



TINY LTD.

Management's Discussion and Analysis

For the three and nine-months ended September 30, 2023 and 2022

GENERAL INFORMATION AND CAUTIONARY STATEMENTS

Introduction

The following management's discussion and analysis ("MD&A") dated November 16, 2023, provides information concerning the financial condition and results of operations of the Company (as defined below) for the three and nine-months ended September 30, 2023 ("Q3 2023" and "YTD Q3 2023", respectively) and September 30, 2022 ("Q3 2022" and "YTD Q3 2022", respectively). The following MD&A should be read in conjunction with the Company's unaudited Interim Condensed Consolidated Financial Statements and notes for the three- and nine-month periods ended September 30, 2023, as well as our audited consolidated financial statements and notes thereto related to the year ended December 31, 2022. Additional information relating to the Company is available on the Company's website at www.tiny.com and www.sedar.com

Basis of presentation

The Financial Statements represent the unaudited interim condensed consolidated financial statements of Tiny Ltd. ("Tiny" or the "Company"), WeCommerce Holdings LP. ("WeCommerce"), Beam Digital Ltd. ("Beam") and their majority owned subsidiaries.

Tiny Ltd. ("Tiny" or the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on January 14, 2016. Tiny is a holding company that invests in a variety of businesses either directly or indirectly, through operating subsidiaries, or through a private equity fund where it serves as the general partner. Through its operating subsidiaries and equity investees, including Beam, WeCommerce, and Dribbble Holdings Ltd. ("Dribbble"), Tiny 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 held 24.6% ownership in Beam, while the remaining 75.4% was held by entities controlled by Tiny's controlling shareholder. On December 31, 2022, Tiny 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. The Financial Statements are presented on a consolidated basis, with Tiny as the ultimate parent. Management has adopted the predecessor basis of accounting, whereby Beam's results of operations and financial position are included in the Financial Statements at historical amounts recorded by Beam as if Beam has always been wholly owned by Tiny.

On April 17, 2023, 100% of the issued and outstanding securities of Tiny Capital Ltd. was acquired by WeCommerce Holdings Ltd. ("WeCommerce Holdings"), which under National Instrument 51-102 Continuous Disclosure Obligations ("NI 51-102") constituted a "reverse takeover" (the "Business Combination"). Immediately following the completion of the Business Combination, WeCommerce Holdings (i) completed the Post-Closing Reorganization (defined below), and (ii) continued out of British Columbia under the Business Corporations Act (British Columbia) and into the federal jurisdiction of Canada under the Canada Business Corporations Act and changed its name to "Tiny Ltd." ("Tiny" or "the Company"). In connection with the Business Combination, WeCommerce Holdings is considered the "reverse takeover acquiree" and Tiny Capital is considered the "reverse takeover acquirer", each as defined in NI 51-102.

Thereafter, on April 17, 2023, the Company completed:

- i. the Business Combination, whereby Tiny Capital amalgamated with 1396773 B.C. Ltd., a former wholly-owned subsidiary of the Company, and WeCommerce Holdings became the holder of all of the issued and outstanding shares of Tiny Capital. As consideration for the acquisition of the Tiny Capital shares, WeCommerce Holdings issued 146,429,569 Common Shares (the "Consideration Shares") to the former holders of Tiny Capital shares and cancelled 11,454,725 Common Shares held by Tiny Capital and its affiliates;
- ii. two vertical short form amalgamations with its former subsidiaries under the *Business Corporations Act* (British Columbia) (the "Post-Closing Reorganization"), and
- iii. the "Transaction."

Upon completion of the Transaction, the issued and outstanding share capital of the Company consisted of 188,647,064 Common Shares (on an undiluted basis).

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

The Company manages its businesses on the basis of four reportable segments: Digital Services (Beam), E-Commerce Platform (WeCommerce), Creative Platform (Dribbble), and Other.

The MD&A and financial statements of the Company have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

In this MD&A, unless otherwise indicated, all dollar amounts are expressed in Canadian dollars. The information in this report is as of November 16, 2023, which is the date of filing. Disclosure in this document is current to November 16, 2023, unless otherwise noted.

The Company's class A common shares (the "Common Shares") are listed on the TSX Venture Exchange ("TSXV") under the symbol "TINY".

Forward-looking Information

This MD&A contains certain forward-looking statements and forward-looking information within the meaning of applicable securities law. Such forward-looking statements and information include, but are not limited to, statements or information with respect to: the Company's future business and strategies; 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; 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 statements 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; 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; 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.

By its nature, forward-looking information, including future-oriented financial information or financial outlook, is based on assumptions and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements expressed or implied herein to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information, including, without limitation: the potential impact of the Company's acquisitions and dispositions on relationships, including with regulatory bodies, stock exchanges, lenders, service providers, employees and competitors; risks related to the successful integration

of acquired businesses; credit, liquidity and additional financing risks; potential conflicts of interest; general economic conditions; industry conditions; currency fluctuations; competition from other industry participants; and stock market volatility. This list is not exhaustive of the factors that may affect any of the forward-looking information contained herein.

For a more detailed discussion of certain of these risk factors, see “Risk Factors” below as well as the list of risk factors in the Company’s Annual Information Form and Management Information Circular of the Company dated March 6, 2023 (the “Circular”) which are available on SEDAR at www.sedar.com under the Company’s profile.

Non-IFRS financial measures

This MD&A 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”, “Adjusted EBITDA %”, and “recurring revenue”. 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 reconciles these non-IFRS measures to the most comparable IFRS measures in this MD&A. For definitions and reconciliation of these non-IFRS measures to the relevant reported measures, see “Non-IFRS measures”.

COMPANY OVERVIEW

Tiny is a technology holding company with a strategy of acquiring majority stakes in wonderful businesses. Tiny has three core business segments, Beam, WeCommerce and 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, 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. Our family of companies and brands includes Pixel Union, Out of the Sandbox, KnoCommerce, Archetype, Yopify, SuppleApps, Rehash, Foursixty, Stamped and Clean Canvas. As one of Shopify's first partners since 2010, WeCommerce is focused on building, acquiring, and investing in 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 until the end of August 2024.

Tiny's businesses are managed on a decentralized basis. Tiny's corporate management team is primarily focused on capital allocation decisions, investment activities, and hiring and incentivizing the senior management teams of its operating businesses. Tiny aims to acquire businesses with the following traits:

- high margins
- a sustainable competitive advantage
- simple business model
- healthy profitability
- multi-year record of successful operations;
- a high quality management team (or one Tiny believes it can hire)
- a positive and ethical approach to business.

Tiny has three reportable segments:

- 1) The Digital Services segment helps start-ups to fortune 500 companies to design, build and ship premium digital products for both mobile and web. This segment'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. The companies in this segment include Beam and its subsidiaries:
 - 8020 Design Ltd.
 - Frosty Studio Ltd. ("Frosty")
 - HappyFunCorp LLC ("HappyFunCorp")
 - MetaLab Design Ltd. ("MetaLab")
 - Z1 Digital Product Studio SL ("Z1")
- 2) The E-Commerce platform segment provides merchants with a suite of ecommerce software tools to start and grow their online stores. Our 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 technology businesses operating in the Shopify partner ecosystem. The companies in this segment include WeCommerce and its

subsidiaries:

- Archetype Themes Limited Partnership
- KnoCommerce Inc
- Stamped Technologies Pte. Ltd.
- WeCommerce Operations Ltd.
- Clean Canvas Ltd.

- 3) The Creative Platform segment relates to Tiny's ownership of Dribbble, a social network for designers and other digital creatives and its subsidiary Creative Market Labs Inc., which is an online marketplace for graphics, fonts, design templates, and other digital assets. Key revenue lines include the digital asset marketplace revenue, recurring subscription revenue, job board revenue, and digital advertising. The companies in this segment include Dribbble Holdings Ltd. and its subsidiary:

- Creative Market Labs Inc. ("Creative Market")

In addition to these reportable segments, all other operating segments are grouped as Other. These businesses include operations related to Tiny's corporate office, as well as a variety of other businesses within the Company's portfolio which report up directly. It also includes Tiny's LP interest in Tiny Fund I, LP ("Tiny Fund"), a private equity fund where Tiny serves as the general partner. Tiny Fund commenced operations in August 2020 and has total committed capital of US\$150 million. Tiny accounts for its LP interest in Tiny Fund on an equity basis and retains the fair value accounting applied by Tiny Fund in reporting its results. As a result, Tiny's consolidated financial results do not include the aggregate revenues, expenses and profits of Tiny Fund's individual investments. The companies in this segment include:

Other Tiny Portfolio Companies:

- Meteor Software Holdings Ltd. (web application hosting company)
- Meteor Software LP.
- Tiny Boards Holdings Ltd. (remote job boards)
- Tiny Boards LP.
- Tiny Ltd. (head office)
- Tiny Capital (US) Ltd.
- Tiny Holdings Ltd.
- Tiny India Pvt Ltd.
- Tenzing Capital Inc.

Tiny Fund:

- Abstract Studio Design Inc. (design collaboration tool)
- AeroPress Inc. (coffee maker brand)
- BeFunky Inc. (developer of digital media tools)
- Dribbble Holdings Ltd.
- Girlboss Holdings Inc. (media company)
- Medimap Systems Inc. (Canadian digital health website)
- Mateina Inc. (Canadian beverage producer)
- Letterboxd Ltd. (film discussion and discovery social platform)
- Conference Badge Inc. (name badge producer)

Since its incorporation in January 2016 and up to the date of this MD&A, Tiny has invested in or acquired over 30 companies.

