TINY LTD.

Consolidated Financial Statements

(Expressed in Canadian dollars)

Years ended December 31, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Tiny Ltd.

Opinion

We have audited the consolidated financial statements of Tiny Ltd. (the Entity), which comprise:

- the consolidated statements of financial position as at December 31, 2023 and December 31, 2022
- the consolidated statements of net income and comprehensive income for the years then ended
- the consolidated statements of changes in equity for the years then ended
- the consolidated statements of cash flows for the years then ended
- and notes to the consolidated financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2023 and December 31, 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

Evaluation of fair value of certain intangible assets recognized in a reverse acquisition

Description of the matter

We draw attention to Notes 2(d)(ii), 3(b) and 4 to the financial statements. On April 17, 2023, Tiny Capital Ltd. obtained control over WeCommerce Holdings Ltd. (WeCommerce Ltd) in a reverse acquisition transaction. In connection with the reverse acquisition, the Entity recorded intangible assets at acquisition including $59,800,000 of software and technology, $27,500,000 of brand and domain name, and $15,400,000 of customer relationships. Significant assumptions used in determining the acquisition-date fair values for the software and technology, brand and domain name, and customer relationships included forecasted revenues, forecasted expenses and discount rates.

Why the matter is a key audit matter

We identified the evaluation of the fair value of certain intangible assets recognized in the reverse acquisition as a key audit matter. This matter represented a significant risk of material misstatement given the magnitude of the balances and the high degree of estimation uncertainty in determining the fair value of certain intangible assets. Significant auditor judgment and the involvement of those with specialized skills and knowledge were required in performing and evaluating the results of our procedures due to the sensitivity of the fair value to changes in certain significant assumptions.

How the matter was addressed in the audit

The primary procedures we performed to address this key audit matter included the following:

- We evaluated the Entity's forecasted revenues and forecasted expenses assumptions by comparing them to the Entity's past performance, industry data, and comparable companies.
- We compared the Entity's historical forecasted revenue to actual results to assess the Entity's ability to accurately predict revenue growth rate assumptions.

We involved valuation professionals with specialized skills and knowledge, who assisted in evaluating the discount rate assumptions by comparing the Entity's discount rate against discount rates that were independently developed using publicly available market data for comparable entities.

Evaluation of the recoverable amount of the HappyFunCorp cash generating unit

Description of the matter

We draw attention to Notes 2(d)(iii), 3(g) and 9 to the financial statements. During the year ended December 31, 2023, the Company recorded an impairment to intangible assets of $3,454,263 and an impairment to goodwill of $10,051,760 related to the HappyFunCorp cash generating unit (CGU). Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Definite life intangible assets are also tested for impairment when events or changes in circumstances indicate that the assets may be impaired. The recoverable amount of a CGU is the greater of the CGU's fair value less cost to sell and value in use. In determining the estimated recoverable amount of the CGU, the Entity calculated the value in use based on a discounted cash flow model which included significant assumptions related to forecasted revenue, operating margins and the pre-tax discount rate.

Why the matter is a key audit matter

We identified the evaluation of the recoverable amount of the HappyFunCorp CGU as a key audit matter. This matter represented a significant risk of material misstatement given the high degree of estimation uncertainty in determining the value in use. Significant auditor judgment and the involvement of those with specialized skills and knowledge were required in performing and evaluating the results of our procedures due to the sensitivity of the value in use to changes in certain significant assumptions.

How the matter was addressed in the audit

The primary procedures we performed to address this key audit matter included the following:

- We evaluated the Entity's forecasted revenue and operating margin assumptions by comparing those assumptions to the Entity's past performance, industry data, and comparable companies.

We involved valuation professionals with specialized skills and knowledge, who assisted in evaluating the pre-tax discount rate assumption by comparing the Entity's discount rate against discount rates that were independently developed using publicly available market data for comparable entities.

Evaluation of the fair value of the investments held by Tiny Fund I LP

Description of the matter

We draw attention to Notes 2(d)(v) and 10(a) to the financial statements. The Entity accounts for its interest in Tiny Fund I LP using the equity method to retain the fair value accounting of the underlying investments of the fund. The investment in Tiny Fund I LP as of December 31, 2023 is $30,930,394 and equity income recognized for the year ended December 31, 2023 is $994,062. For certain of the investments in private companies carried at fair value in Tiny Fund I LP, the Company determines these fair values using a market approach based on significant assumptions including sustainable earnings before interest, taxes, depreciation and amortization (EBITDA) and a multiplier.

Why the matter is a key audit matter

We identified the evaluation of the fair value of the investments held by Tiny Fund I LP as a key audit matter. This matter represented an area of significant risk of material misstatement given the magnitude of the balance and the high degree of estimation uncertainty in determining the fair value of the investments. Significant auditor judgment and the involvement of those with specialized skills and knowledge were required in performing and evaluating the results of our procedures due to the sensitivity of the fair value to changes in certain significant assumptions.

How the matter was addressed in the audit

The primary procedures we performed to address this key audit matter included the following:

- For a selection of such investments, we evaluated the appropriateness of the investments' sustainable EBITDA assumptions by considering the investments' past performance.

- For a selection of such investments, we compared historical cash flow forecasts to actual results to assess management's ability to accurately determine sustainable revenues and expenses.

For a selection of such investments, we involved valuation professionals with specialized skills and knowledge, who assisted in evaluating the EBITDA multiple assumption by comparing the investments' EBITDA multiple against a range of EBITDA multiples independently developed using publicly available market data for comparable entities.

Other Information

Management is responsible for the other information. Other information comprises:

- the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG LLP

The engagement partner on the audit resulting in this auditor's report is Jason G. Bower.

Vancouver, Canada

April 11, 2024

TINY LTD.

Consolidated Statements of Financial Position
(Expressed in Canadian dollars)
December 31, 2023 and 2022

	Notes	2023	2022
Assets			
Current assets			
Cash and cash equivalents		**$ 26,933,635**	$ 31,201,836
Restricted cash		**255,720**	–
Trade and other receivables	6	**18,938,172**	12,797,523
Income taxes receivable		**1,437,493**	–
Due from related parties	17	**1,714,624**	1,312,385
Current portion of lease receivable	12	**111,727**	102,112
Prepaid expenses		**2,135,215**	1,616,268
Other current assets		**35,310**	81,690
		51,561,896	47,111,814
Capital assets	7	**5,962,975**	6,713,154
Intangible assets	8	**134,687,923**	45,520,370
Right-of-use assets	12	**52,437**	567,326
Goodwill	9	**159,367,801**	33,014,522
Investments	10	**39,023,148**	32,860,602
Derivatives	23	**264,949**	215,387
Lease receivable	12	**128,112**	222,073
Other assets		**481,897**	1,753,993
Deferred tax assets	18	**1,103,999**	762,626
		$ 392,635,137	$ 168,741,867
Liabilities and Shareholder's Equity			
Current liabilities			
Trade and other payables	11	**$ 29,311,180**	$ 33,787,495
Current portion of debt	13	**10,581,741**	3,085,000
Income taxes payable		**3,404,395**	2,236,957
Due to related parties	17	**1,387,737**	8,406
Current portion of lease liabilities	12	**216,366**	207,215
Contingent consideration payable	22	**1,200,472**	501,630
Derivatives	23	**64,959**	586,364
Deferred revenue	16	**11,376,475**	5,621,605
		57,543,325	46,034,672
Deferred income tax liabilities	18	**11,621,446**	6,699,603
Lease liabilities	12	**255,013**	953,205
Contingent consideration payable	22	**–**	9,478,148
Debt	13	**120,661,672**	66,708,864
		190,081,456	129,874,492
Shareholder's equity			
Share capital	14	**160,930,335**	6,932,471
Contributed surplus		**40,884,631**	39,451,612
Reserves		**6,048,258**	4,364,333
Accumulated other comprehensive (loss)/ income		**(2,784,267)**	1,618,113
Retained deficit		**(11,194,785)**	(23,835,350)
Non-controlling interest		**8,669,509**	10,336,196
		202,553,681	38,867,375
		$ 392,635,137	$ 168,741,867

Contingencies and commitments 22

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

Approved on behalf of the Board:

"/s/ Andrew Wilkinson"
Director

"/s/ Chris Sparling"
Director

TINY LTD.

Consolidated Statements of Net Income and Comprehensive Income
(Expressed in Canadian dollars)
Years ended December 31, 2023 and 2022

	Notes		**December 31, 2023**		December 31, 2022
Revenue	16	**$**	**185,502,613**	$	153,663,188
Expenses					
Compensation			**101,115,189**		68,563,028
Marketplace content costs			**29,316,636**		20,140,511
Hosting fees			**9,433,359**		8,501,731
Travel, meals and entertainment			**2,361,684**		1,875,042
Share-based compensation	15		**4,670,664**		4,461,520
Professional fees			**9,698,547**		7,495,213
Subscription and other			**9,878,342**		7,346,229
Depreciation and amortization	7, 8, 12		**27,119,931**		4,881,837
Business acquisition costs			**2,948,294**		709,479
Advertising and promotion			**7,370,826**		6,578,126
Bad debts			**602,929**		302,930
Bank charges			**159,904**		560,511
			204,676,305		131,416,157
(Loss)/earnings from operations			**(19,173,692)**		22,247,031
Interest expense			**(8,971,203)**		(2,303,421)
Gain on step acquisition	4		**42,847,436**		–
Gain on sale of intangibles			**–**		2,808,336
Loss on sale of subsidiaries	5		**(3,338,124)**		–
Fair value gain/(loss) to financial instruments			**1,316,297**		(1,055,503)
Gain on write-down of contingent liability	22		**8,736,588**		–
Impairment of non-financial assets	8, 9		**(13,634,143)**		–
Share of earnings/(losses) from equity-accounted investees	10		**1,194,372**		(8,577,528)
Other income/(expenses)			**1,337,762**		(134,412)
Income before taxes			**10,315,293**		12,984,503
Income tax (expense)/recovery					
Current	18		**(3,789,967)**		(7,471,121)
Deferred	18		**8,229,604**		(107,593)
Net income for the year			**14,754,930**		5,405,789
Attributable to:					
Parent’s interest			**13,940,566**		3,358,953
Non-controlling interests			**814,364**		2,046,836
			14,754,930		5,405,789
Other comprehensive income					
Items that may be reclassified to income or loss					
Foreign exchange (loss)/gain on translating foreign operations		**$**	**(4,638,223)**	$	5,213,361
			10,116,707		10,619,150
Attributable to:					
Parent’s interest		**$**	**9,538,185**	$	7,920,091
Non-controlling interests			**578,522**		2,699,059
			10,116,707		10,619,150
Earnings per share					
Basic	19	**$**	**0.08**	$	0.04
Diluted	19		**0.08**		0.04

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

TINY LTD.

