



# Investors Presentation

Q1 FY2023 Results

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

August 12, 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 August 12, 2022 and, unless specifically stated otherwise, all information disclosed herein is provided as at June 30, 2022, the end of the most recent quarter of the Corporation. Additional information about mdf commerce, including its most recent unaudited interim condensed financial statements for the three-month period ended June 30, 2022, the annual audited consolidated financial statements for the years ended March 31, 2022 and 2021, Management’s Discussion and Analysis (MD&A) 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 fiscal year ended March 31, 2022, in the MD&A of the Corporation for the first quarter ended June 30, 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 Financial 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 financial 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 financial measures, including Adjusted net profit (loss), Adjusted net profit (loss) per share, profit (loss) before interest, taxes, depreciation and amortization (“EBITDA”), Adjusted EBITDA, Adjusted EBITDA Margin, certain Revenues presented on a constant currency basis and Monthly Recurring Revenues. The terms and definitions associated with non-IFRS financial measures as well as a reconciliation to the most comparable IFRS measures, and key performance indicators are presented in the section “11 - Non-IFRS Financial Measures and Key Performance Indicators” in MD&A for the first quarter ended June 30, 2022. Please also refer to the appendix to this presentation for the reconciliation of the non-IFRS financial measures used by the Corporation in this presentation.

# Executive Summary

- Third year of implementation of our 5-year strategic plan
- Focused on two 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

≈55%

Q1 FY23  
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

≈30%

Q1 FY23  
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.ecommerce.

intertrade.

## emarketplaces

≈15%

Q1 FY23  
Revenues <sup>(1)</sup>

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

<sup>(1)</sup> Based on Q1 FY23 results, represents as percentage of total revenues.

# Q1 FY2023 Executive Summary

**1**

**+42.6% Q1 YoY  
Revenue Growth**

\$32.2 million for Q1 FY23

**2**

**Significant increase in  
Recurring Revenues <sup>(1)</sup>**

Increase of 59.1% YoY for Q1<sup>(2)</sup>  
Total Recurring Revenue  
trending to 80%

**3**

**Strategic  
prioritization**

with goal of reducing  
operational costs and  
improving margins

**Continued growth generated by our eprocurement platform**

<sup>(1)</sup> Recurring Revenue and Monthly Recurring Revenue (“MRR”) are a key performance indicators. Refer to the section “11 - Non-IFRS Financial Measures and Key Performance Indicators” of MD&A for the Q1 FY23.

<sup>(2)</sup> From \$16.4 million in Q1 FY22 to \$26.0 million in Q1 FY23.

# Q1 FY2023 Highlights

## mdf commerce

**\$32.2M**<sup>(2)</sup>

Q1 FY23 Revenues

**+42.6%**

Q1 Growth YoY

**+43.6%**

Q1 Growth YoY based on Constant Currency <sup>(1)</sup>

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

**77.8%** of total revenues

**+59.1%** Q1 Growth YoY



## eprocurement

**\$17.9M**<sup>(2)</sup>

Q1 FY23 Revenues

**+101.4%**

Q1 Growth YoY



## Unified Commerce\*

**\$9.8M**

Q1 FY23 Revenues

**(1.2%)**

Q1 Decline YoY



## emarketplaces

**\$4.6M**

Q1 FY23 Revenues

**+19.9%**

Q1 Growth YoY



## Results

**(\$1.1M)**

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

**(\$6.3M)**

Net Loss

(\$0.14) net 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. This measure is a non-IFRS financial measure. Refer to the "Reconciliations of Non-IFRS Financial Measures" appendix.

<sup>(2)</sup> Total Q1FY23 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 \$1.2 million reduction of revenue for Q1 FY23.

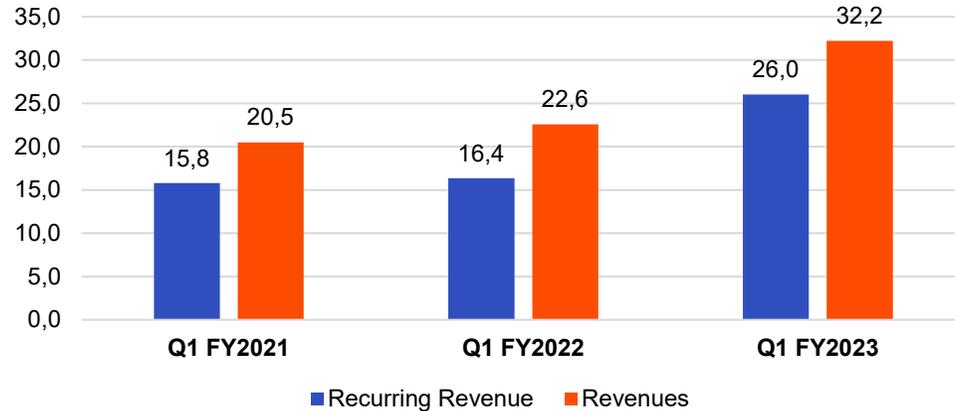
<sup>(3)</sup> Adjusted EBITDA is a non-IFRS financial measure. Refer to the "Reconciliations of Non-IFRS Financial Measures" appendix.

