



ASX RELEASE

21 April 2020

March Quarter Results and 4C Cash Report

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, provides the following highlights for the Q3-FY20.

Q3-FY20 Highlights

- **Successfully raised \$12M at \$2 per share and completed acquisition of Red Tricycle Inc. The integration of Red Tricycle progressing well – significantly enhances TNY's value proposition to a broader set of brand partners. Synergy opportunities affirmed.**
- **Revenue of \$1.3M (incl. Red Tricycle), an increase of 30% on Q3-FY19. COVID-19 impacted results by over \$300k, as partner campaigns postponed into other months.**
- **Premium revenue hit \$268k, an increase of 44% on Q3-FY19 with total paid subscriptions hitting over 19,300.**
- **Registered users hit 4.42M (incl. Red Tricycle), growth of 40% on Q3-FY19. Monthly Active Users grew to over 3.5M (incl. Red Tricycle), growth of 174% on Q3-FY19.**
- **Featured as Apple's "App of the Day" in the U.S. for the second time and reached the milestone of over 100,000 5-star reviews in the Apple and Google Play stores.**
- **New advertising wins with great brands including LEGO (renewal), Amazon, Apple, Kraft, and National Geographic Kids.**
- **Cash balance is \$5.8M as at end of the quarter.**

Tinybeans Chief Executive Officer Eddie Geller, said:

"Having successfully raised capital and completed the Red Tricycle acquisition, we are now fully focused on integrating the businesses and delivering the anticipated synergy opportunities. Early feedback from brand partners is very encouraging, recognising our upgraded value proposition. We have signed 17 national brand partners and 40+ small business contracts since completion on February 27.

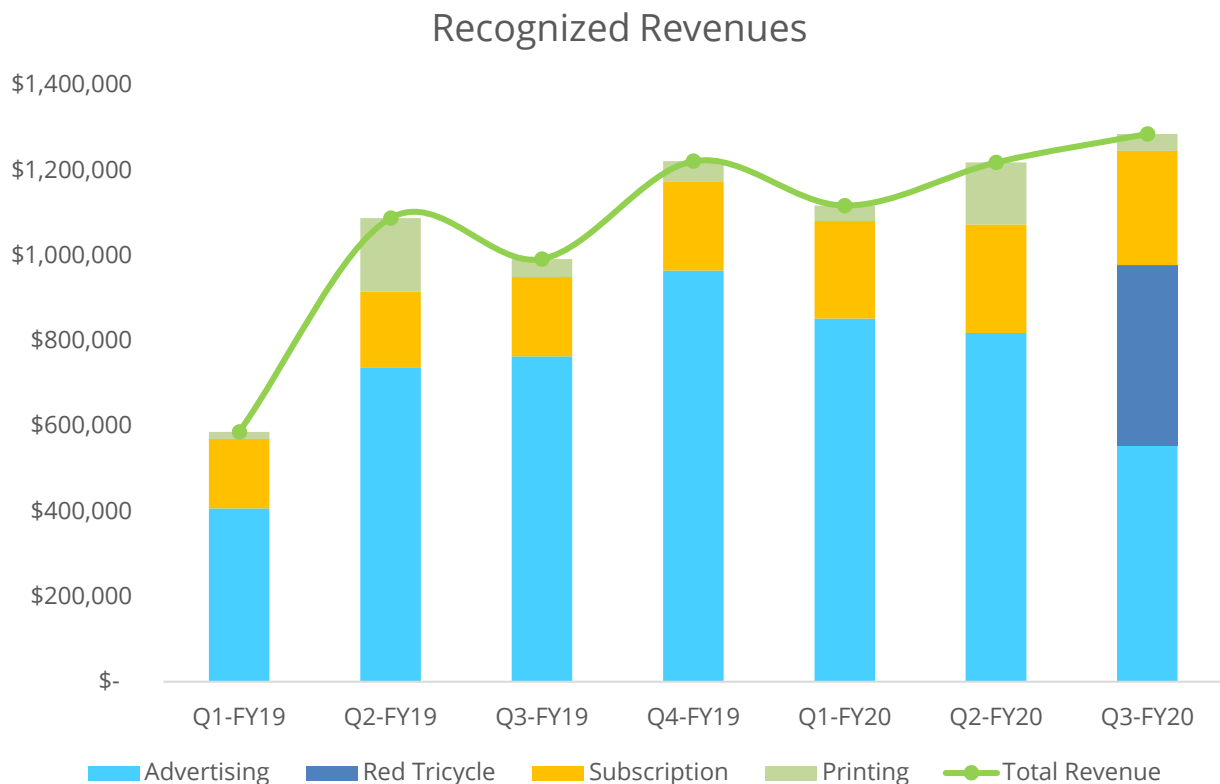
While advertising campaigns in the US are being temporarily affected by the COVID-19 outbreak, the new environment brings opportunities as well as challenges. The Tinybeans platform provides a solution for families needing to socially isolate and stay connected. We are seeing a material increase in engagement rates and growth in both registered users and premium subscribers.

