



**Press Release**  
**FOR IMMEDIATE RELEASE**

## **mdf commerce reports fourth quarter and fiscal 2021 results and outlook**

### *Transformation on track one year in*

- **Q4 FY2021 total revenue growth of 16.5% year-over-year to \$22.0 million from \$18.9 million – ecommerce solutions grew by 59% and US-based Strategic Sourcing grew by 32%**
- **Full year revenue for FY2021 increased by 12.3% to \$84.7 million from \$75.4 million – ecommerce solutions grew by 107% and US-based Strategic Sourcing grew by 20.8%**

**Montreal, Canada, June 9, 2021 – mdf commerce inc.** (the “Corporation”) (TSX:MDF), a SaaS leader in digital commerce technologies, reported Q4 FY2021 financial results for its fourth quarter and the full year ended on March 31, 2021. Financial references are expressed in Canadian dollars unless otherwise indicated.

“Fiscal 2021 was the first full year of implementation of our five-year strategic plan which focuses operational efforts and investments on our two high-growth platforms, Unified Commerce and Strategic Sourcing. Tremendous progress was achieved on many fronts and we’re proud of all that was accomplished by our employees. Product innovation, accelerated product development cycles, implementation of our organic growth plan, attraction and retention of top talent, strengthening of the executive team, changes on the Board of Directors as well as a stronger balance sheet are all accomplishments that position us favorably for the second year of implementation,” said Luc Filiatreault, CEO of **mdf commerce**. “The final quarter of fiscal 2021 continued a trend of exciting growth. We achieved solid revenue growth while also investing in our foundation to support our aggressive growth plan. We continue to win new customers and execute on large customer deployments. We are encouraged by the solid performance of our US-based Strategic Sourcing platform, and our overall sales pipeline continues to expand in tandem with our product offerings.”

### **Fourth Quarter Fiscal 2021 Financial Results**

Total revenue for the quarter was \$22.0M, a 16.5% increase over \$18.9M reported for Q4 FY2020. The monthly recurring revenue (“MRR”)<sup>1</sup> portion of total revenue was \$16.0M, or 72% of total revenue compared to \$15.4M or 81% for the same quarter of FY2020.

The three business platforms contributed to revenue for the quarter as follows:

- Revenue from the Unified Commerce platform, which includes ecommerce and Supply Chain Collaboration solutions, was \$9.7M, a 29.5% increase over \$7.5M reported for the same period last year.
- ecommerce, which consists of Orchestra and k-commerce solutions, represented \$6.5M of Unified Commerce revenue in the quarter, up \$2.4M or 59.1% from \$4.1M reported in the corresponding period last year. Professional services revenue represented \$2.9M of ecommerce revenue, an increase of 143.9% over \$1.2M reported for Q4 FY2020. The increase in professional services during the quarter is related to large customer deployments.

<sup>1</sup> MRR is a key performance indicator and is composed of subscription and support revenues that are recurring in nature. Therefore, they exclude onetime fees and professional fees and other types of non-recurring revenues. Refer to the “Non-IFRS Financial Measures and Key Performance Indicators” section.

- The Supply Chain Collaboration solution represented \$3.2M of Unified Commerce revenue, down 5.8% or \$0.2M compared to the fourth quarter of the previous year. The revenue decline was due mainly to reduced activities of certain retailers in the context of the COVID-19 pandemic.

Revenue from the Strategic Sourcing platform, which includes Merx, Bidnet, governmentbids.com and ASC solutions, was \$8.7M, a 15.4% increase over \$7.5M reported for the previous year quarter.

- US-based Strategic Sourcing, represented revenue of \$4.4M, a 32% or \$1.1M increase compared to the previous year corresponding quarter. The US-based Bidnet solution benefited from additional buying agencies, which drove an increase in paying suppliers and the acquisition of Vendor Registry on November 18, 2021.

Revenue from the emarketplaces platform, which consists of Jobboom, The Broker Forum, Technologies Carrus, Polygon, Réseau Contact and Power Source Online, was \$3.6M, declining by 6.7% or \$0.3M compared to \$3.9M reported for the same quarter of fiscal 2020. Revenues from Jobboom increased by \$0.1M, offset by a decrease in revenues from The Broker Forum, Technologies Carrus and Polygon totalling \$0.3M. The emarketplaces platform was negatively impacted by the COVID-19 pandemic, as most of the solutions experienced lower memberships or lower transaction volumes in their respective industries on a comparative basis.

