



WECOMMERCE HOLDINGS LTD.

Management's Discussion and Analysis

For the three-months ended March 31, 2023 and March 31, 2022

GENERAL INFORMATION AND CAUTIONARY STATEMENTS

Introduction

The following management's discussion and analysis ("MD&A") dated May 11, 2023, provides information concerning the financial condition and results of operations of the Company (as defined below) for the three-months ended March 31, 2023 ("Q1 2023") and March 31, 2022 ("Q1 2022"). The following MD&A should be read in conjunction with the Company's audited financial statements and notes thereto related to the year ended December 31, 2022. Additional information relating to the Company is available on the Company's website www.tiny.com and www.sedar.com

Basis of presentation

On January 1, 2023, WeCommerce Holdings Ltd. (the "Company" or "WeCommerce") completed a vertical short form amalgamation (the "Vertical Amalgamation") with its wholly-owned subsidiaries, Foursixty and Pixel Union (collectively, the "Subsidiaries"). The amalgamation of the Company and the Subsidiaries was undertaken in order to simplify the corporate structure of WeCommerce and to reduce administrative costs. No securities of WeCommerce were issued in connection with the amalgamation and the Company's share capital in connection with the Vertical Amalgamation remained unchanged.

On April 17, 2023, the Company acquired 100% of the issued and outstanding securities of Tiny Capital Ltd. ("Tiny Capital"), which under National Instrument 51-102 Continuous Disclosure Obligations ("NI 51-102") constituted a "reverse takeover" (the "Business Combination"). Immediately following the completion of the Business Combination, the Company (i) completed the Post-Closing Reorganization (defined below), and (ii) continued out of British Columbia under the Business Corporations Act (British Columbia) and into the federal jurisdiction of Canada under the Canada Business Corporations Act and changed its name to "Tiny Ltd." (the "Continuance"). In connection with the Business Combination, the Company is considered the "reverse takeover acquiree" and Tiny Capital is considered the "reverse takeover acquirer", each as defined in NI 51-102. See "Subsequent Events" below for additional information.

As at March 31, 2023, the Company had the following wholly-owned operating subsidiaries:

WeCommerce Operations Ltd.
Stamped Technologies Pte. Ltd.
Archetype Themes Limited Partnership
KnoCommerce Inc.

The Company's registered office is at 2900-550 Burrard Street, Vancouver, British Columbia, V6C 0A3 and its head office is located at 400 - 1152 Mainland Street, Vancouver, British Columbia, V6B 4X2.

During Q1 2023 and prior to the completion of the Business Combination, the Company managed its businesses on the basis of three reportable segments: Apps, Themes and Agency.

During Q1 2023 and prior to the completion of the Business Combination, the Company was a holding company that, through its subsidiaries (the "Portfolio Companies") invested in businesses who develop, sell and support applications ("Apps") and storefront themes ("Themes"), as well as providing custom solutions through its agency segment (the "Agency Segment"), for clients on ecommerce platforms ("ecommerce platforms"), such as Shopify Inc. ("Shopify").

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, including forwarding-looking information, is as of May 11, 2023, which is the date of filing. Disclosure in this MD&A is current to May 11, 2023, 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 Canadian 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, including with respect to the Transaction and the Continuance (each as defined below); 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; anticipated revenue growth; growth strategy; and scalability of developed technology.

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

For a more detailed discussion of certain of these risk factors, see "Risk Factors" below as well as the list of risk factors in the Company's Annual Information Form and Management Information Circular of the Company dated March 6, 2023 (the "Circular") which are 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 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 %", and "Constant Currency". 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".

COMPANY OVERVIEW

Prior to the Business Combination

WeCommerce's Portfolio Companies provide merchants with a suite of ecommerce software tools to start and grow their online stores. The family of companies and brands includes Pixel Union (comprising solely the prior Themes division of Pixel Union), Orbit Apps (formerly the Apps division of Pixel Union), Knit Agency (formerly the Agency division of Pixel Union), Out of the Sandbox, Archetype, Foursixty, Stamped and KnoCommerce. As one of Shopify's first partners (the predecessor to WeCommerce, Pixel Union) since 2010, the Company is focused on building, acquiring and investing in leading ecommerce technology businesses.

The Company has three reportable segments:

- The Apps segment relates to the operations and recurring subscription revenues derived from providing the use of paid versions of the Company's software to customers. The Portfolio Companies included in this segment include Stamped, Foursixty, Orbit Apps and KnoCommerce. These companies provide Software as a Service ("SaaS") to merchants. Apps segment revenue is classified as recurring subscription revenue.
- The Themes segment relates to the sale of theme design templates to customers operating their stores on various ecommerce platforms. Revenue is generated primarily from the sale of one-time sales of digital goods to customers. The Portfolio Companies included in this segment include Archetype and Pixel Union. Themes segment revenue is classified as digital goods revenue.
- The Agency Segment relates to the operations and service revenue associated with providing agency services to customers. Agency Segment revenue is classified as agency services revenue.

WeCommerce builds, invests in and acquires businesses within leading ecommerce ecosystems geared towards small and mid-size merchants. The majority of the Company's revenue is derived from providing ecommerce software tools to merchants who use Shopify as an ecommerce platform.

After the Business Combination

Tiny Capital is a leading technology holding company with a strategy of acquiring majority stakes in wonderful businesses. Tiny Capital has three core business segments, Beam, WeCommerce and Dribbble, with other standalone businesses including a private equity investment fund.

Beam, and its subsidiary companies including MetaLab, helps start-ups to Fortune 500 companies to design, build and ship premium digital products for both mobile and web. The Company's capabilities as an end-to-end product partner provide clients with intimate insight into end-user behavior, allowing for a thorough, strategy-led approach to product design, engineering, brand positioning and marketing.

WeCommerce provides merchants with a suite of ecommerce software tools to start and grow their online stores. Our family of companies and brands includes Pixel Union, Out of the Sandbox, KnoCommerce, Archetype, Yopify, SuppleApps, Rehash, Foursixty and Stamped. As one of Shopify's first partners since 2010, WeCommerce is focused on building, acquiring, and investing in leading technology businesses operating in the Shopify partner ecosystem.

Dribbble is a creative network and community that design professionals use to meet, collaborate, and showcase their work. Dribbble also hosts an online marketplace for graphics, fonts, templates, and other digital assets.

Other standalone businesses include several software and internet companies and the operation of a private equity fund where the Company serves as the general partner (the "Tiny Fund"). The Tiny Fund commenced operations in August 2020 and has total committed capital of US\$150 million.

