Condensed Consolidated Interim Financial Statements and Notes

Condensed Consolidated Interim Balance Sheets

As at	Note*	**June 30, 2017**	December 31, 2016
(CDN 000s) (unaudited)		**($)**	($)
Assets			
Current			
Cash and cash equivalents	9	**166,520**	146,479
Trade and other receivables		**47,414**	50,721
Prepaid expenses		**3,473**	3,826
Income taxes recoverable		**7,101**	15,066
Assets held for sale	11	**—**	8,413
Total current assets		**224,508**	224,505
Non-current			
Property, plant and equipment		**134,220**	150,504
Intangible assets and goodwill		**39,655**	43,698
Deferred tax assets		**14,608**	16,544
Total non-current assets		**188,483**	210,746
Total assets		**412,991**	435,251
Liabilities and equity			
Current			
Trade payables and accruals		**22,889**	24,347
Stock-based compensation liability	6	**4,428**	1,516
Liabilities held for sale	11	**—**	223
Total current liabilities		**27,317**	26,086
Non-current			
Stock-based compensation liability	6	**3,829**	2,941
Onerous lease obligation		**2,697**	2,917
Deferred tax liabilities		**13,282**	16,656
Total non-current liabilities		**19,808**	22,514
Equity			
Share capital	6	**143,795**	139,730
Share-based benefits reserve		**23,679**	23,026
Foreign currency translation reserve		**58,705**	69,443
Retained earnings		**139,687**	154,452
Total equity		**365,866**	386,651
Total liabilities and equity		**412,991**	435,251

*The Notes are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Operations

		Three Months Ended June 30,		Six Months Ended June 30,	
	Note*	**2017**	2016	**2017**	2016
(CDN 000s, except per share data) (unaudited)		**($)**	($)	**($)**	($)
Revenue		**55,792**	27,173	**114,841**	72,986
Operating expenses					
Rental services		**24,099**	16,986	**45,582**	40,757
Local administration		**2,535**	1,946	**5,248**	4,275
Depreciation and amortization		**10,823**	13,578	**22,796**	29,940
		37,457	32,510	**73,626**	74,972
Operating profit (loss)		**18,335**	(5,337)	**41,215**	(1,986)
Other expenses					
Research and development		**6,261**	5,629	**12,138**	12,257
Corporate services		**3,536**	4,082	**7,604**	8,404
Stock-based compensation expense	6	**3,177**	2,238	**5,724**	3,200
Other (income) expense	8	**(1,689)**	761	**(250)**	9,877
		11,285	12,710	**25,216**	33,738
Income (loss) before income taxes		**7,050**	(18,047)	**15,999**	(35,724)
Income tax provision (recovery)		**155**	(6,728)	**1,951**	(13,545)
Net income (loss)		**6,895**	(11,319)	**14,048**	(22,179)
Income (loss) per share	7				
Basic		**0.08**	(0.13)	**0.17**	(0.26)
Diluted		**0.08**	(0.13)	**0.17**	(0.26)

*The Notes are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Other Comprehensive Income

		Three Months Ended June 30,		Six Months Ended June 30,	
		2017	2016	**2017**	2016
(CDN 000s) (unaudited)		**($)**	**($)**	**($)**	($)
Net income (loss)		**6,895**	(11,319)	**14,048**	(22,179)
Items that may be reclassified subsequently to net income:					
Foreign currency translation adjustment		**(9,733)**	262	**(11,328)**	(24,865)
Reclassification of foreign currency translation gain on disposition of 3PS assets	11	**—**	—	**590**	—
Other comprehensive (loss) gain		**(9,733)**	262	**(10,738)**	(24,865)
Total comprehensive (loss) income		**(2,838)**	(11,057)	**3,310**	(47,044)

*The Notes are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Changes in Equity

