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## PRESS RELEASE

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**FOR IMMEDIATE RELEASE**

**October 5, 2023**

# VELAN INC. REPORTS ITS SECOND QUARTER 2023/24 FINANCIAL RESULTS

**MONTREAL, QUEBEC**

Velan Inc. (TSX: VLN) (the "Company"), a world-leading manufacturer of industrial valves, announced today its financial results for its second quarter ended August 31, 2023.

## Highlights:

- Order backlog[2] remains strong at $485.7 million, an increase of $21.3 million or 4.6% since the beginning of the year. The increase in backlog[2] is primarily attributable to changes in the profile of scheduled backlog[2] shipment dates. The portion of the current backlog[2] deliverable in the next twelve months is $339.4 million.
- Net new orders ("bookings")[2] of $71.5 million for the quarter, a decrease of $2.0 million or 2.7% compared to last year. The decrease in bookings[2] is primarily attributable to a reduction in MRO distributor orders as well as lower process and mining orders, partially offset by a pick-up in oil and gas orders compared to last year.
- Sales for the quarter amounted to $80.3 million, an improvement of $12.7 million or 18.7% compared to the first quarter of the current fiscal year, a decrease of $4.7 million or 5.6% compared to the second quarter of the previous fiscal year. The decrease in sales for the quarter compared to the prior year is primarily attributable to delays on certain shipments caused by customer readiness issues and a shortage of deliverable orders in the Company's Italian operations.
- Gross profit for the quarter amounted to $23.4 million or 29.1% compared to last year's $23.5 million or 27.6%. Gross profit improved by $8.3 million or 690 basis points compared to the first quarter of the current fiscal year. Gross profit percentage for the quarter was a result of improved product mix offsetting the lower sales volume and unfavorable unrealized foreign exchange translations compared to last year.
- Net loss[1] of $2.1 million and EBITDA[3] of $3.0 million for the quarter compared to a net loss[1] of $3.7 million and EBITDA[2] of $1.4 million last year. The increase in EBITDA[2] is primarily attributable to a $2.1 million decrease in administration costs.
- The Company's net cash amounted to $39.4 million at the end of the quarter, a decrease of $19.3 million compared to the $58.6 million net cash balance at the beginning of the quarter. The decrease in net cash for the quarter is primarily related to temporary unfavorable movements in working capital, notably in accounts receivable, inventories and accounts payable and accrued liabilities as the Company prepares for its ramp-up in Q3 and Q4 of the current year. The overall available liquidity remains strong with $122.1 million of available cash-on-hand and facilities.
- The Company announced earlier today that it has been verbally informed that the French Ministry of Economy is refusing to grant its approval in connection with the change of control of Segault S.A.S. and Velan S.A.S. as part of the overall sale of Velan Inc. to Flowserve. As a result, Flowserve informed the Company that they intend to terminate the arrangement agreement on October 7, 2023.

Bruno Carbonaro, CEO and President of Velan Inc., said, "Our second quarter was an improvement in terms of results when compared to our second quarter of last year, as we partly recovered from some of the delays experienced at the start of the year. We are now focused on the ramp-up for the second half of the year. We continue to manage our business prudently with specific focus around executing on our backlog while working on a pipeline of opportunities. We will ensure to benefit from the working capital investments we made in the first half of the fiscal year by working diligently on increasing our collections and reducing our inventories on hand during the latter part of the year. Our North American commercial operations are tapping into new and emerging markets while we also continue to see growth in the nuclear business activities in France. Finally, the Board, the Velan family and Flowserve are obviously disappointed with the outcome and the decision of the French regulators. The Board recognizes, appreciates, and wants to thank the executives, the management team, the integration team, and all employees at Velan and outside stakeholders who have done everything possible and who worked tirelessly to support the transaction and make it happen. The board and executive leadership are very confident in our strong future, and we will resume operations as an independent business, free of the covenants and other restrictions of the arrangement agreement."

