



TINY LTD.

Management's Discussion and Analysis

For the years ended December 31, 2024 and December 31, 2023

GENERAL INFORMATION AND CAUTIONARY STATEMENTS

Introduction

The following management's discussion and analysis ("MD&A") dated April 29, 2025, provides information concerning the financial condition and results of operations of Tiny Ltd. ("Tiny" or the "Company") for the years ended December 31, 2024 ("Q4 2024" and "FY2024", respectively) and December 31, 2023 ("Q4 2023" and "FY2023", respectively). The following MD&A should be read in conjunction with the Company's audited annual consolidated financial statements and notes thereto related to the year ended December 31, 2024 ("Financial Statements"). Additional information relating to the Company, including its Annual Information Form for the year ended December 31, 2024, is available on the Company's website at www.tiny.com and on SEDAR+ at www.sedarplus.com.

Basis of presentation

The financial statements represent the audited consolidated financial statements of Tiny Ltd. ("Tiny" or the "Company"), which includes WeCommerce Holdings Limited Partnership ("WeCommerce LP"), Beam Digital Ltd. ("Beam"), Dribbble Holdings Ltd. ("Dribbble") and their majority owned subsidiaries.

On April 17, 2023, WeCommerce Holdings Ltd. (a Canadian company listed on the TSXV (as defined herein) 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.

Upon completion, the shareholders of Tiny Capital obtained control over WeCommerce, resulting in a reverse take-over, where the common shares of Tiny Capital were cancelled and the shareholders of Tiny Capital received shares of WeCommerce (the "Share Transaction"). The resulting MD&A and comparative figures presented in the consolidated Financial Statements are presented as a continuance of Tiny Capital (accounting acquirer).

WeCommerce was incorporated under the Business Corporations Act (British Columbia) (the "BCBCA") on November 27, 2019, and its business involved investing in businesses that develop, sell and support website themes and applications, as well as providing custom solutions for clients on ecommerce platforms. As part of the Share Transaction, the operating business of WeCommerce and its subsidiaries were transferred to WeCommerce LP, which was accounted for as a transaction under common control, where the book value method was applied.

Tiny Capital was incorporated under the BCBCA 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 and 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.

Tiny maintains its registered office at 510 West Georgia Street, Suite 1800, Vancouver, British Columbia, V6B 0M3.

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.

In this MD&A, unless otherwise indicated, all dollar amounts are expressed in Canadian dollars. The information in this MD&A is as of April 29, 2025, which is the date of approval for issuance by the Company's Board of Directors (the "Board of Directors"). Disclosure in this document is current to April 29, 2025, 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: 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; incurrence of costs; and general economic conditions.

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; the ability to integrate previous acquisitions or future acquisitions; limitations on claims against a seller of an acquired company; additional financing requirements; risks related to dilution; global financial conditions; management of growth; risks associated with the Company’s strategy of growth through acquisitions; tax risks; reputational risks; payment processing 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; cyber security and privacy breaches; changes in client demand; challenges to the protection of intellectual property; infringement of intellectual property; regulatory risks; risks related to legal claims; ineffective operations through mobile devices, which are increasingly being used to conduct commerce; risks related to information technology; and risks associated with internal controls over financial reporting][1]. 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 their nature, forward-looking statements and information, including future-oriented financial information or financial outlook, are 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 factors that may affect any of the forward-looking information contained herein.

For a more detailed discussion of these risk factors, see the list of risk factors in the Company’s Annual Information Form dated April 29, 2025 which is available on SEDAR+ at www.sedarplus.com 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 %”, “Adjusted EBITDA”, “Adjusted EBITDA %”, “recurring revenue”, “recurring revenue %”, “free cash flow”, “free cash flow per share”, “adjusted free cash flow post debt servicing”, and “adjusted free cash flow per share”. 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”.

Use of Operating Metrics

The Company uses supplementary measures and operating metrics to assess performance beyond traditional financial statements. These metrics help evaluate growth, efficiency, customer engagement, and profitability and include recurring subscription revenue, revenue growth, digital goods revenue and user growth. Certain of these operating metrics, may constitute supplementary financial measures as defined in National Instrument 52-112 “Non-GAAP and Other Financial Measures Disclosure”. These supplementary measures are not derived from directly comparable measures contained in the Financial Statements but may be used by management and disclosed on a periodic basis to depict the historical or future expected financial performance, financial position or cash flow of the Company.

COMPANY OVERVIEW

Tiny is a technology holding company that pursues a strategy of acquiring majority stakes in high-quality businesses. As of the reporting date, Tiny operates through three reportable business segments: **Digital Services, Software and Apps**, and **Creative Platform**. All other standalone businesses, including a stake in a private investment fund, are grouped under the **Other** segment.

Digital Services Segment

This segment provides end-to-end digital product design, engineering, and marketing services. Tiny's Digital Services segment serves a broad client base ranging from start-ups to Fortune 500 companies, assisting in the development of premium digital products for both mobile and web platforms. By leveraging its deep insight into end-user behavior, the segment takes a strategy-driven approach to product design, engineering, branding, and marketing. The Digital Services segment includes the following legal entities:

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

Software and Apps Segment

This segment provides a suite of e-commerce software tools designed to support merchants in launching and growing their online stores. Tiny's Software and Apps businesses are primarily focused on the Shopify ecosystem, offering products and services for customer engagement, including review management, loyalty programs, customer insights/survey tools and retention applications. The segment also provides digital Shopify theme templates designed to enhance online storefronts. The Software and Apps segment includes the following legal entities:

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

Creative Platform Segment

The Creative Platform segment includes Dribbble and Creative Market, both of which provide digital asset marketplaces and services to the global design community. Dribbble is a leading social network for creative professionals, while Creative Market offers a marketplace for digital goods such as graphics, fonts, and templates. The Creative Platform segment generates revenue primarily through its services marketplace, digital asset sales, subscriptions, enterprise licensing, and digital advertising. The Creative Platform segment includes the following legal entities:

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

Other Segment

The Other segment encompasses various additional businesses within Tiny's portfolio, including operations related to Tiny's corporate head office. The companies included in this segment are:

- Meteor Software Holdings Ltd. ("Meteor", open source development framework and cloud hosting company)
- Tiny Boards Holdings Ltd. ("We Work Remotely", remote job boards platform)

- MediaNet Solutions, Inc. ("MediaNet", special education software)
- Tiny Ltd. (Head Office)
- Tiny Capital (US) Ltd.
- Tiny India Pvt Ltd.
- Tiny Fund I LP ("Tiny Fund")

Tiny Fund, a private equity fund established in August 2020, has total committed capital of US\$147.2 million. Tiny holds a 20.34% interest in the fund's limited partnership units and accounts for its interest on an equity basis. Tiny's consolidated financial results do not include the aggregate revenues, expenses, or profits from the underlying investments of Tiny Fund. Tiny is also a 50% owner of the general partner of Tiny Fund, entitling it to a 50% share of the general partner's earnings, including 30% carried interest, which is realized after an annualized 8% hurdle rate is met. The carried interest is calculated on an asset-by-asset basis.

