MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THIRD QUARTER ENDED DECEMBER 31, 2017

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The following Management's Discussion and Analysis ("MD&A"), which has been prepared as at February 13, 2018, of the financial position and operating results of Mediagrif Interactive Technologies Inc. ("Mediagrif" or the "Corporation") should be read in conjunction with the unaudited Interim Condensed Consolidated Financial Statements and accompanying notes thereto for the period ended December 31, 2017, as well as the Corporation's MD&A, audited consolidated financial statements and accompanying notes thereto for the year ended March 31, 2017. This management's discussion and analysis compares performance for the quarters ended December 31, 2017 and 2016. The Corporation prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS"). Unless indicated otherwise, all dollar amounts are expressed in Canadian dollars. This MD&A was approved by the Board of Directors of Mediagrif.

In addition to providing profit measures in accordance with IFRS, the Corporation's statement of income shows operating profit and earnings before interest, taxes, depreciation, amortization, foreign exchange gain (loss) and other revenues (expenses) ("Adjusted EBITDA") as supplementary earnings measures. Operating profit and adjusted EBITDA are not intended to be measures that should be regarded as an alternative to other financial operating performance measures prepared in accordance with IFRS. Those measures do not have a standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. Operating profit and adjusted EBITDA are provided to assist investors in determining the Corporation's ability to generate profitability from its operations and to evaluate its financial performance.

This MD&A contains certain forward-looking statements with respect to the Corporation. Verbs such as "believe," "expect," "anticipate", "estimate" and other similar expressions, in addition to the negative forms of these terms or any variations thereof, appearing in this report generally indicate forward-looking statements. These statements, by their nature, necessarily involve risks and uncertainties that could cause actual results to differ materially from those expected by these forward-looking statements. The Corporation considers the assumptions on which these forward-looking statements are based to be reasonable, but cautions the reader that these assumptions regarding future events, many of which are beyond the control of the Corporation, may ultimately prove to be incorrect since they are subject to the risks and uncertainties that affect the Corporation. The Corporation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities legislation.

CORPORATION PROFILE

Mediagrif (TSX: MDF) is a Canadian leader in information technology, owner of several recognized web and mobile platforms including MERX, BidNet, ASC, Orckestra, InterTrade, Jobboom, LesPAC, Réseau Contact and Carrus. Mediagrif's e-commerce solutions are used by millions of consumers and businesses in North America and around the world. The Corporation has offices in Canada, the United States, Denmark and China.

MISSION STATEMENT

Our mission is to provide to our customers innovative and efficient technological solutions. In doing so, we seek to create value for our customers, our employees and our shareholders.

FINANCIAL HIGHLIGHTS – THIRD QUARTER ENDED DECEMBER 31, 2017

- Revenues increased 6.2% to reach $20.5 million for the third quarter of 2018, compared to $19.3 million for the third quarter of 2017.
- Adjusted EBITDA[1] of $6.1 million including non-recurring charges of $0.4 million composed essentially of retention incentives and professional fees.
- Cash flows generated by operating activities amounted to $6.6 million.
- Repayment of $4.0 million on the revolving credit facility during the quarter.
- Profit of $1.0 million ($0.06 per share) including a non-cash non-recurring income tax expense of $1.4 million ($0.09 per share) for the third quarter of 2018 after the U.S. enacted a tax reform on January 1, 2018. During the corresponding quarter of fiscal 2017, profit totalled $4.0 million ($0.27 per share).

[1] See reconciliation of Adjusted EBITDA and profit.

RECENT EVENT

On June 23, 2017, the Corporation acquired substantially all of the assets of Orckestra Inc. ("Orckestra"), an entity based in Montreal, Canada for a cash consideration of $1.5 million net of acquired cash. The Corporation has also assumed certain liabilities and has committed to pay retention incentives to Orckestra employees for a total amount of $1.0 million during a twelve-month period following the acquisition. The acquisition was financed in its entirety by the Corporation's Credit Facility.

Orckestra is a leading provider of digital unified commerce and omnichannel retail solutions. With this acquisition, the Corporation will be integrating the fast-growing unified retail commerce sector. The unique and innovative technological platform combined with potential synergies between the Corporation's e-commerce development and expertise were also determinant in this acquisition.

The Corporation recorded the acquisition of Orckestra in accordance with IFRS 3. Therefore, the unaudited interim financial results for period ending December 31, 2017 include the results from Orckestra. The Corporation made a preliminary purchase price allocation between the assets acquired and the liabilities assumed in light of the relevant information available to date.

Note 7 of the Unaudited Interim Condensed Consolidated Financial Statements for period ending December 31, 2017 includes a summary of the estimated fair value of the assets acquired and the liabilities assumed at the date of the acquisition and the related goodwill.

The total acquisition-related costs amounted to $0.3 million and are included in General and administrative expenses in the Interim Condensed Consolidated Statements of Income.

Impact of the business combination on the Corporation's financial performance

The Corporation's profit for the three-month period ended December 31, 2017 includes $1.2 million in revenues and a net loss of $1.0 million generated by Orckestra additional business. The Corporation's profit for the nine-month period ended December 31, 2017 includes $2.5 million in revenues and a net loss of $1.7 million generated by Orckestra's additional business.

If this business combination had been completed on April 1, 2017, the Corporation's consolidated revenues for the nine months ended December 31, 2017 would have totalled $61.8 million. The consolidated profit for the nine months ended December 31, 2017, would have totalled $4.7 million including an additional amortization expense of $0.1 million. The Corporation considers the pro forma figures to represent an approximate measurement of the financial performance of the combined business over a nine-month period. However, pro forma information does not account for synergies or changes to historical transactions and is not necessarily indicative of the profit of the Corporation if the acquisition had actually occurred on April 1, 2017, nor of the profit that may be achieved in the future.

At the date of its acquisition, Orckestra was not profitable and the Corporation anticipates a positive contribution from this acquisition within the next fiscal year.

