



# Investor Presentation

(ASX: TNY; OTCQB: TNYYF)

March 2022

Unless otherwise noted, amounts are in **USD** and are **audited**





SYNONYMOUS WITH PARENTING

## We have what they need

Tinybeans is where **new families start** and where growing families get inspiration on things to do, places to go and what to buy. We provide millions of parents with a safe space to capture and share memories, find **trustworthy** content and receive thoughtful recommendations tailored to their family.

Our purpose is bigger than simply making parenting easier. Tinybeans is the **most trusted** resource where parents go to **raise amazing kids**.

THE TINYBEANS COMMUNITY

28M mindful, proactive, influential parents



**91%** “I would rather have **more time with my family** than more money”



**92%** “It’s important for websites/apps to **personalize for my family**”



**98%** “My #1 goal is to **raise amazing kids**”



## Strong growth continues, delivering record half year result

+49%  
YOY

- Record Revenues of **US\$6.45M**, **up 49% YoY**, largely driven by record advertising revenues of **US\$5.65M**, **up 52% YoY** and paid subscriptions to **US\$586K**, **up 42% YoY**. Other revenue includes printing and e-commerce revenues.
- Tinybeans launched an entirely new website and app under a single brand, driving a new, more comprehensive parenting experience. We're regularly updating the site to add features including an upgraded advertising platform for brands.
- Continuing to grow complementary revenue streams with brand partners and paid subscribers



**US\$57K**  
Average Nat  
Ad Campaign



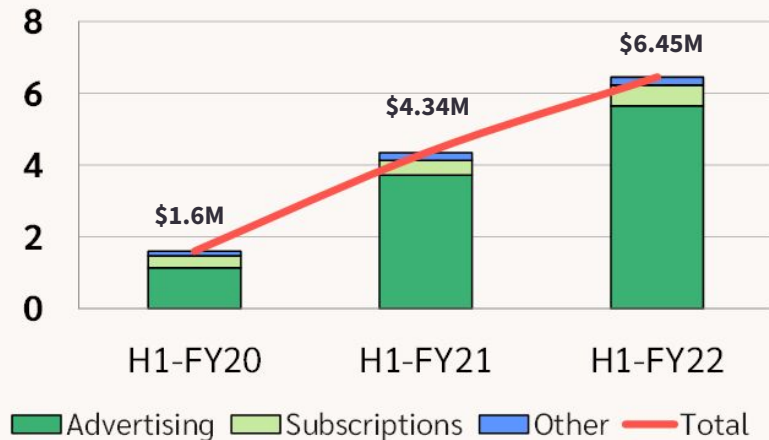
**46K**  
Paying  
Subscribers



**#1**  
Apple Guides  
Partner

US\$M

Revenue up 49% to US\$6.45M



### Major Growth Drivers

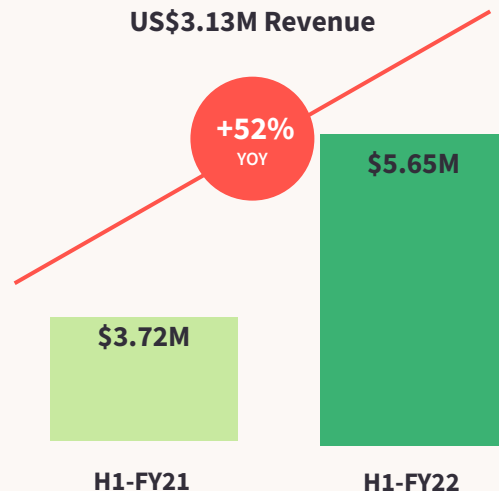
- Powerful value proposition for advertisers of high trust + first party data
- Existing and repeat brands (73% repeat, 27% new)
- Doubling Monthly Recurring Revenues with paid subscriptions

## ADVERTISING REVENUES

### Unique audience demographics supporting strong growth in advertising revenues

- We serve consumers and help parents raise amazing kids. Through solving their problems, we monetize amongst other ways with advertising
- Advertising revenue hit a record US\$5.65M, up 52% YoY, with 27% from new brands and 73% from existing brands
- H1-FY22 advertising revenue performance marks another new record, driven by big partnership wins with Google/YouTube Kids, Microsoft, CooperVision, MGA Entertainment, LEGO & Paramount Pictures
- Closed 12 >\$100K contracts so far in FY22 (13 in entire FY21) with 6 of those at \$200k+
- While helping CooperVision help parents prevent myopia in their teens, closed first \$1M partner with Hill's Pet Nutrition

