

# Q1-F08 Financial Results

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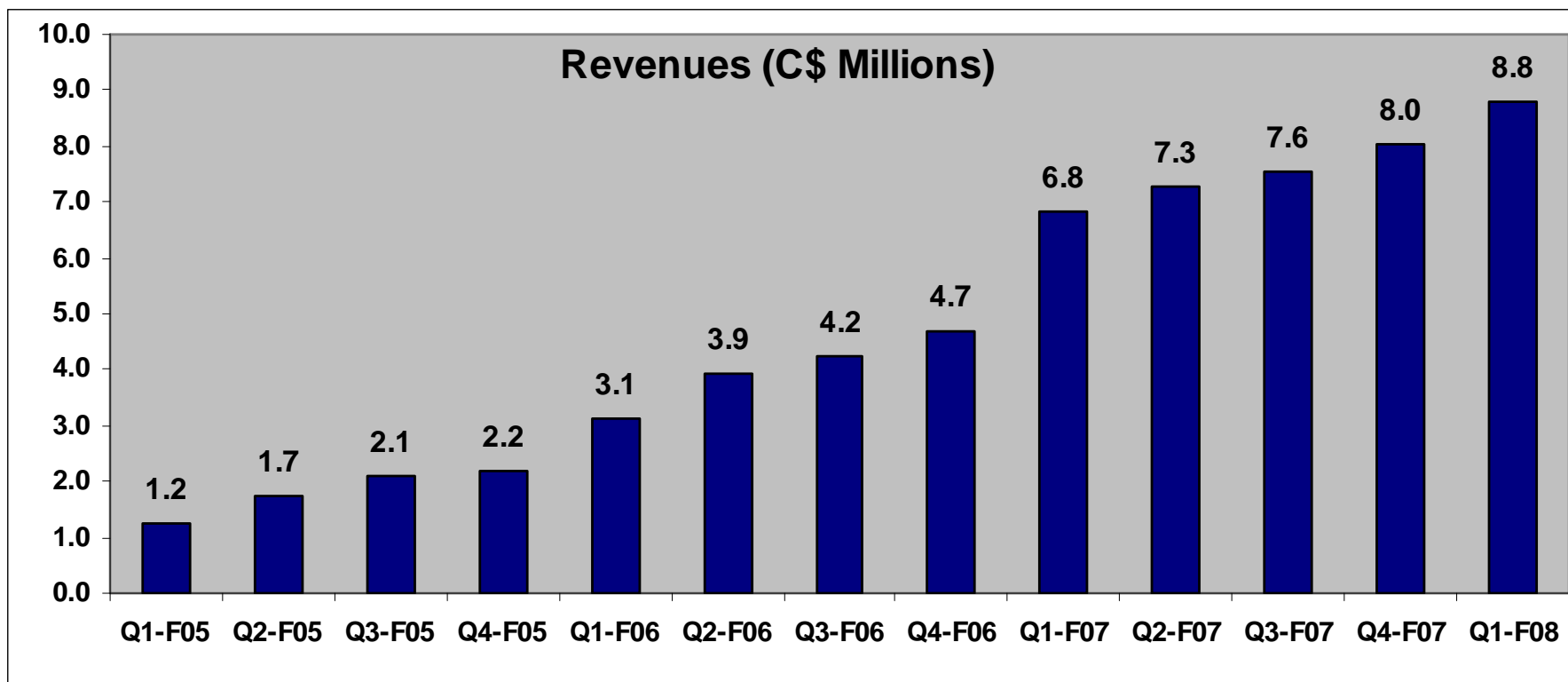
Additional risk factor discussion can be found in the Company's MD&A, in the section entitled "Risk Factors" and in the Company's continuous disclosure filings, reports and other filings with securities commissions and regulatory authorities in Canada and filed under the Company's profile at [www.sedar.com](http://www.sedar.com).

