



**INPUT CAPITAL**  
THE AGRICULTURE STREAMING COMPANY



**FY2017 THIRD QUARTER ENDED JUNE 30, 2017**  
MANAGEMENT'S DISCUSSION AND ANALYSIS

*This management's discussion and analysis ("MD&A") should be read in conjunction with Input Capital Corp.'s ("Input" or the "Company") unaudited condensed interim financial statements for the quarter ended June 30, 2017 and related notes thereto which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as well as the Annual Information Form for the fiscal year ending September 30, 2016, and other information relating to Input on file with the Canadian securities regulatory authorities and on SEDAR at [www.sedar.com](http://www.sedar.com). This MD&A contains "forward looking" statements that are subject to risk factors set out beginning on page 22 of this MD&A and in the cautionary note on forward-looking information set out on page 29 of this MD&A. All figures are presented in Canadian dollars unless otherwise noted. This MD&A has been prepared as of August 15, 2017.*

## Highlights

Input's business is highly seasonal and runs on an annual cycle set by the weather. As a result, the business is not well-suited to the traditional quarter-to-quarter reporting requirements of public companies, and Management reminds readers to keep this in mind as they read the information in this discussion and analysis of Input's third quarter of the fiscal 2017 year. In its day-to-day management of the Company, Management uses several non-IFRS measures as the best indication of the Company's performance and results, and recommends to shareholders to do the same. The non-IFRS measures are included in this MD&A starting at page 24.

At the time of writing, harvest has begun in a few areas of the Canadian prairies. Despite producers being busy in the fields this past spring, the Company has been executing the "Land" portion of its "Land and Expand" strategy through a targeted sales campaign at trade shows across Western Canada to spread the word about its new Marketing Streams. By signing up many new farmers to small Marketing Streams, this generates opportunities to "Expand" these relationships in future periods, potentially contributing significant capital deployment opportunities.

### Third Quarter Highlights

- Adjusted streaming sales<sup>1</sup> of \$1.268 million on the delivery of 2,536 canola equivalent metric tonnes<sup>1</sup> ("MT" or "tonnes") at an average price of \$500 per MT;
- Generated an additional \$1.647 million in sales from canola trading for total adjusted sales<sup>1</sup> of \$2.915 million;
- Cash operating margin<sup>1</sup> from streaming contracts of \$1.061 million, or \$418 per MT (83.7% cash operating margin);
- Adjusted operating cash flow<sup>1</sup> of \$1.610 million or \$0.02 per share;
- Adjusted net loss<sup>1</sup> of \$0.895 million, or \$0.01 per share;
- Signed up more than 100 new marketing streams throughout the month of June in a targeted sales campaign, successfully executing on management's land strategy and creating opportunity to expand the business;
- Recorded gross capital deployment of \$3.931 million in upfront payments into 142 streaming contracts, adding 124 new producers to the portfolio and more than 83,000 MT to the Company's future canola sales;
- On June 8, 2017, the Board of Directors declared a dividend of \$0.01 per common share for the quarter ending June 30, 2017;
- The Company received a grain dealer licence from the Canadian Grain Commission ("CGC") and is now licenced and bonded by the CGC, increasing Input's credibility and profile within the western Canadian agriculture marketplace and providing an additional level of assurance to farmers and other industry participants, and;

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<sup>1</sup> Non-IFRS financial measures with no standardized meaning under IFRS. For further information and a detailed reconciliation, refer to "Non-IFRS Measures" beginning on page 24 of the MD&A.

- Finished the quarter with:
  - Cash and cash equivalents of \$15.305 million;
  - Total canola interests (current portion and long-term portion) and other financial assets (liabilities) (herein referred to collectively as “canola interests”) of \$75.015 million;
  - Multi-year active streaming contracts with 300 farm operators, up from 107 a year ago;
  - Total shareholders’ equity of \$104.835 million;
  - \$6.162 million drawn on its \$25 million revolving credit facility; and
  - No long-term debt.

### Year to Date Highlights

- Adjusted streaming sales<sup>1</sup> of \$22.086 million on the delivery of 46,486 canola equivalent metric tonnes<sup>1</sup> (“MT” or “tonnes”) at an average price of \$475 per MT;
- Generated an additional \$5.499 million in sales from canola trading for total adjusted sales<sup>1</sup> of \$27.585 million;
- Cash operating margin<sup>1</sup> from streaming contracts of \$19.086 million, or \$411 per MT (86.4% cash operating margin);
- Adjusted operating cash flow<sup>1</sup> of \$12.974 million or \$0.16 per share;
- Adjusted net income<sup>1</sup> of \$0.554 million, or \$0.01 per share, and;
- Recorded gross capital deployment of \$35.063 million in upfront payments into 191 streaming contracts, adding 124 new producers to the portfolio and more than 279,000 MT to the Company’s future canola sales.

### Outlook

Management expects that Marketing Streams are more saleable than Capital Streams year-round, leading to greater activity in the summer months than previously experienced in other years. This is borne out by the number of Marketing Streams entered into in Q3, but is not likely to be the case in Q4. The 2017 harvest has begun in a few areas in western Canada, and the fact that farmers are busy in the field has always made Q4 the slowest period for capital deployment and interaction with farmers. Based on capital deployment for the fiscal year to date, the final total for FY2017 is more likely to end up around \$40 million than the Company’s original \$50 million goal. However, due to differences in rates of return on Marketing Streams vs. Capital Streams, this will have a smaller impact in FY2018 than if all of the deployment had been into Capital Streams alone.

This is also the time of year when Input is busy putting the finishing touches on its canola sales program. Canola prices have been strong due to concerns about the soybean crop in the US and reports of dryness in some areas of the Canadian Prairies, focussed on southwest Saskatchewan. Management does not anticipate any material impact on its anticipated canola sales as a result of drought in this area. Generally, the affected area is an area of lower canola production due to climate and soil conditions, so Input has less portfolio exposure in the area than it does in the heart of canola production, where crop conditions are reported to be good.

The greatest uncertainty for Input at this time of year is the timing of pending harvest canola deliveries – it is impossible to predict how much crop will be able to be delivered in September, and thus contribute to FY2017 financial results. If deliveries in September are high, this will drive financial results for FY2017 higher. If deliveries in September are low, the deliveries and financial benefit will occur in FY2018 instead. This will be a question every year, making it difficult for management and shareholders alike to predict final outcomes for the current fiscal year in advance.

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<sup>1</sup> Non-IFRS financial measures with no standardized meaning under IFRS. For further information and a detailed reconciliation, refer to "Non-IFRS Measures" beginning on page 24 of the MD&A.

## Company Overview

Input Capital Corp. is a Canadian Grain Commission licensed and bonded grain dealer that has adapted the streaming business model from the mining and metals industry and applied it to agriculture. The result is an innovative, growth-oriented agriculture streaming company with a focus on canola, the largest and most profitable crop in Canadian agriculture. Input enters into multi-year streaming contracts with family farms across western Canada and generates revenue by selling the canola purchased from farmers to well-established grain handling companies and canola crushing plants located across Alberta, Saskatchewan and Manitoba.

To management's knowledge, Input Capital is the world's first agricultural commodity streaming company.

The predecessor corporation of Input was incorporated under *The Business Corporations Act (Saskatchewan)* (the "Act") on October 25, 2011. The existing Company was formed by an amalgamation under the Act on August 8, 2013. The Company's shares are publicly traded on the TSX Venture Exchange, under the symbol "INP".

The head office of the Company is located at 300 – 1914 Hamilton Street, Regina, Saskatchewan, S4P 3N6. The Company's registered and records office is located at 800 – 1801 Hamilton Street, Regina, Saskatchewan, S4P 4B4.

## Selected Financial Information

Selected financial information derived or calculated from the Company's financial statements is set out below:

Statements of Comprehensive Income	Three months ended		Nine months ended	
	Jun 30		Jun 30	
<i>CAD millions, unless otherwise noted</i>	2017	2016	2017	2016
Revenue	1.808	0.115	17.621	28.405
Purchase of canola and other direct expenses	1.736	0.010	6.003	10.211
Realization of canola interests	0.138	0.964	11.456	13.915
Expenses and other income	1.578	1.518	4.830	3.559
Net gain on settlement of canola interests	(0.317)	-	(2.307)	-
Unrealized market value loss (gain)	4.911	(2.110)	10.045	(0.742)
Income tax expense (recovery)	(1.565)	(0.024)	(3.105)	0.530
Net income (loss)	(4.672)	(0.243)	(9.298)	0.931
<b>Weighted average number of common shares outstanding</b>				
Basic	81.734	81.614	81.709	81.589
Fully diluted	89.682	88.355	89.505	88.209
<i>Net income (loss) per share (basic)</i>	<b>\$(0.06)</b>	\$(0.00)	<b>\$(0.11)</b>	\$0.01
<i>Net income (loss) per share (fully diluted)</i>	<b>\$(0.05)</b>	\$(0.00)	<b>\$(0.10)</b>	\$0.01
<b>Statements of Cash Flows</b>				
Cash generated from (applied to) operating activities	(1.426)	(1.750)	14.472	18.616

Statements of Financial Position	As at	As at
	Jun 30, 2017	Sep 30, 2016
<i>CAD millions, unless otherwise noted</i>		
Cash and cash equivalents	15.305	16.643
Canola interests and other financial assets	75.015	77.757
Total assets	121.008	118.548
Total liabilities	16.173	2.935
Total shareholders' equity	104.835	115.613
Working capital	21.461	71.181
Revolving credit facility	6.162	-
Long-term debt	-	-

Selected financial information derived or calculated from the Company's financial statements is set out below, including non-IFRS measures used regularly by Management to monitor the performance and results of the Company:

Selected non-IFRS measures <sup>1</sup>	Three months ended Jun 30		Nine months ended Jun 30	
	2017	2016	2017	2016
<i>CAD millions, unless otherwise noted</i>				
Adjusted streaming sales	<b>1.268</b>	0.115	<b>22.086</b>	18.388
Adjusted streaming volume (MT)	<b>2,536</b>	250	<b>46,486</b>	38,033
<i>Average selling price from streaming contracts</i>	<b>\$500</b>	\$460	<b>\$475</b>	\$483
Cash operating margin	<b>1.061</b>	0.100	<b>19.086</b>	16.034
<i>Cash operating margin per tonne</i>	<b>\$418.44</b>	\$400.00	<b>\$410.58</b>	\$421.58
Cash margin	<b>0.357</b>	0.026	<b>5.412</b>	5.968
<i>Cash margin per tonne</i>	<b>\$140.79</b>	\$104.00	<b>\$116.42</b>	\$156.92
Adjusted EBITDA	<b>(0.730)</b>	(1.464)	<b>14.281</b>	12.343
<i>Adjusted EBITDA per share (basic)</i>	<b>\$(0.01)</b>	\$(0.02)	<b>\$0.17</b>	\$0.15
Adjusted operating cash flow	<b>1.610</b>	(1.050)	<b>12.974</b>	12.589
<i>Adjusted operating cash flow per share (basic)</i>	<b>\$0.02</b>	\$(0.01)	<b>\$0.16</b>	\$0.15
Adjusted net income (loss)	<b>(0.895)</b>	(1.139)	<b>0.554</b>	1.692
<i>Adjusted net income (loss) per share (basic)</i>	<b>\$(0.01)</b>	\$(0.01)	<b>\$0.01</b>	\$0.02
<i>Upfront payment per tonne<sup>2</sup></i>	<b>\$138.05*</b>	\$269.57	<b>\$110.07*</b>	\$292.25

\*Upfront payment per tonne reflects upfront payments made into both Capital Streams and Marketing Streams. For more information about Marketing Streams, refer to discussion on Marketing Streams beginning on page 11.

