



# Investors Call

Q3 FY2022 Results

[mdf.to](https://www.mdf.to)

## Dial-in

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(720) 405-2161 (international)

February 10, 2022

# Disclaimer

In this presentation, “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 presentation is dated February 10, 2022 and, unless specifically stated otherwise, all information disclosed herein is provided as at December 31, 2021, the end of the most recent quarter of the Corporation. Additional information about mdf commerce, including the Corporation’s most recent interim condensed consolidated financial statements for the three-month, and nine-month periods ended December 31, 2021 and 2020, and the annual audited consolidated financial statements for the years ended March 31, 2021 and 2020, Management’s Discussion and Analysis and its latest Annual Information Form for the year ended March 31, 2021 are available on [www.mdfcommerce.com](http://www.mdfcommerce.com) and have been filed with SEDAR at [www.sedar.com](http://www.sedar.com)

## Forward-Looking Information

This presentation contains “forward-looking information” within the meaning of applicable securities legislation. Forward-looking information also includes, but is not limited to, statements regarding mdf commerce’s business objectives, expected growth, results of operations, performance and financial results. Although the forward-looking information is based on what the Corporation believes are reasonable assumptions, current expectations and estimates, investors are cautioned from placing undue reliance on this information as actual results may vary from the forward-looking information. Forward-looking information may be identified by the use of forward-looking terminology such as “believe”, “forecast”, “synergies”, “intend”, “may”, “will”, “expect”, “estimate”, “anticipate”, “continue” or similar terms, variations of those terms or the negative thereof, and the use of the conditional tense as well as similar expressions.

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this presentation. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about, the Corporation’s ability to retain its customers, the Corporation’s ability to implement its growth strategy through acquisition, the Corporation’s response to the industry’s rapid pace of change, the competitive environment, the Corporation’s ability to protect its computer environment and deal with defects in software or failures in processing transactions, the Corporation’s use of “open source” software, intellectual property and other proprietary rights, the Corporation’s management and employees, the Corporation’s cyber security, regulatory changes, the Corporation’s ability to do business in emerging countries, the Corporation’s ability to execute its strategic plan, the effect of the COVID-19 global pandemic, foreign currency, liquidity, credit, current global financial conditions, additional financing and dilution and market liquidity of the common shares of the Corporation, all as further and more fully described in the “Risk Factors and Uncertainties” section of the Corporation’s annual information form dated June 9, 2021 for the fiscal year ended March 31, 2021, management’s discussion and analysis of financial condition and results of operation of the Corporation dated June 9, 2021, as at and for the years ended March 31, 2021 and 2020, management’s discussion and analysis of financial condition and results of operation of the Corporation dated February 9, 2022 for the third quarter ended December 31, 2021 and elsewhere in the Corporation’s filings with the Canadian securities regulators, as applicable.

The Corporation cautions readers against placing undue reliance on forward-looking statements when making decisions, as the actual results could differ considerably from the opinions, plans, projections, objectives, expectations, forecasts, estimates and intentions expressed in such forward-looking statements due to various risk factors. Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended.

These forward-looking information is used to assist readers in obtaining a better understanding of mdf commerce’s business, current objectives, strategic priorities, expectations and plans and may not be appropriate for other purposes. Such forward-looking information that is not historical fact, including statements based on management’s belief and assumptions cannot be considered as guarantees of future performance. The forward-looking information contained herein reflect mdf commerce’s expectations and beliefs as at the date hereof, and are subject to change after this date. The Corporation undertakes no obligation to update publicly any forward-looking information whether as a result of new information, future events or otherwise, other than as required by applicable legislation

## Non-IFRS Measures and Key Performance Indicators

The Corporation reports its financial results in accordance with International Financial Reporting Standards (IFRS). This presentation contains references to certain non-IFRS measures and key performance indicators that are used by the Corporation as indicators of financial performance measures which do not have standardized meanings under IFRS and are not likely to be comparable to similarly designated measures reported by other corporations. The Corporation believes that these measures are useful supplemental information that may assist investors in assessing the performance of the Corporation.

Investors are cautioned that these measures are being reported in order to complement, and not replace, the analyses of financial results in accordance with IFRS. In this presentation, we use non-IFRS measures, including 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 and Monthly Recurring Revenues. 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 (MD&A) for the third quarter ended December 31, 2021. Please also refer to the appendix to this presentation for the reconciliation of the non-IFRS measures used by the Corporation in this presentation.

# Q3 – Executive Summary

**1**

**+43% Q3 YoY Total Revenue Growth**

\$30.7 million for Q3FY22

Including \$7.7<sup>(1)</sup> million revenue from Periscope

**2**

**Significant advancement in the integration of Periscope**

**3**

**Navigating macro-economic trends with agility and flexibility**

**Growth generated by our two core platforms –  
eprocurement and Unified Commerce**

<sup>(1)</sup> An acquisition accounting adjustment to the fair value of Periscope deferred revenues at the acquisition date of August 31, 2021, resulted in a reduction of revenue of \$2.6 million in Q3 FY22.