CONSOLIDATED STATEMENTS OF INCOME AND SELECTED FINANCIAL INFORMATION

In thousands of Canadian dollars, except per share amounts. *Unaudited and not reviewed by independent auditors.*	Three months ended December 31 2017 $	 2016 $	Nine months ended December 31 2017 $	 2016 $
REVENUES	**20,456**	19,267	**60,458**	57,742
GROSS MARGIN	**16,423**	15,536	**48,649**	46,604
OPERATING EXPENSES				
General and administrative	**2,714**	2,453	**8,184**	7,037
Selling and marketing	**4,046**	4,312	**12,865**	12,204
Technology	**5,869**	3,593	**16,103**	10,495
TOTAL OPERATING EXPENSES	**12,629**	10,358	**37,152**	29,736
OPERATING PROFIT	**3,794**	5,178	**11,497**	16,868
Other revenues (other expenses), net amount	**62**	236	**(1,055)**	348
Financial expenses	**(306)**	(293)	**(814)**	(759)
Share of profit of a joint venture	**55**	32	**154**	90
Income tax expense	**(2,653)**	(1,168)	**(4,704)**	(4,284)
PROFIT	**952**	3,985	**5,078**	12,263
ADJUSTED EBITDA (see reconciliation of adjusted EBITDA and profit)	**6,085**	7,090	**17,753**	22,170
CASH FLOWS GENERATED BY OPERATING ACTIVITIES	**6,580**	5,111	**10,813**	15,452
EARNINGS PER SHARE – BASIC AND DILUTED	**0.06**	0.27	**0.34**	0.82
Declared dividends per share	**0.10**	0.10	**0.30**	0.30
Weighted average number of shares outstanding (in thousands):				
Basic and diluted	**14,849**	14,999	**14,876**	14,999

In thousands of Canadian dollars. *Unaudited and not reviewed by independent auditors.*	December 31, 2017 $	March 31, 2017 $
TOTAL ASSETS	**208,219**	209,321
LONG-TERM DEBT	**30,902**	31,451

RECONCILIATION OF ADJUSTED EBITDA AND PROFIT	**Three months ended December 31**		**Nine months ended December 31**	
In thousands of Canadian dollars. Unaudited and not reviewed by independent auditors.	**2017 $**	**2016 $**	**2017 $**	**2016 $**
PROFIT	**952**	3,985	**5,078**	12,263
Income tax expense	**2,653**	1,168	**4,704**	4,284
Depreciation of property, plant and equipment and amortization of intangible assets	**845**	644	**2,417**	1,891
Amortization of acquired intangible assets	**1,424**	1,268	**3,789**	3,573
Amortization of deferred financing costs	**10**	10	**30**	30
Amortization of deferred lease inducement	**(33)**	(32)	**(104)**	(252)
Foreign exchange loss (gain)	**(62)**	(236)	**1,055**	(519)
Interest on long-term debt	**296**	283	**784**	729
Loss on disposal of property, plant and equipment	**-**	-	**-**	171
ADJUSTED EBITDA	**6,085**	7,090	**17,753**	22,170

Adjusted EBITDA represents earnings before interest, taxes, depreciation, amortization, foreign exchange gain (loss) and other revenues (expenses) as historically calculated by the Corporation.

THREE-MONTH PERIOD ENDED DECEMBER 31, 2017, "THIRD QUARTER OF FISCAL 2018" COMPARED TO THE THREE-MONTH PERIOD ENDED DECEMBER 31, 2016, "THIRD QUARTER OF FISCAL 2017"

REVENUES

For the third quarter of fiscal 2018, revenues totalled $20.5 million, an increase of 6.2% or $1.2 million compared to the third quarter of fiscal 2017. This revenue increase is mainly explained as follows:

- Addition of revenues from Orckestra for an amount of $1.2 million including $0.5 million of revenues from software development.
- Increase in revenues from InterTrade for an amount of $0.1 million mainly due to an increase of transactions on the Value Added Network "VAN".
- Increase in revenues from BidNet for an amount of $0.1 million primarily attributable to higher average revenues per customer using the value-added services offering.
- Increase in revenues from Carrus and ASC for an amount of $0.3 million primarily due to additional software development revenues.
- In LesPAC, the increase of advertising revenues and value added services did offset the impact of the free ad posting strategic initiative launched on March 1, 2017. Therefore, revenues remained stable when compared to the third quarter of fiscal 2017.
- Decrease in revenues from Jobboom for an amount of $0.2 million during the third quarter of 2018 mainly due to price adjustments reflecting market conditions.

- Decrease in revenues from The Broker Forum and Réseau Contact for a total amount of $0.2 million mainly due to a decline in the number of members.

During the third quarters of fiscals 2018 and 2017, revenues earned in Canadian dollars represented 57% of total revenues.

COSTS OF REVENUES

Cost of revenues totalled $4.0 million during the third quarter of fiscal 2018 compared to $3.7 million during the third quarter of fiscal 2017. The increase is mainly due to the addition of Orckestra activities for $0.4 million partially offset by a decrease in licence and software maintenance expenses for an amount of $0.1 million.

GROSS MARGIN

Based on the information above, gross margin for the third quarter of fiscal 2018 decreased to 80.3% compared to 80.6% during the third quarter of fiscal 2017.

OPERATING EXPENSES

Operating expenses for the third quarter of fiscal 2018 totalled $12.6 million, compared to $10.4 million for the third quarter of fiscal 2017. Changes in operating expenses are explained as follows:

- General and administrative expenses totalled $2.7 million during the third quarter of fiscal 2018 compared to $2.5 million during the third quarter of fiscal 2017. The increase is mainly due to the addition of Orckestra expenses of $0.2 million mainly due to labour costs.

