TINY LTD.

Interim Condensed Consolidated Financial Statements
(Expressed in Canadian dollars)

For the three and six-months ended June 30, 2023
and June 30, 2022

TINY LTD.

Interim Condensed Consolidated Statements of Financial Position
(Expressed in Canadian dollars)
(Unaudited)

	Notes	June 30, 2023	December 31, 2022
Assets			
Current assets			
Cash and cash equivalents		$ **27,448,477**	$ 31,201,836
Trade and other receivables	6	**15,200,455**	12,797,523
Income taxes receivable		**2,395,887**	-
Due from related parties	17	**100,110**	1,312,385
Current portion of lease receivable	12	**111,715**	102,112
Prepaid expenses		**2,310,193**	1,616,268
Other current assets		**9,401**	81,690
		47,576,238	47,111,814
Capital assets	7	**6,609,538**	6,713,154
Intangible assets	8	**143,712,275**	45,520,370
Right-of-use assets	12	**561,432**	567,326
Goodwill	9	**167,441,488**	33,014,522
Investments	10	**34,109,776**	32,860,602
Derivatives	22	**1,308,184**	215,387
Lease receivable	12	**175,932**	222,073
Note receivable		**375,248**	-
Other assets		**22,829**	1,753,993
Deferred tax assets		**3,441,385**	762,626
		$ **405,334,325**	$ 168,741,867
Liabilities and Shareholder's Equity			
Current liabilities			
Trade and other payables	11	$ **36,307,324**	$ 33,787,495
Current portion of debt	13	**8,530,250**	3,085,000
Income taxes payable		**1,597,567**	2,236,957
Due to related parties	17	**26,209**	8,406
Current portion of lease liabilities	12	**195,297**	207,215
Contingent consideration payable	21	**1,947,303**	501,630
Derivatives	22	**1,035,358**	586,364
Deferred revenue	16	**10,981,823**	5,621,605
		60,621,131	46,034,672
Deferred income tax liabilities		**16,481,554**	6,699,603
Lease liabilities	12	**893,913**	953,205
Contingent consideration payable	21	**9,265,852**	9,478,148
Debt	13	**104,512,673**	66,708,864
		191,775,123	129,874,492
Shareholder's equity			
Share capital	14	**154,144,677**	6,932,471
Contributed surplus		**39,317,762**	39,451,612
Reserves		**6,899,410**	4,364,333
Accumulated other comprehensive income		**929,198**	1,618,113
Retained earnings/(accumulated deficits)		**2,381,312**	(23,835,350)
Non-controlling interest		**9,886,843**	10,336,196
		213,559,202	38,867,375
		$ **405,334,325**	$ 168,741,867

Contingencies and commitments	21
Subsequent events	23

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Approved on behalf of the Board:

"/s/ Andrew Wilkinson"
Director

"/s/ Chris Sparling"
Director

TINY LTD.

Interim Condensed Consolidated Statements of Net Income/(Loss) and Comprehensive Income
(Expressed in Canadian dollars)
(Unaudited)

	Notes	Three-month periods ended June 30, 2023	Three-month periods ended June 30, 2022	Six-month periods ended June 30, 2023	Six-month periods ended June 30, 2022
Revenue		$ **47,472,296**	40,397,398	$ **83,804,244**	73,915,496
Expenses					
Wages		**26,503,973**	17,184,507	**46,822,658**	32,680,746
Marketplace content costs		**7,304,662**	7,329,588	**14,062,382**	7,329,588
Hosting fees		**2,551,713**	1,705,787	**4,558,051**	3,114,281
Travel, meals and entertainment		**684,894**	615,597	**1,327,130**	729,753
Share-based compensation	15	**2,818,760**	745,684	**3,308,298**	2,045,446
Professional fees		**3,346,167**	1,555,950	**4,822,018**	2,523,857
Office and general		**2,654,573**	1,742,312	**4,554,337**	3,590,325
Depreciation and amortization		**7,473,372**	1,215,643	**9,202,615**	2,258,923
Business acquisition costs		**2,891,075**	38,124	**2,943,536**	111,237
Advertising and promotion		**2,098,027**	1,669,852	**3,883,575**	3,441,112
Bad debts/(recovery)		**207,719**	443	**242,679**	(3,091)
Bank charges		**(163,278)**	190,760	**46,167**	217,901
		58,371,657	33,994,247	**95,773,446**	58,040,078
(Loss)/earnings from operations		**(10,899,361)**	6,403,151	**(11,969,202)**	15,875,418
Interest expense		**(2,084,900)**	(474,531)	**(3,394,586)**	(606,835)
Gain on step acquisition	10	**42,083,465**	-	**42,083,465**	-
Gain on sale of intangibles		**-**	2,808,336	**-**	2,808,336
Fair value gain/(loss) to financial instruments		**1,069,151**	(568,898)	**828,912**	(304,964)
Share of loss from associates		**(199,397)**	(5,791,326)	**(1,379,679)**	(5,541,330)
Other income		**1,108,710**	320,878	**545,985**	286,878
Profit before income taxes		**31,077,668**	2,697,610	**26,714,895**	12,517,503
Income tax (expense)/recovery					
Current		**(1,050,911)**	(2,724,001)	**(1,035,794)**	(5,511,709)
Deferred		**2,647,957**	-	**2,914,702**	(631,482)
Net income/(loss)		**32,674,714**	(26,391)	**28,593,803**	6,374,312
Attributable to:					
Parent's interest		**32,187,281**	636,851	**27,539,612**	5,884,368
Non-controlling interests		**487,433**	(663,242)	**1,054,191**	489,944
		32,674,714	(26,391)	**28,593,803**	6,374,312
Other comprehensive (loss)/income					
Foreign exchange gain/(loss) on translating foreign operations		**(1,276,426)**	2,094,376	**(1,509,045)**	1,226,632
		$ **31,398,288**	2,067,985	$ **27,084,758**	7,600,944
Attributable to:					
Parent's interest		$ **31,551,951**	1,768,670	$ **26,850,697**	6,373,520
Non-controlling interests		**(153,663)**	299,315	**234,061**	1,227,424
		31,398,288	2,067,985	**27,084,758**	7,600,944
Earnings/(loss) per share					
Basic	18	$ **0.19**	(0.00)	$ **0.18**	0.07
Diluted	18	**0.19**	(0.00)	**0.18**	0.07

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

TINY LTD.

Interim Condensed Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars)
(Unaudited)

	Notes	Common shares #	Share capital $	Reserves $	Contributed surplus $	Accumulated other comprehensive Income/(loss) $	Retained earnings $	Non-controlling Interest $	Total $
Balance, December 31, 2021		**87,487,322**	**405,175**	**3,780,908**	**37,140,245**	**(2,935,593)**	**24,431,394**	**10,461,085**	**73,283,214**
Stock options exercised		-	-	-	-	-	(50,208)	-	(50,208)
Share-based compensation		-	100,290	1,945,156	-	-	-	-	2,045,446
Comprehensive income for the period		-	-	-	-	489,152	5,884,368	1,227,424	7,600,944
Dividends		-	-	-	-	-	(42,263,411)	(1,295,335)	(43,558,746)
Balance, June 30, 2022		**87,487,322**	**505,465**	**5,726,064**	**37,140,245**	**(2,446,441)**	**(11,997,857)**	**10,393,174**	**39,320,650**
Balance, December 31, 2022		**144,858,548**	**6,932,471**	**4,364,333**	**39,451,612**	**1,618,113**	**(23,835,350)**	**10,336,196**	**38,867,375**
Issuance of shares		1,568,021	7,700,166	-	-	-	-	-	7,700,166
Reverse acquisition	4	30,792,770	138,593,826	-	-	-	-	-	138,593,826
Stock options exercised		94,815	918,214	-	(907,071)	-	-	-	11,143
Share-based compensation		-	-	2,535,077	773,221	-	-	-	3,308,298
Comprehensive income for the period		-	-	-	-	(688,915)	27,539,612	234,061	27,084,758
Dividends		-	-	-	-	-	(1,322,950)	(683,414)	(2,006,364)
Balance, June 30, 2023		**177,314,154**	**154,144,677**	**6,899,410**	**39,317,762**	**929,198**	**2,381,312**	**9,886,843**	**213,559,202**

In relation to the reverse acquisition transaction, as described in Note 1 and Note 4, on April 17, 2023, the common shares were cancelled and Tiny received issued WeCommerce shares (“the Share Transaction”). The Share Transaction is reflected retrospectively in these consolidated financial statements.

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

TINY LTD.

