Consolidated Financial Statements
March 31, 2020 and 2019

Management's Report

To the Shareholders of
Mediagrif Interactive Technologies Inc. / Technologies Interactives Mediagrif Inc.

The consolidated financial statements of Mediagrif Interactive Technologies Inc. / Technologies Interactives Mediagrif Inc. (the "Corporation") as well as the information provided in the Management's Discussion and Analysis are the responsibility of management and are approved by the Board of Directors.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). In accordance with these standards, management makes estimates and assumptions that are reflected in the consolidated financial statements and accompanying notes.

To provide assurance that the consolidated financial statements are, in all material respects, accurate and complete, management relies on an internal control system.

The internal control system includes management's communication to employees of the internal policies on ethical business conduct. In management's opinion, the internal controls provide reasonable assurance that its financial documents are reliable and form a sound basis for preparing consolidated financial statements, and that its assets are properly accounted for and safeguarded.

The Board of Directors carries out its financial reporting responsibilities mainly through its Audit Committee, which is made up solely of independent directors. The Audit Committee, management and independent auditor meet to review the consolidated financial statements and the internal controls over financial reporting. The Audit Committee reviews the Corporation's annual consolidated financial statements and makes appropriate recommendations that the Board of Directors must consider when approving the consolidated financial statements issued to shareholders. The independent auditor has free access to meet with the Audit Committee, with or without the presence of management.

Deloitte LLP, appointed by the shareholders as the Corporation's independent auditor, has audited these consolidated financial statements.

(Signed)
Luc Filiatreault
President and Chief Executive Officer

(Signed)
Paul Bourque
Chief Financial Officer

June 29, 2020

Deloitte LLP
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Independent Auditor's Report

To the Shareholders of
Mediagrif Interactive Technologies Inc. / Technologies Interactives Mediagrif Inc.

Opinion
We have audited the consolidated financial statements of Mediagrif Interactive Technologies Inc. (the "Corporation"), which comprise the consolidated statements of financial position as at March 31, 2020 and 2019, and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion
We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information
Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes

our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Corporation to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is David Pain.

Signed,
Deloitte LLP [1]

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[1] CPA auditor, CA, public accountancy permit No. A129221

June 29, 2020
Montreal, Quebec

MEDIAGRIF

Consolidated Statements of Income
Years ended March 31, 2020 and March 31, 2019

In thousands of Canadian dollars except earnings per share amounts	**2020** **$**	**2019** **$**
Revenues (Note 7)	75,428	83,082
Cost of revenues	21,554	20,890
Gross margin	53,874	62,192
Operating expenses		
General and administrative	13,252	12,666
Selling and marketing	17,072	17,425
Technology (Note 20)	22,991	18,822
	53,315	48,913
Operating profit	559	13,279
Impairment of assets charge (Note 10)	(7,221)	(46,581)
Foreign exchange gain	788	533
Loss on sale of a subsidiary (Note 10)	(83)	
Financial expenses (Note 24 b))	(1,310)	(1,213)
Share in profit of a joint venture	-	(6)
Loss before income taxes	(7,267)	(33,988)
Income tax expense (recovery) (Note 22)	(1,515)	(8,347)
Loss for the year	(5,752)	(25,641)
Loss per share		
Basic and diluted (Note 19)	(0.39)	(1.73)
Weighted average number of shares outstanding		
Basic and diluted (Note 19)	14,914,782	14,848,779
Number of shares outstanding at end of year	15,051,779	14,848,779

Refer to the notes to the consolidated financial statements.

Consolidated Statements of Comprehensive Income
Years ended March 31, 2020 and March 31, 2019

In thousands of Canadian dollars	2020 $	2019 $
Loss for the year	(5,752)	(25,641)
Items that may be reclassified subsequently in profit or loss		
Change in unrealized losses on foreign currency forward contracts designated as hedging items, net of deferred taxes of $191 ($189 in 2019)	(524)	(517)
Reclassification of realized losses on foreign currency forward contracts, net of deferred taxes of $66 ($91 in 2019)	181	249
	(343)	(268)
Comprehensive income for the year	(6,095)	(25,909)

Refer to the notes to the consolidated financial statements.

MEDIAGRIF

Consolidated Statements of Financial Position
As at March 31, 2020 and as at March 31, 2019

In thousands of Canadian dollars	As at March 31, 2020 $	As at March 31, 2019 $ *Amended (Note 10)*
Assets		
Current assets		
Cash and cash equivalents	14,319	13,339
Cash held for the benefit of third parties (Note 11)	857	826
Accounts receivable (Note 7)	6,103	8,097
Income taxes receivable	1,491	648
Tax credits receivable	8,040	5,104
Prepaid expenses and deposits	3,725	2,448
Assets held for sale (Note 10)	-	20,148
	34,535	50,610
Non-current assets		
Property, plant and equipment (Note 12)	2,495	1,997
Right-of-use assets (Note 13)	10,924	-
Intangible assets (Note 14)	6,907	6,319
Acquired intangible assets (Note 14)	13,158	14,565
Goodwill (Notes 8 and 15)	96,852	90,149
Deferred taxes (Note 22)	6,214	5,276
	171,085	168,916
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	10,660	11,280
Other accounts payable (Note 11)	857	2,114
Income taxes payable	568	646
Deferred revenues (Note 7)	17,796	17,153
Derivative financial instruments	891	424
Current portion of long-term debt (Note 16)	26,975	-
Current portion of deferred lease inducement	-	136
Current portion of lease liability (Note 13)	1,618	-
Liabilities held for sale (Note 10)	-	1,353
	59,365	33,106
Non-current liabilities		
Long-term debt (Note 16)	-	24,935
Deferred lease inducement	-	475
Deferred taxes (Note 22)	8,702	9,696
Lease liability (Note 13)	10,179	-
	78,246	68,212
Shareholders' equity		
Share capital (Note 17)	79,251	78,051
Reserves	2,560	2,903
Retained earnings	11,028	19,750
	92,839	100,704
	171,085	168,916

Refer to the notes to the consolidated financial statements.

Approved by the Board of Directors,

(signed) *Gilles Laurin*, Director — Gilles Laurin

(signed) *Luc Filiatreault*, Director — Luc Filiatreault

MEDIAGRIF

Consolidated Statements of Changes in Shareholders' Equity
Years ended March 31, 2020 and March 31, 2019

Year ended March 31, 2020

		Reserves				
	Share capital	Equity-settled employee benefits	Cash flow hedging	Total	Retained earnings	Total
In thousands of Canadian dollars	$	$	$	$	$	$
Balance as at March 31, 2019	78,051	3,213	(310)	2,903	19,750	100,704
Loss for the year	-	-	-	-	(5,752)	(5,752)
Other comprehensive income for the year, net of income tax	-	-	(343)	(343)	-	(343)
Comprehensive income for the year	-	-	(343)	(343)	(5,752)	(6,095)
Common shares issued (Notes 8 and 17)	1,200	-	-	-	-	1,200
Dividends declared on common shares (Note 17)	-	-	-	-	(2,970)	(2,970)
Balance as at March 31, 2020	**79,251**	**3,213**	**(653)**	**2,560**	**11,028**	**92,839**

Year ended March 31, 2019

		Reserves				
	Share capital	Equity-settled employee benefits	Cash flow hedging	Total	Retained earnings	Total
In thousands of Canadian dollars	$	$	$	$	$	$
Balance as at March 31, 2018	78,051	3,213	(42)	3,171	51,331	132,553
Loss for the year	-	-	-	-	(25,641)	(25,641)
Other comprehensive income for the year, net of income tax	-	-	(268)	(268)	-	(268)
Comprehensive income for the year	-	-	(268)	(268)	(25,641)	(25,909)
Dividends declared on common shares (Note 17)	-	-	-	-	(5,940)	(5,940)
Balance as at March 31, 2019	**78,051**	**3,213**	**(310)**	**2,903**	**19,750**	**100,704**

Refer to the notes to the consolidated financial statements.

Consolidated Statements of Cash Flows
Years ended March 31, 2020 and March 31, 2019

In thousands of Canadian dollars	2020 $	2019 $
CASH FLOWS RELATED TO		
Operating activities		
Loss for the year	(5,752)	(25,641)
Adjustments for the following items:		
Amortization and depreciation (Note 21)	7,955	7,532
Amortization of deferred lease inducements	-	(133)
Amortization of deferred financing costs	39	40
Interest expense	1,271	1,173
Foreign exchange	(936)	(511)
Share in profit of a joint venture	-	6
Deferred taxes	(2,871)	(11,656)
Impairment loss on assets (Note 10)	7,221	46,581
Income tax expense recognized in profit (Note 22)	1,356	3,309
Loss on sale of a subsidiary (Note 10)	83	-
Changes in non-cash working capital items (Note 24 a))	(1,349)	(2,581)
Interest paid	(1,273)	(1,172)
Income taxes paid, net of amounts receivable	(2,658)	(4,238)
	3,086	12,709
Investing activities		
Proceeds from sale of a subsidiary (Note 10)	19,433	-
Business acquisition net of acquired cash (Note 8)	(8,024)	-
Acquisition of property, plant and equipment	(731)	(823)
Acquisition of intangible assets	(3,110)	(3,973)
Distribution from a joint venture	-	436
	7,568	(4,360)
Financing activities		
Increase in long-term debt	14,474	-
Repayment of long-term debt	(18,890)	(3,201)
Payment of lease liability	(1,544)	-
Cash dividends paid on common shares (Note 17)	(4,455)	(5,939)
	(10,415)	(9,140)
Net change in cash and cash equivalents for the year	239	(791)
Impact of exchange rate changes on cash and cash equivalents	772	395
Cash and cash equivalents at beginning of year	14,165	14,561
Cash and cash equivalents at end of year	15,176	14,165
Cash and cash equivalents consist of the following statement of financial position items:		
Cash and cash equivalents	14,319	13,339
Cash held for the benefit of third parties	857	826

Refer to the notes to the consolidated financial statements.

1 INCORPORATION, NATURE OF OPERATIONS AND LIQUIDITY

Mediagrif Interactive Technologies Inc. (the “Corporation”) provides e-business solutions to consumers and businesses. It operates through its wholly owned subsidiaries.

The Corporation, incorporated on February 16, 1996, under the *Canada Business Corporations Act*, is listed on the Toronto Stock Exchange. Its head office is located at 1111 St-Charles West, East Tower, Suite 255, Longueuil, Quebec, Canada.

The Board of Directors approved the consolidated financial statements on June 29, 2020. Amounts are expressed in Canadian dollars unless indicated otherwise.

The consolidated financial statements are prepared on a going concern basis.

The Corporation’s Credit Facility expires on December 18, 2020 with all unpaid amounts due in full at maturity. The Corporation expects to be able to fulfill this obligation using available cash as at March 31, 2020, the net proceeds arising from the bought deal offering conducted on May 21, 2020, and the operating cash flows expected to be generated by maturity. Furthermore, subsequent to the year-end closing, the Corporation initiated the measures required to refinance the Credit Facility with the support of financial advisors; these measures are underway and expected to be completed before the end of the quarter ending September 30, 2020.

