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COMPUTER MODELLING GROUP ANNOUNCES THIRD QUARTER RESULTS

CALGARY, Alberta, February 12, 2020 (GlobeNewswire) – Computer Modelling Group Ltd. ("CMG" or the "Company") is pleased to announce its financial results for the three and nine months ended December 31, 2019.

Quarterly Performance

	Fiscal 2018[1]				Fiscal 2019[1]			**Fiscal 2020**
($ thousands, unless otherwise stated)	Q4	Q1	Q2	Q3	Q4	Q1	Q2	**Q3**
Annuity/maintenance licenses	15,664	14,715	15,111	17,240	16,734	15,756	16,373	**16,612**
Perpetual licenses	2,053	326	1,172	611	2,891	1,159	1,146	**964**
Software licenses	17,717	15,041	16,283	17,851	19,625	16,915	17,519	**17,576**
Professional services	1,677	1,664	1,658	1,222	1,513	1,208	2,354	**1,699**
Total revenue	19,394	16,705	17,941	19,073	21,138	18,123	19,873	**19,275**
Operating profit	7,529	5,374	7,024	8,406	8,750	7,068	9,343	**7,538**
Operating profit (%)	39	32	39	44	41	39	47	**39**
Profit before income and other taxes	8,547	5,980	7,104	9,406	8,400	6,439	9,350	**7,054**
Income and other taxes	2,401	1,722	2,048	2,559	2,426	1,997	2,482	**1,942**
Net income for the period	6,146	4,258	5,056	6,847	5,974	4,442	6,868	**5,112**
EBITDA[2]	8,090	5,837	7,505	8,915	9,250	8,118	10,426	**8,644**
Cash dividends declared and paid	8,021	8,021	8,024	8,022	8,023	8,022	8,026	**8,025**
Funds flow from operations	7,285	5,242	5,777	7,550	7,024	6,097	7,787	**7,366**
Free cash flow[2]	6,904	4,909	5,697	7,297	6,948	5,707	7,274	**6,726**
Per share amounts - ($/share)								
Earnings per share - basic	0.08	0.05	0.06	0.09	0.07	0.06	0.09	**0.06**
Earnings per share - diluted	0.08	0.05	0.06	0.09	0.07	0.06	0.09	**0.06**
Cash dividends declared and paid	0.10	0.10	0.10	0.10	0.10	0.10	0.10	**0.10**
Funds flow from operations per share - basic	0.09	0.07	0.07	0.09	0.09	0.08	0.10	**0.09**
Free cash flow per share - basic[2]	0.09	0.06	0.07	0.09	0.09	0.07	0.09	**0.08**

(1) On April 1, 2019, the Company adopted IFRS 16 *Leases* using the modified retrospective approach, by adjusting opening retained earnings with no restatement of comparative figures. As such, comparative information continues to be reported under the previous lease standard.

(2) Non-IFRS financial measures are defined in the "Non-IFRS Financial Measures" section.

Highlights

During the three months

ended December 31, 2019, compared to the same period of the previous fiscal year:

- Annuity/maintenance license revenue decreased by 4%. After adjusting for revenue from a customer for whom revenue is recognized only when payment is received, annuity/maintenance license revenue increased by 7%;
- Perpetual license revenue increased by 58%;
- Direct employee costs increased by 17% due to higher stock-based compensation resulting from the higher share price;
- EBITDA decreased by 3% (without the positive impact of IFRS 16 adoption, EBITDA decreased by 14%).

During the nine months

ended December 31, 2019, compared to the same period of the previous fiscal year:

- Annuity/maintenance license revenue increased by 4%. After adjusting for revenue from a customer for whom revenue is recognized only when payment is received, annuity/maintenance license revenue increased by 7%;
- Perpetual license revenue increased by 55%;
- Direct employee costs increased by 6% due to higher stock-based compensation resulting from the higher share price;
- EBITDA increased by 22% (without the positive impact of IFRS 16 adoption, EBITDA increased by 9%).

During the three months

ended December 31, 2019, CMG:

- Realized basic EPS of $0.06;
- Achieved free cash flow per share of $0.08;
- Declared and paid a dividend of $0.10 per share.