(CDN 000s) (unaudited)	Note*	Share Capital ($)	Share-Based Benefits Reserve ($)	Foreign Currency Translation Reserve ($)	Retained Earnings ($)	Total Equity ($)
Balance at January 1, 2016		128,067	23,367	85,603	252,411	489,448
Net loss		—	—	—	(22,179)	(22,179)
Dividends	6	—	—	—	(28,621)	(28,621)
Other comprehensive loss		—	—	(24,865)	—	(24,865)
Exercise of stock options	6	4,546	(1,424)	—	—	3,122
Expense related to vesting of options	6	—	1,417	—	—	1,417
Balance at June 30, 2016		132,613	23,360	60,738	201,611	418,322
Net loss		—	—	—	(18,442)	(18,442)
Dividends	6	—	—	—	(28,717)	(28,717)
Other comprehensive income		—	—	8,705	—	8,705
Exercise of stock options	6	5,867	(1,913)	—	—	3,954
Expense related to vesting of options	6	—	1,579	—	—	1,579
Shares issued pursuant to business acquisition		1,250	—	—	—	1,250
Balance at December 31, 2016		139,730	23,026	69,443	154,452	386,651
Net income		—	—	—	14,048	14,048
Dividends	6	—	—	—	(28,813)	(28,813)
Other comprehensive loss		—	—	(10,738)	—	(10,738)
Exercise of stock options	6	4,065	(985)	—	—	3,080
Expense related to vesting of options	6	—	1,638	—	—	1,638
Balance at June 30, 2017		**143,795**	**23,679**	**58,705**	**139,687**	**365,866**

*The Notes are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Cash Flows

		Three Months Ended June 30,		Six Months Ended June 30,	
	Note*	**2017**	2016	**2017**	2016
(CDN 000s) (unaudited)		**($)**	($)	**($)**	($)
Cash from (used in) operating activities					
Net income (loss)		**6,895**	(11,319)	**14,048**	(22,179)
Adjustment for non-cash items:					
Depreciation and amortization		**10,823**	13,578	**22,796**	29,940
Stock-based compensation	6	**3,177**	2,238	**5,724**	3,200
Non-cash restructuring costs		**—**	—	—	4,833
Deferred income taxes		**(1,052)**	(5,688)	**(1,941)**	(10,976)
Unrealized foreign exchange (gain) loss and other		**(1,048)**	217	**(758)**	(2,457)
Funds flow from (used in) operations		**18,795**	(974)	**39,869**	2,361
Movements in non-cash working capital items:					
Decrease in trade and other receivables		**3,659**	6,826	**1,816**	18,090
Decrease in prepaid expenses		**700**	868	**258**	1,004
Decrease (increase) in income taxes recoverable		**2,774**	(840)	**9,566**	(3,583)
(Decrease) increase in trade payables, accruals and stock-based compensation liability		**(780)**	(5,641)	**3,134**	461
Effects of exchange rate changes		**(522)**	3,212	**985**	2,306
Cash generated from operating activities		**24,626**	3,451	**55,628**	20,639
Income tax paid		**(425)**	(458)	**(1,596)**	(6,315)
Net cash from operating activities		**24,201**	2,993	**54,032**	14,324
Cash flows from (used in) financing activities					
Proceeds from issuance of common shares	6	**2,374**	2,512	**3,080**	3,122
Payment of dividends	6	**(14,419)**	(14,327)	**(28,813)**	(28,621)
Net cash used in financing activities		**(12,045)**	(11,815)	**(25,733)**	(25,499)
Cash flows (used in) from investing activities					
Additions to property, plant and equipment		**(4,439)**	(3,912)	**(5,280)**	(8,795)
Development costs		**(660)**	(1,017)	**(953)**	(2,714)
Proceeds on disposal of investment and property, plant and equipment		**11**	447	**14**	556
Acquisition	6	**—**	—	**(4,750)**	—
Proceeds on sale of net operating assets	11	**—**	—	**7,123**	—
Changes in non-cash working capital		**515**	(972)	**326**	(1,691)
Net cash from (used in) investing activities		**(4,573)**	(5,454)	**(3,520)**	(12,644)
Effect of exchange rate on cash and cash equivalents		**(4,409)**	165	**(4,738)**	(10,045)
Net increase (decrease) in cash and cash equivalents		**3,174**	(14,111)	**20,041**	(33,864)
Cash and cash equivalents, beginning of period		**163,346**	176,093	**146,479**	195,846
Cash and cash equivalents, end of period	9	**166,520**	161,982	**166,520**	161,982

*The Notes are an integral part of these condensed consolidated interim financial statements.

