



Tinybeans Group Limited
(ASX:TNY)

Investor Presentation

August 2020



Tinybeans at a glance

Tinybeans is trusted by millions of parents to support them in nurturing their children

Highlights

- Tinybeans is the leading app and web platform enabling parents to capture their children's everyday memories and share them privately with families everywhere
- The platform also 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 best apps in the world!

Key Statistics



Over 100k+ 5 Star reviews across iOS and Android App Stores



#1 Parenting App in the U.S.*

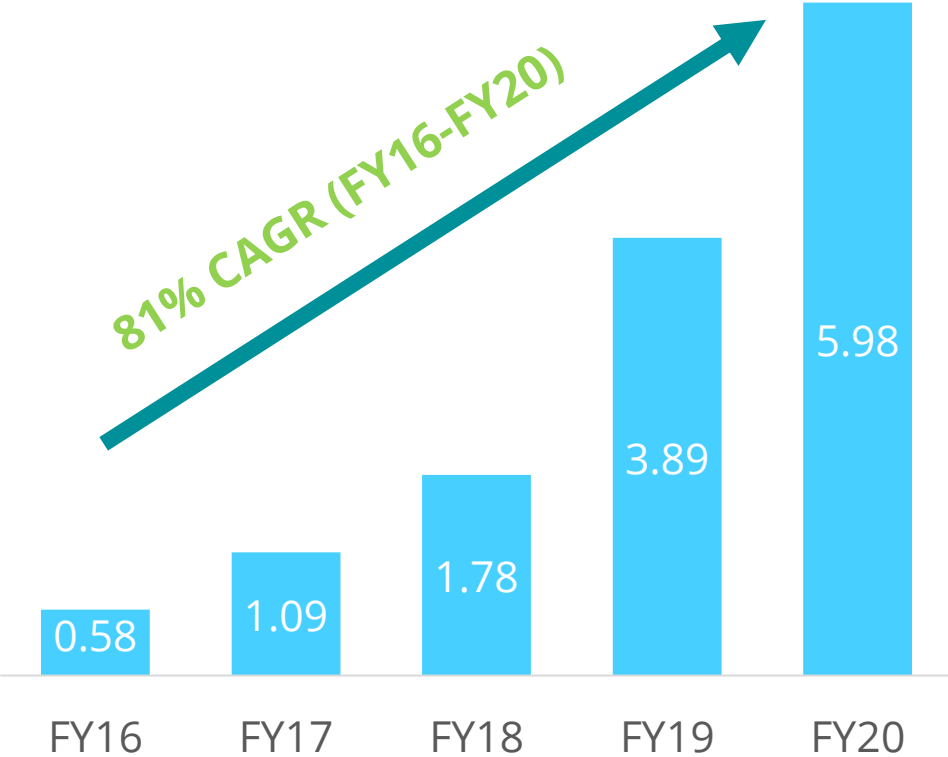


World class NPS > 70



37 Active National and 107 Local Advertising Partners

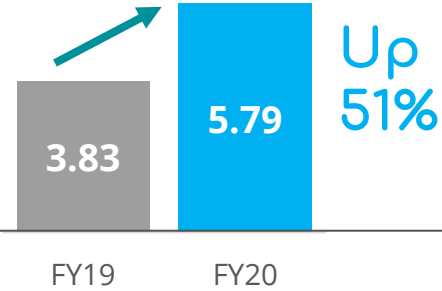
Strong track record of revenue growth (A\$M)**



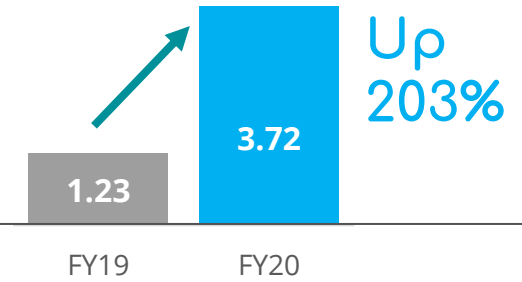
* As defined by being a parenting app (advertising and subscriptions based) in the top sites in the U.S. from ComScore.com
** Only includes revenue from the Redtri acquisition for a period of 4 months in FY20.

Strong Growth and Performance

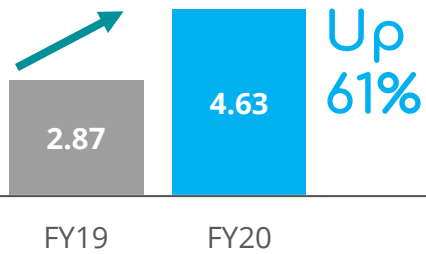
Tinybeans Sales Revenue (A\$m)



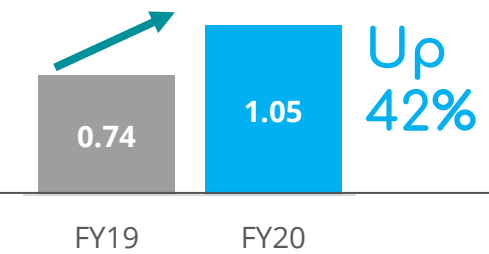
Tinybeans Monthly Active Users



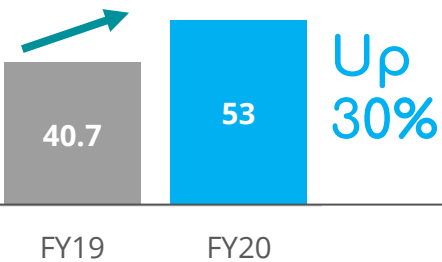
Tinybeans Advertising Revenue (A\$m)



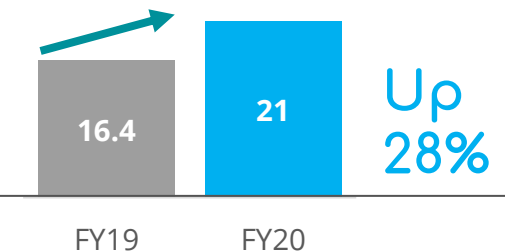
Tinybeans Subscription Revenue (A\$m)



