



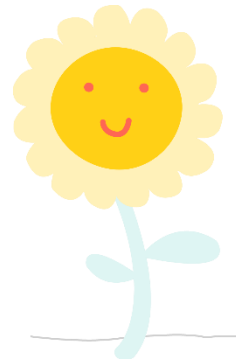
Tinybeans Group Limited (ASX:TNY)

Investor Briefing
Full Year FY19 Results
(in \$AUD)



TNY in FY19: Delivering on promises!

- Operational **revenues increased by 118%** on FY18 to **\$3.9M**. This excludes **\$460k** in R&D related revenue in AU and the U.S.;
- Monthly Active Users (MAU) hit **1.23M**, delivering growth of **31% on FY18**, largely driven in Q4 by app updates and the new content platform;
- Registered Users hit **3.35M**, representing growth of **34%** on FY18;
- User Retention hit **76%** for FY19 (Vs. 69% 2 years ago)
- Underpenetrated, large total available market. Scope to invest for growth based on **91% gross margins** and attractive unit economics, **14x LTV/CAC***; and
- Well capitalised to fund accelerated growth strategy with over \$5.6M** cash balance.



* Premium subscription returns - see page 13 for details

** As at mid August 2019

FY19: Performance and growth continues



+34%

3.35M

registered users



+31%

1.23M

monthly active users



+118%

\$3.9M

total revenue



+167%

\$2.9M

advertising revenue

All percentages are compared to the same period 12 months earlier



Our key metrics

	June 2017	June 2018	June 2019
Registered Members	1.77M	2.50M	3.35M
Monthly Active	684K	941K	1.23M
Daily Active	206K	400K	501K
Revenue / Active	\$1.60	\$1.89	\$3.16
12 Month Retention	69%	74%	76%

+67%

Market Opportunity



130M

Babies are
born every year

4 Million in the US



\$129B* (USD)

US Spend on digital
advertising in 2019

\$24.5B* 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://www.emarketer.com/content/us-digital-ad-spending-will-surpass-traditional-in-2019> and MediaRadar 2019 spending report

