MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED MARCH 31, 2018

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The following Management’s Discussion and Analysis (“MD&A”), which has been prepared as at June 12, 2018, of the financial position and operating results of Mediagrif Interactive Technologies Inc. (“Mediagrif” or the “Corporation”) should be read in conjunction with the audited consolidated financial statements and accompanying notes thereto for the year ended March 31, 2018. This MD&A compares performance for the fiscal years ended March 31, 2018 and 2017 and for the quarters then ended. 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 offering strategic sourcing and unified commerce solutions as well as B2B and B2C marketplaces. Mediagrif's 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 – FISCAL YEAR ENDED MARCH 31, 2018

- Acquisition of substantially all of the assets of Orckestra Inc. as at June 23, 2017.
- Revenues increased by 4.1% to reach $80.9 million for fiscal year 2018 compared to $77.7 million for fiscal year 2017.
- Adjusted EBITDA[1] of $23.4 million including non-recurring charges of $2.0 million composed primarily of retention incentives and termination benefits.
- $17.9 million in cash flows generated by operating activities.
- Profit of $7.2 million ($0.48 per share) including a non-recurring non-cash tax expense of $1.4 million ($0.09 per share) during the third quarter of 2018 following the U.S. fiscal reform effective January 1, 2018.

[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 related to a negative working capital of $0.7 million at the date of its acquisition and has committed to pay retention incentives to Orckestra employees for a total amount of $0.9 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 determining factors in this acquisition.

The total acquisition-related costs amounted to $0.2 million and are included in General and administrative expenses in the Consolidated Statements of Income.

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

The Corporation's profit for the period ended March 31, 2018 includes $4.0 million in revenues and a net loss of $2.3 million ($0.16 per share) generated by Orckestra's additional business.

If this business combination had been completed on April 1, 2017, the Corporation's consolidated revenues for the period ended March 31, 2018 would have totalled $82.3 million. The consolidated profit for the period ended March 31, 2018, would have totaled $6.8 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 twelve-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 by independent auditors.*	Years ended March 31 2018 $	2017 $	2016 $	2015 $	2014 $
REVENUES	**80,937**	77,738	73,020	70,247	65,376
GROSS MARGIN	**65,073**	62,676	58,652	56,275	51,520
OPERATING EXPENSES					
General and administrative	**11,009**	10,035	9,323	8,475	8,571
Selling and marketing	**17,149**	16,397	15,389	14,637	14,110
Technology	**21,991**	14,797	10,905	12,303	11,748
TOTAL OPERATING EXPENSES	**50,149**	41,229	35,617	35,415	34,429
OPERATING PROFIT	**14,924**	21,447	23,035	20,860	17,091
Other (expenses) revenues, net amount	**(1,048)**	346	(400)	1,174	879
Financial expenses, net amount	**(1,096)**	(1,010)	(815)	(1,075)	(1,194)
Share in profit of a joint venture	**211**	137	163	217	162
Income tax expense	**(5,814)**	(5,079)	(6,151)	(5,543)	(4,227)
PROFIT FOR THE YEAR	**7,177**	15,841	15,832	15,633	12,711
ADJUSTED EBITDA (see reconciliation of adjusted EBITDA and profit)	**23,372**	28,554	28,576	27,509	24,331
CASH FLOWS GENERATED BY OPERATING ACTIVITIES	**17,913**	23,728	22,310	24,082	22,236
EARNINGS PER SHARE – BASIC AND DILUTED	**0.48**	1.06	1.05	1.00	0.80
Declared dividends per share	**0.40**	0.40	0.40	0.40	0.40
Weighted average number of shares outstanding (in thousands):					
Basic and diluted	**14,870**	14,993	15,140	15,711	15,833
TOTAL ASSETS	**209,656**	209,321	194,129	191,155	196,165
LONG-TERM DEBT (including current portion)	**28,096**	31,451	26,311	26,100	36,920

RECONCILIATION OF ADJUSTED EBITDA AND PROFIT *In thousands of Canadian dollars* *(unaudited)*	**Years ended March 31** **2018** **$**	 **2017** **$**
PROFIT FOR THE YEAR	**7,177**	15,841
Income tax expense	**5,814**	5,079
Depreciation of property, plant and equipment and amortization of intangible assets	**3,281**	2,575
Amortization of acquired intangible assets	**5,093**	4,679
Amortization of deferred financing costs	**40**	40
Amortization of deferred lease inducement	**(137)**	(284)
Foreign exchange loss (gain)	**618**	(437)
Interest on long-term debt and interest related to a tax settlement, net amount	**1,487**	885
Loss (gain) on disposal of property, plant, equipment and intangible assets	**(1)**	176
ADJUSTED EBITDA	**23,372**	28,554

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

FISCAL YEAR ENDED MARCH 31, 2018 ("FISCAL YEAR 2018") COMPARED TO FISCAL YEAR ENDED MARCH 31, 2017 ("FISCAL YEAR 2017")

REVENUES

For fiscal year 2018, revenues totalled $80.9 million, an increase of 4.1% or $3.2 million compared to fiscal year 2017. This revenue increase is mainly explained as follows:

- The addition of Orckestra's revenues for a total of $4.0 million since its acquisition on June 23, 2017.
- The addition of ASC's revenues for an amount of $5.6 million (including $1.0 million in professional services revenues) for the twelve-period compared to $4.2 million revenues recorded during the ten-month-period following its acquisition on May 31, 2016.
- The increase in revenues of InterTrade of $0.8 million primarily due to the increase of transactions on the Value Added Network ''VAN'' for an amount of $0.4 million, to an increase in the average revenue of existing clients of $0.3 million due to additional cross-selling opportunities and to professional services revenues for $0.1 million.
- The increase in revenues of Bidnet of $0.3 million is primarily due to higher average revenue per client using the value-added service offering.
- Increase of $0.6 million in revenues attributable to an increase in the average of hedged contracts exchange rates and market exchange rates when comparing the U.S. dollar against the Canadian dollar.
- Decrease in LesPAC revenues of $1.5 million due to a $1.0 million decrease in classified ad revenues due to the launch on March 1, 2017, on a permanent basis, of free ad posting to consumers on several ad categories. The number of classified ads posted by the consumer increased by 176% compared to fiscal year 2017. The decrease of revenues is also due to the decrease of advertising revenues for an amount

of $0.5 million attributable to a contract with different conditions during fiscal year 2018 compared to fiscal 2017.

