

2016

CORPORATE SOCIAL RESPONSIBILITY REPORT



People. Planet. Profit.
Carmanah Technologies



Message from the CEO

I am proud to introduce our 2016 Corporate Sustainability Report. As a reading of this report demonstrates, Carmanah continues to strive for a triple bottom line—people, planet, and profit. Our goal remains to become the global leader in the provision of signaling and solar lighting solutions for infrastructure and to be highly profitable. Simultaneously, we remain committed to providing solutions with the highest environmental sensitivity, and we do so with a high degree of commitment to the growth and wellbeing of our people.

In 2016, as a demonstration of these commitments, we began quarterly carbon emission check-ins as part of our key performance indicators reporting, an important first step in expanding our triple bottom line circle of influence. We are now measuring our total carbon emissions per full-time employee as well as indexing carbon emissions against revenue—statistics that we will continue to monitor. Against both measuring scales we are making good progress.

Of course, these things don't happen by themselves. It takes employee commitment and engagement, which starts with awareness, making this report a vital step in effecting change. And speaking of employees, this report shares some interesting statistics about ours that help paint a picture of why people are such a vital part of our success. Our diverse, motivated, and generous team is a key reason we have received recognition from the local tech sector and why our internal peer recognition program is so popular among staff.

This year was pivotal for Carmanah. During the year, we decided to focus on our Signals and Illuminations businesses and began the process of divesting our Power businesses. We are now focused; we have ample resources to pursue organic growth; and we believe that we are on track to achieve the “profit” component of our triple bottom line. Importantly, we are showing that we can pursue high degrees of profitability while simultaneously meeting our other important social responsibility goals.



For instance, one focus in 2016 was preparing to release a new outdoor lighting system for our Illumination segment. This system will help improve the feeling of walkability and safety in communities; minimize light pollution, ground disruption, and reliance on fossil fuels; and grow our own bottom line while simultaneously helping end users save money and resources on grid connections, maintenance, and monitoring. In short, it is a product that touches upon all aspects of the triple bottom line approach. We look forward to seeing its effect in the marketplace in 2017.

The work is not over yet. While we are pleased to see improvements in key areas of our CSR Report, there is more to be done in others. The response to this report from our shareholders and the community has been very positive, and we thank you for following our progress. We are ready to build upon our success in 2017 and further integrate our triple bottom line approach into our circle of influence. We encourage your feedback as we move toward our goals.

Mr. John Simmons
Chief Executive Officer
April 21, 2017



Our Triple Bottom Line Strategy

Carmanah designs, develops, and distributes renewable and energy-efficient technologies, with installations in over 110 countries worldwide. The positive environmental impacts of Carmanah's products include a reduction in greenhouse gas (GHG) emissions and a decrease in electrical grid reliance.

Since our beginnings in 1996, Carmanah has always been involved in sustainable initiatives. But that was not enough for us. In our 2015 Annual Report, we were proud to announce and report on our corporate triple bottom line commitments.

