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ASX RELEASE

22 October 2020

September 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 Q1-FY21.

Q1-FY21 Highlights

- **The strategy to enhance and upgrade Tinybeans' value proposition to parents, families and brand partners is beginning deliver results**
- **Revenue in Q1 of AUD $2.5M, an increase of 123% on Q1-FY20, and 6% (+15% in USD) on the prior quarter**
- **An improvement of over 50% from the previous quarter with $331k EBITDA loss**
- **Premium revenue hit $279k, an increase of 22% on Q1-FY20 with total paid subscriptions reaching 21.8k**
- **E-commerce revenues are starting to trend, hitting $60k in net revenue**
- **Registered users reached 4.8M, growth of 35% on Q1-FY20. Monthly Active Users grew to over 4M, growth of 215% on Q1-FY20**
- **Advertising wins from both new and existing partners including Walmart, Apple, CooperVision, Spin Master, Moose Toys & Google**
- **Tinybeans cash receipts for Q1 were $2.1M, an increase of 10% on the previous period. Cash burn for Q1-FY21 of $832k, made up of:**
    - **$774k – Product invest related**
    - **$41k – Core product related**
    - **$17k – One off costs**
- **Cash balance was $4.55M as at end of the quarter**

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Tinybeans Chief Executive Officer Eddie Geller, said:

"I'm pleased to report another quarter of strong growth despite COVID disruptions to our operations and to our brand partners. The new financial year has commenced extremely well across all aspects of the company. User engagement grew hitting 4M monthly, whilst revenue hit an all-time high of $2.5M.

Historically, Q1 is seasonally a slower quarter in the U.S. advertising market, however, a 15% revenue growth in USD terms during difficult economic times is very promising. In this climate, we are thrilled to see the evidence of our upgraded and enhanced offer resonating in the market and driving growth.

We kicked off initiatives incorporating richer commerce recommendations across our parenting content, which began to see positive results. E-Commerce revenues are tied back to product/service recommendations inside the content and allow our parents to take action with it.

We have plans to significantly grow this offering as more and more content gets integrated across the app. E-commerce is a complementary addition to the platform and a total addressable market in the baby/kids category in the U.S. of over 1 trillion dollars[1].

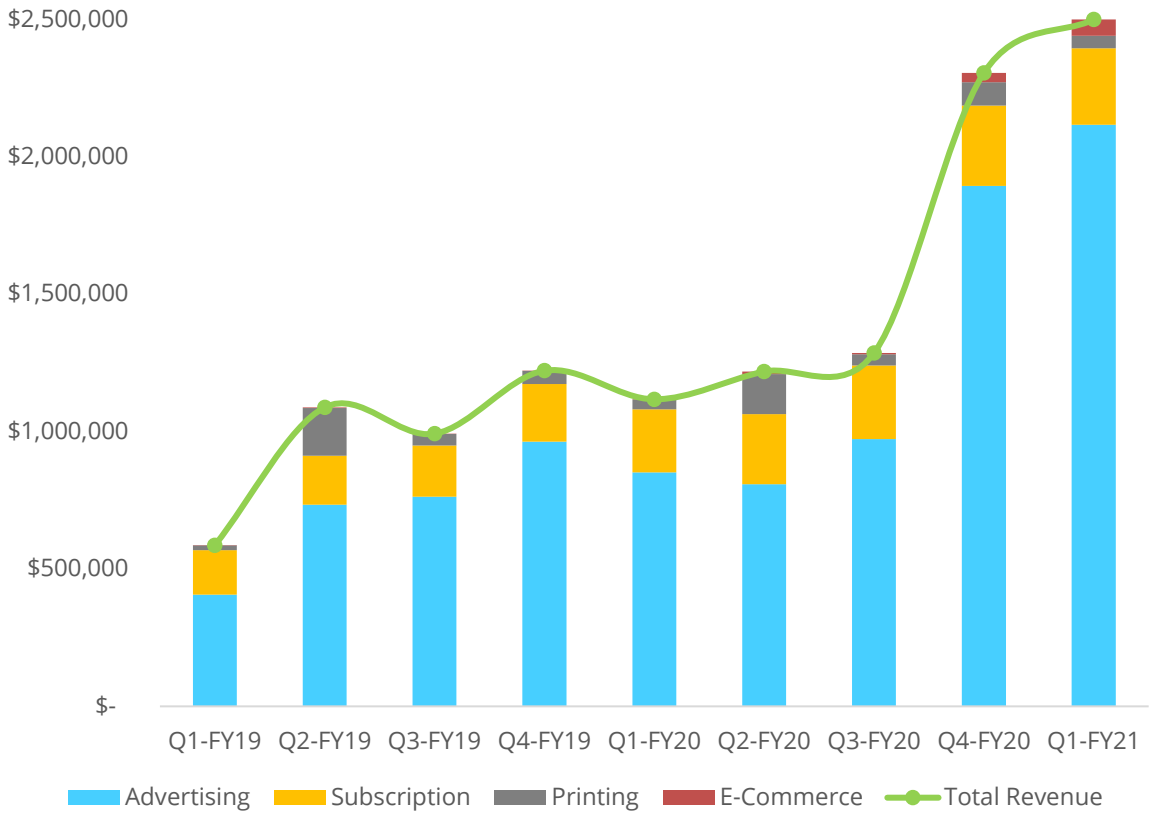
I am delighted with the way the team is executing our clear growth strategy. With our upgraded capabilities and enhanced offer, we are well placed to drive scale with ongoing growth and operating leverage."

