

Mediagrif reports Financial Results for First Quarter Fiscal 2021 *Significant 48% growth recorded for the Unified Commerce*

Montreal, Canada, August 12, 2020 – Mediagrif Interactive Technologies Inc. (TSX: MDF), a leader in SaaS digital commerce technologies, today released its financial results³ for the first quarter of fiscal 2021 which ended on June 30, 2020. All dollar amounts are expressed in Canadian currency and are prepared in accordance with International Financial Reporting Standards (IFRS).

“Our Q1 F2021 results show that we now have positive momentum and that our strategy has started to work,” commented Luc Filiatreault, President and Chief Executive Officer of Mediagrif. “We believe that these reported results represent good progress in achieving our longer-term goals. We are particularly pleased with the performance of our core Unified Commerce platform which posted year-over-year and sequential revenue growth of 48% and 20% respectively. Additionally, our efforts to add strong, stable and recurring revenue growth via our SaaS offerings are also bearing fruit.”

First Quarter Fiscal 2021 Financial Results

Total revenue was \$20.5 million, up 8.4% sequentially from \$18.9 million reported in Q4 F2020. Adjusting for revenue from discontinued operations associated with the divestment of LesPAC in Q1 F2020, total revenue increased by 13.9% from \$18.0 million, driven by 48% growth in the Unified Commerce platform, which benefitted from a surge in consumer online purchasing associated with the COVID-19 pandemic.

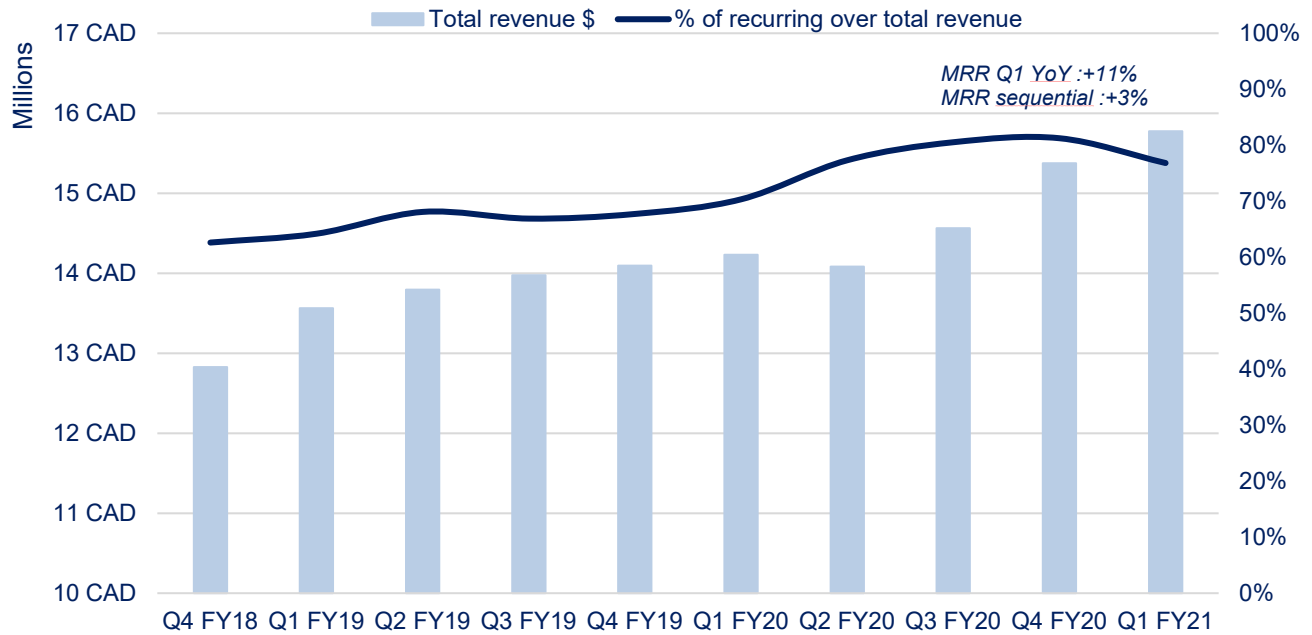
The surge had a significant impact on revenue throughout the quarter. Revenue in the other core platform, Strategic Sourcing, remained stable throughout the pandemic, growing by 2% year-over-year to \$7.7 million. 77 buying agencies were added during the quarter.

Adjusting for revenue from discontinued operations associated with the divestment of LesPAC in Q1 F2020, non-core platform revenues, which includes the marketplaces platforms, declined to \$3.1 million from \$3.9 million in Q1 F2020. The marketplaces are comprised of platforms where the Company is focused on maximizing cash contribution.

Monthly recurring revenues (« MRR⁴ ») in Q1 F2021 was \$15.8 million, representing 77% of total revenue for the quarter. Total MRR grew by 11% over the previous Q1 reporting period, led by a 43% increase in Unified Commerce MRR, and 5% increase in Strategic Sourcing MRR. The Company views MRR as a key performance metric.

As can be seen in the table below, MRR and the quality of Mediagrif's revenue have significantly increased since the fall of 2019, demonstrating the effectiveness of the Company's growth strategy.

