NON-IFRS MEASURES

We provide non-IFRS measures (gross margin before depreciation and amortization and adjusted EBITDA) as supplemental information regarding our operational performance. Gross margin before depreciation and amortization represents sales, less cost of sales, excluding depreciation and amortization. Adjusted EBITDA represent net earnings (loss) attributable to the parent interest before interest and other income/expense, income taxes, depreciation and amortization, stock-based compensation costs, restructuring charges, acquisition-related deferred revenue fair value adjustment, change in fair value of cash contingent consideration, and foreign exchange gain or loss.

These non-IFRS measures eliminate the effect on our IFRS results of non-cash statement of earnings elements, restructuring charges, as well as statement of earnings elements subject to significant volatility such as foreign exchange gain or loss. We use these measures for evaluating our historical and prospective financial performance, as well as our performance relative to our competitors. These non-IFRS measures are also used by financial analysts that evaluate and compare our performance against that of our competitors and industry players in our sector. Finally, these measures help us plan and forecast future periods as well as make operational and strategic decisions. We believe that providing this information to our investors, in addition to the IFRS measures, allows them to see the company's results through the eyes of management, and to better understand our historical and future financial performance. More importantly, it enables the comparison of our performance on a relatively similar basis against that of other public and private companies in our industry worldwide.

The presentation of this additional information is not prepared in accordance with IFRS. Therefore, the information may not necessarily be comparable to that of other companies and should be considered as a supplement to, not a substitute for, the corresponding measures calculated in accordance with IFRS.

The following table summarizes the reconciliation of adjusted EBITDA to IFRS net earnings (loss) attributable to the parent interest, in thousands of US dollars:

	Year ended August 31,		
	2019	2018	2017
IFRS net earnings (loss) attributable to the parent interest for the year	$ (2,480)	$ (11,902)	$ 851
Add (deduct):			
Depreciation of property, plant and equipment	5,469	5,444	3,902
Amortization of intangible assets	9,012	10,327	3,289
Interest and other (income) expense	718	1,378	303
Income taxes	5,346	5,678	6,608
Stock-based compensation costs	1,831	1,748	1,414
Restructuring charges	3,305	4,409	5,079
Change in fair value of cash contingent consideration	–	(670)	(383)
Acquisition-related deferred revenue fair value adjustment	1,435	2,095	–
Foreign exchange (gain) loss	949	(1,309)	978
Adjusted EBITDA for the year (1)	$ 25,585	$ 17,198	$ 22,041
Adjusted EBITDA in percentage of total sales	8.9 %	6.4 %	9.1 %

(1) Include acquisition-related costs of $1.1 million and $2.2 million in fiscal 2017 and 2018 respectively (nil in 2019).