Interim Condensed Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)
(Unaudited)

	Notes	Six-month period ended June 30, 2023	Six-month period ended June 30, 2022
Cash provided by/(used in):			
Operating activities			
Net income for the period		**$ 28,593,803**	$ 6,374,312
Adjustments for:			
Depreciation and amortization		**9,202,615**	2,258,923
Share-based compensation		**3,308,298**	2,045,446
Income tax (recovery)/expense		**(1,878,908)**	6,143,191
Write off of intangibles		**55,253**	-
Interest expense		**3,394,586**	606,835
(Loss)/gain on sale of disposal of assets		**80,999**	(2,829,226)
Bad debt expense		**242,679**	(3,091)
Interest income		**(12,838)**	-
Fair value adjustment to financial instruments		**(170,001)**	(304,964)
Share of loss from associates		**1,379,679**	5,541,330
Unrealized foreign exchange gain		**(2,164,736)**	(97,827)
Gain on step acquisition		**(42,083,465)**	-
Income taxes paid		**(3,630,195)**	(5,419,860)
Changes in non-cash working capital	19	**(3,274,989)**	(3,819,245)
Cash (used in)/provided by operating activities		**(6,957,220)**	10,495,824
Financing activities			
Dividends paid		**(9,026,592)**	(42,263,411)
Dividends paid to NCI		**(683,414)**	(1,295,335)
Stock options exercised		**11,143**	-
Interest paid on debt		**(2,781,122)**	-
Debt, funds received		**1,588,800**	61,249,246
Debt, funds repaid		**(2,953,540)**	(14,589,905)
Cash financing fees paid for debt amendment		**(297,795)**	(527,834)
Lease payments		**(146,719)**	(133,453)
Lease interest		**(28,683)**	(33,685)
Funds received from/(paid to) related parties		**1,200,000**	(2,300,000)
Proceeds from share issuance		**7,700,166**	-
Cash (used in)/provided by financing activities		**(5,417,756)**	105,623
Investing activities			
Purchase of investments		**(3,819,096)**	(6,092,088)
Purchase of capital assets		**(214,880)**	(1,132,702)
Purchase of intangible assets		**(42,480)**	(2,824,245)
Reverse acquisition, net of cash acquired		**9,962,485**	-
Acquisition of subsidiary, net of cash acquired		**-**	(3,271,690)
Distributions received from investments		**889,736**	2,000,000
Holdback receivable funds received		**1,750,066**	-
Proceeds from disposal of assets		**46,410**	2,863,015
Lease payments received		**36,538**	-
Lease interest received		**12,838**	-
Cash provided by/(used in) investing activities		**8,621,617**	(8,457,710)
(Decrease)/increase in cash		**(3,753,359)**	2,143,737
Cash, beginning of period		**31,201,836**	27,144,873
Cash, end of period		**27,448,477**	29,288,610
Supplementary cash flow information	19		

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

1. Incorporation and nature of activities

On April 17, 2023, WeCommerce Holdings Ltd. (a Canadian company previously listed on the TSX Venture Exchange under the symbol "WE") ("WeCommerce") acquired all of the outstanding shares of Tiny Capital Ltd. ("Tiny Capital") by way of a three-cornered amalgamation with WeCommerce changing its name to Tiny Ltd. (the "Company" or “Tiny”).

Upon completion, the shareholders of Tiny Capital obtained control over WeCommerce, resulting in a reverse take-over. The resulting financial statements are presented as a continuance of Tiny Capital (accounting acquirer), and comparative figures presented in the consolidated financial statements are those of Tiny Capital (Note 4).

WeCommerce was incorporated on November 27, 2019 under the laws of the Province of British Columbia. Tiny Capital was incorporated under the British Columbia Business Corporations Act on January 14, 2016. Tiny Capital is an investment holding company that invests in a variety of businesses either directly, through operating subsidiaries, or through a private equity fund where it serves as the general partner. Through its operating subsidiaries and equity investees, including Dribbble Holdings Ltd. (“Dribbble”) and Beam Digital Ltd. (“Beam”), Tiny Capital engages in a variety of technology enabled businesses including digital product design and engineering agency services, and operating a creative community network and digital asset marketplace.

Prior to December 31, 2022, Tiny Capital held 24.6% ownership in Beam, while the remaining 75.4% was held by entities controlled by Tiny Capital’s controlling shareholder. On December 31, 2022, Tiny Capital purchased the remaining 75.4% of Beam, resulting in Beam becoming a wholly-owned subsidiary. The acquisition of Beam is a transaction between entities under common control since Beam is ultimately controlled by the same party before and after the purchase of the remaining 75.4% by Tiny Capital. This transaction has been recorded at the carrying value of the assets and liabilities at the acquisition date. Management has adopted the predecessor basis of accounting, whereby Beam’s results of operations and financial positions are included in these financial statements at historical amounts recorded by Beam as if Beam has always been wholly owned by Tiny Capital.

Tiny maintains its registered office at 2900-550 Burrard Street, Vancouver, British Columbia, V6C 0A3.

2. Basis of preparation and measurement

(a) Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” using accounting policies consistent with the IFRS Accounting Standards issued by the International Accounting Standards Board (“IASB”). These condensed interim consolidated financial statements do not include all the information required for annual financial statements and should be read in conjunction with the Company’s audited annual consolidated financial statements and accompanying notes for the year ended December 31, 2022. These interim condensed consolidated financial statements were approved for issuance by the Company’s Board of Directors (“Board”) on August 24, 2023.

2. Basis of preparation and measurement (continued)

(b) Basis of measurement

These interim condensed consolidated financial statements have been prepared on the going concern basis, under the historical cost basis except for certain financial instruments that are measured at fair value, as detailed in the Company's significant accounting policies disclosed in Note 3 of the audited annual consolidated financial statements for the year ended December 31, 2022.

(c) Basis of consolidation

A subsidiary is an entity over which the Company has control, where control indicates exposure or rights to variable returns and the ability to affect those returns through power to direct the activities of the investee. Subsidiaries are consolidated from the date on which control is obtained by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date control ceases. As part of the amalgamation, the operating business of WeCommerce Holdings Ltd. and its subsidiaries were transferred to the partnership, WeCommerce Holdings LP.

The financial statements of all subsidiaries are prepared according to the same reporting date as the Company using consistent accounting policies.

Principal subsidiaries of Tiny are as follows:

Entity	Country	Ownership percentage at June 30, 2023	Ownership percentage at December 31, 2022
Beam Digital Ltd.	Canada	100%	100%
Dribbble Holdings Ltd.	Canada	74.49%	74.52%
Tiny Holdings Ltd.	Canada	100%	100%
Tiny Boards Holdings Ltd.	Canada	100%	100%
Meteor Software Holdings Ltd.	Canada	100%	100%
WeCommerce Holdings LP	Canada	100%	26.80%

(d) Functional and presentation currency

These interim condensed consolidated financial statements are presented in Canadian dollars, which is Tiny’s functional currency. The assets and liabilities of subsidiary entities that have a different functional currency from the Company are translated at the exchange rate prevailing at the financial position reporting date. The income statements of such entities are translated at average rates of exchange during the period. All resulting exchange differences are recognized directly in accumulated other comprehensive (loss)/income.

Transactions denominated in currencies other than the functional currency are translated by applying the exchange rate prevailing on the date of the transaction. At each reporting date, all monetary assets and liabilities denominated in foreign currencies are translated at the rates prevailing at the financial position reporting date. Any resulting translation adjustments are recognized in the Consolidated Statement of Net Income/(Loss) and Comprehensive Income.

(e) Estimates and judgments

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting methods and the amounts recognized in the financial statements. These estimates and the underlying assumptions are established

2. Basis of preparation and measurement (continued)

(e) Estimates and judgments (continued)

and reviewed continuously on the basis of past experience and other factors considered reasonable in the circumstances. They therefore serve as the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from the estimates.

Significant judgments and estimates relate to:

(i) Revenue recognition, unbilled revenue and deferred revenue

For certain of its revenue streams, the Company recognizes revenue based on the extent of progress in each period towards completion of the performance obligation. The extent of progress towards completion is based on internal estimates, with reference to the proportion of work performed relative to the deliverable. Due to the nature of the work performed in order to satisfy the performance obligation, management's estimation of percentage of completion requires significant judgement The assumptions and factors that can affect the accuracy of the estimate, include but are not limited to, the estimated costs for a contract in total, and estimated costs to completion at the reporting date.

(ii) Valuation of assets and liabilities acquired in business combinations

In a business combination, the company may acquire the assets and assume certain liabilities of an acquired entity. The estimate of fair values for these transactions involves judgment in determining the fair values assigned to the tangible and intangibles assets acquired and the liabilities assumed on the acquisition. The determination of these fair values involves a variety of assumptions, including estimates surrounding the costs to acquire or reproduce a similar asset, expected future net cash flows and appropriate discount rates. Contingent consideration resulting from business combinations which is classified as a financial liability, is recorded at fair value at the acquisition date as part of the business combination based on expected discounted cash flows and is remeasured to fair value at each reporting date with any subsequent change in fair value recognized in the Consolidated Statement of Net Income/(Loss) and Comprehensive Income.

