



TINY LTD.

Management's Discussion and Analysis

For the three-months ended March 31, 2024 and 2023

GENERAL INFORMATION AND CAUTIONARY STATEMENTS

Introduction

The following management's discussion and analysis ("MD&A") dated May 27, 2024, provides information concerning the financial condition and results of operations of the Company (as defined below) for the three-months ended March 31, 2024 ("Q1 2024") and March 31, 2023 ("Q1 2023"). The following MD&A should be read in conjunction with the Company's audited consolidated financial statements and notes thereto related to the year ended December 31, 2023. Additional information relating to the Company is available on the Company's website at www.tiny.com and www.sedarplus.ca.

Basis of presentation

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

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 (the "Merger") 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 MD&A are presented as a continuance of Tiny Capital (accounting acquirer), and comparative figures presented in the consolidated financial statements are those of Tiny Capital.

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.

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

In this MD&A, unless otherwise indicated, all dollar amounts are expressed in Canadian dollars. The information in this report is as of May 27, 2024, which is the date of filing. Disclosure in this document is current to May 27, 2024, unless otherwise noted.

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

Forward-looking Information

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

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

By its nature, forward-looking information, including future-oriented financial information or financial outlook, is based on assumptions and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements expressed or implied herein to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information, including, without limitation: the potential impact of the Company's acquisitions and dispositions on relationships, including with regulatory bodies, stock exchanges, lenders, service providers, employees and competitors; risks related to the successful integration of acquired businesses; credit, liquidity and additional financing risks; potential conflicts of interest; general economic conditions; industry conditions; currency fluctuations; competition from other industry participants; and stock market volatility. This list is not exhaustive of the factors that may affect any of the forward-looking information contained herein.

For a more detailed discussion of certain of these risk factors, see "Risk Factors" below as well as the list of risk factors in the Company's Annual Information Form dated April 30, 2024 which is available on SEDAR+ at www.sedarplus.ca under the Company's profile.

Non-IFRS financial measures

This MD&A references certain non-IFRS measures and ratios, hereafter, referred to as "non-IFRS measures". These measures are not recognised measures under IFRS, and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of the results of operations from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of the financial information reported under IFRS.

The Company uses non-IFRS measures including “EBITDA”, “EBITDA %” and “recurring revenue”. Management uses these non-IFRS measures to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of management compensation. As required by Canadian securities laws, the Company reconciles these non-IFRS measures to the most comparable IFRS measures in this MD&A. For definitions and reconciliation of these non-IFRS measures to the relevant reported measures, see “Non-IFRS measures”.

COMPANY OVERVIEW

Tiny is a technology holding company with a strategy of acquiring majority stakes in wonderful businesses. Tiny has three reportable segments: Digital Services, Software and Apps, and Creative Platform. All other standalone businesses, including a private equity investment fund, are grouped as Other.

Digital Services helps start-ups to Fortune 500 companies design, build and ship premium digital products for both mobile and web. The segment's capabilities as an end-to-end product partner provide clients with intimate insight into end-user behavior, allowing for a thorough, strategy-led approach to product design, engineering, brand positioning and marketing. The companies in this segment include:

- Beam Digital Ltd.
- 8020 Design Ltd.
- Frosty Studio Ltd. ("Frosty")
- HappyFunCorp LLC ("HappyFunCorp")
- MetaLab Design Ltd. ("MetaLab")
- Z1 Digital Product Studio SL ("Z1")

Software and Apps provides merchants with a suite of e-commerce software tools to start and grow their online stores. The segment's family of companies and brands include Pixel Union, Out of the Sandbox, KnoCommerce, Archetype, Yopify, SuppleApps, Rehash, Foursixty, Stamped, and Clean Canvas. As one of Shopify's first partners since 2010, WeCommerce is focused on building, acquiring, and investing in technology businesses operating in the Shopify partner ecosystem. The companies in this segment include:

- WeCommerce Holdings Limited Partnership
- Archetype Themes Limited Partnership
- KnoCommerce Inc.
- Clean Canvas Ltd.
- Repeat Inc.

Creative Platform includes Dribbble and is a creative network and community that design professionals use to meet, collaborate, and showcase their work. Creative Platform hosts an online marketplace for graphics, fonts, templates, and other digital assets. Key revenue lines include the digital asset marketplace revenue, recurring subscription revenue, job board revenue, and digital advertising. The companies within this segment are:

- Dribbble Holdings Ltd.
- Creative Market Labs Inc. ("Creative Market")

