



ASX RELEASE

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Transcript from Tinybeans Investor Conference Call

Tinybeans Group Limited (ASX: TNY) ("Tinybeans" or "the Company"), the technology platform that connects parents with the most trusted tools and resources on the planet to help every family thrive, is pleased to share the transcript of an investor conference call, hosted by Eddie Geller, TNY CEO, on April 23 discussing the Q3-FY20 performance to date.

Tinybeans CEO, Eddie Geller said,

"We are pleased to provide investors with this transcript of our responses to the questions we recently received from investors."

Tinybeans is really well placed with COVID-19 and we are focused on maximising the opportunities as well as navigating the challenges. While there is some temporary softness in the US advertising market and obviously around the world, our platform offers a much needed solution to social isolation. We are seeing that appeal in our premium subscription growth and usage rates.

With our strong balance sheet, we are well placed to continue our momentum and take advantage of opportunities as they arise. We are building Tinybeans to be a stronger company by delivering sustainable growth and diversification in revenues for future years.

We hope this information is informative and continues to showcase our strategy in becoming the most trusted parenting platform on the planet. We also hope these materials convey the potential of TNY, and confidence as we deliver on the Company's tremendous potential."

This announcement was approved for release by the CEO.

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About Tinybeans Group

Tinybeans Group Limited (ASX: TNY) is a mobile and web-based technology platform that connects parents with the most trusted digital tools and resources on the planet to help every family thrive. 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 best apps in the world!

Tinybeans (now with Red Tricycle) serves a deeply engaged user base in over 200 countries/territories and enjoys over 100,000 5-star reviews in the Apple App Store and the Google Play stores.

Every day millions of people including celebrities, politicians and high-profile families rely on Tinybeans as their primary platform for capturing and sharing their children's life stories while engaging in valuable and personalised content to help them in the journey of parenting.

www.tinybeans.com



1) What's your vision for TNY and how has the opportunity progressed since the company was started?

Our vision is to really leverage the high trust and data we have to be the most powerful partner brand globally. We offer a platform where millions of families can access personalized content to help them in the journey of parenting, whilst also capturing the wonderful everyday moments of their kids and share them with the family privately. Through this highly trusted experience, we tailor product, content and service recommendations based on the age and stage of their children. The progression of this vision can be seen in the acquisition of Red Tricycle as we envision our platform to be one that grows with our partners and with our families over time.

2) What market and customer demographic are you targeting and why?

We're targeting expecting women and families with babies in their first year predominately. Historically they have derived the most value from our platform at that stage and our goal is to super-serve those families. With the most recent acquisition we can now offer a tailored experience all the way until their children are 13. With a relationship that spans over 10 years, there is a huge amount of upside as we continue to build those relationships and develop the monetization of those families over time as well.

3) Where would you like to see TNY in three years' time?

In three years' time, I would like to see a profitable and growing company that continues to serve millions of families every day. The team and I are very excited about what we have on the roadmap and how those efforts will delight parents. I'm confident 2020 will allow continued growth as we integrate Red Tricycle onto the platform.

4) How has the value proposition for advertisers evolved and Q3 revenues related to advertising?

During Q3, the sales team began to offer brands the joint value proposition across both the Tinybeans and Red Tricycle platforms. With the hyper targeting capabilities of Tinybeans and the content and reach of Red Tricycle this is a positive proposition for the company. Although existing revenues for the quarter were impacted due to COVID-19, where advertisers pushed off their campaign to later in the year, it was still a solid quarter for wins as demonstrated by the forward booked sales shared in the Q3 release earlier this week. The \$2.2M in direct advertising already contracted is more than 3 times what it was the same time last year. SO this shows the results we are having albeit in this difficult climate.

5) Core Tinybeans advertising revenue declined in Q3, largely impacted by COVID-19. Without the deferral of \$300K shared, what would have been the advertising growth year on year excluding Red Tricycle?

It is hard to quantify exactly the numbers as some signed campaigns were postponed, some were cancelled, and some pipeline opportunities were simply delayed. However, if you consider all the factors, the Q3-FY20 ad revenue for Tinybeans only platform would have seen an increase of 20% in Q3, year on year. For a soft quarter, it still would have been considered a respectable growth number given the current climate.



6) Given the current climate, what industries are you seeing increasing in their marketing spend where Tinybeans could benefit? Who is decreasing?

There are certainly several industries that have declined in recent months like travel, hospitality and local businesses to name a few. The team is also acutely aware of the impact these clients have had on the current climate and we are still investing in these relationships. When the climate recovers the company will be in a stronger position to benefit with stronger relationship with these advertiser. However, in the past 30 days, the sales team has certainly seen an increase in activity and deal flow in home entertainment, toys, consumer packaged goods, pets and digital products.

7) What about Premium Subscription Revenues? Are they still growing?

The premium subscription revenues continue to grow. In Q3-FY20, it hit a record \$268K, up 44% on Q3-FY19 with total paid subscriptions hitting over 19,300. We see opportunities to further invest in the premium product through 2020 and beyond, which should further see growth in this recurring revenue stream.

8) Printing Revenues remains flat, what are your plans (if any) to grow this revenue stream?

Tinybeans has not been investing in this revenue stream over the past 18 months as the Company felt that the interest with our members has not been at the point to make it profitable. We have spoken and receive feedback from our members and it has not been an area of interest to invest in. Also, with this being largely a commodity service with low margins, it has been difficult to justify. Having said that, late in 2019 we signed a partnership with Chatbooks where our members can download their app and select their Tinybeans memories to have anything they wanted printed. Tinybeans receives a one-time fee when a member for the first time orders on the Chatbooks app. The company does not plan to invest much in this revenue stream in 2020.

