

FIRAN TECHNOLOGY GROUP CORPORATION
Consolidated Balance Sheets

As at (in thousands of Canadian dollars)	November 30, 2018	November 30, 2017
ASSETS		
Current assets		
Cash	\$ 5,026	\$ 2,752
Accounts receivable	18,696	17,983
Taxes receivable	189	209
Inventories	24,634	25,079
Prepaid expenses	1,816	1,506
	50,361	47,529
Non-current assets		
Plant and equipment, net	12,078	12,222
Deferred income tax assets	732	395
Investment tax credits receivable	4,620	6,420
Deferred development costs	276	681
Intangible assets and other assets, net	3,069	3,768
Total assets	\$ 71,136	\$ 71,015
LIABILITIES AND EQUITY		
Current liabilities		
Bank indebtedness	\$ -	\$ 6,444
Accounts payable and accrued liabilities	16,278	13,341
Provisions	849	390
Customer deposits	1,966	1,268
Current portion of long-term bank debt	2,019	1,726
Income tax payable (provincial)	563	-
	21,675	23,169
Non-current liabilities		
Long-term bank debt	5,404	6,040
Deferred tax payable	1,750	1,696
Total liabilities	28,829	30,905
Equity		
Retained earnings	\$ 11,687	\$ 8,812
Accumulated other comprehensive (loss) income	(774)	187
	10,913	8,999
Share capital		
Common shares	19,323	19,295
Preferred shares	2,218	2,218
Contributed surplus	8,672	8,384
Total equity attributable to FTG's shareholders	41,126	38,896
Non-controlling interest	1,181	1,214
Total equity	42,307	40,110
Total liabilities and equity	\$ 71,136	\$ 71,015

FIRAN TECHNOLOGY GROUP CORPORATION
Consolidated Statements of Earnings

(in thousands of Canadian dollars, except per share amounts)	Years ended	
	November 30, 2018	November 30, 2017
Sales	\$ 109,420	\$ 94,695
Cost of sales		
Cost of sales	81,143	68,754
Depreciation of plant and equipment	3,015	2,816
Total cost of sales	84,158	71,570
Gross margin	25,262	23,125
Expenses		
Selling, general and administrative	13,174	12,508
Research and development costs	4,740	6,497
Recovery of research and development costs	(220)	(220)
Recovery of investment tax credits	(796)	(657)
Depreciation of plant and equipment	134	117
Amortization of intangible assets	1,049	1,107
Interest expense on short-term debt	221	258
Interest expense on long-term debt	300	229
Foreign exchange (gain)	(75)	(211)
Restructuring expenses	455	-
Total expenses	18,982	19,628
Earnings before income taxes	6,280	3,497
Current income tax expense	3,230	1,525
Deferred income tax expense	185	765
Total income tax expense	3,415	2,290
Net earnings	\$ 2,865	\$ 1,207
Attributable to:		
Non-controlling interest	\$ (10)	\$ (62)
Equity holders of FTG	\$ 2,875	\$ 1,269
Earnings per share, attributable to the equity holders of FTG		
Basic	\$ 0.13	\$ 0.06
Diluted	\$ 0.12	\$ 0.05

FIRAN TECHNOLOGY GROUP CORPORATION
Consolidated Statements of Comprehensive Income

(in thousands of Canadian dollars)	Years ended	
	November 30, 2018	November 30, 2017
Net earnings	\$ 2,865	\$ 1,207
Other comprehensive income (loss) to be reclassified to net earnings in subsequent periods:		
Foreign currency translation adjustments	209	(458)
Net unrealized (loss) gain on derivative financial instruments designated as cash flow hedges	(1,591)	282
Tax impact	398	(71)
	(984)	(247)
Total comprehensive income	\$ 1,881	\$ 960
Attributable to:		
Equity holders of FTG	\$ 1,914	\$ 1,013
Non-controlling interest	\$ (33)	\$ (53)