# Q3 FY2022 Highlights

## mdf commerce

**\$30.7M**<sup>(2)</sup>  
Q3 FY22 Revenue

**+43.2%**  
Q3 Growth YoY

**+46.3%**  
Q3 Growth YoY based  
on constant currency <sup>(1)</sup>



## eprocurement

**\$16.9M**<sup>(2)</sup>  
Q3 FY22 Revenue

**+104.7%**  
Q3 Growth YoY

Including full quarter of  
Periscope revenue



## Unified Commerce\*

**\$9.8M**  
Q3 FY22 Revenue

**+3.8%**  
Q3 Growth YoY



## emarketplaces

**\$4.0M**  
Q3 FY22 Revenue

**+6.6%**  
Q3 Growth YoY



## Results

**\$0.7M**  
Adjusted EBITDA<sup>(3)</sup>

**(\$4.6M)**  
Net Loss  
(\$0.11) loss per share  
(basic and diluted)

<sup>1</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 Company believes that this non-IFRS financial measure is useful to compare its performance that excludes certain elements prone to volatility.

<sup>2</sup> Total Q3 FY22 revenue is after a \$2.6 M adjustment on the fair value of deferred revenues at the closing date of the Periscope acquisition.

<sup>3</sup> Adjusted EBITDA is a non-IFRS measure. Refer to the "Disclaimer – Non-IFRS Measures and Key Performance Indicators" section.

\* Unified Commerce includes our ecommerce solutions (k-eCommerce and Orkestra) as well as Supply Chain Collaboration (InterTrade)

# Q3 YTD FY2022 Highlights

## mdf commerce

**\$78.3M**<sup>(2)</sup>

Q3 FY22 Revenue

**+24.9%**

Q3 Growth YTD

**+27.6%**

Q3 Growth YoY based  
on constant currency <sup>(1)</sup>



## eprocurement

**\$37.0M**<sup>(2)</sup>

Q3 FY22 Revenue

**+54.2%**

Q3 Growth YTD



## Unified Commerce\*

**\$29.7M**

Q3 FY22 Revenue

**+7.7%**

Q3 Growth YTD



## emarketplaces

**\$11.5M**

Q3 FY22 Revenue

**+4.3%**

Q3 Growth YTD



## Results

**\$(1.2M)**

Adjusted EBITDA loss<sup>(3)</sup>

**(\$15.3M)**

Net Loss

(\$0.43) loss per share  
(basic and diluted)

<sup>1</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 Company believes that this non-IFRS financial measure is useful to compare its performance that excludes certain elements prone to volatility.

<sup>2</sup> Total Q3 year-to-date FY22 revenue is after a \$3.6M negative fair value adjustment on deferred revenues at the closing date of the Periscope acquisition.

<sup>3</sup> Adjusted EBITDA is a non-IFRS measure. Refer to the "Disclaimer – Non-IFRS Measures and Key Performance Indicators" section.

