



INPUT CAPITAL

THE AGRICULTURE STREAMING COMPANY



FY2018 THIRD QUARTER ENDED JUNE 30, 2018

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 financial statements for the quarter ended June 30, 2018 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 ended September 30, 2017, and other information relating to Input on file with the Canadian securities regulatory authorities and on SEDAR at www.sedar.com. This MD&A contains "forward looking" statements that are subject to risk factors set out beginning on page 26 of this MD&A and in the cautionary note on forward-looking information set out on page 34 of this MD&A. All figures are presented in Canadian dollars unless otherwise noted. This MD&A has been prepared as of August 15, 2018.

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 ended June 30, 2018. In several places throughout the document, management annualizes key items and presents them on a trailing twelve month ("TTM") basis.

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 29.

Third Quarter Highlights

- Adjusted streaming sales¹ of \$1.536 million on the delivery of 3,092 canola equivalent metric tonnes¹ ("MT" or "tonnes") at an average price of \$496.73 per MT;
- Generated an additional \$0.361 million in sales from canola trading for total adjusted sales of \$1.897 million;
- Cash operating margin¹ \$1.234 million, or \$399.07 per MT (80.34% cash operating margin);
- Adjusted operating cash flow¹ of \$(0.864) million or \$(0.01) per share;
- Adjusted EBITDA¹ of \$1.036 million, or \$0.01 per share;
- Adjusted net income¹ of \$0.077 million, or \$0.00 per share;
- Deployed \$16.819 million as follows:
 - Upfront payments of \$0.740 million into streaming contracts, adding 33 new producers to the portfolio and more than 46,000 MT to the Company's future canola sales; and
 - \$16.079 million deployed into mortgage streams with 24 producers. (The grain delivery contracts associated with mortgage streams do not have an upfront payment associated with them, but the number of producers and reserves associated with them are included in the data outlined in the previous bullet);
- Finished the quarter with:
 - Cash of \$9.007 million;
 - Canola reserves of 366,000 MT;
 - Total canola interests (current portion and long-term portion) and other financial assets (liabilities) (herein referred to collectively as "canola interests") of \$45.169 million;
 - Loans and mortgages receivable of \$42.969 million;
 - Multi-year active streaming contracts with 371 farm operators, up from 300 a year ago;
 - Total shareholders' equity of \$105.450 million;

¹ 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 29 of the MD&A.

- \$3.966 million drawn on the \$25 million revolving credit facility; and
- No long-term debt.
- On April 12, 2018, the Company signed two term sheets for term debt to facilitate the expansion of its mortgage stream program. These facilities will allow Input to margin mortgage streams and will be secured by the underlying conventional farmland first lien mortgages.
- On May 29, 2018, the Company announced the seventh consecutive quarterly dividend of \$0.01 per share which was payable on July 16, 2018, to shareholders of record as of June 30, 2018;

Year-to-date Highlights

- Adjusted streaming sales¹ of \$28.744 million on the delivery of 59,348 canola equivalent metric tonnes¹ (“MT” or “tonnes”) at an average price of \$484.33 per MT;
- Generated an additional \$7.768 million in sales from canola trading for total adjusted sales of \$36.511 million;
- Cash operating margin¹ \$15.047 million, or \$253.54 per MT (52.35% cash operating margin);
- Adjusted operating cash flow¹ of \$9.711 million or \$0.12 per share;
- Adjusted EBITDA¹ of \$12.144 million, or \$0.15 per share;
- Adjusted net income¹ of \$1.173 million, or \$0.01 per share;
- Deployed \$31.980 million as follows:
 - Upfront payments of \$4.854 million into streaming contracts, adding 70 new producers to the portfolio and more than 133,000 MT to the Company’s future canola sales; and
 - \$27.126 million deployed into mortgage streams with 38 producers. (The grain delivery contracts associated with mortgage streams do not have an upfront payment associated with them, but the number of producers and reserves associated with them are included in the data outlined in the previous bullet);

Subsequent Events

- On July 25, 2018, the Company announced the completion of its first credit agreement for mortgage stream financing with Concentra Bank, the wholesale bank and trust company for Canada’s credit unions.

Normal Course Issuer Bid (NCIB) Update

- From the start of the NCIB in December 2017 to the end of the third quarter, the Company bought back 730,200 shares at an average price of \$1.49 prior to the end of the quarter. These shares were subsequently cancelled.

¹ 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 29 of the MD&A.

Outlook

In previous comments, we indicated that 2017 was a good farming year for most farmers in western Canada. Yields and prices were strong, harvest went smoothly, crop quality was good, and grain movement was satisfactory in many areas. As a result, strong cash flow reduced the need of farmers to turn to the Company to solve working capital issues, which is the focus of the Company's capital stream product. Capital deployment into capital streams has been slow this year.

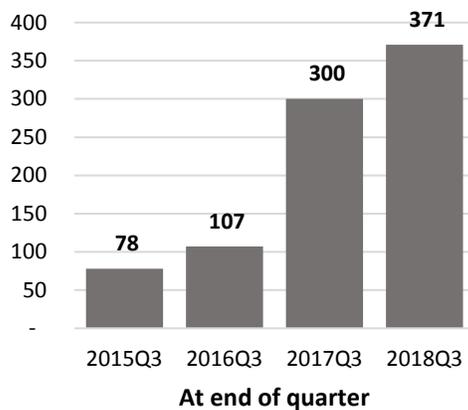
Mortgage streams have been the area of most activity this year. The next year will provide us with a greater feel for the depth of potential demand for mortgage streams. Early signs are excellent – without any significant promotion, Input Capital has funded in excess of \$27.1 million in mortgages since the mortgage stream became a part of the company's product suite.

As of this writing, harvest activity has begun in most areas, a bit earlier than average. As a result, management expects significant early canola sales in late August and throughout September prior to the fiscal year end. These canola sales will enhance final results for this fiscal year.

