BuildDirect Reports Third Quarter 2024 Financial Results

- *Delivered adjusted EBITDA of $0.8 million for Q3 2024; the Company has delivered 11 consecutive quarters of positive adjusted EBITDA.*
- *Delivered revenue and gross profit of $17 million and $6.5 million or 38.3 %, respectively, in Q3 2024, an increase in revenue and gross profit of 4.9% and $0.3 million or 10 bps, respectively, sequentially quarter-over-quarter as compared to Q2 2024.*
- *Company's revenue, gross profit and adjusted EBITDA continue to increase sequentially quarter-over-quarter since January 1, 2024, following BuildDirect's implementation of its e-commerce re-platforming initiatives.*
- *Increased owned inventory levels in Q3 2024 to $8.2 million, up 47.1% sequentially quarter-over-quarter as compared to Q2 2024 to support sales and customer demand.*
- *Working capital decreased by $0.2 million to $2.7 million at September 30, 2024 from $2.9 million at June 30, 2024.*
- *Company to host Third Quarter 2024 earnings conference call on Tuesday, November 26, 2024, at 1:30 PM (PST) / 4:30 PM (EST)*

BuildDirect reports in United States ("US") dollars and in accordance with IFRS, unless otherwise noted. All references to dollars herein are in US dollars ($) unless otherwise specified.

Vancouver, British Columbia–(Newsfile Corp. – November 26, 2024) – BuildDirect.com Technologies Inc. (TSXV: BILD) ("BuildDirect" or the "Company") a leading omnichannel building material retailer, today announced its financial results for the Third Quarter 2024. These financial results cover the three (3) and nine (9) month periods ended September 30, 2024 ("Q3 2024" and "YTD Q3 2024") compared to the same periods in the prior year ended September 30, 2023 ("Q3 2023" and "YTD Q3 2023").

"We are pleased to continue our growth trajectory by increasing our revenues and gross profits in Q3 2024 as compared to the previous quarters in 2024," said Shawn Wilson, CEO of BuildDirect. "Our e-commerce re-platforming initiatives were successful, and we were able to significantly reduce our operating expenses by 10% on a year-over-year basis, which enabled us to deliver our 11th consecutive quarter of positive adjusted EBITDA. As we advance further integration across our business units to unlock new revenue and cost synergies, we also intend to focus on expanding our physical footprint to scale our Pro Customer market share."

"Our strategy emphasizes disciplined execution and capital efficiency, focusing on delivering strong returns," continued Shawn Wilson, CEO of BuildDirect. "This growth approach includes the development of new organic locations as well as pursuing targeted acquisitions to accelerate our footprint."

Kerry Biggs, the CFO of BuildDirect, added, “We are focused on ensuring that our financial strategies align with the company’s growth objectives. In Q3 2024, we targeted a specific build-up of strategic core inventory levels that aims to support and drive profitable revenue growth in both our Pro Centers and e-commerce channels.”

Q3 2024 Financial Results Conference Call

The Company will host a conference call to discuss the Company’s financial results.

Time: **1:30 PM (PST) / 4:30 PM (EST)**
Date: Tuesday, November 26, 2024
Register: https://us02web.zoom.us/webinar/register/WN_pqaIpKdfRrC0ajCsghFNFw

The replay will be available approximately 24 hours after the completion of the conference call. In addition, an archived replay will be available on the Investor Relations section of the Company’s website at https://ir.builddirect.com/events-and-presentation.

Among other things, the Company will discuss the long-term financial outlook on the conference call and related materials will be available on the Company’s website at http://ir.builddirect.com. Investors should carefully review the factors, assumptions, risks, and uncertainties included in such related materials concerning such as the long-term financial outlook.

Third Quarter 2024 Financial Highlights

A. Financial Position

The following table summarizes the Company’s financial position at September 30, 2024 and December 31, 2023.

	As at September 30, 2024	As at December 31, 2023	Change
Cash and cash equivalents	$ 2,637,750	$ 2,601,893	$ 35,857
Working capital [1]	2,690,666	2,824,829	(134,163)
Total assets	25,822,900	25,357,709	465,191
Total liabilities	22,929,809	21,174,177	1,755,632
Total shareholders' equity	2,893,091	4,183,532	(1,290,441)
Common shares outstanding	42,032,706	41,941,535	91,171

To view an enhanced version of this graphic, please visit:
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[1] A non-IFRS measure. See “Non-IFRS measures” for definitions and reconciliation of non-IFRS measures to the relevant IFRS measures.