THIRD QUARTER HIGHLIGHTS AND OVERALL PERFORMANCE

The following table summarizes the Company's overall performance for the three- and nine-months ended September 30, 2023, as compared with the prior period:

	For the three-months ended September 30,		For the nine-months ended September 30,	
	2023	2022	2023	2022
Revenue	50,522,913	40,914,446	134,327,157	114,829,942
Operating income/(loss)	(3,549,129)	8,347,486	(15,518,331)	24,222,904
Net income/(loss)	(5,900,753)	1,724,415	24,111,068	8,098,727
EBITDA ⁽¹⁾	4,142,849	6,888,092	44,872,963	22,271,353
EBITDA % ⁽¹⁾	8%	17%	33%	19%
Adjusted EBITDA ⁽¹⁾	8,646,423	11,327,655	17,875,225	32,763,293
Adjusted EBITDA % ⁽¹⁾	17%	28%	13%	29%
Recurring revenue ⁽¹⁾	9,741,419	2,031,255	21,272,187	7,028,653
Recurring revenue % ⁽¹⁾	19%	5%	16%	6%
Cash (used in)/provided by operating activities	451,830	8,676,531	(6,505,390)	19,172,355
Basic earnings/(loss) per share	(0.03)	0.02	0.15	0.09
Diluted earnings/(loss) per share	(0.03)	0.02	0.15	0.09
			September 30, 2023	December 31, 2022
Total assets			414,995,956	168,741,867
Total liabilities			205,066,194	129,874,497
Non-current financial liabilities			141,359,883	83,839,820

⁽¹⁾ Refer to Non-IFRS Measures section on page 16

- Revenue in Q3 2023 was \$50,522,913, an increase of \$9,608,467 or 23% compared to Q3 2022.
- Management has added a new metric to identify revenues that are stable and earned continuously: Recurring revenue ⁽¹⁾. Recurring revenue ⁽¹⁾ in Q3 2023 was \$9,741,419 and made up 19% of total revenue, an increase of \$7,710,165 or 14% of total revenue when compared to Q3 2022.
- Net loss of \$5,900,753 in Q3 2023 compared to net income of \$1,724,415 in Q3 2022. The biggest changes between Q3 2023 and Q3 2022 relates to depreciation and amortization, interest expense and tax expenses that were incurred as a result of the WeCommerce merger.
- Unrestricted cash on hand at September 30, 2023 was \$22,643,639 compared to \$31,201,836 on December 31, 2022. Total debt outstanding at September 30, 2023 was \$131,639,788 compared to \$69,793,864 on December 31, 2022. The increase in debt of \$61,845,924 is due to including WeCommerce.
- Total assets at September 30, 2023 were \$414,995,956 compared to \$168,874,497 on December 31, 2022. Total intangibles and goodwill increased by \$10,895,892 and \$6,446,514, respectively for the quarter, as a result of the acquisition of Clean Canvas within WeCommerce. Intangibles and goodwill increased over the year as a result of acquiring \$111.9 million in intangibles and \$132.6 million in goodwill from the WeCommerce merger.
- Adjusted EBITDA⁽¹⁾ for Q3 2023 was \$8,646,423 or 17% of revenue, compared to \$11,327,655 or 28% of revenue in Q3 2022. Adjusted EBITDA increased by \$2,230,379 from Q2 2023, which had adjusted EBITDA of \$6,416,044 or 14% of revenue.

Acquisition of Clean Canvas

On September 7, 2023, WeCommerce Holdings LP acquired 100% of the issued and outstanding share capital of Clean Canvas Limited ("Clean Canvas") for \$11,500,000 (CAD \$15,702,100) and contingent consideration of up to US \$1,200,000 (CAD \$1,638,480). Clean Canvas is a designer and developer of premium themes, which have been leveraged by over 80 thousand Shopify merchants.

RESULTS OF OPERATIONS

	For the three-months ended September 30,		For the nine-months ended September 30,	
	2023	2022	2023	2022
Revenue	50,522,913	40,914,446	134,327,157	114,829,942
Expenses				
Compensation	27,876,288	16,258,026	74,698,946	48,938,772
Marketplace content costs	7,135,781	5,893,643	21,198,163	13,223,231
Hosting fees	2,561,524	1,664,757	7,119,575	4,779,038
Travel, meals and entertainment	415,908	135,292	1,743,038	865,045
Share-based (recovery)/compensation	657,107	713,476	3,965,405	2,758,922
Professional fees	1,868,093	2,952,330	6,690,111	5,476,187
Subscription and other	2,520,121	2,122,115	7,074,458	5,712,440
Depreciation and amortization	8,906,495	1,148,139	18,109,110	3,407,062
Business acquisition costs	100,359	1,012	3,043,895	112,249
Advertising and promotion	1,906,962	1,333,310	5,790,537	4,774,422
Bad debts/(recovery)	64,221	275,765	306,900	272,674
Bank charges	59,183	69,095	105,350	286,996
	54,072,042	32,566,960	149,845,488	90,607,038
Operating income/(loss)	(3,549,129)	8,347,486	(15,518,331)	24,222,904
Other income/(expenses)	(3,780,699)	(3,526,616)	36,321,416	(6,884,531)
Earnings before taxes	(7,329,828)	4,820,870	20,803,085	17,338,373
Income taxes/(recovery)	1,429,075	(3,096,455)	3,307,983	(9,239,646)
Net income (loss) for the period	(5,900,753)	1,724,415	24,111,068	8,098,727

For the three-month period ended September 30, 2023 and September 30, 2022**Revenue**

		Three-month period ended September 30,	
		2023	2022
Digital Services	\$	22,317,722	21,671,616
E-Commerce Platform		12,582,221	-
Creative Platform		13,885,976	16,840,913
Other		1,736,994	2,401,917
		50,522,913	40,914,446

The Company generated total revenue of \$50.5 million for the three months ended September 30, 2023, which represents a revenue increase of 23% compared to the same period in the prior year and an increase of 6% over last quarter. Recurring revenue as a percentage of total revenues decreased by 2% over the last quarter due to fewer subscriptions in the Creative Platform as customers continue to reduce spending. Recurring revenue as a percentage of total revenues for Q3 2023 increased to 19% compared to 5% for Q3 2022.

For the three months ended September 30, 2023, Digital Services revenue increased by \$0.6 million (3%) compared to the corresponding period in the previous year. Digital Services has been diversifying its portfolio strategy to provide more sustainable revenue streams.

For the three months ended September 30, 2023, E-Commerce Platform revenue was \$12.6 million. Due to the merger, from April 18, 2023 onwards, there would be no comparative period and this is the first full reporting period for the E-Commerce Platform. There was an increase in revenue of \$1.8 million between the second and third quarter, which is mostly attributable to the continued success of the Company's efforts to enforce the Digital Millennium Copyright Act.

For the three months ended September 30, 2023, Creative Platform revenue decreased by \$3.0 million (-18%) compared to the corresponding period in the previous year. The decrease is related to the current macroeconomic environment that has impacted both Dribbble and Creative Market. As companies continue to reduce their spending and hiring, there has been a correlation in the reduction of revenue for designer subscriptions and marketplace job postings.

For the three months ended September 30, 2023, other revenue decreased by \$0.7 million (-28%) compared to the corresponding period in the previous year. Similar to the trends seen above for the other revenue streams, the revenue correlates with the current macroeconomic conditions. With the overall trend in the tech industry, there has been a slowdown in demand, which impacts the amount of job postings and repeat customers declaring bankruptcy.

Expenses

Compensation

		Three-month period ended September 30,	
		2023	2022
Digital Services	\$	16,994,795	11,454,014
E-Commerce Platform		4,994,467	-
Creative Platform		3,495,469	3,546,214
Other		2,391,557	1,257,798
		27,876,288	16,258,026

The Company had total compensation expenses of \$27.9 million for the three months ended September 30, 2023, which represents an increase of 71% compared to the same period in the prior year.

For the three months ended September 30, 2023, Digital Services compensation expense increased by \$5.5 million (48%) compared to the corresponding period in the previous year. Included in compensation is \$2.7 million of expenses from HappyFunCorp that did not exist in the comparative period. The remaining increase relates to severance expenses of \$1.2 million related to changes in MetaLab's management team. The remaining increase is related to overall head count growth partnered with overall rising labour and contractor costs seen with inflationary trends.

For the three months ended September 30, 2023, E-Commerce Platform compensation was \$5.0 million. As mentioned above, the merger occurred on April 18, 2023 and this would be the first full reporting quarter of compensation expense. The decrease in compensation expense from \$5.4 million in Q2 2023 to \$5.0 million in Q3 2023 is related to the sale of Knit Agency (refer to the Transactions with Related Parties section on page 19) within the WeCommerce Holdings LP portfolio that resulted in a lower headcount for the current reporting period.

For the three months ended September 30, 2023, Creative Platform compensation expense decreased by \$0.1 million (-1%) compared to the corresponding period in the previous year. The decrease is a result of a lower headcount within the segment.

For the three months ended September 30, 2023, compensation expense within the Other segment increased by \$1.1 million (90%) compared to the corresponding period in the previous year. The increase was primarily driven by the additional head office headcount from the WeCommerce merger and inflation-related pay increases within all segments.

Marketplace content costs

		Three-month period ended September 30,	
		2023	2022
E-Commerce Platform	\$	1,870,388	-
Creative Platform		5,265,393	5,893,643
		7,135,781	5,893,643

The Company had total marketplace content costs of \$7.1 million for the three months ended September 30, 2023, which represents an increase of 21% compared to the same period in the prior year. The change is a result of including a full quarter of WeCommerce's results of \$1.9 million. The decrease in marketplace content costs in the Creative Platform segment marketplace content costs of \$0.6 million corresponds with the decrease in the Creative Platform revenue.