Consolidated Statements of Changes in Equity
(Expressed in Canadian dollars)
Years ended December 31, 2023 and 2022

	Notes	Common shares #	Share capital $	Reserves $	Contributed surplus $	Accumulated other comprehensive Income/(loss) $	Retained earnings/ (deficit) $	Non-controlling Interest $	Total $
Balance, December 31, 2021		**87,489,115**	**405,175**	**3,780,908**	**37,140,245**	**(2,935,593)**	**24,431,394**	**10,461,085**	**73,283,214**
Issuance of shares	14	55,941,807	–	–	–	–	–	25,060	25,060
Conversion of preferred shares into common shares	14	1,166,131	6,326,716	–	–	–	–	–	6,326,716
Issuance of private shares on exercise of share options		264,463	–	(1,291)	–	–	–	–	(1,291)
Acquisition of non-controlling interest		–	–	(1,373,690)	–	(7,432)	–	(408,722)	(1,789,844)
Share-based compensation	15	–	200,580	1,958,406	2,311,367	–	–	–	4,470,353
Comprehensive income for the year		–	–	–	–	4,561,138	3,358,953	2,699,059	10,619,150
Dividends		–	–	–	–	–	(51,625,697)	(2,440,286)	(54,065,983)
Balance, December 31, 2022		**144,861,516**	**6,932,471**	**4,364,333**	**39,451,612**	**1,618,113**	**(23,835,350)**	**10,336,196**	**38,867,375**
Issuance of shares	14	3,408,527	13,548,005	–	–	–	–	–	13,548,005
Share transaction	4	30,749,622	138,593,826	–	–	–	–	–	138,593,826
Sale of subsidiary	5	–	–	–	–	–	–	(700,211)	(700,211)
Issuance of common shares on exercise of share options and restricted share units	14	298,161	1,856,033	–	(1,826,476)	–	–	–	29,557
Share-based compensation	15	–	–	1,683,925	2,986,739	–	–	–	4,670,664
Comprehensive income for the year		–	–	–	–	(4,402,380)	13,940,565	578,522	10,116,707
Capital contributions from shareholders		–	–	–	272,756	–	–	–	272,756
Dividends		–	–	–	–	–	(1,300,000)	(1,544,998)	(2,844,998)
Balance, December 31, 2023		**179,317,826**	**160,930,335**	**6,048,258**	**40,884,631**	**(2,784,267)**	**(11,194,785)**	**8,669,509**	**202,553,681**

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

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

TINY LTD.

Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)
Years ended December 31, 2023 and 2022

	Notes	2023	2022
Cash provided by/(used in):			
Operating activities			
Net income for the year		**$ 14,754,930**	$ 5,405,789
Adjustments for:			
Depreciation and amortization		**27,119,931**	4,881,837
Share-based compensation		**4,670,664**	4,461,520
Income tax (recovery)/expense		**(4,439,637)**	7,578,714
Interest expense		**8,971,203**	2,303,421
Gain on step acquisition		**(42,847,436)**	–
Loss on sale of subsidiaries		**3,338,124**	–
Fair value adjustment to financial instruments		**(897,316)**	625,084
Gain on write-down of contingent liability		**(8,736,588)**	–
Share of (earnings)/losses from equity-accounted investees		**(1,194,372)**	8,577,528
Impairment on non-financial assets		**13,634,143**	–
Gain on redemption of redeemable shares in subsidiary		**–**	(249,900)
Gain on sale or disposal of assets		**686,885**	214,890
Loss on sale or disposal of intangibles		**–**	(2,808,336)
Bad debt expense		**602,929**	302,930
Interest income		**(22,891)**	–
Unrealized foreign exchange (gain)/loss		**(1,868,548)**	720,857
Unrealized gain on investment		**–**	(1,055,503)
Income taxes paid		**(4,192,940)**	(8,899,912)
Changes in non-cash working capital	20	**(6,194,041)**	(480,065)
Cash provided by operating activities		**3,385,040**	21,578,854
Financing activities			
Dividends paid		**(9,003,642)**	(43,922,055)
Dividends paid to NCI		**(1,544,998)**	(2,440,286)
Acquisition of shares in NCI		**–**	(1,789,844)
Stock options exercised		**29,557**	(1,291)
Debt, funds received		**29,569,098**	76,556,528
Debt, funds repaid		**(12,461,610)**	(14,497,405)
Interest paid on debt		**(8,388,452)**	(1,688,171)
Cash financing fees paid for debt amendment		**(465,150)**	(736,792)
Lease payments		**(282,977)**	(428,100)
Lease interest		**(50,356)**	(67,950)
Funds received from related parties		**1,472,756**	–
Proceeds from share issuance		**12,601,053**	25,060
Cash provided by financing activities		**11,475,279**	11,009,694
Investing activities			
Purchase of investments		**(16,378,235)**	(8,821,605)
Purchase of capital assets		**(553,471)**	(1,251,205)
Purchase of intangible assets		**(110,729)**	(3,047,935)
Share transaction, net of cash acquired		**9,706,636**	–
Acquisition of subsidiary, net of cash acquired		**(15,344,478)**	(17,658,403)
Sale of subsidiaries		**666,923**	–
Distributions received from investments		**2,086,832**	–
Holdback receivable funds received		**1,750,066**	–
Proceeds from disposal of assets		**543,111**	2,849,480
Lease payments received		**84,346**	–
Lease interest received		**22,891**	–
Contingent consideration payments		**(984,118)**	(601,917)
Cash used in investing activities		**(18,510,226)**	(28,531,585)
Foreign exchange on cash		**(618,293)**	–
(Decrease)/increase in cash		**(4,268,200)**	4,056,963
Cash, beginning of the year		**31,201,836**	27,144,873
Cash, end of the year		**$ 26,933,636**	$ 31,201,836
Supplementary cash flow information	20		

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

1. Incorporation and nature of activities

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

Upon completion, the shareholders of Tiny Capital obtained control over WeCommerce, resulting in a reverse take-over, where the common shares were cancelled and Tiny received issued WeCommerce shares ("the Share Transaction"). The resulting financial statements are presented as a continuance of Tiny Capital (accounting acquirer), and comparative figures presented in the consolidated financial statements are those of Tiny Capital (Note 4).

WeCommerce was incorporated on November 27, 2019 under the laws of the Province of British Columbia and invested in businesses that develop, sell and support website themes and applications, as well as provided custom solutions for clients on ecommerce platforms. As part of the Share Transaction, the operating business of WeCommerce Holdings Ltd. and its subsidiaries were transferred to the partnership, WeCommerce Holdings LP, which was accounted for as a transaction under common control, where the book value method was applied. Tiny Capital was incorporated under the British Columbia Business Corporations Act on January 14, 2016. Tiny Capital was an investment holding company that invested in a variety of businesses either directly, through operating subsidiaries, or through a private equity fund where it served as the general partner. Through its operating subsidiaries and equity investees, including Dribbble Holdings Ltd. (“Dribbble”) and Beam Digital Ltd. (“Beam”), Tiny Capital engaged in a variety of technology enabled businesses including providing digital product design and engineering agency services, and operating a creative community network and digital asset marketplace.

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

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

2. Basis of preparation and measurement

(a) Basis of preparation

The financial statements of the Company have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”). These financial statements were approved by the Board of Directors for issue on April 11, 2024.

(b) Basis of measurement and going concern

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due in the normal course.

Management has reviewed their future plans and formed a judgment that the Company has adequate resources to continue as a going concern for the foreseeable future, which management has defined as being at least 12 months from the date of approval of these consolidated financial statements. In arriving at this judgment, management has considered cash flow projections of operations and obligations under financing arrangements.

(c) Functional and presentation currency

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

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

(d) Estimates and judgments

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting methods and the amounts recognized in the financial statements. These estimates and the underlying assumptions are established and reviewed continuously on the basis of past experience and other factors considered reasonable in the circumstances. They therefore serve as the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from the estimates.

Significant judgments and estimates relate to:

(i) Revenue recognition, unbilled revenue and deferred revenue

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

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

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

(iii) Impairment of intangible assets and goodwill

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

(iv) Share-based compensation

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

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

(v) Valuation of investments held in a fund

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

(vi) Determination of functional currency

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

3. Material accounting policies

(a) Principles of consolidation and equity accounting

A subsidiary is an entity over which the Company has control, where control indicates exposure or rights to variable returns and the ability to affect those returns through power to direct the activities of the investee.

Principal subsidiaries of Tiny are as follows:

Entity	Country	Ownership percentage at December 31, 2023	Ownership percentage at December 31, 2022
Beam Digital Ltd.	Canada	100%	100%
Dribbble Holdings Ltd.	Canada	74.49%	74.52%
Tiny Boards Holdings Ltd.	Canada	100%	100%
Meteor Software Holdings Ltd.	Canada	100%	100%
WeCommerce Holdings LP	Canada	100%	26.79%

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statements of Net Income and Comprehensive Income, Consolidated Statements of Changes in Equity and Consolidated Statements of Financial Position, respectively.

An equity-accounted investee is an entity over which the Company has significant influence but not control or joint control. Investments in equity-accounted investees are accounted for using the equity method of accounting.

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Company's share of the post-acquisition profits or losses of the investee in net income, and the Company's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from equity-accounted investees are recognized as a reduction in the carrying amount of the investment.

Inter-company transactions, balances and unrealized gains on transactions between entities are eliminated.

When the Company ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in net income. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset.

(b) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. Consideration transferred, including assets transferred, equity issued by the Company, liabilities incurred to the former owners of the acquired business, any assets or liabilities resulting from contingent consideration arrangements and pre-existing equity interest in the acquired business are measured at fair value, at the acquisition date. For each business combination, the acquirer is determined to be the entity that obtains control of another entity, the acquiree under *IFRS 10 Consolidated Financial Statements*. The acquirer measures the non-controlling interest in the acquiree either at fair value or at the appropriate share of the acquiree's identifiable net assets. Identifiable assets acquired and liabilities and contingent liabilities assumed, that meet the conditions for recognition under *IFRS 3 Business Combinations* are recognized at their fair values, at the acquisition date. Acquisition costs incurred are expensed in the period in which they are incurred except for costs related to shares issued in conjunction with the business combination.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognized in net income.

Goodwill is measured at the excess of the fair value of consideration transferred and amount of non-controlling interest in the acquiree and acquisition date fair value of existing equity interest in the acquiree over the acquisition fair value of the net identifiable assets acquired and liabilities assumed.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

The measurement period is the period from the date of acquisition to the date that the Company obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum period of one year.

After initial recognition, goodwill is measured at cost less any accumulated impairment loss.

(c) Transactions under common control

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party, both before and after the business combination, and control is not transitory. In connection with the Beam transactions described in Note 1, the entities were controlled by the same shareholder immediately preceding closing of the transactions and immediately subsequent to closing; consequently, the entities were under common control.

Business combinations involving entities under common control are outside the scope of *IFRS 3 Business Combinations*. Management applied the acquisition method in accounting for the transaction. This method required the identifiable assets and liabilities of the acquiree to be recognized at fair value at the acquisition date with goodwill measured as the excess of the fair value of the consideration. In addition, comparative information has been re-presented and the current reporting period has been adjusted as if the combination had occurred before the later of (i) the start of the earliest period presented, and (ii) the date at which the common control group gained control of the entity. During all periods presented in these consolidated financial statements, the entities were under common control. The Consolidated Statements of Changes in Equity has been re-presented to assume that the transaction as at December 31, 2021 had been enacted at an earlier date and an equivalent number of shares had been issued.