B. Financial Results

The following tables summarize the Company's selected financial results for the three and nine months ended September 30, 2024, and 2023.

	Three months ended September 30, 2024	Three months ended September 30, 2023	Change
Revenue	$ 16,968,564	$ 18,411,622	$ (1,443,058)
Income (loss) from operations	(11,147)	86,220	(97,367)
Comprehensive income (loss)	(384,414)	(480,818)	96,404
Adjusted EBITDA[1]	786,410	1,370,956	(584,546)
Basic and diluted loss per share	$ (0.01)	$ (0.01)	$ 0.00

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	Nine months ended September 30, 2024	Nine months ended September 30, 2023	Change
Revenue	$ 48,741,262	$ 55,362,446	$ (6,621,184)
Income (loss) from operations	(555,754)	13,216	(568,970)
Comprehensive income (loss)	(1,490,767)	(1,800,258)	309,491
Adjusted EBITDA[1]	1,868,977	3,477,966	(1,608,989)
Basic and diluted loss per share	$ (0.01)	$ (0.04)	$ 0.03

To view an enhanced version of this graphic, please visit:
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[1] A non-IFRS measure. See "Non-IFRS measures" for definitions and reconciliation of non-IFRS measures to the relevant IFRS measures.

C. Revenue and Gross Profit per Segment

The Company reports results in two segments: (1) BuildDirect and (2) Acquired Retailers ("Retailers"). We measure each reportable operating segment's performance based on Revenue. Our BuildDirect segment comprises revenue through our BuildDirect e-commerce and brick and mortar operations. The Retailers segment comprises revenue of flooring building materials through our acquired brick and mortar locations and include installation services. The BuildDirect and Retailers segments contributed 23% and 77% of the Company's revenue respectively in Q3 2024 compared to 26% and 74% of the Company's revenue, respectively, in Q3 2023. Likewise, the BuildDirect and Retailers segments contributed 23% and 77% of our sales respectively YTD Q3 2024 compared to 29% and 71% of our sales, respectively Q3 2023.

The following table summarizes revenue and gross profit per Segment for Q3 2024 and Q3 2023:

Three months ended September 30, 2024			
	BuildDirect	Retailers	Total
Revenue	3,891,260	13,077,304	16,968,564
Cost of goods sold	1,844,282	8,620,878	10,465,160
Gross profit	2,046,978	4,456,426	6,503,404
Gross profit %	52.6%	34.1%	38.3%

Three months ended September 30, 2023			
	BuildDirect	Retailers	Total
Revenue	4,758,818	13,652,804	18,411,622
Cost of goods sold	1,999,666	9,090,352	11,090,018
Gross profit	2,759,152	4,562,452	7,321,604
Gross profit %	58.0%	33.4%	39.8%

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Overall, revenue in Q3 2024 was $17.0 million compared to $18.4 million in Q3 2023 for a decrease of $1.4 million or 8%.

Revenue in Q3 2024 for the BuildDirect segment was $3.9 million compared to $4.8 million for the same period in the prior year, a decrease of $0.9 million or 18.2%. The decrease can be attributed to the Company's strategy to shift its e-commerce product mix to higher gross margin direct-sourced products and the timing around building stronger inventory levels to support the strategic shift.

Revenue in Q3 2024 for Retailers was $13.1 million compared to $13.7 million for the same period in the prior year for a decrease of $0.6 million or 4.2%. This decrease can be attributed to weaker housing remodeling and new construction activities, posited to be driven by higher mortgage interest rates.

Gross profit in Q3 2024 was $6.5 million compared to $7.3 million in Q3 2023 for a decrease of $0.8 million or 11%. The decrease can be attributed to lower revenue noted earlier for the BuildDirect and Retailers segments. In addition, gross profit as a percentage of revenue decreased slightly from 39.8% in Q3 2023 to 38.3% in Q3 2024.

The decrease was due mainly to gross profit as a percentage of revenue in the BuildDirect segment decreasing to 52.6% from 58.0% in Q3 2024 vs Q3 2023, respectively. This decrease was offset by a 2.3% increase in gross profit as a percentage of revenue in the Retailers segment in the same period.

D. Working capital[1]

The following table summarizes Working Capital on September 30, 2024 and December 31, 2023.

