



ASX RELEASE

2 November 2020

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 29 October discussing the Q1-FY21 performance.

Tinybeans CEO, Eddie Geller said,

"We are pleased to provide investors with this transcript of our Investor Conference Call held on Thursday 29 October.

I was pleased to talk about another quarter of strong growth despite COVID disruptions to our operations and to our brand partners. The new financial year had commenced extremely well across all aspects of the Company. Historically, Q1 was seasonally a slower quarter in the U.S. advertising market, however, a 15% revenue growth in USD terms during difficult economic times was very promising.

We continue to be optimistic given our unique value proposition (brand-safe and trusted) and current conversations with both existing and new brand partners looking to leverage these qualities. With our strong balance sheet, we are well placed to continue our momentum and take advantage of opportunities as they arise.

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.









Introduction by Eddie Geller:

"The Company released its September quarterly results last week which was a record result. For those that are fairly new to Tinybeans I want to start off by providing a high level overview of the Company. Today, Tinybeans serves a really deeply engaged userbase of roughly 4 million monthly users, capturing and sharing their everyday memories with loved ones across the globe while also being able to access really rich recommendations from what to do, where to go, and access to different services. The Tinybeans of tomorrow that we are currently building is a much richer experience and our goal is to be the default app for parents to use as a daily resource to access highly curated content, products and all sorts of other things to connect parents around the world."

We are really excited about our journey and everything we have done in the last quarter as well as over the last few years as they have been building blocks to what we plan to embark going forward. We have been in an intentional transition year in terms of where we are looking to go and I will start off with 2020 highlights so that everyone is across what the year has been about for us before I dive into our latest quarter.

The on-demand resource for your parenting journey

 Albums	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?
 Information	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?
 Community	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?
 Search	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?
 Marketplace	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	

2020 has been about strengthening the Company for this next stage of growth. Starting with the Red Tricycle acquisition in January which enabled us to be a richer content platform and a wonderful brand that inspires both parents and kids as well as a great brand for advertisers with partners like Amazon, Disney Studios and other great brands. We then transitioned our Engineering and Product efforts to the US, recruited our members of the management team with our Chief Revenue, Chief Technology and Chief Product Officers joining the Company based in the US.

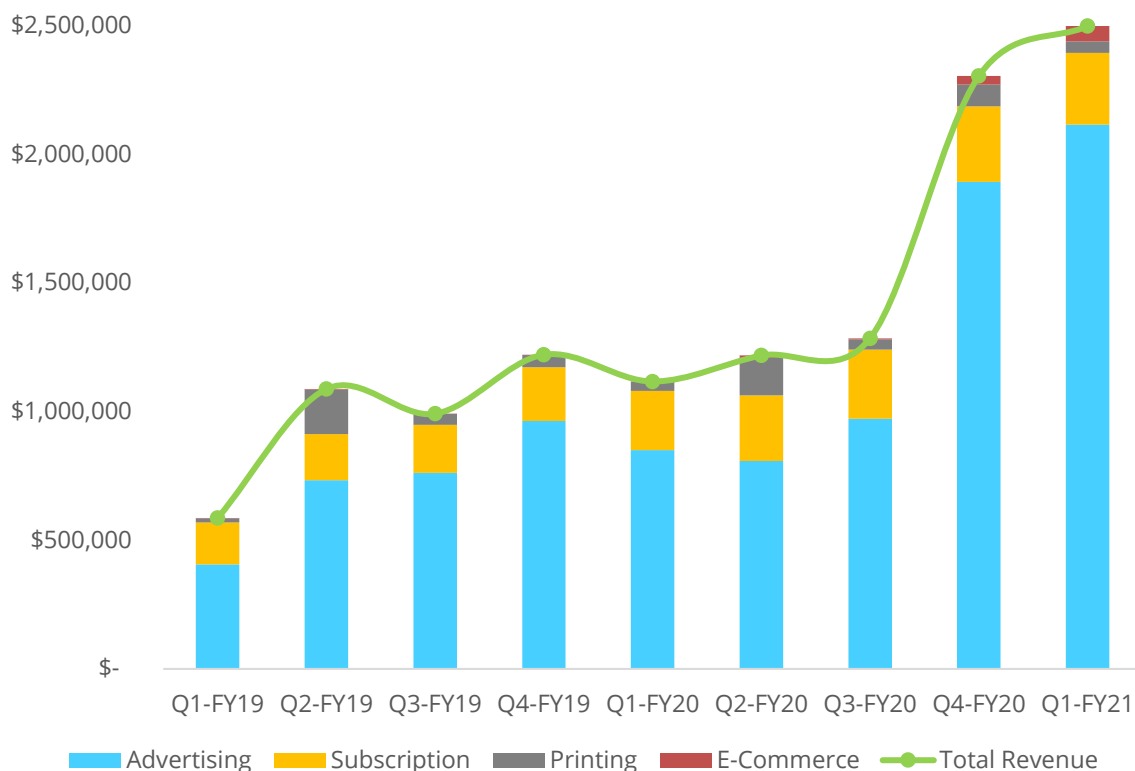
This week announcing the appointment of two new U.S. based board members. These appointments are really about getting us ready for the next stage of growth, both from a consumer scaling perspective and subscription revenues. Andrea Cutright, based in the Bay Area and is currently at Disney+ , comes with a huge pedigree in terms of brand-building, consumer experience and a focus on consumer