[1] https://www.dropbox.com/s/hzoruypc0yq91kj/Goldman%20Sachs%20-%20Millenial%20Moms%20report%202015.pdf?dl=0

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Revenue

Revenues for Q1 reached a record high of **$2.5M**, an increase of 123% on the prior year. This record result was in a historically quiet period of the year. Premium subscriptions grew strongly reaching a record 21.8k paying subscribers. 100% of the Company's revenues are now in the United States.



	Q1-FY19	Q1-FY20	Q1-FY21	% Growth
Advertising Revenue	*$ 406,668*	*$ 851,132*	*$ 2,116,002*	*149%*
Subscription Revenue	*$ 162,302*	*$ 229,424*	*$ 279,065*	*22%*
E-commerce Revenue	*$ 351*	*$ 865*	*$ 59,608*	*6789%*
Printing Revenue	*$ 17,055*	*$ 35,954*	*$ 44,532*	*24%*
Total Revenue	***$ 586,377***	***$ 1,117,375***	***$ 2,499,207***	*124%*

With over $1.5M in forward booked revenues already confirmed for Q2-FY21, the Company is expecting another strong performance in the December quarter. Revenue will be recognised on these contracts monthly from October and onwards this is because although these contracts are signed, the client can postpone, delay or cancel these contracts.

The pipeline has continued to grow and now stands at over $6M USD, which, it is anticipated, will drive revenue growth for the rest of 2020 and the first half of calendar 2021.