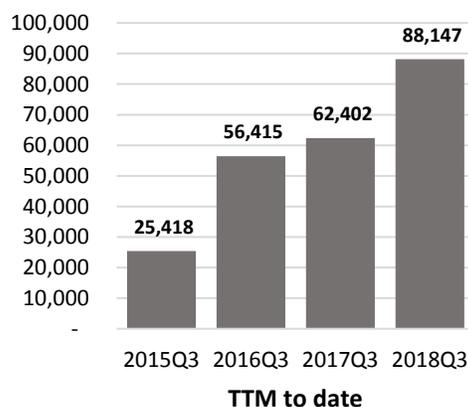
Key Historical Metrics for the Trailing Twelve Months (TTM) Ended June 30

Operational Metrics

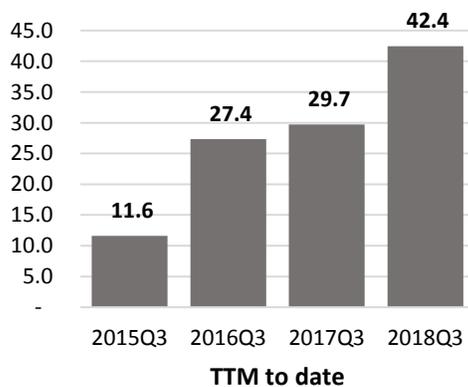
Total Active Streams



MT of Canola Sold

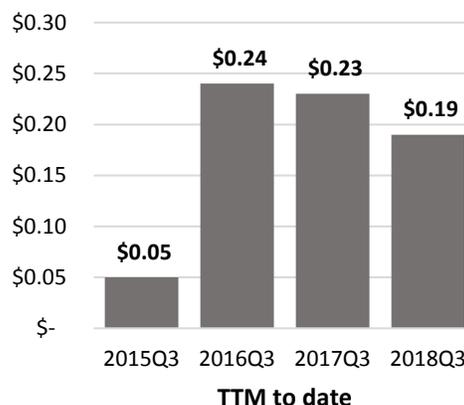


Adj Streaming Sales (Revenue in Millions)

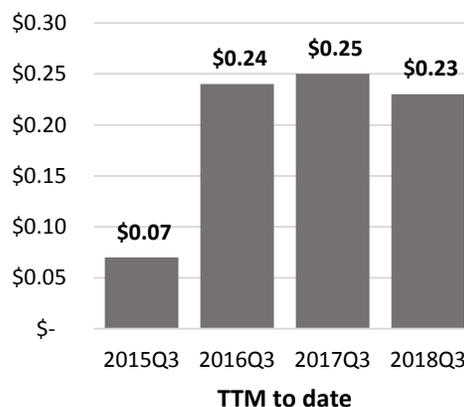


Per Share Metrics

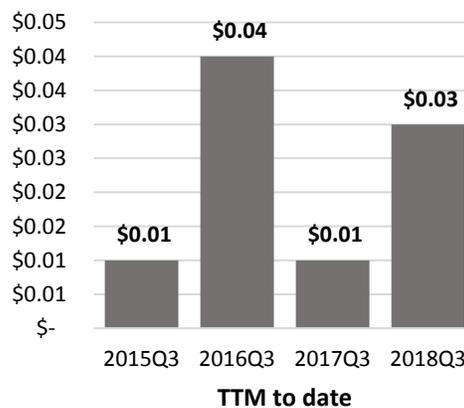
Adj Operating CF/Share



Adj EBITDA/Share



Adj Net Income/Share



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. In return for providing capital for either land financing or working capital purposes, the Company obtains the right to receive or purchase a specified number of tonnes of canola each year over the life of the agreement. 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.

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

Statements of Comprehensive Income	Three months ended Jun 30	
	2018	2017
<i>CAD millions, unless otherwise noted</i>		
Revenue	0.607	1.808
Purchase of canola and other direct expenses	0.397	1.736
Realization of canola interests	0.737	0.138
Expenses and other income	0.195	1.578
Net gain on settlement of canola interests	(0.359)	(0.317)
Unrealized market value loss (gain)	(0.572)	4.911
Income tax expense (recovery)	0.117	(1.565)
Net income (loss)	0.092	(4.672)
Weighted average number of common shares outstanding		
Basic	84.295	81.734
Fully diluted	90.682	89.682
Net income (loss) per share (basic)	\$0.00	\$(0.06)
Net income (loss) per share (fully diluted)	\$0.00	\$(0.06)
Statements of Cash Flows		
Cash generated from (applied to) operating activities	(4.321)	(1.426)

Statements of Financial Position <i>CAD millions, unless otherwise noted</i>	As at Jun 30, 2018	As at Jun 30, 2017
Cash	9.007	15.305
Canola interests and other financial assets	45.169	75.311
Loans and mortgages receivable	42.969	12.454
Total assets	115.013	121.008
Total liabilities	9.563	16.173
Total shareholders' equity	105.450	104.835
Working capital	16.145	21.461
Revolving credit facility	3.966	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 measures¹ <i>CAD millions, unless otherwise noted</i>	Three months ended Jun 30	
	2018	2017
Adjusted streaming sales	1.536	1.268
Adjusted streaming volume (MT)	3,092	2,536
Average selling price from streaming contracts	\$496.73	\$500.07
Cash operating margin	1.234	1.060
Cash operating margin per tonne	\$399.07*	\$418.04
Cash margin	0.408	0.356
Cash margin per tonne	\$131.94	\$140.40
Adjusted EBITDA	1.036	(0.394)
Adjusted EBITDA per share (basic)	\$0.01	\$(0.00)
Adjusted operating cash flow	(0.864)	1.610
Adjusted operating cash flow per share (basic)	\$(0.01)	\$0.02
Adjusted net income (loss)	0.077	(0.895)
Adjusted net income (loss) per share (basic)	\$0.00	\$(0.01)
Upfront payment per tonne²	\$15.88**	\$102.35

*Cash operating margin per tonne is significantly lower than the previous period due to the introduction of marketing streams last year. The most recent period includes marketing stream sales, and the previous period does not. Marketing streams feature lower cash operating margins than capital streams, but require significantly less capital to fund them.

**The Upfront payment per tonne figure includes upfront payments into all types of streams. However, because the upfront payment associated with the grain delivery contract portion of a mortgage stream is \$nil per tonne, this causes the upfront payment figure to be averaged down in the recent period compared to previous periods which are prior to the introduction of mortgage streams.

¹ 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 29 of the MD&A.

² Includes upfront payments from contracts that were signed but not completely funded at the end of the quarter ended June 30, 2018.

Selected non-IFRS measures ¹	Twelve months ended	
	Jun 30	
<i>CAD millions, unless otherwise noted</i>	2018	2017
Adjusted streaming sales	42.425	29.742
Adjusted streaming volume (MT)	88,147	62,402
Average selling price from streaming contracts	\$481.30	\$476.62
Cash operating margin	22.155	25.599
Cash operating margin per tonne	\$251.34*	\$410.23
Cash margin	6.669	7.246
Cash margin per tonne	\$75.66	\$116.12
Adjusted EBITDA	18.788	20.098
Adjusted EBITDA per share (basic)	\$0.22	\$0.25
Adjusted operating cash flow	15.510	18.865
Adjusted operating cash flow per share (basic)	\$0.19	\$0.23
Adjusted net income (loss)	2.411	1.104
Adjusted net income (loss) per share (basic)	\$0.03	\$0.01
Upfront payment per tonne²	\$45.84**	\$125.37

*Cash operating margin per tonne is significantly lower than the previous period due to the introduction of marketing streams last year. The most recent period includes marketing stream sales, and the previous period does not. Marketing streams feature lower cash operating margins than capital streams, but require significantly less capital to fund them.

