

# Tiny Shareholder Presentation

A High-Level Overview of Our Business

May 2023

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This presentation should be read in conjunction with the risk factors described in the “Cautionary Statement Regarding Forward-Looking Information”, “Risk Factors Relating to the Transaction” and “Information Concerning the Resulting Issuer Following the Transaction – Risks Related to the Operations of Tiny and the Resulting Issuer” sections of WeCommerce’s management information circular dated March 6, 2023 (the “Circular”) which is available under WeCommerce’s profile at [www.sedar.com](http://www.sedar.com), and the “Risk Factors” sections of the Company’s management’s discussion and analyses included in Appendix G of the Circular.

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Figures are presented in Canadian dollars, unless otherwise noted.

# Agenda

1. Tiny Founding Story

2. Tiny Overview

3. WeCommerce Overview

4. The Merger

5. Q&A

# Tiny Founding Story

# Founding MetaLab



- In 2006, **Andrew Wilkinson** founded MetaLab, a mobile app design and development agency. Highly profitable from day one with many Fortune 100 clients.
- Never raised any capital, bootstrapped with \$0.
- **Chris Sparling** joined as CFO in 2009. Began incubating startup businesses using MetaLab's profits.
- Incubating startups was hard, with a high failure rate.
- In 2014, learned about Warren Buffett and were inspired by his hands off, decentralized model. Began spinning out each business and hiring CEOs.
- Each business grew faster with a dedicated CEO.
- Started acquiring businesses using a similar decentralized approach, leading to the start of Tiny.

# Founding Tiny



- In 2016, Andrew and Chris started Tiny in the model of Berkshire Hathaway.
- Using Mr. Buffett's approach, Tiny has a small head office with two key functions: capital allocation and management selection / incentivization. We do not synergize costs or opportunities across our portfolio of companies.
- Each business operates independently, with its own management and finance teams.
- With ~\$42M of total invested capital, grew to \$691M in equity value based on merger value.
- Upon completion of the merger with WeCommerce, Andrew and Chris will own approximately 81%, with the majority of their net worth in the stock.

# Tiny Business Overview

# Tiny

A Leading Technology  
Holding Company

## Founded: 2016

FY21 Revenue:  
**\$110.8M**

FY21 Adj. EBITDA:  
**\$38.1M**

FY22 Revenue:  
**\$153.7M**

FY22 Adj. EBITDA:  
**\$36.8M**

## 30+ Investments

*dribbble*



**AEROPRESS<sup>®</sup>**



FROSTY

befunky



 medimap

**METE R**

girlboss

**WWR<sup>®</sup>**



# Tiny Key Business Units Overview



Our businesses fall into four core buckets:

## Beam

Technology services platform



FROSTY



6020



## Dribbble

Social network and subsidiary marketplaces

dribbble

Creative  
MARKET

Fontspring

## Standalone

Other software and services

METEOR

WWR

## Tiny Fund I

Investment Fund

AEROPRESS®

befunky

Abstract

girlboss

medimap

# Case Study |

## Description

Beam is the platform for digital services businesses. MetaLab is the original agency that Andrew Wilkinson founded in 2006 and the largest company within Beam.

## Brand Moat

With an almost 20 year operating history and clients like Google, Uber, Trip Advisor and many others, Beam is one of North America's top digital services businesses.

## Future Plans

- **Build and acquire new service capabilities in high demand segments such as Data and Analytics, System Integration, Strategy and Technology**

## Investment Results

- **Founded in 2006 with \$0 invested, never raised a cent of equity**
- **FY21 Revenue of \$62.8M and Operating Earnings of \$21.5M**
- **FY22 Revenue of \$81.0M and Operating Earnings of \$19.4M**
- **Best in class leadership**
- **Highly free cashflow generative with almost nonexistent capex**

# Case Study



## Description

Dribbble is a leading social network for graphic designers. With 2.5 million members, it is one of the largest 3,000 sites on the internet and the best place for designers to showcase their portfolio and to find contract and full-time work.