## Financial Highlights:

| | Three-month periods ended | | Six-month periods ended | |
|---|---|---|---|---|
| *(thousands of U.S. dollars, excluding per share amounts)* | **August 31, 2023** | **August 31, 2022** | **August 31, 2023** | **August 31, 2022** |
| Sales | $80,318 | $85,054 | $147,977 | $160,059 |
| Gross profit | 23,385 | 23,482 | 38,437 | 43,555 |
| Gross profit % | 29.1% | 27.6% | 26.0% | 27.2% |
| Net loss[1] | (2,120) | (3,676) | (10,404) | (11,028) |
| Net loss[1] per share – basic and diluted | (0.10) | (0.17) | (0.48) | (0.51) |
| EBITDA[2] | 2,960 | 1,365 | (839) | (1,513) |
| EBITDA[2] per share – basic and diluted | 0.14 | 0.06 | (0.04) | (0.07) |

**Second Quarter Fiscal 2024** (unless otherwise noted, all amounts are in U.S. dollars and all comparisons are to the second quarter of fiscal 2023):

- Sales amounted to $80.3 million for the quarter, decreasing by $4.7 million or 5.6% compared to the same quarter last year. The decrease in sales for the quarter is primarily attributable to lower shipments of large orders by the Company's Italian operations due to a reduction of these orders recorded in the previous fiscal year. The decrease in sales for the quarter was also caused by delays on certain shipments caused by customer readiness issues. Otherwise, the decrease was partially offset by the positive impact of the strengthening of the euro average rate against the U.S. dollar on sales which amounted to $2.1 million for the quarter compared to last fiscal year. Finally, sales for the quarter were also positively impacted by favorable revaluations of the Company's provision for performance guarantees and volume rebate accrual.
- Bookings[2] for the quarter amounted to $71.5 million, a decrease of $2.0 million or 2.7% compared to the second quarter of last year. The decrease for the quarter is primarily attributable to lower orders recorded by the Company's North American operations. The decrease in North American bookings[2] for the quarter is partly attributable to a reduction in MRO distributor orders, due in part to higher re-stocking orders in the previous year but also a slowdown currently observed in some covered markets. Additionally, the reduction in North American bookings[2] for the quarter was also due to lower process and mining orders compared to last year. The decrease in bookings[2] for the quarter was partially offset by higher oil and gas bookings[2] recorded in the Company's Italian operations. Finally, the decrease in bookings[2] was also partially compensated by the strengthening of the euro average rate against the U.S. dollar on bookings[2] for the

Company's European operations which resulted in a favorable impact of $2.3 million in the second quarter compared to the prior year.

- Gross profit for the quarter amounted to $23.4 million, a decrease of $0.1 million or 0.4% compared to the second quarter of last year. The gross profit percentage for the quarter of 29.1% was an increase of 150 basis points compared to last year's second quarter. The slight decrease in gross profit for the quarter is primarily due to the lower sales volume which impacted the absorption of fixed production overhead costs as well as unfavorable unrealized foreign exchange translations related to the fluctuation of the U.S. dollar against the euro and the Canadian dollar when compared to similar movements from the previous year. This decrease in gross profit for the quarter was offset by an improved product mix as well as favorable revaluations of the Company's provision for performance guarantees and volume rebate accrual.
- Administration costs for the quarter amounted to $22.6 million, a decrease of $2.1 million or 8.5%. The decrease in administration costs for the quarter is primarily attributable to the recording in the last quarter of the previous fiscal year of an asbestos provision for potential settlement value of future unknown claims. The settlement expense amounted to $3.1 million in the second quarter of fiscal 2023. The decrease in administration costs for the quarter is also due to lower outbound freight costs which have now stabilized and sales commissions in relation to the lower sales volume. Finally, the decrease for the quarter was partially offset by a general increase in administration costs.
- Net loss[1] amounted to $2.1 million or $0.10 per share compared to a net loss[1] of $3.7 million or $0.17 per share last year. EBITDA[2] for the quarter amounted to $3.0 million or $0.14 per share compared to $1.4 million or $0.06 per share last year. The favorable movement in EBITDA[2] for the quarter is primarily attributable to the previously explained decrease in administration costs, partially offset by an increase in other expense. The positive movement in the Company's results was primarily attributable to the previously mentioned factors combined with a favorable movement in income taxes and an unfavorable movement in finance costs.