With our strong balance sheet we are well placed to continue our growth 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."

Revenue

Revenues for Q3 were affected by the impact of COVID-19 with reduced advertising spend and the deferment of key campaigns. Users engagement and premium subscriptions grew strongly as more families signed up to our platform, partly as a solution to social isolation.

Completing the Red Tricycle acquisition within 3 months (end to end) consumed enormous resources across the Tinybeans team. These resources have now been reallocated to integration and growth, plus new business development has recommenced.



Red Tricycle had substantial growth in signed new advertising contracts in Q3-FY20 (\$800k+) compared to the same period 12 months earlier – representing an increase of 164% on the same period 12 months prior. This growth demonstrates the momentum with the existing client relationships and value in the product offering to new brands, further validation that the acquisition by Tinybeans was strategically positive.

Forward Booked Revenues

As at March 31, Tinybeans has over \$4.5M in forward booked contracts. By comparison, this is 3-4 times higher than the forward booked revenues compared to 12 months earlier.

As the Company has grown, so have the commitments from its clients and members. These commitments serve as a solid foundation for revenues for the coming quarters and beyond. We are pleased to provide this additional new disclosure to assist investors understand the Company's growth trajectory.

This \$4.5M in forward booked contracts includes, \$2.2M in Direct Advertising – already contracted, \$610k in Premium Subscriptions (without assumed auto-renewals) – also contracted and \$1.7M in Programmatic revenues, although are not contracted, are highly likely based on historical results.

These forward book advertising revenues are related to signed contracts with LEGO, Kraft-Heinz and many other brands that have committed to the platform for 2020.

Revenue will be recognised on these contracts on a monthly basis from April through to the rest of the 2020 calendar year. Note that although these contracts are signed, the client can postpone and in some cases for advertising, cancel completely.

With the enhanced joint value proposition, and an integrated sales team, the pipeline of brand partner opportunities has grown substantially. The joint pipeline over the next 90 days as at March 30 stands at over \$5M USD, which is around \$8M AUD.

Red Tricycle Integration

Tinybeans completed the acquisition of Red Tricycle Inc on February 27, 2020. Since then, integration has accelerated across many different functions.

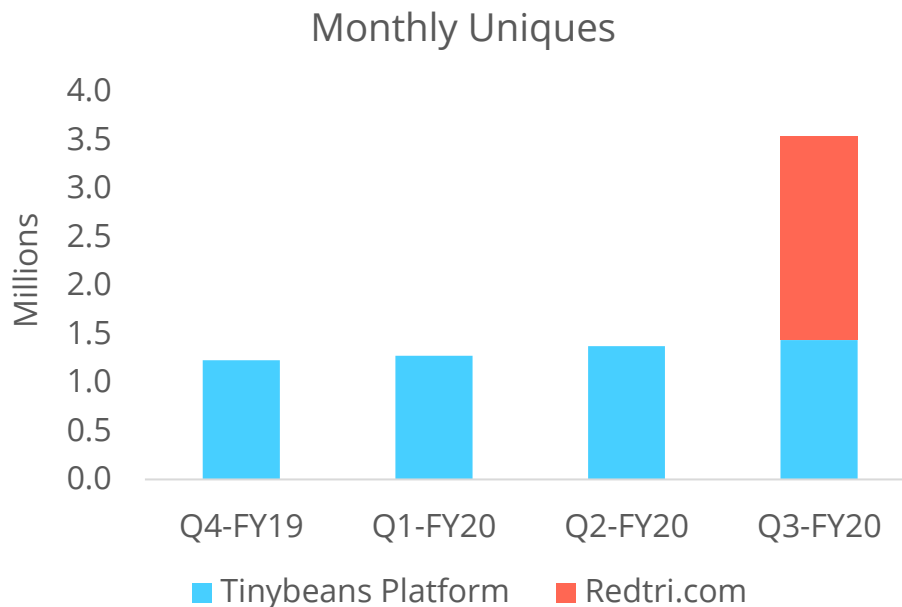
The execution plan to have teams and functions fully integrated by end of June is on track and well underway.