Hosting fees

		Three-month period ended September 30,	
		2023	2022
E-Commerce Platform	\$	676,557	-
Creative Platform		1,539,658	1,209,701
Other		345,309	455,056
		2,561,524	1,664,757

Hosting fees totaled \$2.6 million in Q3 2023, representing an increase of \$0.9 million or 54% compared to the same period in the prior year. \$0.7 million of the increase is attributable to the inclusion of the results from the acquisition of WeCommerce earlier in the year (2022: \$nil). Increase of \$0.2 million in creative platform due to creative platform's upgraded education offering requiring additional course hosting fees. The remaining difference due to Other correlates with its decrease in revenue. The remaining difference is attributable to additional hosting fees to refine the products available online.

Travel, meals and entertainment

Travel, meals and entertainment was \$0.4 million in Q3 2023, representing an increase of \$0.3 million or 207% compared to the same period in the prior year. \$0.2 million of the increase is attributable to the inclusion of HappyFunCorp and WeCommerce (2022: \$nil for both). The remaining difference is attributable to costs incurred for attending industry conferences and internal management meetings.

Share-based compensation/(recovery)

		Three-month period ended September 30,	
		2023	2022
Digital Services	\$	(396,856)	400,000
E-Commerce Platform		318,009	-
Creative Platform		202,613	200,831
Other		533,341	112,645
		657,107	713,476

Share based compensation was \$0.7 million in Q3 2023, representing a decrease of \$0.1 million or -8% compared to the same period in the prior year. With the change of management within the Digital Services segment, this resulted in a recovery of expenses as those respective share awards were forfeited in Q3 2023. The increase of \$0.4 million within the Other segment is due to the additional issuance of share awards to certain employees and senior management earlier in the year that would result in additional expenses recognized on a quarterly basis.

Professional fees

Professional fees consist of amounts paid for audit, legal, tax, human resources, and other professional services. The Company had total professional fees expenses of \$1.9 million in Q3 2023 and \$3.0 million in Q3 2022, which represents a decrease of \$1.1 million or 37%. Professional fees decreased overall due to reduced work performed by professional firms for executive recruiting in 2023, which was offset by increased costs relating to the merger with WeCommerce.

Subscription and other

The Company had total subscription and other expenses of \$2.5 million in Q3 2023, which represents an increase of \$0.4 million or 19% compared to the same period in the prior year. This three-month period includes the addition of HappyFunCorp (acquired November 2022) in digital services and the merger with WeCommerce (April 2023) as compared to 2022. The remaining increase is due to an upgrade in enterprise software that was offset by a reduction in subscriptions and general administrative costs across all platforms and their entities.

Depreciation and amortization

The Company had total depreciation and amortization expenses of \$8.9 million in Q3 2023 compared to \$1.1 million in Q3 2022, representing an increase of 676%. Of the increase, \$6.6 million is attributable to the acquisition of WeCommerce in 2023 (2022: \$nil). The Q3 2023 balance also includes depreciation and amortization from HappyFunCorp, which was acquired in November 2022 and therefore would not have a comparative balance in Q3 2022.

Advertising and promotion

The Company had total advertising and promotion costs of \$1.9 million in Q3 2023 compared to \$1.3 million in Q3 2022, representing an increase of \$0.6 million or 43%. Of the increase, \$0.4 million is attributable to the acquisition of WeCommerce in 2023 (2022: \$nil). The remaining difference is attributable to costs incurred for participating in industry conferences and advertising in the media.

For the nine-month periods ended September 30, 2023 and September 30, 2022

Revenue

		Nine-month period ended September 30,	
		2023	2022
Digital Services	\$	59,261,841	63,251,795
E-Commerce Platform		23,389,024	-
Creative Platform		45,664,326	43,542,777
Other		6,011,966	8,035,370
		134,327,157	114,829,942

The Company generated total revenue of \$134.3 million for the nine months ended September 30, 2023, which includes revenue from the E-Commerce Platform and therefore, is an increase of 17% compared to the same period in the prior year. Recurring revenue for the nine months ended September 30, 2023 increased to 19% of total revenues compared to 6% for the same period in the prior year.

For the nine months ended September 30, 2023, Digital Services revenue decreased by \$4.0 million (-6%) compared to the corresponding period in the previous year. Digital Services experienced challenges in the current macroeconomic environment, leading to a reduction in contracted digital services. A portion of the decrease was offset by the addition of \$7.1 million of HappyFunCorp revenue. In addition, the company has been strategically repositioning to serve larger enterprise customers that provide more sustained long-term relationships and predictable revenue streams.

For the nine months ended September 30, 2023, E-Commerce Platform revenue was \$23.4 million. There is no comparative period, as the merger for WeCommerce occurred on April 18, 2023. WeCommerce contributed revenue and a net loss of \$23.5 million and \$7.8 million, for the stub period of April 18 to September 30, 2023. Had the acquisition occurred on January 1, 2023, management estimates that revenue for the E-Commerce Platform would have been \$39.0 million for the nine-month period ending September 30, 2023. On September 7, 2023, WeCommerce acquired Clean Canvas (refer to "Acquisition of Clean Canvas") which contributed \$0.4 million of revenues in the quarter.

For the nine months ended September 30, 2023, Creative Platform revenue increased by \$2.1 million (5%) compared to the corresponding period in the previous year. Creative Platform earns revenues in U.S. dollars which was the driving factor behind the increase. In its functional currency, Creative Platform revenues decreased by \$0.9 million due to lower direct-to-consumer sales. This was offset by an increase in enterprise sales which is expected to provide more sustainable, long-term revenues.

For the nine months ended September 30, 2023, other revenue decreased by \$2.0 million (-25%) compared to the corresponding period in the previous year. Other revenue is comprised of revenues from a remote job board and an application development platform. During the year, layoffs in the technology industry reduced job postings significantly and the availability of remote jobs decreased. As well, economic contraction resulted in fewer application development services, thus reduced revenues.

Expenses

Compensation

		Nine-month period ended September 30,	
		2023	2022
Digital Services	\$	47,736,653	34,004,661
E-Commerce Platform		10,427,221	-
Creative Platform		10,558,559	11,111,452
Other		5,976,513	3,822,659
		74,698,946	48,938,772

The Company had total compensation expenses of \$74.7 million for the nine months ended September 30, 2023, which represents an increase of 53% compared to the same period in the prior year.

For the nine months ended September 30, 2023, Digital Services compensation expense increased by \$13.7 million (40%) compared to the corresponding period in the previous year. The increase was primarily driven by the addition of nine months of HappyFunCorp compensation expenses (2022: \$nil), resulting in an increase of \$8.0 million and \$2.1 million in severance expenses as a result of change in management. The remaining increase is due to overall head count growth partnered with overall rising labour and contractor costs in concurrence with inflationary trends.

For the nine months ended September 30, 2023, E-Commerce Platform compensation expense was \$10.4 million. There is no comparative period, as the merger with WeCommerce was completed on April 18, 2023. The expenses included in 2023 are from April 18, 2023 onwards.

For the nine months ended September 30, 2023, Creative Platform compensation expense decreased by \$0.6 million (-5%) compared to the corresponding period in the previous year. The decrease was primarily driven by the departure of two C-level employees in Q1 2023. As a result of the business downturn, there were no executive bonuses in the year.

For the nine months ended September 30, 2023, compensation expense within the Other segment increased by \$2.2 million (56%) compared to the corresponding period in the previous year. The increase was primarily driven by the additional head office count from the WeCommerce team and rising inflationary costs.

Marketplace content costs

	Nine-month period ended September 30,	
	2023	2022
E-Commerce Platform	\$ 3,552,768	-
Creative Platform	17,645,395	13,223,231
	21,198,163	13,223,231

The Company had total marketplace content costs of \$21.2 million for the nine months ended September 30, 2023, which represents an increase of 60% compared to the same period in the prior year, and includes \$3.6 million of e-commerce marketplace content costs following the merger.

For the nine months ended September 30, 2023, creative platform marketplace content costs increased by \$4.4 million (33%) compared to the corresponding period in the previous year. Since April 1, 2022, the Company recorded revenue on a gross basis while the amounts due to sellers are recorded as marketplace content costs. The change was a result of changes in key terms of customer contracts from April 1, 2022 onwards.

Hosting fees

	Nine-month period ended September 30,	
	2023	2022
E-Commerce Platform	\$ 1,289,233	-
Creative Platform	4,762,895	3,473,633
Other	1,067,447	1,305,405
	7,119,575	4,779,038

The Company had total hosting fees of \$7.1 million for the nine months ended September 30, 2023, which represents an increase of \$2.3 million or 49% compared to the same period in the prior year. Of the total increase, \$1.3 million is attributable to E-Commerce Platform acquired in the current year.

For the nine months ended September 30, 2023, Creative Platform hosting fees increased by \$1.3 million or 37%. Similar to revenues, the increase is partially driven by foreign exchange differences along with increases in web hosting and hosting of a learning platform as part of the education offering. This was offset by decreases in payment processing in line with the reduction in revenues.

For the nine months ended September 30, 2023, other hosting fees decreased by \$0.2 million or 18% due to reduced activity on the remote job board as well as reduced application development compared to the prior period.

Travel, meals and entertainment

Travel, meals and entertainment consists of costs incurred to attend industry conferences and internal management meetings. The Company had travel, meals and entertainment costs of \$1.7 million for the nine months ended September 30, 2023 and \$0.9 million for the nine months ended September 30, 2022. The increase of \$0.9 million or 101% includes \$0.1 million attributable to the WeCommerce merger in the current year and the remaining increase is due to additional travel in the year.

