

# Tiny Announces Completion of Majority Acquisition of Serato and Conversion of Subscription Receipts

Victoria, British Columbia--(Newsfile Corp. - May 13, 2025) - Tiny Ltd. (TSXV: TINY) ("**Tiny**" or the "**Company**"), a Canadian technology holding company that acquires wonderful businesses for the long term, announced today that the Company has completed its previously announced arm's length acquisition (the "**Acquisition**") of a majority interest in Serato Audio Research Limited ("**Serato**") for total initial consideration of US\$66,000,000. For further details regarding the Acquisition, see the Company's press release dated March 31, 2025.

Pursuant to the terms of the share purchase agreement dated April 1, 2025, as amended (the "**Acquisition Agreement**"), Tiny acquired 66% of the issued and outstanding shares of Serato from the shareholders of Serato (the "**Sellers**") for a base purchase price of US\$66,000,000, subject to customary adjustments (the "**Purchase Price**") which was paid through: (i) the issuance of 29,360,451 Class A common shares in the capital of the Company ("**Common Shares**") to the Sellers having an aggregate value of US\$23,600,000 (the "**Completion Shares**"), and (ii) the payment of US\$42,400,000 in cash to the Sellers.

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

In addition to the Purchase Price, the Acquisition Agreement provides that the Sellers are eligible to receive additional contingent consideration upon satisfaction of certain total revenue growth and adjusted EBITDA performance targets within the two years following the closing of the Acquisition (the "**Contingent Consideration**"). The Company will satisfy the first US\$15,000,000 of Contingent Consideration in cash with any additional Contingent Consideration above US\$15,000,000 payable through a combination of cash and up to 5,000,000 Common Shares, at the Company's discretion, at a price per share that is equal to the greater of the: (i) maximum allowable discount under the policies of the applicable stock exchange, and (ii) volume weighted average trading price of the Common Shares during the 30 trading days immediately preceding the issuance of such shares. If the Contingent Consideration targets are met, the Contingent Consideration will be paid after 90 days following the second anniversary of the date hereof or on such other date as agreed by the parties.

Concurrently with the closing of the Acquisition, the Company entered into a shareholders' agreement with Serato and those Sellers who will continue to retain an interest in Serato setting out the terms upon which the parties will conduct the business and operations of Serato. The shareholders' agreement includes put rights in favour of the Sellers and call rights in favour of the Company, exercisable upon the satisfaction of certain conditions, and providing for the acquisition by Tiny and certain other shareholders of Serato, of up to 9% of the remaining shares in the capital of Serato. Where applicable, the mechanisms in the shareholders' agreement, including the exercise of the put rights and call rights, will be subject to certain conditions, including minimum financial performance obligations and, where applicable, approval of the TSX Venture Exchange (the "**TSXV**"). If the put rights or the call rights are exercised, the purchase price payable for the additional shares of Serato will be payable in cash and, subject to the approval of the TSXV, the issuance of Common Shares, at a price per share that is equal to the greater of the: (i) maximum allowable discount under the policies of the TSXV; and (ii) volume weighted average trading price of the Common Shares during the 30 trading days immediately preceding the exercise date of such rights.

In connection with the closing of the Acquisition, the escrow release conditions related to the subscription receipts issued in connection with the to the Company's "bought deal" public offering (the "**Offering**") that closed on April 9, 2025 (the "**Subscription Receipts**") were satisfied. On May 12, 2025, the proceeds of the Offering were released to the Company and each Subscription Receipt automatically converted into one Common Share and one-half of one Common Share purchase warrant (each whole warrant, a "**Warrant**"). Each Warrant entitles the holder thereof to purchase one additional Common Share at an exercise price of CAD\$1.45 per Common Share until 1:30 p.m. (Vancouver time) on April 9, 2027. Following the issuance of the 29,360,451 Completion Shares and the conversion of the 17,400,000 Subscription Receipts, the Company has 234,272,071 Common Shares issued and outstanding.

The Company may accelerate the expiry of the Warrants if, at any time after the date that is four months after the closing of the Offering, the volume weighted average trading price of the Common Shares is equal to or greater than CAD\$2.90 for any 20 consecutive trading days on the TSXV or such other stock exchange on which the Common Shares are then listed (the "**Acceleration Right**") provided that the Company issues a notice of acceleration to the holders of the Warrants and Computershare Trust Company of Canada, as warrant agent, (the "**Warrant Agent**") within 10 business days following the occurrence of an event triggering the Acceleration Right. The Warrants will be governed by an amended and restated warrant indenture dated May 9, 2025, between the Company and the Warrant Agent.

