



FOR DISTRIBUTION

August 16, 2024

Tiny Reports Second Quarter Results

- Total revenue for Q2 2024 of \$51.0 million, an increase of \$2.1 million from Q1 2024;
- Completed equity raise of \$20.6 million with Hosking Partners LLP;
- Acquired 100% of MediaNet Solutions, an education software business;
- Debt repayment of \$16.0 million in the quarter; net debt of \$98.7 million at Q2 2024;
- Transitioned CEO role to Jordan Taub and appointed new CFO Mike McKenna.

VICTORIA, British Columbia, August 16, 2024 – [Tiny Ltd.](#) (“Tiny” or “the “Company”) (TSXV: TINY), a technology holding company with a strategy of acquiring majority stakes in businesses, today announced the financial results for Tiny Ltd. for the three and six-month periods ended June 30, 2024 (“Q2 2024” and “YTD Q2 2024”, respectively). Currency amounts are expressed in Canadian dollars unless otherwise noted.

Portfolio Company Highlights for the Quarter

- MetaLab was named a finalist in Fast Company's 2024 Design Company of the Year;
- Meteor released it's latest update, Meteor 3.0, which introduces substantial architectural changes to modernize the platform and improve its performance and scalability;
- Stamped and Repeat announced their merger, creating a powerful platform designed to increase customer retention and lifetime value, automate personalized messaging at scale, and turn one-time purchasers into loyal repeat customers.

Management Commentary

“As we complete the first half of 2024, as a Company we are looking to strengthen our balance sheet, invest in organic growth, and increase cost discipline. We are focused on long-term free cash flow generation and continue to see opportunities to more efficiently operate and grow our existing portfolio,” said Jordan Taub, CEO of Tiny.

“The second quarter highlighted our commitment to debt repayment, which improves our Free Cash Flow and will allow us greater flexibility to execute on our acquisition pipeline. We will look to continue reducing our leverage levels over the coming quarters, managing to a long-term targeted range commensurate with the profile of the business. We are also evaluating a number of attractive investment opportunities, with a strategic focus on recurring revenue platforms and value-oriented tuck-ins for our existing businesses.”

“We look forward to further discussing on our upcoming investor call.”

Q2 2024 Financial Results

| | For the three-month periods ended June 30, | | For the six-month periods ended June 30, | |
|------------------------------------|---|--------------|---|--------------|
| | 2024 | 2023 | 2024 | 2023 |
| Revenue | 51,005,412 | 47,472,296 | 99,945,010 | 83,804,244 |
| Operating loss | (4,952,079) | (10,899,361) | (9,782,520) | (11,969,202) |
| Net (loss)/income | (1,671,756) | 32,674,714 | (10,526,223) | 28,593,803 |
| EBITDA ⁽¹⁾ | 4,864,920 | 40,635,940 | 8,215,835 | 39,312,096 |
| EBITDA % ⁽¹⁾ | 10% | 86% | 8% | 47% |
| Recurring revenue ⁽¹⁾ | 9,637,944 | 8,537,279 | 18,894,818 | 10,129,992 |
| Recurring revenue % ⁽¹⁾ | 19% | 18% | 19% | 12% |

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



| | For the three-month periods ended June 30, | | For the six-month periods ended June 30, | |
|---|---|-------------|---|----------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Cash provided by/(used in) operating activities | (797,399) | (6,274,992) | 3,540,450 | (7,094,456) |
| Free cash flow ⁽¹⁾ | (3,600,149) | (5,441,012) | (2,259,105) | (6,932,042) |
| Adjusted free cash flow post debt servicing ⁽¹⁾ | (3,584,165) | (2,633,554) | (2,302,295) | (2,513,228) |
| Basic (loss)/earnings per share | (0.01) | 0.19 | (0.06) | 0.17 |
| Diluted (loss)/earnings per share | (0.01) | 0.19 | (0.06) | 0.17 |
| Free cash flow per share ⁽¹⁾ | (0.02) | (0.03) | (0.01) | (0.04) |
| | | | June 30, 2024 | December 31, 2023 |
| Total assets | | | 385,280,810 | 392,635,137 |
| Total liabilities | | | 169,935,661 | 190,081,456 |
| Non-current financial liabilities | | | 109,444,330 | 132,538,131 |