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

Our Vision



Product

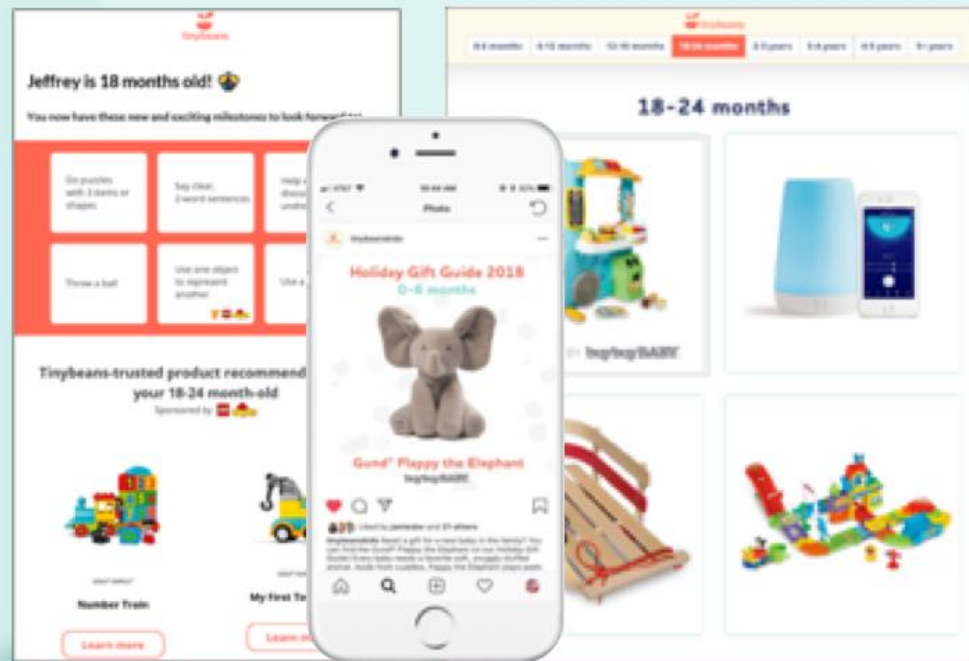
P & G, Carters



Lego, Disney, Mattel
other stage based products

2% CTR;
6x Industry
benchmark

30% Open Rates
2x Industry
benchmark

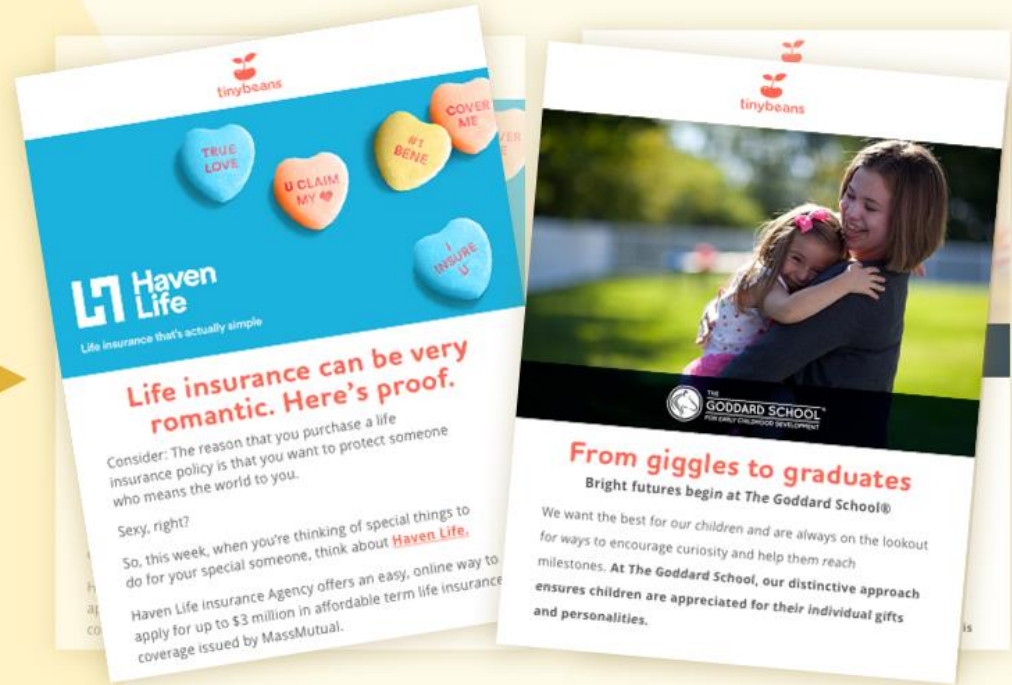


Services

Financial Services



Childcare



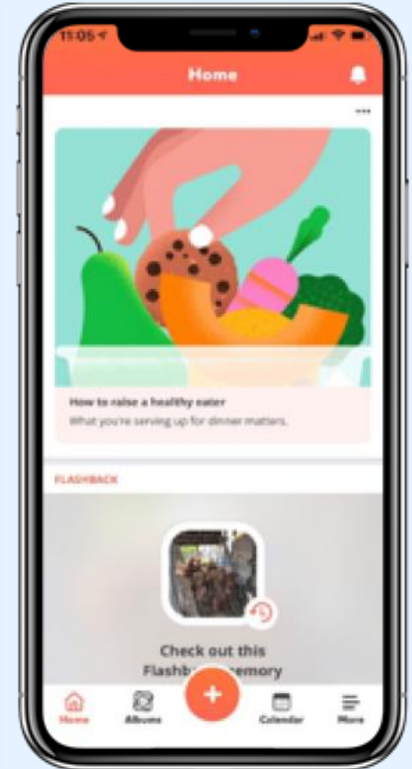
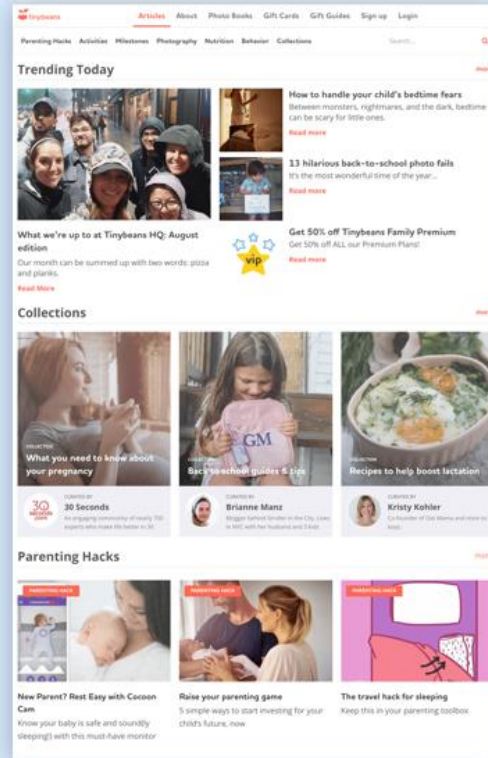
Content