FIRST QUARTER HIGHLIGHTS AND OVERALL PERFORMANCE

The following table summarizes the Company's overall performance for the three-month periods ended March 31, 2023, as compared with the prior year:

	For the three-month periods ended	
	2023	March 31, 2022
Revenue		
Recurring subscription revenue	8,104,423	7,354,028
Digital goods revenue	4,523,329	3,745,630
Agency service revenue	937,314	994,101
	13,565,066	12,093,759
Operating loss	(2,525,927)	(1,280,176)
Net (loss)/income	(4,315,842)	790,114
EBITDA	530,909	4,493,740
EBITDA %	4%	37%
Adjusted EBITDA	3,988,174	2,831,783
Adjusted EBITDA %	29%	23%
Cash provided by operating activities	1,218,038	3,907,178
Basic income/(loss) per share	(0.10)	0.02
Diluted income/(loss) per share	(0.10)	0.02
	March 31, 2023	December 31, 2022
Total assets	166,237,409	171,720,273
Total liabilities	58,319,592	59,389,886
Non-current financial liabilities	41,453,710	42,154,354

- Revenue in Q1 2023 was \$13,565,066, an increase of \$1,471,307 or 12% (5% on a constant currency basis) compared to Q1 2022.
- Apps segment revenue in Q1 2023 was \$8,104,423, an increase of \$750,395 or 10% (3% on a constant currency basis) compared to Q1 2022. Apps segment revenue includes the results of Stamped, which contributed revenues of \$5,681,780, an increase of \$542,455 or 11% (4% on a constant currency basis) compared to Q1 2022. Foursixty contributed revenues of \$1,218,207 an increase of \$1,778 or 0.1% (-12% on a constant currency basis) compared to Q1 2022.
- Themes segment revenue in Q1 2023 was \$4,523,329, an increase of \$777,699 or 21% (12% on a constant currency basis) compared to Q1 2022. Archetype contributed revenues of \$3,050,425, an increase of \$862,868 or 39% (31% on a constant currency basis) compared to Q1 2022.
- Agency Segment revenue in Q1 2023 was \$937,314, a decrease of \$56,787 or -6% (-10% on a constant currency basis) compared to Q1 2022.
- Net loss was \$4,315,842 in Q1 2023 compared to net income of \$790,114 in Q1 2022. In Q1 2023, the Company experienced an increase in finance costs, acquisition related costs and severance. Acquisition related costs incurred include \$2,467,468 related to the amalgamation transaction with Tiny Capital and severance of \$650,503 was incurred as a result of restructuring of executive team in light of the pending transaction.
- Unrestricted cash on hand at March 31, 2023 was \$9,129,722 compared to \$10,946,852 on December 31, 2022. Total debt outstanding at March 31, 2023 was \$46,590,824 compared to \$46,935,066 on December 31, 2022.
- Adjusted EBITDA⁽¹⁾ for Q1 2023 amounted to \$3,988,174 or 29% of revenue, compared to \$2,831,783 or 23% of revenue in Q1 2022.

(1) Refer to Non-IFRS Measures section on page 8

RESULTS OF OPERATIONS

	For the three-month periods ended	
		March 31,
	2023	2022
Revenue		
Recurring subscription revenue	8,104,423	7,354,028
Digital goods revenue	4,523,329	3,745,630
Agency service revenue	937,314	994,101
	13,565,066	12,093,759
Expenses		
Staff	6,665,123	5,592,313
Share-based compensation (recovery)	(85,691)	901,365
Fees paid to ecommerce platforms	1,503,064	1,490,230
Depreciation and amortization	3,238,400	3,064,477
Professional fees	430,886	692,624
Advertising	483,186	593,229
General and office expenses	245,115	90,578
Hosting and subscriptions	1,007,915	707,255
Acquisition costs	2,467,468	104,819
Other	135,527	137,045
	16,090,993	13,373,935
Operating loss	(2,525,927)	(1,280,176)
Other expenses/(income)	1,442,565	(2,111,915)
(Loss)/income before taxes	(3,968,492)	831,739
Taxes/(recovery)	347,350	41,625
Net (loss)/income for the period	(4,315,842)	790,114

Revenue

Revenue increased by \$1,471,307 or 12% (5% on a constant currency basis) from \$12,093,759 in Q1 2022 to \$13,565,066 in Q1 2023. Revenues for the Apps Segment increased by \$750,395 or 10% (3% on a constant currency basis) from \$7,354,028 in Q1 2022 to \$8,104,423 in Q1 2023. The increase can be mainly attributed to the continuing sales growth observed within Stamped.

Revenue for the Themes Segment increased by \$777,699 or 21% (12% on a constant currency basis) from \$3,745,630 in Q1 2022 to \$4,523,329 in Q1 2023. The increase is attributable to the success of the Company's efforts of the piracy notices related to the enforcement of the Digital Millennium Copyright Act.

Revenue for the Agency Segment decreased by \$56,787 or 6% (-10% on a constant currency basis) from \$994,101 in Q1 2022 to \$937,314 in Q1 2023. The decline in agency revenue is attributed to a reduction of major projects and a decline in the value of analytic work performed.

Expenses

Staff costs were \$6,665,123 in Q1 2023, compared to \$5,592,313 in Q1 2022, representing an increase of \$1,072,810 or 19% over the prior year period. A portion of the staff costs are related to severance expenses of \$650,503 for previous senior executives of the Company, as a result of the transition with the Tiny merger. The remaining increase is attributable to the payout of year-end bonuses and cost of living adjustments for its employees.

Stock-based compensation was \$85,691 recovery in Q1 2023, compared to an expense of \$901,365 in Q1 2022, representing a change of 987,056 or -110% over the prior year period. As a result of the change in the executive leadership, a large portion relates to the forfeiture of PSUs, which resulted in a recovery of the affiliated expenses.

Fees paid to ecommerce platforms were \$1,503,064 in Q1 2023, compared to \$1,490,230 in Q1 2022, representing an increase of \$12,834 or 1% over the prior year period. This is composed of fees paid to Shopify for partner sales as a percentage of gross sales. Each Portfolio Company has different product offerings, and therefore, the fees based on the percentage of revenue may vary.

Depreciation and amortization costs were \$3,238,400 in Q1 2023, compared to \$3,064,477 in Q1 2022, representing

an increase of \$173,923 or 6% over the prior year period. The increase is mainly attributable to the three-month inclusion of the amortization of intangibles related to KnoCommerce for \$93,764 compared to \$24,386 in Q1 2022. The remaining increase is related to the higher foreign exchange rate on its US entities in Q1 2023 compared to Q1 2022.