	September 30, 2024	December 31, 2023
Total current assets	$ 17,073,818	$ 14,603,934
Total current liabilities	14,383,152	11,779,105
Working capital	$ 2,690,666	$ 2,824,829

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Current assets include cash and cash equivalents of $2.6 million at September 30, 2024 and December 31, 2023.

[1]A non-IFRS measure. See "Non-IFRS measures" for definitions and reconciliation of non-IFRS measures to the relevant IFRS measures.

E. Quarterly Financial Information

The below table summarizes the results of operations for the eight most recently completed fiscal quarters. The information has been prepared in accordance with IFRS Accounting Standards and is unaudited quarterly information.

USD *(Unaudited)*	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Revenue	**16,968,564**	16,182,846	15,589,852	16,916,952	18,411,622	19,104,525	17,846,299	21,694,512
Gross Profit	**6,503,404**	6,184,756	6,090,951	5,957,814	7,321,604	7,575,470	6,992,441	7,897,610
Gross Margin %	**38.3%**	38.2%	39.1%	35.2%	39.8%	39.7%	39.2%	36.4%
Net Loss	**(384,414)**	(517,029)	(589,324)	(1,971,942)	(480,818)	(975,778)	(343,661)	(4,658,265)
Net Loss per Share:								
Basic EPS	**(0.01)**	(0.01)	(0.01)	(0.05)	(0.01)	(0.02)	(0.01)	(0.15)
Diluted EPS	**(0.01)**	(0.01)	(0.01)	(0.05)	(0.01)	(0.02)	(0.01)	(0.15)
EBITDA[1]	**711,775**	573,376	486,772	(757,295)	976,906	636,355	1,280,844	(3,968,016)
Adjusted EBITDA[1]	**786,410**	578,326	504,230	73,069	1,370,956	1,064,555	1,042,456	411,651

To view an enhanced version of this graphic, please visit:
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[1]A non-IFRS measure. See "Non-IFRS measures" for definitions and reconciliation of non-IFRS measures to the relevant IFRS measures.

The preceding table provides certain quarterly financial information that is unaudited, but reflects all adjustments of a normal, recurring nature which are, in the Company's opinion, necessary to present a fair statement of the results of operations for the periods presented. Quarter-to-quarter comparisons of our financial results are not necessarily meaningful and should not be relied upon as an indication of future performance.

The Company has maintained positive Adjusted EBITDA through changing its strategy to focus on the more profitable Pro Customer base, scale down e-commerce operations and reduce operating expenses.

Subsequent Events to Q3 2024

On October 8, 2024, the Company announced that it has granted an aggregate of 150,000

stock options to one employee and one consultant of the Company and its subsidiaries in accordance with the Company's Omnibus Equity Incentive Plan (the "Plan"). These stock options will vest in stages over a 4-year period, are exercisable for common shares of the Company at an exercise price of $0.40 per stock option and expire 10 years from the grant date subject to the terms of the Plan.

In addition, BuildDirect announced it retained Thesis Capital Inc. ("Thesis"), a leading capital markets advisory firm servicing Canadian small capitalization companies across North American markets, to provide investor relations and advisory services to the Company.

On November 4, 2024, the Company announced the closing of a secured debt financing pursuant to which it issued, via its wholly owned subsidiary BuildDirect Operations Limited, secured notes to Pelecanus Investments Ltd., Lyra Growth Partners Inc. and Beedie Investments Ltd., (collectively the "Lenders") in an aggregate amount of $700,000 (the "2024 Additional Loan"). The terms of this financing do not differ materially from the terms of the Company's aggregate $1,000,000 secured debt financing with the Lenders announced on June 5, 2024 and as detailed in Note 11 of the Company's unaudited condensed consolidated interim financial statements and notes for the three and nine months ended September 30, 2024 and 2023.

Actual results may differ materially from the Company's financial outlook as a result of, among other things, the factors described under "Forward-Looking Statements" below. The Company's unaudited condensed interim consolidated financial statements and accompanying notes and the Management's Discussion and Analysis for the three and nine-months ended September 30, 2024 and September 30, 2023 are available on the Company's website at www.BuildDirect.com and on the Company's SEDAR+ profile available at www.sedarplus.ca.

About BuildDirect

BuildDirect aims to be a leader in North America's flooring market through the organic build and acquisition of brick & mortar locations referred to as 'Pro Centers'. By first consolidating the $90+ billion flooring market, BuildDirect aims to create a strong foundation for product expansion, leveraging its operating model and locations to enter adjacent markets with a combined TAM exceeding $200 billion.

