Management's discussion and analysis

For the third quarter ended December 31, 2020

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Basis of presentation

The following Management's Discussion Analysis ("MD&A"), dated February 10, 2021, presents an analysis of the financial position and operating results of ***mdf commerce*** *inc. (formerly "Mediagrif Interactive Technologies Inc.") ("mdf" or the "Corporation") should be read in conjunction with the unaudited Interim Condensed Consolidated Financial Statements and accompanying notes thereto for the three and nine-month periods ended December 31, 2020 and 2019, as well as the Corporation's annual MD&A for the year ended March 31, 2020, audited consolidated financial statements and accompanying notes thereto for the years ended March 31, 2020 and 2019. This management's discussion and analysis compares performance for the quarters ended December 31, 2020 and 2019.*

The Interim Condensed Consolidated Financial Statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, through the application of accounting principles that are compliant with International Financial Reporting Standards ("IFRS"). The Interim Condensed Consolidated Financial Statements do not include all of the disclosures required for annual consolidated financial statements under IFRS, including the notes.

Unless indicated otherwise, all dollar amounts are expressed in Canadian dollars. This MD&A was approved by the Board of Directors of the Corporation.

The Corporation presents non-IFRS financial performance measures and key performance indicators to assess operating performance. The Corporation presents adjusted profit (loss), adjusted profit (loss) per share, earnings (loss) before interest, taxes, depreciation and amortization ("EBITDA") and adjusted EBITDA as a non-IFRS measure and monthly recurring revenues as a key performance indicator. These non-IFRS measures and key performance indicators do not have standardized meanings under IFRS standards and are not likely to be comparable to similarly designated measures reported by other corporations. The reader is cautioned that these measures are being reported in order to complement, and not replace, the analysis of financial results in accordance with IFRS standards. Management uses both measures that comply with IFRS standards and non-IFRS measures, in planning, overseeing and assessing the Corporation's performance. The terms and definitions associated with non-IFRS measures as well as a reconciliation to the most comparable IFRS measures, and key performance indicators are presented in the section "Non-IFRS Financial Measures and Key Performance Indicators" in this Management's Discussion and Analysis.

Forward-Looking Statements

This MD&A contains certain forward-looking statements with respect to the Corporation. Verbs such as "believe," "expect," "anticipate," "estimate" and other similar expressions, in addition to the negative forms of these terms or any variations thereof, appearing in this report generally indicate forward-looking statements. These statements, by their nature, necessarily involve risks and uncertainties that could cause actual results to differ significantly from those expected by these forward-looking statements. The Corporation considers the assumptions on which these forward-looking statements are based to be reasonable but cautions the reader that these assumptions regarding future events, many of which are beyond the control of the Corporation, may ultimately prove to be incorrect since they are subject to the risks and uncertainties that affect the Corporation. The Corporation considers the assumptions on which these forward- looking statements are based to be reasonable but cautions the reader that these assumptions regarding future events, many of which are beyond the control of the Corporation, may ultimately prove to be incorrect since they are subject to the risks and uncertainties that affect the Corporation. The Corporation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities legislation.

Corporation Profile

mdf commerce inc. (formerly "Mediagrif Interactive Technologies Inc.") (TSX: MDF) enables the flow of commerce by providing a broad set of software as a service (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 of dollars in transactions on an annual basis. Our strategic sourcing, unified commerce, supply chain collaboration and e-marketplace platforms are supported by a strong and dedicated team of more than 600 employees based in Canada, the United States, Denmark, Ukraine and China.

Mission Statement

Our mission is to *Enable the Flow of Commerce*.

Financial Highlights – Third Quarter of Fiscal 2021 Ended December 31, 2020

- On October 14, 2020, the Corporation entered into a new $50 million credit agreement based on monthly recurring revenues ("MRR") [1]
- On November 6, 2020, the Corporation completed a bought deal public offering under which a total of 4,780,550 common shares of the Corporation were sold at a price of $10.00 per common share for aggregate gross proceeds of $47,805,500, including common shares issued following the full exercise of the underwriters' option granted to the underwriters.
- On November 18, 2020, the Corporation, through a subsidiary, acquired substantially all of the assets and assumed specific liabilities of Vendor Registry, Inc., ("Vendor Registry"), a provider of strategic sourcing solutions in the United States for $6.9 million.
- The Corporation's new Chief Financial Officer began her new role on January 1, 2021.

Quarterly Financial Highlights

Revenues and Monthly Recurring Revenues[1]

- Total revenues for the third quarter of fiscal 2021 was $21.4 million, an increase of 18.4% compared to $18.1 million for the third quarter of fiscal 2020.
- Monthly recurring revenues ("MRR[1]") totalled $16.0 million, an increase of 9.1% compared to the third quarter of fiscal 2020 and representing 75% of total revenues for the third quarter of fiscal 2021.

[1] See the "Non-IFRS Financial Measures and Key Performance Indicators" section.

- Strategic sourcing platforms generated revenues of $8.3 million, an increase of 8.1% for the third quarter of fiscal 2021 compared to revenues of $7.6 million for the corresponding quarter of fiscal 2020 and $8.0 million for the second quarter of fiscal 2021, representing sequential growth of 2.9%. The acquisition of Vendor Registry in the third quarter of fiscal 2021 contributed to part of the sequential increase in total revenues in U.S. dollars of 7.0%.
- Monthly recurring revenues for strategic sourcing platforms totalled 92% for the third quarter compared to 93% for the previous quarter of fiscal 2021.
- Unified commerce platforms, which includes supply chain management, generated revenues of $9.4 million for the third quarter of fiscal 2021, an increase of 54.1%, compared to total revenues of $6.1 million for the third quarter of the previous fiscal year. In addition, sequential growth of 4.1% or $0.3 million was recorded compared to the second quarter of fiscal 2021.
- Monthly recurring revenues for the unified commerce platforms totalled 57% for the third quarter of fiscal 2021 compared to 58% for the second quarter of fiscal 2021.
- eMarketplaces platforms generated total revenues of $3.7 million for the third quarter of fiscal 2021, a decrease of 13.9% compared to total revenues of $ 4.3 million for the third quarter of the previous fiscal year. The platform saw a 6.5% decline in the percentage of total revenues, compared to the third quarter of fiscal 2020, to 17.3% in the third quarter of fiscal 2021. It is expected that eMarketplace revenues will continue to have less impact on the Corporation's future performance as it focuses on its higher-growth platforms, namely strategic sourcing and unified commerce platforms.