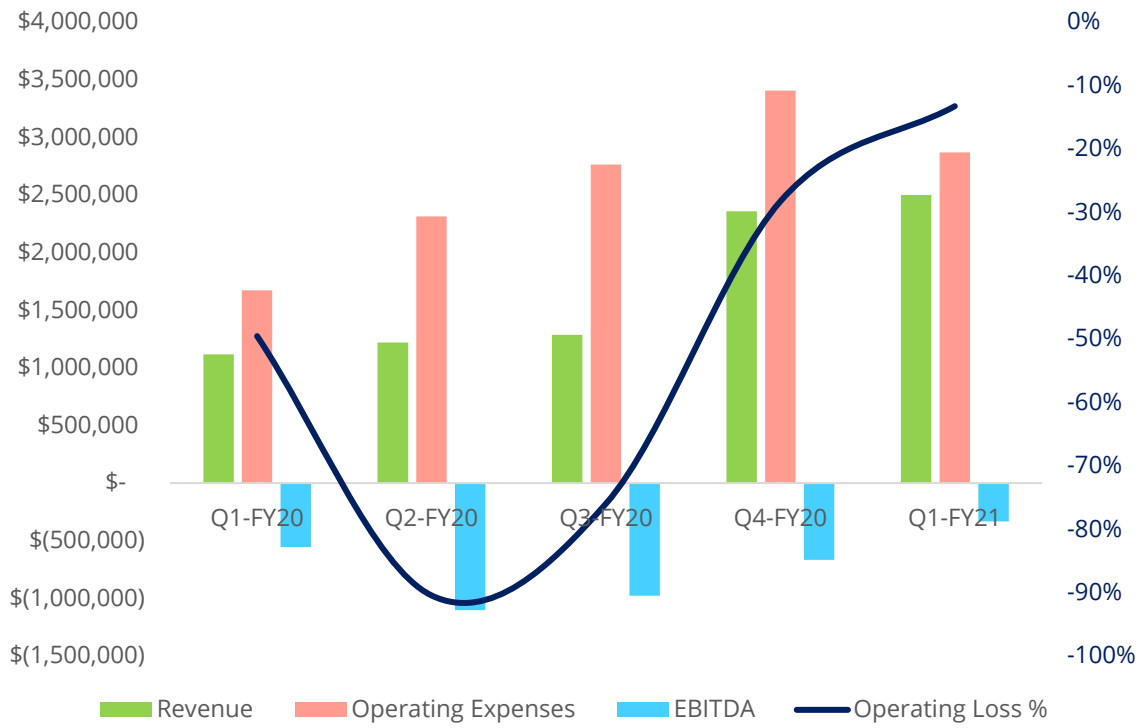
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EBITDA

With the increase in revenues through Q1, the Company also saw a marked reduction in operating loss. While revenues increased to $2.5M for the quarter, operating loss as a percentage of revenue hit an all-time low of 13%. This demonstrates the high operating margin across the business, so as revenue accelerates the rate at which costs grow are substantially lower. The calculations used in the table and chart below include one-off costs except for acquisition costs in Q3-FY20.

Approximately 25% of our overall costs are being invested in new product and future revenue streams, mostly related to staff costs. This work is critical and relates to the evolution of the product, to drive increased user growth and accelerated revenues.

	Q1-FY20	Q2-FY20	Q3-FY20	Q4-FY20	Q1-FY21
Revenue	*$ 1,117,375*	*$ 1,218,479*	*$ 1,285,441*	*$ 2,358,155*	*$ 2,499,207*
Operating Expenses	*$ 1,671,030*	*$ 2,313,088*	*$ 2,762,217*	*$ 3,404,506*	*$ 2,868,943*
EBITDA	*$ (553,655)*	*$ (1,102,191)*	*$ (976,544)*	*$ (666,895)*	*$ (331,826)*
Operating Loss %	*-50%*	*-90%*	*-76%*	*-28%*	*-13%*



Note. The line in the above graph demonstrates the lower percentage of operating loss and improving vastly over the last 15 months.

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Cash flows

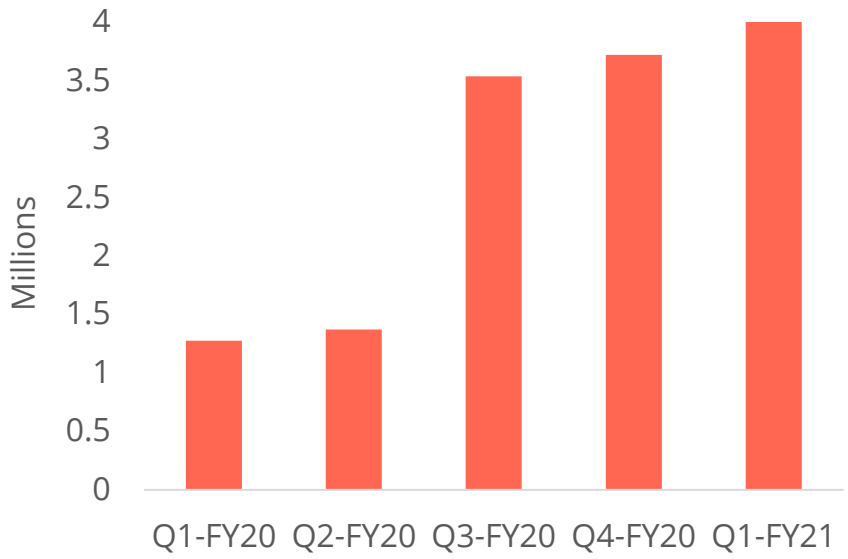
Cash burn for Q1-FY21 was $832k, which excluding one-off costs of $17k, was an operating cash burn of $815k. Cash balance as at the end of the quarter was **$4.55M.**

