tiny Q4 2024 Earnings Call

April 29, 2025 · 8am ET

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Continued on next page

Legal Disclaimer (continued)

Forward Looking Information (continued)
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Figures are presented in Canadian dollars, unless otherwise noted.

Non-IFRS Financial Measures
This presentation refers to certain financial performance measures that are not defined by and do not have a standardized meaning under International Financial Reporting Standards (termed "Non IFRS measures") such as Adjusted EBITDA, Adjusted EBITDA %, Adjusted EBITDA Margin, Recurring Revenue, Recurring Revenue %, Free Cash Flow, Adjusted Free Cash Flow Post Debt Servicing, Annual Recurring Revenue (ARR) and Net Debt to Adjusted EBITDA. Non-IFRS measures are used by management to assess the financial and operational performance of the Company. The Company believes that these Non-IFRS measures, in addition to conventional measures prepared in accordance with International Financial Reporting Standard, enable investors to evaluate the Company's operating results, underlying performance and prospects in a similar manner to the Company's management. As there are no standardized methods of calculating these Non-IFRS measures, the Company's approach may differ from those used by others, and accordingly, the use of these measures may not be directly comparable. The Non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with International Financial Reporting Standards. Please refer to the Company's management's discussion and analyses for the year ended December 31, 2024 which are available under the Company's profile on SEDAR+ at www.sedarplus.com for a reconciliation of such Non-IFRS measures to the most directly comparable International Financial Reporting Standards financial measure.

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2024 Highlights: Continued to execute on strategic priorities

Increasing cash flow through disciplined investment in organic growth and cost rationalization

- Cost rationalization implemented in Q3 2024
- Improvements in operating cash flow
- Distributions of $2.2 million from Tiny Fund I[(2)]

Managing and reducing debt levels across the Company

- Repaid $24.5 million, net of drawings, in FY2024
- 10% reduction in Net Debt[(1)] from December 31, 2023 due to scheduled and voluntary repayments

Growth through acquisitions with a focus on recurring revenue platforms and strategic tuck-ins

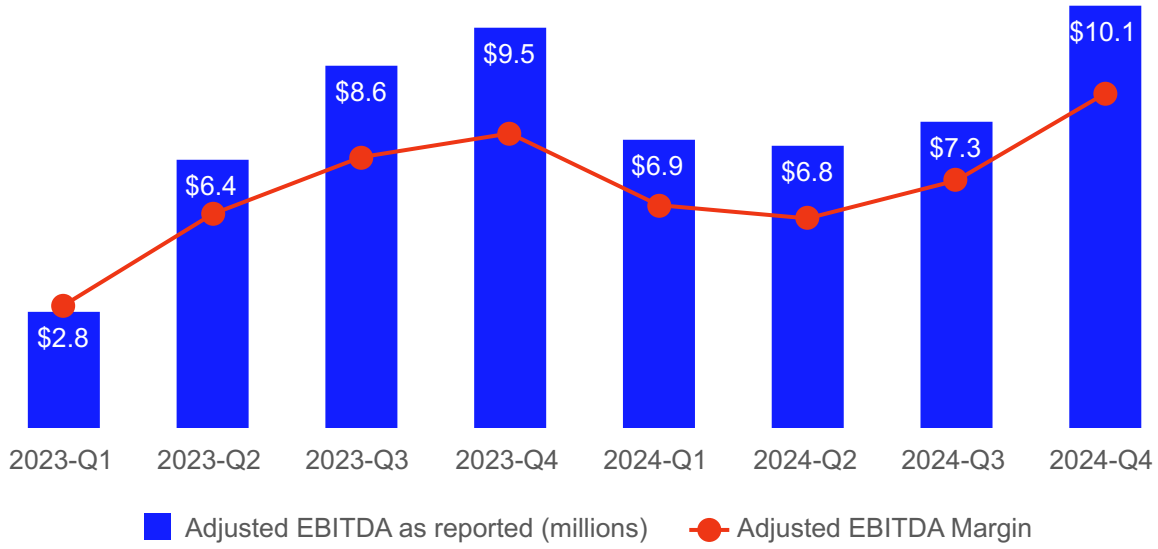
- Tiny Fund I acquired Wholesale Pet in January 2024[(3)]
- Acquisition of Repeat Inc. in February 2024
- Acquisition of MediaNet Solutions Inc. in June 2024