Profit (Loss) and Adjusted EBITDA [1]

- Net loss stood at $2.9 million, or $0.14 per share (basic and diluted), in the third quarter of fiscal 2021, compared to a net loss of $1.9 million, or $0.13 per share (basic and diluted), in the third quarter of fiscal 2020 and $0.6 million, or a loss of $0.04 per share (basic and diluted), for the second quarter of fiscal 2021.
- Adjusted EBITDA[1] loss for the quarter totalled $0.1 million, compared to a positive Adjusted EBITDA of $0.2 million reported for the third quarter of fiscal 2020.
- Net loss and Adjusted EBITDA loss include restructuring costs, acquisition related transaction costs related to Vendor Registry, retention bonuses related to the acquisition of K-eCommerce, and offset by $0.8 million in wage subsidies from the federal government's assistance program introduced on March 27, 2020 in the context of COVID-19, for total additional expense of $1.1 million compared to the third quarter of fiscal 2020. Tax credits decreased by $0.1 million as a result of the wage subsidies.
- Net loss and Adjusted EBITDA loss increase year-over-year and sequentially compared to the second quarter of fiscal 2021, due to increased investments in sales, marketing, product development, R&D, and professional services to support large deployment contracts. In the third quarter of 2021, the Corporation increased its sales and marketing, and R&D resources. Professional services expenses increased by $1.1 million, or 72.3% to $2.6 million.

Consolidated Income and Selected Financial Information

In thousands of Canadian dollars, except number of shares and per share amounts.	Three-month periods ended December 31, 2020 $	2019 $	Nine-month periods ended December 31, 2020 $	2019 $
Revenues	**21,403**	18,072	**62,689**	56,511
Gross margin	**13,412**	12,728	**41,219**	41,156
Operating expenses				
General and administrative	**5,226**	4,096	**12,762**	9,849
Selling and marketing	**4,816**	4,120	**14,569**	12,241
Technology	**6,086**	6,265	**17,395**	16,297
Total operating expenses	**16,128**	14,481	**44,726**	38,387
Operating (loss) profit	**(2,716)**	(1,753)	**(3,507)**	2,769
Foreign exchange loss	**(516)**	(316)	**(1,256)**	(400)
Loss on sale of a subsidiary	**-**	-	**-**	(83)
Financial expenses	**(246)**	(312)	**(884)**	(905)
Income tax recovery (expense)	**625**	502	**914**	(375)
(Loss) profit	**(2,853)**	(1,879)	**(4,733)**	1,006
Adjusted (loss) profit [1]	**(2,853)**	(1,879)	**(4,733)**	1,089
ADJUSTED EBITDA [1]	**(139)**	159	**3,997**	8,043
(Loss) earnings per share – basic and diluted	**(0.14)**	(0.13)	**(0.26)**	0.07
Adjusted (loss) profit [1] **per share – basic and diluted**	**(0.14)**	(0.13)	**(0.26)**	0.07
Declared dividends per share	**-**	-	**-**	0.20
Weighted average number of shares outstanding (in thousands):				
Basic and diluted	**20,844**	14,913	**18,407**	14,870

In thousands of Canadian dollars.	December 31, 2020 $	March 31, 2020 $
Total assets	**201,098**	171,085
Long-term debt	**1,500**	26,975
Other liabilities	**48,670**	51,271
Total liabilities	**50,170**	78,246
Shareholders' equity	**150,928**	92,839

COVID-19

On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. In response to this extraordinary situation, the Corporation was proactive and quickly implemented a business continuity plan. The Corporation also acted to ensure that all of its employees were able to continue their activities remotely, thereby placing the health and safety of all at the heart of its concerns. This quick reorganization has enabled us to provide our customers with uninterrupted and high-quality support.

Although COVID-19 has created a climate of uncertainty during the first nine months of fiscal 2021, the Corporation has experienced growth in its e-commerce activities and in strategic sourcing, mainly in the United States. Some of our platforms have experienced a decline in revenues and some of them benefit from the federal government's assistance program in the context of COVID-19.

The medium and long-term economic effects of the COVID-19 pandemic remain unknown and could affect our results to come. However, we believe that the transformation to e-commerce and digital technology will accelerate and that we will be able to benefit from this trend through our main platforms. Our business solutions and expertise in this industry put us in a good position to continue helping our customers, secure their organizations, and optimize their business transactions in these unprecedented times.

Third quarter ended December 31, 2020, "Third quarter of fiscal 2021," compared to the third quarter ended December 31, 2019, "Third quarter of fiscal 2020"

Revenues

For the third quarter of fiscal 2021, revenues totalled $21.4 million compared to $18.1 million for the third quarter of fiscal 2020. The $3.3 million, or 18.4%, increase is mainly explained as follows:

- A $1.5 million addition of K-eCommerce revenues for a full period of three months during the third quarter of fiscal 2021, compared to the third quarter of fiscal 2020, where the company's acquisition of K-eCommerce was on December 3, 2019.
- Increase in revenues from Orckestra in the amount of $2.0 million. During the third quarter of fiscal 2021, revenues from professional services as well as platform right-of-use revenues increased by $1.2 million and $0.7 million, respectively.
- Increase in revenues from BidNet in the amount of $0.8 million, including the addition of revenues from Vendor Registry since the company's acquisition on November 18, 2020. The addition of revenues from BidNet reflects an adjustment made when measuring the fair value of deferred revenues at the acquisition date of Vendor Registry, which reduced revenues from pre-acquisition sales by $0.1 million.
- A $0.1 million decrease in InterTrade revenues mainly due to reduced activities of certain retailers in the context of COVID-19.
- The revenues of Advanced Software Concepts ("ASC") decreased by $0.2 million, mainly due to a decline in revenues from rights of use.
- Decreases in revenues from Broker Forum and Power Source Online for a total amount of $0.2 million primarily due to a lower number of members using the platforms.
- A decrease in revenues from the B2C platforms, i.e., Jobboom and Réseau Contact for a total amount of $0.2 million.

Cost of Revenues

Cost of revenues totalled $8.0 million during the third quarter of fiscal 2021 compared to $5.3 million during the third quarter of fiscal 2020. The increase is mainly attributable to the $1.1 million increase in labour costs, including the off-set of recording of $0.2 million in federal subsidies in the context of COVID-19 and the addition of $0.6 million in costs from K-eCommerce for a full period of three months. In addition, the costs of professional services were up by $0.5 million and the costs of hosting services increased by $0.3 million, which was due to higher volumes of transactions on certain platforms.