- Selling and marketing expenses totalled $4.0 million during the third quarter of fiscal 2018, compared to $4.3 million for the third quarter of fiscal 2017. The decrease is mainly attributable to lower advertising and promotion expenses of $0.2 million, to lower selling and marketing labour costs of $0.2 million and to lower amortization of acquired intangible assets for an amount of $0.1 million. During the third quarter of 2018, Orckestra's sales and marketing expenses amounted to $0.2 million.

- Technology expenses totalled $5.9 million during the third quarter of fiscal 2018, compared to $3.6 million during the corresponding quarter of 2017. This increase is mainly due to the addition of Orckestra expenses of $1.6 million (including $0.2 million in retention incentives), the increase in technology labour costs of $0.3 million and to the increase in software maintenance and licence fees of $0.1 million. Moreover, during the third quarter of fiscal 2018, amortization expenses on tangible assets increased by $0.2 million when compared to the third quarter of fiscal 2017.

OPERATING PROFIT

Based on the information above, operating profit reached $3.8 million during the third quarter of fiscal 2018, compared to $5.2 million during the third quarter of fiscal 2017.

FOREIGN EXCHANGE

During the third quarter of fiscal 2018, the Corporation realized a foreign exchange gain on assets denominated in U.S. dollars of $0.1 million, compared to a foreign exchange gain of $0.2 million during the third quarter of fiscal 2017.

FINANCIAL EXPENSES

Financial expenses remained stable at $0.3 million during the third quarter of fiscal 2018 compared to the corresponding period of fiscal 2017. These costs consist primarily of interest expenses and standby fees on the long-term debt and amortization of deferred financing costs.

INCOME TAX EXPENSE

For the third quarter of fiscal 2018, the income tax expense totalled $2.7 million, representing an effective tax rate of 73.6%, compared to the statutory rate of 26.78%. During the third quarter of fiscal 2017, the effective tax rate stood at 22.7% compared to a statutory rate of 26.9%.

During the third quarter of fiscal 2018, the significant increase in the effective tax rate compared to the statutory tax rate is due to the US tax reform announced on December 22, 2017. This reform lowers the corporation income tax rate from 35% to 21% beginning on January 1, 2018. Consequently, the deferred tax assets of the Corporation, mostly consisting of U.S. tax deferred losses, have been reduced by $1.4 million to reflect this rate decrease.

The Corporation expects the U.S. corporate tax rate reduction to have a positive impact on its profit for future fiscal years.

During the third quarter of fiscal 2017, the decrease in the effective tax rate compared to the statutory tax rate was mainly due to the fact that some of the Corporation's foreign exchange gains are not taxable.

PROFIT

Profit for the third quarter of fiscal 2018 totalled $1.0 million ($0.06 per share) including a non-recurring income tax expense of $1.4 million after the U.S. enacted a tax reform on January 1, 2018. During the third quarter of fiscal 2017, profit totalled $4.0 million ($0.27 per share).

NINE-MONTH PERIOD ENDED DECEMBER 31, 2017 "FIRST NINE MONTHS OF FISCAL 2018" COMPARED TO THE NINE-MONTH PERIOD ENDED DECEMBER 31, 2016 "FIRST NINE MONTHS OF FISCAL 2017"

REVENUES

For the first nine months of fiscal 2018, revenues reached $60.5 million, an increase of 4.7% or $2.7 million when compared to the first nine months of fiscal 2017. This increase in revenues was mainly due to the following items:

- Addition of revenues from Orckestra for an amount of $2.5 million since the acquisition on June 23, 2017.
- The addition of ASC revenues for an amount of $4.2 million (including $0.7 million in software development revenues) for a full nine-month period compared to revenues of $2.8 million recorded during the seven-month period following its acquisition on May 31, 2016.
- Increase in revenues from InterTrade for an amount of $0.6 million mainly related to higher average revenues of existing clients of $0.2 million due to additional cross-selling opportunities, to higher software development revenues of $0.2 million and to a rise in the number of transactions on the Value Added Network "VAN" for an amount of $0.2 million.
- Increase in revenues from BidNet for an amount of $0.2 million primarily attributable to higher average revenue per client using the value-added services offering.
- Increase of $0.7 million in revenues attributable to higher average exchange rates on exchange contracts and market exchange rates for the U.S. dollar against the Canadian dollar.

- Decrease in revenues from Jobboom for an amount of $0.7 million during the first nine months of fiscal 2018 mainly due to price adjustments reflecting market conditions amounting to $0.6 million and to lower advertising revenue for an amount of $0.1 million.

- Decrease in revenues from LesPAC of $0.9 million due to lower revenues from classified ads for an amount of $0.8 million and to lower advertising revenues of $0.1 million. The decrease in classified ads revenues is mainly due to the launch on March 1, 2017 of permanent free ad posting to consumers on several ad categories.

- Decrease in revenues from MERX for an amount of $0.3 million mostly related to a reduction in the demand for printed documents.

- Decrease in revenues from The Broker Forum and Réseau Contact for a total amount of $0.6 million primarily due a decline in the number of members of those platforms.

During the first nine months of fiscal 2018, revenues earned in Canadian dollars represented 57% of the total revenues compared to 59% during the first nine months of 2017.

COSTS OF REVENUES

Cost of revenues totalled $11.8 million during the first nine months of fiscal 2018 compared to $11.1 million during the first nine months of fiscal 2017. This increase is primarily due to the additional business from Orckestra for an amount of $0.7 million including primarily hosting expenses for an amount of $0.5 million and labor costs of $0.1 million.

GROSS MARGIN

Based on the information above, gross margin for the first nine months of fiscal 2018 slightly decreased to 80.5%, compared to 80.7% during the first nine months of fiscal 2017.