(d) Financial instruments

Financial assets include cash and cash equivalents, restricted cash, trade and other receivables, amounts due from related parties, derivatives, investments in equity securities and note receivable. Financial liabilities include trade and other payables, debt, derivatives, amounts due to related parties, contingent consideration payable and lease liabilities.

i. Recognition and measurement

At initial recognition, the Company measures a financial instruments at its fair value. The Company classifies its financial instruments as fair value through profit or loss, amortized cost or fair value through other comprehensive income. The classification depends on the Company’s business model for managing the financial assets and the contractual terms of the cash flows. Derivatives, investments in equity securities and contingent consideration payable are classified as fair value through profit or loss. All of the Company's other financial instruments are classified and measured at amortized cost.

ii. Cash and cash equivalents

Cash and cash equivalents consist of securities with a maturity date of 3 months or less when acquired.

iii. Restricted cash

Restricted cash comprises of cash security deposits held at financial institutions in order to secure foreign exchange contracts and credit card facilities.

iv. Trade receivables

Trade receivables relates to credits provided to the Company's customers. The Company applies a simplified approach in calculating expected credit loss (“ECL”). Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance at each reporting date, based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

v. Derivative financial instruments

The Company's derivative financial instruments consist of foreign currency and interest rate swap derivatives. The Company enters into forward exchange contracts for the sale of US dollars at specified future dates solely to protect itself from the cash flow risk attributable to the effect of foreign currency fluctuations on anticipated sales of services denominated in US dollars. The interest rate swap derivatives are used solely to economically hedge the variable rates of a portion of the credit facility, transforming the variable rate exposure to fixed-rate obligations. The Company does not utilize derivatives for trading or speculative purposes.

(e) Capital assets

Capital assets are recorded at historical cost, less accumulated depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is recognized on a basis that closely reflects the expected pattern of consumption of the future economic benefits embodied in that asset, over the asset's estimated useful life.

The estimated useful lives and the methods of depreciation for the current and comparative periods are as follows:

Asset class	Basis	Depreciation period
Building	Declining	25 years
Computer equipment	Straight-line	3 years
Computer software	Straight-line	3 years
Furniture and equipment	Straight-line	5 years
Leasehold improvements	Straight-line	Lesser of initial term and useful life of asset

(f) Intangible assets

Intangible assets consist of customer relationships and contracts, trade name and brands, software and website, foundry relationships, non-compete agreements, and intellectual property. Intangibles acquired in business combinations are recognized at fair value at the acquisition date. Intangible assets are carried at cost, less accumulated amortization and any recognized impairment loss.

The Company recognizes amortization using the straight-line method at rates designed to amortize the cost of the intangible assets over their estimated useful lives. As part of the Share Transaction (Note 4), management reviewed the useful lives of all its intangible assets. Intangible assets previously considered to have indefinite useful lives were reassessed and determined to have a foreseeable limit on the period of time over which it is expected to contribute to the cash flows of the reporting entity. Consequently, a revision was made to update the useful lives of certain trade names and brand assets after April 17, 2023 and an additional $1,447,850 was recorded in depreciation and amortization for the period ended December 31, 2023.

The annual amortization rates are as follows:

Asset class	Amortization period
Customer relationships and contracts	5-10 years
Trade names and brand	5 years
Software and website	4-10 years
Foundry relationships	15 years
Intellectual property	2-3 years

(g) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

The recoverable amount is calculated based on the higher of an asset's, cash-generating unit ("CGU")'s or group of CGU's fair value less costs of disposal and value in use. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Goodwill may be allocated to a group of CGUs that is expected to benefit from the synergies of the combination. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU or group of CGUs to which the asset belongs.

An impairment loss is recognized when the carrying amount of an asset, its CGU or group of CGUs, as applicable, exceeds its recoverable amount. An impairment loss is reversed if there is an indication that an impairment loss recognized in prior periods may no longer exist. An impairment loss with respect to goodwill is never reversed.

(h) Share-based payments

The Company and its subsidiaries have restricted stocks and stock option plans, details of which are set out in Note 15.

The grant-date fair value of share-based payment awards granted to employees is recognized as share-based compensation expense, with a corresponding increase in equity, over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

Stock options

The Company applies the fair value method for Options granted to directors, officers and employees. The fair value of the stock option at the time of granting is determined using the Black-Scholes option pricing model and recognized as a share-based compensation expense over the vesting period with a corresponding increase in equity. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. When an employee leaves the Company, vested options must be exercised within three months, or the options expire.

Any Options that are unvested are reversed in the period that the employee leaves.

Deferred, restricted and performance share units

The respective share units are grants of notional common shares that are redeemable when vested for cash, shares or a combination of both, at the option of the Company, based on the market value of the

Company's common shares. The Company intends to settle vested deferred and/or share units through the issuance of one common share per share unit. These share units have been accounted for as equity-settled instruments.

For DSUs and RSUs, the cost of the service received as consideration is initially measured based on the market value of the Company's common shares at the date of the grant. The DSUs vest at the end of a director's tenure at the Company.

PSUs with non-market based vesting conditions are measured at fair value based on the market value of the shares at the date of grant. Remaining PSUs are expected to vest over a period of one to two years. The Company intends to settle PSUs through the issuance of one common share per share unit. These share units have been accounted for as equity-settled instruments.

Options of subsidiary entities
At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in net income, with a corresponding adjustment to equity.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. The Company does not have any awards with non-vesting conditions for the periods presented.

For share-based payments granted based on the shares of any non-wholly owned subsidiaries, the Company has elected to recognize the entire cumulative compensation cost as the parent's equity and no amount is recorded as non-controlling interest prior to exercise of the share options.

(i) Revenue recognition

The Company generates revenue through digital services, its creative platforms and softwares and applications.

Digital Services revenue
Digital Services revenue is composed of engineering and design revenue. Revenue is recognized over time, when or as the Company satisfies performance obligations by transferring the promised services to its customers. For contracts where the transaction price is based on a fixed fee, the Company uses the percentage-of-completion method to determine the amount of revenue to recognize in each period. Depending on the nature of the project, the stage of completion is measured using the input method by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract or the output method based on the percentage of total deliverables completed compared with all of the milestone requirements outlined by the contract. Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in the Consolidated Statements of Net Income and Comprehensive Income in the period in which the circumstances that give rise to the revision become known by management. Because of the nature of services offered, there are no obligations for refunds, returns or warranties.

On the Consolidated Statements of Financial Position, the Company reports the net contract position for each contract as either an asset or a liability. A contract represents an asset where costs incurred plus recognized profits or losses exceed progress billings; a contract represents a liability where the progress billings exceed the costs incurred plus recognized profits or losses.

Creative Platform revenue

Revenue from the Creative Platform segment consists of monthly subscriptions for access to the hosted creative market place and social platform, advertising and promotion, virtual courses, and sale of digital goods on the marketplace.

Subscription revenue is recognized over time on a ratable basis over the contractual term, which begins when access to the promised digital goods and service is granted. Revenues received in the year that relate to future access are excluded and instead, are recognized in deferred revenue as a liability. Sale of digital goods on the marketplace are recognized into revenue when a download link for the digital good becomes available to the buyer. Effective April 1, 2022, revenue from buyers is recorded on a gross basis while the amounts due to sellers are recorded as marketplace content costs, due to revisions in the marketplace contracts that result in the Company obtaining control of the product prior to transferring it to the buyer.

Revenue from talent support consists of a single recruitment effort or requirement to stand-ready. Revenue from single recruitment efforts are recognized upon receipt of acceptance letter, while revenue related to stand-ready obligations are recognized over time during the contracted period. Revenue from virtual courses is recognized upon delivery of the course material to the end customer, typically in the form of a workshop.

Revenue from advertising and promotion is recognized when the Company satisfies performance obligations based on cost per impression or delivery of the specified sponsorship activity.

Software and Apps

Revenue from the Software and Apps segment consists of software as a service ("SaaS") subscriptions and sale of theme design templates.

SaaS revenue is generated from customers paying for the use of premium versions of the Company's apps and include monthly or annual subscriptions for continued use of the app's premium features. The performance obligation associated with app subscription revenue is ongoing access to the app functionality. Subscription revenue associated with the sale of the app is recognized over time on a ratable basis over the contractual term. The contract terms are monthly or annual and revenue recognition begins on the date that the Company's app is made available to the customer. Payments received in advance of services being rendered are recorded as deferred revenue and recognized over the requisite service period.

Revenue from the sale of themes is generated from customers purchasing theme design templates online via various ecommerce platforms. The subscription provides the customer with the right to use the theme without further performance by the Company. Revenue from the sale of themes is recognized at a point in time when control of the license has transferred to the customer, which is the date when the customer receives the theme. In certain circumstances, the Company provides access to an app for a specific period of time for free with the purchase of a theme. The Company has determined these are separate performance obligations and has allocated consideration based on the stand-alone selling prices. Revenue from the provision of the free app is recognized over time, consistent with recurring subscription revenue.

(j) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to items recognized directly in equity or in other comprehensive income/(loss).

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized.

(k) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. As a lessee, the Company recognizes a right-of-use asset, and a lease liability at the commencement date of a lease.

Lease liabilities include the net present value of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that are based on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease if the lease term reflects the lessee exercising that option. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Company’s incremental borrowing rate.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability and any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs, and restoration costs. The right-of-use asset is depreciated over the shorter of the asset's useful life and lease term on a straight-line basis.

The Company does not recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12-months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(l) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

(m) Segment reporting

Operating segments are components of an entity that engage in business activities from which they earn revenues and incur expenses, the operations for which can be clearly distinguished for which the operating results are regularly reviewed by a chief operating decision maker to make resource allocation decisions and to assess performance.

The Company's Chief Operating Decision Maker ("CODM") is identified as the Co-Chief Executive Officers and the Chief Financial Officer. The CODM is responsible for allocating resources and assessing each entity's performance. The CODM also receives information about the segments' revenue and EBITDA on a monthly basis. EBITDA is net income for the year, excluding taxes, depreciation and amortization, and interest expense. Corporate expenditures which cannot be attributed between various segments, have not been allocated between segments. The Company will report the following segments: Digital Services, Creative Platform, Software and Apps (formerly called E-Commerce Platform) and all other operating segments, which is set out in Note 21.

(n) Earnings per share

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

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

(o) Adoption of new accounting standards

The Company has applied the following amendments for the first time for their annual reporting period commencing January 1, 2023:

- Amendments to IAS 1 – Disclosure of Accounting Policies
- Amendments to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
- Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

- Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between and Investor and its Associate or Joint Venture

The amendments listed above did not have any material impact on the amounts recognized in prior periods and are not expected to materially affect the current or future periods.

(p) New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for December 31, 2023. These standards, amendments, or interpretations are not expected to have a material impact on the Company in the current or future reporting periods or on foreseeable future transactions.

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

On April 17, 2023, WeCommerce acquired all of the outstanding shares of Tiny Capital.

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

Upon completion, WeCommerce (renamed Tiny Ltd.), obtained legal control of Tiny Capital, but the shareholders of Tiny Capital obtained voting control over WeCommerce. As a result, Tiny Capital is determined to be the accounting acquirer and the transaction has been accounted for as a reverse acquisition of WeCommerce, the accounting acquiree, by Tiny Capital.

As a reverse acquisition, the post-acquisition comparative historical financial statements of the WeCommerce, the legal acquirer and accounting acquiree, become those of the Tiny Capital, the legal acquiree and accounting acquirer. These financial statements are those of Tiny Capital Ltd. from the prior year to April 16, 2023, and thereafter, the consolidated entity of Tiny Capital Ltd. and WeCommerce Holdings Ltd. as Tiny Ltd.

Since the acquisition date and during the measurement period, additional information was obtained with respective to the value of certain assets acquired and liabilities assumed, resulting in adjustments to the fair values recorded.