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

- Revenue in Q2 2024 was \$51.0 million, an increase of \$3.5 million or 7% compared to Q2 2023. Creative Platform grew \$1.7 million compared to Q2 2023 due to a large enterprise licensing deal signed in the quarter while the remainder of the increase is attributable to growth in the Software and Apps segment.
- Revenue increased \$2.1 million or 4% compared to Q1 2024 mainly due to the large enterprise licensing deal in Creative Platform.
- Recurring revenue⁽¹⁾ in Q2 2024 was \$9.6 million and made up 19% of total revenue, an increase of 1% compared to Q2 2023. This growth is mostly due to including a full quarter of Software and Apps' recurring revenue in Q2 2024 as compared to the partial quarter in Q2 2023 (acquired on April 17, 2023).
- In Q2 2024, the Company acquired MediaNet, which has 98% SaaS based subscription revenue and highlights Tiny's strategic focus in acquiring recurring revenue platforms.
- Cash on hand on June 30, 2024 was \$22.4 million compared to \$26.9 million on December 31, 2023. Total debt outstanding on June 30, 2024 was \$121.1 million compared to \$131.2 million on December 31, 2023. The decrease of \$10.1 million is due to debt repayments, net of drawings, of \$14.2 million offset with foreign exchange fluctuations to debt of \$4.1 million.
- During the quarter, the Company reduced its leverage by paying down \$16.0 million, net of drawings, through a combination of scheduled and voluntary repayments.
- The Company ended Q2 2024 with cash outflow from operations of \$0.8 million, up from Q2 2023 cash outflow of \$6.3 million. Q2 2023 cash flow from operations was impacted by the merger with WeCommerce, with the Company incurring business acquisition costs and non-recurring professional and severance expenses of \$4.1 million. The improvement in the Company's cash flow from operations is a result of the higher revenue generated during the quarter along with fewer business acquisition and non-recurring costs in 2024.
- Free cash flow⁽¹⁾ in Q2 2024 was \$(3.6) million compared to \$(5.4) million in Q2 2023. The improvement is a result of higher revenue generated during the quarter. When factoring in non-recurring costs and scheduled debt payments, the Adjusted Free Cash Flow Post Debt Servicing⁽¹⁾ in Q2 2024 was \$(3.6) million compared to \$(2.6) million in Q2 2023. This change is due to the timing of two scheduled debt payments falling in Q2 2024 compared to only one falling in the same period in 2023 as well as working capital timing.
- Net loss in Q2 2024 was \$1.7 million compared to net income of \$32.7 million in Q2 2023, a change of \$34.3 million compared to prior period. Net income in Q2 2023 included a one-time non-cash gain on share transaction of \$42.1 million. Without the gain, net loss in Q2 2023 would have been \$9.4 million, an improvement of \$7.8 million. The improvement in Q2 2024 is mainly due to growth in revenues of \$3.5 million



and lower operating expenses of \$2.4 million, with the remaining amount due to a higher deferred tax recovery.

- EBITDA⁽¹⁾ in Q2 2024 was \$4.9 million compared to \$40.6 million in Q2 2023. EBITDA in Q2 2023 includes the one-time non-cash gain on share transaction of \$42.1 million. Without the gain, EBITDA in Q2 2023 would have been \$(1.4) million, which was a result of one-time costs incurred related to the Merger. Similar to net loss, the improvement is due to revenue growth and lower operating expenses.
- Total assets on June 30, 2024 were \$385.2 million compared to \$392.6 million on December 31, 2023.

