

## **Lightspeed Announces First Quarter 2020 Financial Results, Updates Outlook**

*First Quarter Revenue Grew 38% YoY to \$24.1 Million  
First Quarter Software and Payments Revenue Grew 40% YoY  
Accelerated Adoption of Lightspeed Payments with New US Retail Customers*

### **Lightspeed reports in U.S. dollars and in accordance with IFRS.**

MONTREAL, August 7, 2019 /CNW Telbec/ – Lightspeed POS Inc. ("Lightspeed" or the "Company") (TSX: LSPD), a leading provider of software, solutions and support systems to small and medium size retailers and restaurateurs, today announced financial results for the three month period ended June 30, 2019.

"This past quarter demonstrated solid execution on a number of our stated growth strategies to ensure Lightspeed continues our journey of building a recognized market leader for SMB retailers and restaurateurs globally," commented Dax Dasilva, Chief Executive Officer of Lightspeed. "Accelerated top-line growth of 38%, continued GTV growth of greater than 30%, and accelerating Payments adoption rates on eligible new customers in the quarter are all effective gauges of a healthy, growing customer base that is finding increased success through partnering with Lightspeed."

"We are pleased with our first quarter performance which demonstrates continued progress across all of the important areas of the business," stated Brandon Nussey, Chief Financial Officer of Lightspeed. "Our investments continue to drive strong new customer additions, and we continue to see highly encouraging signs during the initial rollout year of Lightspeed Payments, helping to provide a positive backdrop to our higher overall growth expectations for the year."

### **First Quarter Financial Highlights**

(All comparisons are relative to the three month period ended June 30, 2018 unless otherwise stated):

- Total revenue of \$24.1 million, an increase of 38%
- Recurring software and payments revenue of \$21.3 million, an increase of 40%
- Gross margin of 65%, with gross profit on software and payments revenue up by 33% vs prior year
- Net loss of \$9.1 million as compared to a net loss of \$8.1 million
- Adjusted EBITDA<sup>2</sup> of (\$5.1) million, compared to Adjusted EBITDA of (\$2.9) million
- Cash flows used in operating activities of (\$6.3) million, compared to cash flows used in operating activities of (\$2.9) million
- At June 30, 2019, Lightspeed had \$191.4 million in cash and cash equivalents and no debt

<sup>1</sup> Key Performance Indicator. See "Key Performance Indicators"

<sup>2</sup> Non-IFRS measure. See "Non-IFRS Measures" and the reconciliation to the most directly comparable IFRS measure included in this press release

## **Operational Highlights**

(All comparisons are relative to the three month period ended June 30, 2018 unless otherwise stated):

- Customer locations<sup>1</sup> grew 20% to greater than 51,000 at June 30, 2019
- GTV<sup>1</sup> grew by more than 30% to more than \$4.6 billion in the three month period ended June 30, 2019 and more than \$15.6 billion for the trailing twelve months ended June 30, 2019
- Ongoing strong adoption of Lightspeed Payments after launch on January 30, 2019 to U.S. Retail customers with demand coming from both new and existing clients of Lightspeed. Close to 50% of new U.S. retail customers in the quarter contracted for Lightspeed Payments in addition to our core offering
- Strong customer momentum from complex Retailers and Restaurateurs in North America and around the world. Customers such as Herschel Supply Company, an affinity backpack brand with dozens of retail locations , UK-acclaimed Crosstown Doughnuts and luxury hotel operator the Perle Oban Hotel in the Scottish Highlands selected Lightspeed in the quarter. Additionally, Kemper Sports one of the largest golf course operators in the world selected Lightspeed to replace their multiple legacy systems and power their golf courses, restaurants and retail pro shops for over 100 properties across North America.
- Successfully launched the latest Lightspeed inventory release giving complex retail SMBs more mastery over inventory tracking across all of their omnichannel workflows, including tighter management over presales, back-orders, and overselling
- Lightspeed Analytics, Lightspeed Loyalty, and Lightspeed Payments all continue to be notable new product success stories – affirming the Lightspeed strategy of being a one stop shop for the core commerce needs for customers
- Completed the acquisition of a strategic software partner, Chronogolf Inc., which leverages Lightspeed’s retail and restaurant platform to offer a seamless golf course management solution that includes booking and membership management capabilities for more than 600 golf course operators, primarily in North America. This subsegment represents a compelling opportunity for existing product lines – and in particular an active funnel for Lightspeed Payments.
- Completed the acquisition of Switzerland-based iKentoo, which brings Lightspeed complementary technology well suited for large and complex deployments, enabling Lightspeed to further accelerate the displacement of legacy POS providers globally. iKentoo brings nearly 4,000 customer locations in new countries such as Switzerland, France and South Africa.