US\$3.13M Revenue



# The Tinybeans Ad Platform

- We serve consumers and help parents raise amazing kids.
- The Ad Platform incorporates many channels
  - Website (Content, native ads, video, high impact, banners, etc.)
  - Emails (Dedicated, newsletter sponsorships, targeted, banners, etc.)
  - App (Content, native ads and other units)
  - Social (FB, IG, Pinterest, etc)
- Strong revenues are generated across each channel with all audiences.
- Advertising is woven in across all audiences, free and paid subscribers
- Regardless of consumer revenues, advertising revenues will continue to grow

## MOBILE-FIRST PLATFORMS

Web  
iOS + Android apps  
Email  
Social media

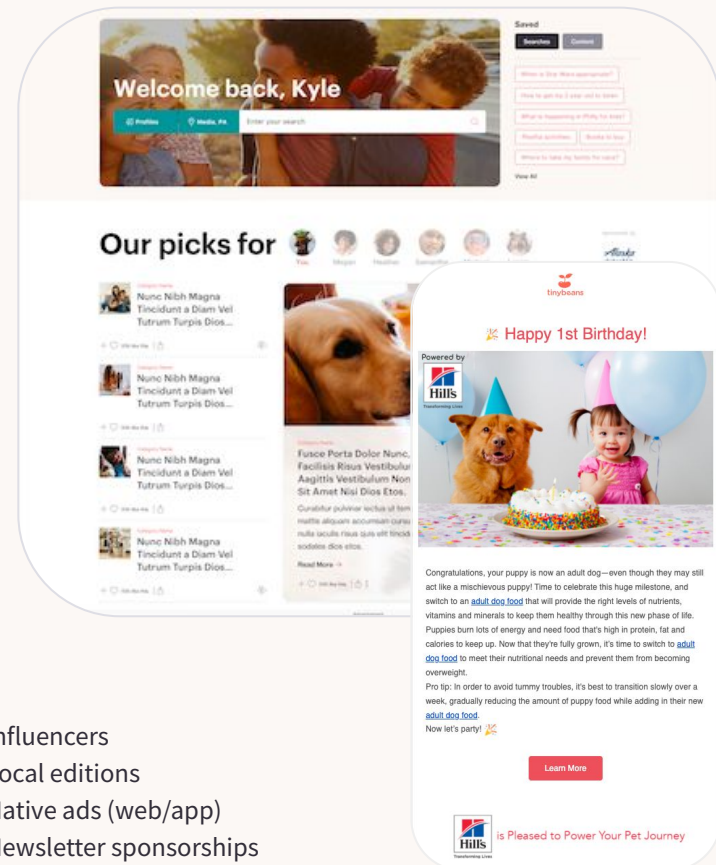
## DATA

Tinybeans Insights Lab  
First-party data  
targeted ads

## CAPABILITIES

Branded and sponsored content  
Custom landing pages  
Dedicated emails  
Editorial sponsorships  
Experiential

