INPUT CAPITAL
THE AGRICULTURE STREAMING COMPANY

Financial Statements

for the years ended September 30, 2020 and September 30, 2019

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Input Capital Corp.

Opinion

We have audited the financial statements of Input Capital Corp. (the Entity), which comprise:

- the statements of financial position as at September 30, 2020 and September 30, 2019
- the statements of net loss and comprehensive loss for the years then ended
- the statements of changes in equity for the years then ended
- the statements of cash flows for the years then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at September 30, 2020 and September 30, 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Other information comprises the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

KPMG LLP

Chartered Professional Accountants
The engagement partner on the audit resulting in this auditors' report is Scott Douglas Verity.

Saskatoon, Canada
December 7, 2020

STATEMENTS OF FINANCIAL POSITION

	Note	As at September 30, 2020	As at September 30, 2019
ASSETS			
Current			
Cash		$ 27,234,152	$ 11,439,460
Trade and other receivables		682,081	2,555,228
Income tax recoverable		-	1,268,711
Crop interests	5	1,292,949	6,883,620
Other financial assets	4	74,540	-
Assets held for sale	6	5,890,454	992,771
Prepaid expenses		134,661	307,415
Right-of-use asset	3	121,075	-
Mortgages and loans receivable	7	2,460,396	3,151,153
		$ 37,890,308	$ 26,598,358
Non-current			
Crop interests	5	$ 13,103,231	$ 21,511,225
Deferred income tax assets	15	3,681,421	3,469,469
Capital and intangible assets		4,405	46,557
Mortgages and loans receivable	7	27,221,901	56,091,934
		$ 81,901,266	$ 107,717,543
LIABILITIES			
Current			
Trade and other payables		$ 2,999,639	$ 2,075,566
Other financial liabilities	4	-	420,891
Revolving credit	8	-	5,404,008
Lease liability	3	126,132	-
Long-term debt	9	211,091	355,174
		$ 3,336,862	$ 8,255,639
Non-current			
Long-term debt	9	$ 7,536,454	$ 18,861,746
		$ 7,536,454	$ 18,861,746
EQUITY			
Share capital	10	$ 75,799,235	$ 83,034,919
Contributed surplus		4,049,015	3,884,368
Deficit		(8,820,300)	(6,319,129)
		$ 71,027,950	$ 80,600,158
		$ 81,901,266	$ 107,717,543

ON BEHALF OF THE BOARD

"Douglas Emsley", Director

"David H. Laidley", FCPA, FCA, Director

- The accompanying notes are an integral part of these financial statements -

STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS

	Note		Year ended September 30, 2020		Year ended September 30, 2019
Revenue					
Crop	12	$	21,913,352	$	39,400,781
Interest			3,503,771		4,572,128
Rental			170,381		44,763
		$	25,587,504	$	44,017,672
Expenses					
Corporate administration	14	$	4,420,515	$	5,360,157
Interest expense			690,954		1,033,407
Purchase of crop and other direct expenses	12		10,897,572		13,429,422
Realization of crop interests	12		10,515,816		23,629,161
		$	26,524,857	$	43,452,147
Other income					
Gain from settlement of crop interests	13	$	1,057,664	$	1,344,685
Gain from sale of assets held for sale			148,032		-
Realized gain (loss) on futures and options	5		177,130		(376,247)
Other income			216,649		445,619
		$	1,599,475	$	1,414,057
Profit before the undernoted		$	662,122	$	1,979,582
Impairment and expected credit loss	4		(3,097,981)		(540,584)
Unrealized market value gain (loss)	4		1,497,781		(4,323,004)
Net loss before income tax		$	(938,078)	$	(2,884,006)
Income tax recovery	15		207,327		649,014
Net loss and comprehensive loss		$	(730,751)	$	(2,234,992)
Basic loss per share	11	$	(0.01)	$	(0.03)
Fully diluted loss per share	11		(0.01)		(0.03)