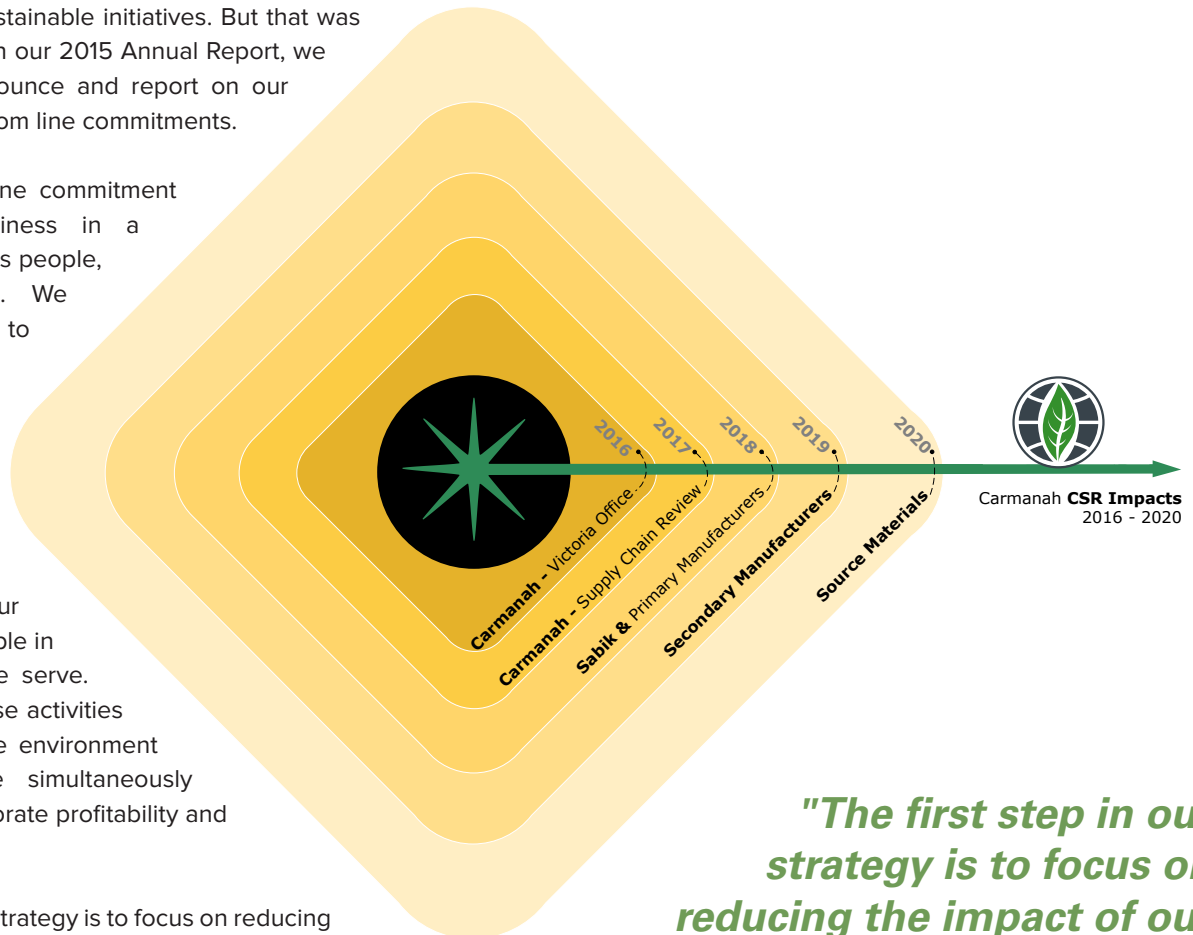
Our triple bottom line commitment means doing business in a manner that supports people, planet, and profit. We are committed to minimizing the environmental impact of our operations and supporting the health, well-being, and education of our people and the people in the communities we serve. We believe that these activities will benefit both the environment and society, while simultaneously enhancing our corporate profitability and value.

The first step in our strategy is to focus on reducing the impact of our Victoria, Canada, headquarters, as strong leadership in these initiatives must start at the core of the company. Leadership at our corporate headquarters is a precursor for engaging our other offices, and setting up our manufacturers and suppliers to comply with our future sustainable practices.

We realize that outside of the four walls surrounding our headquarters is where upwards of 80% of our impact occurs.

Therefore, we have outlined our overall "circle of influence" as an action plan to reach all layers over the next 5–10 years.

Our goals are in place to work from the centre of the circle of influence out to the very outer ring—the source materials (raw components) of our products—and develop initiatives throughout this journey.



"The first step in our strategy is to focus on reducing the impact of our headquarters, a precursor for engaging our other offices, and setting up our manufacturers and suppliers to comply with our future sustainable practices."



About this Report

We are pleased to share our second annual Corporate Social Responsibility (CSR) report, which summarizes our triple bottom line performance for our 2016 fiscal year. While the information in this report is limited to our Victoria, Canada, office, in future years we hope to also report on our subsidiary offices, manufacturing, and supply chain.

The “Planet” category in this report includes environmental metrics for Scope 1, 2, and 3 Greenhouse Gas (GHG) emissions from our headquarters in Victoria, Canada. In relation to headquarters operations, we identified areas in which we have excelled and will discuss areas in which we have work to do. Our performance indicators in the “People” category include current internal initiatives and external recognition. A successful triple bottom line company does not neglect its financial performance, and as such we have included a high-level summary of the financials from our 2016 Annual Report.

Going forward, our objective is to continue reporting on our sustainability metrics every year in accordance with the criteria outlined by the GRI G4 Reporting Guidelines. Our next CSR report can be expected in Q2 of 2018.

Our financial information is audited by an independent, registered public accounting firm. Our greenhouse gas emission reporting has been compiled by Synergy Enterprises and is aligned with the reporting guidelines defined in *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition*. Emission factors have been reviewed and approved annually by carbon management provider Offsetters.

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DISCLAIMER

This document may contain forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “expects,” “plans,” “estimates,” “intends,” “believes,” “could,” “might,” “will” or variations of such words and phrases. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Carmanah to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These statements are based on management’s current expectations and beliefs and are subject to a number of risks and uncertainties. Examples of forward-looking information in this release include, but are not limited to, statements with respect to future revenue growth. For additional information on these risks and uncertainties, see Carmanah’s most recently filed Annual Information Form (AIF) and Annual Management Discussion and Analysis (MD&A), which are available on SEDAR at www.sedar.com and on the company’s website at www.carmanah.com. The risk factors identified in Carmanah’s AIF and MD&A are not intended to represent a complete list of factors that could affect Carmanah. Accordingly, readers should not place undue reliance on forward-looking statements. Carmanah does not assume any obligation to update the forward-looking information contained in this document.