On June 25, 2020, the Credit Agreement was amended (Note 16). As at March 31, 2020, the Corporation was in compliance with the restrictive covenants set out in the Amended Credit Agreement.

After examining the factors that are causing the liquidity risk facing the Corporation, the judgment applied to these factors, and the various initiatives that the Corporation has and will undertake to strengthen its financial position, the Corporation believes it will have sufficient liquidity to support its operations and meet its financial obligations for at least twelve months. Management has therefore concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern.

2 SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The significant accounting policies described below have been applied to all periods presented in these consolidated financial statements. The accounting policies are consistent with International Financial Reporting Standards (IFRS) and interpretations currently issued and in effect for the year ended March 31, 2020.

Basis of preparation

The consolidated financial statements have been prepared using the historical cost method, except for certain financial instruments, which are measured at fair value, and assets held for sale, which are measured at the lower of fair value less costs to sell and carrying amount, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. These financial statements have been prepared on a going-concern basis. The significant accounting policies are set out below.

Scope and basis of consolidation

These consolidated financial statements include the accounts of the Corporation and its subsidiaries. The interest in the joint venture was dissolved in May 2018.

Subsidiaries

All of the subsidiaries are wholly owned by the Corporation, directly or indirectly.

These consolidated financial statements include the financial statements of the Corporation and the financial statements of the entities it controls (its subsidiaries).

The entities are included in the scope of consolidation from the date the Corporation acquires control until that control ceases. The total comprehensive income of the subsidiaries is attributed to the Corporation’s owners.

All intragroup transactions, balances, revenues and expenses are fully eliminated upon consolidation.

Foreign currency translation

The Corporation’s functional and presentation currency is the Canadian dollar. The functional currency of all the Corporation’s entities is also the Canadian dollar. The functional currency is the currency of the primary economic environment in which the entity operates.

Transactions denominated in currencies other than the entity’s functional currency (foreign currencies) are recognized at the rates of exchange prevailing on the transaction dates.

Monetary items are translated at the rate in effect on the reporting date, and non-monetary items, including the related amortization, are translated at their historical rate, whereas revenues and expenses are translated at the average exchange rate for the year. Foreign exchange gains and losses are included in Other (expenses) revenues.

Financial instruments

The Corporation classifies financial instruments into categories based on their nature and characteristics. Management determines where to classify financial instruments when they are initially recognized, which is usually the transaction date.

All financial assets, except those at fair value through profit or loss, are tested for impairment annually and written down when there is an indication of impairment in accordance with certain specific criteria mentioned below.

All financial-instrument-related costs are reported in “Financial expenses.”

Effective interest rate method

The effective interest rate method is a method of calculating the amortized cost of a financial asset or liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows (including all commissions that are an integral part of the effective interest rate, transaction costs, and other premiums or discounts) over the expected life of the financial asset or liability or, when appropriate, a shorter period.

Transaction costs consist primarily of legal, accounting, and underwriter fees and other costs directly attributable to the issuance of the related financial instruments.

Deferred financing costs

Financing costs paid during the establishment of the revolving credit facility are recognized against long-term debt and amortized using the effective interest rate method over the expected term of the revolving credit facility. When the revolving credit facility is paid in full, the deferred financing costs are presented as an asset because they are attached to a revolving credit facility that still exists and is still available for use.

Financial assets and liabilities at fair value through profit or loss

All financial instruments included in this category meet the definition of financial assets or financial liabilities held for trading. Held-for-trading financial instruments are instruments that are held for the purpose of selling them in the short term. Derivative instruments are included in this category unless they are a designated and effective hedging instrument.

The financial instruments included in this category are initially and subsequently recognized at fair value. Directly attributable transaction costs and changes in fair value are recognized in profit or loss. Instruments classified in this category are presented in assets and liabilities.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented in current assets when they are recoverable within 12 months of fiscal year-end; otherwise, they are classified as non-current assets. The Corporation includes cash and cash equivalents as well as trade receivables and other receivables in this category. Financial instruments included in this category are initially recognized at fair value plus directly attributable transaction costs. Thereafter, loans and receivables are measured at amortized cost using the effective interest rate method.

The Corporation recognizes a loss allowance in respect of expected credit losses on loans and receivables. The amount of expected credit losses is updated on each reporting date in order to reflect changes in credit risk that have occurred since the initial recognition of the corresponding financial instrument. The Corporation recognizes an expected credit loss in respect of the lifetime loans and receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Corporation's credit loss experience, after making adjustments to take into account factors specific to receivables, the economic environment including the COVID-19 pandemic and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including the time value of money, if applicable.

For all other financial instruments, the Corporation recognizes lifetime expected credit losses where credit risk has increased significantly since the instruments were initially recognized. However, if the credit risk on a financial instrument has not increased significantly since initial recognition, the Corporation shall measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses."

Recognition and measurement of expected credit losses

Where financial assets are concerned, expected credit losses are assessed as the difference between all contractual cash flows due to the Corporation in accordance with the contract and all the cash flows that the Corporation expects to receive, discounted at the original effective interest rate.

If the Corporation has measured the loss allowance for a financial instrument at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the conditions for lifetime expected credit losses are no longer met, the Corporation shall measure the loss allowance at an amount equal to 12-month expected credit losses at the current reporting date, except for assets in respect of which the simplified approach was used.

Derivative financial instruments and hedge accounting

A portion of the Corporation's revenues and operating expenses is denominated in U.S. dollars. The Corporation uses foreign currency forward contracts to eliminate or reduce the risks of exchange rate fluctuations that have an impact on a portion of these revenues. Management is responsible for setting acceptable levels of risk and does not use derivative financial instruments for speculative purposes. More detailed information on derivative financial instruments is provided in Note 26.

Designation as a hedge is allowed only if the changes in the fair value of the hedging item are expected to substantially offset the changes in the fair value of the hedged item attributable to the risk being hedged. This offset must be provided for at the inception of the hedge and throughout the hedge period.

The Corporation formally documents all relationships between hedging instruments and hedged items as well as the risk management objectives and strategy behind its various hedging activities. The Corporation also formally documents and measures, at the inception of the hedge and continuously thereafter, whether the derivative financial instruments used as a hedge are very effective at offsetting the anticipated changes in the fair value of the hedged items.

Gains and losses on derivative financial instruments not identified in a hedging relationship and gains and losses related to the "ineffective" portion of effective hedges are recognized in other revenues and operating expenses.

Hedge accounting is discontinued prospectively if the hedging instrument or hedged item is terminated or sold or if it is determined that the hedging instrument is no longer effective.

Cash flow hedging

The Corporation designates foreign currency forward contracts as cash flow hedges of forecasted sales in foreign currencies. For cash flow hedges, the change in fair value of the effective portion of the derivative is recorded in "Other comprehensive income." The change in fair value of the ineffective portion of the derivative is recorded directly in profit or loss. Amounts recognized in other comprehensive income are reclassified to profit or loss when the hedged item affects profit or loss. With regard to forecasted sales, the effective portion of the hedging derivative is reclassified to profit or loss in the period in which such sales are recognized. However, when a planned transaction is subsequently recognized as a non-financial asset, amounts recognized in other comprehensive income are reclassified to the initial carrying amount of the associated asset.

Cash and cash equivalents

Cash and cash equivalents include cash, bank balances and liquid investments that are readily convertible in the short-term and have a maturity date of less than three months from the date of acquisition, into a known amount of cash and for which the risk of a change in fair value is negligible.

Rebates and accounts receivable and payable from disposals and escrow transactions

The Corporation's services include administering a rebate program and running a used equipment trade-in program for certain customers. As part of these services, the Corporation frequently receives cash from customers (in the case of the rebate program) and from used equipment resellers. This cash, minus related commissions earned by the Corporation, must be remitted to the other party to the transaction. Financial statement amounts related to these transactions are described in Note 11.

The amount received up to the reporting date but not yet remitted to the other party is presented in the Consolidated Statement of Financial Position as "Cash held for the benefit of third parties."

The Corporation also offers an escrow service. As part of this service, the Corporation is named as an escrow agent to receive, hold and transfer funds. The Corporation receives cash that is released to the seller, minus any related fees, costs or charges, once the transaction between seller and buyer is finalized. The cash received is also presented in the Consolidated Statement of Financial Position as “Cash held for the benefit of third parties.”

The offsetting entry is presented in the Consolidated Statement of Financial Position as “Other accounts payable.”

Revenue recognition

The Corporation’s revenues, which are derived from e-business industry are generated from rights of use, transaction fees, advertising sales, professional services, and maintenance and hosting services. In all cases, revenues are measured as the amounts of consideration that the Corporation expects to receive for the goods or services provided. The Corporation identifies the revenues to be recognized by using the following steps: (1) Identifying the contract with the customer, (2) Identifying the performance obligations set out in the contract, (3) Determining the transaction price, (4) Allocating the transaction price to the performance obligations, and (5) Recognizing revenues when the Corporation fulfils a performance obligation. Revenues are recognized when the customer obtains control of the goods or services. Revenues arising from an agreement to render services are gradually recognized upon completion of the performance obligation. If the obligation is satisfied over time during the course of the work, revenue is recognized according to the percentage of completion of the contract. Where applicable, rebates and similar deductions are deducted from revenues.

Revenue is measured as the amounts of consideration that the Corporation expects to receive, including the variable consideration, such as discounts, volume rebates, service penalties and incentives. The variable consideration is estimated using the expected value or the most likely amount method and is considered only to the extent that it is highly probable that a significant cumulative revenue reversal will not occur. In making this judgment, management will especially consider all of the information at its disposal at the time (historical, current and forecast information), the Corporation’s knowledge of the customer or industry, the type of services to be provided and the contractual terms of each agreement.

Some contracts contain several performance obligations, including a right of use and professional services, which are determined to be separate from each other if the promises to provide services are separate from the rights of use within the context of the contract.

In addition to these general revenue recognition policies, the following specific revenue recognition policies are applied to the Corporation’s main sources of revenue:

- Revenues from rights of use are recognized on a straight-line basis over the term of the agreement or in some cases, when the service is used. Certain right-of-use revenues are generated from the sale of classified ad packages. These revenues are recognized on a straight-line basis over the estimated life as of the date the ad is posted. The estimated life is determined based on historical data for each type of ad;

- Transaction fees are recognized when the transaction occurs;

- Revenues from advertising are recognized on a straight-line basis over the term of the campaign;

- Professional services revenues are recognized using the percentage-of-completion method when the performance obligation is met gradually in the course of work. The degree of completion is determined by dividing the cumulative hours at the closing date by the sum of the cumulative hours incurred and the estimated number of hours to complete the contract;

- Revenues from maintenance and hosting services are recognized on a straight-line basis over the term of the agreement.