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² Includes upfront payments from contracts that were signed but not completely funded at the end of the quarter ended June 30, 2018.

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	FY18 – Q3	FY18 – Q2	FY18 – Q1	FY17 – Q4	FY17 – Q3	FY17 – Q2	FY17 – Q1	FYSEP16 – Q2
<i>CAD millions, unless otherwise noted</i>	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017	Dec 31, 2016	Sep 30, 2016
Comprehensive Income (Loss)								
Sales	0.607	6.208	25.434	11.415	1.808	5.207	10.606	7.928
Purchase of canola and other direct expenses	0.397	4.510	3.602	1.354	1.736	2.470	1.797	0.541
Realization of canola interests	0.737	1.925	18.218	8.200	0.138	4.273	7.045	5.576
Expenses and other (income)	0.195	0.645	1.772	0.289	1.578	1.896	1.356	2.726
Net gain on settlement of canola interests	(0.359)	(0.139)	(0.349)	(1.346)	(0.317)	(1.526)	(0.464)	-
Unrealized market value loss (gain)	(0.572)	(1.424)	1.341	2.883	4.911	4.592	0.542	(0.146)
Income tax expense (recovery)	0.117	0.250	0.269	(0.134)	(1.565)	(1.687)	0.147	(0.151)
Net income (loss)	0.092	0.441	0.582	0.168	(4.672)	(4.809)	0.183	(0.618)
Weighted avg. number common shares outstanding								
Basic	84.295	84.621	83.202	82.046	81.734	81.723	81.670	81.663
Fully diluted	90.682	91.147	90.073	89.648	89.682	89.682	89.151	89.047
<i>Net Income (loss) per share (basic)</i>	\$0.00	\$0.01	\$0.01	\$0.00	\$(0.06)	\$(0.06)	\$0.00	\$(0.01)
<i>Net Income (loss) per share (fully diluted)</i>	\$0.00	\$0.00	\$0.01	\$0.00	\$(0.06)	\$(0.06)	\$0.00	\$(0.01)
Operating Cash Flow								
Cash generated from (applied to) operating activities	(4.321)	(1.927)	28.583	8.029	(1.426)	2.023	13.875	0.141
Financial Position								
Cash	9.007	25.308	30.343	17.615	15.305	17.229	28.164	16.643
Canola interests and other financial assets	45.169	55.324	58.823	68.423	75.311	68.601	72.732	77.757
Loans and mortgages receivable	42.969	23.470	12.255	12.329	12.454	11.682	-	-
Total assets	115.013	121.220	120.154	120.555	121.008	119.511	122.636	118.548
Total liabilities	9.563	14.941	13.094	15.436	16.173	9.637	7.382	2.935
Total shareholders' equity	105.450	106.279	107.060	105.119	104.835	109.874	115.254	115.613
Working capital	16.145	26.832	38.605	28.870	21.461	49.382	68.977	71.181
Revolving credit facility	3.966	5.185	1.508	6.351	6.162	2.106	0.460	-
Long-term debt	-	-	-	-	-	-	-	-

Summary of Quarterly Results	FY18 – Q3	FY18 – Q2	FY18 – Q1	FY17 – Q4	FY17 – Q3	FY17 – Q2	FY17 – Q1	FYSEP16 – Q2
<i>CAD millions, unless otherwise noted</i>	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017	Dec 31, 2016	Sep 30, 2016
Non-IFRS Measures & KPIs								
Adjusted streaming sales ¹	1.536	2.490	24.718	13.681	1.268	9.094	11.724	7.656
Adjusted streaming volume (MT) ¹	3,092	5,159	51,097	28,799	2,536	18,992	24,958	15,916
Average selling price from streaming contracts per MT	\$496.73	\$482.66	\$483.75	\$475.04	\$500.07	\$478.83	\$469.75	\$481.03
Crop payment per MT	\$92.49	\$236.48	\$228.59	\$215.77	\$70.20	\$42.28	\$60.82	\$53.85
Cash operating margin per MT	\$399.07	\$234.35	\$246.67	\$246.81	\$418.44	\$426.86	\$397.39	\$409.27
Cash margin per MT	\$131.94	\$81.02	\$75.43	\$69.06	\$140.79	\$124.16	\$108.06	\$115.29
Ending canola reserves (MT)	366,000	382,000	392,000	405,000	423,000	335,000	254,000	259,000
Total upfront payments	0.740	1.688	2.425	1.731	3.931	20.297	12.569	1.784
Upfront payment per MT	\$15.88	\$39.42	\$55.50	\$164.74	\$102.35	\$104.92	\$190.24	\$181.84
Gross additions to loans and mortgages receivable	16.079	11.126	-	-	0.772	11.682	-	-
Active streaming contracts	371	352	326	301	300	179	121	112
Adjusted EBIDTA per share	\$0.01	\$0.00	\$0.13	\$0.08	\$(0.00)	\$0.08	\$0.11	\$0.07
Adjusted operating cash flow per share	\$(0.01)	\$(0.00)	\$0.13	\$0.07	\$0.02	\$0.03	\$0.11	\$0.07
Adjusted net income (loss) per share	\$0.00	\$(0.00)	\$0.02	\$0.02	\$(0.01)	\$0.00	\$0.01	\$0.01

¹ Refer to Streaming Canola Sales section on page 11.

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, 2018	Jun 30, 2017	Jun 30, 2016
Comprehensive Income (Loss)			
Sales	43.664	25.549	38.818
Purchase of canola and other direct expenses	9.863	6.544	11.703
Realization of canola interests	29.080	17.032	19.470
Expenses and other income	2.901	7.556	4.313
Net settlement of canola interests	(2.193)	(2.307)	-
Unrealized market value loss (gain)	2.228	9.899	2.321
Income tax expense (recovery)	0.502	(3.256)	0.460
Net income (loss)	1.283	(9.916)	0.551
Weighted avg. number common shares outstanding			
Basic	83.541	81.698	81.560
Fully diluted	90.388	89.391	88.183
<i>Net Income (loss) per share (basic)</i>	\$0.02	\$(0.12)	\$0.01
<i>Net Income (loss) per share (fully diluted)</i>	\$0.01	\$(0.12)	\$0.01
Operating cash flow			
Cash generated from operating activities	30.364	14.613	25.549
Financial Position			
Cash	9.007	15.305	15.095
Canola interests and other financial assets	45.169	75.311	84.517
Loans and mortgages receivable	42.969	12.454	-
Total assets	115.013	121.008	119.483
Total liabilities	9.563	16.173	3.462
Total shareholders' equity	105.450	104.835	116.021
Working capital	16.145	21.461	61.521
Revolving credit facility	3.966	6.162	-
Long-term debt	-	-	-
Non-IFRS Measures & KPIs			
Adjusted sales from streaming contracts	42.425	29.742	27.347
Adjusted streaming volume (MT)	88,147	62,402	56,415
Average selling price from streaming contracts	\$481.30	\$476.62	\$484.75
Crop Payment per MT	\$220.09	\$53.78	\$55.18
Cash operating margin per MT	\$251.34	\$410.23	\$423.26
Cash margin per MT	\$75.66	\$116.12	\$158.10
Ending canola reserves (MT)	366,000	423,000	271,000
Total upfront payments	6.584	38.581	31.683
Upfront payment per MT	\$45.84	\$125.37	\$303.05
Additions to loans and mortgages receivable	30.515	12.454	-
Active streaming contracts	371	300	107
Adjusted EBITDA per share	\$0.22	\$0.25	\$0.24
Adjusted operating cash flow per share	\$0.19	\$0.23	\$0.24
Adjusted net income per share	\$0.03	\$0.01	\$0.04