- Decrease in revenues of $1.2 million for Jobboom during fiscal year 2018 due to price adjustments reflecting market conditions for an amount of $1.0 million and to lower advertising revenue for an amount of $0.2 million. However, the number of clients remained stable and the number of posted ads increased by 78% when compared to fiscal year 2017.

- Decrease in revenues of $0.3 million from MERX is primarily due to a reduction in the demand for printed documents.

- Decreases in revenues from Broker Forum for an amount of $0.2 million and from Réseau Contact for an amount of $0.5 million primarily due to a lower number of members using the platform.

During fiscal year 2018, revenues earned in Canadian dollars represented 57% of total revenues, compared to 59% for fiscal year 2017.

COST OF REVENUES

Cost of revenues was $15.9 million during fiscal year 2018 compared to $15.1 million during fiscal year 2017. The increase is mainly due to the addition of Orckestra's activities for an amount of $1.1 million including principally web hosting fees for $0.9 million and labor costs for $0.1 million. The increases were partially offset by a reduction of $0.3 million on commissions paid on advertising contracts.

GROSS MARGIN

Based on the information above, gross margin for fiscal year 2018 was 80.4% compared to 80.6% during fiscal year 2017.

OPERATING EXPENSES

Operating expenses for fiscal year 2018 totalled $50.1 million, compared to $41.2 million for fiscal year 2017. Changes in operating expenses are explained as follows:

- General and administrative expenses totalled $11.0 million during fiscal year 2018 compared to $10.0 million for fiscal year 2017. The increase is primarily due to the addition of Orckestra's expenses in an amount of $1.1 million (including $0.3 million in retention incentives and termination benefits), to an increase of $0.1 million in professional services offset by a decrease in labour costs in an amount of $0.2 million.

- Selling and marketing expenses totaled $17.1 million during fiscal year 2018 compared to $16.4 million for fiscal year 2017. The increase in selling and marketing expenses is mainly due to the addition of Orckestra's expenses for an amount of $0.5 million, to termination benefits of $0.3 million and to $0.1 million in selling and marketing labor costs. These increases were partially offset by lower depreciation expenses of acquired intangible assets of $0.2 million.

- Technology expenses totaled $22.0 million during fiscal year 2018 compared to $14.8 million for fiscal year 2017. This increase is primarily due to the addition of Orckestra's expenses in an amount of $4.1 million (including $0.5 million in retention incentives), to higher technology-related labor costs of $1.3 million and to higher software license fees of $0.6 million. The Corporation also registered additional depreciation expenses of $1.0 million.

OPERATING PROFIT

Based on the information above, operating profit reached $14.9 million during fiscal year 2018 compared to $21.4 million during fiscal year 2017

FOREIGN EXCHANGE

The Corporation realized a $0.6 million foreign exchange loss on assets denominated in U.S dollars during fiscal year 2018 compared to a $0.4 million gain during fiscal year 2017.

FINANCIAL EXPENSES

Financial expenses totalled $1.1 million during fiscal year 2018 compared to $1.0 million for fiscal year 2017. These costs consist primarily of interest expenses and standby fees on the long-term debt and of amortization of deferred financing costs. The increase in financial expenses is mainly attributable to higher average interests during fiscal year 2018 following the increase of the Bank of Canada's interest rate.

INCOME TAX EXPENSE

For the fiscal year ended March 31, 2018, income tax expense totalled $5.8 million, representing an effective tax rate of 44.8% compared to a statutory rate of 26.78%. During fiscal year 2017, the effective tax rate was at 24.3%.

For fiscal year 2018, the significant increase of the effective tax rate compared to the statutory tax rate is mainly due to the U.S. tax reform announced on December 22, 2017. This reform reduces the corporate income tax rate from 35% to 21% starting January 1, 2018. Consequently, the deferred tax assets of the Corporation, majorly composed of deferred U.S. tax losses, were reduced by $1.4 million to reflect that rate decrease. Furthermore, certain adjustments related to prior fiscal years and also certain expenses that are non-deductible contributed to the increase of the effective tax rate.

During fiscal year 2017, the decrease of the effective tax rate compared to the statutory tax rate was mainly due to the decrease of the statutory tax rate applied to deferred income tax liabilities previously recorded. This decrease was related to the change to the Quebec corporate income tax rate which was 11.9% and which will gradually decrease to 11.5% over a four-year period. The decrease in the effective income tax rate when compared with the statutory tax rate is also attributable to the fact that certain foreign exchange gains realized by the Corporation are non-taxable and also to the income tax adjustments of prior fiscal years. These items were partially offset by the fact that a portion of income is taxable in the United States, a jurisdiction where the statutory tax rate is higher.

PROFIT

Profit for fiscal year 2018 totalled $7.2 million ($0.48 per share) compared to $15.8 million ($1.06 per share) for fiscal year 2017. In addition, the Corporation incurred a non-deductible $0.4 million interest expense concerning a tax settlement during fiscal year 2018.

