

## mdf commerce reports Fourth Quarter and Full Year Fiscal 2022 Financial Results

***Annual revenue increased year-over-year by 27.8% to \$108.3 million for FY2022 compared to \$84.7 million for FY2021***

- Q4 FY2022 total revenue of \$30.0 million grew by 36% year-over-year from \$22.0 million
- Fiscal 2022 Recurring Revenue <sup>(1)</sup> grew year-over-year by 36.4% from \$64.4 to \$87.9 million for FY2022
- Q4 FY2022 Recurring Revenue <sup>(1)</sup> grew year-over-year by 63% from \$16.0 million to \$26.1 million or 78.9% of total revenue
- The Corporation announces a new Board Chair as well as a new Board member

**Montreal, Canada, June 29, 2022** -- **mdf commerce inc.** (the "Corporation") (TSX:MDF), a SaaS leader in digital commerce technologies, reported Q4 FY2022 financial results for the three-month and fiscal 2022 full year ended March 31, 2022. Financial references are expressed in Canadian dollars unless otherwise indicated.

"Fiscal 2022 was another transformative year for mdf commerce, arguably one of the most transformative in the history of the Corporation. The acquisition of Periscope makes mdf commerce a major player in government eprocurement in North America." said Luc Filiatreault, CEO of mdf commerce. On an annual basis, eprocurement now represents nearly 50% of total consolidated revenue and grew by 61.4% to \$52.8 million compared \$32.7 million last year. Since the acquisition of Periscope on August 31, 2021, the Corporation has onboarded over 100 government agencies and won 17 Contract Lifecycle Management deals. This performance was achieved despite considerable macro-economic challenges in the back half of the fiscal year."

### **Fourth Quarter Fiscal 2022 Financial Results**

Total revenues for the fourth quarter of fiscal 2022, reached \$30.0 million, an increase of \$7.9 million or 36% compared to \$22.0 million reported in Q4 2021. On a constant currency <sup>(2)</sup> basis, total revenue increased by \$8.2 million or 38% compared to the fourth quarter of fiscal 2021. This is the second full quarter that includes Periscope results.

Total Q4 FY2022 revenues were impacted by a fair value adjustment on deferred revenues at the closing date of the Periscope acquisition and resulted in a \$1.9 million reduction of revenue for the quarter.

Recurring Revenue<sup>(1)</sup> represents \$26.1 million or 78.9%<sup>(1)</sup> of total revenues for Q4 FY2022 and grew by \$10.1 million compared to \$16.0 million or 72%<sup>(1)</sup> of total revenues for Q4 FY2021.

Our two core platforms, eprocurement and Unified Commerce contributed to revenue growth for the fourth quarter as follows:

The eprocurement platform generated revenues of \$15.8 million, an increase of \$7.1 million or 81.5% compared to \$8.7 million in Q4 FY2021. Due to Periscope's US focus, the Corporation's US-based eprocurement revenue grew by 153.4% or \$6.7 million to \$11.1 million in the fourth quarter of fiscal 2022, compared to \$4.3 million reported in the same quarter of prior year.

Monthly Recurring Revenue <sup>(1)</sup> for the eprocurement platform represented 90.4% of platform revenues for Q4 FY2022, relatively unchanged compared to Q4 FY2021.

- The Unified Commerce platform, which includes both ecommerce and Supply Chain Collaboration solutions, generated revenues of \$9.8 million for Q4 FY2022, an increase of \$0.2 million or 1.7% compared to revenues of \$9.7 million for Q4 FY2021.

Monthly Recurring Revenue<sup>(1)</sup> for the Unified Commerce platform represents 59% of platform revenues for Q4 FY2022 compared to 62% for Q4 FY2021.

- The emarketplaces platform generated revenues of \$4.3 million for Q4 FY2022, an increase of \$0.7 million or 18.5% compared to revenues of \$3.7 million for Q4 FY2021. The revenue growth in emarketplaces was driven primarily by The Broker Forum, which is an electronics parts marketplace, where volumes increased due to global supply chain shortages.