Tiny Fund Portfolio

Tiny Fund's portfolio consists of investments in the following businesses:

- Abstract Studio Design Inc. (design collaboration tool)
- AeroPress Inc. (producer of the Aeropress coffee maker and accessories)
- BeFunky Inc. (digital media and AI photo editing software suite)
- Dribbble Holdings Ltd. (minority investment)
- Girlboss Holdings Inc. (women and career focused online community and media brand)
- Medimap Systems Inc. (Canadian medical clinic and services search platform); subsequently sold in January 2025
- Mateina Inc. (Canadian organic yerba mate producer)
- Letterboxd Ltd. (a global social platform for film discovery and discussion)
- Conference Badge Inc. (online platform for creating custom conference badges)
- Frosty Pop Games Inc. (developer of mobile video games, minority investment)
- WholesalePet (wholesale B2B pet supply marketplace)

Business Strategy and Management

Tiny operates its business model on a decentralized basis, where its portfolio companies are managed independently, with a corporate management team focused on strategic capital allocation, portfolio management, and senior executive hiring and incentives. Tiny seeks to acquire businesses that exhibit the following characteristics:

- Strong profitability
- Sustainable competitive advantage
- Simple business model
- Proven operational track record over multiple years
- High-quality management teams or a potential to hire strong leaders
- Ethical and responsible business practices

Since its incorporation in January 2016, Tiny, along with its subsidiaries and equity-accounted investees, has invested in or acquired over 35 companies.

OVERALL PERFORMANCE AND SELECTED ANNUAL INFORMATION

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

	For the years ended December 31,	
	2024	2023
Revenue	194,232,353	185,502,613
Operating loss	(15,777,222)	(19,173,692)
Net (loss)/income	(47,559,499)	14,754,930
EBITDA ⁽¹⁾	(3,350,988)	46,406,427
EBITDA % ⁽¹⁾	(2)%	25%
Adjusted EBITDA ⁽¹⁾	31,005,912	27,402,341
Adjusted EBITDA % ⁽¹⁾	16%	15%
Recurring revenue ⁽¹⁾	38,665,385	29,514,301
Recurring revenue % ⁽¹⁾	20%	16%
Cash provided by/(used in) operating activities	19,901,895	3,385,040
Free cash flow ⁽¹⁾	9,345,658	(2,608,589)
Adjusted free cash flow post debt servicing ⁽¹⁾	8,985,904	6,531,905
Basic (loss)/earnings per share	(0.26)	0.08
Diluted (loss)/earnings per share	(0.26)	0.08
Free cash flow per share ⁽¹⁾	0.05	(0.02)
Adjusted free cash flow per share ⁽¹⁾	0.05	0.04
	December 31, 2024	December 31, 2023
Total assets	350,529,798	392,635,137
Investment in Tiny Fund I LP	38,177,751	30,930,394
Total liabilities	168,459,250	190,081,456
Non-current financial liabilities	106,934,158	132,538,131

⁽¹⁾ Refer to Non-IFRS Measures section on page 14

ANNUAL HIGHLIGHTS

- Revenue in FY2024 was \$194.2 million, an increase of \$8.7 million (5%) compared to FY2023. The increase is partly driven by full-year inclusion of WeCommerce in FY2024, offset by the disposition of certain operations under the Digital Services segment in Q4 2024. Excluding the disposed entities, revenue in FY2024 would have been \$181.8 million, an increase of \$5.1 million (3%) compared to FY2023.
- Recurring revenue⁽¹⁾ in FY2024 was \$38.7 million and made up 20% of total revenue, an increase of \$9.2 million compared to FY2023. The growth is largely attributable to the acquisition of MediaNet on June 5, 2024 which consists of a 98% recurring revenue base, combined with the full-year inclusion of WeCommerce.
- EBITDA⁽¹⁾ in FY2024 was \$(3.4) million compared to \$46.4 million in FY2023. EBITDA in 2023 included a gain on share transaction of \$42.8 million as a result of the Company going public. EBITDA was also impacted by an additional non-cash \$5.0 million goodwill impairment in 2024 compared to 2023, which was largely driven by market valuation dynamics within the Software and Apps segment.
- Adjusted EBITDA⁽¹⁾ in FY2024 was \$31.0 million compared to \$27.4 million in FY2023. Improvement in Adjusted EBITDA is attributable to the full year inclusion of WeCommerce and the acquisition of MediaNet. The Company's adjusted EBITDA Q4 2024 of \$10.1 million, representing an increase of 38% from Q3 2024.
- Cash on hand on December 31, 2024 was \$22.9 million compared to \$26.9 million on December 31, 2023.

- Total debt outstanding on December 31, 2024 was \$116.9 million compared to \$131.2 million on December 31, 2023. The decrease of \$14.3 million is due to debt repayments, net of drawings, of \$24.5 million offset with foreign exchange fluctuations on debt of \$10.0 million. In 2024, the Company repaid a total of \$37.5 million of debt during the year.
- The Company's cash flow from operations for FY2024 was \$19.9 million, compared to \$3.4 million in FY2023. The difference is largely attributable to an unrealized foreign exchange gain of \$10.2 million in 2024, compared to \$(1.9) million in 2023 due to significant movements in USD/CAD foreign exchange rates. Net of unrealized foreign exchange, cash flow from operations was \$9.7 million for FY2024 compared to \$5.3 million in FY2023, an increase of \$4.4 million. This is the result of increases in revenue combined with the early results of cost management measures implemented in Q3 2024.
- Free cash flow⁽¹⁾ in FY2024 was \$9.3 million compared to \$(2.6) million in FY2023. The increase is the result of improved cost management and lower non-recurring costs incurred as a result of the Share Transaction in FY2023. When factoring in non-recurring costs and scheduled debt payments, the Adjusted Free Cash Flow Post Debt Servicing⁽¹⁾ in FY2024 was \$9.0 million compared to \$6.5 million in FY2023.
- Net loss in FY2024 was \$47.6 million compared to net income of \$14.8 million in FY2023, a decline of \$62.4 million compared to prior period. Net income in 2023 included a gain on share transaction of \$42.8 million as a result of the Company going public. The Company also observed greater fluctuations in USD/CAD foreign exchange rates, and incurred higher interest, depreciation and impairment expense in FY2024 compared to FY2023.
- Total assets on December 31, 2024 were \$350.5 million compared to \$392.6 million on December 31, 2023.