The operating cash burn of $815k (excluding one-off costs) was mainly driven by the following:

1. Accelerated hiring which led to an increase in recruitment and hiring costs across the brand partnerships team. Tinybeans recruited two new sellers in NY and supporting ad operations staff to support this growth; and
2. Continued the shift to building scale with a growing pipeline of new, larger advertising partners – leveraging YouTube, Walmart and Kraft success – extends sales and payment cycles.

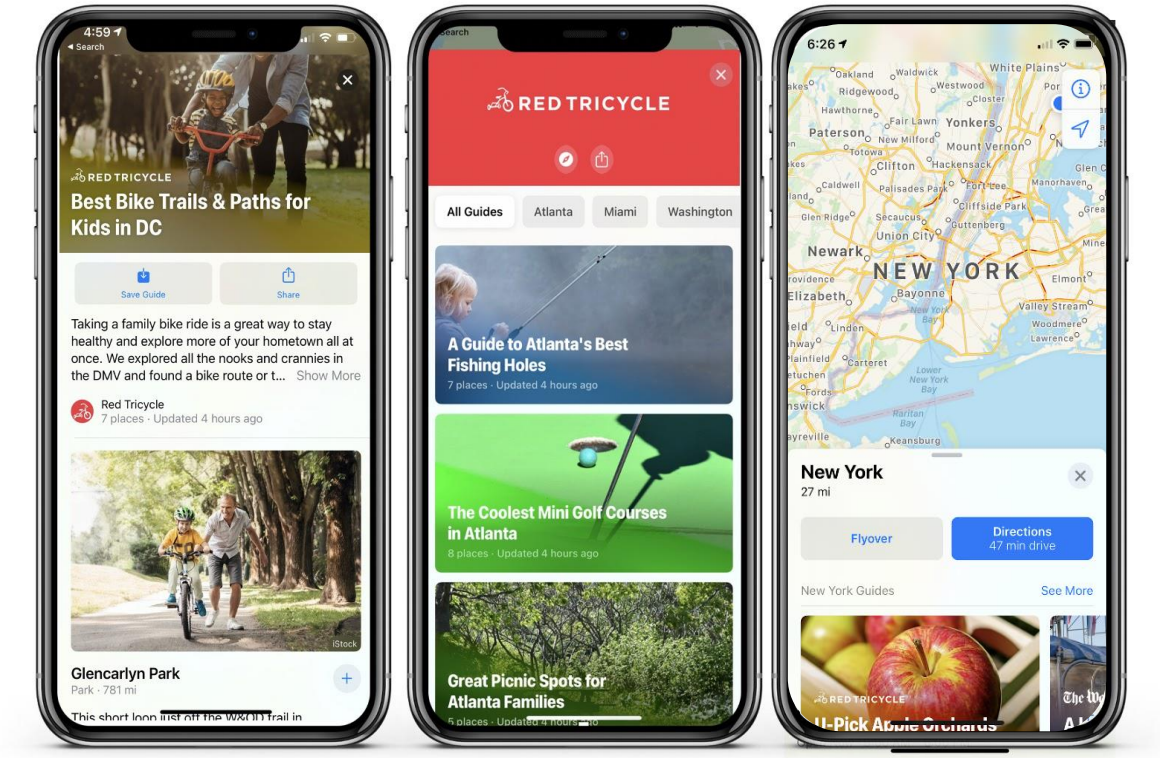
Product & Marketing

Monthly Active Users grew to over **4M**, an increase of **300k new active users**. This growth was across both the redtri.com site and Tinybeans app/website.