Influencers  
Local editions  
Native ads (web/app)  
Newsletter sponsorships



## YOUTUBE CASE STUDY

# Launch Sponsor of Tinybeans.com



### Campaign Objectives:

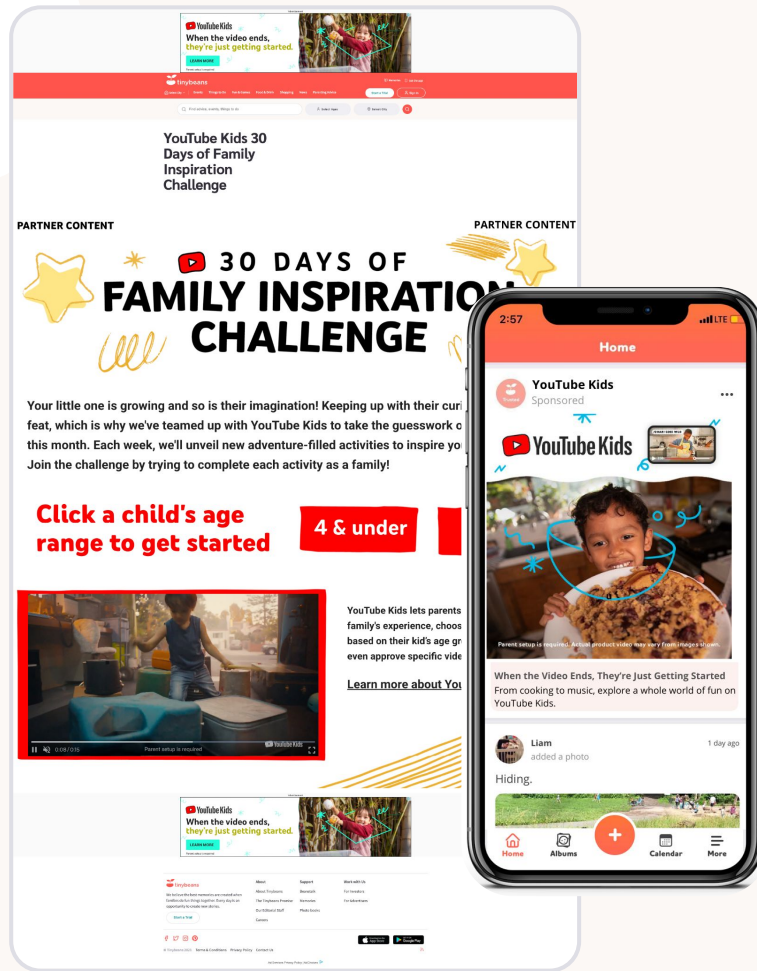
- Increase perception of YouTube Kids among parents
- Reach parents in 2 key frames of mind: Inspired & Learning
- Connect with and engage parents of kids ages 2-8

### Campaign Results:

- Campaign generated 1M+ engagements (opens, clicks, likes & shares)
- 30 Days of Inspiration Family Challenge Custom Hub was a valuable resource exceeding industry benchmarks by 8x
- Exclusive launch sponsor of launch of one brand Tinybeans
- All supporting media performed at/above benchmarks with Tinybeans video ads being top performers (Video Click Through Rate 2x-5x benchmark)

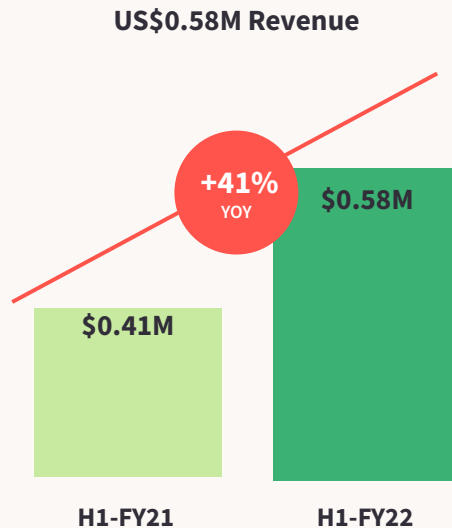
**“Tinybeans delivered an outstanding campaign. We look forward to working with them in the future!”**

—Campaign Manager, YouTube Agency



## Subscription Revenues Rapidly Scaling

- We serve consumers and help parents raise amazing kids. Through solving their problems, we monetize amongst other ways with subscriptions
- Subscription revenue hit a record **US\$586K, up 42% YoY**, with the number of paid subscribers up **64%** to **46k**. Monthly Recurring Revenues (MRR) doubled to **US\$148k**.
- Migrated the subscription model from family-based to single user-oriented and integrated into the App Stores subscription platforms adding a 30-day free trial period
- Trial to paid conversion for Q2-FY22 was **92%**. This is driven by free users converting to paid and is expected to decline as new audience growth channels are sought after
- Further work is being done to stabilize the subscription product across all channels and preparing for investment in various acquisition channels in calendar 2022
- Expecting to see further growth through Q3 with acceleration expected in Q4 once main paid media experiments complete, SEO improvements underway and additional growth programs kicked off