For more information, visit www.BuildDirect.com.

Forward-Looking Information:

This press release contains statements which constitute "forward-looking statements" and "forward-looking information" within the meaning of applicable securities laws (collectively, "forward-looking statements"), including statements regarding the plans, intentions, beliefs

and current expectations of the Company with respect to future business activities and operating performance. Forward-looking statements are often identified by the words “may”, “would”, “could”, “should”, “will”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “expect” or similar expressions. These statements reflect management’s current beliefs and expectations and are based on information currently available to management as at the date hereof.

Forward-looking statements in this press release may include, without limitation, statements relating to the Company continuing its growth trajectory, the success of the Company’s e-commerce re-platform initiatives, advancing further integration across the Company’s business to unlock new revenue and cost synergies, the expansion of the Company’s physical footprint to scale its Pro Customer market share, an emphasis on disciplined execution and capital efficiency, focusing on delivering strong returns, a growth approach that includes the development of new organic locations as well as pursuing targeted acquisitions to accelerate our footprint, build-up of strategic core inventory levels that aims to support and drive profitable revenue growth in both the Company’s Pro Centers and e-commerce channels, the profitability of the Company’s Pro Customer base, and the delivery and maintenance of positive Adjusted EBITDA results.

Forward-looking statements involve significant risk, uncertainties and assumptions. Many factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. Among those factors are changes in consumer spending, inflation, availability of mortgage financing and consumer credit, changes in the housing market, changes in trade policies, tariffs or other applicable laws and regulations both locally and in foreign jurisdictions, availability and cost of goods from suppliers, fuel prices and other energy costs, interest rate and currency fluctuations, retention of key personnel and changes in general economic, business and political conditions and other factors referenced under the “Risks and Uncertainties” section of our Management Discussion & Analysis. These forward-looking statements may be affected by risks and uncertainties in the business of the Company and general market conditions.

These factors should be considered carefully, and readers should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this press release reflect the Company’s expectations, estimates or projections concerning future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made, the Company cannot assure readers that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this press release, and BuildDirect assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law.

Non-IFRS Measures:

Reference is made in this press release to the following non-GAAP measures: Adjusted EBITDA and Working Capital. These non-GAAP measures are commonly used by investors and other interested parties to evaluate the Company's financial performance and are employed by the Company to measure its operating and economic performance and to assist in business decision-making. These non-GAAP measures do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other issuers. These measures are provided as additional information to complement those IFRS measures by providing further understanding of the results of operations from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of the financial information reported under IFRS. Refer also to appendix tables and the "Third Quarter 2024 Financial Highlights" of this press release as well as our Management's Discussion and Analysis (for the three and nine months ended September 30, 2024, and September 30, 2023) for definitions and reconciliations of non-IFRS measures to the nearest IFRS measures. The disclosure under such Management's Discussion and Analysis is incorporated by reference into this news release.

We define EBITDA as net income or loss before interest, income taxes and amortization. Adjusted EBITDA removes fair value adjustment of convertible debt and warrants, fair value adjustment of inventory, restructuring expenses, non-recurring bad debt expense, foreign exchange gains and losses, and share-based compensation items from EBITDA. Further, we define working capital as current assets less current liabilities.

We are presenting these measures because we believe that our current and potential investors, and many analysts, use them to assess our current and future operating results and to make investment decisions. Management uses these measures in managing the business and making decisions. EBITDA and adjusted EBITDA are not intended as substitutes for IFRS measures.

	Three months ended September 30, 2024	Three months ended September 30, 2023
Total loss and comprehensive loss for the period	(384,414)	(480,818)
Add:		
Interest Expense, Net	326,243	603,396
Income Tax Expense	67,500	(71,634)
Depreciation and amortization	702,445	925,962
EBITDA	**711,775**	976,906
EBITDA - % [1]	**4.2%**	5.3%
Add (deduct):		
Stock-based compensation	57,651	212,079
Change in fair value of warrants	(12,734)	37,768
Finance fee	-	-
Foreign exchange (gain) loss	29,718	(52,811)
Software implentation expenses	-	85,025
Restructuring	-	102,415
Loss on extinguishment of debt	-	9,574
Adjusted EBITDA	**786,410**	1,370,956
Adjusted EBITDA - % [2]	**4.6%**	7.4%