Tinybeans Avg Deal Size (A\$k)
National Only



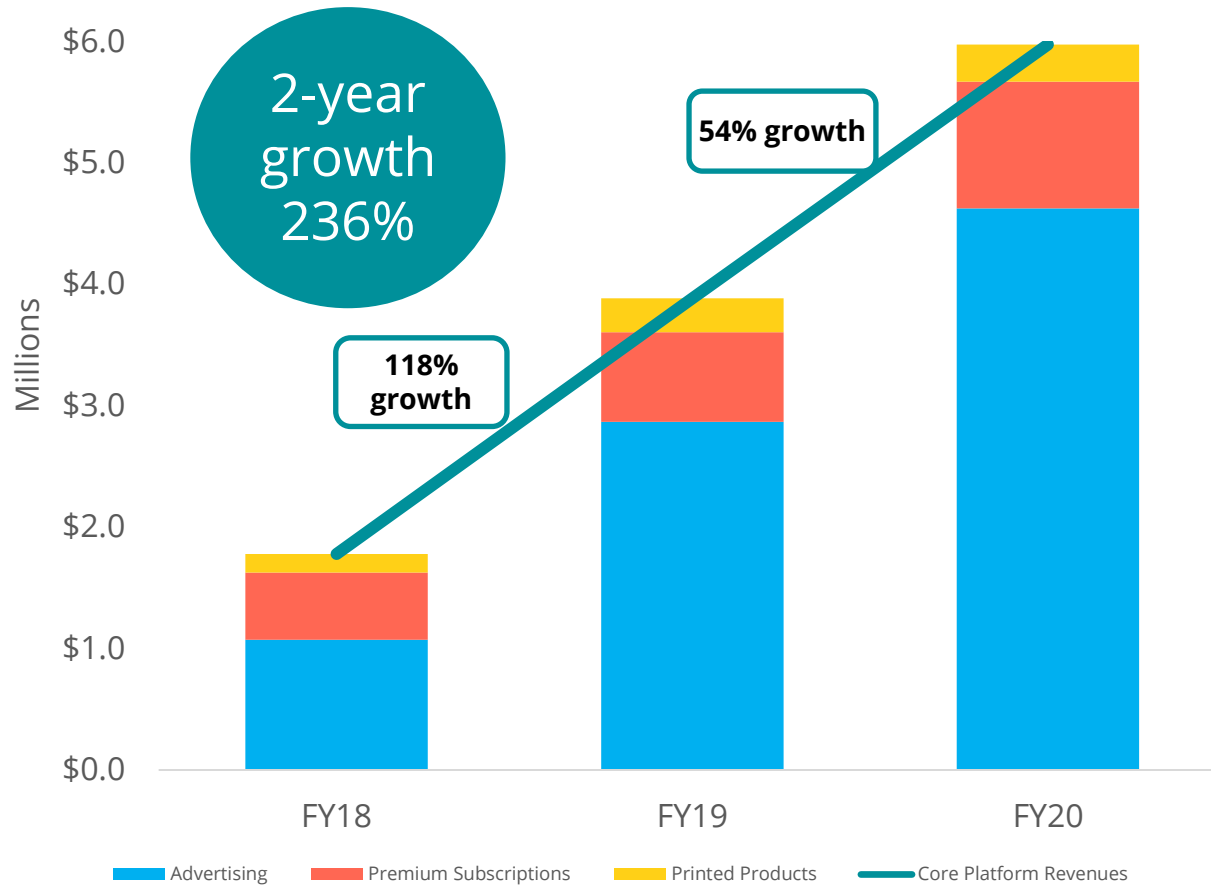
Tinybeans Subscription Customers (k)



FY20: From the CEO

- Transformational year - Successfully completed acquisition (officially from Feb 27, 2020) and in turn integration of Red Tricycle Inc.
- Recruited top talent across all levels, starting with leadership then product/engineering and sales.
- Significantly enhanced our value proposition to a broader set of brand partners (LEGO, Apple, Kraft, General Mills and YouTube Kids)
- Increased across all key metrics, registered & active users, brand partners and their spend, with paid subscriber growth also.
- Operational revenues increased by 54%. This excludes \$305k in R & D related revenue in AU and the U.S.
- Well placed and capitalized (with \$5.22M cash as at June 30) for the emerging recovery
- Pleased with our progress to focus on our enhanced value proposition which heightens our ability to drive revenue growth and expand our product offerings for accelerated audience and revenue growth.

Record Revenue Growth



| Revenue (AUD) | FY18 | FY19 | FY20 | % Growth |
|-------------------------------|---------------------|---------------------|---------------------|------------|
| Advertising | \$ 1,074,842 | \$ 2,870,949 | \$ 4,627,696 | 61% |
| Premium Subscriptions | \$ 552,838 | \$ 737,922 | \$ 1,045,268 | 42% |
| Printed Products | \$ 153,691 | \$ 279,005 | \$ 306,487 | 10% |
| Core Platform Revenues | \$ 1,781,371 | \$ 3,887,877 | \$ 5,979,451 | 54% |

Note: FY20 only includes revenue from the Redtri acquisition for a period of 4 months.