## **Financial Outlook**

As a result of continued strength in Lightspeed Payments adoption, continued momentum in new customer location additions, and the impact of recently acquired businesses, Lightspeed now anticipates revenue, cash flows used in operating activities and Adjusted EBITDA to be in the following ranges:

### **Second Quarter 2020**

- Revenue of \$26.5 – \$27 million, representing year-over-year growth of 42-45%
- Cash flows used in operating activities of approximately \$5 million
- Adjusted EBITDA in the range of (\$5.5 million) – (\$6.0 million)

## **Full Year 2020**

- Revenue of \$112.0 – \$115.0 million, representing annual growth of 45-48%
- Cash flows used in operating activities of \$9.5 million – \$11 million
- Adjusted EBITDA in the range of (\$18 million) – (\$20 million)

Our financial outlook is based on a number of assumptions, including our continued receipt of partner referrals in line with historical referral rates (particularly after having launched Lightspeed Payments which competes with the solutions offered by some of these referral partners); customers adopting Lightspeed Payments having an average GTV at or above that of our average customer; future attach rates for Lightspeed Payments remaining in line with past attach rates and expectations; our ability to price Lightspeed Payments in line with our expectations and to achieve suitable margins; our ability to achieve success in expanding of Lightspeed Payments beyond our U.S. retail customers; continued success in module adoption expansion throughout our customer base; our ability to successfully integrate the companies we have acquired and to derive the benefits we expect from the acquisition thereof; and our ability to manage customer churn. Our financial outlook, including the various underlying assumptions, constitutes forward-looking information and should be read in conjunction with the cautionary statement on forward-looking information below. Many factors may cause our actual results, level of activity, performance or achievements to differ materially from those expressed or implied by such forward-looking information, including but not limited to the risks and uncertainties related to: attracting and retaining customers; increasing customer sales; implementing our growth strategy; accelerating the rollout of Lightspeed Payments; our reliance on a single supplier for parts of the technology in Lightspeed Payments; improving and enhancing the functionality, performance, reliability, design, security and scalability of our platform; our ability to compete against competitors; strategic relations with third parties; our reliance on integration of third-party payment processing solutions; compatibility of our solutions with third-party applications and systems; changes to technologies on which our platform is reliant; obtaining, maintaining and protecting our intellectual property; international sales and use of our platform in various countries; our liquidity and capital resources; litigation and regulatory compliance; changes in tax laws and their application; expanding our sales capability; maintaining our customer service levels and reputation; macroeconomic factors affecting small and medium sized businesses; and exchange rate fluctuations. The purpose of the forward-looking information is to provide the reader with a description of management's expectations regarding our financial performance and may not be appropriate for other purposes.

## **Conference Call and Webcast Information**

Lightspeed will host a conference call and webcast to discuss the Company's financial results at 8:00 am ET on Thursday, August 8, 2019. To access the conference call, dial 866.211.3060 for the U.S. or Canada, or 647.689.6576 for international callers and provide conference ID 4294489. The webcast will be available live on the Investors section of the Company's website at <https://investors.lightspeedhq.com>.

An audio replay of the call will also be available to investors beginning at approximately 11:00 a.m. Eastern Time on August 8, 2019, until 11:59 p.m. Eastern Time on August 15, 2019, by dialing 800.585.8367 for the U.S. or Canada, or 416.621.4642 for international callers. In addition, an archived webcast will be available on the Investors section of the Company's website at <https://investors.lightspeedhq.com>.