To view an enhanced version of this graphic, please visit:
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[1] *EBITDA % is a ratio of EBITDA divided by Total Revenue*

[2] *Adjusted EBITDA % is a ratio of Adjusted EBITDA divided by Total Revenue*

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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Condensed Consolidated Interim Statements of Financial Position
(Unaudited)
(Expressed in United States dollars)

	As at September 30, 2024 $	As at December 31, 2023 $
Assets		
Current assets:		
Cash and cash equivalents	2,637,750	2,601,893
Short-term investments	445,415	445,415
Trade and other receivables (note 3)	4,207,623	4,152,899
Inventories (note 4)	8,197,731	6,174,201

Prepaid materials, expenses, and deposits	1,585,299	1,229,526
Total current assets	17,073,818	14,603,934
Non-current assets:		
Property and equipment (note 5)	607,350	563,231
Intangible assets (note 6)	2,293,252	3,525,883
Right-of-use assets (note 7)	1,344,519	2,160,700
Non-current deposits	434,040	434,040
Goodwill (note 6)	2,530,622	2,530,622
Deferred tax asset	1,539,299	1,539,299
Total non-current assets	8,749,082	10,753,775
Total Assets	25,822,900	25,357,709
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities (note 8)	9,061,073	5,895,863
Income taxes payable	428,713	210,339
Current portion of lease liabilities (note 9)	1,094,500	1,319,526
Deferred revenue (note 10)	1,403,333	1,559,755
Current portion of loan payable (note 11)	1,203,793	982,912
Current portion of promissory note (note 13)	1,191,740	1,135,710
Current portion of deferred consideration payable (note 14)	–	675,000
Total current liabilities	14,383,152	11,779,105
Non-current liabilities:		
Lease liabilities (note 9)	504,971	1,310,248
Loan payable (note 11)	7,412,827	6,514,693
Warrants (note 12)	35,176	75,224
Promissory note (note 13)	593,683	1,494,907
Total non-current liabilities	8,546,657	9,395,072
Shareholders' equity:		
Share capital (note 15)	123,136,971	123,109,599
Share based payment reserve	11,496,534	11,323,580
Deficit	(131,740,414)	(130,249,647)
Total Shareholders' equity	2,893,091	4,183,532
Total Liabilities and Equity	25,822,900	25,357,709

Condensed Consolidated Interim Statements of Operations and Comprehensive Loss (Unaudited)
(Expressed in United States dollars)

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Revenue (note 16)	$ 16,968,564	$ 18,411,622	$ 48,741,262	$ 55,362,446
Cost of goods sold (note 4)	10,465,160	11,090,018	29,962,151	33,472,931
Gross Profit	6,503,404	7,321,604	18,779,111	21,889,515
Operating expenses:				
Fulfillment costs	916,051	1,134,874	2,921,603	3,699,399
Selling and marketing	1,425,072	1,498,632	4,172,207	4,220,547
Administration	3,367,000	3,560,297	9,820,053	10,805,265
Research and development	103,983	115,619	318,162	388,222
Depreciation and amortization	702,445	925,962	2,102,840	2,762,866
	6,514,551	7,235,384	19,334,865	21,876,299
Profit (loss) from operations	(11,147)	86,220	(555,754)	13,216
Other income (expense):				
Interest income	5,771	15,066	43,147	51,046
Interest expense	(332,015)	(618,462)	(983,622)	(1,664,176)
Rental income	37,461	61,670	148,937	185,010
Fair value adjustment of warrants (note 12)	12,734	(37,768)	40,048	(16,217)
Finance fee (note 11)	–	(9,574)	(20,000)	(9,574)
Foreign exchange gain (loss)	(29,718)	52,811	55,852	61,218
Restructuring costs	–	(102,415)	–	(102,415)
	(305,767)	(638,672)	(715,638)	(1,495,108)
Loss before income taxes	(316,914)	(552,452)	(1,271,392)	(1,481,892)
Income tax (expense) recovery	(67,500)	71,634	(219,375)	(318,366)

Total loss and comprehensive loss for the period	$ (384,414)	$ (480,818)	$ (1,490,767)	$ (1,800,258)
Deficit, beginning of period	$ (131,356,000)	$ (127,796,887)	$ (130,249,647)	$ (126,477,447)
Deficit, end of period	$ (131,740,414)	$ (128,277,705)	$ (131,740,414)	$ (128,277,705)
Loss per share:				
Basic and diluted loss per share (note 21)	(0.01)	(0.01)	(0.04)	(0.04)

