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PRESS RELEASE

FOR IMMEDIATE RELEASE

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VELAN INC. REPORTS ITS YEAR-END AND FOURTH QUARTER 2020/21 FINANCIAL RESULTS

MONTREAL, QUEBEC

Velan Inc. (TSX: VLN) (the "Company"), a world-leading manufacturer of industrial valves, announced today its financial results for its fiscal year and fourth quarter ended February 28, 2021.

Highlights: Company delivers improved results and increases its backlog to highest level in eight years despite seeing its sales gravely affected by the global pandemic

- **Order backlog of US$ 562.5 million at the end of the quarter driven by strong net new orders received ("bookings") throughout the year**
- **A company leading by example in health and safety during the novel coronavirus ("COVID-19") pandemic**
- **Strong balance sheet highlighted by a net cash balance US$ 63.0 million at the end of the quarter**
- **Sales of US$85.5 million for the quarter, hindered by pandemic-related factors and inefficiencies experienced in reconfiguring the Canadian plants under the V20 program**
- **Gross profit for the quarter of US$ 23.1 million (or 27.0%, 240 basis points higher than last year)**
- **EBITDA[2] of US$ 1.6 million and break-even net earnings for the quarter despite lower sales**
- **Transforming the Company in North America: Laying the base for the North American operations to rebound**

Yves Leduc, CEO of Velan Inc., said, "Fiscal year 2021 will be remembered as a watershed year for Velan. Although our sales were severely impacted by the global pandemic, the Company made great progress on many fronts, while demonstrating its commitment to protecting its employees and customers, ensuring the integrity of our global supply chain, as well as to responsibly supporting each of the many local communities where we are present. In the end, we closed the year with substantially improved results, delivering net profits for the first time in four years and increased our backlog by 40%, thanks to an outstanding bookings performance. More importantly, we succeeded in deploying our V20 transformation strategy faster than originally planned thereby laying the base for our North American operations' financial health to return. This is evidenced by the sharp reduction in our production overhead costs in North America and the improvement in margins observed in all our strategic businesses. The dive of our sales was mitigated by Canadian federal subsidies, profits from the sale of our Montreal plant, and important cost reduction measures taken in North America. Combined, these allowed the company to avoid lay-offs which would have weakened us going into this fiscal year. Instead, we expect to build on our bookings momentum, substantially improve our sales, and fully realize the benefits of our V20 plan, a major milestone that now allows us to devote a lot more attention to our growth strategy.

In a year like no other, we had to learn how to make our global manufacturing operations work while coping with a devastating global health crisis and pursuing a complex transformation: no book had ever been written on how to do this. Remarkable things were achieved by our employees, uniting to overcome extraordinary challenges, both personal and professional. I want to express my deepest gratitude to all of them and their families, for their courage, their perseverance, and resilience. Meanwhile, we remain committed to creating long-term value for our shareholders and enter into fiscal year 2022 with confidence, as we work towards pursuing Velan's seventy years track record as one of the strongest brands in the industry."

John Ball, Interim CFO of Velan Inc., said, "Fiscal 2021 was a year of challenges in many countries, with the COVID-19 pandemic disrupting the economic environment in many respects, affecting our customers, suppliers and our employees. It also came upon us as we were completing our V20 restructuring. We rose to the challenge, accelerating the process and virtually completing it under budget. At the same time, we had a good year of order bookings, we improved margins, kept operating costs under control and we finally returned to bottom line profitability. On the balance sheet side, we completed a refinancing of our North American operations, and our net book value per share increased to US$13.91 from US$13.20 during the fiscal year. In Canadian dollars, our equity per share was CA$17.65 as at February 28, 2021 compared to our TSX share price at the close of business on that day of CA$7.80."

