WECOMMERCE HOLDINGS LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three-months ended March 31, 2021 and March 31, 2020

GENERAL INFORMATION AND CAUTIONARY STATEMENTS

Introduction

The following management's discussion and analysis ("MD&A"), dated May 28, 2021, provides information concerning the financial condition and results of operations of the Company (as defined below) for the three-months ended March 31, 2021 ("Q1 2021") and March 31, 2020 ("Q1 2020"). The following MD&A should be read in conjunction with the Company's unaudited Interim Condensed Consolidated Financial Statements and accompanying notes for Q1 2021 as well as our audited consolidated financial statements and notes thereto related to the year ended December 31, 2020 which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Additional information relating to the Company is available on Company's website at www.wecommerce.co and www.sedar.com.

Basis of presentation

On December 9, 2020, Brachium Capital Corp. (a Canadian company previously listed on the TSX Venture Exchange under the symbol "BRAC.P") ("Brachium") acquired all of the outstanding shares of WeCommerce Holdings Ltd. ("WeCommerce") by way of a three-cornered amalgamation with Brachium changing its name to WeCommerce Holdings Ltd. (the "Company"). Upon completion, the shareholders of Brachium held approximately 1% of the issued and outstanding shares of the Company and, as a result, WeCommerce shareholders controlled the Company resulting in a reverse take-over. The resulting financial results are presented as a continuance of WeCommerce (accounting acquirer), and comparative figures presented in the consolidated financial statements are those of WeCommerce.

Brachium Capital Corp. was incorporated in the Province of British Columbia on March 4, 2019, under the Business Corporations Act (British Columbia). The Company was classified as a Capital Pool Company ("CPC") as defined by TSX Venture Exchange (the "Exchange") Policy 2.4 – Capital Pool Companies ("Policy 2.4"). Following the transaction described below, Brachium changed its name to WeCommerce Holdings Ltd. The predecessor entity operating the business WeCommerce Holdings Ltd. ("WeCommerce") was incorporated on November 27, 2019 under the Business Corporation Act of British Columbia.

As at March 31, 2021 and December 31, 2020, the Company had the following wholly-owned subsidiaries:

WeCommerce Operations Ltd. (formerly "Rehash Ltd.")
Pixel Union Design Ltd.
Foursixty Inc.

On February 20, 2021, the Company incorporated a wholly owned subsidiary, Stamped Technologies Pte. Ltd.

Reference in this MD&A to "the Company" refers to WeCommerce and its subsidiaries until December 9, 2020. Subsequent to December 9, 2020, "the Company" refers to the combined operations of Brachium Capital Corp. (renamed to WeCommerce Holdings Ltd) and the historical operations of WeCommerce and its subsidiaries.

The Company is located at 101-524 Yates St. Victoria, BC, V8W 1K8 but operates its business as a fully remote business.

We manage our business on the basis of three reportable segments: Apps, Themes and Agency.

The Company is a holding company that, through its subsidiaries (the "Portfolio Companies"), is in the business of developing, selling and supporting website themes and applications, as well as providing custom solutions through its Agency segment, for clients on ecommerce platforms such as Shopify ("ecommerce platforms").

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

In this MD&A, unless otherwise indicated, all dollar amounts are expressed in Canadian dollars. The information in this report is as of May 28, 2021, which is the date of filing. Disclosure in this document is current to May 28, 2021, unless otherwise noted.

WeCommerce's common shares have traded on the TSX Venture Exchange under the symbol "WE.V" since December 14, 2020.

Forward looking Information

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

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

For a more detailed discussion of certain of these risk factors, see "Risk Factors" below as well as the list of risk factors in the Company's Annual Information Form available on SEDAR at www.sedar.com under the Company's profile.

Non-IFRS financial measures

This MD&A makes reference to certain 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 our results of operations from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. We use non-IFRS measures including "EBITDA" and "Adjusted EBITDA". Management uses these non-IFRS measures in order 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, we reconcile these non-IFRS measures to the most comparable IFRS measures in this MD&A. For definitions and reconciliation of these non-IFRS measures to the relevant reported measures, see "Non-IFRS measures".

COMPANY STRATEGY AND OBJECTIVES

The business of WeCommerce is to acquire businesses within the Shopify ecosystem, including Software as a Service ("SaaS") businesses. Generally, these businesses build digital goods such as Apps and Themes and run Agencies that support Shopify merchants. WeCommerce is focused on acquiring businesses with growth potential, a sustainable competitive advantage and that are, or have the potential to become, a leader within their particular market. WeCommerce targets businesses within the Shopify ecosystem because WeCommerce has confidence in the Shopify platform and because of the fragmented nature of the ecosystem, the attractive economics that the businesses generally provide and the belief that the WeCommerce management team understands those economics better than most of its competitors.