Mommy Bloggers

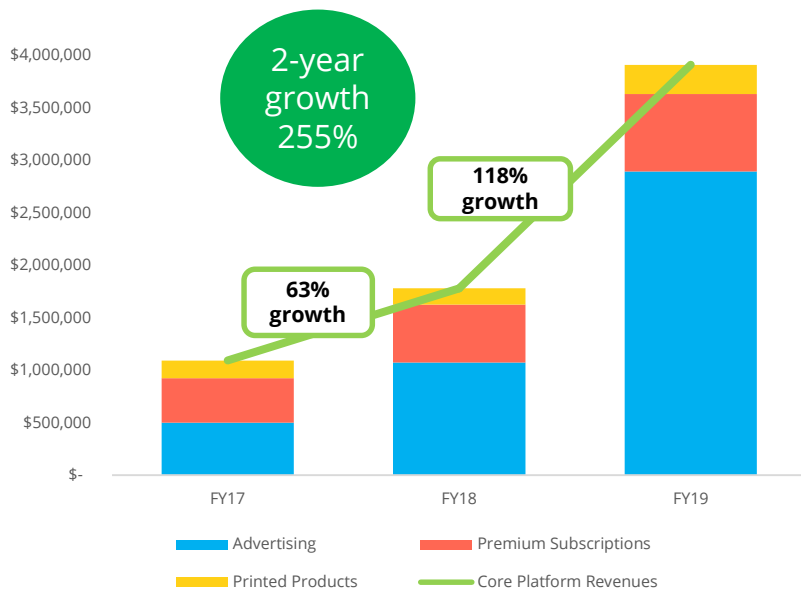
Advice

Tips

Community



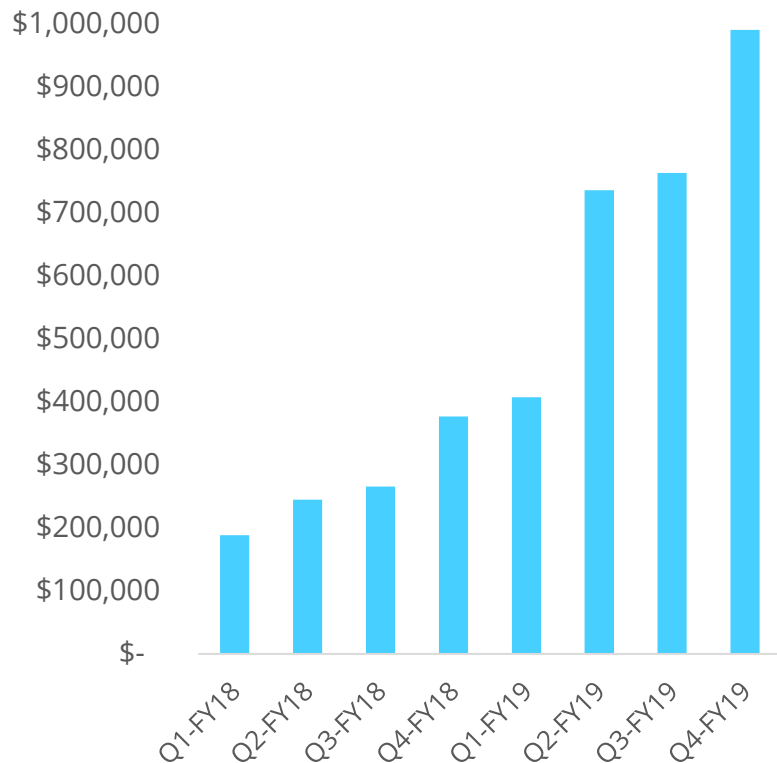
Record revenue growth



- Growth across **brand partnerships** of **200%** on the same period last year to **\$1.4M**, while growing programmatic advertising **\$1.5M**, which was **126%** on the same period last year.
- Premium subscription revenue rose **33%** on the same period 12 months ago to **\$738k** with total contract value for premium subscriptions rising to **\$1.67M**, which is **41%** on the same period last year.

Revenue (AUD)	FY17	FY18	FY19	% Growth
Advertising	\$ 500,038	\$ 1,074,842	\$ 2,870,949	167%
Premium Subscriptions	\$ 424,030	\$ 552,838	\$ 737,922	33%
Printed Products	\$ 169,616	\$ 153,691	\$ 279,005	82%
Core Platform Revenues	\$ 1,093,684	\$ 1,781,371	\$ 3,887,877	118%

Advertising revenue growth



- Average deal size increased by **41%** year on year
- Over **35%** of FY19 direct brand revenue was from repeat brands with over **40 new accounts** signed.