Financial Highlights

(millions of U.S. dollars, excluding per share amounts)	Three-month periods ended February 28, 2021	Three-month periods ended February 29, 2020	Fiscal years ended February 28, 2021	Fiscal years ended February 29, 2020
Sales	$85.5	$113.6	$302.1	$371.6
Gross profit	23.1	27.9	80.5	88.1
Gross profit %	*27.0%*	*24.6%*	*26.6%*	*23.7%*
Net earnings (loss)[1]	0.3	(11.1)	2.9	(16.4)
Net earnings (loss)[1] per share – basic and diluted	*0.02*	*(0.51)*	*0.13*	*(0.76)*
Operating profit (loss) before restructuring and transformation costs[2]	(0.7)	6.2	(1.7)	2.9
EBITDA[2]	1.6	2.8	15.6	6.5
Adjusted EBITDA[2]	2.9	9.9	11.6	16.1
Adjusted EBITDA[2] per share – basic and diluted	*0.14*	*0.46*	*0.54*	*0.74*

Fourth Quarter Fiscal 2021 (unless otherwise noted, all amounts are in U.S. dollars and all comparisons are to the fourth quarter of fiscal 2020):

- Net earnings[1] amounted to $0.3 million or $0.02 per share compared to a net loss[1] of $11.1 million or $0.51 per share last year. The improvement in net earnings[1] for the quarter was primarily due to the recording in the prior fiscal year of a $8.2 million non-cash tax adjustment to de-recognize a portion of unused tax losses as well as a reduction of restructuring and transformation costs combined with an improved gross profit percentage in the current quarter. This increase in net earnings[1] was partially offset by a lower sales volume and an increase in administration costs. The negative impact on the Company's net earnings[1] of the reduced sales volume for the quarter was offset by the recording of $2.4 million of non-recurring pandemic wage subsidies, specifically the Canada Emergency Wage Subsidy, which were allocated between cost of sales, administration expenses and restructuring and transformation costs.

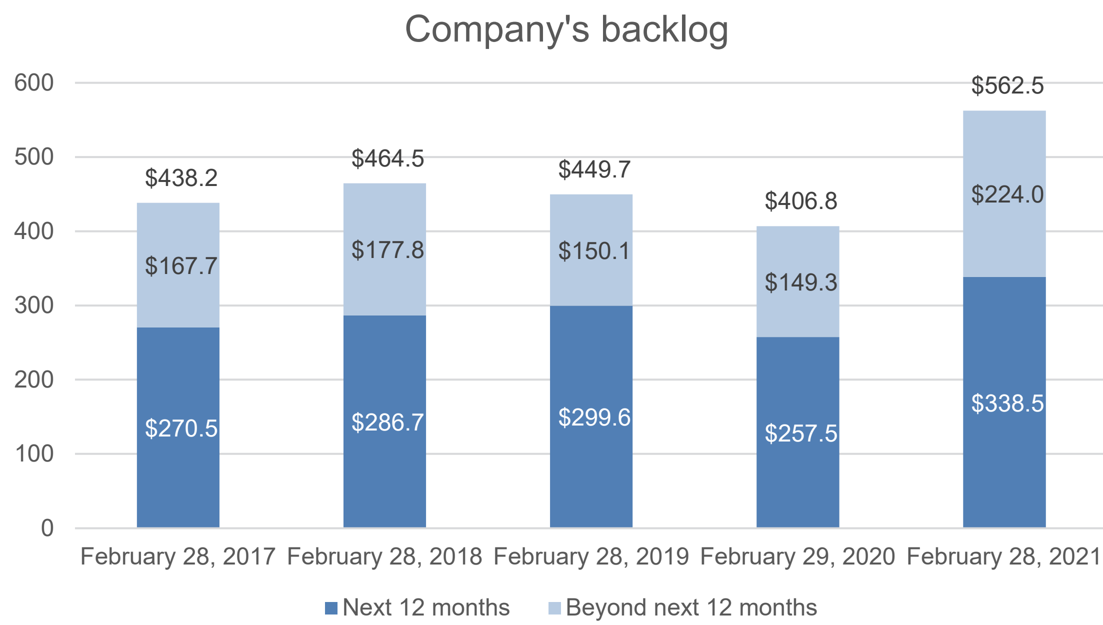
- Operating loss before restructuring and transformation costs[2] amounted to $0.7 million compared to an operating profit of $6.2 million last year. Adjusted EBITDA[2] amounted to $2.9 million or $0.14 per share compared to $9.9 million or $0.46 per share last year. The deterioration in operating loss before restructuring and transformation costs[2] and adjusted EBITDA[2] is primarily attributable to a lower sales volume and higher administration costs, partially offset by an improved gross profit percentage. The recording of wage subsidies allowed the Company to avoid lay-offs that otherwise would have been necessary to blunt the financial impact of the pandemic, as such lay-offs would have weakened the Company going into the subsequent fiscal year. Instead, the Company is expecting to build on its bookings momentum, substantially improve its sales, and fully realize the benefits of its V20 plan.
- Sales decreased by $28.1 million or 24.7% for the quarter. Sales for the quarter were negatively impacted by the reduction of non-project orders recorded by the Company's North American operations due to the unfavorable market conditions triggered by the COVID-19 pandemic, as well as the impact of the drop in the price of oil on capex and maintenance spending in the oil and gas industry, which have significantly affected the Company's distribution channels. The Company's reduced quarterly shipments are also attributable to continued supply chain and production issues created by the COVID-19 pandemic as well as inefficiencies experienced in reconfiguring the manufacturing layout in the Canadian plants under the V20 program which caused production delays.
- Gross profit decreased by $4.8 million for the quarter, while the gross profit percentage increased by 240 basis points from 24.6% to 27.0%. The increase in the gross profit percentage for the quarter was primarily attributable to the margin improvements resulting from the production overhead savings brought by the Company's restructuring and transformation initiatives. The increase is also attributable to the recording of $1.3 million of non-recurring pandemic wage subsidies which offset the impact of the lower sales volume for the quarter. The recording of wage subsidies allowed the Company to avoid lay-offs that otherwise would have been necessary to blunt the financial impact of the pandemic.
- Administration costs increased by $2.7 million or 12.6% for the quarter. The increase in administration costs for the quarter is primarily attributable to the lower R&D tax credit and capitalizable costs recorded in the current quarter.
- Bookings decreased by $7.4 million or 8.4% for the quarter. The decrease in bookings for the quarter is primarily attributable to a reduction of large project orders recorded by the Company's North American operations. Additionally, bookings were negatively impacted by the lower non-project orders recorded by the Company's North American operations due to the negative impact of the COVID-19 pandemic which caused a drop in the price of oil in 2019-2020 that continued to significantly affect the Company's distribution channels through the rest of the fiscal year.