SUBSEQUENT EVENTS

Appointment of new Board Member

On January 27, 2025, the Company appointed Alex Conconi to its Board of Directors. Mr. Conconi brings invaluable experience and expertise to the Board of Directors with his track record in entrepreneurship, investment and leadership. He is the Founder of Conconi Growth Partners, a private investment company based in Vancouver. He is also the Founder of Neighbourhood Holdings, a Canadian mortgage lender, and Lendesk Technologies, a mortgage technology company acquired by Rocket Mortgage. Mr. Conconi has invested over 70 North American start-ups. He holds an MSc in Finance and a BSc in Economics (Distinction).

Majority acquisition of Serato Audio Research Limited

On March 31, 2025, the Company entered into an arms-length definitive agreement (as may be amended or supplemented from time to time, the "Acquisition Agreement") to acquire a 66% interest in Serato Audio Research Limited ("Serato"), the leading global DJ software company based in Auckland, New Zealand (the "Acquisition"). Pursuant to the Acquisition Agreement, the Company has agreed to acquire 66% of the shares of Serato from the current shareholders of Serato (the "Sellers") for an aggregate base purchase price of US\$66,000,000 (the "Purchase Price"), payable on closing, subject to customary closing adjustments, plus contingent consideration based on Serato's performance in the two years following closing of the Acquisition. The Purchase Price will be paid through: (i) the issuance of 29,360,452 Common Shares to the Sellers having an aggregate value of US\$23,600,000 (the "Completion Shares"), and (ii) the payment of up to US\$42,400,000 in cash.

Each Completion Share will be issued at a price of US\$0.8038 (CAD\$1.15) per share and will be subject to a statutory four month hold period in accordance with applicable Canadian securities laws. In addition, the Sellers have agreed to contractual restrictions on the sale of their Completion Shares whereby the transfer of such shares will be restricted for a period of 24 months following closing, with 50% of such Completion Shares becoming freely trading upon the first anniversary of the closing date and 12.5% being released quarterly thereafter.

The completion of the Acquisition is subject to customary mutual conditions for transactions of this nature, including: the accuracy of representations and warranties; the fulfilment of certain covenants; the receipt of certain regulatory approvals, including the approval of the New Zealand Overseas Investment Office and the

approval of the TSXV. The Acquisition is expected to close in Q2 2025, subject to the satisfaction of customary closing conditions and regulatory approvals.

Bought deal financing and concurrent private placement

On April 9, 2024, the Company entered into an underwriting agreement with Canaccord Genuity Corp. and Roth Canada, Inc., (the "Co-Lead Underwriters"), as co-lead underwriters, and Scotia Capital Inc., Cormark Securities Inc. and Ventum Financial Corp. to issue and sell, on a bought deal basis, 17,400,000 subscription receipts of the Company (the "Subscription Receipts"), at a price of \$1.15 per Subscription Receipt for gross proceeds of \$20,010,000 (the "Offering"). The net proceeds of the Offering will be used to finance a portion of the cash component of the Purchase Price. The Company has granted the Underwriters an option to purchase up to an additional 15% of the number of Subscription Receipts sold in the Offering on the same terms and conditions as the Offering, exercisable by the Co-Lead Underwriters at any time, in whole or in part, up to the earlier of: (i) thirty days following the closing of the Offering and (ii) the termination of the agreement related to the Acquisition (the "Over-Allotment Option"). If the Underwriters exercise the Over-Allotment Option in full, an additional 2,610,000 Subscription Receipts will be issued, listed, and admitted to trading. If the closing of the Acquisition occurs on or prior to the closing of the Over-Allotment Option, the Company will deliver Class A common shares ("Common Shares") and warrants, instead of Subscription Receipts, to investors on the closing of the Over-Allotment Option.

Upon satisfaction or waiver of certain closing conditions of the Acquisition and Concurrent Private Placement (as defined herein) each Subscription Receipt, without payment of additional consideration or further action by the holder thereof will be exchanged for: (a) one Common Share and one-half of one Common Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will entitle the holder thereof to purchase one Common Share at an exercise price of \$1.45 until April 9, 2027, subject to acceleration in certain circumstances.

In connection with the closing of the Offering, the Company expects to enter into subscription agreements with certain investors pursuant to which the Company will agree to sell up to \$34,600,000 aggregate principal amount of convertible debentures of the Company (the "Convertible Debentures") on a "private placement" basis (the "Concurrent Private Placement"), with an original issue discount of 7.5%, for aggregate gross proceeds of up to \$32,000,000. Each Convertible Debenture will have a face value (i.e. principal amount) of \$1,000 and will be offered and sold at a price of \$925 per Convertible Debenture. The principal amount of the Convertible Debentures will be convertible into Common Shares at an initial conversion price equal to \$1.50 (the "Conversion Price"). The Conversion Price may be adjusted in certain circumstances, subject to a minimum conversion price of \$1.15 and other applicable policies of the TSXV. The net proceeds of the Concurrent Private Placement will be used to finance a portion of the cash component of the Purchase Price.

RESULTS OF OPERATIONS

	For the years ended December 31,	
	2024	2023
Revenue	\$ 194,232,353	185,502,613
Expenses		
Compensation	103,860,054	101,115,189
Marketplace content costs	27,788,494	29,316,636
Hosting fees	9,012,136	9,433,359
Travel, meals and entertainment	2,422,204	2,361,684
Share-based compensation	2,091,052	4,670,664
Professional fees	10,124,238	9,698,547
Subscription and other	9,304,008	9,878,342
Management and strategic fees	—	—
Depreciation and amortization	35,321,552	27,119,931
Business acquisition costs	1,163,534	2,948,294
Advertising and promotion	7,232,548	7,370,826
Bad debts	1,322,105	602,929
Bank charges	367,650	159,904
	210,009,575	204,676,305
Operating loss	(15,777,222)	(19,173,692)
Other (expenses)/income	(33,825,740)	29,488,985
(Loss)/income before taxes	(49,602,962)	10,315,293
Income tax recovery	2,043,463	4,439,637
Net (loss)/income	(47,559,499)	14,754,930

Revenue

	For the years ended December 31,	
	2024	2023
Digital Services	\$ 81,501,303	\$ 80,186,311
Software and Apps	54,581,745	36,643,967
Creative Platform	51,241,591	61,497,141
Other	6,907,714	7,175,194
	194,232,353	185,502,613

The Company generated revenue of \$194.2 million for the year ended December 31, 2024, which represents an increase of \$8.7 million (5%) compared to the prior year. Recurring revenue increased to \$38.7 million in 2024, up from \$29.5 million (31%) in 2023 due to the full year inclusion of Software and Apps in 2024.