FIRST QUARTER HIGHLIGHTS AND OVERALL PERFORMANCE

The following table summarizes the company's overall performance for the three-month period ended March 31, 2021, as compared with the prior year:

	For the three-months ended March 31,	
	2021	**2020**
Revenue	**6,039,220**	4,162,393
Operating income/(loss)	**(136,116)**	190,353
Net income/(loss)	**(1,757,976)**	139,327
Adjusted EBITDA*	**2,000,974**	912,018
Basic earnings/(loss) per share	**(0.05) per share**	0.01 per share
Diluted earnings/(loss) per share	**(0.05) per share**	0.01 per share
Balance sheet items:	**March 31, 2021**	**December 31, 2020**
Total assets	**72,583,968**	84,793,752
Total liabilities	**8,044,605**	18,822,875
Non-current financial liabilities	**-**	8,736,062

* A non-IFRS measure

- Revenue in Q1 2021 was $6,039,220, an increase of $1,876,827 or 45% compared to Q1 2020.
- Net loss was $1,757,976 in Q1 2021 compared to net income of $139,327 in Q1 2020.
- The net loss for Q1 2021 includes finance fees of $1,045,356 in connection with the early repayment of long-term debt on March 31, 2021 as well as the accelerated amortization of $127,500 of deferred finance fees on this facility. The early repayment was made as part of the finalization of our new debt facility with a new lender (see subsequent events). Q1 2021 net loss also includes acquisition costs of $777,684 (Q1 2020: $Nil). Excluding these expenses, net income for Q1 2021 would have been $192,564 (Q1 2020: net income of $139,327).
- Cash on hand on March 31, 2021 amounted to $49,360,826 compared to $61,193,367 on December 31, 2020.
- Adjusted EBITDA for Q1 2021 amounted to $2,000,974 or 33% of revenue, compared to $912,018 or 22% of revenue in Q1 2020.

RESULTS OF OPERATIONS

	For the three-month periods ended March 31,	
	2021	2020
Revenue		
Recurring subscription revenue	**2,279,842**	1,155,569
Digital goods revenue	**2,171,548**	1,746,376
Agency service revenue	**1,587,830**	1,260,448
	6,039,220	4,162,393
Expenses		
Staff	**2,700,646**	2,394,872
Stock-based compensation	**259,909**	56,066
Fees paid to ecommerce platforms	**613,027**	473,961
Depreciation and amortization	**956,964**	565,305
Professional fees	**333,607**	112,367
Occupancy	**22,810**	25,433
Advertising	**138,160**	74,113
General and office expenses	**27,255**	39,373
Hosting and subscriptions	**174,850**	120,208
Acquisition costs	**777,684**	-
Restructuring costs	**-**	7,500
Other	**170,424**	102,842
	6,175,336	3,972,040
Operating income/(loss)	**(136,116)**	190,353
Other income (expenses)	**1,661,681**	63,668
Income before taxes	**(1,797,797)**	126,685
Taxes	**(39,821)**	(12,642)
Net income/(loss) for the period	**(1,757,976)**	139,327

<u>Revenue</u>

Revenue increased by $1,876,827 or 45% from $4,162,393 in Q1 2020 to $6,039,220 in Q1 2021. Revenue for our Apps segment increased by $1,124,273 or 97% from $1,155,569 earned in Q1 2020 to $2,279,842 in Q1 2021. The increase over the prior year period can be attributed to the acquisition of Foursixty Inc. on June 1, 2020, contributing $1,097,473 of revenue in Q1 2021 (Q1 2020- $nil). Excluding Foursixty, revenue from our Apps segment increased by 2%.

Revenue for our Themes segment increased by $425,172 or 24% from $1,746,376 in Q1 2020 to $2,171,548 in Q1 2021. Theme's revenue is correlated to Shopify's new merchant growth and benefitted from the significant pivot to e-commerce made by small and medium sized businesses in response to the COVID-19 pandemic in 2020 which has been sustained into Q1 2021. These results were further supported both by product investments in theme catalogue design refreshes for both the Pixel Union and Out of the Sandbox brands as well as marketing investments, co-promoting our apps along with theme purchases and by offering a paid premium theme support product upsell, post theme purchase.

Revenue for our Agency segment increased by $327,383 or 26% from $1,260,448 in Q1 2020 to $1,587,831 in Q1 2021. The increase can be attributed to organic growth in core agency sales due to the successful onboarding of four new projects in Q1 2021.