Other standalone businesses include operations related to Tiny's corporate office, as well as a variety of other businesses within the Company's portfolio which directly report up to Tiny. It also includes Tiny's LP interest in the Tiny Fund, a private equity fund where Tiny is a 50% joint venture owner to the general partner. Tiny Fund commenced operations in August 2020 and has total committed capital of US\$150 million. Tiny accounts for its LP interest in Tiny Fund on an equity basis and retains the fair value accounting applied by Tiny Fund in reporting its results. As a result, Tiny's consolidated financial results do not include the aggregate revenues, expenses and profits of Tiny Fund's individual investments. The companies in this segment include:

Other Tiny Portfolio Companies

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

- Tiny Fund I LP
 - Abstract Studio Design Inc. (design collaboration tool)
 - AeroPress Inc. (coffee maker brand)
 - BeFunky Inc. (developer of digital media tools)
 - Dribbble Holdings Ltd.
 - Girlboss Holdings Inc. (media company)
 - Medimap Systems Inc. (Canadian digital health website)
 - Mateina Inc. (Canadian beverage producer)
 - Letterboxd Ltd. (film discussion and discovery social platform)
 - Conference Badge Inc. (name badge producer)
 - Frosty Pop Games Inc. (developer of video games)
 - Wholesale Pets (pet products wholesaler)

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

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

Since Tiny Capital's incorporation in January 2016 and up to the date of this MD&A, Tiny and its subsidiaries and associates have invested in or acquired over 35 companies.

OVERALL PERFORMANCE AND SELECTED QUARTERLY INFORMATION

The following table summarizes the Company's overall performance for the three months ended March 31, 2024, as compared with the prior year:

	For the three-month periods ended March 31,	
	2024	2023
Revenue	48,939,598	36,331,948
Operating loss	(4,323,720)	(1,069,841)
Net loss	(8,854,467)	(4,080,911)
EBITDA ⁽¹⁾	3,350,915	(1,114,399)
EBITDA % ⁽¹⁾	7%	(3)%
Recurring revenue ⁽¹⁾	9,256,874	1,592,713
Recurring revenue % ⁽¹⁾	19%	4 %
Cash provided by operating activities	2,852,254	(992,792)
Basic loss per share	(0.05)	(0.03)
Diluted loss per share	(0.05)	(0.03)
	March 31, 2024	December 31, 2023
Total assets	386,026,043	392,635,137
Total liabilities	190,192,395	190,081,456
Non-current financial liabilities	138,554,103	132,538,131

⁽¹⁾ Refer to Non-IFRS Measures section on page 12

QUARTERLY HIGHLIGHTS

- Revenue for the three months ended March 31, 2024 was \$48.9 million, an increase of \$12.6 million or 35% compared to prior year. The results of March 31, 2023 do not include the results from the Software and Apps segment, as a result of the Merger in Q2 2023, and it would have contributed an additional \$13.6 million.
- Recurring revenue⁽¹⁾ in Q1 2024 was \$9.3 million and made up 19% of total revenue, an increase from 4% in Q1 2023. This was due to the addition of the Software and Apps segment of which \$8.2 million or 61% of its revenue was recurring.
- The Company ended Q1 2024 with cash inflow from operations of \$2.9 million, up from prior Q1 2023 of cash outflow of \$1.0 million.
- Net loss in Q1 2024 was \$8.9 million compared to net loss of \$4.1 million in Q1 2023, an increase of \$4.8 million compared to prior year. Software and Apps contributed net losses of \$4.8 million, of which \$6.7 million is related to depreciation and amortization of the intangibles acquired as part of the Merger.
- Unrestricted cash on hand on March 31, 2024 was \$25.6 million compared to \$26.9 on December 31, 2023. Total debt outstanding on March 31, 2024 was \$135.8 million compared to \$131.2 million on December 31, 2023. The majority of the increase in debt of \$4.6 million is due to investments in Tiny Fund with the remaining \$0.8 million increase due to foreign exchange.
- Total assets on March 31, 2024 were \$386.0 million compared to \$392.6 million on December 31, 2023.
- EBITDA in Q1 2024 was \$3.4 million compared to \$(1.1) million in Q1 2023. When excluding Software and Apps's contribution of \$3.4 million of the Q1 2024 EBITDA, EBITDA year-over-year increased by \$1.0 million to \$0.1 million due to one-time costs incurred in Q1 2023 prior to the Company going public.

