

Interim condensed consolidated financial statements of

**EVERTZ TECHNOLOGIES LIMITED**

Three month and Nine month periods ended January 31, 2018 and 2017  
(Unaudited)

## **MANAGEMENT REPORT**

The management of Evertz Technologies Limited (“Evertz” or the “Company”) is responsible for the preparation of the accompanying interim condensed consolidated financial statements. The interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and are considered by management to present fairly the consolidated financial position, operating results and cash flows of the Company.

These interim condensed consolidated financial statements have not been reviewed by the auditor. These interim condensed consolidated financial statements are unaudited and include all adjustments, consisting of normal and recurring items, that management considers necessary for the fair presentation of the consolidated financial position, results of operations and cash flows.

# EVERTZ TECHNOLOGIES LIMITED

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(Unaudited)

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Three month and Nine month periods ended January 31, 2018 and 2017

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# EVERTZ TECHNOLOGIES LIMITED

Interim Condensed Consolidated Statements of Financial Position  
(Unaudited)

As at January 31, 2018 and April 30, 2017  
(In thousands of Canadian dollars)

	January 31, 2018	April 30, 2017
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 98,224	\$ 54,274
Trade and other receivables	85,137	111,664
Prepaid expenses	7,401	4,075
Inventories	173,091	178,208
Income tax receivable	1,304	-
	365,157	348,221
Property, plant and equipment (note 3)	41,246	44,152
Goodwill	18,142	18,195
	\$ 424,545	\$ 410,568
<b>Liabilities</b>		
Current liabilities		
Trade and other payables	\$ 50,960	\$ 50,321
Provisions (note 4)	3,999	3,817
Deferred revenue	32,318	28,272
Current portion of long term debt	328	280
Income tax payable	-	945
	87,605	83,635
Long term debt	558	733
Deferred income taxes	47	4,427
	88,210	88,795
<b>Equity</b>		
Capital stock (note 5)	138,675	124,695
Share based payment reserve	7,798	10,091
Accumulated other comprehensive earnings	1,805	747
Retained earnings	186,094	182,297
	187,899	183,044
Total equity attributable to shareholders	334,372	317,830
Non-controlling interest (note 12)	1,963	3,943
	336,335	321,773
	\$ 424,545	\$ 410,568

See accompanying notes to the interim condensed consolidated financial statements.

## EVERTZ TECHNOLOGIES LIMITED

Interim Condensed Consolidated Statements of Changes in Equity  
(Unaudited)

Nine month periods ended January 31, 2018 and 2017  
(In thousands of Canadian dollars)

	Capital stock	Share-based payment reserve	Accumulated other comprehensive earnings	Retained earnings	Total equity attributable to shareholders	Non- controlling interest	Total Equity
<b>Balance at April 30, 2016</b>	<b>\$ 100,483</b>	<b>\$ 13,835</b>	<b>\$ 1,567</b>	<b>\$ 250,320</b>	<b>\$ 366,205</b>	<b>\$ 3,531</b>	<b>\$ 369,736</b>
Net earnings for the period	-	-	-	48,613	48,613	475	49,088
Foreign currency translation adjustment	-	-	(2,803)	-	(2,803)	39	(2,764)
<b>Total comprehensive earnings for the period</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (2,803)</b>	<b>\$ 48,613</b>	<b>\$ 45,810</b>	<b>\$ 514</b>	<b>\$ 46,324</b>
Dividends declared	-	-	-	(123,553)	(123,553)	(350)	(123,903)
Share based compensation expense	-	1,263	-	-	1,263	-	1,263
Exercise of employee stock options	18,309	-	-	-	18,309	-	18,309
Transfer on stock option exercise	5,413	(5,413)	-	-	-	-	-
<b>Balance at January 31, 2017</b>	<b>\$ 124,205</b>	<b>\$ 9,685</b>	<b>\$ (1,236)</b>	<b>\$ 175,380</b>	<b>\$ 308,034</b>	<b>\$ 3,695</b>	<b>\$ 311,729</b>
<b>Balance at April 30, 2017</b>	<b>\$ 124,695</b>	<b>\$ 10,091</b>	<b>\$ 747</b>	<b>\$ 182,297</b>	<b>\$ 317,830</b>	<b>\$ 3,943</b>	<b>\$ 321,773</b>
Net earnings for the period	-	-	-	44,896	44,896	381	45,277
Foreign currency translation adjustment	-	-	1,058	-	1,058	(103)	955
<b>Total comprehensive earnings for the period</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,058</b>	<b>\$ 44,896</b>	<b>\$ 45,954</b>	<b>\$ 278</b>	<b>\$ 46,232</b>
Dividends declared	-	-	-	(41,166)	(41,166)	(500)	(41,666)
Acquisition of non-controlling interest (note 12)	-	-	-	67	67	(1,758)	(1,691)
Share based compensation expense	-	618	-	-	618	-	618
Exercise of employee stock options	11,069	-	-	-	11,069	-	11,069
Transfer on stock option exercise	2,911	(2,911)	-	-	-	-	-
<b>Balance at January 31, 2018</b>	<b>\$ 138,675</b>	<b>\$ 7,798</b>	<b>\$ 1,805</b>	<b>\$ 186,094</b>	<b>\$ 334,372</b>	<b>\$ 1,963</b>	<b>\$ 336,335</b>