Carmanah at a Glance

Publicly Traded	TSX:CMH
Year Founded	1996
Corporate Headquarters	Victoria, Canada
Office Locations	Porvoo, Finland Schwerin, Germany Singapore
Brands	Go Power! Sol, Inc. Sabik Marine Sabik Offshore
Businesses	Signals: <ul style="list-style-type: none"> • Airfield Ground Lighting • Aviation Obstruction • Marine • Offshore Wind • Telematics • Traffic Illumination: <ul style="list-style-type: none"> • Illumination Power*: <ul style="list-style-type: none"> • On-Grid • Off-Grid <p><small>*As these are now considered discontinued operations, the Power division's financial and tCO₂e contributions are not included in this report.</small></p>
Employees	Approximately 136 globally
2016 Revenue	Approximately \$48 million USD
Carbon Reporting Period	January 1, 2016 - December 31, 2016
Inventory Boundary	Scope 1 (Direct emissions): Natural gas Scope 2 (Indirect emissions from purchased electricity): Electricity Scope 3 (Indirect emissions from other sources): Water, waste, paper, travel, shipping, service calls, staff commuting
Sustainability Counsellant	Synergy Enterprises
Reporting Guidelines	Aligned with those defined in <i>The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition</i> (The GHG Protocol). Emissions factors reviewed and approved by Offsetters.
Contact	csr@carmanah.com 250-380-0052



Our Business

We manage our continuing business within two segments: Signals and Illumination. **Each of our segments either produces clean energy or utilizes energy-efficient technology through solar or LEDs.** Our products focus on moving customers from grid infrastructure and fossil fuel reliant technologies to LED and solar solutions. Additionally, these products provide infrastructure solutions where traditional power is unavailable or unreliable.

Signals

Airfield Ground Lighting



Focus: Solving airfield lighting challenges for clients in off-grid or weak-grid locations.

Sustainability highlights: Increased opportunities and improved safety in demanding environments around the globe.

Aviation Obstruction



Focus: Providing practical, cost-effective solutions for ground hazard marking, tower lighting, way-finding, wind-tower marking, equipment marking, and more.

Sustainability highlights: Reduced the need for maintenance and site visits due to our products' built-in monitoring systems.

Offshore Wind



Focus: Providing marine aids-to-navigation solutions for offshore wind farms, both temporary (construction phase) and permanent.

Sustainability highlights: In 14 years of operation, Sabik Offshore has marked over 800 offshore wind structures, each on average generating more than 6 million kWh electricity for 1,500 average homes.

Marine



Focus: Supplying Coast Guards, marine authorities, navies, and ports around the globe.

Sustainability highlights: Used thoughtful design to reduce the environmental impact of the 600 series Marine Lantern without compromising performance or customer expectations; for example, customers could extend the product's life by replacing components rather than complete units.

Traffic



Focus: Installing solar flashing beacons, including pedestrian crosswalk signals, school zone flashers, and 24-hour roadway beacons, across North America.

Sustainability highlights: Used advocacy programs to donate systems to local communities and universities to promote pedestrian safety.

Telematics



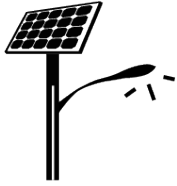
Focus: Offering remote asset tracking and data capture/transmission powered by solar for new or retrofit devices.

Sustainability highlights: Established this new business segment that will allow for remote monitoring for just about any application that requires it, making both the item and its monitoring more sustainable.



Illumination

Illumination



Focus: Providing street and roadway, pathway and park, parking lot, perimeter and security, and general area LED lighting.

Sustainability highlights: Installed thousands of solar lighting systems in communities where access to electrical power is either unreliable or non-existent. Further, the development of connected lighting featuring monitoring via satellite and GPS technology is set to make an impact in 2017, along with the division's new website.





Planet

2016 HIGHLIGHTS

- Completed greenhouse gas (GHG) emission analysis for 2016 fiscal year.
- **15.16% overall reduction of annual GHG emissions.**
- **48% reduction of stationery product consumption due to increased awareness of office printing habits.**
- 99% of office waste diverted from landfill.
- Installation of new and improved office recycling station.
- Technology Excellence Award at the 2016 Vancouver Island EcoStar Awards.
- 28.3% of staff commuting by low-emissions transportation methods (e.g., bike, bus, walk, etc.).
- Twice as many Carmanah employees biked to work in 2016!
- 33% travel decrease in 2016: 108 fewer flights, which led to reduction of 55.2 tons of GHG emissions.
- Product development focused on increased energy efficiency.
- Introduced product disposal and recycling instructions for new products.



PERFORMANCE IN REVIEW

In early 2015, we embarked on a journey to track and reduce the carbon emissions generated by our Victoria headquarters. We found we are doing well in some areas, including waste diversion and heating efficiency; however, travel and shipping are significant emission sources. This carbon reporting is now part of our internal key performance indicators (KPI) reporting on a quarterly basis. This is important to us, as we see this as the first step in expanding our triple bottom line circle of influence. We are pleased to see the reductions in our carbon emissions continue as our awareness increases, notably in stationery and travel emission reductions.