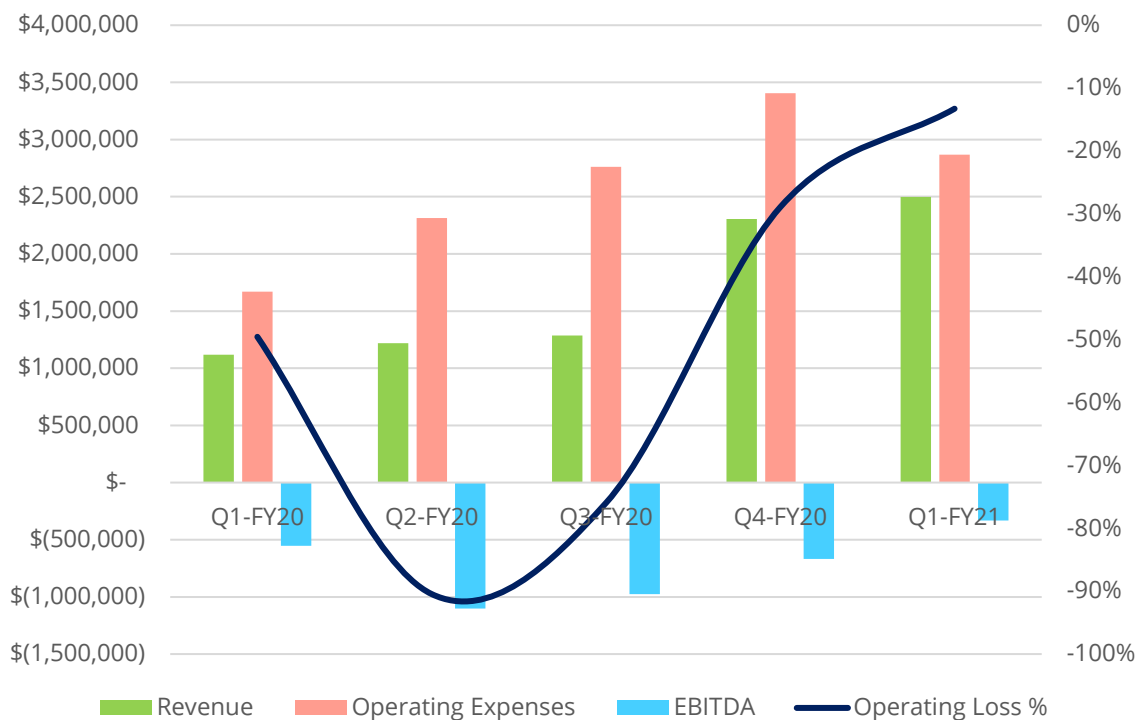
revenues. Kathy Mayor, based in Miami, also has a strong background in digital marketing, brand building and ecommerce revenues. Both appointees have a deep knowledge of technologies and strategies to really aid the Company go forward. I would like to thank Megan Gardner and Missy Godfrey, our existing two Board Members based in the US for the last three years, who have had an incredible impact on the Company for their efforts and support.

Q1-FY21 has delivered a solid first step towards building a large company and a leader in parenting globally. We continue to focus on having a single plan, single team and single focus as we align in terms of where we are heading.