FOURTH QUARTER ENDED MARCH 31, 2018 ("FOURTH QUARTER OF FISCAL 2018")

In thousands of Canadian dollars, except per share amounts. (unaudited)	Three months ended March 31 **2018** **$**	**2017** **$**
REVENUES	**20,479**	19,996
GROSS MARGIN	**16,424**	16,072
OPERATING EXPENSES		
General and administrative	**2,825**	2,998
Selling and marketing	**4,284**	4,193
Technology	**5,888**	4,302
TOTAL OPERATING EXPENSES	**12,997**	11,493
OPERATING PROFIT	**3,427**	4,579
Other revenues (expenses), net amount	**7**	(2)
Financial expenses	**(282)**	(251)
Share in profit of a joint venture	**57**	47
Income tax expense	**(1,110)**	(795)
PROFIT	**2,099**	3,578
ADJUSTED EBITDA (see reconciliation of adjusted EBITDA and profit)	**5,620**	6,384
EARNINGS PER SHARE – BASIC AND DILUTED	**0.14**	0.24
Weighted average number of shares outstanding (in thousands) Basic and diluted	**14,849**	14,975

RECONCILIATION OF ADJUSTED EBITDA AND PROFIT

In thousands of Canadian dollars (unaudited)	Three months ended March 31 **2018** **$**	**2017** **$**
PROFIT	**2,099**	3,578
Income tax expense	**1,110**	795
Depreciation of property, plant and equipment and amortization of intangible assets	**864**	686
Amortization of acquired intangible assets	**1,304**	1,105
Amortization of deferred financing costs	**10**	10
Amortization of deferred lease inducement	**(33)**	(32)
Foreign exchange loss (gain)	**(437)**	82
Interest on long-term debt and interest related to a tax settlement, net amount	**704**	155
Loss (gain) on disposal of property, plant, equipment and intangible assets	**(1)**	5
ADJUSTED EBITDA	**5,620**	6,384

REVENUES

For the fourth quarter of fiscal 2018, revenues totaled $20.5 million, an increase of 2.4% or $0.5 million compared to the fourth quarter of fiscal 2017. This revenue increase is mainly explained as follows:

- Addition of Orckestra's revenues for an amount of $1.6 million, including $0.8 million in professional services revenues.
- Increase in revenues from Intertrade for an amount of $0.1 million mainly due an increase of transaction volume on the Value Added Network ''VAN''.
- Increase in revenues from Carrus for an amount of $0.1 million primarily attributable to additional professional services revenues.
- Decrease of $0.5 million in revenues from LesPAC mainly due to a $0.4 million decrease in advertising revenues and to lower revenues from the classified ads of $0.1 million. The reduction in advertising revenues is mainly due to a contract with different conditions during fiscal year 2018 compared to fiscal year 2017.
- Decrease of $0.4 million in revenues from Jobboom during the fourth quarter of fiscal year 2018 due to price adjustments reflecting market conditions.
- Decrease in revenues from Réseau Contact for an amount of $0.1 million primarily due fewer members using the platform.
- Decrease of $0.1 million in revenues attributable to higher average of hedged contracts exchange rates and market exchange rates when comparing the U.S. dollar against the Canadian dollar.

During the fourth quarter of fiscal 2018, revenues earned in Canadian dollars represented 60% of total revenues, compared to 58% for the fourth quarter of fiscal 2017.

COST OF REVENUES

Cost of revenues totaled $4.1 million during the fourth quarter of fiscal year 2018 compared to $3.9 million during the fourth quarter of fiscal 2017. The increase is due to the addition of Orckestra's expenses amounting to $0.4 million offset by a $0.2 million decrease in paid commissions related to the above mentioned decrease in advertising revenues.

GROSS MARGIN

Based on the information above, gross margin for the fourth quarter of fiscal year 2018 reached 80.2% compared to 80.4% in the fourth quarter of fiscal year 2017.

OPERATING EXPENSES

Operating expenses for the fourth quarter of fiscal year 2018 totalled $13.0 million compared to $11.5 million for the fourth quarter of fiscal 2017. The changes in operating expenses are explained as follows:

- General and administrative expenses totalled $2.8 million during the fourth quarter of fiscal 2018 compared to $3.0 million for the corresponding period of fiscal 2017. This decrease is primarily due to a reduction of $0.2 million in professional services expenses and to lower labour costs of $0.3 million. This decrease was partially offset by the addition of Orckestra's expenses for an amount of $0.3 million.

- Selling and marketing expenses totalled $4.3 million during the fourth quarter of fiscal 2018 compared to $4.2 million during the fourth quarter of fiscal 2017. This increase in selling and marketing expenses is mainly due to the addition of Orckestra's expenses for an amount of $0.2 million offset by a $0.1 million decrease in labour costs.

- Technology expenses totalled $5.9 million during the fourth quarter of fiscal 2018 compared to $4.3 million during the corresponding period of fiscal 2017. This increase was primarily due to the addition of Orckestra's expenses for an amount of $1.3 million (including $0.1 million in retention incentives), to the increase in technology labour costs and in software licence fees of $0.1 million each and to the increase in depreciation expenses on intangible assets for an amount of $0.2 million. These increases were offset by an increase of tax credits and internally-developed software for an amount of $0.1 million.

OPERATING PROFIT

Based on the information above, operating profit reached $3.4 million during the fourth quarter of fiscal year 2018 compared to $4.6 million during the fourth quarter of fiscal year 2017.

FOREIGN EXCHANGE

During the fourth quarter of fiscal 2018, the Corporation realized a $0.4 million foreign exchange gain on assets denominated in U.S dollars compared to a foreign exchange loss of $0.1 million during the fourth quarter of fiscal 2017.

FINANCIAL EXPENSES

Financial expenses stood at $0.3 million for the fourth quarters of fiscal years 2018 and 2017. Financial expenses consist primarily of interest expenses and standby fees on long-term debt and of amortization of deferred financing costs.

INCOME TAX EXPENSE

For the fourth quarter of fiscal 2018, income tax expense totalled $1.1 million, representing an effective tax rate of 34.6% compared to a statutory rate of 26.78%.

During the fourth quarter of fiscal 2018, the increase in the effective tax rate compared to the statutory tax rate is mainly due to certain adjustments related to prior fiscal years and to certain non-deductible expenses both recorded during the fourth quarter of fiscal 2018.

During the fourth quarter of fiscal year 2017, the decrease in the effective income tax rate of 18.2% compared to the statutory tax rate 26.88% was primarily due to the decrease in the statutory tax rate applied to future income tax liabilities previously recorded. This decrease is related to the change in the Quebec corporate tax income rate which was 11.9% and which will gradually decrease to 11.5% over a four-year period.