COVID-19 Update

In response to COVID-19, Tinybeans has taken decisive and prompt measures, including:



Workforce

- Entire workforce remote since early March 2020, working very effectively and driving many efficiencies to productivity
- Integrated Red Tricycle acquisition, now operating under a single team, single vision and plan going forward
- We continue to prioritize employee security and supporting clients and subscribers



New Talent

- Recruited key senior leadership roles to fill out open positions driving revenues, product growth and technical excellence
- Recruited key sales roles on the East Coast to drive further revenue growth potential largely in NY



Product

- Customer engagement grew through Q4 as stay at home orders were in place. Hitting over 1.6M weekly active users (combined)
- Content adapted to offer parents more virtual experiences along with more articles supporting their home bound situations



Advertising

- While some national advertisers reduced spend, we saw an increase in advertising interest from companies in toys, online learning and consumer packaged goods. Local advertisers focus changed from experiential to vital services like hospitals and schools
- Single value proposition with targeted accounts that were increasing spend was the focus and continues to be every day



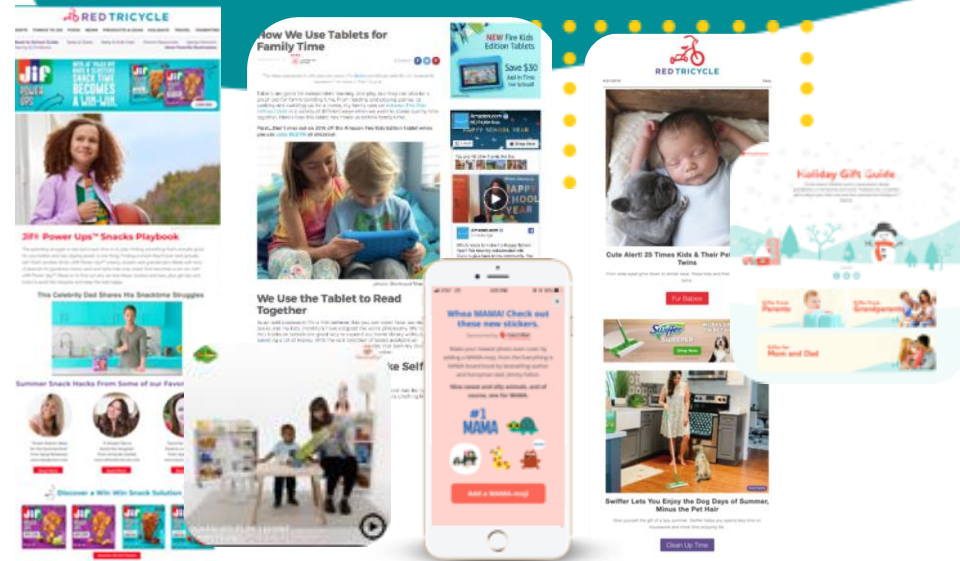
Operating Costs

- Reviewed every cost line and renegotiated with all suppliers receiving discounts on rent, hosting, software and other services
- Applied and successfully received PPP Loans from the U.S. Government, which are still likely to be forgiven although the application process is yet to begin

Family & Friends



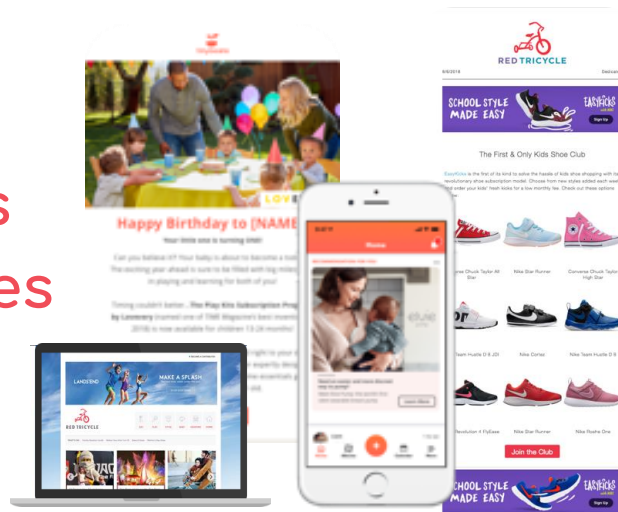
Content



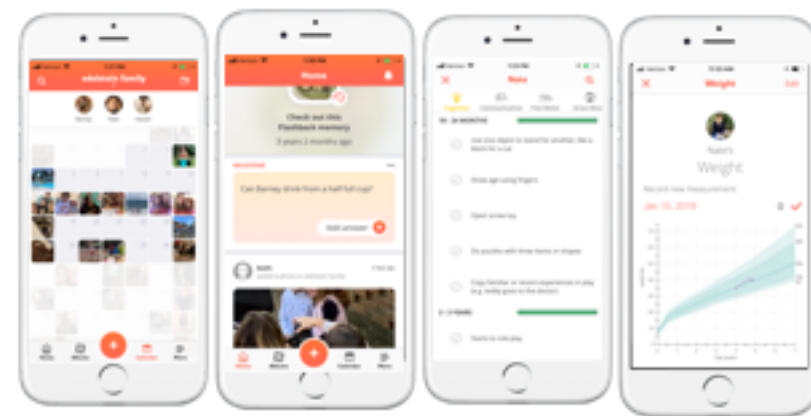
Two trusted brands. A one-stop destination.

Connecting families with everything they need to thrive

Products & Services



Utility



only

use

personal



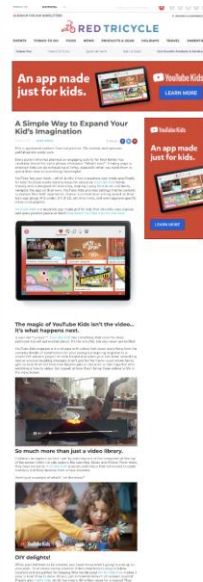
YouTube Kids YouTube Kids

Objectives

- Educate and engage parents about the YouTube Kids app as a separate, safer viewing environment
- Align with content focusing on spending time with family indoors while highlighting product benefits such as safety and parental controls
- Drive consideration and usage of YouTube Kids app among parents of children 2-8

