



# Investors Presentation

Q4 and Fiscal 2022 Results

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

June 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 June 30, 2022 and, unless specifically stated otherwise, all information disclosed herein is provided as at March 31, 2022, the end of the most recent quarter and year ended March 31, 2022 of the Corporation. Additional information about mdf commerce, including the Corporation’s most recent audited consolidated financial statements for the years ended March 31, 2022 and 2021, Management’s Discussion and Analysis and its latest Annual Information Form for the year ended March 31, 2022 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 29, 2022 for the year ended March 31, 2022, management’s discussion and analysis of financial condition and results of operation of the Corporation dated June 29, 2022, 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 year ended March 31, 2022. Please also refer to the appendix to this presentation for the reconciliation of the non-IFRS measures used by the Corporation in this presentation.

# Executive Summary

- Two years into the implementation of our 5-year strategic plan
- Focused on two growing software markets: eprocurement and Unified Commerce
- Transformative acquisition of Periscope
- FY23 Strategy - Focus, Simplify, Execute

we  
enable  
the flow of  
**commerce**

**800+**  
employees

- Canada
- US
- Denmark
- Ukraine
- China

## eprocurement

≈50%

FY22  
Revenues <sup>(1)</sup>

Government procurement software catering specifically to public entities + 7 supplier tendering portals across North America.

periscope.



merx.

vendor registry.

bidnet.

governmentbids.

bidnet direct.

construction bidboard.

## Unified Commerce

≈37%

FY22  
Revenues <sup>(1)</sup>

Front and back-end ecommerce solutions that optimize the supply chain and power ecommerce implementation for businesses ranging from SMBs to Enterprise level to power their ecommerce strategies.

orquestra.

k.e-commerce.

intertrade.

## emarketplaces

≈13%

FY22  
Revenues <sup>(1)</sup>

Integrated online platforms that connect buyers and sellers across a variety of industries

(1): Based on FY22 results, represents a percentage of total revenue.

# Q4 and fiscal 2022 – Executive Summary

**1**

**+27.8% YoY Total Revenue Growth**

\$108.3 million for FY22

**2**

**Integration of Periscope on track, eProcurement now represents 53% of total revenues for Q4FY22**

**3**

**Significant increase in recurring revenues <sup>(2)</sup>**

**Increase of 36% YOY <sup>(3)</sup>**

**Total recurring trending to 80%**

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

(2): Recurring revenue and Monthly Recurring Revenue (“MRR”) are a key performance indicators. Refer to the “Non-IFRS Financial Measures and Key Performance Indicators” section.

(3): From \$64.4 million in FY21 to \$87.9 million in FY22.

# Q4 FY2022 Highlights

## mdf commerce

**\$30.0M**<sup>(2)</sup>

Q4 FY22 Revenue

**+36.0%**

Q4 Growth YoY

**+38.0%**

Q4 Growth YoY based on  
Constant Currency <sup>(1)</sup>

**Recurring  
Revenue** <sup>(4)</sup>

**78.9%** of total revenues

**+63.0%** Growth YoY



## eprocurement

**\$15.8M**

Q4 FY22 Revenue

**+81.5%**

Q4 Growth YoY

Including 7-months of  
Periscope revenue <sup>(2)</sup>



## Unified Commerce\*

**\$9.8M**

Q4 FY22 Revenue

**+1.7%**

Q4 Growth YoY



## emarketplaces

**\$4.3M**

Q4 FY22 Revenue

**+18.5%**

Q4 Growth YoY



## Results

**(\$0.8M)**

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

**(\$8.7M)**

Net Loss

(\$0.21) loss per share  
(basic and diluted)

<sup>1</sup> Certain revenues are 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 Q4FY22 revenues were impacted by an acquisition accounting 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.

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

<sup>4</sup> Recurring revenue and Monthly Recurring Revenue ("MRR") are a key performance indicators. Refer to the "Non-IFRS Financial Measures and Key Performance Indicators" section

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

# FY2022 Highlights

## mdf commerce

**\$108.3M**<sup>(2)</sup>

FY22 Revenue

**+27.8%**

FY22 Growth YoY

**+30.3%**

Growth YoY based on  
Constant Currency <sup>(1)</sup>

**Recurring <sup>(4)</sup>  
Revenue**

**77%** of total revenues

**+36.0%** Growth YoY



## eprocurement

**\$52.8M**<sup>(2)</sup>

Q4 FY22 Revenue

**+61.4%**

FY22 Growth YoY



## Unified Commerce\*

**\$39.6M**

Q4 FY22 Revenue

**+6.2%**

FY22 Growth YoY



## emarketplaces

**\$15.9M**

Q4 FY22 Revenue

**+7.8%**

FY22 Growth YoY



## Results

**\$(2.0M)**

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

**(\$25.5M)**

Net Loss

(\$0.64) 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.

