



Docebo Reports First Quarter 2021 Results

Revenue growth of 61% and Annual Recurring Revenue ("ARR") growth of 60% driven by strong new logo performance and customer expansions

TORONTO, ONTARIO - May 13, 2021 - Docebo Inc. (NASDAQ: DCBO; TSX:DCBO) ("Docebo" or the "Company"), a leading artificial intelligence (AI)-powered learning suite, today announced financial results for the three months ended March 31, 2021. All amounts are expressed in US dollars unless otherwise stated.

"As enterprises develop learning programs to train internal employees, partners and customers today, and in a post-pandemic world, digital learning remains at the center of their long-term strategy. We are seeing this unfold through the actions of our customers and the strength of our pipeline," said Claudio Erba CEO and Founder of Docebo. "Our first quarter was particularly rewarding as growth in both revenue and ARR growth eclipsed 60% for the first time in our life as a public company driven by record customer expansion activity and continued strength in new logo activity and OEM sales."

Added Mr. Erba, "I am particularly excited about the initiatives underway in 2021 that set Docebo's foundation for the future. The launch of the Docebo Learning Suite to address challenges across the entire learning lifecycle, the addition of three new OEM agreements subsequent to quarter end and the ongoing investments we are making in our sales and marketing organization are all levers we have to drive strong returns on our capital and continued business momentum."

First Quarter 2021 Financial Highlights

- Revenue of \$21.7 million, an increase of 61% from the comparative period in the prior year
- Subscription revenue of \$19.8 million, representing 91% of total revenue, and an increase of 62% from the comparative period in the prior year
- Gross profit of \$17.9 million, or 82% of revenue, a 300 bps improvement from the comparative period in the prior year
- Net loss of \$5.6 million, or \$0.17 per share, compared to net income of \$0.7 million, or \$0.03 per share (\$0.03 per diluted share), for the comparative period in the prior year
- Annual Recurring Revenue^{1,2} as at March 31, 2021 of \$83.4 million, an increase of \$31.3 million from \$52.1 million at the end of the first quarter of 2020, or an increase of 60%
- Negative Adjusted EBITDA² of \$2.5 million, or 11% of revenue, compared to negative \$2.4 million or 18% of revenue, for the comparative period in the prior year
- Negative cash flow generated from operating activities of \$2.2 million, compared to negative \$2.5 million for the comparative period in the prior year
- Negative free cash flow² of \$2.4 million compared to negative \$2.7 million for the comparative period in the prior year
- Cash and cash equivalents of \$217.4 million as at March 31, 2021 compared to \$219.7 million as at December 31, 2020

¹ Please refer to "Key Performance Indicators" section of this press release.

² Please refer to "Non-IFRS Measures and Reconciliation of Non-IFRS Measures" section of this press release.

First Quarter 2021 Business Highlights

- Docebo is now used by 2,333 customers, an increase from 1,831 customers at the end of March 31, 2020
- Strong growth in average contract value, calculated as total Annual Recurring Revenue divided by the number of active customers, increasing from \$28,454 to \$35,739
- Signed a new customer agreement with Lightspeed POS to launch a multi-audience learning use case that includes their internal employees as well as customers
- Signed new customer agreements in the sports vertical with First Tee and Spurs Sports and Entertainment in the first quarter of 2021, and the Toronto Blue Jays in the fourth quarter of 2020, providing easy access to team branded learnings, tools and resources
- Signed a customer expansion agreement with ClearCorrect, a Straumann Group brand and customer since 2017 that has grown its program and shown a significant increase in learner engagement, leading to the expansion of the platform to other countries like Brazil in the first quarter

- Launched the Docebo Learning Suite including Docebo Learn LMS, Docebo Shape, Docebo Content, and Docebo Learning Impact, providing a comprehensive learning technology platform that extends beyond content delivery to address challenges across the entire learning lifecycle
- Docebo Learning Suite coincided with the launch of Docebo Shape, a content creation product built on AI
- Joined the Amazon Web Services (AWS) ISV Partner Path, broadening our market reach by tapping into a number of tailored programs to access AWS' resources and partner network
- Subsequent to quarter end added a new OEM partnership agreement with Vartopia, a partnership agreement Vinsys, and expanded partnerships with Bluewater and MHR.