Expenses:

Staff costs were $2,700,646 in Q1 2021, compared to $2,394,872 in Q1 2020, representing an increase of $305,774 or 13% over the prior year period. The increase can be attributed to the inclusion of staff costs for Foursixty Inc. in Q1 2021 ($nil in Q1 2020) as well as the growth in corporate staff headcount in WeCommerce Holdings Ltd. in Q1 2021 compared to Q1 2020.

Stock-based compensation expense was $259,909 in Q1, 2021, compared to $56,066 in Q1 2020, representing an increase of $203,843 or 364% over the prior year period. The increase in stock-based compensation expense is attributable to the issuance of options post Q1 2020. Options outstanding at March 31, 2020 were 877,073 compared to 1,845,115 options outstanding at March 31, 2021.

Fees paid to ecommerce platforms were $613,027 in Q1, 2021, compared to $473,961 in Q1 2020, representing an increase of $139,066 or 29% over the prior year period. These are primarily fees paid to Shopify for partner sales as a percentage of gross sales. The increase was driven by higher revenues in the 2021 period.

Depreciation and amortization costs were $956,964 in Q1 2021, compared to $565,305 Q1 2020, representing an increase of $391,659 or 69% over the prior year period. The increase is due to additional amortization incurred relating to intangible assets recognized as part of the acquisition of Foursixty Inc. with no corresponding expense in Q1 2020.

Professional fees were $333,607 in Q1 2021, compared to $112,367 in Q1 2020, representing an increase of $221,240 or 197% over the prior year period. The increase in professional fees in 2021 is due to additional audit and review fee accruals compared to Q1 2020 when the Company did not require these services as no financial statements were issued. The Company also incurred additional contractor fees in Q1 2021, due to the addition of the Company's president to the team in Q4 2020 ($nil in Q1 2020). The remaining increase is due to legal fees incurred from the Company's corporate counsel for services rendered in connection with corporate matters.

Other expenses were $1,661,681 in Q1 2021, compared to $63,668 in Q1 2020, representing an increase of $1,598,013 over the prior year period. Q1 2021 includes incremental finance fees of $1,045,356 and accelerated amortization of deferred finance fees of $127,500 for the early repayment of long-term debt on March 31, 2021. The remaining difference can be attributed to an increase in foreign exchange losses offset by a fair value gain on the revaluation of the contingent consideration in Q1 2021.

NON-IFRS MEASURES

We define EBITDA as net income or loss before interest, income taxes and amortization. Adjusted EBITDA removes unusual or non-operating items from EBITDA, such as listing expenses, merger and acquisition costs, restructuring charges, asset impairments, non-cash stock-based compensation and foreign exchange gains and losses. We are presenting these measures because we believe that our current and potential investors, and many analysts, use them to assess our current and future operating results and to make investments decisions. Management uses these measures in managing the business and making decisions. EBITDA and Adjusted EBITDA are not intended as a substitute for IFRS measures.

	For the three-month periods ended March 31,	
Adjusted EBITDA	**2021**	2020
Net income/(loss)	**(1,757,976)**	139,327
Income tax expense	**(39,821)**	(12,642)
Depreciation and amortization	**956,964**	565,305
Finance costs	**1,333,501**	235,452
EBITDA	**492,668**	927,442
EBITDA %	**8%**	22%
EBITDA adjustments		
Stock-based compensation	**259,909**	56,066
Foreign exchange (gain)/loss	**448,804**	(171,784)
Restructuring	**-**	7,500
Acquisition costs	**777,684**	-
Non-recurring professional fees	**9,961**	92,794
(Gain)/loss on disposal of assets	**11,948**	-
Adjusted EBITDA	**2,000,974**	912,018
Adjusted EBITDA %	**33%**	22%

LIQUIDITY AND CAPITAL RESOURCES

Overview

Cash on hand amounted to $48,286,282 compared to $61,193,367 at December 31, 2020.

The Company's main sources of funding are cash generated from operations and debt and equity financings.

On March 31, 2021, the Company repaid, in full, the outstanding principal balance of its credit facility with BDC, for an amount of $10,400,000 and a new debt facility agreement was signed on April 06, 2021 (see subsequent events).

While ongoing capital expenditure is likely to remain modest, the Company expects to increase the number of portfolio companies currently owned by the group by investing in leading Shopify businesses. On April 6, 2021, the Company acquired Stamped.io Pte. Ltd. (see subsequent events).