## About Lightspeed

Lightspeed (TSX: LSPD) is a cloud-based commerce platform powering small and medium-sized businesses in approximately 100 countries around the world. With smart, scalable, and dependable point of sale systems, it's an all-in-one solution that helps restaurants and retailers sell across channels, manage operations, engage with consumers, accept payments, and grow their business.

Headquartered in Montréal, Canada, Lightspeed is trusted by favorite local businesses, where the community goes to shop and dine. Lightspeed has grown to over 800 employees, with offices in Canada, USA, Europe, and Australia.

For more information, please visit: [www.lightspeedhq.com](http://www.lightspeedhq.com)

On social media: [LinkedIn](#), [Facebook](#), [Instagram](#), [YouTube](#), and [Twitter](#)

## Non-IFRS Measures

The information presented herein includes certain financial measures such as “Adjusted EBITDA”, “non-IFRS Gross Profit”, “non-IFRS general and administrative expenses”, “non-IFRS research and development expenses”, and “non-IFRS sales and marketing expenses”. These measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management’s perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. These non-IFRS measures are used to provide investors with supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS measures. We also believe that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers. Our management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of management compensation.

Non-IFRS gross profit, non-IFRS general and administrative expenses, non-IFRS research and development expenses, and non-IFRS sales and marketing expenses are non-GAAP financial measures that exclude the effect of stock-based compensation expense and related payroll taxes.

“Adjusted EBITDA” means net loss excluding interest, taxes, depreciation and amortization, or EBITDA, as adjusted for stock-based compensation expense and related payroll taxes, loss on the increase in fair value of redeemable preferred shares, compensation expenses relating to acquisitions complete, foreign exchange gains and losses, and transaction-related expenses.

## Key Performance Indicators

We monitor the following key performance indicators to help us evaluate our business, measure our performance, identify trends affecting our business, formulate business plans and make strategic decisions. Our key performance indicators may be calculated in a manner different than similar key performance indicators used by other companies.

**Customer Locations.** “**Customer Location**” means a billing customer location for which the term of services have not ended, or with which we are negotiating a renewal contract. A single unique customer can have multiple Customer Locations including physical and eCommerce sites.

**Gross Transaction Volume.** “**Gross Transaction Volume**” or “**GTV**” means the total dollar value of transactions processed through our cloud-based SaaS platform in the period, net of refunds, inclusive of shipping and handling, duty and value-added taxes.

## **Forward-Looking Statements**

This news release contains “forward-looking information” and “forward-looking statements” (collectively, “forward-looking information”) within the meaning of applicable securities laws. Forward looking information may relate to our financial outlook (including revenues, cash flows from (used in) operating activities, and Adjusted EBITDA), and anticipated events or results and may include information regarding our financial position, business strategy, growth strategies, addressable markets, budgets, operations, financial results, taxes, dividend policy, plans and objectives. Particularly, information regarding our expectations of future results, performance, achievements, prospects or opportunities or the markets in which we operate is forward-looking information.

In some cases, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “targets”, “expects” or “does not expect”, “is expected”, “an opportunity exists”, “budget”, “scheduled”, “estimates”, “outlook”, “forecasts”, “projection”, “prospects”, “strategy”, “intends”, “anticipates”, “does not anticipate”, “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might”, “will”, “will be taken”, “occur” or “be achieved”, the negative of these terms and similar terminology. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management’s expectations, estimates and projections regarding future events or circumstances.

Forward-looking information is necessarily based on a number of opinions, estimates and assumptions that we considered appropriate and reasonable as of the date such statements are made, are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to the risk factors identified in our most recent Management’s Discussion and Analysis of Financial Condition and Results of Operations and under “Risk Factors” in our most recent Annual Information Form, both of which are available under our profile on SEDAR at [www.sedar.com](http://www.sedar.com). If any of these risks or uncertainties materialize, or if the opinions, estimates or assumptions underlying the forward-looking information prove incorrect, actual results or future events might vary materially from those anticipated in the forward-looking information.

Although we have attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other risk factors not presently known to us or that we presently believe are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. No forward-looking statement is a guarantee of future results. Accordingly, you should not place undue reliance on forward-looking information, which speaks only as of the date made. The forward-looking information contained in this news release represents our expectations as of the date of hereof

(or as of the date they are otherwise stated to be made), and are subject to change after such date. However, we disclaim any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws. All of the forward-looking information contained in this news release is expressly qualified by the foregoing cautionary statements.

