



ASX RELEASE

23 October 2019

September Quarter Results and 4C

Tinybeans Group Limited (ASX: TNY) ("Tinybeans" or "the Company"), the technology platform that connects parents with the most trusted digital tools and resources on the planet to help every family thrive, is pleased to share with the market highlights from the Q1-FY20.

Q1-FY20 Highlights

- Revenue of \$1.12M, an increase of 91% on Q1-FY19
- Registered users hit 3.55M, growth of over 210k new users in the last 3 months
- Monthly Active Users (MAU) grew to over 1.28 M, up 50k on the previous quarter and 27% on Q1-FY19
- NPS of 74, which is considered "world class"¹
- Featured as Apple's "App of the Day" in the U.S. for the first time ever (in Oct)
- Brand Partnerships pipeline grown to \$3.4M USD, up over 60% on Q1-FY19, with the average deal size growing 111% to \$70k USD
- Premium revenue for Q1-FY20 was a record \$229k, up 41% on Q1-FY19 with total paid subscriptions hitting over 17,300
- Successfully raised \$5M in an oversubscribed placement at \$1 per share
- Cash burn for Q1-FY20 of \$651k, made up of:
 - \$82k - One off costs (largely capital raise related)
 - \$366k – Core product related
 - \$203k – Product invest related
- Expected to turn "core" cash flow positive in Q2, excluding growth investments.

	Q1FY18	Q1FY19	Q1FY20	% Growth
Monthly Active Users (MAU)	727,672	1,008,928	1,277,000	27%
Subscription Revenue	\$ 112,159	\$ 162,302	\$ 229,424	41%
Advertising Revenue	\$ 188,006	\$ 407,020	\$ 851,997	109%
Total Revenue	\$ 327,935	\$ 586,377	\$ 1,117,375	91%

Tinybeans Chief Executive Officer Eddie Geller, said:

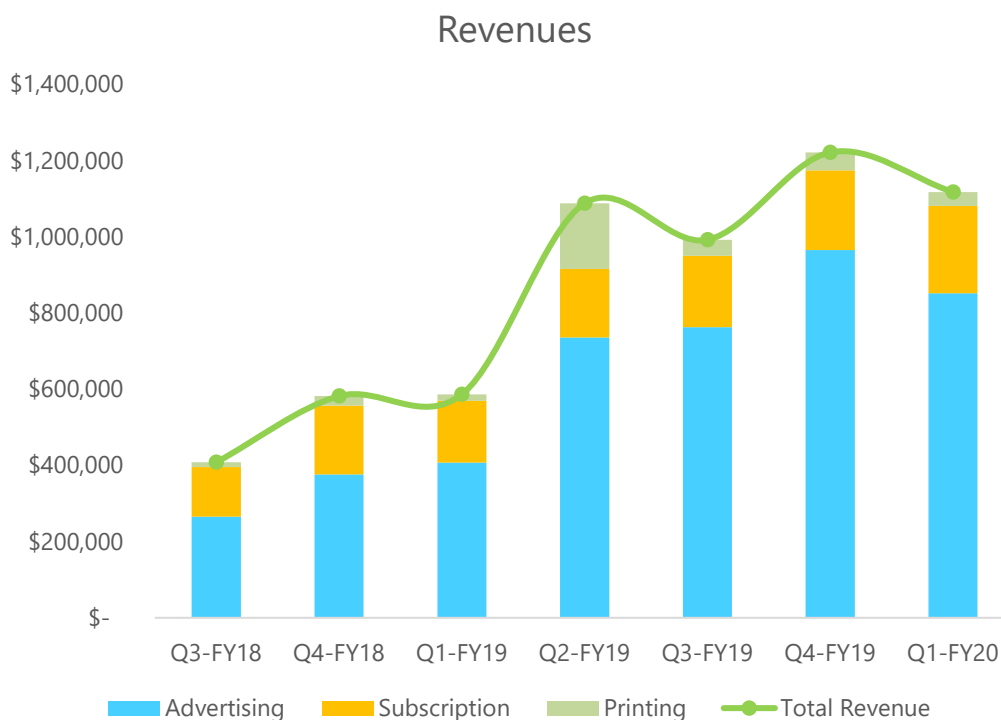
¹ <https://www.questionpro.com/blog/nps-considered-good-net-promoter-score/amp/>