DISCONTINUED OPERATIONS

On October 11, 2016, we announced our intention to divest the Power business segment, which is composed of our Off-Grid (or Go Power! business) and On-Grid (or Solar EPC business) verticals. The divestiture of the On-Grid business was completed on April 3, 2017 (see press release for more details).

When the operations is classified as a discontinued operation, the carbon calculation is re-presented as if the operation had been discontinued from the start of the comparative year. This recalculation has been completed with the following major assumptions:

- Go Power! employee travel emissions removed from Scope 3 calculation.
- Go Power!-related shipping costs removed from Scope 3 calculation.
- Commuting data reduced by the average output of 13 employees. Commuting data is anonymous and therefore could only be reduced based on averages.
- Changes for natural gas, electricity, water, waste, paper, and service calls were considered immaterial (under 5% of the total carbon footprint), and therefore not calculated.

When we removed Go Power! statistics from our last three years of operation, we saw the following overall reduction in carbon emissions:

Year	Reduction
2016	13%
2015	10%
2014	10%



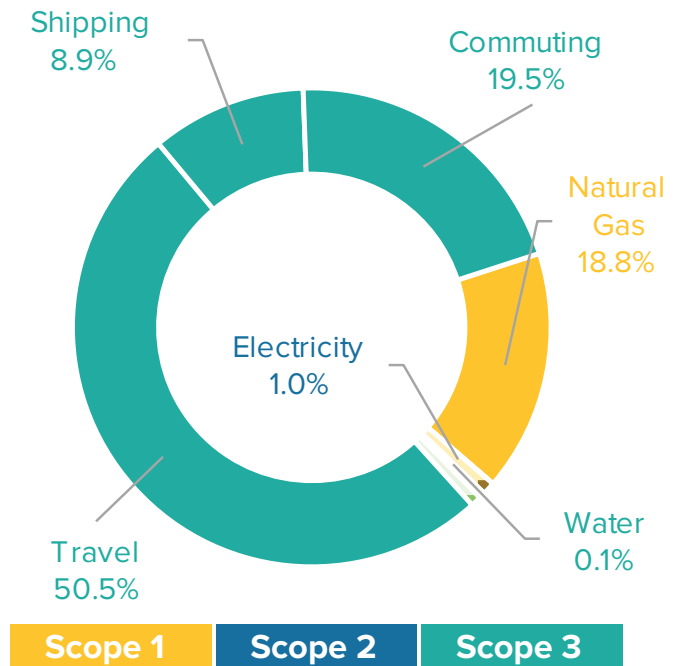
CARBON FOOTPRINT SUMMARY

Measuring our carbon footprint allows us to understand our greatest areas of impact and best opportunities for reduction. **Scope 3 activities drive 81.8% of emissions, with travel and staff commuting the two largest contributors to the overall carbon footprint.** Due to increased employee awareness, the stationary consumption, corporate travel, and commuting emissions in our Headquarters have been reduced from 2015 levels.

ANNUAL EMISSIONS (tCO₂e) – VICTORIA HQ

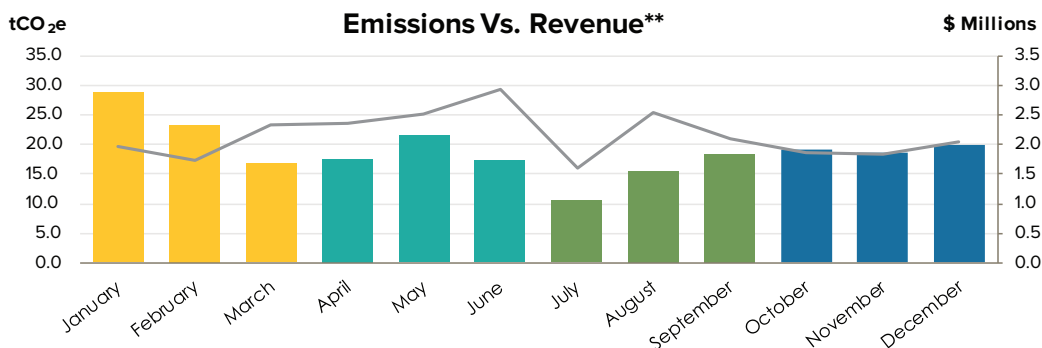
Our total emissions in 2016 were 40.5 tons less than our total emissions in 2015, which is equivalent to taking 11.5 cars off the road for a full year.* Reductions have occurred mostly in Scope 3 emissions—travel and commuting. The emission reduction per full-time employee (FTE) at Carmanah was 1.08 tCO₂e.

*Emissions for one car on the road for a year is calculated by pairing the average yearly driving distance in British Columbia (~15,000 km) with an average vehicle fuel efficiency (10.3 L/100 km), then converting the total fuel used to GHG emissions.