Professional fees were \$430,886 in Q1 2023, compared to \$692,624 in Q1 2022, representing a decrease of \$261,738 or 38% over the prior year period. Professional fees are related to audit accruals and legal fees incurred for services rendered in connection with corporate matters. In Q1 2022, the fees were associated with services that are no longer leveraged in Q1 2023; whereas for Q1 2023, the fees incurred were related to additional scope of work for the Business Combination.

Advertising costs were \$483,186 in Q1 2023, compared to \$593,229 in Q1 2022, representing a decrease of \$110,043 or 19% over the prior year period. The decrease is due to a change in marketing strategy from late 2022 to maximize efficient use of resources.

Hosting and subscription fees were \$1,007,915 in Q1 2023, compared to \$707,255 in Q1 2022, representing an increase of \$300,660 or 43% over the prior year period. A portion of the increase is attributable to the improvement of infrastructure in certain portfolio companies to further enhance billing and time management capabilities. Another portion of the increase is related to additional hosting fees to refine the products available online.

Acquisition costs were \$2,467,468 in Q1 2023, compared to \$104,819 in Q1 2022, representing an increase of \$2,362,649 or 2,254% over the prior year period. Acquisition costs include legal and professional fees paid as part of the Company's acquisition strategy. The costs in Q1 2023 relate to the Business Combination that closed on April 17, 2023; whereas the costs incurred in Q1 2022 relate to the acquisition of KnoCommerce in March 2022.

Other expenses were \$1,442,565 in Q1 2023, compared to the other income of \$2,111,915 in Q1 2022, representing a change of \$3,554,480 or -168% over the prior year period. With the increase in interest rates from Q1 2022 to Q1 2023, this resulted in the Company paying more finance costs. In addition, the Company recognized a loss on the revaluation of its contingent consideration for \$189,462 in Q1 2023 compared to the gain on the revaluation for \$2,147,090 in Q1 2022. Lastly, significant foreign currency fluctuations were observed in Q1 2022 and there were no similar fluctuations observed in Q1 2023.

NON-IFRS MEASURES

Investors are cautioned that non-IFRS measures used 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 year.

EBITDA and EBITDA % is frequently used by 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-cash or non-operating items from EBITDA such as listing expenses, acquisition costs, restructuring charges, asset impairments, non-cash stock-based compensation, fair value adjustments to contingent consideration payable and foreign exchange gains and losses. 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 the Company's core operations. It provides a basis to evaluate profitability and performance trends by excluding items that the Company does not consider to be controllable activities for this purpose. Adjusted EBITDA and Adjusted EBITDA % are measures commonly reported and widely used as a valuation metric.

Constant Currency

Constant Currency is determined by applying the same foreign currency exchange rates to the financial results of the current and equivalent prior-year period. The Company's reporting currency is the Canadian dollar but we conduct business in Canadian, U.S. and Singapore dollars. The Company measures its performance before the impact of foreign currency. Constant currency is reconciled to revenue from the financial statements.

The Company believes Constant Currency allows for current financial performance to be understood against comparative periods without the impact of fluctuations in foreign exchange rates against the Canadian dollar.

NON-IFRS MEASURES RECONCILIATIONS

EBITDA and Adjusted EBITDA

	For the three-month period ended March 31,	
	2023	2022
Net (loss)/income	(4,315,842)	790,114
Income tax (recovery)/expense	347,350	41,625
Depreciation and amortization	3,238,400	3,064,477
Finance costs	1,261,001	597,524
EBITDA	530,909	4,493,740
EBITDA %	4%	37%
EBITDA adjustments		
Share-based compensation	(85,691)	901,365
Foreign exchange gain	(7,898)	(560,770)
Acquisition costs	2,467,468	104,819
Fair value adjustments of contingent consideration	189,462	(2,147,090)
Severance costs	650,503	41,316
Non-recurring professional fees	195,921	-
Acquisition-related compensation	47,500	-
(Gain)/loss on sale of intangibles and property and equipment	-	(1,597)
Adjusted EBITDA	3,988,174	2,831,783
Adjusted EBITDA %	29%	23%

EBITDA % and Adjusted EBITDA %

	For the three-month period ended March 31,	
	2023	2022
EBITDA	530,909	4,493,740
Revenue	13,565,066	12,093,759
EBITDA %	4%	37%
Adjusted EBITDA	3,988,174	2,831,783
Revenue	13,565,066	12,093,759
Adjusted EBITDA %	29%	23%

Constant Currency

	For the three-month period ended March 31,		% Change		
	2023	2022	As reported	Foreign exchange impact	Constant currency
Revenue					
Recurring subscription revenue	8,104,423	7,354,028	10%	(7%)	3%
Digital goods revenue	4,523,329	3,745,630	21%	(9%)	12%
Agency service revenue	937,314	994,101	(6%)	(4%)	(10%)
	13,565,066	12,093,759	12%	(7%)	5%

LIQUIDITY AND CAPITAL RESOURCES

Overview

Cash on hand at March 31, 2023, amounted to \$9,129,722 compared to \$10,946,852 at December 31, 2022. The change in cash was due to the repayment of the revolving facility and term loan offset by positive cash flow from operations.

The Company's main sources of funding are cash generated from operations along with its ability to raise capital from equity and debt financings.

Long term debt is as follows:

	March 31, 2023	December 31, 2022
Term loan	47,344,130	47,765,134
Deferred financing costs	(753,306)	(830,068)
	46,590,824	46,935,066
Less:		
Current portion	(5,410,758)	(5,081,397)
Deferred financing costs – current portion	273,644	300,685
	41,453,710	42,154,354

Cash flows

Analysis of cash flows:

	For the three-month period ended March 31,	
	2023	2022
Cash provided by operating activities	1,218,038	3,907,178
Cash used in financing activities	(1,724,195)	(1,213,983)
Cash used in investing activities	(1,380,224)	(2,679,886)
Foreign exchange on cash	69,251	74,754
(Decrease)/increase in cash	(1,817,130)	88,063

Operating activities

Cash flows provided by operating activities in Q1 2023 was \$1,218,038 compared to \$3,907,178 in Q1 2022. The decrease is mainly attributable to the higher increase in expenses compared to revenue from the comparative period. The increase in revenue of \$1,416,356 was offset by the increase in acquisition costs of \$2,362,649. The remaining decrease is attributed to changes in the working capital balance of \$504,037.