PROFIT

As a result of the above items, profit for the fourth quarter of fiscal 2018 totalled $2.1 million ($0.14 per share) compared to $3.6 million ($0.24 per share) during the fourth quarter of fiscal 2017. In addition, the Corporation incurred a $0.4 million non-deductible interest expense regading a tax settlement during the fourth quarter of fiscal year 2018.

QUARTERLY PERFORMANCE

Selected quarterly financial information for the eight most recently completed quarters on or before March 31, 2018, is as follows:

	Year 2018				Year 2017			
	Q4 March 31 2018	**Q3 Dec. 31, 2017**	**Q2 Sept. 30, 2017**	**Q1 June 30, 2017**	**Q4 March 31, 2017**	**Q3 Dec. 31, 2016**	**Q2 Sept. 30, 2016**	**Q1 June 30, 2016**
Unaudited by independent auditors	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Revenues	**20,479**	20,456	20,031	19,971	19,996	19,267	19,509	18,966
Operating profit	**3,427**	3,794	3,528	4,175	4,579	5,178	6,159	5,531
Profit	**2,099**	952	1,710	2,416	3,578	3,985	4,544	3,734
Basic and diluted earnings per share	**0.14**	0.06	0.11	0.16	0.24	0.27	0.30	0.25
Weighted average outstanding shares	**14,849**	14,849	14,886	14,895	14,975	14,999	14,999	14,999
Adjusted EBITDA	**5,620**	6,085	5,522	6,145	6,384	7,090	8,118	6,962
Cash flows generated by operating activities	**7,100**	6,580	2,079	2,154	8,276	5,111	5,882	4,459

In thousands of Canadian dollars, except per share amounts.

2018 QUARTERS

- Fourth quarter ended March 31, 2018: Compared to the third quarter of fiscal 2018 ended December 31, 2017, revenues remained stable at $20.5 million. During the fourth quarter of 2018, revenues from Orckestra totalled $1.6 million, an increase of $0.4 million (35%) compared to the third quarter of fiscal year 2018. This increase in revenues was offset by a decrease of $0.3 million in LesPAC's advertising revenues and by a decrease in revenues in Jobboom for an amount of $0.1 million.

  Adjusted EBITDA and operating profit decreased primarily due to the increase of $0.6 million in salaries and benefits expenses. This increase was offset by a $0.1 million decrease in professional services and by the increase of tax credits and internally-developed software for an amount of $0.1 million.

  Profit for the fourth quarter totalled $2.1 million compared to $1.0 million during the third quarter of fiscal year 2018. The increase in profit is primarily due to a non-recurring income tax expense of $1.4 million ($0.09 per share) recorded during the previous quarter after the U.S. enacted a tax reform beginning on January 1, 2018.

- Third quarter ended December 31, 2017: Compared to the second quarter of fiscal 2018 ended September 30, 2017, the revenues increased due to additional professional services revenues 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 professional services 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 revenues in the amount of $0.2

million, the increases in LesPAC and Jobboom revenues of $0.2 million each respectively 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 nil 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 fiscal 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.

LIQUIDITY AND FINANCIAL RESOURCES

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

When necessary, the Corporation may also use funds from the unused portion of its credit facility (see the "Financing Activities – Credit Agreement" section) or issue new shares to fund its additional cash requirements and business acquisitions.

As at March 31, 2018, the Corporation had cash and cash equivalents of $13.2 million and $51.8 million available on its revolving facility of $80.0 million, subject to compliance with financial ratios.

OPERATING ACTIVITIES

	Years ended on March 31	
	2018	**2017**
In thousands of Canadian dollars	**$**	**$**
Cash flows related to operating activities before changes in non-cash working capital items	**18,522**	23,671
Changes in non-cash working capital items	**(609)**	57
Cash flows related to operating activities	**17,913**	23,728

For fiscal year 2018, cash flows generated by operating activities reached $17.9 million, compared to $23.7 million for fiscal year 2017. The decrease in generated cash flows is primarily due to the decrease in profit for the fiscal year.

INVESTING ACTIVITIES

	Years ended on March 31	
	2018	**2017**
In thousands of Canadian dollars	**$**	**$**
Business acquisition	**(1,534)**	(17,145)
Acquisition of property, plant and equipment	**(851)**	(978)
Acquisition of intangible assets	**(2,828)**	(3,010)
Proceeds on disposal of property, plant and equipment	**13**	-
Cash flows related to investing activities	**(5,200)**	**(21,133)**

Cash flows used for investing activities amounted to $5.2 million for fiscal year 2018 compared to $21.1 million during fiscal year 2017.

During fiscal year 2018, the Corporation proceeded with the acquisition of Orckestra for an amount of $1.5 million compared to the acquisition of ASC during fiscal year 2017 for an amount of $17.1 million.

Acquisitions of intangible assets during fiscal year 2018 included an amount of $2.4 million related to internally-developed software compared to $2.0 million during fiscal year 2017. The Corporation also acquired external software for $0.4 million during fiscal year 2018 compared to $1.0 million during fiscal year 2017.

FINANCING ACTIVITIES

	Years ended March 31	
	2018	**2017**
In thousands of Canadian dollars	**$**	**$**
Increase in long-term debt	**-**	18,953
Repayment of long-term debt	**(3,395)**	(13,853)
Repurchase of common shares for cancellation	**(625)**	(1,715)
Cash dividends paid on common shares	**(5,953)**	(6,000)
Cash flows related to financing activities	**(9,973)**	(2,615)

For fiscal 2018, cash flows used for financing activities amounted to $10.0 million compared to $2.6 million used during fiscal year 2017.

The net increase in long-term of $ 5.1 million debt for the twelve month period ended March 31, 2017 is related to the acquisition of ASC which closed on May 31, 2016. During fiscal year 2018, the Corporation repaid an amount of $3.4 million on its revolving credit facility.

During fiscal year 2018, the Corporation used an amount of $0.6 million on its revolving credit facility to repurchase, under the normal course issuer bid in place, a total of 46,100 shares. During fiscal 2017, the Corporation used a portion of its revolving credit facility to repurchase 104,100 shares for an amount of $1.7 million.