"We're pleased to deliver a solid start to FY20 by nearly doubling the revenues on the same period 12 months earlier. Also encouraging is that we achieved solid growth in all key metrics while beginning to make more longer term investments with the proceeds from the capital raise. New product growth areas of commerce and polls have all begun in earnest, while we also began scaling the sales team to leverage the brand wins we've had in previous periods.

As we further invest through FY20 to grow the brand, build out the platform's capabilities and continue sales efforts, we're encouraged the market is responding well to these investments to make Tinybeans a stronger company delivering sustainable growth and diversification in revenues for future years."

Revenue Growth

Revenues for Q1 nearly doubled that on the same quarter 12 months prior, largely driven by advertising revenue. Premium subscription revenue also grew as the adoption of committed Tinybeans users continued. The Company expects this to increase further in Q2, given it's the largest quarter of spend within the advertising calendar.

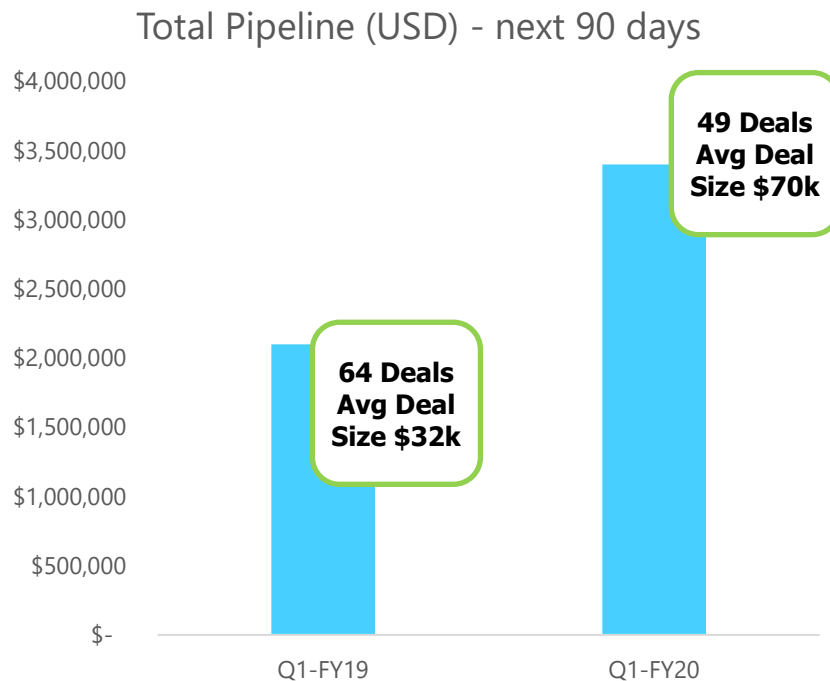


Sales + Revenue

Investment in the brand partnership and advertising teams throughout the quarter with the recruitment of a number of key hires, each with over 20+ years' experience in media and data. They bring with them experience and contacts that Tinybeans will be able to leverage over the coming years.

Through the strategy of partnering with larger brands, TNY has made encouraging progress in growing the advertising sales pipeline. In the past 60 days the pipeline has doubled to over \$3M USD. As the Company targets larger brands that offer deeper and longer term partnerships, the sales cycle (moving from 90 days to around 180 days) and timing around deal closure can also

increase. The company expects 2020 to be the year where more large brands will follow in Lego’s footsteps and bet on Tinybeans as its targeted platform of choice for parents and their families.