- The accompanying notes are an integral part of these financial statements -

STATEMENTS OF CASH FLOWS

Cash flow from (applied to)	Note	Year ended September 30, 2020	Year ended September 30, 2019
Operating activities			
Net loss for the period		$ (730,751)	$ (2,234,992)
Adjustments			
Amortization of capital and intangible assets		42,152	81,989
Deferred share unit expense	18	1,287,377	49,017
Income tax recovery	15	(207,327)	(649,014)
Income tax received (paid)		1,268,711	(714,760)
Interest revenue		(3,503,771)	(4,572,128)
Interest received		5,068,785	2,989,629
Non-cash proceeds from settlement of crop interests		-	(2,009,371)
Realization of crop interests	5	12,421,983	26,091,188
Share based payments		164,647	480,249
Gain from settlement of crop interests	13	(1,057,664)	(1,407,172)
Other income		-	-
Gain from sale of assets held for sale		(148,032)	-
Realized loss (gain) on crop futures and options		(177,130)	376,247
Impairment and expected credit recovery	4	3,097,981	540,584
Unrealized market value (gain) loss	4	(1,497,781)	4,323,004
Changes in non-cash working capital	16	286,137	(623,970)
Cash generated from operating activities		$ 16,315,317	$ 22,720,500
Investing activities			
Acquisition of crop interests		(5,343,603)	(19,218,976)
Proceeds from buy back of crop interests		6,474,587	3,603,171
Proceeds from contracts in restructuring and or security realization		2,530,950	1,090,478
Acquisition of assets held for sale		-	(853,431)
Proceeds from the sale of assets held for sale		709,232	688,313
Issuance of mortgages and loans receivable		-	(9,202,903)
Proceeds from repayment of mortgages and loans receivable		21,602,232	6,133,307
Net proceeds (cost) of futures and options		184,420	(433,620)
Proceeds from sale of capital and intangible assets		-	28,737
Cash received from (applied to) investing activities		$ 26,157,818	$ (18,164,924)
Financing activities			
Dividends paid		(2,407,936)	(3,300,757)
Interest expense		690,954	1,033,407
Interest paid		(903,778)	(787,515)
Net draws (repayment) on revolving credit facility	8	(5,404,008)	1,717,301
Net draws (repayment) on long-term debt	9	(11,469,375)	9,249,644
Purchase of common shares		(7,235,684)	(15,904,966)
Cash applied to financing activities		$ (26,729,827)	$ (7,992,886)
Increase (decrease) in cash		15,743,308	(3,437,310)
Cash – beginning of the period		11,439,460	14,876,770
Cash - end of the period		$ 27,182,768	$ 11,439,460

- The accompanying notes are an integral part of these financial statements -

STATEMENTS OF CHANGES IN EQUITY

	Note	Share Capital			Contributed Surplus				Total
		Number		Amount		Share Options		Deficit		
At September 30, 2018	10	83,250,960	$	110,277,708	$	3,404,119	$	(12,310,935)	$	101,370,892
NCIB shares purchased for cancellation	10	(3,411,120)	$	(2,712,738)	$	-	$	-	$	(2,712,738)
SIB shares purchased for cancellation	10	(16,088,083)		(13,192,228)		-		-		(13,192,228)
Share based payment – options		-		-		480,249		-		480,249
Reduction in stated capital	10	-		(11,337,823)		-		11,337,823		-
Impact of adopting new accounting standards		-		-		-		(5,260)		(5,260)
Dividends		-		-		-		(3,105,765)		(3,105,765)
Total comprehensive loss		-		-		-		(2,234,992)		(2,234,992)
At September 30, 2019	10	63,751,757	$	83,034,919	$	3,884,368	$	(6,319,129)	$	80,600,158
NCIB shares purchased for cancellation	10	(2,804,604)	$	(2,042,604)	$	-	$	-	$	(2,042,604)
SIB shares purchased for cancellation	10	(7,418,686)		(5,193,080)		-		-		(5,193,080)
Share based payment – options		-		-		164,647		-		164,647
Dividends		-		-		-		(1,770,420)		(1,770,420)
Total comprehensive loss		-		-		-		(730,751)		(730,751)
At September 30, 2020	10	53,528,467	$	75,799,235	$	4,049,015	$	(8,820,300)	$	71,027,950

1. *Nature of operations*

Input Capital Corp. (the "Company" or "Input") is a Canadian Grain Commission licensed and bonded grain company that acquires canola from farmers through multi-year canola streaming contracts. In return for providing capital for land financing and/or working capital purposes, the Company receives the right to receive and/or purchase a specified number of tonnes of canola each year over the life of the agreement. 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.

The agriculture industry is subject to a high degree of seasonality. The Company's revenue is received from crop deliveries and sales over several months after the harvest has been completed. The Company normally expects to recognize the majority of its annual revenues during its first and second fiscal quarters.

These financial statements were authorized for issue by the Board of Directors on December 7, 2020.