OPERATING EXPENSES

Operating expenses for the first nine months of fiscal 2018 totalled $37.2 million, compared to $29.7 million for the first nine months of fiscal 2017. Changes in operating expenses are explained as follows:

- General and administrative expenses totalled $8.2 million during the first nine months of fiscal 2018 compared to $7.0 million for the first nine months of fiscal 2017. This increase is mainly due to the addition of Orckestra expenses in the amount of $0.8 million (including $0.3 million in retention incentives and termination benefits) and to professional services expenses mainly related to the acquisition of Orckestra for an amount of $0.3 million and to additional labour costs of $0.1 million.

- Selling and marketing expenses totalled $12.9 million during the first nine months of fiscal 2018, compared to $12.2 million for the first nine months of fiscal 2017. The increase in selling and marketing expenses is mainly due to the addition of Orckestra expenses for an amount of $0.4 million, to termination benefits of $0.3 million, to labour costs in selling and marketing of $0.2 million and to higher advertising expenses of $0.1 million. These increases were partially offset by lower amortization of acquired intangible assets for an amount of $0.3 million.

- Technology expenses totalled $16.1 million during the first nine months of fiscal 2018, compared to $10.5 million during the first nine months of fiscal 2017. The increase is mainly due to the addition of Orckestra expenses for $2.8 million (including $0.3 million in retention incentives), to the increase of labour

costs for an amount of $1.3 million and to the increase of licence and software maintenance fees of $0.5 million. The Corporation also recorded additional amortization expenses of $0.8 million.

OPERATING PROFIT

Based on the information above, operating profit amounted to $11.5 million during the first nine months of fiscal 2018, compared to $16.9 million during the first nine months of fiscal 2017.

FOREIGN EXCHANGE

During the first nine months of fiscal 2018, the Corporation realized a foreign exchange loss on assets denominated in U.S. dollars of $1.1 million, compared to a gain of $0.5 million during the first nine months of fiscal 2017.

FINANCIAL EXPENSES

Financial expenses totalled $0.8 million during the first nine months of fiscal 2018, the same amount as in the corresponding period of fiscal 2017. Financial expenses consist primarily of interest expenses and standby fees on long-term debt and of the amortization of deferred financing costs.

INCOME TAX EXPENSE

For the first nine months of fiscal 2018, income tax expense totalled $4.7 million, representing an effective tax rate of 48.1%, compared to the statutory rate of 26.78%.

During the first nine months of fiscal 2018, the significant increase in the effective tax rate compared to the statutory tax rate is due to the the U.S. tax reform announced on December 22, 2017. This reform lowers the corporate income tax rate from 35% to 21% beginning on January 1, 2018. Consequently, the deferred tax assets of the Corporation, mostly consisting of U.S. tax deferred losses, have been reduced by $1.4 million to reflect this rate decrease.

The Corporation expects the U.S. corporate tax rate reduction to have a positive impact on its profit for future fiscal years.

During the first nine months of fiscal 2017, the effective tax rate stood at 25.9% compared to a statutory rate of 26.9%. The decrease in the effective tax rate compared to the statutory tax rate is mainly due to the fact that some of the Corporation's foreign exchange gains are not taxable.

PROFIT

Profit for the first nine months of fiscal 2018 totalled $5.1 million ($0.34 per share) including a non-recurring tax expense of $1.4 million after the U.S. enacted a tax reform on January 1, 2018, compared to $12.3 million ($0.82 per share) during the first nine months of fiscal 2017.

QUARTERLY PERFORMANCE

Selected quarterly financial information for the eight most recently completed quarters on or before December 31, 2017, is as follows:

	Fiscal 2018			Fiscal 2017				Fiscal 2016
	Q3	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**
Unaudited and not reviewed by independent auditors	**Dec. 31, 2017 $**	**Sept. 30, 2017 $**	**June 30, 2017 $**	**Mar. 31, 2017 $**	**Dec. 31, 2016 $**	**Sept. 30, 2016 $**	**June 30, 2016 $**	**Mar. 31, 2016 $**
Revenues	**20,456**	20,031	19,971	19,996	19,267	19,509	18,966	18,817
Adjusted EBITDA	**6,085**	5,522	6,145	6,384	7,090	8,118	6,962	6,556
Operating profit	**3,794**	3,528	4,175	4,579	5,178	6,159	5,531	5,182
Profit	**952**	1,710	2,416	3,578	3,985	4,544	3,734	2,472
Basic and diluted earnings per share	**0.06**	0.11	0.16	0.24	0.27	0.30	0.25	0.16
Shares outstanding	**14,849**	14,886	14,895	14,975	14,999	14,999	14,999	14,999

In thousands of Canadian dollars, except per share amounts

2018 QUARTERS

- Third quarter ended December 31, 2017: Compared to the second quarter of fiscal 2018 ended September 30, 2017, the revenues increased due to additional software development fees from Carrus for an amount of $0.2 million, to the increase of advertising revenues from LesPac for an amount of $0.1 million and to the increase of $0.1 million in revenues generated by the change in exchange rates between the U.S. dollar and the Canadian dollar.

  Adjusted EBITDA also increased due to higher revenues and to lower termination benefits for an amount of $0.8 million compared to the second quarter of fiscal 2018. Adjusted EBITDA increase has been partially offset by higher advertising expenses and higher salaries and benefits.

  As a result of the above-mentioned factors, operating profit totalled $3.8 million, in line with the increase in adjusted EBITDA for the quarter .

  Profit was negatively affected by an additional income tax expense of $1.4 million ($0.09 per share) after the U.S. enacted a tax reform announced on December 22, 2017 and beginning on January 1st, 2018.

- Second quarter ended September 30, 2017: Compared to the first quarter ended June 30, 2017, the addition of Orckestra revenues in the amount of $1.0 million was offset by a decrease in revenues from Jobboom of $0.3 million and by lower software development revenues from ASC and InterTrade of $0.3 million. In addition, the change in exchange rates between the U.S. dollar and the Canadian dollar generated a decrease of $0.2 million in revenues.