Conference Call Notification

The Company will hold a conference call to provide a business update on Friday, August 16, 2024, at 8:00 a.m. ET hosted by:

- Jordan Taub, CEO
- Mike McKenna, CFO

A question-and-answer session will follow the business update.

Conference Call Details

| | |
|------------------------|---|
| Date: | Friday, August 16, 2024 |
| Time: | 8:00 a.m. ET |
| Dial-In Number: | (US) 1.833.470.1428 (Canada) 1.226.828.7575 or 1.833.950.0062 |
| Access code: | 788533 |

This live call is also being webcast and can be accessed by going to: <https://events.q4inc.com/attendee/227955911>.

An archived telephone replay of the call will be available for two weeks following the call by dialing 1.226.828.7578 or 1.866.813.9403 and entering the access code 212131.

Financial Statements

Tiny Ltd's consolidated financial statements and Management's Discussion and Analysis ("MD&A") for Q2 2024 is available on SEDAR+ at www.sedarplus.com.

About Tiny

Tiny is a technology holding company focused primarily on acquiring majority stakes in businesses that it expects to hold over the long-term. The Company is structured to give maximum flexibility to operating management teams by maintaining a focus at the parent company level on only three areas: capital allocation, management, and incentives. This structure enables each company to run independently and focus on what they do best, within an incentive structure that is designed to drive results for both the operating business and ultimately for Tiny and its shareholders.

Tiny currently has three principle reporting segments: Digital Services, which provides design, engineering, brand positioning and marketing services to help companies of all sizes deliver premium web and mobile products; Software and Apps, which is home to a complementary portfolio of recurring revenue software businesses that support merchants, as well as digital themes businesses that sell templates to Shopify merchants; and Creative Platform, which is comprised primarily of Dribbble, the social network for designers and digital creatives, as well as a premier online marketplace for digital assets such as fonts and templates.

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

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NON-IFRS MEASURES RECONCILIATIONS

EBITDA and EBITDA %

| | For the three-month periods ended June 30, | | For the six-month periods ended June 30, | |
|-------------------------------|---|-------------------|---|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Net (loss)/income | \$ (1,671,756) | \$ 32,674,714 | \$ (10,526,223) | \$ 28,593,803 |
| Income tax expense/(recovery) | (5,287,794) | (1,597,046) | (4,826,253) | (1,878,908) |
| Depreciation and amortization | 8,873,617 | 7,473,372 | 17,598,371 | 9,202,615 |
| Interest expense | 2,950,853 | 2,084,900 | 5,969,940 | 3,394,586 |
| EBITDA | 4,864,920 | 40,635,940 | 8,215,835 | 39,312,096 |
| Revenue | 51,005,412 | 47,472,296 | 99,945,010 | 83,804,244 |
| EBITDA % | 10 % | 86 % | 8 % | 47 % |

Recurring Revenue

| | For the three-month periods ended June 30, | | For the six-month periods ended June 30, | |
|---|---|-------------------|---|-------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Recurring revenues | \$ 9,637,944 | \$ 8,537,279 | \$ 18,894,818 | \$ 10,129,992 |
| Non-recurring revenues | 41,367,468 | 38,935,017 | 81,050,192 | 73,674,252 |
| Total revenue | 51,005,412 | 47,472,296 | 99,945,010 | 83,804,244 |
| Recurring revenue % of total revenue | 19 % | 18 % | 19 % | 12 % |