Year Ended Fiscal 2021 (unless otherwise noted, all amounts are in U.S. dollars and all comparisons are to the prior fiscal year):

- Net earnings[1] amounted to $2.9 million or $0.13 per share compared to a net loss[1] of $16.4 million or $0.76 per share last year. Net earnings[1] for the year was positively impacted by a $7.2 million after tax gain recognized on the disposal of one of the Company's Montreal plants, a vital part of the North American manufacturing footprint optimization plan which was planned in the scope of V20. The disposed plant's production has been transferred within the remaining North American plants and the Company's Indian operations. The improvement in net earnings[1] was also explained by a $8.2 million non-cash tax adjustment to de-recognize a portion of unused tax losses in the prior fiscal year. Finally, the Company's results were improved by an increase in its gross profit percentage combined with a reduction of administration costs as well as restructuring and transformation costs, which includes a $1.4 million severance provision reversal. These improvements were partially offset by a lower sales volume and $1.5 million of unrealized foreign exchange losses incurred over the course of the fiscal year. The negative impact of the reduced sales volume on the Company's net earnings[1] for the year was offset by the recording of $13.1 million of non-recurring pandemic wage subsidies, which were allocated between cost of sales, administration expenses and restructuring and transformation costs. The recording of wage subsidies allowed the

Company to avoid lay-offs that otherwise would have been necessary to blunt the financial impact of the pandemic, as such lay-offs would have weakened the Company going into the subsequent fiscal year. Instead, the Company is expecting to build on its bookings momentum, substantially improve its sales, and fully realize the benefits of its V20 plan.