Contract costs

The Corporation incurs incremental costs for obtaining contracts, such as commissions paid to sales representatives. When the Corporation expects these costs to be recovered, and the related contracts have a term of more than one year, it capitalizes these costs and amortizes them over the term of the contract or, in some cases, over the expected life of the customer relationship.

Non-current assets held for sale

Non-current assets and liabilities held for sale are measured at the lower of fair value less costs to sell and their carrying amounts, and they are not amortized as long are they classified as held for sale. Non-current assets and disposal groups are classified as held for sale if their carrying amounts must mainly be recovered through a sale transaction rather than through continuing use. This condition is deemed to be met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment

Property, plant and equipment are recognized at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognized over the estimated useful lives of the related assets using the following method and period or term:

	Method	Period
Office furniture	Straight-line	3 years
Computer and other equipment	Straight-line	3 years
Leasehold improvements	Straight-line	Lesser of term of the lease and useful life

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each financial reporting period, and the impact of any change in estimates is accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal when no future economic benefits are expected to arise from the continued use of the asset. A gain or loss arising on the disposal or retirement of an item of property, plant and equipment is the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss in “Other (expenses) revenues.”

Impairment of long-lived assets, excluding goodwill

At the end of each financial reporting period, the Corporation reviews the carrying amounts of its property, plant and equipment and finite-life intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the amount of the impairment loss (if any). Where 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. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units; otherwise, they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets not yet available for use are tested for impairment at least once a year and whenever there is an indication that the asset may be impaired.

Certain trademarks acquired in business combinations were originally identified as having indefinite lives, as they are highly recognizable in the market and there is no foreseeable time limit to their ability to generate revenues. This estimated life is reviewed by management annually and is modified when management determines that there is now a foreseeable time limit for the trademark's ability to generate revenues.

Cash-generating units to which indefinite-life trademarks have been allocated are tested for impairment annually or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated proportionately across the assets of the unit.

The recoverable amount is the higher of fair value less costs to sell and value in use. To measure value in use, estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is immediately recognized in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is immediately recognized in profit or loss.

Intangible assets

Intangible assets comprise software and acquired intangible assets.

Software and internally generated assets

Some software are purchased to meet the Corporation's technology needs and are recognized at cost less accumulated amortization and accumulated impairment losses. Intangible assets also include costs to produce internally developed software and websites, including the portion of capitalized labour costs of the Corporation's development group, deducted from related tax credits. These costs are equivalent to the expenses incurred as of the date on which all of the specific capitalization criteria with regard to technical and financial feasibility are met and if the Corporation is demonstrating that it intends and is able to use them. Where no internally-generated intangible asset can be recognized, development expenses are recognized in profit or loss in the period they are incurred. After initial recognition, internally-generated intangible assets are recorded at cost less accumulated amortization and impairment losses. These costs are amortized on a straight-line basis over their estimated useful lives ranging from three to five years.

Acquired intangible assets

Acquired intangible assets consist of client bases, technologies and indefinite-life trademarks. They are recorded at cost (i.e., the acquisition-date fair value), less accumulated amortization and impairment losses. Acquired intangible assets, except for indefinite-life trademarks that are not amortized but are assessed for impairment annually, are amortized on a straight-line or declining basis over their respective estimated useful lives and using the following periods:

Category	Period
Client bases	2 to 10 years
Technology	3 to 7 years

The estimated useful lives and amortization methods of intangible assets are reviewed at the end of each financial reporting period, and the impact of any change in estimates is accounted for on a prospective basis.

Intangible assets are derecognized upon disposal or when no future economic benefits are expected from their use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net proceeds from the disposal of the asset and its carrying amount, are recognized in profit or loss when the asset is derecognized.

Business combinations

Business acquisitions are accounted for under the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Corporation, liabilities incurred by the Corporation to the former owners of the acquiree, and the equity interests issued by the Corporation in exchange for control of the acquiree. Acquisition-related costs are recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at the acquisition-date fair value, except:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements that are recognized and measured in accordance with IAS 12, *Income Taxes* and IAS 19, *Employee Benefits*, respectively;

- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Corporation entered into to replace share-based payment arrangements of the acquiree, which are measured in accordance with IFRS 2, *Share-Based Payment* at the acquisition date;

- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5, *Non-Current Assets Held for Sale and Discontinued Operations*, which are measured in accordance with that standard.

Deferred revenues from business combinations are recorded at fair value. This corresponds to the future costs to perform the services, the collection of which took place before the acquisition, plus a profit margin. This profit margin is the average margin that the Corporation realizes to provide the same kind of service.

The fair value of acquired intangible assets is determined as follows:

Trademarks are recognized at fair value according to the avoided royalties method. Acquired technology is measured using the replacement cost method or the avoided royalties method. The replacement cost method estimates the cost to rebuild a platform by adding the estimated loss of profits during the reconstruction. The multiperiod excess earnings method is used to calculate the value of customer relationships. The avoided royalties method, the replacement cost method, and the multiperiod excess earnings method are all primarily based upon anticipated discounted cash flows according to currently available information, such as historical and projected revenues and expenses, the renewal probability of each contract, and certain other relevant assumptions.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net balance of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed. If, after remeasurement, the net balance of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the total consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously-held interest in the acquiree (if any), the excess amount is recognized immediately in profit or loss as a bargain purchase gain.

Goodwill

Goodwill arising from a business combination is recognized at cost as established at the date of acquisition of the business (see Business Combinations) less accumulated impairment losses, if any.

For impairment testing purposes, goodwill is allocated to each of the Corporation's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination. Given that the Corporation has only one operating segment, the goodwill impairment test is performed at the level of that segment, except for the portion of goodwill allocated to the cash-generating units whose assets are classified as held for sale.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired. The Corporation has determined that it has only one cash-generating unit group, i.e., the operating segment. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is first allocated to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss of the Consolidated Statement of Income. An impairment loss recognized for goodwill is not reversed in subsequent periods.

The Corporation has selected March 31 as the date for performing its annual goodwill impairment test.

Provisions

Provisions are recognized when the Corporation has a present obligation (legal or constructive) as a result of a past event, when it is probable that the Corporation will be required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Provisions for contracts generating revenue shortfalls are recognized when the inevitable costs associated with the contract's performance exceed the total estimated revenues from the contract. Management regularly reviews the profitability of agreements as well as the underlying estimates.

Leases

Standard applicable as of April 1, 2019

Leases – The Corporation as lessee

At inception of a contract, the Corporation assesses whether the contract is, or contains, a lease. A contract is, or contains a lease if it conveys the right to control the use of an identified asset.

All leases are recognized in the Consolidated Statement of Financial Position through the recognition of a right-of-use asset and a lease liability, except for leases with a term of 12 months or less and leases for which the underlying asset is of low value, which are recognized in profit or loss on a straight-line basis over the lease term.

The right-of-use asset is reported on the Consolidated Statement of Financial Position and is measured at cost less accumulated depreciation and impairment losses. Depreciation is calculated over the lease term or the estimated useful life, whichever is shorter.

The lease liability is reported on the Consolidated Statement of Financial Position and is measured at the amortized cost using the effective rate method. It is initially measured at the present value of future lease payments using the implicit rate of the lease, if it can be readily determined, or the Corporation's incremental borrowing rate. Future lease payments include fixed payments, variable payments that depend on an index or rate, and payments for extension, termination or purchase options that are reasonably certain to be exercised. When lease payments include amounts relating to non-rental components, they are included in the calculation of the lease liability.

Standard applicable before April 1, 2019

Leases were classified as finance leases whenever the terms of the lease transfer were substantially all the risks and rewards of ownership to the lessee. All other leases were classified as operating leases.

The Corporation as a lessee of an operating lease

Operating lease payments were recognized as an expense on a straight-line basis over the lease term, except where another systematic basis was more representative of the time pattern in which economic benefits from the leased asset were consumed. Costs for services arising under operating leases were recognized as an expense in the period in which they were incurred.

Deferred lease inducements

When lease incentives were received to enter into operating leases, such incentives were recognized as a liability. The aggregate benefit of incentives was recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis was more representative of the time pattern in which economic benefits from the leased asset were consumed.

Deferred lease inducements refer to the reimbursement of leasehold improvement expenses and free or preferential rent assumed by the landlord under leases for commercial premises. The deferred lease inducement was amortized on a straight-line basis over the terms of the leases. Amortization was recorded as a reduction of the rent expense in the Consolidated Statement of Income.

The Corporation as a lessee of a finance lease

Assets held under finance leases were initially recognized as Corporation assets at fair value starting from the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor was included in the Consolidated Statement of Financial Position as a finance lease obligation. Lease payments were apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses were recognized directly in profit or loss, unless they were directly attributable to qualifying assets, in which case they were capitalized in accordance with the Corporation's general policy on borrowing costs. Contingent rentals were recognized as expenses in the periods in which they were incurred.

Income taxes

Income tax expense is the sum of current taxes and deferred taxes.

Current taxes

Current tax payable is based on taxable income for the year. Taxable income and income reported in the Consolidated Statement of Income differ due to revenue or expense items that are taxable or deductible in other years and items that are never taxable or deductible. The Corporation's liability for current taxes is calculated using tax rates that have been enacted or substantively enacted by the end of the financial reporting period.

Deferred taxes

The Corporation recognizes income taxes using the asset-liability approach. Under this method, deferred tax assets and liabilities are determined based on deductible or taxable timing differences between the carrying amounts and tax bases of assets and liabilities using enacted or substantively enacted tax rates expected to be in effect in the year in which the timing differences are expected to reverse. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable income nor the accounting income.

The carrying amount of deferred tax assets is reviewed at the end of each financial reporting period and is reduced when it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Corporation expects, at the end of the financial reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that have been recognized in other comprehensive income or directly in equity, in which case the current and deferred taxes are also recognized, respectively, in other comprehensive income or directly in equity. Where current taxes or deferred taxes arise from the initial accounting for a business combination, the tax impact is included in the accounting for the business combination.

Tax credits

Tax credits, including research and development tax credits, are not recognized until there is reasonable assurance that the Corporation will meet the eligibility criteria of the credits and that they will be received. Tax credits are recognized as a reduction to the related expenses in the year they are incurred.

Employee benefits

Salaries, employee benefits, paid leave, sick leave and bonuses are short-term benefits that are recognized in the period in which the Corporation's salaries have rendered the related services.

Government assistance

Government assistance is accounted for in the Consolidated Statement of Income when the Corporation meets the requirements of the support programs and collection is reasonably assured. Government assistance that is received, but that is conditionally refundable, is accounted for in the Consolidated Statement of Income as long as the repayment conditions are not likely to be met. Government assistance provided to offset expenses is reported in the Consolidated Statement of Income as a reduction of the related expenses.

Stock-based compensation

The Corporation grants stock options to directors, officers and employees that are settled by issuing common shares. It establishes a compensation expense in respect of these options granted based on the fair value of each tranche of options at the grant date. The compensation expense is recognized in the Consolidated Statement of Income over the vesting period for each tranche based on the number of options that should ultimately vest. The Corporation estimates stock options not used when granted and revises these estimates in subsequent periods if the actual number of lapses differs from these estimates. The corresponding amount is recognized in contributed surplus as a component of equity.