Financing activities

Cash flows used in financing activities in Q1 2023 was \$1,724,195 compared to \$1,213,983 in Q1 2022. The change is mainly attributable to the amount of interest paid on its term loan. Due to macroeconomic conditions, the interest rate on the term loan increased from 3.44% in Q1 2022 to 8.26% in Q1 2023.

Investing activities

Cash flows used in investing activities in Q1 2023 was \$1,380,224 compared to \$2,679,886 in Q1 2022. The change is mainly attributable to the payback of the indemnity holdback related to the Archetype acquisition for \$1,361,409 (Q1 2022: \$nil). In addition, no acquisitions occurred in Q1 2023; whereas, in Q1 2022, the Company acquired KnoCommerce for net cash of \$2,426,028.

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.

	2023		2022		2021			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2*
Revenue								
Recurring subscription revenue	8,104,423	8,387,200	7,915,065	7,519,751	7,354,028	7,346,415	6,825,881	5,931,691
Digital goods revenue	4,523,329	4,075,340	2,810,725	3,232,550	3,745,630	3,953,600	2,888,589	1,963,283
Agency service revenue	937,314	837,468	731,882	867,847	994,101	949,041	1,228,814	1,454,843
	13,565,066	13,300,008	11,457,672	11,620,148	12,093,759	12,249,056	10,943,284	9,349,817
Total operating expenses	16,090,993	14,224,026	13,810,296	14,863,897	13,372,356	12,989,069	11,281,785	10,027,142
Operating loss	(2,525,927)	(924,018)	(2,352,624)	(3,243,749)	(1,278,597)	(740,013)	(338,501)	(677,325)
Other expenses/(income)	1,442,565	11,533,882	4,051,737	1,563,875	(2,110,336)	(5,049,112)	2,538,326	(497,950)
(Loss)/income before taxes	(3,968,492)	(12,457,900)	(6,404,361)	(4,807,624)	831,739	4,309,099	(2,876,827)	(179,375)
Income tax (recovery)/expense	347,350	(20,962)	58,452	(278,143)	41,625	183,071	110,144	44,628
Net (loss)/income	(4,315,842)	(12,436,938)	(6,462,813)	(4,529,481)	790,114	4,126,028	(2,986,971)	(224,003)
Non-IFRS Measures								
Net (loss)/income	(4,315,842)	(12,436,938)	(6,462,813)	(4,529,481)	790,114	4,126,028	(2,986,971)	(224,003)
Income tax expense/(recovery)	347,350	(20,962)	58,452	(278,143)	41,625	183,071	110,144	44,628
Depreciation and amortization	3,238,400	3,316,760	3,143,287	3,136,537	3,064,477	3,295,125	3,131,209	2,704,273
Finance costs	1,261,001	1,154,914	810,092	900,896	597,524	635,850	589,305	493,199
EBITDA ⁽¹⁾	530,909	(7,986,226)	(2,450,982)	(770,191)	4,493,740	8,240,074	843,687	3,018,097
Stock-based compensation	(85,691)	525,465	1,027,754	928,187	901,365	917,702	449,729	263,126
Foreign exchange (gain)/loss	(7,898)	(821,553)	3,173,110	1,923,551	(560,770)	(396,232)	1,593,524	(635,636)
Acquisition costs	2,467,468	193,440	6,901	39,420	104,819	30,616	321,154	332,390
Impairment of non-financial assets	-	11,812,308	-	-	-	-	-	-
Fair value adjustments of contingent consideration	189,462	(609,480)	68,535	(1,273,968)	(2,147,090)	(5,302,617)	-	-
Non-recurring professional fees	195,921	-	-	-	-	-	3,982	77,617
Severance costs	650,503	128,785	46,561	623,060	41,316	-	26,767	-
Acquisition-related compensation	47,500	46,000	-	-	-	-	-	-
Restructuring	-	-	33,465	-	-	-	-	-
(Gain)/loss on sale of intangibles and property and equipment	-	(710)	-	13,396	(1,597)	1,197	155,399	(355,513)
Adjusted EBITDA ⁽¹⁾	3,988,174	3,288,029	1,905,344	1,483,455	2,831,783	3,490,740	3,394,242	2,700,081

	2023		2022		2021			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2*
EBITDA	530,909	(7,986,226)	(2,450,982)	(770,191)	4,493,740	8,240,074	843,687	3,018,097
Revenue	13,565,066	13,300,008	11,457,672	11,620,148	12,093,759	12,249,056	10,943,284	9,349,817
EBITDA % ⁽¹⁾	4%	(60%)	(21%)	(7%)	37%	67%	8%	32%
Adjusted EBITDA	3,988,174	3,288,029	1,905,344	1,483,455	2,831,783	3,490,740	3,394,242	2,700,081
Revenue	13,565,066	13,300,008	11,457,672	11,620,148	12,093,759	12,249,056	10,943,284	9,349,817
Adjusted EBITDA % ⁽¹⁾	29%	25%	17%	13%	23%	28%	31%	29%

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 2021 were adjusted to reflect an immaterial deferral of recurring subscription revenue over a period of 12 months from the date of sale.

(1) Non-IFRS measure (please refer to reconciliation on page 9):

- Q2 2021 includes the results of Stamped acquired on April 6, 2021.

- Q3 2021 includes the results of Archetype acquired on August 24, 2021.

- Q4 2021 includes the fair value adjustments on contingent consideration relating to Stamped, Archetype and Foursixty.

- Q1 2022 includes the results of KnoCommerce acquired on March 10, 2022 and the fair value adjustments on contingent consideration relating to Stamped and Foursixty.

- Q2 2022 includes the fair value adjustments on contingent consideration relating to Archetype and KnoCommerce.

- Q3 2022 includes the fair value adjustment on contingent consideration relating to KnoCommerce.

- Q4 2022 includes the fair value adjustment on contingent consideration relating to KnoCommerce and impairment of non-financial assets of Stamped.

- Q1 2023 includes the fair value adjustment on contingent consideration relating to KnoCommerce.

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 Note 2(e) with the associated accounting policy in Note 3 to the audited consolidated financial statements for the year ended December 31, 2022.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

No new significant standards were adopted in 2023.

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. The Company manages credit risk on cash by primarily using major Canadian chartered banks for all cash deposits. The cash balance at March 31, 2023 was \$9,129,722 (2022: \$10,946,852). Credit risk on trade receivables is managed by assessing the credit quality of the counterparty. As at March 31, 2023, the trade and other receivables were within normal repayment terms.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet the Company's respective obligations as they come due. Liquidity requirements are managed through frequent monitoring of cash inflows and outflows, preparation of cash flow forecasting and its available credit facilities. The Company expects to finance its operations and cash flows from its current available resources without further support from its shareholders and lenders. However, to the extent that additional cash resources are required due to unforeseen circumstances, the Company anticipates support from its 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, bank loan, trade and other receivables, and trade and other payables. At March 31, 2023, the Company's total exposure to currency risk (stated in Canadian dollars) was \$38,653,827 (December 31, 2022: \$37,857,875).