Results

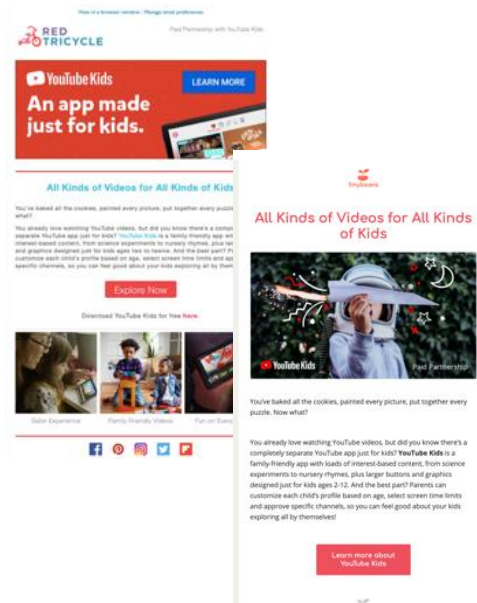
- Engagement with custom content articles outperformed industry benchmarks
- High impact media with 100% share of voice (SOV) delivered an impactful presence with click through rate (CTR) up to 3x industry benchmark



Branded content articles



Indoor Fun channel sponsorship



RT + TNY dedicated emails

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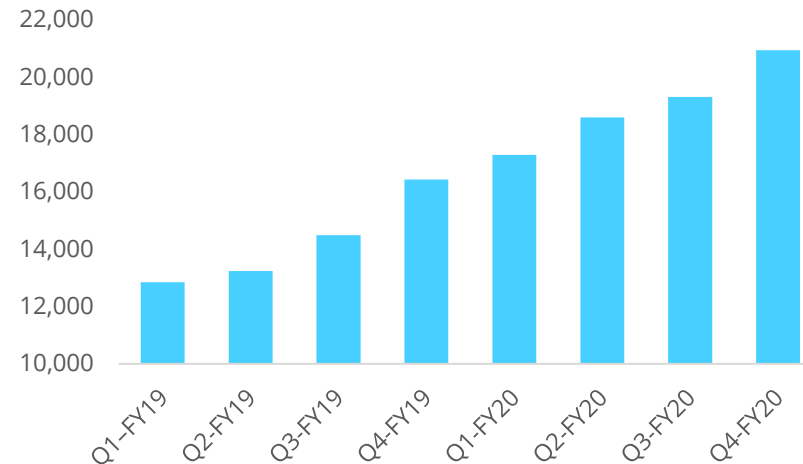


Premium Subscriptions

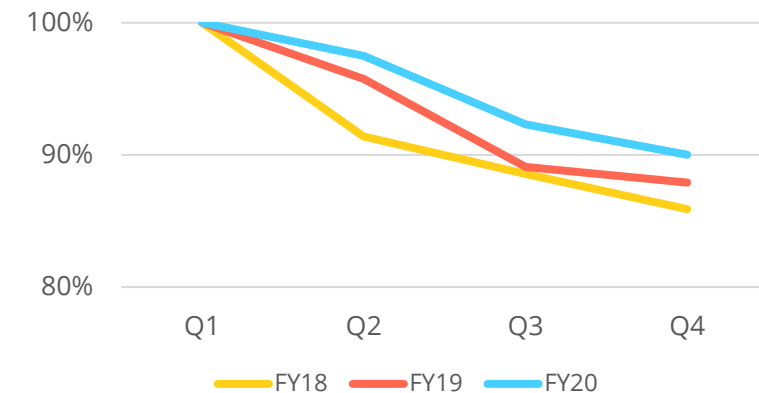
Recurring Revenues

- Paid subscriptions hit 21k, an increase of 27% on the same period 12 months prior.
- Total Contract Value for premium reached an all time high of \$2.26M, up 35% on the same period 12 months prior.
- CAC to acquire a paying premium family was \$15.17, down on FY19 by 9%.
- LTV for a premium family grew to \$449 (up from \$238) based on a churn rate of 10% (down from 17%)
- Return on CAC to LTV is 30.