Cash flows

Analysis of cash flows:

	For the three-month periods ended March 31,	
	2021	2020
Cash provided by operating activities	**1,296,976**	863,394
Cash used in financing activities	**(11,818,535)**	(566,108)
Cash (used in)/generated in investing activities	**(2,553,592)**	1,205,701
Increase/(decrease) in cash	**(13,075,151)**	1,502,987

Operating activities

In Q1 2021, cash flows provided by our operating activities were $1,296,976 compared to $863,394 in Q1 2020. The increase of $433,582 or 50% is due to an increase of $1,876,827 in revenue offset by an increase of $305,774 in staff costs, an increase of $139,066 in fees paid to ecommerce platforms, an increase of $221,240 in professional fees, an increase of $118,689 in advertising and hosting fees as well as acquisition costs incurred in Q1 2021 amounting to $777,684 ($nil in Q1 2020) which primarily related to the acquisition of Stamped.io.Pte.Ltd. (see subsequent events).

Financing activities

Cash flows used in financing activities in Q1 2021 were $11,818,535 compared to $566,108 in Q1 2020. The increase is mainly attributable to a cash outflow of $10,700,000 in Q1 2021 to repay our bank loan (including the early repayment of $10,400,000 of principal), compared to a repayment of $300,000 in 2020. The remaining increase is due to $1,045,356 of additional interest and fees paid in March 2021 resulting from the early repayment of our long-term debt.

Investing activities

For the three-month period ended March 31, 2021, cash flows used in investing activities were $2,553,592, compared to cash provided by investing activities of $1,205,701 for the three-month period ended March 31, 2020. The decrease in cash provided by investing activities is attributable to the maturity of short-term investments in Q1 2020 (Q1 2021: $nil) and an increase in restricted cash held on hand in Q1 2021 ($nil in Q1 2020) relating to our forward exchange contracts. The remaining increase is due to transaction costs incurred in Q1 2021 to secure our new debt facility (see subsequent events) with no corresponding cost in Q1 2020, as well as foreign exchange losses on United States Treasury bills purchased and sold ahead of the acquisition of Stamped.io.Pte.Ltd.

SUMMARY OF QUARTERLY RESULTS

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

	2021	2020				2019		
	Q1	**Q4**	**Q3***	**Q2***	**Q1**	**Q4**	**Q3**	**Q2**
Revenue								
Recurring subscription revenue	2,279,842	2,232,030	2,082,268	1,417,379	1,155,569	1,167,528	1,100,976	1,011,793
Digital goods revenue	2,171,548	2,304,446	2,437,078	2,485,847	1,746,376	1,728,864	1,782,485	1,697,730
Agency service revenue	1,587,830	1,608,792	1,306,245	1,245,022	1,260,448	1,108,409	1,019,522	969,391
	6,039,220	**6,145,268**	**5,825,591**	**5,148,248**	**4,162,393**	**4,004,801**	**3,902,983**	**3,678,914**
Expenses								
Staff	2,700,646	2,739,581	2,659,161	2,350,862	2,394,872	2,402,574	1,786,462	2,151,113
Stock based compensation	259,909	4,035,091	48,890	29,218	56,066	1,047	1,048	1,048
Fees paid to ecommerce platforms	613,027	637,539	657,068	641,661	473,961	491,364	473,325	446,325
Depreciation and amortization	956,964	953,935	961,606	703,761	565,305	553,366	528,427	529,465
Professional fees	333,607	617,258	173,223	116,238	112,367	87,106	68,972	24,087
Occupancy	22,810	28,549	36,817	35,687	25,433	25,055	19,768	17,083
Advertising	138,160	196,232	124,782	104,686	74,113	90,398	111,573	98,674
General & office expenses	27,255	24,870	24,542	10,509	39,373	58,169	19,672	82,899
Hosting and subscriptions	174,850	190,641	154,219	141,873	120,208	104,042	95,086	141,828
Acquisition costs	777,684	70,366	14,691	78,102	7,500	-	-	-
Restructuring costs	-	-	-	-	-	66,514	170,257	150,955
Other	170,424	62,023	22,043	50,105	102,842	97,113	7,504	38,399
Total operating expenses	6,175,336	9,556,085	4,877,042	4,262,702	3,972,040	3,976,748	3,282,094	3,681,876
Operating income/(loss)	**(136,116)**	**(3,410,817)**	**948,549**	**885,546**	**190,353**	**28,053**	**620,889**	**(2,962)**
Other expenses/(income)	1,661,681	1,958,295	302,963	281,326	63,668	228,195	247,016	285,197
Income/(loss) before taxes	**(1,797,797)**	**(5,369,112)**	**645,586**	**604,220**	**126,685**	**(200,142)**	**373,873**	**(288,159)**
Income tax expense (recovery):	(39,821)	99,991	239,981	96,524	(12,642)	109,275	(24,375)	(40,427)
Net (loss)/income	**(1,757,976)**	**(5,469,103)**	**405,605**	**507,696**	**139,327**	**(309,417)**	**398,248**	**(247,732)**
EBITDA**	**492,668**	**(4,200,197)**	**1,797,519**	**1,493,139**	**927,442**	**571,322**	**1,161,240**	**464,351**
EBITDA % **	**8%**	**(68%)**	**31%**	**29%**	**22%**	**14%**	**30%**	**13%**
ADJUSTED EBITDA**	**2,000,974**	**1,706,264**	**1,994,711**	**1,727,065**	**912,018**	**685,980**	**1,320,621**	**678,506**
ADJUSTED EBITDA %**	**33%**	**28%**	**34%**	**34%**	**22%**	**17%**	**34%**	**18%**