Notes to Condensed Consolidated Interim Financial Statements

($CDN 000s, except per share data) (unaudited)

1. Description of Business

Pason Systems Inc. (the "Company") is a leading global provider of instrumentation and data management systems for drilling rigs.

The Company headquarters are located at 6130 Third Street SE, Calgary, Alberta, Canada. The Company is a publicly traded company listed on the Toronto Stock Exchange under the symbol PSI. The condensed consolidated interim financial statements of the Company are comprised of the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”). The accompanying consolidated financial statements include the accounts of Pason Systems Inc. and its wholly owned subsidiaries.

2. Basis of Preparation

These unaudited condensed consolidated interim financial statements have been prepared in accordance with the requirements of International Accounting Standard ("IAS") 34, Interim Financial Reporting and include the accounts of Pason and its wholly owned subsidiaries. All significant inter-company balances and transactions including revenue and expenses have been eliminated. These unaudited condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Company as at and for the year ended December 31, 2016.

Critical accounting judgments and key sources of estimation uncertainty

The Company operates in multiple jurisdictions with complex legal and tax regulatory environments. In certain of these jurisdictions, the Company has taken income tax positions that management believes are supportable and are intended to withstand challenge by tax authorities. Some of these positions are inherently uncertain and include those relating to transfer pricing matters and the interpretation of income tax laws applied to complex transactions as the tax positions taken by the Company rely on the exercise of judgment and it is frequently possible for there to be a range of legitimate and reasonable views.

The Company has adopted certain transfer pricing (TP) policies and methodologies to value inter-company transactions that occur in the normal course of business. The value placed on such transactions must meet certain guidelines that have been established by the tax authorities in the jurisdictions in which the Company operates in. The Company believes that its TP methodologies are in accordance with such guidelines.

In 2014 the Company applied for a Bilateral Advanced Pricing Arrangement (APA) from the Canada Revenue Agency (CRA) and the Internal Revenue Service (IRS) (collectively the Parties). The purpose of this APA is for the Company to obtain agreement among the Parties on the TP methodology applied to the material inter-company transactions between Pason Systems Corp. and Pason Systems USA and Petron (the covered transactions). Once an APA is concluded it provides tax certainty for the Company. The Company’s previous tax filings were based upon the TP methodology presented to the Parties under the APA submission.

The Company understands that the Parties have initiated negotiations to arrive at a methodology that both Parties agree to. The outcome of these negotiations are uncertain and there can be no assurance that the final agreement reached by the Parties will be similar to the Company's previous tax filings. However, the Company does not believe that the outcome of these negotiations would have a material adverse impact on its financial position, or liquidity. However, the final conclusion reached by the Parties may differ significantly from the estimates recorded in these consolidated financial statements which may affect income tax amounts reported in future years'.

3. Significant Accounting Policies

There have been no significant accounting policy changes; refer to the audited annual consolidated financial statements as at and for the year ended December 31, 2016.

Future Accounting Policy Changes

IFRS 15, Revenue from Contracts with Customers, is required to be applied for years beginning on or after January 1, 2018 and supersedes existing standards and interpretations including IAS 18, Revenue. Management believes that given its current rental model and the contracts it enters into with its customers that this new standard will not have a material impact on the company's financial statements.

In January 2016 the International Accounting Standards Board released IFRS 16, Leases, which is required to be applied for years beginning on or after January 1, 2019, and which supersedes IAS 17, Leases; earlier application is allowed, but not before the application of IFRS 15, Revenue from Contracts with Customers.

This new pronouncement introduces a single lessee accounting model by eliminating a lessees' classification of leases as either operating leases or finance leases.

The most significant change will be the lessee's recognition of the initial present value of unavoidable future lease payments as a leased asset and liability on the Consolidated Balance Sheets. Leases with durations of twelve months or less and leases for low-value assets are both exempted.

The measurement of the total lease expense over the term of a lease will be unaffected by the new standard. The presentation on the Consolidated Statement of Operations will result in most lease expenses being presented as amortization of leased assets and financing costs arising from lease liabilities rather than as being a part of either local administration expense or corporate service expenses.

The lessee's actual cash flows will be unaffected, however relative to the current standard, the lessee's statement of cash flows will reflect increased operating activity cash flows offset by a corresponding decrease in financing activity cash flows due to the payment of the "principal" component of leases.