## Moat

Dribbble has an incredible moat: a network effect without relying on Google, Facebook, or any other middle-man. Over time, Dribbble will be able to provide constantly evolving services and offerings to its growing user base. It is also one of the last remaining independent social networks on the internet.

## Future Plans

- **Anti-fragile** – When times are tough, people post more on Dribbble to find freelance and full-time work or update their profiles to attract work
- **Many growth levers of existing revenue lines:** 1) Subscription model 2) Enterprise sales initiative 3) Significant traffic yet to be monetized

## Investment Results

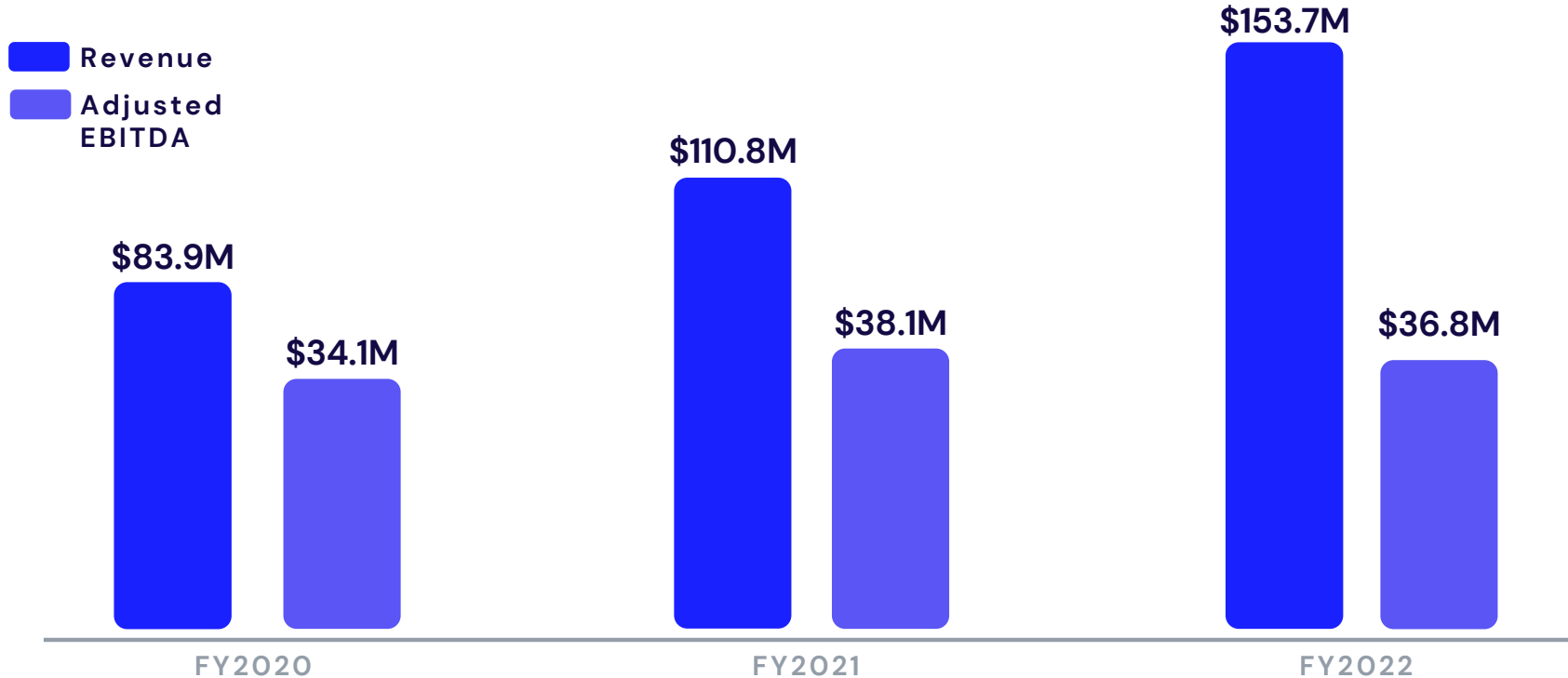
- **Acquired Dribbble in 2017, currently own 74.5%**
- **Original cash investment of ~US\$5.5M**
- **FY21 Revenue of \$34.1M and Operating Earnings of \$9.8M**
- **FY22 Revenue of \$62.6M and Operating Earnings of \$8.1M**

