

*Announcement of results for the second quarter of fiscal 2020 of  
Mediagrif*

**Highlights:**

- Appointment of Luc Filiatreault as President and Chief Executive Officer as of September 16, 2019;
- Total revenues, excluding those from B2C marketplaces held for sale, were up 5.0%, totalling \$16.9 million;
- Adjusted EBITDA<sup>1</sup> of \$3.7 million, representing a 21% profit margin;
- Adjusted profit<sup>2</sup> of \$1.7 million, i.e., \$0.11 per share;
- Net cash position of \$2.7 million as at September 30, 2019.

**Longueuil, Canada, November 12, 2019** – Mediagrif Interactive Technologies Inc. (TSX: MDF), a Canadian leader in information technology, today unveiled its financial results<sup>3</sup> for the second quarter of fiscal 2020. This is the second quarter since the Corporation's announcement regarding the sale of its B2C assets and the strategic direction to focus operations on its growing B2B businesses.

**SUMMARY OF CONSOLIDATED RESULTS**

In thousands of Canadian dollars, except per share amounts Unaudited by independent auditors	Three months ended September 30,		Six months ended September 30,	
	2019	2018	2019	2018
	\$	\$	\$	\$
<b>Revenues</b>	<b>18,211</b>	20,261	<b>38,439</b>	41,389
<b>B2B platforms revenues</b>	<b>16,877</b>	16,071	<b>33,726</b>	32,366
<b>B2C marketplaces revenues</b>	<b>1,334</b>	<b>4,190</b>	<b>4,713</b>	9,023
<b>Adjusted EBITDA<sup>1</sup></b>	<b>3,740</b>	<b>6,616</b>	<b>7,884</b>	11,872
<b>Operating profit</b>	<b>2,008</b>	4,831	<b>4,522</b>	8,055
<b>Profit</b>	<b>1,834</b>	<b>3,178</b>	<b>2,885</b>	5,610
<b>Adjusted profit for the period<sup>2</sup></b>	<b>1,660</b>	<b>3,178</b>	<b>2,968</b>	5,610
<b>Adjusted earnings per share<sup>2</sup> (basic and diluted)</b>	<b>0.11</b>	0.21	<b>0.20</b>	0.38
<b>Earnings per share (basic and diluted)</b>	<b>0.12</b>	0.21	<b>0.19</b>	0.38
<b>Weighted average number of shares outstanding (basic and diluted)</b>	<b>14,849</b>	14,849	<b>14,849</b>	14,849

<sup>1</sup> See the Reconciliation of adjusted EBITDA and profit as well as the "About Mediagrif Interactive Technologies Inc." sections.

<sup>2</sup> See the Reconciliation of adjusted profit and profit as well as the "About Mediagrif Interactive Technologies Inc." sections.

<sup>3</sup> Unless otherwise indicated, all amounts are in Canadian dollars.

## **SECOND QUARTER OF FISCAL 2020**

For the second quarter of fiscal 2020, revenues from B2B platforms reached \$16.9 million, a 5.0% increase when compared to \$16.1 million for the second quarter of 2019.

The \$0.8 million increase in revenues from B2B platforms is mainly due to the \$0.6 million increase in Orchestra's revenues as well as to the \$0.3 million increase in total revenues from BidNet and InterTrade. Of this increase in revenues from B2B platforms, an amount of \$0.6 million was in the form of recurring revenues (or subscriptions) and \$0.2 million was in the form of professional services.

On their end, revenues from the B2C marketplaces, whose assets are classified as held for sale, totalled \$1.3 million compared to \$4.2 million during the corresponding quarter of fiscal 2019. The decrease in revenues from B2C was mainly due to the sale of LesPAC on June 11, 2019, a subsidiary that recorded revenues of \$2.7 million in the second quarter of fiscal 2019.

Also during the second quarter of fiscal year 2020, the Corporation incurred non-recurring professional services and termination benefits totaling \$0.4 million.

For the second quarter of fiscal 2020, adjusted EBITDA totalled \$3.7 million representing 21.0% of revenues compared to \$ 6.6 million for the second quarter of fiscal 2019.