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, and on occasion, by converting to 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, 2018

Summary of Canola Sales	Three months ended June 30, 2018			Three months ended June 30, 2017		
	Canola Sales	Net Settlement	Adjusted	Canola Sales	Net Settlement	Adjusted
<i>CAD millions, unless otherwise noted</i>						
Streaming volume (MT)	503	2,589	3,092	300	2,236	2,536
Sales from streaming contracts	0.246	1.290	1.536	0.161	1.107	1.268
less: Upfront payments	(0.038)	(0.788)	(0.826)	(0.087)	(0.617)	(0.704)
less: Crop payments	(0.181)	(0.105)	(0.286)	(0.013)	(0.165)	(0.178)
less: Realized market value adjustment	0.017	(0.033)	(0.016)	(0.009)	(0.006)	(0.014)
less: Other direct expenses	(0.011)	(0.005)	(0.016)	(0.029)	(0.002)	(0.030)
Gross profit from canola streaming	0.033	0.359	0.392	0.023	0.317	0.340

For the quarter ended June 30, 2018, Input generated adjusted sales from streaming contracts of \$1.536 million on adjusted streaming volume of 3,092 MT for an average price of \$496.73 per MT.

The sales from streaming tonnes plus net settlements from streaming tonnes for the quarter represent a 21% increase in quarterly volume over the comparable quarter one year ago, when the Company sold 2,536 MT of canola equivalent for revenue of \$1.268 million for an average price of \$500.07 per MT.

Trailing Twelve Months ended June 30, 2018

Summary of Canola Sales	Twelve months ended June 30, 2018			Twelve months ended June 30, 2017		
	Canola Sales	Net Settlement	Adjusted	Canola Sales	Net Settlement	Adjusted
<i>CAD millions, unless otherwise noted</i>						
Streaming volume (MT)	74,229	13,918	88,147	41,356	21,402	62,402
Sales from streaming contracts	35.111	7.314	42.425	19.778	9.964	29.742
less: Upfront payments	(11.211)	(4.275)	(15.486)	(11.705)	(6.648)	(18.353)
less: Crop payments	(18.128)	(1.272)	(19.400)	(2.638)	(0.718)	(3.356)
less: Realized market value adjustment	0.548	0.436	0.984	(0.203)	(0.289)	(0.492)
less: Other direct expenses	(0.860)	(0.010)	(0.870)	(0.785)	(0.002)	(0.787)
Gross profit from canola streaming	5.460	2.193	7.653	4.447	2.307	6.754

For the twelve months ended June 30, 2018, Input generated adjusted sales from streaming contracts of \$42.425 million on adjusted streaming volume of 88,147 MT for an average price of \$481.30 per MT.

The sales from streaming tonnes plus net settlements from streaming tonnes for the four quarters ending June 30, 2018, represent a 41% increase in volume over the comparable period one year ago, when the Company sold 62,402 MT of canola equivalent for revenue of \$29.742 million for an average price of \$476.62 per MT.

GROSS PROFIT

For presentation purposes, management 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		Twelve months ended	
	Jun 31		Jun 31	
<i>CAD millions, unless otherwise noted</i>	2018	2017	2018	2017
Sales – streaming contracts	0.246	0.161	35.111	19.778
Cost of sales – streaming contracts				
less: Realization of upfront payment	(0.038)	(0.087)	(11.211)	(11.705)
less: Realization of crop payments	(0.181)	(0.013)	(18.128)	(2.638)
less: Realized market value adjustments	0.017	(0.009)	0.548	(0.203)
less: Other	(0.011)	(0.029)	(0.860)	(0.785)
Gross profit on canola sales – streaming contracts	0.033	0.023	5.460	4.447
Net settlements – streaming contracts	1.290	1.107	7.314	9.964
Cost of sales – streaming contracts				
less: Realization of upfront payment	(0.788)	(0.617)	(4.275)	(6.648)
less: Realization of crop payments	(0.105)	(0.165)	(1.272)	(0.718)
less: Realized market value adjustments	(0.033)	(0.006)	0.436	(0.289)
less: Other	(0.005)	(0.002)	(0.010)	(0.002)
Gross profit on net settlements – streaming contracts	0.359	0.317	2.193	2.307
Sales – canola trading	0.361	1.647	8.554	5.771
Cost of Sales – canola trading	(0.386)	(1.708)	(9.003)	(5.758)
Gross profit – canola trading	(0.025)	(0.061)	(0.449)	0.013
Total gross profit	0.368	0.279	7.204	6.767

Three months ended June 30, 2018

For the quarter ended June 30, 2018, Input had total gross profit of \$0.368 million from physical delivery and net settlement of streaming contracts compared to \$0.279 million from the comparable quarter one year ago.

Input incurred a loss of \$0.025 million from canola trading on revenue of \$0.361 million. In the comparable quarter the previous year, Input incurred a loss from canola trading of \$0.061 million on revenue of \$1.647 million.

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

Profits or losses on canola trading should not be looked at in isolation from gross profit on streaming or net settlements because trading transactions are usually tied to streaming transactions in ways that can shift profit or loss from one category to the other within the Company's canola marketing program. Management recommends that shareholders focus on the combined total gross profit figures, as these are a better representation of the results of the Company's canola marketing program than any of the individual gross profit figures taken in isolation.

Trailing Twelve months ended June 30, 2018

For the twelve months ended June 30, 2018, Input had total gross profit of \$7.204 million from physical delivery and net settlement of streaming contracts compared to \$6.767 million last year.

Input realized a loss of \$0.449 million from canola trading on revenue of \$8.554 million. In the comparable twelve month period one year ago, Input generated a gain from canola trading of \$0.013 million on revenue of \$5.771 million.

As with the quarter as reported above, profits or losses on canola trading should not be looked at in isolation from gross profit on streaming or net settlements.