- Operating loss before restructuring and transformation income[2] amounted to $1.7 million compared to an operating profit before restructuring and transformation costs[2] of $2.9 million last year. Adjusted EBITDA[2] amounted to $11.6 million or $0.54 per share compared to $16.1 million or $0.74 per share last year. The deterioration in operating loss before restructuring and transformation income[2] and adjusted EBITDA[2] is primarily attributable to a lower sales volume and $1.5 million of unrealized foreign exchange losses incurred over the course of the fiscal year, partially offset by an improved gross profit percentage and lowered administration costs.
- Sales amounted to $302.1 million, a decrease of $69.5 million or 18.7% compared to last year. Sales were negatively impacted by the reduction of non-project orders recorded by the Company's North American operations due to the unfavorable market conditions triggered by the COVID-19 global pandemic, as well as the impact of the drop in the price of oil on capex and maintenance spending in the oil and gas industry, which has significantly affected the Company's distribution channels. The shipments in the Company's North American and Italian subsidiaries were negatively impacted by continued supply chain and production issues created by the pandemic, while its North American operations were also negatively affected by inefficiencies experienced in reconfiguring the manufacturing layout in the Canadian plants under the V20 program which caused production delays.
- Gross profit percentage increased by 290 basis points from 23.7% to 26.6%. The increase in the gross profit percentage was primarily attributable to the delivery of a product mix with a greater proportion of higher margin product sales, from margin improvements resulting from the production overhead savings brought by the Company's restructuring and transformation initiatives, as well as from the more selective screening and improved pricing discipline initiated over the last two years, as part of the V20 plan, in North American quotation activities, that led to substantially improved margins in its project business. The increase is also attributable to favorable movements of $3.2 million in warranty and $5.2 million in late delivery penalties provisions due to an improved outlook in these areas as well as the recording of $7.0 million of non-recurring pandemic wage subsidies which offset the impact of the lower sales volume for the fiscal year. The recording of wage subsidies allowed the Company to avoid lay-offs that otherwise would have been necessary to blunt the financial impact of the pandemic.
- Administration costs amounted to $80.1 million, a decrease of $5.1 million or 6.0%. The decrease is primarily attributable to a $5.7 million reduction of administration salary expenses due to non-recurring pandemic wage subsidies as well as the on-going effort to reduce administration overhead expenses including travel expenses and office maintenance costs, caused principally by the travel restrictions and social distancing measures that were enforced in a majority of countries over the course of the fiscal year. The Company's administration costs were also higher in the prior fiscal year due to the recording of a $0.9 million provision regarding the settlement of a product claim. The decrease in administration costs was partially offset by a $1.4 million increase in the costs recognized in connection with the Company's ongoing asbestos litigation.



- The Company ended the period with a backlog of $562.5 million, an increase of $155.7 million or 38.3% since the beginning of the current fiscal year. The backlog was positively impacted by a strong book-to-bill ratio and the strengthening of the euro spot rate against the U.S. dollar over the course of the fiscal year. The backlog also increased for the period due temporary factors such as delays in shipments created by the COVID-19 pandemic and the reconfiguration of the Canadian plants under the V20 program.
- Bookings amounted to $426.6 million, an increase of $86.2 million or 25.3% compared to last year. This increase is primarily attributable to large project orders booked in the Company's French, Italian and North American operations, notably in the nuclear, downstream oil and gas and process markets. This increase was partially offset by a decrease in non-project orders booked in the Company's North American operations.
- The Company ended the year with net cash of $63.0 million, an increase of $32.0 million or 103.2% since the beginning of the year. Management believes that the available net cash and unused credit facilities, along with future cash flows generated from operations, are sufficient for the Company to meet its financial obligations, increase its capacity of liquidity, satisfy its working capital requirements, and execute its business strategy. The increase in net cash is primarily attributable to an increase in long-term debt combined with proceeds on the disposal of a manufacturing plant, partially offset by temporary negative non-cash working capital movements, investments in property, plant and equipment, long-term debt repayments and V20 related disbursements. Net cash was positively impacted by the strengthening of the euro spot rate against the U.S. dollar over the course of the fiscal year. In light of the ongoing pandemic and receipt of government subsidies, the Company has suspended the payment of all dividends as well as share buybacks in fiscal year 2021.

- Foreign currency impacts:
  - Based on average exchange rates, the euro strengthened 4.1% against the U.S. dollar when compared to the same period last year. This strengthening resulted in the Company's net profits and bookings from its European subsidiaries being reported as higher U.S. dollar amounts in the current fiscal year.
  - Based on average exchange rates, the Canadian dollar weakened 0.7% against the U.S. dollar when compared to the same period last year. This weakening resulted in the Company's Canadian dollar expenses being reported as lower U.S. dollar amounts in the current fiscal year.
  - Based on spot exchange rates, the euro strengthened by 10.4% against the U.S. dollar when compared to the rate at the end of the prior fiscal year. This strengthening resulted in the previously mentioned unrealized currency losses on the conversion of monetary assets and liabilities by the Company's European subsidiaries. Furthermore, the euro strengthening was the main driver of a positive cumulative translation adjustment of $13.2 million which was recorded directly in equity through other comprehensive income.
  - The net impact of the above currency swings was generally unfavourable on the Company's net earnings[1], although it was generally favourable on the Company's equity.