RESULTS OF OPERATIONS

	For the three-month periods ended March 31,	
	2024	2023
Revenue	\$ 48,939,598	\$ 36,331,948
Expenses		
Compensation	26,991,435	20,318,685
Marketplace content costs	6,951,182	6,757,720
Hosting fees	1,999,815	2,006,338
Travel, meals and entertainment	883,027	642,236
Share-based compensation	453,781	489,538
Professional fees	2,407,626	1,472,351
Subscription and other	2,624,636	1,899,764
Management and strategic fees	—	3,500
Depreciation and amortization	8,724,754	1,729,243
Business acquisition costs	45,342	52,461
Advertising and promotion	2,067,064	1,785,548
Bad debts	53,809	34,960
Bank charges	60,847	209,445
	53,263,318	37,401,789
Operating loss	(4,323,720)	(1,069,841)
Other expenses	(4,069,206)	(3,292,932)
Loss before taxes	(8,392,926)	(4,362,773)
Income taxes	(461,541)	281,862
Net loss	(8,854,467)	(4,080,911)

Revenue

	For the three-month periods ended March 31,	
	2024	2023
Digital Services	\$ 20,906,730	\$ 16,607,979
Software and Apps	13,546,762	—
Creative Platform	13,061,365	16,839,931
Other	1,424,741	2,884,038
	48,939,598	36,331,948

The Company generated total revenue of \$48.9 million for the three months ended March 31, 2024, which represents an increase of 35% compared to Q1 2023. Recurring revenue grew to \$9.3 million in Q1 2024, up from \$1.6 million in Q1 2023. Recurring revenue represented 19% of total revenues in Q1 2024, up from 4% in Q1 2023, and is due to the Merger with WeCommerce.

For the three months ended March 31, 2024, Digital Services revenue increased by \$4.3 million (26%) compared to Q1 2023 due to shifting its customer portfolio and signing larger contracts with mid-market and enterprise clients to provide more sustainable revenue.

For the three months ended March 31, 2024, Software and Apps revenue was \$13.5 million. As the Merger occurred during Q2 2023, there is no comparative period for 2024. Revenue in Q1 2023 was \$13.6 million and would have resulted in an immaterial variance.

For the three months ended March 31, 2024, Creative Platform revenue decreased by \$3.8 million (-22%) compared to Q1 2023. There has been a reduction in demand of its products and services and therefore, decreasing the revenue generated for designer subscriptions and marketplace job postings. Moving forward, the segment is continuing to focus on growing its enterprise customer portfolio, enhancing its social network features, and expanding on its marketplace functionalities.

For the three months ended March 31, 2024, other revenue decreased by \$1.5 million (-51%) compared to Q1 2023. The tech industry and overall economy continues to face a slow recovery, which has affected the amount of job postings and repeat customers. Revenue is beginning to stabilize in line with changes to the technology hiring landscape. There have also been efforts to enhance product experience, reduce operating costs, and execute against new opportunities.

Expenses

Compensation

	For the three-month periods ended March 31,	
	2024	2023
Digital Services	\$ 16,216,478	\$ 14,980,776
Software and Apps	5,965,261	–
Creative Platform	3,113,006	3,782,633
Other	1,696,690	1,555,276
	26,991,435	20,318,685

Compensation includes salaries, benefits, and severance paid to employees, and wages to contractors. The Company had total compensation expenses of \$27.0 million for the three months ended March 31, 2024, which represents an increase of 33% compared to the prior year period. Of the balance, \$1.3 million (Q1 2023: \$0.3 million) was for severance. Due to the addition of the Software and Apps segment in Q2 2023, there is no comparative period for Q1 2023. The Software and Apps segment would have contributed \$6.7 million in Q1 2023. Without the Software and Apps segment, the increase is 3% year-over-year.

For the three months ended March 31, 2024, Digital Services compensation expense increased by \$1.2 million (8%) compared to the prior year period. A one-time severance of \$1.1 million was recorded in Q1 2024 alongside routine wage increases and higher contractor costs.

For the three months ended March 31, 2024, Software and Apps compensation was \$6.0 million. As a result of the acquisition in Q2 2023, the increase is attributed to the full inclusion of compensation costs in 2024 (Q1 2023: \$nil). Software and Apps segment would have contributed \$6.7 million. The decrease was due to one-time severance incurred in the prior year period offset by increases due to the acquisition of Repeat Inc. in February 2024.

For the three months ended March 31, 2024, Creative Platform compensation expense decreased by \$0.7 million (-18%) compared to the prior year period. The decrease is a result of a lower headcount within the segment offset by pay increases.

For the three months ended March 31, 2024, Other compensation expense increased by \$0.1 million (9%) compared to the prior year period. The increase was primarily driven by additional headcount and routine pay increases.

Marketplace content costs

	For the three-month periods ended March 31,	
	2024	2023
Software and Apps	\$ 1,406,824	\$ –
Creative Platform	5,544,358	6,757,720
	6,951,182	6,757,720

Marketplace content costs include fees paid to third party merchants and creator royalties for sale of digital goods. The Company had total marketplace content costs of \$7.0 million for the three months ended March 31, 2024, which represents an increase of 3% compared to the prior year period. Software and Apps is net new for Q1 2024 and Creative Platform has decreased costs in line with their reduction in revenue.