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

The following table shows the revised purchase price allocation during the measurement period, including the changes to fair values:

	As reported September 30, 2023	Fair value adjustments	December 31, 2023
Trade and other receivables (1)	2,169,550	254,850	2,424,400
Prepaids and deposits (1)	639,068	(27,316)	611,752
Income tax receivable	392,766	406,446	799,212
Brand and domain name (2)	27,600,000	(100,000)	27,500,000
Customer relationships (2)	16,100,000	(700,000)	15,400,000
Goodwill (4)	132,575,481	756,953	133,332,434
Trade and other payables (1)	4,536,311	775,060	5,311,371
Income taxes payable (1)	17,295	199,758	217,053
Deferred tax liability (3)	11,767,185	(383,740)	11,383,445

(1) Certain adjustments to working capital balances for new information received during the measurement period were made
(2) The fair value adjustments resulted from the finalization of the related valuation models
(3) A deferred income tax liability has been recorded as a result of fair market adjustments that create future differences between accounting and taxable income
(4) The fair value adjustment to goodwill was the result of the net change in assets and liabilities

The final net assets of WeCommerce acquired on April 17, 2023 are as outlined below.

	$
Cash and cash equivalents	9,962,485
Trade and other receivables	2,424,400
Prepaids and deposits	611,752
Income tax receivable	799,212
Capital assets	174,749
Brand and domain name	27,500,000
Software and technology	59,800,000
Intellectual property	2,900,000
Non-competition agreement	5,500,000
Customer relationships	15,400,000
Goodwill	133,332,434
	258,405,032
Trade and other payables	5,311,371
Deferred revenue	3,844,574
Income taxes payable	217,053
Foreign currency and interest swap derivative	326,349
Contingent consideration payable	1,420,965
Bank loan	46,792,111
Deferred tax liability	11,383,445
	69,295,868
Fair value of net assets acquired	**189,109,164**

The goodwill is attributable to the growth and cost synergies related to the combined operations, as well as talent and workforce from the acquisition.

The following table provides a breakdown of expenses incurred in connection with the reverse acquisition and is recorded in business acquisition costs. Any costs incurred by WeCommerce prior to the transaction are not included in the expenses below.

	$
External fairness opinion	2,030,267
Legal fees	54,906
	2,085,173

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

Prior to the reverse acquisition, the Company's investment in WeCommerce Holdings Ltd. was $7,667,901 as at April 17, 2023. As this transaction is accounted for as an acquisition achieved in stages, a gain on step acquisition has been recorded which reflects the difference between the carrying value and fair value of the investment on the acquisition date.

	$
Value of investment on acquisition date [1]	50,515,337
Carrying balance of WeCommerce investment	7,667,901
Gain on step acquisition	42,847,436

(1) Value was determined based on WeCommerce Holdings Ltd.'s closing share price of $4.41 multiplied by 11,454,725 shares outstanding

5. Business combinations and dispositions

(a) Fontspring Inc. (“Fontspring”)

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

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

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

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

The goodwill is attributable to the talent and workforce from the acquisition.

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

(b) HappyFunCorp LLC

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

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

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

[(1)] In the event that the Adjusted EBITDA achieved by HappyFunCorp shall exceed certain thresholds for the years ending December 31, 2023, and December 31, 2024, an additional consideration shall be payable for each fiscal year, to the seller. The fair value of the contingent consideration was estimated by calculating the present value of the future expected cash flows. The contingent consideration for December 31, 2023 was determined as $nil as HappyFunCorp did not meet its threshold. The potential earn out for the second threshold ranges from $nil to $3.0 million. Based on management's forecasts, the probability of the earn out is low and currently has $nil in its contingent consideration payable.

The goodwill is attributable to the workforce from the acquisition. $910,600 is deductible for tax purposes.

(c) Button Inc.

On August 21, 2023, Beam sold 100% of its issued and outstanding share capital of Button Inc. to Button Research Group, Ltd. The loss on disposal of subsidiary was:

	$
Consideration:	
Cash received	808,147
Total disposal consideration	**808,147**
Carrying amount of net assets sold	(971,513)
Loss on disposal of subsidiary	**(163,366)**

As a result of the sale, the Company derecognized the following net assets are as follows:

	$
Total assets	1,968,478
Total liabilities	(296,754)
Non-controlling interest	(700,211)
Total net assets	**971,513**

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

(d) Knit Agency

On August 31, 2023, WeCommerce sold operating assets of Knit Agency to Shopwell Design Ltd.

	$
Consideration:	
Cash received	1
Fair value of contingent consideration	478,000
Total disposal consideration	**478,001**
Carrying amount of net assets sold	(3,652,758)
Loss on disposal of subsidiary	**(3,174,757)**

In the event the operations of Knit achieve certain revenue performances during the period of August 31, 2023 to February 29, 2024, an additional cash consideration in the form of Shopwell shares will be receivable. At December 31, 2023, the fair value of the consideration received is determined to be $478,000 and is recorded within Other Assets.

(e) Clean Canvas Limited

On September 6, 2023, WeCommerce Holdings LP acquired 100% of the issued and outstanding share capital of Clean Canvas Limited ("Clean Canvas"). Clean Canvas is a leading designer and developer of premium themes, which have been leveraged by over 80,000 Shopify merchants.

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

	$
Consideration:	
Cash paid	17,919,032
Contingent consideration [1]	122,104
Total consideration	**18,041,136**
Identifiable assets acquired:	
Cash and cash equivalents	3,067,457
Trade and other receivables	1,278,638
Prepaid expenses	19,545
Capital assets	109,483
Software applications	10,675,804
Brand	801,538
Goodwill	5,874,262
	21,826,727
Identifiable liabilities acquired:	
Trade and other payables	60,702
Income taxes payable	702,058
Deferred revenue	153,386
Deferred tax liability	2,869,445
	3,785,591
Fair value of net assets acquired	**18,041,136**

[1] In the event that EBITDA achieved by Clean Canvas shall exceed a certain threshold throughout the earn out period, an additional consideration shall be payable at the end, to the seller. The fair value of the contingent consideration was estimated using the Black-Scholes model. The potential earn-out for the contingent consideration ranges from USD$nil to USD$1,200,000.

The goodwill is attributable to workforce, growth from new customers, growth from new IP and technology and potential synergies related to the rationalization of overheads or other fixed costs.

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

(f) Jagged Pixel acquisition

On October 17, 2023, WeCommerce Holdings LP acquired the assets of Jagged Pixel through the issuance of 264,706 Class A Tiny common shares and payment of cash. Jagged Pixel operates Uptime, an automated store monitoring application on Shopify.

The preliminary net assets of Jagged Pixel are as outlined below. The Company is in the process of finalizing the fair value of intangible assets and goodwill acquired.

	$
Consideration:	
Cash paid	492,903
Share consideration	543,882
Total consideration	**1,036,785**
Identifiable assets acquired:	
Software	610,000
Non-competition agreement	190,000
Customer relationships	110,000
Goodwill	126,785
Fair value of net assets acquired	**1,036,785**

(g) Estimated consolidated revenue and net income

For the year ended December 31, 2023 the acquired entities contributed the following to the Company's results:

- WeCommerce contributed revenue and a net loss of $34,292,067 and $19,658,177, respectively; and
- Clean Canvas contributed revenue and a net income of $2,308,633 and $499,318, respectively;

Had the acquisitions occurred on January 1, 2023, management estimates that the acquisitions themselves would have contributed additional revenue and net loss of $21,072,415 and $3,001,759, respectively. On a consolidated basis, revenue and net income would have totaled $206,575,028 and $11,753,171, respectively.

6. Trade and other receivables

		December 31, 2023		December 31, 2022
Trade receivables	**$**	**17,095,862**	$	11,439,412
Unbilled revenue		**2,045,440**		1,160,293
Sales taxes receivable		**–**		667,360
Other receivables		**311,511**		4,422
		19,452,813		13,271,487
Allowance for expected credit loss		**(514,641)**		(473,964)
Trade and other receivables, net		**18,938,172**		12,797,523

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

7. Capital assets

	Land $	Building $	Computer equipment $	Computer software $	Furniture and equipment $	Leasehold improvements $	Total $
Cost							
Balance January 1, 2022	**2,906,428**	**1,859,554**	**1,314,806**	**320,502**	**780,860**	**337,393**	**7,519,543**
Additions	–	146,384	624,879	–	136,491	430,131	**1,337,885**
Disposals	–	–	(43,610)	–	(9,100)	–	**(52,710)**
Foreign exchange	–	–	25,509	–	–	–	**25,509**
Reimbursement	–	–	–	–	–	(86,680)	**(86,680)**
Reclassification	–	–	187,269	–	(187,269)	–	**–**
Balance December 31, 2022	**2,906,428**	**2,005,938**	**2,108,853**	**320,502**	**720,982**	**680,844**	**8,743,547**
Acquired through business combination (Notes 4 and 5)	–	–	288,526	–	–	–	**288,526**
Additions	–	–	351,507	96,031	28,592	77,341	**553,471**
Disposals	–	–	(460,878)	(115,703)	(221,711)	(641,814)	**(1,440,106)**
Sale of subsidiaries (Note 5)	–	–	(50,419)	–	–	–	**(50,419)**
Foreign exchange	–	–	10,360	–	–	–	**10,360**
Balance December 31, 2023	**2,906,428**	**2,005,938**	**2,247,949**	**300,830**	**527,863**	**116,371**	**8,105,379**
Accumulated depreciation							
Balance January 1, 2022	**–**	**17,812**	**766,138**	**160,462**	**399,147**	**22,025**	**1,365,584**
Additions	–	78,831	399,267	55,716	102,708	45,392	**681,914**
Disposals	–	–	(29,952)	–	(10,330)	–	**(40,282)**
Foreign exchange	–	–	7,229	–	–	–	**7,229**
Reclassification	–	–	180,898	–	(164,950)	–	**15,948**
Balance December 31, 2022	**–**	**96,643**	**1,323,580**	**216,178**	**326,575**	**67,417**	**2,030,393**
Additions	–	56,964	527,784	35,041	98,488	64,566	**782,843**
Disposals	–	–	(375,408)	(46,961)	(125,749)	(96,676)	**(644,794)**
Sale of subsidiaries (Note 5)	–	–	(18,502)	–	–	–	**(18,502)**
Foreign exchange	–	–	(7,536)	–	–	–	**(7,536)**
Balance December 31, 2023	**–**	**153,607**	**1,449,918**	**204,258**	**299,314**	**35,307**	**2,142,404**
Net book value							
December 31, 2022	2,906,428	1,909,295	785,273	104,324	394,407	613,427	6,713,154
December 31, 2023	**2,906,428**	**1,852,331**	**798,031**	**96,572**	**228,549**	**81,064**	**5,962,975**