Condensed Consolidated Interim Statement of Changes in Equity (Deficiency)
(Unaudited)
(Expressed in United States dollars)

For the nine months ended September 30, 2024 and 2023

	Common Shares		Share based payment		
	Number	Amount	reserve	Deficit	Total
		$	$	$	$
Balance – December 31, 2022	40,819,913	122,803,204	11,121,785	(126,477,447)	7,447,542
Issuance of share capital (note 15)	1,121,622	306,395	–	–	306,395
Loss and comprehensive loss for the year	–	–	–	(1,800,258)	(1,800,258)
Share-based payment expense (note 15)	–	–	328,808	–	328,808
Balance – September 30, 2023	41,941,535	123,109,599	11,450,593	(128,277,705)	6,282,487
Balance – December 31, 2023	41,941,535	123,109,599	11,323,580	(130,249,647)	4,183,532
Issuance of share capital (note 15)	91,171	27,372	–	–	27,372
Loss and comprehensive loss for the year	–	–	–	(1,490,767)	(1,490,767)
Share-based payment expense (note 15)	–	–	172,954	–	172,954
Balance – September 30, 2024	42,032,706	123,136,971	11,496,534	(131,740,414)	2,893,091

Condensed Consolidated Interim Statement of Cash Flows
(Unaudited)
(Expressed in United States dollars)

	For the three months ended September 30		For the nine months ended September 30	
	2024	2023	2024	2023
Cash provided by (used in):				
Operating activities:				
Loss for the period	$ (384,414)	$ (480,818)	$ (1,490,767)	$ (1,800,258)
Add (deduct) adjustments and items not affecting cash:				
Depreciation	702,445	925,962	2,102,840	2,762,866
Income tax expense	67,500	(71,634)	219,375	318,366
Stock-based compensation expense	57,651	212,079	172,954	328,808
Other interest and finance cost	309,434	570,764	897,309	1,504,403
Interest paid on leases	24,360	47,698	86,310	159,773
Interest earned on lease receivables and other	(5,772)	(15,066)	(43,148)	(51,046)
Finance fee	–	–	20,000	–
Fair value adjustment on convertible debt and warrants	(12,733)	37,768	(40,047)	16,217
Loss on extinguishment of debt	–	9,574	–	9,574
Unrealized foreign exchange (gain) loss	29,842	(52,811)	(49,655)	(61,218)
	788,313	1,183,516	1,875,171	3,187,485
Income taxes paid	–	(42,500)	(1,000)	(237,000)
Changes in non-cash operating working capital:				
Short-term investments	–	52,585	–	52,585
Trade and other receivables	(715,584)	(452,289)	(246,432)	(902,275)
Inventories	(2,626,609)	871,672	(2,023,530)	355,758
Prepaid materials, expenses, and deposits	118,768	433,414	(355,773)	720,069
Accounts payable and accrued liabilities	3,667,666	(674,838)	3,231,064	216,935
Deferred revenue	(170,087)	(205,088)	(156,422)	(31,951)
Total operating activities	1,062,476	1,166,472	2,323,077	3,341,606

Investing activities:				
Purchase of property and equipment	(49,218)	(18,098)	(98,147)	(41,929)
Principal received on lease receivables	49,007	67,458	191,709	197,922
Total investing activities	(211)	49,360	93,562	155,993
Financing activities:				
Proceeds from exercise of options	–	–	27,372	306,395
Interest paid	(63,576)	(218,333)	(250,334)	(715,328)
Principal lease payments	(322,097)	(363,387)	(1,030,304)	(1,071,252)
Promissory note repayment	(311,250)	(311,250)	(933,750)	(933,750)
Deferred consideration repayment	–	–	(675,000)	(675,000)
Loan repayment	(75,133)	(1,167,759)	(552,948)	(1,584,657)
Loan proceeds	34,182	–	1,034,182	–
Total financing activities	(747,874)	(2,060,729)	(2,380,782)	(4,673,592)
Effects of currency translation on cash and cash equivalents	(156)	–	–	–
Increase/(Decrease) in cash and cash equivalents	314,235	(844,897)	35,857	(1,175,993)
Cash and cash equivalents, beginning of period	2,323,515	3,776,659	2,601,893	4,107,754
Cash and cash equivalents, end of period	$ 2,637,750	$ 2,931,762	$ 2,637,750	$ 2,931,762

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