Digital Services's revenue increased by \$1.3 million (2%) compared to the prior year, primarily driven by new contracts signed with large enterprise customers. The segment has grown steadily in 2024 as the market improves and the platform diversifies its customer base. The segment also sold Frosty Studio Ltd. and 8020 Design Ltd. in Q4, which was compressing overall revenue growth.

Software and Apps's revenue was \$54.6 million, an increase of \$17.9 million (49%) compared to the prior year due to a full year inclusion of the segment in 2024, whereas the prior year only included revenue from April 17, 2023 onwards.

Creative Platform revenue declined by \$10.3 million (17%) compared to the prior year. This decline was primarily driven by lower transactional marketplace revenue in Creative Market, partially offset by increase in enterprise licensing revenue. The decline in revenue was also driven by Dribbble's education platform, hiring suite due to macro conditions and removal of the search paywall, and display advertising. In 2025, the Company is targeting

to focus on overall marketplace stabilization and increasing the transaction activity in marketplace and advertising.

Revenue from the other segment decreased by \$0.3 million (4%) compared to the prior year. This decline was due to reduced discretionary spending observed in the market. A portion of the decline was offset by the revenue generated during the year of \$1.5 million from the MediaNet acquisition in June 2024.

Expenses

Compensation

Compensation includes salaries, benefits, and severance paid to employees, and wages to contractors.

	For the years ended December 31,	
	2024	2023
Digital Services	\$ 57,085,102	\$ 63,075,205
Software and Apps	24,010,519	15,645,855
Creative Platform	13,176,578	13,961,550
Other	9,587,855	8,432,579
	103,860,054	101,115,189

The Company had compensation cost of \$103.9 million in 2024 compared to \$101.1 million in 2023, an increase by \$2.7 million (3%). This increase was due to the full year inclusion of Software and Apps in 2024 of \$24.0 million compared to the partial results from April 17, 2023 onwards of \$15.6 million, and the Clean Canvas and MediaNet acquisitions.

Digital Service's compensation decreased by \$6.0 million (18%) compared to the prior year. This was driven by lower headcount and staffing costs due to restructuring. Button Inc. contributed around 2.5% of Digital Service's total compensation expense in 2023, which is no longer present in 2024 after it was sold in Q3 2023.

Software and Apps's compensation was \$24.0 million compared to \$15.6 million in the prior year. The increase is due to its full year inclusion as the 2023 results did not include the Q1 2023 compensation of \$6.7 million. The remaining increase relates to the full year inclusion of Clean Canvas which was acquired on September 7, 2023. This was partially offset by headcount restructuring within the segment's entities.

Creative Platform's compensation decreased by \$0.8 million (6%) compared to the prior year due to lower headcount.

The compensation expense for the Other segment increased by \$1.2 million (14%) compared to the prior year due to the acquisition of MediaNet in June 2024.

Marketplace content costs

Marketplace content costs include fees paid to third party merchants and creator royalties for the sale of digital goods.

	For the years ended December 31,	
	2024	2023
Software and Apps	\$ 7,213,333	\$ 5,569,719
Creative Platform	20,575,161	23,746,917
	27,788,494	29,316,636

The Company had marketplace content costs of \$27.8 million in 2024, down by \$1.5 million (5%) from \$29.3 million in 2023. Software and Apps saw higher costs due to the full year inclusion in 2024. This was offset by lower costs in Creative Platform due to declining revenue in marketplace and education platform.

Hosting fees

Hosting fees are costs paid for web hosting.

	For the years ended December 31,	
	2024	2023
Software and Apps	\$ 3,106,505	2,251,296
Creative Platform	4,523,403	5,802,606
Other	1,382,228	1,379,457
	9,012,136	9,433,359

The Company had hosting fees of \$9.0 million in 2024, compared to \$9.4 million in 2023, a decrease by \$0.4 million (4%). Software and Apps contributed an increase of \$0.9 million due to the full year inclusion in 2024. This was offset by \$1.3 million decline in hosting fees in Creative Platform driven by declining revenue, cost rationalization efforts and lower payment processor costs. The Company is actively working to lower hosting costs through development efforts and contract negotiations.

Travel, meals, and entertainment

Travel, meals, and entertainment expenses include costs incurred to attend investor conferences and non-deal marketing.

The Company had total travel, meals, and entertainment expenses of \$2.4 million in 2024, an increase by \$0.1 million (3%) compared to 2023. The increase is due to the full year inclusion of Software and Apps segment 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 \$2.1 million in 2024, which decreased by \$2.6 million (55%) compared to \$4.7 million in 2023. The higher expense in 2023 is primarily attributed to increased vesting of shares in 2023 and new awards granted to senior management and long-standing employees in 2023.

Professional fees

Professional fees include amounts paid for audit, legal, tax, human resources, and other professional services.

The Company had professional fees of \$10.1 million in 2024, up \$0.4 million (4%) from 2023 due to additional expenses in relation to audit, legal and consulting for operating one full year as a public company.

Subscription and other

Subscription and other include expenses for software, digital services, and other general and administrative costs.

The Company had subscription and other expenses of \$9.3 million in 2024, which decreased by \$0.6 million (6%) from \$9.9 million in 2023. The decline was driven by cost rationalization initiatives in 2024 across all the segments.

Depreciation and amortization

Depreciation and amortization include amounts recognized for intangible and capital assets.

	For the years ended December 31,	
	2024	2023
Digital Services	\$ 2,789,167	\$ 3,768,059
Software and Apps	27,262,607	18,689,760
Creative Platform	3,862,415	3,332,747
Other	1,407,363	1,329,365
	35,321,552	27,119,931

The Company had depreciation and amortization of \$35.3 million in 2024, up \$8.2 million (30%) from 2023 due to amortization of Software and Apps' intangible assets and its full year inclusion in 2024 of \$27.3 million compared to \$18.7 million in 2023.

Advertising and promotion

Advertising and promotion include costs for media advertisements and promotions at investor conferences and non-deal marketing.

The Company had advertising and promotion costs of \$7.2 million in 2024, which decreased by \$0.1 million (2%) compared to 2023. This was driven by Software and Apps' focus to decrease the paid advertising spend, and Creative Platform's reduction in paid marketing spend, as a part of cost rationalization. This was partially offset by increased cost in the Other segment due to acquisition of MediaNet (June 2024).

