



Financial Statements

Quickmill Inc.

March 31, 2020

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Independent Auditor's Report

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To the Directors of
Quickmill Inc.

Qualified opinion

We have audited the financial statements of Quickmill Inc. (the "Company"), which comprise the balance sheet as at March 31, 2020, and the statements of income and retained earnings and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Basis for qualified opinion

As described in Note 2 to the financial statements, in a previous business combination, the Company measured and recorded only previously recognized assets and liabilities at their previous carrying amount and all excess of the purchase price was solely recognized as goodwill. This constitutes a departure from Canadian accounting standards for private enterprises. The impact of this departure from Canadian standards for private enterprises has not been determined and therefore, we were not able to determine whether any adjustments might be necessary to net income for the year ending March 31, 2020 or to goodwill, intangibles or retained earnings as at March 31, 2020. Our audit opinion on the financial statements for the year ended March 31, 2019 was modified because of the effects of this departure from Canadian accounting standards for private enterprises.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Independent Auditor's Report (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Peterborough, Canada
June 29, 2020

Chartered Professional Accountants
Licensed Public Accountants

Quickmill Inc.**Statements of Income and Retained Earnings**

Years ended March 31

2020**2019**

Sales		
Machines	\$ 6,396,568	\$ 5,620,626
Parts	1,299,252	1,319,232
Service	806,786	736,423
Tooling	228,340	107,025
Retrofit	-	651,243
	<u>8,730,946</u>	<u>8,434,549</u>
Cost of sales	<u>6,869,306</u>	<u>6,075,766</u>
Gross profit	<u>1,861,640</u>	<u>2,358,783</u>
Expenses		
General and administrative	606,388	598,544
Selling	587,752	563,432
Bad debts (Note 4)	136,773	-
Interest	24,107	37,687
Amortization of equipment and leasehold improvements	90,271	88,306
Amortization of intangible assets	83,168	100,380
	<u>1,528,459</u>	<u>1,388,349</u>
Income before income taxes (recovery)	<u>333,181</u>	<u>970,434</u>
Income taxes (recovery)		
Current	116,077	143,508
Future	(16,300)	(8,400)
	<u>99,777</u>	<u>135,108</u>
Net income	<u>\$ 233,404</u>	<u>\$ 835,326</u>
<hr/>		
Retained earnings, beginning of year	\$ 3,856,174	\$ 3,126,111
Net income	233,404	835,326
Dividends paid	<u>(73,684)</u>	<u>(105,263)</u>
Retained earnings, end of year	<u>\$ 4,015,894</u>	<u>\$ 3,856,174</u>

Quickmill Inc.

Balance Sheet

March 31

2020

2019

Assets

Current

Cash	\$ 1,124,356	\$ 558,848
Accounts receivable (Notes 3 and 4)	1,497,098	1,437,696
Inventory (Note 5)	2,208,331	2,001,618
Prepaid expenses	372,641	44,923
Investment tax credits receivable (Note 6)	16,539	85,208
Financing facility deposit	81,302	83,462

5,300,267 4,211,755

Long-term

Equipment and leasehold improvements (Note 7)	315,985	318,708
Intangible assets (Note 8)	69,419	151,320
Future income taxes	3,300	-
Goodwill	4,580,498	4,580,498

4,969,202 5,050,526

\$ 10,269,469 \$ 9,262,281

Liabilities

Current

Demand loan (Note 9)	\$ -	\$ 887,881
Accounts payable and accrued liabilities	1,821,966	783,998
Warranties payable	76,613	68,093
Customer deposits	768,999	93,541
Income taxes payable	47,408	7,005
Due to related party (Note 4)	456,000	470,000

3,170,986 2,310,518

Long-term

Future tax liability	-	13,000
Preference shares (Note 10)	2,882,489	2,882,489

2,882,489 2,895,489

6,053,475 5,206,007

Shareholder's equity

Share capital (Note 11)	200,100	200,100
Retained earnings	4,015,894	3,856,174

4,215,994 4,056,274

\$ 10,269,469 \$ 9,262,281

Quickmill Inc.