9) How does the \$4.5M in forward booked contracts and the \$8M in advertising pipeline compare to previous periods?

Tinybeans has never enjoyed this much in forward booked contracts. Of the \$4.5M, \$2.2M of it is advertising related, while the rest is premium and programmatic (as detailed in the Q3 release). This is more than 4 times what we have had in the past. In terms of the \$8M advertising pipeline, we have had pipelines of around \$4M-\$5M before, so we are up around 80% here. Historically, the Company has closed 1 in 3 deals post proposal stage. We do a lot of work on qualifying the deal, validating the opportunity and trying to strive to close the deal. We are striving to continue that conversation even through the current climate.

10) Was the revenue reported fully consolidated incorporating Red Tricycle from February 27?

Yes, the revenue that was reported for Q3, is fully consolidated incorporating Tinybeans and Red Tricycle from the completion date of February 27th. Meaning, from February 27th to March 31st, all of Red Tricycle's revenue and costs were also absorbed into the Tinybeans Group financials. Red Tricycle contributed approximately \$420k to the quarter in revenues.

11) How has user growth been tracking?

Excitingly, in March 2020, the Tinybeans app was featured as Apple's "App of the Day" in the U.S. again. With the increase in people remaining indoors and families not being able to meet face to face, Tinybeans has seen an acceleration of active users. In the last week of March alone,



weekly active users hit over 1M, which is more than 15% above previous weeks. User growth has definitely accelerated in most recent times and we are hoping it will continue.

12) With Tinybeans headquartered in New York, where the COVID-19 virus has impacted the most people, how has that affected you and Tinybeans?

The team at Tinybeans has been working from home/remotely for now 6 weeks. Even though a lot of the team is based in NY and surrounding areas, the entire team (including the Red Tricycle team) has settled into the challenges reasonably well. We have amplified the communications and transparency, while also offering a range of things to ensure that everyone is looked after. The team has been getting on with their job and striving to not only integrate Red Tricycle as quickly as possible, but also hustling to grow and turn the current situation into an opportunity.

13) Can the one-off costs and the transactions costs in Q3 release be explained a little further?

The \$250k cash burn were largely related to the capital raise and acquisition of Red Tricycle. Note that some costs were only received in Q4, which will impact this quarter. The \$462k in the cashflow statement, was not only cash related but also share issue and cost of equity related.

14) Going forward, what does the cash balance look like?

The cash balance as at the end of March was around \$5.8M. This excludes the government business incentives provided in Australia and the U.S., which will benefit the cash balance by about \$600k. The Company is confident of retaining its strong growth rates with current cash reserves.

15) How has the lack of capital from the Share Purchase Plan (SPP) run in February impacted the company?

The company had hoped to raise at least \$2M from the SPP but given the drop in share price in the first half of February, there was no support for it. The Company was never reliant on these funds to execute on its plans. The Company is well capitalized and with a cash balance of \$5.8m at the end of March, and also additional funds from government incentive programs, we feel we are in a good spot.

16) On the U.S. loan, that based on certain conditions will be forgiven, does it have restrictions on savings where you may have been able to take out of the business?

The way the U.S. government incentive program works is that it is a loan that is a 1%, 2 year unsecured loan that you must apply to have forgiven with certain requirements. As long as they are using the funds for payroll, rent and utilities, a large percentage of the loan will be forgiven. Where we are at as a company, we are retaining staff and recruiting at present. There is no plan to reduce cost base around payroll which would reduce the opportunity to benefit from the loan. As I shared in January, we are transitioning the product engineering team to New York and as part of that still recruiting people here.



17) In terms of driving premium members, how is that marketed in the U.S.?

Related to premium subscribers, as soon as you become a free user on the platform you begin to engage the platform. The Family Premium service gets marketed to members every month and the data suggest that at 3-5 months, they typically convert to a premium subscriber. We don't advertise the premium subscription outside of Tinybeans platform.

18) With regards to recruitment, what sort of qualifications are you looking for? Is this for marketing?

With the decision to transition those product and engineering teams to New York, we are largely recruiting those staff. IOS, android and backend engineers are the types of digital experience but highly skilled engineers around certain parts of the product and platform. For marketing, the Tinybeans and Red Tricycle teams, we have a lot of wonderful talent. Once the dust settles on integration before June 30, there is a range of activities we are looking to launch into the next financial year. Sales is also consolidating nicely and we have seen early success there.

19) Describe the pipeline and over what period will it be monetized?

The pipeline is made up of contracts of various sizes, all focused on this calendar year. The pipeline number we shared is a 90 day pipeline, contracts we look to close in the next 90 days. Some are repeat customers for both Tinybeans and Red Tricycle, some are new brands that have come in as a consequence of current climate. Typically the metrics that advertisers look for are quite varied. Some look for sales, growth, conversion on their site and brand awareness. We are speaking to brands today about trying to create trusted fun experiences over the back of their brand because their brand may not be considered fun. We have had some wins of brands buying from both and we are consolidated sales systems. Many of the phone calls I have been a on are selling both.

20) Was the LEGO renewal influenced by Red Tricycle?

LEGO ran with Tinybeans last year and that is the Duplo brand that focuses on the 18m to preschool age and they re-signed in March exclusively with Tinybeans, there was no influence based on the acquisition. With that said, now that Red Tricycle is part of the fold we are talking to other divisions of LEGO that service older kids and other opportunities continue to be identified.

21) What is your company philosophy and thoughts on influencers and brand ambassador as an alternative marketing channel?

We are very much in the thick of using influencers and influence marketers. Late last year we recruited a millennial mom with three kids under 5 and she has been engaging with micro influencers and celebrity influencers. She has begun to help with social media channels as you may see on our sites. We have been hosting social media takeovers where influencers have hosted takeovers and we are leverage their followers.