Gross margin for Q4 FY2021 reached \$13.5M or 61.1% compared to \$12.7M or 67.2% reported for Q4 FY2020. The decrease in the gross margin percentage is mainly due to the investment in the development and implementation of client solutions, increased salaries and related expenses from additional headcount, and higher hosting and licencing costs on cloud-based solutions.

Total operating expenses for Q4 FY2021 were \$16.7M, compared to \$14.9M for Q4 FY2020, an increase of \$1.8M or 12.2%. The most notable differences are as follows:

- General and administrative expenses increased to \$5.3M during Q4 FY2021 from \$3.4 million for Q4 FY2020 due primarily to higher salary and related expenses associated with higher headcount, bonus and share-based compensation expenses totalling \$1.4M, and a \$0.6M increase in professional services costs mainly related to the work of external consultants to support the Corporation in implementing its strategic initiatives and transformation plan, and also includes recruiting and restructuring costs. These expense increases are net of \$0.1M in federal wage subsidies in the context of COVID-19.
- Selling and marketing expenses totalled \$5.8M for Q4 FY2021 compared to \$4.8M for Q4 FY2020. The increase is mainly attributable to a \$0.6M increase in salaries and related expenses from higher headcount.

The operating loss of \$3.3M for Q4 FY2021 compares to the operating loss of \$2.2M reported for Q4 FY2020.

The Corporation recorded a net loss of \$2.9M or \$0.12 loss per share basic and diluted in Q4 FY2021 compared to a net loss of \$6.8M or \$0.45 loss per share basic and diluted in the same quarter of FY2020.

Adjusted EBITDA<sup>2</sup> was \$0.2M for Q4 FY2021 compared to \$0.7M reported for Q4 FY2021. Adjusted EBITDA<sup>2</sup> declined year-over-year due to increased foundational investments in operations, sales and marketing, R&D, and professional services to support large deployment contracts. As deployments accelerate over the coming quarters, professional services expenses are expected to remain elevated and the Corporation expects to continue to make foundational investments to improve scalability as the Corporation grows.

<sup>2</sup> Adjusted EBITDA is a non-IFRS measure. In the fourth quarter of fiscal 2021, the definition of adjusted EBITDA was amended, and certain comparative figures have been restated to conform with the current presentation. Refer to the "Non-IFRS Financial Measures and Key Performance Indicators" section.

On March 15, 2021, the Corporation completed a bought deal offering under which a total of 5,517,242 common shares of the Corporation were sold at a price of \$14.50 per common share for aggregate gross proceeds of \$80M.

“**mdf commerce** is competing vigorously to capture emerging opportunities in both of our growth platforms, Unified Commerce and Strategic Sourcing,” remarked CEO Luc Filiatreault. “We are finding creative approaches to overcome scaling friction as we acquire new customers. For example, we are attracting increasingly scarce tech talent by leveraging our global footprint, especially in Ukraine where we already have an office and tech resources.”

### **Full-year Fiscal 2021 Results**

Full-year FY2021 total revenue was \$84.7M, a 12.3% increase over \$75.4M for FY2020.

The Unified Commerce platform generated revenues of \$37.3M for FY2021, an increase of \$11.9M or 47.0% compared to revenues of \$25.4 million for the previous fiscal year. The ecommerce solutions within Unified Commerce grew by 107% from \$11.7M to \$24.5M.

The Strategic Sourcing platform generated revenues of \$32.7M, a 7.8% or a \$2.4M increase compared to \$30.3M in FY2020. The acquisition of Vendor Registry in fiscal 2021 increased the Corporation’s geographical footprint in the US-based strategic sourcing network and contributed positively to revenue growth, with US-based strategic sourcing representing a year-over-year increase in revenues of 20.8%.

The marketplaces platform generated revenues of \$14.7M for fiscal 2021, a decrease of \$5.0M or 25.3% compared to revenues of \$19.7M the previous fiscal year. The sale of LesPAC on June 11, 2019 represents a \$2.2 million year-over-year decrease, while the remaining decrease is primarily due to fewer members using these marketplaces driven by the negative impact of the COVID-19 pandemic.

Total FY2021 MRR<sup>1</sup> represented \$64.4M or 76% of total revenues for fiscal 2021, compared to \$58.7M or 77% of total revenues for FY2020.