NET INCOME (LOSS)

Three months ended June 30, 2018

For the quarter ended June 30, 2018, Input generated net income before taxes of \$0.209 million (income of \$0.092 million after tax) compared to a loss before taxes of \$6.237 million (\$4.672 million after tax) during the comparable quarter ended June 30, 2017.

The net income before tax was affected primarily by one non-cash revenue and expense item, which is outlined below.

- Unrealized market value gain or loss – gain of \$0.572 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 21 of this MD&A.*

Twelve months ended June 30, 2018

For the twelve months ended June 30, 2018, Input generated a net income before taxes of \$1.784 million (income of \$1.282 million after tax) compared to net loss before taxes of \$13.172 million (\$9.916 million after tax) during the comparable period ended June 30, 2017.

The net loss before tax was affected primarily by one non-cash revenue and expense item, which is outlined below.

- Unrealized market value gain or loss – expense of \$2.229 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 21 of this MD&A.*

Streaming Contract Portfolio

LAND AND EXPAND STRATEGY

Of the 187 marketing stream contracts signed with farmers for first delivery from the 2017 crop, 33 have expanded their relationship with the Company to date by either increasing their commitment of canola tonnes on their marketing stream or by adding a capital stream. Of the 33 farm operators who expanded their marketing stream with Input, the average annual tonnage increase to date is 3.4x. In other words, 18% of marketing stream clients who became new clients of Input in the last year have already increased the size of their relationship with Input by an average of 240% over their original contract.

With the launch of mortgage streams, some farmers chose to convert their capital streams into mortgage streams, increasing the size of their relationship with Input at the same time. To date, \$9.6 million in capital stream buyouts have been associated with \$24.0 million in mortgage stream origination.

Management expects to continue to derive significant portfolio growth from within its existing client base, in addition to new business generated with new clients.

CAPITAL STREAMS

The Company currently has capital streams with 126 farmers across western Canada. Some of these farmers also have a marketing stream and/or mortgage stream with the Company.

MARKETING STREAMS

The Company currently has marketing streams with 274 farmers across western Canada. Some of these farmers also have a capital stream and/or mortgage stream with the Company.

MORTGAGE STREAMS

Since the founding of the Company, farmers have expressed an interest in using capital streams to assist in the financing of land purchases. However, due to the average 5-6 year duration of a capital stream, it was not an ideal tool to use in the financing a long-life asset like farmland. But regular inquiries regarding the use of streaming to finance land encouraged management to seek a solution that was a suitable substitute for traditional mortgage financing

In January 2018, management announced a mortgage stream pilot project, as well as the origination of the first mortgage stream by the company. The pilot was intended to provide management with an opportunity to further explore the mortgage stream concept with prospective clients in order to solidify a standard mortgage stream offering by the Company. The pilot progressed very quickly, causing management to determine that mortgage streams should become a permanent and standard product offering by Input. Mortgage streams are a suitable means of financing farmland and enable farmers to make their payments in canola instead of cash.

Management estimates that the farmland mortgage market in western Canada is approximately \$40 billion, while the working capital / input financing market is approximately \$5 billion. As a result, management believes there is an opportunity to deploy significant amounts of capital into the farmland mortgage market in a way that is valued by farmers and provides the Company with similar net returns to capital streams.

There are several advantages to mortgage streams for the Company: all mortgages streams are conventional first lien mortgages, offering a very strong security position; mortgage streams are expected to have the lowest break-even canola price of all of the types of streams offered by Input; and due to longer amortization periods, mortgage

stream capital stays invested longer, decreasing the cost of reinvestment and the pace of redeployment required to maintain and grow the Company's book of canola reserves.

The Company currently has mortgage streams with 39 farmers across western Canada. Some of these farmers also have a marketing stream and/or capital stream with the Company. Total deployment into mortgage streams to the end of June 30, 2018 is \$27.126 million.

MORTGAGE FINANCING FACILITIES

Management believes that the mortgages underlying mortgage streams may be candidates for future securitization, which would allow the Company to sell mortgages in whole or in part to financial institutions, significantly reducing the capital required to build a substantial book of mortgage streams. Until the Company builds up a large enough pool of mortgages to merit securitization, management plans to finance the growth of the mortgage business by borrowing money from banks that is tied directly to the underlying mortgages. Management continues to have a conservative aversion to general operating debt.

On April 12, 2018, the Company announced it had signed term sheets with two Canadian financial institutions. The term sheets both provide for five-year term debt facilities (collectively, the "Mortgage Margin Facilities" or the "Facilities") which will be secured against the underlying conventional farmland first lien mortgages entered into by Input in conjunction with the mortgage stream program. These Facilities will allow Input to margin mortgage streams, reducing the net capital required by Input to originate them. The term sheets are not legally binding credit agreements, but they provide a framework for final formal credit agreements to be signed between Input and the financial institutions in the near future.

Subsequent to the end of the third quarter, the Company announced that it had completed one of these credit facilities, and since that announcement has completed a first draw.

CAPITAL DEPLOYMENT (UPFRONT PAYMENTS, CROP PAYMENTS AND MORTGAGE DEPLOYMENT)

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

Three months ended June 30, 2018

For the three months ended June 30, 2018, Input recorded total upfront payments of \$0.740 million into streaming contracts with 57 producers for the right to purchase over 46,000 MT of canola over the life of the streaming contracts. In addition, \$16.079 million was deployed into mortgage streams with 24 producers.

During the quarter, Input added 33 new producers to its streaming contract portfolio; 22 producers in Saskatchewan and 11 in Alberta. The remaining contracts were renewals, expansions and restructures of existing contracts.

During the same quarter last year, total upfront payments made were \$3.931 million and 124 new producers were added to the portfolio. Management believes that a good farming year in 2017 significantly moderated farmer demand for capital streams during the most recent period.

During the quarter, Input's average upfront payment per tonne was \$15.88 compared to \$102.35 in the comparable quarter last year. The upfront payment per tonne reflects upfront payments made into streams of all types, but marketing streams and mortgage streams do not require significant upfront payments. When the growth of marketing and mortgage streams outpaces the growth of capital streams, the average upfront payment per tonne declines. For more information about marketing streams or mortgage streams, refer to the discussions starting on page 14.

During the quarter, Input made crop payments of \$0.286 million, for an average crop payment of \$92.49 per streaming tonne. This compares with an average crop payment of \$70.20 during the comparable quarter last year.

This significant increase is a result of sales of marketing stream tonnes taking place during the reporting period. The crop payment associated with marketing stream tonnes is significantly higher than the crop payment associated with capital streams.

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 and mortgage 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.

Twelve months ended June 30, 2018

For the twelve months ended June 30, 2018, Input recorded a total of \$6.584 million in upfront payments (compared to \$38.581 million in the same period last year) into streaming contracts for the right to purchase more than 143,000 MT of canola over the life of the streaming contracts.