Share-based compensation

		Nine-month period ended September 30, 2022
	2023	
Digital Services	\$ 245,187	1,600,000
E-Commerce Platform	703,234	-
Creative Platform	1,351,580	591,820
Other	1,665,404	567,102
	3,965,405	2,758,922

For the nine months ended September 30, 2023, the Company had total share-based compensation of \$4.0 million, which represents an increase of \$1.2 million or 44% compared to the same period in the prior year. Of the total increase, \$0.7 million is attributable to the E-Commerce Platform acquired in the current year.

For Digital Services, share-based compensation decreased by \$1.4 million or 85% due to executive management restructuring, resulting in the recovery of non-vested options net against additional share-based compensation recognized.

For Creative Platform, share-based compensation increased by \$0.8 million or 128% due to additions to the stock option plan.

For Other, share-based compensation increased by \$1.1 million or 194% due to the early vesting of restricted share units related to employee severance.

Professional fees

Professional fees consist of amounts paid for audit, legal, tax, human resources, and other professional services. The Company had total professional fees of \$6.7 million for the nine months ended September 30, 2023 and \$5.5 million for the nine months ended September 30, 2022. The overall increase of \$1.2 million or 22% is due to additional professional fees associated with the WeCommerce merger and inclusion of WeCommerce's expenses from April 18, 2023 onwards. The increase was offset by professional fees for recruiting purposes not incurred in the current year.

Subscription and other

The Company had total subscription and other costs of \$7.1 million for the nine months ended September 30, 2023 and \$5.7 million for the nine months ended September 30, 2022. The increase of \$1.4 million or 24% is due to the merger with WeCommerce, which resulted in a corresponding increase in headcount and associated subscriptions and overhead, and an upgrade to enterprise software. The increase is offset by a reduction in subscription and other costs across all platforms and their entities.

Depreciation and amortization

The Company had total depreciation and amortization of \$18.1 million for the nine months ended September 30, 2023 and \$3.4 million for the nine months ended September 30, 2022, representing an increase of \$14.7 million or 432%. Of the increase, \$11.8 million is attributable to the acquisition of WeCommerce in 2023 (2022: \$nil). The remaining increase is due to depreciation and amortization of intangibles within HappyFunCorp (acquired November 2022) and the Creative Platform.

Business acquisition costs

For the nine months ended September 30, 2023, the Company had total business acquisition costs of \$3.0 million, which represents an increase of \$2.9 million. Costs are related to the WeCommerce merger in April 2023 and Clean Canvas in September 2023.

Advertising and promotion

The Company had total advertising and promotion costs of \$5.8 million for the nine months ended September 30, 2023 and \$4.8 million for the nine months ended September 30, 2022, which represents an increase of \$1.0 million or 21%. Of the total increase, \$0.8 million is attributable to the e-commerce platform acquired in the current year. The remaining increase is due to advertising at industry conferences and media advertising.

NON-IFRS MEASURES

Investors are cautioned that the non-IFRS measures used below should not replace net income or loss (as determined in accordance with IFRS) as an indicator of the Company's performance. These are supplemental measures management uses in managing the business and making decisions. These measures do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other issuers. These measures are not intended as a substitute for IFRS measures.

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 by 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-recurring, non-cash or non-operating items from EBITDA such as gains, losses or costs associated with the acquisition or disposal of businesses, share of loss from associates, fair value changes in investments, stock-based payments. 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 its core operations. It provides a basis to evaluate profitability and performance trends by excluding items that the Company does not consider to be controllable or reoccurring activities for this purpose, along with non-cash items which is an industry standard. Adjusted EBITDA and EBITDA % are measures commonly reported and widely used as a valuation metric.

Recurring Revenue

Recurring Revenue consists of revenues generated through subscriptions that grant access to products and services with recurring billing cycles. The subscriptions are recognized over a time period in accordance with IFRS 15. Recurring Revenue is a part of total revenue disclosed in the financial statements, as determined in accordance with IFRS 15.

Recurring Revenue represents revenues that are stable and the Company expects to earn continuously. Recurring Revenue % is determined by dividing Recurring Revenue by total revenue for the year.

Recurring Revenue is frequently used to determine any indicators of future revenue growth and revenue trends. Recurring Revenue and Recurring Revenue % are measures commonly reported and widely used as a valuation metric.

NON-IFRS MEASURES RECONCILIATIONS

EBITDA and Adjusted EBITDA

	For the three-months ended September 30,		For the nine-months ended September 30,	
	2023	2022	2023	2022
Net income (loss)	(5,900,753)	1,724,415	24,111,068	8,098,727
Income tax recovery/(expense)	(1,429,075)	3,096,455	(3,307,983)	9,239,646
Depreciation and amortization	8,906,495	1,148,139	18,109,110	3,407,062
Interest expense	2,566,182	919,083	5,960,768	1,525,918
EBITDA	4,142,849	6,888,092	44,872,963	22,271,353
EBITDA Adjustments				
Gain on sale of intangibles	-	-	-	(2,808,336)
Share of loss from associate	-	1,981,352	1,379,679	7,522,652
Loss on disposal of subsidiary	163,366	-	163,366	-
Gain on step acquisition	-	-	(42,083,465)	-
Fair value (gain)/loss on investments	(1,776,782)	(213,299)	(4,023,712)	91,665
Fair value on contingent consideration	135,150	-	201,350	-
Business acquisition costs	100,359	1,012	2,977,695	112,249
Share based payments	657,107	713,476	3,965,405	2,758,922
Other expense ⁽¹⁾	2,664,567	839,480	2,118,582	552,602
Acquisition-related compensation	335,292	-	1,009,017	-
Non-recurring project costs ⁽²⁾	277,456	-	277,457	807,653
Non-recurring professional fees ⁽³⁾	363,062	1,117,542	3,482,919	1,454,503
Non-recurring severance expense	1,583,997	-	3,533,969	-
Adjusted EBITDA	8,646,423	11,327,655	17,875,225	32,763,293

(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 %

	For the three-months ended September 30,		For the nine-months ended September 30,	
	2023	2022	2023	2022
EBITDA	4,142,849	6,888,092	44,872,963	22,271,353
Revenue	50,522,913	40,914,446	134,327,157	114,829,942
EBITDA %	8%	17%	33%	19%
Adjusted EBITDA	8,646,423	11,327,655	17,875,225	32,763,293
Revenue	50,522,913	40,914,446	134,327,157	114,829,942
Adjusted EBITDA %	17%	28%	13%	29%

Recurring Revenue

	For the three-months ended September 30,		For the nine-months ended September 30,	
	2023	2022	2023	2022
Recurring revenues	9,741,419	2,031,255	21,272,187	7,028,653
Non-recurring revenues	40,781,494	38,883,191	113,054,970	107,801,289
Total revenue	50,522,913	40,914,446	134,327,157	114,829,942
Recurring revenue % of total revenue	19%	5%	16%	6%

LIQUIDITY AND CAPITAL RESOURCES

Overview

Cash on hand at September 30, 2023 was \$22.6 million compared to \$31.2 million at December 31, 2022.

The Company's main sources of funding are cash generated from operations along with debt financing and its ability to raise capital from equity. The funds from equity and debt financing are generally used to purchase businesses that the Company thinks are accretive. As at September 30, 2023, the Company had negative working capital of \$18.6 million compared to positive working capital of \$1.1 million at December 31, 2022. The Company has undertaken plans to increase cash flows and reduce costs. For the three months ended September 30, 2023, the Company generated \$0.5 million of positive cash flows from operations and historically, the Company has had positive cash flows from operations. In addition, the Company currently has \$41.6 million of undrawn facilities readily available at September 30, 2023.

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. Management believes it has sufficient resources in managing its risk.

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. Contingent consideration payable is to be settled through a combination of share issuance and cash as distinguished by its total contractual cash flows. All other financial liabilities are settled in cash.

	1 year or less	Between 1 and 5	Over 5	Total	Carrying
September 30, 2023	\$	years	years	contractual	amount
		\$	\$	cash flows	\$
Trade and other payables	32,686,479	-	-	32,686,479	32,686,479
Debt ⁽¹⁾	10,427,531	121,212,257	-	131,639,788	131,639,788
Contingent consideration payable ⁽²⁾	7,039,938	4,491,697	-	4,097,552	11,531,635
Due to related parties	437,446	-	-	437,446	437,446
Lease liabilities	337,894	672,564	-	1,010,458	1,010,458
	50,929,288	126,376,518	-	169,871,723	177,305,806

(1) Interest charges are excluded from the amounts presented above.

(2) A portion of the contingent consideration payable can be settled through cash and the issuance of shares, at the discretion of the Company.

	1 year or less	Between 1 and 5	Over 5	Total	Carrying
December 31, 2022	\$	years	years	contractual	amount
		\$	\$	cash flows	\$
Trade and other payables	33,787,495	-	-	33,787,495	33,787,495
Debt ⁽¹⁾	3,085,000	66,708,864	-	69,793,864	69,793,864
Contingent consideration payable	501,630	9,478,148	-	9,979,778	9,979,778
Due to related parties	8,406	-	-	8,406	8,406
Lease liabilities	207,215	953,205	-	1,160,420	1,160,420
	37,589,746	77,140,217	-	114,729,963	114,729,963

(1) Interest charges are excluded from the amounts presented above.

Cash Flows

	For the nine-months ended September 30,	
	2023	2022
Cash (used in)/provided by operating activities	(6,492,409)	19,172,355
Cash provided by financing activities	10,263,807	3,001,031
Cash (used in)/provided by investing activities	(12,329,595)	(13,286,926)
(Decrease)/increase in cash	(8,558,197)	8,886,460

Operating activities

During the nine months ended September 30, 2023, cash flows used in operating activities was \$6.5 million compared to cash flows provided by operating activities of \$19.1 million for the prior year period. The decrease was mainly due to a change in operating income of \$25.6 million, which was impacted by one-time expenses, related to business acquisition costs and professional fees, and higher compensation expenses relative to lower revenues. By excluding non-recurring fees on an adjusted basis, the Company generated positive free cash flow from operations.