3 IFRS ADOPTED DURING THE CURRENT FISCAL YEAR

IFRIC 23, Uncertainty Over Income Tax Treatments

The Corporation adopted IFRIC 23, *Uncertainty Over Income Tax Treatments*, on April 1, 2019. IFRIC 23 provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments.

The Interpretation requires an entity to:

- contemplate whether uncertain tax treatments should be considered separately, or together as a group, based on which approach better predicts the outcome;
- reflect an uncertainty in the amount of income tax payable (recoverable) if it is probable that it will pay (or recover) an amount for the uncertainty; and
- measure a tax uncertainty based on the most likely amount or expected value depending on whichever method better predicts the amount payable (recoverable).

The adoption of IFRIC 23 had no impact on the consolidated financial statements.

IFRS 16, Leases

On April 1, 2019, the Corporation adopted IFRS 16, which applies to fiscal years beginning on or after January 1, 2019. The Corporation has retrospectively applied IFRS 16, recognizing the cumulative effect of initial application at the date of initial application without restatement of comparative figures as at March 31, 2019.

IFRS 16 replaces the following standards: IAS 17, *Leases*, IFRIC 4, *Determining Whether an Arrangement Contains a Lease*, SIC-15, *Operating Leases – Incentives*, and SIC-27, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease.* IFRS 16 introduces a single lease accounting model for lessees whereby all lease agreements are recognized in the Consolidated Statement of Financial Position through a right-of-use asset and a lease liability. Exemptions are permitted for short-term leases and leases for which the underlying asset is of low value. On November 26, 2019, the *IFRS Interpretations Committee* issued its final decision on the determination of certain lease terms, in addition to the amortization period for fixtures and fittings that are inseparable from the leased property. The Corporation is currently evaluating the impact of this interpretation on its consolidated financial statements.

For leases previously classified as operating leases, the Corporation recognized a lease liability measured at the present value of the remaining lease payments, discounted using the Corporation's incremental borrowing rate as at April 1, 2019, as well as a right-of-use asset for a corresponding value less the deferred lease inducements. In the Consolidated Statement of Income, rent expense is replaced by depreciation of the right-of-use asset and by interest on the lease liability calculated using the effective interest rate method.

As part of the transition to IFRS 16, the Corporation applied the following practical expedients:

- The Corporation applied a single discount rate to a portfolio of leases with similar characteristics; and
- The Corporation accounted for leases with a term of 12 months or less at the date of initial application as short-term leases by recognizing the rent payments in profit or loss on a straight-line basis over the lease term.

The retrospective application of IFRS 16 had the following impact on the comparative information presented in the Corporation's consolidated financial statements:

In thousands of Canadian dollars	**As at March 31, 2019 $**	**Restatement**	**As at April 1, 2019 $**
Consolidated Statement of Financial Position			
Right-of-use asset	-	9,775	9,775
Deferred lease inducement (current liabilities)	136	(136)	-
Deferred lease inducement (non-current liabilities)	475	(475)	-
Lease liability [i] (current liabilities)	-	1,261	1,261
Lease liability [i] (non-current liabilities)	-	9,122	9,122

[i] The weighted average incremental borrowing rate applied to the lease liabilities recognized in the Consolidated Statement of Financial Position as at April 1, 2019 is 3.55%.

The reconciliation of the operating lease commitments disclosed in accordance with IAS 17 as at March 31, 2019 and the lease liability recognized as at April 1, 2019 in accordance with IFRS 16 is as follows:

In thousands of Canadian dollars	As at April 1, 2019 $
Future minimum operating lease payments as at March 31, 2019	5,841
Practical expedient for leases with a term of 12 months or less as at April 1, 2019	(186)
Impact of discounting at the incremental borrowing rate	(1,307)
Options to extend the leases that are reasonably certain to be exercised	6,035
	10,383

4 NEW AND REVISED IFRS, ISSUED BUT NOT YET IN EFFECT

IAS 1, Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

In October 2018, IAS 1, *Presentation of Financial Statements* and IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* were amended to clarify the definition of "material" and how it should be applied to ensure that it is consistent across all IFRS standards. The amendments apply to the Corporation for fiscal years beginning on or after April 1, 2020. While early application is permitted, the Corporation has not early adopted these amendments and is currently assessing the impact of these changes on its consolidated financial statements.

IFRS 3, Business Combinations

In October 2018, IFRS 3, *Business Combinations* was amended to clarify the definition of a "business," with the objective of assisting entities in determining whether a transaction should be accounted for as a business combination or as an asset acquisition. The amendments apply to the Corporation for fiscal years beginning on or after April 1, 2020. While early application is permitted, the Corporation has not early adopted these amendments and is currently assessing the impact of these changes on its consolidated financial statements.

IAS 1, Presentation of Financial Statements

On January 23, 2020, the IASB issued amendments to IAS 1, *Presentation of Financial Statements* regarding the classification of liabilities as current or non-current. These amendments clarify that the classification of liabilities as either current or non-current should be based on the entity's rights at the end of the reporting period and make clear the link between the settlement of the liability and the outflow of the entity's resources. These amendments are effective for fiscal years beginning on or after January 1, 2022 and should be applied retrospectively. The Corporation does not intend to early adopt these amendments and is assessing their impact on its consolidated financial statements.

5 MANAGEMENT'S ESTIMATES AND JUDGMENTS

In preparing consolidated financial statements in accordance with IFRS, management must make estimates and assumptions that affect the reported amounts of revenues and expenses during the year, the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the reporting date. 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

In preparing consolidated financial statements in accordance with IFRS, management must exercise judgment when applying accounting policies and rely on assumptions and estimates that affect the amounts of the assets, liabilities, revenues and expenses reported in these consolidated financial statements and on the contingent liability and contingent asset information provided. The actual results of items subject to assumptions and estimates may differ from these assumptions and estimates.

Explanations about the main assumptions and estimates are presented below:

COVID-19

Global economic conditions are currently highly volatile due to the novel coronavirus (COVID-19) pandemic, which the World Health Organization declared on March 11, 2020. The scope, duration and gravity of COVID-19 are hard to predict and could affect the estimates and judgments used in the preparation of the consolidated financial statements, in particular but not limited to the following items: revenue recognition, goodwill, impairment losses on intangible assets and expected credit losses.

Revenue recognition

As mentioned in Note 2, the Corporation uses assumptions to recognize certain right-of-use revenues, i.e., the sale of classified ad packages. Management regularly reviews these assumptions. Significant changes in these assumptions would 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 current fiscal year, management has determined that the useful lives of property, plant and equipment and finite-life intangible assets were appropriate.

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, on intangible assets, and on acquired intangible assets are also based on similar assumptions. Any future deterioration in market conditions or poor operational performance could translate into an inability to recover the current carrying amounts of property, plant and equipment, intangible assets, acquired intangible assets, and goodwill.

See Note 10 to learn more about assets held for sale and indefinite-life trademarks, and Note 15 for goodwill impairment testing.

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 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 some 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.

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 any such indication exists, the recoverable amount of the asset is estimated in order to determine the amount 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 15 for more information on attributions of goodwill to cash-generating units and Note 14 for the attribution of indefinite-life intangible assets to cash-generating units.

Revenue recognition of multiple deliverable arrangements

Assessing whether the deliverables within an arrangement are separate performance obligations requires judgment by management. A deliverable is identified as a separate performance obligation if the customer benefits from it on its own or together with resources that are readily available to the customer and if it is separately identifiable from the other deliverables in the contract. The Corporation assesses if the deliverables are separately identifiable in the context of the contract by determining if it is highly interrelated with other deliverables in the contract. If these criteria are not met, the deliverables are accounted for as a combined performance obligation.

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 discrete financial information.

Management has identified a single operating segment, i.e., that of e-commerce. The information structure indicates how management manages the Corporation and how it classifies its activities for planning and evaluating 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 and attributable to U.S. subsidiaries represents a significant portion of their total expenditures.

Assets held for sale

For assets and liabilities to be classified as held for sale, IFRS 5, *Non-Current Assets Held for Sale and Discontinued Operations*, requires cash-generating units to be available for immediate sale in their present condition and for the sale to be highly probable.

The Corporation considered decisions made by the Board of Directors, ongoing processes, and contacts with various stakeholders, and it concluded that the criteria were met on March 31, 2019. As a result, the cash-generating units in Note 10 have been classified as held for sale in the Consolidated Statement of Financial Position.

The Corporation reviewed this assessment again as at March 31, 2020, concluding that the cash-generating units still held by the Corporation no longer met the criteria. The respective assets and liabilities were therefore reclassified in the corresponding assets and liabilities in the Consolidated Statement of Financial Position as at March 31, 2019.

6 SEGMENT INFORMATION

The Corporation has only one reportable segment.

Geographical information is as follows:

In thousands of Canadian dollars	**2020** **$**	**2019** **$**
Revenues		
Canada	38,093	45,103
United States	34,284	34,823
Asia and other	1,543	1,858
Europe	1,508	1,298
	75,428	83,082

In thousands of Canadian dollars	**As at March 31, 2020** **$**	**As at March 31, 2019** **$**
		Amended (Note 10)
Non-current assets		
Canada	104,010	88,628
United States	26,326	24,396
Asia and other	-	6
	130,336	113,030

Revenues are attributed to geographic regions based on the location of the customers.

Non-current assets include property, plant and equipment, intangible assets, acquired intangible assets, and goodwill.

7 REVENUES

Revenues are detailed as follows:

In thousands of Canadian dollars	2020 $	2019 $
Revenues from rights of use	56,387	60,286
Revenues from transaction fees	8,999	9,521
Revenues from advertising	1,120	4,148
Revenues from professional services	7,341	7,124
Revenues from maintenance and hosting services	1,148	1,297
Other	433	706
	75,428	83,082

Contract assets and liabilities

The following table contains information related to contract assets and liabilities recognized in the Consolidated Statement of Financial Position:

In thousands of Canadian dollars	2020 $	2019 $ *Amended (Note 10)*
Receivables (included in accounts receivable)	5,272	7,363
Contract assets (included in accounts receivable)	831	734
Current deferred revenues	17,796	17,153

Contract assets

The change in unbilled revenue is as follows:

In thousands of Canadian dollars	2020 $	2019 $
Balance at beginning of year	734	563
Increase in contract assets related to stage of completion	1,464	1,227
Decrease in contract assets related to invoicing	(1,367)	(1,056)
Balance at end of year	831	734

All contract assets as at March 31, 2020 will be invoiced to customers during the year ending March 31, 2021.