# Tiny Fund – General Partner



- In 2020, Tiny raised a \$150M US fund to opportunistically buy businesses
- The fund has a 0% management fee and 30% carry over an 8% hurdle.
- There is ~US\$53M remaining to be deployed in the fund.
- Tiny is 20% of the LP, and has invested ~US\$20M to date.
- Tiny owns 50% of the General Partner 30% carry

# Tiny Financial Summary



# Capital Allocation Overview



Balanced Capital Allocation to Support Growth and Returns

## Free Cash Flow Deployment Priorities

1.

Organic Growth Investment

2.

Acquisitions

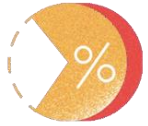
3.

Stock Repurchases

4.

Dividends

# We like to buy businesses that have:



High margins



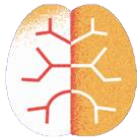
Unique advantage



Simple and sustainable  
business model



Healthy profit



High-quality team



Successful  
operations



Positive and ethical approach

# Tiny's Investment Approach

## Dream Businesses

### Compounding with a moat

Every once in a while, we are lucky enough to buy a truly exceptional business with a competitive moat and the ability to compound its revenue and earnings.

We focus on maintaining the legacy of the business while continuing to grow.

They only come along every few years, but when they do, we pounce.

## Distressed / Special Situations

### Turnarounds or Cigar Butts

Simple businesses with weak / at-risk models that we can buy at a price that provides a short payback period.

We typically have a few quick high certainty growth levers to add additional margin of safety.

Worst case, we get our money back with a good return.

Best case (quite often), the business continues to spit out cash.

## Mismanaged Gems

### Operational Excellence

We often acquire companies which are mismanaged.

Typically these are good or great businesses that have the management team that is holding it back or wrong cost structure (underinvested or overbuilt).

We typically pay a fair price, but always have both short term (bird in hand) operating improvements as well as long term strategies (two in the bush) to substantially grow the business.



# Tiny's Investment Approach | Case Studies

## Dream Businesses

Compounding with a moat



- Acquired Dribbble in 2017
- Hired best in class executive team
- Substantially grew business through reinvestment
- \$8.1M Operating Earnings in FY22

## Distressed / Special Situations

Turnarounds or Cigar Butts



- Acquired Abstract in 2021
- Distressed carve out with a large ARR base, several million dollars of cash burn
- Minimal team coming with the business
- Brought on a partner to rebuild the team from close to scratch
- Operating Earnings of business is north of invested capital

## Mismanaged Gems

Operational Excellence



- Acquired Stamped in 2021
- Hired best in class executive team
- Full technical architecture rebuild
- Business repositioned to capture a large opportunity
- Grew ARR from \$10M to \$20M in 2 years while maintaining strong profitability

# Why People Sell to Tiny?



## Venture Capital

- ✓ Huge valuation
- ✗ 3–6 month process
- ✗ Founders committed to 5+ years
- ✗ Terms could make your equity worthless
- ✗ Pressure to provide 10–100X returns
- ✗ No cash to founders, just money to grow



## Private Equity

- ✓ Full or partial cash out
- ✗ 3–6 month process
- ✗ Founders locked in with earnout structure
- ✗ Terms could make your equity worthless
- ✗ Intervene and change your culture
- ✗ Typically flip your company in 3–5 years



## Tiny

- ✓ Full or partial cash out
- ✓ Deal size ranging from \$1M–\$300M
- ✓ 30-day process
- ✓ Founders can stay or go, we're flexible
- ✓ Simple structure with cash upfront
- ✓ Operate as-is with no culture change

Holds companies for the longterm

# WeCommerce Overview

# The WeCommerce Story



- In 2009, Andrew and Chris started a company called Pixel Union which became one of Shopify's top software and theme ecosystem businesses.
- Sold 80% to a family office in 2014.
- In 2019, seeing the long-term growth opportunity of the Shopify platform, Tiny reacquired the business for \$15M in partnership with a group of investors led by Bill Ackman and Howard Marks.
- Optimized the business for growth and made a number of acquisitions. This transformed the company into a majority recurring revenue business while maintaining strong profit margins
- Took it public in December 2020 at a \$252M valuation.