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.

Adjusted EBITDA and Adjusted EBITDA %

Adjusted EBITDA removes unusual, non-recurring, non-cash or non-operating items from EBITDA such as gains, losses or costs associated with the acquisition or disposal of businesses, share of loss from associates, fair value changes in investments, stock-based payments. The Company believes adjusted EBITDA provides improved continuity with respect to the comparison of its operating performance over a period of time. Adjusted EBITDA is reconciled to net income/(loss) from the financial statements.

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

Adjusted EBITDA and Adjusted EBITDA % is frequently used by securities analysts and investors when evaluating a company's ability to generate liquidity from its core operations. It provides a basis to evaluate profitability and performance trends by excluding items that the Company does not consider to be controllable or reoccurring activities for this purpose, along with non-cash items which is an industry standard. Adjusted EBITDA and EBITDA % are measures commonly reported and widely used as a valuation metric.

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

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

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 refers to free cash flow before acquisition-related compensation, non-recurring project costs, non-recurring professional fees, severance, non-recurring bad debt expense and after scheduled payments on debt facilities.

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

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

NON-IFRS MEASURES RECONCILIATIONS

EBITDA and Adjusted EBITDA

	For the years ended December 31,	
	2024	2023
Net (loss)/income	\$ (47,559,499)	\$ 14,754,930
Income tax expense/(recovery)	(2,043,463)	(4,439,637)
Depreciation and amortization	35,321,552	27,119,931
Interest expense	10,930,422	8,971,203
EBITDA	(3,350,988)	46,406,427
EBITDA Adjustments		
Share of loss from associate	(2,146,089)	(1,194,372)
Gain on share transaction	—	(42,847,439)
Loss on disposal of subsidiary	103,200	3,338,124
Gain on sale of intangibles	(1,481,060)	—
Fair value gain on investments	(2,088,843)	(1,316,297)
Fair value on contingent consideration	871,607	(8,736,588)
Business acquisition costs	1,163,534	2,948,294
Share based payments	2,091,052	4,670,664
Impairment of non-financial assets	18,687,379	13,634,143
Foreign exchange	9,878,673	(1,720,043)
Other (income)/expense ⁽¹⁾	(929,549)	382,281
Acquisition-related compensation	—	1,349,492
Non-recurring severance expense	5,011,331	5,140,649
Non-recurring project costs ⁽²⁾	1,703,874	353,502
Non-recurring professional fees ⁽³⁾	1,491,791	4,993,504
Adjusted EBITDA	31,005,912	27,402,341

(1) Relates to other minor non-operating items

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

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

EBITDA % and Adjusted EBITDA %

	For the years ended December 31,	
	2024	2023
EBITDA	\$ (3,350,988)	46,406,427
Revenue	194,232,353	185,502,613
EBITDA %	(2)%	25%
Adjusted EBITDA	31,005,912	27,402,341
Revenue	194,232,353	185,502,613
Adjusted EBITDA %	16%	15%

For the year ended December 31, 2024, EBITDA decreased by \$49.8 million (107%), to \$(3.4) million, from \$46.4 million in 2023. This decrease is mainly due to the one-time non-cash gain on share transaction of \$42.8 million in 2023. Without the gain, EBITDA for 2023 would have been \$4.3 million. The improvement in EBITDA is a result of the cost saving initiatives in 2024 compared to additional one-time costs incurred from the Company becoming public in 2023.

For the year ended December 31, 2024, Adjusted EBITDA increased by \$3.6 million (13%), to \$31.0 million, from \$27.4 million in 2023. This increase was driven by higher revenue in 2024 and cost saving initiatives across all segments and head office, as well as, full year inclusion of WeCommerce in Software and Apps.

Recurring Revenue and Recurring Revenue %

	For the years ended December 31,	
	2024	2023
Recurring revenues	\$ 38,665,385	\$ 29,514,301
Non-recurring revenues	155,566,968	155,988,312
Total revenue	194,232,353	185,502,613
Recurring revenue % of total revenue	20%	16%

For the year ended December 31, 2024, recurring revenue increased by \$9.2 million (31%), to \$38.7 million, from \$29.5 million in 2023. Software and Apps contributed 87% of the total recurring revenue compared to 81% in 2023, with the increase a result of the full year inclusion in 2024.

Recurring revenue contributed 20% of total revenue in 2024, an increase by 4% from 16% in 2023. This was primarily driven by acquisition of MediaNet in June 2024 which consists of a 98% recurring revenue base. Management is consistently focused on opportunities to enhance the recurring revenue of the Company.

Free Cash Flow and Free Cash Flow per Share

	For the years ended December 31,	
	2024	2023
Cash provided by/(used in) operating activities	\$ 19,901,895	\$ 3,385,040
Business acquisition costs	1,163,534	2,948,294
Interest paid on debt	(11,232,895)	(8,388,452)
Capital expenditures	(486,876)	(553,471)
Free Cash Flow	9,345,658	(2,608,589)
Weighted average number of shares outstanding	183,961,321	168,310,050
Free cash flow per share	0.05	(0.02)

	For the years ended December 31,	
	2024	2023
EBITDA	\$ (3,350,988)	\$ 46,406,430
Income taxes paid	(6,106,597)	(4,192,940)
Interest paid on debt	(11,232,895)	(8,388,452)
Impairment of non-financial assets	18,688,857	13,634,143
Unrealized foreign exchange (gain)/loss	10,196,573	(1,868,548)
Gain on share transaction	—	(42,847,439)
Non-cash expenses ⁽¹⁾	(1,054,861)	(1,552,565)
Business acquisition costs	1,163,534	2,948,294
Changes in non-cash working capital	1,528,911	(6,194,041)
Capital expenditures	(486,876)	(553,471)
Free Cash Flow	9,345,658	(2,608,589)

(1) Non-cash expenses relates to specific non-cash items from the cash provided by operating activities. This includes share-based compensation, fair value adjustment to financial instruments, gain on disposal of intangible assets, loss on sale of subsidiaries, fair value adjustment to contingent consideration, loss on sale or disposal of assets, share of earnings from unlisted equity investments, bad debts and interest income.

For the year ended December 31, 2024, free cash flow improved by \$12.0 million largely due to the cost rationalization efforts during the year. In addition, the Company did not incur as many one-time public company costs compared to 2023. The Company repaid debt, net of drawings, of \$24.5 million in 2024.