Hosting fees

	For the three-month periods ended March 31,	
	2024	2023
Software and Apps	\$ 766,971	\$ –
Creative Platform	919,785	1,632,251
Other	313,059	374,087
	1,999,815	2,006,338

Hosting fees are costs paid for web hosting. The Company had total hosting fees of \$2.0 million for the three months ended March 31, 2024, representing a nominal change compared to the prior year period. Software and Apps added net new hosting fees of \$0.8 in the quarter, which was offset by decreases in Creative Platform and Other in line with their reductions in revenue.

Travel, meals, and entertainment

The Company had total travel, meals, and entertainment expenses of \$0.9 million for the three months ended March 31, 2024 (Q1 2023: \$0.6 million), representing an increase of \$0.3 million or 50% compared to the prior year period. The increase is a result of the addition of the Software and Apps segment, which has no comparative in 2024.

Share-based compensation

Share-based compensation includes costs for share issuances to employees and senior management. The Company had total share-based compensation of \$0.5 million for the three months ended March 31, 2024, representing a decrease of 7% compared to the prior year period. The majority of share-based compensation was issued prior to or as part of the Merger and no additional share-based compensation was granted during the period.

Professional fees

Professional fees include amounts paid for audit, legal, tax, human resources, and other professional services. The Company had total professional fees expenses of \$2.4 million for the three months ended March 31, 2024 (Q1 2023: \$1.5 million), which represents an increase of \$0.9 million or 64%. Of the total, Software and Apps contributed \$0.5 million of the increase. Overall, the increase is due to added costs operating as a public company and increases in audit and consulting fees.

Subscription and other

Subscription and other include expenses for software, digital services, and other general and administrative costs. The Company had total subscription and other expenses of \$2.6 million for the three months ended March 31, 2024 (Q1 2023: \$1.9 million), which represents an increase of \$0.7 million or 38% compared to the prior year period. Of this increase, \$0.5 million is attributable to Software and Apps. The remaining increase is due to upgrades in enterprise software at Digital Services and Other, and increased subscription costs in Creative Platform.

Depreciation and amortization

Depreciation and amortization include amounts recognized for intangible and capital assets. The Company had total depreciation and amortization expenses of \$8.7 million for the three months ended March 31, 2024 (Q1 2023: \$1.7 million), which represents an increase of \$7.0 million or 405%. Of the increase, \$6.7 million was attributable to the amortization of Software and Apps' intangible assets.

Advertising and promotion

Advertising and promotion include costs for media advertisements and promotions at industry conferences. The Company had total advertising and promotion costs of \$2.1 million for the three months ended March 31, 2024 (Q1 2023: \$1.8 million), which represents an increase of \$0.3 million or 16%. Of the increase, \$0.2 million is attributable to the addition of Software and Apps. The remaining increase was due to advertising efforts in the Other segment and Digital Services offset by decreases in Creative Platform.

NON-IFRS MEASURES

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

EBITDA and EBITDA %

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

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

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

Recurring Revenue

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

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

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

NON-IFRS MEASURES RECONCILIATIONS

EBITDA and EBITDA %

	For the three-month periods ended March 31,	
	2024	2023
Net loss	\$ (8,854,467)	\$ (4,080,911)
Income tax expense/(recovery)	461,541	(281,862)
Depreciation and amortization	8,724,754	1,729,243
Interest expense	3,019,087	1,519,131
EBITDA	3,350,915	(1,114,399)
Revenue	48,939,598	36,331,948
EBITDA %	7%	(3)%

Recurring Revenue

	For the three-month periods ended March 31,	
	2024	2023
Recurring revenues	\$ 9,256,874	\$ 1,592,713
Non-recurring revenues	39,682,724	34,739,235
Total revenue	48,939,598	36,331,948
Recurring revenue % of total revenue	19%	4%

LIQUIDITY AND CAPITAL RESOURCES

Overview

Cash on hand was \$25.6 million at March 31, 2024 compared to \$26.9 million at December 31, 2023.

The Company's main sources of funding are cash generated from operations, debt financing, and capital raised from equity. The funds from debt financing and equity are generally used to purchase businesses that the Company believes are accretive. As at March 31, 2024, the Company had negative working capital of \$5.7 million, an improvement from working capital of negative \$6.0 million at December 31, 2023. The Company has undertaken plans to increase cash flows and reduce costs. For the three months ended March 31, 2024, the Company generated \$2.9 million of positive cash flows from operations. In addition, the Company currently has \$18.2 million of undrawn facilities readily available at March 31, 2024.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective in managing liquidity risk is to ensure that it has sufficient liquidity available to meet its liabilities when due. The Company manages liquidity risk through the management of its capital structure in conjunction with cash flow forecasting including anticipated investing and financing activities. Management believes it has sufficient cash and liquidity to fund current liabilities and future cash outflows over the next 12 months.

