



Reconciliation of Q4 and FY 2020 GAAP to Non-GAAP Results

February 23, 2021

Reconciliation of GAAP to Non-GAAP Results

With reference to our press release of February 23, 2021, we are providing additional non-material information regarding our reconciliation of Q4 and FY 2020 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. The results of operations of our automotive business are reported as discontinued operations. 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) from continuing operations and net earnings (loss) per share from continuing operations adjusted for specific items that affect comparability as non-GAAP gross margin, non-GAAP operating expenses, non-GAAP earnings (loss) from operations, non-GAAP net earnings (loss) from continuing operations, non-GAAP diluted net earnings (loss) per share from continuing operations, adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA), 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 2020 Reconciliation of GAAP to Non-GAAP Results

In thousands of U.S. dollars, except earnings per share	GAAP Q4 2020	Reconciliation of GAAP to Non-GAAP Results									Non GAAP Q4 2020
		Purchase Price Amortization	Restructuring, Integration, Acquisition & Other	CEWS & COVID-19 Relief	Stock Compensation & Related Social Taxes	Phantom RSU Expense	Foreign Exchange Gain (Loss)	Allocation of Realized Gain (Loss) on Hedge Contracts	Notional Tax Recovery on Gain of Auto Business	Tax Adjustments	
Revenue	120,478										120,478
Cost of sales	77,112	-	-	(12)	114	8	-	11	-	-	76,991
Gross margin	43,366	-	-	12	(114)	(8)	-	(11)	-	-	43,487
<i>GM %</i>	<i>36.0%</i>										<i>36.1%</i>
Sales and marketing	21,663	-	-	(207)	1,734	278	-	174	-	-	19,684
Research and development	20,878	65	(1)	(559)	1,578	281	-	424	-	-	19,090
Administration	13,402	-	331	(176)	3,035	124	-	321	-	-	9,767
Restructuring	4,800	-	4,800	-	-	-	-	-	-	-	-
Acquisition-related and Integration	115	-	115	-	-	-	-	-	-	-	-
Amortization	4,829	3,241	-	-	-	-	-	-	-	-	1,588
Total Operating Expenses	65,687	3,306	5,245	(942)	6,347	683	-	919	-	-	50,129
Earnings (loss) from operations	(22,321)	(3,306)	(5,245)	954	(6,461)	(691)	-	(930)	-	-	(6,642)
Foreign exchange gain (loss)	3,734	-	-	-	-	-	2,804	930	-	-	-
Other income (expense)	(564)										(564)
Total other income (loss)	3,170	-	-	-	-	-	2,804	930	-	-	(564)
Earnings (loss) before income taxes	(19,151)	(3,306)	(5,245)	954	(6,461)	(691)	2,804	-	-	-	(7,206)
Income tax expense (recovery)	(7,984)	437	1,863	-	297	-	120	-	(9,812)	(689)	(200)
Net earnings (loss) from continuing operations	(11,167)	(3,743)	(7,108)	954	(6,758)	(691)	2,684	-	9,812	689	(7,006)
Diluted earnings (loss) per share from continuing operations	(0.31)										(0.19)
Weighted average diluted shares	36,534										36,534
Adjusted EBITDA	N/A										(2,894)

FY 2020 Reconciliation of GAAP to Non-GAAP Results

In thousands of U.S. dollars, except earnings per share	GAAP FY 2020										Non GAAP FY 2020
		Purchase Price Amortization	Restructuring, Integration, Acquisition & Other	CEWS & COVID-19 Relief	Stock Compensation & Related Social Taxes	Phantom RSU Expense	Foreign Exchange Gain (Loss)	Allocation of Realized Gain (Loss) on Hedge Contracts	Notional Tax Recovery on Gain of Auto Business	Tax Adjustments	
Revenue	448,588										448,588
Cost of sales	289,837	-	-	(180)	319	21	-	(63)	-	-	289,740
Gross margin	158,751	-	-	180	(319)	(21)	-	63	-	-	158,848
<i>GM %</i>	<i>35.4%</i>										<i>35.4%</i>
Sales and marketing	86,481	-	-	(1,588)	5,262	593	-	109	-	-	82,105
Research and development	82,029	258	(1)	(4,186)	4,035	399	-	276	-	-	81,248
Administration	48,513	-	869	(1,298)	8,386	154	-	186	-	-	40,216
Restructuring	8,740	-	8,740	-	-	-	-	-	-	-	-
Acquisition-related and Integration	440	-	440	-	-	-	-	-	-	-	-
Amortization	20,584	14,378	-	-	-	-	-	-	-	-	6,206
Total Operating Expenses	246,787	14,636	10,048	(7,072)	17,683	1,146	-	571	-	-	209,775
Earnings (loss) from operations	(88,036)	(14,636)	(10,048)	7,252	(18,002)	(1,167)	-	(508)	-	-	(50,927)
Foreign exchange gain (loss)	8,003	-	-	-	-	-	7,495	508	-	-	-
Other income (expense)	(2,027)										(2,027)
Total other income (loss)	5,976	-	-	-	-	-	7,495	508	-	-	(2,027)
Earnings (loss) before income taxes	(82,060)	(14,636)	(10,048)	7,252	(18,002)	(1,167)	7,495	-	-	-	(52,954)
Income tax expense (recovery)	(11,909)	(24)	2,100	-	626	-	64	-	(9,812)	(2,876)	(1,987)
Net earnings (loss) from continuing operations	(70,151)	(14,612)	(12,148)	7,252	(18,628)	(1,167)	7,431	-	9,812	2,876	(50,967)
Diluted earnings (loss) per share from continuing operations	(1.93)										(1.40)
Weighted average diluted shares	36,393										36,393
Adjusted EBITDA	N/A										(34,930)