See accompanying notes to the interim condensed consolidated financial statements.

# EVERTZ TECHNOLOGIES LIMITED

Interim Condensed Consolidated Statements of Earnings  
(Unaudited)

Three month and nine month periods ended January 31, 2018 and 2017  
(In thousands of Canadian dollars, except per share amounts)

	Three month period ended		Nine month period ended	
	January 31,		January 31,	
	2018	2017	2018	2017
Revenue	\$ 99,574	\$ 91,080	\$ 309,844	\$ 277,698
Cost of goods sold	43,595	39,957	135,952	119,598
Gross margin	55,979	51,123	173,892	158,100
Expenses				
Selling, administrative and general (note 6)	17,297	18,096	53,617	52,238
Research and development	20,301	18,484	59,787	53,757
Investment tax credits	(2,480)	(2,153)	(7,781)	(7,213)
Foreign exchange loss (gain)	3,826	4,277	9,188	(5,777)
	38,944	38,704	114,811	93,005
	17,035	12,419	59,081	65,095
Finance income	234	658	509	1,438
Finance costs	(154)	(74)	(359)	(196)
Other income (expenses)	2,089	(225)	2,043	(188)
Earnings before income taxes	19,204	12,778	61,274	66,149
Provision for (recovery of) income taxes				
Current	6,555	2,550	18,925	18,191
Deferred	(2,007)	523	(2,928)	(1,130)
	4,548	3,073	15,997	17,061
Net earnings for the period	\$ 14,656	\$ 9,705	\$ 45,277	\$ 49,088
Net earnings attributable to non-controlling interest	124	68	381	475
Net earnings attributable to shareholders	14,532	9,637	44,896	48,613
Net earnings for the period	\$ 14,656	\$ 9,705	\$ 45,277	\$ 49,088
Earnings per share (note 11)				
Basic	\$ 0.19	\$ 0.13	\$ 0.59	\$ 0.65
Diluted	\$ 0.19	\$ 0.13	\$ 0.59	\$ 0.65

See accompanying notes to the interim condensed consolidated financial statements.

## **EVERTZ TECHNOLOGIES LIMITED**

Interim Condensed Consolidated Statements of Comprehensive Earnings  
(Unaudited)

Three month and nine month periods ended January 31, 2018 and 2017  
(In thousands of Canadian dollars)

	<b>Three month period ended</b>		<b>Nine month period ended</b>	
	<b>January 31,</b>		<b>January 31,</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Net earnings for the period	\$ 14,656	\$ 9,705	\$ 45,277	\$ 49,088
Items that may be reclassified to net earnings:				
Foreign currency translation adjustment	846	(209)	955	(2,764)
Comprehensive earnings	\$ 15,502	\$ 9,496	\$ 46,232	\$ 46,324
Comprehensive earnings attributable to non-controlling interest	\$ 142	\$ (18)	\$ 278	\$ 514
Comprehensive earnings attributable to shareholders	\$ 15,360	\$ 9,514	\$ 45,954	\$ 45,810
Comprehensive earnings	\$ 15,502	\$ 9,496	\$ 46,232	\$ 46,324

See accompanying notes to the interim condensed consolidated financial statements.