Gross Margin

Based on the information above, gross margin for the third quarter of fiscal 2021 reached $13.4 million or 62.7% compared to $12.7 million or 70.4% during the third quarter of fiscal 2020. The decrease in the gross margin percentage is mainly due to the investment in the development and implementation of client solutions.

Operating Expenses

Operating expenses for the third quarter of fiscal 2021 totalled $16.1 million, compared to $14.5 million for the third quarter of fiscal 2020. The changes in operating expense are explained as follows:

- General and administrative expenses totalled $5.2 million during the third quarter of fiscal 2021 compared to $4.1 million during the third quarter of fiscal 2020. The increase is primarily due to a $0.5 million increase in professional services costs related to the work of outside professionals to support the Corporation in implementing its strategic development initiatives, recruiting costs and other professional services. It should also be noted that the $0.3 million increase in labour costs, is partly offset by the recording of $0.1 million in federal subsidies in the context of COVID-19 and the addition of K-eCommerce expenses totalling $0.3 million for a full period of three months.
- Selling and marketing expenses totalled $4.8 million during the third quarter of fiscal 2021, compared to $4.1 million for the third quarter of fiscal 2020. The increase is mainly attributable to the addition of K-eCommerce costs in the amount of $0.5 million for a full period of three months, a $0.3 million increase in labour costs, including the reduction from recording of $0.1 million in federal subsidies related to the COVID-19 pandemic, and slightly offset by a $0.1 million decrease in the cost of promotional activities.
- Technology expenses stood at $6.1 million during the third quarter of fiscal 2021, compared to $6.3 million for the third quarter of fiscal 2020. This decrease is mainly attributable to the $1.0 million decrease in labour costs, including the recording of $0.4 million in federal subsidies in the context of COVID-19. This decrease was partly offset by the addition of K-eCommerce expenses totalling $0.3 million for a full period of three months, the $0.2 million increase in amortization expenses and the decrease in income tax credits and costs capitalized as internally developed software and websites, representing an amount $0.2 million.

Operating Profit

Based on the information above, operating loss totalled $2.7 million during the third quarter of fiscal 2021 compared to a $1.8 million operating loss during the third quarter of fiscal 2020.

Foreign Exchange

The Corporation recorded a $0.5 million foreign exchange loss during the third quarter of fiscal 2021 compared to a $0.3 million foreign exchange loss during the third quarter of fiscal 2020 following an appreciation of the Canadian dollar versus the U.S. dollar during the quarter.

Financial Expenses

Financial expenses stood at $0.2 million during the third quarter of fiscal 2021 compared to $0.3 million during the third quarter of fiscal 2020. Financial expenses consist primarily of interest expenses and standby fees on long-term debt, of interest on lease liabilities and of the amortization expense on deferred financing costs.

Income Tax Expense (Recovery)

For the third quarter of fiscal 2021, income tax recovery totalled $0.6 million, representing an effective tax rate of 18.0%, compared to the statutory rate of 26.5%. During the third quarter of fiscal 2020, the effective tax rate was at 21.0%.

The difference between the statutory rate of 26.5% and the effective tax rate of 18.0% mainly results from the fact that certain expenses recognized are not deductible for tax purposes, including the foreign exchange loss on the translation of the financial statements of foreign subsidiaries.

Profit (Loss)

Net loss stood at $2.9 million ($0.14 loss per share) in the third quarter of 2021, compared to a loss of $1.9 million ($0.13 loss per share) in the third quarter of fiscal 2020. For the third quarter of fiscal 2021, a total of 4.9 million treasury shares (0.2 million for the third quarter of fiscal 2020) were issued, which increased the weighted average number of shares outstanding to 20.8 million shares, thereby decreasing the loss per share.

Nine-month period ended December 31, 2020 "First nine months of fiscal 2021" compared to the nine-month period ended December 31, 2019 "First nine months of fiscal 2020"

Revenues

For the first nine months of fiscal 2021, revenues reached $62.7 million, compared to $56.5 million for the first nine months of fiscal 2020. The $6.2 million, or 11.0%, increase is mainly explained as follows:

- A $5.0 million addition of K-eCommerce revenues during the first nine months of fiscal 2021 taking into account its acquisition on December 3, 2019. The addition of revenues from K-eCommerce reflects an adjustment made when measuring the fair value of deferred revenues at the acquisition date, which reduced revenues from pre-acquisition sales by $0.4 million.
- Increase in revenues from Orckestra in the amount of $5.1 million. Benefiting from the increased demand for its services in the context of COVID-19, the Orckestra platform right-of-use and professional services revenues each increased, by $2.8 million and $2.0 million, respectively during the first nine months of fiscal 2021.
- Increase in revenues from BidNet in the amount of $1.7 million mainly due to an increase in the number of clients using this platform. The addition of revenues from BidNet reflects an adjustment made when measuring the fair value of deferred revenues of Vendor Registry at the acquisition date, which reduced revenues from pre-acquisition sales by $0.1 million.
- A $0.4 million decrease in InterTrade revenues mainly due to reduced activities of certain retailers in the context of COVID-19.
- The revenues of Advanced Software Concepts (ASC) decreased by $0.5 million, mainly due to a decline in professional services revenues.
- Decreases in revenues from Broker Forum, Power Source Online and Polygon for a total amount of $0.7 million primarily due to a lower number of members using these platforms.
- A $3.2 million decrease in revenues from the B2C platforms. This decrease is mainly due to the sale of LesPAC on June 11, 2019.

Cost of Revenues

Cost of revenues totalled $21.5 million during the first nine months of fiscal 2021 compared to $15.4 million during the first nine months of fiscal 2020. The increase is mainly attributable to the addition of K-eCommerce costs for a full period of nine months totalling $2.1 million and to a $1.3 million increase in labour costs, including the recording of $0.9 million in federal subsidies in the context of COVID-19. In addition, the costs of hosting services and professional services were up $1.2 million each, all of which was due to greater use of certain platforms. Software costs also increased by $0.5 million in the first nine months of fiscal 2021.

Gross Margin

Based on the information above, the gross margin for the first nine months of fiscal 2021 reached $41.2 million or 65.8% compared to $41.2 million or 72.8% in the first nine months of fiscal 2020. This decrease in the gross margin percentage is mainly due to the investment in the development and implementation of client solutions as well as the sale of LesPAC.