<sup>1</sup> Non-IFRS financial measures with no standardized meaning under IFRS. For further information and a detailed reconciliation, refer to "Non-IFRS Measures" beginning on page 24 of the MD&A.

<sup>2</sup> Includes contracts that were signed but not completely funded at the end of the quarter ended June 30, 2017 and is net of contract buy backs.

## Summary of Quarterly Results

The following is a summary of selected highlights of the eight most recent quarterly results of the Company:

Summary of Quarterly Results	FY 17 – Q3	FY 17 – Q2	FY17 – Q1	FYSEPT16 – Q2	FYSEPT16 – Q1	FY16 – Q4	FY16 - Q3	FY16 - Q2
<i>CAD millions, unless otherwise noted</i>	<b>Jun 30, 2017</b>	Mar 31, 2017	Dec 31, 2016	Sep 30, 2016	Jun 30, 2016	Mar 31, 2016	Dec 31, 2015	Sep 30, 2015
<b>Comprehensive Income (Loss)</b>								
Sales	<b>1.808</b>	5.207	10.606	7.928	0.115	5.677	22.613	10.413
Purchase of canola and other direct expenses	<b>1.736</b>	2.470	1.797	0.541	0.010	3.009	7.192	1.492
Realization of canola interests	<b>0.138</b>	4.273	7.045	5.576	0.964	2.120	10.831	5.555
Expenses and other (income)	<b>1.578</b>	1.896	1.356	2.726	1.518	1.108	0.933	0.754
Net gain on settlement of canola interests	<b>(0.317)</b>	(1.526)	(0.464)	-	-	-	-	-
Unrealized market value loss (gain)	<b>4.911</b>	4.592	0.542	(0.146)	(2.110)	3.081	(1.713)	3.063
Income tax expense (recovery)	<b>(1.565)</b>	(1.687)	0.147	(0.151)	(0.024)	(0.944)	1.498	(0.070)
Net income (loss)	<b>(4.672)</b>	(4.809)	0.183	(0.618)	(0.243)	(2.698)	3.872	(0.380)
<b>Weighted avg. number common shares outstanding</b>								
Basic	<b>81.734</b>	81.723	81.670	81.663	81.614	81.613	81.541	81.473
Fully diluted	<b>89.682</b>	89.682	89.151	89.047	88.355	88.135	88.136	88.105
<i>Net Income (loss) per share (basic)</i>	<b>\$(0.06)</b>	\$(0.06)	\$0.00	\$(0.01)	\$(0.00)	\$(0.03)	\$0.05	\$(0.00)
<i>Net Income (loss) per share (fully diluted)</i>	<b>\$(0.05)</b>	\$(0.05)	\$0.00	\$(0.01)	\$(0.00)	\$(0.03)	\$0.04	\$(0.00)
<b>Operating Cash Flow</b>								
Cash generated from (applied to) operating activities	<b>(1.426)</b>	2.023	13.875	0.141	(1.750)	0.857	19.509	6.933
<b>Financial Position</b>								
Cash and cash equivalents	<b>15.305</b>	17.229	28.164	16.643	15.095	24.772	40.088	26.869
Canola interests and other financial assets	<b>75.015</b>	68.601	72.732	77.757	84.517	91.089	89.280	91.995
Total assets	<b>121.008</b>	119.511	122.636	118.548	119.483	121.000	131.341	124.585
Total liabilities	<b>16.173</b>	9.637	7.382	2.935	3.462	4.978	12.774	10.211
Total shareholders' equity	<b>104.835</b>	109.874	115.254	115.613	116.021	116.022	118.567	114.375
Working capital	<b>21.461</b>	49.382	68.977	71.181	61.521	60.062	59.984	55.775
Revolving credit facility	<b>6.162</b>	2.106	0.460	-	-	-	-	-
Long-term debt	<b>-</b>	-	-	-	-	-	-	-

Summary of Quarterly Results	FY 17 – Q3	FY 17 – Q2	FY17 – Q1	FYSEPT16 – Q2	FYSEPT16 – Q1	FY16 – Q4	FY16 - Q3	FY16 - Q2
<i>CAD millions, unless otherwise noted</i>	<b>Jun 30, 2017</b>	Mar 31, 2017	Dec 31, 2016	Sep 30, 2016	Jun 30, 2016	Mar 31, 2016	Dec 31, 2015	Sep 30, 2015
<b>Non-IFRS Measures &amp; KPIs</b>								
Adjusted streaming sales <sup>1</sup>	<b>1.268</b>	9.094	11.724	7.656	0.115	2.633	15.640	8.959
Adjusted streaming volume (MT) <sup>1</sup>	<b>2,536</b>	18,992	24,958	15,916	250	5,894	31,889	18,382
Average selling price from streaming contracts	<b>\$500.07</b>	\$478.83	\$469.75	\$481.03	\$460.00	\$446.73	\$490.45	\$487.38
Crop payment per MT	<b>\$70.20</b>	\$42.28	\$60.82	\$53.85	\$28.00	\$46.83	\$55.85	\$57.07
Cash operating margin per MT	<b>\$418.44</b>	\$426.86	\$397.39	\$409.27	\$400.00	\$393.79	\$426.89	\$426.72
Cash margin per MT	<b>\$140.79</b>	\$124.16	\$108.06	\$115.29	\$104.00	\$126.57	\$162.94	\$160.54
Ending canola reserves (MT)	<b>423,000</b>	362,000	254,000	259,000	271,000	280,000	247,000 <sup>2</sup>	328,000
Capital deployed	<b>11.490</b>	15.153	4.112	1.784	6.124	11.264	6.653	7.642
Upfront payment per MT	<b>\$138.05</b>	\$86.50	\$195.76	\$181.84	\$269.57	\$296.44	\$308.78	\$342.89
Active streaming contracts	<b>300</b>	179	121	112	107	94	78	79
Adjusted EBIDTA per share	<b>\$(0.01)</b>	\$0.08	\$0.11	\$0.07	\$(0.02)	\$0.01	\$0.15	\$0.09
Adjusted operating cash flow per share	<b>\$0.02</b>	\$0.03	\$0.11	\$0.07	\$(0.01)	\$0.03	\$0.14	\$0.09
Adjusted net income (loss) per share	<b>\$(0.01)</b>	\$0.00	\$0.01	\$0.01	\$(0.01)	\$(0.00)	\$0.04	\$0.02

<sup>1</sup> Refer to Streaming Canola Sales section on page 8.

## Summary of Trailing Twelve Month Results

Due to the annual nature of Input's business, management finds it useful to look at data on a trailing twelve month basis. The following is a summary of selected highlights of the three most recent trailing twelve month period results of the Company:

Summary of Twelve Months Ended June 30 <i>CAD millions, unless otherwise noted</i>	Twelve months ended		
	Jun 30, 2017	Jun 30, 2016	Jun 30, 2015
<b>Comprehensive Income (Loss)</b>			
Sales	25.549	38.818	25.080
Purchase of canola and other direct expenses	6.544	11.703	13.301
Realization of canola interests	17.032	19.470	8.609
Net settlement of canola interests	7.556	4.313	3.326
Expenses and other income	(2.307)	-	-
Unrealized market value loss (gain)	9.899	2.321	(14.844)
Income tax expense (recovery)	(3.256)	0.460	4.006
Net income (loss)	(9.916)	0.551	10.681
<b>Weighted avg. number common shares outstanding</b>			
Basic	81.698	81.560	80.994
Fully diluted	89.391	88.183	86.921
<i>Net Income (loss) per share (basic)</i>	<b>\$(0.12)</b>	\$0.01	\$0.13
<i>Net Income (loss) per share (fully diluted)</i>	<b>\$(0.11)</b>	\$0.01	\$0.12
<b>Operating cash flow</b>			
Cash generated from operating activities	14.613	25.549	7.276
<b>Financial Position</b>			
Cash and cash equivalents	15.305	15.095	27.215
Canola interests and other financial assets	75.015	84.517	90.694
Total assets	121.008	119.483	120.439
Total liabilities	16.173	3.462	5.877
Total shareholders' equity	104.835	116.021	114.562
Working capital	21.461	61.521	51.994
Revolving credit facility	6.162	-	-
Long-term debt	-	-	-
<b>Non-IFRS Measures &amp; KPIs</b>			
Adjusted sales from streaming contracts	29.742	27.347	11.613
Adjusted streaming volume (MT)	62,402	56,415	25,418
Average selling price from streaming contracts	\$476.62	\$484.75	\$456.88
Crop Payment per MT	\$53.78	\$55.18	\$68.10
Cash operating margin per MT	\$410.23	\$423.26	\$386.14
Cash margin per MT	\$116.12	\$158.10	\$146.59
Ending canola reserves (MT)	423,000	271,000	324,000
Capital deployed	32.540	31.683	47.089
Upfront payment per MT	\$112.50	\$303.05	\$252.65
Active streaming contracts	300	107	78
Adjusted EBITDA per share	\$0.24	\$0.24	\$0.07
Adjusted operating cash flow per share	\$0.23	\$0.24	\$0.05
Adjusted net income (loss) per share	\$0.01	\$0.04	\$0.00

## Financial Performance

### STREAMING CANOLA SALES

In addition to regular canola delivery, canola tonnage obligations outstanding on canola streaming contracts may also be settled by the farm operator directly through payment in cash, through cash proceeds received from crop insurance, through a conventional mortgage receivable with the Company, or through a land transfer to the Company. These transactions do not result in the title and risk of the canola passing to a purchaser from Input and are considered to be the settlement of a financial asset with the farm operator. As a result, these transactions are not recorded as canola streaming revenue. When cash proceeds are not received as the means of settlement, the transaction is valued at fair value. These transactions are recorded as a net settlement of canola interests on the statement of comprehensive income (loss).