Gross margin for Q4 FY2022 was \$16.6 million or 55.5% compared to \$13.5 million or 61.1% for Q4 FY2021. The decrease in the gross margin percentage is mainly due to higher total salary expense related to higher salary costs, higher professional fees to support customer implementations and deployments with lower margins than right of use revenues, and higher hosting and licenses costs directly related the Corporation's transition to a cloud-based strategy.

For Q4 FY2022, total operating expenses were \$23.6 million, an increase of 41.3% compared to \$16.7 million in Q4 FY2021. General and administrative expenses totalled \$7.4 million in Q4 FY2022, selling and marketing expenses were \$8.0 million and technology expenses were \$8.2 million, compared to \$5.3 million, \$5.8 million and \$5.6 million respectively for Q4 FY2021. These changes reflect Management's ongoing focus on product improvements, cloud migration as well as sales to support revenue generating efforts.

Total operating expenses increased mainly due to the acquisition of Periscope, salary, and related expenses, to additional amortization expense related to the Periscope acquisition and to an increase in hosting fees related to the Corporation's transition to a cloud-based strategy. Operating expenses for the fourth quarter of the previous year included a federal wage subsidy in the context of COVID-19 of \$0.5 million, while no subsidies were claimed in Q4 FY2022.

The Corporation recorded an operating loss of \$7.0 million during Q4 FY2022, compared to operating loss of \$3.3 million in Q4 FY2021.

Net loss was \$8.7 million or \$0.21 net loss per share basic and diluted in Q4 FY2022, compared to a net loss of \$2.9 million or \$0.12 net loss per share basic and diluted in Q4 FY2021.

Adjusted EBITDA<sup>(3)</sup> loss was \$0.8 million for Q4 FY2022 compared to Adjusted EBITDA<sup>(3)</sup> of \$0.2 million reported for Q4 FY2021.

The accounting adjustment to the fair value of deferred revenues as of the date of the Periscope acquisition resulted in a reduction of revenue of \$1.9 million in Q4 FY2022, which had an unfavorable impact on gross margin, operating loss, net loss, Adjusted EBITDA<sup>(3)</sup> and loss per share (basic and diluted) for Q4 FY2022.

### **Full-year Fiscal 2022 Financial Results**

Full-year FY2022 total revenue was \$108.3 million, a 27.8% increase over \$84.7 million for FY2021. On a constant currency<sup>(2)</sup> basis, total revenue increased by \$25.2 million or 30.3% compared to fiscal 2021.

Total FY2022 revenues were impacted by an accounting fair value adjustment on deferred revenues at the closing date of the Periscope acquisition and resulted in a \$5.4 million reduction for the 7-months of Periscope included in the year.

Total FY2022 Recurring Revenue<sup>(1)</sup> represented \$87.9 million or 77% of total revenues for fiscal 2022, compared to \$64.4 million or 76% of total revenues for FY2021.

Our two core platforms, eprocurement and Unified Commerce contributed to revenue growth for the FY2022 as follows:

- The eprocurement platform generated \$52.8 million, a 61.4% increase compared to \$32.7 reported for FY2021. Fiscal 2022 includes seven months of revenue related to the Periscope acquisition. The US-based eprocurement solutions, which includes Bidnet, CBI and Periscope, contributed \$34.9 million, compared to \$15.7 million in fiscal 2021, an increase of \$19.2 million or 122.9%. US-based revenues for Fiscal 2022 represented 66.5% of total eprocurement revenue. Revenue recognition for Periscope was negatively impacted by a fair value adjustment on deferred revenues totaling \$5.4 million at the closing date of the Periscope acquisition for the 7-month period ended March 31, 2022.
- The Unified Commerce platform generated revenues of \$39.6 million for FY2022, an increase of \$2.3 million or 6.2% compared to revenues of \$37.3 million for the previous fiscal year. The ecommerce solutions within Unified Commerce grew by 7.9% to \$26.1 from \$24.2 million and Supply Chain solutions grew by 2.8% to \$13.4 million from \$13.1 million.
- The emarketplaces platform generated revenues of \$15.9 million for fiscal 2022, an increase of \$1.2 million or 7.8% compared to revenues of \$14.7 million for the previous fiscal year.