**First Six months Fiscal 2024** (unless otherwise noted, all amounts are in U.S. dollars and all comparisons are to the first six months of fiscal 2023):

- Sales for the half year totaled $148.0 million, a decrease of $12.1 or 7.5% compared to the last fiscal year. The decrease in sales for the half year is primarily attributable to lower shipments of large orders by the Company's Italian operations due to a reduction of these orders recorded in the previous fiscal year. The decrease for the half year was also due to accelerated shipments in the fourth quarter of the prior fiscal year as a result of customer demand and the Company's increased production ramp-up. The decrease in sales for the half year was partially offset by increased shipments in the Company's North American operations. Otherwise, the decrease was also partially offset by the positive impact of the strengthening of the euro average rate against the U.S. dollar on sales which amounted to $2.1 million for the half year compared to last fiscal year. Finally, sales for the half year were also positively impacted by favorable revaluations of the Company's provision for performance guarantees and volume rebate accrual.
- Bookings[2] for the half year amounted to $163.4 million, a decrease of $3.6 million or 2.1% compared to the prior fiscal year. The decrease for the half year is primarily attributable to lower orders recorded by the Company's North American operations. The decrease in North American bookings[2] for the half year is partly attributable to a reduction in MRO distributor orders, due in part to higher re-stocking orders in the previous year but also a slowdown currently observed in some covered markets. Additionally, the reduction in North American bookings[2] for the half year was also due to lower process orders compared to last year. The decrease in bookings[2] for the half year was partially offset by higher oil and gas bookings[2] recorded in the Company's Italian operations and an increase in nuclear orders recorded by the Company's French operations. Finally, the decrease in bookings[2] was also partially compensated by the strengthening of the euro average rate against the U.S. dollar on bookings[2] for the Company's European operations which resulted in a favorable impact of $2.7 million on the half year compared to the prior year.

- The total backlog[2] increased by $21.3 million or 4.6% since the beginning of the fiscal year, settling at $485.7 million at the end of the quarter. The increase in backlog[2] is primarily attributable to changes in the profile of scheduled backlog[2] shipment dates. The increase in backlog[2] is also due to the strengthening of the euro spot rate against the U.S. dollar since the beginning of the fiscal year which represented $6.5 million.
- Gross profit for the half year amounted to $38.4 million, a decrease of $5.1 million or 11.8% compared to the prior fiscal year. The gross profit percentage for the six-month period of 26.0% represented a decrease of 120 basis points compared to the same period last year. The decrease in gross profit for the half year is primarily due to the lower sales volume which impacted the absorption of fixed production overhead costs as well as unfavorable unrealized foreign exchange translations related to the fluctuation of the U.S. dollar against the euro and the Canadian dollar when compared to similar movements from the previous year. This decrease in gross profit for the half year was partially offset by an improved product mix as well as favorable revaluations of the Company's provision for performance guarantees and volume rebate accrual.
- Administration costs for the half year amounted to $44.1 million, a decrease of $6.4 million or 12.7%. The decrease in administration costs for the half year is primarily attributable to the recording in the last quarter of the previous fiscal year of an asbestos provision for potential settlement value of future unknown claims. The settlement expense amounted to $6.3 million in the first six months of fiscal 2023. The decrease in administration costs for the half year is also due to lower outbound freight costs which have now stabilized and sales commissions in relation to the lower sales volume. Finally, the decrease for the half year was partially offset by a general increase in administration costs.
- Net loss[1] for the half year amounted to $10.4 million or $0.48 per share compared to $11.0 million or $0.51 per share last year. EBITDA[2] for the half year amounted to negative $0.8 million or negative $0.04 per share compared to negative $1.5 million or negative $0.07 per share last year. The favorable movement in EBITDA[2] for the six-month period is primarily attributable to the previously explained decrease in administration costs, partially offset by a decrease in gross profit and an increase in other expense. The positive movement in the Company's results was primarily attributable to the same factors as previously explained combined with a favorable movement in income taxes and an unfavorable movement in finance costs.

## Dividend

The Company opted to declare no dividend this quarter.

## Conference call

Financial analysts, shareholders, and other interested individuals are invited to attend the second quarter conference call to be held on Friday, October 6, 2023, at 11:00 a.m. (EDT). The toll-free call-in number is 1-800-945-0427, access code 22028032. The material that will be referenced during the conference call will be made available shortly before the event on the company's website under the *Investor Relation*s section (https://www.velan.com/en/company/investor_relations). A recording of this conference call will be available for seven days at 1-416-626-4100 or 1-800-558-5253, access code 22028032.