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

	For the years ended December 31,	
	2024	2023
Free cash flow	\$ 9,345,658	\$ (2,608,589)
Acquisition-related compensation	—	1,349,492
Non-recurring bad debt expense ⁽¹⁾	833,196	—
Non-recurring project costs	844,617	353,499
Non-recurring professional fees	2,028,206	4,993,504
Severance	4,109,353	5,140,649
Scheduled debt payments	(8,175,126)	(2,696,650)
Adjusted free cash flow post debt servicing	8,985,904	6,531,905
Weighted average number of shares outstanding	183,961,321	168,310,050
Adjusted free cash flow per share	0.05	0.04

(1) Non-recurring bad debt expense relates to revenue that was recognized in the prior year.

For the year ended December 31, 2024, adjusted free cash flow post debt servicing increased by \$2.5 million due to higher revenue, partially offset by higher debt repayments in 2024.

LIQUIDITY AND CAPITAL RESOURCES

Overview

Cash on hand was \$22.9 million at December 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 December 31, 2024, the Company had negative working capital of \$19.3 million compared to negative \$6.0 million at December 31, 2023. The change was driven by increase in debt repayments during the year. For the year ended December 31, 2024, the Company generated \$19.9 million of positive cash flows from operations. In addition, the Company had \$29.9 million of undrawn facilities readily available at December 31, 2024. The Company continues to remain focused on increasing cash flow through organic growth and cost rationalization, where appropriate.

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

December 31, 2024	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Total contractual cash flows \$	Carrying amount \$
Trade and other payables	24,518,897	—	—	24,518,897	24,518,897
Income tax payable	5,989,747	—	—	5,989,747	5,989,747
Debt ⁽¹⁾	16,161,159	100,775,756	—	116,936,915	116,936,915
Contingent consideration payable ⁽²⁾	61,120	—	—	61,120	921,686
Due to related parties	13,829	—	—	13,829	13,829
Lease liabilities	220,226	48,405	—	268,631	268,631
	46,964,978	100,824,161	—	147,789,139	148,649,705

(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.

December 31, 2023	1 year or less \$	Between 1 and 5 years \$	Over 5 years \$	Total contractual cash flows \$	Carrying amount \$
Trade and other payables	29,311,180	—	—	29,311,180	29,311,180
Income tax payable	3,404,395	—	—	3,404,395	3,404,395
Debt ⁽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 years ended December 31,	
		2024	2023
Cash provided by/(used in) operating activities	\$	19,901,895	\$ 3,385,040
Cash (used in)/provided by financing activities		(15,270,878)	11,475,279
Cash (used in)/provided by investing activities		(8,421,585)	(18,510,226)
Foreign exchange on cash		(280,674)	(618,293)
Decrease in cash		(4,071,242)	(4,268,200)

Operating activities

During the year ended December 31, 2024, cash flows provided by operating activities was \$19.9 million compared to cash flows provided by operating activities of \$3.4 million in the prior year. The change of \$16.5 million is attributable to increase in revenue in 2024 of \$8.7 million, improved non-cash working capital of \$7.7 million, and decrease in marketplace content costs of \$1.5 million.

Financing activities

During the year ended December 31, 2024, cash flows used in financing activities was \$15.3 million compared to cash flows provided by financing activities of \$11.5 million in the prior year. The net change of \$26.7 million is attributable to \$44.1 million of net cash paid related to the Company's debt and less funds from equity-accounted investees of \$1.3 million. This change was offset by higher proceeds from share issuances of \$8.2 million. Dividends were \$nil this year compared to \$9.0 million paid in the prior year before the Share Transaction.

Investing activities

During the year ended December 31, 2024, cash flows used in investing activities was \$8.4 million compared to cash flows used in investing activities of \$18.5 million in the prior year. The change of \$10.1 million is attributable to less net cash in purchasing investments of \$11.9 million. This was partially offset by funds paid to related parties of \$1.4 million and \$0.5 million decrease in cash from acquisitions in 2024.

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			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	47,596,065	46,691,278	51,005,412	48,939,598	51,175,456	50,522,913	47,472,296	36,331,948
Total operating expenses	48,134,743	52,147,302	55,957,491	53,263,318	54,830,817	54,072,042	58,371,657	37,401,789
(Loss)/earnings from operations	(538,678)	(5,456,024)	(4,952,079)	(4,323,720)	(3,655,361)	(3,549,129)	(10,899,361)	(1,069,841)
Other income/(expense)	(26,232,179)	(2,023,605)	(2,007,471)	(4,069,206)	(5,414,410)	(3,780,699)	41,977,029	(3,292,932)
Earnings/(loss) before taxes	(26,770,857)	(7,479,629)	(6,959,550)	(8,392,926)	(9,069,771)	(7,329,828)	31,077,668	(4,362,773)
Income tax recovery/(expense)	(620,412)	(2,162,378)	5,287,794	(461,541)	1,131,654	1,429,075	1,597,046	281,862
Net income/(loss)	(27,391,269)	(9,642,007)	(1,671,756)	(8,854,467)	(7,938,117)	(5,900,753)	32,674,714	(4,080,911)
Cash provided by/(used in) operating activities ⁽²⁾	13,438,850	2,922,595	(797,399)	4,337,849	7,343,407	3,136,089	(6,274,992)	(819,464)
Non-IFRS Measures								
Net income/(loss)	(27,391,269)	(9,642,007)	(1,671,756)	(8,854,467)	(7,938,117)	(5,900,753)	32,674,714	(4,080,911)
Income tax (recovery)/expense	620,412	2,162,378	(5,287,794)	461,541	(1,131,654)	(1,429,075)	(1,597,046)	(281,862)
Depreciation and amortization	8,893,467	8,829,714	8,873,617	8,724,754	9,010,821	8,906,495	7,473,372	1,729,243
Interest expense	2,412,102	2,548,380	2,950,853	3,019,087	3,010,435	2,566,182	2,084,900	1,309,686
EBITDA ⁽¹⁾	(15,465,288)	3,898,465	4,864,920	3,350,915	2,951,485	4,142,849	40,635,940	(1,323,844)
Revenue	47,596,065	46,691,278	51,005,412	48,939,598	51,175,456	50,522,913	47,472,296	36,331,948
EBITDA % ⁽¹⁾	(32)%	8%	10%	7%	6%	8%	86%	(4)%

Notes:

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

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

⁽²⁾ In connection with the preparation of the MD&A, cash provided by/(used in) operating activities and interest paid on debt balances for Q3 2023 have both been adjusted to correct for an understatement of \$2,676,669. The Q4 2023 cash provided by/(used in) operating activities and interest paid on debt balances have also been adjusted to correct the balances by the same amount.