Deferred revenues

The following table contains information related to deferred revenues (contract liabilities):

In thousands of Canadian dollars	**2020** **$**	**2019** **$** *Amended (Note 10)*
Balance at beginning of year	17,153	17,958
Decrease in deferred revenues upon recognition in revenues of services rendered during the year	(15,265)	(14,858)
Increase in deferred revenues upon customer invoicing	16,026	14,135
Reclassification of deferred revenues as liabilities held for sale	-	(243)
Foreign exchange and other movements	(118)	161
Balance at end of year	17,796	17,153

Deferred revenues come mainly from prepaid rights-of-use.

Transaction prices for unfulfilled (or partially fulfilled) performance obligations represent services that have not yet been recognized, that will be recognized as revenue in future periods, and that total $28,951,809 as at March 31, 2020 ($27,876,446 as at March 31, 2019), approximately 85% of which the Corporation expects to account for as revenues within the next 12 months and 15% in subsequent fiscal years.

8 BUSINESS COMBINATIONS

Description of the business combination

The Corporation acquired all of the shares of KCentric Technologies Inc., ("k-eCommerce"), a leader providing integrated e-commerce and payment solutions on December 3, 2019, for a cash consideration of $8,023,742 as well as 203,000 common shares of the Corporation, subject to subsequent adjustments to working capital and long-term debt. In addition, debt was assumed at the acquisition date and was repaid immediately after the closing date. The acquisition was entirely financed by the Corporation's revolving credit facility.

This strategic acquisition will allow the Corporation to substantially increase its offerings in the high-growth e-commerce market. Moreover, due to the Corporation's expertise and solid financial position, k-eCommerce will be better able to invest in technological development and explore new marketing opportunities. Potential synergies in the Corporation's sales and marketing, e-commerce development and expertise were also determining factors in this acquisition.

Assets acquired and liabilities assumed at the acquisition date

In thousands of Canadian dollars	**Allocation $**
Assets	
Current assets	
Accounts receivable	602
Tax credits receivable	1,965
Prepaid expenses and deposits	195
	2,762
Non-current assets	
Property, plant and equipment	719
Right-of-use assets	844
Acquired intangible assets	
Client bases	4,270
Technology	4,360
Total	12,955
Liabilities	
Current liabilities	
Accounts payable and accrued liabilities	967
Deferred revenues	801
Current portion of long-term debt[1]	6,215
Lease liability	181
	8,164
Non-current liabilities	
Long-term debt	202
Deferred taxes	1,472
Lease liability	663
Total	10,501
Identifiable net assets acquired	2,454
Goodwill	6,703
Consideration transferred	9,157

(1) The Corporation repaid the current portion of long-term debt immediately after the closing date.

The purchase price allocation has been finalized.

Consideration transferred

In thousands of Canadian dollars	$
Cash consideration transferred	8,024
Common shares issued (203,000)	1,200
Favourable working capital adjustment (included in accounts receivable)	(67)
	9,157

The fair value of the 203,000 common shares issued was determined based on the share price at the acquisition date.

As part of the acquisition, an additional consideration of $891,527 was placed in escrow and will be payable if certain individuals continue to be employed by the Corporation 24 months following the closing date. This consideration was not included in the consideration transferred since it represents compensation for future services. It will therefore be recognized in profit or loss during the 24-month period.

Costs related to the acquisition

The total acquisition-related costs amounted to $345,778 and is included in “General and administrative expenses” in the Consolidated Statements of Income.

Determination of fair value

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at the acquisition-date fair value.

Accounts receivable, tax credits receivable, prepaid expenses and deposits and accounts payable and accrued liabilities arising from a business combination are recognized at their fair value, which is not substantially different from their gross contractual value and expected receipts and disbursements.

Deferred revenues from business combinations are recorded at fair value. This corresponds to the future costs to perform the services, the collection of which took place before the acquisition, plus a profit margin. This profit margin is the average margin that the Corporation realizes to provide the same kind of service.

The fair value of acquired intangible assets is determined as follows:

The acquired technology is evaluated at fair value based on the avoided royalties’ method. The multiperiod excess earnings method is used to calculate the value of customer relationships. The avoided royalties method and the multiperiod excess earnings method are all primarily based upon anticipated discounted cash flows according to currently available information, such as historical and projected revenues and expenses, the renewal probability of each contract, and certain other relevant assumptions.

Goodwill is measured as the excess of the total consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer’s previously held equity interest in the acquiree (if any), over the net balance of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed.

Goodwill arising from the business combination

The goodwill recognized from this business combination is not deductible for tax purposes. Goodwill of $6,703,000 stems essentially from the synergies with other activities of the Corporation, the economic value of the expertise of the workforce acquired as well as intangible assets that do not meet the criteria for separate recognition.

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

The Corporation's profit for the fiscal year ended March 31, 2020 includes $2,042,497 in revenues, including a negative adjustment related to fair value of acquired deferred revenues of $414,613 and a $1,117,433 net loss generated from the additional activities of k-eCommerce.

If this business combination had been completed on April 1, 2019, the Corporation's consolidated revenues for the year ended March 31, 2020, would have totalled $79,851,522, including a negative adjustment on deferred revenues at the acquisition date of $641,640. The consolidated net loss for the year ended March 31, 2020 would have totalled $8,351,052, including the negative adjustment to deferred acquisition revenues of $641,640, and an additional amortization expense of $821,905 relating to acquired intangible assets. The Corporation considers the pro forma figures to be 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 historical transactions and is not necessarily indicative of the profit that the Corporation would have realized if the acquisition actually occurred on April 1, 2019, nor of the profit that may be achieved in the future.

To determine the Corporation's pro forma consolidated revenues and profit if k-eCommerce had been acquired on April 1, 2019, the Corporation:

- calculated the amortization of other acquired intangible assets based on the fair value arising from initial recognition of the business combination rather than the carrying amounts recognized in the pre-acquisition financial statements;
- calculated the revenues according to the fair value of deferred revenues at the acquisition date;
- calculated the borrowing costs on the Corporation's net indebtedness after the business combination;
- calculated an additional income tax recovery to reflect the pro forma adjustments described above.

9 SUBSIDIARIES

The table below provides details on the subsidiaries that the Corporation owned directly and indirectly as at March 31, 2020.

Subsidiary name	Country of incorporation or registration and operation	Ownership interest percentage	Percentage of voting rights	Industry sector serviced by the electronic commerce solutions of the Corporation
Carrus Technologies Inc.	Canada	100	100	Automotive aftermarket
3808891 Canada Inc.	Canada	100	100	Holding company
The Broker Forum Inc.	Canada	100	100	Electronic components
MERX Networks Inc.	Canada	100	100	E-procurement
InterTrade Systems Inc.	Canada	100	100	Supply chain collaboration
4222661 Canada Inc.	Canada	100	100	E-procurement
TIM USA Inc.	United States	100	100	Holding company
Market Velocity, Inc.	United States	100	100	Computer equipment, telecommunications and consumer electronics
Construction Bidboard Inc.	United States	100	100	E-procurement
Power Source On-Line, Inc.	United States	100	100	Computer equipment, telecommunications and consumer electronics
International Data Base Corp.	United States	100	100	E-procurement
Polygroup, Ltd.	United States	100	100	Diamonds and jewelry
Mediagrif Information Consulting (Shenzhen) Co. Ltd.	China	100	100	Electronic components
Jobboom Inc.	Canada	100	100	Employment and talent acquisition
Réseau Contact Inc.	Canada	100	100	Online dating
ASC Networks Inc.	Canada	100	100	Contract management solutions
Orckestra Technologies Inc.	Canada	100	100	E-commerce solution
Orckestra A/S	Denmark	100	100	E-commerce solution
KCentric Technologies Inc.	Canada	100	100	E-commerce solution
KCentric USA Inc.	United States	100	100	E-commerce solution

10 ASSETS HELD FOR SALE

On March 26, 2019, the Corporation's Board of Directors decided to dispose of the LesPAC, Jobboom, and Réseau Contact cash-generating units and subsequently entered into negotiations with interested parties. The expected disposal of these assets was consistent with the Corporation's long-term strategy of focusing on commercial clients. These activities, which should have been sold within 12 months, were designated as a "disposal group held for sale" as at March 31, 2019 and were presented separately in the Consolidated Statement of Financial Position on this date at the lower of fair value less costs to sell and their carrying amounts.

Fair value was determined using the future cash flows and investments required under a five-year plan, the risks associated with these cash flows and the estimated costs of disposing of these cash-generating units. In addition, to determine fair value, comparable market transactions were analyzed and standard valuation methods were used. The methodologies used to determine fair value use Level 3 data inputs based on the fair values hierarchy disclosed in Note 26.

During the year ended March 31, 2019, the Corporation recognized a $46,580,621 impairment charge when classifying the assets and liabilities of the disposal group as assets and liabilities held for sale. This charge consists of a $29,043,539 impairment of acquired intangible assets, a $482,799 impairment of intangible assets, and a $17,054,283 impairment of a portion of goodwill allocated to the disposal group held for sale. The allocation of goodwill to the disposal group held for sale was based on the fair value of the disposal group held for sale relative to the fair value of the Corporation as a whole. These impairment losses resulted in a deferred tax recovery of $11,481,067.

The following tables summarize the carrying amount of the assets and liabilities classified as held for sale as at March 31, 2019:

In thousands of Canadian dollars	**March 31, 2019** **$**
	Amended
Type of assets	
Accounts receivable	880
Income taxes receivable	48
Prepaid expenses and deposits	25
Intangible assets	365
Acquired intangible assets	13,819
Deferred taxes	5,011
Total assets held for sale	20,148

In thousands of Canadian dollars	**March 31, 2019** **$**
	Amended
Type of liabilities	
Accounts payable and accrued liabilities	667
Deferred revenues	243
Deferred taxes	443
Total liabilities held for sale	1,353

On June 11, 2019, the Corporation announced the sale of its subsidiary Réseau LesPac Inc. to Trader Corporation for a total cash consideration of $19,134,079, net of transaction fees of $300,000 and including a working capital adjustment of $484,079, which was received during the year ended March 31, 2020. The carrying value of the net assets disposed of on June 11, 2019 was $19,216,947, resulting in a loss on disposal of $82,868 recorded in the Consolidated Statement of Income.

The carrying values of assets and liabilities disposed are summarized as follows:

In thousands of Canadian dollars	**As at June 11, 2019 $**
Current assets	1,287
Intangible assets	439
Acquired intangible assets	13,819
Deferred tax assets	4,364
Current liabilities	(692)
	19,217

During the year ended March 31, 2020, the Corporation put in place and explored various alternatives to execute its exit plan for Jobboom and Réseau Contact but did not manage to carry out this plan under satisfactory conditions. It therefore terminated its plan to dispose of these two subsidiaries on March 31, 2020.

The assets and liabilities of these two subsidiaries were therefore re-measured at the lower of their recoverable amount and their carrying value before being classified as held for sale. The Corporation has determined that the recoverable amount of its two subsidiaries is negligible and, therefore, recognized an impairment charge of $7,220,724 ($5,307,232 net of the tax impact) attributed to the acquired intangible assets, thereby reducing the carrying amount to Nil. The Corporation considered both quantitative and qualitative factors in determining the recoverable amount, in particular that the active search for potential buyers did not result in a favourable outcome despite advanced discussions with two interested parties, the decrease in profit from the two platforms continued and sustained during the year, and the COVID-19 pandemic poses an additional degree of uncertainty and risk for these CGUs, expected future cash flows from these CGUs are insignificant and the fact that management's strategic plan will focus on B2B and B2C business units.