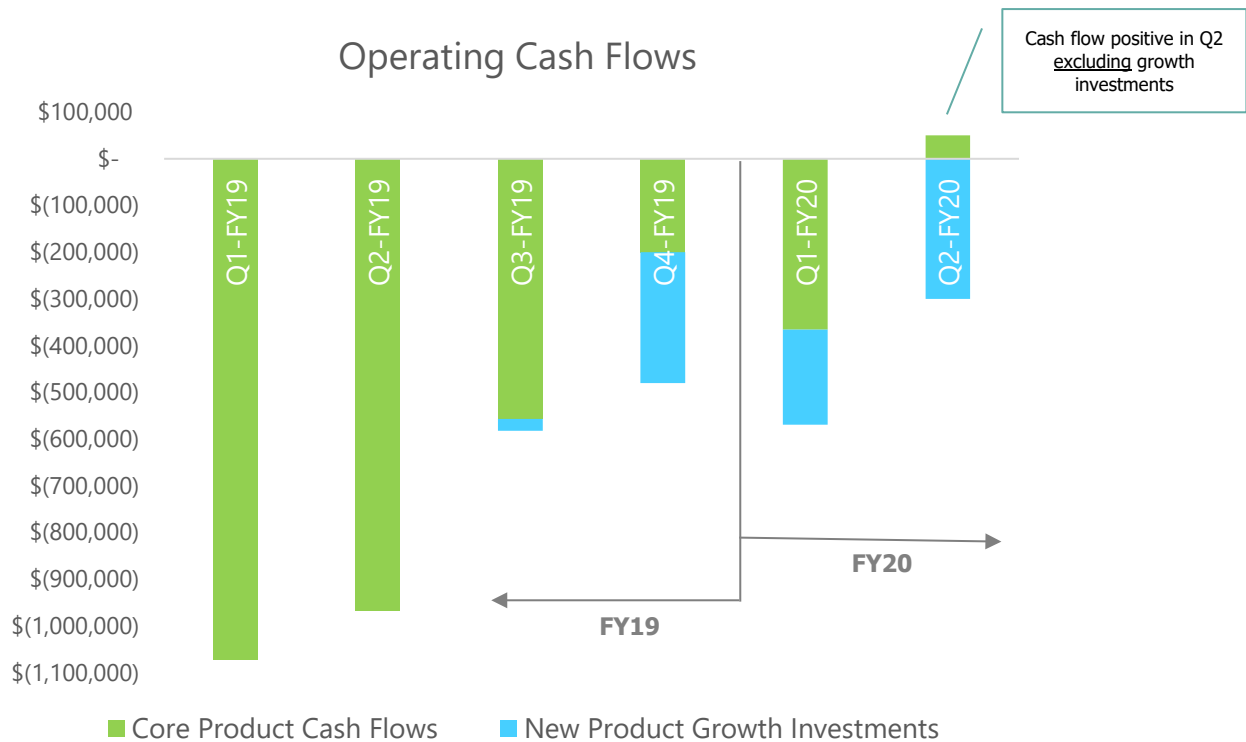
Cash Flow

Cash burn for Q1-FY20 of \$651k, which excluding the one off costs of \$82k (largely capital raise related), was an operating cash burn of \$569k. Cash balance as at Sept 30 was **\$5.15M**.

The operating cash burn of \$569k (excluding one off costs) was \$169k more than previously indicated, mainly driven by the following:

1. Q1 advertising quarter a softer quarter than anticipated with several key deals delayed into subsequent quarters;
2. Accelerating hiring, led to an increase in recruitment and hiring costs across the brand partnerships team. Tinybeans now has coverage in Chicago and Los Angeles driving brand deals in the mid-west and the west coast of the U.S.; and
3. Shift to building scale with a growing pipeline of new, larger advertising partners – leveraging Lego success – extends sales and payment cycles.

Given the extended sales and working capital cycle associated with targeting larger advertising partnerships, the Company expects to be cash flow positive in Q2-FY20 for the core product. The Company expects revenue growth in Q2 versus Q1 and the gross margin should be consistently around 91%.



Product + Data

The first quarter had the product and engineering teams not only continue to evolve the core product offerings and enhance the user experience through various upgrades, it also began to invest earlier than originally planned, in the newer strategic areas of the platform as previously shared.