Excitingly, the Company announced its partnership with Apple, whereby Apple Maps—the core maps app on iOS—will include our parenting content natively to its experience. The results of which will be known in future months.

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More information on the rich content to help you discover great places around the world can be found here on the here.

An example of the Red Tricycle Guides in Apple Maps can be seen here.

FY21 Key Execution Priorities

Overall, the Company continues to perform well with the COVID backdrop as was noted in the Company's execution priorities highlighted in the last investor presentation. The team's overall performance were very pleasing across all key metrics.

World Class Sales

- Q1 saw further development across our advertising sales team, as we not only grew the team but also continued to drive our value proposition to brands.
- The success in Q1 was evidenced by growth in advertising from the previous quarter of 21% (in USD), which seasonally is a lower quarter.
- The team continued to curate new ad products, improve inventory management and sales while reducing friction in ad serving/reporting.

Marketing

- The platforms saw strong year on year growth across several channels with Search Engine Optimisation (SEO) increasing by 23% and email traffic driving 24% increase.

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- The marketing team also diversified traffic drivers with new distribution outlets & partnerships including Newsbreak & Flipboard.
- New partnerships are being worked on and in turn results to be shared in subsequent releases.

Product

- The product team continued to grow its experimentation systems to enable faster and more iterative change in the app experience.
- New product activation flows including app and email onboarding experience were largely completed and set for release in the coming weeks.
- The team also drove performance including website speed loading, improving the redtri.com website home page by 50%.

Technology

- Completed the rollout of continuous delivery pipeline for quality control and efficient development upgrades.
- Completed the first stage of our data management platform upgrade allowing for secure and reliable access to our first-party data.
- Audience segmentation and list management improvements — Self-service user list generation.

People

- Continued to drive a performance culture as one team with 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 departmental KPIs, aligned to company growth plans – all of which are now rolled out.

Other

Item 6.1 (in 4C below) pertain to salary and retainer fee payments to the executive and non-executive directors of $90k.

This announcement is authorised by the TNY Board.

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For more information, please contact:

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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 61 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

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+Rule 4.7B

Appendix 4C

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

Name of entity

TINYBEANS GROUP LIMITED

ABN	**Quarter ended ("current quarter")**
46 168 481 614	30 September 2020

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	2,131	2,131
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(74)	(74)
	(c) advertising and marketing	(251)	(251)
	(d) leased assets	-	-
	(e) staff costs	(1,934)	(1,934)
	(f) administration and corporate costs	(631)	(631)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	5	5
1.5	Interest and other costs of finance paid	(6)	(6)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	47	47
1.8	Other (provide details if material – mainly for the cash flow boost)	38	38
1.9	**Net cash from / (used in) operating activities**	**(675)**	**(675)**

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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) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(9)	(9)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(g) entities	-	-
	(h) businesses	-	-
	(i) property, plant and equipment	3	3
	(j) investments	-	-
	(k) intellectual property	-	-
	(l) 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**	**(6)**	**(6)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	132	132
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
3.6	Repayment of borrowings	(86)	(86)
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**	**46**	**46**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	5,220	5,220
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(675)	(675)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(6)	(6)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	46	46
4.5	Effect of movement in exchange rates on cash held	(32)	(32)
4.6	**Cash and cash equivalents at end of period**	**4,553**	**4,553**

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	4,553	5,220
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)**	**4,553**	**5,220**

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6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	90
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

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 salary and retainer fee payments to the executive and non-executive directors.

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)	(675)
8.2	Cash and cash equivalents at quarter end (item 4.6)	4,553
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	4,553
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	7

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

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

8.6.1 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:

8.6.2 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:

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

Answer:

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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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: ..22 October 2020.....

Authorised by: ....Edward Geller, Executive Director and CEO.....
(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.