## 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$370.4 million in its last reported fiscal year. The Company employs approximately 1,650 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 and supplementary financial measures

In this press release, the Company has presented measures of performance or financial condition which are not defined under IFRS (“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 and are reconciled with the performance measures defined under IFRS. Company has also presented supplementary financial measures which are defined at the end of this report. Reconciliation and definition can be found on the next page.

**Earnings (loss) before interest, taxes, depreciation and amortization ("EBITDA")**

| *(thousands, except amount per shares)* | Three-month periods ended August 31, 2023 $ | Three-month periods ended August 31, 2022 $ | Six-month periods ended August 31, 2023 $ | Six-month periods ended August 31, 2022 $ |
|---|---|---|---|---|
| Net loss[1] | (2,120) | (3,676) | (10,404) | (11,028) |
| *Adjustments for:* | | | | |
| Depreciation of property, plant and equipment | 2,154 | 2,023 | 4,220 | 4,184 |
| Amortization of intangible assets and financing costs | 514 | 556 | 1,077 | 1,124 |
| Finance costs – net | 1,391 | 378 | 2,596 | 614 |
| Income taxes | 1,021 | 2,084 | 1,672 | 3,593 |
| **EBITDA** | **2,960** | **1,365** | **(839)** | **(1,513)** |
| EBITDA per share | | | | |
| - Basic and diluted | 0.14 | 0.06 | (0.04) | (0.07) |

The term "EBITDA" is defined as net income or loss attributable to Subordinate and Multiple Voting Shares plus depreciation of property, plant & equipment, plus amortization of intangible assets and financing costs, plus net finance costs plus income tax provision. The terms "EBITDA per share" is obtained by dividing EBITDA by the total amount of subordinate and multiple voting shares. The forward-looking statements contained in this press release are expressly qualified by this cautionary statement.

## Definitions of supplementary financial measures

The term "Net new orders" or "bookings" is defined as firm orders, net of cancellations, recorded by the Company during a period. Bookings are impacted by the fluctuation of foreign exchange rates for a given period. The measure provides an indication of the Company's sales operation performance for a given period as well as well as an expectation of future sales and cash flows to be achieved on these orders.

The term "backlog" is defined as the buildup of all outstanding bookings to be delivered by the Company. The Company's backlog is impacted by the fluctuation of foreign exchange rates for a given period. The measure provides an indication of the future operational challenges of the Company as well as an expectation of future sales and cash flows to be achieved on these orders.

The term "book-to-bill" is obtained by dividing bookings by sales. The measure provides an indication of the Company's performance and outlook for a given period.

The forward-looking statements contained in this press release are expressly qualified by this cautionary statement.

[1] *Non-IFRS and supplementary financial measures – see explanation above*
[2] *Net earnings or loss refer to net income or loss attributable to Subordinate and Multiple Voting Shares*

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# Consolidated Statements of Financial Position

(in thousands of U.S. dollars)

| | As at | |
|---|---|---|
| | **August 31, 2023** | **February 28, 2023** |
| | **$** | **$** |
| **Assets** | | |
| **Current assets** | | |
| Cash and cash equivalents | 41,474 | 50,513 |
| Short-term investments | 17 | 37 |
| Accounts receivable | 99,280 | 121,053 |
| Income taxes recoverable | 6,343 | 6,195 |
| Inventories | 225,868 | 202,649 |
| Deposits and prepaid expenses | 9,051 | 7,559 |
| Derivative assets | 141 | 107 |
| | 382,174 | 388,113 |
| **Non-current assets** | | |
| Property, plant and equipment | 70,095 | 68,205 |
| Intangible assets and goodwill | 16,253 | 16,153 |
| Deferred income taxes | 4,849 | 4,663 |
| Other assets | 653 | 723 |
| | 91,850 | 89,744 |
| **Total assets** | 474,024 | 477,857 |
| **Liabilities** | | |
| **Current liabilities** | | |
| Bank indebtedness | 2,102 | 260 |
| Accounts payable and accrued liabilities | 74,925 | 79,408 |
| Income taxes payable | 1,562 | 2,832 |
| Customer deposits | 30,163 | 28,201 |
| Provisions | 18,495 | 16,485 |
| Derivative liabilities | 31 | 299 |
| Current portion of long-term lease liabilities | 1,643 | 1,298 |
| Current portion of long-term debt | 13,353 | 8,177 |
| | 142,274 | 136,960 |
| **Non-current liabilities** | | |
| Long-term lease liabilities | 11,450 | 9,458 |
| Long-term debt | 20,029 | 21,719 |
| Income taxes payable | 519 | 933 |
| Deferred income taxes | 4,172 | 3,966 |
| Customer deposits | 31,420 | 27,937 |
| Provisions | 66,041 | 70,924 |
| Other liabilities | 5,084 | 5,125 |
| | 138,715 | 140,062 |
| **Total liabilities** | 280,989 | 277,022 |
| **Total equity** | 193,035 | 200,835 |
| **Total liabilities and equity** | 474,024 | 477,857 |