	2024				2023			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Non-IFRS Measures								
EBITDA⁽¹⁾	(15,465,288)	3,898,465	4,864,920	3,350,915	2,951,485	4,142,849	40,635,940	(1,323,844)
Share of earnings/losses from associates/equity-accounted investees	344,847	(1,831,942)	(384,359)	(274,635)	(2,574,051)	—	199,397	1,180,282
Gain on sale of intangibles	—	—	(1,612,839)	131,779	—	—	—	—
Gain on step acquisition	—	—	—	—	(763,974)	—	(42,083,465)	—
Loss on sale of subsidiaries	103,200	—	—	—	3,174,758	163,366	—	—
Fair value gain/(loss) to financial instruments	(1,569,351)	1,861,943	(565,370)	(1,816,065)	1,289,397	(1,776,782)	(1,069,151)	240,239
Gain on writedown of contingent liability	4,215	817,023	23,634	26,735	(8,871,738)	135,150	—	—
Business acquisition costs	407,171	418,993	292,028	45,342	(95,601)	100,359	2,891,075	52,461
Share-based compensation	776,067	570,944	290,260	453,781	705,259	657,107	2,818,760	489,538
Impairment of non-financial assets	18,687,379	—	—	—	13,634,143	—	—	—
Foreign exchange	5,917,403	(1,069,430)	2,018,954	3,011,746	(3,266,510)	2,018,853	(1,188,602)	716,216
Other income/(expenses)	332,384	(302,369)	(423,402)	(536,162)	(189,834)	645,714	79,892	(153,491)
Acquisition-related compensation	—	—	—	—	340,475	335,292	335,775	337,950
Severance	318,264	2,286,759	1,065,729	1,340,579	1,606,680	1,583,997	1,511,371	438,601
Non-recurring project costs	615	68,038	775,963	859,258	76,042	277,457	—	—
Non-recurring professional fees	203,067	581,128	409,206	298,390	1,510,585	363,062	2,285,052	834,805
Adjusted EBITDA⁽¹⁾	10,059,973	7,299,552	6,754,724	6,891,663	9,527,116	8,646,424	6,416,044	2,812,757
Revenue	47,596,065	46,691,278	51,005,412	48,939,598	51,175,456	50,522,913	47,472,296	36,331,948
Adjusted EBITDA %⁽¹⁾	21%	16%	13%	14%	19%	17%	14%	8%
Recurring revenue ⁽¹⁾	9,966,563	9,804,004	9,637,944	9,256,874	9,638,884	9,745,427	8,540,693	1,589,298
Non-recurring revenue	37,629,502	36,887,274	41,367,468	39,682,724	41,536,572	40,777,486	38,931,603	34,742,650
Total revenue	47,596,065	46,691,278	51,005,412	48,939,598	51,175,456	50,522,913	47,472,296	36,331,948
Recurring revenue %⁽¹⁾	21%	21%	19%	19%	19%	19%	18%	4%

Notes:

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

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

	2024				2023			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Cash provided by/(used in) operating activities⁽²⁾	13,438,850	2,922,595	(797,399)	4,337,849	7,343,407	3,136,089	(6,274,992)	(819,464)
Business acquisition costs	407,171	418,993	292,028	45,342	(95,601)	100,359	2,891,075	52,461
Interest paid on debt ⁽²⁾	(2,484,617)	(2,611,353)	(3,094,778)	(3,042,147)	(3,283,667)	(2,323,663)	(2,057,095)	(724,027)
Capital expenditures	(91,684)	(85,070)	(95,713)	(214,409)	(140,408)	(198,183)	(159,331)	(55,549)
Free Cash Flow	11,269,720	645,165	(3,695,862)	1,126,635	3,823,731	714,602	(5,600,343)	(1,546,579)
EBITDA	(15,465,288)	3,898,465	4,864,920	3,350,915	2,951,485	4,142,849	40,635,940	(1,323,844)
Income taxes paid	(1,732,231)	(1,802,948)	(1,552,564)	(1,018,854)	(725,273)	162,528	(3,093,441)	(536,754)
Interest paid on debt ⁽²⁾	(2,484,617)	(2,611,353)	(3,094,778)	(3,042,147)	(3,283,667)	(2,323,663)	(2,057,095)	(724,027)
Impairment of non-financial assets	18,688,857	—	—	—	13,634,143	—	—	—
Gain on share transaction	—	—	—	—	(763,974)	—	(42,083,465)	—
Unrealized foreign exchange	7,287,519	(1,180,848)	1,345,498	2,744,404	(2,807,204)	3,103,392	(2,024,160)	(140,576)
Non-cash expenses ⁽⁴⁾	(1,418,900)	1,949,483	(716,736)	(868,708)	(4,746,690)	(1,552,708)	2,553,517	2,193,316
Business acquisition costs	407,171	418,993	292,028	45,342	(95,601)	100,359	2,891,075	52,461
Changes in non-cash working capital ⁽²⁾	6,078,893	58,443	(4,738,517)	130,092	(199,080)	(2,719,972)	(2,263,383)	(1,011,606)
Capital expenditures	(91,684)	(85,070)	(95,713)	(214,409)	(140,408)	(198,183)	(159,331)	(55,549)
Free Cash Flow⁽¹⁾	11,269,720	645,165	(3,695,862)	1,126,635	3,823,731	714,602	(5,600,343)	(1,546,579)
Acquisition-related compensation	—	—	—	—	340,475	335,292	335,775	337,950
Non-recurring bad debt expense ⁽³⁾	—	—	833,196	—	—	—	—	—
Non-recurring project costs	615	68,038	775,964	—	76,042	277,457	—	—
Non-recurring professional fees	203,067	581,128	409,206	834,805	1,510,585	1,532,947	1,115,167	834,805
Severance	318,264	2,286,759	1,065,729	438,601	1,606,680	414,112	2,681,256	438,601
Debt, scheduled funds repaid	(1,798,274)	(1,976,161)	(3,068,111)	(1,332,580)	(1,371,910)	—	(1,324,740)	—
Adjusted Free Cash Flow Post Debt Servicing	9,993,392	1,604,929	(3,679,878)	1,067,461	5,985,603	3,274,410	(2,792,885)	64,777

Notes:

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

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

⁽²⁾ In connection with the preparation of the MD&A, cash provided by/(used in) operating activities and interest paid on debt balances for Q3 2023 have both been adjusted to correct for an understatement of \$2,676,669. The Q4 2023 cash provided by/(used in) operating activities and interest paid on debt balances have also been adjusted to correct the balances by the same amount.

⁽³⁾ Non-recurring bad debt expense relates to revenue that was recognized in the prior year.