Dividends of $0.40 per share paid by the Corporation remained unchanged during fiscal years 2018 and 2017. The decrease in dividends paid is due to a lower number of shares outstanding following the share repurchase by the Corporation in fiscal year 2018.

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 "Revolving 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 March 31, 2018, the Corporation had drawn $28.2 million on its Revolving Facility.

The Revolving Facility bears interest at a rate based either on Canadian prime rate, LIBOR or the bankers' acceptance rate plus a margin in each case. This margin varies according to the ratio of total debt to the EBITDA defined in the Credit Agreement. As at March 31, 2018, the actual rate was 1.63% and the margin was 1.45%. In addition, the unused portion of the Revolving 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 present and future tangible and intangible assets.

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 March 31, 2018, 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 of March 31, 2018, the Corporation had cash and cash equivalents of $13.2 million and $51.8 million available on its $80.0 million Revolving Facility. At that same date, the Corporation had total assets of $209.7 million compared to $209.3 million as at March 31, 2017.

INFORMATION FROM THE STATEMENT OF FINANCIAL POSITION

	Years ended March 31	
	2018	**2017**
In thousands of Canadian dollars	**$**	**$**
Cash and cash equivalents	**13,187**	11,325
Cash held for the benefit of third parties	**1,374**	835
Accounts receivable	**8,676**	5,649
Tax credits receivable	**2,331**	5,221
Prepaid expenses and deposits	**2,293**	1,360
Intangible assets	**5,708**	5,123
Acquired Intangible assets	**61,301**	63,909
Goodwill	**107,047**	107,047
Accounts payable and accrued liabilities	**10,440**	8,616
Deferred revenues	**17,958**	18,134
Long-term debt	**28,096**	31,451
Shareholders' equity	**132,553**	131,876

The main changes in the Corporation's statement of financial position between March 31, 2018 and 2017 are explained as follows:

- Accounts receivable reached $8.7 million as at March 31, 2018, an increase of $3.0 million compared to March 31, 2017. This change is mainly attributable to the addition of Orckestra activities for an amount of $1.1 million. Furthermore, the billing increase at the end of the fiscal year in few other platforms explains the increase in accounts receivable as at March 31, 2018. The majority of these amounts have been paid after the end of fiscal year 2018.

- The total of prepaid expenses as at March 31, 2018 totalled $2.3 million, an increase of $0.9 million compared to March 31, 2017. This increase is primarily due to prepaid software licences and to the addition of Orckestra's activities for an amount of $0.2 million.

- Intangible assets totalled $5.7 million as at March 31, 2018, an increase of $0.6 million when compared to March 31, 2017. This increase is explained by internally-developed software recorded during fiscal year 2018.

- Acquired intangible assets totalled $61.3 million as at March 31, 2018, a decrease of $2.6 million compared to March 31, 2017. This decrease is the result of the acquired intangible assets from the acquisition of Orckestra for an amount of $2.5 million less the amortization expense of $5.1 million recorded during fiscal year 2018.

- Accounts payable and accrued liabilities totalled $10.4 million as at March 31, 2018 compared to $8.6 million as at March 31, 2017. This increase is mainly explained by the addition of Orckestra's activities for an amount of $1.5 million.

- Long-term debt totalled $28.1 million as at March 31, 2018, a decrease of $3.4 million compared to March 31, 2017.

- Shareholders' equity stood at $132.6 million as at March 31, 2018, compared to $131.9 million as at March 31, 2017. The change in shareholders' equity reflects the $7.2 million comprehensive income earned by the Corporation during fiscal year 2018 less $5.9 million in dividends and $0.6 million for the repurchase of common shares.

CONTRACTUAL OBLIGATIONS

The principal repayments required on long-term debt and the commitments under operating leases for the coming financial years are as follows:

In thousands of Canadian dollars	**Total** **$**	**2019** **$**	**2020** **2021** **$**	**2022** **2023** **$**	**2024 and hereafter** **$**
Long-term debt	28,205	-	28,205	-	-
Operating leases	7,693	2,020	2,956	2,019	698
Total contractual obligations	35,898	2,020	31,161	2,019	698

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 Note 24 to the Corporation's audited consolidated financial statements as at March 31, 2018.

The Corporation's hedging program will yield an average (CA$/US$) exchange rate of 1.2789 on foreign currency forward contracts of US$11.5 million held as at March 31, 2018, which will mature over fiscal years 2019 and 2020. As at March 31, 2017, the Corporation had foreign currency forward contracts of US$11.5 million held at an average rate of 1.3121.

During the fiscal year ended March 31, 2018, there has been no significant change to the nature of the risks arising from financial instruments, to the related risk management or to the 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 interest 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 fiscal year 2018, the revenues from transactions with GWS recorded by the Corporation remained stable at $1.6 million during fiscal year 2018 and 2017. In addition, the Corporation recharged $0.2 million in operating expenses to GWS during fiscal year 2018 compared to $0.5 million during fiscal year 2017. As at March 31, 2018 and as at March 31, 2017, the Corporation's accounts receivable from GWS stood at $0.1 million.

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

On May 29, 2018, the Board of Directors voted a unanimous resolution to dissolve and liquidate GWS. Consequently, the residual cash balances will be distributed in equal parts to the co-venturers. The dissolution and distribution will be done on June 30, 2018 or before.

After the end of GWS's activities, the Corporation reached a long-term agreement with its partner in GWS, La Société des alcools du Québec (SAQ), to continue the maintenance and support of their electronic supply management system formerly supported by GWS.

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.

RETENTION OF CUSTOMERS

We depend on our customer base for a significant portion of our revenues. If our customers fail to renew their contracts, or fail to purchase additional services, then our revenues could decrease and our operating results could be adversely affected. Factors influencing such contract terminations could include changes in the financial circumstances of our customers, dissatisfaction with our products or services, our retirement or lack of support for our legacy products and services, our customers selecting or building alternate technologies to replace us, changes in our customers' business that may no longer necessitate the use of our services, or other reasons. Furthermore, our customers could delay or terminate implementations or use of our services or be reluctant to migrate to new services. Such customers will not generate the revenues anticipated within the timelines anticipated, if at all, and may be less likely to invest in additional services or products from us in the future.