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SOURCE Lightspeed POS Inc.

# **Condensed Consolidated Statements of Loss and Comprehensive Loss**

(In thousands of US dollars, except share and per share amounts, unaudited)

|                                                | <b>Three months ended June 30,</b> |             |
|------------------------------------------------|------------------------------------|-------------|
|                                                | <b>2019</b>                        | <b>2018</b> |
|                                                | <b>\$</b>                          | <b>\$</b>   |
| <b>Revenues</b>                                | 24,065                             | 17,471      |
| <b>Direct cost of revenues</b>                 | 8,366                              | 5,390       |
| <b>Gross profit</b>                            | 15,699                             | 12,081      |
| <b>Operating expenses</b>                      |                                    |             |
| General and administrative                     | 4,411                              | 2,644       |
| Research and development                       | 6,303                              | 4,184       |
| Sales and marketing                            | 13,040                             | 8,647       |
| Depreciation of property and equipment         | 390                                | 272         |
| Depreciation of right-of-use assets            | 414                                | -           |
| Foreign exchange loss (gain)                   | (330)                              | 119         |
| Acquisition-related compensation               | 707                                | -           |
| Amortization of intangible assets              | 1,012                              | 980         |
| <b>Total operating expenses</b>                | 25,947                             | 16,846      |
| <b>Operating loss</b>                          | (10,248)                           | (4,765)     |
| Fair value loss on Redeemable Preferred Shares | -                                  | (2,952)     |
| Interest income net of expense                 | 1,019                              | 58          |
| <b>Loss before income taxes</b>                | (9,229)                            | (7,659)     |
| <b>Income tax expense (recovery)</b>           |                                    |             |
| Current                                        | 20                                 | (5)         |
| Deferred                                       | (152)                              | 471         |
| <b>Total income tax expense (recovery)</b>     | (132)                              | 466         |
| <b>Net loss and comprehensive loss</b>         | (9,097)                            | (8,125)     |
| <b>Loss per share – basic and diluted</b>      | (0.11)                             | (0.28)      |

## Condensed Consolidated Balance Sheets

(In thousands of US dollars, except share and per share amounts, unaudited)

### Assets

#### Current assets

|                               |         |         |
|-------------------------------|---------|---------|
| Cash and cash equivalents     | 191,440 | 207,703 |
| Accounts receivable           | 6,954   | 8,424   |
| Inventories                   | 348     | 269     |
| Prepaid expenses and deposits | 1,885   | 1,527   |
| Commission assets             | 3,787   | 3,677   |

#### Total current assets

204,414 221,600

#### Lease right-of-use assets

12,028 -

#### Property and equipment, net

5,385 5,372

#### Intangible assets, net

8,815 2,618

#### Goodwill

27,402 22,536

#### Commission assets

2,934 2,993

#### Other long-term assets

710 506

#### Deferred tax assets

155 186

#### Total assets

261,843 255,811

### Liabilities and Shareholders' Equity

#### Current liabilities

|                                          |        |        |
|------------------------------------------|--------|--------|
| Accounts payable and accrued liabilities | 15,956 | 16,183 |
| Lease liabilities                        | 2,057  | -      |
| Income taxes payable                     | 131    | 135    |
| Current portion of deferred revenue      | 33,094 | 32,317 |

#### Total current liabilities

51,238 48,635

#### Deferred tax liabilities

1,093 706

#### Deferred revenue

6,819 8,025

#### Lease liabilities

11,475 -

#### Other long-term liabilities

1,060 1,779

#### Total liabilities

71,685 59,145

#### Shareholders' equity (deficiency)

##### Share capital

84,275,039 Common Shares issued and outstanding, unlimited shares authorized (March 31, 2019 – 83,752,210)

654,471 652,336

##### Additional paid-in capital

4,732 4,278

##### Accumulated deficit

(469,045) (459,948)