First Quarter 2021 Results

Selected Financial Measures

	Three months ended March 31,			
	2021	2020	Change	Change
	\$	\$	\$	%
Subscription Revenue	19,775	12,198	7,577	62.1 %
Professional Services	1,967	1,332	635	47.7 %
Total Revenue	21,742	13,530	8,212	60.7 %
Gross Profit Margin	17,878	10,697	7,181	67.1 %
Percentage of Total Revenue	82.2 %	79.1 %		

Key Business Indicators

	As at March 31,			
	2021	2020	Change	Change %
Annual Recurring Revenue (in millions of US dollars)	83.4	52.1	31.3	60.1 %
Average Contract Value (in thousands of US dollars)	35.7	28.5	7.2	25.3 %
Customers	2,333	1,831	502	27.4 %

Non-IFRS Metrics

	Three months ended March 31,			
	2021	2020	Change	Change
	\$	\$	\$	%
Adjusted EBITDA	(2,473)	(2,389)	(84)	3.5 %
Free Cash Flow	(2,354)	(2,707)	353	(13.0)%

Conference Call

Management will host a conference call on Thursday, May 13, 2021 at 8:00 am ET to discuss these first quarter results. To access the conference call, please dial 416-764-8688 or 1-888-390-0546. The unaudited condensed consolidated interim financial statements for the three months ended March 31, 2021 and Management's Discussion & Analysis for the same period have been filed on SEDAR at www.sedar.com and on EDGAR at www.sec.gov. Alternatively, these documents along with a presentation in connection with the conference call can be accessed online at <https://investors.docebo.com>.

An archived recording of the conference call will be available until May 20, 2021 and for 90 days on our website. To listen to the recording, call 416-764-8677 or 1-888-390-0541 and enter passcode 820926.

Forward-looking Information

This press 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 future financial outlook and anticipated events or results and may include information regarding our financial position, business strategy, the impact of COVID-19 on our business, 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”, “is expected”, “an opportunity exists”, “budget”, “scheduled”, “estimates”, “outlook”, “forecasts”, “projection”, “prospects”, “strategy”, “intends”, “anticipates”, “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will”, “occur” or “be achieved”, and similar words or 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.

This forward-looking information includes, but is not limited to, statements regarding the Company’s business; future financial position and business strategy; the learning management industry; our growth rates and growth strategies; addressable markets for our solutions; the achievement of advances in and expansion of our platform; expectations regarding our revenue and the revenue generation potential of our platform and other products; our business plans and strategies; and our competitive position in our industry. This forward-looking information is based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. Certain assumptions include: our ability to build our market share and enter new markets and industry verticals; our ability to retain key personnel; our ability to maintain and expand geographic scope; our ability to execute on our expansion plans; our ability to continue investing in infrastructure to support our growth; our ability to obtain and maintain existing financing on acceptable terms; our ability to execute on profitability initiatives; currency exchange and interest rates; the impact of competition; the effectiveness of mitigation strategies undertaken with respect to COVID-19, and the severity, duration and impacts of COVID-19 on the economy and our business, which is highly uncertain and cannot reasonably be predicted; our ability to respond to the changes and trends in our industry or the global economy; and the changes in laws, rules, regulations, and global standards are material factors made in preparing forward-looking information and management’s expectations.