During the twelve months, Input added 71 new producers; 49 in Saskatchewan and 23 in Alberta and decreased by 1 in Manitoba. The remaining contracts were renewals, expansions and restructures of existing contracts. During the comparable twelve month period ended June 30, 2017, Input added 193 new producers to its portfolio.

During the twelve month period, Input's average upfront payment per tonne was \$45.84 compared to \$125.37 in the comparable period last year. The upfront payment per tonne reflects upfront payments made into streams of all types, but marketing streams and mortgage streams do not require significant upfront payments per tonne. When the growth of marketing and mortgage streams outpace the growth of capital streams, the average upfront payment per tonne declines. For more information about marketing streams or mortgage streams, refer to the discussions starting on page 14.

During the twelve month period, Input made crop payments of \$19.400 million, for an average crop payment of \$220.09 per streaming tonne. This compares with an average crop payment of \$53.78 during the comparable period last year. This change is a result of the start of canola sales from marketing streams taking place during the reporting period.

Input's crop payment per tonne fluctuates from quarter to quarter, depending on which streaming contracts had canola sales recorded 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 and mortgage streams, which usually have a higher crop payment than capital streams.

PORTFOLIO OVERVIEW

As of June 30, 2018, Input's active streaming portfolio consisted of 371 geographically diversified streams; 269 of the Company's canola streams are with farms in Saskatchewan, 94 are located in Alberta, and 8 are in Manitoba.

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, 2018	Mar 31, 2018	Quarterly Growth	Jun 30, 2017	Year Over Year Growth
Manitoba	8	8	-	9	(1)
Saskatchewan	269	260	9	220	49
Alberta	94	84	10	71	23
Total	371	352	19	300	71

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

In April 2018, Farm Credit Canada (“FCC”) published its annual Farmland Values Report for 2017. Average farmland values in Canada continued to rise in 2017. The average value of Canadian farmland increased 8.4% in 2017, following gains of 7.9% in 2016, 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 5.0%, while farmland in Alberta increased by 7.3%, and Saskatchewan by 10.2%. This is important to Input as rising farmland values increase the value of the Company’s mortgage security. The next FCC Farmland Value Report is expected in April 2019.

ASSETS HELD UNDER AGREEMENTS FOR SALE

During the previous fiscal year, the Company 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 an asset held under an agreement for sale in the Financial Statements.

OTHER MORTGAGES

Over the last two years, management has been de-risking 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 was previously willing to stream 20+ bu/ac, but reduced that standard after three contracts were terminated in November 2015.) Management believes the new standard better aligns the interests of farmers with the interest of the Company.

During the 2017 fiscal year, the Company facilitated buybacks of canola interests by entering into conventional mortgages and/or equipment loans with legacy streaming clients whose contracts were being adjusted. 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 or equipment loan. 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 was 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.

With the launch of mortgage streams, both mortgage streams and other mortgages are contained within the “Mortgages and Loans Receivable” line on the Balance Sheet.

NORMAL COURSE ISSUER BID

On December 11, 2017, the Company announced and initiated a Normal Course Issuer Bid for up to 6,578,683 of its common shares. Since the initiation of the Normal Course Issuer Bid, the Company has bought back a total of 730,200 shares prior to the end of the quarter at an average price of \$1.49 per share. These shares were subsequently cancelled.

Management of Input believes that the Company's shares have been trading in a price range which does not adequately reflect their value and that the purchase of shares under the Bid will enhance shareholder value in general.

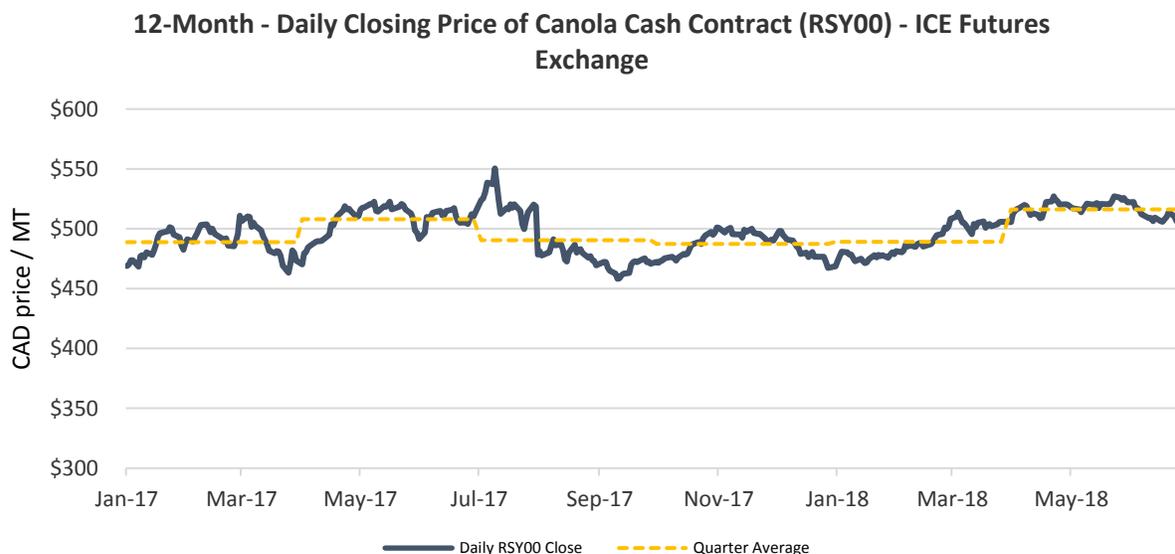
COURT DECISION

On May 17, 2018, Input Capital Corp. was awarded a judgment for \$4.4 million, together with interest and court costs, by the Saskatchewan Court of Queen's Bench in a matter relating to a defaulted streaming contract. Input is appealing some aspects of this court ruling on matters where the Company feels the judge made errors in fact and law.

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. 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 tend to 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.

At June 30, 2018, the deferred share units were valued at \$1.15 per unit. The total number of vested deferred share units outstanding at June 30, 2018 was 622,444.

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, 2018, Input had working capital of \$16.145 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 new streaming contract origination 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.

In order to optimize returns associated with mortgage streams, Input management plans to borrow term debt against these mortgages. This will significantly reduce the amount of equity Input requires to fund a large book of mortgage streams, but it also requires that Input develop a diverse group of capital sources to fund these mortgages. Management has completed one such credit agreements and has a second in the works with a plan to work to develop more mortgage financing facilities so that mortgage deployment can continue to grow without hindrance.

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 Input’s fiscal year. Revenue timing is expected to be positively affected by the introduction of mortgage streams, which accrue monthly interest income. As the mortgage stream book grows, management expects revenues to gradually become more predictable and consistent from quarter to

quarter, with less seasonality. It is expected that capital investment will occur year-round but remain most intensive during the time of 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.