Operating Expenses

For the first nine months of fiscal 2021 operating expenses totalled $44.7 million, compared to $38.4 million in the first nine months of fiscal 2020. This change in operating expense is explained as follows:

- General and administrative expenses totalled $12.8 million during the first nine months of fiscal 2021 compared to $9.8 million in the first nine months of fiscal 2020. The increase is mainly attributable to the addition of K-eCommerce costs for a full period of nine months totalling $1.2 million, a $1.3 million increase in professional services costs and the $0.6 million increase in labour costs, including the recording of $0.4 million in federal subsidies in the context of COVID-19. The increase in professional services is mainly due to the work of outside professionals to support the Corporation in implementing its strategic development initiatives, recruiting costs and other professional services.
- Selling and marketing expenses totalled $14.6 million during the first nine months of fiscal 2021, compared to $12.2 million in the first nine months of fiscal 2020. The increase is mainly attributable to the addition of K-eCommerce costs for a full period of nine months totalling $1.9 million, a $0.8 million increase in labour costs, including the recording of $0.4 million in federal subsidies in the context of COVID-19 and an increase in professional services costs of $0.3 million. These increases were partly offset by a $0.8 million decrease in promotional costs and activities, mainly due to the postponement of a number of events due to the pandemic.
- Technology expenses totalled $17.4 million during the first nine months of fiscal 2021 compared to $16.3 million for the first nine months of fiscal 2020. This increase is mainly attributable to the addition of K-eCommerce costs for a full period of nine months totalling $1.3 million, a $0.7 million increase in the amortization expense on intangible assets, and a $0.4 million decrease in tax credits and capitalized internally developed software and website costs. These increases were partly offset by a $1.5 million decrease in labour costs, including an amount of $1.1 million relating to federal subsidies in the context of COVID-19.

Operating Profit

Based on the information above, operating loss amounted to $3.5 million during the first nine months of fiscal 2021, compared to operating profit of $2.8 million in the first nine months of fiscal 2020.

Foreign Exchange

The Corporation realized a $1.3 million foreign exchange loss during the first nine months of fiscal 2021 following the appreciation of the Canadian dollar versus the U.S. dollar compared to a $0.4 million in the first nine months of fiscal 2020.

Financial Expenses

Financial expenses totalled $0.9 million during the first nine months of fiscals 2021 and 2020. The expenses consist primarily of interest expenses and standby fees on long-term debt, of interest on lease liabilities and of the amortization expense on deferred financing costs.

Income Tax Expense

For the first nine months of fiscal 2021, income tax recovery totalled $0.9 million, representing an effective tax rate of 16.2%, compared to the statutory rate of 26.5%. During the first nine months of fiscal 2020, the effective tax rate was at 27.2%.

The difference between the statutory rate of 26.5% and the effective tax rate of 16.2% mainly results from the fact that certain expenses recognized are not deductible for tax purposes, including the foreign exchange loss on the translation of the financial statements of foreign subsidiaries.

Profit

Net loss stood at $4.7 million ($0.26 net loss per share) in the first nine months of fiscal 2021, compared to a profit of $1.0 million ($0.07 profit per share) in the first nine months of fiscal 2020. For the first nine months of fiscal 2021, a total of 7.8 million treasury shares (0.2 million for the first nine months of fiscal 2020) were issued, which increased the weighted average number of shares outstanding to 18.4 million shares, thereby decreasing the loss per share.

Quarterly Performance

Selected quarterly financial information for the eight most recently completed quarters on or before December 31, 2020, is as follows:

	2021			2020				
	Q3 Dec. 31, 2020 $	Q2 Sept. 30, 2020 $	Q1 June 30, 2020 $	Q4 Mar. 31, 2020 $	Q3 Dec. 31, 2019 $	Q2 Sept. 30, 2019 $	Q1 June 30, 2019 $	Q4 March 31, 2019 $
Revenues	**21,403**	20,752	20,534	18,917	18,072	18,211	20,228	20,809
Operating (loss) profit	**(2,716)**	(93)	(698)	(2,210)	(1,753)	2,008	2,514	1,798
(Loss) profit	**(2,853)**	(643)	(1,237)	(6,758)	(1,879)	1,834	1,051	(34,142)
Adjusted (loss) profit [1]	**(2,853)**	(643)	(1,237)	(1,451)	(1,879)	1,660	1,308	958
(Loss) earnings per share – basic and diluted	**(0.14)**	(0.04)	(0.08)	(0.45)	(0.13)	0.12	0.07	(2.30)
Adjusted (loss) profit [1] per share – basic and diluted	**(0.14)**	(0.04)	(0.08)	(0.10)	(0.13)	0.11	0.09	0.06
Weighted average number of shares outstanding	**20,844**	17,161	16,394	15,052	14,913	14,849	14,849	14,849
Adjusted EBITDA [1]	**(139)**	2,335	1,801	472	159	3,740	4,144	3,509

In thousands of Canadian dollars, except per share amounts.

Quarters of Fiscal 2021

- Third quarter ended December 31, 2020: Compared to the second quarter of fiscal 2021 ended September 30, 2020, revenues were up by $0.7 million, mainly due to a $0.6 million total increase in revenues from BidNet and Orckestra.

  Operating expenses increased by $3.3 million during the third quarter of fiscal 2021, compared to the second quarter of fiscal 2021. This increase was due to labour costs of $2.5 million, including $0.8 in termination benefits as well as a $0.6 million decrease in federal subsidies received in the context of COVID-19.

  Also during the third quarter of fiscal 2021, professional services costs increased by $0.4 million, mainly due to transaction costs incurred for the acquisition of Vendor Registry.

Taking into account the above-mentioned items, adjusted EBITDA totalled $(0.1) million while the operating loss totalled $2.7 million for the third quarter of fiscal 2021 compared to a $0.1 million loss for the second quarter ended September 30, 2020.

Net loss for the third quarter of fiscal 2021 totalled $2.9 million compared to a loss of $0.6 million for the second quarter ended September 30, 2020.

- Second quarter ended September 30, 2020: Compared to the first quarter of fiscal 2021 ended June 30, 2020, revenues were up by $0.2 million, mainly due to a $0.4 million total increase in revenues from BidNet and K-eCommerce. These increases were partly offset by a $0.1 million decrease in revenues from Orckestra.

Operating expenses decreased by $0.4 million during the second quarter of fiscal 2021, compared to the first quarter of fiscal 2021. The decrease in operating expenses stems mainly from the recording of federal subsidies in the context of COVID-19, representing a net additional amount of $0.8 million, net of the $0.2 million reduction in tax credits during the second quarter.