## NON-GAAP MEASURES

This presentation contains references to revenues on a constant currency basis which is a non-GAAP financial measure. Non-GAAP financial measures are used by management to evaluate the performance of the Company. Non-GAAP financial measures do not have standardized meanings prescribed by GAAP and therefore may not be comparable to similar measures presented by other reporting issuers. "Constant currency basis" is a method of comparison which assumes the foreign exchange rate between the US dollar and the Canadian dollar remains constant between comparison periods. We believe that this is useful supplemental information as it provides an indication of the results generated by the Company excluding exchange rate fluctuations in the value of the US dollar compared to the Canadian dollar and makes it easier for management and investors to compare the Company's performance with previous periods. Investors are cautioned that non-GAAP measures should not be construed as an alternative to net income or loss determined in accordance with GAAP as indicators of the Company's performance or to cash flows from operating and investing activities as measures of liquidity and cash flow.

# Successful completion of IPO

- Raised \$42 million in gross proceeds
- Anticipated use of proceeds:
  - Fund research and product development
  - Expand sales and marketing
  - Working capital + general corporate purposes + selective acquisitions



- **Q1-F08 revenue of \$8.8 million was 12<sup>th</sup> consecutive record quarter**
- **Up 29% (32%\*\* ) over Q1-F07**
- **Up 10% (17%\*\* ) over prior quarter**

\*\* On a constant currency basis (i.e. Assumes the exchange rate for US dollars to Canadian dollars had remained constant between the comparison periods.)

## Customer Purchase Orders (comparison to same period prior year)

|                 | Q1-F08<br>(C\$000s) | Q1-F07<br>(C\$000s) | Change | Change** |
|-----------------|---------------------|---------------------|--------|----------|
| Purchase Orders | 9,521               | 6,952               | 37.0%  | 40.2%    |

- **Q1-F08 customer purchase orders of \$9.5 million established new company record**
- **Up 37% (40%\*\* ) over Q1-F07**

\*\* On a constant currency basis

| MARKET/SECTOR              | Three months ended<br>June 30<br>(as percentage of total) |        | Three months ended<br>June 30<br>(C\$ millions) |      | Change | Change** |
|----------------------------|---|--------|---|------|--------|----------|
|                            | 2007  | 2006   | 2007  | 2006 | %      | %        |
| Electric Power (Utilities) | 61.9%   | 64.1%  | 5.4   | 4.4  | 24.3%  | 27.7%    |
| Transportation             | 16.5%   | 21.8%  | 1.5   | 1.5  | -2.6%  | 0.0%     |
| Industrial                 | 12.4%   | 9.5%   | 1.1   | 0.6  | 66.7%  | 71.2%    |
| Military                   | 7.7%  | 3.3%   | 0.7   | 0.2  | 200.7% | 208.9%   |
| Other                      | 1.5%  | 1.2%   | 0.1   | 0.1  | 69.5%  | 74.1%    |
| <b>Total</b>               | 100.0%  | 100.0% | 8.8   | 6.8  | 28.8%  | 32.4%    |

- **5<sup>th</sup> consecutive record quarter for Electric Power sector**
- **Transportation sector showing characteristic quarterly volatility**
- **Industrial sector set new record quarter \*\***
- **Military sector set new record quarter \*\***

\*\* On a constant currency basis

| REGION                                 | Three months ended<br>June 30<br>(as percentage of total) |        | Three months ended<br>June 30<br>(\$ millions) |      | Change | Change** |
|--|---|--------|--|------|--------|----------|
|  | 2007  | 2006   | 2007   | 2006 | %      | %        |
| North America                          | 43.3%   | 51.9%  | 3.8  | 3.5  | 7.5%   | 10.5%    |
| Latin America                          | 7.5%  | 3.1%   | 0.7  | 0.2  | 212.7% | 221.2%   |
| Asia Pacific (APAC)                    | 13.1%   | 13.0%  | 1.1  | 0.9  | 29.9%  | 33.5%    |
| Europe, Middle East &<br>Africa (EMEA) | 36.1%   | 32.0%  | 3.2  | 2.2  | 45.2%  | 49.1%    |
| <b>Total</b>                           | 100.0%  | 100.0% | 8.8  | 6.8  | 28.8%  | 32.4%    |