Input pays a quarterly dividend of \$0.01 per share. Shareholders of record as of June 30, 2018 received their quarterly dividend payment on July 16, 2018.

Input has no long-term debt and owed \$3.966 million on its \$25 million revolving credit facility as of the end of the quarter.

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, 2018:

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	34.540	8.646	13.930	11.690	0.274
Trade and other payables	4.949	4.949	-	-	-
Total contractual obligations	39.489	13.595	13.930	11.690	0.274

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 fiscal period				
	Total	2018	2019	2020	2021
<i>CAD millions, unless otherwise noted</i>					
Commitments and contingencies	0.784	0.070	0.286	0.301	0.128

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 June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
<i>CAD millions, unless otherwise noted</i>				
Corporate administration expenses	0.176	0.175	0.539	0.642

As of October 1, 2017, Brad Farquhar, the Company's CFO, entered into an executive employment agreement with the Company and no longer provides management services to the Company through Nomad Capital Corp.

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 unrealized market value (loss) gain.

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, 2018 canola interests, a 1% change in the price of canola would result in a \$0.319 million (June 30, 2017 - \$0.948 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. A slower than expected 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.

During the 2017 fiscal year, management determined that there are a small number of legacy streams which will 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 harvested 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 was made during the 2017 fiscal year. The value of these contracts included in canola interests at June 30, 2018 is \$13.430 million. For further information, see Note 7 of the Financial Statements accompanying this MD&A.

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.

Assets held under agreements for sale

Assets held under agreements 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. The only difference between assets held for sale and assets held under agreements for sale is that assets held under agreements for sale have been sold via agreement for sale which has not yet been completed. Under agreements for sale, Input retains the title to the assets until the purchaser makes a series of payments over several years. Upon completion of the required payments to Input, title is transferred to the purchaser. Depending on the nature of the agreement for sale and the payment schedule, payments by the purchaser may be recognized as rental revenue and/or payments of principal against the purchase price.

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.

Loans and mortgages receivable

Mortgages and loans receivable include mortgages and other loans that contain fixed and determinable payments. Upon initial recognition, these are recognized at fair value. Subsequently these assets are carried at amortized cost. Interest income is recorded on an accrual basis provided that the mortgage or loan is not impaired.

The Company assesses mortgages and loans receivable for objective evidence of impairment both individually and collectively at each reporting period. A mortgage or loan is considered impaired when there is objective evidence at the end of the reporting period that there has been a deterioration of credit quality to the extent that the Company no longer has reasonable assurance as to the timely collection of the full amount of principal and interest. The Company will consider, but is not limited to considering, the following as part of the creditworthiness and status of a borrower: payment history, value of underlying property securing the mortgage or loan, overall economic conditions, and other conditions specific to the property.

An impairment loss is calculated as the difference between the carrying amount of the mortgage or loan receivable and the present value of the estimated future cash flows discounted at the original effective interest rate. Losses are recorded in the statement of comprehensive income and are reflected in the provision for mortgage or loan losses.

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 (Loss).

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, 2018, there were 84,172,160 common voting shares outstanding (June 30, 2017 – 81,922,758).

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	84,172,160
Issuable upon exercise of options ¹	6,371,240
Fully diluted common shares	90,543,400

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, 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.

Management endeavours to ensure a good understanding of streaming contracts with each of Input’s clients. In some circumstances, where disagreements arise, some issues may need to be resolved in court. While management is confident regarding positive outcomes to any potential disagreements and/or legal proceedings which could result, these could prove to be lengthy and/or expensive disagreements to adjudicate.

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

¹ Stock option plan - Input has a stock option plan and, pursuant to Input’s stock option plan, a total of 6,371,240 stock options are outstanding. All of the 6,371,240 stock options issued have been issued to directors, officers, employees and consultants of Input.

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. 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.

LITIGATION

In the ordinary course of business, the Company is involved in various legal and regulatory actions and claims, both as a defendant and as a plaintiff. These claims and actions relate to, among other matters, streaming contracts, grain deliveries, recovery actions, purported class actions, and cross-claims further to recovery actions. Management

considers that adequate provisions have been set aside to cover any potential losses and any amounts that might not be recoverable from security realization, insurance companies, or others, as the case may be, in connection with these claims.

Litigation has been, and will likely continue to be, necessary to determine the scope, enforceability and validity of third-party rights or to establish the Company's proprietary rights. Regardless of whether claims against the Company have merit, those claims could be time-consuming to evaluate and defend, result in costly litigation, divert management's attention and resources, subject the Company to significant liabilities and could have the other effects that are described in greater detail under "Risk Factors" in the Company's Annual Information Form for the fiscal year ended September 30, 2017.

Management reviews all of the relevant facts for each claim and applies judgment in evaluating the likelihood and, if applicable, the amount of any potential loss. Where a potential loss is considered probable and the amount is reasonably estimable, provisions for loss are made based on management's assessment of the likely outcome. Where a range of loss can be reasonably estimated with no best estimate in the range, the Company records the minimum amount in the range. The Company does not make a provision for claims for which the outcome is not determinable or claims for which the amount of the loss cannot be reasonably estimated. Any settlements or awards under such claims are provisioned for when reasonably determinable.

As of June 30, 2018, there are no claims outstanding for which the Company has assessed the potential loss as both probable to result and reasonably estimable, therefore the Company has provisioned for no accrual.

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, 2018			Three months ended June 30, 2017		
	Canola Sales	Net Settlement	Adjusted	Canola Sales	Net Settlement	Adjusted
<i>CAD millions, unless otherwise noted</i>						
Streaming volume (MT)	503	2,589	3,092	300	2,236	2,536
Sales from streaming contracts	0.246	1.290	1.536	0.161	1.107	1.268
less: Upfront payments	(0.038)	(0.788)	(0.826)	(0.087)	(0.617)	(0.704)
less: Crop payments	(0.181)	(0.105)	(0.286)	(0.013)	(0.165)	(0.178)
less: Realized market value adjustment	0.017	(0.033)	(0.016)	(0.009)	(0.006)	(0.014)
less: Other direct expenses	(0.011)	(0.005)	(0.016)	(0.029)	(0.002)	(0.030)
Gross profit from canola streaming	0.033	0.359	0.392	0.023	0.317	0.340

Summary of Canola Sales	Twelve months ended June 30, 2018			Twelve months ended June 30, 2017		
	Canola Sales	Net Settlement	Adjusted	Canola Sales	Net Settlement	Adjusted
<i>CAD millions, unless otherwise noted</i>						
Streaming volume (MT)	74,229	13,918	88,147	41,356	21,402	62,402
Sales from streaming contracts	35.111	7.314	42.425	19.778	9.964	29.742
less: Upfront payments	(11.211)	(4.275)	(15.486)	(11.705)	(6.648)	(18.353)
less: Crop payments	(18.128)	(1.272)	(19.400)	(2.638)	(0.718)	(3.356)
less: Realized market value adjustment	0.548	0.436	0.984	(0.203)	(0.289)	(0.492)
less: Other direct expenses	(0.860)	(0.010)	(0.870)	(0.785)	(0.002)	(0.787)
Gross profit from canola streaming	5.460	2.193	7.653	4.447	2.307	6.754

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 has risen significantly over last year due to crop payments to marketing stream contract holders, which are significantly higher than capital stream crop payments due to differences in the nature of the contracts.