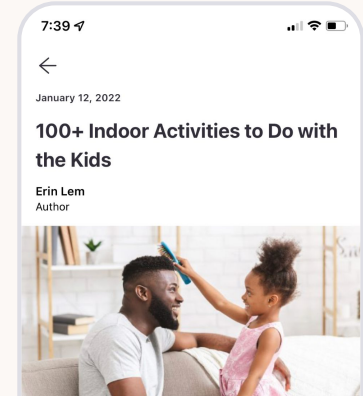
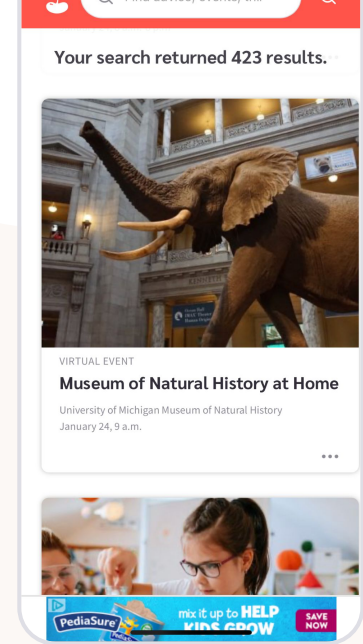
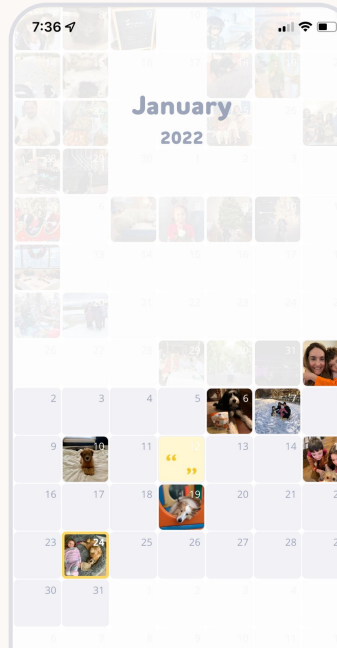




## EVOLVING AUDIENCE MODEL

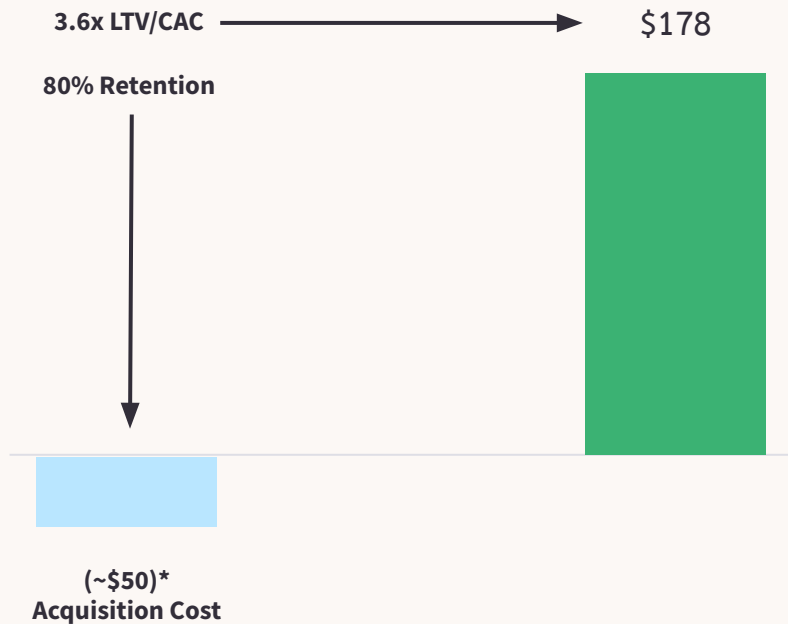
# Audience

- This past quarter saw the two website platforms merged into one and with it, an integrated experience to help parents raise amazing kids.
- Total Active Users across Q2-FY22 declined as expected and previously communicated. Through Q2, monthly active users settled on 3.5M for the qtr, down from 4.8M 12 months prior.
- The reasons for the decline were largely related to doubling up of users between the prior two websites, impact on organic traffic due to Google search algorithm changes and the reduction of active users given the move from free to paid for the memories product.
- A comprehensive search engine audit has begun to address the traffic reduction through search, with an implementation plan expected later in Q3. We expect to return to growth levels in organic search towards the end of Q3 and into Q4.
- Partnerships with [Apple](#) continue to drive engagement and growth where Tinybeans remains a top 3 partner over more than 100 partners.