Also during the second quarter of fiscal 2021, professional services costs increased by $0.5 million, due to a higher volume of activity for some subsidiaries.

Taking into account the above-mentioned items, EBITDA increased by $0.5 million to reach $2.3 million while the operating loss totalled $0.1 million for the second quarter of fiscal 2021 compared to a $0.7 million loss for the first quarter ended June 30, 2020.

Net loss for the second quarter of fiscal 2021 totalled $0.6 million compared to a loss of $1.2 million for the first quarter ended June 30, 2020.

- For the first quarter ended June 30, 2020: Compared to the fourth quarter of fiscal 2020 ended March 31, 2020, revenues were up $1.6 million, mainly due to greater use of the Orckestra platform given the context of COVID-19 and that resulted in an additional amount of $1.6 million. The $0.2 million total increase in revenues from BidNet, ASC and K-eCommerce was offset by the $0.3 million total decrease in revenues from Carrus and InterTrade.

Operating expenses increased by $0.3 million during the first quarter of fiscal 2021 due to a $0.8 million increase in service costs mainly related to a higher volume of activity on the Corporation's platforms, $0.2 million in additional professional services costs for administrative fees, and $0.2 million in an allowance for doubtful accounts. Technology expenses decreased by $0.4 million mainly due to additional tax credits compared to the quarter ended March 31, 2020.

Also during this first quarter, the Corporation recorded an amount of $0.5 million in federal subsidies in the context of COVID-19.

Taking into account the above-mentioned items, EBITDA increased by $1.3 million to reach $1.8 million while the operating loss totalled $0.7 million for the first quarter of fiscal 2021 compared to a $2.2 million loss for the fourth quarter ended March 31, 2020.

Net loss for the first quarter of fiscal 2021 totalled $1.2 million compared to a loss of $6.8 million for the quarter ended March 31, 2020. During the quarter ended March 31, 2020, the Corporation had recorded a net-of-tax $5.3 million impairment charge on non-monetary assets related to the Jobboom and Réseau Contact B2C platforms.

Quarters of Fiscal 2020

- Fourth quarter ended March 31, 2020: Compared to the third quarter of fiscal 2020 ended December 31, 2019, revenues increased mainly due to the addition of K-eCommerce revenues totalling $1.2 million (including a negative adjustment on acquisition-deferred revenue in the amount of $0.3 million). This increase was partly offset by a $0.2 million decrease in B2C platform revenues and the $0.2 million decrease in revenues for Advanced Software Concepts.

  When higher revenues and the addition of K-eCommerce costs totalling $1.4 million are taken into account, adjusted EBITDA increased by $0.3 million mainly due to a $1.0 million decline in salaries and benefits relating mainly to termination benefits recognized in the third quarter.

  The operating loss increased slightly mainly due to an additional amortization expense from tangible and intangible assets in the amount of $0.5 million including the addition of K-eCommerce depreciation.

  Net loss for the fourth quarter of fiscal 2020 totalled $6.8 million, which includes a non-monetary amortization expense of $7.2 million, less a deferred income tax recovery of $1.9 million relating to the Jobboom and Réseau Contact B2C platforms.

- Third quarter ended December 31, 2019: Compared to the second quarter of fiscal 2020 ended September 30, 2019, revenues decreased slightly by $0.1 million. The addition of K-eCommerce revenues totalling $0.4 million was cancelled by the $0.3 million decrease in Jobboom revenues and the decline in Orckestra and ASC revenues representing a combined amount of $0.2 million.

  Adjusted EBITDA decreased by $3.6 million, mainly due to termination benefits totalling $1.0 million, professional services costs in the amount of $0.4 million essentially relating to the acquisition of K-eCommerce and a $0.8 million increase in salaries and benefits. The Corporation has also recorded tax credits and internally developed websites and software capitalized for $0.3 million less than in the second quarter of fiscal 2020.

Also related to third quarter results, K-eCommerce operations generated a $0.2 million loss whereas lower Jobboom, Orckestra and ASC revenues also had a negative impact on the adjusted EBITDA for the quarter.

As a result of the above-mentioned factors, operating loss totalled $1.8 million, in line with the decrease in adjusted EBITDA for the quarter. Consequently, the net loss for the third quarter of fiscal 2020 totalled $1.9 million, or $0.13 per share.

- Second quarter ended September 30, 2019: Compared to the first quarter of fiscal 2020 ended June 30, 2019, revenues decreased by $2.0 million primarily due to the sale of LesPAC on June 11, 2019. There was therefore no revenue recognized for LesPAC in the second quarter of fiscal 2020 compared to $2.2 million in the first quarter of the same fiscal year. For their part, revenues from BidNet increased by $0.1 million.

  Despite the $2.0 million decrease in revenues, the adjusted EBITDA only decreased by $0.4 million mainly due to $1.0 million less in salaries and employee benefits compared to the first quarter of fiscal 2020. In addition, costs for promotional campaigns and costs for sales commissions to third parties following the sale of LesPAC also reduced these amounts by $0.6 million and $0.4 million, respectively. Also in comparison to the first quarter of fiscal 2020, the Corporation recognized lower amounts for tax credits and capitalized internally developed software and websites in the amount of $0.2 million.

  As a result of the above-mentioned factors, operating profit totalled $2.0 million, in line with the decrease in adjusted EBITDA for the quarter.

  Profit for the second quarter of 2020 totalled $1.8 million or $0.12 per share. Profit for the second quarter includes a foreign exchange gain and a gain on the sale of a subsidiary totalling $0.5 million compared to a $0.6 million loss of these same factors in the first quarter of the fiscal 2020.

- First quarter ended June 30, 2019: Compared to the fourth quarter of fiscal 2019 ended March 31, 2019, revenues decreased by $0.6 million primarily due to lower revenues of $0.4 million in LesPAC following its sale on June 11, 2019. Revenues from Jobboom and Market Velocity also decreased in the amount of $0.1 million, respectively.

  Also compared to the fourth quarter of fiscal 2019, adjusted EBITDA increased by $0.6 million due to lower salaries and employee benefits and to lower professional fees of $0.5 million, respectively offset by a decrease in tax credits and capitalized internally developed software and website costs of $0.4 million.

  As a result of the above-mentioned factors, operating profit totalled $2.5 million, in line with the increase in adjusted EBITDA for the quarter.

  Profit for the first quarter of fiscal 2020 totalled $1.1 million including a loss on sale of a subsidiary in the amount of $0.3 million.

