

Tiny Reports Second Quarter 2023 Results

VICTORIA, British Columbia, August 24, 2023 – [Tiny Ltd.](#) (formerly, WeCommerce Holdings Ltd.) ("Tiny" or "the Company") (TSXV: TINY), a leading technology holding company with a strategy of acquiring majority stakes in businesses, today announced the financial results for Tiny Ltd. for the three- and six-months ended June 30, 2023 ("Q2 2023" and "YTD Q2 2023", respectively). Currency amounts are expressed in Canadian dollars unless otherwise noted.

Q2 2023 Financial Results

	For the three-months ended June 30,		For the six-months ended June 30,	
	2023	2022	2023	2022
Revenue	47,472,296	40,397,398	83,804,244	73,915,496
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Operating income (loss)	(10,899,361)	6,403,151	(11,969,202)	15,875,418
Net income (loss)	32,674,714	(26,391)	28,593,803	6,374,312
EBITDA ⁽¹⁾	40,635,940	4,578,544	39,312,096	15,601,162
EBITDA % ⁽¹⁾	86%	11%	47%	21%
Adjusted EBITDA ⁽¹⁾	6,416,044	8,870,323	9,228,801	21,593,539
Adjusted EBITDA % ⁽¹⁾	14%	22%	11%	29%
Cash provided by operating activities	(5,964,428)	2,896,256	(6,957,220)	10,495,824
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

⁽¹⁾ Refer to Non-IFRS Measures for further information

- Revenue in Q2 2023 was \$47,472,296, an increase of \$7,074,898 or 18% compared to Q2 2022.
- Net income was \$32,674,714 in Q2 2023 compared to net loss of \$26,391 in Q2 2022. In Q2 2023, the Company had a gain on step acquisition of \$42,083,465 resulting in a positive net income. This was offset by a \$9,319,466 increase in wages compared to Q2 2022.
- Unrestricted cash on hand at June 30, 2023 was \$27,333,477 compared to \$31,201,836 on December 31, 2022. Total debt outstanding at June 30, 2023 was \$113,042,923 compared to \$69,793,864 on December 31, 2022.
- Adjusted EBITDA⁽¹⁾ for Q2 2023 amounted to \$6,416,044 or 14% of revenue, compared to \$8,870,323 or 22% of revenue in Q2 2022.
- Had the WeCommerce merger occurred on April 1, 2023, management estimates that consolidated revenue and consolidated net income would have been \$49,478,877 and \$33,552,280, respectively, for the three-month period.

Shelf Prospectus

The Company also announces that it has obtained a receipt for a preliminary short form base shelf prospectus (the "Shelf Prospectus") from the securities regulatory authorities in each of the provinces of Canada. The Shelf Prospectus (when effective) will qualify the distribution from treasury and secondary distribution of up to \$150 million of common shares, warrants, units, debt securities and subscription receipts (collectively, "Securities") or any combination thereof, during the 25-month period that the Shelf Prospectus remains effective. The specific terms of any future offering of Securities will be set forth in a prospectus supplement to the Shelf Prospectus, which will be filed with the applicable Canadian securities regulatory authorities in connection with any such offering. The Securities may be offered in amounts, at prices and on terms to be determined at the time of sale and, subject to applicable regulations, may include "at-the-market" transactions, public offerings or strategic investments.

**Financial Statements**

Tiny Ltd's consolidated financial statements and Management's Discussion and Analysis ("MD&A") for Q2 2023 are available on SEDAR at www.sedar.com.

About Tiny

Tiny is a leading technology holding company with a strategy of acquiring majority stakes in wonderful businesses. Tiny has three core business segments, Digital Services (Beam), E-Commerce platform (WeCommerce), and Creative platform (Dribbble), with other standalone businesses including a private equity investment fund.