Management has initiated a review of the impact and transition provisions of this new standard, but expects that the company's Consolidated Balance Sheets will be materially affected. At this time it is not possible to make reasonable estimates of the effects of the new standard.

In July 2014, the IASB completed the final elements of IFRS 9 "Financial Instruments." The standard supersedes earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 "Financial Instruments: Recognition and Measurement." IFRS 9, as amended, includes a principle-based approach for classification and measurement of financial assets, a single 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. The standard will come into effect for annual periods beginning on or after January 1, 2018, with earlier adoption permitted. IFRS 9 will be applied by the Company on January 1, 2018. Management that this new standard will not have a material impact on the company’s financial statements.

4. Seasonality

Pason’s quarterly financial results vary quarter to quarter due in part to the seasonality of the oil and gas service industry in Canada, which is somewhat offset by the less seasonal nature of US and International operations. The first quarter is generally the strongest quarter for the Company due to strong activity in Canada, where location access is best during the winter. The second quarter is typically the slowest due to spring break-up in Canada, when many areas are not accessible due to ground conditions, and, therefore, do not permit the movement of heavy equipment. Activity generally increases in the third quarter, depending on the year, as ground conditions often improve and location access becomes available; however, a rainy summer can have a significant adverse effect on drilling activity. By the fourth quarter, often the Company’s second strongest quarter, access to most areas in Canada becomes available when the ground freezes. Consequently, the performance of the Company may not be comparable quarter to consecutive quarter, but should be considered on the basis of results for the whole year, or by comparing results in a quarter with results in the same quarter for the previous year.

5. Operating Segments

The Group has three reportable segments, as described below, which are the Group’s strategic business units. The strategic business units offer the same services, but are managed separately. For each of the strategic business units, the Group’s senior management reviews internal management reports on a monthly basis.

Information regarding the results of each reportable segment is included below. Performance is measured based on operating profit as included in the internal management reports. Operating profit is used to measure performance, as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined with reference to arm's length pricing.

There have been no changes in operating segments from the year-ended December 31, 2016.

The Company operates in three geographic segments: Canada, the United States, and International (Latin America, Offshore, the Eastern Hemisphere, and the Middle East). The amounts related to each segment are as follows:

Three Months Ended June 30, 2017	**Canada**	**United States**	**International**	**Total**
	($)	**($)**	**($)**	**($)**
Revenue	**10,479**	**39,195**	**6,118**	**55,792**
Rental services and local administration	**5,559**	**16,302**	**4,773**	**26,634**
Depreciation and amortization	**5,645**	**4,170**	**1,008**	**10,823**
Segment operating (loss) profit	**(725)**	**18,723**	**337**	**18,335**
Research and development				**6,261**
Corporate services				**3,536**
Stock-based compensation				**3,177**
Other income				**(1,689)**
Income taxes				**155**
Net income				**6,895**
Capital expenditures	**171**	**4,929**	**(1)**	**5,099**
Goodwill	**1,259**	**6,995**	**2,600**	**10,854**
Intangible assets	**28,146**	**655**	**—**	**28,801**
Segment assets	**119,681**	**240,334**	**52,976**	**412,991**
Segment liabilities	**22,209**	**10,182**	**14,734**	**47,125**

Three Months Ended June 30, 2016				
Revenue	5,000	16,391	5,782	27,173
Rental services and local administration	3,995	10,749	4,188	18,932
Depreciation and amortization	6,331	5,463	1,784	13,578
Segment operating (loss) profit	(5,326)	179	(190)	(5,337)
Research and development				5,629
Corporate services				4,082
Stock-based compensation				2,238
Other expense				761
Income taxes				(6,728)
Net loss				(11,319)
Capital expenditures	966	3,884	79	4,929
Goodwill	—	24,218	2,600	26,818
Intangible assets	26,666	171	414	27,251
Segment assets	130,076	271,808	55,010	456,894
Segment liabilities	24,800	8,363	5,409	38,572