The tables below categorize the Company's financial liabilities into relevant maturity groupings based on the remaining periods at the annual consolidated statement of financial position dates to the contractual maturity dates. Contingent consideration payable is to be settled through a combination of share issuance and cash as distinguished by its total contractual cash flows. All other financial liabilities are settled in cash.

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Total contractual cash flows \$	Carrying amount \$
March 31, 2024					
Trade and other payables	27,863,114	—	—	27,863,114	27,863,114
Income tax payable	4,004,977	—	—	4,004,977	4,004,977
Debt ⁽¹⁾	8,130,000	127,701,625	—	135,831,625	135,831,625
Contingent consideration payable ⁽²⁾	527,964	—	—	527,964	667,787
Due to related parties	549,528	—	—	549,528	549,528
Lease liabilities	216,366	207,644	—	424,010	424,010
	41,291,949	127,909,269	—	169,201,218	169,341,041

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

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

	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Total contractual cash flows \$	Carrying amount \$
December 31, 2023					
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 ⁽¹⁾	10,581,741	120,661,672	—	131,243,413	131,243,413
Contingent consideration payable ⁽²⁾	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) Interest charges are excluded from the amounts presented above.

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

Cash Flows

	For the three-month periods ended March 31,	
	2024	2023
Cash provided by/(used in) operating activities	\$ 2,852,254	\$ (992,792)
Cash used in financing activities	(120,842)	(907,768)
Cash used in investing activities	(3,855,017)	(2,563,899)
Foreign exchange on cash	(169,763)	—
Decrease in cash	(1,293,368)	(4,464,459)

Operating activities

During the three months ended March 31, 2024, cash flows provided by operating activities was \$2.9 million compared to cash flows used by operating activities of \$1.0 million in the prior year period. The change of \$3.8 million is due to the increase of revenue of \$12.6 million offset by increases in compensation of \$6.7 million, professional fees of \$0.9 million and subscription and other of \$0.7 million. The increase is also due to the company incurring lower one-time business acquisition costs and professional fees in Q1 2024. Q1 2024 also includes cash flows from WeCommerce, which are not included in the Q1 2023 comparative due to the Merger occurring in Q2 2023.

Financing activities

During the three months ended March 31, 2024, cash flows used by financing activities was \$0.1 million compared to \$0.9 million in prior year period. The change is a result of the Company receiving net of cash received from debt (net of interest paid, debt funds received and debt funds paid) of \$0.2 million in Q1 2024 compared to \$0.9 million received in the prior period.

Investing activities

During the three months ended March 31, 2024, cash flows used in investing activities was \$3.9 million compared to \$2.6 million in the prior year period. The increase of \$1.3 million is mainly attributable to \$0.6 million of earnout paid to Frosty within Digital Services, \$0.6 million increase to purchases of investments, and \$0.2 million increase to purchase capital assets. This was offset by a \$0.2 million increase in distributions from investments.

SUMMARY OF QUARTERLY RESULTS

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

	2024		2023		2022			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenue	48,939,598	51,175,456	50,522,913	47,472,296	36,331,948	38,833,246	40,914,446	40,397,397
	48,939,598	51,175,456	50,522,913	47,472,296	36,331,948	38,833,246	40,914,446	40,397,397
Total operating expenses	53,263,318	54,830,817	54,072,042	58,371,657	37,401,789	40,809,119	32,566,960	33,994,246
(Loss)/earnings from operations	(4,323,720)	(3,655,361)	(3,549,129)	(10,899,361)	(1,069,841)	(1,975,873)	8,347,486	6,403,151
Other income/(expense)	(4,069,206)	(6,832,431)	(2,362,681)	41,977,029	(3,292,932)	(2,377,997)	(3,526,616)	(3,705,541)
Earnings/(loss) before taxes	(8,392,926)	(10,487,792)	(5,911,810)	31,077,668	(4,362,773)	(4,353,870)	4,820,870	2,697,610
Income tax recovery/(expense)	(461,541)	1,131,654	1,429,075	1,597,046	281,862	1,660,932	(3,096,455)	(3,355,483)
Net income/(loss)	(8,854,467)	(9,356,138)	(4,482,735)	32,674,714	(4,080,911)	(2,692,938)	1,724,415	(657,873)
Cash provided by/(used in) operating activities	2,852,254	9,877,449	464,811	(5,964,428)	(992,792)	2,406,499	8,676,531	2,896,253
Non-IFRS Measures								
Net income/(loss)	(8,854,467)	(9,356,138)	(4,482,735)	32,674,714	(4,080,911)	(2,692,938)	1,724,415	(657,873)
Taxes	461,541	(1,131,654)	(1,429,075)	(1,597,046)	(281,862)	(1,660,932)	3,096,455	3,355,483
Depreciation and amortization	8,724,754	9,010,821	8,906,495	7,473,372	1,729,243	1,474,775	1,148,139	1,215,643
Interest expense	3,019,087	2,800,990	2,566,182	2,084,900	1,519,131	777,503	919,083	474,531
EBITDA ⁽¹⁾	3,350,915	1,324,019	5,560,867	40,635,940	(1,114,399)	(2,101,592)	6,888,092	4,387,784
Revenue	48,939,598	51,175,456	50,522,913	47,472,296	36,331,948	38,833,246	40,914,446	40,397,397
EBITDA % ⁽¹⁾	7%	3%	11%	86%	(3)%	(5)%	17%	11%
Recurring revenue	9,256,874	9,638,884	9,745,427	8,540,693	1,589,298	1,721,973	2,025,227	2,421,736
Non-recurring revenue	39,682,724	41,536,572	40,777,486	38,931,603	34,742,650	37,111,272	38,889,218	37,975,662
Total revenue	48,939,598	51,175,456	50,522,913	47,472,296	36,331,948	38,833,245	40,914,445	40,397,398
Recurring revenue % ⁽¹⁾	19%	19%	19%	18%	4%	4%	5%	6%