Well-designed incentive plans aligned to organic growth and long-term Free Cash Flow generation

- Refined short-term incentive plans for management of the portfolio companies
- Long-term incentive plans being rolled out tied to growth in intrinsic value

Additional Annual Highlights:

- Successful leadership transition to new CEO and CFO
- Completed US$15.0 million private placement with Hosking Partners
- Divestiture of 8020 Design Ltd. and Frosty Studio Ltd. in the Digital Services segment
- Achieved $10.1 million Adjusted EBITDA[(1)] for Q4 2024, an increase of 38% over Q3 2024



(1) Non-IFRS Measure, see "Legal Disclaimer" for additional information.
(2) Not included in Adjusted EBITDA
(3) Tiny Ltd. is a 20% LP in Tiny Fund I

Q4 2024
Financial Results

Revenue

	For the three-month periods ended December 31		For the years ended December 31	
	2024	2023	**2024**	2023
Revenue	**47,596,065**	50,522,913	**194,232,353**	185,502,613
Digital Services	**21,024,717**	20,924,470	**81,501,303**	80,186,311
Software and Apps	**13,977,861**	13,254,943	**54,581,745**	36,643,967
Creative Platform	**10,478,062**	15,832,815	**51,241,591**	61,497,141
Other	**2,115,425**	1,163,228	**6,907,714**	7,175,194

Revenue in Q4 2024 of $47.6 million, a decrease of $3.6 million compared to Q4 2023.

- Digital Services segment saw growth driven by new enterprise customers, offset by decrease due to divestitures
- Software and Apps saw growth from anti-piracy Themes revenue, KnoCommerce, and the acquisition of Repeat in February 2024

Revenue increase of $8.7 million or 5% compared to FY2023.

- Full-year inclusion of Software and Apps results for FY2024 (2023 included Software and Apps for April 17, 2023 onwards)
- Adjusting pro-forma for the sale of Frosty and 8020 in Digital Services, revenue increased by $5.4 million or 3% over FY2023

Recurring Revenue

	For the three-month periods ended December 31		For the years ended December 31	
	2024	2023	**2024**	2023
Revenue	**47,596,065**	50,522,913	**194,232,353**	185,502,613
Recurring revenue [(1)]	**9,966,563**	9,745,427	**38,665,385**	29,514,302
Recurring revenue % [(1)]	**21%**	19%	**20%**	16%

Recurring revenue was $10.0 million in Q4 2024, and $38.4 million in FY2024, a 30% increase over FY2023.

- Software and Apps segment, which has approximately 60% recurring revenue is a key driver
- Acquisition of MediaNet in Q2 2024 - 98% SaaS
- Strategic focus in Software and Apps portfolio on growing ACV through higher-value enterprise customer subscriptions

M&A focus on businesses with a strong recurring revenue component.

- All FY2024 acquisitions were primarily recurring revenue-based businesses

(1) Non-IFRS Measures, see "Legal Disclaimer" for additional information.

Adjusted EBITDA

	For the three-month periods ended December 31		For the years ended December 31	
	2024	2023	**2024**	2023
Adjusted EBITDA[(1)]	**10,059,973**	9,527,116	**31,005,912**	27,401,340
Adjusted EBITDA %[(1)]	**21%**	19 %	**16%**	15%

Adjusted EBITDA in Q4 2024 of $10.1 million, an increase of $0.5 million compared to Q4 2023.

- Cost rationalization measures undertaken in Q3 2024 beginning to have an impact on results

Adjusted EBITDA for FY2024 saw a $3.6 million increase over FY2023.

- Improvements expected to continue in FY2025 as the full impact of acquisitions, organic growth and cost rationalization measures are realized.

(1) Non-IFRS Measures, see "Legal Disclaimer" for additional information.