Statement of Cash Flows

Years ended March 31

2020

2019

Increase (decrease) in cash

Operating

Net income	\$	233,404	\$	835,326
Items not affecting cash				
Amortization of equipment and leasehold improvements		90,271		88,306
Amortization of intangible assets		83,168		100,380
Future income taxes		(16,300)		(8,400)
		<u>390,543</u>		<u>1,015,612</u>
Change in non-cash working capital items				
Accounts receivable		(59,402)		(721,589)
Inventory		(206,713)		247,607
Prepaid expenses		(327,718)		40,475
Investment tax credit receivable		68,669		60,903
Financing facility deposit		2,160		2,074
Accounts payable and accrued liabilities		1,037,968		55,651
Warranties payable		8,520		(2,694)
Customer deposits		675,458		(327,999)
Income taxes		40,403		7,005
		<u>1,629,888</u>		<u>377,045</u>

Financing

Demand loan advances		-		486,391
Due to related party		(14,000)		-
Repayment of demand loan		(887,881)		-
Dividends paid		(73,684)		(105,263)
		<u>(975,565)</u>		<u>381,128</u>

Investing

Purchase of equipment		(87,548)		(49,303)
Purchase of trademarks		(1,267)		(708)
Development costs incurred		-		(198,847)
		<u>(88,815)</u>		<u>(248,858)</u>

Increase in cash

565,508

509,315

Cash

Beginning of year		<u>558,848</u>		<u>49,533</u>
End of year	\$	<u>1,124,356</u>	\$	<u>558,848</u>

Quickmill Inc.

Notes to the Financial Statements

March 31, 2020

1. Nature of operations

Quickmill Inc. ("the Company") is a manufacturer of CNC gantry and bridge type machining centres.

2. Summary of significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for private enterprises. The significant accounting policies are detailed as follows:

Revenue recognition

Revenue from parts, service, retrofit and tooling sales is recognized when persuasive evidence of an arrangement exists, the products have been delivered to the customer or the services have been rendered and there are no significant obligations remaining, the price is fixed or determinable, and collectability is reasonably assured. Revenue recognition usually occurs when the product is delivered FOB or service is complete.

Revenue from the sale of gantry milling machines is recognized using the percentage of completion method, as performance of each individual obligation within the contract is completed. Revenue is measured by the proportion of costs incurred to date as a percentage of estimated total costs. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined.

The Company estimates warranty obligations based on historical experience and makes a provision at the time the revenue is recognized.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method. The cost of work in progress and finished goods includes the cost of raw materials, direct labour and applicable overhead expenses.

Investment tax credits

Investment tax credits are accounted for using the cost reduction approach whereby the investment tax credits are credited to the related development costs. Investment tax credits are recorded when the qualifying expenditures have been made and there is reasonable assurance that the credits will be realized.

Research and development costs

Expenditure during the research phase of a project is recognized as an expense when incurred. Development costs are capitalized provided their technical feasibility studies clearly demonstrate that the project will be duly completed, deliver future economic benefits and these benefits can be measured reliably. The Company currently does not have any assets under development.

Quickmill Inc.

Notes to the Financial Statements

March 31, 2020

2. Summary of significant accounting policies (continued)

Equipment and leasehold improvements

Equipment and leasehold improvements are recorded at acquisition cost less accumulated amortization and impairment. Amortization is calculated on a declining balance basis using the following rates:

Furniture and fixtures	20%
Leasehold improvements	50%
Computer equipment	30%
Computer software	100%
Machinery and equipment	20%

Intangible assets

The Company's prototype designs are amortized on a straight line basis over 3 years.

Trademarks are amortized on a straight line basis over 5 years.

Impairment of long-lived assets

The Company tests long-lived assets for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

Goodwill

Goodwill consists of proprietary rights to the Company's products, manufacturing processes, customer contracts and related customer relationships. Goodwill was recorded on April 12, 2007 when the shares of the former Quickmill Inc. were acquired by Queen Project Holdings Inc. and the two companies were subsequently amalgamated.