Paid Subscribers



12 month retention

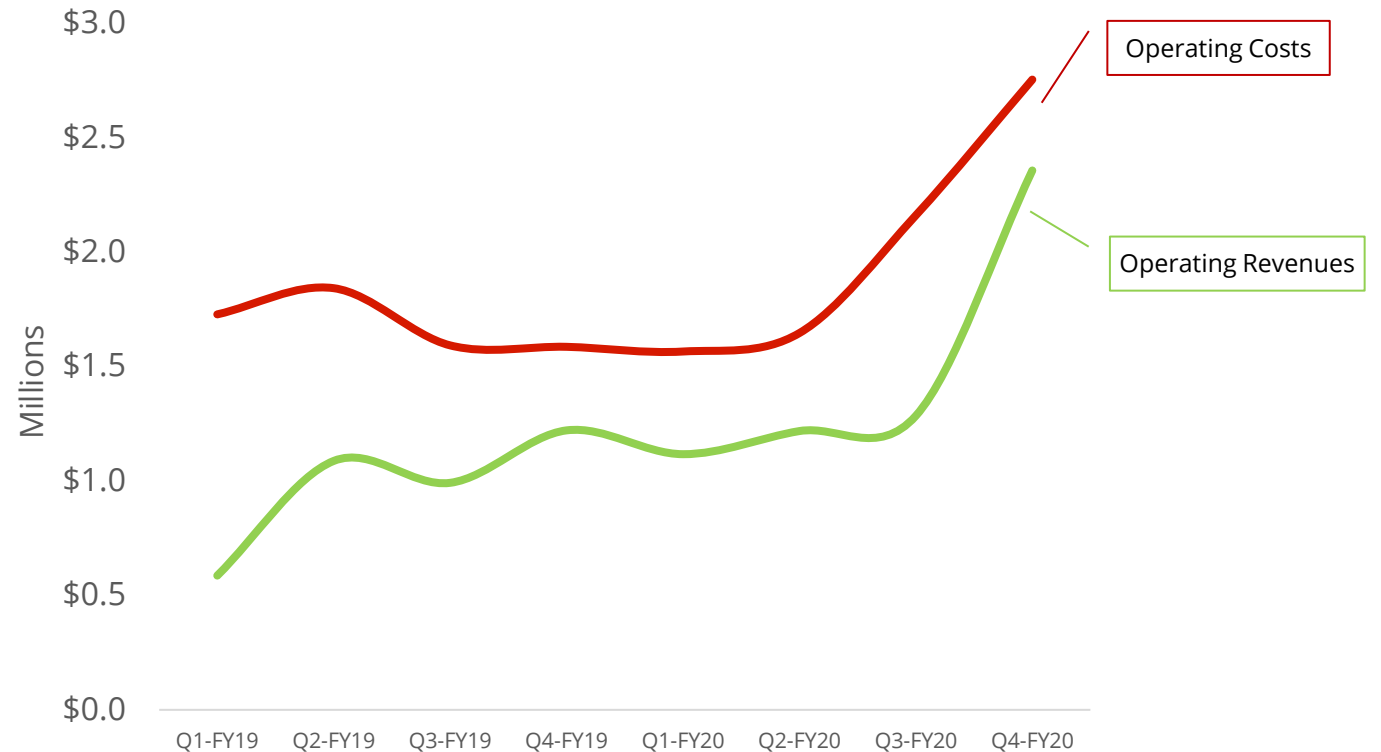


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Scalability and Operating Leverage

Margin Expansion

- Revenue has increased by over \$1M from Q3-FY20 to Q4-FY20.
- Operating costs more stable in Q4-FY20 with a loss of around \$400k.
- Gross Margin steady at 91%.
- Total headcount of 50 as at June 30 (15 in Product/Tech, 17 in Sales, 5 in Corporate, 13 in Marketing and Editorial).
- Cash balance as of June 30 was \$5.22M with an extensive runway given current cash burn.



| | FY18 | FY19 | Q1-FY20 | Q2-FY20 | Q3-FY20 | Q4-FY20 | FY20 |
|-------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Revenue* (\$M) | \$ 1.78 | \$ 3.89 | \$ 1.12 | \$ 1.22 | \$ 1.29 | \$ 2.36 | \$ 5.98 |
| Gross Margin (%) | 86% | 91% | 92% | 90% | 94% | 90% | 91% |
| Operating Costs* (\$M) | \$ 6.22 | \$ 6.75 | \$ 1.57 | \$ 1.65 | \$ 2.16 | \$ 2.76 | \$ 8.13 |
| EBITDA* (\$M) | \$ (4.44) | \$ (2.86) | \$ (0.45) | \$ (0.43) | \$ (0.88) | \$ (0.40) | \$ (2.15) |

Notes:

- Revenue and EBITDA excludes R & D in AU, US and other government subsidies
- Operating costs exclude acquisition costs but include all redundancy payouts for ex AU employees
- Only includes revenue and expenses from the Redtri acquisition for a period of 4 months

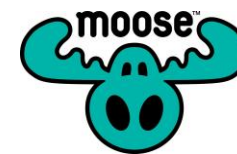
Trading Update – FY21 to date

- With the momentum of the new strengthened leadership team and enhanced value proposition to brand partners, TNY has made a strong start to FY21.
- For July & August
 - Combined revenues 110% ahead of pcp. On track to beat last qtr's revenue results.
 - Advertising revenues 137% ahead of pcp
 - Growth in Q1-FY21 expected to be +10% on Q4-FY20 (US advertising spend typically down 8% in Q4 V Q1)
 - Key brands we've signed this qtr include Walmart, Spin Master, Google, Apple, Moose Toys to name a few.
 - Avg deal size so far for national advertisers AUD \$60k (30% increase over FY20)
 - Premium subscription revenues 30% ahead of pcp

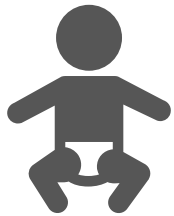
Recent Wins



CooperVision™



Market Opportunity



130M

Babies are born every year

3.8 Million in the U.S.



\$135B* (USD)

US Spend on digital advertising in 2020

\$38B* focused on Baby/Parenting category



40%**

Of all baby product purchases live in households without children

The market for goods and services for babies and children is huge. Goldman Sachs' Millennial Moms report forecasts the **\$1 trillion (USD)** that parents currently spend on children each year to grow, but also shift as Millennials' unique set of values and influences — aided by new technology — leads to new choices.

* <https://insights.digitalmediasolutions.com/articles/digital-spending-2020> and <https://content-na1.emarketer.com/us-digital-ad-spending-update-q2-2020>

** <https://www.thinkwithgoogle.com/marketing-resources/micro-moments/why-consumer-intent-more-powerful-than-demographics/>

The on-demand resource for your parenting journey



How can I save all our photos and videos of the children?

How can I trust my children's memories are private?

How can I filter my child's memories by location or activity?

How can I see a timeline of all my children's photos?



What is around the corner for my child's development?

What should I do in relation to children and their milestones?

What should I do this weekend with the kids?

What products will assist with my child's development?



How do we share our child's memories privately with family?

How do we keep my family involved with my child's life?

Can I speak to someone who also has a child my son's age?

How do we meet & learn from other parents like us?



How do we find local childcare?

Can I find a trusted local babysitter tonight?

Are there any activities with paw patrol? My kids love it!

What should I buy my 3-year granddaughter for her birthday?



What products are suitable for my 2-year-old?

Is there a local music class for my daughter?

Has anyone else used this cool new couch for kids?

Finding a tutor for my son. Is there someone local?