<sup>(4)</sup> Recurring revenue and Monthly Recurring Revenue ("MRR") are a key performance indicators. Refer to the section "11 - Non-IFRS Financial Measures and Key Performance Indicators" in MD&A for Q1 FY23.

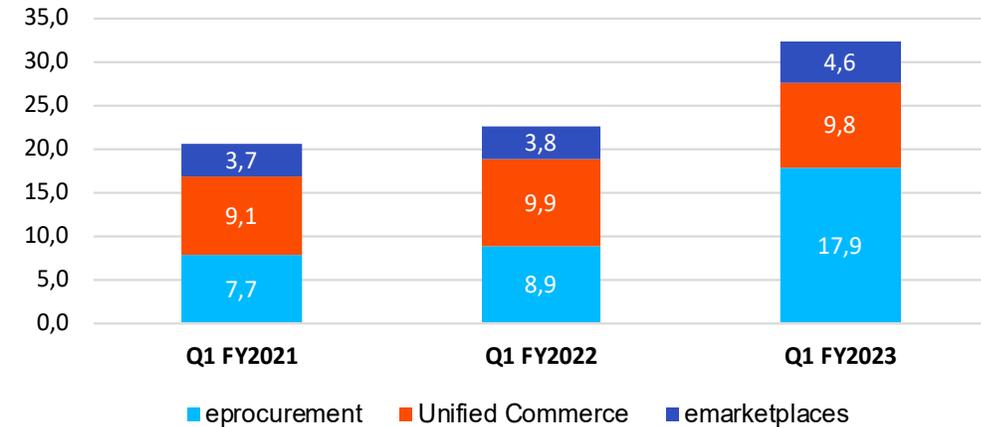
\* Unified Commerce includes our ecommerce solutions (k-eCommerce and Orchestra) as well as Supply Chain Collaboration (Intertrade).

# Growth Trajectory

## Q1 Revenues (in millions \$)



## Revenues by Platform (in millions \$)



	Q1 FY23 – YoY
Revenues <sup>(2)</sup>	+42.6%
Recurring Revenue <sup>(4)</sup>	+59.1%

	Q1 FY23 – YoY
eprocurement	+101.4%
Unified Commerce	-1.2%

**As revenues from eprocurement grows, so does the Recurring Revenue, improving stability and predictability of revenues**

<sup>(2)</sup> 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 reduction of revenue of \$1.2 million for Q1 FY23.

<sup>(4)</sup> Recurring revenue and Monthly Recurring Revenue ("MRR") are a key performance indicators. Refer to the section "11- Non-IFRS Financial Measures and Key Performance Indicators" of MD&A for Q1 FY23.

\* Unified Commerce includes our e-commerce solutions (k-e-commerce and Orckestra) as well as Supply Chain Collaboration (Intertrade)

# Highlights

Now trending to

**~80%**

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

## Strategic prioritization

with goal of reducing operational costs and improving margins

**+59.1%**

Q1 FY23 YoY  
Recurring Revenue<sup>(1)</sup>  
growth

from \$16.4M Q1 FY22 to  
\$26.0M Q1 FY23

**+57%**

Q1 FY23  
Revenue growth  
over 2 years

from \$20.5M Q1 FY21 to  
\$32.2M Q1 FY23

**+42.6%**

Q1 FY23  
Revenue growth  
YoY



<sup>(1)</sup> Recurring revenue and Monthly Recurring Revenue ("MRR") are a key performance indicators. Refer to the section "11 - Non-IFRS Financial Measures and Key Performance Indicators" of MD&A for Q1 FY23.

# Appendix

Reconciliations of Non-IFRS Measures

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

<i>In thousands of Canadian dollars</i>	Q1 FY2023	Q1 FY2022
<b>Net loss</b>	(6,323)	(4,285)
Income tax (recovery) expense	(669)	(826)
Depreciation of property and equipment and amortization of intangible assets	967	900
Amortization of acquired intangible assets	2,966	882
Amortization of right of use assets	559	489
Finance expenses	623	(5)
<b>EBITDA <sup>(1)</sup> (loss)</b>	<b>(1,877)</b>	<b>(2,845)</b>
Foreign exchange loss (gain)	(607)	827
Share-based compensation	221	199
Restructuring costs	271	229
Acquisition-related costs	907	79
<b>Adjusted EBITDA <sup>(1)</sup> (loss)</b>	<b>(1,085)</b>	<b>(1,511)</b>

# Reconciliations of revenues on a Constant Currency basis

<i>In thousands of Canadian dollars</i>	Q1 FY2023	Q1 FY2022	Var.	Var. %
Revenues	32,196	22,573	9,623	42.6
Constant Currency impact	-	(158)	158	-
Revenues on Constant Currency basis <sup>(1)</sup>	32,196	22,415	9,781	43.6

<sup>(1)</sup> Revenues on Constant Currency basis is a Non-IFRS financial measure. Refer to the section “11 - Non-IFRS Financial Measures and Key Performance Indicators” of MD&A for Q1 FY23.



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