For our first quarter in the new fiscal year, revenue hit \$2.5M, 123% up from a year prior and a 6% increase to FY20-Q4 in AUD. 15% in US dollar terms. As we are largely generating U.S. dollars, the end AUD result fluctuates based on exchange rates. This is still incredible as this quarter is typically slower from an advertising perspective but the fact that we grew through the quarter is a testament to where the Company is at. Premium revenue also grew very successfully to \$279k, an increase of 22% with total paid subscriptions reaching 21.8k. We have a very strong plan for growing subscription revenues that will start in 2021 where you will see a whole host of new features we are launching in the app. We will start to see some of that in the second half of the fiscal but that really is going to grow into FY22 in a major way but it will take some time before that starts.



Cash receipts were at an all-time high of \$2.1M, an increase of 10% on the last quarter and I would like to note that cash receivables continue to lag revenues as we win larger brand deals with longer payment terms. Cash balance was \$4.55M at the end of Q1 with cash burn at \$832k. EBITDA was a record result with a loss of only \$331k, the best result we have had as a company with only 13% as a portion of revenues.



Given the cost base for the Company as we continue to accelerate revenues, you will see the potential for profitability in future years. We are still planning to reinvest back into the business as there is so much potential growth. As you would have seen in our quarterly results, our employment costs from Q4 to Q1 decreased. This was due to the redundancies we had in Q4 in Australia and also the timing around new hires that are still to be recruited. 25% of our overall costs are focused on the tomorrow product. We are focused on the future and betting on a much bigger business.

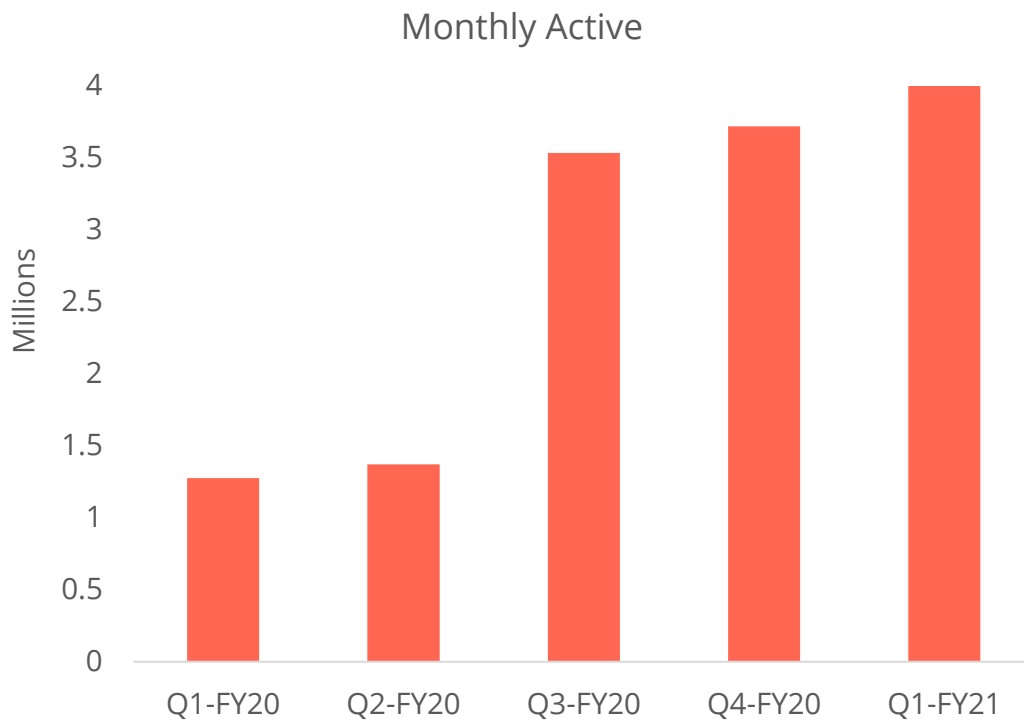
In terms of other highlights, I want to share more on our advertising revenues as it continued to grow with some wonderful wins with Walmart, Spin Master, Moose Toys and Google as they continue to increase their business with us. We shared that forward booked revenues are \$1.5M and to qualify forward booked revenues are "signed contracts" for that given period. This is a number we are really happy with as this quarter looks like another great quarter in terms of performance.

E-commerce hit \$60k in net revenue. Note this is only the starting point where revenue has been generated with the inclusion of links into content. We are yet to launch the experience where discovery will be included in the app/web site to include tailored content and product recommendations integrated. E-commerce is a complementary addition to the platform with a total addressable market in the baby/kids category in the U.S. of over 1 trillion dollars.