Notes:

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

⁽¹⁾ Non-IFRS measure (please refer to reconciliation on page 12)

Revenue

Quarter-over-quarter comparison

Revenue decreased by \$2.2 million or 4% quarter-over-quarter from Q4 2023 to Q1 2024. This decrease was due to slow performance from Creative Platform which contributed \$2.8 million of the reduction in revenue. This was offset by growth in Other of \$0.3 million or 22% from increased management fees and growth in Software and Apps of \$0.3 million or 2% as it continues to ramp up recent acquisitions. Revenue remained steady in Digital Services as did recurring revenue of 19% as a percentage of total revenue.

Year-over-year comparison of Q1

Revenue increased by \$12.6 million or 35% when comparing Q1 in each of 2024 and 2023. Revenues grew by \$13.5 million due to the addition of Software and Apps segment and \$4.3 million in Digital Services due to a shift in customer portfolio to mid-market and enterprise clients. This was offset by a decrease in revenues of \$3.8 million in Creative Platform due to a reduction in demand of its product and services. The remaining decrease of \$1.5 million is attributable to Other and lower supply of remote job searches. Recurring revenue as a percentage of total revenue increased from 4% to 19% due to the greater composition of recurring revenues in the Software and Apps segment.

Net income/(loss)

Quarter-over-quarter comparison

For the three months ended March 31, 2024, the Company incurred a net loss of \$8.9 million compared to a net loss of \$9.4 million in the prior quarter. The quarter-over-quarter decrease of \$0.5 in net loss is mainly attributable to reductions in operating expense of \$1.6 million and total other expenses of \$2.8 million, offset by decreased revenue of \$2.2 million and an income tax recovery of \$1.6 million. Within total other expenses are non-cash recognition of fair value amounts, including quarter-over-quarter decreases to: earnings of associate by \$2.3 million, gain on sale of shares by \$0.8 million to nil, fair value gain on contingent liability by \$9.0 million, and other expense by \$6.8 million. Within total other expenses were quarter-over-quarter increases from a loss on disposal of subsidiary by \$3.2 million to nil, a fair value gain on investment by \$4.5 million, an impairment of non-financial assets by \$13.4 million to nil, and other income by \$0.4 million. Quarter-over-quarter, cash provided by operating activities decreased from \$9.9 million to \$2.9 million due to a decrease in working capital of \$3.7 million, income tax payments of \$2.3 million, and an overall increase in operating loss.

Year-over-year comparison of Q1

Net loss increased by \$4.8 million when comparing Q1 in each of 2024 (net loss of \$8.9 million) and 2023 (net loss of \$4.1 million). Software and Apps contributed net loss of \$4.8 million, which includes \$6.7 million of depreciation and amortization. Excluding Software and Apps, net loss would have improved by \$0.1 million or 2%. The main driver of the improvement is a result of the Company receiving a share of earnings from equity-accounted investees of \$0.3 million compared to a share of losses from equity-accounted investees of \$1.1 million.

OFF-BALANCE SHEET ARRANGEMENTS

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

CRITICAL ACCOUNTING ESTIMATES

The most significant accounting judgements and estimates that the Company has made in the preparation of the Financial Statements are described in Notes 2 and 3 to the audited financial statements for the year ended December 31, 2023.

TRANSACTIONS WITH RELATED PARTIES

Related party transactions are conducted in the normal course of operations and have been valued in these interim 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, specifically within the WeCommerce Group and Beam, has been accounted for based on the historical cost and is described in Note 1 of the interim financial statements.

During the three month period ended March 31, 2024, 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;
- 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. Effective February 14, 2024, this agreement was terminated to avoid any conflict of interest.