#### Total shareholders' equity

190,158 196,666

#### Total liabilities and shareholders' equity (deficiency)

261,843 255,811

## Condensed Consolidated Statements of Cash Flows

(In thousands of US dollars, except share and per share amounts, unaudited)

|                                                                             | Three months ended June 30, |                |
|-----------------------------------------------------------------------------|-----------------------------|----------------|
|                                                                             | 2019<br>\$                  | 2018<br>\$     |
| <b>Cash flows from (used in) operating activities</b>                       |                             |                |
| Net loss                                                                    | (9,097)                     | (8,125)        |
| Items not affecting cash and cash equivalents                               |                             |                |
| Acquisition-related compensation                                            | 707                         | -              |
| Fair value loss on Redeemable Preferred Shares                              | -                           | 2,952          |
| Amortization of intangible assets                                           | 1,012                       | 980            |
| Depreciation of property and equipment and lease right-of-use assets        | 804                         | 272            |
| Deferred income taxes                                                       | (152)                       | 471            |
| Stock-based compensation expense                                            | 912                         | 388            |
| Unrealized foreign exchange loss (gain)                                     | 5                           | 78             |
| (Increase)/decrease in operating assets and increase/                       |                             |                |
| (decrease) in operating liabilities                                         |                             |                |
| Accounts receivable                                                         | 2,418                       | 757            |
| Prepaid expenses and deposits                                               | (358)                       | 163            |
| Inventories                                                                 | (79)                        | (87)           |
| Commission assets                                                           | (51)                        | (49)           |
| Other long-term assets                                                      | (224)                       | 225            |
| Accounts payable and accrued liabilities                                    | (1,178)                     | (972)          |
| Income taxes payable                                                        | (4)                         | (78)           |
| Deferred revenue                                                            | (479)                       | 208            |
| Other long-term liabilities                                                 | 478                         | (25)           |
| Interest income net of interest expense                                     | (1,019)                     | (58)           |
| <b>Total operating activities</b>                                           | <b>(6,305)</b>              | <b>(2,900)</b> |
| <b>Cash flows from (used in) investing activities</b>                       |                             |                |
| Additions to property and equipment                                         | (393)                       | (411)          |
| Payment of liability related to acquisition of business                     | (1,215)                     | -              |
| Acquisition of business, net of cash acquired                               | (9,115)                     | -              |
| Interest income                                                             | 1,259                       | -              |
| <b>Total investing activities</b>                                           | <b>(9,464)</b>              | <b>(411)</b>   |
| <b>Cash flows from (used in) financing activities</b>                       |                             |                |
| Proceeds from exercise of stock options                                     | 1,178                       | 30             |
| Share issuance costs                                                        | (1,401)                     | -              |
| Payment of lease liabilities                                                | (506)                       | -              |
| <b>Total financing activities</b>                                           | <b>(729)</b>                | <b>30</b>      |
| <b>Effect of foreign exchange rate changes on cash and cash equivalents</b> | <b>235</b>                  | <b>(79)</b>    |
| <b>Net decrease in cash and cash equivalents during the year</b>            | <b>(16,263)</b>             | <b>(3,360)</b> |
| <b>Cash and cash equivalents – Beginning of year</b>                        | <b>207,703</b>              | <b>24,651</b>  |
| <b>Cash and cash equivalents – End of year</b>                              | <b>191,440</b>              | <b>21,291</b>  |
| Interest paid                                                               | -                           | -              |
| Income taxes paid                                                           | -                           | 81             |

## Reconciliation from IFRS to Non-IFRS Results

|                                                                                | Three months<br>ended June 30, |                |
|--------------------------------------------------------------------------------|--------------------------------|----------------|
| (In thousands of US dollars, except share and<br>per share amounts, unaudited) | 2019<br>\$                     | 2018<br>\$     |
| <b>Net loss</b>                                                                | (9,097)                        | (8,125)        |
| Fair value loss on Redeemable Preferred Shares <sup>(1)</sup>                  | -                              | 2,952          |
| Stock-based compensation and related payroll taxes <sup>(2)</sup>              | 2,879                          | 488            |
| Depreciation and amortization <sup>(3)</sup>                                   | 1,816                          | 1,252          |
| Foreign exchange loss (gain) <sup>(4)</sup>                                    | (330)                          | 119            |
| Interest income net of expense <sup>(3)</sup>                                  | (1,019)                        | (58)           |
| Acquisition-related compensation <sup>(5)</sup>                                | 707                            | -              |
| Transaction-related expenses <sup>(6)</sup>                                    | 28                             | -              |
| Income tax expense                                                             | (132)                          | 466            |
| <b>Adjusted EBITDA</b>                                                         | <b>(5,148)</b>                 | <b>(2,906)</b> |