Goodwill is carried at cost less accumulated impairment losses. Goodwill is tested for impairment whenever events or changes in circumstances indicate that the carrying amount of the reporting unit to which the goodwill is assigned may exceed the fair value of the reporting unit. When the carrying amount of a reporting unit, including goodwill, exceeds its fair value, a goodwill impairment loss is recognized in an amount equal to the excess. If the fair value of the reporting unit subsequently increases the goodwill impairment loss is not reversed.

Quickmill Inc.

Notes to the Financial Statements

March 31, 2020

2. Summary of significant accounting policies (continued)

Future income taxes

The Company has elected to apply the future income taxes method of accounting. Temporary differences arising from the difference between the tax basis of an asset or liability and its carrying value on the balance sheet are used to calculate future income tax liabilities or assets. Future income tax liabilities or assets are calculated using enacted or substantively enacted tax rates anticipated to apply in the periods that the temporary differences are expected to reverse. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs. To the extent that the Company does not consider it to be more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

Government assistance

Grants received to cover current period expenses are accounted for as a reduction of the related expenditures.

Defined contribution plan

The Company offers a defined contribution pension plan to employees. An expense is recorded in the period when the Company is obligated to make contributions for services rendered by the employee.

Foreign currency transactions

Foreign currency transactions are translated into Canadian dollars using the exchange rate prevailing at the date of the transaction. At each balance sheet date, monetary items denominated in a foreign currency are adjusted to reflect the exchange rate in effect at the balance sheet date and the related exchange gain or loss is recognized in net income as loss (gain) on foreign exchange.

Use of estimates

Many items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to net income as appropriate in the year they become known.

Items subject to significant management estimates include the allowance for doubtful accounts, raw materials reserve, useful life of equipment and leasehold improvements and intangible assets, percentage of completion pertaining to revenue recognition and the warranty provision.

Quickmill Inc.

Notes to the Financial Statements

March 31, 2020

2. Summary of significant accounting policies (continued)

Financial instruments

The Company considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Company accounts for the following as financial instruments:

- cash
- accounts receivables
- financing facility deposit
- accounts payable
- demand loan
- due to related party
- preference shares

A financial asset or liability is recognized when the Company becomes party to contractual provisions of the instrument.

Financial assets or liabilities obtained in arm's length transactions are initially measured at their fair value. In the case of a financial asset or liability not being subsequently measured at fair value, the initial fair value will be adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption.

The Company subsequently measures all of its financial assets and financial liabilities at amortized cost.

The Company removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net income.

3. Accounts receivable

	<u>2020</u>	<u>2019</u>
Unbilled contract revenue	\$ 434,438	\$ 838,616
Trade accounts receivable	917,606	256,178
Government remittances	64,764	17,164
Other receivables	<u>80,290</u>	<u>325,738</u>
	<u>\$ 1,497,098</u>	<u>\$ 1,437,696</u>

Quickmill Inc.

Notes to the Financial Statements

March 31, 2020

4. Related party transactions

(a) During the year, the Company entered into transactions with the following related parties:

Batliboi Ltd. - parent company
760 Rye Street Inc. - company under common control
Queen Projects (Mauritius) Ltd. - company under common control

(b) During the year, the Company paid rent to 760 Rye Street Inc. in the amount of \$151,137 (2019 - \$208,548). The Company has a year to year lease agreement with 760 Rye Street Inc. The Company also incurred expenses of \$63,054 (2019 - \$116,908) with Batliboi Ltd. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

(c) Due to related party

	<u>2020</u>	<u>2019</u>
760 Rye Street Inc.	<u>\$ 456,000</u>	<u>\$ 470,000</u>

The balance due to 760 Rye Street Inc. is non-interest bearing with no specific terms of repayment.

(d) Accounts receivable include amounts receivable from:

	<u>2020</u>	<u>2019</u>
Batliboi Ltd.	\$ -	\$ 145,190
Queen Projects (Mauritius) Ltd.	<u>80,000</u>	<u>70,000</u>
	<u>\$ 80,000</u>	<u>\$ 215,190</u>

These balances due from related parties are in the normal course of operations, unsecured, and bear interest at 6% with no specific terms of repayment. In fiscal 2020, the Company recorded a bad debt of \$136,773 related to the balance outstanding on Batliboi Ltd. from the prior year.