# EVERTZ TECHNOLOGIES LIMITED

Interim Condensed Consolidated Statements of Cash Flows  
(Unaudited)

Three month and nine month periods ended January 31, 2018 and 2017  
(In thousands of Canadian dollars)

	Three month period ended		Nine month period ended	
	January 31,		January 31,	
	2018	2017	2018	2017
<b>Operating activities</b>				
Net earnings for the period	\$ 14,656	\$ 9,705	\$ 45,277	\$ 49,088
Add: Items not involving cash				
Depreciation of property, plant and equipment	2,415	2,744	7,953	8,059
(Gain) loss on disposal of property, plant and equipment	(2,374)	3	(2,378)	(14)
Share based compensation	220	406	618	1,263
Interest expense	4	4	20	20
Deferred income tax (recovery) expenses	(2,007)	523	(2,928)	(1,130)
	12,914	13,385	48,562	57,286
Current tax expenses, net of investment tax credits	4,075	397	11,144	10,978
Income taxes paid	(4,262)	(3,256)	(14,097)	(7,364)
Changes in non-cash working capital items (note 7)	37,941	15,405	34,496	(2,396)
Cash provided by operating activities	50,668	25,931	80,105	58,504
<b>Investing activities</b>				
Acquisition of property, plant and equipment	(3,555)	(4,210)	(9,148)	(8,079)
Proceeds from disposal of property, plant and equipment	6,140	2	6,173	72
Acquisition of non-controlling interest (note 12)	-	-	(1,691)	-
Cash provided by (used in) investing activities	2,585	(4,208)	(4,666)	(8,007)
<b>Financing activities</b>				
Repayment of long term debt	(37)	(13)	(151)	(134)
Interest paid	(4)	(4)	(20)	(20)
Dividends paid	(13,765)	(96,701)	(41,166)	(123,553)
Dividends paid by subsidiaries to non-controlling interests	-	-	(500)	(350)
Capital stock issued	4,906	4,491	11,069	18,309
Cash used in financing activities	(8,900)	(92,227)	(30,768)	(105,748)
Effect of exchange rates on cash and cash equivalents	(151)	1,239	(721)	(3,757)
Increase (decrease) in cash and cash equivalents	44,202	(69,265)	43,950	(59,008)
Cash and cash equivalents beginning of period	54,022	133,359	54,274	123,102
Cash and cash equivalents end of period	\$ 98,224	\$ 64,094	\$ 98,224	\$ 64,094

See accompanying notes to the interim condensed consolidated financial statements.

# EVERTZ TECHNOLOGIES LIMITED

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Three month and Nine month periods ended January 31, 2018 and 2017  
(in thousands of Canadian dollars, except for “number of common shares”, “number of options” and “per share”  
information)

Evertz Technologies Limited (“Evertz” or the “Company”) is incorporated under the *Canada Business Corporations Act*. The Company is incorporated and domiciled in Canada and the registered head office is located at 5292 John Lucas Drive, Burlington, Ontario, Canada. The Company is a leading supplier of software, equipment and technology solutions to content creators, broadcasters, specialty channels and television service providers. The Company designs, manufactures and distributes video and audio infrastructure solutions for the production, post-production, broadcast and telecommunications markets.

### 1. STATEMENT OF COMPLIANCE

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and under International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” using the same accounting policies as described in the Company’s consolidated financial statements for the year ended April 30, 2017.

These interim condensed consolidated financial statements do not include all information and note disclosures required by IFRS for annual financial statements, and therefore; should be read in conjunction with the April 30, 2017 annual consolidated financial statements.

These interim condensed consolidated financial statements were authorized for issue by the Board of Directors on March 1, 2018.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### New and Revised IFRSs Issued but Not Yet Effective

Following is a listing of amendments, revisions and new International Financial Reporting Standards issued but not yet effective. Unless otherwise indicated, earlier application is permitted. The Company has not yet determined the impact of the adoption of the following standards.

#### *Financial Instruments*

IFRS 9, *Financial instruments* (“IFRS 9”) was issued by the IASB in July 2014 and will replace IAS 39, *Financial Instruments: Recognition and Measurement* (“IAS 39”). IFRS 9 introduces new requirements for the financial reporting of financial assets and financial liabilities. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

#### *Revenue*

IFRS 15, *Revenue from contracts with customers* (“IFRS 15”) was issued by the IASB in May 2014 and will replace IAS 11, *Construction Contracts* and IAS 18, *Revenue*. IFRS 15 specifies how and when revenue will be recognized. IFRS 15 is effective for annual periods beginning on or after January 1, 2018.