(iii) Impairment of intangible assets and goodwill

Management assesses indicators of impairment for intangible assets and goodwill at each reporting date and performs a quantitative impairment test for goodwill at least annually and whenever events or circumstances indicate that the carrying amount may not be recoverable. When performing quantitative assessments, forecasts incorporate a number of key estimates and assumptions about future events, which are subject to uncertainty and might materially differ from the actual results. The key assumptions are annual revenue growth rate, operating margins, and pre-tax discount rates. In making these key estimates and judgements, management takes into consideration historical data from both external and internal sources and consideration of future industry trends existing at the reporting dates. These estimates are regularly compared to actual market data and actual transactions entered into by the Company.

2. Basis of preparation and measurement (continued)

(iv) Share-based compensation

The Company measures the cost of share-based compensation transactions with qualifying directors, employees, officers and consultants by reference to the fair value of the equity instruments at the date at which they are granted. These are offered to qualifying directors, employees, officers and consultants in the form of stock options ("Options"), deferred share units ("DSUs"), restricted share units ("RSUs") or performance share units ("PSUs"). Options are settled in equity; DSUs, RSUs and PSUs are settled in cash or equity, or a combination of each, at the option of the Company. Estimating fair value for share-based compensation requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected term, volatility, and forfeiture rate. The expected term is determined based on management's estimate of the period of time between grant date and exercise date. Volatility is determined using a comparable peer group until such time as sufficient trading history is available for the Company's own shares.

(v) Valuation of investments held in a fund

For investments in private companies carried at fair value, the Company determines these fair values using a market approach and/or income approach based on a variety of assumptions, including but not limited to transaction price in similar transactions, valuation of comparable companies, and projections provided by the underlying investees, etc.

(vi) Determination of functional currency

Determination of functional currency requires management to make judgments in evaluating primary and secondary indicators under IAS 21, *The Effect of Changes in Foreign Exchange Rates*. Key judgments include the primary economic environment in which the Company operates, the currency that mainly influences sales prices for its services and the costs of labour, and the country whose competitive forces and regulations mainly determine sales prices.

3. Significant accounting policies

The significant accounting policies applied in preparation of these interim financial statements are consistent with the accounting policies disclosed in Note 3 of the audited consolidated financial statements for the year ended December 31, 2022 with the exception the following:

Intangible assets

As part of the reverse acquisition (Note 4), management reviewed the useful lives of all its intangible assets. Intangible assets previously considered to have indefinite useful lives were reassessed and determined to have a foreseeable limit on the period of time over which it is expected to contribute to the cash flows of the reporting entity. Consequently, a revision was made to update the useful lives of certain trade names and brand assets after April 17, 2023 and an additional $364,900 was recorded in depreciation and amortization for the period ended June 30, 2023. The revised amortization rates and asset categories are as follows:

(Tabular amounts expressed in Canadian dollars, unless otherwise noted)

3. Significant accounting policies (continued)

Asset class	Amortization period
Customer relationships and contracts	5-10 years
Trade names and brand	5 years
Software and website	5-10 years
Foundry relationships	15 years
Other	2 years

Earnings per share

Basic earnings per share is computed by the weighted average of (i) the number of retrospectively calculated common shares outstanding from the beginning of the period to the acquisition date; and (ii) the number of common shares outstanding from the acquisition date to the end of the period. Basic earnings per share for the comparative period is computed by the weighted average number of retrospectively calculated common shares outstanding during the period.

Diluted earnings per share mis determined by adjusting the net loss and the weighted average number of common shares outstanding, adjusted for the effects of all dilutive potential common shares, which are comprised of additional shares from the assumed exercise or conversion of options, DSUs, RSUs and PSUs. Anti-dilutive options are not considered in computing the diluted earnings per share.

Creative Platform revenue

The accounting policies for the year ended December 31, 2022 also included the following accounting policy on Creative Platform revenue:

Prior to April 1, 2022, Creative Platform revenue was recognized net of amounts due to sellers as control of the digital goods or assets is transferred to the buyers. Effective April 1, 2022, due to changes in the marketplace contracts, the Company has concluded that they are acting as the principal in the transaction. For all new contracts entered into from April 1, 2022 onwards, revenue is recorded on a gross basis while the amounts due to sellers are recorded as marketplace content costs.

4. Reverse acquisition of WeCommerce Holdings Ltd. by Tiny Capital Ltd.

On April 17, 2023, WeCommerce acquired all of the outstanding shares of Tiny Capital by way of a three-cornered amalgamation. Upon completion, the shareholders of Tiny Capital obtained control over WeCommerce, resulting in a reverse take-over.

The Share Transaction was structured as a three-cornered amalgamation pursuant to the provisions of the Business Corporations Act (British Columbia) (the “BCBA”), whereby Tiny Capital amalgamated with 1396773 B.C Ltd., a wholly owned subsidiary of WeCommerce to form a new company (“Amalco"). In consideration for all issued and outstanding shares of Tiny Capital, WeCommerce issued 146,429,569 shares to the shareholders of Tiny Capital. Concurrently with the closing of the Share Transaction, 11,454,725 existing WeCommerce shares held by Tiny Capital and Tiny Holdings Ltd. were cancelled. This has resulted in approximately 177.9 million fully diluted shares being outstanding. These shares are now listed as “TINY” on the TSXV due to WeCommerce changing its name to Tiny Ltd.

(Tabular amounts expressed in Canadian dollars, unless otherwise noted)

4. Reverse acquisition of WeCommerce Holdings Ltd. by Tiny Capital Ltd. (continued)

The preliminary net assets of WeCommerce acquired on April 17, 2023 are as outlined below. The Company is in the process of finalizing the fair value of intangible assets acquired.

	$
Cash and cash equivalents	9,962,485
Trade and other receivables	2,169,550
Prepaids and deposits	639,068
Income tax receivable	392,766
Deferred tax asset	-
Capital assets	174,749
Brand and domain name	27,500,000
Software and technology	59,700,000
Intellectual property	2,900,000
Non-competition agreement	5,500,000
Customer relationships	12,100,000
Goodwill	135,120,286
	256,158,904
Trade and other payables	4,536,311
Contract liability	3,832,378
Income taxes payable	17,295
Foreign currency and interest swap derivative	326,349
Contingent consideration payable	1,420,965
Bank loan	46,792,111
Deferred tax liability	10,124,331
	67,049,740
Fair value of net assets acquired	**189,109,164**

WeCommerce contributed revenue and net loss of $10,806,803 and $6,537,879, respectively, for the three- and six-month period ended June 30, 2023. Had the acquisition occurred on January 1, 2023, management estimates that consolidated revenue and consolidated net income would have been $99,390,705 and $23,911,932, respectively, for the six-month period.

(Tabular amounts expressed in Canadian dollars, unless otherwise noted)

5. Business combinations

(a) Fontspring Inc. ("Fontspring")

On January 28, 2022, Dribbble acquired certain assets, servers and clients of Fontspring, a service platform offering font licensing to provide Dribbble with a wider array of products and services to its customers for US $3,073,123 (CAD $3,924,993) cash.

The transaction was accounted for using the acquisition method under IFRS 3, with the results of operations to be included in financial statements from the date of acquisition. The fair values of identifiable assets acquired and liabilities assumed are as follows:

	$
Consideration:	
Cash paid	3,273,276
Holdback amount[1]	651,717
Total consideration	**3,924,993**
Identifiable assts acquired:	
Cash and cash equivalents	1,586
Foundry relationships	1,048,581
Brand and trademarks	759,934
Developed technology	394,655
Goodwill	2,064,502
	4,269,258
Identified liabilities assumed:	
Trade and other payables	344,265
Total net assets acquired	**3,924,993**

[1] The Holdback Amount is retained for 12-months and serves as partial security to the buyer for the seller's representations, warranties, covenants, and agreements.

The goodwill is attributable to the talent and workforce from the acquisition. It will be deductible for tax purposes.

(Tabular amounts expressed in Canadian dollars, unless otherwise noted)

5. Business combinations (continued)

(b) HappyFunCorp LLC

On November 15, 2022, Beam acquired 100% of the issued and outstanding share capital of HappyFunCorp LLC (“HappyFunCorp”), a service provider for software engineering services.

Details of the purchase consideration, the net assets acquired, and goodwill are as follows:

	$
Consideration:	
Cash paid	15,948,000
Earnout[(1)]	8,890,213
Total consideration	**24,838,213**
Identifiable assts acquired:	
Cash and cash equivalents	1,562,872
Trade and other receivables	3,014,670
Prepaid	5,152
Capital assets	10,503
Customer relationships	10,233,300
Brand	2,020,080
Goodwill	10,100,400
	26,946,977
Identified liabilities assumed:	
Trade and other payables	796,495
Other liabilities	1,312,269
Total net assets acquired	**24,838,213**

(1) In the event that the Adjusted EBITDA achieved by HappyFunCorp shall exceed certain thresholds for the years ending December 31, 2023, and December 31, 2024, an additional consideration shall be payable for each fiscal year, to the seller. The fair value of the contingent consideration was estimated by calculating the present value of the future expected cash flows.