Free Cash Flow and Free Cash Flow per Share

| | For the three-month periods ended June 30, | | For the six-month periods ended June 30, | |
|--|---|--------------------|---|--------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Cash (used in)/provided by operating activities | \$ (797,399) | \$ (6,274,992) | \$ 3,540,450 | \$ (7,094,456) |
| Business acquisition costs | 292,028 | 2,891,075 | 337,370 | 2,943,536 |
| Interest paid on debt | (3,094,778) | (2,057,095) | (6,136,925) | (2,781,122) |
| Free Cash Flow | (3,600,149) | (5,441,012) | (2,259,105) | (6,932,042) |
| Weighted average number of shares outstanding | 181,614,111 | 171,226,124 | 180,413,214 | 158,151,970 |
| Free cash flow per share | (0.02) | (0.03) | (0.01) | (0.04) |

| | For the three-month periods ended June 30, | | For the six-month periods ended June 30, | |
|-------------------------------------|---|--------------------|---|--------------------|
| | 2024 | 2023 | 2024 | 2023 |
| EBITDA | \$ 4,864,920 | \$ 40,635,940 | \$ 8,215,835 | \$ 39,312,096 |
| Income taxes paid | (1,552,564) | (3,093,441) | (2,571,418) | (3,630,195) |
| Interest paid on debt | (3,094,778) | (2,057,095) | (6,136,925) | (2,781,122) |
| Non-cash expenses | 628,762 | (41,554,108) | 2,504,458 | (39,501,368) |
| Business acquisition costs | 292,028 | 2,891,075 | 337,370 | 2,943,536 |
| Changes in non-cash working capital | (4,738,517) | (2,263,383) | (4,608,425) | (3,274,989) |
| Capital expenditures, maintenance | — | — | — | — |
| Free cash flow | (3,600,149) | (5,441,012) | (2,259,105) | (6,932,042) |



Adjusted Free Cash Flow Post Debt Servicing

| | For the three-month periods ended June 30, | | For the six-month periods ended June 30, | |
|--|---|--------------------|---|--------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Free cash flow | \$ (3,600,149) | \$ (5,441,012) | \$ (2,259,105) | \$ (6,932,042) |
| Acquisition-related compensation | — | 335,775 | — | 673,725 |
| Non-recurring bad debt expense | 833,196 | — | 833,196 | — |
| Non-recurring project costs | 775,964 | — | 775,964 | — |
| Non-recurring professional fees | 409,206 | 1,115,167 | 1,244,011 | 1,949,972 |
| Severance | 1,065,729 | 2,681,256 | 1,504,330 | 3,119,857 |
| Scheduled debt payments | (3,068,111) | (1,324,740) | (4,400,691) | (1,324,740) |
| Adjusted free cash flow post debt servicing | (3,584,165) | (2,633,554) | (2,302,295) | (2,513,228) |

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.

Free Cash Flow, Free Cash Flow per Share, and Adjusted Free Cash Flow Post Debt Servicing

Free Cash Flow ("FCF") refers to net cash flows from operating activities before interest paid on debt facilities, and business acquisition costs. Free cash flow is also reconciled from EBITDA where it is the net of EBITDA before income taxes paid, interest paid on debt facilities, non-cash expenses, business acquisition costs, and changes in non-cash working capital.

Free Cash Flow per Share is determined by dividing Free Cash Flow by the weighted average number of common shares outstanding during the period.

Adjusted Free Cash Flow Post Debt Servicing ("Adjusted FCF") refers to free cash flow net of acquisition related compensation, non-recurring costs and the scheduled payments on debt facilities.



Free Cash Flow, Free Cash Flow per Share and Adjusted Free Cash Flow Post Debt Servicing are frequently used by securities analysts and investors when valuing a business and its underlying assets. It provides a basis to evaluate how much cash is available to repay debt and to reinvest in the Company, which is an important indicator of financial strength and performance.

Cautionary Note Regarding Forward-Looking Information

This news release contains certain forward-looking statements and forward-looking information within the meaning of Canadian securities law. Such forward-looking statements and information include, but are not limited to, statements or information with respect to: our strategies, objectives and financial plans.

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

For a more detailed discussion of certain of these risk factors, see the list of risk factors in the Company’s MD&A dated August 15, 2024 and the management information circular dated May 13, 2024 available on SEDAR+ at www.sedarplus.com under the Company’s profile.

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