OUTSTANDING SHARE DATA

	May 10, 2023	December 31, 2022
Share price - closing	4.73	1.90
Market capitalization (in thousands)	838,277	79,068
Outstanding		
Common Shares	177,225,512	41,614,768
Restricted share units	492,958	536,303
Deferred share units	34,778	34,798
Performance share units	388,380	578,380
Options	401,608	895,927

SUBSEQUENT EVENTS

On April 17, 2023, the Company acquired 100% of the issued and outstanding securities of Tiny Capital, which under National Instrument 51-102 Continuous Disclosure Obligations ("NI 51-102") constituted a "reverse takeover" (the "Business Combination"). The Company entered into a contribution agreement with WeCommerce Holdings Limited Partnership, a newly formed limited partnership wholly owned by the Company, whereby, among other things, the Company transferred all of the assets used in the operation of the business carried on by the Company and the outstanding equity securities of WeCommerce Operations Ltd., Stamped Technologies Pte. Ltd., WeCommerce General Partner Ltd., and Archetype Themes Limited Partnership to WeCommerce Holdings Limited Partnership (the "Pre-Closing Reorganization"). In connection with the Pre-Closing Reorganization, on April 17, 2023, WeCommerce Holdings Limited Partnership, entered into an amended and restated credit facility with JPMorgan Chase Bank, N.A., on substantially the same terms as the Company's former credit facility with JPMorgan Chase Bank, N.A.

Thereafter, on April 17, 2023, the Company completed:

- (i) the Business Combination, whereby Tiny Capital amalgamated with 1396773 B.C. Ltd., a former wholly-owned subsidiary of the Company, and the Company became the holder of all of the issued and outstanding shares of Tiny Capital. As consideration for the acquisition of the Tiny Capital shares, the Company issued 146,429,569 Common Shares (the "Consideration Shares") to the former holders of Tiny Capital shares and cancelled 11,454,725 Common Shares held by Tiny Capital and its affiliates;
- (ii) two vertical short form amalgamations with its former subsidiaries under the *Business Corporations Act* (British Columbia) (the "Post-Closing Reorganization"), and
- (iii) the Continuance, (collectively, the "Transaction").

Upon completion of the Transaction, the issued and outstanding share capital of the Company consisted of 188,647,064 Common Shares (on an undiluted basis).

As a result of the Transaction and at the date of this MD&A, the Company had the following operating subsidiaries, each of which is wholly-owned (unless otherwise indicated):

WeCommerce Operations Ltd.
Stamped Technologies Pte. Ltd.
Archetype Themes Limited Partnership
KnoCommerce Inc.
Beam Digital Ltd.
MetaLab Design Ltd.
Dribbble Holdings Ltd. (74.5% interest)

For more information with respect to the Transaction, please refer to the Circular.

RISK FACTORS

The Company's acquisition strategy and businesses through the Portfolio Companies and certain portfolio companies acquired as a result of the Transaction (which are collectively, in this Risk Factors section, referred to as the "Portfolio Companies") are dependent on the Shopify ecosystem and any strain on such reliance could adversely impact its ability to operate.

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

The 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 ecommerce platform. 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 16, 2023, 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.

The Company has previously operated at a net loss throughout its limited operating history, and no assurance can be provided that its proposed business model and growth strategy will be successful and may continue to operate at a net loss.

The Company has a limited business history and in the last year has operated at an operating loss. While members of the Company's management and the Board have significant expertise within the ecommerce sector, the Company 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 the Company or its Portfolio Companies 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.

The Company and Tiny Capital may not integrate successfully.

The Transaction will present challenges to management, including the integration of management structures, operations, information technology and accounting systems and personnel of the two companies, and special risks, including possible unanticipated liabilities, unanticipated costs, diversion of management's attention and the loss of key employees or customers.

The ability to realize the benefits of the Transaction may depend in part on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as on the resulting issuer's ability to realize the anticipated growth opportunities and synergies, efficiencies and cost savings from integrating the businesses. The performance of the Company could be adversely affected if it cannot retain key employees to assist in the ongoing operations. As a result of these factors, it is possible that the cost reductions and synergies expected will not be realized. The difficulties that management of the resulting issuer encounters in the transition and integration processes could have an adverse effect on the revenues, level of expenses and operating results of the resulting issuer. The amount and timing of the synergies the parties hope to realize may not occur as planned. As a result of these factors, it is possible that any anticipated benefits from the Transaction will not be realized.

A variety of factors, including those risk factors set forth in the Company's Circular dated March 6, 2023, may adversely affect the ability to achieve the anticipated benefits of the Transaction.

The failure to successfully execute and integrate acquisitions could materially adversely affect the Company's business, results of operations and financial condition.

The Company continually pursues a strategy of inorganic growth through acquisitions and has acquired multiple businesses, including Stamped Technologies Pte. Ltd in April 2021, Archetype Themes Inc. in August 2021, Kno Technologies Inc. in March 2022 and, most recently, Tiny Capital and its subsidiaries under the Business Combination. The Company regularly evaluates potential acquisitions. As part of this growth, the Company may not be successful in integrating acquisitions or the businesses acquired may not perform as well as expected. While the acquisitions to date have not caused major disruptions to the Company's existing business, any future failure to manage and successfully integrate acquired businesses could materially adversely affect the business, results of operations, and financial condition. Acquisitions involve numerous risks, including the following:

- Difficulties in integrating and managing combined operations, technology platforms, or offerings of the acquired companies and realizing the anticipated economic, operational and other benefits in a timely manner, which could result in substantial costs and delays, and failure to execute on the intended strategy and synergies;