Gross margin for FY2022 was \$61.3 million or 56.7% compared to \$54.7 million or 64.5% for fiscal 2021.

Total operating expenses were \$86.9 million for FY2022, including 7-months of Periscope, compared to \$61.5 million in FY2021. General and administrative expenses totalled \$29.0 million in FY2022, selling and marketing expenses were \$29.1 million and technology expenses were \$28.8 million, compared to \$18.1 million, \$20.4 million, and \$23.0 million respectively for FY2021. Operating expenses for FY2022 included a federal wage subsidy in the context of COVID-19 of \$0.7 million compared to an amount of \$2.4 million in FY2021.

The operating loss was \$25.5 million for FY2022, compared to operating loss of \$6.8 million for FY2021.

FY2022 net loss was \$23.9 million or \$0.64 net loss per share basic and diluted compared to a net loss of \$7.6 million or \$0.38 net loss per share basic and diluted for FY2021. During fiscal 2022, the acquisition of Periscope, resulted in higher acquisition-related and restructuring costs, expense related to the increase in fair value of the contingent purchase price consideration, and higher amortization expense on acquired intangible assets and right of use assets.

Total Adjusted EBITDA<sup>(3)</sup> loss for FY2022 was \$2.0 million, compared to Adjusted EBITDA<sup>(3)</sup> of \$5.7 million for FY2021. The decrease in Adjusted EBITDA is related to ongoing foundational investments, growth in headcount in sales, marketing, human resources to support growth as well as professional services associated with growth strategies, offset by realized operating efficiencies and cost containment.

The acquisition accounting adjustment to the fair value of deferred revenues as of the acquisition date, which resulted in a reduction of revenue of \$5.4 million in FY2022, also had an unfavorable impact on gross margin, operating loss, net loss, Adjusted EBITDA<sup>(3)</sup> and loss per share (basic and diluted) for FY2022.

## Summary of consolidated results

	Three-month periods ended		Fiscal year ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
In thousands of Canadian dollars, except per share amounts	\$	\$	\$	\$
Revenues	<b>29,954</b>	22,030	<b>108,259</b>	84,719
Operating loss	<b>(6,964)</b>	(3,284)	<b>(25,540)</b>	(6,791)
Net loss	<b>(8,672)</b>	(2,858)	<b>(23,938)</b>	(7,591)
Adjusted EBITDA (loss) <sup>(3)</sup>	<b>(803)</b>	221	<b>(1,977)</b>	5,746
Adjusted loss <sup>(4)</sup>	<b>(8,672)</b>	(2,858)	<b>(23,938)</b>	(7,591)
Loss per share (basic and diluted)	<b>(0.21)</b>	(0.12)	<b>(0.64)</b>	(0.38)
Adjusted loss per share <sup>(4)</sup> (basic and diluted)	<b>(0.21)</b>	(0.12)	<b>(0.64)</b>	(0.38)
Basic and diluted weighted average number of shares outstanding (in thousands)	<b>43,971</b>	23,874	<b>37,368</b>	19,752