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.
* Quarterly results for Q2 and Q3 2020 were adjusted to reflect an immaterial deferral of digital goods revenue over a period of 12 months from the date of sale.
** Non-IFRS measure
(1) Q2, Q3 and Q4 2020 include the results of Foursixty Inc., acquired on June 1, 2020.
(2) Other expenses for Q4 2020 includes a one-time listing expense of $1,634,081 relating to the aforementioned reverse acquisition transaction
(3) Q1 2021 includes acquisition costs relating to the acquisition of Stamped.io.pte.Ltd in April 2021.

OFF-BALANCE SHEET ARRANGEMENTS

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

PROPOSED TRANSACTIONS

None

CRITICAL ACCOUNTING ESTIMATES

The most significant accounting judgements and estimates that we have made in the preparation of our financial statements are described in note 2(e) with the associated accounting policy in Note 3 to our annual audited consolidated financial statements for the year ended December 31, 2020.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

No new significant standards were adopted in 2021.

FINANCIAL RISK FACTORS

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

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. We manage our credit risk on cash by primarily using major Canadian chartered banks for all cash deposits. The cash balance at March 31, 2021 was $48,286,282 (December 31, 2020: $61,193,367). We manage our credit risk on trade receivables by assessing the credit quality of the counterparty. As at March 31, 2021, the trade and other receivables were within normal repayment terms with the exception of two customer for which the Company has recorded an expected credit loss provision of $77,027.

(ii) Liquidity risk

Liquidity risk is the risk that we will not be able to meet our respective obligations as they come due. We manage liquidity requirements through frequent monitoring of cash inflows and outflows, preparation of cash flow forecasting and our available credit facilities. We expect to finance our existing operations and related expenditures from our current resources and cash flows without further support from our shareholders and lenders. However, to the extent that additional cash resources are required due to unforeseen circumstances, or for future acquisitions, we anticipate support from our shareholders and lenders, although there can be no guarantees.

(iii) Currency risk

Currency risk is the risk of financial loss due to unfavorable changes in foreign exchange rates. The Company is exposed to currency risk as a result of its financial instruments denominated in US dollars, including Cash, Trade and other receivables and Trade and other payables. At December 31, 2020, the Company's total exposure to currency risk (stated in Canadian dollars) was $47,381,323 (December 31, 2020: $4,224,291). The Company uses certain derivative financial instruments, primarily forward foreign exchange contracts, to manage foreign currency exposures. The Company does not use derivative financial instruments for speculative purposes, and they are not designated as hedges. At March 31, 2021 outstanding forward exchange contracts enabled the Company to convert US$1,464,269 to CAD $1,900,000 up to January 27, 2022 (December 31, 2020 outstanding forward exchange contracts enabled the Company to convert US$1,297,395 to CAD $1,700,000 up to November 24, 2021).

OUTSTANDING SHARE DATA

	May 27, 2021	December 31, 2020
Share price - closing	15.10	19.08
Market capitalization (in thousands)	552,198	686,865
Outstanding		
Shares	36,569,411	35,999,207
Options	1,821,114	1,899,871

SUBSEQUENT EVENTS

On April 6, 2021, the Company announced the closing of an asset purchase agreement to acquire the assets of T.O.Enterprise Pte. Ltd (Formerly, "Stamped.io.Pte.Ltd"), ("Stamped"), a leading SaaS platform enabling online merchants to implement and manage customer reviews and loyalty programs through Shopify and other ecommerce platforms. Pursuant to the Purchase Agreement, WeCommerce paid Stamped an aggregate purchase price of up to US$110 million, comprising

- US$75 million payable in cash on closing of the acquisition;
- US$10 million through the issuance of 496,697 Class A common shares of WeCommerce (the "**Common Shares**") at a price of CAD$25.43 on closing of the acquisition;
- US$25 million payable in the first quarter of 2022 contingent on, among other things, Stamped achieving a minimum revenue target in 2021 of US$10 million. The contingent consideration will be satisfied, at WeCommerce's sole discretion, in either cash, the issuance of Common Shares to Stamped, or a combination thereof.