#### *Leases*

IFRS 16, *Leases* (“IFRS 16”) was issued by the IASB in January 2016 and will replace IAS 17, *Leases*. IFRS 16 introduces a single accounting model for lessees to bring leases on-balance sheet while lessor accounting remains largely unchanged. IFRS 16 is effective for annual periods beginning on or after January 1, 2019.

### 3. PROPERTY, PLANT AND EQUIPMENT

	January 31, 2018			April 30, 2017		
	Cost	Accumulated Depreciation	Carrying Amount	Cost	Accumulated Depreciation	Carrying Amount
Office furniture and equipment	\$ 3,770	\$ 2,145	\$ 1,625	\$ 3,685	\$ 2,083	\$ 1,602
Research and development equipment	34,800	25,943	8,857	31,831	24,168	7,663
Airplanes	9,697	7,548	2,149	19,727	12,665	7,062
Machinery and equipment	60,045	45,956	14,089	56,482	43,395	13,087
Leaseholds	8,800	4,551	4,249	9,316	4,961	4,355
Land	2,398	-	2,398	2,388	-	2,388
Buildings	10,452	2,573	7,879	10,376	2,381	7,995
	\$ 129,962	\$ 88,716	\$ 41,246	\$ 133,805	\$ 89,653	\$ 44,152

### 4. PROVISIONS

	Warranty and Returns	Lease/Retirement Obligations	Total
<b>Balance as at April 30, 2017</b>	\$ 3,470	\$ 347	\$ 3,817
Net additions	356	59	415
Foreign exchange differences	(231)	(2)	(233)
<b>Balance as at January 31, 2018</b>	\$ 3,595	\$ 404	\$ 3,999

#### *Warranty and Returns*

The provision relates to estimated future costs associated with warranty repairs and returns on hardware solutions. The provision is based on historical data associated with similar products. The warranty and returns are expected to be incurred within the next twelve months.

#### *Lease/Retirement Obligations*

The provision relates to estimated restoration costs expected to be incurred upon the conclusion of Company leases.

### 5. CAPITAL STOCK

Authorized capital stock consists of:  
 Unlimited number of preferred shares  
 Unlimited number of common shares

	Number of Common Shares	Amount
<b>Balance as at April 30, 2017</b>	<b>75,742,746</b>	<b>\$ 124,695</b>
Issued on exercise of stock options	739,000	11,069
Transferred on stock option exercise	-	2,911
<b>Balance as at January 31, 2018</b>	<b>76,481,746</b>	<b>\$ 138,675</b>

#### *Dividends Per Share*

During the quarter, \$0.18 in dividends per share was declared (2017 - \$1.28) and during the nine month period, \$0.54 in dividends per share were declared (2017 - \$1.64).

## 6. SELLING, ADMINISTRATIVE AND GENERAL EXPENSES

	Three month period ended		Nine month period ended	
	January 31,		January 31,	
	2018	2017	2018	2017
Selling and administrative	\$ 15,846	\$ 15,529	\$ 47,699	\$ 45,704
Share based compensation (note 8)	748	1,661	3,374	3,838
Depreciation of property, plant and equipment (non-production)	703	906	2,544	2,696
	\$ 17,297	\$ 18,096	\$ 53,617	\$ 52,238

## 7. STATEMENT OF CASH FLOWS

### Changes in non-cash working capital items

	Three month period ended		Nine month period ended	
	January 31,		January 31,	
	2018	2017	2018	2017
Trade and other receivables	\$ 26,437	\$ 19,035	\$ 26,744	\$ 15,276
Prepaid expenses	(909)	(666)	(3,351)	1,319
Inventories	2,014	(7,975)	5,162	(17,457)
Trade and other payables	8,395	200	1,713	(5,481)
Deferred revenue	1,968	4,334	4,046	3,419
Provisions	36	477	182	528
	\$ 37,941	\$ 15,405	\$ 34,496	\$ (2,396)

## 8. SHARE BASED PAYMENTS

### Stock Option Plan

The Company established, in June 2006, a stock option plan to attract, retain, motivate and compensate employees, officers and eligible directors who are integral to the growth and success of the Company. A number of shares equal to 10% of the Company's outstanding common shares are to be reserved for issuance under the stock option plan.