Beam, and its subsidiary companies including MetaLab, helps start-ups to Fortune 500 companies to design, build and ship premium digital products for both mobile and web. The Company's capabilities as an end-to-end product partner provide clients with intimate insight into end-user behavior, allowing for a thorough, strategy-led approach to product design, engineering, brand positioning and marketing.

WeCommerce provides merchants with a suite of ecommerce software tools to start and grow their online stores. Its family of companies and brands includes Pixel Union, Out of the Sandbox, KnoCommerce, Archetype, Yopify, SuppleApps, Rehash, Foursixty and Stamped. As one of Shopify's first partners since 2010, WeCommerce is focused on building, acquiring, and investing in leading technology businesses operating in the Shopify partner ecosystem.

Dribbble is a creative network and community that design professionals use to meet, collaborate, and showcase their work. Dribbble also hosts an online marketplace for graphics, fonts, templates, and other digital assets.

Other standalone businesses include several software and internet companies and the operation of a private equity fund where the Company serves as the general partner (the "Tiny Fund"). The Tiny Fund commenced operations in August 2020 and has total committed capital of US\$150 million.

For more about Tiny, please visit www.tiny.com or refer to the public disclosure documents available under Tiny's SEDAR profile on SEDAR at www.sedar.com.

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Non-IFRS Financial Measures

This news release makes reference to certain non-IFRS measures and ratios, hereafter, referred to as “non-IFRS measures”. These measures are not recognised measures under IFRS, and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of the results of operations from management’s perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of the financial information reported under IFRS. The Company uses non-IFRS measures including “EBITDA”, “EBITDA %”, “Adjusted EBITDA”, and “Adjusted EBITDA %”. Management uses these non-IFRS measures to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of management compensation. As required by Canadian securities laws, the Company defines and reconciles these non-IFRS measures below:

EBITDA and EBITDA %

EBITDA is defined as earnings (net income or loss) before finance costs, income taxes, depreciation and amortization. EBITDA is reconciled to net income (loss) from the financial statements.

EBITDA % ratio is determined by dividing EBITDA by total revenue for the year.

EBITDA and EBITDA % is frequently used to assess profitability before the impact of finance costs, income taxes, depreciation and amortization. Management uses non-IFRS measures in order to facilitate operating performance comparisons from period to period and to prepare annual operating budgets. EBITDA and EBITDA % are measures commonly reported and widely used as a valuation metric.

Adjusted EBITDA and Adjusted EBITDA %

Adjusted EBITDA removes unusual, non-cash or non-operating items from EBITDA such as listing expenses, acquisition costs, restructuring charges, asset impairments, non-cash stock-based compensation, fair value adjustments to contingent consideration payable and foreign exchange gains and losses. The Company believes adjusted EBITDA provides improved continuity with respect to the comparison of its operating performance over a period of time. Adjusted EBITDA is reconciled to net income (loss) from the financial statements.

Adjusted EBITDA % is determined by dividing Adjusted EBITDA by total revenue for the year.

Adjusted EBITDA and Adjusted EBITDA % is frequently used by securities analysts and investors when evaluating a Company’s ability to generate liquidity from the Company’s core operations. It provides a consistent basis to evaluate profitability and performance trends by excluding items that the Company does not consider to be controllable activities for this purpose. Adjusted EBITDA and EBITDA % are measures commonly reported and widely used as a valuation metric.