ACQUIRING CUSTOMERS

## Customer Lifetime Value



## Strategic Pillars - First Half Update: Executing Growth Strategy

### 01

#### Enhance customer value proposition to drive Lifetime Value

- Launched the significantly upgraded web site and app platforms, including a powerful new feature allowing search by location and children's age
- Launched new subscription product, Beanstalk and began evolving existing members to the new model
- Further investment in personalized content being released in Q3-FY22 which will be the first feature beyond memories to be included in the subscription



### 02

#### Enable the platform to scale the audience

- Integrated the content platforms into one unified web and app experience
- Migrated the subscription model from family to individual
- Set up attribution across the platform so that paid media could begin
- As the number 1 partner for high quality parenting content, continued investing in the Apple partnership - now have over 150 [guides](#).



### 03

#### Elevate the brand to be the go-to resource for parents and brands

- Relaunched platforms under a single brand, and migrated all Red Tricycle audiences to Tinybeans
- Broke sales records while rebranding
- Continued to build out capabilities across all teams - 60+ full time equivalent team members and growing. Further investment in KPI's, metrics and project controls also improving
- Customer support team investments continued, growing the team from 1.5 to 3 so that the paid subscription business can be supported accordingly



A photograph of a man with a beard and a young child on a beach. The man is holding the child, and they are both looking down at something the child is holding. The background is a sandy beach with some vegetation in the distance. The image has a warm, slightly desaturated tone.

FINANCE

# Financial Results

(in USD and audited)

## FINANCIAL RESULTS

# Profit & Loss Summary

### Highlights:

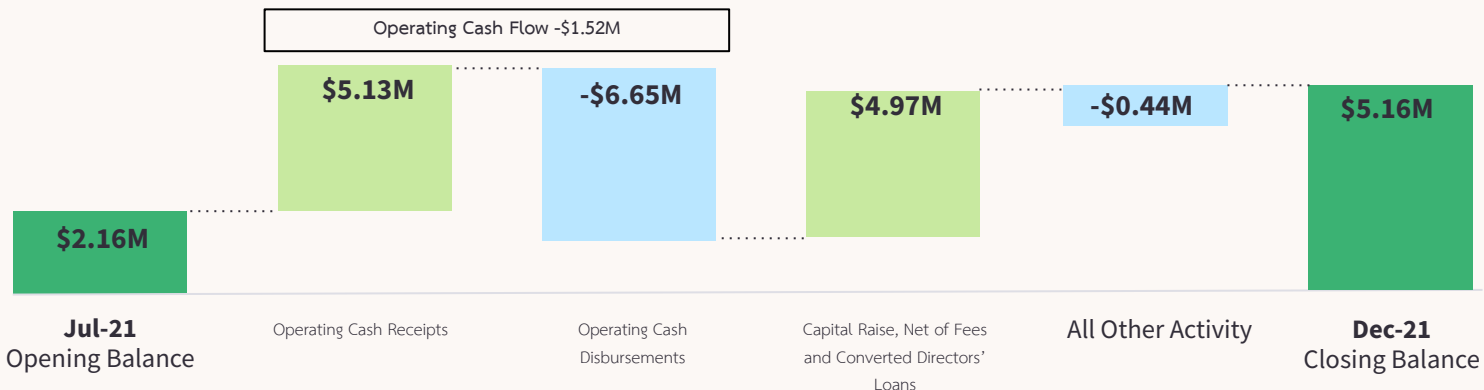
- Revenue up **+49% vs prior year**, driven by both ad sales and subscription growth
- Gross Margin decreased to 90%, which was expected to support larger ad sales campaigns and subscription processing fees to Apple and Google as subscription revenue grows
- Operating Expenses increased 41% vs prior year, driven by people and compensation to support product and operational investments, including software and services
- The company continues to incur a new run rate of increased General and Administrative costs related to growth of the company and its future plans, in areas such as accounting, audit fees and compliance.
- The current half year includes approximately \$0.4M of capitalized software development costs for our product enhancements (\$0.5M over last three quarters), which started in Q4-FY21 and is amortized below Adjusted EBITDA
- While our first half of the year finished at **-\$0.1M Adjusted EBITDA** (margin of -2%), we expect our second half of the year to have higher negative margins, due to the seasonality of the ad business, and planned investments in consumer marketing. We expect full year margins to be roughly in line with Adjusted EBITDA margins from FY21 (-22%).