The goodwill is attributable to the talent and workforce from the acquisition. Of the $10,100,400, $910,600 is deductible for tax purposes.

6. Trade and receivables

		June 30, 2023		December 31, 2022
Trade receivables	**$**	**12,689,892**	$	11,439,412
Unbilled revenue		**2,922,965**		1,160,293
Taxes receivable		**12,036**		667,360
Other receivables		**105,364**		4,422
		15,730,257		13,271,487
Allowance for expected credit loss		**(529,802)**		(473,964)
Trade and other receivables, net		**15,200,455**		12,797,523

(Tabular amounts expressed in Canadian dollars, unless otherwise noted)

7. Capital assets

	Land	Building	Computer equipment	Computer software	Furniture and equipment	Leasehold improvements	Total
Cost							
Balance January 1, 2022	**2,906,428**	**1,859,554**	**1,314,806**	**320,502**	**780,860**	**337,393**	**7,519,543**
Additions	-	146,384	624,879	-	136,491	430,131	1,337,885
Disposals	-	-	(43,610)	-	(9,100)	-	(52,710)
Foreign exchange	-	-	25,509	-	-	-	25,509
Reimbursement	-	-	-	-	-	(86,680)	(86,680)
Reclassification	-	-	187,269	-	(187,269)	-	-
Balance December 31, 2022	**2,906,428**	**2,005,938**	**2,108,853**	**320,502**	**720,982**	**680,844**	**8,743,547**
Acquired through business combination (Note 4)	**-**	**-**	166,028	-	8,721	-	174,749
Additions	**-**	**-**	159,504	-	25,376	30,000	214,880
Disposals	**-**	**-**	(60,973)	(115,703)	(38,289)	-	(214,965)
Foreign exchange	**-**	**-**	549	-	-	-	549
Balance June 30, 2023	**2,906,428**	**2,005,938**	**2,373,961**	**204,799**	**716,790**	**710,844**	**8,918,670**
Accumulated depreciation							
Balance January 1, 2022	**-**	**17,812**	**766,138**	**160,462**	**399,147**	**22,025**	**1,365,584**
Additions	-	78,831	399,267	55,716	102,708	45,392	681,914
Disposals	-	-	(29,952)	-	(10,330)	-	(40,282)
Foreign exchange	-	-	7,229	-	-	-	7,229
Reclassification	-	-	180,898	-	(164,950)	-	15,948
Balance December 31, 2022	**-**	**96,643**	**1,323,580**	**216,178**	**326,575**	**67,417**	**2,030,393**
Additions	-	38,188	238,195	21,400	41,682	34,946	374,411
Disposals	-	-	(33,476)	(46,861)	(6,316)	-	(86,653)
Foreign exchange	-	-	(9,022)	3	90	-	(8,929)
Balance June 30, 2023	**-**	**134,831**	**1,519,277**	**190,720**	**362,031**	**102,363**	**2,309,222**
Net book value							
December 31, 2022	2,906,428	1,909,295	785,273	104,324	394,407	613,427	6,713,154
June 30, 2023	**2,906,428**	**1,871,107**	**854,684**	**14,079**	**354,759**	**608,481**	**6,609,538**

(Tabular amounts expressed in Canadian dollars, unless otherwise noted)

8. Intangible assets

	Customer relationships and contracts	Trade name and brands	Software and website	Foundry relationships	Non-compete agreements	Other	Total
Cost							
Balance January 1, 2022	**13,359,522**	**8,973,452**	**12,290,334**		**-**	**1,437,185**	**36,060,493**
Additions	10,233,300	2,844,895	3,143,459	1,048,417	-	234,414	17,504,485
Disposed	-	-	(21,614)	-	-	-	(21,614)
Foreign exchange	869,774	671,244	556,121	63,545	-	4,369	2,165,053
Balance December 31, 2022	**24,462,596**	**12,489,591**	**15,968,300**	**1,111,962**	**-**	**1,675,968**	**55,708,417**
Acquired through business combination (Note 4)	12,100,000	27,500,000	59,700,000	-	5,500,000	2,900,000	107,700,000
Additions	-	-	-	-	-	42,480	42,480
Disposed	-	(65,000)	-	-	-	-	(65,000)
Foreign exchange	(480,556)	(249,333)	(196,864)	(25,041)	-	(1,538)	(953,332)
Balance June 30, 2023	**36,082,040**	**39,675,258**	**75,471,436**	**1,086,921**	**5,500,000**	**4,616,910**	**162,432,565**
Accumulated amortization							
Balance January 1, 2022	**1,552,895**	**108,681**	**4,386,076**	**-**	**-**	**278,370**	**6,326,022**
Additions	1,506,417	155,404	1,842,515	71,213	-	114,394	3,689,943
Foreign exchange	(5,112)	(45,577)	218,350	2,917	-	1,504	172,082
Balance December 31, 2022	**3,054,200**	**218,508**	**6,446,941**	**74,130**	**-**	**394,268**	**10,188,047**
Additions	1,960,194	1,738,287	4,002,716	36,233	587,945	352,552	8,677,927
Disposals	-	(9,747)	-	-	-	-	(9,747)
Foreign exchange	(47,062)	(1,235)	(85,338)	(1,669)	-	(633)	(135,937)
Balance June 30, 2023	**4,967,332**	**1,945,813**	**10,364,319**	**108,694**	**587,945**	**746,187**	**18,720,290**
Net book value							
December 31, 2022	21,408,396	12,271,083	9,521,359	1,037,832	-	1,281,700	45,520,370
June 30, 2023	**31,114,708**	**37,729,445**	**65,107,117**	**978,227**	**4,912,055**	**3,870,723**	**143,712,275**

(Tabular amounts expressed in Canadian dollars, unless otherwise noted)

9. Goodwill

Goodwill was recognized as part of the following acquisitions within each entity:

- Beam – Z1, Button, Frosty and HappyFunCorp
- Dribbble – Creative Market, Fontspring and the original acquisition of assets of Dribbble
- Tiny Boards – Unicorn Hunt
- WeCommerce

Goodwill is monitored by management at the entity level. An entity-level summary of the goodwill allocation is presented below:

	Beam	WeCommerce	Dribbble	Tiny Board	Total
Balance, January 1, 2022	**2,657,422**	**-**	16,595,378	**128,120**	**19,380,920**
Additions	10,100,400	-	2,064,502	-	12,164,902
Foreign exchange	195,622	-	1,273,078	-	1,468,700
Balance, December 31, 2022	**12,953,444**	**-**	**19,932,958**	**128,120**	**33,014,522**
Acquisition through business combination (Note 4)	**-**	135,120,286	-	-	135,120,286
Foreign exchange	**(231,541)**	**-**	(461,779)	-	(693,320)
Balance, June 30, 2023	**12,721,903**	**135,120,286**	**19,471,179**	**128,120**	**167,441,488**

The Company performs an impairment test annually on December 31 each year or at each reporting date if there is an indication of impairment. The recoverable amount of goodwill is determined based on the greater of the value in use and the fair value less costs to sell of the Company's cash generating units. For the purposes of impairment testing, goodwill is allocated to the Company's cash-generating units which represent the lowest level within the Company at which goodwill is monitored for internal management purposes. The Company did not identify any impairment.

10. Investments

Investments consist of investment in associates that are accounted for using the equity method as well as investment in equity securities that are carried at fair value.

		June 30, 2023		December 31, 2022
Investment in associates	**$**	**28,694,656**	$	28,227,594
Investment in equity securities		**5,415,120**		4,633,008
		34,109,776		32,860,602

(a) WeCommerce Holdings Ltd.

As at April 17, 2023, the Company acquired and amalgamated with WeCommerce as described in Note 4 and ceased to account for its ownership interest as an investment in associate. As this transaction is accounted for as an acquisition achieved in stages, a gain of $42,083,465 has been recorded which reflects the difference between the carrying value and fair value of the investment on the acquisition date. Details of the investment in WeCommerce held by Tiny at December 31, 2022 are as follows:

		% ownership	Carrying amount
	Place of incorporation	December 31, 2022	December 31, 2022
WeCommerce Holdings Ltd.	BC, Canada	**26.80%**	9,482,707

(Tabular amounts expressed in Canadian dollars, unless otherwise noted)

10. Investments (continued)

(a) WeCommerce Holdings Ltd. (continued)

The quoted fair value of the Company's investment in WeCommerce Holdings Ltd. was $21,180,252 at December 31, 2022. The following table below presents the summarized Statement of Financial Position:

		December 31, 2022
Current assets	$	14,334,357
Non-current assets		157,385,916
Current liabilities		15,849,685
Non-current liabilities		43,540,201
Opening net assets, January 1		108,716,168
Closing net assets		112,330,387

The following table below present the summarized Statement of Comprehensive Income:

		June 30, 2022
Revenue	$	23,713,907
Profit/(loss) from continuing operations		
Profit/(loss) for the period		(3,739,367)
Other comprehensive income/(loss)		2,103,278
Total comprehensive income/(loss)		(1,636,089)
Dividends received		-

(b) Other associates

The Company also has interests of $28,694,656 and $18,744,887 in other associates at June 30, 2023 and December 31, 2022, respectively. Of the other interests in associates, the only material investment was an interest in a U.S. investment fund. The U.S. investment fund holds a controlling interest in private companies that are accounting for on a Level 3 fair value basis.