Dividend

At the end of the prior fiscal year, the Board of Directors deemed appropriate to suspend the quarterly dividend. The decision remains unchanged and will be reviewed on a quarterly basis.

Conference call

Financial analysts, shareholders, and other interested individuals are invited to attend the fourth quarter conference call to be held on Thursday, May 20, 2021, at 11:00 a.m. (EDT). The toll free call-in number is 1-800-772-0453, access code 21994268. A recording of this conference call will be available for seven days at 1-416-626-4100 or 1-800-558-5253, access code 21994268.

About Velan

Founded in Montreal in 1950, Velan Inc. (www.velan.com) is one of the world's leading manufacturers of industrial valves, with sales of US$302.1 million in its last reported fiscal year. The Company employs close to 1,700 people and has manufacturing plants in 9 countries. Velan Inc. is a public company with its shares listed on the Toronto Stock Exchange under the symbol VLN.

Safe harbour statement

This news release may include forward-looking statements, which generally contain words like "should", "believe", "anticipate", "plan", "may", "will", "expect", "intend", "continue" or "estimate" or the negatives of these terms or variations of them or similar expressions, all of which are subject to risks and uncertainties, which are disclosed in the Company's filings with the appropriate securities commissions. While these statements are based on management's assumptions regarding historical trends, current conditions and expected future developments, as well as other factors that it believes are reasonable and appropriate in the circumstances, no forward-looking statement can be guaranteed and actual future results may differ materially from those expressed herein. The Company disclaims any intention or obligation to update or revise any forward-looking statements contained herein whether as a result of new information, future events or otherwise, except as required by the applicable securities laws. The forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

Non-IFRS measures

In this press release, the Company presented measures of performance and financial condition that are not defined under International Financial Reporting Standards ("non-IFRS measures") and are therefore unlikely to be comparable to similar measures presented by other companies. These measures are used by management in assessing the operating results and financial condition of the Company. In addition, they provide readers of the Company's consolidated financial statements with enhanced understanding of its results and financial condition, and increase transparency and clarity into the operating results of its core business. Reconciliations of these amounts can be found below.

Operating profit (loss) before restructuring and transformation costs (income) and Adjusted net earnings (loss) before interest, taxes, depreciation and amortization ("EBITDA")

	Three-month period ended February 28, 2021	Three-month period ended February 29, 2020	Fiscal year ended February 28, 2021	Fiscal year ended February 29, 2020
Operating profit (loss)	(2,000)	(908)	2,241	(6,669)
Adjustments for:				
Restructuring and transformation costs	1,290	7,086	5,622	9,566
Gain on disposal of Montreal plant	-	-	(9,552)	-
Operating profit (loss) before restructuring and transformation costs (income)	**(710)**	**6,178**	**(1,689)**	**2,897**
Net income (loss)[1]	338	(11,116)	2,867	(16,390)
Adjustments for:				
Depreciation of property, plant and equipment	2,632	2,758	10,148	8,803
Amortization of intangible assets and financing costs	646	679	2,154	2,177
Finance costs – net	343	550	866	1,389
Income tax expense (recovery)	(2,311)	9,911	(822)	8,543
EBITDA	**1,648**	**2,782**	**15,573**	**6,522**
Adjustment for:				
Restructuring and transformation costs	1,290	7,086	5,622	9,566
Gain on disposal of Montreal plant	-	-	(9,552)	-
Adjusted EBITDA	**2,938**	**9,868**	**11,643**	**16,088**

The term "operating profit or loss before restructuring and transformation costs or income" is defined as operating profit or loss plus restructuring and transformation costs less the gain on the disposal of a Montreal plant. The forward-looking statements contained in this press release are expressly qualified by this cautionary statement.

The term "adjusted EBITDA" is defined as net income or loss attributable to Subordinate and Multiple Voting Shares plus restructuring and transformation costs, less the gain on the disposal of a Montreal plant, plus depreciation of property, plant & equipment, plus amortization of intangible assets, plus net finance costs plus income tax provision. The forward-looking statements contained in this press release are expressly qualified by this cautionary statement.