With the continued focus on user growth, the team began to explore improvements to the onboarding flow and the algorithm of the home feed in the app. The Company culture includes a commitment to innovate and experiment with various strategies to increase the conversion of signed up users to active users, and in turn to long term retained users (12 month retention now at **75%**).

Some of the core product changes through Q1 included:

- App based feed recomposition to drive more time spent in app and overall engagement
- Enhanced user onboarding to drive better conversion and retention
- Updates to support iOS13 release
- Created the "Sign in with Tinybeans" feature which is the foundation for the marketplace strategy
- Many enhancements to ad loading to drive performance, viewability and in turn revenues
- New Android image editor to enhance the Android user experience.

Following the successful completion of the equity capital raise in Q1, TNY is now executing its strategy to make selective investments to deliver sustained growth and diversified revenues.

Product Investment Areas Include:

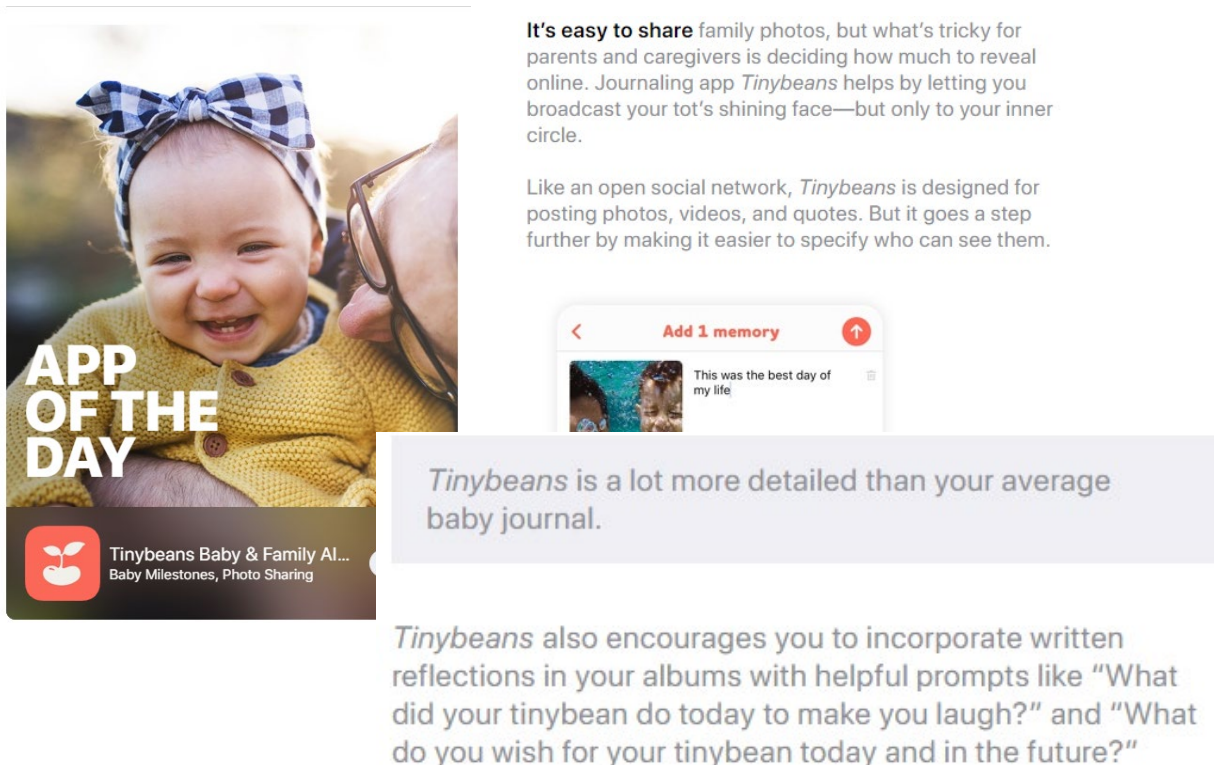
- **Brand Partnership (Revenue)** - With the increase in activity with larger brands through both contracted deals and impending ones, the ability to invest into the platform to enable

richer campaign management, tracking and reporting. These investments should attract bigger brands and are being rolled out through Q2 and the second half.