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# Consolidated Statements of Loss

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

| | Three-month periods ended | | Six-month periods ended | |
|---|---|---|---|---|
| | **August 31, 2023 $** | **August 31, 2022 $** | **August 31, 2023 $** | **August 31, 2022 $** |
| **Sales** | 80,318 | 85,054 | 147,977 | 160,059 |
| **Cost of sales** | 56,933 | 61,572 | 109,540 | 116,504 |
| **Gross profit** | 23,385 | 23,482 | 38,437 | 43,555 |
| Administration costs | 22,571 | 24,678 | 44,070 | 50,490 |
| Other expense (income) | 525 | 7 | 512 | (134) |
| **Operating income (loss)** | 289 | (1,203) | (6,145) | (6,801) |
| Finance income | 136 | 78 | 271 | 168 |
| Finance costs | (1,527) | (456) | (2,867) | (782) |
| Finance costs – net | (1,391) | (378) | (2,596) | (614) |
| **Loss before income taxes** | (1,102) | (1,581) | (8,741) | (7,415) |
| Income tax expense | 1,021 | 2,084 | 1,672 | 3,593 |
| **Net loss for the period** | (2,123) | (3,665) | (10,413) | (11,008) |
| **Net income (loss) attributable to:** | | | | |
| **Subordinate Voting Shares and Multiple Voting Shares** | **(2,120)** | **(3,676)** | **(10,404)** | **(11,028)** |
| Non-controlling interest | (3) | 11 | (9) | 20 |
| **Net loss for the period** | (2,123) | (3,665) | (10,413) | (11,008) |
| **Net loss per Subordinate and Multiple Voting Share** | | | | |
| Basic and diluted | (0.10) | (0.17) | (0.48) | (0.51) |
| **Dividends declared per Subordinate and Multiple Voting Share** | - (CA$ - ) | - (CA$ - ) | 0.02 (CA$0.03) | 0.02 (CA$0.03) |
| **Total weighted average number of Subordinate and Multiple Voting Shares** | | | | |
| Basic and diluted | 21,585,635 | 21,585,635 | 21,585,635 | 21,585,635 |

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# Consolidated Statements of Comprehensive Loss

(in thousands of U.S. dollars)

| | Three-month periods ended | | Six-month periods ended | |
|---|---|---|---|---|
| | August 31, 2023 $ | August 31, 2022 $ | August 31, 2023 $ | August 31, 2022 $ |
| **Comprehensive loss** | | | | |
| **Net loss for the period** | (2,123) | (3,665) | (10,413) | (11,008) |
| **Other comprehensive income (loss)** | | | | |
| Foreign currency translation | 1,696 | (7,760) | 3,104 | (13,591) |
| **Comprehensive loss** | (427) | (11,425) | (7,309) | (24,599) |
| **Comprehensive income (loss) attributable to:** | | | | |
| Subordinate Voting Shares and Multiple Voting Shares | (424) | (11,437) | (7,300) | (24,619) |
| Non-controlling interest | (3) | 12 | (9) | 20 |
| **Comprehensive loss** | (427) | (11,425) | (7,309) | (24,599) |

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

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# Consolidated Statements of Changes in Equity