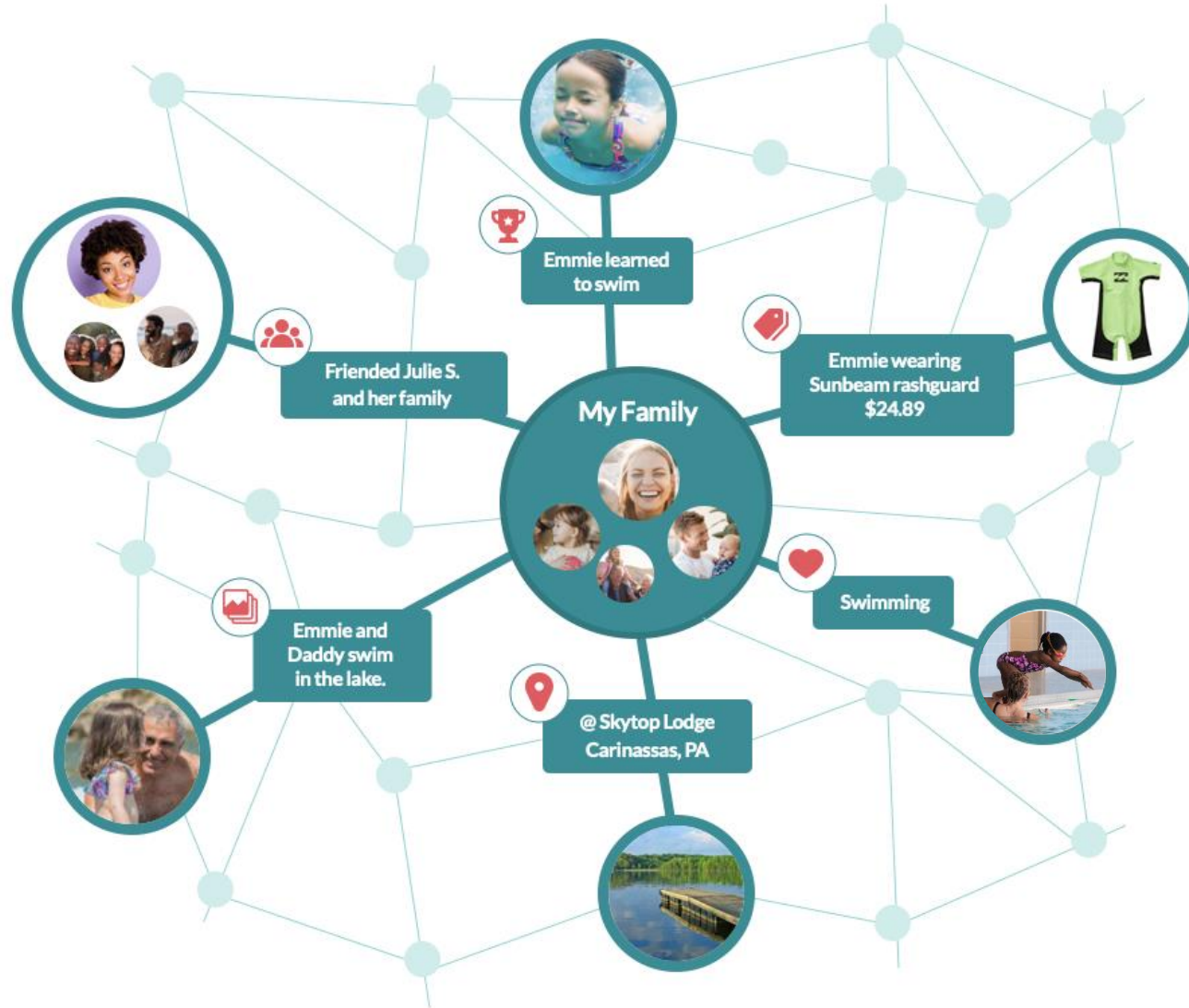
Current Tinybeans Services







Future Tinybeans Services



Audience Growth & Monetization

Broaden the experience to foster community engagement

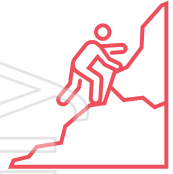


-  **Interests**
-  **Moments**
-  **Products**
-  **Places**
-  **Users**
-  **Milestones**

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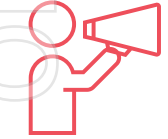
FY21 Key Execution Priorities

Key Priorities for the year ahead!



World Class Sales

- Create a world class ad sales team that is consultative (idea driven), hungry, and empowered
- Clearly define our new cross-brand value based upon our unique combination of strengths: prenatal to pre-teen, brand-safe environments, first party data (TNY), local roots (RT), strong app, influencer network
- Curate ad products, improve inventory management and sale, reduce/remove friction in ad serving/reporting



Marketing

- Execute innovative programs that drive user growth, build brand reputation and inspire community devotion
- Key quarterly programs to drive top of the funnel growth of web traffic and email sign ups (paid acquisition in Q3)
- Launch and grow e-commerce affiliate revenues on a recurring monthly basis



Product

- Determine and maximize our engine for user growth and implement new features to create habit forming actions
- Engage users with content based on their personal tastes, family life stage, location and demographics
- Increase subscription revenue while experimenting and validating new, sustainable revenue channels



Technology

- Automate key processes to facilitate rapid development and experimentation
- Refine our data management platform for securely housing and utilizing first-party data
- Rollout continuous delivery pipeline for quality control and efficient development upgrades



People

- One Team One Goal with alignment on our values, mission & vision
- Continue to attract and retain top talent who are diverse, inspired and driven to succeed
- Driving high performance culture with individual and team KPIs, aligned to company growth plans

Success Metrics:

Ad Revenue
Partner Retention &
Growth

Traffic & Affiliate
Revenues

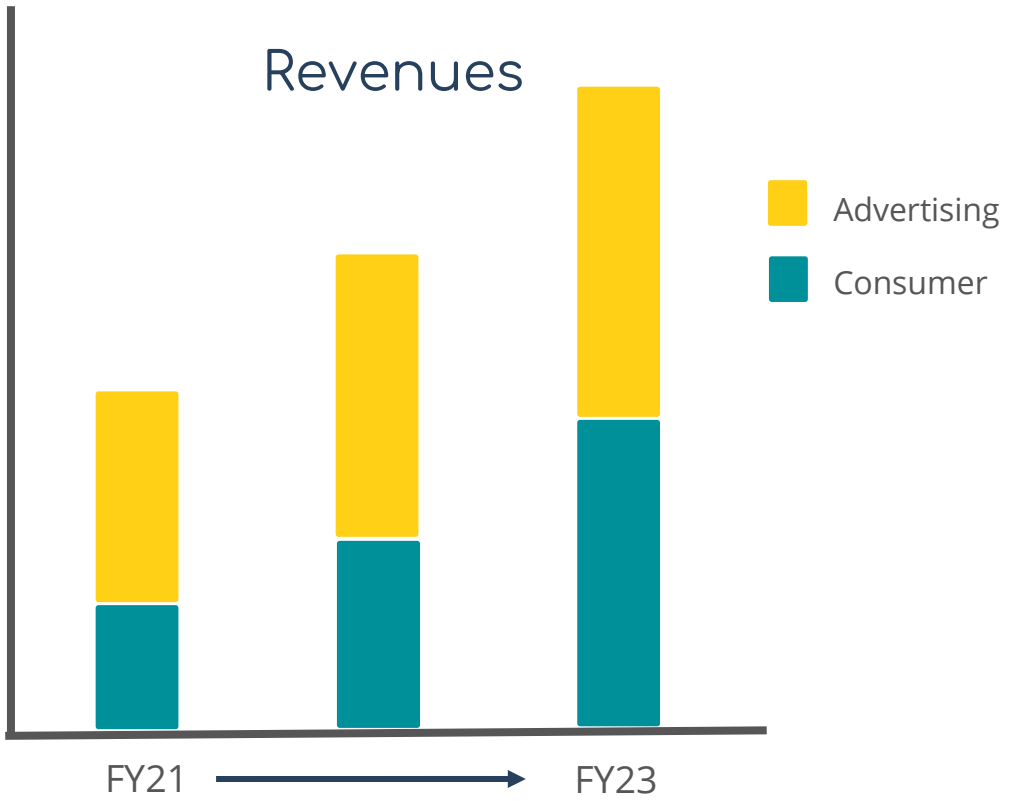
User Growth and
Retention

Operation Margin
and Scalability

Employee
Engagement

Exponential user growth expected to begin in FY22 with consumer revenue expected to eclipse advertising revenue in FY23

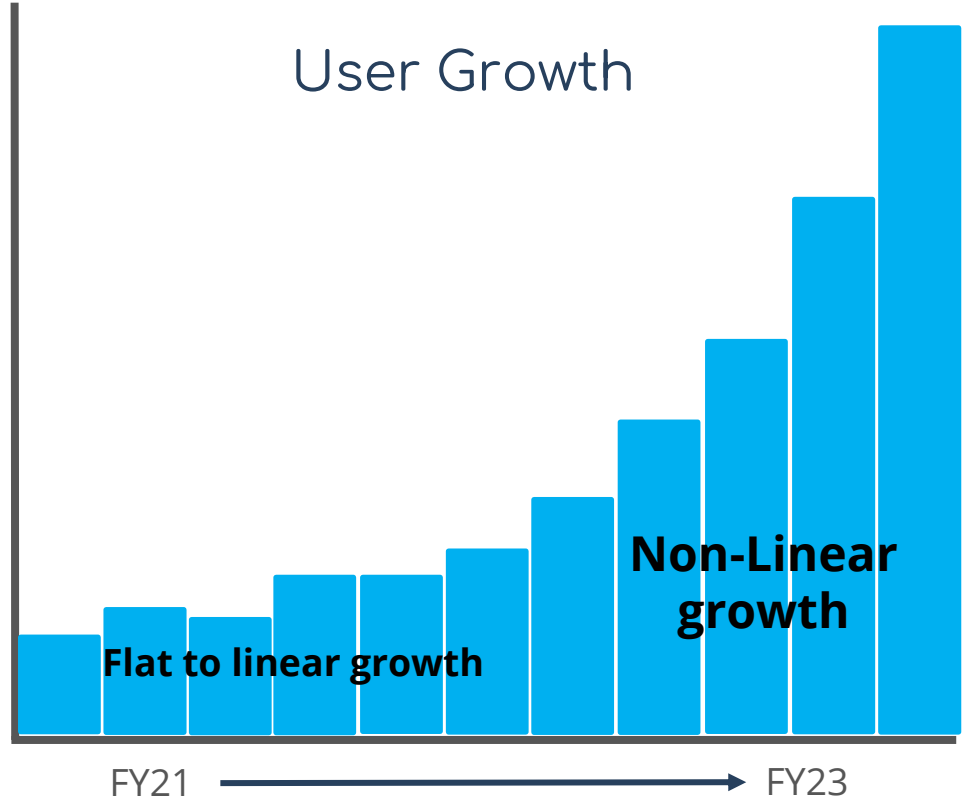
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One sales team growing revenues with current platform.

Consumer revenues growing with subscriptions and ecommerce

Consumer revenues (largely recurring) accelerate from non-linear user growth in FY22



Core app experience redesigned and hundreds of experiments being run

Growth engine determined and user growth expected to be non-linear accelerating in FY22 & FY23 with community, discovery and business storefronts

Please note that the revenue mix estimates, and the growth bars are for illustrative purposes only



Why Tinybeans?

Advertising business

- Number 1 Parenting App in the U.S.*
- Top quality brand roster increasing their spend across brand safe platforms
- Industry changes with large brands boycotting traditional advertising platforms
- 10 sellers across the ad sales team
- Strategic marketing efforts driving unique value propositions for leading brands
- Reaching 25 million people every month inc

social

Loyal Audience & Brand strength

- Tinybeans and Red Tricycle are much loved parenting brands with trust and loyalty driving YoY retention
- Audience continually providing feedback and comments to drive improvement and retention
- World class Net Promoter Score of over 70
- New Influencer network (TheHive) driving brand growth continually

Subscription business

- Monthly recurring revenues with high margin
- High value customers driving organic word of mouth
- Strong base feature set that will evolve in FY21 to drive more recurring revenues
- Solid platform for recurring revenues with increased efforts in FY21 to grow even more
- Loyal audience with nearly 90% annual retention



* As defined by being a parenting app (advertising and subscriptions based) in the top sites in the U.S. from ComScore.com