Quarters of Fiscal 2019

- Fourth quarter ended March 31, 2019: Compared to the third quarter of fiscal 2019 ended December 31, 2018, revenues decreased slightly by $0.1 million, mainly due to a $0.2 million decrease in revenues from ASC, a decrease in revenues from Broker Forum and LesPAC each in the amount of $0.1 million. These decreases were partly offset by a combined $0.2 million increase in revenues from MERX and Orckestra.

  Also compared to the third quarter of fiscal 2019, adjusted EBITDA decreased by $1.8 million, including $1.2 million related to non-recurring expenses consisting of salaries and termination benefits of $0.9 million and professional fees of $0.3 million. In addition, advertising campaign costs were up $0.6 million due to seasonal advertising campaigns at some subsidiaries.

  As a result of the above-mentioned factors, operating profit totalled $1.8 million, in line with the decrease in adjusted EBITDA for the quarter.

  Profit for the fourth quarter of fiscal 2019 totalled $(34.1) million since it includes a $46.6 million impairment charge and an $11.5 million tax recovery related to the reclassification of the assets and liabilities of the disposal group as assets and liabilities held for sale.

Liquidity and Financial Resources

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.

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

As at December 31, 2020, the Corporation had cash and cash equivalents of $38.8 million and $0.5 million in cash held for the benefit of third parties.

Summary of the Interim Condensed Consolidated Statements of cash Flows

	Three-month periods ended December 31,		Nine-month periods ended December 31,	
	2020	2019	2020	2019
In thousands of Canadian dollars.	$	$	$	$
Cash flows related to operating activities	**2,554**	(1,154)	**1,786**	478
Cash flows related to investing activities	**(7,408)**	(9,077)	**(9,375)**	7,398
Cash flows related to financing activities	**32,423**	8,987	**32,790**	(8,882)
Net change in cash and cash equivalents for the periods	**27,569**	(1,244)	**25,201**	(1,006)
Impact of exchange rate changes on cash and cash equivalents	**(282)**	(230)	**(1,124)**	(338)
Cash and cash equivalents at beginning of periods	**11,966**	14,295	**15,176**	14,165
Cash and cash equivalents at end of periods	**39,253**	12,821	**39,253**	12,821

Operating Activities

For the third quarter ended December 31, 2020, cash flows generated by operating activities totalled $2.6 million, compared to $1.2 million used for the third quarter ended December 31, 2019. The increase in cash flows related to operating activities is mainly due to changes in non-cash working capital items.

For the first nine months of fiscal 2021, cash flows generated by operating activities totalled $1.8 million, compared to $0.5 million generated for the first nine months of fiscal 2020. The increase in cash flows related to operating activities is mainly due to changes in non-cash working capital items.

Investing Activities

On November 18, 2020, the Corporation, through a subsidiary, acquired substantially all of the assets of Vendor Registry, Inc. ("Vendor Registry"), a provider of sourcing solutions in the U.S., for a cash consideration of $6.9 million (US$5.3 million), subject to subsequent adjustments to working capital and deferred revenues assumed.

Cash flows used in investing activities totalled $7.4 million for the third quarter ended December 31, 2020 compared to $9.1 million used during the third quarter ended December 31, 2019. The funds were used primarily to acquire Vendor Registryfor $6.9 million in the third quarter ended December 31, 2020 and K-eCommerce for $8.0 million in the third quarter ended December 31, 2019.

Acquisitions of intangible assets for the third quarter of fiscal 2021 include primarily $0.4 million of internally developed software compared to $0.8 million for the third quarter of fiscal 2020.

For the first nine months ended December 31, 2020, cash flows used in investing activities totalled $9.4 million, compared to $7.4 million generated during the first nine months ended December 31, 2019.

The decrease in cash flows used in investing activities stems mainly from the sale of LesPAC, during the first quarter of fiscal 2020, for which an amount of $18.4 million was received during the first nine months ended December 31, 2019, partly offset by the amount of $6.7 million paid to acquire Vendor Registry, compared to $8.0 million paid for K-eCommerce.

Financing Activities

For the third quarter of fiscal 2021, cash flows generated by financing activities amounted to $32.4 million compared to $9.0 million during the third quarter of 2020.

No amount was paid in dividends during the first nine months of fiscal 2021, as the Corporation announced on November 12, 2019 the suspension of its dividend in order to allocate these amounts to the Corporation's future development. During the corresponding period of the previous fiscal year, the Corporation paid dividends in the amount of $4.5 million ($0.20 per share).

On October 15, 2020, the Corporation repaid all amounts owed under the previous credit facility that matured on December 18, 2020 using the credit facility under the Credit Agreement maturing on October 15, 2023.

On November 6, 2020, the Corporation completed a bought deal offering under which a total of 4,780,550 common shares of the Corporation were issued at a price of $10.00 per common share for total gross proceeds of $47.8 million. The net proceeds of the offering were $44.6 million, net of fees of $3.2 million. All amounts owed under the Revolving Credit Facility maturing on October 15, 2023 were repaid following the bought deal offering.

On May 21, 2020, the Corporation completed a bought deal offering under which a total of 2,909,091 common shares of the Corporation were issued at a price of $5.50 per common share for total gross proceeds of $16.0 million. The net proceeds of the offering were $14.5 million, net of fees of $1.5 million.

During the first six months of fiscal 2021, the Corporation repaid an amount of $13.6 million on the previous credit facility that was maturing on December 18, 2020 by using the bought deal offering.

During the first six months of fiscal 2020, the Corporation repaid an amount of $14.2 million on its long-term debt using a portion of the sales proceeds from Réseau LesPAC on June 11, 2019.

Long-term Debt

The Previous Credit Agreement that was expiring on December 18, 2020, was repaid in full on October 15, 2020 after the Corporation entered into a new credit agreement.

On October 14, 2020, the Corporation signed a new credit agreement (the "Credit Agreement") with two Canadian financial institutions under which the lenders have provided a three-year secured revolving facility of up to $35.0 million (the "Revolving Facility") as well as a $25.0 million accordion feature of the Revolving Facility subject to lenders' approval, in addition to a term loan of up to $15,0 millions (the "Term Facility").

The Credit Agreement matures on October 15, 2023, and any unpaid amounts are due in full at maturity. As at December 31, 2020, no amounts were drawn on the Revolving Facility and the amount drawn on the Term Facility was $1.5 million. This amount is repayable by monthly equal consecutive payments based on amortization of 15% per annum starting on November 15, 2021.