Adjusted assets and liabilities were then reclassified with the corresponding assets and liabilities in the Consolidated Statement of Financial Position as at March 31, 2020. The Consolidated Statement of Financial Position as at March 31, 2019 was amended to reflect this situation by reclassifying the assets and liabilities of Jobboom and Réseau Contact with the corresponding assets and liabilities.

11 REBATES AND ACCOUNTS RECEIVABLE AND PAYABLE FROM ESCROW TRANSACTIONS

The amount received as at March 31, 2020 for escrow services and presented in the Consolidated Statement of Financial Position as "Cash held for the benefit of third parties" amounted to $857,344 (US$604,316) ($459,952 in 2019 (US$344,198)).

As at March 31, 2019, an amount of $365,683 (US$273,653) for the administration of a rebate program and used equipment trade-in transactions but not yet remitted to the counterparty, was also presented in the Consolidated Statement of Financial Position as "Cash held for the benefit of third parties" and the amount of accounts receivable from rebates and disposals amounted to $1,288,632 (US$964,328).

12 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

In thousands of Canadian dollars	Office furniture $	Computer and other equipment $	Leasehold improvements $	Total $
Cost				
Balance as at March 31, 2018	2,094	10,658	1,911	14,663
Acquisitions	106	697	20	823
Balance as at March 31, 2019	2,200	11,355	1,931	15,486
Acquisitions	267	360	104	731
Acquisition through business combination (Note 8)	148	560	11	719
Balance as at March 31, 2020	2,615	12,275	2,046	16,936
Accumulated depreciation				
Balance as at March 31, 2018	(1,814)	(9,651)	(880)	(12,345)
Depreciation for the year	(163)	(785)	(196)	(1,144)
Balance as at March 31, 2019	(1,977)	(10,436)	(1,076)	(13,489)
Depreciation for the year	(78)	(665)	(209)	(952)
Balance as at March 31, 2020	(2,055)	(11,101)	(1,285)	(14,441)
Net carrying amount				
Balance as at March 31, 2019	223	919	855	1,997
Balance as at March 31, 2020	560	1,174	761	2,495

13 LEASES

The leases are for office spaces with terms of 1 to 10 years. Some of these leases feature renewal options. The Corporation will not be able to acquire the leased assets at the end of the leases.

Right-of-use assets

Right-of-use assets include the following:

In thousands of Canadian dollars	Total $
Cost	
Balance as at March 31, 2019	-
Adjustment – IFRS 16 (Note 3)	9,775
Adjusted balance as at March 31, 2019	9,775
Acquisitions	1,970
Acquisition through business combination (Note 8)	844
Balance as at March 31, 2020	12,589
Accumulated depreciation	
Balance as at March 31, 2019	-
Adjustment – IFRS 16 (Note 3)	-
Adjusted balance as at March 31, 2019	-
Depreciation for the year	(1,665)
Balance as at March 31, 2020	(1,665)
Net carrying amount	
Balance as at March 31, 2019	-
Balance as at March 31, 2020	10,924

Expenses totalling $1,636,099 were recognized in profit or loss for the year ended March 31, 2020 in respect of short-term leases and variable lease payments not taken into account in measuring lease liabilities.

Lease liability

As at March 31, 2020, payments due under lease liabilities (including interest) are as follows:

In thousands of Canadian dollars	**$**
Less than 1 year	1,995
More than 1 year and less than 5 years	6,775
More than 5 years	4,503
Total undiscounted lease liabilities	13,273

Operating leases recognized under IAS 17

The operating leases are for office spaces with terms of 1 to 10 years. Some of these leases feature renewal options. The Corporation will not be able to acquire the leased assets at the end of the leases.

Payments recognized as expenses:

In thousands of Canadian dollars	**2019** **$**
Minimum lease payments	2,094

14 INTANGIBLE ASSETS AND ACQUIRED INTANGIBLE ASSETS

Intangible assets consist of the following:

	Intangible assets		
In thousands of Canadian dollars	**Software** **$**	**Internally developed software and websites** **$**	**Total** **$**
Cost			
Balance as at March 31, 2018	6,510	7,463	13,973
Acquisitions	92	3,881	3,973
Impairment	-	(483)	(483)
Reclassification to assets held for sale (Note 10)	-	(365)	(365)
Balance as at March 31, 2019	6,602	10,496	17,098
Acquisitions	276	2,834	3,110
Balance as at March 31, 2020	6,878	13,330	20,208
Accumulated depreciation			
Balance as at March 31, 2018	(5,371)	(2,894)	(8,265)
Depreciation for the year	(732)	(1,782)	(2,514)
Balance as at March 31, 2019	(6,103)	(4,676)	(10,779)
Depreciation for the year	(448)	(2,074)	(2,522)
Balance as at March 31, 2020	(6,551)	(6,750)	(13,301)
Net carrying amount			
Balance as at March 31, 2019	499	5,820	6,319
Balance as at March 31, 2020	327	6,580	6,907

Acquired intangible assets comprise the following:

	Acquired intangible assets			
In thousands of Canadian dollars	**Client bases $**	**Technology $**	**Indefinite/ finite-life trademarks $**	**Total $**
Cost				
Balance as at March 31, 2018	15,574	16,582	46,500	78,656
Impairment (Note 10)	(2,766)	-	(26,278)	(29,044)
Reclassification to assets held for sale	-	-	(13,819)	(13,819)
Balance as at March 31, 2019	12,808	16,582	6,403	35,793
Acquisition through business acquisition (Note 8)	4,270	4,360	-	8,630
Balance as at March 31, 2020	17,078	20,942	6,403	44,423
Accumulated depreciation				
Balance as at March 31, 2018	(6,266)	(11,089)	-	(17,355)
Depreciation for the year	(1,746)	(2,127)	-	(3,873)
Balance as at March 31, 2019	(8,012)	(13,216)	-	(21,228)
Depreciation for the year	(1,066)	(1,750)	-	(2,816)
Impairment (Note 10)	(818)	-	(6,403)	(7,221)
Balance as at March 31, 2020	(9,896)	(14,966)	(6,403)	(31,265)
Net carrying amount				
Balance as at March 31, 2019	4,796	3,366	6,403	14,565
Balance as at March 31, 2020	7,182	5,976	-	13,158

Impairment test of the trademark with an indefinite/finite useful life

Year ended March 31, 2019

During the year ended March 31, 2019, the trademarks were originally reclassified as held for sale and therefore were recognized at the lower of fair value less costs to sell and their carrying amounts. As indicated in Note 10, the Consolidated Statement of Financial Position as at March 31, 2019 was amended and the indefinite life trademark was reclassified from assets held for sale to acquired intangible assets.

Year ended March 31, 2020

As described in Note 10, trademarks were completely impaired as at March 31, 2020.

15 GOODWILL

The change in goodwill is as follows:

In thousands of Canadian dollars	2020 $	2019 $
Balance at beginning of year	90,149	107,047
Write-off following the attribution of goodwill to assets held for sale	-	(17,054)
Acquisition through business combination (Note 8)	6,703	-
Other	-	156
Balance at end of year	96,852	90,149

For the purpose of impairment testing, goodwill is tested at the level of the Corporation as a whole since management is of the opinion that the Corporation as a whole benefits from the synergies of business combinations completed to date and since this is the lowest level at which goodwill is monitored for internal management purposes. As at March 31, 2019, the test excluded cash-generating units held for sale for which the allocated goodwill was monitored separately.

During the fourth quarter of the year ended March 31, 2020, the Corporation performed an annual goodwill impairment test in accordance with the methods described in Note 2. The recoverable amount of the Corporation as a whole exceeded its carrying amount. As a result, no impairment loss other than that presented in Note 10 for fiscal 2019 was recorded for goodwill for the years ended March 31, 2020 and March 31, 2019.

As at March 31, 2020, the Corporation's recoverable value was determined to be the higher of fair value less cost to sell and the value in use, using more than one scenario to which a factor of probability was assigned. Fair value less cost to sell was considered to be the highest amount and was calculated based on discounted future cash flow projections according to management's financial budget for the coming fiscal year (i.e., 2021) and the strategic plan for the next four years. These future cash flows also reflect the Corporation's historical performance and the current economic situation, including the COVID-19 pandemic. They therefore include significant estimates that may differ from actual results. The key assumptions used in establishing fair value are as follows:

Assumption	Value used
Pre-tax discount rate	15%
Perpetual revenue growth rate	3%

A reasonably possible change in significant assumptions used, includinga 1% upward change in the discount rate, would not have reduced the Corporation's recoverable amount below its carrying amount.

16 LONG-TERM DEBT

On December 18, 2015, the Corporation renewed its credit agreement, which was entered into on November 10, 2011, (the “Credit Agreement”) with three Canadian financial institutions pursuant to which lenders made available to the Corporation an $80,000,000 ($80,000,000 as at March 31, 2019) secured revolving five-year credit facility (the “Credit Facility”) and an accordion loan of $40,000,000 ($40,000,000 as at March 31, 2019) subject to lenders’ acceptance. The amount that can be borrowed on the Credit Facility was reduced, at the Corporation’s request, as of May 25, 2020, to a total amount of $40 million. In addition, on June 25, 2020, the Credit Agreement was amended (the “Amended Credit Agreement”) to temporarily suspend application of a restrictive covenant set out in the Credit Agreement requiring a certain financial ratio to be maintained for the reference periods applicable to the quarters ended March 31, 2020 and June 30, 2020 (Note 27).

The Amended Credit Agreement expires on December 18, 2020, and any unpaid amounts are due in full at maturity. Amounts under the Amended Credit Agreement are repayable before maturity without penalty. As at March 31, 2020, the unpaid amount of the Credit Facility was $26,975,116 ($25,004,359 as at March 31, 2019) and the amount is due in full during the year ending March 31, 2021.

The Credit Facility bears interest at a rate based either on Canadian prime rate, CDOR, or the bankers’ acceptance rate plus a margin in each case. This margin varies according to the ratio of total debt to earnings before interest, taxes, depreciation and amortization (EBITDA), as described below. As at March 31, 2020, the actual rate was 1.25% (1.97% as at March 31, 2019) and the margin was 2.00% (1.45% as at March 31, 2019). In addition, the unused portion of the Credit Facility bears interest at 0.40% (0.29% as at March 31, 2019) as standby fees.

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

The Amended Credit Agreement contains certain covenants and certain default events customary for loans of this nature, including some limitations to the levels of investments and acquisitions, capital expenditures, and distributions. The Amended Credit Agreement is also subject to restrictive covenants requiring certain financial ratios to be maintained. As at March 31, 2020, the Corporation was in compliance with the financial ratios prescribed under the restrictive covenants set out in the Amended Credit Agreement (Note 27).