2. *Basis of presentation*

A. STATEMENT OF COMPLIANCE

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

B. BASIS OF PREPARATION

These financial statements have been prepared on a historical cost basis except for the following material items in the statement of financial position:

- Financial instruments that are accounted for at fair value according to the financial instrument categories defined in Note 4.
- Share purchase options and deferred share units that are accounted for according to the share-based payments criteria defined in Note 3L.
- Assets held for sale are held at the lower of carrying value and fair value as defined in Note 3G.

C. FUNCTIONAL AND PRESENTATIONAL CURRENCY

The financial statements are presented in Canadian dollars, the functional currency of the Company, and all values are rounded to the nearest dollar with the exception of share and per share value.

D. USE OF ESTIMATES AND JUDGMENTS

The preparation of 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 materially 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 in the following summary of significant accounting policies and notes:

- Fair value of financial instruments and assets held for sale; and
- Expected credit losses.
- Estimates of future taxable income.

Areas of judgement in applying accounting policies that have the most significant effect on the amount recognized in the financial statements include:

- Classification and measurement of financial instruments including the business model applied;
- Assessing staging of mortgages for purposes of estimating expected credit losses; and
- Recovery of deferred tax assets; and

E. MEASUREMENT OF FAIR VALUES

A number of Input's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. The fair value hierarchy establishes three levels to classify the inputs of valuation techniques used to measure fair value. The three levels of the fair value hierarchy are described below:

- Level 1 – Fair values are determined using inputs that are quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 – Fair values are determined using inputs, other than quoted prices in level 1, that are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liabilities. In determining the inputs for calculating fair values, Input looks for readily observable market inputs, primarily interest rates and forward prices based on the nature of Input's derivative instruments.
- Level 3 – Fair values are determined based on inputs for the asset or liability that are not based on observable market data. Crop interest values are calculated using internal discounted cash flow models that rely on forward pricing provided by independent sources and long term basis assumptions. Assets that are impaired or in the process of security realization are dependent upon fair value assessments of underlying security, primarily land.

The Company regularly reviews significant inputs and valuation assumptions. If third party information, such as land valuations, is used to measure fair values, then the Company assesses the evidence obtained from third parties to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified.

3. Significant accounting policies

Except for changes described in Note 3A, the accounting policies set out below have been applied consistently to all periods presented in these financial statements.

A. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

Adoption of IFRS 16 Leases

IFRS 16, Leases, replaces IAS 17, and the policy introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

As a result of adoption of IFRS 16 on October 1, 2019, the Company's payments related to arrangements that meet the definition of a lease under IFRS 16 are no longer recognized as an expense in Corporate administration expenses - office expenses, but are now recognized with interest as a financing expense and depreciation expense recognized on the right of use assets. IFRS 16 was applied using the modified retrospective approach, where the cumulative effect of initial application is recognized in deficit on October 1, 2019, with no restatement of comparative figures. Right-of-use assets are measured at amounts equal to the corresponding lease liabilities, which resulted in no adjustment to deficit on transition.

In applying IFRS 16, the Company elected to apply, under the modified retrospective approach, to recognize exemptions related to short-term and low value leases. The Company has also elected to apply the practical expedient whereby leases whose term ends within 12 months of the date of initial application would be accounted for in the same way as short term leases. Judgment was applied in adopting IFRS 16 to identify contracts within the scope of IFRS 16, evaluating lease renewal terms and determining the discount rate used to present value the lease arrangements. On transition, lease liabilities were measured at present value of the remaining lease payments under the agreement term. Right-of-use assets are measured at an amount equal to the lease liability, adjusted for any prepaid or accrued lease payments.

On October 1, 2019, upon adoption of IFRS 16, the Company recognized an increase in right-of-use assets and lease liabilities of $411,658, with no adjustment to deficit, related to its office lease. The remaining amortization period of the right-of-use asset was 17 months and an incremental borrowing rate for lease liabilities initially recognized on adoption of IFRS 16 was 5.34%.

B. FINANCIAL INSTRUMENTS

Financial assets

Financial assets are initially measured at fair value. On initial recognition, financial assets are classified as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss, depending on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Financial assets are not reclassified subsequent to their initial recognition, unless Input changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

(i) The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

(ii) The contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income if it meets both of the following conditions:

(i) The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

(ii) The contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets (liabilities) are subsequently measured at their fair values with changes in fair value, including any interest income, recognized in profit or loss.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows relating to the financial asset to a third party. Any interests in transferred assets that are created or retained by the Company are recognized as a separate asset or liability.