  Adjusted EBITDA decreased during the second quarter mainly due to Orckestra's unprofitable activities for an amount of $1.0 million including an amount of $0.4 million in termination and retention incentives. Additional termination benefits unrelated to Orckestra of $0.6 million were also recorded during the second quarter ended September 30, 2017. Those items were partially offset by lower advertising expenses and lower salaries and benefits.

As a result of the above-mentioned factors, operating profit totalled $3.5 million, in line with the decline in adjusted EBITDA for the quarter .

Profit for the quarter ended September 30, 2017 also decreased due to a unfavorable foreign exchange rate fluctuation on assets denominated in US dollars of $0,7 million compared to the quarter ended June 30, 2017.

- First quarter ended June 30, 2017: Compared to the fourth quarter of fiscal 2017 ended March 31, 2017, revenues remained stable at $20.0 million. Variation in revenues is mostly attributable to an increase in revenues from InterTrade, ASC and Polygon for an amount of $0.1 million each and to additional revenues from Orckestra also for an amount of $0.1 million. These increases were offset by lower revenues from LesPAC for an amount of $0.3 million. This decrease from LesPAC is due to lower advertising revenues of $0.4 million, partially offset by the increase in revenues from classified ads of $0.1 million.

  Adjusted EBITDA and operating profit decreased mainly due to professional fees of $0.3 million related to the acquisition of Orckestra and to the increase of advertising fees of $0.3 million, partially offset by lower salary expenses of $ 0.2 million and by lower commission fees of $0.2 million related to lower advertising revenues.

  Following the decrease in operating profit, profit for the first quarter of 2018 also decreased mainly due to unfavorable foreign exchange fluctuation on assets denominated in US dollars for an amount of $0.3 million. Furthermore, the Corporation recorded an additional income tax expense due to certain foreign exchange losses that are non-deductible and to the impact of the decrease in the Quebec corporate income tax rate and the impact of the income tax adjustment from previous years were all reflected in full during the fourth quarter of fiscal year 2017.

2017 QUARTERS

- Fourth quarter ended March 31, 2017: Compared to the third quarter of fiscal 2017 ended December 31, 2016, revenues mainly increased due to the increase of ASC's revenues in the amount of $0.2 million, the increases in LesPAC and Jobboom revenues of $0.2 million each and also to the increase in revenues from MERX for an amount of $0.1 million.

  Adjusted EBITDA and operating profit decreased mainly due to higher labor costs totalling $1.0 million (including $0.4 million in termination benefits), to a $0.3 million decrease in tax credits and to a $0.1 million increase in sales commissions on advertising revenues.

  Profit also decreased, however, to a lesser extent, as a result of a lower income tax expense during the fourth quarter related to a lower income tax statutory rate.

- Third quarter ended December 31, 2016: Compared to the second quarter ended September 30, 2016, the revenues decreased slightly mainly due to lower setup and implementation revenues of $0.2 million attributable to ASC and to a decrease in LesPAC and Jobboom revenues for an amount of $0.3 million partially offset by an increase in revenues of $0.2 million at InterTrade.

  The adjusted EBITDA and operating profit also decreased mainly due to higher labor costs for an amount of $0.4 million and to higher advertising and promotion activities of $0.5 million.

  Profit also decreased but to a lesser extent due to a lower income tax expense during the third quarter of fiscal 2017.

- Second quarter ended September 30, 2016: Compared to the first quarter ended June 30, 2016, the increase in revenues is attributable to the addition of ASC revenues for a full three-month period, compared to one month in the first quarter, of $1.3 million which was partially offset by a decrease in revenues from LesPAC, of which a portion is due to seasonal variation and Jobboom and MERX for an amount of $0.8 million.

  Adjusted EBITDA increased during the second quarter mainly due to the addition of ASC activities as mentioned above, to lower salaries and benefits of $0.5 million, lower advertising and promotion activities of $0.2 million and to higher tax credits and internally developed software amount of $0.2 million.

  Considering the above mentioned factors, operating profit also increased during the second quarter ended September 30, 2016, however, to a lesser extent, as a result of additional amortization of acquired intangible assets of $0.5 million related to the ASC acquisition.

  Profit in the quarter ended September 30, 2016 also increased due to a favorable foreign exchange rate fluctuation on assets denominated in US dollars of $0.3 million compared to the quarter ended June 30, 2016.

- First quarter ended June 30, 2016: Compared to the fourth quarter ended March 31, 2016, revenues increased primarily due to the addition of ASC's revenues of $0.2 million for a period of one month, to the increase of Jobboom and InterTrade for an amount of $0.3 million partly offset by lower revenues in LesPAC and Market Velocity also for an amount of $ 0.3 million.

  Operating profit and Adjusted EBITDA increased mainly due to lower advertising costs of $0.2 million and also to lower sales commissions of $0.2 million associated with lower advertising revenues. In addition, during the fourth quarter of fiscal 2016, the Corporation recorded a provision for a legislative contingency of $0.2 million compared to a nil amount in the first quarter of fiscal 2017. These decreases were partly offset by a $0.3 million increase in labor costs in the first quarter of 2017.

  Profit for the first quarter of 2017 also increased mainly due to a $1.0 million favorable foreign exchange fluctuation on assets denominated in US dollars compared to the fourth quarter of 2016.

2016 QUARTERS

- Fourth quarter ended March 31, 2016: Compared to the third quarter ended December 31, 2015, the higher revenues is mainly due to an increases in the revenues from MERX, LesPAC and InterTrade and to software development revenues for a total amount of $0.7 million as well as to a favorable exchange rate impact ($CA/$US) on revenues of $0.2 million. These increases were partially reduced by a decrease in revenues from Jobboom and Market Velocity.

  Still compared to the third quarter, adjusted EBITDA and operating profit decreased, mainly due to additional labor costs of $0.6 million, to a $0.2 million increase in advertising costs and to a $0.3 million increase in sales commissions associated with higher advertising revenues. In addition, during the fourth quarter, the Corporation posted a $0.4 million decrease in tax credits, a $0.2 million increase in professional fees related primarily to the acquisition of ASC and an additional amount of $0.1 million for a provision for a legislative contingency. These items were partially offset by a $0.2 million increase in internally developed software.