The Board of Directors administers the stock option plan and will determine the terms of any options granted. The exercise price of an option is to be set by the Board of Directors at the time of grant but shall not be lower than the market price as defined in the option plan at the time of grant. The term of the option cannot exceed 10 years. Stock options currently granted normally fully vest and expire by the end of the fifth year.

The changes in the number of outstanding share options are as follows:

	Number of Options	Weighted Average Exercise Price
<b>Balance as at April 30, 2017</b>	<b>2,878,500</b>	<b>\$ 16.29</b>
Granted	32,500	17.28
Exercised	(739,000)	14.98
Forfeited	(33,000)	17.09
<b>Balance as at January 31, 2018</b>	<b>2,139,000</b>	<b>\$ 16.74</b>

Note #8 continued ...

Exercise Price	Weighted Average Exercise Price	Number of Outstanding Options	Weighted Average Remaining Contractual Life	Number of Options Exercisable	Weighted Average Exercise Price of Exercisable Options
\$15.00 - \$15.37	\$ 15.34	415,000	2.3	13,000	\$ 15.02
\$16.21 - \$16.87	\$ 16.77	150,000	3.8	12,000	\$ 16.29
\$17.03	\$ 17.03	1,384,000	1.2	813,600	\$ 17.03
\$17.19 - \$18.63	\$ 17.66	190,000	2.2	57,500	\$ 17.54
Totals	\$ 16.74	2,139,000	1.7	896,100	\$ 17.02

#### Restricted Share Unit Plan

The Company established, in March 2016, a restricted share unit (“RSU”) plan to provide an incentive to participants; including key executives of the Company, by rewarding such participants with equity-based compensation. Under the terms of the plan, RSU’s are issued to the participant with a vesting period of three years. On the vesting date, all RSU’s will be redeemed in cash at the fair market value at the date of vest plus any accrued dividends. The changes in the number of outstanding RSUs are as follows:

	Number of RSUs
<b>Balance as at April 30, 2017</b>	<b>546,500</b>
Granted	30,000
Forfeited	(14,500)
<b>Balance as at January 31, 2018</b>	<b>562,000</b>

As at January 31, 2018, the average remaining contractual life for outstanding RSUs is 1.3 years.

#### Compensation expense

##### Stock Option Plan

The share based compensation expense that has been charged against earnings over the nine month and three month periods is \$618 (2017 - \$1,263) and \$220 (2017 - \$406) respectively. Compensation expense on grants during the Nine month and three month period was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	Nine month period ended January 31, 2018	Nine month period ended January 31, 2017
Risk-free interest rate	1.28%	0.70%
Dividend yield	4.17%	4.17%
Expected life	5 years	5 years
Expected volatility	16%	16%
Weighted average grant-date fair value	\$1.25	\$1.12

Expected volatility is based on historical share price volatility over the past five years of the Company. Share based compensation expense was calculated using a weighted average forfeiture rate of 21% (2017 – 25%).

#### Restricted Share Unit Plan

The share based compensation expense that has been charged against earnings over the nine month and three month period ended is \$2,755 (2017 - \$2,575) and \$17 (2017 - \$1,255) respectively. Share based compensation expense was calculated using a weighted average forfeiture rate of 6% (2017 – 3%). As at January 31, 2018, the total liability included within trade and other payables is \$6,432 (2017 - \$2,812).

## 9. SEGMENTED INFORMATION

The Company reviewed its operations and determined that it operates a single reportable segment, the television broadcast equipment market. The single reportable operating segment derives its revenues from the sale of hardware and software solutions including related services, training and commissioning.