# WeCommerce Key Business Units Overview



## SaaS Software

Recurring revenue software businesses that help merchants sell more



FOUR SIXTY



## Shopify Themes

Digital themes businesses that sell templates to Shopify merchants



OUT  
OF THE  
SANDBOX

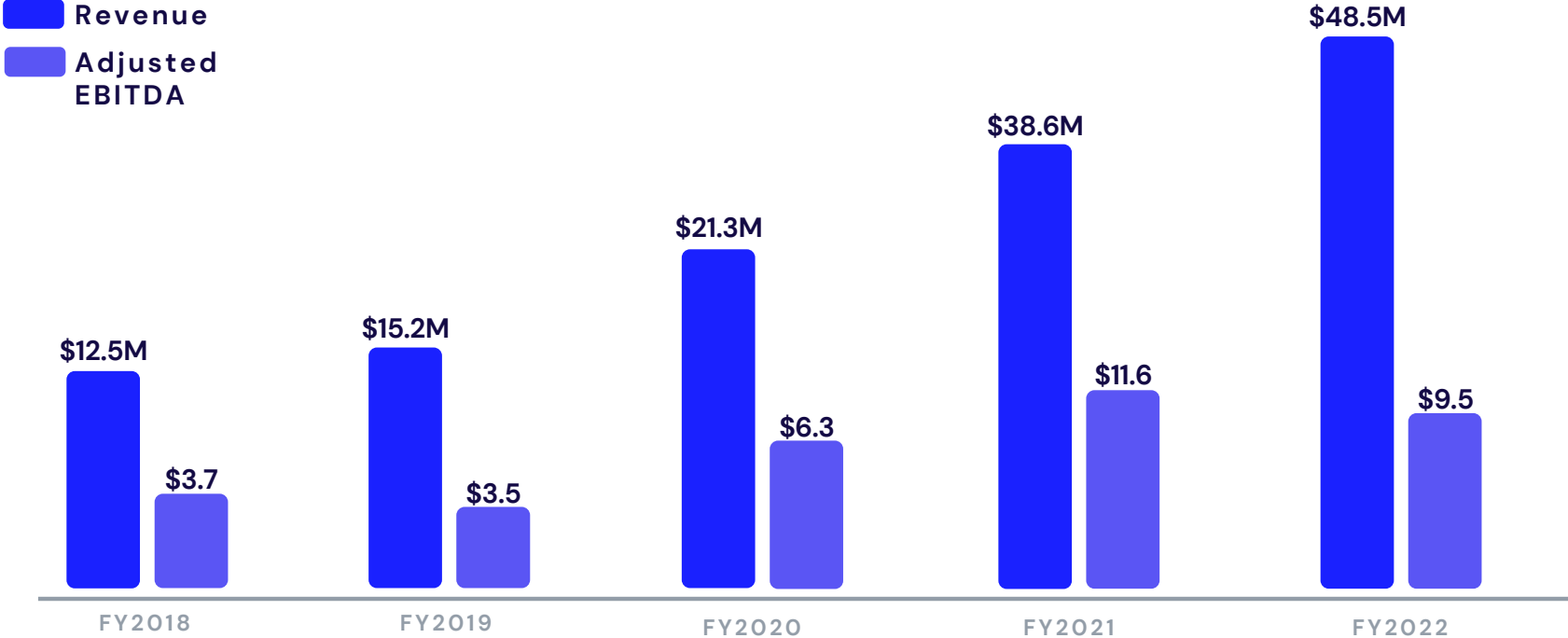


## Agency Services

Services agency providing Shopify design and development services



# WeCommerce Financial Summary



Notes: All figures based on public filings.

