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August 26, 2021

## WeCommerce Reports Second Quarter 2021 Results

VICTORIA, British Columbia, August 26, 2021 -- WeCommerce Holdings Ltd. (“WeCommerce” or “the Company”) (TSXV: WE) today announced its financial results for the three- and six-month periods ended June 30, 2021 (“Q2 2021” and “YTD Q2 2021 respectively”). Currency amounts are in Canadian dollars unless otherwise noted.

### Q2 2021 Financial Results:

	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2021	2020	2021	2020
<b>Revenue</b>				
Recurring subscription revenue	<b>6,111,019</b>	1,417,379	<b>8,390,861</b>	2,572,948
Digital goods revenue	<b>1,963,283</b>	2,485,847	<b>4,134,831</b>	4,232,223
Agency service revenue	<b>1,454,843</b>	1,245,022	<b>3,042,673</b>	2,505,470
	<b>9,529,145</b>	5,148,248	<b>15,568,365</b>	9,310,641
<b>Operating income/(loss)</b>	<b>(497,997)</b>	885,546	<b>(634,113)</b>	1,075,899
<b>Net income/(loss)</b>	<b>(44,675)</b>	507,696	<b>(1,802,651)</b>	647,023
<b>EBITDA<sup>(1)</sup></b>	<b>3,197,425</b>	1,493,139	<b>3,690,093</b>	2,420,581
<b>EBITDA %</b>	<b>34%</b>	29%	<b>24%</b>	26%
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>2,879,409</b>	1,727,065	<b>4,880,383</b>	2,639,083
<b>Adjusted EBITDA %</b>	<b>30%</b>	34%	<b>31%</b>	28%

Notes:

1. See “Non-IFRS financial measures” for further information.

### Q2 2021 Highlights

- Revenue in Q2 2021 was \$9,529,142, an increase of \$4,380,897 or 85% (108% on a constant currency basis<sup>(1)</sup>) compared to Q2 2020.
- Apps segment revenue in Q2 2021 was \$6,111,019, an increase of \$4,693,640 or 331% (385% on a constant currency basis) compared to Q2 2020. Q2 2021 Apps segment revenue includes the results of Foursixty (acquired on June 1, 2020) and Stamped (acquired on April 6, 2021), which contributed revenues of \$1,101,561 and \$3,911,690, respectively, in Q2 2021. Excluding Foursixty and Stamped, Apps segment revenue decreased by \$7,236 or -1% (+10% on a constant currency basis) in Q2 2021 compared to Q2 2020.
- Themes segment revenue in Q2 2021 was \$1,963,283, a decrease of \$522,564 or -21% (-8% on a constant currency basis) compared to Q2 2020.
- Agency segment revenue in Q2 2021 was \$1,454,843, an increase of \$209,821 or 17% (23% on a constant currency basis) compared to Q2 2020.
- Net loss was \$44,675 in Q2 2021 compared to net income of \$507,696 in Q2 2020.



- The net loss for Q2 2021 includes depreciation and amortization costs of \$2,704,273 (Q2 2020: \$703,761) mostly attributable to intangible assets acquired and acquisition costs of \$332,390 in connection with the acquisition of Stamped.
- Cash on hand on June 30, 2021, amounted to \$5,111,176 compared to \$61,193,367 on December 31, 2020. Cash on hand on June 30, 2021, does not include gross proceeds of \$33,720,000 from the bought deal equity financing announced on June 15, 2021 and which closed on July 7, 2021.
- Adjusted EBITDA for Q2 2021 amounted to \$2,879,409 or 30% of revenue, compared to \$1,727,065 or 34% of revenue in Q2 2020.
- On August 24, 2021, the Company closed its previously announced acquisition to acquire substantially all of the assets of Archetype Themes Inc (“Archetype”) for a cash consideration of US\$20 million and contingent consideration of up to \$12 million.
- Based on Archetype’s unaudited financial statements, Archetype generated approximately \$5 million of income before taxes for the trailing twelve month period ended June 30, 2021.

“Our second quarter results reflect continued momentum in our Apps and Agency segments, offset by slight weakness in our Themes segment as merchants awaited changes unveiled at Shopify Unite and normal seasonality returned,” said Chris Sparling, our CEO. “At the end June, Shopify unveiled several substantial changes aimed at supporting and growing the broader Shopify partner ecosystem, including lower commission payments for App and Theme partners. We’re already seeing the benefit of these changes across our businesses and the broader ecosystem.”