The maximum amount available under the Revolving Facility is calculated monthly using a percentage of the balance of less than 90-day accounts receivable, and on a multiple of the Corporation's recurring monthly revenue, up to a maximum amount of $35.0 million. As at December 31, 2020, the maximum borrowing capacity available under the Revolving Facility was $32.0 million.

The Credit Agreement included a Term Facility of up to $15.0 million. At each drawdown, the maximum amount available of the Term Facility must be calculated using a multiple of earnings before interest, taxes and amortization ("EBITDA") for the last 12 months, as described in the Credit Agreement. The multiple differs depending on whether the drawdown is intended either to finance working capital or to finance business acquisitions. According to this calculation, the maximum amount available was $13.5 million, of which $1.5 million was drawn by the Company as at December 31, 2020.

Financial Position

As a whole, the Corporation has a sound financial position and is able to meet its financial obligations. As at December 31, 2020, the Corporation had cash and cash equivalents of $38.8 million ($14.3 million as at March 31, 2020). At the same date, its assets totalled $201.0 million compared to $171.1 million as at March 31, 2020.

The following table presents selected information from the interim condensed consolidated statement of financial position.

Selected information from the Interim Condensed Consolidated Statement of Financial Position	**As at December 31, 2020**	**As at March 31, 2020**
In thousands of Canadian dollars.	**$**	**$**
Cash and cash equivalents	**38,752**	14,319
Accounts receivable	**8,275**	6,103
Tax credits receivable	**9,204**	8,040
Acquired intangible assets	**13,351**	13,158
Goodwill	**100,820**	96,852
Derivative financial instruments	**642**	(891)
Long-term debt	**(1,500)**	(26,975)
Shareholders' equity	**(150,928)**	(92,839)

The main changes in the Corporation's Consolidated Statement of Financial Position between December 31, 2020 and March 31, 2020 are explained as follows:

- Cash and cash equivalents totalled $38.8 million as at December 31, 2020 compared to $14.3 million as at March 31, 2020. See the "Liquidity and financial ressources" section for details.
- Accounts receivable totalled $8.3 million as at December 31, 2020, an increase of $2.2 million when compared to $6.1 million as at March 31, 2020. This increase is largely due to the increase in Orckestra's activities during the first three quarters, generating an additional $2.5 million in accounts receivable as well as $0.8 million relating to federal subsidies in the context of COVID-19. These increases are partly offset by a decrease in accounts receivable totalling $0.9 million from Carrus, InterTrade and MERX.
- Tax credits receivable totalled $9.2 million as at December 31, 2020 compared to $8.0 million as at March 31, 2020. This increase is related to the recognition of additional credits.
- Acquired intangible assets totalled $13.4 million as at December 31, 2020 compared to $13.2 million as at March 31, 2020. This increase is attributable to the acquisition of Vendor Registry, which was partly offset by amortization totalling $2.8 million.
- Goodwill totalled $100.8 million as at December 31, 2020 compared to $96.9 million as at March 31, 2020. This increase is attributable to the acquisition of Vendor Registry.

- Derivative financial instruments represented total assets of $0.6 million as at December 31, 2020, compared to total liabilities of $0.9 million as at March 31, 2020 (see the “Derivative financial instruments” section). The increase is attributable to the appreciation of the Canadian versus the U.S. dollar since March 31, 2020.
- Long-term debt totalled $1.5 million as at December 31, 2020, compared to $27.0 million as at March 31, 2020. This decrease is attributable to the repayment of debt further to the bought deal offerings dated May 21, 2020 and November 6, 2020.
- Shareholders’ equity totalled $150.9 million as at December 31, 2020, compared to $92.8 million as at March 31, 2020. This increase is mainly due to the issuance of common shares as part of the bought deal offerings that closed on May 21, 2020 and November 6, 2020, representing net amounts of $14.5 million and $44.6 million, respectively.

Derivative Financial Instruments

In the normal course of business, the Corporation is exposed to certain financial risks. The Corporation does not hold financial instruments for speculative purposes but only to reduce the volatility of its results from its exposure to these risks. The nature and the extent of the risks arising from the financial instruments and their related risk management are described in Note 26 to the Corporation’s audited consolidated financial statements for the years-ended March 31, 2020 and 2019.

The Corporation’s hedging program will yield an average (CA$/US$) exchange rate of 1.3361 on foreign currency forward contracts of US$10.0 million held as at December 31, 2020, which will mature over fiscal years 2021, 2022 and 2023. As at December 31, 2019, the Corporation had foreign currency forward contracts of US$11.5 million with an average rate of 1.3127.

During the third quarter of fiscal 2021, there was no significant change to the nature of risks arising from financial instruments, related risk management and classification of financial instruments. Furthermore, there was no change in the methodology used in determining the fair value of the financial instruments measured at fair value in the Corporation’s Consolidated Statement of Financial Position.

Risks and Uncertainties

The Corporation is confident of its long-term prospects. However, in order to ensure that its strategy and growth objectives are met, the Corporation seeks to diminish the risks and uncertainties created by potentially unfavourable situations in its industry sector or its liquidity. The risk that the Corporation faces is technological, operational or financial in nature or is inherent to its business activities or its acquisition strategies. Other than the risks and uncertainties relating to COVID-19 described in the “COVID-19” section, the description of these risks and uncertainties has not changed as compared to the MD&A for the year ended March 31, 2020.

Non-IFRS Financial Measures and Key Performance Indicators

Non-IFRS Financial Measures

The non-IFRS measures provide investors with additional insight into our operating and financial performance. The Corporation considers non-IFRS measures to be key additional measures assessing operating and financial performance since they highlight trends in our main business activities that may not otherwise be apparent when relying solely on IFRS measures. Securities analysts, investors and other interested parties frequently use non-IFRS measures to assess entities, many of which present non-IFRS measures when reporting their results. Management also uses non-IFRS measures to facilitate comparisons of operating and financial performance between periods in order to prepare annual budgets and assess our ability to repay our debt and capital expenditures, as well as meet our working capital needs.

Non-IFRS measures are not recognized under IFRS. They do not have a standardized meaning under IFRS and may not be comparable to similar measures presented by other corporations. These non-IFRS measures have significant limitations as analytical tools and the reader should not consider them alone or as a substitute in analyzing the Corporation's results as reported in accordance with IFRS. Due to these limitations, we are relying primarily on our results as reported in accordance with IFRS and are only using non-IFRS measures to provide additional information.

Adjusted EBITDA is calculated as profit (loss) before interest, taxes, depreciation and amortization ("EBITDA"), adjusted according to the foreign exchange gain (loss), the gain (loss) on the sale of a subsidiary and the compensation under the stock option plan.