During the nine months

ended December 31, 2019, CMG:

- Realized basic EPS of $0.20;
- Achieved free cash flow per share of $0.25;
- Declared and paid dividends of $0.30 per share.

Revenue

Three months ended December 31, ($ thousands)	**2019**	2018	$ change	% change
Software license revenue	**17,576**	17,851	(275)	-2%
Professional services	**1,699**	1,222	477	39%
Total revenue	**19,275**	19,073	202	1%
Software license revenue as a % of total revenue	**91%**	94%		
Professional services as a % of total revenue	**9%**	6%		

Nine months ended December 31, ($ thousands)	**2019**	2018	$ change	% change
Software license revenue	**52,010**	49,175	2,835	6%
Professional services	**5,261**	4,544	717	16%
Total revenue	**57,271**	53,719	3,552	7%
Software license revenue as a % of total revenue	**91%**	92%		
Professional services as a % of total revenue	**9%**	8%		

CMG's revenue is comprised of software license sales, which provide the majority of the Company's revenue, and fees for professional services.

Total revenue for the three months ended December 31, 2019 increased by 1%, compared to the same period of the previous fiscal year, due to an increase in professional services revenue, which was partially offset by a decrease in software license revenue.

Total revenue for the nine months ended December 31, 2019 increased by 7%, compared to the same period of the previous fiscal year, due to increases in both software license revenue and professional services revenue.

Software License Revenue

Three months ended December 31, ($ thousands)	**2019**	2018	$ change	% change
Annuity/maintenance license revenue	**16,612**	17,240	(628)	-4%
Perpetual license revenue	**964**	611	353	58%
Total software license revenue	**17,576**	17,851	(275)	-2%
Annuity/maintenance as a % of total software license revenue	**95%**	97%		
Perpetual as a % of total software license revenue	**5%**	3%		

Nine months ended December 31, ($ thousands)	**2019**	2018	$ change	% change
Annuity/maintenance license revenue	**48,741**	47,066	1,675	4%
Perpetual license revenue	**3,269**	2,109	1,160	55%
Total software license revenue	**52,010**	49,175	2,835	6%
Annuity/maintenance as a % of total software license revenue	**94%**	96%		
Perpetual as a % of total software license revenue	**6%**	4%		

Total software license revenue for the three months ended December 31, 2019 decreased by 2% compared to the same period of the previous fiscal year, due to a decrease in annuity/maintenance license revenue, partially offset by an increase in perpetual license revenue.

Total software license revenue for the nine months ended December 31, 2019 increased by 6% compared to the same period of the previous fiscal year, due to increases in both annuity/maintenance license revenue and perpetual license revenue.

CMG's annuity/maintenance license revenue for the three months ended December 31, 2019 decreased by 4%. While Canada, the United States and the Eastern Hemisphere experienced growth, South America was negatively affected due to the fact that the comparative period included a payment from a South American customer for whom revenue is recognized only when payment is received (as explained in more detail in the paragraph below). Annuity/maintenance license revenue for the nine months ended December 31, 2019 increased by 4%, because, even though South America experienced a decrease due to the above-mentioned reason, that decrease was offset by growth in all the other geographic regions.

Our annuity/maintenance license revenue can be significantly impacted by the variability of the amounts recorded from a long-standing South American customer and its affiliates for whom revenue recognition criteria are fulfilled only at the time of the receipt of funds. Due to the economic conditions in the country where this customer and its affiliates are located, revenue from them will continue to be recognized on a cash basis. The timing of such payments may skew the comparison of annuity/maintenance license revenue between periods. We received payment from this customer in the third quarter of the previous fiscal year, but not during the current quarter. Normalized for this receipt, annuity/maintenance license revenue for the three months ended December 31, 2019, compared to the same period of the previous fiscal year, increased by 7% instead of decreasing by 4% and annuity/maintenance license revenue for the nine months increased by 7% instead of 4%.

This normalized increase of 7% for the quarter and year to date was due to increased licensing by existing and new customers. In addition, the movement in the CAD/USD exchange rate had a positive impact on annuity/maintenance license revenue in the current quarter and year to date.