Adjusted Free Cash Flow Post Debt Servicing

	For the three-month periods ended December 31		For the years ended December 31	
	2024	2023	**2024**	2023
Free cash flow[(1)]	**11,269,720**	3,964,139	**9,345,658**	(2,608,589)
Acquisition-related compensation	**—**	340,475	**—**	1,349,492
Non-recurring bad debt expense	**—**	—	**833,196**	—
Non-recurring project costs	**615**	76,042	**844,617**	353,499
Non-recurring professional fees	**203,067**	1,510,585	**2,028,206**	4,993,504
Severance	**318,264**	1,606,680	**4,109,353**	5,140,649
Scheduled debt payments (WeCommerce)	**(1,798,274)**	(1,371,910)	**(8,175,126)**	(2,696,650)
Adjusted free cash flow post debt servicing[(1)]	**9,993,392**	6,126,011	**8,985,904**	6,531,905

Adjusted Free Cash Flow post Debt Servicing in FY2024 was $9.4 million compared to $6.5 million in FY2023.

- $2.3 million increase due to improved cost management, and lower non-recurring costs incurred from RTO in FY2023 – reduction in non-recurring costs in Q4
- Additional $9.6 million of voluntary debt repayments made in Digital Services segment

Management continues to focus on improving cash flow through:

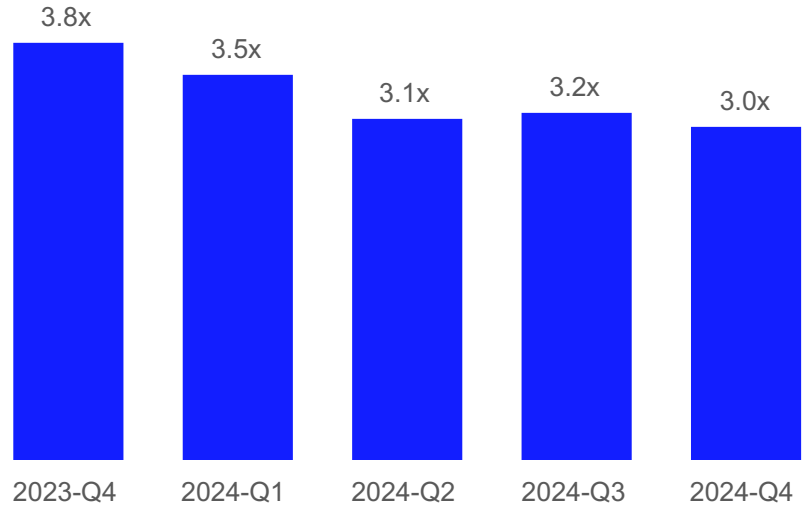
- Ongoing cost rationalization initiatives and focus on working capital management
- Organic revenue growth through a number of strategic initiatives

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Debt

	September 30, 2024	December 31, 2023
Gross Debt	**$116.9 million**	$131.2 million
Net Debt	**$94.1 million**	$104.3 million

Net Debt to Adjusted EBITDA Ratio[(1)]



Total debt outstanding on December 31, 2024 was $116.9 million compared to $131.2 million on December 31, 2023.

- $14.3 million decrease due to net debt repayments of $24.5 million offset by foreign exchange conversion impact on the debt balances of of $10.0 million

Net Debt to Adjusted EBITDA for Q4 2024 was 3.0x, compared to 3.2x in Q3 2024.

- Continued focus on reducing ratio to a target of below 2.5x

(1) Non-IFRS Measures, see "Legal Disclaimer" for additional information.

Clear Roadmap for EBITDA Growth

2024 ADJUSTED EBITDA

- $31.0 million

ORGANIC GROWTH AND COST RATIONALIZATION

- Announced $4.0 million cost rationalization initiative, full impact and incremental cost savings in 2025
- Anticipate organic growth across the portfolio into 2025

TINY FUND I DISTRIBUTIONS

- ~20% LP interest in Tiny Fund I resulted in $2.2 million cash distribution in FY2024, expecting to increase into 2025 with capital fully deployed combined with organic growth

ACQUISITIONS

- Announced pending acquisition of Serato Audio Research Ltd. in Q1 2025, a global leader in DJ Software
- Continue to evaluate attractive tuck-in and platform opportunities

TINY 2025 AND BEYOND

- Continue disciplined acquisition strategy while improving net leverage through both debt repayment and organic growth

Questions