We believe that adjusted EBITDA is a meaningful measurement since it allows us to assess our operating performance between periods without the variances created by the impact of the above-noted items. We consider that the Corporation's main business activities consist in providing software as a service (SaaS) solutions. The losses or gains on the sale of the subsidiary and compensation under the stock option plan are considered to relate to non-core activities. The Corporation does not include these items because they affect the comparability of financial results between periods and may potentially distort the analysis of performance trends for the Corporation's ordinary activities. Excluding these items does not necessarily mean that they are non-recurring.

Adjusted profit (loss) refers to profit (loss), adjusted for the gain (loss) on the sale of a subsidiary. Adjusted profit (loss) per share (basic) represents adjusted profit (loss) divided by the weighted average number of shares outstanding during the period. Adjusted profit (loss) per share (diluted) represents adjusted profit (loss) divided by the diluted weighted average number of shares outstanding during the period. We believe that adjusted profit (loss) and adjusted profit (loss) per share (basic and diluted) are meaningful measurements since they make it possible to assess the Corporation's overall performance between periods without the variances caused by the impacts of the above-noted items. The Corporation does not include these items because they affect the comparability of financial results between periods and may distort the analysis of performance trends. Excluding these items does not necessarily mean that they are non-recurring.

Non-IFRS measures are reconciled with the most comparable IFRS measures in the tables below.

Reconciliation of adjusted EBITDA and profit	**Three-month periods ended December 31,**		**Nine-month periods ended December 31,**	
	2020	**2019**	**2020**	**2019**
In thousands of Canadian dollars.	**$**	**$**	**$**	**$**
(Loss) profit	**(2,853)**	(1,879)	**(4,733)**	1,006
Income tax (recovery) expense	**(625)**	(502)	**(914)**	375
Depreciation of property and equipment and amortization of intangible assets	**1,121**	797	**3,064**	2,210
Amortization of acquired intangible assets	**885**	680	**2,799**	1,882
Amortization of right-of-use assets	**415**	435	**1,298**	1,182
Amortization of deferred financing costs	**58**	10	**78**	29
Foreign exchange loss	**516**	316	**1,256**	400
Loss on sale of a subsidiary	**-**	-	**-**	83
Compensation under the stock option plan	**156**	-	**343**	-
Interest on lease liability	**93**	91	**290**	275
Interest on long-term debt	**95**	211	**516**	601
Adjusted EBITDA	**(139)**	159	**3,997**	8,043

Reconciliation of profit and adjusted profit	**Three-month periods ended December 31,**		**Nine-month periods ended December 31,**	
	2020	**2019**	**2020**	**2019**
In thousands of Canadian dollars.	**$**	**$**	**$**	**$**
(Loss) profit	**(2,853)**	(1,879)	**(4,733)**	1,006
Loss on sale of a subsidiary	**-**	-	**-**	83
Adjusted (loss) profit	**(2,853)**	(1,879)	**(4,733)**	1,089
Weighted average number of shares outstanding (in thousands):				
Basic and diluted	**20,844**	14,913	**18,407**	14,870
(Loss) earnings per share – basic and diluted	**(0.14)**	(0.13)	**(0.26)**	0.07
Adjusted (loss) profit per share – basic and diluted	**(0.14)**	(0.13)	**(0.26)**	0.07

Key Performance Indicators

The Corporation refers to certain key performance indicators described below in this MD&A and other communications. These performance indicators are not likely to be comparable to similar indicators presented by other corporations. The reader is advised that these indicators are being presented to complement, rather than replace, the analysis of financial results in accordance with IFRS. Management uses both IFRS and non-IFRS measures to plan, monitor and assess the Corporation's performance.

Monthly recurring revenues ("MRR") are composed of revenues in respect of which subscriptions provide access to goods and services with cyclical billing frequencies. This portion of the Corporation's revenues is generally stable.

Future Changes in Accounting Policies

IAS 37, Provisions, Contingent Liabilities and Contingent Assets

In September 2020, IAS 37, *Provisions, Contingent Liabilities and Contingent Assets* was amended to specify the costs to be included when the entity determines the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The amendments apply to the Corporation for fiscal years beginning on or after January 1, 2022. 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 16, Property, Plant and Equipment

In September 2020, IAS 16, *Property, Plant and Equipment* was amended to prohibit the deduction from the cost of an item of property, plant and equipment of any proceeds from selling items produced before the asset is available for use. The proceeds from selling this property, plant and equipment, as well as the related costs, will instead be recognized in net income. The amendments apply to the Corporation for fiscal years beginning on or after January 1, 2022. 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.

Forward-Looking Statements

This MD&A contains certain forward-looking statements with respect to the Corporation. These statements, by their nature, necessarily involve risks and uncertainties that could cause actual results to differ significantly from those expected by these forward-looking statements. The Corporation considers the assumptions on which these forward- looking statements are based to be reasonable but cautions the reader that these assumptions regarding future events, many of which are beyond the control of the Corporation, may ultimately prove to be incorrect since they are subject to the risks and uncertainties that affect the Corporation. The Corporation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities legislation.

Controls and Procedures

The President and Chief Executive Officer and the Chief Financial Officer, together with management, are responsible for establishing and maintaining adequate disclosure controls and procedures and internal controls over financial reporting, as defined in the Regulation 52-109 *Respecting Certification of Disclosure in Issuers' Annual and Interim Filings*, issued by the Canadian Securities Administrators.

Internal Control Over Financial Reporting

For the quarter ended December 31, 2020, there were no changes to the Corporation's internal control over financial reporting that had, or are reasonably likely to have, a significant impact on the Corporation's internal control over financial reporting, except for the addition of the internal control design of K-eCommerce to account for its acquisition as of December 3, 2019.

Management's evaluation and conclusion regarding the design of internal controls over financial reporting exclude the controls, agreements and procedures of Vendor Registry, which was acquired on November 18, 2020. The Corporation has a period of one year from the date of acquisition to perform this analysis and to implement internal controls deemed necessary.

Additional Information

This report has been prepared as of February 10, 2021.

At that date, 22,886,874 common shares and 1,019,000 stock options were issued and outstanding.

Additional information relating to the Corporation, including the Annual Information Form, is available on SEDAR at www.sedar.com.

Market and Ticker Symbol

The Corporation's common shares trade on the Toronto Stock Exchange (the "TSX") under the ticker symbol "MDF."

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