*Three months ended June 30, 2017*

Summary of Canola Sales	Three months ended June 30, 2017			Three months ended June 30, 2016		
	Canola Sales	Net Settlement	Adjusted	Canola Sales	Net Settlement	Adjusted
<i>CAD millions, unless otherwise noted</i>						
Streaming volume (MT)	300	2,236	<b>2,536</b>	250	-	250
Sales from streaming contracts	0.161	1.107	<b>1.268</b>	0.115	-	0.115
less: Upfront payments	(0.087)	(0.617)	<b>(0.704)</b>	(0.074)	-	(0.074)
less: Crop payments	(0.013)	(0.165)	<b>(0.178)</b>	(0.007)	-	(0.007)
less: Realized market value adjustment	(0.009)	(0.006)	<b>(0.014)</b>	(0.023)	-	(0.023)
less: Other direct expenses	(0.029)	(0.002)	<b>(0.029)</b>	(0.008)	-	(0.008)
<b>Gross profit from canola streaming</b>	<b>0.024</b>	<b>0.317</b>	<b>0.343</b>	<b>0.003</b>	<b>-</b>	<b>0.003</b>

For the quarter ended June 30, 2017, Input generated adjusted sales from streaming contracts of \$1.268 million on adjusted streaming volume of 2,536 MT for an average price of \$500 per MT.

The sales from streaming tonnes plus net settlements from streaming tonnes for the quarter represent a significant increase in quarterly volume over the comparable quarter one year ago, when the Company sold 250 MT of canola equivalent for revenue of \$0.115 million for an average price of \$460 per MT.

*Nine months ended June 30, 2017*

Summary of Canola Sales	Nine months ended June 3, 2017			Nine months ended June 30, 2016		
	Canola Sales	Net Settlement	Adjusted	Canola Sales	Net Settlement	Adjusted
<i>CAD millions, unless otherwise noted</i>						
Streaming volume (MT)	25,440	21,045	<b>46,486</b>	38,033	-	38,033
Sales from streaming contracts	12.122	9.964	<b>22.086</b>	18.388	-	18.388
less: Upfront payments	(7.026)	(6.648)	<b>(13.674)</b>	(10.066)	-	(10.066)
less: Crop payments	(1.781)	(0.718)	<b>(2.499)</b>	(2.064)	-	(2.064)
less: Realized market value adjustment	(0.417)	(0.289)	<b>(0.706)</b>	(0.851)	-	(0.851)
less: Other direct expenses	(0.500)	(0.002)	<b>(0.502)</b>	(0.290)	-	(0.290)
<b>Gross profit from canola streaming</b>	<b>2.397</b>	<b>2.308</b>	<b>4.705</b>	<b>5.118</b>	<b>-</b>	<b>5.117</b>

For the nine months ended June 30, 2017, Input generated adjusted sales from streaming contracts of \$22.086 million on adjusted streaming volume of 46,486 MT for an average price of \$475 per MT.

The sales from streaming tonnes plus net settlements from streaming tonnes for the first three quarters of the fiscal year represent a 20% increase in volume over the comparable period one year ago, when the Company sold 38,033 MT of canola equivalent for revenue of \$18.388 million for an average price of \$483 per MT.

## GROSS PROFIT

For presentation purposes, Input separates realized market value adjustments from its cost of sales, as demonstrated in the table below. Realized market value adjustments are allocated to tonnes sold that have had previous market value adjustments flow through the income statement as unrealized market value adjustments. Similar to the unrealized market value adjustment on the income statement, the realized market value adjustment is a non-cash expense or income item.

Breakdown of Sales and Gross Profit	Three months ended		Nine months ended	
	Jun 30		Jun 30	
<i>CAD millions, unless otherwise noted</i>	<b>2017</b>	2016	<b>2017</b>	2016
Sales – streaming contracts	<b>0.161</b>	0.115	<b>12.122</b>	18.388
Cost of sales – streaming contracts				
less: Realization of upfront payment	<b>(0.087)</b>	(0.074)	<b>(7.026)</b>	(10.066)
less: Realization of crop payments	<b>(0.013)</b>	(0.007)	<b>(1.781)</b>	(2.064)
less: Realized market value adjustments	<b>(0.009)</b>	(0.023)	<b>(0.417)</b>	(0.851)
less: Other	<b>(0.029)</b>	(0.008)	<b>(0.500)</b>	(0.290)
<b>Gross profit on canola sales – streaming contracts</b>	<b>0.024</b>	0.003	<b>2.397</b>	5.118
Net settlements – streaming contracts	<b>1.107</b>	-	<b>9.964</b>	-
Cost of sales – streaming contracts				
less: Realization of upfront payment	<b>(0.617)</b>	-	<b>(6.648)</b>	-
less: Realization of crop payments	<b>(0.165)</b>	-	<b>(0.718)</b>	-
less: Realized market value adjustments	<b>(0.006)</b>	-	<b>(0.289)</b>	-
less: Other	<b>(0.002)</b>	-	<b>(0.002)</b>	-
<b>Gross profit on net settlements – streaming contracts</b>	<b>0.317</b>	-	<b>2.308</b>	-
Sales – canola trading	<b>1.647</b>	-	<b>5.499</b>	10.016
Cost of Sales – canola trading	<b>(1.708)</b>	(0.003)	<b>(5.502)</b>	(9.921)
<b>Gross profit – canola trading</b>	<b>(0.061)</b>	(0.003)	<b>(0.003)</b>	0.095
<b>Total gross profit</b>	<b>0.280</b>	0.001	<b>4.701</b>	5.212

### Three months ended June 30, 2017

For the quarter ended June 30, 2017, Input had total gross profit of \$0.341 million from physical delivery and net settlement of streaming contracts compared to \$0.003 million from the comparable quarter one year ago.

Input incurred a loss of \$0.061 million from canola trading on revenue of \$1.647 million. In the comparable quarter the previous year, Input generated a loss from canola trading of \$0.003 million on revenue of \$0.

Trading revenues are subject to fluctuations and generate low margins. They are often a result of filling gaps in the Company's streaming contract marketing program to optimize deliveries.

*Nine months ended June 30, 2017*

For the nine months ended June 30, 2017, Input had total gross profit of \$4.705 million from physical delivery and net settlement of streaming contracts compared to \$5.117 million last year.

Input realized a loss of \$0.003 million from canola trading on revenue of \$5.499 million. In the comparable nine month period one year ago, Input generated gross profit from canola trading of \$0.095 million on revenue of \$10.016 million.

**NET INCOME (LOSS)**

*Three months ended June 30, 2017*

For the quarter ended June 30, 2017, Input generated a net loss before taxes of \$6.237 million (loss of \$4.672 million after tax) compared to a net loss before taxes of \$0.267 million (\$0.243 million after tax) during the comparable quarter ended June 30, 2016.

The net loss before tax was affected primarily by two significant non-cash revenue and expense items, which are outlined below.

- Unrealized market value gain or loss – expense of \$4.911 million – Under IFRS accounting, the Company’s canola streaming contracts are considered to be derivative financial instruments and are recognized as financial assets on the investment date. All derivative financial instruments are recorded at fair value on the Statement of Financial Position. Subsequent changes in fair value of these derivative financial instruments are recognized in profit or loss in unrealized market value gain or loss. *Refer to discussion on Critical Accounting Estimates beginning on page 18 of this MD&A.*
- Realization of market value adjustments – expense of \$0.043 million – As described above, changes in fair value of Input’s streaming contract are recognized in profit or loss in market value adjustments. Realized gains and losses that result from the sale of tonnes of canola are recognized in profit or loss in realization of canola interests.

*Nine months ended June 30, 2017*

For the nine months ended June 30, 2017, Input generated a net loss before taxes of \$12.404 million (loss of \$9.298 million after tax) compared to net income before taxes of \$1.462 million (\$0.931 million after tax) during the comparable period ended June 30, 2016.

The net loss before tax was affected primarily by two significant non-cash revenue and expense items, which are outlined below.

- Unrealized market value gain or loss – expense of \$10.045 million – Under IFRS accounting, the Company’s canola streaming contracts are considered to be derivative financial instruments and are recognized as financial assets on the investment date. All derivative financial instruments are recorded at fair value on the Statement of Financial Position. Subsequent changes in fair value of these derivative financial instruments are recognized in profit or loss in unrealized market value gain or loss. *Refer to discussion on Critical Accounting Estimates beginning on page 18 of this MD&A.*
- Realization of market value adjustments – expense of \$2.937 million – As described above, changes in fair value of Input’s streaming contract are recognized in profit or loss in market value adjustments. Realized gains and losses that result from the sale of tonnes of canola are recognized in profit or loss in realization of canola interests.

## Streaming Contract Portfolio

### THE MARCH OF THE MARKETING STREAM

Since it was founded in 2012, Input has originated canola streams with farmers using a range of upfront payments and crop payments per tonne. All of the streams lie along a spectrum which was designed to fit various farmers' circumstances and needs. In recent periods, the range of upfront payments on individual contracts has tended to be in the range of about \$115 to \$250 per MT, depending on the farmer's need for working capital and the extent of his/her willingness to discount future canola and exchange it for cash today. Upfront payments such as these create a range of about \$265 to \$60 for crop payments, respectively.

These kinds of streams, which management now refers to as "Capital Streams" because they meet a working capital need, generate high nominal cash flow per tonne for Input. Assuming a \$450/MT selling price for canola, Input would have cash flow of \$185 per MT to \$390 per MT based on the upfront payments outlined above, or cash flow margins in the range of 155%. After amortizing the upfront payment, which is a non-cash expense in the period when the canola is sold, gross margins are in the range of \$70 to \$140 per MT, or approximately 55% - 60% on the upfront payment.

As the Company built up a track record of canola sales, its streaming clients and other interested farmers took notice and expressed interest in participating in Input's canola marketing program. Some of these farmers had no need of working capital, but a better price for their canola was attractive to them. It was out of this dynamic that a new type of stream was developed in late 2016, called the "Marketing Stream" because these streams meet a canola marketing need.

Marketing Streams lie on the same spectrum as Capital Streams outlined above. They are also multi-year contracts of a similar five to six year length, and they feature a single upfront payment and annual crop payments tied to canola deliveries. What makes them noticeably different than Capital Streams is the small size of the upfront payment and the larger size of the crop payment. Marketing Stream upfront payments tend to be between \$10 and \$50 per MT, and crop payments are set at a percentage of the final price at which Input sells the canola. By setting the crop payment as a percentage, Input is able to remove the risk that would it would otherwise be exposed to if crop payments were fixed at a specific dollar amount for the life of the contract. These crop payments range between 95% and 75% of Input's final canola price, respectively, with 5% to 25% of the final selling price staying with Input.