Prior to December 2022, the interest was held through TFC Investment Ltd., a private Canadian-incorporated jointly controlled entity in which the Company holds a 50% interest. The main assets held by the entity are:

(1) All the shares of an LLC that serves as the general partner for the U.S. fund; and

(2) a 19.93% interest in the LP units of the underlying fund.

Under the various agreements associated with TFC Investment Ltd., the Company is entitled to a 50% interest in the GP earnings, which are based on a proportion of the return on the fund after the hurdle rate is reached, and all of the earnings of the 19.93% LP units. Due to the nature of the arrangement, the Company had historically accounted for its equity interest in TFC Investment Ltd. using the hypothetical liquidation value. In December 2022, the 19.93% interest in the LP units was transferred from TFC Investment Ltd. to the Company. As a result, the Company accounts for its interest in the U.S. fund using the equity method and retains the fair value accounting of the underlying investments by the U.S. funds.

As at June 30, 2023 and December 31, 2022, the investment has a carrying amount of $27,983,821 and $18,078,787, respectively. The portion of income in the U.S. fund for the period the investment was $114,608 for the period ended June 30, 2023 (2022: $1,916 loss in the U.S. fund). Refer to Note 21 for details of capital call commitment relating to the Company's LP interest.

(Tabular amounts expressed in Canadian dollars, unless otherwise noted)

11. Trade and other payables

		June 30, 2023		December 31, 2022
Trade payables and accrued liabilities	$	**18,729,548**	$	15,351,987
Seller's liability		**8,512,670**		10,390,786
Capital call payable (Note 10)		**8,993,371**		-
Dividend payable		**-**		7,703,642
Taxes		**71,735**		68,003
Other		**-**		273,077
Trade and other payables		**36,307,324**		33,787,495

12. Right-of-use assets and lease liabilities

Beam has three leases for office premises:

- The Vancouver lease is a five-year lease which commenced on January 1, 2022, with an extension option for an additional five-year term.
- The Victoria Yates office is a five-year lease which commenced on April 1, 2021 with no extension option and was sublet on December 15, 2022. The sublease is classified as a finance lease, resulting in the derecognition of the related right-of-use asset and recognition of lease receivable in the statement of financial position. Refer to note 12(c) below.
- The Victoria Fort office is a three-year lease which commenced on February 1, 2023, with an extension option for an additional three-year term.

(a) Right-of-use assets

Balance, January 1, 2022	$	**842,113**
Additions		709,158
Amortizations		(441,365)
Derecognition		(546,177)
Unrealized foreign exchange		3,597
Balance, December 31, 2022	$	**567,326**
Additions		75,509
Amortizations		(81,403)
Balance, June 30, 2023	$	**561,432**

(b) Lease liabilities

Balance, January 1, 2022	$	**875,228**
Additions		709,158
Finance expense		67,950
Lease payments		(496,050)
Unrealized foreign exchange		4,134
Balance, December 31, 2022	$	**1,160,420**
Additions		75,509
Finance expense		28,683
Lease payments		(175,402)
Balance, June 30, 2023	$	**1,089,210**

Costs not included in the measurement of the lease liabilities related to low-value leases and short-term leases at June 30, 2023 are $65,205 (December 31, 2022: $38,976). There were no leases with variable payment terms.

(Tabular amounts expressed in Canadian dollars, unless otherwise noted)

12. Right-of-use assets and lease liabilities (continued)

(c) Lease receivable

Beam is considered an intermediate lessor related to a lease the company has for the Victoria Office. As of December 31, 2022, the Company had lease receivables as follows:

		June 30, 2023		December 31, 2022
Current portion of lease receivables	**$**	**111,715**	$	102,112
Lease receivables		**175,932**		222,073
		287,647		324,185

Finance income on lease receivables for the period ended June 30, 2023 was $5,651 (2022: $nil) and is recorded in other income. The following table presents the contractual undiscounted cash inflows for lease receivables:

	$
2023	57,861
2024	115,723
2025	115,723
2026	28,931
2027	-
Thereafter	-
Total undiscounted lease receivables	318,238
Unearned interest income	(30,591)
Total lease receivables	**287,647**

13. Debt

		June 30, 2023		December 31, 2022
Revolving commitment facility (a)	**$**	**65,044,987**	$	66,708,864
Revolving credit facility (b)		**44,952,936**		-
Loans and facilities		**2,925,000**		2,925,000
CEBA Loans		**120,000**		160,000
	$	**113,042,923**		69,793,864
Less:				
Current portion		**(8,530,250)**		(3,085,000)
	$	**104,512,673**		66,708,864

(a) National Bank of Canada revolving commitment facility

On May 20, 2022, Beam entered into a credit agreement with National Bank of Canada with respect to a $60,000,000 revolving commitment facility, which increased to $70,000,000 on November 16, 2022. The agreement also provides for an additional commitment facility not exceeding $50,000,000. The facility bears interest at a variable rate spread on Base Rate, Canadian Prime and SOFR rates ranging from 1.50% to 3.50% per annum and matures on May 20, 2027. Beam entered into interest rate swaps with a total notional value of $26,000,000. Refer to Note 22(c).

At March 31, 2023, Beam was in compliance with the interest coverage ratio and leverage ratio and obtained a waiver from National Bank of Canada for the temporary non-compliance of an asset coverage percentage. On June 30, 2023, Beam entered into an amended agreement to amend its loan covenants. The amended loan covenants are as follows:

13. Debt (continued)

(a) National Bank of Canada revolving commitment facility (continued)

- Minimum interest coverage ratio to exceed:
  - 3.00:1.00 for the twelve-month period ending June 30, 2023
  - 2:25:1.00 for the twelve-month period ending September 30, 2023
  - 3.00:1.00 for the twelve-month period ending December 31, 2023, and thereafter
- Quarterly leverage ratio not to exceed 4.25:1.00 for any twelve-month periods ending December 31, 2023 to March 30, 2024, and to not exceed 4.00:1.00 thereafter;
- Monthly minimum EBITDA to exceed:
  - $12,300,000 for the twelve-month period ending June 30, 2023
  - $10,600,000 for the twelve-month period ending July 31, 2023
  - $9,300,000 for the twelve-month periods ending August 30 and September 30, 2023
  - $10,000,000 for the twelve-month periods ending October 31 and November 30, 2023;
- Minimum liquidity above:
  - $5,000,000 as at June 30, 2023 and August 30, 2023
  - $7,500,000 as at September 30, 2023
  - $6,000,000 as at October 31. 2023 and November 30, 2023

As at June 30, 2023, Beam was in compliance with all debt covenants. As at June 30, 2023, Beam had $65,044,987 outstanding under the revolving commitment (December 31, 2022: $66,708,864). The fair value of the debt approximates the carrying value.

All obligations of Beam under the revolving commitment are secured by the assets of Beam's business. The revolving commitment contains certain customary non-financial covenants.

(b) JPMorgan Chase term loan

On April 17, 2023, WeCommerce Holdings LP entered into an agreement with JPMorgan Chase Bank, N.A with respect to a US $35,000,000 senior term loan, and a US $20,000,000 senior revolving credit facility.

The revolving credit facility bears interest at a variable rate spread on SOFR and matures on April 6, 2026. The loan covenants for the credit facility includes:

- The Total Net Leverage Ratio on the last day of each fiscal quarter should not be greater than 3.50 times. Total Net Leverage is defined in the Facility agreement calculated as Total Indebtedness to Adjusted Consolidated EBITDA. Adjusted Consolidated EBITDA as defined in the credit agreement is different than Adjusted EBITDA as presented in the Management Discussion & Analysis as it is adjusted for, among other items, purchase accounting adjustments and pull forward synergies resulting from acquisitions.
- The Fixed Charge Coverage Ratio ("FCCR") on the last day of each fiscal quarter and at the end of any period of four consecutive fiscal quarters cannot be less than 1.25 times. FCCR is defined as Adjusted Consolidated EBITDA less certain allowable expenses to fixed charges.

(Tabular amounts expressed in Canadian dollars, unless otherwise noted)

13. Debt (continued)

(b) JPMorgan Chase term loan (continued)

As at June 30, 2023, WeCommerce was in compliance with all debt covenants. As at June 30, 2023, WeCommerce had $44,952,936 (US $33,952,369) outstanding under the facility (December 31, 2022: $nil). The fair value of the debt approximates the carrying value.