- Failure of the acquired businesses to achieve anticipated revenue, earnings, or cash flow;
- Diversion of management's attention or other resources from the existing business;
- The Company's inability to maintain key customers, business relationships, suppliers, and brand potential of acquired businesses;
- Uncertainty of entry into businesses or geographies in which the Company has limited or no prior experience or in which competitors have stronger positions;
- Unanticipated costs associated with pursuing acquisitions or greater than expected costs in integrating the acquired businesses;
- Responsibility for the liabilities of acquired businesses, including those that were not disclosed to us or exceed the Company's estimates, such as liabilities arising out of the failure to maintain effective data protection and privacy controls, and liabilities arising out of the failure to comply with applicable laws and regulations, including tax laws;
- Difficulties in or costs associated with assigning or transferring to the Company's or its subsidiaries the acquired companies' intellectual property or its licenses to third-party intellectual property;
- Inability to maintain the Company's culture and values, ethical standards, controls, procedures and policies;
- Challenges in integrating billing systems that potentially create multiple orders on various payment platforms without the ability to cancel duplicative orders;
- Challenges in integrating the workforce of acquired companies and the potential loss of key employees of the acquired companies; Challenges in integrating and auditing the financial statements of acquired companies that have not historically prepared financial statements in accordance with IFRS;
- Potential accounting charges to the extent goodwill and intangible assets recorded in connection with an acquisition, such as trademarks, customer relationships, or intellectual property, are later determined to be impaired and written down in value;
- Unknown or unforeseen deficiencies with any proprietary technology or data of the acquired company; and
- Outstanding or unforeseen legal, regulatory, contractual, employee, or other issues.

In addition, acquisition targets are often held privately and the Company may experience difficulty in evaluating such potential target businesses as the information concerning these businesses are not publicly available. 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.

The Company may be unable to successfully fund future acquisitions of new businesses due to the lack of availability of additional debt or equity financing at the Company level on acceptable terms, which could impede the implementation of its continued growth strategy.

In order to execute the Company's continued growth strategy, it will require additional equity and/or debt financing in order to undertake acquisitions or other business combination transactions. Since the timing and size of acquisitions cannot be readily predicted, the Company may need to be able to obtain funding on short notice to benefit fully from attractive acquisition opportunities. Given the sensitivity of capital markets worldwide, there is a risk that the Company may not be able to obtain additional equity or debt financing on favourable terms or at all. While management believes that the Company possesses sufficient cash resources, access to capital markets and other liquidity sources to execute the Company's business plan, an inability to access financing at a reasonable cost could affect its ability to grow. In addition, the level of indebtedness borne by the Company may impact the Company's ability to borrow at the Company level and/or increase its debt to levels that exceed industry standards. Another potential source of capital that may be pursued is the further issuances of equity or convertible debt securities, in which case, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences, and privileges superior to those of the Company's shareholders. These risks may materially adversely affect the Company's financial condition, business and results of operations.

If the Company is required to write down goodwill and other intangible assets, its financial condition and results would be negatively affected.

Goodwill and certain other intangible assets are recorded at fair value at the time of acquisition and are not

amortized. Management assesses indicators of impairment for intangible assets and goodwill at each reporting date and performs a quantitative impairment test for goodwill at least annually. Goodwill reviews are prepared using estimates of the fair value of reporting units based on the estimated present value of future discounted cash flows. In evaluating the potential for impairment of goodwill and other intangible assets, the Company makes assumptions regarding future operating performance, business trends and market and economic conditions. Such analyses further require the Company to make certain assumptions about, among other things, its sales, operating margins, growth rates, terminal growth and discount rates. Although the Company believes its estimates and assumptions are reasonable, actual financial results could differ from those estimates due to the inherent uncertainty involved in making such estimates. Changes in assumptions concerning future financial results, including, among others, lower than expected growth or profitability, unfavorable regulatory developments or other underlying assumptions could have a significant impact on the fair value of the reporting units and the assessment of goodwill and other intangible assets. The potential impairment or complete write-off of goodwill and other intangible assets may reduce the Company's overall earnings and could negatively affect the Company's balance sheet. See note 7 to the Company's Annual Financial Statements for more information.

The Company is dependent upon its officers, directors, management and key employees and their loss could adversely affect the Company's ability to operate.

The Company's success is highly dependent on the retention of key personnel both within the Company level and within its Portfolio Companies. The availability of persons with the necessary skills to execute the business strategy of the Company or a particular Portfolio 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 unsuccessful in attracting, training and retaining qualified personnel, the efficiency of operations may be affected. In addition, if any of its executive officers, directors 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.

The Company does not maintain any key person insurance on the life of any of its directors, officers or key personnel. The unexpected loss of the services of one or more of its directors or officers could have a detrimental effect on us.

The Company's officers and directors may allocate their time to other businesses, which may raise potential conflicts of interest as to how much time to devote to its affairs.

The Company may be subject to various potential conflicts of interest because 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.

It may be challenging for the Company to service any additional indebtedness incurred.

The Company may be required to draw down or incur additional indebtedness under its credit facilities or other sources of debt financing. The additional indebtedness will increase the interest payable by the Company from time to time until such amounts are repaid, which will represent an increase in cost and a potential reduction in its income. In addition, the Company may need to find additional sources of financing to repay this amount when it becomes due, which could have an adverse effect on the Company.

If the Company is unable to maintain its obligations under its credit facilities, it may suffer adverse consequences impacting its liquidity.

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 contain a number of covenants that impose significant operating and financial restrictions, which 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 each 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 JPMorgan Chase Bank, 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.

Credit risk exposure

Credit risk arises where a financial loss would be experienced if a counterparty fails to meet its contractual obligations. The Company's credit risk exposure is primarily as a result of trade receivables which are also subject to industry credit risks. The Company mitigates credit risks by: (i) actively monitoring the financial strength of its customer base through credit processes to minimize the risk of default on receivables; (ii) relying on a due diligence process to approve credit for new and existing customers by assessing the creditworthiness of each customer; and (iii) exploring opportunities to insure certain of its trade receivables. The Company cannot assure that these or any other mitigation efforts taken will be successful in mitigating its credit risk exposure.

The return on your investment in the Common Shares is uncertain and you may not realize the expected returns, given the volatility in certain securities markets in North America.

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 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 Common Shares will be affected by such volatility. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited, and the share price may decline.

There can be no assurance that the publicly traded market price of the Common Shares will be high enough to create a positive return for the existing investors. Further, there can be no assurance that the Common Shares will be sufficiently liquid 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's Common Shares would be diminished.

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.

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.

The Portfolio Companies are subject to certain risks associated with their foreign operations or business they conduct in foreign jurisdictions.

Due to the Company's present operations through its Portfolio Companies, and the intention to have future operations in jurisdictions outside Canada, the Company is expected to be exposed to certain risks, including exposure to local economic conditions; difficulties in enforcing agreements and collecting receivables through certain foreign legal systems; longer payment cycles for foreign customers; adverse currency exchange controls; exposure to risks associated with changes in foreign exchange rates; potential adverse changes in political environments; withholding taxes and restrictions on the withdrawal of foreign investments and earnings; export and import restrictions; difficulties in enforcing intellectual property rights; and required compliance with a variety of foreign laws and regulations. One of the significant risks to highlight surrounds currency fluctuations.