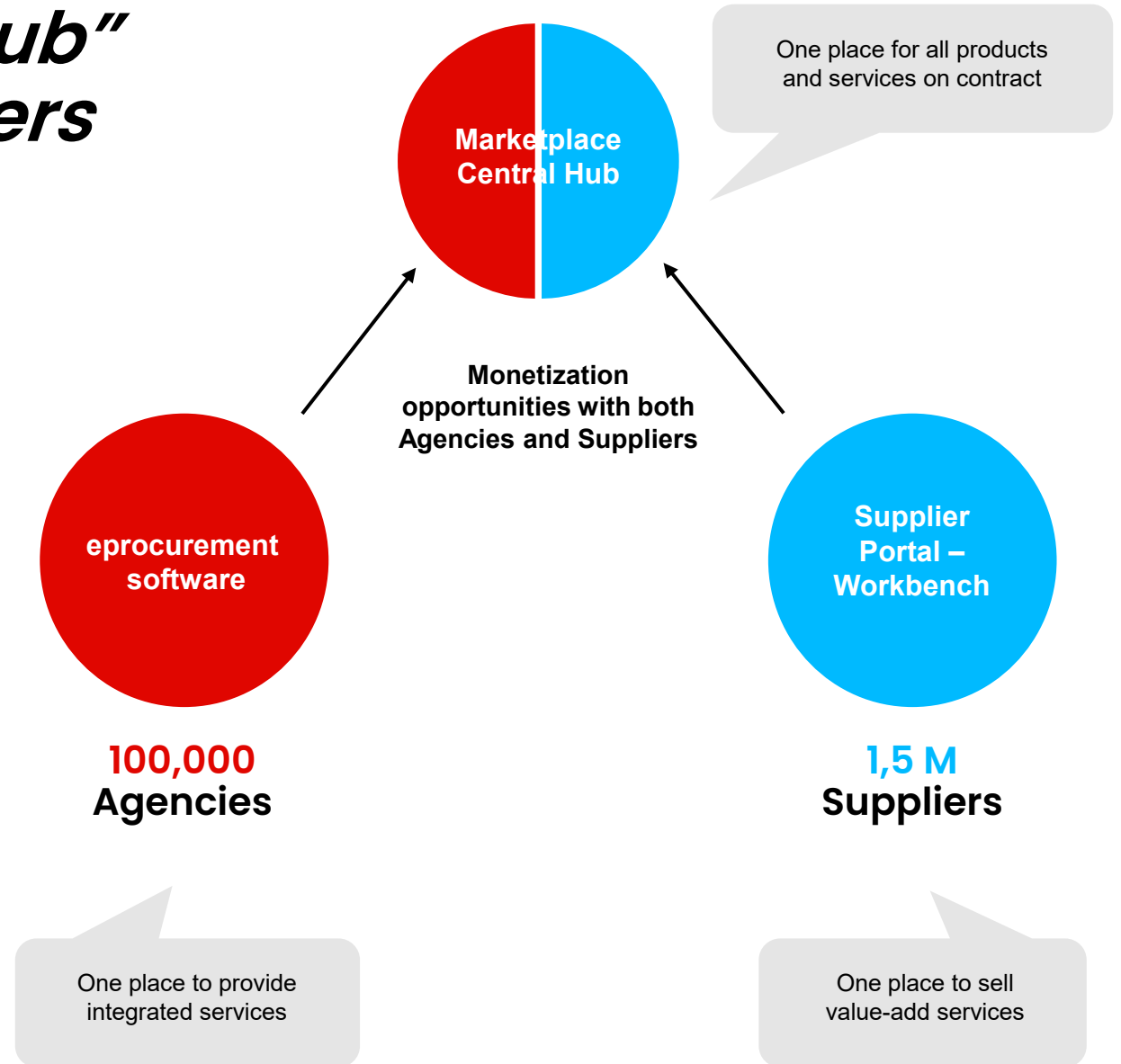
\* Unified Commerce includes our ecommerce solutions (k-eCommerce and Orkestra) as well as Supply Chain Collaboration (InterTrade)

eprocurement Vision:

# *Be the largest central "hub" where public sector buyers and sellers do business*

## Main focus for growth

- ✓ Innovative transactional fee model – higher revenue generating potential
- ✓ Self-funded model, with revenue based on a percentage of transaction spend
- ✓ Highly scalable with significant potential upside to our growth objectives

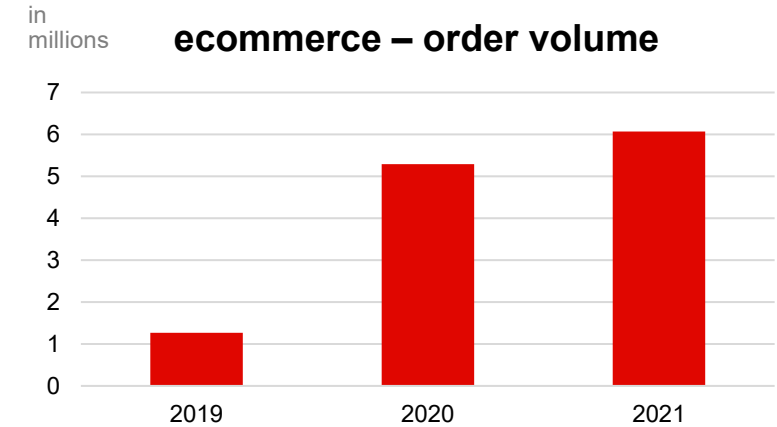


# Unified Commerce

Well-established in Retail & Grocery Verticals with strong Sales Pipeline

			ALDO
			
			
	NORDSTROM	BESTSELLER	

Solid growth in transaction volumes



- Strong progression in orders
- Critical component to customers' infrastructure

Macro economics factors brought on by the pandemic are impacting growth and expansion within **SOME** existing clients



Dual Challenge: Combating The Shortage Of Labor Workers And Supply Chain Breakdown



Boris Johnson's Brexit choices are making Britain's fuel and food shortages worse



RETAIL - GLOBAL SUPPLY CHAINS

"No sign of relief": The global supply-chain crisis could last well into February

# Highlights

Now trending to  
**~80%**  
**Recurring Revenue<sup>(2)</sup>**  
+67% YoY growth