As a result, Marketing Streams generate significantly lower cash flow per tonne sold by Input when expressed in nominal dollar terms, but the cash flow margins in percentage terms are significantly higher compared to Capital Streams. Assuming a \$450/MT selling price for canola, and using the percentages indicated above, a Marketing Stream generates cash flow to Input of \$22.50 to \$112.50 per MT based on upfront payments of \$10 to \$50 per MT, or a cash flow margin of about 225%. After amortizing the upfront payment, which is a non-cash expense in the period when the canola is sold, gross margins are in the range of \$12.50 to \$62.50 per MT, or approximately 125%.

Capital Streams are designed to meet a working capital need and feature significant margin of safety as a result of a significant gap between the canola price and the sum of the upfront and crop payments. Marketing Streams are designed to help farmers get better pricing for their canola, and Input achieves margin of safety on these contracts by participating on a percentage basis rather than with a fixed crop payment. Marketing Streams have significantly less capital involved, and they have very attractive returns to Input at all commodity price levels.

Marketing Streams were soft-launched by Input in January 2017 and were received with enthusiasm in the farm community. Over 60 such contracts were signed during that same quarter, and over 100 Marketing Streams were signed in the following quarter. Some of these were signed by existing Capital Stream clients who also want access to better pricing for their own canola, and some were entered into by new clients who had previously demonstrated no interest in a Capital Stream due to a lack of need.

In the most recent quarter, Input undertook a trade show based sales campaign that saw significant success in landing new producers as clients. The campaign expanded the current portfolio by over 100 new farmers by leading with Marketing Streams. This success with the “Land” portion of its “Land and Expand” strategy now sets the Company up well for opportunities to “Expand” these contracts with existing clients in the months ahead.

Management believes that the addressable market for Marketing Streams is approximately five times larger than the estimated addressable market for Capital Streams because every farmer is always interested in achieving better prices for his/her crop. Not every farmer has a working capital need.

The addition of Marketing Streams to Input’s book of multi-year streaming contracts continues to accelerate Input’s pace of client acquisition, and is adding significantly to the pace of growth of the Company’s canola reserves because of the low cost of reserve additions (as low as \$10/MT). By taking control over larger volumes of canola, Input should be able to drive better basis and delivery opportunities, contributing to the success of the overall streaming program.

As a result, shareholders should expect to see a shift in a few of the Company’s metrics in this quarter and in the quarters to come: Cash flow margins will decline in dollar terms as the first Marketing Stream tonnes are sold in the near future, but climb in percentage terms; cost per tonne acquired will decline and crop payments will rise; canola reserves will rise more quickly than in the past; canola revenue will rise more quickly due to an increase in volumes sold; and more.

Longer-term, Marketing Streams offer an opportunity to aggregate very significant canola volumes via multi-year contracts, which turns Input into a strategic player in the Western Canadian canola market, the top canola production and exporting region in the world. Management believes success at this strategy has excellent long-term implications for shareholders.

## **INVESTMENTS INTO STREAMING CONTRACTS (UPFRONT PAYMENTS AND CROP PAYMENTS)**

### *Three months ended June 30, 2017*

For the three months ended June 30, 2017, Input recorded gross capital deployment of \$3.931 million (compared to \$6.124 million in the same quarter last year) in upfront payments into 142 streaming contracts for the right to purchase over 83,000 MT of canola over the life of the streaming contracts. Net deployment for accounting purposes was \$11.490 million. (The difference in upfront payments is attributable to \$7.455 million in upfront payments from a contract previously announced in the Q1 Quarterly Operational Update that closed in Q3, and \$0.501 million in upfront payments from a contract previously announced in the Q2 Financial Statements that closed in Q3.)

During the quarter, Input added 124 new producers to its streaming contract portfolio; 89 in Saskatchewan, 33 in Alberta and 2 in Manitoba. The remaining contracts were renewals, expansions and restructures of existing contracts.

During the comparable quarter last year, Input added 13 new producers to its portfolio.

Input has taken deliberate steps to add a larger number of smaller contracts to its portfolio of streaming contracts, including Capital Streams and Marketing Streams, and is pleased to have added a record number of new producers to its portfolio in consecutive quarters.

During the quarter, Input’s average upfront payment per tonne was \$138.05 compared to \$269.57 in the comparable quarter last year. The upfront payment per tonne reflects upfront payments made into Marketing Streams which are lower than Capital Streams, bringing the upfront payment per tonne down substantially. As a result, Input now controls more physical canola per dollar invested than at any time in its history. For more information about Marketing Streams, refer to discussion on Marketing Streams beginning on page 11.

During the quarter, Input made crop payments, which are paid to the producer throughout a streaming contract, of \$0.178 million, for an average crop payment of \$70.20 per streaming tonne. This compares with an average crop payment of \$28.00 during the comparable quarter last year.

Input's crop payment per tonne fluctuates from quarter to quarter, depending on which streaming contracts recorded canola sales against them during the reporting period. In periods during which Input sells a material amount of canola, the average crop payment per tonne will generally be more reflective of the overall portfolio average compared to periods where small amounts of canola are sold. Management expects that the average crop payment will rise over time reflecting a trend toward smaller upfront payments and larger crop payments when measured on a per tonne basis. This trend is expected to increase with the growing portfolio influence of Marketing Streams which generally have a higher crop payment than Capital Streams.

*Refer to non-IFRS measures, specifically Crop Payment per Tonne, Cash Operating Margin, and Cash Margin.*

*Nine months ended June 30, 2017*

For the nine months ended June 30, 2017, Input recorded gross capital deployment of \$35.063 million (compared to \$24.041 million in the same period last year) into 191 streaming contracts for the right to purchase more than 279,000 MT of canola over the life of the streaming contracts. Net deployment for accounting purposes was \$30.756 million.

During the nine months, Input added 191 new contracts; 136 in Saskatchewan, 52 in Alberta and 3 in Manitoba. The remaining contracts were renewals, expansions and of existing contracts. During the comparable nine month period ended June 30, 2016, Input added 28 new producers to its portfolio.

During the nine month period, Input's average upfront payment per tonne was \$110.07 compared to \$292.25 in the comparable period last year. The upfront payment per tonne reflects upfront payments made into Marketing Streams which are lower than Capital Streams, bringing the upfront payment per tonne down substantially. For more information about Marketing Streams, refer to discussion on Marketing Streams beginning on page 11.

During the nine month period, Input made crop payments, which are paid to the producer throughout a streaming contract, of \$2.499 million, for an average crop payment of \$53.76 per streaming tonne. This compares with an average crop payment of \$54.27 during the comparable period last year.

Input's crop payment per tonne fluctuates from quarter to quarter, depending on which streaming contracts recorded canola sales against them during the reporting period. In periods during which Input sells a material amount of canola, the average crop payment per tonne will generally be more reflective of the overall portfolio average compared to periods where small amounts of canola are sold. Management expects that the average crop payment will gradually rise over time reflecting a trend toward smaller upfront payments and larger crop payments when measured on a per tonne basis. This trend is expected to increase with the growing portfolio influence of Marketing Streams which generally have a higher crop payment than Capital Streams.

*Refer to non-IFRS measures, specifically Crop Payment per Tonne, Cash Operating Margin, and Cash Margin.*

## **PORTFOLIO OVERVIEW**

As of June 30, 2017, Input's active streaming portfolio consisted of 300 geographically diversified streams. 220 of the Company's canola streams are with farms in Saskatchewan, 71 are located in Alberta, and 9 are in Manitoba. The Company is pleased with its continued growth across Alberta and Saskatchewan and expects to continue diversifying its asset base across the Prairies as it adds new streams to its portfolio.

The change in active streaming contracts by region on a quarterly and annual basis is demonstrated in the table below:

Active Streaming Contracts	Jun 30, 2017	Mar 31, 2017	Quarterly Growth	Jun 30, 2016	Year Over Year Growth
Manitoba	9	7	2	6	3
Saskatchewan	220	134	89	84	139
Alberta	71	38	33	17	54
<b>Total</b>	<b>300</b>	<b>179</b>	<b>121</b>	<b>107</b>	<b>193</b>

The quarterly and year-over-year growth figures are net of contracts in collection and buybacks during those respective time periods. Contracts in collection and buybacks are considered to be “inactive” and are not included in this table.

Over the Company’s history, streaming contract underwriting metrics have evolved from large capital streams with small numbers of farmers to smaller capital streams with larger numbers of farmers. This naturally helps to reduce the risk of the streaming portfolio as a result of lower portfolio concentration and greater geographic diversification.

Input looks to underwrite capital streams based on streaming approximately one third of a farmer’s anticipated canola production, with canola acres representing no more than one-third of total farm acres. This means that streaming contracts involve between 10% and 15% of a farmer’s total production, putting a natural check on capital stream contract size. For example, a typical 5,000 acre farm with suitable security and production metrics could expect to receive an upfront payment of up to \$400,000 associated with a streaming contract.

Management has continued to evolve the capital streaming contract format to offer more options, including an emphasis on larger crop payments which are paid in the year of crop production. This is beneficial to the producer as it provides more cash in the year the crop is grown, serving to cover the cost of producing the streamed crop, and is beneficial to Input Capital as it mitigates contract risk. In spite of this evolution, Input has maintained consistent projected IRRs on its capital streaming contract portfolio over time.

In April 2017, Farm Credit Canada (“FCC”) published its annual Farmland Values Report for 2016. Average farmland values in Canada continued to rise in 2016. The average value of Canadian farmland increased 7.9% in 2016, following gains of 10.1% in 2015, 14.3% in 2014, and 22.1% in 2013. Overall, the average national values have continued to rise since 1993. In all provinces, farmland values increased. Importantly to Input, farmland in Manitoba increased by 8.1%, while farmland in Alberta increased by 9.5%, and Saskatchewan by 7.5%. This is important to Input as rising farmland values increase the value of the Company’s mortgage security.

In addition, Input registers security interests in other parts of the farm operation via general security agreements, including purchase money security interests, assignments of production quotas and insurance payouts and other security as appropriate.

Input will continue to refine and optimize the composition of its streaming contract portfolio and is always seeking out new opportunities to profitably add canola reserves and new producers to the portfolio.

## ASSET SALES

During the quarter, the Company closed the two streaming contracts totalling \$8.0 million in upfront payments which had been previously announced in the Q1 Quarterly Operational Update. In addition, the Company closed the previously announced conditional sale of farmland which had been received from a farmer as a partial buydown of a streaming contract, and it signed an Agreement for Sale on farmland received from a previously terminated contract. Under the Agreement for Sale, Input will retain title to the land until certain closing conditions have been met and payments completed. This is recorded as a mortgage receivable in the Financial Statements.

While the terms of the farmland sales will not be made public due to commercial and privacy sensitivities in the tight-knit farming community, Input management is pleased to report that both sales took place at expected values. The Company did not incur a gain or a loss on the transactions.