Profit also decreased, mainly due to a $1.0 million foreign exchange loss during the fourth quarter compared to a $0.5 million foreign exchange gain during the third quarter of fiscal 2016 as well as to interest for a tax settlement of $0.4 million recorded during the fourth quarter of fiscal 2016.

LIQUIDITY AND FINANCIAL RESOURCES

In general, the Corporation finances its operations, capital expenditures, dividends, shares buyback and business acquisitions using funds generated by its operations and cash on hand.

When necessary, the Corporation may also use funds on the unused portion of its credit facility (see section "Financing Activities - Credit Agreement") or issue new shares to fund its operations including business acquisitions.

As at December 31, 2017, the Corporation had cash and cash equivalents of $11.5 million and $49.0 million available on its credit facility of $80.0 million, subject to compliance with financial ratios and other customary restrictions contained in the agreement.

OPERATING ACTIVITIES

	Three months ended December 31		Nine months ended December 31	
In thousands of Canadian dollars.	**2017**	**2016**	**2017**	**2016**
Unaudited and not reviewed by independent auditors.	**$**	**$**	**$**	**$**
Cash flows related to operating activities before changes in non-cash working capital items	**6,099**	6,396	**15,433**	18,510
Changes in non-cash working capital items	**481**	(1,285)	**(4,620)**	(3,058)
Cash flows related to operating activities	**6,580**	5,111	**10,813**	15,452

For the third quarter of fiscal 2018, cash flows generated by operating activities totalled $6.6 million, compared to $5.1 million for the third quarter of fiscal 2017. The increase is mainly due to the receipt of tax credits during the third quarter of fiscal 2018.

For the first nine months of fiscal 2018, cash flows generated by operating activities totalled $10.8 million, compared to $15.5 million in the first nine months of fiscal 2017. The decrease in cash flows related to operating activities is mainly due to lower net profit and to payments of amounts provided for as at March 31, 2017.

INVESTING ACTIVITIES

	Three months ended December 31		Nine months ended December 31	
In thousands of Canadian dollars.	**2017**	**2016**	**2017**	**2016**
Unaudited and not reviewed by independent auditors.	**$**	**$**	**$**	**$**
Business acquisition, net of cash and cash equivalents	**-**	-	**(1,534)**	(17,238)
Working capital following a business acquisition	**-**	-	**-**	93
Acquisition of property, plant and equipment	**(211)**	(313)	**(693)**	(877)
Acquisition of intangible assets	**(618)**	(517)	**(1,957)**	(1,714)
Cash flows from investing activities	**(829)**	(830)	**(4,184)**	(19,736)

Cash flows from investing activities amounted to $0.8 million for the third quarter of fiscal 2018 as well as for the third quarter of fiscal 2017.

During the third quarter of fiscal 2018, the Corporation made acquisitions of property, plant and equipment for an amount of $0.2 million compared to $0.3 million during the corresponding quarter of fiscal 2017. Acquisitions of intangible assets for the third quarter of fiscal 2018 include an amount of $0.6 million of internally developed software compared to $0.5 million for the third quarter of fiscal 2017.

FINANCING ACTIVITIES

In thousands of Canadian dollars. Unaudited and not reviewed by independent auditors.	Three months ended December 31		Nine months ended December 31	
	2017	**2016**	**2017**	**2016**
	$	**$**	**$**	**$**
Increase in long-term debt	**-**	-	**-**	14,700
Repayment of long-term debt	**(3,983)**	(3,800)	**(579)**	(6,000)
Repurchase of common shares for cancellation	**-**	-	**(625)**	-
Cash dividends paid on common shares	**(1,480)**	(1,500)	**(4,468)**	(4,500)
Cash flows from financing activities	**(5,463)**	(5,300)	**(5,672)**	4,200

For the third quarter of fiscal 2018, cash flows used for financing activities amounted to $5.5 million compared to $5.3 million during the third quarter of 2017.

The Corporation repaid an amount of $4.0 million on its revolving credit facility during the third quarter of 2018 compared to an amount of $3.8 million during the third quarter of 2017. For the nine-month period ended December 31, 2017, the Corporation repaid an amount of $0.6 million on its revolving credit facility compared to $6.0 million during the first nine months of fiscal 2017.

During the third quarter of fiscal 2018 and 2017, the Company did not repurchase any shares under the normal course issuer bid in place compared to the repurchased 46,100 shares during the nine-month period of fiscal 2018. For the nine-month period ended December 31, 2016, the Corporation used a portion of its credit facility for the acquisition of ASC, which closed on May 31, 2016.

The amount paid in dividends by the Corporation of $0.10 per share per quarter, remained unchanged for each of the periods ended December 31, 2017 and 2016. The decrease in dividends paid is due to a lower number of shares outstanding following the share repurchase by the Corporation.

CREDIT AGREEMENT

On December 18, 2015, the Corporation renewed its credit agreement, which had previously been concluded on November 10, 2011 (the "Credit Agreement") with three Canadian financial institutions and under which the lenders made available to the Corporation an $80.0 million ($80.0 million as at March 31, 2017) secured revolving five-year credit facility (the "Credit Facility") and an accordion loan of $40.0 million ($40.0 million as at March 31, 2017) subject to lenders' acceptance.

The Revolving Facility expires on December 18, 2020, and any outstanding amounts are due in full at maturity. Amounts under the Credit Agreement are repayable before maturity without penalty.

As at December 31, 2017, the Corporation used a total of $31.0 million from its Credit Facility.