The following are key priorities for Q4 being delivered to drive growth and efficiencies:

- Sales
 - Single team engaging with brand clients
 - Combined sales materials with single value proposition. Driving both National and Local evergreen packages
 - Cross-sell and upsell across both platforms with sales goals
 - Single sales pipeline system
- Advertising
 - Single view of ad inventory management across both platforms
 - Single reporting tool across campaigns run on both platforms
- Marketing
 - Brand Strategy and alignment of member messaging
 - Incorporate content from Red Tricycle Inc into the Tinybeans App (done!)
- Other
 - Single finance system across TNY and Red Tricycle Inc
 - Single payroll system across TNY and Red Tricycle Inc

Audience Engagement

Monthly Active Users grew to over **3.5M**. Made up of **1.44M** on the Tinybeans platform and **2.1M** on the Redtri.com site.



In Q3-FY19, the product and engineering teams focused on driving engagement within the core platform while integrating Red Tricycle content into the app experience.

The team also optimised the much loved day view to showcase text and prompt moments, while also launching a photo of the day feature.

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.

Cash Flow and Government Assistance

Tinybeans recorded cash receipts of \$1.28m for the quarter with cash burn of \$718k. This \$23k difference from the \$695k in the 4C below is related to financing and exchange movement differences.

Of the \$718k in cash burn, this is made up of \$250k one-off costs (largely capital raise and acquisition cost related), \$257k core product related and \$211k product investment related (this quarter was mostly platform enhancements to enable larger advertising contracts).

Cash balance is \$5.8M as at end of quarter.

Tinybeans USA, the wholly owned US subsidiary, has been successful in its application to access US Government loan funding to cover Qualifying Expenses during the COVID-19 outbreak.

The USD\$321,000 loan was approved by the U.S. Small Business Administration (SBA) and Silicon Valley Bank through the Paycheck Protection Program which helps businesses keep their



workforce employed during the COVID-19 crisis. SBA will forgive loans if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities. Tinybeans will apply for the loan forgiveness once the application process details are released.

The interest rate on this unsecured loan is 1% p.a. and has a maturity of 2 years, with the first repayment instalment due in six months' time.

The Australian Government is also providing support for Australian businesses under a program called, "Boosting Cash Flow for Employers". Under this program, the Tinybeans operation in Australia will have up to \$100k available over the next six months to further assist with funding business operations.

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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 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.

This announcement is authorised by the TNY Board.

For more information, please contact:

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

TINYBEANS GROUP LIMITED

ABN

46 168 481 614

Quarter ended ("current quarter")

31 March 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,275	3,764
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(185)	(371)
(c) advertising and marketing	(154)	(438)
(d) leased assets	-	-
(e) staff costs	(1,303)	(3,438)
(f) administration and corporate costs	(475)	(1,351)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	12	23
1.5 Interest and other costs of finance paid	(17)	(17)
1.6 Income taxes paid	-	(6)
1.7 Government grants and tax incentives	152	152
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(695)	(1,682)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	(9,912)	(9,912)
(c) property, plant and equipment	(8)	(20)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	6	6
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) 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	(9,914)	(9,926)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	12,056	17,056
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	92	194
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(462)	(641)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(103)	(254)
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	11,583	16,355

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,755	982
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(695)	(1,682)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(9,914)	(9,926)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	11,583	16,355
4.5	Effect of movement in exchange rates on cash held	83	83
4.6	Cash and cash equivalents at end of period	5,812	5,812

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	5,812	5,812
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)	5,812	5,812

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
179

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Item 6.1 pertain to payments for the salaries of the executive directors of \$136k and for the 30% cash-component of the FY2019 fees of the two non-executive directors of \$43k.

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-

7.5 **Unused financing facilities available at quarter end** -

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(695)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	5,812
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	5,812
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	8

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

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.

Date: 21 April 2020

Authorised by: Edward Geller, Executive Director and CEO
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(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.