## **MORTGAGES**

Over the last two years, management has been working to de-risk its legacy streaming portfolio by reducing the size of its larger contracts to fit the Company's new underwriting standard of 10 bushels/acre (bu/ac) for Capital Streams. (The Company used to be willing to stream 20+ bu/ac, but evolved that standard after three contracts were terminated in November 2015.)

During the 2017 fiscal year, the Company has facilitated buybacks of canola interests by entering into two conventional mortgages and an equipment loan with legacy streaming clients whose contracts were deemed to be too large. Concurrently with the origination of these mortgages, all or a portion of the streams were bought down in size to fit the Company's new underwriting standards. The result in each case is the replacement of a potentially unsustainable stream with a combination of a sustainable stream and a sustainable conventional farmland mortgage. This action significantly reduces Input's contract exposure should there be farming-related difficulties on these farms.

The impact on the balance sheet of the Company is a transfer of some canola interests into mortgages receivable. At present, the Company plans to carry these mortgages on its balance sheet, but it is exploring potential alternative options. The secondary market for farmland mortgages is not well-developed, but based on early conversations with potential counterparties, management believes there may be an opportunity to sell all or a significant portion of these mortgages on to traditional lenders while recovering cash which can be used to fund additional streaming deployment.

## **REVOLVING CREDIT FACILITY**

During the quarter, Input completed an update of its revolving credit facility with HSBC Bank Canada. There are no material changes to the agreement, but several changes were made which simplify reporting processes and enhance the Company's ability to draw on the facility as it relates to the second year of Capital Streams as well as the inclusion of Marketing Streams for draw purposes.

## **INSIDER PURCHASES**

On April 17, 2017, Input's Executive Management Team, comprised of its three co-founders, purchased 4,250,000 shares of the company from an institutional shareholder at a price of \$1.80 per share. Management is enthused about the future of the Company and now owns about 27.5% of the Company on a fully diluted basis. For further details on the transaction, see the disclosure documents filed on SEDAR and SEDI at the time of the transaction.

## **Commodity Prices**

### **CANOLA PRICING SUMMARY**

Input continues to achieve strong pricing for its canola sales program due to a combination of size, market power, and a flexible grain sales program as a result of geographic diversification.

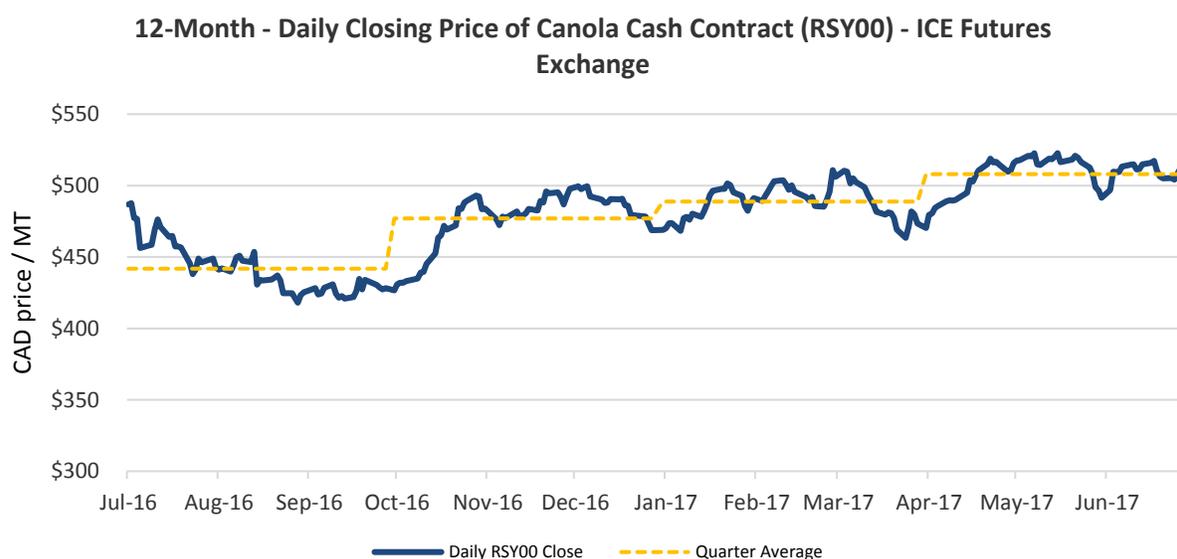
The chart below shows streaming volume sold during the last three twelve month periods ended September 30 (fiscal year end) and compares Input's realized price to the average Prairie cash price of canola for this reporting period, as supplied by Farmers Advanced Risk Management Co. (FARMCo). Input's quarterly average sales price per tonne has been higher than the average Prairie cash price by an annual average of 10.7% over the last three twelve

month periods. It is important to note that most farmers achieve final prices which are well below the average cash price. This is a primary reason why Marketing Streams have been well-received by farmers to date.

During the quarter, Input’s results are slightly above the FARMCo cash price for the period, but lag by a small amount for the fiscal year to date due to canola sales early in the period at lower prices than prevailed later in the period.

Comparison of Input realized price to futures market	Three Months Ended	Nine Months Ended	Twelve months ended		
	Jun 30, 2017	Jun 30, 2017	Sep 30, 2016	Sep 30, 2015	Sep 30, 2014
Average Input sales price from streaming contracts	\$500	\$475	\$483	\$470	\$475
Average Prairie cash price (FARMCo)	\$496	\$483	\$451	\$423	\$417
Input realized price relative to cash price	0.8%	-2.3%	7.1%	11.2%	13.9%

Input does not hedge long-term canola prices by selling forward in the futures market. Rather, Input schedules and sells canola at regular intervals during its post-harvest marketing season. From time to time, Input may replace physical tonnes of canola sold via its marketing program with “paper tonnes” of canola using short term futures contracts. This process allows Input to convert canola to cash for timely reinvestment into new streams while retaining exposure to the seasonality of higher prices which occur in the spring period following harvest.



## DEFERRED SHARE UNIT PLAN

The Company has a Deferred Share Unit plan (the “DSU Plan”) that provides for the payment of independent director compensation with deferred share units. Each director may elect to receive all or a portion of their board retainer in the form of DSUs rather than cash. Each deferred share unit is a right granted by the Company to an eligible independent director to receive a cash payment equivalent to the value of one common share when a participant ceases to be a director of the Company. The number of deferred share units to be granted under the DSU Plan is determined by dividing the elected amount of such eligible directors annual board retainer by the volume weighted average price of the Company’s common shares traded on the TSX Venture Exchange immediately preceding the date on which the deferred share units are awarded to such eligible director. Director annual board retainers are awarded on the first day of the fiscal year and vest over the fiscal year. Vested deferred share units are paid out in cash when a participant ceases to be a director of the Company. The DSU plan is considered an unfunded plan, under which no securities can be issued. To the extent that any individual holds any rights under the DSU Plan such rights shall be no greater than the rights of an unsecured general creditor of the Company. Given that the Company does

not have the right to issue any shares to settle this plan, the promise to issue the DSU units has been recorded as a current liability.

During the quarter, 30,304 deferred share units vested. At June 30, 2017 the deferred share units were valued at \$2.00 per unit. The total number of vested deferred share units outstanding at June 30, 2017 was 432,654.

## Liquidity and Capital Resources

Input has financed its acquisition of streaming contracts to date with the equity proceeds of issuing common shares through a private placement completed on November 30, 2012, subsequent public offering and private placements completed on October 4, 2013 and July 9, 2014, and its growing internally generated cash flow. Now that the Company is generating revenue and significant positive operating cash flow, these are sufficient to cover the ongoing operational expenses of the Company.

At June 30, 2017, Input had working capital of \$21.461 million. Input will draw on this working capital to meet its obligations under existing streaming contracts, enter into additional streaming contracts, and meet the additional obligations thereunder. Capital not invested into streaming contracts earns daily interest by being kept on deposit with a Canadian chartered bank, or it is invested in liquid, low-risk, interest bearing securities.

Input's operating expenses consist primarily of personnel costs, the amounts of which are generally fixed, except for commissions associated with deployment into streaming contracts which vary with deployment activity. As Input grows, its annual operating costs are expected to grow at a rate substantially lower than the growth rate of annual revenues, gross profits and cash flow, as only limited numbers of additional personnel will be required as part of Input's growth. Accordingly, Input does not have or expect to have a working capital deficiency. Input is generating sufficient cash flow from operations to meet its current and ongoing obligations.

Due to the nature of the agriculture business and the timing of annual crop harvests, Input's revenue from the sale of canola is normally expected to be generated over the rest of the crop year post-harvest, which coincides with the nine months comprising the first three quarters of its fiscal year. Capital investment will occur year-round but is most intensive in the first and second fiscal quarters, corresponding to the period of the year when farmers are not actively farming.

Many of Input's canola streaming contracts feature a crop payment to the farmer. Crop payments may be made in instalments tied to successful completion of seeding and harvest, or they may be made entirely when the physical crop has been delivered to Input and sold.

On December 7, 2016, Input announced that it would initiate a dividend, with the initial annual dividend set at \$0.04 per share, to be paid at the rate of \$0.01 per quarter. The first dividend was paid January 16, 2017 to shareholders of record as at December 30, 2016, with subsequent quarterly dividends paid on April 17, 2017 and July 17, 2017.

Input has no long-term debt and currently owes \$6.162 million on its \$25 million revolving credit facility.

A streaming contract is a canola purchase obligation similar to a grain delivery contract and is an agreement to purchase goods or services in the future that is enforceable and legally binding on farmers and Input that specifies all significant terms, including: the upfront payment / refundable deposit, fixed or minimum quantities of canola to be purchased; fixed, minimum or variable crop payment and price provisions; and the approximate timing for the delivery / pick-up of the canola to take place.

Canola purchase agreements contain obligations for the Company to purchase canola at a specified price at a future date. The following table provides a summary of Input's payments due under its existing portfolio of streaming contracts for each of the next five years and thereafter, as at June 30, 2017:

Contractual obligations	Payments due by period				
	Total	< 1 year	1 - 3 years	4 – 5 years	> 5 years
<i>CAD millions, unless otherwise noted</i>					
Purchase obligations	38.793	8.380	13.613	12.220	4.580
Trade and other payables	9.109	9.109	-	-	-
<b>Total contractual obligations</b>	<b>47.902</b>	<b>17.489</b>	<b>13.613</b>	<b>12.220</b>	<b>4.580</b>

Input signed a five-year sub-lease that commenced September 1, 2016, ending February 28, 2021 with Emsley & Associates (2002) Inc. (a related party – see below). The Company's annual commitments under the lease is as follows:

Commitments and contingencies	Payments due by period				
	2017	2018	2019	2020	2021
<i>CAD millions, unless otherwise noted</i>					
Commitments and contingencies	0.139	0.278	0.290	0.304	0.051

## Transactions between Related Parties

The Company is related to Emsley & Associates (2002) Inc., and Nomad Capital Corp. as a result of common management. The companies share common office space, certain equipment and some personnel. These expenses are managed through a Shared Services Agreement whereby expenses are shared between companies. Related party expenses are summarized in the following table:

Corporate administration expenses	Three months ended Jun 30		Nine months ended Mar 31	
	2017	2016	2017	2016
<i>CAD millions, unless otherwise noted</i>				
Corporate administration expenses	0.175	0.213	0.642	0.795

## Critical Accounting Estimates

The preparation of the Consolidated Financial Statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected.