All obligations of WeCommerce under the Credit agreement are guaranteed by its material wholly owned subsidiaries (the "Guarantors") and secured by a security interest in the assets of WeCommerce and the Guarantors, and WeCommerce's equity interests in the Guarantors. The Credit agreement contains certain customary non-financial covenants.

(c) Undrawn facilities

The following table shows the total amount of undrawn facilities at June 30, 2023:

		June 30, 2023
Revolving commitment facility	$	4,955,013
Revolving credit facility (US $20,000,000)		26,480,000
Revolving term loan (US $25,000,000)		33,100,000
Working capital facility (US $1,500,000)		1,986,000
	$	**66,521,013**

14. Share capital

In relation to the reverse acquisition transaction, as described in Note 1 and Note 4, on April 17, 2023, the common shares were cancelled and Tiny received issued WeCommerce shares. As such, the authorized share capital of the Company consists of an unlimited number of common shares without par value.

The following table shows the changes in common shares, which have been retrospectively adjusted to reflect the share structure of Tiny subsequent to the reverse acquisition:

	Number of common shares	$
Balance on January 1, 2022	**87,487,322**	**405,175**
Conversion of preferred shares into common shares	**-**	6,326,716
Issuance of common shares on exercise of stock options	264,457	-
Share-based compensation	-	200,580
Issuance of shares	57,106,769	-
Balance on December 31, 2022	**144,858,548**	**6,932,471**
Issuance of shares	1,568,021	7,700,166
Reverse acquisition (Note 4)	30,792,770	138,593,826
Stock options exercised	94,815	918,214
Balance on June 30, 2023	**177,314,154**	**154,144,677**

(a) On February 8, 2023 and March 17, 2023, the Company completed the first and second tranche of a non-brokered private placement with the combined issuance of 1,568,021 common shares at $4.91/share for gross proceeds of $7,700,166.

(Tabular amounts expressed in Canadian dollars, unless otherwise noted)

15. Share-based compensation

On June 23, 2022, the shareholders of WeCommerce approved an equity incentive plan (the "Omnibus Plan"). The Omnibus Plan permits the Board to issue Options, RSUs, PSUs and DSUs to eligible directors, employees and consultants. Under the terms of the Omnibus Plan, the Company may issue equity awards up to 10% of the issued and outstanding Shares of the Company from time to time.

(a) Stock options

As WeCommerce is the accounting acquiree, all awards issued to employees of WeCommerce prior to the reverse acquisition (Note 4) are considered to be issued as replacement awards at the acquisition date. To the extent that such awards are vested at the acquisition date, the value of these awards is included in the consideration for the business combination.

A summary of the Company's outstanding options and changes during the periods then ended that are a part of the Omnibus Plan are as follows:

	Number of options	Weighted average exercise price ($)
Outstanding, December 31, 2022	**-**	**-**
Acquired through business combination (Note 4)	92,697	3.62
Exercised	(9,775)	1.14
Forfeited	(2,626)	7.00
Outstanding, June 30, 2023	**80,296**	**3.19**
Exercisable, June 30, 2023	**39,169**	**3.24**

(b) RSU, DSUs and PSUs

RSUs, DSUs and PSUs within the Omnibus Plan can be settled in either shares, cash, or a combination of both, at the option of the Company. It is the Company's intent to settle the outstanding RSUs, DSUs and PSUs in shares. RSUs and DSUs are classified as equity-settled and valued at the closing share price on the grant date. PSUs are classified as equity-settled. PSUs with non-market conditions are measured at fair value on the ten-day VWAP preceding each vesting date. The forgoing summary is qualified by the full text of the Omnibus Plan.

As a result of the reverse acquisition (Note 4), the outstanding RSUs, DSUs and PSUs of WeCommerce were not modified but were considered to be replacement awards. The outstanding RSU awards previously issued by Tiny were exchanged for RSUs at the conversion rate applicable to other outstanding instruments. A summary of the outstanding amounts and changes during the periods then ended are as follows:

	RSUs	DSUs	PSUs
Outstanding, December 31, 2022	**-**	**-**	**-**
Acquired through business combination (Note 4)	491,592	34,798	388,380
Granted	114,767	-	-
Settled	(85,040)	-	-
Forfeited	(12,196)	-	-
Outstanding, June 30, 2023	**509,123**	**34,798**	**388,380**

(Tabular amounts expressed in Canadian dollars, unless otherwise noted)

15. Share-based compensation (continued)

(c) Unvested shares

In January 2022, Tiny issued 825,547 stock options to purchase Class A Shares with an exercise price of $0.00001 per share to employees which are subject to vesting over 120 months, calculated to commence in January 2021. In December 2022, the Company issued replacement awards whereby the employees early exercised all outstanding stock options into Class A shares, of which 165,174 were exercised into vested shares and 660,373 were exercised into Restricted stocks which are subject to vesting over 96 months, commencing on December 1, 2022.

(d) Options of subsidiary entities

The Company's wholly-owned subsidiaries have stock option plans that are separate from the Omnibus Plan. These options vest until September 2026. To the extent that these options are exercised, the employees would own non-controlling interests in the underlying entities.

(e) Share-based compensation expense

Total expenses from share-based payment transactions recognized during the period are as follows:

		Three-month period ended June 30,			Six-month period ended June 30,	
		2023	2022		**2023**	2022
Options including options of subsidiaries		1,724,487	745,684		1,807,567	2,045,446
Unvested shares		337,609	-		744,067	-
RSUs		672,700	-		672,700	-
DSUs		-	-		-	-
PSUs		83,964	-		83,964	-
Share-based compensation	**$**	**2,818,760**	745,684	**$**	**3,308,298**	2,045,446

16. Deferred revenue

The following table shows the movement of deferred revenue:

	Digital Services $	Creative Platform $	E-Commerce Platform $	Other $	Total $
Balance, January 1, 2022	**3,734,379**	**1,680,123**	**-**	**458,593**	**5,873,095**
Prior year liability recognized as revenue during the period	(3,734,379)	(1,680,123)	-	(458,593)	(5,873,095)
Net additions	1,886,316	3,251,758	-	483,531	5,621,605
Balance on December 31, 2022	**1,886,316**	**3,251,758**	**-**	**483,531**	**5,621,605**
Acquired at fair value (Note 4)	-	-	3,832,378	-	3,832,378
Prior year liability recognized as revenue during the period	(1,886,316)	(3,251,758)	(610,485)	(376,609)	(6,125,168)
Net additions	2,894,666	3,826,861	513,580	262,131	7,497,238
Foreign exchange	-	(72,934)	228,704	-	155,770
Balance on June 30, 2023	**2,894,666**	**3,753,927**	**3,964,177**	**369,053**	**10,981,823**

The Company has no customers which individually account for more than 10% of its revenues for the year ended December 31, 2022, and 3 months ended June 30, 2023.

(Tabular amounts expressed in Canadian dollars, unless otherwise noted)

17. Related party transactions

The majority of related party transactions are conducted in the normal course of operations and have been valued in these condensed interim consolidated financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The transfer of businesses by entities under common control has been accounted for based on the historical cost and is described in Note 1.

(a) Related party revenues

		Three-month period ended June 30,			Six-month period ended June 30,	
		2023	2022		**2023**	2022
Entities under control of a director of the company:						
Management fees	**$**	**35,600**	19,400	**$**	**56,100**	72,200

(b) Related party expenses

		Three-month period ended June 30,			Six-month period ended June 30,	
		2023	2022		**2023**	2022
Entities under control of a director of the company:						
Professional/consulting fees	**$**	**5,192**	31,153	**$**	**36,345**	62,305
Marketing fees		**-**	-		**656,250**	-

(c) Due from related parties

		June 30, 2023		December 31, 2022
Shareholders or entities under common control	**$**	**100,110**	$	1,312,385

The balances due from related parties are unsecured and non-interest bearing with no specific terms of repayment. In 2022, the Company issued $2,300,000 in the form of a promissory note to a related party. A portion of the promissory note was repaid in 2023 for $1,200,000.

(d) Due to related parties

		June 30, 2023		December 31, 2022
Shareholders or entities under common control	**$**	**26,209**	$	8,406

The balances due to related parties are unsecured and non-interest bearing with no specific terms of repayment.