## Reconciliation of net loss, EBITDA and Adjusted EBITDA (loss)

	Three-month periods ended		Fiscal year ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
In thousands of Canadian dollars	\$	\$	\$	\$
<b>Net loss</b>	<b>(8,672)</b>	(2,858)	<b>(23,938)</b>	(7,591)
Income tax (recovery) expense	777	(704)	(2,916)	(1,618)
Depreciation of property and equipment and amortization of intangible assets	1,038	1,155	4,040	4,217
Amortization of acquired intangible assets	2,963	1,014	8,102	3,815
Amortization of right of use assets	598	437	2,195	1,735
Amortization of deferred financing costs	84	57	368	135
Interest on lease liability	29	91	386	381
Interest on long-term debt	607	9	967	536
Other finance costs	(54)	-	101	-
Interest income	(7)	(50)	(517)	(61)
<b>EBITDA</b>	<b>(2,637)</b>	(849)	<b>(11,212)</b>	1,549
Foreign exchange loss (gain)	286	171	(285)	1,427
Share-based compensation	247	124	1,072	467
Restructuring costs	800	723	3,191	1,966
Acquisition-related costs	501	52	5,257	337
<b>Adjusted EBITDA <sup>(3)</sup> (loss)</b>	<b>(803)</b>	221	<b>(1,977)</b>	5,746

## Reconciliation of net loss, adjusted loss and adjusted loss per share (basic and diluted)

In thousands of Canadian dollars	Three-month periods ended		Fiscal year ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>Net loss</b>	<b>(8,672)</b>	(2,858)	<b>(23,938)</b>	(7,591)
<b>Adjusted net loss<sup>(4)</sup></b>	<b>(8,672)</b>	(2,858)	<b>(23,938)</b>	(7,591)
<b>Net loss per share (basic and diluted)</b>	<b>(0.21)</b>	(0.12)	<b>(0.64)</b>	(0.38)
<b>Adjusted net loss per share<sup>(4)</sup> (basic and diluted)</b>	<b>(0.21)</b>	(0.12)	<b>(0.64)</b>	(0.38)

## Reconciliation of revenues on a Constant Currency basis<sup>(1)</sup>

Q4 FY2022 versus Q4 FY2021

In thousands of Canadian dollars	Three-month period ended	Three-month period ended	Variance \$	Variance %
	March 31, 2022	March 31, 2021		
<b>Revenues</b>	<b>29,954</b>	22,030	7,924	36%
<b>Constant Currency impact</b>	-	(324)	324	-
<b>Revenues in Constant Currency<sup>(1)</sup></b>	<b>29,954</b>	21,706	8,248	38%

Q4 FY2022 versus Q3 FY2022

In thousands of Canadian dollars	Three-month period ended	Three-month period ended	Variance \$	Variance %
	March 31, 2022	December 31, 2021		
<b>Revenues</b>	<b>29,954</b>	30,652	(698)	(2)%
<b>Constant Currency impact</b>	-	32	(32)	-
<b>Revenues in Constant Currency<sup>(1)</sup></b>	<b>29,954</b>	30,684	(730)	(2)%

FY2022 versus FY2021

In thousands of Canadian dollars	Year ended	Year ended	Variance \$	Variance %
	March 31, 2022	March 31, 2021		
<b>Revenues</b>	<b>108,259</b>	84,719	23,540	28%
<b>Constant Currency impact</b>	-	(1,646)	1,646	-
<b>Revenues in Constant Currency<sup>(1)</sup></b>	<b>108,259</b>	83,073	25,186	30%

<sup>1</sup> Recurring revenue and Monthly Recurring Revenue (“MRR”) are key performance indicators. Refer to the “Non-IFRS Financial Measures and Key Performance Indicators” section.

<sup>2</sup> Certain revenue figures and changes from prior period are analyzed and presented on a constant currency basis and are obtained by translating revenues from the comparable period of the prior year denominated in foreign currencies at the foreign exchange rates of the current period. The Corporation believes that this Non-IFRS financial measure is useful to compare its performance that excludes certain elements prone to volatility. Refer to the “Non-IFRS Financial Measures and Key Performance Indicators” section.

<sup>3</sup> Adjusted EBITDA and Adjusted EBITDA margin are Non-IFRS measures. 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.

<sup>4</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.