# The Merger

# Why did Tiny Merge with WeCommerce?



- Tiny had been exploring going public via a variety of paths including a standalone IPO and merging with other public businesses.
  - ✓ Being public is optimal for capital allocation: ability to issue equity, better access to debt/bonds, and the ability to repurchase opportunistically.
  - ✓ Logical to have a single public entity where Tiny can allocate free cash flow to the highest return opportunity vs. a single strategy.
  - ✓ The merger of the two businesses achieves significantly larger scale that should provide better access to capital, blended head office costs, a unified head office team, and a lower leverage profile.





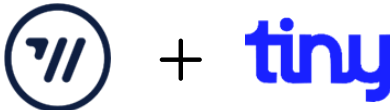
# Merger Transaction Summary



- Tiny merged at \$691M equity value and WeCommerce at \$5.12 / share, which equates to \$220M fully diluted equity value.
- \$5.12 / share consideration to WeCommerce which represented a 161% premium to the last close price prior to announcement and 158% premium to the 30-day VWAP.
- Tiny's co-founders Andrew Wilkinson and Chris Sparling own 69% and 10% of the merged business.
- The transaction was approved on April 11, 2023 by 99.9% of minority shareholders, including Table Holdings (Bill Ackman) and Freemark Partners (Howard Marks).

# Pro Forma Financial Profile



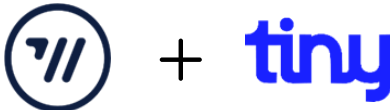
Merger Creates a Leading Technology Holding Company

FY2021 Pro Forma			
Revenue	\$38.6M	\$110.8M	\$149.4M
Adj. EBITDA	\$11.6M	\$38.1M	\$49.7M
Adj. EBITDA %	30%	34%	33%

Notes: Figures based on available audited combined consolidated financial statements and Management's Discussion & Analysis for 2021 (Tiny) and audited consolidated financial statements and Management's Discussion & Analysis for 2021 (WeCommerce).

# Pro Forma Financial Profile

Merger Creates a Leading Technology Holding Company

FY2022 Pro Forma			
Revenue	\$48.5M	\$153.7M	\$202.2M
Adj. EBITDA	\$9.5M	\$36.8M	\$46.3M
Adj. EBITDA %	20%	24%	23%

Notes: Figures based on available audited consolidated financial statements and Management's Discussion & Analysis for 2022 (Tiny) and audited consolidated financial statements and Management's Discussion & Analysis for 2022 (WeCommerce).

# Tiny Co-Founders



## **Andrew Wilkinson** | Co-Founder & Co-CEO

Andrew is the public face of Tiny, driving the majority of our deal flow via his writing, podcast, and social media presence. He is focused on identifying future areas of growth and opportunity, both within the existing portfolio and future acquisitions.

A founder and designer himself, he is able to “talk the talk” with founders and set Tiny apart from the typical acquirer. His almost two decades of experience scaling businesses has enabled him to push portfolio CEOs to unlock value and spot strategic opportunities.



## **Chris Sparling** | Co-Founder & Co-CEO

Chris drives the structure, financing, and negotiation of all deals at Tiny. He also oversees the portfolio of companies on a board level and frequently works with our CEOs on strategy.

He has sat on both sides of the table: executive and investor. Before starting Tiny, Chris was the CFO of MetaLab and several other successful technology firms, many of which he’s actively involved with, in a board and ownership capacity.

# Leadership Team



**Ampere Chan** | President

Ampere was formerly the CFO of Tiny, and was involved in overseeing Tiny's portfolio company operations, mergers and acquisitions, and capital allocation. Post merger, he has moved into a President role, overseeing day-to-day operations.

Ampere is a CPA, CA and a CFA with over fifteen years of experience in mergers and acquisitions, private equity, investment banking, and financial reporting.



**David Charron** | Chief Financial Officer

David brings over three decades of financial experience and acumen. David has extensive experience as a CFO of TSX-listed technology companies, including TeraGo Inc., and Redknee Solutions (now known as Optiva Inc.), where he oversaw significant growth in revenue and market capitalization.

He has a B.Eng and an MBA from McMaster University, holds CPA and CMA designations and is a Chartered Director (C.Dir.).

Q&A