Reconciliation of Q4 2021 GAAP to Non-GAAP Results

February 22, 2022

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Reconciliation of GAAP to Non-GAAP Results

With reference to our press release of February 22, 2022, we are providing additional non-material information regarding our reconciliation of Q4 2021 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.

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Q4 2021 Reconciliation of GAAP to Non-GAAP Results

In thousands of U.S. dollars, except earnings per share	GAAP Q4 2021	Purchase Price Amortization	Impairment	Restructuring, Integration, Acquisition & Other	CEO Retirement/ Search	CEWS & COVID-19 Relief	Stock Compensation & Related Social Taxes	Phantom RSU Expense	Foreign Exchange Gain (Loss)	Allocation of Realized Gain (Loss) on Hedge Contracts	Ransomware Incident	COVID-19 Factory Constraints Incremental Costs	Non GAAP Q4 2021
Revenue	149,912												149,912
Cost of sales	101,220	-	-	-	-	(741)	124	12	-	2	-	22	101,801
Gross margin	48,692	-	-	-	-	741	(124)	(12)	-	(2)	-	(22)	48,111
GM %	*32.5%*												*32.1%*
Sales and marketing	16,153	-	-	-	-	(3,477)	2,062	143	-	33	-	-	17,392
Research and development	17,773	-	-	-	-	(1,082)	1,720	180	-	71	-	-	16,884
Administration	12,570	-	-	994	44	(257)	1,926	58	-	58	-	-	9,747
Restructuring	7,592	-	-	7,592	-	-	-	-	-	-	-	-	-
Acquisition-related and Integration	(16)	-	-	(16)	-	-	-	-	-	-	-	-	-
Impairment	741	-	741	-	-	-	-	-	-	-	-	-	-
Amortization	3,759	2,254	-	-	-	-	-	-	-	-	-	-	1,505
Total Operating Expenses	58,572	2,254	741	8,570	44	(4,816)	5,708	381	-	162	-	-	45,528
Earnings (loss) from operations	(9,880)	(2,254)	(741)	(8,570)	(44)	5,557	(5,832)	(393)	-	(164)	-	(22)	2,583
Foreign exchange gain (loss)	(1,763)	-	-	-	-	-	-	-	(1,927)	164	-	-	-
Other income (expense)	652	-	-	-	-	-	-	-	-	-	959	-	(307)
Earnings (loss) before income taxes	(10,991)	(2,254)	(741)	(8,570)	(44)	5,557	(5,832)	(393)	(1,927)	-	959	(22)	2,276
Income tax expense (recovery)	761	(331)	-	(35)	-	-	-	(26)	(49)	-	-	-	1,202
Net earnings (loss) from continuing operations	(11,752)	(1,923)	(741)	(8,535)	(44)	5,557	(5,832)	(367)	(1,878)	-	959	(22)	1,074
Basic and diluted net earnings (loss) per share from continuing operations (in dollars)	(0.31)												0.03
Weighted average number of basic and diluted shares	37,541												37,541
Adjusted EBITDA	N/A												7,264

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FY 2021 Reconciliation of GAAP to Non-GAAP Results

In thousands of U.S. dollars, except earnings per share	GAAP FY 2021	Purchase Price Amortization	Impairment	Restructuring, Integration, Acquisition & Other	CEO Retirement/ Search	CEWS & COVID-19 Relief	Stock Compensation & Related Social Taxes	Phantom RSU Expense	Foreign Exchange Gain (Loss)	Allocation of Realized Gain (Loss) on Hedge Contracts	Ransomware Incident	COVID-19 Factory Constraints Incremental Costs	Non GAAP FY2021
Revenue	473,209												473,209
Cost of sales	316,410	-	-	-	-	(800)	369	31	-	15	-	1,157	315,638
Gross margin	156,799	-		-		800	(369)	(31)	-	(15)	-	(1,157)	157,571
GM %	*33.1%*												*33.3%*
Sales and marketing	75,971	-	-	-	-	(4,242)	4,751	499	-	261	-	-	74,702
Research and development	68,425	149	-	-	-	(2,941)	4,048	391	-	600	-	-	66,178
Administration	50,104	-	-	2,163	2,141	(807)	10,219	178	-	259	-	-	35,951
Restructuring	12,255	-	-	12,255	-	-	-	-	-	-	-	-	-
Acquisition-related and Integration	239	-	-	239	-	-	-	-	-	-	-	-	-
Impairment	12,285	-	12,285	-	-	-	-	-	-	-	-	-	-
Amortization	17,066	10,906	-	-	-	-	-	-	-	-	-	-	6,160
Total Operating Expenses	236,345	11,055	12,285	14,657	2,141	(7,990)	19,018	1,068	-	1,120	-	-	182,991
Earnings (loss) from operations	(79,546)	(11,055)	(12,285)	(14,657)	(2,141)	8,790	(19,387)	(1,099)	-	(1,135)	-	(1,157)	(25,420)
Foreign exchange gain (loss)	(7,480)	-	-	-	-	-	-	-	(8,615)	1,135	-	-	-
Other income (expense)	(1,700)	-	-	-	-	-	-	-	-	-	(980)	-	(720)
Earnings (loss) before income taxes	(88,726)	(11,055)	(12,285)	(14,657)	(2,141)	8,790	(19,387)	(1,099)	(8,615)	-	(980)	(1,157)	(26,140)
Income tax expense (recovery)	6	(984)	(2,378)	(588)	-	12	(31)	(95)	(135)	-	-	-	4,205
Net earnings (loss) from continuing operations	(88,732)	(10,071)	(9,907)	(14,069)	(2,141)	8,778	(19,356)	(1,004)	(8,480)	-	(980)	(1,157)	(30,345)
Basic and diluted net earnings (loss) per share from continuing operations (in dollars)	(2.39)												(0.82)
Weighted average number of basic and diluted shares	37,119												37,119
Adjusted EBITDA	N/A												(7,757)

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