Immediately prior to the closing of the acquisition, the Company entered into a credit agreement (the "Credit Agreement") with a syndicate if lenders let by JPMorgan Chase Bank, N.A. from which the Company has received aggregate financing commitments of US$80 million. The Credit facilities comprise:

- a senior revolving credit facility in an aggregate principal amount of US$20 million
- a senior term loan facility in an aggregate principal amount of US$40 million and
- a senior delayed draw term loan facility in an aggregate principal amount of US$20 million.

All obligations of WeCommerce under the Credit agreement are guaranteed by its material wholly owned subsidiaries (including Stamped Technologies Pte.Ltd.) (the "Guarantors"), and secured by a security interest in the assets of WeCommerce and the Guarantors and WeCommerce's equity interests in the Guarantors. The Credit Agreement contains certain customary financial and non-financial covenants. The Credit facility will mature on April 6, 2026.

The Company is still in the process of estimating the fair value of the assets assumed.

RISK FACTORS:

(a) Reliance on Shopify Platform

The Company's Portfolio Companies principally generate revenues through the sale of solutions to merchants on the Shopify platform. Moreover, WeCommerce's acquisition strategy target's businesses within the Shopify ecosystem. As a result, WeCommerce's business and prospects are very dependent on the ongoing success of the Shopify ecommerce platform.

The Company's Portfolio Companies have agreed to the terms of service applicable to Shopify partners and must abide by the terms of its agreements with Shopify. If a Portfolio Company were to breach its agreement with Shopify, it may no longer be permitted to operate on the Shopify platform which could adversely affect the Company's business, results of operations and financial condition. In addition, Shopify controls the Shopify partner ecosystem, including the types of products that may be offered on the platform and which businesses may become Shopify partners on the platform. If Shopify were to significantly change or alter the Shopify partner ecommerce ecosystem in a manner adverse to Shopify partners generally, or the Portfolio Companies specifically, this could adversely affect the Company's business, results of operations and financial condition.

Finally, the business of Shopify is itself subject to a number of risks. For a description of the risk factors Shopify has identified as being relevant to its business see Shopify's Annual Information Form dated February 17, 2021 which is available at www.sedar.com. If there was a decline in the use by merchants of the Shopify ecommerce platform, this could adversely affect the Company's business, results of operations and financial condition.

(b) Limited Operating History

WeCommerce has a limited business history. While members of WeCommerce's management and the Board have significant expertise within the ecommerce sector, WeCommerce itself has a limited history of operations and there can be no assurance that the business will be successful or profitable or the Company will be able to successfully execute its proposed business model and growth strategy. If the Company is unable to execute its business model and growth strategy, it may have a material adverse effect on the Company's business, results of operations and financial condition. Further, the Company will therefore be subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and limited revenues. There is no assurance that WeCommerce or the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

(c) Reliance on Management and Key Employees

The Company's success is highly dependent on the retention of key personnel both within the parent company level and within its subsidiary companies. The availability of persons with the necessary skills to execute the business strategy of the Company or a particular subsidiary Company is very limited and competition for such persons is intense. As the Company's business activity grows, additional key financial and administrative personnel, as well as additional staff, may be required. Although the Company believes that it will be successful in attracting, training and retaining qualified personnel, there can be no assurance of such success. If the Company is not successful in attracting, training and retaining qualified personnel, the efficiency of operations may be affected. In addition, if any of its executive officers or key employees join a competitor or form a competing company, the Company may lose know-how, key professionals and staff members as well as partners.

(d) Credit Facility

The Company has Credit Facilities which require the Company to make certain interest payments, provide a first-ranking security interest over all of its assets and also contains a number of covenants that impose significant operating and financial restrictions on the Company and may limit the Company's ability to engage in acts that may be in its long-term best interest.

If the Company's cash flows and cash and cash equivalents are insufficient to fund its debt service obligations, including repayment or renewal of the Credit Facilities at the end of their term, the Company could face liquidity problems and could be forced to seek amendments to the Credit Facilities, or reduce or delay investments and capital expenditures, dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance the Company's indebtedness, including the Credit Facilities. The Company may not be able to affect any such alternative measures on commercially reasonable terms or at all and, even if successful, those alternatives may not allow the Company to meet its scheduled debt service obligations. There can be no certainty that the Company will be able to repay or renew the Credit Facilities at maturity and the failure to do so would have a material adverse effect on the Company.

