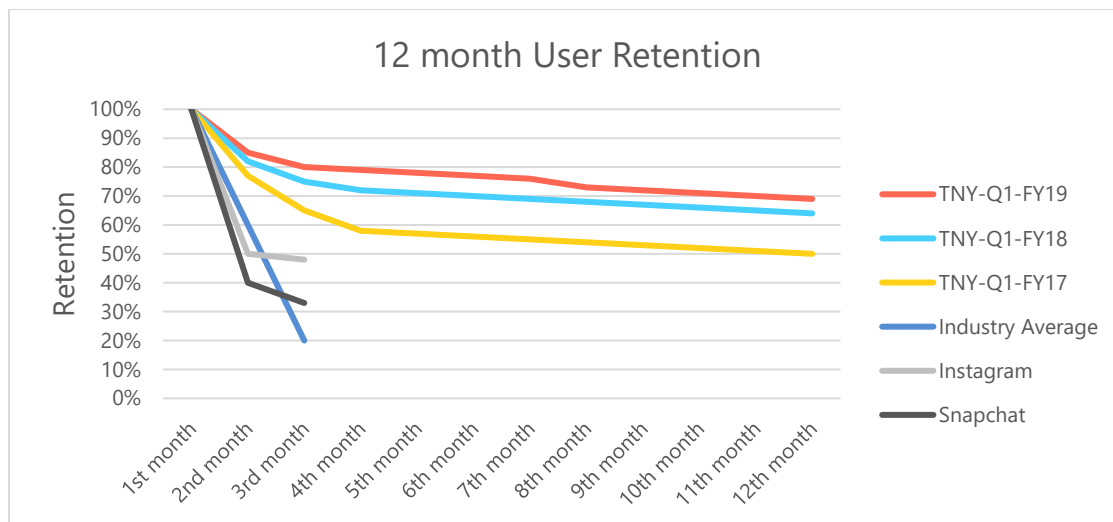


Audience Retention

The release of key new features over the past 12 months including flashbacks, stories, new branding experience amongst other enhancements, the platform has been able to deliver increased retention to continue to keep our parents and families engaged for an even longer period than before.

In the Q1-FY2019, the 12 month retention for our users hit a record **69%**, up from 65% the same period 12 months ago. Comparing this to the industry average of 20%¹, this demonstrates the true value and proposition of the Tinybeans app and web platform.

¹ <http://info.localytics.com/blog/mobile-apps-whats-a-good-retention-rate>



Technology & Product Developments

TNY is committed to strengthening its technology and product leadership by continuing to enhance the superior experience we provide to families and advertising partners.

Some of the developments released in Q1 include:

- Increased ad impressions by 15%+ via Flashbacks on web app Day + Entry views;
- Launched updated iOS app with new in-app feed work. Phase 1 optimized for onboarding reminders, flashbacks, and overall framework;
- Rolled out new brand design on all platforms (Android releasing now);
- Completed Family Premium rebrand and added "Full-res photo storage" feature in preparation for new photo book printing launch;
- Custom iOS in-app for Macmillan Books; and
- Enhancements to Mom365 onboarding driving conversion from 7% to 11%.

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. Integrating additional ad network partners to increase the demand of our audience and impressions so that programmatic revenues increase; Recently Tinybeans added larger demand partners including Criteo, DistrictM and Amazon's own Ad network; and
 - b. Adding more ways for the members to engage while simultaneously increasing available ad inventory – an example is Tinybeans recently launched flashbacks on



the day view on the web site, driving impressions by more than 5% in the first month;

2. Increase premium subscription revenues:
 - a. Launching new features including high resolution photo storage and updating the messaging and app integration to further drive the conversions; and
 - b. Launching printed related benefits in Q2 to drive better conversions;
3. Deliver ongoing product improvements and innovations to enhance value and engagement. These include:
 - a. Launching a new printing experience on the web site with a new printing partner offering better products at a higher margin for Tinybeans;
 - b. Launching an updated news feed, driving further engagement, offering more ways to reminisce (through in app Stories), capture memories and consume content

We look forward to updating the market as we progress.

For more information, please contact:

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About Tinybeans Group Limited

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 over 2.75 Million members and over 1 Million monthly active in over 200 countries/territories and keeps over 150 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")

30 September 2018

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 643 | 643 |
| 1.2 Payments for | | |
| (a) research and development | - | - |
| (b) product manufacturing and operating costs | (151) | (151) |
| (c) advertising and marketing | (132) | (132) |
| (d) leased assets | - | - |
| (e) staff costs | (1,173) | (1,173) |
| (f) administration and corporate costs | (411) | (411) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 9 | 9 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | (1) | (1) |
| 1.7 Government grants and tax incentives | - | - |
| 1.8 Other (provide details if material) | - | - |
| 1.9 Net cash from / (used in) operating activities | (1,216) | (1,216) |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|---|------------------------------------|--|
| 2. | Cash flows from investing activities | | |
| 2.1 | Payments to acquire: | | |
| | (a) property, plant and equipment | - | - |
| | (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 | - | - |
| | (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 | - | - |
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of shares | 144 | 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 | - | - |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | - |
| 3.10 | Net cash from / (used in) financing activities | 144 | 144 |

| | | | |
|------------|--|--------------|--------------|
| 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 | 4,052 | 4,052 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (1,216) | (1,216) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | - | - |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 144 | 144 |
| 4.5 | Effect of movement in exchange rates on cash held | (1) | (1) |
| 4.6 | Cash and cash equivalents at end of quarter | 2,979 | 2,979 |

| | | | |
|------------|---|------------------------------------|-------------------------------------|
| 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 | 2,979 | 4,052 |
| 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) | 2,979 | 4,052 |

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

151

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

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

N/A

8. Financing facilities available
Add notes as necessary for an understanding of the position

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

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

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 | 60 |
| 9.3 Advertising and marketing | 207 |
| 9.4 Leased assets | - |
| 9.5 Staff costs | 1,055 |
| 9.6 Administration and corporate costs | 429 |
| 9.7 Other | - |
| 9.8 Total estimated cash outflows | 1,751 |

| 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.

A handwritten signature in blue ink, appearing to read "Eddie Geller", written over a dotted line.

Sign here:

Date: **24 October 2018**

Director

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.