Financing activities

During the nine months ended September 30, 2023, cash flows provided by financing activities was \$10.3 million compared to cash flows provided by financing activities of \$3.0 million for the prior year period. The increase of \$7.3 million is due to the proceeds from the issuance of shares of \$7.7 million, funds received from related parties for \$1.2 million for repayment of a promissory note and net funds received from debt facilities for \$11.8 million. The remaining difference is offset by dividends paid for a total of \$10.2 million that occurred previously when the Company was private.

Investing activities

During the nine months ended September 30, 2023, cash flows used in investing activities was \$12.3 million compared to cash flows used in financing activities of \$13.3 million for the prior year period. The change of \$1.0 million in the current period is mainly attributable to \$11.1 million of cash outflow for purchase of investments (2022: \$9.0 million) and \$7.8 million for the acquisition of Clean Canvas, offset by inflow of \$10.0 million relating to the WeCommerce merger (2022: \$nil), receipt of \$1.8 million in holdback receivables (2022: \$nil), and \$0.9 million of distributions from investments. The remaining difference relates to less cash outflow towards the purchase of capital assets of \$0.4 million in 2023 compared to \$1.2 million in 2022.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes the results of the Company's operations for the last eight quarters. This unaudited quarterly information has been prepared in accordance with IFRS.

	2023				2022			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenue	50,522,913	47,472,296	36,331,948	38,833,246	40,914,446	40,397,398	33,518,099	27,695,359
	50,522,913	47,472,296	36,331,948	38,833,246	40,914,446	40,397,398	33,518,099	27,695,359
Total operating expenses	54,072,042	58,371,657	37,401,789	40,615,121	32,566,960	33,994,247	24,045,832	22,133,398
(Loss)/earnings from operations	(3,549,129)	(10,899,361)	(1,069,841)	(1,781,875)	8,347,486	6,403,151	9,472,267	5,561,961
Other income/(expense)	(3,780,699)	41,977,029	(3,292,932)	(2,571,995)	(3,526,616)	(3,705,541)	347,626	1,326,034
Earnings/(loss) before taxes	(7,329,828)	31,077,668	(4,362,773)	(4,353,870)	4,820,870	2,697,610	9,819,893	6,887,995
Income tax recovery/(expense)	1,429,075	1,597,046	281,862	1,660,932	(3,096,455)	(2,724,001)	(3,419,190)	(1,789,246)
Net income/(loss)	(5,900,753)	32,674,714	(4,080,911)	(2,692,938)	1,724,415	(26,391)	6,400,703	5,098,749
Non-IFRS Measures								
Net income/(loss)	(5,900,753)	32,674,714	(4,080,911)	(2,692,938)	1,724,415	(26,391)	6,400,703	5,098,749
Taxes	(1,429,075)	(1,597,046)	(281,862)	(1,660,932)	3,096,455	2,724,001	3,419,190	1,789,246
Depreciation and amortization	8,906,495	7,473,372	1,729,243	1,474,775	1,148,139	1,215,643	1,043,280	1,196,750
Interest expense	2,566,182	2,084,900	1,519,131	1,051,018	919,083	665,291	218,961	70,413
EBITDA ⁽¹⁾	4,142,849	40,635,940	(1,114,399)	(1,828,077)	6,888,092	4,578,544	11,082,134	8,155,158
Earnings/(loss) from associate	-	199,397	1,180,282	1,054,846	1,981,352	5,791,326	(249,996)	(1,286,323)
Gain on sale of intangibles	-	-	-	-	-	(2,808,336)	-	-
Gain on step acquisition	-	(42,083,465)	-	-	-	-	-	-
Loss on disposal of subsidiary	163,306	-	-	-	-	-	-	-
Fair value (gain)/loss on investments	(1,776,782)	(1,069,151)	240,239	963,838	(213,299)	568,898	(263,934)	53,543
Fair value on contingent consideration	135,150	66,200	-	-	-	-	-	-
Business acquisition costs	100,359	2,824,875	52,461	597,230	1,012	38,124	73,113	-
Share based payments/(recovery)	657,107	2,818,760	489,538	1,702,598	713,476	745,684	1,299,762	(180,704)
Other income/(expense)	2,664,567	(1,108,710)	562,725	(418,190)	839,480	(320,878)	34,000	(93,254)
Acquisition-related compensation	335,292	335,775	337,950	-	-	-	-	-
Severance	1,583,997	1,511,371	438,601	877,428	-	-	-	-
Non-recurring management and strategic fees	-	-	-	-	-	-	-	(113,651)
Non-recurring project costs	277,457	-	-	-	-	-	807,653	-
Non-recurring professional fees	363,062	2,285,052	834,805	794,699	1,177,542	276,961	-	751,965
Adjusted EBITDA ⁽¹⁾	8,646,423	6,416,044	3,022,202	3,744,372	11,327,655	8,870,323	12,782,732	7,286,734

	2023				2022			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
EBITDA	4,142,849	40,635,940	(1,114,399)	(1,828,077)	6,888,092	4,578,544	11,082,134	8,155,158
Revenue	50,522,913	47,472,296	36,331,948	38,833,246	40,914,445	40,397,398	33,518,099	27,695,359
EBITDA % ⁽¹⁾	8%	86%	(3%)	(5%)	17%	11%	33%	29%
Adjusted EBITDA	8,646,423	6,416,044	3,022,202	3,744,372	11,327,655	8,870,323	12,782,732	7,286,734
Revenue	50,522,913	47,472,296	36,331,948	38,833,246	40,914,445	40,397,398	33,518,099	27,695,359
Adjusted EBITDA % ⁽¹⁾	17%	14%	8%	10%	28%	22%	38%	26%
Recurring revenue	9,741,419	9,938,055	1,592,713	1,796,151	2,031,254	2,375,364	2,622,036	2,158,559
Non-recurring revenue	40,781,494	37,534,241	34,739,235	37,037,095	38,883,191	38,022,034	30,896,063	25,536,800
Total revenue	50,522,913	47,472,296	36,331,948	38,833,246	40,914,445	40,397,398	33,518,099	27,695,359
Recurring revenue % ⁽¹⁾	19%	21%	4%	5%	5%	6%	8%	8%

Notes:

Reference to "Q1" is to the three-month period ended March 31; Reference to "Q2" is to the three-month period ended June 30; Reference to "Q3" is to the three-month period ended September 30 and reference to "Q4" is to the three-month period ended December 31.

(1) Non-IFRS measure (please refer to reconciliation on page 14)

Revenue

Quarter-over-quarter comparison

Revenue increased by 7% quarter-over-quarter from Q2 to Q3 in 2023 (2022: 1%). A portion of this increase is attributable to WeCommerce (acquired April 2023) contributing a full quarter of revenues. Recurring revenue as a percentage of total revenue decreased by 2% due to macroeconomic trends that have reduced consumer spending in the creative platform. As a result, management is targeting larger enterprise contracts that will provide more sustainable, longer-term revenues.

Year-over-year comparison of Q3

Revenue increased by 24% when comparing Q3 in each of 2023 and 2022. A portion of this increase is attributable to the acquisitions of WeCommerce (April 2023) and HappyFunCorp (November 2022). Recurring revenue as a percentage of total revenue increased by 14% due to the greater composition of recurring revenues from WeCommerce. For greater comparability, excluding WeCommerce in Q3 2023 results in recurring revenue of 3%, a decline of 2% from Q3 2022. With the increase in recurring revenue from WeCommerce, management continues to execute on its strategy to build, acquire and invest in Shopify technology businesses, like Jagged Pixel Inc (October 2023), that complement WeCommerce's current app portfolio.

Net income/(loss)

The Company generated a net loss of \$5.9 million in Q3 2023 compared to net income of \$32.7 million in Q2 2023, a change of \$38.0 million. The net income in Q2 2023 includes the gain on step acquisition from the WeCommerce merger in April 2023 of \$42.1 million. Excluding the gain on step acquisition, the Company generated a net loss of \$9.4 million. Management has been taking appropriate cost-cutting measures and a change in strategy to continue improving the net loss on a quarterly basis. In addition, the increase in net loss over the quarters is a result of the higher wages compared to lower revenue trends mentioned above.

OFF-BALANCE SHEET ARRANGEMENTS

As at the date of this MD&A, the Company has not entered into any off-balance sheet arrangements.

CRITICAL ACCOUNTING ESTIMATES

The most significant accounting judgements and estimates that the Company has made in the preparation of the Financial Statements are described in Note 2(e) with the associated accounting policy described in Note 3 to the audited financial statements for the year ended December 31, 2022.

TRANSACTIONS WITH RELATED PARTIES

Related party transactions are conducted in the normal course of operations and have been valued in these interim condensed consolidated financial statements at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

During the three-month and nine-month periods ended September 30, 2023, there were transactions with companies whose partners or senior officers are Directors of the Company or related to Directors of the Company. These counterparties are:

- A firm, controlled by Chris Sparling, the Co-Chief Executive Officer, that provides consulting services;
- A firm, controlled by Andrew Wilkinson, the Co-Chief Executive Officer, that provides administrative and other support services; and
- A firm, whose controlling partner is Shane Parrish, a Director of the Company, that provides marketing and advertising services.