Significant areas requiring the use of management estimates are further described below:

### Financial Instruments

The Company classifies its financial instruments into one of the following categories: financial instruments at fair value through profit or loss; loans and receivables; and other liabilities. All financial instruments are measured at fair value on initial recognition and recorded in the consolidated statement of financial position. Transaction costs are included in the initial carrying amount of the financial instruments unless the financial instruments are classified as fair value through profit or loss. Transaction costs attributable to the acquisition of financial instruments classified as fair value through profit or loss are recognized immediately in net income. Measurement in subsequent periods depends on the classification of the financial instrument.

Cash and Trade and other receivables are classified as loans and receivables and are measured at amortized cost. Trade and other payables are classified as other liabilities and these are measured at amortized cost using the effective interest method.

Derivative financial instruments, including canola interests and other financial assets, are recognized as a financial asset on the trade date. All derivative financial instruments are classified at fair value through profit or loss (“FVTPL”) and recorded at fair value on the statements of financial position. Subsequent changes in fair value of these derivative financial instruments are recognized in the Statement of Comprehensive Income in canola interests market value adjustments.

Financial assets are derecognized when the contractual rights to the cash flows from the asset are settled or they expire. Financial liabilities are derecognized only when the Company’s obligations are discharged, cancelled or they expire. All gains and losses as a result of changes in fair value for FVTPL financial instruments are included in income and comprehensive income in the period they occur.

### ***Fair value of canola interests***

Canola interests are agreements for which settlements are called for in tonnes of canola, the amount of which is determined based on terms in the canola purchase agreements which are capitalized on a contract by contract basis and are recorded at fair value. As the contracts contain an embedded derivative relating to the market value of canola, at each reporting date the fair value of each contract is calculated using internal discounted cash flow models that rely on forward canola and other correlated commodity pricing provided by independent sources, as well as a number of other inputs, including management estimates regarding delivery timing, among others. Other variables that impact the fair value of canola interests include the timing of the delivery of the tonnes, changes in expected costs of realizing on the contract, and changes in the risk free interest rate. Subsequent changes in fair value of these derivative financial instruments are recognized in profit or loss in unrealized market value gain (loss). Realized gains and losses that result from the sale of tonnes of canola are recognized in profit or loss in realization of canola interests.

Included in canola interests are contracts that are in the process of restructuring and or security realization. These contracts are fair valued at the time of initiating restructuring or realization and subsequently recorded at cost less any write downs for impairment. Legal and other expenses relating to enforcement of security are expensed as incurred. Costs directly attributable to additions to the security position are included as additions to canola interests. Contracts in the process of security realization are fair valued at each reporting date based on the expected amount of capital to be recovered net of legal and other costs to determine if impairment exists.

Based on Input’s June 30, 2017 canola interests, a 1% change in the price of canola would result in a \$0.948 million (June 30, 2016 - \$1.035 million) unrealized market value gain (loss) recorded on the Statement of Comprehensive Income.

Over the course of the last two years, Management has been working to de-risk the Company’s streaming portfolio by reducing the concentration exposure of the Company to individual farms. The focus of this de-risking process has been on legacy contracts which go back to the earliest stages of the Company, when the average size of a streaming contract was in the range of \$2 million, and when not every contract was fully secured by farm assets. (More recent contracts have been an average size of \$250,000 to \$500,000 and are fully secured by farm assets and via assignments of crop insurance.) Management is convinced that this shift to large numbers of smaller contracts (relative to farm size) significantly de-risks the Company compared to small numbers of large contracts, and, using that strategy, is building a solid foundation on which to create a sustainable, long-term business, setting Input up for a new phase of growth and opportunity.

As part of this de-risking strategy, the Company has been working with some legacy clients to restructure and buy-down streams to fit the Company’s new contracting parameters. This has resulted in the Company occasionally taking possession of farmland which it sells in the open market, taking back conventional mortgages, and working with clients to find them other forms of conventional financing, among many other strategies. This is the right thing for Input to do and is good for both the Company and its farmer partners.

However, under IFRS derivative accounting and as described above, any changes to contracts that result in changes to assumptions about the timing of canola deliveries or cash settlements, the pricing of canola deliveries, the timing of security realization and recovery, and assumptions around several other key inputs such as interest rates and contract duration have an impact on the Fair Value of the Company's canola interests. Even a slow realization process in which the Company stands to fully recover its capital on a fully secured contract can result in a reduction in the fair value of a contract due to changes in time value. All such changes flow through the Income Statement as unrealized market value gains or losses. Shareholders of long-standing will be familiar with management's commentary on the "noise" that Mark-to-Market accounting creates in the Company's financials.

Subsequent to the end of the quarter, management determined that there are a small number of legacy streams which will likely require restructuring over longer contract periods than originally contracted or which may be converted from canola interests into debt obligations. Due to these timing uncertainties, including uncertainties in certain circumstances regarding the value of security such as growing crop or used farm equipment, and uncertainties regarding the cost of carrying out any potential realization processes, an adjustment in the fair value of the canola interests has been made during the quarter. This is noted in Note 7 of the Financial Statements.

The Company does not speak about contracts with individual detail, as that may prejudice ongoing discussions with streaming counterparties regarding potential solutions, and/or future legal proceedings should legal proceedings be determined to be appropriate.

#### ***Assets held for sale***

Assets held for sale are assets registered in Input's name resulting from Input enforcing security under contracts being terminated or collected, or as a result of Input accepting assets as part of a buyback of canola interests. These assets are recorded at fair value based on quoted market prices for similar assets with an offsetting reduction in Canola interests. These assets are expected to be sold in the near term, although Input will hold farmland and rent it to local farmers for a season if such assets come into Input's possession at a time of year not conducive to farmland sales, which is seasonal.

#### ***Other financial assets (liabilities)***

Other financial assets (liabilities) include canola delivery and basis price contracts with grain companies, farmers and canola crushing facilities. These contracts are generally settled by delivery of canola tonnes or in cash. At each reporting date the fair value of each contract is calculated using current canola pricing provided by independent sources. Subsequent changes in fair value of these derivative financial instruments are recognized in profit or loss in unrealized market value gain (loss).

Part of the Company's in-year canola marketing program involves the purchase of canola futures and options contracts to maintain an open pricing position. These contracts are settled in cash and at each reporting date the fair value of open contracts is calculated using current canola pricing provided by independent sources. Subsequent changes in fair value of these derivative financial instruments are recognized in profit or loss in unrealized market value gain (loss). Realized gains and losses relating to these contracts is recorded in other (gain) loss in the Statement of Comprehensive Income.

#### ***Valuation of share based compensation***

The Company recognizes share based compensation expense for all share purchase options awarded to employees, officers, directors and consultants based on the fair values of the share purchase options and the share purchase warrants at the date of grant. The fair values of share purchase options at the date of grant are expensed over their vesting periods with a corresponding increase to equity in contributed surplus. The fair value of share purchase options is determined using the Black-Scholes option pricing model with market related inputs as of the date of grant. At the end of each reporting period, the Company re-assesses its estimates of the number of awards that are

expected to vest and recognizes the impact of any revisions to this estimate in the Statement of Comprehensive Income.

The Black-Scholes model requires management to estimate the expected volatility and term of the equity instrument, the risk-free rate of return over the term, expected dividends, and the number of equity instruments expected to ultimately vest. Volatility is estimated using daily volatility of the historical stock price of the Company's shares since inception, the expected term is estimated using historical exercise data, and the expected number of equity instruments expected to vest is estimated using historical forfeiture data. If and when share-based awards are ultimately exercised, the applicable amounts in Contributed Surplus are transferred to Share Capital.

### ***Deferred income taxes***

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

## **Future Accounting Standard and Interpretations**

The International Accounting Standards Board ("IASB") issued a number of new and revised accounting standards which are effective for future periods.

Standards required to be applied for annual periods beginning on or after January 1, 2018:

- International Financial Reporting Standard ("IFRS") 15 – Revenue from Contracts with Customers – specifies how and when an IFRS reporter will recognize revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers.
- IFRS 9 – Financial Instruments - a finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 Financial Instruments: Recognition and Measurement.

Standards required to be applied for annual periods beginning on or after January 1, 2019:

- IFRS 16 – specifies how an IFRS reporter will recognize, measure, present and disclose leases.

The Company is reviewing these standards to determine the potential impact, if any, on its financial statements.

## **Outstanding Share Data**

The authorized capital of Input consists of an unlimited number of common voting shares without par value.

At June 30, 2017, there were 81,922,758 common voting shares outstanding (June 30, 2016 – 81,662,758).

There are no special rights or restrictions attached to the shares. The shares rank equally as to all benefits which might accrue to the holders thereof, including the right to receive dividends out of monies properly applicable to the payment of dividends if and when declared by the Board of Directors and to participate ratably in the remaining assets in any distribution on a dissolution or winding-up. The shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

All registered shareholders are entitled to receive a notice of all meetings of shareholders. At any general meeting, subject to the restrictions on joint registered owners of Input shares, on a show of hands every registered

shareholder who is present in person or by proxy and entitled to vote has one vote, and on a poll, every registered shareholder who is entitled to vote has one vote for each share held and may exercise such vote either in person or by proxy.

The following table sets forth the issued and outstanding common voting shares and the common voting shares issuable on the conversion, exercise or exchange of securities into common voting shares.

Common Shares	Number
Outstanding	81,922,758
Issuable upon exercise of options <sup>1</sup>	7,758,942
<b>Fully diluted common shares</b>	<b>89,681,700</b>

## Risk Factors

The following discussion is intended to outline conditions currently known to management which could have a material impact on the financial results of the Company. As such, this discussion is not all-inclusive nor is it a guarantee that other factors will or will not affect the Company in the future. The section entitled “Risk Factors” in Input’s Annual Information Form, available on SEDAR at [www.sedar.com](http://www.sedar.com), describes other conditions that could have a material impact on the financial results of the Company.

### NOVEL BUSINESS MODEL AND LIMITED OPERATING HISTORY

The Company has been operational and applying its streaming business model within the agricultural sector since 2012. The streaming business model employed by the Company is unique within the agricultural sector and different from traditional canola purchasing and/or financing options historically made available to farmers. There is no assurance that the streaming business model will be successful or widely accepted by farmers. As a result, the Company may not achieve profitability in future periods.