Crop payment per tonne	Three months ended Jun 30		Twelve months ended Jun 30	
	2018	2017	2018	2017
<i>CAD millions, unless otherwise noted</i>				
Cost of sales (from canola sales and net settlements)	1.144	0.926	34.772	22.988
Adjusted realization of upfront payment	(0.826)	(0.704)	(15.486)	(18.353)
Realized market value adjustments	(0.016)	(0.014)	0.984	(0.492)
Other	(0.016)	(0.030)	(0.870)	(0.787)
Crop payment	0.286	0.178	19.400	3.356
Divided by: Total canola streaming tonnes sold	3,092	2,536	88,147	62,402
Equals: Crop payment per tonne	\$92.49	\$70.20	\$220.09	\$53.78

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 cash operating margin per tonne and as a percentage is lower due to the introduction of marketing streams, which feature lower nominal cash operating margins per tonne.

Cash operating margin & Cash operating margin per tonne	Three months ended Jun 30		Twelve months ended Jun 30	
	2018	2017	2018	2017
<i>CAD millions, unless otherwise noted</i>				
Adjusted streaming sales	1,536	1,268	42,425	29,742
Divided by: Total adjusted streaming tonnes sold	3,092	2,536	88,147	62,402
<i>Equals: Average realized price per tonne</i>	\$496.73	\$500.07	\$481.30	\$476.62
Less: Crop payment	0.286	0.178	19,400	3,356
<i>Equals: Average crop payment per tonne</i>	\$92.49	\$70.20	\$220.09	\$53.78
Less: Other direct selling costs	0.016	0.030	0,870	0,787
<i>Other direct selling costs per tonne</i>	\$5.17	\$11.83	\$9.87	\$12.61
<i>Equals: Cash operating margin</i>	1.234	1.060	22.155	25.599
<i>Cash operating margin per tonne</i>	\$399.07	\$418.04	\$251.34	\$410.23
<i>Cash operating margin %</i>	80.34%	83.60%	52.22%	86.07%

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.

The cash margin per tonne is lower than in previous periods due to the introduction of marketing streams, which feature lower nominal cash margins per tonne.

Cash margin & Cash margin per tonne	Three months ended Jun 30		Twelve months ended Jun 30	
	2018	2017	2018	2017
<i>CAD millions, unless otherwise noted</i>				
Cash operating margin	1,234	1,060	22,155	25,599
Less: Adjusted realization of upfront payments	(0,826)	(0,704)	(15,486)	(18,353)
<i>Equals: Cash margin</i>	0.408	0.356	6,669	7,246
<i>Cash margin per tonne</i>	\$131.94	\$140.40	\$75.66	\$116.12

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 (net of operating 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		Twelve months ended	
	Jun 30		Jun 30	
<i>CAD millions, unless otherwise noted</i>	2018	2017	2018	2017
Net income (loss)	0.092	(4.672)	1.283	(9.916)
Income tax expense (recovery)	0.117	(1.565)	0.502	(3.256)
Adjusted realization of upfront payment	0.826	0.704	15.486	18.353
Amortization of capital and intangible assets	0.012	0.010	0.046	0.035
Interest income	(0.832)	(0.364)	(1.896)	(0.482)
Add back operating interest income*	0.785	0.336	1.648	0.336
Interest expense	0.057	0.018	0.185	0.024
Unrealized market value adjustment	(0.572)	4.911	2.228	9.899
Adjusted realized market value adjustment	0.016	0.014	(0.984)	0.492
Realized market value adjustment on buy backs	0.535	0.029	0.290	2.485
Non-recurring expenses	-	0.185	-	2.128
Adjusted EBITDA	1.036	(0.394)	18.788	20.098
Weighted average shares outstanding (basic)	84.295	81.734	83.541	81.698
Adjusted EBITDA per share	\$0.01	\$(0.00)	\$0.22	\$0.25

*With the introduction of Mortgages and Mortgage Streams, interest income is viewed as part of the Company's normal operations.

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 7 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		Twelve months ended	
	Jun 30		Jun 30	
<i>CAD millions, unless otherwise noted</i>	2018	2017	2018	2017
Cash generated from (used in) operating activities	(4.321)	(1.426)	30.364	14.613
Gain (loss) from sale of canola futures and options	0.159	0.107	0.309	0.154
Increase (decrease) in non-cash working capital	3.380	1.259	3.837	1.407
Deferred income tax expense (recovery)	0.204	1.663	0.400	3.919
Adjusted realization of crop payment	(0.286)	(0.178)	(19.400)	(3.356)
Non-recurring expenses	-	0.185	-	2.128
Adjusted operating cash flow	(0.864)	1.610	15.510	18.865
Weighted average shares outstanding (basic)	84.295	81.734	83.541	81.698
Adjusted operating cash flow per share	\$(0.01)	\$0.02	\$0.19	\$0.23

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 <i>CAD millions, unless otherwise noted</i>	Three months ended Jun 30		Twelve months ended Jun 30	
	2018	2017	2018	2017
Net income (loss)	0.092	(4.672)	1.283	(9.916)
Unrealized market value adjustment	(0.572)	4.911	2.228	9.899
Adjusted realized market value adjustment	0.016	0.014	(0.984)	0.492
Realized market value adjustment on buy backs	0.535	0.029	0.290	2.485
Non-recurring expenses	-	0.185	-	2.128
Income tax effects on above	0.006	(1.362)	(0.406)	(3.984)
Adjusted net income (loss)	0.077	(0.895)	2.411	1.104
Weighted average shares outstanding (basic)	84,295	81,734	83,541	81,698
Adjusted net income (loss) per share	\$0.00	\$(0.01)	\$0.03	\$0.01

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 is lower than last year as a result of the introduction of mortgage streams, which feature no upfront payment. Management is considering discontinuing this metric if it proves to be a less helpful measure to the Company as a result of mortgage streams.

Upfront payment per tonne <i>CAD millions, unless otherwise noted</i>	Three months ended Jun 30		Twelve months ended Jun 30	
	2018	2017	2018	2017
Upfront payment to canola interests	0.740	3.931	6.584	38.581
<i>divided by: Total tonnes added to reserves</i>	46,612	38,411	143,632	307,751
Upfront payment per tonne	\$15.88	\$102.35	\$45.84	\$125.37

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.

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.

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