USD (\$M)	H1-FY22	H1-FY21	% Chg
<b>Total Revenue</b>	<b>6.45</b>	<b>4.34</b>	<b>49%</b>
Cost of Goods Sold	(0.64)	(0.23)	-180%
<b>Gross Margin</b>	<b>5.80</b>	<b>4.11</b>	<b>41%</b>
<b>Gross Margin %</b>	<b>90%</b>	<b>95%</b>	
Operating Expenses	(5.92)	(4.21)	-41%
<b>Adjusted EBITDA*</b>	<b>(0.11)</b>	<b>(0.10)</b>	<b>-10%</b>
<b>Adjusted EBITDA Margin %</b>	<b>-2%</b>	<b>-2%</b>	

\* Adjusted EBITDA defined as reported EBITDA excluding share based payments expense & other non-operating income & expenses. Also, in Q4-FY21, Tinybeans began to recognize capitalized software development costs in accordance with AASB 138, Intangible Assets. These costs totaled \$94K in Q4-FY21, \$289K in Q1-FY22, and \$98K in Q2-FY22, and are excluded from Adjusted EBITDA above.




# Cash Waterfall



## Highlights:

- Operating cash flow is generally in line with income statement activity, with normal lag on collections for growing revenue and receivables off an exceptionally strong Q2
- **Cash receipts for the quarter were \$5.1M**, up +29% over prior year, in line with lagged revenue growth
- Capital raise consisted of \$5.1M of gross proceeds, less -\$0.4M of transaction costs, and \$0.3M converted directors' loans
- The expected operating cash burn for Q3-FY22 is approximately -\$1.2M, which will be partially offset by net proceeds of \$0.8M related to Tranche 2 of our capital raise, received in early February
- While we are capable of becoming free cash flow breakeven in calendar 2022, it would come at the expense of investments that we believe will drive future revenue growth

A young child with curly hair is sitting on a yellow armchair, looking upwards and to the right. A small, fluffy white dog is sitting next to the child. In the background, there is a small round wooden table with a potted plant and some electronic equipment on it.