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

8. Intangible assets

	Customer relationships and contracts $	Trade name and brands $	Software and website $	Foundry relationships $	Non-compete agreements $	Intellectual property $	Total $
Cost							
Balance January 1, 2022	**13,359,522**	**8,973,452**	**12,290,334**	**–**	**–**	**1,437,185**	**36,060,493**
Additions	10,233,300	2,844,895	3,143,459	1,048,417	–	234,414	17,504,485
Disposals	–	–	(21,614)	–	–	–	(21,614)
Foreign exchange	869,774	671,244	556,121	63,545	–	4,369	2,165,053
Balance December 31, 2022	**24,462,596**	**12,489,591**	**15,968,300**	**1,111,962**	**–**	**1,675,968**	**55,708,417**
Acquired through business combination (Notes 4 and 5)	15,510,000	28,299,833	71,087,509	–	5,690,000	2,900,000	123,487,342
Additions	–	–	–	–	–	110,729	110,729
Sale of subsidiaries (Note 5)	(253,800)	(1,085,600)	(2,900,000)	–	–	(376,664)	(4,616,064)
Impairment (Note 9)	(2,831,539)	(622,724)	–	–	–	–	(3,454,263)
Foreign exchange	(497,124)	(289,980)	(341,118)	(26,108)	–	(1,604)	(1,155,934)
Balance December 31, 2023	**36,390,133**	**38,791,120**	**83,814,691**	**1,085,854**	**5,690,000**	**4,308,429**	**170,080,227**
Accumulated amortization							
Balance January 1, 2022	**1,552,895**	**108,681**	**4,386,076**	**–**	**–**	**278,370**	**6,326,022**
Additions	1,506,417	155,404	1,842,515	71,213	–	114,394	**3,689,943**
Foreign exchange	(5,112)	(45,577)	218,350	2,917	–	1,504	**172,082**
Balance December 31, 2022	**3,054,200**	**218,508**	**6,446,941**	**74,130**	**–**	**394,268**	**10,188,047**
Additions	4,697,694	5,788,619	13,007,339	72,699	1,304,918	1,035,954	25,907,223
Disposition of subsidiary (Note 5)	(164,971)	(130,154)	(270,137)	–	–	–	(565,262)
Foreign exchange	(46,492)	(17,827)	(70,983)	(1,741)	–	(661)	(137,704)
Balance December 31, 2023	**7,540,431**	**5,859,146**	**19,113,160**	**145,088**	**1,304,918**	**1,429,561**	**35,392,304**
Net book value							
December 31, 2022	21,408,396	12,271,083	9,521,359	1,037,832	–	1,281,700	45,520,370
December 31, 2023	**28,849,702**	**32,931,974**	**64,701,531**	**940,766**	**4,385,082**	**2,878,868**	**134,687,923**

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

9. Goodwill

	Digital Services $	Creative Platform $	Software and Apps $	All Other Operating Segments $	Total $
Balance, January 1, 2022	**2,657,422**	**16,595,378**	**–**	**128,120**	19,380,920
Additions	10,100,400	2,064,502	–	–	12,164,902
Foreign exchange	195,622	1,273,078	–	–	1,468,700
Balance, December 31, 2022	**12,953,444**	**19,932,958**	**–**	**128,120**	**33,014,522**
Acquisition through business combination (Notes 4 and 5)	–	–	139,333,481	–	139,333,481
Sale of subsidiaries (Note 5)	(1,057,526)	–	(97,416)	–	(1,154,942)
Impairment	(10,051,760)	–	–	(128,120)	(10,179,880)
Foreign exchange	(235,281)	(482,367)	(927,732)	–	(1,645,380)
Balance, December 31, 2023	**1,608,877**	**19,450,591**	**138,308,333**	**–**	**159,367,801**

Goodwill has been allocated to the following CGUs or group of CGUs in each reporting segment:

- Digital services (allocated to three separate CGUs)
- Creative platform (allocated to two separate CGUs)
- Software and apps (allocated to one group of CGUs)
- All other operating segments (allocated to one CGU)

On August 17, 2023, the Company sold one CGU within the Digital Services reporting segment and removed $1,057,526 of goodwill. On August 31, 2023, the Company sold one CGU within its group of CGUs within the Software and Apps reporting segment and removed $97,416 of goodwill.

(a) Impairment testing for CGUs containing goodwill

The Company performs an impairment test annually on December 31 each year or at each reporting date if there is an indication of impairment. For the purposes of impairment testing, goodwill is allocated to the Company's CGU or group of CGUs which represent the lowest level within the Company at which goodwill is monitored for internal management purposes. The recoverable amount of goodwill is determined based on the greater of the value in use and the fair value less costs to sell of the Company's CGU.

The recoverable amount of goodwill for each CGU is determined by management's experience and future expectations of the business performance including consideration of historical data from external and internal sources. Key assumptions utilized within each of the value-in-use models include:

- Revenue growth rate is based upon management's current and long-term forecasts and considers historical growth rates;
- Operating margin reflects the anticipated costs and has considered the anticipated revenue growth rate and impact of inflation;
- Discount rate is a pre-tax rate that reflects the time value of money and risk associated with the CGU; and
- Terminal growth rate is based on the long-term growth prospects of the business beyond a five-year term.

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

Excluding HappyFunCorp, discussed below, the Company did not identify impairment within the CGUs or group of CGUs.

	Digital Services	Creative Platform	Software and Apps
Annual revenue growth rates	(19%)-10%	(10%)-35%	10%-19%
Operating margins	(2%)-17%	14%-27%	34%-43%
Pre-tax discount rate	21%-25%	19%	16%
Terminal growth rate	2%	2%	2%

As at December 31, 2023, a sensitivity analysis was also completed for these CGUs. It was determined a 2% change in the revenue growth or a 2% change in forecasts expenses would result in impairment for a CGU within the Digital Services segment. Any reasonable changes to key assumptions in the other CGUs excluding HappyFunCorp would not result in an impairment loss.

(b) Impairment test for HappyFunCorp CGU

Due to losing a major customer contract in the upcoming year and the decline in the market, HappyFunCorp (allocated within the Digital Services segment) has been delayed in achieving growth targets originally forecasted at the time of acquisition.

The carrying amount of the CGU has been determined to be higher than its recoverable amount of $7,174,849 and an impairment loss of $13,506,023 (2022: $nil) was recognized. The impairment was booked to goodwill and intangible assets for $10,051,760 and $3,454,263, respectively. This amount is included within impairment of non-financial assets within the Consolidated Statements of Net Income and Comprehensive Income. As a result of the impairment, there is no remaining goodwill balance related to HappyFunCorp.

Following the impairment loss recognized in the HFC CGU, the recoverable amount is equal to the carrying amount. Therefore, any adverse movement in a key assumption could lead to further impairment.

The following assumptions were used in HFC's CGU impairment assessment:

	December 31, 2023
Annual revenue growth rates	5%-6%
Operating margin rates	(2%)-14%
Pre-tax discount rate	21%
Terminal growth rate	2%

10. Investments

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

As described in Note 4, the Company acquired and amalgamated with WeCommerce on April 17, 2023 and ceased to account for its ownership interest as an investment in equity-accounted investee. Details of the investment in WeCommerce held by Tiny on December 31, 2022 are as follows:

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

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

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

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

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

		December 31, 2022
Revenue	$	48,471,587
Profit/(loss) from continuing operations		
Loss for the period		(22,639,118)
Other comprehensive income		8,330,600
Total comprehensive loss		(14,308,518)
Dividends received		—

(a) Equity accounting investments

		December 31, 2023		December 31, 2022
Investment in equity-accounted investees:				
Tiny Fund I LP	**$**	**30,930,394**	$	18,078,787
WeCommerce Holdings Ltd.		**–**		9,482,707
Other equity-accounted investees		**5,045,901**		666,100
Investment in equity-accounted investees		**35,976,295**		28,227,594
Investment in equity securities		**3,046,853**		4,633,008
		39,023,148		32,860,602

The Company holds a 20.22% interest in the LP units of Tiny Fund I LP, which is a U.S. investment fund. Tiny Fund I LP is accounted for using the equity method to retain the fair value accounting of the underlying investments of the fund.

In addition, the Company holds a 50% in TFC Investment Ltd., a private Canadian-incorporated jointly controlled entity. TFC Investment Ltd. holds all the shares of an LLC that serves as the general partner for the U.S. fund. Under the various agreements associated with TFC Investment Ltd., the Company is entitled to a 50% interest in the GP earnings, which are based on a proportion of the return on the fund after the hurdle rate is reached, and all of the earnings of the 20.22% LP units. Due to the nature of the arrangement, the Company had historically accounted for its equity interest in TFC Investment Ltd. using the hypothetical liquidation value.

As at December 31, 2023 and December 31, 2022, the investment had carrying amounts of $30,930,394 and $18,078,787, respectively. For the years ended December 31, 2023 and December 31, 2022, the Company recognized its proportionate share of income of $994,062 and $644,585, respectively. Refer to Note 22 for details of capital call commitment relating to the Company's LP interest.

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

The Company has interests in equity-accounted investees of $5,045,901 as at December 31, 2023, and $666,100 as at December 31, 2022. Equity-accounted investees had a fair value gain of $127,404 during the year ended December 31, 2023 and a fair value loss of $5,617,958 for the year ended December 31, 2022. Overall, investments in equity-accounted investees had a fair value gain of $1,194,372 for the year ended December 31, 2023 and a fair value loss of $8,577,528 for the year ended December 31, 2022.

On February 5, 2024, the Company sold 89% of its investment in an equity-accounted investee as part of a share repurchase agreement for a purchase price of USD$1,018,022, which equated its carrying value. Of this amount, USD$368,022 was in cash and the remainder eliminates the Company's outstanding obligation to the equity accounted investee for the Company's initial investment in its shares.

The Company has investments in equity securities of $3,046,853 and $4,633,008 for the years ended December 31, 2023 and December 31, 2022.

11. Trade and other payables

		December 31, 2023		December 31, 2022
Trade payables and accrued liabilities	**$**	**18,407,658**	$	14,722,670
Seller's liability		**7,834,477**		10,390,786
Dividend payable		**–**		7,703,642
Sales taxes payable		**1,727,676**		68,003
Interest payable		**1,180,521**		629,317
Other		**160,848**		273,077
Trade and other payables		**29,311,180**		33,787,495

12. Right-of-use assets and lease liabilities

The Digital Services segment has three leases for the following office premises:

- The Vancouver lease is a five-year lease which commenced on January 1, 2022, with an extension option for an additional five-year term. On November 1, 2023, the Company completed a lease assignment where it transferred all of its rights, title and interest in the lease and premise to the assignee.
- The Victoria Yates office is a five-year lease which commenced on April 1, 2021 with no extension option and was sublet on December 15, 2022. The sublease is classified as a finance lease, resulting in the derecognition of the related right-of-use asset and recognition of a lease receivable in the Consolidated Statements of Financial Position. Refer to note 12(c) below.
- The Victoria Fort office is a three-year lease which commenced on February 1, 2023, with an extension option for an additional three-year term.

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

(a) Right-of-use assets

Balance, January 1, 2022	**$**	**842,113**
Additions		709,158
Amortization		(441,365)
Derecognition		(546,177)
Unrealized foreign exchange		3,597
Balance, December 31, 2022		**567,326**
Additions		75,509
Derecognition		(449,134)
Amortization		(141,264)
Balance, December 31, 2023		**52,437**

(b) Lease liabilities

Balance, January 1, 2022	**$**	**875,228**
Additions		709,158
Finance expense		67,950
Lease payments		(496,050)
Unrealized foreign exchange		4,134
Balance, December 31, 2022		**1,160,420**
Additions		75,509
Derecognition		(481,573)
Finance expense		50,356
Lease payments		(333,333)
Balance, December 31, 2023		**471,379**

Costs not included in the measurement of the lease liabilities related to low-value leases and short-term leases at December 31, 2023 are $123,568 (2022: $38,976). There were no leases with variable payment terms.