ACQUISITIONS

Our growth strategy includes making strategic acquisitions, principally in the information technology industry. There is no assurance that we will find suitable companies in this industry to acquire or that we will have enough resources to complete any acquisition. We could also consider making acquisitions in other promising sectors of the economy, if such acquisitions are likely to increase our value. Acquisitions involve a number of risks, including: diversion of management's attention from current operations; disruption of our ongoing business; lack of expertise of management in the sector of activity of the acquired business; difficulties in integrating and retaining all or part of the acquired business, its customers and its personnel; assumption of disclosed and undisclosed liabilities; dealing with unfamiliar laws, customs and practices in foreign jurisdictions; and the effectiveness of the acquired Corporation's internal controls and procedures. The individual or combined effect of these risks could have a material adverse effect on our business. As well, in paying for an acquisition, we may deplete our cash resources. Furthermore, there is the risk that our valuation assumptions, customer retention expectations and our models for an acquired product or business may be erroneous or inappropriate due to foreseen or unforeseen circumstances and thereby cause us to overvalue an acquisition target. There is also the risk that the contemplated benefits of an acquisition may not materialize as planned or may not materialize within the time period or to the extent anticipated.

RESPONSE TO INDUSTRY'S RAPID PACE OF CHANGE

We operate in markets that are experiencing constant technological change, evolving industry standards, changing customer needs, frequent new product and service introductions, and short product life cycles. Our success will depend in large part on how well we can anticipate and respond to changes in industry standards and introduce and upgrade new technologies, products and services and upgrade existing products and services. We may face additional financial risks as we develop new products, services and technologies and update them to stay competitive. Newer technologies, for example, may quickly become obsolete or may need more capital than expected. Development could be delayed for reasons beyond our control. Furthermore, substantial investment is usually required before new technologies become commercially viable. There is no assurance that we will be successful in developing, implementing and marketing new technologies, products, services or enhancements within a reasonable time, or that there will be a market for them. New products or services that use new or evolving technologies could make our existing ones unmarketable, or cause their prices to fall.

COMPETITION

The e-business market is intensely competitive, and we have many competitors with substantial financial, marketing, personnel and technological resources. New competitors may also appear as new technologies, products and services are developed. Some of our competitors have financial resources far superior than our own and, in some cases, operate under a business model different from ours. These competitors could affect our pricing strategies or bring us to change our business model, which could lead to lower our revenues and net income. It could also affect our ability to retain existing customers and attract new ones.

DEFECTS IN SOFTWARE OR FAILURES IN PROCESSING OF TRANSACTIONS

Defects in our owned or licensed software products, delays in delivery, as well as failures or mistakes in our processing of electronic transactions could materially harm our business, including our customer relationships and operating results. Our operations are dependent upon our ability to protect our computer equipment and the information stored in our data centers against damage that may be caused by fire, power loss, telecommunications failures, unauthorized intrusion, computer viruses and disabling devices, and other similar events. Although we have redundant and back-up systems for some of our services and products, these systems may be insufficient or may fail and result in a disruption of availability of our products or services to our customers. Any disruption to our services could impair our reputation and cause us to lose customers or revenues, or face litigation, necessitate customer service or repair work that would involve substantial costs and distract management from operating our business.

POTENTIAL RISKS OF USING "OPEN SOURCE" SOFTWARE

Like many other e-commerce companies, we use "open source" software in order to add functionality to our products and services quickly and inexpensively. We face certain risks relating to our use of open source code. Open source license terms may be ambiguous and may result in unanticipated or uncertain obligations regarding our products and services. Our use of open source software could subject certain portions of our proprietary technology to the requirements of such open source software. That may have an adverse impact on our sale of the products or services incorporating the open source software. Other forms of open source software licensing present license compliance risks for us. If we fail to comply with the license obligations, we could be sued and/or lose the right to use the open source code. Our use of open source code could also result in us developing and selling products that infringe third-party intellectual property rights. It may be difficult for us to accurately determine the developers of the open source code and whether the code incorporates proprietary software.

INFRINGING ON THE INTELLECTUAL PROPERTY RIGHTS OF OTHERS

We cannot be sure that our services and products do not infringe on the intellectual property rights of third parties, and we may have infringement claims asserted against us. These claims may be costly, harm our reputation, and prevent us from providing some services and products. We enter into licensing agreements with our clients for the right to use intellectual property that includes a commitment to indemnify the licensee against liability and damages arising from any third-party claims of patent, copyright, trademark or trade secret infringement. In some instances, the amount of these indemnity claims could be greater than the revenues we receive from the client. Furthermore, our e-business networks are platforms bringing together buyers and sellers to find, buy and sell different products and services. We have no control over the quality of products and services that our members display on our platforms and there may be incidents where these products or services infringe the intellectual property rights of third parties. Although we contractually limit our responsibility as it pertains to the content posted on our networks by users, it is possible that complaints alleging violation of intellectual property rights of third parties are made against us. Any claims or litigation in this area, whether we ultimately win or lose, could be time-consuming and costly, injure our reputation, or require us to enter into royalty or licensing arrangements. Any limitation on our ability to sell or use products or services that incorporate challenged software or technologies could cause us to lose revenue-generating opportunities or require us to incur additional expenses to modify solutions for future projects.

PROTECTING OUR INTELLECTUAL PROPERTY RIGHTS

Our success depends, in part, on our ability to protect our proprietary methodologies, processes, know-how, tools, techniques and other intellectual property that we use to provide our services. Our general practice is to pursue patent, copyright, trademark, trade secret or other appropriate intellectual property protection that is reasonable and necessary to protect and leverage our intellectual assets. We also assert trademark rights in and to our name, product names, logos and other markings used to identify our goods and services in the marketplace. We routinely file for and have been granted trademark registrations from trademark offices worldwide. All of these actions taken allow us to enforce our intellectual property rights should the need arise. However, the laws of some countries in which we conduct business may offer only limited protection of our intellectual property rights; and despite our efforts, the steps taken to protect our intellectual property may not be adequate to prevent or deter infringement or other misappropriation of intellectual property, and we may not be able to detect unauthorized use of our intellectual property, or take appropriate steps to enforce our intellectual property rights.