Why brands are choosing Tinybeans?



Trust

Our members trust Tinybeans, so they engage significantly higher when brands are recommended.



Engagement

Industry leading email open rates, click rates and time spent.



Brand Safe

Platform is 100% brand safe. Safe from Ad-fraud / Bot Traffic.



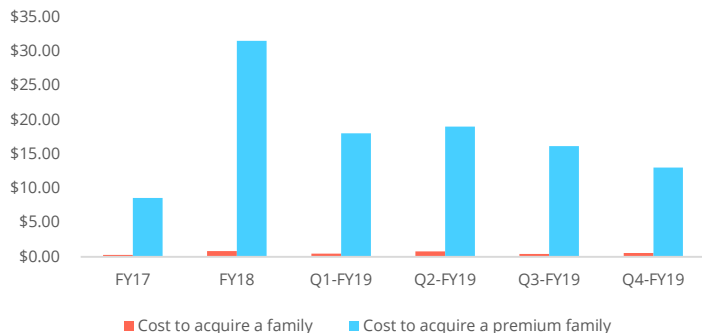
Targeting

Rich first party data allows for targeting the right family member at the right time when they or their child needs something.

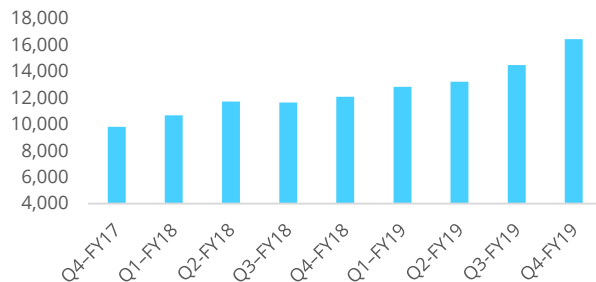
Premium subscription metrics



Customer Acquisition Cost (CAC)



Premium Subscriptions

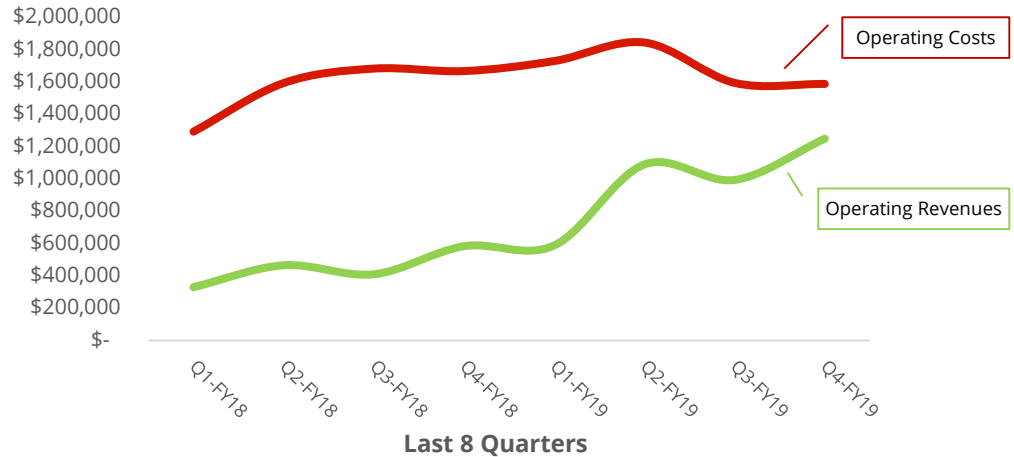


- Paid subscriptions were just under 16,500, an increase of 36% on the same period 12 months prior.
- Total Contract Value for premium reached an all time high of \$1.67M, up 41% on the same period 12 months prior.
- Customer acquisition costs (CAC) declined – now at around 13 cents for FY19. Main reason for this decline was optimization for ad-spend return.
- CAC to acquire a paying premium families (note that premium is applied to a journal/family) also reduced to \$16.53, down 90% on FY18.
- LTV for a premium family is \$237.57 based on a churn rate of 17%.
- Return on CAC to LTV is 14.

Scalability and operating leverage

Margin Expansion

- Revenues have increased by \$2.11M since 1 July 2017.
- Operating costs reduced and stable in H2-FY19 at \$1.59M, for Q4, down 14% from Q2-FY19.
- Gross Margin has increased from 82% to 91% in 3 years.
- Total headcount of 22 as at 30, June 2019 (12 in Tech, 6 in Sales & Marketing, 4 in Corporate)
- Tinybeans has a scalable and robust technology platform purposefully designed to support significant revenue growth.