⁽⁴⁾ Non-cash expenses relates to specific non-cash items from the cash provided by operating activities. This includes share-based compensation, fair value adjustment to financial instruments, gain on disposal of intangible assets, loss on sale of subsidiaries, fair value adjustment to contingent consideration, loss on sale or disposal of assets, share of earnings from unlisted equity investments, bad debts and interest income.

Revenue

Quarter-over-quarter comparison

Revenue was relatively flat quarter-over-quarter in Q4 2024 at \$47.6 million compared to \$46.7 million in Q3 2024. Revenue in Digital Services increased by \$0.7 million from completed projects and acquisition of new clients. The remaining \$0.2 million increase is from the consistent revenue growth observed from MediaNet. Revenue in the Creative Platform and Software and Apps segments remained steady quarter-over-quarter.

Recurring revenue % remained the same at 21% quarter-over-quarter.

Year-over-year comparison of Q4

Revenue in Q4 2024 decreased by \$3.6 million (7%) when comparing Q4 2023. The net change is a result of a \$5.4 million (34%) decline observed in the Creative Platform segment due to lower marketplace transactions and management's approach to improving revenue traffic. This was offset by the increase in revenue due to the MediaNet acquisition of \$1.0 million and \$0.7 million from Clean Canvas. Revenue from Digital Services remained steady year-over-year.

Recurring revenue as a percentage of total revenue increased from 19% to 21% due to the increased composition of recurring revenue from the Software and Apps segment and the MediaNet acquisition.

Net income/(loss)

Quarter-over-quarter comparison

The Company incurred a net loss of \$27.4 million in Q4 2024 compared to a net loss of \$9.6 million in Q3 2024. This was primarily driven by goodwill impairment in Software and Apps segment for \$18.7 million as part of the Company's annual assessment. This was partially offset by improved revenue by \$0.9 million and lower income taxes by \$1.3 million quarter-over-quarter.

Year-over-year comparison of Q4

The Company incurred a net loss of \$27.4 million in Q4 2024 compared to the net loss of \$7.9 million in Q4 2023. This was primarily driven by higher goodwill impairment recognized within the Software and Apps segment compared to the Digital Services segment of \$5.0 million, higher fluctuations in foreign exchange of \$9.2 million and decline in revenue by \$3.6 million. The remaining change is attributable to lower interest expense of \$0.6 million from the Company voluntarily repaying additional debt during the year.

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 for the year ended December 31, 2024.

TRANSACTIONS WITH RELATED PARTIES

Related party transactions are conducted in the normal course of operations and have been valued in these 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, has been accounted for based on the historical cost and is described in Note 1 of the Financial Statements.

During the year ended December 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 Vice Chair of the Board of Directors (Co-Chief Executive Officer until end of May 2024), that provides consulting services.
- A firm, controlled by Andrew Wilkinson, the Chair of the Board of Directors (Co-Chief Executive Officer until end of May 2024), 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, with final payments concluded by June 30, 2024.

(a) Related party revenues

	2024	2023
Management fees:		
Entities under control of directors of the company	\$ —	\$ 26,400
Equity-accounted investees	423,448	753,590

(b) Related party expenses

	2024	2023
Professional/consulting fees:		
Entities under control of directors of the company	\$ —	\$ 36,345
Equity-accounted investees	126,771	—
Marketing fees:		
Equity-accounted investees	363,122	176,139

(c) **Due from equity-accounted investees**

	2024	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 year	–	–
<i>Due from equity-accounted investees</i>		
Beginning of the year	1,714,624	112,385
Loans advanced	2,422,885	1,790,513
Loan repayments received	(760,042)	–
Foreign exchange	150,492	–
Interest charged	90,434	53,871
Bad debts written off	–	(242,145)
End of the year	3,618,393	1,714,624
Balance, end of the year	3,618,393	1,714,624

In 2021, the Company issued a total of \$2,300,000 in promissory notes to an entity controlled by a key management personnel. Portions of the note were repaid throughout 2022 and fully repaid in 2023.

As at December 31, 2024, the Company had a total of \$3,397,386 in promissory notes outstanding from two equity-accounted investees. The detailed breakdown of the outstanding promissory notes is as follows:

- Three promissory notes totaling \$3,143,880 (2023: \$1,600,431) and each note is comprised of:
 - Note #1: \$1,480,762 (2023: \$1,322,600) is an unsecured note and bears interest at a rate of 3.70% per annum with a maturity date of March 20, 2026;
 - Note #2: \$1,476,209 (2023: \$277,831) is an unsecured note and bears interest at a rate of 3.98% per annum with a maturity date of February 5, 2027; and
 - Note #3: \$186,909 (2023: \$nil) is an unsecured note and bears interest at a rate of 3.98% per annum with a maturity date of October 25, 2027.
- Promissory Note of \$253,506 (2023: \$nil) is an unsecured demand note and bears interest at a rate of 8.00% per annum.

All other amounts are unsecured and non-interest bearing with no repayment terms.

(d) **Due to equity-accounted investees**

	2024	2023
Due to equity-accounted investees	\$ 13,829	\$ 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 \$1,377,078 (USD\$1,018,022). Of this amount, \$497,823 (USD\$368,022) was in cash, which was received during the period, 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 Board of Directors, the Company's Chief Financial Officer and the Company's Chief Executive Officer. Key management compensation was comprised of:

	2024	2023
Salaries and consulting fees	\$ 2,871,202	\$ 1,607,894
Share-based compensation	361,896	327,407

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 Financial Statements for the year ended December 31, 2024.

CONTROLS CERTIFICATION

In connection with National Instrument 52-109 - *Certification of Disclosure in Issuer's Annual and Interim Filings* ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer, will file a Venture Issuer Basic Certificate with respect to the financial information contained in the 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, 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, 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:

	December 31, 2024	December 31, 2023
Cash	\$ 21,001,036	\$ 21,951,281
Trade and other receivables	12,818,752	18,822,546
Trade and other payables	14,550,897	24,452,306
Due from equity-accounted investees	3,246,976	—
Debt	114,137,116	57,953,467
Total exposure	165,754,777	123,179,600

RISK FACTORS

Tiny faces a number of risks that could materially adversely affect the Company's future business, operations and financial condition and could cause them to differ materially from the estimates described in the MD&A. Current and prospective investors should carefully consider the risk factors listed in the Company's Annual Information Form for the year ended December 31, 2024, which is available under the Company's profile on SEDAR+ at www.sedarplus.com as well as the risk factors listed under the heading "General Information and Cautionary Statements" in this MD&A when making investment decisions.