RETENTION OF KEY PERSONNEL

Our performance is substantially dependent on the performance of our key technical and senior management personnel. Our success is highly dependent on our continuing ability to identify, hire, train, motivate, promote, and retain highly qualified management, directors, technical, and sales and marketing personnel, including key technical and senior management personnel. Competition for such personnel is always strong. Our inability to attract or retain the necessary management, directors, technical services, sales and marketing personnel, or to attract such personnel on a timely basis, could have a material adverse effect on our business, results of operations, financial condition and the price of our securities.

REGULATION

The activities of the Corporation are subject to various types of regulations, particularly laws relating to the protection of personal information, consumer protection and competition. For example, in Canada we are subject to the Personal Information Protection and Electronic Documents Act (the "PIPEDA"). The PIPEDA regulates how private sector companies collect, use or disclose personal information in the course of their commercial activities. This regulatory framework may restrict our marketing activities and our capacity to leverage our databases. In addition, we are subject to the Canadian Anti-Spam Law ("CASL"), which we are subject to, prohibits the transmission of commercial electronic message to an email address without consent and includes requirements relating to form and content. This regulatory framework also restricts our marketing activities. Furthermore, failure to comply with CASL can result in financial penalties which could affect the operating profit and financial position of the Corporation.

FAILURE TO PROTECT OUR DATABASES AND USERS PERSONAL INFORMATION

The Corporation maintains databases on the members of its platforms. These databases contain information on members, including personal information. Although we have established rigorous security procedures, member information stored in the databases could be subject to unauthorized access, use or disclosure. Any breach of security on our databases could harm our reputation, result in complaints and investigation by the authorities responsible for the enforcement of the laws on the protection of personal information or lead to legal claims from our customers or sanction measures from the authorities.

DOING BUSINESS IN EMERGING COUNTRIES

We are doing business in emerging countries. Certain risks are associated with conducting our business in emerging countries that could negatively impact our operating results, which include, but are not limited to:

- Language barriers, conflicting international business practices, and other difficulties related to the management and administration of a global business.
- Difficulties and costs of staffing and managing geographically disparate direct and indirect operations.
- Exchange rate fluctuations on the currencies.
- Multiple, and possibly overlapping, tax structures and the burden of complying with a wide variety of foreign laws.
- Trade restrictions and custom rates.
- The need to consider characteristics unique to technology systems used internationally.
- Economic or political instability in some markets.
- Other risk factors set out herein.

For instance, in the People's Republic of China (the "PRC"), the Internet sector is strictly regulated in terms of foreign ownership and content restrictions. While many aspects of these regulations remain unclear, they purport to limit and require licensing of various aspects of the provision of Internet information services. These regulations have created substantial uncertainties regarding the legality of foreign investments and business operations in the PRC for companies who have consulting activities related to the Internet. We have the license enabling us to operate an e-commerce network in the PRC. It is however possible that we could cease to qualify as an authorized recipient of this license and that we could be unable to renew the license at the expiration of its term.

In these emerging countries where we operate, changes in laws, regulations or governmental policy, or the uncertainty associated with the interpretation of these laws and regulations affecting our business activities, may increase our costs, restrict our ability to operate our business or may make it difficult for us to enforce any rights we may have or to know if we are in compliance with all applicable laws, rules and regulations. Political, economic, social or other developments in the countries where we operate may cause us to change the way we conduct our business, suspend the launch of new or expanded services or force us to discontinue our operations altogether.

ECONOMIC CONDITIONS

Adverse economic conditions could result in a decline in our revenues. During an economic downturn, our customers and potential customers may cancel, postpone or delay their new commitments, which would affect the performance of the Corporation.

FOREIGN EXCHANGE

Our revenues are affected by fluctuations in the exchange rate between the Canadian dollar and the U.S. dollar. We generate approximately 43% of our revenues in U.S. dollars while approximately 13% of our operating expenses and cost of revenues are in U.S. dollars. As a result, any decrease in the value of the U.S. dollar relative to the Canadian dollar reduces the amount of Canadian dollar revenues we realize on sales, without a corresponding decrease in expenses. Exchange rate fluctuations are beyond our control, and the U.S. dollar may depreciate against the Canadian dollar in the future, which would result in lower revenues and margins. In order to reduce the potential negative effect of a weakening U.S. dollar, we have entered into agreements to hedge the value of a portion of our future U.S. dollar net cash inflows for periods of up to 18 months.

LIQUIDITY AND FINANCING RISKS

Our strategy aims to foster the organic growth of our operations and to make acquisitions. This strategy requires investments, which may come from cash from our operations, loans from credit agreement and issuance of securities from our capital stock. Our access to such funding sources may be limited by the ability of financial markets to meet our needs and the volatility of our stock price. If we are not able to obtain financing or if our cash flow does not allow us to repay our existing indebtedness according to the targets that we have fixed for ourselves, we might not achieve our growth objectives. In addition, rising interest rates could harm our ability to repay our debt, pay dividends and to execute our strategy accordingly.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the year and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Management reviews its estimates regularly, and revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both the period being reviewed and future periods. Actual results may differ from these estimates.

ESTIMATES

Explanations about the main assumptions and estimates are presented below:

REVENUE RECOGNITION

As mentioned in Note 2 to the Corporation's audited consolidated financial statements for the fiscal year ended March 31, 2018, the Corporation uses assumptions to recognize some of the revenues from rights of use, i.e., the sale of classified ad packages. Management reviews these assumptions on a regular basis. Significant changes in these assumptions will have an impact on the Corporation's profit.

USEFUL LIVES OF PROPERTY, PLANT AND EQUIPMENT AND FINITE-LIFE INTANGIBLE ASSETS

At the end of each reporting period, the Corporation reviews the estimated useful lives of its property, plant and equipment and finite-life intangible assets. At the end of the fiscal year, management has determined that the useful lives of property, plant and equipment and finite-life intangible assets were appropriate.