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

| | Equity attributable to the Subordinate and Multiple Voting shareholders | | | | | | |
|---|---|---|---|---|---|---|---|
| | Share capital | Contributed surplus | Accumulated other comprehensive loss | Retained earnings | Total | Non-controlling interest | **Total equity** |
| **Balance - February 28, 2022** | 72,695 | 6,260 | (32,126) | 217,995 | 264,824 | 686 | 265,510 |
| Net income (loss) for the period | - | - | - | (11,028) | (11,028) | 20 | (11,008) |
| Other comprehensive loss | - | - | (13,591) | - | (13,591) | - | (13,591) |
| Comprehensive income (loss) | - | - | (13,591) | (11,028) | (24,619) | 20 | (24,599) |
| Other | - | - | (97) | 97 | - | - | - |
| Dividends | | | | | | | |
| Multiple Voting Shares | - | - | - | (366) | (366) | - | (366) |
| Subordinate Voting Shares | - | - | - | (131) | (131) | - | (131) |
| **Balance - August 31, 2022** | 72,695 | 6,260 | (45,814) | 206,567 | 239,708 | 706 | 240,414 |
| **Balance - February 28, 2023** | 72,695 | 6,260 | (41,208) | 162,142 | 199,889 | 946 | 200,835 |
| Net loss for the period | - | - | - | (10,404) | (10,404) | (9) | (10,413) |
| Other comprehensive income | - | - | 3,104 | - | 3,104 | - | 3,104 |
| Comprehensive income (loss) | - | - | 3,104 | (10,404) | (7,300) | (9) | (7,309) |
| Dividends | | | | | | | |
| Multiple Voting Shares | - | - | - | (354) | (354) | - | (354) |
| Subordinate Voting Shares | - | - | - | (137) | (137) | - | (137) |
| **Balance - August 31, 2023** | 72,695 | 6,260 | (38,104) | 151,247 | 192,098 | 937 | 193,035 |

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# Consolidated Statements of Cash Flow

(in thousands of U.S. dollars)

| | Three-month periods ended | | Six-month periods ended | |
|---|---|---|---|---|
| | August 31, 2023 $ | August 31, 2022 $ | August 31, 2023 $ | August 31, 2022 $ |
| **Cash flows from** | | | | |
| **Operating activities** | | | | |
| Net loss for the period | (2,123) | (3,665) | (10,413) | (11,008) |
| Adjustments to reconcile net loss to cash used by operating activities | 2,246 | 6,072 | 3,080 | 4,317 |
| Changes in non-cash working capital items | (21,283) | (13,931) | (3,133) | (7,898) |
| **Cash used by operating activities** | (21,160) | (11,524) | (10,466) | (14,589) |
| **Investing activities** | | | | |
| Short-term investments | 1 | 107 | 20 | (1,181) |
| Additions to property, plant and equipment | (1,605) | (616) | (2,714) | (1,536) |
| Additions to intangible assets | (390) | (1,200) | (774) | (1,209) |
| Proceeds on disposal of property, plant and equipment, and intangible assets | 39 | 24 | 53 | 40 |
| Net change in other assets | 5 | 14 | 33 | 28 |
| **Cash used by investing activities** | (1,950) | (1,671) | (3,382) | (3,858) |
| **Financing activities** | | | | |
| Dividends paid to Subordinate and Multiple Voting shareholders | (491) | (497) | (491) | (497) |
| Net change in revolving credit facility | 5,000 | 16 | 5,000 | 16 |
| Increase in long-term debt | - | - | - | 2,160 |
| Repayment of long-term debt | (778) | (2,108) | (1,704) | (2,677) |
| Repayment of long-term lease liabilities | (390) | (362) | (752) | (732) |
| **Cash provided (used) by financing activities** | 3,341 | (2,951) | 2,053 | (1,730) |
| **Effect of exchange rate differences on cash** | 511 | (1,781) | 914 | (3,563) |
| **Net change in cash during the period** | (19,258) | (17,927) | (10,881) | (23,740) |
| **Net cash – Beginning of the period** | 58,630 | 47,652 | 50,253 | 53,465 |
| **Net cash – End of the period** | 39,372 | 29,725 | 39,372 | 29,725 |
| Net cash is composed of: | | | | |
| Cash and cash equivalents | 41,474 | 32,938 | 41,474 | 32,938 |
| Bank indebtedness | (2,102) | (3,213) | (2,102) | (3,213) |
| **Net cash – End of the period** | 39,372 | 29,725 | 39,372 | 29,725 |
| **Supplementary information** | | | | |
| Interest received (paid) | (53) | 15 | (102) | (208) |
| Income taxes paid | (939) | (2,180) | (3,549) | (3,997) |