	Total Emissions (tCO ₂ e)	Total Emissions per FTE	Total Emissions per Million Revenue
2014	235.8	4.53	14.04
2015	267.2	4.86	13.59
2016	226.7	3.78	8.79

2016 Monthly Carbon Footprint

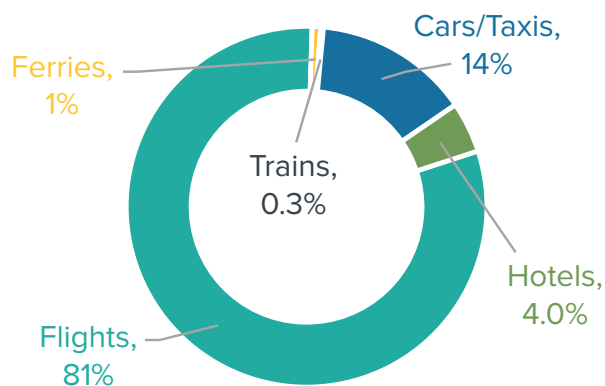


**Only includes revenue attributable to operations based out of Victoria Head Office.



TRAVEL

Emissions from business travel decreased by 33% in 2016 due to reduced air travel. In total, 108 fewer flights were taken, which led to a reduction of 55.2 tCO₂e. With customers, last mile partners, and CMH business operations spread globally, travelling is an imperative part of doing business. Tracking our travel data and correlated tCO₂ emissions helps us to ask the tough questions: do we really need to travel, or could teleconferencing be sufficient? We will continue to examine strategic methods of reducing corporate travel when possible.

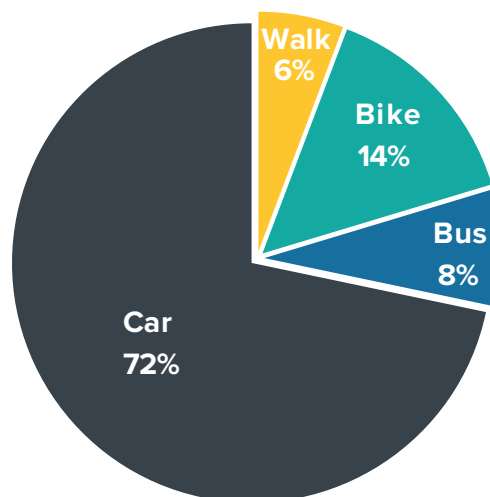


	# of trips	km traveled	tCO ₂ e
Flights	458	883,832	92.9
Cars/Taxis	640	64,927	15.9
Ferries	124	6,131	0.9
Trains	34	2,398	0.3
Hotels	367 Nights		4.6

COMMUTING

Currently, 28.3% of employees commute through low-emission transportation, such as biking, walking, or public transportation. This percentage increased since 2015 by 1.3%. One very positive transportation change was a doubling of the number of staff who biked to work. In 2016, Carmanah installed a new bike storage facility and participated in Bike to Work Week. It is great for us to see that these efforts have led to continued changes in commuting patterns.

Carmanah's commuting-related emissions are 51.8 tCO₂ per year, which is equal to the emissions from 14 cars on the road in one year. We will continue to promote low-emission transportation with the hopes of further reducing commuting-related emissions in 2017.





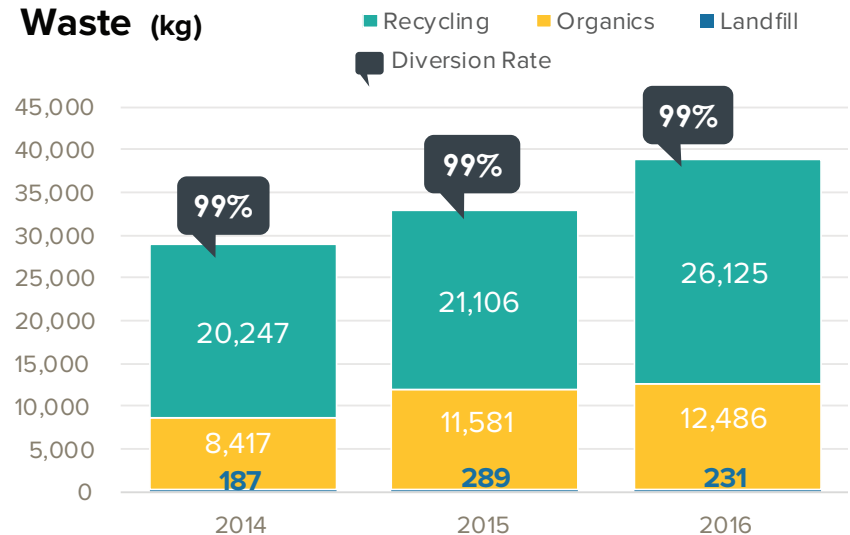
SHIPPING

Our shipping emissions have increased by **20% (7.6 tCO₂e)** since 2015, with much of growth in the number of packages shipped by air. In late 2016, we started to look into potential ways to decrease these emissions without impacting day-to-day business. **Shipping accounts for a total of 8.9% of our overall carbon footprint.**

WASTE

In 2016, we upgraded our recycling stations at HQ to make them simpler to use and more visually appealing. Our recycling station is something that we at Carmanah are very proud of, and we hope that the education about recycling that is provided at work will trickle into our employees' home lives. In 2016, we had a waste diversion rate of 99.4%, with all organics, paper, glass, metals, plastics, cups, and drink containers recycled through our multi-stream recycling system. For a company our size, we are extremely proud of how insignificant the emissions related to our waste are!