## **STRATEGY**

"Second quarter results once again show continued growth in our B2B operations and we are confident that our investments will have an impact in the coming quarters," says the President and CEO, Luc Filiatreault. "The management team is fully committed to implementing the new corporate strategy that aims to elevate Mediagrif to a North American leader in commerce technologies."

In the coming quarters, and in line with its strategy of refocusing operations on strategic sourcing and unified commerce, the Corporation will increase its investments in the commercialization of its products (in sales and marketing) as well as in technological development in order to accelerate organic growth in these sectors, which show great potential for growth. Furthermore, the Corporation will be actively looking for acquisition opportunities, based on its ability to strengthen its strategic position in these same areas of activity.

## **ADJUSTED PROFIT**

Adjusted<sup>2</sup> profit for the second quarter of fiscal 2020 totalled \$1.7 million (\$0.11 per share), compared to \$3.2 million (\$0.21 per share) during the second quarter of fiscal 2019.

## **FINANCIAL POSITION AND FINANCING**

As at September 30, 2019, the Corporation had \$13.5 million in cash and cash equivalents whereas the long-term debt totalled \$10.8 million at this same date.

During the second quarter of fiscal 2020, the Corporation invested \$0.9 million mostly for acquisitions of intangible assets, and repaid an amount of \$2.4 million on its long-term debt. The Corporation also paid out a total of \$1.5 million in dividends.

## **DIVIDENDS**

In an effort to effectively invest in its strategy aimed at increasing the Corporation's growth, the Board of Directors decided to suspend the payment of dividends and contribute the amounts normally attributed to dividend payments to the Corporation's future development.

## 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 September 30,		Six months ended September 30,	
	2019 \$	2018 \$	2019 \$	2018 \$
<b>Profit</b>	<b>1,834</b>	3,178	<b>2,885</b>	5,610
Income tax expense	389	1,116	877	1,941
Depreciation of property, plant and equipment and amortization of intangible assets	734	861	1,413	1,743
Amortization of acquired intangible assets	601	958	1,202	2,147
Amortization of right-of-use assets	397	-	747	-
Amortization of deferred financing costs	10	10	19	20
Amortization of deferred lease inducement	-	(34)	-	(67)
Foreign exchange loss (gain)	(280)	256	84	(60)
Loss (gain) on disposal of a subsidiary	(174)	-	83	-
Interest on lease liability	93	-	184	-
Interest on long-term debt	136	271	390	538
<b>Adjusted EBITDA</b>	<b>3,740</b>	6,616	<b>7,884</b>	11,872

The adoption of IFRS 16 had a favourable impact of \$0.5 million on the adjusted EBITDA of the second quarter ended September 30, 2019, i.e., a depreciation expense of the right-of-use asset of \$0.4 million and an interest expense on the lease liability in the amount of \$0.1 million. Moreover, the adjusted EBITDA of the previous period has not been restated to reflect the impact of IFRS 16.

## RECONCILIATION OF PROFIT AND ADJUSTED PROFIT

In thousands of Canadian dollars Unaudited and not reviewed by independent auditors	Three months ended September 30,		Six months ended September 30,	
	2019 \$	2018 \$	2019 \$	2018 \$
<b>Profit</b>	<b>1,834</b>	3,178	<b>2,885</b>	5,610
Gain (loss) on disposal of a subsidiary – see Note 5 to the financial statements	174	-	(83)	-
<b>Adjusted profit for the period</b>	<b>1,660</b>	3,178	<b>2,968</b>	5,610
<b>Profit per share</b>	<b>0.12</b>	0.21	<b>0.19</b>	0.38
<b>Adjusted profit per share</b>	<b>0.11</b>	0.21	<b>0.20</b>	0.38

## **ABOUT MEDIAGRIF INTERACTIVE TECHNOLOGIES INC.**

[Mediagrif Interactive Technologies Inc.](http://www.mediagrif.com) (TSX: MDF) is a Canadian leader in information technology offering strategic sourcing and unified commerce solutions as well as B2B 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, Ukraine 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 and earnings before interest, taxes, depreciation, amortization, foreign exchange gain (loss) and other revenues (expenses) ("Adjusted EBITDA") as well 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 expenses, adjusted EBITDA and net 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 the 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.*

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

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### **For further information:**

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