	FY17	FY18	Q1-FY19	Q2-FY19	Q3-FY19	Q4-FY19	FY19
Revenue* (\$M)	\$ 1.09	\$ 1.78	\$ 0.59	\$ 1.09	\$ 0.99	\$ 1.22	\$ 3.89
Gross Margin (%)	82%	86%	92%	88%	94%	92%	91%
Operating Costs (\$M)	\$ 3.27	\$ 6.22	\$ 1.73	\$ 1.84	\$ 1.59	\$ 1.59	\$ 6.75
EBITDA* (\$M)	\$ (2.18)	\$ (4.44)	\$ (1.14)	\$ (0.76)	\$ (0.60)	\$ (0.37)	\$ (2.86)

* Revenue and EBITDA excludes R & D in AU, US and other government subsidies

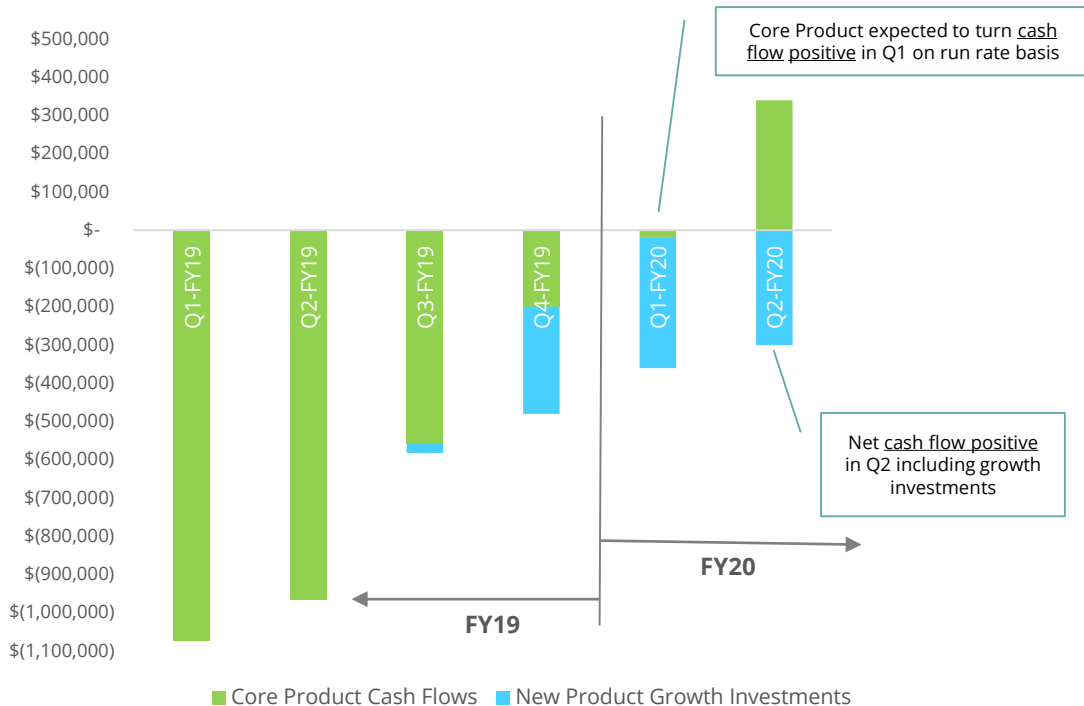