FY2021 net loss was \$7.6M or \$0.38 loss per share basic and diluted compared to a net loss of \$5.8M or \$0.39 loss per share basic and diluted for FY2020.

Total Adjusted EBITDA<sup>2</sup> for FY2021 was \$5.7M, compared to \$10.3M for FY2020. The decline in Adjusted EBITDA<sup>2</sup> is related to ongoing foundational investments, growth in headcount in sales, marketing, human resources to support our growth as well as professional services associated with growth strategies.

During FY2021, salary and related expenses were offset with \$3.4M of wage subsidies from the Canadian government’s assistance program introduced on March 27, 2020, in the context of the COVID-19 pandemic.

As at March 31<sup>st</sup>, 2021 the Corporation had \$110M of cash and equivalents on the balance sheet.

“With the completion of three bought deal equity financings, a new MRR<sup>1</sup>-based credit facility, and the repayment of long-term debt during the year, we significantly strengthened our financial position, while effectively managing the capital structure,” remarked CFO Deborah Dumoulin. “We now have available capital to implement key components of our transformation plan including our M&A strategy, while remaining focused on maximizing the return on invested capital for shareholders.”

## Outlook

The global trend to online commerce, accelerated by the COVID-19 pandemic, has changed the pace at which businesses are implementing new or upgraded digital commerce infrastructure. This acceleration is reflected in both the new deployments for **mdf commerce** ecommerce solutions and the increase of revenue for the quarter and for the full year. Management believes that the trends to online commerce should continue into the foreseeable future as companies continue to update and modernize their commerce infrastructure providing the Corporation with opportunities for pipeline growth and conversion, even as the COVID-19 pandemic begins to subside.

“We will continue to invest in our focus platforms, Unified Commerce and Strategic Sourcing, to capture more market share, and to improve the scalability of operations as we gain momentum” said CEO Luc Filiatreault.

For fiscal 2021, Adjusted EBITDA<sup>2</sup> was \$5.7M, representing a margin of 6.8%, compared to \$10.3M and 13.7% margin respectively for fiscal 2020. Though the pandemic has allowed the Corporation to capitalize on the acceleration of commerce digitalization with both of our high-growth platform - Unified Commerce and Strategic Sourcing - the unforeseen outcome has been the impact on demand for tech talent. The demand for programmers and developers has escalated exponentially, reaching unparalleled levels as businesses seek to accelerate their digital transformation, their ecommerce capabilities. The competition for these resources is global, driving up the cost of labour for tech companies to unforeseen levels. Over the past fiscal year, the impact of this extraordinary demand for talent has already contributed to a compression of our margins, which may experience fluctuations quarter over quarter. As we move forward, our challenge will be to strike the right balance between managing salary costs while staying in the race to capitalize on the window of opportunity brought on by this market acceleration.

## Governance

As part of its ongoing review of its governance practices and like many other public companies, the Corporation’s Board of Directors has determined to adopt (i) an advance notice bylaw (the “Advance Notice Bylaw”) and (ii) a forum selection bylaw (the “Forum Selection Bylaw” and together with the “Advance Notice Bylaw, the “Bylaws”). The Bylaws are effective and in full force and effect as of the date hereof and the Advance Notice Bylaw will apply to the Corporation’s next annual general meeting of shareholders that will be held on September 15, 2021 (the “Shareholders Meeting”). In accordance with applicable laws, the Bylaws will be put to shareholders for approval at the Shareholders Meeting. If one of the Bylaws (or both) is not confirmed at the Shareholders Meeting by ordinary resolution of shareholders, such Bylaw will terminate and be of no further force and effect following the termination of the Shareholders Meeting. The full text of the Bylaws will be available on the Corporation’s SEDAR profile at [www.sedar.com](http://www.sedar.com) and on its website at [www.mdfcommerce.com](http://www.mdfcommerce.com).