Fixed charges, total debt, and EBITDA, which are used to calculate the financial ratios set out in the Amended Credit Agreement, are more specifically defined therein.

Financial ratios are calculated using the financial information of the twelve-month period ending on the date the ratio is calculated.

As at March 31, 2020, the unpaid amount is presented with current liabilities in the Consolidated Statement of Financial Position given that the Amended Credit Agreement will mature within the next 12 months.

The following table provides the long-term debt information:

In thousands of Canadian dollars	**As at March 31, 2020 $**	**As at March 31, 2019 $**
Credit Facility, bearing interest at the bankers' acceptance rate, plus 2.00% (1.45% as at March 31, 2019), maturing in December 2020	27,005	25,004
Deferred financing costs i)	(30)	(69)
	26,975	24,935
Current portion	26,975	-
Long-term portion	-	24,935

17 SHARE CAPITAL

a) Authorized and paid, unlimited number

- Common shares.
- Preferred shares, issuable in series with terms, conditions and dividends to be determined by the Board of Directors upon issuance.

b) The following table summarizes common share activity for the last two fiscal years:

	2020		**2019**	
In thousands	**Shares**	**$**	**Shares**	**$**
Balance at beginning of year	14,849	78,051	14,849	78,051
Issuance of common shares [i]	203	1,200	-	-
Balance at end of year	15,052	79,251	14,849	78,051

[i] During the year ended March 31, 2020, the Corporation issued 203,000 shares (no shares issued for 2019). These shares were issued as part of the acquisition of k-eCommerce (see Note 8). The value of $5.91 per share was determined based on the share price on the acquisition date (i.e., December 3, 2019).

c) Dividends declared

2020

On August 6, 2019, the Corporation announced the payment of a cash dividend of $0.10 per share, payable on October 15, 2019, to shareholders of record on October 1, 2019.

On June 11, 2019, the Corporation announced the payment of a cash dividend of $0.10 per share, payable on July 15, 2019, to shareholders of record on July 2, 2019.

2019

On February 12, 2019, the Corporation announced the payment of a cash dividend of $0.10 per share, payable on April 15, 2019, to shareholders of record on April 1, 2019.

On November 13, 2018, the Corporation announced the payment of a cash dividend of $0.10 per share, payable on January 15, 2019, to shareholders of record on January 2, 2019.

On August 7, 2018, the Corporation announced the payment of a cash dividend of $0.10 per share, payable on October 15, 2018, to shareholders of record on October 1, 2018.

On June 12, 2018, the Corporation announced the payment of a cash dividend of $0.10 per share, payable on July 16, 2018, to shareholders of record on July 3, 2018.

18 STOCK-BASED COMPENSATION

a) Stock-based compensation

In July 2004, the Corporation established a stock purchase plan. Certain amendments to the plan have subsequently been adopted and are in effect as at March 31, 2020 for all regular full-time and part-time employees who are Canadian residents. Directors are not eligible to participate in this plan. Under the terms of the plan, employees may elect to contribute, through payroll deductions, up to 10% of their annual income up to a maximum of $20,000 annually to purchase common shares in the Corporation on the open market. Under the plan, the Corporation matches employee contributions to the plan up to a maximum contribution of $1,600 per employee ($1,600 in 2019). Employees must hold the portion of shares purchased with the Corporation's contribution for a period of 12 months. The purchase price of shares under the plan is equal to the market price of the Corporation's common shares on the purchase date.

b) Stock option plan

On February 11, 2020, the Board of Directors approved a stock option plan for directors, officers and employees of the Corporation or its subsidiaries. Under the plan, the Corporation may grant a number of options equal to no more than 10% of its issued and outstanding common shares. The stock option plan is administered by the Board of Directors, which may determine, in accordance with the terms of the plan, the terms and conditions of each option, including the extent to which each option is exercisable during the term of the options.

On February 20, 2020, the Corporation granted 700,000 stock options to officers at an exercise price of $5.81 per share. The grants are subject to approval of the stock option plan by the Corporation's shareholders during the annual general meeting. These stock options expire seven years after the grant date. The Corporation used the Black-Scholes option pricing model to estimate their fair value at $1,137,593 ($1.63 per option). A first, second and last third of the options will vest over a period of three, four and five years, respectively.

The fair value of each stock option grant is estimated at the grant date using the Black-Scholes option pricing model with the following assumptions:

	As at February 20, 2020
Risk-free interest rate	1.32%
Expected share yield	Nil
Expected share price volatility[i)]	28.06%
Expected life of the options	7 years

i) The expected volatility is based on the historical volatility of the Corporation's shares traded in the market.

For the year ended March 31, 2020, the stock-based compensation expense is not material (nil in 2019). No stock options were exercised, waived or expired during the year ended March 31, 2020 (Nil in 2019). As at March 31, 2020, the remaining contractual life of the 700,000 options granted was 6.9 years and no options are currently exercisable.

19 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net income attributable to shareholders of the Corporation by the weighted average number of common shares outstanding during the year.

Diluted earnings per share are calculated by adjusting the net income attributable to shareholders of the Corporation and the weighted average number of common shares outstanding for the year by the effects of any dilutive instruments. The Corporation's potentially dilutive instruments include stock options, which are excluded from the calculation in periods during which they are anti-dilutive.

For the year ended March 31, 2020, 700,000 stock options were excluded from the calculation of diluted earnings per share as the impact would have been anti-dilutive. For the year ended March 31, 2019, no instruments were potentially dilutive. As a result, diluted earnings per share are equal to basic earnings per share.

20 TECHNOLOGY

In thousands of Canadian dollars	**2020 $**	**2019 $**
Research and development costs incurred	27,870	25,397
Tax credits	(4,045)	(4,476)
	23,825	20,921
Capitalized internally-developed software and websites i)	(2,834)	(3,880)
Internally-developed software and websites, capitalized and held for sale i)	(74)	-
Amortization of capitalized internally-developed software and websites	2,074	1,781
	22,991	18,822

i) Capitalized internally developed software and websites are shown net of tax credits of $989,576 ($1,286,692 in 2019). These tax credits were capitalized because they are related to the internally developed software and websites.

21 EXPENSES BY TYPE

Operating profit includes the following items:

In thousands of Canadian dollars	2020 $	2019 $
Amortization and depreciation		
Property, plant and equipment	952	1,144
Intangible assets	2,522	2,514
Acquired intangible assets	2,816	3,873
Right-of-use assets	1,665	-
Total	7,955	7,531
Employee benefits expense		
Salaries and employee benefits	48,467	43,674
Termination benefits	1,253	995
	49,720	44,669
Tax credits	(4,045)	(4,476)
Total	45,675	40,193

22 INCOME TAXES

a) The income tax expense (recovery) consists of the following:

In thousands of Canadian dollars	**2020** **$**	**2019** **$**
Current tax expense		
Current taxes	1,445	3,308
Adjustments recognized during the year for current taxes of prior years	(89)	1
Deferred tax expense		
Deferred tax expense relating to the origination and reversal of temporary differences	(3,173)	(11,637)
Adjustments recognized during the year for the deferred tax of prior years	332	(20)
Effect of change in statutory rate on deferred taxes	(30)	1
Income tax expense (recovery)	(1,515)	(8,347)

b) The income tax expense is calculated using an actual tax rate that differs from the statutory tax rate for the following reasons:

	2020 **%**	**2019** **%**
Weighted-average statutory tax rate	26.58	26.68
Increase (decrease) arising from:		
Geographic distribution of operating profits	0.95	0.06
Non-taxable revenues (non-deductible expenses and other)	1.66	(2.28)
Changes to the expected method of recovering the carrying amount of assets	(6.26)	-
Change in statutory rate	0.29	0.04
Prior-year tax adjustments and contributions	(2.37)	0.06
Actual tax rate	20.85	24.56

The tax rates used for the above-reconciled results for 2020 and 2019 are the tax rates applied to the taxable income of Canadian companies under tax law in this jurisdiction.

Reconciliation of deferred tax assets (liabilities) by type of temporary differences recognized in the Consolidated Statement of Financial Position:

In thousands of Canadian dollars	Property, plant and equipment	Intangible assets	Foreign exchange impact on foreign subsidiary	Provision	Lease obligation	Foreign tax credit	Derivative financial instruments	Financing costs	Research and development	Tax losses	Tax credits	Other	Total
	$	$	$	$	$		$	$	$	$	$	$	$
Balance as at March 31, 2018	1,583	(16,952)	(1)	191	197	113	16	(8)	1	4,268	(1,129)	-	(11,721)
(Expense) deferred tax recovery for the year recognized in profit	(1)	11,298	4	(20)	(58)	(30)	-	-	(1)	750	(286)	-	11,656
Foreign exchange impact from remeasurement of deferred taxes	-	-	-	-	-	-	-	-	-	116	-	-	116
Deferred tax recovery for the year related to other comprehensive income	-	-	-	-	-	-	97	-	-	-	-	-	97
Reclassification to assets held for sale	-	(4,568)	-	-	-	-	-	-	-	-	-	-	(4,568)
Balance as at March 31, 2019	1,582	(10,222)	3	171	139	83	113	(8)	-	5,134	(1,415)	-	(4,420)
(Expense) deferred tax recovery for the year recognized in profit	(2,418)	1,506	(3)	(143)	2,779	(83)	-	2	-	1,533	(321)	19	2,871
Foreign exchange impact from remeasurement of deferred taxes	-	-	-	-	-	-	-	-	-	205	-	-	205
Deferred tax recovery for the year related to other comprehensive income	-	-	-	-	-	-	125	-	-	-	-	-	125
Acquisition of businesses	(161)	(2,496)	-	-	99	-	-	-	502	1,016	(521)	89	(1,472)
Disposal of deferred tax assets on the sale of a business	-	203	-	-	-	-	-	-	-	-	-	-	203
Balance as at March 31, 2020	(997)	(11,009)	-	28	3,017	-	238	(6)	502	7,888	(2,257)	108	(2,488)

The following balances were recognized in the Consolidated Statements of Financial Position:

In thousands of Canadian dollars	**March 31, 2020 $**	**March 31, 2019 $**
		Amended (Note 10)
Deferred tax assets	6,214	5,276
Deferred tax liabilities	(8,702)	(10,139)
	(2,488)	(4,863)

Certain tax losses from Canadian and U.S. subsidiaries resulted in a deferred tax asset being recognized in the Consolidated Statement of Financial Position, as management considers it probable that these tax consequences will be used against future taxable income.

Tax risk

In the normal course of business, the Corporation is subject to reviews by the tax authorities in the jurisdictions where it conducts business. These authorities may contest or refuse some of the positions taken by management. The Corporation periodically examines the possibility of unfavourable outcomes from tax audits and makes provisions for this purpose if the Corporation considers that an unfavourable outcome may occur.

