



Reconciliation of Q4 2018 GAAP to Non-GAAP Results

February 13, 2019

Reconciliation of GAAP to Non-GAAP Results

With reference to our press release of February 13, 2019, we are providing additional non-material information regarding our reconciliation of Q4 2018 GAAP to non-GAAP results.

Our consolidated financial statements are prepared in accordance with U.S. GAAP on a basis consistent for all periods presented. In addition to results reported in accordance with U.S. GAAP, we use non-GAAP financial measures as supplemental indicators of our operating performance. The term “non-GAAP financial measure” is used to refer to a numerical measure of a company’s historical or future financial performance, financial position or cash flows that: (i) excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with U.S. GAAP in a company’s statement of earnings, balance sheet or statement of cash flows; or (ii) includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented. We refer to gross margin, operating expenses, earnings (loss) from operations, net earnings (loss) and net earnings (loss) per share adjusted for specific items that affect comparability as non-GAAP gross margin, non-GAAP operating expenses, non-GAAP earnings (loss) from operations, adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA), non-GAAP net earnings (loss) and non-GAAP diluted net earnings (loss) per share, respectively. We disclose non-GAAP amounts as we believe that these measures provide better information on actual operating results and assist in comparisons from one period to another.

Readers are cautioned that non-GAAP financial measures do not have any standardized meaning prescribed by U.S. GAAP and therefore may not be comparable to similar measures presented by other companies.

Q4 2018 Reconciliation of GAAP to Non-GAAP Results

In thousands of U.S. dollars, except earnings per share	GAAP Q4								Non GAAP Q4
		Purchase Price Amortization	Acquisition, Integration, Restructuring & Other	Stock Compensation & Related Social Taxes	Foreign Exchange Gain (Loss)	Allocation of Realized Gain (Loss) on Hedge Contracts	Loss on Disposal of iTank Business	Tax Adjustments	
Revenue	201,395								201,395
Cost of sales	135,500		5	58		(13)			135,450
Gross margin	65,895	0	(5)	(58)	0	13	0	0	65,945
GM %	32.7%								32.7%
Sales and marketing	22,353		45	700		(69)			21,677
Research and development	22,230	64	60	571		(134)			21,669
Administration	14,516		2,587	1,414		(80)			10,595
Restructuring	2,345		2,345						0
Acquisition-related and Integration	613		613						0
Loss on disposal of of iTank business	2,064						2,064		0
Amortization	5,971	4,197							1,774
Total Operating Expenses	70,092	4,261	5,650	2,685	0	(283)	2,064	0	55,715
Earnings (loss) from operations	(4,197)	(4,261)	(5,655)	(2,743)	0	296	(2,064)	0	10,230
Foreign exchange gain (loss)	(2,378)				(2,082)	(296)			0
Other income (expense)	(19)								(19)
Total other income (loss)	(2,397)	0	0	0	(2,082)	(296)	0	0	(19)
Earnings (loss) before income taxes	(6,594)	(4,261)	(5,655)	(2,743)	(2,082)	0	(2,064)	0	10,211
Income tax expense (recovery)	(2,768)	77	53	(222)	(7)	0	0	(3,914)	1,245
Net earnings (loss)	(3,826)	(4,338)	(5,708)	(2,521)	(2,075)	0	(2,064)	3,914	8,966
Diluted earnings (loss) per share	(0.11)								0.25
Weighted average diluted shares	36,057								36,057