



Reconciliation of Q3 2022 GAAP to Non-GAAP Results

November 10, 2022



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Reconciliation of GAAP to Non-GAAP Results

With reference to our press release of November 10, 2022, we are providing additional non-material information regarding our reconciliation of Q3 2022 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 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.

Q3 2022 Reconciliation of GAAP to Non-GAAP Results

In thousands of U.S. dollars, except earnings per share	GAAP Q3 2022	Purchase Price Amortization	Restructuring & 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	Ransomware Incident	Transaction Costs	Recognition of CTA on Dissolution of Subsidiaries	Non GAAP Q3 2022
Revenue	166,056											166,056
Cost of sales	109,437	-	-	-	39	16	-	(7)	-	-	-	109,389
Gross margin	56,619	-	-	-	(39)	(16)	-	7	-	-	-	56,667
GM %	34.1%											34.1%
Sales and marketing	19,454	-	-	-	947	164	-	(69)	-	-	-	18,412
Research and development	15,988	-	-	-	855	103	-	(160)	-	-	-	15,190
Administration	10,906	-	76	(33)	1,574	(25)	-	(121)	-	-	-	9,435
Restructuring	2,140	-	2,140	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Gain on sale of Omnilink	-	-	-	-	-	-	-	-	-	-	-	-
Transaction costs	10,070	-	-	-	-	-	-	-	-	10,070	-	-
Amortization	2,632	1,517	-	-	-	-	-	-	-	-	-	1,115
Total Operating Expenses	61,190	1,517	2,216	(33)	3,376	242	-	(350)	-	10,070	-	44,152
Earnings (loss) from operations	(4,571)	(1,517)	(2,216)	33	(3,415)	(258)	-	357	-	(10,070)	-	12,515
Foreign exchange gain (loss)	(3,065)	-	-	-	-	-	(2,708)	(357)	-	-	-	-
Other income (expense)	(1,839)	-	-	-	-	-	-	-	(2)	-	(754)	(1,083)
Earnings (loss) before income taxes	(9,475)	(1,517)	(2,216)	33	(3,415)	(258)	(2,708)	-	(2)	(10,070)	(754)	11,432
Income tax expense (recovery)	869	(178)	(194)	5	-	(39)	(176)	-	-	(3)	-	1,454
Net earnings (loss) from continuing operations	(10,344)	(1,339)	(2,022)	28	(3,415)	(219)	(2,532)	-	(2)	(10,067)	(754)	9,978
Basic and diluted net earnings (loss) per share from continuing operations (in dollars)	(0.26)											0.25
Weighted average number of basic and diluted shares	39,196											39,196
Adjusted EBITDA	N/A											15,430