GROWTH

# Growth and Strategy



LARGE ADDRESSABLE MARKET

Massive Opportunity

**\$934B**  
Annually

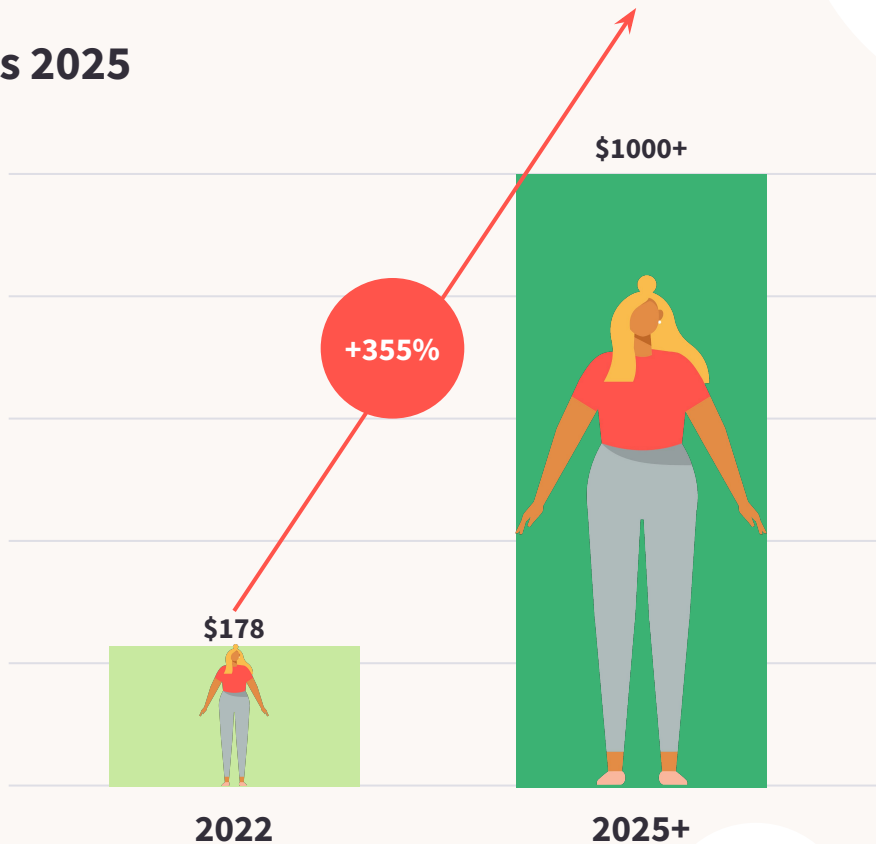
$$\begin{array}{ccccc} \mathbf{4M} & \times & \mathbf{\$233,610} & = & \mathbf{\$15.8T} \\ \text{Births per year} & & \text{Cost of raising a child to 17*} & & \text{Cumulative TAM for parenting till 17} \end{array}$$

## CUSTOMER LIFETIME VALUE

# Today and Towards 2025

**\$178** (2022)

Advertising     \$10  
Subscriptions   \$168



**\$1000** (2025+)

### Revenue Streams

Advertising  
Subscriptions +  
Ecommerce  
Other Services

### Strategy

Target 28M Proactive Parents  
Broaden the value proposition  
50/50 advertising/subscription

VALUE PROPOSITION EVOLUTION

## Broadening the Value proposition → ie The Customer
























**Now we serve extended family (ie Grandparents) and the child**



**Next we plan to broaden that to serve the parent directly**



## Broadening The Value Proposition → IE. The Customer

	NOW				NEXT		
	Sharing Memories	Organizing Memories	Parenting Content	More Content	Community	E-Commerce	Marketplace
Extended Family							
Children							
Parents							

LEGEND



100% Direct Value



Indirect Value



Little to no Value

GROWTH & STRATEGY

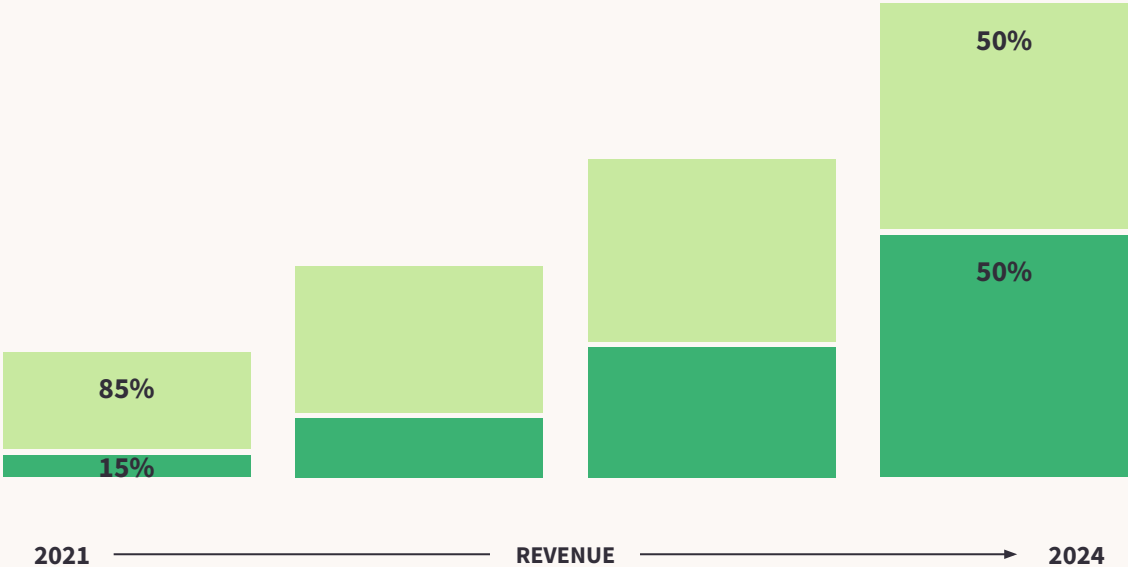
# Scalable Multiple Revenue Streams

**ADVERTISING REVENUES**

Industry leading 1st party data, 100% brand safe quality content, local and national