NON-IFRS MEASURES RECONCILIATIONS

EBITDA and Adjusted EBITDA

	For the three-months ended June 30,		For the six-months ended June 30,	
	2023	2022	2023	2022
Net income/(loss)	32,674,714	(26,391)	28,593,803	6,374,312
Income tax expense	(1,597,046)	2,724,001	(1,878,908)	6,143,191
Depreciation and amortization	7,473,372	1,215,643	9,202,615	2,258,923
Interest and bank charges	2,084,900	665,291	3,394,586	824,736
EBITDA	40,635,940	4,578,544	39,312,096	15,601,162
EBITDA Adjustments				
Gain on sale of intangibles	-	(2,808,336)	-	(2,808,336)
Share of loss from associates	199,397	5,791,326	1,379,679	5,541,330
Gain on step acquisition	(42,083,465)	-	(42,083,465)	-
Fair value (gain)/loss on financial instruments	(1,069,151)	568,898	(828,912)	304,964
Fair value on contingent consideration	66,200	-	66,200	-
Business acquisition costs	2,824,875	38,124	2,877,336	111,237
Share-based compensation	2,818,760	745,684	3,308,298	2,045,446
Other income ⁽¹⁾	(1,108,710)	(320,878)	(545,985)	(286,878)
Acquisition-related compensation	335,776	-	673,726	-
Non-recurring project costs ⁽²⁾	-	-	-	807,653
Non-recurring professional fees ⁽³⁾	2,285,052	276,961	3,119,857	276,961
Non-recurring severance expense	1,511,371	-	1,949,972	-
Adjusted EBITDA	6,416,044	8,870,323	9,228,801	21,593,539

(1) Other expenses / income relates to COVID-19 related government assistance, gain/loss on FX and other minor non-operating items

(2) Non-recurring project related to advertising and promotion expense for a specific project that will not continue in the future.

(3) Non-recurring professional fees relates to legal fees for the go-public transaction and amalgamation with WeCommerce

EBITDA % and Adjusted EBITDA %

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Cautionary Note Regarding Forward-Looking Information

This news release contains certain forward-looking statements and forward-looking information within the meaning of Canadian securities law. Such forward-looking statements and information include, but are not limited to, statements or information with respect to: requirements for additional capital and future financing; estimated future working capital, funds available, uses of funds, future capital expenditures and other expenses for specific operations and intellectual property protection; industry demand; ability to attract and retain employees, consultants or advisors with specialized skills and knowledge; anticipated joint development programs; incurrence of costs; competitive conditions; general economic conditions; anticipated revenue growth; growth strategy; and scalability of developed technology.

Forward-looking statements and information are frequently characterized by words such as “plan”, “project”, “intend”, “believe”, “anticipate”, “estimate”, “expect” and other similar words, or statements that certain events or conditions “may” or “will” occur. Although the Company’s management believes that the assumptions made and the expectations represented by such statement or information are reasonable, there can be no assurance that a forward-looking statement or information referenced herein will prove to be accurate. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include risks relating to reliance on the Shopify platform; the Company’s limited operating history; reliance on management and key employees; conflicts of interest in relation to the Company’s officers, directors, and consultants; additional financing requirements; resale of Common Shares in the publicly- traded market; market price fluctuations for the Common Shares; global financial conditions; management of growth; risks associated with the Company’s strategy of growth through acquisitions; tax risks; currency fluctuations; competitive markets; uncertainty and adverse changes in the economy; unsustainability of the Company’s rapid growth and inability to attract new customers, retain revenue from existing merchants, and increase sales to both new and existing customers; adverse effects on the Company’s revenue growth and profitability due to the inability to attract new customers or sell additional products to existing customers; the successful integration of the Company with Tiny Capital; future results of operations being harmed due to declines in recurring revenue or contracts not being renewed; security and privacy breaches; changes in client demand; challenges to the protection of intellectual property; infringement of intellectual property; ineffective operations through mobile devices, which are increasingly being used to conduct commerce; and risks associated with internal controls over financial reporting. The Company undertakes no obligation to update forward-looking statements and information if circumstances or management’s estimates should change except as required by law. The reader is cautioned not to place undue reliance on forward-looking statements and information. More detailed information about potential factors that could affect results is included in the documents that may be filed from time to time with the Canadian securities regulatory authorities by the Company.

For a more detailed discussion of certain of these risk factors, see the Company's most recent MD&A described in the “Risk Factors” as well as the list of risk factors in the Company’s management information circular dated March 6, 2023 available on SEDAR at www.sedar.com under the Company’s profile.

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