## SUMMARY OF CONSOLIDATED RESULTS

In thousands of Canadian dollars, except per share amounts	Quarter ended		Fiscal year ended	
	March 31 <sup>st</sup>		March 31 <sup>st</sup>	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>Revenues</b>	<b>22,030</b>	18,917	<b>84,719</b>	75,428
<b>Adjusted EBITDA<sup>2</sup></b>	<b>221</b>	660	<b>5,746</b>	10,341
<b>Operating (loss) profit</b>	<b>(3,284)</b>	(2,210)	<b>(6,791)</b>	559
<b>Impairment of assets net of related taxes</b>	-	(5,307)	-	(5,307)
<b>Net loss</b>	<b>(2,858)</b>	(6,758)	<b>(7,591)</b>	(5,752)
<b>Adjusted loss<sup>3</sup></b>	<b>(2,858)</b>	(1,451)	<b>(7,591)</b>	(362)
<b>Adjusted loss per share<sup>3</sup> (basic and diluted)</b>	<b>(0.12)</b>	(0.10)	<b>(0.38)</b>	(0.03)
<b>Loss per share (basic and diluted)</b>	<b>(0.12)</b>	(0.45)	<b>(0.38)</b>	(0.39)
<b>Basic and diluted weighted average number of shares outstanding (in thousands)</b>	<b>23,874</b>	15,052	<b>19,752</b>	14,915

## RECONCILIATION OF ADJUSTED EBITDA<sup>2</sup> AND NET LOSS

In thousands of Canadian dollars	Quarter ended		Fiscal year ended	
	March 31 <sup>st</sup>		March 31 <sup>st</sup>	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>Net loss</b>	<b>(2,858)</b>	(6,758)	<b>(7,591)</b>	(5,752)
Impairment loss on assets	-	7,221	-	7,221
Income tax recovery	<b>(704)</b>	(1,890)	<b>(1,618)</b>	(1,515)
Depreciation of property, plant and equipment and amortization of intangible assets	<b>1,155</b>	1,264	<b>4,217</b>	3,474
Amortization of acquired intangible assets	<b>1,014</b>	934	<b>3,815</b>	2,816
Amortization of right-of-use assets	<b>437</b>	483	<b>1,735</b>	1,665
Amortization of deferred financing costs	<b>57</b>	10	<b>135</b>	39
Interest on lease liability	<b>91</b>	105	<b>381</b>	380
Interest on long-term debt	<b>9</b>	291	<b>536</b>	892
Interest revenue	<b>(50)</b>	-	<b>(61)</b>	-
<b>EBITDA</b>	<b>(849)</b>	1,660	<b>1,549</b>	9,220
Foreign exchange loss (gain)	<b>171</b>	(1,188)	<b>1,427</b>	(788)
Loss on disposal of a subsidiary	-	-	-	83
Stock-based compensation expense	<b>124</b>	-	<b>467</b>	-
Restructuring costs	<b>723</b>	97	<b>1,966</b>	1,400
Acquisition-related costs	<b>52</b>	91	<b>337</b>	426
<b>Adjusted EBITDA<sup>2</sup></b>	<b>221</b>	660	<b>5,746</b>	10,341

<sup>3</sup> Adjusted loss and Adjusted loss per share (basic and diluted) are non-IFRS financial measures. Refer to the "Non-IFRS Financial Measures and Key Performance Indicators" section.

## RECONCILIATION OF NET LOSS AND ADJUSTED LOSS<sup>3</sup>

In thousands of Canadian dollars.	Quarter ended		Fiscal year ended	
	March 31st		March 31 <sup>st</sup>	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>Net loss</b>	<b>(2,858)</b>	(6,758)	<b>(7,591)</b>	(5,752)
Loss on sale of subsidiary	-	-	-	83
Impairment of assets, net of related taxes	-	5,307	-	5,307
<b>Adjusted loss<sup>3</sup></b>	<b>(2,858)</b>	(1,451)	<b>(7,591)</b>	(362)
<b>Loss per share (basic and diluted)</b>	<b>(0.12)</b>	(0.45)	<b>(0.38)</b>	(0.39)
<b>Adjusted loss per share<sup>3</sup> (basic and diluted)</b>	<b>(0.12)</b>	(0.10)	<b>(0.38)</b>	(0.03)

### About mdf commerce inc.

**mdf commerce inc. (TSX:MDF)** enables the flow of commerce by providing a broad set of SaaS solutions that optimize and accelerate commercial interactions between buyers and sellers. Our platforms and services empower businesses around the world, allowing them to generate billions of dollars in transactions on an annual basis. Our Strategic Sourcing, Unified Commerce and marketplace platforms are supported by a strong and dedicated team of approximately 700 based in Canada, the United States, Denmark, Ukraine and China. For more information, please visit us at [mdfcommerce.com](http://mdfcommerce.com), follow us on LinkedIn or call at 1-877-677-9088.