Financial liabilities

Debt associated with long term agreements is initially recognized at fair value less any directly attributable transaction costs. All other financial liabilities (including liabilities designated at fair value through profit and loss) are recognized initially on the trade date at which Input becomes party to the contractual provisions of the instrument. Input derecognizes a financial liability when it contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, Input has the right to offset the amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

Derivative financial instruments

Derivatives embedded in contracts where the host is a financial asset are not separated and the hybrid financial instrument as a whole is assessed for classification and measurement. Input has chosen not to use hedge accounting. Derivatives are recognized initially at fair value with attributable transaction costs recognized in net earnings as incurred. Subsequent to initial measurement, derivatives are measured at fair value and the changes in fair value are recognized immediately in net earnings.

Allowance for credit losses on financial assets

The expected loss impairment model results in an allowance for credit losses being recorded on financial assets regardless of whether there has been an actual loss event.

Input recognizes an allowance for credit losses that represents management's best estimate of the expected losses in the mortgage and other loans receivable portfolio at the reporting date.

The expected loss impairment model applies a three-stage approach to measure the allowance for credit losses:

- Stage 1 Represents performing financial assets not yet individually identified as credit impaired. On initial recognition, twelve month expected credit losses are recognized in profit or loss and a loss allowance is established.
- Stage 2 Also represents performing financial assets not yet individually identified as credit impaired. If credit risk increases significantly and the resulting credit risk is not considered to be low, full lifetime expected credit losses are recognized. In subsequent reporting periods, if the credit risk of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, then stage 1 credit losses are recognized.
- Stage 3 Represents impaired financial assets individually identified as credit impaired. When a financial asset is considered credit impaired, full lifetime expected credit losses are recognized and interest revenue is calculated based on the carrying amount of the asset, net of the loss allowance, rather than its gross carrying amount.

At each reporting date, Input assesses whether a significant increase in credit risk has taken place since initial recognition of the mortgage or loan receivable to determine the changes between stages 1 and 2. In assessing whether credit risk has increased significantly, Input considers the following factors:

- whether financial assets are considered to have low credit risk at the reporting date;
- the risk of a default occurring on the financial asset as at the reporting date is compared with the risk of a default occurring on the financial asset as at the date of initial recognition;
- qualitative information available as at the reporting date; and
- days past due.

A stage 3 credit impaired mortgage or loan receivable is any mortgage or loan receivable where, in management's opinion, the credit quality has deteriorated to the extent that Input no longer has reasonable assurance of timely collection of the full amount of principal and interest. When a mortgage or loan receivable is classified as stage 3 credit-impaired, the carrying value is reduced to its estimated realizable value through an adjustment to the allowance for credit losses. Changes in the estimated realizable amount that arise subsequent to the initial impairment are also adjusted through the allowance for credit losses.

The expected loss impairment model reflects the present value of all cash shortfalls related to a default event over the expected life of the financial instrument. The estimation of future cash flows considers the fair value of any underlying security, estimated time and costs to realize the security and other future potential indicators.

All payments received on an impaired mortgage or loan receivable are credited against the recorded investment in the mortgage or loan receivable. The mortgage or loan receivable reverts to performing status when, in management's opinion, the ultimate collection of principal and interest is reasonably assured. When the impaired mortgage or loan receivable is restored to performing status, the remaining individual allowance for credit losses is reversed. Mortgage or loan receivables and their stage 3 allowance for credit losses are written off, either partially or in full, when there is no realistic prospect of future recovery.

C. CAPITAL AND INTANGIBLE ASSETS

Items of capital and intangible assets are recorded at cost, less accumulated amortization and accumulated net impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset.

Amortization is calculated based on the depreciable amount, which is the cost of an asset less its residual value. Amortization is recognized in net earnings on a straight-line basis over the estimated useful lives of each part of an item of capital and intangible assets, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

- Trademarks	Straight line	5 years
- Software	Straight line	5 years

Amortization methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

D. CROP INTERESTS

Crop interests are agreements for which settlements are called for in tonnes of crop, the amount of which is determined based on terms in the crop purchase agreements which are capitalized on a contract by contract basis and are recorded at fair value. Under IFRS 9, crop interests do not meet the own-use scope exemption and cash flows are not solely payments of principal and interest. As such, crop interests are carried at FVTPL. At each reporting date the fair value of each contract is calculated using internal discounted cash flow models that rely on forward commodity pricing provided by independent sources. Other variables that impact the fair value of crop interests include the timing of the delivery of the crop, changes in expected costs of realizing on the contract, changes in credit risk, and changes in the risk free interest rate. Subsequent changes in fair value are recognized in profit or loss in unrealized market value gain or loss. Realized gains and losses that result from the sale are recognized in profit or loss in realization of crop interests.