The Credit Facility bears interest at a rate based either on the Canadian prime rate, LIBOR or bankers' acceptance rate plus a margin in each case. This margin varies according to the ratio of total debt to EBITDA as described in

the Credit Agreement. As at December 31, 2017, the actual rate was 1.44% and the applicable margin was 1.45%. In addition, the unused portion of the Credit Facility bears interest at 0.29% as standby fees.

All obligations under the Credit Agreement are secured by a first-rank security (hypothec) on substantially all of the Corporation's assets, tangible and intangible, present and future.

The Credit Agreement contains certain covenants and certain events of default customary for loans of this nature, including some limitations to the levels of investments and acquisitions, capital expenditures and distributions. The Credit Agreement is also subject to restrictive covenants requiring certain financial ratios to be maintained. As at December 31, 2017, the Corporation was in compliance with the financial ratios prescribed under these covenants.

FINANCIAL POSITION

As a whole, the Corporation has a sound financial position and is able to meet its financial obligations. As at December 31, 2017, the Corporation had cash and cash equivalents of $11.5 million and $49.0 million available on its Credit Facility of $80.0 million. At that same date, total assets of the Corporation amounted to $208.2 million compared to $209.3 million as at March 31, 2017.

INFORMATION FROM STATEMENTS OF FINANCIAL POSITION *In thousands of Canadian dollars*	**As at December 31, 2017** **$**	**As at March 31, 2017** **$**
Cash and cash equivalents	**11,460**	11,325
Accounts receivable	**8,591**	5,649
Tax credits receivable	**4,011**	5,221
Prepaid expenses and deposits	**2,308**	1,360
Intangible assets	**5,434**	5,123
Acquired intangible assets	**62,605**	63,909
Goodwill	**107,047**	107,047
Accounts payable and accrued liabilities	**8,545**	8,616
Deferred revenues	**16,408**	18,134
Long-term debt	**30,902**	31,451
Shareholders' equity	**132,308**	131,876

The main changes in the Corporation's statement of financial position between December 31, 2017, and March 31, 2017 are explained as follows:

- Accounts receivable totalled $8.6 million as at December 31, 2017, an increase of $3.0 million when compared to March 31, 2017. This increase is mainly due to the additional business of Orckestra representing an amount of $1.2 million, to the increase of business activities in some platforms and to an increase of amounts held for third parties.

- Prepaid expenses as at December 31, 2017 totalled $2.3 million, an increase of $0.9 million when compared to March 31, 2017. This increase is primarily due to the additional business of Orckestra for an amount of $0.4 million and to prepayments made for software licences.

- Intangible assets totalled $5.4 million as at December 31, 2017, an increase of $0.3 million when compared to March 31, 2017. This increase is explained by the recording of internally developed software during the first nine months of fiscal 2018.

- Accounts payable and accrued liabilities amounted to $8.5 million as at December 31, 2017, compared to $8.6 million as at March 31, 2017. The addition of Orckestra activities has been offset by the payments in the first nine months of fiscal 2018 of amounts related to retention incentives and certain professional fees that were accrued as at March 31, 2017.

- Deferred revenues reached $16.4 million, lower by $1.7 million compared to March 31, 2017. This change is mainly due to the platforms billing at the beginning of the year for services rendered for several months and as a consequence decreasing progressively the deferred revenues balance during the year.

- Long-term debt totalled $30.9 million as at December 31, 2017, compared to $31.5 million as at March 31, 2017. This change in long-term debt mainly represents the amounts used in order to proceed with the acquisition of Orckestra and repurchased shares less the repayments done during the year.

- Shareholders' equity stood at $132.3 million as at December 31, 2017, compared to $131.9 million as at March 31, 2017. This change is explained by the $5.5 million comprehensive income earned by the Corporation during the nine-month period ended December 31, 2017 less the dividends declared of $4.5 million and the repurchase of shares for an amount of $0.6 million.

DERIVATIVE FINANCIAL INSTRUMENTS

In the normal course of business, the Corporation is exposed to certain financial risks. The Corporation does not hold financial instruments for speculative purposes but only to reduce the volatility of its results from its exposure to these risks. The nature and the extent of the risks arising from the financial instruments and their related risk management are described in the Corporation's audited consolidated financial statements as at March 31, 2017.

The Corporation's hedging program will yield an average (CA$/US$) exchange rate of 1.2933 on foreign currency forward contracts of US$11.5 million held as at December 31, 2017, which will mature over fiscal years 2018, 2019 and 2020. As at December 31, 2016, the Corporation had foreign currency forward contracts of US$11.0 million with an average rate of 1.3323.

During the third quarter of fiscal 2018, there was no material change to the nature of risks arising from financial instruments, related risk management and classification of financial instruments. Furthermore, there was no change in the methodology used in determining the fair value of the financial instruments that are measured at fair value in the Corporation's consolidated statement of financial position.

RELATED PARTY TRANSACTIONS

The Corporation holds a 50% ownership in the joint venture Société d'investissement M-S S.E.C. (a limited partnership), which operates under the brand Global Wine & Spirits ("GWS"), in which it shares joint control with its co-venturers. GWS operates a virtual business-to-business electronic network offering an integrated solution for the purchase and sale of wine and spirits.

During third quarter of fiscal 2018, revenues recorded by the Corporation from transactions with GWS remained stable at $0.4 million compared to the corresponding period of fiscal 2017. In addition, the Corporation recharged to GWS operating expenses in the amount of $0.1 million during the third quarters of fiscals 2018 and 2017. As at December 31, 2017, the Corporation's accounts receivable from GWS remained stable at $0.1 million compared to March 31, 2017.

During the first nine months of fiscal 2018, recorded revenues by the Corporation from transactions with GWS remained stable at $1.2 million compared to the corresponding period in fiscal 2017. In addition, the Corporation

recharged to GWS operating expenses in the amount of $0.1 million during the first nine months of 2018 compared to $0.3 million for the corresponding period of last year.

These transactions occurred in the normal course of business and were measured at the amount of consideration agreed to by the parties.