**Periscope  
On track**  
Commercial velocity  
and product roadmap

**Continued  
impact**  
from macro-  
economic trends over  
next few quarters

**+70%**  
Q3 FY22  
Revenue growth  
over 2 years  
from \$18.1M to  
\$30.7M

**+43.2%**  
Q3 FY22  
Revenue growth  
**YoY**



(1) mdf commerce's figures presented on a fiscal year ended March 31, 2021, combined with Periscope's figures presented on a fiscal year ended December 31, 2020. Readers are referred to the "Non-IFRS Measures" section of the Final Short Form Prospectus of mdf commerce dated August 24, 2021, for definition and reconciliation. Strategic Sourcing was rebranded as eprocurement following the Periscope acquisition to present the more complete product and solution offer.

(2) Recurring revenue 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 "Disclaimer – Non-IFRS Measures and Key Performance Indicators" section.



# Appendix

Non-IFRS Measures

# Reconciliation of Non-IFRS Measures Net loss to Adjusted EBITDA

In C\$ thousands

## Reconciliation of net loss and Adjusted EBITDA

	Three-month periods ended			Nine-month periods ended	
	Dec. 31 2021	Sep. 30 2021	Dec. 31 2020	Dec. 31 2021	Dec. 31 2020
In thousands of Canadian dollars, except per share amounts	\$	\$	\$	\$	\$
<b>Net loss</b>	<b>(4,673)</b>	(6,308)	(2,853)	<b>(15,266)</b>	(4,733)
Income tax recovery	<b>(1,496)</b>	(1,371)	(625)	<b>(3,693)</b>	(914)
Depreciation of property and equipment and amortization of intangible assets	<b>1,083</b>	1,019	1,121	<b>3,002</b>	3,064
Amortization of acquired intangible assets	<b>2,920</b>	1,337	885	<b>5,139</b>	2,799
Amortization of right-of-use assets	<b>602</b>	506	415	<b>1,597</b>	1,298
Amortization of deferred financing costs	<b>69</b>	158	58	<b>284</b>	78
Interest on lease liability	<b>93</b>	173	93	<b>357</b>	290
Interest on long-term debt	<b>211</b>	135	106	<b>360</b>	527
Other finance costs (income)	<b>24</b>	131	-	<b>155</b>	-
Interest income	-	(343)	(11)	<b>(510)</b>	(11)
<b>EBITDA</b>	<b>(1,167)</b>	(4,563)	(811)	<b>(8,575)</b>	2,398
Foreign exchange loss (gain)	<b>(1)</b>	(1,397)	516	<b>(571)</b>	1,256
Stock-based compensation expense	<b>306</b>	319	156	<b>825</b>	343
Restructuring costs	<b>1,552</b>	611	932	<b>2,391</b>	1,243
Acquisition-related costs	<b>49</b>	4,628	228	<b>4,756</b>	285
<b>Adjusted EBITDA (loss)<sup>3</sup></b>	<b>739</b>	(402)	1,021	<b>(1,174)</b>	5,525

# Reconciliation of Non-IFRS Measures Constant Currency

In C\$ thousands

## Reconciliation of revenues on a constant currency basis<sup>1</sup>

Q3 FY2021 versus Q3 FY2021

<i>In thousands of Canadian dollars</i>	Three-month period ended December 31, 2021	Three-month period ended December 31, 2020	Variance \$	Variance %
<b>Revenues</b>	30,652	21,403	9,249	43.2%
<b>Constant Currency Impact</b>	-	(454)	-	-
<b>Revenues in Constant Currency<sup>1</sup></b>	<b>30,652</b>	<b>20,949</b>	<b>9,703</b>	<b>46.3%</b>

Q3 FY2021 versus Q2 FY2021

<i>In thousands of Canadian dollars</i>	Three-month period ended December 31, 2021	Three-month period ended September 30, 2021	Variance \$	Variance %
<b>Revenues</b>	30,652	25,080	5,572	22.2%
<b>Constant Currency Impact</b>	-	(212)	-	-
<b>Revenues in Constant Currency<sup>1</sup></b>	<b>30,652</b>	<b>24,868</b>	<b>5,784</b>	<b>23.3%</b>

Nine-month period ended December 31, 2021 versus nine-month period ended December 31, 2020

<i>In thousands of Canadian dollars</i>	Nine-month period ended December 31, 2021	Nine-month period ended December 31, 2020	Variance \$	Variance %
<b>Revenues</b>	78,305	62,689	15,616	24.9%
<b>Constant Currency Impact</b>	-	(1,344)	-	-
<b>Revenues in Constant Currency<sup>1</sup></b>	<b>78,305</b>	<b>61,345</b>	<b>16,960</b>	<b>27.6%</b>



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