(c) Lease receivable

The Company is considered an intermediate lessor related to a lease the company has for the Victoria Yates Office. As of December 31, 2023, the Company had lease receivables as follows:

		December 31, 2023		December 31, 2022
Current portion of lease receivables	**$**	**111,727**	$	102,112
Lease receivables		**128,112**		222,073
		239,839		324,185

Finance income on lease receivables for the period ended December 31, 2023 was $22,891 (2022: $nil) and is recorded in other expenses. The following table presents the contractual undiscounted cash inflows for lease receivables:

	$
2024	115,723
2025	115,723
2026	28,931
Total undiscounted lease receivables	260,377
Unearned interest income	(20,538)
Total lease receivables	**239,839**

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

13. Debt

	December 31, 2023	December 31, 2022
Term loan (d)	$ **43,713,472**	$ 66,708,864
Revolving credit facilities (a), (c), (d), (f), (h)	**83,489,941**	–
Revolving term credit facilities (b), (e)	**4,000,000**	2,925,000
CEBA Loans (g)	**40,000**	160,000
	131,243,413	69,793,864
Less:		
Current portion	**(10,581,741)**	(3,085,000)
	120,661,672	66,708,864

	Term loan $	Revolving credit facilities $	Revolving term credit facilities $	CEBA loans $	Total $
Balance, January 1, 2022	**–**	**8,252,852**	**–**	**160,000**	**8,412,852**
Drawing	–	76,604,028	–	–	76,604,028
Financing cost additions	–	(736,792)	–	–	(736,792)
Repayments	–	(14,544,905)	–	–	(14,544,905)
Amortization of finance costs	–	87,212	–	–	87,212
Foreign exchange	–	(28,531)	–	–	(28,531)
Balance, December 31, 2022	**–**	**69,633,864**	**–**	**160,000**	**69,793,864**
Acquisition of debt (Note 4)	46,792,111	–	–	–	46,792,111
Drawing		15,921,093	13,648,005	–	29,569,098
Financing cost additions	–	(465,150)	–	–	(465,150)
Repayments	(2,696,650)	–	(9,684,960)	(120,000)	(12,501,610)
Amortization of finance costs	–	201,010	–	–	201,010
Foreign exchange	(381,989)	(1,800,876)	36,955	–	(2,145,910)
Balance, December 31, 2023	**43,713,472**	**83,489,941**	**4,000,000**	**40,000**	**131,243,413**

(a) National Bank of Canada revolving commitment facility

On May 20, 2022, the Company, specifically Beam in the Digital Services segment, entered into a credit agreement with National Bank of Canada with respect to a $60,000,000 revolving commitment facility. The agreement also provides for an additional commitment facility not exceeding $50,000,000. The facility bears interest at either the Base Rate, Canadian Prime, or the SOFR according to type of loan drawn, plus a variable spread ranging from 1.50% to 3.50% per annum. The facility matures on May 20, 2027. On the same day, the Company drew $44,570,000 and USD$5,787,202. The Company entered into interest rate swaps with a total notional value of $26,000,000 and recorded a derivative asset at fair value. Changes in the fair value during the period was recorded in other expenses. Refer to Note 23(c).

On October 24, 2022, the Company converted the $44,570,000 to USD and maintained an interest rate swap with a notional value of $26,000,000 (USD$18,895,349). Subsequently, on March 28, 2023, the notional value of the interest rate swap was increased to USD$49,724,239. Changes in the fair value during the period was recorded in other income/(expense). On November 16, 2022, the Company drew an additional USD$11,546,048. In November 2022, National Bank of Canada increased the revolving commitment facility to $70,000,000 to facilitate the HappyFunCorp acquisition.

On March 31, 2023, Beam was in compliance with the interest coverage ratio and leverage ratio and obtained a waiver from National Bank of Canada for the temporary non-compliance of an asset coverage percentage. On June 30, 2023, August 31, 2023, and December 29, 2023, the Company entered into amended agreements to provide relief for certain loan covenants.

The amended loan covenants at December 31, 2023 are as follows:

- Minimum interest coverage ratio to exceed:
  - 2.75:1.00 for the twelve-month period ending December 31, 2023
  - 3.00:1.00 for the twelve-month period ending March 31, 2024, and thereafter
- Minimum leverage ratio not to exceed:
  - 4.50:1.00 for the twelve-month period ending December 31, 2023
  - 4.50:1.00 for the twelve-month period ending March 30, 2024
  - 4.00:1.00 for any twelve-month periods ending March 31, 2024, and to not exceed 4.00:1.00 thereafter
- Monthly minimum EBITDA to exceed $10,000,000 for the twelve-month period ending November 30, 2023
- Minimum liquidity above $6,000,000 as at November 30, 2023

As at December 31, 2023, Beam was in compliance with all debt covenants. As at December 31, 2023, the Company had $66,324,946 outstanding under the revolving commitment (2022: $66,708,864). The fair value of the debt approximates the carrying value.

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

(b) Scotiabank revolving term loan

On October 11, 2022, Dribbble in the Creative Platform segment entered into an agreement with Scotiabank with respect to a USD$25,000,000 revolving term loan, and a U.S. $1,500,000 working capital facility. The facility bears interest at a variable rate spread on SOFR and matures on October 11, 2025. For the first 12 months, Dribbble has the option to make interest only payments. After the first 12 months, principal and interest payments are amortized over the remaining 48 month term.

During the year, Dribbble drew $1,644,720 (USD$1,200,000) which was subsequently repaid. As at December 31, 2023, Dribbble does not have an outstanding balance with the Scotiabank facility (2022: $nil).

(c) J.P. Morgan Chase Bank, N.A. revolving credit facility

On May 20, 2022, Tiny Capital Ltd. fully repaid the outstanding balance of $5,327,852 of the $27,000,000 revolving financing commitment with a maturity date of June 30, 2024. The facility was terminated and security was released subsequently.

(d) J.P. Morgan Chase Bank, N.A. term loan

On April 17, 2023, WeCommerce Holdings LP entered into an agreement with JPMorgan Chase Bank, N.A with respect to a USD$35,000,000 senior term loan with a USD$5,000,000 swingline, and a USD $20,000,000 senior revolving credit facility.

The revolving credit facility bears interest at a variable rate spread on SOFR and matures on April 6, 2026. As at December 31, 2023, the interest rates on the term loan and revolving credit facility were 8.71% and 8.69% respectively. The loan covenants for the credit facility includes:

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

As at December 31, 2023, WeCommerce was in compliance with all debt covenants. As at December 31, 2023, WeCommerce had $57,953,467 (USD$43,750,000) outstanding under the facility (2022: $nil) of which $7,616,741 will be repayable within 1 year.

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

(e) Roynat revolving term loan

On August 10, 2023, the Company entered into an agreement with Roynat Inc. ("Roynat") with respect to a $25,000,000 revolving term loan. The revolving term loan bears interest at the Canadian variable rate plus 3.50% per annum.

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

The financial covenants on the loan are as follows:

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

As at December 31, 2023, the Company had a balance of $4,000,000 drawn on the revolving term loan (2022: $nil). The fair value of the debt approximates the carrying value.

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

All obligations of the Company under the revolving term loan are secured by a security interest in a building of the Company's in Victoria, BC, as well as the shares of all subsidiaries which in the opinion of Roynat or its advisors contribute greater than 10% of the consolidated EBITDA of the Company. The revolving commitment contains certain customary non-financial covenants. As at December 31, 2023, the Company was in compliance with all debt covenants.

(f) Royal Bank of Canada line of credit

In 2021, the Company borrowed $2,925,000 from RBC to finance the purchase of a property in Victoria, BC for $4,500,000. This is a revolving demand facility secured against the property. The interest rate on the facility is Royal Bank Prime plus 0.0%. As at December 31, 2023, Tiny had $2,925,000 (2022: $2,943,722) outstanding under the line of credit.

On January 17, 2024, the line of credit was paid off and subsequently, security was released on the property.

(g) Canada Emergency Business Account ("CEBA") loans

In 2021, the Company received an interest-free CEBA loan of $160,000. Under the terms of the CEBA loan, borrowers were entitled to a 33% loan forgiveness if 67% is repaid on or before December 31, 2023. Any amounts after December 31, 2023, interest payments at a rate of 5% per annum are required until full principle is due on December 31, 2025. In 2021, the Company recorded $20,000 of loan forgiveness into other income.

As at December 31, 2023, there was an outstanding balance of $40,000 under the CEBA loan (2022: $160,000). On January 15, 2024, the Company repaid the remaining loan of $40,000.

(h) Royal Bank of Canada revolving demand facility

On March 11, 2019, the Company entered into an amended agreement with Royal Bank of Canada with respect to a CA$200,000 revolving demand facility. The revolving demand facility bears interest at Royal Bank Prime rate plus 1.05% per annum.

The facility is secured by a general security agreement constituting a first ranking security interest in all personal property of Dribbble Holdings Ltd., Tiny Capital Ltd., and Tiny Boards Ltd.

As at December 31, 2023, there was no amount drawn on the facility (2022: $nil).

(i) Undrawn facilities

The following table shows the total amount of undrawn facilities at December 31, 2023:

		December 31, 2023
Term loan (d)	**$**	2,577,528
Revolving credit facilities (a), (c), (d), (f), (h)		21,789,518
Revolving term credit facilities (b), (e)		22,785,510
CEBA Loans (g)		–
		47,152,556

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

14. Share capital

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

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

	Number of common shares #	$
Balance on January 1, 2022	**87,489,115**	**405,175**
Conversion of preferred shares into common shares	1,166,131	6,326,716
Issuance of common shares on exercise of stock options	264,463	–
Share-based compensation	–	200,580
Issuance of shares	55,941,807	–
Balance on December 31, 2022	**144,861,516**	**6,932,471**
Issuance of shares (a), (b), (c), (d)	3,408,527	13,548,005
Reverse acquisition (Note 4)	30,749,622	138,593,826
Issuance of common shares on exercise of share options and restricted share units	298,161	1,856,033
Balance on December 31, 2023	**179,317,826**	**160,930,335**

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

(b) 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 net proceeds of $4,900,887 (the "Private Placement"). The proceeds of the Private Placement were used to fund the capital contributions to the fund. No finder's fees or commissions will be paid in connection with the Private Placement.

(c) On October 17, 2023, the Company acquired the assets of Jagged Pixel through the issuance of 264,706 Class A common shares in the capital of Tiny for $539,770. Refer to Note 5 for additional information.

(d) On October 31, 2023, the Company paid out its contingent consideration KnoCommerce as a result of them exceeding the minimum revenue targets. Of the total amount, 27% was satisfied by the issuance of 145,422 class A common shares of Tiny for $407,182. Refer to Note 22 for additional information.

15. Share-based compensation

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

On April 17, 2023, as a result of the Share Transaction, all of WeCommerce's previously outstanding awards under the Omnibus Plan were deemed to be replaced and modified with no material impact. Also upon the Share Transaction, all Tiny Capital's outstanding awards were exchanged on a 81.05 to 1 basis for equivalent awards of the Company. As no other changes were made to the terms and conditions of these awards, no adjustments to the fair value of the awards were made upon modification.

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

(a) Stock options

As WeCommerce is the accounting acquiree, all awards issued to employees of WeCommerce prior to the Share Transaction (Note 4) are considered to be issued as replacement awards at the acquisition date.