“We’d like to thank our colleagues for a strong second quarter,” said Alex Persson, our President and Interim CFO. “During the second quarter, we continued to invest across all teams at Stamped and we’re very pleased with the results thus far. Last but not least, we’re delighted to welcome Archetype to the WeCommerce portfolio.”

Management will host a conference call and webcast on August 26, 2021, at 2:00 pm PT (5:00 pm ET) to discuss the financial results

Live Call: <http://www.directeventreg.com/registration/event/9479637>

Live Webcast: <https://event.on24.com/wcc/r/3193382/603DCEC0BF3635B43D784E3F0AC77C35>

### **Financial Statements**

WeCommerce’s unaudited interim consolidated financial statements and Management’s Discussion and Analysis (“MD&A”) for Q2 2021 are available on the Company’s Website at <https://www.wecommerce.co> or on SEDAR at [www.sedar.com](http://www.sedar.com).

### **About WeCommerce Holdings Ltd**

WeCommerce is a holding company that owns a family of companies and brands in the Shopify partner ecosystem, including Pixel Union, Out of the Sandbox, Archetype Themes, Yopify, SuppleApps, Rehash, Stamped and Foursixty. The Company’s primary focus is to build, grow and acquire businesses that serve the Shopify Partner ecosystem. These businesses consist largely of Software as a Service, Digital Goods and Services businesses. Generally, these businesses build Apps and Themes and run Agencies that support Shopify merchants.

WeCommerce is focused on acquiring businesses with growth potential, a sustainable competitive advantage and that are, or have the potential to become, a leader within their particular market. The



Company targets businesses within the Shopify ecosystem due to its confidence in the Shopify platform, the fragmented nature of the ecosystem and the attractive economics that the businesses generally exhibit. As one of Shopify's first partners since 2010, WeCommerce believes it is well positioned to continue to identify acquisition opportunities in the Shopify Partner ecosystem.

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### **Non-IFRS financial measures**

This news release makes reference to certain non-IFRS measures. These measures are not recognised 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. We use non-IFRS measures including "EBITDA" and "Adjusted EBITDA" and "Constant Currency". Management uses these 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. As required by Canadian securities laws, we reconcile these non-IFRS measures to the most comparable IFRS measures in our MD&A for Q2 2021.

### **Forward looking Information**

*This news release contains certain forward-looking statements and forward-looking information within the meaning of applicable securities law. Such forward-looking statements and information include, but are not limited to, statements or information with respect to: the Company's future business and strategies; its ability to identify and acquire targets in the Shopify partner; funds available, and uses of funds, and future capital expenditures and other expenses for specific operations.*

*Forward-looking information is frequently characterized by words such as "plan", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Although the Company's management believes that the assumptions made and the expectations represented by such statement or information are reasonable, there can be no assurance that a forward-looking statement or information referenced herein will prove to be accurate. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include risks relating to reliance on the Shopify platform; the Company's limited operating history; reliance on management and key employees; conflicts of interest in relation to the Company's officers, directors, and consultants; additional financing requirements; resale of Common Shares in the publicly-traded market; market price fluctuations for the Common Shares; global financial conditions; management of growth; risks associated with the Company's strategy of growth through acquisitions; the ability to identify and enhance the value of acquisitions and the resulting impact on Adjusted EBITDA; tax risks; currency fluctuations; competitive markets; uncertainty and adverse changes in the economy; unsustainability of the Company's rapid growth and inability to attract new customers, retain revenue from existing merchants, and increase sale to both*



*new and existing customers; adverse effects on the Company's revenue growth and profitability due to inability to attract new customers or sell additional products to existing customers; future results of operations being harmed due to declines in recurring revenue or contracts not being renewed; security and privacy breaches; changes in client demand; challenges to the protection of intellectual property; infringement of intellectual property; ineffective operations through mobile devices, which are increasingly being used to conduct commerce; and risks associated with internal controls over financial reporting. The Company undertakes no obligation to update forward-looking statements and information if circumstances or management's estimates should change except as required by law. The reader is cautioned not to place undue reliance on forward-looking statements and information. More detailed information about potential factors that could affect results is included in the documents that may be filed from time to time with the Canadian securities regulatory authorities by the Company.*

*For a more detailed discussion of certain of these risk factors, see the Company's most recent Management's discussion and Analysis ("MD&A") described in "Risk Factors" as well as the list of risk factors in the Company's Annual Information Form available on SEDAR at [www.sedar.com](http://www.sedar.com) under the Company's profile.*

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