Forward-looking information is necessarily based on a number of opinions, estimates and assumptions that, while considered by the Company to be appropriate and reasonable as of the date of this press release, 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 Company’s ability to execute its growth strategies;
- the impact of changing conditions in the global corporate e-learning market;
- increasing competition in the global corporate e-learning market in which the Company operates;
- fluctuations in currency exchange rates and volatility in financial markets;
- the extent of the impact of COVID-19 and measures taken to contain the virus on our results of operations and overall financial performance;
- changes in the attitudes, financial condition and demand of our target market;
- developments and changes in applicable laws and regulations; and
- such other factors discussed in greater detail under the “Risk Factors” section of our Annual Information Form dated March 10, 2021 (“AIF”), which is available under our profile on SEDAR at 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. The opinions, estimates or assumptions referred to above and described in greater detail in the “Summary of Factors Affecting our Performance” section of our MD&A for the three months ended March 31, 2021 and in the “Risk Factors” section of our AIF, should be considered carefully by prospective investors.

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 press release represents our expectations as of the date specified

herein, 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 press release is expressly qualified by the foregoing cautionary statements.

Additional information relating to Docebo, including our Annual Information Form, can be found on SEDAR at www.sedar.com.

About Docebo

Docebo is redefining the way enterprises leverage technology to create and manage content, deliver training, and understand the business impact of their learning experiences. With Docebo's multi-product learning suite, enterprises around the world are equipped to tackle any learning challenge and create a true learning culture within their organization.

For further information, please contact:

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Results of Operations

The following table outlines our unaudited condensed consolidated interim statements of (loss) income and comprehensive loss for the following periods:

	Three months ended March 31,	
	2021	2020
(In thousands of US dollars, except per share data)	\$	\$
Revenue	21,742	13,530
Cost of revenue	3,864	2,833
Gross profit	17,878	10,697
Operating expenses		
General and administrative	7,437	4,293
Sales and marketing	9,119	5,885
Research and development	4,143	2,908
Share-based compensation	378	370
Foreign exchange loss (gain)	1,951	(3,714)
Depreciation and amortization	474	238
Operating (loss) income	(5,624)	717
Finance income, net	(2)	(83)
Other income	(21)	(19)
(Loss) income before income taxes	(5,601)	819
Income tax expense	43	76
Net (loss) income for the period	(5,644)	743
Other comprehensive (income) loss		
Item that may be reclassified subsequently to income:		
Exchange (gain) loss on translation of foreign operations	(2,114)	3,342
Comprehensive loss	(3,530)	(2,599)

(Loss) income per share - basic	(0.17)	0.03
(Loss) income per share - diluted	(0.17)	0.03
Weighted average number of common shares outstanding - basic	32,781,080	28,530,300
Weighted average number of common shares outstanding - diluted	32,781,080	29,556,808

Key Statement of Financial Position Information

(In thousands of US dollars, except percentages)	March 31, 2021	December 31, 2020	Change	Change
	\$	\$	\$	%
Cash and cash equivalents	217,384	219,658	(2,274)	(1.0)%
Total assets	254,714	254,244	470	0.2 %
Total liabilities	57,457	53,938	3,519	6.5 %
Total long-term liabilities	7,697	8,211	(514)	(6.3)%

Non-IFRS Measures and Reconciliation of Non-IFRS Measures

This press release makes reference to certain non-IFRS measures including key performance indicators used by management and typically used by our competitors in the software-as-a-service (“SaaS”) industry. These measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and are therefore not necessarily 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 and SaaS metrics are used to provide investors with supplemental measures of our operating performance and liquidity and thus highlight trends in our 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, including SaaS industry metrics, in the evaluation of companies in the SaaS industry. Management also uses non-IFRS measures and SaaS industry metrics in order to facilitate operating performance comparisons from period to period, the preparation of annual operating budgets and forecasts and to determine components of executive compensation. The non-IFRS measures and SaaS industry metrics referred to in this press release include “Annual Recurring Revenue”, “Adjusted EBITDA” and “Free Cash Flow”.