- **Commerce (Revenue)** – Development began on the commerce initiatives whereby users will be offered highly relevant product recommendations. Version 1.0 to be released in Q2.
- **Unique Data (Data + Revenue)** - Polls work is approaching completion whereby users will partake in short surveys and compare results with other users anonymously. This is also being released in Q2 and will enable several new monetization areas.

Marketing + Audience Growth

Tinybeans was selected as Apple’s [App of the Day in the U.S.](#), a first for the Company.



APP OF THE DAY

Tinybeans Baby & Family AI...
Baby Milestones, Photo Sharing

It's easy to share family photos, but what's tricky for parents and caregivers is deciding how much to reveal online. Journaling app *Tinybeans* helps by letting you broadcast your tot's shining face—but only to your inner circle.

Like an open social network, *Tinybeans* is designed for posting photos, videos, and quotes. But it goes a step further by making it easier to specify who can see them.

Tinybeans is a lot more detailed than your average baby journal.

Tinybeans also encourages you to incorporate written reflections in your albums with helpful prompts like "What did your tinybean do today to make you laugh?" and "What do you wish for your tinybean today and in the future?"

Growing the brand awareness is an ongoing priority. In the quarter the Company had several mentions in the media to grow the relevance of Tinybeans in the world of privacy further validating the positioning as a compelling need for families everywhere. Some of the media mentions included:

- New York Times - [Build an Online Presence Without Giving Up Privacy](#)
- Ameda Direct - [The 10 Best Baby Apps for New Parents](#)
- Forbes - [How To Respect Your Customers' Data](#)
- Women Worldwide - [SJ Kurtini on Women Worldwide Show](#)
- Forbes - [How to build trust through privacy](#)
- VentureFizz Podcast: [Eddie Geller, Co-Founder and CEO of Tinybeans](#)

The upgraded Mom365 partnership started to have a positive impact at the end of the quarter. Tinybeans expects this to accelerate through Q2 and beyond. Paid acquisition for user growth has not yet accelerated due to more work being needed across the platform in relation to attribution.



Annual General Meeting

Tinybeans Group Limited will hold its 2019 Annual General Meeting on the 13th November at 9am. The Notice of Meeting was released on October 11 with further details [here](#).

The Company is looking to **"innovate"** the AGM by providing investors with technology demonstrations, business priority updates from the group management team and access to the directors.

The address for the AGM is at the Automic Group, Level 5, 126 Phillip St, Sydney.

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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 puts Tinybeans in the elite company of best apps in the world!



Tinybeans serves a deeply engaged user base of over 3.5 Million members and over 1.28 Million monthly active in over 200 countries/territories and enjoys over 80,000 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.

For an overview of FY19, see the presentation by Eddie Geller, Group CEO [here](#) and interview [here](#).

For more information, please contact:

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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	Quarter ended ("current quarter")	
46 168 481 614	30 September 2019	
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	1,105	1,105
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(138)	(138)
(c) advertising and marketing	(160)	(160)
(d) leased assets	-	-
(e) staff costs	(1,013)	(1,013)
(f) administration and corporate costs	(351)	(351)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(5)	(5)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(560)	(560)

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	(4)	(4)
(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	(4)	(4)
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	5,000	5,000
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	(179)	(179)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings and leases	(79)	(79)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	4,742	4,742

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
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	982	982
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(560)	(560)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4)	(4)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,742	4,742
4.5	Effect of movement in exchange rates on cash held	(9)	(9)
4.6	Cash and cash equivalents at end of quarter	5,151	5,151

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	5,151	982
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)	5,151	982

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	124
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 <i>Add notes as necessary for an understanding of the position</i>		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-
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	74
9.3	Advertising and marketing	192
9.4	Leased assets	-
9.5	Staff costs	1,199
9.6	Administration and corporate costs	474
9.7	Other	-
9.8	Total estimated cash outflows	1,939

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.



Sign here:
Director

Date: 23 October 2019

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.