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Appendix



Leadership Team



Eddie Geller
Chief Executive
Officer



Kyle Martin
Chief Product
Officer



Jacqui Boland
Chief Marketing
Officer



Ula Mikus
Head of Talent
& Happiness



Nina Lawrence
Chief Revenue
Officer



Mark Wunsch
Chief Technology
Officer



Grady Edelstein
Head of
Partnership
Marketing



Maria Centino
Head of Finance

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Corporate Overview

Trading Information

| | |
|-----------------------------------|----------------|
| ASX stock code | TNY |
| Share price (Aug 25, 2020) | \$0.90 |
| Shares quoted on ASX (free-float) | 44.9M |
| Escrowed shares (Mar 2021) | 702k |
| Options on issue | 4.5M |
| Market cap (fully diluted) | \$45.1M |

Top 10 shareholders % of issued capital

| | | |
|----|---|---------------|
| 1 | Eddie Geller | 12.56% |
| 2 | Stephen O'Young | 12.11% |
| 3 | John McBain | 9.22% |
| 4 | Thorney Investments | 7.39% |
| 5 | John Rubino | 6.23% |
| 6 | Sarah-Jane Kurtini | 5.39% |
| 7 | BNP PARIBAS NOMINEES PTY LTD | 2.11% |
| 8 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 3.14% |
| 9 | DuKiss Super | 2.05% |
| 10 | BUNGEELTAP | 1.82% |
| | Top 10 Total | 61.10% |

FY20 P & L

| | Current Period 2020 \$ | Previous Period 2019 \$ |
|--|------------------------------|-------------------------------|
| Revenue from contracts with customers | 5,979,450 | 3,887,876 |
| Other income | 402,804 | 415,647 |
| Bad debts expense | (21,076) | (4,669) |
| Depreciation and amortisation expense | (729,030) | (113,036) |
| Employee benefits expense | (6,062,977) | (4,801,300) |
| Share based payments expense | (521,384) | (229,694) |
| Finance costs | (24,186) | (4,941) |
| Administration | (2,674,035) | (1,779,232) |
| Marketing | (698,892) | (607,803) |
| Other expenses | (172,476) | (209,595) |
| Loss before income tax expense | (4,521,802) | (3,446,747) |
| Income tax expense | (5,742) | (4,734) |
| Loss after income tax expense from continuing operations | (4,527,544) | (3,451,481) |
| Attributable to: | | |
| Members of the Parent Company | (4,527,544) | (3,451,481) |
| Items that may be reclassified to profit or loss | | |
| Exchange differences on translating foreign operations, net of tax | (466,207) | 3,561 |
| Total comprehensive loss for the year | (4,993,751) | (3,447,920) |

Notes

- The Group acquired Red Tricycle, Inc on 27 February 2020, and its financial statements now forms part of the Consolidated Group since the date of acquisition.
- The loss for the Group after income tax amounted to \$4,527,544 (2019: \$3,451,481).
- The Group has generated total sales revenue of \$5,979,450 up from \$3,887,876 in the previous year. The Group has also claimed Research and Development tax offsets of \$137,646 in Australia, and \$167,074 in the United States for offset against payroll tax.

FY20 Balance Sheet

| | Current Period 30 June 2020 \$ | Previous Period 30 June 2019 \$ |
|--------------------------------------|--------------------------------------|---------------------------------------|
| Current Assets | | |
| Cash and cash equivalents | 5,220,229 | 982,018 |
| Trade and other receivables | 2,138,436 | 1,283,324 |
| Other assets | 380,622 | 270,895 |
| Total Current Assets | 7,739,287 | 2,536,237 |
| Non-Current Assets | | |
| Property, plant and equipment | 36,678 | 55,672 |
| Right-of-use assets | 397,156 | - |
| Intangible assets | 10,782,469 | - |
| Total Non-Current Assets | 11,216,303 | 55,672 |
| Total Assets | 18,955,590 | 2,591,909 |
| Current Liabilities | | |
| Trade and other payables | 1,169,420 | 754,942 |
| Contract liabilities | 892,330 | 522,546 |
| Lease liabilities | 246,936 | - |
| Employee benefits | 130,690 | 163,430 |
| Borrowings | 846,677 | - |
| Total Current Liabilities | 3,286,053 | 1,440,918 |
| Non-Current Liabilities | | |
| Contract liabilities | 554,866 | 469,395 |
| Lease liabilities | 178,215 | - |
| Employee benefits | 5,849 | 22,496 |
| Total Non-Current Liabilities | 738,930 | 491,891 |
| Total Liabilities | 4,024,983 | 1,932,809 |
| Net Assets | 14,930,607 | 659,100 |

FY20 Cashflows

| | Current Period 30 June 2020 \$ | Previous Period 30 June 2019 \$ |
|---|--------------------------------------|---------------------------------------|
| Cash flows from operating activities | | |
| Receipts from customers | 5,693,396 | 3,693,074 |
| Payments to suppliers and employees | (8,956,661) | (7,102,875) |
| Government grants and Research and Development Tax Offset Incentive | 188,919 | 134,105 |
| Interest received | 31,304 | 24,951 |
| Interest and other finance costs paid | (24,186) | - |
| Net cash used in operating activities | (3,067,228) | (3,250,745) |
| Cash flows from investing activities | | |
| Payments to acquire property, plant and equipment | (13,201) | (1,113) |
| Acquisition of businesses | (9,915,922) | - |
| Net cash used in investing activities | (9,929,123) | (1,113) |
| Cash flows from financing activities | | |
| Proceeds from shares issued | 17,308,222 | 193,445 |
| Cost of raising share capital | (643,265) | (5,125) |
| Repayment of lease liabilities | (368,406) | - |
| Proceeds from borrowings | 846,677 | - |
| Net cash provided by financing activities | 17,143,228 | 188,320 |
| Net increase (decrease) in cash held | 4,146,877 | (3,063,538) |
| Cash and cash equivalents at the beginning of financial year | 982,018 | 4,052,369 |
| Effects of exchange rate changes on cash | 91,334 | (6,813) |
| Cash and cash equivalents at end of financial year | 5,220,229 | 982,018 |

Corporate Info

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