Six Months Ended June 30, 2017	**Canada**	**United States**	**International**	**Total**
	($)	**($)**	**($)**	**($)**
Revenue	**34,466**	**69,161**	**11,214**	**114,841**
Rental services and local administration	**11,353**	**30,512**	**8,965**	**50,830**
Depreciation and amortization	**11,579**	**9,171**	**2,046**	**22,796**
Segment operating profit	**11,534**	**29,478**	**203**	**41,215**
Research and development				**12,138**
Corporate services				**7,604**
Stock-based compensation				**5,724**
Other expenses				**(250)**
Income tax expense				**1,951**
Net Income				**14,048**
Capital expenditures	**118**	**6,215**	**(100)**	**6,233**
Goodwill	**1,259**	**6,995**	**2,600**	**10,854**
Intangible assets	**28,146**	**655**	**—**	**28,801**
Segment assets	**119,681**	**240,334**	**52,976**	**412,991**
Segment liabilities	**22,209**	**10,182**	**14,734**	**47,125**

Six Months Ended June 30, 2016				
Revenue	20,825	40,017	12,144	72,986
Rental services and local administration	9,319	25,994	9,719	45,032
Depreciation and amortization	13,913	12,236	3,791	29,940
Segment operating (loss) profit	(2,407)	1,787	(1,366)	(1,986)
Research and development				12,257
Corporate services				8,404
Stock-based compensation				3,200
Other expenses				9,877
Income tax recovery				(13,545)
Net loss				(22,179)
Capital expenditures	2,683	8,658	168	11,509
Goodwill	—	24,218	2,600	26,818
Intangible assets	26,666	171	414	27,251
Segment assets	130,076	271,808	55,010	456,894
Segment liabilities	24,800	8,363	5,409	38,572

6. Share Capital

	Common Shares			
	Six Months Ended June 30, 2017		Year Ended December 31, 2016	
	($)	**(#)**	($)	(#)
Balance, beginning of period	**139,730**	**84,628**	128,067	84,063
Exercise of stock options:	**4,065**	**186**	10,413	498
Shares issued pursuant to business acquisition	**—**	**—**	1,250	67
Balance, end of period	**143,795**	**84,814**	139,730	84,628

Stock option plan

The Group has a stock option plan that entitles qualified employees to purchase shares in the Company. Options, which are issued at market price, vest over three years, and expire after five years.

At June 30, 2017, 4,490 (2016: 4,074) stock options were outstanding for common shares at exercise prices ranging from $15.94 to $27.96 per share, expiring between 2017 and 2022 as follows:

	Six Months Ended June 30, 2017		Six Months Ended June 30, 2016	
	Share Options	**Weighted Average Exercise Price**	Share Options	Weighted Average Exercise Price
	(#)	**($)**	(#)	($)
Outstanding, beginning of period	**5,075**	**20.52**	4,862	21.77
Granted	**89**	**19.32**	17	17.93
Equity settled	**(187)**	**16.52**	(217)	14.41
Expired or forfeited	**(487)**	**22.27**	(588)	23.24
Outstanding, end of period	**4,490**	**20.47**	4,074	21.93
Exercisable, end of period	**2,007**	**22.95**	1,807	20.70
Available for grant, end of period	**1,447**		1,825	

Stock-based compensation expense and liability

The stock option, restricted share unit (RSU), deferred share unit (DSU), and performance share unit (PSU) plans expense are summarized as follows:

Expense

	Three Months Ended June 30,		**Six Months Ended June 30,**	
	2017	2016	**2017**	2016
	($)	($)	**($)**	($)
Stock options	**801**	778	**1,638**	1,417
RSUs	**690**	687	**1,194**	722
DSUs	**125**	301	**175**	172
PSUs	**853**	472	**1,302**	889
Deferred compensation expense	**708**	—	**1,415**	—
Stock-based compensation	**3,177**	2,238	**5,724**	3,200

On December 31, 2016, the Company purchased all of the existing and outstanding shares of Verdazo Analytics, Inc. (Verdazo). In accordance with IFRS, a portion of the deferred compensation payable was not considered part of the purchase price but is accounted for as future stock-based compensation expense over the vesting period. This amount, which will be accrued over the three year period ending December 31, 2019, totals $4,201.