[1] *Net earnings or loss refers to net income or loss attributable to Subordinate and Multiple Voting Shares.*

[2] *Non-IFRS measures – see explanation above.*

Velan Inc.

Condensed Interim Consolidated Statements of Financial Position

(Unaudited)

(in thousands of U.S. dollars)

As At	February 28, 2021 $	February 29, 2020 $
Assets		
Current assets		
Cash and cash equivalents	74,688	75,327
Short-term investments	285	627
Accounts receivable	135,373	135,242
Income taxes recoverable	3,798	3,463
Inventories	204,161	170,265
Deposits and prepaid expenses	8,670	5,191
Derivative assets	196	555
	427,171	390,670
Non-current assets		
Property, plant and equipment	96,327	98,179
Intangible assets and goodwill	17,319	17,148
Income taxes recoverable	5,927	5,284
Deferred income taxes	33,140	26,702
Other assets	949	513
	153,662	147,826
Total assets	580,833	538,496
Liabilities		
Current liabilities		
Bank indebtedness	11,735	44,317
Short-term bank loans	-	1,379
Accounts payable and accrued liabilities	90,840	73,271
Income taxes payable	1,609	1,493
Customer deposits	62,083	47,208
Provisions	29,515	37,090
Derivative liabilities	303	1,169
Current portion of long-term lease liabilities	1,578	1,621
Current portion of long-term debt	9,902	8,311
	207,565	215,859
Non-current liabilities		
Long-term lease liabilities	12,649	13,722
Long-term debt	48,189	10,986
Income taxes payable	1,410	1,576
Deferred income taxes	2,545	2,869
Other liabilities	8,254	8,623
	73,047	37,776
Total liabilities	280,612	253,635
Total equity	300,221	284,861
Total liabilities and equity	580,833	538,496

Velan Inc.

Condensed Interim Consolidated Statements of Income (Loss)

(Unaudited)

(in thousands of U.S. dollars, excluding number of shares and per share amounts)

	Three-month periods ended		Fiscal years ended	
	February 28, 2021 $	February 29, 2020 $	February 28, 2021 $	February 29, 2020 $
Sales	85,510	113,641	302,063	371,625
Cost of sales	62,438	85,736	221,524	283,491
Gross profit	23,072	27,905	80,539	88,134
Administration costs	24,180	21,530	80,091	85,189
Restructuring and transformation costs (income)	1,290	7,086	(3,930)	9,566
Other expense (income)	(398)	219	2,137	48
Operating income (loss)	(2,000)	(930)	2,241	(6,669)
Finance income	462	350	1,037	1,220
Finance costs	805	900	1,903	2,609
Finance costs – net	(343)	(550)	(866)	(1,389)
Income (loss) before income taxes	(2,343)	(1,480)	1,375	(8,058)
Income tax expense (recovery)	(2,311)	9,911	(822)	8,543
Net income (loss) for the period	(32)	(11,391)	2,197	(16,601)
Net income (loss) attributable to:				
Subordinate Voting Shares and Multiple Voting Shares	**338**	**(11,116)**	**2,867**	**(16,390)**
Non-controlling interest	(370)	(275)	(670)	(211)
	(32)	(11,391)	2,197	(16,601)
Net income (loss) per Subordinate and Multiple Voting Share				
Basic and diluted	0.02	(0.51)	0.13	(0.76)
Dividends declared per Subordinate and Multiple Voting Share	-	0.02	-	0.09
	-	(CA$0.03)	-	(CA$0.12)
Total weighted average number of Subordinate and Multiple Voting Shares				
Basic and diluted	21,585,635	21,598,337	21,585,635	21,614,875

Velan Inc.

Condensed Interim Consolidated Statements of Comprehensive Income (Loss)
(Unaudited)
(in thousands of U.S. dollars)

	Three-month periods ended		Fiscal years ended	
	February 28, 2021 $	February 29, 2020 $	February 28, 2021 $	February 29, 2020 $
Comprehensive income (loss)				
Net income (loss) for the period	(32)	(11,391)	2,197	(16,601)
Other comprehensive income (loss)				
Foreign currency translation adjustment on foreign operations whose functional currency is other than the reporting currency (U.S. dollar)	1,864	(521)	13,163	(5,215)
Comprehensive income (loss)	1,832	(11,912)	15,360	(21,816)
Comprehensive income (loss) attributable to:				
Subordinate Voting Shares and Multiple Voting Shares	2,244	(11,592)	15,907	(21,447)
Non-controlling interest	(412)	(320)	(547)	(369)
	1,832	(11,912)	15,360	(21,816)

Other comprehensive income (loss) is composed solely of items that may be reclassified subsequently to the consolidated statement of income (loss).