Perpetual license revenue for the three and nine months ended December 31, 2019 increased by 58% and 55% compared to the same periods of the previous fiscal year, due to higher sales in South America and the Eastern Hemisphere.

Software Revenue by Geographic Region

Three months ended December 31, ($ thousands)	2019	2018	$ change	% change
Annuity/maintenance license revenue				
Canada	**3,950**	3,767	183	5%
United States	**5,147**	4,777	370	8%
South America	**2,015**	3,397	(1,382)	-41%
Eastern Hemisphere[(1)]	**5,500**	5,299	201	4%
	16,612	17,240	(628)	-4%
Perpetual license revenue				
Canada	**-**	-	-	0%
United States	**-**	362	(362)	-100%
South America	**511**	6	505	8417%
Eastern Hemisphere	**453**	243	210	86%
	964	611	353	58%
Total software license revenue				
Canada	**3,950**	3,767	183	5%
United States	**5,147**	5,139	8	0%
South America	**2,526**	3,403	(877)	-26%
Eastern Hemisphere	**5,953**	5,542	411	7%
	17,576	17,851	(275)	-2%

Nine months ended December 31, ($ thousands)	2019	2018	$ change	% change
Annuity/maintenance license revenue				
Canada	**11,653**	11,426	227	2%
United States	**15,131**	13,956	1,175	8%
South America	**5,931**	6,810	(879)	-13%
Eastern Hemisphere[(1)]	**16,026**	14,874	1,152	8%
	48,741	47,066	1,675	4%
Perpetual license revenue				
Canada	**-**	156	(156)	-100%
United States	**298**	514	(216)	-42%
South America	**1,280**	6	1,274	21233%
Eastern Hemisphere	**1,691**	1,433	258	18%
	3,269	2,109	1,160	55%
Total software license revenue				
Canada	**11,653**	11,582	71	1%
United States	**15,429**	14,470	959	7%
South America	**7,211**	6,816	395	6%
Eastern Hemisphere	**17,717**	16,307	1,410	9%
	52,010	49,175	2,835	6%

(1) Includes Europe, Africa, Asia and Australia.

During the three months ended December 31, 2019, total software license revenue increased in Canada and the Eastern Hemisphere, while South America decreased and the United States stayed flat.

During the nine months ended December 31, 2019, all regions experienced increases in total software license revenue.

The Canadian region (representing 22% of year-to-date software license revenue) experienced increases of 5% and 2% in annuity/maintenance license revenue during the three and nine months ended December 31, 2019, respectively, compared to

the same periods of the previous fiscal year, due to an increase in licensing by existing customers. No perpetual sales were realized in Canada during the three and nine months ended December 31, 2019.

The United States (representing 30% of year-to-date software license revenue) experienced an 8% increase in annuity/maintenance license revenue during the three and nine months ended December 31, 2019, compared to the same periods of the previous fiscal year, due to increased licensing by both existing and new customers. A small portion of the year-to-date increase was due to increased usage of our cloud-based offerings, as the number of customers who access our software via the cloud has been growing since it was introduced at the beginning of fiscal 2019. There were no perpetual sales in the United States during the current three-month period, and perpetual sales during the current nine-month period were lower than in the comparative period.

South America (representing 14% of year-to-date software license revenue) experienced decreases of 41% and 13% in annuity/maintenance license revenue during the three and nine months ended December 31, 2019, respectively. Our revenue in South America can be significantly impacted by the variability of the amounts recorded from a customer and its affiliates for whom revenue is recognized only when cash is received. We received payment from this customer in the third quarter of the previous fiscal year, but not during the current quarter. To provide a normalized comparison, if we exclude revenue from this customer from the three- and nine-month periods ended December 31, 2018, we note that South American annuity/maintenance license revenue increased by 16% and 15%, respectively, instead of decreasing by 41% and 13%. These increases were mainly due to increased licensing by existing customers. There were more perpetual sales realized in South America in the current three- and nine-month periods than in the comparative periods.