(a) Related party revenues

	Three-month period ended September 30, 2023		Nine-month period ended September 30, 2023	
	2023	2022	2023	2022
Entities under control of a director of the company:				
Management fees	\$ 133,400	30,300	\$ 189,500	102,500

(b) Related party expenses

	Three-month period ended September 30, 2023		Nine-month period ended September 30, 2023	
	2023	2022	2023	2022
Entities under control of a director of the company:				
Professional/consulting fees	\$ -	31,153	\$ 36,345	93,458
Marketing fees	-	-	176,139	-

(c) Due from related parties

	September 30, 2023	December 31, 2022
Shareholders or entities under common control	\$ 160,154	\$ 1,312,385

The balances due from related parties are unsecured and non-interest bearing with no specific terms of repayment. The outstanding balance as at September 30, 2023 of \$160,154 is due from entities controlled by Andrew Wilkinson. The Company issued \$2,300,000, in the prior year, in the form of a promissory note to a firm controlled by Chris Sparling. The promissory note was repaid in 2022 for \$1,100,000 and in 2023 for \$1,200,000.

(d) Due to related parties

	September 30, 2023		December 31, 2022	
Shareholders or entities under common control	\$	437,446	\$	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 September 30,		Nine-month period ended September 30,	
	2023	2022	2023	2022
Salaries and consulting fees	743,053	252,862	1,366,151	1,293,052
Share-based compensation	251,526	112,645	840,570	567,102

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

No new significant standards were adopted in 2023.

FINANCIAL RISK FACTORS

The Company is exposed to a number of risks as a result of holding financial instruments including credit risk, liquidity risk and currency risk.

(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.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet the Company's respective obligations as they come due. Liquidity requirements are managed through frequent monitoring of cash inflows and outflows, preparation of cash flow forecasting and its available credit facilities. The Company expects to finance its operations and cash flows from its current available resources, but may from time to time, seek additional resources through the issuance of debt or equity. The Company anticipates support from its shareholders and lenders, although there is no assurance that this support will be provided when and if required. As at June 30, 2023, Beam was in compliance with both 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 between Beam's subsidiaries.

(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\$.

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

		September 30, 2023		December 31, 2022
Cash	\$	20,851,684	\$	23,580,106
Trade and other receivables		16,917,551		9,880,321
Trade and other payables		26,836,447		18,902,451
Debt		60,672,494		-
Total exposure		125,278,176		52,362,878

SUBSEQUENT EVENTS

(a) Private Placement

Tiny Fund I LP, the Company's private partnership, owns a majority portion of Letterboxd, a global social platform for film discovery and discussion. On October 6, 2023, the founders of Letterboxd subscribed for a total of 1,430,346 Class A common shares at a price of \$3.40 per Common Share for gross proceeds of \$4,863,176 (the "Private Placement"). The proceeds of the Private Placement are expected to be used for working capital and general corporate purposes. No finder's fees or commissions will be paid in connection with the Private Placement.

(b) Jagged Pixel acquisition

On October 17, 2023, WeCommerce Holdings LP acquired the assets of Jagged Pixel for US \$400,000 (CAD \$545,880) less working capital-related adjustments and the equivalent of US \$600,000 (CAD \$818,820) through the issuance of 264,706 Class A common shares in the capital of Tiny. Jagged Pixel operates Uptime, an automated store monitoring application on Shopify.

RISK FACTORS

- (a) The failure to successfully execute and integrate acquisitions could materially adversely affect the Company's business, results of operations and financial condition.

The Company completed the Transaction in April 2023 whereby 100% of the issued and outstanding securities of Tiny Capital Ltd. was acquired by WeCommerce Holdings Ltd. and recently completed the acquisition of Clean Canvas. The Company will be continually pursuing a strategy of organic growth through acquisitions. The Company has acquired multiple other businesses, including Z1, Creative Market, Frosty, Fontspring, and HappyFunCorp and it regularly evaluates potential acquisitions. As part of this organic growth, the Company may not be successful in integrating acquisitions or the businesses acquired may not perform as well as expected. While the acquisitions to date have not caused major disruptions to the business, any future failure to manage and successfully integrate acquired businesses could materially adversely affect the business, results of operations, and financial condition. Acquisitions involve numerous risks, including the following:

- Difficulties in integrating and managing combined operations, technology platforms, or offerings of the acquired companies and realizing the anticipated economic, operational and other benefits in a timely manner, which could result in substantial costs and delays, and failure to execute on the intended strategy and synergies;
- Failure of the acquired businesses to achieve anticipated revenue, earnings, or cash flow;
- Diversion of management's attention or other resources from the existing business;
- The Company's inability to maintain key customers, business relationships, suppliers, and brand potential of acquired businesses;

- Uncertainty of entry into businesses or geographies in which the Company has limited or no prior experience or in which competitors have stronger positions;
- Unanticipated costs associated with pursuing acquisitions or greater than expected costs in integrating the acquired businesses;
- Responsibility for the liabilities of acquired businesses, including those that were not disclosed to us or exceed the Company's estimates, such as liabilities arising out of the failure to maintain effective data protection and privacy controls, and liabilities arising out of the failure to comply with applicable laws and regulations, including tax laws;
- Difficulties in or costs associated with assigning or transferring to the Company or its subsidiaries the acquired companies' intellectual property or its licenses to third-party intellectual property;
- Inability to maintain the Company's culture and values, ethical standards, controls, procedures and policies;
- Challenges in integrating the workforce of acquired companies and the potential loss of key employees of the acquired companies;
- Challenges in integrating and auditing the financial statements of acquired companies that have not historically prepared financial statements in accordance with IFRS; and
- Potential accounting charges to the extent goodwill and intangible assets recorded in connection with an acquisition, such as trademarks, customer relationships, or intellectual property, are later determined to be impaired and written down in value.

In addition, acquisition targets are held privately and the Company may experience difficulty in evaluating such potential target businesses as the information concerning these businesses is not publicly available. An acquisition could also result in a potentially dilutive issuance of equity securities. The failure of the Company to successfully manage its strategy of growth through acquisitions could have a material adverse effect on the Company's business, results of operations and financial condition.

- (b) The Company may be unable to successfully fund future acquisitions of new businesses due to the lack of availability of additional debt or equity financing at the Company level on acceptable terms, which could impede the implementation of its continued growth strategy.

In order to execute the Company's continued growth strategy, it will require additional equity and/or debt financing in order to undertake acquisitions or other business combination transactions. Since the timing and size of acquisitions cannot be readily predicted, the Company may need to be able to obtain funding on short notice to benefit fully from attractive acquisition opportunities. Such funding may not be available on commercially acceptable terms. In addition, the level of indebtedness may impact the Company's ability to borrow at the Company level and/or increase its debt levels that exceed industry standards. Another source of capital may be raised through further issuances of equity or convertible debt securities, in which case, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences, and privileges superior to those of the Company's shareholders. These risks may materially adversely affect the Company's financial condition, business and results of operations.

- (c) The Company is dependent upon its officers, directors, management and key employees and their loss could adversely affect the Company's ability to operate.

The Company's success is highly dependent on the retention of key personnel both within the Company level and within its Portfolio Companies. The availability of persons with the necessary skills to execute the business strategy of the Company or a particular Portfolio Company is very limited and competition for such persons is intense. As the Company's business activity grows, additional key financial and administrative personnel, as well as additional staff, may be required. Although the Company believes that it will be successful in attracting, training and retaining qualified personnel, there can be no assurance of such success. If the Company is unsuccessful in attracting, training and retaining qualified personnel, the efficiency of operations may be affected. In addition, if any of its executive officers, directors or key employees join a competitor or form a competing company, the Company may lose know-how, key professionals and staff members as well as partners.

The Company does not maintain any key person insurance on the life of any of its directors, officers or key personnel. The unexpected loss of the services of one or more of its directors or officers could have a detrimental effect on the Company.

- (d) The Company's officers and directors may allocate their time to other businesses, which may raise potential conflicts of interest as to how much time to devote to its affairs.

The Company may be subject to various potential conflicts of interest because some of its officers, directors and consultants may be engaged in a range of business activities, including certain officers, directors and consultants that provide services to other companies involved in ecommerce. The Company's executive officers, directors and consultants may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Company. In some cases, the Company's executive officers, directors and consultants may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Company's business and affairs and that could adversely affect the Company's operations. These business interests could require significant time and attention of the Company's executive officers, directors and consultants. In addition, the Company may also become involved in other transactions which conflict with the interests of its directors, officers and consultants who may from time-to-time deal with persons, firms, institutions, or corporations with which the Company may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Company. In addition, from time to time, these persons may be competing with the Company or a Portfolio Company for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, in the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

- (e) It may be challenging for the Company to service any additional indebtedness incurred.

The Company may be required to draw down or incur additional indebtedness under its credit facilities or other sources of debt financing. The additional indebtedness will increase the interest payable by the Company from time to time until such amounts are repaid, which will represent an increase in cost and a potential reduction in its income. In addition, the Company may need to find additional sources of financing to repay this amount when it becomes due, which could have an adverse effect on the Company.

- (f) If the Company is unable to maintain its obligations under its credit facilities, it may suffer adverse consequences impacting its liquidity.

The Company has credit facilities which require the Company to make certain interest payments, provide a first-ranking security interest over all its assets and contain a number of covenants that impose significant operating and financial restrictions, which may limit the Company's ability to engage in acts that may be in its long-term best interest. If the Company's cash flows and cash and cash equivalents are insufficient to fund its debt service obligations, including repayment or renewal of the credit facilities at the end of each of their term, the Company could face liquidity problems and could be forced to seek amendments to the credit facilities, or reduce or delay investments and capital expenditures, dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance the Company's indebtedness, including the credit facilities. The Company may not be able to affect any such alternative measures on commercially reasonable terms or at all and, even if successful, those alternatives may not allow the Company to meet its scheduled debt service obligations. There can be no certainty that the Company will be able to repay or renew the credit facilities at maturity and the failure to do so would have a material adverse effect on the Company.