- **Growth across all regions**
- **North America driven by electric power and transportation sectors**
- **EMEA driven primarily by electric power sector**
- **APAC driven by electric power and industrial process sectors**
- **Latin America region experienced large quarterly growth spike driven by electric power sector**

\*\* On a constant currency basis

- 260 customers for Q1-F08
  - Compared to 229 in Q1-F07, an increase of 13.5%
  - Continued customer base diversity
- 77 new customers
  - Compared to 69 in Q1-F07, an increase of 11.6%
  - 40% (31 out of 77) were from electric power sector
- Top 10 customers
  - Comprised 51.3% of revenues
  - Includes customers from all of our key target markets

## Revenue, Gross Margin and Net Income (C\$000's)

|                     | Q1-F08 | Q1-F07 | Change     |
|---------------------|--------|--------|------------|
| <b>Revenue</b>      | 8,784  | 6,818  | 28.8%      |
| <b>Gross margin</b> | 4,799  | 3,499  | 37.2%      |
| <b>GM %</b>         | 54.6%  | 51.3%  | up 3.3 pts |
| <b>Net income</b>   | 178    | 667    | -73.3%     |

- **Growth in Revenues and GM**
  - GM up 3.3 percentage points
- **Net Income for Q1-F08 was impacted by:**
  - Foreign exchange
  - One-time G&A costs
  - Income tax expense (Q1-F07 did not have any income tax provision)
- **Normalized Net Income before taxes would have been approximately \$927,000 or 10.2% of revenues\*\***

\*\* On a constant currency basis

### Operating Expenses (C\$000's)

|                            | Q1-F08       | Q1-F07       | Change       |
|----------------------------|--------------|--------------|--------------|
| Research and development   | 768          | 547          | 40.4%        |
| Selling and marketing      | 1,904        | 1,354        | 40.6%        |
| General and administrative | 1,353        | 643          | 110.4%       |
| Amortization               | 216          | 124          | 74.2%        |
| <b>Total OpEx</b>          | <b>4,241</b> | <b>2,668</b> | <b>59.0%</b> |

- **General & Admin (G&A) costs higher than expected:**
  - Came in at \$1,353,000 (15.4% of revenues)
  - Impact of one-time costs (approx. \$334,000)
  - Normalized G&A would have been approximately \$1,019,000 (11.2% of revenues\*\*)

\*\* On a constant currency basis

### Balance Sheet Highlights (C\$000's, except Balance Sheet ratios)

|                              | Q1-F08 | Q4-F07 | Change      |
|------------------------------|--------|--------|-------------|
| <b>Cash (1)</b>              | 38,168 | 3,829  | 897%        |
| <b>Working capital</b>       | 40,621 | 7,124  | 470%        |
| <b>Working capital ratio</b> | 6.7    | 2.3    | + 4.4       |
| <b>Days sales in A/R</b>     | 45     | 47     | - 2 days    |
| <b>Inventory turns</b>       | 4.6    | 4.5    | + 0.1 times |
| <b>Capital expenditures</b>  | 237    | 421    | -44%        |

(1) Includes cash and cash equivalents

- Continued investment in product development
  - Short-term customer-driven product enhancements
  - Long-term strategic product development
- Continued investment in sales and marketing
  - Expand in new geographic areas
  - Continue development of our target markets
- Evaluate acquisition opportunities
  - Complementary technology or product offering
  - Increase share of existing customer base spend

- Successful completed IPO, raising \$42 million in gross proceeds
- Achieved 12<sup>th</sup> consecutive record quarter for revenue
- Achieved 9<sup>th</sup> consecutive quarter of profitability
- Achieved new quarterly records for:
  - Purchase Orders
  - Electric Power Market sales
  - Industrial Market sales
  - Military Market sales
- Expecting continued **annual** growth in each of our target markets.

# Thank You.

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