The Eastern Hemisphere (representing 34% of year-to-date software license revenue) experienced increases of 4% and 8% in annuity/maintenance license revenue during the three and nine months ended December 31, 2019, respectively, compared to the same periods of the previous fiscal year, due to a combination of increased licensing by existing customers and the addition of new customers. Perpetual license revenue increased by 86% during the three months ended December 31, 2019, due to higher perpetual sales in Europe and by 18% during the nine months ended December 31, 2019, due to higher perpetual sales in Europe and Asia.

Deferred Revenue

($ thousands)	**Fiscal 2020**	Fiscal 2019	Fiscal 2018	$ change	% change
Deferred revenue at:					
Q1 (June 30)	**29,266**	29,350		(84)	0%
Q2 (September 30)	**23,849**	23,222		627	3%
Q3 (December 31)	**15,679**	13,782		1,897	14%
Q4 (March 31)		35,015	34,362	653	2%

CMG's deferred revenue consists primarily of amounts for pre-sold licenses. With the exception of certain term-based software licenses that are recognized at the start of the license period, our annuity/maintenance revenue is deferred and recognized ratably over the license period, which is generally one year or less. Amounts are deferred for licenses that have been provided and revenue recognition reflects the passage of time.

The above table illustrates the normal trend in the deferred revenue balance from the beginning of the calendar year (which corresponds with Q4 of our fiscal year), when most renewals occur, to the end of the calendar year (which corresponds with Q3 of our fiscal year). Our fourth quarter corresponds with the beginning of the fiscal year for most oil and gas companies, representing a time when they enter a new budget year and sign/renew their contracts.

Deferred revenue as at the end of Q3 of fiscal 2020 increased by 14% compared to Q3 of fiscal 2019. This was mainly due to one significant contract that was renewed earlier this year and thus included in the deferred revenue balance at December 31, 2019, whereas last year this contract was not renewed until Q4, and the remainder of the deferred revenue increase was due to increased licensing.

Expenses

Three months ended December 31, ($ thousands, except per share data)	Previous lease standard 2019	IFRS 16 impact	**IFRS 16 2019**	2018	$ change	% change
Sales, marketing and professional services	4,810	(66)	**4,744**	4,109	635	15%
Research and development	5,400	(229)	**5,171**	4,976	195	4%
General and administrative	1,877	(55)	**1,822**	1,582	240	15%
Total operating expenses	12,087	(350)	**11,737**	10,667	1,070	10%
Direct employee costs[(1)]	9,202	-	**9,202**	7,727	1,475	19%
Other corporate costs	2,885	(350)	**2,535**	2,940	(405)	-14%
	12,087	(350)	**11,737**	10,667	1,070	10%

Nine months ended December 31, ($ thousands, except per share data)	Previous lease standard 2019	IFRS 16 impact	**IFRS 16 2019**	2018	$ change	% change
Sales, marketing and professional services	13,927	(199)	**13,728**	13,474	254	2%
Research and development	15,148	(687)	**14,461**	14,613	(152)	-1%
General and administrative	5,298	(165)	**5,133**	4,828	305	6%
Total operating expenses	34,373	(1,051)	**33,322**	32,915	407	1%
Direct employee costs[(1)]	25,752	-	**25,752**	24,244	1,508	6%
Other corporate costs	8,621	(1,051)	**7,570**	8,671	(1,101)	-13%
	34,373	(1,051)	**33,322**	32,915	407	1%

(1) Includes salaries, bonuses, stock-based compensation, benefits, commissions, and professional development. See “Non-IFRS Financial Measures”.

Prior to applying IFRS 16, total operating expenses for the three and nine months ended December 31, 2019 increased by 13% and 4%, primarily due to higher stock-based compensation on cash-settled awards as a result of an increased share price.

The application of IFRS 16 decreased total operating expenses by $0.4 million in the three-month period and by $1.1 million in the nine month period ended December 31. This net decrease is a combination of lower rent expense (because under IFRS 16 rent payments are classified as finance costs and repayment of lease liability), partially offset by higher depreciation expense on the recognition of right-of-use assets.