Deferred tax losses

As at March 31, 2020, the Corporation's U.S. subsidiaries had accumulated net operating losses at the federal level of approximately US$36,723,000 (CA$51,777,000) for tax purposes. Some of these losses are limited to a maximum annual amount and expire from 2021 through 2030. Consequently, an amount of approximately US$26,561,000 (CA$37,682,000) in losses can never be used against future taxable income. A deferred tax asset has been recognized on a deferred tax loss amount of US$9,936,000 (CA$14,095,000).

23 RELATED PARTY TRANSACTIONS

Compensation of key officers

The following table presents the compensation of directors and the management team for the year:

In thousands of Canadian dollars	**2020 $**	**2019 $**
Directors – Directors' fees	356	411
Management team		
Short-term benefits	3,542	3,759
Termination benefits	734	665
	4,632	4,835

The management team's compensation is set by a compensation committee and is based on individual performance and market trends.

24 SUPPLEMENTARY STATEMENTS OF INCOME AND CASH FLOW INFORMATION

a) Changes in non-cash working capital items are as follows:

In thousands of Canadian dollars	**2020** **$**	**2019** **$**
Decrease (increase) in:		
Accounts receivable	2,433	(300)
Tax credits receivable	(674)	(2,773)
Prepaid expenses and deposits	(1,073)	(182)
Increase (decrease) in:		
Accounts payable and accrued liabilities	(665)	1,506
Other accounts payable	(1,257)	(271)
Deferred revenues	(113)	(561)
	(1,349)	(2,581)

During the year ended March 31, 2020, the Corporation reclassified an amount of $476,000 ($773,046 in 2019) from Tax credits receivable to Income taxes payable, as it expects to use these tax attributes against income taxes payable in the next fiscal year.

b) Financial expenses consist of the following:

In thousands of Canadian dollars	**2020** **$**	**2019** **$**
Amortization of deferred financing costs	39	40
Interests on lease liability	380	-
Interest on long-term debt	891	1,173
	1,310	1,213

25 CAPITAL DISCLOSURES

The Corporation's capital management objective is to ensure it has sufficient liquidity to pursue its organic growth strategy, to make selective acquisitions, and to provide an appropriate return on investment to its shareholders. The Corporation's capital consists of long-term debt, shareholders' equity, and deferred revenues, net of cash and cash equivalents.

The Corporation's primary uses of capital are to finance increased non-cash working capital requirements, capital expenditures and business acquisitions.

The Corporation may, from time to time, repurchase shares, adjust its capital level by issuing shares, or secure bank debt to finance its operations or business acquisitions.

Other than the financial ratios described in Note 16 and required by a financial institution, the Corporation's capital is not subject to any externally imposed capital requirements, and the Corporation does not currently use any quantitative measures to manage its capital.

26 FINANCIAL RISK MANAGEMENT

The Corporation's financial assets and financial liabilities expose it to the following risks: market risk, including foreign currency risk and interest rate risk, credit risk, and liquidity risk. The Corporation's main risk management objective is to ensure that risks are properly defined and resolved to minimize likely adverse effects on financial performance.

The finance department is responsible for risk management, which includes identifying and assessing risks in close cooperation with management. The finance department is responsible for creating adequate controls and procedures to ensure that financial risks are mitigated.

Foreign currency risk

Foreign currency risk comes from transactions that the Corporation concludes in foreign currencies, primarily the U.S. dollar. Foreign currency risk also comes from future sale and purchase transactions and from financial assets and liabilities denominated in foreign currencies.

The Corporation's main objective in managing foreign currency risk is to reduce its impact on performance. In order to reduce the potentially adverse effects of a fluctuating Canadian dollar, the Corporation has entered into foreign currency forward contracts to stabilize anticipated future revenues denominated in U.S. dollars. Foreign currency forward contracts are used only for managing foreign currency risk and not for speculative purposes.

The balances in foreign currencies are as follows:

In thousands of dollars	**2020** **US$**	**2019** **US$**
Cash and cash equivalents	8,981	8,772
Accounts receivable	1,504	1,292
Accounts payable and accrued liabilities	(675)	(708)
Total in foreign currencies	9,810	9,356
Total in Canadian dollars	13,917	12,502

The following table details the arrangements used as hedging instruments. The currency of the purchase agreements is the Canadian dollar while the currency of the sale is the U.S. dollar:

In thousands of Canadian dollars	**2020** **$**	**2019** **$**
Notional amount US$	10,850	11,950
Weighted-average rate USD-CAD	1.3243	1.2942
Maturity (fiscal year)	2021-2022	2020-2021

Foreign currency forward contracts are contracts whereby the Corporation has the obligation to sell or buy U.S. dollars in advance at a fixed rate.

Taking into account the foreign currency forward contracts and assuming that all other variables remain constant, a 5.0% appreciation of the Canadian dollar against the U.S. dollar would have the following impact on profit and other comprehensive income (in Canadian dollars):

In thousands of Canadian dollars	**2020** **$**	**2019** **$**
Decrease in Profit	(186)	(156)
Increase in Other comprehensive income	533	654

A 5.0% decline of the Canadian dollar against the U.S. dollar would have had the opposite impact on profit and other comprehensive income.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and financial liabilities with variable interest rates expose the Corporation to cash flow risk. The Corporation's cash and cash equivalents earn interest at market rates.

Financial assets and liabilities that bear interest at fixed rates are subject to fair value interest rate risk. The Corporation is not exposed to significant risk with respect to financial assets and financial liabilities due to their short-term maturities.

With respect to floating-rate financial obligations, a negative impact on cash flows would occur if there were an increase in reference rates such as CDOR, the rate of bankers' acceptances and the Canadian prime rate.

All other things being equal, a reasonably possible 1.0% increase in the interest rate applicable to the daily balances of the Credit Facility would have had an impact of $240,551 ($320,868 in 2019) on the Corporation's profit for the year ended March 31, 2020. A 1.0% decrease in the interest rate would have had the opposite impact on the Corporation's profit.

Credit risk

Credit risk is the risk that the Corporation will incur a financial loss because a customer or other counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that expose the Corporation to credit risk consist mainly of cash and cash equivalents, cash held for the benefit of third parties, and accounts receivable. Cash and cash equivalents and cash held for the benefit of third parties are maintained at major financial institutions; therefore, the Corporation considers the risk of non-performance on these instruments to be remote.

Based on its past experience, the Corporation believes that the credit risk associated with its accounts receivable is low. The Corporation generally does not require collateral for its accounts receivable. Its trade accounts receivable are not concentrated with any specific customers but rather with a broad range of customers. The Corporation establishes an allowance for doubtful accounts for receivables deemed uncollectible. The allowance for doubtful accounts was based on an individual analysis of accounts receivable and an overall analysis that takes into account the current economic environment, such as the COVID-19 pandemic, and historical trends in observed losses.

In light of the above, the Corporation believes that the credit risk is not material.

The carrying amount of the Corporation's trade accounts receivable is presented net of the allowance for doubtful accounts. Changes in the allowance for the year are as follows:

In thousands of Canadian dollars	**2020** **$**	**2019** **$** *Amended (Note 10)*
Balance at beginning of year	(163)	(207)
Write-off	239	333
Reclassification to assets held for sale	-	1
Expense for the year	(283)	(290)
Balance at end of year	(207)	(163)

As at March 31, the aging of trade accounts receivable is as follows:

In thousands of Canadian dollars	**2020** **$**	**2019** **$** *Amended (Note 10)*
Current	798	2,059
Past due		
1 - 30 days	3,436	3,799
31 - 60 days	895	922
61 - 90 days	665	1,049
Over 90 days	309	268
Total accounts receivable	6,103	8,097

There is no impairment or amount past due other than those related to accounts receivable.

Liquidity risk

Liquidity risk is the risk that a Corporation will be unable to meet its obligations as they fall due. To manage liquidity risk, the Corporation makes sure that it always has the cash it needs to meet its obligations when they fall due. The Corporation's financial liabilities, which consist of accounts payable and accrued liabilities and other accounts payable, are due within 12 months or less.

The Credit Agreement expires on December 18, 2020, and any unpaid amounts are due in full at maturity. Should management be unable to refinance the amounts owed under the Credit Agreement, the Corporation could expose itself to liquidity issues and may not be able to meet its obligations, committments and expected expenses until March 31, 2021.

Fair value of financial instruments

Financial instruments recognized at fair value are classified using a hierarchy that reflects the significance of the inputs used to measure the fair value.
The fair value hierarchy requires that observable market inputs be used whenever such inputs exist. A financial instrument is classified in the lowest level of the hierarchy for which a significant input has been used to measure fair value.

An entity's own credit risk and the credit risk of the counterparty, in addition to the credit risk of the financial instrument, were factored into the fair value determination of the financial assets and financial liabilities, including derivative instruments. All financial instruments measured at fair value in the Consolidated Statement of Financial Position were classified according to a three-level hierarchy:

- Level 1: valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities.
- Level 2: valuation techniques based on inputs that are quoted prices of similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; inputs other than quoted prices used in a valuation model that are observable for the instrument being valued; and inputs that are derived mainly from or corroborated by observable market data using correlation or other forms of relationship.
- Level 3: Valuation techniques based significantly on inputs that are not observable in the market.

The Corporation's policy is to recognize transfers made between different hierarchy levels at the date of the event or change in circumstances that caused the transfer. During the years ended March 31, 2020 and 2019, no financial instruments were transferred between levels 1, 2 and 3.

The following table presents the net derivative instruments measured at fair value on a recurring basis, classified using the hierarchy described above:

In thousands of Canadian dollars	**2020** **$**	**2019** **$**
Level 1	-	-
Level 2	(891)	(424)
Level 3	-	-
	(891)	(424)

The negative fair value of these derivative financial instruments is $891,092 (US$628,104) and reflects the estimated amounts that the Corporation would have to pay to settle the contracts as at March 31, 2020, using relevant market rates. As at March 31, 2019, the fair value was a negative amount of $424,414 (US$317,604).

The fair value of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities approximates their carrying amounts due to their short-term maturities.

The fair value of long-term debt is not significantly different from its carrying amount because the contractual interest rate is close to the interest rate that the Corporation could have had on a similar financial instrument.

27 SUBSEQUENT EVENT

Bought deal offering

On May 19, 2020, the Corporation completed a bought deal offering under which a total of 2,909,091 common shares of the Corporation were sold at a price of $5.50 per common share for total gross proceeds of $16,000,000, including common shares issued following the partial exercise of the Underwriters' option granted to the Underwriters (as defined below) (the "offering"). The net proceeds of the offering were $14,957,729, net of fees of $1,042,271.

Reduction and amendment of the Credit Facility

As of May 25, 2020, the amount that can be borrowed on the Credit Facility was reduced, at the Corporation's request, to a total amount of $40 million. In addition, on June 25, 2020, the Credit Agreement was amended to temporarily suspend application of a restrictive covenant set out in the Credit Agreement requiring a certain financial ratio to be maintained for the reference periods applicable to the quarters ended March 31, 2020 and June 30, 2020.