In addition, a breach of the covenants under the Credit Facilities could result in an event of default under the applicable indebtedness. Such a default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross acceleration or cross default provision applies. In the event the lender accelerates the repayment of the Company's borrowings, the Company may not have sufficient assets to repay its indebtedness. The security interests provided by the Company under the Credit Facilities may adversely affect the Company's ability to secure other types of financing. As a result of the security interests granted to Scotiabank, any default under the Credit Facilities, including any covenants thereunder, could result in the loss of the Company's entire interest in its material assets.

(e) Foursixty's reliance on Instagram Platform

Foursixty has agreed to the terms of service applicable to Instagram marketing partners and must abide by the terms of its agreements with Instagram. If Foursixty were to breach its agreement with Instagram, it may no longer be permitted to operate on the Instagram platform which could adversely affect Foursixty's business, results of operations and financial condition. In addition, Instagram controls the Instagram marketing partner ecosystem, including the types of products that may be offered on the platform. If Instagram were to significantly change or alter the Instagram marketing partner ecommerce ecosystem in a manner adverse Foursixty, this could adversely affect the Company's business, results of operations and financial condition

(f) Conflicts of Interest

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

(g) Additional financing

In order to execute Company's anticipated growth strategy, it will require additional equity and/or debt financing in order to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Company when needed or on terms which are commercially acceptable to the Company. The Company's inability to raise financing to support on-going operations or to fund acquisitions, could limit its growth and may have a material adverse effect upon future profitability. If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences, and privileges superior to those of holders of Company Common Shares.

The continued development of the Company following the Amalgamation will require substantial additional financing in order to meet its growth objectives. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company. In addition, from time to time, the Company may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed wholly or partially with debt, which may temporarily increase the Company's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions.

(h) Resale of Shares

There can be no assurance that the publicly traded market price of the Company Common Shares will be high enough to create a positive return for the existing investors. Further, there can be no assurance that the Company Common Shares will be sufficiently liquid so as to permit investors to sell their position in the Company without adversely affecting the stock price. In such event, the probability of resale of the Company Common Shares would be diminished.

(i) Market for Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continuing fluctuations in price will not occur. It may be anticipated that any quoted market for the Company Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. The value of the Company Common Shares will be affected by such volatility. An active public market for the Company Common Shares might not develop or be sustained after the completion of the Business Combination. If an active public market for the Company Common Shares does not develop, the liquidity of a shareholder's investment may be limited, and the share price may decline.

(j) Global Financial Conditions

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

(k) Management of Growth

The growth of WeCommerce's operations has placed significant demands on managerial, financial and human resources. WeCommerce's ability to continue its rate of growth will depend on a number of factors, including the availability of capital, existing and emerging competition and the ability to recruit and train additional qualified personnel. Moreover, as the Company's business grows, the Company will need to devote additional resources to improving its operational infrastructure and continuing to enhance its scalability in order to maintain the performance of its business.

(l) Risks Associated with Acquisitions

The Company will be pursuing a strategy of growth through acquisitions. Acquisitions involve a number of known and unknown risks, including diversion of management's attention, failure to retain key acquired personnel, unanticipated events or circumstances, and legal liabilities, some or all of which could have a material adverse effect on the business, results of operations and financial condition of the Company. In addition, there can be no assurance that the Company can complete any acquisition it pursues on favourable terms, that any acquired businesses, products or technologies will achieve anticipated revenues and income, or that any acquisitions completed will ultimately benefit the business. An acquisition could also result in a potentially dilutive issuance of equity securities. The failure of the Company to successfully manage its strategy of growth through acquisitions could have a material adverse effect on the Company's business, results of operations and financial condition.

(m) Tax Risk

The Company will be considered to have been carrying on business in Canada for purposes of the *Income Tax Act* (Canada) (the "**Tax Act**"). However, the Company is operating in a new and developing industry that has had historically low regulations and tax compliance. There is risk that foreign governments may look to increase their tax revenues or levy additional taxes. While WeCommerce does not foresee any adverse tax affects, there is no guarantee that governments will not impose such additional adverse taxes in the future.

(n) Currency Fluctuations

Due to WeCommerce's present operations, and the intention to have future operations in jurisdictions outside Canada, the Company is expected to be exposed to significant currency fluctuations. Recent events in the global financial markets have been coupled with increased volatility in the currency markets. Fluctuations in the exchange rate between the CAD dollar, US dollar and other currencies, may have a material adverse effect on the Company's business, financial condition and operating results. The Company may, expand operations globally so it may be subject to additional gains and losses against additional currencies. WeCommerce does not currently have a foreign exchange hedging program in place. In the future, the Company may establish a program to hedge a portion of its foreign currency exposure with the objective of minimizing the impact of adverse foreign currency exchange movements. However, even if the Company develops a hedging program, it may not hedge its entire exposure to any one foreign currency and it may not hedge its exposure at all with respect to certain foreign currencies.

