



Reconciliation of Q4 and FY 2019 GAAP to Non-GAAP Results

February 13, 2020

Reconciliation of GAAP to Non-GAAP Results

With reference to our press release of February 13, 2020, we are providing additional non-material information regarding our reconciliation of Q4 and FY 2019 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 2019 Reconciliation of GAAP to Non-GAAP Results

In thousands of U.S. dollars, except earnings per share	GAAP Q4	Purchase Price Amortization	Restructuring, Integration, Acquisition & Other	Stock Compensation & Related Social Taxes	Foreign Exchange Gain (Loss)	Allocation of Realized Gain (Loss) on Hedge Contracts	Non GAAP Q4
Revenue	174,301						174,301
Cost of sales	122,933			20		1	122,912
Gross margin	51,368	-	-	(20)	-	(1)	51,389
<i>GM %</i>	<i>29.5%</i>						<i>29.5%</i>
Sales and marketing	22,309			374		15	21,920
Research and development	21,015	65	6	314		37	20,593
Administration	11,600		789	1,094		28	9,689
Restructuring	2,309		2,309				-
Acquisition-related and Integration	274		274				-
Impairment	877		877				-
Amortization	5,369	3,528					1,841
Total Operating Expenses	63,753	3,593	4,255	1,782	-	80	54,043
Earnings (loss) from operations	(12,385)	(3,593)	(4,255)	(1,802)	-	(81)	(2,654)
Foreign exchange gain (loss)	1,666				1,585	81	-
Other income (expense)	(109)						(109)
Total other income (loss)	1,557	-	-	-	1,585	81	(109)
Earnings (loss) before income taxes	(10,828)	(3,593)	(4,255)	(1,802)	1,585	-	(2,763)
Income tax expense (recovery)	90	92	(253)	-	75	-	176
Net earnings (loss)	(10,918)	(3,685)	(4,002)	(1,802)	1,510	-	(2,939)
Diluted earnings (loss) per share	(0.30)						(0.08)
Weighted average diluted shares	36,222						36,222
Adjusted EBITDA	N/A						2,326

FY 2019 Reconciliation of GAAP to Non-GAAP Results

In thousands of U.S. dollars, except earnings per share	GAAP FY 2019						Tax Adjustments	Non GAAP FY 2019
		Purchase Price Amortization	Restructuring, Integration, Acquisition & Other	Stock Compensation & Related Social Taxes	Foreign Exchange Gain (Loss)	Allocation of Realized Gain (Loss) on Hedge Contracts		
Revenue	713,513							713,513
Cost of sales	493,523			167		(4)		493,360
Gross margin	219,990	-	-	(167)	-	4	-	220,153
<i>GM %</i>	<i>30.8%</i>							<i>30.9%</i>
Sales and marketing	92,093			3,857		(40)		88,276
Research and development	86,473	259	(10)	2,854		(64)		83,434
Administration	48,827		2,913	6,316		(79)		39,677
Restructuring	28,160		28,160					-
Acquisition-related and Integration	974		974					-
Impairment	877		877					-
Amortization	20,607	14,255						6,352
Total Operating Expenses	278,011	14,514	32,914	13,027	-	(183)	-	217,739
Earnings (loss) from operations	(58,021)	(14,514)	(32,914)	(13,194)	-	187	-	2,414
Foreign exchange gain (loss)	(1,296)				(1,109)	(187)		-
Other income (expense)	(301)							(301)
Total other income (loss)	(1,597)	-	-	-	(1,109)	(187)	-	(301)
Earnings (loss) before income taxes	(59,618)	(14,514)	(32,914)	(13,194)	(1,109)	-	-	2,113
Income tax expense (recovery)	10,920	(38)	(209)	-	(54)	-	8,803	2,418
Net earnings (loss)	(70,538)	(14,476)	(32,705)	(13,194)	(1,055)	-	(8,803)	(305)
Diluted earnings (loss) per share	(1.95)							(0.01)
Weighted average diluted shares	36,166							36,166
Adjusted EBITDA	N/A							21,077