Outlook

Our annuity and maintenance revenue decreased by 4% during the third quarter and increased by 4% year to date, compared to the same periods of the previous fiscal year. However, the third quarter of the previous fiscal year included revenue from a customer for whom revenue is recognized only when payment is received. After normalizing the comparative periods for this revenue, annuity and maintenance revenue increased by 7% during both the three and nine months ended December 31, 2019.

All regions contributed to this normalized growth. The US region increased by 8% in the third quarter and year to date, supported by increased licensing by both existing and new customers. While Canadian software revenue has shown improvement this fiscal year to date, we are cautious of the impact the consolidation activity in the industry might have on our contract renewals in the fourth quarter of fiscal 2020 and in fiscal 2021. South America achieved double-digit growth for the third quarter in a row, resulting in a 15% year-to-date increase (without normalizing the prior periods for revenue from a cash-

basis customer as explained above, South American annuity and maintenance decreased by 41% during the third quarter and by 13% year to date). The Eastern Hemisphere grew by 4% in the third quarter and 8% year to date. The growth in both of these regions was due to increased licensing by existing customers, as well as the addition of new customers. The strengthening of the average US dollar exchange rate relative to the Canadian dollar had a positive impact on revenue in these international regions.

Third quarter perpetual license revenue was up 58%, compared to third quarter of the previous fiscal year, due to strong perpetual sales in South America and Europe. Year-to-date perpetual license revenue was up 55%, due to strong perpetual sales in South America, Europe and Asia.

In July, CMG and Shell signed an amendment to our CoFlow development agreement. In order to achieve specific development targets and deployments across a broader range of Shell's assets, CMG will allocate more resources to CoFlow over the next two years, while Shell will increase its financial contribution accordingly. Pursuant to this amendment, during the three and nine months ended December 31, 2019, CMG recorded higher professional services revenue for additional resources allocated to CoFlow development. To date, CMG has added and/or internally reallocated 12 full-time equivalent positions (out of the 26 allowed by the amendment) to CoFlow development and support.

On April 1, 2019, CMG adopted IFRS 16 *Leases*. The new standard essentially moved most of the Company's office leases to the balance sheet, eliminating rent expense and replacing it with interest expense and repayment of lease liability, as well as depreciation of the right-of-use assets. The adoption of IFRS 16 resulted in a decrease to total operating expenses and an increase to finance costs, for a total negative impact of $0.1 million and $0.4 million on the Company's quarterly and year-to-date net income.

The decrease in operating expenses due to IFRS 16 was offset by increased Q3 stock-based compensation expense due to the higher share price, which resulted in overall operating expense increases of 10% for the quarter and 1% year to date. Nevertheless, our EBITDA was strong at 45% and 47% of revenue for the quarter and year to date, respectively (without the positive impact of applying IFRS 16, EBITDA was 40% and 43% of revenue, respectively).

We continue pursuing our goal of increasing software license sales, particularly internationally, with the support of various R&D initiatives (such as our public cloud offering, CoFlow development, product feature and functionality enhancements). In December 2019, we implemented organizational changes in order to focus on the usability of our software, improved workflow and positive customer experience. Anjani Kumar, formerly Vice President, Engineering Solutions and Marketing, retains the role of Vice President, Engineering Solutions and, in addition to leading our consulting, support and training group, will oversee the ongoing development of Builder and Results, our data import, model build and visualization applications, with the objective of improving customer workflows and bringing more user perspective to our software development. The marketing team, with renewed emphasis on customer experience, will report directly to myself.

Effective February 11, 2020, Jason Close, General Manager, CoFlow was promoted to Vice President, CoFlow Commercialization. Jason holds a Bachelor of Petroleum Engineering degree from the Colorado School of Mines. Jason started with CMG over 15 years ago, with our engineering support team, progressed into a sales role and for the past six years was responsible for Canadian sales and then added strategic relationships. In December 2019, we appointed Jason to the role of General Manager, CoFlow to focus on its commercial success. With Jason's extensive experience building relationships with CMG's customers, in combination with his technical acumen and leadership skills, Jason is well-suited to lead the CoFlow team and foster business growth opportunities.

Long Nghiem, in his role of Vice President, Research and Development and Chief Technology Officer, retains oversight of the entire research and development team.