(a) Related party revenues

	Three-months ended March 31,	
	2024	2023
Management fees:		
Entities under control of directors of the company	\$ —	\$ 20,500
Equity-accounted investees	144,400	447,690

(b) Related party expenses

	Three-months ended March 31,	
	2024	2023
Professional/consulting fees:		
Entities under control of directors of the company	\$ —	\$ 31,153
Equity-accounted investees	44,100	—
Marketing fees:		
Equity-accounted investees	353,537	105,683

(c) Due from related parties

	March 31, 2024	December 31, 2023
<i>Due from an entity controlled by key management personnel</i>		
Beginning of the year	\$ –	\$ 1,200,000
Loans advanced	–	–
Loan repayments received	–	(1,200,000)
End of the period	–	–
<i>Due from equity-accounted investees</i>		
Beginning of the year	1,714,624	112,385
Loans advanced	1,298,937	1,790,513
Loan repayments received	(144,645)	–
Foreign exchange	1,404	–
Interest charged	–	53,871
Bad debts written off	–	(242,145)
End of the period	2,870,320	1,714,624
Balance, end of the period	2,870,320	1,714,624

As at March 31, 2024, a promissory note in the amount of \$2,225,333 (December 31, 2023: \$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 has begun generating subscription revenue during the quarter. Tiny Ltd. has first rights to all dividends up until this promissory is repaid, then dividends will be split by the ownership %. The note 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.

(d) Due to related parties

	March 31, 2024	December 31, 2023
Due to equity-accounted investees	\$ 549,528	\$ 1,387,737

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 an equity-accounted investee as part of a share repurchase agreement for a purchase price of USD\$1,018,022. Of this amount, USD\$368,022 was in cash, received subsequent to period end, and the remainder eliminates the Company's outstanding obligation within due to related parties 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:

	Three months ended March 31,	
	2024	2023
Salaries and consulting fees	\$ 463,668	\$ 217,305
Share-based compensation	11,875	327,057

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The material accounting policies applied in preparation of this MD&A are consistent with the accounting policies disclosed in Note 3 of the audited consolidated financial statements for the year ended December 31, 2023.

CONTROLS CERTIFICATION

In connection with National Instrument 52-109 ("NI 52-109") Certification of Disclosure in Issuer's Annual and Interim Filings, the co-Chief Executive Officer and Chief Financial Officer, will file a Venture Issuer Basic Certificate with respect to the financial information contained in the Interim Condensed Consolidated Financial Statements and respective MD&A. The Venture Issuer Basic Certification does not include representation relating to establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as described in NI 52-109.

FINANCIAL RISK FACTORS

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

(a) 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.

(b) 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 whose 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 foreign currency denominated financial assets and liabilities, expressed in CAD:

	March 31, 2024	December 31, 2023
Cash	\$ 20,795,142	\$ 21,951,281
Trade and other receivables	15,084,073	18,822,546
Trade and other payables	(1,121,456)	24,452,306
Debt	57,831,384	57,953,467
Total exposure	92,589,143	123,179,600

RISK FACTORS

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

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

- Difficulties in integrating and managing combined operations, technology platforms, or offerings of the acquired companies and realizing the anticipated economic, operational and other benefits in a timely manner, which could result in substantial costs and delays, and failure to execute on the intended strategy and synergies;
- Failure of the acquired businesses to achieve anticipated revenue, earnings, or cash flow;
- Diversion of management's attention or other resources from the existing business;
- The Company's inability to maintain key customers, business relationships, suppliers, and brand potential of acquired businesses;
- Uncertainty of entry into businesses or geographies in which the Company has limited or no prior experience or in which competitors have stronger positions;
- Unanticipated costs associated with pursuing acquisitions or greater than expected costs in integrating the acquired businesses;
- Responsibility for the liabilities of acquired businesses, including those that were not disclosed to us or exceed the Company's estimates, such as liabilities arising out of the failure to maintain effective data protection and privacy controls, and liabilities arising out of the failure to comply with applicable laws and regulations, including tax laws;
- Difficulties in or costs associated with assigning or transferring to the Company or its subsidiaries the acquired companies' intellectual property or its licenses to third-party intellectual property;
- Inability to maintain the Company's culture and values, ethical standards, controls, procedures and policies;
- Challenges in integrating the workforce of acquired companies and the potential loss of key employees of the acquired companies;
- Challenges in integrating and auditing the financial statements of acquired companies that have not historically prepared financial statements in accordance with IFRS; and
- Potential accounting charges to the extent goodwill and intangible assets recorded in connection with an acquisition, such as trademarks, customer relationships, or intellectual property, are later determined to be impaired and written down in value.