Cashflow positive in H1-FY20

Positive Trajectory

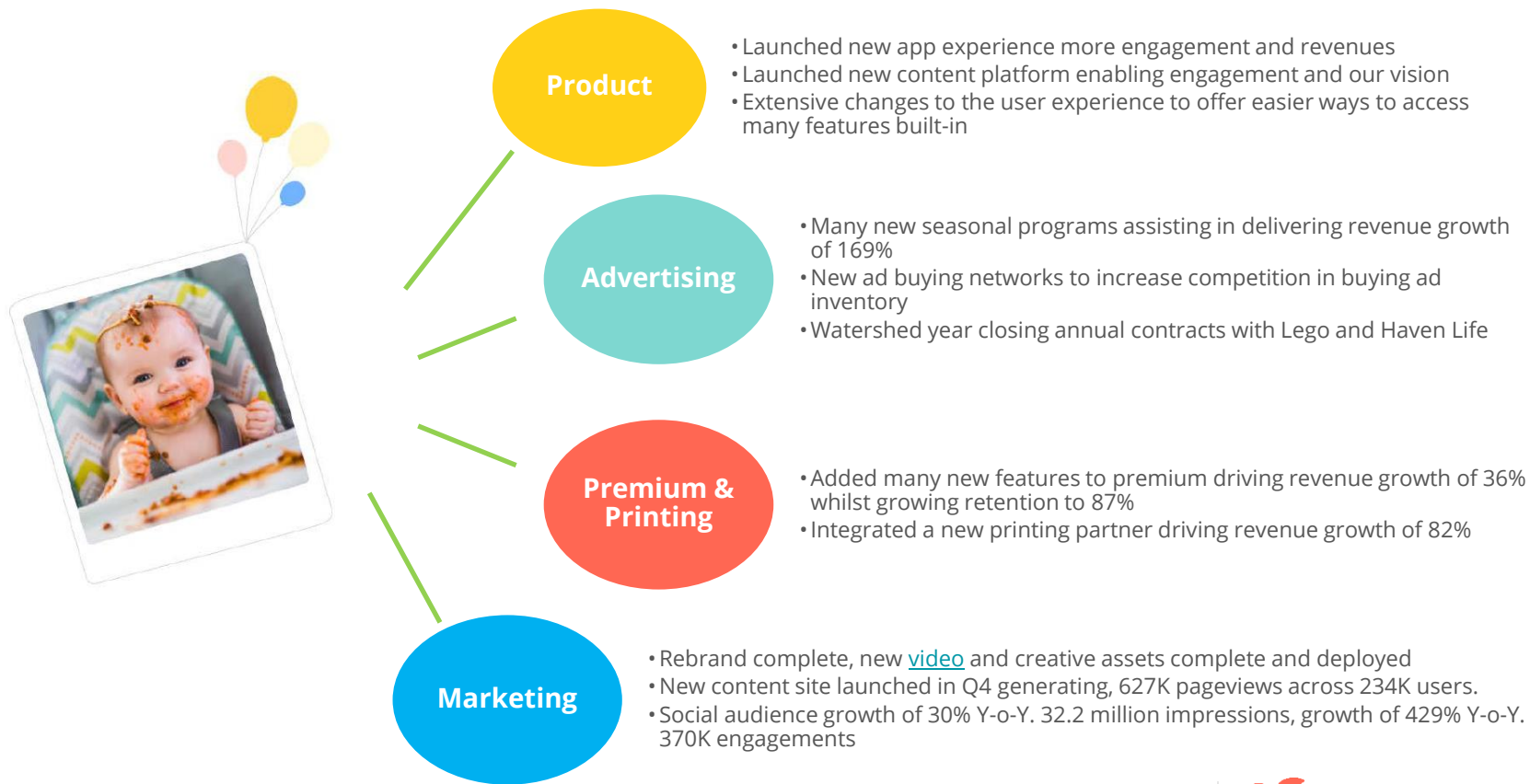
- Cash burn is improving each quarter:
 - Q4-FY19 was \$480k
 - Q1-FY20 expected to be between \$300k and \$400k made up of core product and growth investments
- Q2-FY20 expected to be **cash positive** quarter overall generating around **\$50k**. Approximately \$350k positive from core revenues and \$300k cash burn investing in growth areas.

