

*Mediagrif reports results  
for its third quarter of fiscal 2018*

**Third quarter highlights of fiscal 2018:**

- Revenues up 6.2% to reach \$20.5 million.
- Adjusted EBITDA<sup>1</sup> of \$6.1 million including non-recurring expenses of \$0.4 million.
- Cash flow from operating activities totalled \$6.6 million.
- Adjusted profit<sup>2</sup> of \$2.3 million (\$0.15 per share).

**Quarterly dividend:**

- Declaration of a quarterly dividend of \$0.10 per share payable on April 16, 2018 to shareholders of record on April 3, 2018.

**Longueuil, Canada, February 13, 2018** – Mediagrif Interactive Technologies Inc. (TSX: MDF), a Canadian leader in information technology, today announced its financial results for the third quarter of fiscal 2018. Unless indicated otherwise, all amounts are in Canadian dollars.

**SUMMARY OF CONSOLIDATED RESULTS**

(In thousands of Canadian dollars, except per share amounts. Unaudited and not reviewed by independent auditors)	Three months ended December 31,		Nine months ended December 31,	
	2017 \$	2016 \$	2017 \$	2016 \$
<b>Revenues</b>	<b>20,456</b>	19,267	<b>60,458</b>	57,742
<b>Adjusted EBITDA<sup>1</sup></b>	<b>6,085</b>	7,090	<b>17,753</b>	22,170
<b>Operating profit</b>	<b>3,794</b>	5,178	<b>11,497</b>	16,868
<b>Adjusted profit for the period<sup>2</sup></b>	<b>2,309</b>	3,985	<b>6,435</b>	12,263
<b>Profit for the period</b>	<b>952</b>	3,985	<b>5,078</b>	12,263
<b>Adjusted earnings per share<sup>2</sup> (basic and diluted)</b>	<b>0.15</b>	0.27	<b>0.43</b>	0.82
<b>Earnings per share (basic and diluted)</b>	<b>0.06</b>	0.27	<b>0.34</b>	0.82
<b>Weighted average number of shares outstanding basic and diluted (in thousands)</b>	<b>14,849</b>	14,999	<b>14,876</b>	14,999

<sup>1</sup> See reconciliation of adjusted EBITDA and profit as well as the “About Mediagrif Interactive Technologies Inc.” section.

<sup>2</sup> See reconciliation of adjusted profit and profit as well as the “About Mediagrif Interactive Technologies Inc.” section.

### **THIRD QUARTER OF FISCAL 2018 ENDED DECEMBER 31, 2017**

For the third quarter of fiscal 2018, revenues reached \$20.5 million, an increase of 6.2% or \$1.2 million when compared to the third quarter of fiscal 2017.

The increase in revenues is mainly attributable to the addition of Orchestra revenues of \$1.2 million during the third quarter and to the ongoing organic growth of InterTrade, BidNet and ASC platforms for a total amount of \$0.3 million. These revenue increases were partially offset by lower revenues at Broker Forum and Jobboom for a total amount of \$0.3 million.

During the third quarter, the Corporation continued to invest in its technology and infrastructure as well as in sales and marketing in order to seize market opportunities, respond to competitive environments and strengthen its position in its growing businesses areas.

These initiatives have shown good results so far with the conclusion of agreements with current customers as well as the addition of new customers during the third quarter of fiscal 2018.

With respect to LesPAC, during the third quarter of fiscal 2018 when compared to the third quarter of fiscal 2017, the increase in advertising revenues and value-added services has totally offset the impact of the introduction of free ad posting to consumers on March 1, 2017.

The Corporation will continue to invest in order to increase the organic growth of its platforms operating in growing fields of activity.

Adjusted EBITDA for the third quarter of fiscal 2018 totalled \$6.1 million and includes non-recurring expenses of \$0.4 million in connection with the acquisition of Orchestra and mostly related to retention incentives of \$0.2 million and to professional services fees of \$0.2 million. In addition, adjusted EBITDA for the third quarter includes a \$0.7 million loss from Orchestra.

### **PROFIT AND U.S. TAX REFORM IMPACT**

Profit for the third quarter of fiscal 2018 totalled \$1.0 million (\$0.06 per share) and includes a non-cash non-recurring income tax expense of \$1.4 million (\$0.09 per share). This tax expense is due to the U.S. tax reform enacted on January 1, 2018, which lowered the corporate income tax rate from 35% to 21%, and reflects the adjustments made to deferred tax assets related to U.S. tax attributes.

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

### **FINANCIAL POSITION AND FINANCING**

During the third quarter of fiscal 2018, cash flows generated from operating activities reached \$6.6 million, compared to \$5.1 million during the third quarter of fiscal 2017. The Corporation used a portion of these funds to cover for acquisitions of capital assets for an amount of \$0.8 million and to make payments on its long-term debt for an amount of \$4.0 million.