We ended the third quarter of 2020 with a strong balance sheet, no borrowings and $36.8 million in cash. During the quarter, we achieved free cash flow of $0.08 per share. Subsequent to quarter end, CMG's Board of Directors declared a quarterly dividend of $0.10 per share.

Additional IFRS Measure

Funds flow from operations is an additional IFRS measure that the Company presents in its consolidated statements of cash flows. Funds flow from operations is calculated as cash flows provided by operating activities adjusted for changes in non-cash working capital. Management believes that this measure provides useful supplemental information about operating performance and liquidity, as it represents cash generated during the period, regardless of the timing of collection of receivables and payment of payables, which may reduce comparability between periods.

Non-IFRS Financial Measures

Certain financial measures in this press release – namely, direct employee costs, other corporate costs, EBITDA and free cash flow – do not have a standard meaning prescribed by IFRS and, accordingly, may not be comparable to measures used by other companies. Management believes that these indicators nevertheless provide useful measures in evaluating the Company's performance.

Direct employee costs include salaries, bonuses, stock-based compensation, benefits, commission expenses, and professional development. Other corporate costs include facility-related expenses, corporate reporting, professional services, marketing and promotion, computer expenses, travel, and other office-related expenses. Direct employee costs and other corporate costs should not be considered an alternative to total operating expenses as determined in accordance with IFRS. People-related costs represent the Company's largest area of expenditure; hence, management considers highlighting separately corporate and people-related costs to be important in evaluating the quantitative impact of cost management of these two major expenditure pools. See "Expenses" heading for a reconciliation of direct employee costs and other corporate costs to total operating expenses.

EBITDA refers to net income before adjusting for depreciation expense, finance income, finance costs, and income and other taxes. EBITDA should not be construed as an alternative to net income as determined by IFRS. The Company believes that EBITDA is useful supplemental information as it provides an indication of the results generated by the Company's main business activities prior to consideration of how those activities are amortized, financed or taxed.

Free cash flow is a non-IFRS financial measure that is calculated as funds flow from operations less capital expenditures and repayment of lease liabilities. Management uses free cash flow to help measure the capacity of the Company to pay dividends and invest in business growth opportunities.

Forward-looking Information

Certain information included in this press release is forward-looking. Forward-looking information includes statements that are not statements of historical fact and which address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as investment objectives and strategy, the development plans and status of the Company's software development projects, the Company's intentions, results of operations, levels of activity, future capital and other expenditures (including the amount, nature and sources of funding thereof), business prospects and opportunities, research and development timetable, and future growth and performance. When used in this press release, statements to the effect that the Company or its management "believes", "expects", "expected", "plans", "may", "will", "projects", "anticipates", "estimates", "would", "could", "should", "endeavours", "seeks", "predicts" or "intends" or similar statements, including "potential", "opportunity", "target" or other variations thereof that are not statements of historical fact should be construed as forward-looking information. These statements reflect management's current beliefs with respect to future events and are based on information currently available to management of the Company. The Company believes that the expectations reflected in such forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking information should not be unduly relied upon.

Corporate Profile

CMG is a computer software technology company serving the oil and gas industry. The Company is a leading supplier of advanced process reservoir modelling software with a blue chip customer base of international oil companies and technology centers in approximately 60 countries. The Company also provides professional services consisting of highly specialized

support, consulting, training, and contract research activities. CMG has sales and technical support services based in Calgary, Houston, London, Dubai, Bogota and Kuala Lumpur. CMG's Common Shares are listed on the Toronto Stock Exchange ("TSX") and trade under the symbol "CMG".