In addition, a breach of the covenants under the credit facilities could result in an event of default under the applicable indebtedness. Such a default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross acceleration or cross default provision applies. In the event the lender accelerates the repayment of the Company's borrowings, the Company may not have sufficient assets to repay its indebtedness. The security interests provided by the Company under the credit facilities may adversely affect the Company's ability to secure other types of financing. As a result of the security interests granted by the Company to its creditors, any default under the credit facilities, including any

covenants thereunder, could result in the loss of the Company's entire interest in its material assets.

(g) Global Financial Conditions

Current global financial conditions have been subject to increased volatility and access to financial markets may become severely restricted. These factors may impact the ability of the Company to obtain equity or debt financing in the future and, if obtained, on terms favourable to the Company. Increased levels of volatility and market turmoil could adversely impact the Company's operations and the value and the price of Tiny's Shares could also be adversely affected.

Adverse changes in the economy could negatively impact the Company's business. Future economic distress may result in a decrease in demand for products, which could have a material adverse impact on the Company's operating results and financial condition. Uncertainty and adverse changes in the economy could also increase costs associated with developing and publishing products, increase the cost and decrease the availability of sources of financing, and increase the Company's exposure to material losses from bad debts, any of which could have a material adverse impact on the financial condition and operating results of the Company.

(h) Recent increases in inflation and continued hikes in interest rates in Canada, the United States and elsewhere could make it more challenging for the Company to consummate future business combinations.

Recent increases in inflation and interest rates in Canada, the United States and elsewhere may lead to increased price volatility for publicly traded securities, including the Company, and may lead to other national, regional and international economic disruptions, any of which could make it more difficult for the Company to consummate any business combinations, in the near future.

(i) The Company's Portfolio Companies are subject to certain risks associated with their foreign operations or business they conduct in foreign jurisdictions.

Due to the Company's present operations through its Portfolio Companies, and the intention to have future operations in jurisdictions outside Canada, the Company is expected to be exposed to certain risks, including exposure to local economic conditions; difficulties in enforcing agreements and collecting receivables through certain foreign legal systems; longer payment cycles for foreign customers; adverse currency exchange controls; exposure to risks associated with changes in foreign exchange rates; potential adverse changes in political environments; withholding taxes and restrictions on the withdrawal of foreign investments and earnings; export and import restrictions; difficulties in enforcing intellectual property rights; and required compliance with a variety of foreign laws and regulations. One of the significant risks to highlight surrounds currency fluctuations.

Recent events in the global financial markets coupled with increased volatility in the currency markets, fluctuations in the exchange rate between the CAD dollar, US dollar and other currencies, may have a material adverse effect on the Company's business, financial condition and operating results. The Company may expand operations globally so it may be subject to additional gains and losses against additional currencies. Although certain entities within the Company have a hedging program in place to help minimize the impact of adverse foreign currency exchange movements, the Company may not hedge its entire exposure to any one foreign currency and it may not hedge its exposure at all with respect to certain foreign currencies.

(j) The Company's rate of growth may not be sustainable and will depend on various factors, including the Portfolio Companies' ability to attract new customers, retain revenue from existing merchants and increase sales to both new and existing customers.

The growth of the Company's operations has placed significant demands on managerial, financial and human resources. The Company's ability to continue its rate of growth will depend on a number of factors, including the availability of capital, existing and emerging competition and the ability to recruit and train additional qualified personnel. Moreover, as the Company's business grows, the Company will need to devote additional resources to improving its operational infrastructure and continuing to enhance its scalability in order to maintain the performance of its business.

- (k) If the Portfolio Companies are unable to attract new customers or sell additional products to existing customers, the corresponding impact to the Company's revenue growth and profitability will be adversely affected.

To increase revenue and achieve and maintain profitability, the Portfolio Companies must regularly add new customers or sell additional solutions to existing customers. Numerous factors, however, may impede the ability to add new customers and sell additional solutions to existing customers, including the inability to convert companies that have been referred to them by the Company's existing network into paying customers, failure to attract and effectively train new sales and marketing personnel, failure to retain and motivate current sales and marketing personnel, failure to develop relationships with partners or resellers and/or failure to ensure the effectiveness of its marketing programs, failure to offer high quality products and services at competitive prices. In addition, if prospective customers do not perceive that its solutions are of sufficiently high value and quality, the Company may not be able to attract the number and types of new customers that the Portfolio Companies are seeking.

- (l) The Company relies somewhat on the recurring revenues generated by the Portfolio Companies, and if recurring revenue declines or contracts are not renewed, the impact to the Company's future results of operations could be harmed.

In order for the Company to improve operating results, it is important that customers renew their agreements when their subscription terms expire with the Portfolio Companies. These customers have no obligation to renew their subscriptions after a subscription term. The Company's businesses cannot guarantee customers will renew their subscriptions at the same or higher levels of service, or at all.

Sales of new or recurring subscriptions and software-related support service contracts and renewals after expiration of the contractual term may decline or fluctuate as a result of a number of factors, including end customers' level of satisfaction with its software solutions; the price, performance and functionality of their software solutions; the availability, price, performance and functionality of products and services offered by their competitors; or changes in customers' operations including reductions in their overall spending levels. If sales of new or recurring subscriptions and software related support service contracts decline, the Company's overall revenue and revenue growth may decline.

- (m) The growth of ecommerce and fierce competition within this industry will continually intensify and any missteps along the way may adversely impact some of the Company's businesses and financial condition.

The Company's businesses will face competition and new competitors will continue to emerge throughout the world. Services to be offered by competitors of the businesses may take a larger market share than anticipated, which could cause the Company's performance to fall below expectations. It is expected that competition in the ecommerce environment will intensify. If competitors of the Company's businesses develop and market more successful products or services, offer competitive products or services at lower price points, or if the Company's businesses do not produce consistently high-quality and well-received products and services, revenues, margins, and profitability of the Company will decline.

- (n) Any actual or perceived failure to protect confidential information against security attacks and privacy breaches could damage the Company's reputation and substantially harm its business and results of operations.

Security and privacy breaches could delay or interrupt service to the Company's customers, harm its reputation or subject the Company to significant liability and adversely affect business and financial results. The Company's ability to retain customers and attract new customers could be adversely affected by an actual or perceived breach of security or privacy relating to customer information. Certain of the Company's operations involve the storage and transmission of confidential information of customers and security breaches could expose the Company to a risk of loss of this information, litigation, indemnity obligations and other liability. If security measures are breached as a result of third-party action, employee error, malfeasance or otherwise, and, as a result, someone obtains unauthorized access to the Company's customers' data, including personally identifiable information regarding users, damage to its reputation is likely, the Company's businesses may suffer, and significant liability could be incurred. Because techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until

launched against a target, the Company may be unable to prevent these techniques or to implement adequate preventative measures.

The Company has implemented technical, organizational, and physical security measures, including employee training, backup systems, monitoring and testing and maintenance of protective systems and contingency plans, to protect and to prevent unauthorized access to confidential information of the Company's customers and to reduce the likelihood of disruptions to its systems.

Despite these measures, the Company's information systems, including back-up systems and any third party service provider systems that it employs, are vulnerable to damage, interruption, disability or failure due to a variety of reasons, including physical theft, electronic theft, fire, power loss, computer and telecommunication failures or other catastrophic events, as well as from internal and external security breaches, denial of service attacks, viruses, worms and other known or unknown disruptive events. The Company or its third-party service providers may be unable to anticipate, timely identify or appropriately respond to one or more of the rapidly evolving and increasingly sophisticated means by which computer hackers, cyber terrorists and others may attempt to breach its security measures or those of its third-party service providers' information systems.

If a breach of a Portfolio Company's security measures occurs, the market perception of their effectiveness could be harmed, and the corresponding effect could mean loss of potential sales and existing customers. Furthermore, a security breach affecting a competitor or any other company that provides hosting services or delivers applications under a SaaS model, even if no confidential information is compromised, such market perception of security measures could diminish potential sales and existing customers could nonetheless still be lost. Any remedial costs or other liabilities related to any security or privacy incident may not be fully insured or indemnified by other means.

- (o) The Company and its Portfolio Companies are subject to laws and regulations concerning the collection, processing, storage, sharing, disclosure and use of customer information and other sensitive data, and our actual or perceived failure to comply with data privacy and security laws and regulations could damage the reputation and brand and adversely impact the operating results.

The Company and its Portfolio Companies are subject to various laws and regulations covering the privacy and protection of users' data. Because the Portfolio Companies may handle, collect, store, receive, transmit, transfer, and otherwise process certain information, which may include personal information, regarding its customers or its customers' users and employees in the ordinary course of business, the Company and its Portfolio Companies may be subject to federal, state and foreign laws related to the privacy and protection of such data. These laws and regulations, and their application to our operating businesses, are increasingly shifting and expanding. Compliance with these laws and regulations could affect our business, and their potential impact is unknown. Any actual or perceived failure to comply with these laws and regulations may result in investigations, claims and proceedings, regulatory fines or penalties, damages for breach of contract, or orders that require us to change our business practices, including the way data is processed.

The Portfolio Companies may also be subject to breach notification laws in the jurisdictions in which they operate and may be subject to litigation and regulatory enforcement actions as a result of any data breach or other unauthorized access to or acquisition or loss of personal information. Any significant change to applicable laws, regulations, interpretations of laws or regulations, or market practices, regarding the processing of personal data, or regarding the manner in which the Portfolio Companies may seek to comply with applicable laws and regulations, could require the impacted Portfolio Companies to make modifications to its products, services, policies, procedures, notices, and business practices, including potentially material changes. Such changes could potentially have an adverse impact on the business.

- (p) The Company's businesses rely on their intellectual property and may rely on licenses to use others' intellectual property, and if its businesses are unable to protect the intellectual property, are unable to obtain or retain licenses of other intellectual property, or if they may infringe upon or are alleged to have infringed upon other intellectual property, it could have a material adverse effect on its financial condition, business and results of operations.