Velan Inc.

Condensed Interim Consolidated Statements of Changes in Equity

(Unaudited)

(in thousands of U.S. dollars, excluding number of shares)

	Equity attributable to the Subordinate and Multiple Voting shareholders							
	Number of shares	Share capital	Contributed surplus	Accumulated other comprehensive loss	Retained earnings	Total	Non-controlling interest	Total equity
Balance - February 28, 2019	21,621,935	73,090	6,074	(28,990)	254,606	304,780	4,053	308,833
Net loss for the year	-	-	-	-	(16,390)	(16,390)	(211)	(16,601)
Other comprehensive loss	-	-	-	(5,057)	-	(5,057)	(158)	(5,215)
Effect of share-based compensation	-	-	(9)	-	-	(9)	-	(9)
Share repurchase	(36,300)	(395)	195	-	-	(200)	-	(200)
Dividends								
Multiple Voting Shares	-	-	-	-	(1,395)	(1,395)	-	(1,395)
Subordinate Voting Shares	-	-	-	-	(552)	(552)	-	(552)
Balance - February 29, 2020	21,585,635	72,695	6,260	(34,047)	236,269	281,177	3,684	284,861
Net loss for the year	-	-	-	-	2,867	2,867	(670)	2,197
Other comprehensive loss	-	-	-	13,040	-	13,040	123	13,163
Balance - February 28, 2021	21,585,635	72,695	6,260	(21,007)	239,136	297,084	3,137	300,221

Velan Inc.

Condensed Interim Consolidated Statements of Cash Flow

(Unaudited)

(in thousands of U.S. dollars)

	Three-month periods ended		Fiscal years ended	
	February 28, 2021 $	February 29, 2020 $	February 28, 2021 $	February 29, 2020 $
Cash flows from				
Operating activities				
Net income (loss) for the period	(32)	(11,391)	2,197	(16,601)
Adjustments to reconcile net income (loss) to cash provided (used) by operating activities	(3,243)	1,622	(4,080)	12,125
Changes in non-cash working capital items	(13,570)	6,039	(7,212)	14,119
Cash provided (used) by operating activities	(16,845)	(3,730)	(9,095)	9,643
Investing activities				
Short-term investments	542	(538)	342	31
Additions to property, plant and equipment	(2,299)	(2,878)	(9,810)	(10,303)
Additions to intangible assets	(102)	(1,473)	(1,095)	(1,781)
Proceeds on disposal of property, plant and equipment, and intangible assets	26	124	13,738	272
Net change in other assets	152	1,586	(274)	102
Cash provided (used) by investing activities	(1,681)	(3,179)	2,901	(11,679)
Financing activities				
Dividends paid to Subordinate and Multiple Voting shareholders	-	(506)	(482)	(1,963)
Repurchase of shares	-	(110)	-	(200)
Short-term bank loans	(5,915)	(155)	(1,379)	(793)
Net change in revolving credit facility	11,334	-	22,132	-
Increase in long-term debt	3,890	-	18,195	1,122
Repayment of long-term debt	(712)	(458)	(3,643)	(2,896)
Repayment of long-term lease liabilities	(440)	(432)	(1,724)	(1,575)
Cash provided (used) by financing activities	8,157	(1,661)	33,099	(6,305)
Effect of exchange rate differences on cash	302	552	5,038	(1,515)
Net change in cash during the period	(10,067)	(8,018)	31,943	(9,856)
Net cash – Beginning of the period	73,020	39,028	31,010	40,866
Net cash – End of the period	62,953	31,010	62,953	31,010
Net cash is composed of:				
Cash and cash equivalents	74,688	75,327	74,688	75,327
Bank indebtedness	(11,735)	(44,317)	(11,735)	(44,317)
	62,953	31,010	62,953	31,010
Supplementary information				
Interest received (paid)	(22)	34	(967)	(904)
Income taxes reimbursed (paid)	(1,209)	7,538	(6,757)	3,006