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

- (b) *If the Company and/or its subsidiaries ("Portfolio Companies") are unable to maintain or renew their obligations under its credit facilities, they may suffer adverse consequences impacting their liquidity.*

The Company and certain Portfolio Companies, including Beam, WeCommerce LP and Dribbble maintain credit facilities which require Tiny and/or the applicable Portfolio Companies to make certain interest payments, provide a first ranking security interest over all of its assets and contain a number of covenants that impose significant operating and financial restrictions, which may limit their ability to engage in acts that may be in its long-term best interest. If the Company's and/or the applicable Portfolio Companies cash flows, cash and cash equivalents are insufficient to fund their debt service obligations, including repayment or renewal of such credit facilities at the end of each of their term, they could face liquidity problems and could be forced to seek amendments to its credit facilities, or reduce or delay investments and capital expenditures, dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance the indebtedness, including the credit facilities.

The Company and/or the applicable Portfolio Companies may not be able to affect any such alternative measures on commercially reasonable terms or at all and, even if successful, those alternatives may not allow them to meet their respective scheduled debt service obligations. There can be no certainty that the Company and/or the applicable Portfolio Companies will be able to repay or renew their respective credit facilities at maturity and the failure to do so would have a material adverse effect on the Company. With respect to the Company's own indebtedness, the Company conducts substantially all of its operations through its subsidiaries and therefore repayment of the Company's indebtedness will be dependent in large measure on the generation of cash flow by its subsidiaries and their ability to make such cash available to the Company, by dividend, intercompany debt repayment or otherwise.

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

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

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

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

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

- (e) *Global Financial Conditions*

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

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

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

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

- (g) *Disruption of Businesses by Artificial Intelligence (AI)*

Some of our Portfolio Companies operate in industries that are subject to rapid technological advancement and changing consumer needs. Their success will depend on their ability to keep up with the latest technological innovations such as generative artificial intelligence and the commercialization of those innovations. Moreover, our competitors may be willing or able to devote greater financial or operational resources than we do to the development of new technologies. If the Company and its Portfolio Companies do not sufficiently invest in new technology and industry developments such as generative AI, or if they do not make the right strategic investments to respond to these developments and successfully drive innovation, services and solutions, the Portfolio Companies' ability to generate demand for its services, attract and retain clients, and its ability to develop and achieve a competitive advantage and continue to grow could be negatively affected.

The use of generative artificial intelligence tools may also impact the use of search engines and consumer web browsing behaviour which could lead to reduction in the volume of traffic toward our Portfolio Companies. Also, such technologies could transform our competitors' marketing strategies, software development, engineering efforts, or customer support tools. Such factors could have material adverse effects on the Company's business, results of operations and financial conditions.

- (h) *The Company is incorporating generative AI into some of its products. This technology is new and developing, may present both compliance risks and reputational risks, and may require strategic investments.*

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

- (i) *Use of Artificial Intelligence and Machine Learning in Solutions and Operations*

The Company and its Portfolio Companies have and will continue to incorporate artificial intelligence, or AI, solutions into their business and operations from time to time. As with many innovations, AI presents risks and challenges that could affect its further development, adoption, and utilization, and therefore affect the Company's business. If the content, recommendation or analyses that AI applications assist in producing are

or are alleged to be deficient or inaccurate, the Company could be subject to competitive risks, potential legal or financial liability, and reputational harm.

The use of AI applications may also result in cybersecurity or privacy incidents. Any such incidents related to the Company's or a Portfolio Company's use of AI applications could adversely affect its business. In addition, AI may present emerging ethical issues. If the use of AI becomes controversial, the Company or its Portfolio Company's may experience reputational harm or other liabilities. Further, given the early stage of AI, factors that may impact AI, such as government regulations and market demand, are uncertain, and the Company and its Portfolio Companies may be unsuccessful in our product development efforts.

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

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

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

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

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

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

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

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

conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

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

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

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

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

The Company and its Portfolio Companies are subject to various laws and regulations covering the privacy and protection of users' data. Because the Portfolio Companies may handle, collect, store, receive, transmit, transfer, and otherwise process certain information, which may include personal information, regarding its customers or its customers' users and employees in the ordinary course of business, the Company and its Portfolio Companies may be subject to federal, state and foreign laws related to the privacy and protection of such data. These laws and regulations, and their application to our operating businesses, are increasingly shifting and expanding. Compliance with these laws and regulations could affect our business, and their potential impact is unknown. Any actual or perceived failure to comply with these laws and regulations may

result in investigations, claims and proceedings, regulatory fines or penalties, damages for breach of contract, or orders that require us to change our business practices, including the way data is processed.

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

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

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

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

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

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

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

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

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

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

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

- (t) *Any actual or perceived failure to protect confidential information against security attacks and privacy breaches could damage the Company's reputation and substantially harm its business and results of operations.*

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

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

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

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

(u) *Tax Risk*

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