(o) Competitive Markets

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

(p) Uncertainty and Adverse Changes in the Economy

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

(q) WeCommerce's rapid growth may not be sustainable and depends on the Portfolio Companies ability to attract new customers, retain revenue from existing merchants and increase sales to both new and existing customers

The Portfolio Companies principally generate revenues through the sale of solutions to merchants on the Shopify platform. The Portfolio Companies' customers have no obligation to renew their subscriptions after their subscription term expires. As a result, even though the number of merchants using a Portfolio Company's solutions may have grown, there can be no assurance that such Portfolio Company will be able to retain these customers. Many customers of our Portfolio Companies are in the entrepreneurial stage of their development and there is no guarantee that their businesses will succeed. New customers utilizing our Portfolio Companies services may also decide not to continue or renew their subscription for reasons outside of our control.

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

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

(s) WeCommerce relies significantly on recurring revenue, and if recurring revenue declines or contracts are not renewed, the Company's future results of operations could be harmed.

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

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

(t) Security and privacy breaches

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

We have implemented technical, organizational and physical security measures, including employee training, backup systems, monitoring and testing and maintenance of protective systems and contingency plans, to protect and to prevent unauthorized access to confidential information of our customers and to reduce the likelihood of disruptions to our systems.

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

If a breach of a Portfolio Company's security measures occurs, the market perception of their effectiveness could be harmed, and the Company could lose potential sales and existing customers. Furthermore, a security breach affecting a competitor or any other company that provides hosting services or delivers applications under a SaaS model, even if no confidential information is compromised, may adversely affect the market perception of security measures and potential sales and existing customers could be lost.

(u) Client Demand

The Company plans to significantly expand the number and diversity of clients served thereby increasing revenues. We are always working toward identifying and provide additional services and products that appeal to existing clients in an effort to increase their revenues. The Company's ability to attract new clients, as well as increase revenues from existing clients, is dependent on a number of factors including but not limited to offering high quality products and services at competitive prices, the strength of competitors and the ability of our sales and marketing teams. The failure to attract new clients or to obtain new business from existing clients may mean that the Company will not increase its revenues as quickly as anticipated, if at all.

(v) Protection of Intellectual Property

The Company's ability to secure intellectual property rights is essential to the success of its ongoing operations and future opportunities. There is no assurance, however, that the Company's rights will not be challenged, invalidated or circumvented. In addition, the laws of certain countries do not protect proprietary rights to the same extent as do the laws of the United States and Canada, and therefore there can be no assurance that we will be able to adequately protect our proprietary technology against unauthorized third party copying or use. Such unauthorized copying or use may adversely affect our competitive position. Further, there can be no assurance that the Company will successfully obtain licenses to any technology that may be required to conduct business or that, if obtainable, such technology can be licensed at a reasonable cost.

(w) Infringement of Intellectual Property

From time to time, the Company may receive notices from third parties alleging that it has infringed their intellectual property rights. Responding to any such claim, regardless of its merit, may be time-consuming, result in costly litigation, divert management's attention and resources and cause the Company to incur significant expenses. Any meritorious claim of intellectual property infringement against the Company may potentially result in a temporary or permanent injunction, prohibiting it from marketing or selling certain products or requiring it to pay royalties to a third party. In the event of a meritorious claim or the inability of the Company to develop or license substitute technology, its business and results of operations may be materially adversely affected.

(x) Mobile device transactions

Commerce transacted over mobile devices continues to grow more rapidly than desktop transactions. The Company is dependent on the interoperability of their solutions with third-party mobile devices and mobile operating systems as well as web browsers that they do not control. Any changes in such devices, systems or web browsers that degrade the functionality of our platform or give preferential treatment to competitive services could adversely affect usage of our platform. Mobile commerce is a key element in WeCommerce's strategy and effective mobile functionality is integral to our long-term development and growth strategy. In the event that merchants and their buyers have difficulty accessing and using our platform on mobile devices, our business and operating results could be adversely affected.

(y) Risks associated with internal controls over financial reporting

Any failure of the Company's internal controls could have an adverse effect on stated results of operations and harm its reputation. As a result, the Company may experience higher than anticipated operating expenses, as well as higher independent auditor fees during and after the implementation of these changes. If the Company is unable to implement any of the required changes to its internal control over financial reporting effectively or efficiently or is required to do so earlier than anticipated, it could adversely affect the Company's operations, financial reporting and results of operations. If the Company fails to maintain an effective system of disclosure controls and internal control over financial reporting, its ability to produce timely and accurate financial statements or comply with applicable regulations could be adversely impacted.