The Company’s prior operating history has been primarily limited to Streaming Contracts over periods of rising or strong prices for canola. Accordingly, in the event of fluctuating and declining canola prices or agricultural commodities prices generally, there can be no assurance that the Company will realize on its security on a timely basis or at all or in a manner that mitigates any losses incurred by the Company pursuant to its Streaming Contracts, and there can be no assurance that the Company will be able to effectively adjust in the event of a fluctuation or decline in prices.

### AGRICULTURE IS RISKY - ADVERSE WEATHER CONDITIONS AND OTHER FACTORS AFFECT YIELD

Adverse weather conditions represent a very significant operating risk affecting the agricultural industry. Weather conditions affect the types of crops grown, the quality and quantity of grain production and the levels of farm inputs which, in turn, affect sales mix, grain handling volumes and the level of canola sales. Adverse weather conditions, such as drought or excessive rains, can result in reduced crop production and in turn, reduce the canola yields. A reduction in canola yields because of adverse weather conditions and other factors such as crop diseases, pests and wildlife, can have a material adverse effect on the Company’s financial condition and results of operations. The ability of farm operators to meet their obligations and the Company’s financial results are dependent on the yield of canola produced each year.

### CREDIT AND FINANCIAL STABILITY OF THE FARM OPERATORS

The success of agriculture commodity streaming depends on the credit and financial stability of the farm operators. The Company’s financial performance will be adversely affected if its farm operators are unable to meet their obligations under the streaming contracts. The capital-intensive nature of farming causes farm operations to be heavily reliant on debt financing. Farm operators that have substantial debt may be affected by rising interest rates.

<sup>1</sup> Stock option plan - Input has a stock option plan and, pursuant to Input’s stock option plan, a total of 7,758,942 stock options are outstanding. All of the 7,758,942 stock options issued have been issued to directors, officers, employees and consultants of Input.

In certain circumstances, an increase in interest rates may reduce the profitability and financial stability of the farm operator. The farm operator's returns and financial stability can also be positively or negatively affected by crop grade and quality issues, dockage levels, crop storage problems, farm equipment breakdowns, availability and quality of on-farm labour, changes in basis levels offered by grain buyers, transportation costs and complications, the availability of crop delivery slots and railway or port labour unrest. Certain expenditures, including crop storage and insurance costs and related charges must be made throughout the period of investment regardless of whether the crop is producing any income.

#### **GRAIN HANDLING AND MARKETING SYSTEM**

The grain handling and marketing system in western Canada is limited by the capacities of the grain collection network (both country and export facilities), capacities of the transportation system (ship, rail and truck), prolonged inclement weather, throughput issues, shipping bottlenecks, and union strikes, amongst other events. Any of these events may impede the ability of the Company to convert its canola into cash in the timeframe the Company anticipated.

#### **AGRICULTURE INDUSTRY CYCLICALITY**

The financial viability of the farm operator will be largely dependent on the performance of the Canadian agricultural industry, including in particular the agricultural industry in Alberta, Saskatchewan and Manitoba. The agriculture sector has historically been a cyclical business. To the extent that the agricultural sector declines or experiences a downturn, the financial viability of farm operators could be materially adversely affected, including their ability to meet their obligations under the streaming contracts.

#### **COMMODITY PRICES, INTERNATIONAL TRADE AND POLITICAL UNCERTAINTY**

The business of the Company is directly dependent on the prices for grains, oilseeds and other agricultural commodities. The Company will be directly exposed to fluctuations in prices for these commodities. The prices for grains, oilseeds and other agricultural commodities are influenced by a variety of unpredictable factors that are beyond the control of the Company, including weather, government (Canada, United States and other), farm programs and policies and changes in global demand or other economic factors. The world grain market is subject to numerous risks and uncertainties, including risks and uncertainties related to international trade and global political conditions. Lower or fluctuating commodity prices may have a material adverse effect on the Company's financial results, business prospects and financial condition. Regulation and political factors can also have a significant impact.

## Non-IFRS Measures

Input Capital measures key performance metrics established by management as being key indicators of the Company's strength, using certain non-IFRS performance measures, including:

- Adjusted Streaming Sales, Adjusted Streaming Volume and Adjusted Gross Profit from Streaming;
- Crop Payment per tonne;
- Cash Operating Margin and Cash Operating Margin per tonne;
- Cash Margin and Cash Margin per tonne;
- Adjusted EBITDA and Adjusted EBITDA per share;
- Adjusted Operating Cash Flow and Adjusted Operating Cash Flow per share;
- Adjusted Net Income (Loss) and Adjusted Net Income (Loss) per share; and
- Upfront Payment per tonne.

The Company uses these non-IFRS measures for its own internal purposes. These non-IFRS measures do not have any standardized meaning prescribed by IFRS, and these measures may be calculated differently by other companies. The presentation of these non-IFRS measures enables investors and analysts to understand the underlying operating and financial performance of the Company in the same way as it is evaluated by Management. Management will periodically assess these non-IFRS measures and the components thereof to ensure their continued use is beneficial to the evaluation of the underlying operating and financial performance of the Company, and to confirm that these measures remain useful for comparison purposes to other royalty/streaming companies.

### ADJUSTED STREAMING SALES, ADJUSTED STREAMING VOLUME AND ADJUSTED GROSS PROFIT FROM STREAMING

In addition to regular canola delivery, Input may accept cash or other assets as an acceptable settlement of canola volumes due to Input under a streaming contract. This is done to square up partial loads, via offset of crop payments against volumes of committed streaming tonnes, or as a result of crop insurance proceeds being paid directly to Input to replace streaming shortfalls. Under the standards of IFRS, such net settlements do not meet the definition as sales revenue. The table below reconciles sales from physical canola volumes and net settlements of canola interests to arrive at an amount herein referred to as adjusted streaming sales.

Summary of Canola Sales	Three months ended June 30, 2017			Three months ended June 30, 2016		
	Canola Sales	Net Settlement	Adjusted	Canola Sales	Net Settlement	Adjusted
<i>CAD millions, unless otherwise noted</i>						
Streaming volume (MT)	300	2,236	<b>2,536</b>	250	-	250
Sales from streaming contracts	0.161	1.107	<b>1.268</b>	0.115	-	0.115
less: Upfront payments	(0.087)	(0.617)	<b>(0.704)</b>	(0.074)	-	(0.074)
less: Crop payments	(0.013)	(0.165)	<b>(0.178)</b>	(0.007)	-	(0.007)
less: Realized market value adjustment	(0.009)	(0.006)	<b>(0.014)</b>	(0.023)	-	(0.023)
less: Other direct expenses	(0.029)	(0.002)	<b>(0.030)</b>	(0.008)	-	(0.008)
<b>Gross profit from canola streaming</b>	0.024	0.317	<b>0.343</b>	0.003	-	0.003

Summary of Canola Sales	Nine months ended June 30, 2017			Nine months ended June 30, 2016		
	Canola Sales	Net Settlement	Adjusted	Canola Sales	Net Settlement	Adjusted
<i>CAD millions, unless otherwise noted</i>						
Streaming volume (MT)	25,440	21,045	<b>46,486</b>	38,033	-	38,033
Sales from streaming contracts	12.122	9.964	<b>22.086</b>	18.388	-	18.388
less: Upfront payments	(7.026)	(6.648)	<b>(13.674)</b>	(10.066)	-	(10.066)
less: Crop payments	(1.781)	(0.718)	<b>(2.499)</b>	(2.064)	-	(2.064)
less: Realized market value adjustment	(0.417)	(0.289)	<b>(0.706)</b>	(0.851)	-	(0.851)
less: Other direct expenses	(0.500)	(0.002)	<b>(0.502)</b>	(0.290)	-	(0.290)
<b>Gross profit from canola streaming</b>	<b>2.398</b>	<b>2.307</b>	<b>4.705</b>	<b>5.117</b>	<b>-</b>	<b>5.117</b>

### CROP PAYMENT PER TONNE

Crop payment per tonne is a non-IFRS financial measure calculated by dividing the total cost of sales, less realization of canola interests, adjusted realized market value adjustments, and other costs, by tonnes sold. Adjusted realized market value adjustments are allocated to tonnes sold that have had previous market value adjustments flow through the income statements via the unrealized market value adjustment line. The realized market value adjustment is a non-cash expense. While the Company considers this to be a key performance metric, it does not have any standardized meaning. The Company believes that this information can be useful to investors when used in conjunction with conventional measures prepared in accordance with IFRS to evaluate the Company's performance and ability to generate cash flow.

Crop payment per tonne	Three months ended Jun 30		Nine months ended Jun 30	
	2017	2016	2017	2016
<i>CAD millions, unless otherwise noted</i>				
Cost of sales (from canola sales and net settlements)	<b>0.925</b>	0.112	<b>17.381</b>	13.271
Adjusted realization of upfront payment	<b>(0.704)</b>	(0.074)	<b>(13.674)</b>	(10.066)
Adjusted realized market value adjustments	<b>(0.014)</b>	(0.023)	<b>(0.706)</b>	(0.851)
Other	<b>(0.029)</b>	(0.008)	<b>(0.502)</b>	(0.290)
<b>Crop payment</b>	<b>0.178</b>	0.007	<b>2.499</b>	2.064
Divided by: Total canola streaming tonnes sold	<b>2,536</b>	250	<b>46,486</b>	38,033
<i>Equals: Crop payment per tonne</i>	<b>\$70.20</b>	\$28.00	<b>\$53.76</b>	\$54.27

### CASH OPERATING MARGIN AND CASH OPERATING MARGIN PER TONNE

Cash Operating Margin and Cash Operating Margin per Tonne are non-IFRS financial measures calculated by subtracting the average cash payment for canola on a per tonne basis, as described above, from the average realized selling price of canola on a per tonne basis. The Company believes that this information can be useful to investors when used in conjunction with conventional measures prepared in accordance with IFRS to evaluate the Company's performance and ability to generate cash flow.

The increase in "other direct selling costs per tonne" is due to Input taking a proactive role in the logistics of its grain marketing program. Input incurs some additional costs to truck grain itself but benefits from improved pricing and timely movement.