Revenue	Three month period ended		Nine month period ended	
	January 31,		January 31,	
	2018	2017	2018	2017
United States	\$ 61,503	\$ 53,861	\$ 184,920	\$ 155,216
International	29,838	34,312	109,211	106,495
Canada	8,233	2,907	15,713	15,987
	\$ 99,574	\$ 91,080	\$ 309,844	\$ 277,698

	January 31, 2018		April 30, 2017	
	Property, Plant and Equipment	Goodwill	Property, Plant and Equipment	Goodwill
United States	\$ 5,275	\$ 351	\$ 10,486	\$ 390
International	10,270	17,791	9,690	17,805
Canada	25,701	-	23,976	-
	\$ 41,246	\$ 18,142	\$ 44,152	\$ 18,195

## 10. RELATED PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Company and other related parties are disclosed below.

### *Related Party Transactions*

Two shareholders each indirectly hold a 10% interest in the Company's leased premises in Ontario. This lease expires in 2019 with a total of \$958 committed over the remaining term. During the nine and three month periods, rent paid for the leased principal premises amounted to \$648 (2017 – \$648) and \$216 (2017 - \$216) with no outstanding amounts due as at January 31, 2018.

The Company also leases property where two shareholders indirectly own 100% interest. This lease expires in 2021 with a total of \$932 committed over the remaining term. During the nine and three month periods, rent paid for the leased principal premises amounted to \$198 (2017 – \$189) and \$66 (2017 - \$66) with no outstanding amounts due as at January 31, 2018.

On December 1, 2008 the Company entered into an agreement with two shareholders who each indirectly hold a 20% interest in the Company's leased premises in Ontario. This lease expires in 2018 with a total of \$696 committed over the remaining term. During the nine and three month periods, rent paid for the leased principal premises amounted to \$627 (2017 – \$603) and \$209 (2017 - \$206) with no outstanding amounts due as at January 31, 2018.

On May 1, 2009 the Company entered into a property lease agreement with two shareholders who each indirectly hold a 35% interest. This lease expires in 2019 with a total of \$606 committed over the remaining term. During the nine and three month periods, rent paid for the leased principal premises amounted to \$364 (2017 – \$346) and \$121 (2017 - \$115) with no outstanding amounts due as at January 31, 2018.

Note #10 continued ...

On December 15, 2013 the Company renewed a property lease agreement with a director who indirectly owns 100% interest. The lease expires in 2018 with a total of \$129 committed over the remaining term. During the nine and three month periods, rent paid for the leased principal premises amounted to \$106 (2017 – \$106) and \$35 (2017 - \$35) with no outstanding amounts due as at January 31, 2018.

On May 1, 2016 the Company entered into a property lease agreement with two shareholders who each hold an indirect interest. This lease expires in 2026 with a total of \$8,355 committed over the remaining term. During the nine and three month periods, rent paid for the leased principal premises amounted to \$725 (2017 – \$725) and \$242 (2017 - \$242) with no outstanding amounts due as at January 31, 2018.

On August 1, 2016 the Company entered into a property lease agreement where two shareholders indirectly own 46.6% interest. This lease expires in 2026 with a total of \$2,269 committed over the remaining term. During the nine and three month periods, rent paid for the leased principal premises amounted to \$182 (2017 – \$122) and \$61 (2017 - \$61) with no outstanding amounts due as at January 31, 2018.

These transactions were in the normal course of business and recorded at an exchange value established and agreed upon by related parties.

## 11. EARNINGS PER SHARE

	Three month period ended January 31,		Nine month period ended January 31,	
	2018	2017	2018	2017
Weighted average common shares outstanding	76,338,379	75,530,630	76,123,703	74,819,119
Dilutive effect of stock options	164,514	136,146	162,801	402,809
Diluted weighted average common shares outstanding	76,502,893	75,666,776	76,286,504	75,221,928

The weighted average number of diluted common shares excludes 47,500 options because they were anti-dilutive during the period (2017 – 183,500).

## 12. NON-CONTROLLING INTEREST

In September 2017 the Company purchased the 20% non-controlling interest portion of Antenna Technology Communications, Inc. (“ATCI”) for \$1,691 in cash. At the time of purchase, the non-controlling interest was valued at \$1,758, resulting in a gain of \$67, which was recorded directly to retained earnings. There are now non-controlling interests of 25% of Truform Metal Fabrication Ltd., located in Canada and 10% with Studiotech Poland Sp. z.o.o., located in Poland.

## 13. SUBSEQUENT EVENT

On March 1, 2018 the Company declared a quarterly dividend of \$0.18 with a record date of March 9, 2018 and a payment date of March 16, 2018.