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

	Number of options #	Weighted average exercise price $
Outstanding, December 31, 2022	**–**	**–**
Acquired through business combination (Note 4)	92,697	3.62
Exercised	(25,927)	1.14
Forfeited	(3,188)	7.00
Outstanding, December 31, 2023	**63,582**	**4.46**
Exercisable, December 31, 2023	**48,280**	**4.44**

(b) RSUs, DSUs, and PSUs

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

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

	RSUs #	DSUs #	PSUs #
Outstanding, December 31, 2022	**–**	**–**	**–**
Acquired through business combination (Note 4)	491,592	34,798	388,380
Granted	208,561	–	–
Settled	(272,234)	–	–
Forfeited	(106,781)	–	(120,000)
Outstanding, December 31, 2023	**321,138**	**34,798**	**268,380**

(c) Unvested shares

In January 2022, Tiny issued 825,547 options to purchase Class A Shares with an exercise price of $0.00001 per share to employees which are subject to vesting over 120 months, calculated to commence in January 2021. In December 2022, the Company issued replacement awards whereby the employees early exercised all outstanding stock options into Class A shares, of which 165,174 were exercised into vested shares and 660,373 were exercised into Restricted stocks which are subject to vesting over 96 months, commencing on December 1, 2022. As at December 31, 2023, 243,005 of these vested shares remained outstanding.

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

During the year ended December 31, 2023, a number of awards were forfeited. No additional awards were granted during the year.

	RSUs #
Outstanding, December 31, 2022	**1,054,734**
Granted	–
Vested	(84,761)
Forfeited	(726,968)
Outstanding, December 31, 2023	**243,005**

(d) Options of subsidiary entities

The Company's wholly-owned subsidiaries have stock option plans that are separate from the Omnibus Plan. These options vest until February 2028. To the extent that these options are exercised, the employees would own non-controlling interests in the underlying entities.

A summary of the outstanding amounts and changes during the year are as follows:

	Digital Services #	Creative Platform #	Total #
Outstanding, January 1, 2022	**–**	**818,404**	**818,404**
Granted	35,234	114,906	150,140
Settled	–	(225,997)	(225,997)
Forfeited	–	(53,519)	(53,519)
Outstanding, December 31, 2022	**35,234**	**653,794**	**689,028**
Granted	–	81,333	81,333
Settled	–	(3,360)	(3,360)
Forfeited	(20,196)	(569,290)	(589,486)
Outstanding, December 31, 2023	**15,038**	**162,477**	**177,515**
Exercisable, December 31, 2022	5,475	557,867	563,342
Exercisable, December 31, 2023	**6,580**	**81,398**	**87,978**

(e) Share-based compensation expense

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

		December 31,
	2023	2022
Options including options of subsidiaries	**$** 2,091,592	$ 3,624,963
Unvested shares	1,000,218	836,557
RSUs	1,508,682	–
DSUs	–	–
PSUs	70,172	–
	4,670,664	4,461,520

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

16. Revenue and deferred revenue

The Company derives its revenue from the transfer of goods and services over time and at a point in time in the following segments:

	Digital Services $	Creative Platform $	Software and Apps $	All Other Segments $	Total $
Timing of revenue recognition:					
At a point in time	–	45,122,928	12,216,127	791,179	58,130,234
Over time	80,186,311	16,374,213	24,427,840	6,384,015	127,372,379
Balance, December 31, 2023	**80,186,311**	**61,497,141**	**36,643,967**	**7,175,194**	**185,502,613**

	Digital Services $	Creative Platform $	Software and Apps $	All Other Segments $	Total $
Timing of revenue recognition:					
At a point in time	–	45,924,408	–	22,446	45,946,854
Over time	81,036,795	16,697,737	–	9,981,802	107,716,334
Balance, December 31, 2022	**81,036,795**	**62,622,145**	**–**	**10,004,248**	**153,663,188**

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

The following table shows how much revenue was recognized in the year and how much relates to performance obligations that were satisfied from deferred revenue:

	Digital Services $	Creative Platform $	Software and Apps $	All Other Segments $	Total $
Balance, January 1, 2022	**3,734,379**	**1,680,123**	**–**	**458,593**	**5,873,095**
Prior year liability recognized as revenue during the period	(3,734,379)	(1,680,123)	–	(458,593)	(5,873,095)
Net additions	1,886,316	3,251,758	–	483,531	5,621,605
Balance, December 31, 2022	**1,886,316**	**3,251,758**	**–**	**483,531**	**5,621,605**
Acquired at fair value (Note 4)	–	–	3,844,574	–	3,844,574
Prior year liability recognized as revenue during the period	(1,886,316)	(3,251,758)	(3,836,656)	(435,779)	(9,410,509)
Net additions	3,629,823	3,756,502	3,796,229	210,954	11,393,508
Foreign exchange	–	(88,826)	16,123	–	(72,703)
Balance, December 31, 2023	**3,629,823**	**3,667,676**	**3,820,270**	**258,706**	**11,376,475**

17. Related party transactions

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

During the year ended December 31, 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. This was an election by Mr. Sparling to have a portion of his salary paid as a consulting fee;

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

- A firm, controlled by Andrew Wilkinson, the Co-Chief Executive Officer, that provides administrative and other support services. This was an election by Mr. Wilkinson to have a portion of his salary paid as a consulting fee; and
- A firm, whose controlling partner is Shane Parrish, a Director of the Company, that provides marketing and advertising services. Subsequent to year end, this agreement was terminated to avoid any conflict of interest.

(a) Related party revenues

		2023		2022
Entities under control of directors of the company:				
Management fees	**$**	**312,900**	$	126,200

(b) Related party expenses

		2023		2022
Entities under control of a director of the company:				
Professional/consulting fees	**$**	**36,345**	$	124,611
Marketing fees		**176,139**		248,794

(c) Due from related parties

		2023		2022
Due from an entity controlled by key management personnel				
Beginning of the year	**$**	1,200,000	$	50,000
Loans advanced		–		2,250,000
Loan repayments received		(1,200,000)		(1,100,000)
End of the year		**–**		**1,200,000**
Due from equity-accounted investees				
Beginning of the year		112,385		–
Loans advanced		1,790,513		112,385
Interest charged		53,871		–
Bad debts written off		(242,145)		–
End of the year		**1,714,624**		**112,385**
Balance, end of the year		**1,714,624**		**1,312,385**

In the prior year, the Company issued a total of $2,300,000 in promissory notes to an entity controlled by a key management personnel. Portions of the note were repaid throughout 2022 and fully repaid in 2023.

As at December 31, 2023, a promissory note in the amount of $1,600,431 was outstanding from an equity-accounted investee. The promissory note is to fund costs related to the development of an in-house app that once completed will generate subscription revenue. Tiny Ltd. has first rights to all dividends up until this promissory is repaid, then dividends will be split by the ownership %. It is unsecured and bears interest at a rate of 3.70% per annum with a maturity date of March 20, 2026. All other amounts are unsecured and non-interest bearing with no repayment terms.

During the year ended December 31, 2023, a loan issued to an equity accounted investee as start-up capital was deemed uncollectible and written off in the amount of $242,145.

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

(d) Due to related parties

	2023	2022
Due to equity-accounted investees	**$ 1,387,737**	$ 8,406

The balances due to equity-accounted investees are unsecured and non-interest bearing with no specific terms of repayment. Of the balance on December 31, 2023, $1,327,324 is due to equity-accounted investees for subscription of shares. On February 5, 2024, the Company sold 89% of its investment in this equity-accounted investee as part of a share repurchase agreement for a purchase price of USD$1,018,022, which equated its carrying value. Of this amount, USD$368,022 was in cash and the remainder eliminates the Company's outstanding obligation to the equity accounted investee for the Company's initial investment in its shares.

(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:

	2023	2022
Salaries and consulting fees	**$ 1,607,894**	$ 1,889,883
Share-based compensation	**327,407**	836,557

18. Income taxes

Income tax expenses/(recovery) includes the following components:

	2023	2022
Current tax expense		
Current income tax expense	**$ 3,464,496**	$ 7,471,121
Adjustments for prior periods	**325,471**	–
	3,789,967	7,471,121
Deferred tax expense/(recovery)		
Origination and reversal of temporal differences	**(7,448,981)**	107,593
Adjustments for prior periods	**(780,623)**	–
	(4,439,637)	**7,578,714**

The difference between tax expense for the year and the expected income taxes based on the statutory rate arises as follows:

	2023	2022
Income before taxes	**$ 10,315,293**	$ 12,984,503
Statutory tax rates	**27%**	27%
Tax expense based on the statutory tax rates	**2,785,129**	3,505,816
Non-taxable gain on step acquisition	**(11,615,564)**	–
Items not deductible for taxes	**2,319,633**	3,354,520
Differences between Canadian and foreign tax rates	**912,361**	96,701
Difference in Canadian tax rates	**(211,514)**	413,186
True-up of tax losses to statutory returns	**(455,153)**	96,402
Impact of investment tax credits	**(590,686)**	(611,418)
Changes in tax benefits not recognized	**2,416,157**	723,507
Total income tax (recovery)/expense	**(4,439,637)**	7,578,714

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

The Company recognizes tax benefits on losses or other deductible amounts where the probable criteria for the recognition of deferred tax assets has been met. The Company's net deferred tax liabilities are as follows:

	2023	2022
Capital assets and right-of-use assets	$ **347,104**	$ (437,026)
Intangible assets	**(17,004,771)**	(8,364,372)
Contingent asset	**(110,839)**	–
Lease receivable	**(490,291)**	(87,531)
Lease liabilities	**127,272**	313,313
Prepaid and accrued expenses	**777,482**	(66,922)
Investments	**–**	(69,088)
Withholding taxes on profits	**(214,697)**	(190,318)
Forward contracts and promissory note payable	**–**	2,638,202
Foreign exchange	**(198,189)**	–
Deferred income	**(90,575)**	(48,105)
Taxation of investment tax credits	**(137,225)**	(253,175)
Tax credits carried forward and research deductions	**75,394**	486,048
Tax losses	**5,702,485**	131,324
Financing costs	**699,403**	10,673
Net deferred tax liabilities	**(10,517,447)**	(5,936,977)

	2023	2022
Deferred tax asset	$ **1,103,999**	$ 762,626
Deferred tax liability	**(11,621,446)**	(6,699,603)
	(10,517,447)	(5,936,977)

The movement in temporary tax differences is recorded in the Consolidated Statements of Net Income and Comprehensive Income.

The Company has the following unrecognized deferred income tax assets:

	2023	2022
Intangible assets and goodwill	$ **1,939,689**	$ –
Investments	**123,758**	872,988
Tax losses	**356,241**	9,105
Other	**227,441**	16,132
	2,647,129	898,225

(a) Scientific Research and Experimental Development ("SR&ED") investment tax credits

All investment tax credits received by the Company relate to SR&ED expenditures. Current year SR&ED credits are recorded in the provision for income taxes. SR&ED credits of $628,655 are recorded in the provision for income taxes for the year ended December 31, 2023 (2022: $837,559).