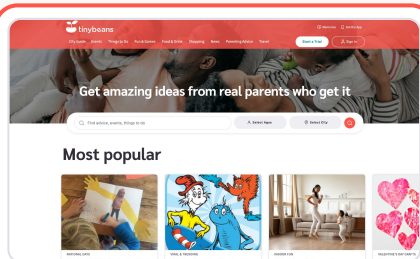
**CONSUMER REVENUES**

One subscription with memories, personalized content & community  
+ Future E-Commerce offerings



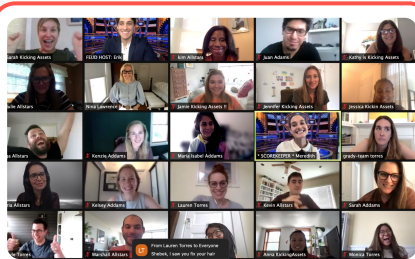
## GROWTH AND STRATEGY

# Tinybeans. Synonymous with Parenting!



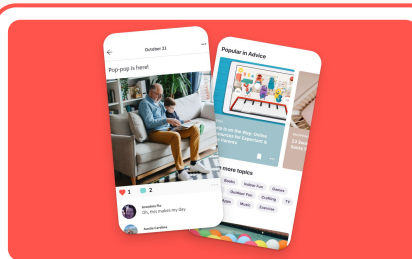
### Single Brand

Now a single brand and destination to help parents raise amazing kids. Tinybeans will be where parents go, from capturing memories to getting inspiration and engaging with other parents.



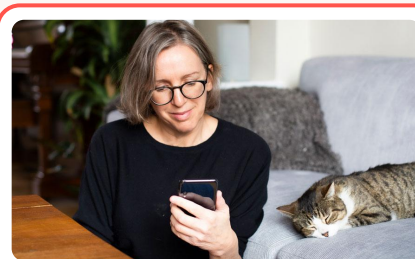
### Team

Seasoned team with deep experience in building brands, creating products people love and scaling revenues.



### Audience

Value proposition for the platform targeted to new parents, their families and parents of older children. Trust and Privacy still remains high to drive growth.



### Multiple Revenue Streams

Growing advertising revenues while accelerating consumer revenues to build a sustainable commercial model for many years to come, striving for a 50/50 split. Huge potential of reaching \$1000 LTV in future years

QUESTIONS

# Thank you! Any questions?



**Eddie Geller**  
Co-Founder and  
Chief Executive Officer



**Chris Motsay**  
Chief Financial Officer

## For More Information

**Hugh Morgan—Director, Market Eye**

P: +61 407 453 109

E: [hugh.morgan@marketeye.com.au](mailto:hugh.morgan@marketeye.com.au)

**Tinybeans Group Limited (ASX:TNY, OTCQB:TNYF)** is the only high trust app and web platform offering a personalized experience for new and growing families that helps them achieve their #1 goal in life—to raise amazing kids. Our purpose is bigger than simply making parenting easier. We help families thrive by giving them a safe, useful and inspirational place to go to capture and share memories, engage with trustworthy content and find thoughtful recommendations tailored to their family's needs, interests and where they live.

Tinybeans engages 28 million mindful parents every month, enjoys over 130,000 5-star reviews in the Apple App and Google Play stores, and has been recognized by Apple for excellence in both content—top 3 most viewed and exclusive parenting partner for Apple Guides, and utility—twice being named U.S. app of the day.

E: [investors@tinybeans.com](mailto:investors@tinybeans.com) | [www.tinybeans.com](http://www.tinybeans.com)



# 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 make 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 USD currency, unless otherwise stated.

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