Guidance Assumptions

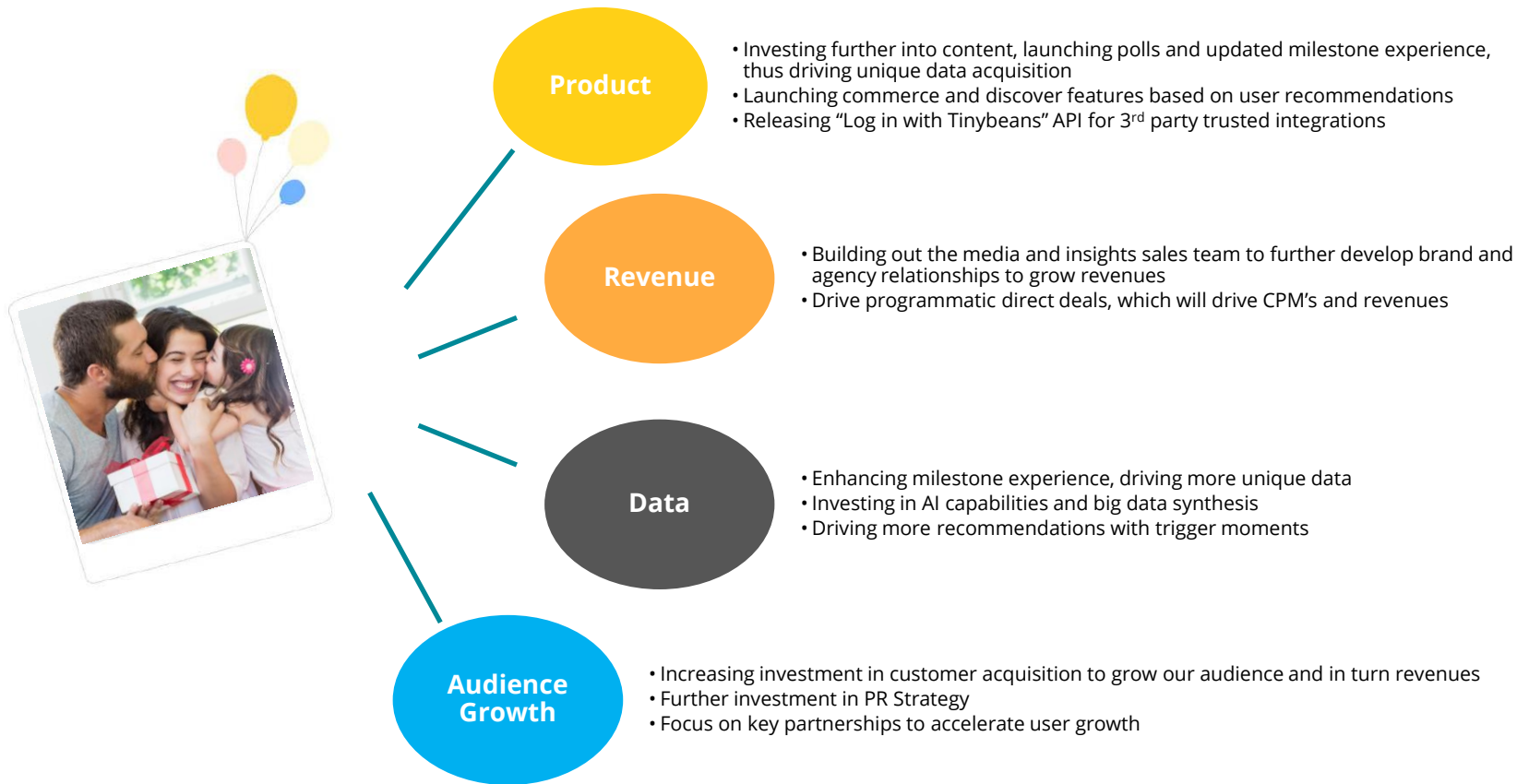
- Tinybeans plans to fund its operations through customer receipts whilst also evaluating raising additional capital as the business growth continues. Positive Operating Cashflow affirmed to calendar year-end 2019.
- Core Product revenues include Advertising, Premium subscriptions + Printing.
- New Growth Investments include the Content Platform, Insights for Brands product, and the launch of commerce offerings (as highlighted previously in our vision).



Delivering on promises: Improvements in FY19



FY20: Strong revenue growth on track



Why Tinybeans?



A trusted and 100% **family-centered** platform



Fixed costs and over **90% Gross Margin**. On track for cash flow positive in Q2FY20.



Serving a huge market of **100M** parents/grandparents in the U.S. alone and over **135M** babies born worldwide every year



Now in accelerated commercialisation mode with brand partnerships and **recurring** subscription revenues.



tinybeans

Other background info

Profit & Loss

	Note	2019 \$	2018 \$
Revenue from contracts with customers		3,829,660	1,726,563
Other income	2	473,863	254,367
Total income		4,303,523	1,980,930
Bad debts expense		(4,669)	(128)
Depreciation and amortisation expense	3	(113,036)	(42,867)
Employee benefits expense	4	(5,030,994)	(4,212,224)
Administration		(1,779,232)	(1,523,028)
Marketing		(607,803)	(537,607)
Other expenses		(214,536)	(328,658)
Loss before income tax expense		(3,446,747)	(4,663,582)
Income tax expense	5	(4,734)	(1,870)
Loss attributable to members of the parent entity		(3,451,481)	(4,665,452)
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss when specific conditions are met:			
Exchange differences on translating foreign operations		3,561	867
Total comprehensive loss for the period		(3,447,920)	(4,664,585)