Cash operating margin & Cash operating margin per tonne	Three months ended Jun 30		Nine months ended Jun 30	
	2017	2016	2017	2016
<i>CAD millions, unless otherwise noted</i>				
Adjusted streaming sales	1.268	0.115	22.086	18.388
Divided by: Total adjusted streaming tonnes sold	2,536	250	46,486	38,033
<i>Equals: Average realized price per tonne</i>	<i>\$500.07</i>	<i>\$460.00</i>	<i>\$475.11</i>	<i>\$483.47</i>
Less: Crop payment	0.178	0.007	2.499	2.064
<i>Equals: Average crop payment per tonne</i>	<i>\$70.20</i>	<i>\$28.00</i>	<i>\$53.76</i>	<i>\$54.27</i>
Less: Other direct selling costs	0.029	0.008	0.502	0.290
<i>Other direct selling costs per tonne</i>	<i>\$11.44</i>	<i>\$32.00</i>	<i>\$10.80</i>	<i>\$7.62</i>
<i>Equals: Cash operating margin</i>	<i>1.061</i>	<i>0.100</i>	<i>19.086</i>	<i>16.034</i>
<i>Cash operating margin per tonne</i>	<i>\$418.44</i>	<i>\$400.00</i>	<i>\$410.58</i>	<i>\$421.58</i>
<i>Cash operating margin %</i>	<i>83.68%</i>	<i>86.96%</i>	<i>86.42%</i>	<i>87.20%</i>

### CASH MARGIN AND CASH MARGIN PER TONNE

Cash Margin and Cash Margin per Tonne are non-IFRS financial measures calculated by subtracting the adjusted realization of upfront payments from the cash operating margin described above. Cash margin takes into account all cash costs associated with the sale of canola from streaming contracts.

Cash margin & Cash margin per tonne	Three months ended Jun 30		Nine months ended Jun 30	
	2017	2016	2017	2016
<i>CAD millions, unless otherwise noted</i>				
Cash operating margin	1.061	0.100	19.086	16.034
Less: Adjusted realization of upfront payments	(0.704)	(0.074)	(13.674)	(10.066)
<i>Equals: Cash margin</i>	<i>0.357</i>	<i>0.026</i>	<i>5.412</i>	<i>5.968</i>
<i>Cash margin per tonne</i>	<i>\$140.79</i>	<i>\$104.00</i>	<i>\$116.42</i>	<i>\$156.92</i>

### ADJUSTED EBITDA AND ADJUSTED EBITDA PER SHARE

Adjusted EBITDA and Adjusted EBITDA per share are non-IFRS financial measures calculated by excluding the following from net income and EPS:

- Income tax expense (recovery);
- Adjusted realization of upfront payment from canola interests;
- Amortization of capital and intangible assets;
- Interest income;
- Interest expense;
- Unrealized and adjusted realized market value adjustment; and
- One-time, non-recurring expenses not generally associated with the normal course of business.

Management's view is that Adjusted EBITDA and Adjusted EBITDA per share are useful metrics for investors and analysts to evaluate the pre-tax earnings of the Company without the effects of non-cash charges (such as amortization of capital and intangible assets and realization of upfront canola interests) and non-recurring items. While the loss/gain on market value adjustment will be a recurring item, this loss/gain does not reflect the underlying operating performance of the Company, nor is it necessarily indicative of future operating results.

The Company treats upfront payments as an investment in future deliveries of canola. Adjusted EBITDA is a non-IFRS measure that is useful in evaluating the Company's results after this upfront investment is made.

Adjusted EBITDA & Adjusted EBITDA per share	Three months ended Jun 30		Nine months ended Jun 30	
	2017	2016	2017	2016
<i>CAD millions, unless otherwise noted</i>				
Net income (loss)	(4.672)	(0.243)	(9.298)	0.931
Income tax expense (recovery)	(1.565)	(0.024)	(3.105)	0.530
Adjusted realization of upfront payment	0.704	0.074	13.674	10.066
Amortization of capital and intangible assets	0.010	0.005	0.028	0.015
Interest income	(0.364)	(0.049)	(0.446)	(0.242)
Interest expense	0.018	-	0.024	-
Unrealized market value adjustment	4.911	(2.110)	10.045	(0.742)
Adjusted realized market value adjustment	0.014	0.023	0.706	0.851
Realized market value adjustment on buy backs	0.029	0.860	2.231	0.934
Non-recurring expenses	0.185	-	0.422	-
<b>Adjusted EBITDA</b>	<b>(0.730)</b>	<b>(1.464)</b>	<b>14.281</b>	<b>12.343</b>
Weighted average shares outstanding (basic)	81.734	81.614	81.709	81.589
<i>Adjusted EBITDA per share</i>	<i>\$(0.01)</i>	<i>\$(0.02)</i>	<i>\$0.17</i>	<i>\$ 0.15</i>

#### ADJUSTED OPERATING CASH FLOW AND ADJUSTED OPERATING CASH FLOW PER SHARE

Adjusted operating cash flow and adjusted operating cash flow per share are non-IFRS financial measures, calculated by subtracting adjusted cash crop payments from cash generated from operating activities and making an adjustment for increases or decreases in non-cash working capital and non-cash deferred income tax items. Adjusted operating cash flow per share is calculated by dividing adjusted cash flow from operations by the weighted average number of shares outstanding for the period. Adjusted operating cash flow excludes one-time, non-recurring expenses which are not part of the normal course of Input's business (see note 8 of the accompanying financial statements). Management uses adjusted operating cash flow as a key proxy for the Company's ability to generate cash flow.

Adjusted operating cash flow & Adjusted operating cash flow per share	Three months ended Jun 30		Nine months ended Jun 30	
	2017	2016	2017	2016
<i>CAD millions, unless otherwise noted</i>				
Cash generated from operating activities	(1.426)	(1.750)	14.472	18.616
Gain from sale of canola futures and options	0.107	(0.012)	(0.043)	0.033
Increase (decrease) in non-cash working capital	1.259	0.993	(3.258)	(4.340)
Deferred income tax expense	1.663	(0.274)	3.880	0.345
Adjusted realization of crop payment	(0.178)	(0.007)	(2.499)	(2.064)
Non-recurring expenses	0.185	-	0.422	-
<b>Adjusted operating cash flow</b>	<b>1.610</b>	<b>(1.050)</b>	<b>12.974</b>	<b>12.589</b>
Weighted average shares outstanding (basic)	81.734	81.614	81.709	81.589
<i>Adjusted operating cash flow per share</i>	<i>\$0.02</i>	<i>\$(0.01)</i>	<i>\$0.16</i>	<i>\$0.15</i>

#### ADJUSTED NET INCOME (LOSS) AND ADJUSTED NET INCOME (LOSS) PER SHARE

Adjusted Net Income (Loss) and Adjusted Net Income (Loss) per share are non-IFRS financial measures calculated by excluding the following from net income and earnings per share ("EPS"):

- Unrealized and adjusted realized market value adjustment;
- One-time, non-recurring expenses not generally associated with the normal course of business; and
- Impact of income taxes on these items.

Management uses Adjusted Net Income (Loss) and Adjusted Net Income (Loss) per share to evaluate the underlying performance of the Company for the reporting periods presented. Management believes that Adjusted Net Income (Loss) and Adjusted Net Income (Loss) per share are useful metrics for investors and analysts to evaluate the

underlying performance of the Company. While the loss/gain on market value adjustment of the Company's canola interests will be a recurring item, this loss/gain does not reflect the underlying operating performance of the Company, nor is it necessarily indicative of future operating results.

Adjusted net income (loss) & Adjusted net income (loss) per share	Three months ended Jun 30		Nine months ended Jun 30	
	2017	2016	2017	2016
<i>CAD millions, unless otherwise noted</i>				
Net income (loss)	<b>(4.672)</b>	(0.243)	<b>(9.298)</b>	0.931
Unrealized market value adjustment	<b>4.911</b>	(2.110)	<b>10.045</b>	(0.742)
Adjusted realized market value adjustment	<b>0.014</b>	0.023	<b>0.706</b>	0.851
Realized market value adjustment on buy backs	<b>0.029</b>	0.860	<b>2.231</b>	0.934
Non-recurring expenses	<b>0.185</b>	-	<b>0.422</b>	-
Income tax effects on above	<b>(1.362)</b>	0.331	<b>(3.552)</b>	(0.276)
Adjusted net income (loss)	<b>(0.895)</b>	(1.139)	<b>0.554</b>	1.698
Weighted average shares outstanding (basic)	<b>81.734</b>	81.614	<b>81.709</b>	81.589
Adjusted net income (loss) per share	<b>\$(0.01)</b>	\$(0.01)	<b>\$0.01</b>	\$0.02

#### UPFRONT PAYMENT PER TONNE

Upfront Payment per Tonne is based on the tonnes the Company expects to receive over the term of a streaming contract. For example, if the Company enters into a six year streaming contract for 1,000 MT per year, the Company expects to receive 6,000 MT over the term of the streaming contract. The Company divides the total upfront payment from new streaming contracts it entered into during the period by the total tonnes added to reserves during the period (over the term of the streaming contracts) to arrive at Upfront Payment per Tonne.

Upfront payment per tonne	Three months ended Jun 30		Nine months ended Jun 30	
	2017	2016	2017	2016
<i>CAD millions, unless otherwise noted</i>				
Upfront payment to canola interests	<b>11.490</b>	6.124	<b>30.756</b>	24.041
<i>divided by: Total tonnes added to reserves</i>	<b>83,231</b>	22,718	<b>279,420</b>	82,261
Upfront payment per tonne	<b>\$138.05</b>	\$269.57	<b>\$110.07</b>	\$292.25

## Cautionary Statement on Forward-looking Information

Certain information contained in this MD&A contains forward-looking statements concerning the future results, future performance, intentions, objectives, plans and expectations of the Company. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “estimates”, “intends”, “anticipates”, “believes” or variations of such words and phrases (including negative and grammatical variations) or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements include known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Forward-looking statements are based on certain assumptions and analyses made by the Company in light of its experience and perception relating to historical trends, current conditions and expected future developments and other factors the Company believes are appropriate, and are subject to risks and uncertainties. Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect and the fact that the Company has a short operating history may result in the assumptions being less accurate. Whether actual results, performance or achievements will conform to the Company’s expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those listed under the section entitled “Risk Factors” in Input’s Annual Information Form available on SEDAR at [www.sedar.com](http://www.sedar.com).

Forward-looking statements are not guarantees of future performance. These forward-looking statements should not be relied upon as representing the views of the Company as of any date subsequent to the date of this MD&A. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

The forward-looking statements contained in this MD&A are expressly qualified in their entirety by this cautionary statement and by the risk factors described in this MD&A under the heading “Risk Factors”. The forward-looking statements included in this MD&A are made as of the date of this MD&A and the Company does not undertake any obligation to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise, except as required by applicable securities laws.

# CORPORATE INFORMATION

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David A. Brown, Q.C.  
Brad Farquhar  
Dr. Lorne Hepworth  
David H. Laidley, FCPA, FCA  
John P.A. Budreski

## OFFICERS

Doug Emsley  
Chairman, CEO & President

Brad Farquhar  
Executive Vice-President, CFO & Director

Gord Nystuen  
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