5. Inventory

Inventory is classified as follows:

	<u>2020</u>	<u>2019</u>
Raw materials	\$ 1,194,155	\$ 1,298,263
Raw materials reserve	(188,692)	(165,487)
Work in progress	1,202,868	126,885
Finished goods	<u>-</u>	<u>741,957</u>
	<u>\$ 2,208,331</u>	<u>\$ 2,001,618</u>

Quickmill Inc.

Notes to the Financial Statements

March 31, 2020

6. Investment tax credits receivable

As of March 31, 2020, the Company has recorded \$16,539 (2019 - \$85,208) in respect of tax credits for scientific research and experimental development (SR&ED) expenditures and the Ontario innovation tax credit.

7. Equipment and leasehold improvements

The major categories of equipment and leasehold improvements and accumulated amortization are as follows:

	<u>2020</u>		<u>2019</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Cost</u>	<u>Accumulated Amortization</u>
Furniture and fixtures	\$ 828,130	\$ 779,049	\$ 825,852	\$ 767,063
Leasehold improvements	110,324	110,324	110,324	110,103
Computer equipment	801,082	677,410	737,471	638,039
Computer software	466,832	451,813	445,173	445,173
Machinery and equipment	<u>1,353,509</u>	<u>1,225,296</u>	<u>1,353,509</u>	<u>1,193,243</u>
	<u>3,559,877</u>	<u>3,243,892</u>	<u>3,472,329</u>	<u>3,153,621</u>
Net book value	<u>\$ 315,985</u>		<u>\$ 318,708</u>	

8. Intangible assets

	<u>2020</u>		<u>2019</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Prototype designs	\$ 239,476	\$ 173,629	\$ 65,847	\$ 145,672
Trademarks	<u>18,688</u>	<u>15,116</u>	<u>3,572</u>	<u>5,648</u>
	<u>\$ 258,164</u>	<u>\$ 188,745</u>	<u>\$ 69,419</u>	<u>\$ 151,320</u>

Quickmill Inc.

Notes to the Financial Statements

March 31, 2020

9. Demand loan

The Company has available a revolving demand facility of up to \$1.5 million, of which \$nil has been drawn as at March 31, 2020. Advances on the loan bear interest at Royal Bank Prime (RBP) rate plus 2.24% and are due on demand. The loan is secured by a general security agreement constituting a first security interest in all property of the Company and a collateral mortgage in the amount of \$1.5 million on the land and improvements held by the related party, 760 Rye Street Inc. In addition, this loan requires postponement and subordination of claims by the Company's shareholder. As at March 31, 2020, the Company is in compliance with the financial covenants stipulated by the lender.

In the prior year, the Company held a bank loan to a maximum of \$1.69 million which bore interest at the Canadian Dollar Offered Rate rate plus 2.00%. The Company had drawn \$887,881 on this loan as at March 31, 2019, which was repaid in full in the current year.

10. Preferred shares

Authorized

Unlimited class A special shares, 4% non-cumulative dividend, redeemable at \$1 per share
Unlimited class B special shares, 4% non-cumulative dividend, redeemable at the stated capital divided by the number of shares

Issued

	<u>2020</u>	<u>2019</u>
568,489 Class A special shares	\$ 568,489	\$ 568,489
2,314,000 Class B special shares	<u>2,314,000</u>	<u>2,314,000</u>
	<u>\$ 2,882,489</u>	<u>\$ 2,882,489</u>

Quickmill Inc.

Notes to the Financial Statements

March 31, 2020

11. Share capital

Authorized

Unlimited common shares

Issued

	<u>2020</u>	<u>2019</u>
20,010 Common shares	<u>\$ 200,100</u>	<u>\$ 200,100</u>

12. Financial instruments risks

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments. Unless otherwise noted, there has been no change in risk exposure from the prior year.