Waste (kg)



kg /
Day

106

tCO₂e

0.1



99.4%
Diversion Rate

OUR RECYCLING STATION





REDUCING THE ENVIRONMENTAL IMPACT OF PRINT MARKETING

At the end of 2015, Carmanah reviewed our print marketing process and determined we could make environmental improvements. Our off-grid division, better known as Go Power!, provides its external dealer network with a significant amount of printed marketing collateral—so reducing the impact of this printing is a big win for the environment.

After some deliberation, we determined that our first step should be changing the ink used in our printing. We are proud to say that all Carmanah, Sol, and Go Power! print marketing materials in 2016 were printed using eco-solvent, pigment, or dye-based printing methods. The switch from conventional petroleum-based inks not only has a valuable impact on the environment, but also on human health, as many of these inks contain heavy metallic substances such as cadmium, lead, and mercury. Eco-solvent-based products are also easier to recycle—a win-win in our books.

We will continue with these new printing habits in 2017 and hope to make further marketing-related advancements in the coming years.

Did you know?

We also use post-consumer recycled paper for all print marketing materials.

LOOKING FORWARD

Tracking our Victoria office's carbon emissions was the first step in getting our house in order, and has inspired a stronger commitment internally towards greening our circle of influence. **Over the last year, we have already seen internal behaviour changes, which are reflected in the lower overall emissions.** Over the next few years we will see this commitment to sustainability reverberate to our subsidiary offices, distribution, customers, and value chain. We look forward to continuing this journey.





People

AWARDS

- **2016 VIATEC Employer of the Year award.**
VIATEC (Victoria Innovation, Advanced Technology & Entrepreneurship Council) awarded Carmanah the Employer of the Year, based on a nomination, staff survey, and observation of work environment. This is an award we are more than honoured to accept.

"These are the companies who never forget to pause and take the time to think about their staff and provide a positive work environment. This award is based on a company survey of staff and is the tech company most respected and appreciated by their staff."



- Outstanding VIATEC Food Bank Challenge participation. All funds are donated to the local Mustard Seed food bank and charity.
 - Greatest Overall Contributor – November 2016