MEDIAGRIF MRR GROWTH



Gross margins reported for the first quarter of F2021 were 68% compared to 74% for the corresponding quarter last year.

Adjusted EBITDA¹ totaled \$1.8 million or 8.8% of revenue. Adjusted EBITDA in Q1 2021 includes an amount of \$0.5 million of wage subsidy as part of the federal government's assistance program introduced on March 27, 2020 in the context of COVID-19. Adjusted EBITDA also includes non-recurring costs totaling \$0.3 million consisting mainly of professional services fees and non-cash retention related to the acquisition of K-eCommerce. This compared to the adjusted EBITDA of \$4.1 million reported for Q1 2020. The reduction in adjusted EBITDA is mainly due to the divestment of LesPAC in Q1 2020, the results of K-eCommerce as well as the decrease in the non-core platforms and investments in the execution of the business plan.

The net loss in Q1 F2021 totalled \$1.2 million or (\$0.08) per share compared to a net profit of \$1.1 million or \$0.07 per share in the corresponding quarter of F2020.

"As evidenced by our Q1 F2021 results, we are achieving overall growth while winding down our non-core platforms. In addition, the quality of our revenue base continues to improve with our focus on strong and stable recurring revenue growth. We believe this combination will deliver significant shareholder value in the quarters and years to come," concluded Luc Filiatreault.

Conference Call Details

Date and time: Thursday, August 13, 2020 at 11:00 a.m. Eastern Time (8:00 a.m. Pacific Time)

Dial-in: (416) 764-8650 (local) or 1-888-664-6383 (North America)

Live webcast: [register here](#)

SUMMARY OF CONSOLIDATED RESULTS

	Three months ended	
	June 30th	
In thousands of Canadian dollars, except per share amounts	2020	2019
Unaudited and not reviewed by independent auditors	\$	\$
Revenues	20,534	20,228
Adjusted EBITDA¹	1,801	4,144
Operating (loss) profit	(698)	2,514
Profit (loss)	(1,237)	1,051
Adjusted profit (loss)²	(1,237)	1,308
Adjusted earnings (loss)² per share (basic and diluted)	(0.08)	0.09
Earnings (loss) per share (basic and diluted)	(0.08)	0.07
Basic and diluted weighted average number of shares outstanding (in thousands)	16,394	14,849

¹ See the Reconciliation of adjusted EBITDA and profit as well as the “About Mediagrif Interactive Technologies Inc.” sections.

² See the Reconciliation of adjusted profit and profit as well as the “About Mediagrif Interactive Technologies Inc.” sections.

³ Unless otherwise indicated, all amounts are in Canadian dollars.

⁴ MRR are composed of subscription and support revenues that are recurring in nature. Therefore, they exclude one-time fees and professional fees and other types of non-recurring revenues.

RECONCILIATION OF ADJUSTED EBITDA AND PROFIT (LOSS)

	Three months ended	
	June 30th	
In thousands of Canadian dollars.	2020	2019
Unaudited and not reviewed by independent auditors	\$	\$
Profit (loss)	(1,237)	1,051
Income tax expense (recovery)	(255)	488
Depreciation of property, plant and equipment and amortization of intangible assets	922	679
Amortization of acquired intangible assets	1,006	601
Amortization of right-of-use assets	464	350
Amortization of deferred financing costs	10	9
Foreign exchange loss	430	364
Loss on disposal of a subsidiary	-	257
Stock-based compensation expense	107	-
Interest on lease liability	99	91
Interest on long-term debt	255	254
Adjusted EBITDA	1,801	4,144

RECONCILIATION OF PROFIT (LOSS) AND ADJUSTED PROFIT (LOSS)

In thousands of Canadian dollars Unaudited and not reviewed by independent auditors	Three months ended June 30th	
	2020	2019
	\$	\$
Profit (loss)	(1,237)	1,051
Loss (gain) on disposal of a subsidiary	-	257
Adjusted profit (loss)	(1,237)	1,308
Earnings (loss) per share (basic and diluted)	(0.08)	0.07
Adjusted earnings (loss) per share (basic and diluted)	(0.08)	0.09

ABOUT MEDIAGRIF INTERACTIVE TECHNOLOGIES INC.

Mediagrif Interactive Technologies Inc. (TSX: MDF) enables the flow of commerce by providing a broad set of SaaS solutions that optimize and accelerate commercial interactions between buyers and sellers. Our platforms and services empower businesses around the world, allowing them to generate billions in transactions on an annual basis. Our strategic sourcing, e-commerce, supply chain collaboration and e-marketplace solutions are supported by a strong and dedicated team of more than 600 employees based in Canada, the United States, Denmark, Ukraine and China.

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

This press release contains certain forward-looking statements with respect to the Corporation. These forward-looking statements, by their nature, necessarily involve risks and uncertainties that could cause actual results to differ materially from those expected by these forward-looking statements. We consider the assumptions on which these forward-looking statements are based to be reasonable but caution the reader that these assumptions regarding future events, many of which are beyond our control, may ultimately prove to be incorrect since they are subject to the risks and uncertainties that affect us. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities legislation. Unless otherwise indicated, all amounts are in Canadian dollars.

Audited consolidated financial statements, accompanying notes and MD&A are available on www.mediagrif.com and have been filed with SEDAR at www.sedar.com.

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