Recent events in the global financial markets 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. The Company 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.

The Company's rate of growth may not be sustainable and will depend on various factors, including the Portfolio Companies ability to attract new customers, retain revenue from existing merchants and increase sales to both new and existing customers.

The growth of the Company's operations has placed significant demands on managerial, financial and human resources. The Company'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.

A majority of 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 the Portfolio Companies are in the entrepreneurial stage of their development and there is no guarantee that their businesses will succeed. New customers utilizing the Portfolio Companies services may also decide not to continue or renew their subscription for reasons outside of its control.

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

To increase revenue and achieve and maintain profitability, the Portfolio Companies 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 the Company's 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 its marketing programs, failure to offer high quality products and services at competitive prices. In addition, if prospective customers do not perceive that its solutions are of sufficiently high value and quality, the Company may

not be able to attract the number and types of new customers that the Portfolio Companies are seeking.

The Company relies significantly on the recurring revenues generated by the Portfolio Companies, and if recurring revenue declines or contracts are not renewed, the impact to 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 with the Portfolio Companies. These customers have no obligation to renew their subscriptions after a subscription term. The Company's businesses 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 its 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.

The growth of ecommerce and fierce competition within this industry will continually intensify and any missteps along the way may adversely impact its businesses and financial condition.

The Company's businesses will face competition and new competitors will continue to emerge throughout the world. Services to be offered by competitors of the businesses 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's businesses develop and market more successful products or services, offer competitive products or services at lower price points, or if the Company's businesses do not produce consistently high-quality and well-received products and services, revenues, margins, and profitability of the Company will decline.

Any actual or perceived failure to protect confidential information against security attacks and privacy breaches could damage the Company's reputation and substantially harm its business and results of operations.

Security and privacy breaches could delay or interrupt service to the Company's customers, harm its 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 the Company's 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 the Company's customers' data, including personally identifiable information regarding users, damage to its reputation is likely, the Company's businesses 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, the Company may be unable to prevent these techniques or to implement adequate preventative measures.

The Company has 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 the Company's customers and to reduce the likelihood of disruptions to its systems.

Despite these measures, the Company's information systems, including back-up systems and any third party service provider systems that it employs, 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 its 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 its security measures or those of its 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 corresponding effect could mean loss of 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, such market perception of security measures could diminish potential sales and existing customers could nonetheless still be lost. Any remedial costs or other liabilities related to any security or privacy incident may not be fully insured or indemnified by other means.

The Company and its Portfolio Companies are dependent on information technology systems, which are subject to certain risks, including cybersecurity risks and data leakage risks associated with implementation and integration.

As the Company and its Portfolio Companies personnel are all based remotely, the dependence on information technology systems is greater in a variety of ways throughout the Company's operations. Any significant breakdown of those systems, whether through virus, cyberattack, security breach, theft, or other destruction, invasion or interruption, or unauthorized access to any of our systems, by employees, others with authorized access to our systems or unauthorized persons, could negatively impact our business and operations. These threats are increasing in number and severity and broadening in the type of risk, including most recently the Russian declaration of war against Ukraine and cyberattacks ongoing in that context, which can further broaden.

The Company and its Portfolio Companies are subject to laws and regulations concerning the collection, processing, storage, sharing, disclosure and use of customer information and other sensitive data, and our actual or perceived failure to comply with data privacy and security laws and regulations could damage the reputation and brand and adversely impact the operating results.

The Company and its Portfolio Companies are subject to various laws and regulations covering the privacy and protection of users' data. Because the Portfolio Companies may handle, collect, store, receive, transmit, transfer, and otherwise process certain information, which may include personal information, regarding its customers or its customers' users and employees in the ordinary course of business, the Company and its Portfolio Companies may be subject to federal, state and foreign laws related to the privacy and protection of such data. These laws and regulations, and their application to our operating businesses, are increasingly shifting and expanding. Compliance with these laws and regulations could affect our business, and their potential impact is unknown. Any actual or perceived failure to comply with these laws and regulations may result in investigations, claims and proceedings, regulatory fines or penalties, damages for breach of contract, or orders that require us to change our business practices, including the way data is processed.

The Portfolio Companies may also be subject to breach notification laws in the jurisdictions in which they operate and may be subject to litigation and regulatory enforcement actions as a result of any data breach or other unauthorized access to or acquisition or loss of personal information. Any significant change to applicable laws, regulations, interpretations of laws or regulations, or market practices, regarding the processing of personal data, or regarding the manner in which the Portfolio Companies may seek to comply with applicable laws and regulations, could require the impacted Portfolio Companies to make modifications to its products, services, policies, procedures, notices, and business practices, including potentially material changes. Such changes could potentially have an adverse impact on the business.

The Company's businesses rely on their intellectual property and may rely on licenses to use others' intellectual property, and if its businesses are unable to protect the intellectual property, are unable to obtain or retain licenses of other intellectual property, or if they may infringe upon or are alleged to have infringed upon on other intellectual property, it could have a material adverse effect on its financial condition, business and results of operations.

Each businesses' success depends in part on their ability to secure intellectual property rights for its ongoing operations and future opportunities. The steps taken to protect such intellectual property rights may not prevent third parties from using their intellectual property and other proprietary information without their authorization or independently developing intellectual property and other proprietary information that is similar. In addition, there is no assurance, that the Company's rights will not be challenged, invalidated or circumvented. Further, the laws of certain countries may not protect proprietary rights effectively or to the same extent as the laws of the United States and Canada, and therefore there can be no assurance that the Company will be able to adequately protect its proprietary technology against unauthorized third party copying or use. Such unauthorized copying or use may adversely affect its 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.

Stopping unauthorized use of their proprietary information and intellectual property and defending claims that they have made unauthorized use of others' proprietary information or intellectual property, may be difficult, time-consuming and costly. The unauthorized use of its intellectual property and other proprietary information by others could reduce or eliminate any competitive advantage its businesses have developed or may cause them to lose sales or otherwise harm its business.

The Company's businesses may become involved in legal proceedings and claims in the future either to protect their intellectual property or to defend allegations that they have infringed upon others' 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.

Commerce is increasingly digital with mobile device transactions and if the Company's business products or solutions are unable to integrate properly with the rapid technological changes, its business strategy and long-term development may be harmed.