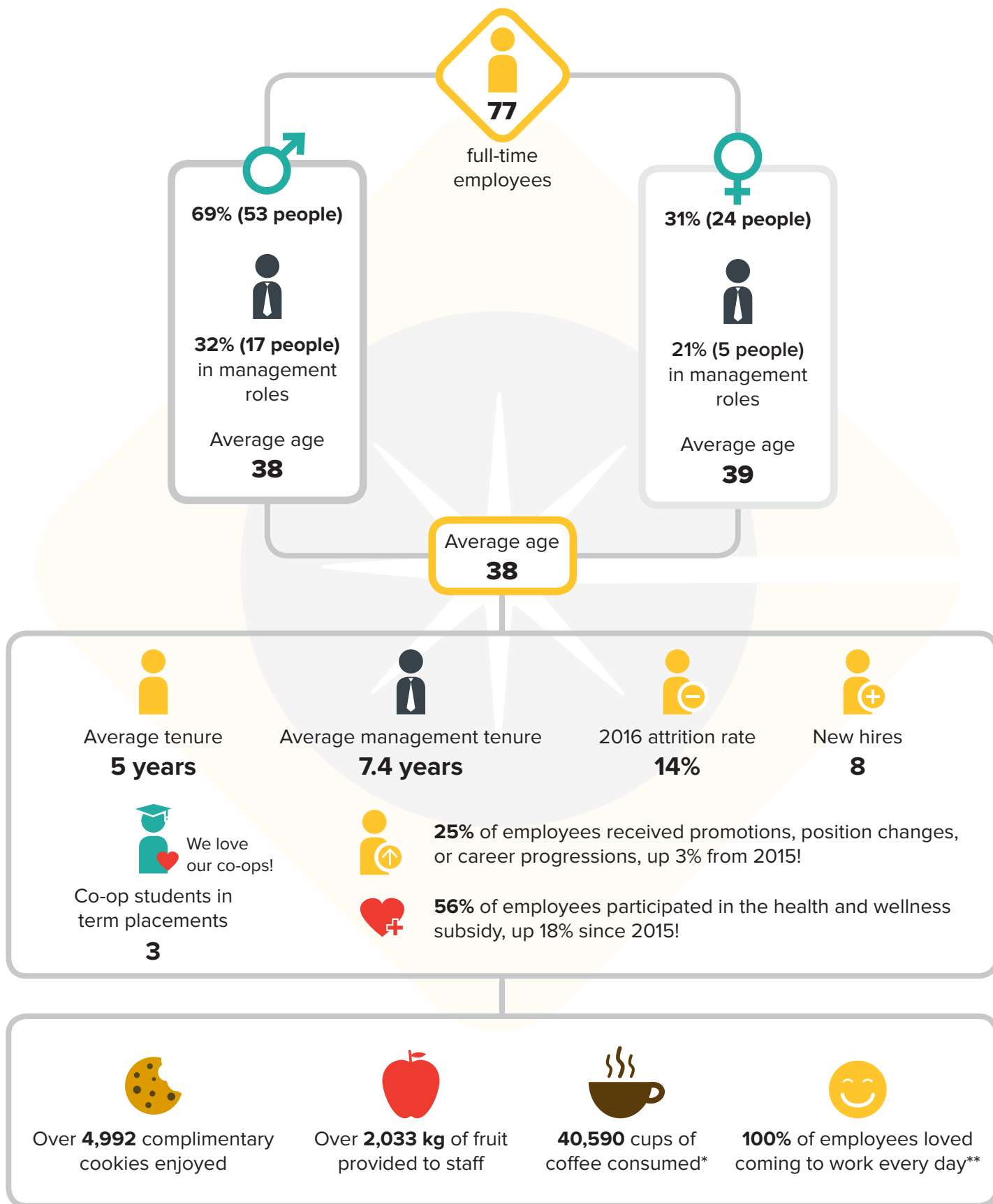
INITIATIVES

- Corporate donation matching programs exist for most fundraising initiatives.
- **Over \$31,000 donated to charity organizations in 2016!**
- Retirement of Carmanah University: pictured right, Professor Paul and Professor James are thanked for their commitment and dedication to the program from 2014–2016. Stay tuned for 2017 internal learning initiatives.
- Camosun award: In 2016, Carmanah introduced the Carmanah Technologies Electronics and Computer Engineering Technology First Year Award. The award goes to a full-time, first-year student in the department of Electronics and Computer Engineering who has a high academic standing, demonstrates an aptitude for a career as an Engineering Technologist, and is supportive of his or her peers.
- Science Fair award: In 2016, Carmanah introduced the Carmanah Technologies Clean Technology Award at the 2016 Vancouver Island Regional Science Fair. This award is presented to an intermediate or senior exhibitor whose project is related to clean technology and shows a passion for renewable technology.





VICTORIA HQ



*From internal coffee machine. **Percentage varies on Mondays.



PERFORMANCE IN REVIEW

At Carmanah, we all embrace five core values:

CUSTOMERS

We value and listen to our customers to deliver them a positive experience.

ACCOUNTABILITY

We uphold high standards and are dedicated to fulfilling our commitments.

PERFORMANCE

We are huge believers in people and their ability to come together and go beyond.

SIMPLICITY

We focus on what is relevant, practical, and valued. We take decisive action.

FUN

We are passionate and love what we do. Fun is mandatory!

CULTURE

At Carmanah, we are passionate about what we do and making a difference in the world. We believe in transparency and an open and forthright culture, with integrity at all levels of the organization.

SOCIAL EVENTS AND COMMUNITY

Our Social Committee organizes a number of fun activities that bring the team together. Events include rooftop volleyball, bowling, BBQs, pancake breakfasts, Halloween extravaganza, a Christmas party, and many more. Carmanah supports a number of community fundraising events, including Bike to Work Week, VIATEC Food Bank Challenge, charity drives, and others.

EQUAL EMPLOYMENT OPPORTUNITY

We believe that all should be provided the opportunity to work in a supportive and equitable environment. It is the policy of Carmanah that employment shall be based on merit, qualifications, and competence.

HEALTH AND SAFETY

Carmanah and all its subsidiaries are committed to ensuring the health, safety, and welfare of all their employees, contractors, customers, and visitors to their sites. It is also committed to maintaining pollution-free operating practices and complying with any relevant standards and guidelines.

GROWTH AND OPPORTUNITY

At Carmanah, we cultivate career growth and advancement opportunities for our employees. With a strong focus on continual learning and mentorship, our dynamic work environment promotes engagement in all areas of the organization.





AWARDS AND RECOGNITION

Carmanah has received numerous awards and recognitions over the years for its business and organizational achievements. We thank our amazing employees for these accolades; we always acknowledge and reward exceptional work.