## **Board Announcements**

As announced in February 2022, Gilles Laporte, Chair of the Company’s Board of Directors will not stand for re-election at the next annual meeting of the Corporation. Following a comprehensive search process and the unanimous recommendations by the Search Committee comprised of independent Board members and Boyden, an executive search firm, mdf commerce is happy to welcome two new Board members to fill vacancies, Pierre Chadi and Lester Fernandes. Their nominations were approved by the Board on June 29, 2022.

Mr. Chadi brings over 30 years of experience in technology, particularly within SaaS companies. Chair and member of multiple boards and venture companies, he brings a wealth of knowledge on managing and scaling SaaS companies. Mr. Chadi has also been elected as the new Chair of the Board of Directors, effective June 29, 2022. To ensure an effective and smooth transition, Mr. Laporte will remain as an active member of the Board until the Corporation’s next annual meeting in September 2022.

“I feel honored to take on this role at mdf commerce. The Management team and Board of Directors have worked diligently to bring operational focus to mdf commerce and to build the foundation required to accelerate growth. I look forward to contributing to the next phase of implementation of the 5-year strategic plan.” stated Mr. Chadi.

Mr. Lester Fernandes, CEO of Segovia Capital Ltd., previously co-founder and CFO at Nuvei Corporation, brings over 30 years of experience in fast growing SaaS technology companies and in investment banking to the Board. Mr. Fernandes started his career in investment banking with Bank of Montreal and then joined Pivotal in 2001 which was a start-up. He was instrumental in growing it into Nuvei, a significant North American Payment processor which became public and grew to a market capitalization of over \$10 billion.

## **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 eprocurement, Unified Commerce and marketplaces platforms are supported by a strong and dedicated team of approximately 800 employees based in Canada, the United States, Denmark, Ukraine and China. For more information, please visit us at [mdfcommerce.com](https://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 29, 2022, and unless specifically stated otherwise, all information disclosed herein is provided as at March 31, 2022 and for the fourth quarter and the fiscal year then ended.

Certain statements in this 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 at March 31, 2022, as well as in the “Risk Factors and Uncertainties” section of the Management’s Discussion and Analysis (MD&A) for the fourth quarter and year-ended March 31, 2022 and elsewhere in the Corporation’s filings with the Canadian securities regulators, as applicable. 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 as at March 31, 2022 and March 31, 2021 and for the years then ended, MD&A for the fourth quarter ended March 31, 2022 and its latest Annual Information Form as at March 31, 2022 are available on the Corporation’s website [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 audited consolidated financial statements for the years ended March 31, 2022 and March 31, 2021 have been prepared in accordance with International Financial Reporting Standards (IFRS).

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”), Adjusted EBITDA, Adjusted EBITDA margin, and certain Revenues presented on a constant currency basis as a non-IFRS measures and Recurring Revenue and Monthly Recurring Revenues as key performance indicators. These non-IFRS measures and key performance indicators do not have standardized meanings under IFRS and may not be comparable to similar measures presented 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. Management uses both measures that comply with IFRS and non-IFRS measures, in planning, overseeing and assessing the Corporation’s performance. Certain additional disclosures including the definitions associated with non-IFRS measures as well as a reconciliation to the most comparable IFRS measures, and key performance indicators have been incorporated by reference and can be found in MD&A for the fourth quarter and the year ended March 31, 2022, as presented in the section “Non-IFRS Financial Measures and Key Performance Indicators”. The MD&A for the fourth quarter and year ended March 31, 2022, is available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Corporation’s website [mdfcommerce.com](http://mdfcommerce.com) under the Investors section.

In Q4 FY2021, the Corporation amended the definition of Adjusted EBITDA to adjust for acquisition related costs and restructuring costs. 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, share-based compensation, acquisition-related costs and restructuring costs. Refer to the “Non-IFRS Financial Measures and Key Performance Indicators” in MD&A for the fourth quarter and year ended March 31, 2022.

### **Conference call for fourth quarter and year-end fiscal 2022 financial results**

Date: Thursday, June 30, 2022

Time: 8:30 a.m. Eastern Daylight Time

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

Live webcast: [Click here to register](#)

#### **For further information:**

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