(e) Compensation of key management personnel

The Company's key management personnel have authority and responsibility for overseeing, planning, directing and controlling the activities of the Company and consists of the Company's Board of Directors, the Company's Chief Financial Officer and the Company's Co-Executive Officers. Key management compensation was comprised of:

	Three-month period ended June 30,		Six-month period ended June 30,	
	2023	2022	**2023**	2022
Salaries and consulting fees	**405,794**	723,836	**623,099**	995,252
Share-based compensation	**261,986**	162,790	**589,043**	454,457

(Tabular amounts expressed in Canadian dollars, unless otherwise noted)

18. Earnings/(loss) per share

Earnings/(loss) per share has been calculated as follows:

		Three-month period ended June 30,			Six-month period ended June 30,	
		2023	2022		**2023**	2022
Net income/(loss)	$	**32,674,714**	(26,391)	$	**28,593,803**	6,374,312
Weighted average number of shares outstanding		**171,226,124**	87,487,322		**158,151,970**	87,487,322
Weighted average number of shares outstanding including potentially dilutive shares		**171,667,992**	87,487,322		**158,382,310**	87,487,322
Basic earnings/(loss) per share	$	**0.19**	(0.00)	$	**0.18**	0.07
Diluted earnings/(loss) per share	$	**0.19**	(0.00)	$	**0.18**	0.07

The outstanding number and type of securities that are anti-dilutive during the period are as follows:

	Three-month period ended June 30,		Six-month period ended June 30,	
	2023	2022	**2023**	2022
Stock options	**-**	-	**27,729**	-
RSUs	**-**	-	**51,105**	-
Unvested shares	**-**	-	**-**	-
	-	-	**78,834**	-

19. Supplemental cash flow information

Changes in non-cash operating working capital items are as follows:

		Six-month period ended June 30,	
		2023	2022
Decrease/(increase) in:			
Trade and other receivables	$	**(541,466)**	(4,721,672)
Prepaid expenses		**(54,857)**	(194,134)
Due to/from related parties		**30,078**	(310,014)
Other assets		**(321,861)**	107,308
Trade and other payables		**(3,808,286)**	1,386,058
Deferred revenue		**1,527,840**	(692,996)
Other liabilities		**(106,437)**	606,205
	$	**(3,274,989)**	(3,819,245)

Supplemental disclosure of non-cash financing activities:

	Six-month period ended June 30,	
	2023	2022
ROU asset and lease liabilities recognized	**75,509**	75,509

(Tabular amounts expressed in Canadian dollars, unless otherwise noted)

20. Segment information

(a) Reportable segments

The Company reports segment information based on internal reports used by the chief operating decision maker ("CODM") to make operating and resource decisions and assess performance. The CODM is the Chief Executive Officer. The CODM makes decisions and assesses performance based on entity performance.

The CODM primarily uses earnings before interest, tax, depreciation and amortization ("EBITDA") to assess the performance of the operating segments. The CODM also receives information about the segments' revenue on a monthly basis. Corporate expenditures which cannot be attributed between various segments, have not been allocated between segments.

Three-month period ended June 30, 2023	**Digital Services**	**Creative Platform**	**E-Commerce Platform**	**All Other Operating Segments**	**Total**
Revenue	20,336,140	14,938,419	10,806,803	1,390,934	47,472,296
Earnings/(loss) from operations	863,035	55,758	(4,160,549)	(7,657,605)	(10,899,361)
Net income/(loss)	2,503,507	(1,362,494)	(5,797,679)	37,331,380	32,674,714

Three-month period ended June 30, 2022	**Digital Services**	**Creative Platform**	**E-Commerce Platform**	**All Other Operating Segments**	**Total**
Revenue	20,767,924	16,997,521	-	2,631,953	40,397,398
Earnings/(loss) from operations	6,084,908	1,365,774	-	(1,047,531)	6,403,151
Net income/(loss)	3,726,107	818,251	-	(4,570,749)	(26,391)

Six-month period ended June 30, 2023	**Digital Services**	**Creative Platform**	**E-Commerce Platform**	**All Other Operating Segments**	**Total**
Revenue	36,944,119	31,778,350	10,806,803	4,274,972	83,804,244
Earnings/(loss) from operations	(315,980)	2,017,721	(4,160,549)	(9,510,394)	(11,969,202)
Net income/(loss)	46,112	229,918	(5,797,679)	34,115,452	28,593,803

Six-month period ended June 30, 2022	**Digital Services**	**Creative Platform**	**E-Commerce Platform**	**All Other Operating Segments**	**Total**
Revenue	41,580,179	26,701,864	-	5,633,453	73,915,496
Earnings/(loss) from operations	13,869,057	3,630,577	-	(1,624,216)	15,875,418
Net income/(loss)	9,723,373	2,547,622	-	(5,896,683)	6,374,312

Assets and liabilities are attributed as follows. Corporate assets and liabilities, including investments in associates, which cannot be attributed between various segments, have not been allocated between segments:

At June 30, 2023	**Digital Services**	**Creative Platform**	**E-Commerce Platform**	**Other**	**Total**
Total assets	47,320,794	51,748,348	239,455,500	66,809,682	405,334,325
Total liabilities	88,492,930	21,495,566	58,476,240	23,310,387	191,775,123

(Tabular amounts expressed in Canadian dollars, unless otherwise noted)

20. Segment information (continued)

(a) Reportable segments (continued)

At December 31, 2022	Digital Services	Creative Platform	E-Commerce Platform	Other	Total
Total assets	51,308,902	56,539,482	-	60,893,483	168,741,867
Total liabilities	91,451,546	24,030,184	-	14,392,762	129,874,492

21. Contingencies and commitments

Due to the size, complexity, and nature of the Company's operations, various legal, tax, environmental, and regulatory matters are outstanding from time to time. By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The Company accrues for such items when a liability is both probable and the amount can be reasonably estimated. In the opinion of management, based on the information currently available, these matters will not have a material adverse effect on the consolidated financial statements of the Company.

Contingent consideration

Total contingent consideration payable is comprised of:

- $8,856,766 (2022: $8,890,213) relating to the acquisition of HappyFunCorp;

  Beam acquired HappyFunCorp during the year ended December 31, 2022. In the event that the Adjusted EBITDA achieved by HappyFunCorp shall exceed certain thresholds for the years ending December 31, 2023, and December 31, 2024, an additional consideration shall be payable for each fiscal year, to the seller.

- $899,990 (2022: $1,089,565) relating to the acquisition of Frosty; and

  Beam acquired Frosty during the year ended December 31, 2021. In the event that the gross revenue achieved by Frosty shall exceed certain thresholds for the years ending December 31, 2022, December 31, 2023 and December 31, 2024, an additional consideration of $563,466 (US $444,444) shall be payable for each fiscal year, to the seller.

- $1,456,399 (2022: $nil) relating to the acquisition of WeCommerce

  WeCommerce acquired KnoCommerce during the year ended December 31, 2022. The contingent consideration is to be paid if KnoCommerce achieves minimum revenue targets during the 18 months following the closing date. The contingent consideration is to be settled through the combination of 30% cash and 70% through the issuance of shares, or through a combination of cash and shares, at the discretion of the Company. The shares are based on the greater of i) the 10-day VWAP at a future issuance date or ii) the discounted market price of the Company's shares on the last completed trading day prior to March 10, 2022. To the extent the market price of the Company's shares on March 10, 2022 exceeds the 10-day VWAP at the future issuance date, the difference will be settled through a cash payment. Under no circumstances will the total payment exceed US $7,500,000 and shares issued under the transaction are subject to a restriction on transfer for a period of 12 months following the date of their issuance.

(Tabular amounts expressed in Canadian dollars, unless otherwise noted)

21. Contingencies and commitments (continued)

The fair value of the contingent consideration was estimated by calculating the present value of the future expected cash flows. The following table presents the changes in the fair value of the Company's liability for contingent consideration:

Balance on January 1, 2022	**1,182,812**
Issued on business combination (Note 5)	8,890,213
Foreign exchange	(93,247)
Balance on December 31, 2022	**9,979,778**
Acquired through business combination (Note 4)	1,420,965
Adjustment to fair value	66,200
Foreign exchange	(253,788)
Balance on June 30, 2023	**11,213,155**

During the three and six-month periods ended June 30, 2023, the Company reassessed the fair value of the expected contingent consideration and increased the amount by $66,200 (US $50,000).

Capital commitment

In connection with the LP interest held in an investment fund, the Company has committed to fund 19.93% of the total US $150,000,000 capital commitment. As at June 30, 2023, the Company had a remaining capital commitment of US $14,300,000 that had not yet been called (December 31, 2022: US $13,400,000). Subsequent to June 30, 2023, the Company has received a capital call of US $7,500,000, which has not yet been paid.

Additionally, Beam has a partnership interest held in an investment fund. Beam has committed to fund US $2,000,000 to the fund which has a total size of US $14,200,000. As at June 30, 2023, Beam had a remaining capital commitment of US $1,600,000 that had not yet been called (December 31, 2022: US $2,000,000). Subsequent to June 30, 2023, Beam has received a capital call of US $200,000, which has been paid as at the date of these financial statements.