Balance sheet

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	982,018	4,052,369
Trade and other receivables	9	1,283,324	565,486
Other assets	10	270,895	198,243
TOTAL CURRENT ASSETS		2,536,237	4,816,098
NON-CURRENT ASSETS			
Property, plant and equipment	12	55,672	95,411
Intangible assets	13	-	68,030
TOTAL NON-CURRENT ASSETS		55,672	163,441
TOTAL ASSETS		2,591,909	4,979,539
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	754,942	483,476
Contract liabilities	15	522,546	388,648
Employee benefits	16	163,430	178,029
TOTAL CURRENT LIABILITIES		1,440,918	1,050,153
NON-CURRENT LIABILITIES			
Contract liabilities	17	469,395	323,443
Employee benefits	18	22,496	13,108
TOTAL NON-CURRENT LIABILITIES		491,891	336,551
TOTAL LIABILITIES		1,932,809	1,386,704
NET ASSETS		659,100	3,592,835
EQUITY			
Issued capital	19	13,000,412	12,674,511
Reserves	20	531,074	339,229
Accumulated losses	22	(12,872,386)	(9,420,905)
TOTAL EQUITY		659,100	3,592,835

Note

This excludes the proceeds from the July/August 2019 Capital Raise where TNY successfully raised \$5M AUD

Cash Flows

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		3,693,074	1,752,734
Payments to suppliers and employees		(7,102,875)	(6,492,527)
Government grants and Research and Development Tax Offset Incentive		134,105	303,827
Interest received		24,951	38,681
Net cash used in operating activities	23	<u>(3,250,745)</u>	<u>(4,397,285)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments to acquire property, plant and equipment		<u>(1,113)</u>	<u>(114,538)</u>
Net cash used in investing activities		<u>(1,113)</u>	<u>(114,538)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from shares issued	19	193,445	3,500,000
Cost of raising share capital	19	(5,125)	(143,500)
Proceeds from borrowings		-	-
Net cash provided by financing activities		<u>188,320</u>	<u>3,356,500</u>
Net decrease in cash held		(3,063,538)	(1,155,323)
Cash and cash equivalents at beginning of financial year		4,052,369	5,205,561
Effects of foreign currency exchange		<u>(6,813)</u>	<u>2,131</u>
Cash and cash equivalents at end of financial year	8	<u><u>982,018</u></u>	<u><u>4,052,369</u></u>

Corporate information

Tinybeans Group Ltd

L1, 26 Wentworth Ave
Surry Hills NSW 2010

www.tinybeans.com

investors@tinybeans.com

[@tinybeanskids](https://twitter.com/tinybeanskids)

Disclaimer

This presentation is provided for information purposes only. The information in this presentation is in a summary form, does not purport to be complete and is not intended to be relied upon as advice to investors or other persons. The information contained in this presentation was prepared as of its date, and remains subject to change without notice. This presentation has been provided to you solely for the purpose of giving you background information about Tinybeans Group Ltd ("Tinybeans").

No representation or warranty, express or implied, is made as to the accuracy, reliability, completeness or fairness of the information, opinions and conclusions contained in this presentation. Neither Tinybeans, its related bodies corporate, shareholders or affiliates, nor any of their respective officers, directors, employees, related bodies corporate, affiliates, agents or advisers makes any representations or warranties that this presentation is complete or that it contains all material information about Tinybeans or which a prospective investor or purchaser may require in evaluating a possible investment in Tinybeans or acquisition of shares. To the maximum extent permitted by law, none of those persons accept any liability, including, without limitation, any liability arising out of fault or negligence for any loss arising from the use of information contained in this presentation or in relation to the accuracy or completeness of the information, statements, opinions or matters, express or implied, contained in, arising out of or derived from, or for omissions from, this presentation. Tinybeans has not independently verified any of the contents of this presentation (including, without limitation, any of the information attributed to third parties). No person is under any obligation to update this presentation at any time after its release to you.

Certain statements in this presentation may constitute forward-looking statements or statements about future matters that are based upon information known and assumptions made as of the date of this presentation. Forward looking statements can generally be identified by the use of forward looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target" and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements. These statements are subject to internal and external risks and uncertainties that may have a material effect on future business. A summary of some of the key risks of Tinybeans business is set out in the appendix. Actual results may differ materially from any future results or performance expressed, predicted or implied by the statements contained in this presentation. As such, undue reliance should not be placed on any forward looking statement. Past performance is not necessarily a guide to future performance. Nothing contained in this presentation nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee, whether as to the past, present or future.

This presentation is not, and does not constitute, an offer to sell or the solicitation, invitation or recommendation to purchase any securities in Tinybeans and neither this presentation nor any of the information contained herein shall form the basis of any contract or commitment. In particular, this presentation does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States.

This presentation may not be reproduced or redistributed to any other person.

All references to dollars, cents or \$ in this presentation are to **AUD** currency, unless otherwise stated.

In receiving this presentation, each recipient agrees to the foregoing terms and conditions.



Thank you!