The Corporation also paid out \$1.5 million in dividends during the third quarter of fiscal 2018 and \$4.5 million during the first nine months of fiscal 2018.

As at December 31, 2017, the Corporation had \$11.5 million of cash and cash equivalents and \$49.0 million available on its revolving credit facility of \$80.0 million.

## QUARTERLY DIVIDEND

The Board of Directors of Mediagrif declared a quarterly dividend of \$0.10 per share payable on April 16, 2018, to shareholders on record on April 3, 2018.

## FIRST NINE MONTHS OF FISCAL 2018

Revenues for the first nine months of fiscal 2018 reached \$60.5 million compared to \$57.7 million for the first nine months of fiscal 2017.

Adjusted EBITDA totalled \$17.8 million compared to \$22.2 million during the first nine months of fiscal 2017. Adjusted EBITDA for the first nine months of fiscal 2018 includes non-recurring expenses for a total of \$1.8 million.

Profit reached \$5.1 million (\$0.34 per share), compared to \$12.3 million (\$0.82 per share) during the first nine months of fiscal 2017. Profit for the first nine months of fiscal 2018 includes a non-cash non-recurring income tax expense of \$1.4 million (\$0.09 per share) after the U.S. enacted a tax reform on January 1, 2018, as well as a foreign exchange loss on assets denominated in U.S. dollars of \$1.1 million compared to a foreign exchange gain of \$0.3 million during the first nine months of fiscal 2017.

## RECONCILIATION OF ADJUSTED EBITDA AND PROFIT

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

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 \$
<b>Profit</b>	<b>952</b>	3,985	<b>5,078</b>	12,263
Income tax expense	<b>2,653</b>	1,168	<b>4,704</b>	4,284
Depreciation of property, plant and equipment and amortization of intangible assets	<b>845</b>	644	<b>2,417</b>	1,891
Amortization of acquired intangible assets	<b>1,424</b>	1,268	<b>3,789</b>	3,573
Amortization of deferred financing costs	<b>10</b>	10	<b>30</b>	30
Amortization of deferred lease inducement	<b>(33)</b>	(32)	<b>(104)</b>	(252)
Foreign exchange loss (gain)	<b>(62)</b>	(236)	<b>1,055</b>	(519)
Interest on long-term debt	<b>296</b>	283	<b>784</b>	729
Loss on disposal of property, plant and equipment	-	-	-	171
<b>Adjusted EBITDA</b>	<b>6,085</b>	7,090	<b>17,753</b>	22,170

## RECONCILIATION OF PROFIT AND ADJUSTED PROFIT

Adjusted profit represents profit before the income tax expense related to the U.S. tax reform announced on December 22, 2017.

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 \$
<b>Profit</b>	<b>952</b>	3,985	<b>5,078</b>	12,263
Income tax expense related to the U.S. tax reform	<b>1,357</b>	-	<b>1,357</b>	-
<b>Adjusted profit</b>	<b>2,309</b>	3,985	<b>6,435</b>	12,263
<b>Adjusted earnings per share</b>	<b>0.15</b>	0.27	<b>0.43</b>	0.82

## ABOUT MEDIAGRIF INTERACTIVE TECHNOLOGIES INC.

[Mediagrif Interactive Technologies Inc.](http://www.mediagrif.com) (TSX: MDF) is a Canadian leader in information technology, owner of several recognized web and mobile platforms including MERX, BidNet, ASC, Orchestra, 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. For more information, please visit us at [www.mediagrif.com](http://www.mediagrif.com) or call 1-877-677-9088.

*In addition to providing profit measures in accordance with IFRS, the Corporation shows operating profit, earnings before interest, taxes, depreciation, amortization, foreign exchange gain (loss) and other revenues (expenses) ("Adjusted EBITDA") and adjusted profit as supplementary earnings measures. Operating profit, adjusted EBITDA and adjusted profit 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, adjusted EBITDA and adjusted profit are provided to assist investors in determining the Corporation's ability to generate profitability from its operations and to evaluate its financial performance.*

*This press release contains certain forward-looking statements with respect to the Corporation. These forward-looking 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. We consider 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 our control, may ultimately prove to be incorrect since they are subject to risks and uncertainties that affect us. We disclaim 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. Unless otherwise indicated, all amounts are in Canadian dollars.*

Unaudited condensed consolidated interim financial statements, accompanying notes and MD&A are available on [www.mediagrif.com](http://www.mediagrif.com) and have been filed with SEDAR at the following address: [www.sedar.com](http://www.sedar.com).

**For further information:**

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