Indemnifications in contracts

The Company has entered agreements with third parties that include indemnification provisions that are customary in the industry. These indemnification provisions generally require the Company to compensate the other party for certain damages and costs incurred as a result of third-party claims or damages arising from these transactions. The maximum amount of potential future indemnification is unlimited; however, the Company currently holds commercial and product liability insurance. This insurance limits the Company's exposure and may enable it to recover a portion of any future amounts paid. Historically, the Company has not made any indemnification payments under such agreements and the Company believes that the fair value of these indemnification obligations is minimal. Accordingly, the Company has not recognized any liabilities relating to these obligations for any period presented.

(Tabular amounts expressed in Canadian dollars, unless otherwise noted)

22. Financial instruments

(a) Classification and measurement

The following table summarizes information regarding the classification and carrying values of the Company's financial instruments:

	Amortized cost	**Fair value through profit or loss**	**June 30, 2023**
	$	**$**	**$**
Financial Assets			
Cash and cash equivalents	27,448,477	-	27,448,477
Trade and other receivables	15,200,455	-	15,200,455
Due from related parties	100,110	-	100,110
Derivatives	-	1,308,184	1,308,184
Investments in equity securities*	-	5,415,120	5,415,120
Financial Liabilities			
Trade and other payables	36,307,324	-	36,307,324
Due to related parties	26,209	-	26,209
Lease liabilities	1,089,210	-	1,089,210
Debt	113,042,923	-	113,042,923
Derivatives	-	1,035,358	1,035,358
Contingent consideration payable	-	11,213,155	11,213,155

* Included in Investments on the Statement of Financial Position

	Amortized cost	**Fair value through profit or loss**	**December 31, 2022**
	$	**$**	**$**
Financial Assets			
Cash and cash equivalents	31,201,836	-	31,201,836
Trade and other receivables	12,797,523	-	12,797,523
Due from related parties	1,312,385	-	1,312,385
Derivatives	-	215,387	215,387
Investments in equity securities	-	4,633,008	4,633,008
Financial Liabilities			
Trade and other payables	33,787,495	-	33,787,495
Due to related parties	8,406	-	8,406
Lease liabilities	1,160,420	-	1,160,420
Debt	69,793,864	-	69,793,864
Derivatives	-	586,364	586,364
Contingent consideration payable	-	9,979,778	9,979,778

* Included in Investments on the Statement of Financial Position

22. Financial instruments (continued)

(b) Fair value

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs in making the measurements. The levels of the fair value hierarchy are defined as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 - Inputs for the asset or liability that are not based on observable market data.

Cash and cash equivalents, trade and other receivables, trade and other payables and due to/ from related parties are carried at amortized cost, which carrying values approximate their fair values due to the relatively short-term maturity of these financial instruments. The carrying value of debt is initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method.

The Company evaluates the fair value of its equity investments in privately held companies relative to periodic third-party valuations over the private companies, financial reporting, estimated value in an exchange with a third party and, where applicable, indications of impairment.

The fair values of derivative contracts are measured using a Level 2 fair value measurement.

The fair values of contingent consideration payable are measured based on management's forecast of operating results of the relevant acquired subsidiaries (e.g. revenue and adjusted EBITDA) and estimated discount rates. Accordingly, the valuations involve the use of unobservable inputs and is categorized as Level 3 fair value measurements. Changes in the fair value of contingent consideration payable can result from changes in anticipated milestone payments and changes in assumed discount periods and rates. Contingent consideration payable are remeasured at fair value each reporting period with the gain or loss being recognized through the Statement of Net Income/(Loss) and Comprehensive Income.

There were no transfers between levels of the fair value hierarchy in the year ended December 31, 2022 and June 30, 2023.

(i) Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash and cash equivalents, trade and other receivables, and lease receivable. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and cash equivalents with high-credit quality financial institutions. The Company considers the risk of financial loss on cash and cash equivalents to be remote.

The Company reduces credit risk with respect to trade receivables by regularly assessing the credit risk associated with these accounts and closely monitoring any overdue balances. In the opinion of management, the strength of these customers is such that concentration risk exposure to the Company is low.

22. Financial instruments (continued)

(b) Fair value (continued)

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective in managing liquidity risk is to ensure that it has sufficient liquidity available to meet its liabilities when due. The Company manages liquidity risk through the management of its capital structure in conjunction with cash flow forecasting including anticipated investing and financing activities.

The tables below categorize the Company's financial liabilities into relevant maturity groupings based on the remaining periods at the interim condensed consolidated statement of financial position dates to the contractual maturity dates:

June 30, 2023	1 year or less $	Between 1 and 5 years $	Over 5 years $	Total contractual cash flows $	Carrying amount $
Trade and other payables	36,307,324	-	-	36,307,324	36,307,324
Income tax payable	1,597,567	-	-	1,597,567	1,597,567
Debt	8,530,250	104,512,673	-	113,042,923	113,042,923
Contingent consideration payable	1,947,303	9,265,852	-	11,213,155	11,213,155
Due to related parties	26,209	-	-	26,209	26,209
Lease liabilities	195,297	893,913	-	1,089,210	1,089,210
	48,603,950	**114,672,438**	**-**	**163,276,388**	**163,276,388**

December 31, 2022	1 year or less $	Between 1 and 5 years $	Over 5 years $	Total contractual cash flows $	Carrying amount $
Trade and other payables	33,787,495	-	-	33,787,495	33,787,495
Income tax payable	2,236,957	-	-	2,236,957	2,236,957
Debt	3,085,000	66,708,864	-	69,793,864	69,793,864
Contingent consideration payable	6,057,478	5,343,709	-	11,401,187	9,979,778
Due to related parties	8,406	-	-	8,406	8,406
Lease liabilities	338,612	929,243	-	1,267,855	1,160,420
	45,513,948	**72,981,816**	**-**	**118,495,764**	**116,966,920**

(iii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates against the functional currency. The Company operates in Canada, the United States, the United Kingdom, Singapore, and Spain and is therefore exposed to foreign exchange risk arising from transactions denominated in foreign currencies. The operating results and the financial position of the Company are reported in CAD$. The functional currency of the parent entity, and some subsidiaries, is CAD$ and is therefore exposed to foreign currency risk from financial instruments denominated in currencies other than CAD$. The Company has one small subsidiary who functional currency is Euros and multiple subsidiaries whose functional currency is US$.

22. Financial instruments (continued)

(b) Fair value (continued)

(iii) Currency risk (continued)

The Company is exposed to foreign currency risk through the following financial assets and liabilities, expressed in CAD$:

		June 30, 2023		December 31, 2022
Cash	$	**20,711,426**	$	23,580,106
Trade and other receivables		**13,219,545**		9,880,321
Trade and other payables		**17,377,493**		18,902,451
Debt		**45,041,536**		-
Total exposure	$	**96,350,000**	$	52,362,878

(c) Derivative financial instruments

(i) Interest rate swap derivatives

The Company has entered into interest rate swap contracts to manage risk on its debt. The Company does not designate its interest rate swap contracts as hedging instruments.

On May 20, 2022, the Company entered into an interest rate swap with a notional value of $26,000,000, related to its revolving commitment facility (Note 13). On October 24, 2022, the Company converted the $44,570,000 to USD and maintained an interest rate swap with a notional value of $26,000,000. The Company recognized a fair value derivative asset of $1,308,184 at June 30, 2023 (December 31, 2022: $370,977 derivative liability). Changes in the fair value during the period was recorded in other income.

As part of the reverse acquisition (Note 4), the Company acquired two interest rate swap contracts exchanging variable interest for fixed interest on $48,900,000 (US $35,800,000) of the revolving credit facility through April 6, 2026 for $326,349. The fixed interest blended rate was 4.25% + credit spread of 3.50% totaling 7.75%. The Company recognized a fair value derivative liability of $1,035,358 at June 30, 2023 (December 31, 2022: $nil). Changes in the fair value during the period was recorded in other income.

23. Subsequent events

(a) Roynat revolving term loan signed

On August 10, 2023, the Company entered into an agreement with Roynat Inc. (“Roynat”) to have access to a revolving term loan for an amount in principal of $25,000,000. The revolving term loan carries an interest rate of the Canadian variable rate plus 3.50% per annum. As of the date of signing the agreement, the Canadian variable rate was 5.87%.

The term of the loan is 12 months but may be renewed by May 31, 2024. Each draw amount on the loan will be added to the current principal balance outstanding on the loan facility with interest only payments occurring monthly.

23. Subsequent events (continued)

(a) Roynat revolving term loan signed (continued)

The financial covenants on the loan are as follows:

- Minimum consolidated fixed charge ratio of 1.20:1 at all times, tested quarterly, on a rolling four quarter basis; and
- Maximum consolidated total funded debt to EBITDA ratio of 4.25:1 at all times, tested quarterly, on a rolling four quarter basis.

(b) Button sale

On August 17, 2023, Beam entered into an agreement to sell 100% of its shares in Button Inc. to Button Research Group, Ltd. for an aggregate purchase price of $766,022.

On August 22, 2023, Beam received the funds of the sale via wire.