Condensed Consolidated Statements of Financial Position

UNAUDITED (thousands of Canadian $)	**December 31, 2019**	March 31, 2019*
Assets		
Current assets:		
Cash	**36,773**	54,290
Trade and other receivables	**11,772**	19,220
Prepaid expenses	**1,019**	1,332
Prepaid income taxes	**457**	367
	50,021	75,209
Property and equipment	**13,737**	14,501
Right-of-use assets	**38,348**	-
Deferred tax asset	**1,327**	595
Total assets	**103,433**	90,305
Liabilities and shareholders' equity		
Current liabilities:		
Trade payables and accrued liabilities	**5,882**	6,162
Income taxes payable	**90**	60
Deferred revenue	**15,679**	34,653
Lease liability	**1,298**	-
	22,949	40,875
Deferred revenue	**-**	362
Lease liability	**41,308**	-
Deferred rent liability	**-**	1,813
Total liabilities	**64,257**	43,050
Shareholders' equity:		
Share capital	**79,851**	79,711
Contributed surplus	**13,379**	12,808
Deficit	**(54,054)**	(45,264)
Total shareholders' equity	**39,176**	47,255
Total liabilities and shareholders' equity	**103,433**	90,305

Condensed Consolidated Statements of Operations and Comprehensive Income

UNAUDITED (thousands of Canadian $ except per share amounts)	Three months ended December 31		Nine months ended December 31	
	2019	2018*	**2019**	2018*
Revenue	**19,275**	19,073	**57,271**	53,719
Operating expenses				
Sales, marketing and professional services	**4,744**	4,109	**13,728**	13,474
Research and development	**5,171**	4,976	**14,461**	14,613
General and administrative	**1,822**	1,582	**5,133**	4,828
	11,737	10,667	**33,322**	32,915
Operating profit	**7,538**	8,406	**23,949**	20,804
Finance income	**278**	1,000	**922**	1,686
Finance costs	**(762)**	-	**(2,028)**	-
Profit before income and other taxes	**7,054**	9,406	**22,843**	22,490
Income and other taxes	**1,942**	2,559	**6,421**	6,329
Net and total comprehensive income	**5,112**	6,847	**16,422**	16,161
Earnings per share				
Basic and diluted	**0.06**	0.09	**0.20**	0.20

Condensed Consolidated Statements of Cash Flows

UNAUDITED (thousands of Canadian $)	Three months ended December 31		Nine months ended December 31	
	2019	2018*	**2019**	2018*
Operating activities				
Net income	**5,112**	6,847	**16,422**	16,161
Adjustments for:				
Depreciation	**1,106**	509	**3,239**	1,453
Deferred income tax expense (recovery)	**(246)**	107	**(348)**	(76)
Stock-based compensation	**1,394**	(19)	**1,937**	713
Deferred rent	**-**	106	**-**	318
Funds flow from operations	**7,366**	7,550	**21,250**	18,569
Movement in non-cash working capital:				
Trade and other receivables	**(1,419)**	2,694	**7,448**	8,875
Trade payables and accrued liabilities	**325**	635	**(1,414)**	(558)
Prepaid expenses	**301**	(263)	**211**	(122)
Income taxes payable	**(15)**	431	**(60)**	(269)
Deferred revenue	**(8,170)**	(9,440)	**(19,336)**	(19,895)
Increase in non-cash working capital	**(8,978)**	(5,943)	**(13,151)**	(11,969)
Net cash (used in) provided by operating activities	**(1,612)**	1,607	**8,099**	6,600
Financing activities				
Proceeds from the issue of common shares	**-**	-	**-**	17
Repayment of lease liability	**(289)**	-	**(849)**	-
Dividends paid	**(8,025)**	(8,022)	**(24,073)**	(24,067)
Net cash used in financing activities	**(8,314)**	(8,022)	**(24,922)**	(24,050)
Investing activities				
Property and equipment additions	**(351)**	(253)	**(694)**	(666)
Decrease in cash	**(10,277)**	(6,668)	**(17,517)**	(18,116)
Cash, beginning of period	**47,050**	52,271	**54,290**	63,719
Cash, end of period	**36,773**	**45,603**	**36,773**	**45,603**
Supplementary cash flow information				
Interest received	**277**	306	**931**	932
Interest paid	**532**	-	**1,600**	-
Income taxes paid	**(1,663)**	(1,728)	**(5,723)**	(5,594)

* The Company adopted IFRS 16 *Leases* effective April 1, 2019 using the modified retrospective approach. Under this method, comparative information is not restated.

See accompanying notes to condensed consolidated interim financial statements.

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