- <sup>(1)</sup> These costs include costs with respect to the change in valuation of our Redeemable Preferred Shares from period to period, which is a non-cash expense. Prior to the completion of our initial public offering, all of our Redeemable Preferred Shares were converted and the liability was reduced to \$Nil with a corresponding increase in share capital. There will be no further impact on our results of operations from these shares
- <sup>(2)</sup> These expenses represent non-cash expenditures recognized in connection with the issuance of stock options under our stock option plans to our employees and directors as well as related payroll taxes given that they are directly attributable to stock based compensation, are estimates and therefore subject to change, and don't reflect a current cash outlay. We do expect future cash outlays with respect the payroll tax component of stock-based compensation
- <sup>(3)</sup> In connection with the adoption of IFRS 16 – Leases, net loss includes depreciation of \$414 related to amortization of right-of-use assets, interest expense of \$184 on lease liabilities, and excludes an amount of \$486 relating to rent expense. Refer to “Critical Accounting Policies and Estimates” below for more details on the adoption of IFRS 16
- <sup>(4)</sup> These non-cash losses (gains) relate to foreign exchange translation
- <sup>(5)</sup> These costs represent a portion of the purchase price that is associated with the ongoing employment obligations for certain key employees of acquired businesses
- <sup>(6)</sup> These expenses relate to our initial public offering and include professional, legal, consulting and accounting fees that are non-recurring and would otherwise not have been incurred

### ***Reconciliation from IFRS to Non-IFRS Results***

The following table outlines stock-based compensation and the related payroll taxes associated with these expenses included in the results of operations for the three months ended June 30, 2019 and 2018:

|                                                          | <b>Three months<br/>ended June 30,</b> |               |
|----------------------------------------------------------|----------------------------------------|---------------|
|                                                          | <b>2019</b>                            | <b>2018</b>   |
| <b>(In thousands of US dollars, except percentages)</b>  | <b>\$</b>                              | <b>\$</b>     |
| <b>Gross profit</b>                                      | 15,699                                 | 12,081        |
| % of revenue                                             | 65.2%                                  | 69.1%         |
| add: Stock-based compensation and related payroll taxes  | 240                                    | 23            |
| <b>Non-IFRS gross profit</b>                             | <b>15,939</b>                          | <b>12,104</b> |
| % of revenue                                             | 66.2%                                  | 69.3%         |
| <b>General and administrative expenses</b>               | 4,411                                  | 2,644         |
| % of revenue                                             | 18.3%                                  | 15.1%         |
| less: Stock-based compensation and related payroll taxes | 962                                    | 18            |
| <b>Non-IFRS general and administrative expenses</b>      | <b>3,449</b>                           | <b>2,626</b>  |
| % of revenue                                             | 14.3%                                  | 15.0%         |
| <b>Research and development expenses</b>                 | 6,303                                  | 4,184         |
| % of revenue                                             | 26.2%                                  | 23.9%         |
| less: Stock-based compensation and related payroll taxes | 577                                    | 207           |
| <b>Non-IFRS research and development expenses</b>        | <b>5,726</b>                           | <b>3,977</b>  |
| % of revenue                                             | 23.8%                                  | 22.8%         |
| <b>Sales and marketing expenses</b>                      | 13,040                                 | 8,647         |
| % of revenue                                             | 54.2%                                  | 49.5%         |
| less: Stock-based compensation and related payroll taxes | 1,100                                  | 240           |
| <b>Non-IFRS sales and marketing expenses</b>             | <b>11,940</b>                          | <b>8,407</b>  |
| % of revenue                                             | 49.6%                                  | 48.1%         |