Key Performance Indicators

We recognize subscription revenues ratably over the term of the subscription period under the provisions of our agreements with customers. The terms of our agreements, combined with high customer retention rates, provides us with a significant degree of visibility into our near-term revenues. Management uses a number of metrics, including the ones identified below, to measure the Company’s performance and customer trends, which are used to prepare financial plans and shape future strategy. Our key performance indicators may be calculated in a manner different than similar key performance indicators used by other companies.

- Annual Recurring Revenue:** We define Annual Recurring Revenue as the annualized equivalent value of the subscription revenue of all existing contracts (including Original Equipment Manufacturer (“OEM”) contracts) as at the date being measured, excluding non-recurring implementation, support and maintenance fees. Our customers generally enter into one to three year contracts which are non-cancellable or cancellable with penalty. Accordingly, our calculation of Annual Recurring Revenue assumes that customers will renew the contractual commitments on a periodic basis as those commitments come up for renewal. Subscription agreements may be subject to price increases upon renewal reflecting both inflationary increases and the additional value provided by our solutions. In addition to the expected increase in subscription revenue from price increases over time, existing customers may subscribe for additional features, learners or services during the term. We believe that this measure provides a fair real-time measure of performance in a subscription-based environment. Annual Recurring Revenue provides us with visibility for consistent and predictable growth to our cash flows. Our strong total revenue growth coupled with increasing Annual Recurring Revenue indicates the continued strength in the expansion of our business and will continue to be our focus on a go-forward basis.

Annual Recurring Revenue was as follows as at March 31:

	2021	2020	Change	Change %
Annual Recurring Revenue (in millions of US dollars)	83.4	52.1	31.3	60.1%

Adjusted EBITDA

Adjusted EBITDA is defined as net (loss) income excluding taxes (if applicable), net finance (income) expense, depreciation and amortization, loss on disposal of assets (if applicable), share-based compensation, foreign exchange gains and losses, and transaction related expenses.

The following table reconciles Adjusted EBITDA to net (loss) income for the periods indicated:

(In thousands of US dollars)	Three months ended March 31,	
	2021	2020
	\$	\$
Net (loss) income	(5,644)	743
Finance income, net ⁽¹⁾	(2)	(83)
Depreciation and amortization ⁽²⁾	474	238
Income tax expense	43	76
Share-based compensation ⁽³⁾	378	370
Other income ⁽⁴⁾	(21)	(19)
Foreign exchange loss (gain) ⁽⁵⁾	1,951	(3,714)
Transaction related expenses ⁽⁶⁾	348	—
Adjusted EBITDA	(2,473)	(2,389)

Notes:

- (1) Finance income for the three months ended March 31, 2021 and 2020 is primarily related to interest income earned on the net proceeds from the IPOs as the funds are held within short-term investments in highly liquid marketable securities which is offset by interest expenses incurred on lease obligations and contingent consideration.
- (2) Depreciation and amortization expense is primarily related to depreciation expense on right-of-use assets ("ROU assets"), property and equipment and intangible assets.
- (3) These expenses represent non-cash expenditures recognized in connection with the issuance of share-based compensation to our employees and directors.
- (4) Other income is primarily comprised of rental income from subleasing office space.
- (5) These non-cash gains and losses relate to foreign exchange loss (gain).
- (6) These expenses relate to our IPO and acquisition related retention incentive costs. IPO costs include professional, legal, consulting and accounting fees that are non-recurring and would otherwise not have been incurred and are not considered an expense indicative of continuing operations.

Free Cash Flow

Free Cash Flow is defined as cash (used in) from operating activities less additions to property and equipment and intangible assets. The following table reconciles our cash flow used in operating activities to Free Cash Flow:

(In thousands of US dollars)	Three months ended March 31,	
	2021	2020
	\$	\$
Cash flow used in operating activities	(2,183)	(2,544)
Additions to property and equipment	(171)	(163)
Free Cash Flow	(2,354)	(2,707)