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

19. Earnings per share

Earnings per share has been calculated as follows:

		2023		2022
Net income attributable to parent's interest	**$**	**13,940,566**	$	3,358,953
Weighted average number of shares outstanding		**168,310,050**		87,153,167
Weighted average number of shares outstanding including potentially dilutive shares		**168,874,194**		87,153,167
Basic earnings per share	**$**	**0.08**	$	0.04
Diluted earnings per share	**$**	**0.08**	$	0.04

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

	2023 #	2022 #
Stock options	**63,394**	–

20. Supplemental cash flow information

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

		2023		2022
Decrease/(increase) in:				
Trade and other receivables	**$**	**(3,774,344)**	$	(2,541,723)
Prepaid expenses		**96,526**		79,585
Due to/from related parties		**(1,137,707)**		(1,609,559)
Other assets		**46,410**		180,234
Trade and other payables		**(3,181,836)**		3,346,440
Deferred revenue		**1,756,910**		(251,490)
Other liabilities		**–**		316,448
		(6,194,041)		(480,065)

Supplemental disclosure of non-cash financing activities:

		2023		2022
ROU asset and lease liabilities recognized	**$**	**75,509**	$	709,158
Contingent consideration payout on behalf of subsidiary		**356,284**		–
Issuance of shares on acquisition of subsidiary		**539,770**		–
Investment in The College Company, LLC		**914,799**		–
Holdback amount on acquisition of subsidiary		**–**		651,717
Contingent consideration arising on acquisition of subsidiary		**–**		8,890,213
Conversion of preferred shares into common shares		**–**		6,326,716

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

21. Segment information

(a) Reportable segments

2023	**Digital Services $**	**Creative Platform $**	**Software and Apps $**	**Other $**	**Total $**
Revenue	80,186,311	61,497,141	36,643,967	7,175,194	185,502,613
Earnings/(loss) from operations	5,347,211	4,242,880	(13,683,452)	(15,080,331)	(19,173,692)
Net income/(loss)	(5,633,984)	1,536,939	(19,158,859)	38,010,834	14,754,930

2022	**Digital Services $**	**Creative Platform $**	**Software and Apps $**	**Other $**	**Total $**
Revenue	81,036,795	62,622,145	–	10,004,248	153,663,188
Earnings/(loss) from operations	19,385,842	8,126,237	–	(5,265,048)	22,247,031
Net income/(loss)	12,534,564	5,503,274	–	(12,632,049)	5,405,789

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

At December 31, 2023	**Digital Services $**	**Creative Platform $**	**Software and Apps $**	**Other $**	**Total $**
Total assets	39,104,479	49,847,481	254,795,740	48,887,437	392,635,137
Total liabilities	83,077,731	20,953,399	70,370,626	15,679,700	190,081,456

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

(b) Geographic information

For geographical reporting, revenues are attributed to the geographic location in which the customer is located:

	2023	2022
Canada	**$ 9,673,653**	$ 11,021,636
United States	**121,033,917**	97,958,902
Asia	**4,770,614**	–
Europe	**24,626,457**	28,263,882
Australasia	**4,776,338**	–
Other	**20,621,634**	16,418,768
	185,502,613	153,663,188

22. Contingencies and commitments

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

Contingent consideration

Total contingent consideration payable is comprised of:

- $nil (2022: $9,060,123) relating to the acquisition of HappyFunCorp

  Beam acquired HappyFunCorp during the year ended December 31, 2022. In the event that the Adjusted EBITDA achieved by HappyFunCorp shall exceed certain thresholds for the years ending December 31, 2023, and December 31, 2024, an additional consideration shall be payable for each fiscal year, to the seller. As at December 31, 2023, the contingent consideration has been revalued to $nil as the actual Adjusted EBITDA achieved was below the predefined threshold and the probability of achieving thresholds in 2024 was projected to be nil. A gain of $8,847,400 was included in gain on write-down of contingent liability.

- $1,079,800 (2022: $919,655) relating to the acquisition of Frosty

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

  On January 3, 2024, the Company paid USD$444,444 to the seller for exceeding revenue thresholds for the year ending December 31, 2023 (2022: USD$444,444).

- $nil relating to the acquisition of KnoCommerce

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

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

During the year, the Company revalued the contingent consideration and recorded a gain of $68,950 was included in gain on write-down of contingent liability. On October 31, 2023, the Company paid out $1,321,250 (USD$967,169) as a result of KnoCommerce exceeding the minimum revenue targets. Of the total amount, 27% was satisfied by the issuance of 145,422 class A common shares of Tiny for a total value of $356,284 and the remaining 73% was paid out in cash. No further amounts are owing in relation to the purchase of KnoCommerce.

- $122,104 relating to the acquisition of Clean Canvas

  WeCommerce acquired Clean Canvas on September 6, 2023 (refer to Note 5). The contingent consideration is to be paid if Clean Canvas achieves minimum EBITDA targets during the 18 months following the closing date. The contingent consideration is to be settled through cash, the issuance of shares or through a combination of cash and shares. Under no circumstances will the total payment exceed USD$1,200,000 and shares issued under the transaction are subject to a restriction on transfer for a period of 12 months following the date of their issuance.

Amounts are included in contingent consideration until they are settled.

Liabilities for contingent consideration related to business acquisitions are recorded at fair value on acquisition and are adjusted quarterly for changes in fair value. Changes in fair value of contingent consideration liabilities can result from changes in anticipated milestone payment and changes in assumed discount periods and rates. These inputs are unobservable in the market and therefore, categorized as Level 3 inputs.

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

Balance on January 1, 2022	**$**	**1,182,775**
Acquired through business combination (Note 5)		8,890,213
Payment of contingent consideration		(605,378)
Adjustment to fair value		253,602
Foreign exchange		258,566
Balance on December 31, 2022		**9,979,778**
Acquired through business combination (Note 4 and Note 5)		1,543,069
Payment of contingent consideration through issuance of shares		(356,284)
Payment of contingent consideration		(984,118)
Adjustment to fair value		(8,736,588)
Foreign exchange		(245,385)
Balance on December 31, 2023		**1,200,472**

Capital commitment

In connection with the LP interest held in an investment fund, the Company has committed to fund 20.22% of the total USD$148,054,549 capital commitment. As at December 31, 2023, the Company had a remaining capital commitment of USD$2,808,424 that had not yet been called (2022: USD$13,400,000). Subsequent to December 31, 2023, the Company received a capital call for the remaining commitment of USD$2,808,424, which was paid on January 12, 2024. The Company has no further capital commitments to fund.

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

Additionally, Beam has a partnership interest held in an investment fund. Beam has committed to fund USD$2,000,000 to the fund which has a total size of USD$14,200,000. As at December 31, 2023, Beam had a remaining capital commitment of USD$1,400,000 that had not yet been called (December 31, 2022: USD$2,000,000).

Indemnifications in contracts

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

23. Financial instruments

(a) Classification and measurement

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

	Amortized cost $	Fair value through profit or loss $	December 31, 2023 $
Financial Assets			
Cash and cash equivalents	26,933,635	–	26,933,635
Restricted cash	255,720	–	255,720
Trade and other receivables	18,938,172	–	18,938,172
Due from related parties	1,714,624	–	1,714,624
Lease receivables	239,839	–	239,839
Derivatives	–	264,949	264,949
Investments in equity securities*	–	3,046,853	3,046,853
Financial Liabilities			
Trade and other payables	29,311,180	–	29,311,180
Due to related parties	1,387,737	–	1,387,737
Lease liabilities	471,379	–	471,379
Debt	131,243,413	–	131,243,413
Derivatives	–	64,959	64,959
Contingent consideration payable	–	1,200,472	1,200,472

* Included in Investments on the Consolidated Statements of Financial Position

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

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

* Included in Investments on the Consolidated Statements of Financial Position

(b) Fair value

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

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

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

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

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

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

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

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

(i) Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash and cash equivalents, restricted cash, 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 its financial obligations as they fall due. The Company's objective in managing liquidity risk is to ensure that it has sufficient liquidity available to meet its liabilities when due. The Company manages liquidity risk through the management of its capital structure in conjunction with cash flow forecasting including anticipated investing and financing activities.

The tables below categorize the Company's financial liabilities into relevant maturity groupings based on the remaining periods at the 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.

December 31, 2023	**1 year or less $**	**Between 1 and 5 years $**	**Over 5 years $**	**Total contractual cash flows $**	**Carrying amount $**
Trade and other payables	29,311,180	–	–	29,311,180	29,311,180
Income tax payable	3,404,395	–	–	3,404,395	3,404,395
Debt	10,581,741	120,661,672	–	131,243,413	131,243,413
Contingent consideration payable[1]	1,079,800	–	–	1,079,800	1,200,472
Due to related parties	1,387,737	–	–	1,387,737	1,387,737
Lease liabilities	216,366	255,013	–	471,379	471,379
	45,981,219	**120,916,685**	**–**	**166,897,904**	**167,018,576**

[1]*A portion of contingent consideration payable will be settled in shares.*

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

(iii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates against the functional currency. The Company operates in Canada, the United States, the United Kingdom, Singapore, and Spain and is therefore exposed to foreign exchange risk arising from transactions denominated in foreign currencies. The operating results and the financial position of the Company are reported in Canadian dollars ("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, one small subsidiary whose functional currency is the UK pound sterling ("GBP"), and multiple subsidiaries whose functional currency is the United States dollar ("USD").

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

	December 31, 2023	December 31, 2022
Cash	**$ 21,951,281**	$ 24,005,820
Trade and other receivables	**18,822,546**	10,825,214
Trade and other payables	**24,452,306**	19,749,390
Debt	**57,953,467**	–
Total exposure	**123,179,600**	54,580,424

A change in the closing exchange rate of each functional currency will cause a change in net income. When applying a sensitivity analysis of 1% strengthening of the currencies with which the Company has exposure to, only the USD produces a material difference. If the USD strengthened by 1%, then there would be a corresponding increase of decrease of CA$0.4 million to net income. This is primarily driven by debt and trade payables, which are offset by cash and trade receivables.

(c) Derivative financial instruments

(i) Interest rate swap derivatives

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

On May 20, 2022, the Company entered into an interest rate swap with a notional value of $26,000,000, related to its revolving commitment facility. On October 24, 2022, the Company converted the $44,570,000 to USD$ and maintained an interest rate swap with a notional value of

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

$26,000,000. The Company recognized a fair value derivative asset of $264,949 at December 31, 2023 (2022: $215,387 derivative asset). Changes in the fair value during the period was recorded in fair value gain/(loss) to financial instruments.

As part of the Share Transaction (Note 4), the Company acquired two interest rate swap contracts exchanging variable interest for fixed interest on the term credit facility of CAD$46,291,000 (USD$35,000,000) through April 6, 2026 for $326,349. The fixed interest blended rate was 4.25% + credit spread of 3.50% totaling 7.75%. The Company recognized a fair value derivative liability of $64,959 at December 31, 2023 (2022: $586,364 derivative liability). Changes in the fair value during the period was recorded in fair value gain/(loss) to financial instruments.

(d) Capital management

The Company's objective when managing its capital structure is to maintain a strong financial position and to provide returns with sufficient liquidity to undertake further growth for the benefit of its shareholders. The Company defines capital as the aggregate of its share capital and debt.

The calculation of the Company's capital is summarized below:

		December 31, 2023		December 31, 2022
Debt	**$**	**131,243,413**	$	69,793,864
Share capital		**160,930,335**		6,932,471
Total exposure	**$**	**292,173,748**	$	76,726,335

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, or change staffing levels to mitigate future liabilities.

The Company's credit facilities include certain reporting requirements covering, among other things, annual financial statements and forecasts.

As a result of the increasing interest rates, management made additional payments to its bank loan to manage its capital. The Company is subject to certain financial covenants on its debt obligations. The Company's strategy is to ensure it remains in compliance with all of its existing covenants so as to ensure continuous access to required debt to fund growth. Management reviews results and forecasts to monitor the Company's compliance.