INDEFINITE LIFE TRADEMARKS

At the end of each reporting period, the Corporation reviews the indefinite life trademarks in order to determine the appropriateness of the classification of the trademarks as indefinite. At the end of the fiscal year, the classification is accurate

MEASUREMENTS OF ASSETS

When applying the discounted future cash flows model to determine the fair value of groups of cash generating units to which goodwill is allocated, certain parameters must be used, including estimates of future cash flows, discount rates and other variables; a high degree of judgment must therefore be exercised. Impairment tests on property, plant and equipment and indefinite-life intangible assets are also based on similar assumptions. Any future deterioration of market conditions or poor operational performance could translate into an inability to recover the current carrying amounts of property, plant and equipment and intangible assets.

See Note 13 to the Corporation's audited consolidated financial statements for the fiscal year ended March 31, 2018 for more information on goodwill impairment testing and Note 12 for the test of indefinite-life intangible assets.

BUSINESS COMBINATIONS

For business combinations, the Corporation must make assumptions and estimates to determine the purchase price allocation of the business being acquired. To do so, the Corporation must determine the acquisition-date fair values of the identifiable assets acquired and liabilities assumed. Goodwill is measured as the excess of the acquisition cost over the Corporation's share in the fair value of all identified assets and liabilities. These assumptions and estimates have an impact on the asset and liability amounts recorded in the Consolidated Statement of Financial Position on the acquisition date. In addition, the estimated useful lives of the acquired property, plant and equipment, the identification of other intangible assets and the determination of the finite or indefinite useful lives of intangible assets acquired will have an impact on the Corporation's profit.

See Note 2 to the Corporation's audited consolidated financial statements for the fiscal year ended March 31, 2018 for more information on the assumptions and estimates used.

DEFERRED TAXES

The Corporation is required to estimate the income taxes in each of the jurisdictions in which it operates. This includes estimating a value for existing net operating losses based on the Corporation's assessment of its ability to utilize them against future taxable income before they expire. If the Corporation's assessment of its ability to use the net operating losses proves inaccurate, this would impact the income tax expense and, consequently, affect the Corporation's profit in the relevant year. The Corporation may be audited by the tax authorities of different jurisdictions. Given that the determination of tax liabilities involves certain uncertainties in interpreting complex tax regulations, the Corporation uses management's best estimates to determine potential tax liabilities. Differences between the estimates and the actual amount of taxes are recorded in profit at the time they can be determined.

ACCOUNTING JUDGMENTS

The critical accounting policy judgments that have the greatest impact on amounts reported in the consolidated financial statements include the following:

DEFINITION OF CASH-GENERATING UNITS

The Corporation assesses whether there are any indicators of impairment for all non-financial assets at the end of each financial reporting period. If such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash-generating unit to which the asset belongs. Determination of cash-generating units is based on management's best estimate of what constitutes the lowest level at which an asset or group of assets is able to generate cash inflows. The Corporation must also determine whether goodwill can be attributed to one or more cash-generating units.

See Note 13 to the Corporation's audited consolidated financial statements for the fiscal year ended March 31, 2018, for more information on attributions of goodwill to cash-generating units and Note 12 for the attribution of indefinite-life intangible assets to cash-generating units.

DETERMINATION OF THE REPORTABLE SEGMENT

Operating segments are determined according to the Corporation's management structure and internal information system. Operating results of each reportable segment are reviewed regularly by the Corporation's Chief Operating decision-maker regarding the resources to be allocated to the segments and the assessment of their performance based on available financial information.

Management has identified a single operating segment, which is e-commerce. The information structure indicates how management manages the Corporation and how it classifies its activities for planning and evaluating its performance. As a result, management manages its business line as a single strategic business unit.

FUNCTIONAL CURRENCY

In order to determine the functional currency of its U.S. subsidiaries, the Corporation considers main factors as well as secondary factors. The following judgments are made by management with respect to the U.S. subsidiaries. Strategic decision-making regarding these subsidiaries is the responsibility of the Corporation's senior management, which is headquartered in Canada. In addition, services provided by the Corporation and incurred in Canadian dollars are essential to the continued operations of the U.S. subsidiaries. Finally, the proportion of expenditures incurred in Canadian dollars attributable to U.S. subsidiaries represents a significant portion of their total expenditures.

FUTURES 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 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 indicated that it will not 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 year ended March 31, 2018, the Corporation has evaluated the potential impact of adopting IFRS 15 on its interim and annual consolidated financial statements with the help of external consultants. This thorough analysis demonstrates that the adoption of IFRS 15 will not have a significant impact on the Company's revenue recognition. However certain contract costs will be recognized as an asset and amortized over the term of the contract. The Company is currently quantifying this impact and the related adjustments will be reflected in the financial statements for the first quarter of fiscal 2019 which will end on June 30, 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 Corporation has not yet examined the impacts of this new standard. IFRS 16 will apply to the Corporation for the annual period beginning April 1, 2019.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking statements with respect to the Corporation. These statements, by their nature, necessarily involve risks and uncertainties that could cause actual results to differ materially from those expressed by these forward-looking statements. The Corporation considers the assumptions on which these forward-looking statements are based to be reasonable, but caution 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.

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 the Corporation's disclosure controls and procedures and the design and effectiveness of its internal controls over 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 effective for the fiscal year ended March 31, 2018.

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 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, 2018.

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 March 31, 2018, there were no changes to the Corporation's internal control over financial reporting that had, or are reasonably likely to have, a material impact on the Corporation's internal control over financial reporting.

ADDITIONAL INFORMATION

This report has been prepared as at June 12, 2018.

At 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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Philippe Duval
Quebec, Canada
First Vice-President and Chief Operating Officer
Réseau Sélection

André Gauthier
Quebec, Canada
President
Holding André Gauthier Inc.

Gilles Laporte
Quebec, Canada
Corporate director

Vivianne Gravel
Quebec, Canada
President and Chief Executive Officer
Metix Inc.

Natalie Larivière
Quebec, Canada
President
Yuma Stratégies

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Catherine Roy
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Gestion Catsachar Inc.

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