Below are a few awards Carmanah has received over the last few years:

- **VIATEC Employer of the Year (2016)**
- **Deloitte Fast 500 Technology List – Ranked 415 (2016)**
- **Greatest Overall Contributor – VIATEC Food Bank Challenge (Nov 2016)**
- **University of Victoria Co-Op Employer of the Year (2015)**
- ACE Industry Partner of the Year (2015)
- Technology Excellence – Vancouver Island Eco Star Awards (2015)
- Greenest Office – Vancouver Island Eco Star Awards (2015)
- Greatest Overall Contributor – VIATEC Food Bank Challenge (Nov 2015)
- Greatest Per Employee Contributor – VIATEC Food Bank Challenge (Nov 2015)
- Greatest Overall Contributor (Second Place) – VIATEC Food Bank Challenge (Feb 2015)
- Supplier Partnership Award (2014)
- Supplier Partnership Award (2013)
- Environmental Excellence Award (2011)





Profit

As a publicly traded company, we have a high level of commitment to all of our stakeholders, including those who hold shares in our stock (TSX:CMH).

Importantly, we are proving that a commitment to our people and the community in which we live—as well as a commitment to reducing impacts on the planet—is entirely consistent and supportive of improving profitability. Below are some highlights of our 2016 fiscal year.

All figures below, unless otherwise stated, are for Carmanah's continuing operations and exclude the operating results from the Company's Power business segment. The planned disposal was announced in a press release dated October 11, 2016.

FISCAL 2016 REVENUES AND PROFITABILITY

Revenues for the year were USD \$47.7 million, up 11% over 2015 revenues of USD \$43.1 million. The overall increase for the yearly revenues was primarily due to the inclusion of a full year of the Sabik group of companies in 2016, while 2015 only included the final two quarters.

Net income for the year was USD \$2.9 million, down from USD \$9.7 million in fiscal 2015. This decrease is mainly due to the recognition in 2015 of investment tax credits and deferred income tax assets which were previously unrecognized. Management relies on Adjusted EBITDA¹ (a non-IFRS measure) to gauge financial performance. Adjusted EBITDA for the year was USD \$7.0 million or 15% of revenue, which is up from USD \$6.3 million, or 15% of revenue in the same period in 2015.

"2016 was pivotal for Carmanah. During the year, we decided to focus on our Signals and Illuminations businesses and began the process of divesting our Power businesses," says John Simmons, Chief Executive Officer. "Despite these distractions, and lower-than-expected 4th quarter revenues, our Adjusted EBITDA for the year exceeded 15% of revenue and we generated over USD \$7.0 million in cash. We ended the year with nearly USD \$22 million in cash which should become significantly larger as we complete the divestitures of our Power businesses. We are now focused and have ample resources to pursue organic growth and strategic acquisitions."

¹ NON-GAAP FINANCIAL MEASURES: EBITDA and Adjusted EBITDA. This news release presents information about EBITDA and Adjusted EBITDA, both of which are non-IFRS financial measures, to provide supplementary information about 2016 operating performance. Carmanah defines EBITDA as net income or loss before interest, income taxes, amortization, and non-cash stock based compensation. Adjusted EBITDA removes unusual or non-operating items from EBITDA, such as merger and acquisition costs, restructuring charges, asset writeoffs, and foreign exchange gains and losses. Carmanah uses these non-IFRS measures internally to make strategic decisions, forecast future results, and evaluate its performance. EBITDA and Adjusted EBITDA are not intended as a substitute for IFRS measures. A limitation of utilizing these non-IFRS measures is that the IFRS accounting effects of the non-recurring items do in fact reflect the underlying financial results of Carmanah's business and these effects should not be ignored in evaluating and analyzing Carmanah's financial results. Therefore, management believes that Carmanah's IFRS measures of net loss and the same respective non-IFRS measure should be considered together. Non-IFRS measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Readers should refer to the "Definitions and Reconciliations" section of the Company's most recently filed MD&A for the four and twelve months period ended December 31, 2016, for a more detailed discussion of these measures and their calculation.



Highlights for the year are provided below:

(US\$ thousands)	Year ended December 31	
	2016	2015
Revenue	47,742	43,090
Gross margin %	43.0%	41.2%
Core operating expenditures	(16,531)	(15,168)
Net income	2,917	9,694
Adjusted EBITDA*	7,020	6,308

*Adjusted EBITDA is a Non-IFRS measure.

FINANCIAL CONDITION AT DECEMBER 31, 2016, COMPARED TO DECEMBER 31, 2015

- Cash and cash equivalents of USD \$21.9 million, up USD \$7.0 million from USD \$14.9 million
- Working capital was USD \$21.6 million, down USD \$6.7 million from USD \$28.3 million. The decrease is due to the net assets of the Power segment being classified as Assets held for sale.

FINANCIAL STATEMENTS AND MANAGEMENT DISCUSSION & ANALYSIS

Financial Statements and Management's Discussion & Analysis are available on Carmanah's corporate website. To view these documents, visit: www.carmanah.com/Company/Investors/Financial_Reports.aspx. Both documents are also filed on SEDAR (www.sedar.com). The financial information included in this release is qualified in its entirety and should be read together with the audited consolidated financial statements for the year ended December 31, 2016, including the notes thereto.