Commerce transacted over mobile devices continues to grow more rapidly than desktop transactions. The Portfolio Companies are dependent on the interoperability of their solutions with third-party mobile devices and mobile operating systems as well as web browsers that are outside of the Company's control. Any changes in such devices, systems or web browsers that degrade the functionality of its platform or give preferential treatment to competitive services could adversely affect usage of its platform. Mobile commerce is a key element in the Company's strategy and effective mobile functionality is integral to its long-term development and growth strategy. In the event that merchants and their buyers have difficulty accessing and using its platform on mobile devices, its business and operating results could be adversely affected.

If the Company fails to maintain an effective system of internal controls over financial reporting, it may not be able to accurately report the Company's financial results or prevent fraud, which in turn could lose shareholder confidence in its financial and other public reporting and adversely impact its business and the trading price of its shares.

Effective internal controls over financial reporting are necessary to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Any failure of the Company's internal controls could have an adverse effect on stated results of operations and increase legal, regulatory, and reputational risks. 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 ongoing changes. If the Company is unable to implement any 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.

One of the Portfolio Companies, Foursixty significantly relies on the Instagram Platform and any breach on its agreement could adversely impact its operations and the Company's business.

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 have a detrimental effect to its operations. 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 to Foursixty, this could in turn, adversely affect the Company's business, results of operations and financial condition.

Tax Risks

The Company will be considered to have been carrying on business in Canada for purposes of the *Income Tax Act* (Canada). 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 the Company does not foresee any adverse tax effects, there is no guarantee that governments will not impose such additional adverse taxes in the future.

The impact of worldwide economic conditions such as inflation and changes in interest rates, including the resulting effect on the operations of and spending by small and medium businesses and on consumer spending, may adversely affect our business, operating results and financial condition.

Our performance is subject to worldwide economic conditions and global events, including political, economic, social and environmental risks that may impact our operations or our customers' operations. Such conditions and events may adversely affect consumer confidence, consumer spending, consumer discretionary income or changes in consumer purchasing habits. The current deterioration in general economic conditions, including the rise in unemployment rates, inflation and increases in interest rates, may adversely affect consumer spending, consumer debt levels and credit and debit card usage, and as a result, adversely affect our financial performance. Economic and geopolitical uncertainties, including those related to the COVID-19 pandemic, variants of the COVID-19 virus, and Russia's recent invasion of Ukraine may further amplify such risks. Weakening economic conditions may also adversely affect third parties, including suppliers and partners, with whom we have entered into relationships and upon whom we depend in order to operate and grow our business.

If the Company's costs were to become subject to significant inflationary pressures, the Company may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, financial condition, and results of operations. While the Company does not have any material exposure to Russia or Ukraine, there are other geopolitical and macroeconomic risks that are outside of our control that could impact our business, financial condition, or results of operations.

Declines in ecommerce utilization generally, including as a result of the recovery of brick-and-mortar sales following the COVID-19 pandemic, could have a material adverse effect on the Company's business, financial condition and the results of operations.

The Portfolio Companies are heavily reliant on the Shopify e-commerce platforms to merchants and from merchants' utilization of themes, apps and customized solutions. Any decline in ecommerce utilization could adversely affect the business. There are a variety of factors that could lead to a decrease in e-commerce utilization, including general macroeconomic trends, changes in government regulation, users' access to the internet, user preference, actual or perceived online security concerns or the effects of widespread health epidemics. For example, as a result of restrictions on brick-and-mortar businesses related to the outbreak of the COVID-19 pandemic, ecommerce sales increased significantly in 2020. As these COVID-19 restrictions are lifted and brick-and-mortar sales recover, ecommerce utilization may decline, which could have a material adverse effect on its business, financial condition and results of operations.

The Company is dependent upon customers' continued and unimpeded access to the internet, and upon their willingness to use the internet for commerce.

The Company's success depends upon the general public's ability to access the internet, including through mobile devices, and its continued willingness to use the internet as a means to pay for purchases, communicate, access social media, research, and conduct commercial transactions. The adoption of any laws or regulations that adversely affect the growth, popularity, or use of the internet, including changes to laws or regulations impacting internet neutrality, could decrease the demand for the Company's products and services, increase our operating costs, or otherwise adversely affect the Company's business. If customers become unable, unwilling, or less willing to use the internet for commerce for any reason, including lack of access to high-speed communications equipment, congestion of traffic on the internet, internet outages or delays, disruptions or other damage to customers' computers, increases in the cost of accessing the internet, and security and privacy risks or the perception of such risks, the Company's business could be adversely affected.

The Company is subject to anti-corruption and economic sanctions laws that could impair the Company's ability to offer services internationally or subject us to liability if we are not in compliance with applicable laws.

As a result of the Company's international operations, the Company and certain of the Portfolio Companies are

subject to a number of Canadian, U.S. and foreign laws relating to anti-corruption, economic sanctions and to export and import controls which presently limit and could limit further our ability to offer our platform in certain jurisdictions or to certain customers. In addition, the export of our technology, hardware or software in certain jurisdictions may require governmental authorizations.

Sanctions have also been imposed by the United States, Canada and other countries in connection with Russia's invasion of Ukraine, including restrictions on selling or importing goods, services or technology in or from certain regions, and travel bans and asset freezes impacting connected individuals and political, military, business and financial organizations in Russia. As the situation develops and the regulatory environment continues to evolve, we have and may continue to adjust our business practices as required by applicable rules and regulations

The costs and effects of pending and future litigation, investigations, or similar matters, or adverse facts and developments related thereto, could materially affect the Company's business, financial position, and results of operations.

The Company and its Portfolio Companies may be in the future, party to legal, arbitration, and administrative investigations, inspections, and proceedings arising in the ordinary course of our business or from extraordinary corporate, tax, or regulatory events that involve us or our associated participants, particularly with respect to civil, tax, and labor claims.

The Company's indemnities and insurance may not cover all claims that may be asserted against the Company, and any claims asserted against us, regardless of merit or eventual outcome, may harm the Company's reputation. Furthermore, there is no guarantee that the Company will be successful in defending ourselves in pending or future litigation or similar matters under various laws. Should the ultimate judgments or settlements in any pending or future litigation or investigation significantly exceed the Company's indemnity rights, they could have a material adverse effect on our business, financial condition, and results of operations and the price of our Common Shares. Further, even if the Company adequately addresses issues raised by an inspection conducted by an agency or successfully defend the case in an administrative proceeding or court action, the Company may have to set aside significant financial and management resources to respond and settle issues raised by such proceedings, which could adversely affect our business.

For a more detailed discussion of risk factors that could affect the Company, please see the Company's Annual Information Form and the Circular which are available on SEDAR at www.sedar.com under the Company's profile.