Another exciting thing to note that happened post the quarter was our announcement of a new partnership with Apple. At present we are the only parenting partner within Apple Maps/Guide and they are approving content weekly. With this partnership, parents will be able to save and share Red Tricycle Guides, It's not a paid partnership at all but it's important in terms of credibility when we talk to new brands about the fact that our content is so high quality that Apple selected us, and for organic new traffic and user acquisition.



We reached 4M monthly active users in the quarter, an increase of 300k which is our best ever result. This is a combination of new anonymous users on the redtri.com web site and previous lost Tinybeans users returning to the platform. As everyone is aware, we are not spending much on paid acquisition, it is all organic growth and a bit of tweaks in our testing evolution as we have done some work on winning back users that were not engaging with the content.



Lastly, I would like to go into more detail on the reasoning behind Tinybeans on the OTCQX market which started trading in late September. Tinybeans currently trades on the ASX and this was an inhibitor for some US investors to purchase stock. We felt that enabling TNY to be traded on the OTCQX, would enable US investors to begin to trade the stock. Also we are looking to enable it for US residents to trade the stocks so they're still working progress. The OTCQX is really just another building block to further expose the Company to its base investors and that continued to get more and more inbound requests from US investors.

Overall I am really thrilled with the quarter results as it is part of the foundation for lots of amazing things we're investing in over the next three years with this purposeful focus on the strategy. I am excited about the business we are building, focusing on serving the unmet needs of parents globally."

Opening the Q & A for attendees.

1) What is the status of loans from the US Government totalling \$528k USD?

That loan is currently for two companies, Tinybeans and Red Tricycle both having separate loans. Tinybeans has applied for the forgiveness, which has been approved by the bank and is now with the Small Business Administration for approval which may take up to 90 days. Red Tricycle's loan is with Chase Bank which is currently not accepting applications. There is chatter that the



Treasury will be changing the rules and allowing for automatic forgiveness under a certain amount. We are hopeful that in the next 90 days, we will have a conclusion on the Tinybeans side, however for Red Tricycle this may be a longer process.

2) Can you provide some insight into the strategies to get the momentum going on the subscription side? Given COVID-19, I would think that more would be involved in this area.

Premium subscriptions today very much focused on the photos business and that is a product we haven't invested in recent years. We have a new product roadmap of new subscription services we're looking to launch in 2021. From tailored content all to unique community features.

3) Red Tricycle has a lot of localized content and marketers. How are they doing in the current US environment? Do you see any recovery or do you see certain areas taking up the decline?

The Red Tricycle business has both a national and local advertising business. This means they sell to local businesses who want to advertise locally and the platform services local markets, so Atlanta, New York, Los Angeles, San Francisco, etc. The local business was a solid business as it was always one of the ones that had fantastic retention and little businesses always wanted to obviously sell to local businesses. COVID definitely had been impacted as we saw the local business be impacted immediately. However, the team diverted their attention to other local segments like hospitals and schools to make up the drop in travel related business. Overall, the performance is on par with last year but it's not growing as much as the national business.

4) Do you have any metrics you could share on user engagement and lifetime value of the customer, perhaps how that's evolved over the past couple of years?

New parents (and their families) are engaged daily when they've just had the baby, whereas parents with older kids aren't engaged every day. On average, a monthly active user is on the platform eight times a week. In terms LTV, the way we think about it is really the premium subscription business and we actually shared some numbers on this at the last investor deck. We talked about just the premium subscription business our LTV to CAC ratio is 30, which is very high. However the funnel for conversion is still very low. So rather than putting more money into that ad acquisition channel, we're investing more into new product that can drive better conversion for a paid acquired user.

5. When you look at those other avenues that you're talking about growing revenues, do you think it could be matching your advertising numbers?

And as it relates to the potential, I am very bullish on being able to build a very big business with both a large and growing advertising business, while having a large and growing subscription



business. There are many unmet needs that parents have and are willing to pay for. Which is why we have a strong focus on building up other features in the platform that double down on community and content to be able to launch new subscription services.

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About Tinybeans Group

Tinybeans Group Limited (ASX: TNY) is a leading app and web platform enabling parents to capture their children's everyday memories and share them privately with families everywhere. The platform 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!

Tinybeans' Red Tricycle website also is Apple's exclusive parenting partner for Apple's newest Maps feature—Guides. With 63 Guides (and counting!) Red Tricycle is Apple's biggest partner. All guides are available [here](#).

Tinybeans 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.

www.tinybeans.com