FIRAN TECHNOLOGY GROUP CORPORATION
Consolidated Statements of Changes in Equity

Years ended November 30, 2018 and November 30, 2017

(in thousands of Canadian dollars)	Attributed to the equity holders of FTG						Non-controlling interest	Total equity
	Common Shares	Preferred Shares	Retained Earnings	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Total		
Balance, November 30, 2016	\$ 19,051	\$ 2,218	\$ 7,543	\$ 8,381	\$ 443	\$ 37,636	\$ 443	\$ 38,079
Net earnings (loss)	-	-	1,269	-	-	1,269	(62)	1,207
Stock-based compensation	-	-	-	173	-	173	-	173
Common shares issued on exercise of share options and PSU's	244	-	-	(170)	-	74	-	74
Foreign currency translation adjustments	-	-	-	-	(467)	(467)	9	(458)
Net unrealized gain on derivative financial instruments designated as cash flow hedges, net of tax impact	-	-	-	-	211	211	-	211
Contribution from non-controlling interest	-	-	-	-	-	-	824	824
Balance, November 30, 2017	\$ 19,295	\$ 2,218	\$ 8,812	\$ 8,384	\$ 187	\$ 38,896	\$ 1,214	\$ 40,110
Net earnings (loss)	-	-	2,875	-	-	2,875	(10)	2,865
Stock-based compensation	-	-	-	296	-	296	-	296
Common shares issued on exercise of share options and PSU's	28	-	-	(8)	-	20	-	20
Foreign currency translation adjustments	-	-	-	-	232	232	(23)	209
Net unrealized gain on derivative financial instruments designated as cash flow hedges, net of tax impact	-	-	-	-	(1,193)	(1,193)	-	(1,193)
Balance, November 30, 2018	\$ 19,323	\$ 2,218	\$ 11,687	\$ 8,672	\$ (774)	\$ 41,126	\$ 1,181	\$ 42,307

FIRAN TECHNOLOGY GROUP CORPORATION
Consolidated Statements of Cash Flows

(in thousands of Canadian dollars)	Years ended	
	November 30, 2018	November 30, 2017
Net inflow (outflow) of cash related to the following:		
Operating activities		
Net earnings	\$ 2,865	\$ 1,207
Items not affecting cash:		
Non-controlling interest share of net loss	10	62
Stock-based compensation	296	173
Loss (gain) on disposal of plant and equipment	25	(17)
Effect of exchange rates on US dollar debt	284	(230)
Depreciation of plant and equipment	3,149	2,933
Amortization of intangible assets	1,049	1,107
Amortization of deferred financing costs	12	12
Current/deferred income tax expense	2,420	2,622
Investment tax credits (recovery)	(796)	(657)
(Increase) in net unrealized loss, decrease in net unrealized gain on financial instruments designated as cash flow hedges	(1,404)	868
Net change in non-cash operating working capital	3,859	(2,053)
	11,769	6,027
Investing activities		
Additions to plant and equipment	(3,021)	(7,086)
Recovery of deferred development costs, other	143	59
Proceeds from disposal of plant and equipment	30	81
	(2,848)	(6,946)
Net cash flow from operating and investing activities	8,921	(919)
Financing activities		
(Decrease) in bank indebtedness	(6,444)	(539)
Proceeds from long-term bank debt	1,289	1,921
Repayments of long-term bank debt	(1,928)	(1,526)
Funding from non-controlling interest	-	824
Proceeds from issue of Common shares	20	74
	(7,063)	754
Effects of foreign exchange rate changes on cash flow	416	(235)
Net increase (decrease) in cash flow	2,274	(400)
Cash, beginning of the year	2,752	3,152
Cash, end of year	\$ 5,026	\$ 2,752
Disclosure of cash payments		
Payment for interest	\$ 529	\$ 490
Payments for income taxes	\$ 24	\$ 6