Liability

As at	**June 30, 2017**	December 31, 2016
	($)	($)
RSUs	**1,450**	867
PSUs	**1,563**	649
Deferred compensation expense	**1,415**	—
Current portion of stock-based compensation liability	**4,428**	1,516
RSUs	**794**	306
DSUs	**2,359**	2,348
PSUs	**676**	287
Non-current portion of stock-based compensation liability	**3,829**	2,941
Total stock-based compensation liability	**8,257**	4,457

Common share dividends

During the quarter ended June 30, 2017, the Company declared and paid dividends of $14,419 (2016: $14,327) or $0.17 per common share (2016: $0.17).

7. Income Per Share

Basic income per share

The calculation of basic income per share is based on the following weighted average number of common shares:

	Three Months Ended June 30,		**Six Months Ended June 30,**	
	2017	2016	**2017**	2016
	(#)	(#)	**(#)**	(#)
Issued common shares outstanding, beginning of period	**84,655**	84,108	**84,628**	84,063
Effect of exercised options	**101**	55	**82**	84
Weighted average number of common shares outstanding for the period	**84,756**	84,163	**84,710**	84,147

Diluted income per share

The calculation of diluted income per share is based on a weighted average number of common shares outstanding after adjustment for the effects of all potential dilutive common shares calculated as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	**2017**	2016
	(#)	(#)	**(#)**	(#)
Weighted average number of common shares (basic)	**84,756**	84,163	**84,710**	84,147
Effect of share options	**283**	—	**255**	—
Weighted average number of common shares (diluted)	**85,039**	84,163	**84,965**	84,147

Stock options are excluded from the above calculation if their effect would have been anti-dilutive. The average market value of the Company's shares for purposes of calculating the dilutive effect of share options is based on quoted market prices for the period.

8. Other (Income) Expenses

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	**2017**	2016
	($)	($)	**($)**	($)
Foreign exchange loss (gain)	**(689)**	396	**(466)**	(2,323)
Restructuring costs	**—**	—	**—**	10,861
Other	**(1,000)**	365	**216**	1,339
Other (income) expenses	**(1,689)**	761	**(250)**	9,877

In the first quarter of 2016, the Company initiated additional cost reduction initiatives to address the prolonged downturn in oil and gas drilling activity. As a result, the Company recorded a restructuring charge of $10,861 in the first quarter of 2016.

9. Cash and Cash Equivalents

As at	**June 30, 2017**	December 31, 2016
	($)	($)
Cash	**77,714**	55,317
Cash equivalents	**88,806**	91,162
Cash and cash equivalents	**166,520**	146,479

Cash equivalents are made up mostly of cash invested in money market funds with interest rates of approximately 0.5%, and maturities from 1–30 days.

10. Financial Instruments

The carrying values of financial assets and liabilities approximate their fair value due to the short-term nature of these items. Pason's financial instruments include cash and cash equivalents, trade and other receivables, trade payables and accruals, and stock-based compensation liability.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values.

The three levels of the fair value hierarchy are as follows:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly.
- Level 3 - Inputs that are not based on observable market data.

	Financial Assets at Fair Value			
	Level 1	Level 2	Level 3	**June 30, 2017**
	($)	($)	($)	**($)**
Cash and cash equivalents	166,520	—	—	**166,520**
Total financial assets at fair value	166,520	—	—	**166,520**

11. Assets Held for Sale

During 2016, the Company initiated a review of its investment in 3PS, Inc. (3PS). In the fourth quarter of 2016 a final agreement was entered into for the sale of the net operating assets of 3PS, effective January 1, 2017. The net operating assets sold were separately identified on the Consolidated Balance Sheets at December 31, 2016. Cash proceeds were received in the first quarter of 2017 with the remaining funds held in escrow and which will be released twelve months after closing in accordance with the terms of the escrow agreement.

The Foreign Currency Translation Reserve on the Consolidated Balance Sheets relating to the net operating assets of 3PS was brought into Other Comprehensive Income during the first quarter of 2017.

12. Approval of Interim Financial Statements

The condensed unaudited consolidated interim financial statements were approved by the Board of Directors on August 9, 2017.

13. Events After the Reporting Period

On August 9, 2017, the Company announced a quarterly dividend of $0.17 per share on the Company's common shares. The dividend will be paid on September 29, 2017 to shareholders of record at the close of business on September 15, 2017.