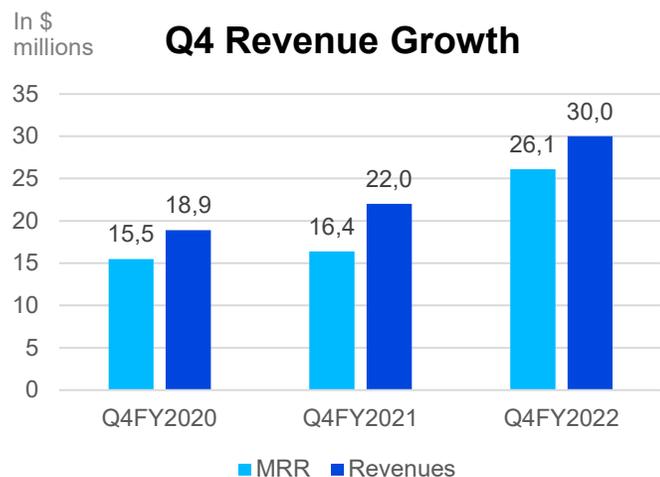
<sup>2</sup> Total FY22 revenues were impacted by an acquisition accounting fair value adjustment on deferred revenues at the closing date of the Periscope acquisition and resulted in a \$5.4 million reduction of revenue for the year.

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

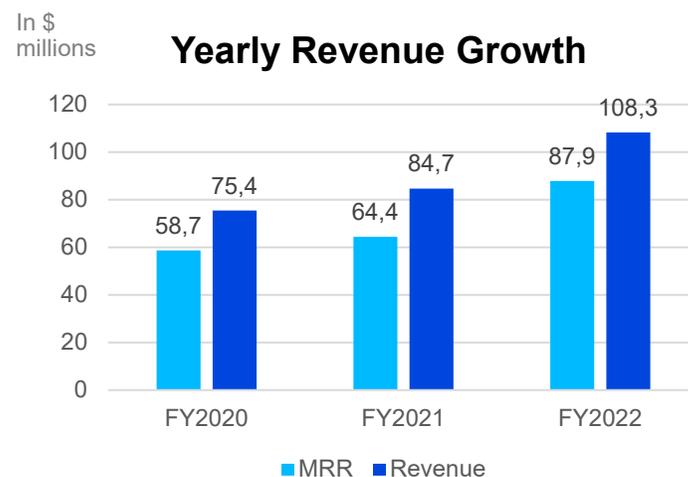
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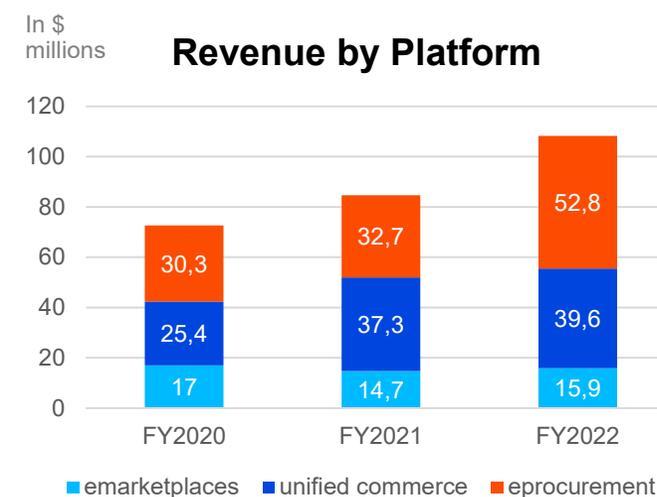
# Growth Trajectory



	Q4 - YoY	Q4 FY20 - Q4 FY22
Revenue <sup>(2)</sup>	+36%	+59%
Recurring Revenue <sup>(4)</sup>	+63%	+68%



	FY - YoY	FY20 - FY22
Revenue <sup>(2)</sup>	+27.8%	+44%
Recurring Revenue <sup>(4)</sup>	+36.4%	+50%



	FY - YoY	FY20 - FY22
eprocurement	+61%	+74%
Unified Commerce	+6%	+56%

**As revenue from eprocurement grows, so does the recurring revenue, improving stability and predictability of revenue**

<sup>2</sup> Total Q4FY22 revenues were impacted by an acquisition accounting 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.

<sup>4</sup> Recurring revenue and Monthly Recurring Revenue ("MRR") are a key performance indicators. Refer to the "Non-IFRS Financial Measures and Key Performance Indicators" section.

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

# Highlights

Now trending to

**~80%**

**Recurring Revenue<sup>(1)</sup>**

**Periscope  
On track**

Commercial velocity  
and product roadmap

**+63%**

Q4 FY22 YoY  
recurring revenue <sup>(1)</sup>  
growth

from \$16.0M Q4FY21 to  
\$26.1M Q4FY22

**+44%**

FY22  
Revenue growth  
over 2 years  
from \$75.4M FY20 to  
\$108.3M FY22

**+36%**

Q4 FY22  
Revenue growth  
YoY



<sup>(1)</sup> 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, 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>	<b>(2,858)</b>	<b>(23,938)</b>	<b>(7,591)</b>
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>	<b>(849)</b>	<b>(11,212)</b>	<b>1,549</b>
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>	<b>221</b>	<b>(1,977)</b>	<b>5,746</b>

# Reconciliation of Non-IFRS Measures Constant Currency

In C\$ thousands

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

Q4 FY2022 versus Q4 FY2021

<i>In thousands of Canadian dollars</i>	Three-month period ended March 31, 2022	Three-month period ended March 31, 2021	Variance \$	Variance %
<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

<i>In thousands of Canadian dollars</i>	Three-month period ended March 31, 2022	Three-month period ended December 31, 2021	Variance \$	Variance %
<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

<i>In thousands of Canadian dollars</i>	Year ended March 31, 2022	Year ended March 31, 2021	Variance \$	Variance %
<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%



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