RISKS AND UNCERTAINTIES

The Corporation is confident of its long-term prospects. However, in order to ensure that its strategy and growth objectives are met, the Corporation seeks to diminish the risks and uncertainties created by potentially unfavourable situations in its industry sector or its liquidity. The risks that the Corporation faces are technological, operational or financial in nature or are inherent to its business activities or its acquisition strategies. The description of these risks and uncertainties has not changed compared to the description in the Management Discussion & Analysis for the year ended March 31, 2017.

FUTURE CHANGES IN ACCOUNTING POLICIES

IFRS 9, *FINANCIAL INSTRUMENTS*

On July 24, 2014, the IASB issued the final version of IFRS 9, *Financial Instruments*, which replaces IAS 39, Financial Instruments: Recognition and Measurement. This final version of IFRS 9 represents the completion of this project and it includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting. IFRS 9 does not address the specific accounting for open portfolios or macro hedging, as these items are part of a separate IASB project that is currently ongoing. This final Standard introduces a single, principles-based approach that amends both the categories and associated criteria for the classification and measurement of financial assets, which is driven by the entity's business model for the portfolio in which the assets are held and the contractual cash flows of these financial assets.

Certain amendments have been made to the financial asset classification and measurement principles in prior versions of IFRS 9. This Standard introduces an amended hedging model, which aligns hedge accounting more closely with an entity's risk management activities and also includes a new financial asset impairment model which has an expanded scope, is based on expected credit losses rather than incurred credit losses and generally will result in earlier recognition of losses. This new Standard supersedes all prior versions of IFRS 9 and the effective date for the Corporation will be April 1, 2018. The analysis of this new standard has not indicated that it will have a significant impact on the Corporation's Consolidated Statement of Income.

IFRS 15, *REVENUE FROM CONTRACTS WITH CUSTOMERS*

IFRS 15, *Revenue from Contracts with Customers* establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The core principle of the new Standard is for companies to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration to which the Corporation expects to be entitled in exchange for those goods or services.

The new Standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements. The effective date for the Corporation, for this new Standard, will be April 1, 2018.

During the nine-month period ended December 31, 2017, the Corporation continued evaluating the potential impact of adopting IFRS 15 on its interim and annual consolidated financial statements and is evaluating the impacts of this new accounting standard with the help of external consultants. The Corporation's current implementation plan extends until the fourth quarter of the fiscal year ended March 31, 2018. As a result, the Corporation will report the conclusion of this analysis in its annual financial statements for the fiscal year ended March 31, 2018.

IFRS 16, *LEASES*

On January 13, 2016, the IASB issued IFRS 16, *Leases*, which provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. It supersedes IAS 17, *Leases* and its associated interpretive guidance. Significant changes were made to lessee accounting with the distinction between operating and finance leases removed and assets and liabilities recognized in respect of all leases (subject to limited exceptions for short-term leases and leases of low-value assets).

In contrast, IFRS 16 does not include significant changes to the requirements for lessors. IFRS 16 will be effective as of January 1, 2019 with earlier application permitted for companies that have also adopted IFRS 15, *Revenue from Contracts with Customers*. The new Standard will be effective for the Corporation as of the April 1, 2019. The Corporation has not yet examined the impacts of this new standard.

CONTROLS AND PROCEDURES

In accordance with the Canadian Securities Administrators' Regulation 52-109 respecting *Certification of Disclosure in Issuers' Annual and Interim Filings*, certificates signed by the President and Chief Executive Officer and the Chief Financial Officer have been filed. These documents confirm the adequacy of controls and procedures for disclosure of the Corporation and the design and effectiveness of its internal controls regarding financial reporting.

DISCLOSURE CONTROLS AND PROCEDURES

The disclosure controls and procedures of the Corporation have been designed in accordance with the rules of the Canadian Securities Administrators in order to provide reasonable assurance that material information related to the Corporation is made known to the Audit Committee and the Board of Directors and information required to be disclosed in the Corporation's filings is recorded, processed, summarized and reported within the time period specified in securities legislation.

Under the supervision of the President and Chief Executive Officer and the Chief Financial Officer, management has evaluated the effectiveness of the Corporation's disclosure controls and procedures in accordance with the rules of the Canadian Securities Administrators and has concluded that such disclosure controls and procedures are efficient for the fiscal year ended March 31, 2017. As at December 31, 2017, there were no changes in disclosure controls and procedures of the Corporation and these controls and procedures are still considered efficient.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The internal control over financial reporting has been designed in order to provide reasonable assurance that the financial information reported is reliable and that the financial statements were prepared in accordance with the Corporation's IFRS accounting policies.

Under the supervision of the President and Chief Executive Officer and the Chief Financial Officer, management has evaluated the design and the effectiveness of the Corporation's internal control over financial reporting and has concluded that such controls were effective for the fiscal year ended March 31, 2017.

The management evaluation of the design and the effectiveness of the Corporation's internal control over financial reporting exclude controls, conventions and procedures regarding Orckestra acquired on June 23, 2017. The Corporation has a period of one year from the acquisition date to conduct this analysis and to implement internal controls deemed necessary.

As at December 31, 2017, there were no changes in internal control over financial reporting of the Corporation which has had, or is reasonably likely to materially affect, the Corporation's internal control over the financial information.

ADDITIONAL INFORMATION

This report has been prepared as of February 13, 2018.

As of that date, the number of common shares outstanding was 14,848,779.

Additional information relating to the Corporation, including the Annual Information Form, is available on SEDAR at www.sedar.com.

MARKET AND TICKER SYMBOL

The Corporation's common shares trade on the Toronto Stock Exchange under the ticker symbol "MDF".

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André Gauthier
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President
Holding André Gauthier Inc.

Gilles Laporte
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Corporate Director

Vivianne Gravel
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President and Chief Executive Officer
Metix Inc.

Natalie Larivière
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President
Yuma Stratégies

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