Each business' success depends in part on their ability to secure intellectual property rights for its ongoing operations and future opportunities. The steps taken to protect such intellectual property rights may not

prevent third parties from using their intellectual property and other proprietary information without their authorization or independently developing intellectual property and other proprietary information that is similar. In addition, there is no assurance, that the Company's rights will not be challenged, invalidated or circumvented. Further, the laws of certain countries may not protect proprietary rights effectively or to the same extent as the laws of the United States and Canada, and therefore there can be no assurance that the Company will be able to adequately protect its proprietary technology against unauthorized third party copying or use. Such unauthorized copying or use may adversely affect its competitive position. Further, there can be no assurance that the Company will successfully obtain licenses to any technology that may be required to conduct business or that, if obtainable, such technology can be licensed at a reasonable cost.

Stopping unauthorized use of their proprietary information and intellectual property and defending claims that they have made unauthorized use of others' proprietary information or intellectual property, may be difficult, time-consuming and costly. The unauthorized use of its intellectual property and other proprietary information by others could reduce or eliminate any competitive advantage its businesses have developed or may cause them to lose sales or otherwise harm its business.

The Company's businesses may become involved in legal proceedings and claims in the future either to protect their intellectual property or to defend allegations that they have infringed upon others' intellectual property rights. Responding to any such claim, regardless of its merit, may be time-consuming, result in costly litigation, divert management's attention and resources and cause the Company to incur significant expenses. Any meritorious claim of intellectual property infringement against the Company may potentially result in a temporary or permanent injunction, prohibiting it from marketing or selling certain products or requiring it to pay royalties to a third party. In the event of a meritorious claim or the inability of the Company to develop or license substitute technology, its business and results of operations may be materially adversely affected.

- (q) Commerce is increasingly digital with mobile device transactions and if the Company's business products or solutions are unable to integrate properly with the rapid technological changes, its business strategy and long-term development may be harmed.

Commerce transacted over mobile devices continues to grow more rapidly than desktop transactions. The Portfolio Companies are dependent on the interoperability of their solutions with third-party mobile devices and mobile operating systems as well as web browsers that are outside of the Company's control. Any changes in such devices, systems or web browsers that degrade the functionality of its platform or give preferential treatment to competitive services could adversely affect usage of its platform. Mobile commerce is a key element in the Company's strategy and effective mobile functionality is integral to its long-term development and growth strategy. In the event that merchants and their buyers have difficulty accessing and using its platform on mobile devices, its business and operating results could be adversely affected.

- (r) If the Company fails to maintain an effective system of internal controls over financial reporting, it may not be able to accurately report the Company's financial results or prevent fraud, which in turn could lose shareholder confidence in its financial and other public reporting and adversely impact its business and the trading price of its shares.

Effective internal controls over financial reporting are necessary to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Any failure of the Company's internal controls could have an adverse effect on stated results of operations and increase legal, regulatory, and reputational risks. As a result, the Company may experience higher than anticipated operating expenses, as well as higher independent auditor fees during and after the implementation of these ongoing changes. If the Company is unable to implement any required changes to its internal control over financial reporting effectively or efficiently or is required to do so earlier than anticipated, it could adversely affect the Company's operations, financial reporting and results of operations. If the Company fails to maintain an effective system of disclosure controls and internal control over financial reporting, its ability to produce timely and accurate financial statements or comply with applicable regulations could be adversely impacted.

- (s) Tax Risk

The Company will be subject to income taxes in Canada and various jurisdictions outside of Canada. Its effective tax rate could fluctuate due to changes in the mix of earnings and losses in countries with differing

statutory tax rates. Its tax expense could also be impacted by changes in non-deductible expenses, changes in excess tax benefits of equity-based compensation, changes in the valuation of deferred tax assets and liabilities and its ability to utilize them, the applicability of withholding taxes, effects from acquisitions, and the evaluation of new information that results in a change to a tax position taken in a prior period. The Company's tax position could also be impacted by changes in accounting principles, changes in Canadian federal, provincial or territorial tax laws, or other international tax laws applicable to corporate multinationals, other fundamental law changes currently being considered by many countries, including Canada and the U.S., and changes in taxing jurisdictions' administrative interpretations, decisions, policies, and positions. Any of the foregoing changes could have an adverse impact on the Company's results of operations, cash flows, and financial condition.

(t) Negative Cash Flow

The Company has had negative cash flows from operations and if we are not able to obtain further financing, our business operations may fail. We had negative cash flow from operating activities of \$6,492,409 for the most recently completed interim financial period. The Company had cash in the amount of \$22,643,639 and working capital deficit of \$18,639,755 as of September 30, 2023. In order to bring the Company public, the Company incurred extraordinarily high acquisition costs in Q2 2023. For Q3 2023, the Company began to generate positive cash flows of \$464,811. The Company anticipates that it will require additional financing while it operates and expands its business. The Company's inability to obtain additional financing in a sufficient amount when needed and upon terms and conditions acceptable to it could have a material adverse effect upon the Company. If additional funds are raised by issuing equity securities, dilution to existing or future shareholders will result. If adequate funds are not available on acceptable terms when needed, the Company may be required to delay, scale back or eliminate the expansion of its business and sell certain of its assets.

(u) Debt Service Obligations

The Company and its subsidiaries' ability to make scheduled payments on, refinance or commence repayment of their debt obligations depends on their financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond their control. The Company and its subsidiaries may be unable to maintain a level of cash flows from operating activities sufficient to permit it to pay the principal and interest on their respective indebtedness. If their respective cash flows and capital resources are insufficient to fund their debt service obligations, the Company and its subsidiaries could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance their indebtedness. The Company and any applicable subsidiaries may also not be able to effect any such alternative measures, if necessary, on commercially reasonable terms or at all and, even if successful, those alternatives may not allow the Company or the applicable subsidiaries to meet their scheduled debt service obligations. With respect to the Company's own indebtedness, the Company conducts substantially all of its operations through its subsidiaries and therefore repayment of the Company's indebtedness will be dependent in large measure on the generation of cash flow by its subsidiaries and their ability to make such cash available to the Company, by dividend, intercompany debt repayment or otherwise.

(v) Default on Obligations

A breach of the covenants under the credit facilities of the Company or its subsidiaries could result in an event of default under the applicable indebtedness. Such a default may allow the creditors to accelerate the repayment of the related debt and may result in the acceleration of repayment of any other debt to which a cross-acceleration or cross-default provision applies. Furthermore, if the Company or its subsidiaries are unable to repay any amounts due and payable its respective lenders could proceed against the collateral granted to them to secure such indebtedness. If the lenders to the Company and its subsidiaries accelerate the repayment of the borrowings, the Company or its subsidiaries, as applicable, may not have sufficient assets to repay that indebtedness. If the Company or its subsidiaries are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal and interest on the indebtedness, or if they otherwise fail to comply with the various covenants in our debt instruments, which could cause cross-acceleration or cross-default under other debt agreements, the Company or its

subsidiaries could be in default under the terms of the agreements governing such indebtedness. If such a default occurs: the holders of the indebtedness may be able to cause all of our available cash flow to be used to pay the indebtedness and, in any event, could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest. If the operating performance of the Company or its subsidiaries declines, they may in the future need to amend or modify the agreements governing their indebtedness or seek concessions from the holders of such indebtedness. There is no assurance that such concessions would be forthcoming.

(w) Artificial Intelligence

We are incorporating generative artificial intelligence into some of our products. This technology is new and developing, may present both compliance risks and reputational risks, and may require strategic investments.

We intend to incorporate a number of generative AI features into our products. This technology, which is a new and emerging technology that is in its early stages of commercial use, presents a number of risks inherent in its use. AI algorithms are based on machine learning and predictive analytics, which can create unintended biases and discriminatory outcomes. We have implemented measures to address algorithmic bias. However, there is a risk that our algorithms could produce discriminatory or unexpected results or behaviors (e.g., hallucinatory behavior) that could harm our reputation, business, customers, or stakeholders. In addition, the use of AI involves significant technical complexity and requires specialized expertise, which presents risks and challenges (e.g. algorithms may be flawed, datasets may be insufficient, etc.). Any disruption or failure in our AI systems or infrastructure could result in delays or errors in our operations, which could harm our business, results of operations and financial results. Any imposed halt in the development of AI systems or infrastructure could also harm our business, results of operations and financial results.

If we do not sufficiently invest in new technology and industry developments such as generative AI, or if we do not make the right strategic investments to respond to these developments and successfully drive innovation, our services and solutions, our ability to generate demand for our services, attract and retain clients, and our ability to develop and achieve a competitive advantage and continue to grow could be negatively affected.

Use of Artificial Intelligence and Machine Learning in our Solutions and Operations

We and our partners have and will continue to incorporate artificial intelligence, or AI, solutions into our business and operations from time to time. As with many innovations, AI presents risks and challenges that could affect its further development, adoption, and utilization, and therefore affect our business. If the content, recommendation or analyses that AI applications assist in producing are or are alleged to be deficient or inaccurate, we could be subject to competitive risks, potential legal or financial liability, and reputational harm. The use of AI applications may also result in cybersecurity or privacy incidents. Any such incidents related to our use of AI applications could adversely affect our business. In addition, AI may present emerging ethical issues. If our use of AI becomes controversial, we may experience reputational harm or other liabilities. Further, given the early stage of AI, factors that may impact AI, such as government regulations and market demand, are uncertain, and we may be unsuccessful in our product development efforts.

Our competitors or other third parties may also incorporate AI into their products and operations. If they adopt the use of AI more quickly or more successfully than us, our ability to compete effectively may be impaired, which may adversely affect our business and results of operations.