### Forward-Looking Statements

*In this press release, “mdf commerce”, the “Corporation” or the words “we”, “our” and “us” refer, depending on the context, either to mdf commerce inc. or to mdf commerce inc. together with its subsidiaries and entities in which it has an economic interest. All dollar amounts refer to Canadian dollars, unless otherwise expressly stated.*

*This press release is dated June 9, 2021 and, unless specifically stated otherwise, all information disclosed herein is provided as at March 31, 2021, the end of the most recent fiscal year of the Corporation.*

*Certain statements in press release and in the documents incorporated by reference herein constitute forward-looking statements. These statements relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause mdf commerce’s, or the Corporation’s industry’s actual results, levels of activity, performance or achievements to be materially different from those expressed or implied by any of the Corporation’s statements. Such factors may include, but are not limited to, risks and uncertainties that are discussed in greater detail in the “Risk Factors and Uncertainties” section of the Corporation’s Annual Information Form as of June 9, 2021. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “may”, “will”, “should”, “could”, “expects”, “plans”, “anticipates”, “intends”, “believes”, “estimates”, “predicts”, “potential” or “continue” or the negatives of these terms or other comparable terminology. These statements are only predictions. Forward-looking statements are based on management’s current estimates, expectations and assumptions, which management believes are reasonable as of the date hereof, and are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events and are accordingly subject to changes after such date. Undue importance should not be placed on forward-looking statements, and the information contained in such forward-looking statements should not be relied upon as of any other date. Actual events or results may differ materially. We cannot guarantee future results, levels of activity, performance or achievement. We disclaim any intention, and assume no obligation, to update these forward-looking statements, except as required by applicable securities laws.*

*Additional information about mdf commerce, including the Corporation's most recent annual audited consolidated financial statements, Management's Discussion and Analysis and its latest Annual Information Form are available on [www.mdfcommerce.com](http://www.mdfcommerce.com) and have been filed with SEDAR at [www.sedar.com](http://www.sedar.com).*

### **Non-IFRS Financial Measures and Key Performance Indicators**

The Corporation's annual consolidated financial statements for the years ended March 31, 2021 and March 31, 2020 are prepared in accordance with International Financial Reporting Standards ("IFRS").

*In Q4 FY2021, the Corporation amended the definition of Adjusted EBITDA to adjust for acquisition related costs and restructuring costs. Comparative figures prior to March 31, 2021 have been restated to be consistent with the current presentation. Adjusted EBITDA is calculated as profit (loss) before interest, taxes, depreciation and amortization ("EBITDA"), adjusted for foreign exchange gain (loss), gain (loss) on the sale of a subsidiary, compensation under the stock option plan, acquisition related costs and restructuring costs. Refer to the "Non-IFRS Financial Measures and Key Performance Indicators" in Management's Discussion and Analysis for the fourth quarter ended March 31, 2021.*

*The Corporation presents non-IFRS financial performance measures and key performance indicators to assess operating performance. The Corporation presents Adjusted profit (loss), Adjusted profit (loss) per share, net profit (loss) before interest, taxes, depreciation and amortization ("EBITDA") and Adjusted EBITDA as a non-IFRS measure and Monthly Recurring Revenues as a key performance indicator. These non-IFRS measures and key performance indicators do not have standardized meanings under IFRS standards and are not likely to be comparable to similarly designated measures reported by other corporations. The reader is cautioned that these measures are being reported in order to complement, and not replace, the analysis of financial results in accordance with IFRS standards. Management uses both measures that comply with IFRS standards and non-IFRS measures, in planning, overseeing and assessing the Corporation's performance. The terms and definitions associated with non-IFRS measures as well as a reconciliation to the most comparable IFRS measures, and key performance indicators are presented in the section "Non-IFRS Financial Measures and Key Performance Indicators" in Management's Discussion and Analysis for the fourth quarter ended March 31, 2021.*

### **Conference call for fourth quarter of fiscal 2021 financial results**

Date: Thursday, June 10, 2021

Time: 8:30 a.m. Eastern Time

Length: 30 minutes

Dial-in: (833) 732-1201 (toll-free) or (720) 405-2161 (international)

Live webcast: [register here](#)

[More details](#)

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