In connection with the conversion of the Subscription Receipts, trading in the Subscription Receipts has been halted. Effective at the close of business on May 14, 2025, the Subscription Receipts will be delisted from the TSXV.

The 8,700,000 Warrants issued upon conversion of the Subscription Receipts will commence trading on the TSXV under the ticker symbol "TINY.WT" effective at the opening of trading on May 15, 2025, under the CUSIP 88770A126.

## **Advisors and Counsel**

Canaccord Genuity Corp. and Roth Canada, Inc. acted as financial advisors to Tiny in connection with the Acquisition. Norton Rose Fulbright Canada LLP and Chapman Tripp acted as legal counsel to Tiny in connection with the Acquisition and the associated financings. The Raine Group acted as financial advisor to Serato. Avid.Legal acted as legal counsel to the shareholders of Serato in connection with the Acquisition.

## **About Tiny**

Tiny is a Canadian holding company that acquires wonderful businesses using a founder-friendly approach. It focuses on companies with unique competitive advantages, recurring or predictable revenue streams, and strong free cash flow generation. Tiny typically holds businesses for the long-term, with a parent-level focus on capital allocation, collaborative management and operations, and incentive structures within the operating companies to drive results for Tiny and its shareholders.

Tiny operates across three principal reporting segments: Digital Services, delivering design and development solutions that help global companies build exceptional products; Software and Apps, offering industry-leading applications and themes that empower merchants in the Shopify ecosystem; and Creative Platform, featuring Dribbble, the premier social network for designers, alongside Creative Market, a marketplace for high-quality digital assets including fonts, graphics, and templates.

For more information about Tiny, please visit [www.tiny.com](http://www.tiny.com) or refer to the public disclosure documents available under Tiny's profile on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com).

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## Cautionary Note Regarding Forward-Looking Information

Certain statements in this press release and in the Company's oral and written public communications may constitute forward-looking statements that reflect management's expectations regarding the Company's future growth, financial performance and business prospects and opportunities, including in respect the Acquisition, as of the date of this press release. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "anticipate", "believe", "plan", "forecast", "expect", "estimate", "predict", "intend", "would", "could", "if", "may" and similar expressions.

Certain statements in this press release may constitute forward-looking information or forward-looking statements (collectively, "**forward-looking statements**") that reflect management's current expectations, including statements regarding the anticipated benefits of the Acquisition, the delisting of the Subscription Receipts and the listing of the Warrants. These statements reflect current expectations of management regarding future events and operating performance, and speak only as of the date of this press release. In addition, forward-looking statements are provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes. By their nature, forward-looking statements require management to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that predictions, forecasts, conclusions or projections will not prove to be accurate, that management's assumptions may not be accurate and that actual results, performance or achievements may differ significantly from such predictions, forecasts, conclusions or projections expressed or implied by such forward-looking statements. We caution readers not to place undue reliance on the forward-looking statements in this press release as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, outlooks, expectations, goals, estimates or intentions expressed in the forward-looking statements. These factors include, but are not limited to: general global economic, market and business conditions; governmental and regulatory requirements and actions by governmental authorities; relationships with employees, customers, business partners and competitors; and diversion of management time on the Acquisition. As a result of the foregoing, readers should not place undue reliance on the forward-looking information contained in this news release. For a more detailed discussion of certain of these risk factors, see the list of risk factors in the Company's Annual Information Form dated April 29, 2025 and in the Company's prospectus supplement dated April 2, 2025 to its short form base shelf prospectus dated September 29, 2023 which are available on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com) under the Company's profile. Additional information about risks and uncertainties is contained in the other filings of the Company with securities regulators.

The Company cautions that the foregoing list is not exhaustive of all possible factors, as other factors could adversely affect our results. When relying on our forward-looking statements to make decisions with respect to the Company and its securities, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company does not intend, and disclaims any obligation, to update any forward-looking statements, whether written or oral, or whether as a result of new information or otherwise, except as may be required by law.

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