(a) Foreign exchange risk

The Company is exposed to foreign exchange risk in United States dollars. Foreign exchange risk is the risk that the exchange rate that was in effect on the date that an obligation in a foreign currency was made to the Company by a customer, or that an obligation in a foreign currency was made to the Company to a supplier, is different at the time of settlement than it was at the time that the obligation was determined. The Company undertakes a significant amount of customer sales and vendor purchases denominated in U.S. dollars. Consequently, some of its assets, liabilities and expenses are exposed to foreign exchange fluctuations. This risk is reduced by managing the amount of U.S. denominated debt and payables versus the amount of U.S. denominated receivables. As at March 31, 2020, U.S. dollar accounts receivable amounted to \$1,175,113 (2019 - \$1,055,276) and U.S. dollar accounts payable amounted to \$233,046 (2019 - \$92,481).

(b) Credit risk

The Company has credit risk on its accounts receivable and amounts owing from related parties. Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Company reduces its exposure to credit risk from accounts receivable by obtaining scheduled deposits throughout the construction of the machines. Therefore, the resulting accounts receivable on shipment is usually a small portion of the total amount. Additionally, these sales are often secured by letters of credit, which also helps to mitigate associated credit risk.

(c) Liquidity risk

The Company has liquidity risk on its accounts payable and accrued liabilities. Liquidity risk is the risk that the Company cannot repay its obligations when they become due to its creditors. The Company reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due, maintains an adequate line of credit to repay trade creditors and repays long term debt interest and principal as they become due.

Quickmill Inc.

Notes to the Financial Statements

March 31, 2020

12. Financial instruments risks (continued)

(d) Interest rate risks

Interest rate risk is the risk that the fair value or future cash flows associated with the Company's financial instruments will fluctuate as a result of changes in interest rates. The Company has interest rate risk on its demand loan, which is variable based on the bank's prime rates. Changes in the bank's prime lending rate can cause fluctuations in interest payments and future cash flows associated with the demand loan.

13. Defined contribution plan

The pension expense for the year was \$57,180 (2019 - \$55,651).

14. Government assistance

During the year, the Company received \$31,214 (2019 - \$78,597) and recorded \$nil (2019 - \$25,689) as receivable in financial assistance from the Industrial Research Assistance Program (IRAP), for a total of \$31,214 (2019 - \$104,286) which was recorded as a reduction of wages. In addition, the Company received \$27,451 (2019 - \$nil) as financial assistance from the Northumberland Community Futures Development Corporation which was recorded as a reduction of wages. The maximum assistance received under the terms of the agreements are subject to the Company meeting specified targets.

15. Guarantee

The Company has provided a general security agreement in support of the borrowings of 760 Rye Street Inc. to the Royal Bank of Canada. The general security agreement is subject to the Royal Bank of Canada's first charge over all assets of the Company. The outstanding balance on 760 Rye Street Inc.'s borrowings from the Royal Bank of Canada amounted to \$1,174,019 at March 31, 2020. This agreement replaces the agreement discussed below with the Business Development Bank of Canada which had a balance of \$1,205,580 as of March 31, 2019.

During the year ended March 31, 2019, the Company provided a general security agreement in support of the borrowings of 760 Rye Street Inc. to the Business Development Bank of Canada. The general security agreement was subject to the ICICI Bank's first charge over all assets of the Company. This borrowing was extinguished as of March 31, 2020.

16. Comparative figures

Comparative figures have been adjusted to conform to changes in the current year presentation.

Quickmill Inc.
Notes to the Financial Statements

March 31, 2020

17. COVID-19 implications

Since December 31, 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses were forced to cease or limit operations for long periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The Company reflected the impact of events related to the COVID-19 pandemic which either occurred during the Company's fiscal period or were determined to be adjusting subsequent events. There were no non-adjusting subsequent events identified. The COVID-19 pandemic has resulted in delays in shipping and installations of machines due to the inability to perform work at customer sites during the pandemic. In addition, the Company's sales have the potential to decline in response to the slowing of the economy. It is not possible to reliably estimate the duration and severity of the consequences of COVID-19, as well as the impact on the financial position and results of the Company for future periods.