E. REALIZATION OF CROP INTERESTS

The initial upfront payment allocated to crop interests is capitalized. Upfront payments are refundable deposits allocated to crop interests and are recorded as realization of crop interests on a proportionate contractual unit basis as sales are recorded for each specific contract. Crop payments are recorded as realization of crop interests on a unit basis as sales are recorded for each specific contract. Realized market value gains and losses that result from the sale of tonnes of crop are recognized in profit or loss in realization of crop interests. Realized market value gains and losses that result from contract buy backs are recognized in profit or loss as a gain (loss) from settlements of crop interests.

F. OTHER FINANCIAL ASSETS (LIABILITIES)

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

Part of the Company's crop marketing program involves the purchase of crop 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 crop 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 adjustments. Realized gains and losses relating to these contracts are recognized in realized gain (loss) on crop futures and options.

G. ASSETS HELD FOR SALE

Assets held for sale consists of land and other assets registered in Input's name resulting from Input enforcing security under contracts being terminated or as a result of contract buy backs. These assets are recorded at the lower of carrying value and fair value less costs to sell based on quoted market prices for similar assets with an offsetting reduction in crop interests. These assets are expected to be sold in the near term. Subsequent changes in the fair value, if any, are recorded in income.

H. MORTGAGES AND LOANS RECEIVABLE

Mortgages and loans receivable include mortgages and other loans that contain fixed and determinable payments. Input's business model is to hold the mortgages and loans receivable to collect principal and interest payments. Under IFRS 9, these assets qualify for the solely payments of principal and interest model. Upon initial recognition, these are recognized at fair value. Subsequently these assets are carried at amortized cost less expected credit losses. Interest revenue is recorded on an effective interest basis.

An impairment loss for mortgages and loans receivable measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. Losses are recognized in net earnings or loss. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of a previous impairment loss to reverse or partially reverse, the decrease in impairment is reversed through net earnings or loss.

I. INCOME TAXES

Taxation on earnings comprises current and deferred income tax. Taxation is recognized in the statement of net loss and comprehensive loss except to the extent that it relates to items recognized in equity, in which case the tax is recognized directly in equity.

Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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.

J. REVENUE RECOGNITION

Crop revenue includes the sale of canola and other crops in Canada to grain elevators and canola crushing facilities. Revenue is recognized when a customer obtains control of the goods or services which occurs when the crop is delivered to and has been accepted on the customers' premises. Revenue is recognized at a point in time and amounts owing are usually paid shortly after delivery. Discounts are only assessed when the quality of the crop delivered does not meet the contracted quality specified.

Interest revenue on mortgages and loans receivable and interest on trade and other receivables is recorded on an effective interest basis.

K. NET SETTLEMENT OF CROP INTERESTS

In addition to regular crop deliveries, crop tonnage obligations outstanding on crop streaming contracts may also be settled by the farm operator directly through payment in cash, through cash proceeds received from crop insurance, through a conventional mortgage receivable with the Company, through a receivable agreement with the Company, or through a land transfer to the Company. These transactions do not result in the title and risk of the crop 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 crop 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 gain or loss from settlements of crop interests on the statement of net loss and comprehensive loss.

L. SHARE BASED PAYMENTS

The Company recognizes share based compensation expense for all share purchase options awarded to employees, officers and directors based on the fair values of the share purchase options at the date of grant. The fair value of share purchase options at the date of grant is expensed over the vesting period of the options 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 net loss and comprehensive 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 the historical stock price of the Company, 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.

The Company has a Deferred Share Unit Plan (the “DSU Plan”) whereby the Company grants deferred share units ("DSUs") to eligible directors. The DSUs are cash-settled payment transactions and are valued at the fair value of the rights based on the closing share price at the end of the reporting period.

M. NEW STANDARDS, AMENDMENTS 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 and that may have an impact for Input are outlined below:

Proposed Standard	Description	Effective Date	Expected Impact
Ammendments to IAS 1 - Classification of liabilities	The amendment provides clarification on the requirement on determining if a liability is current or non-current.	Fiscal years beginning on or after January 1, 2023, applied prospectively.	The Company does not expect any significant impact on the financial statements, but continues to do analysis.
Ammendment to IAS 37 - Provisions, Contingent Liabilities and Contingent Assets	The amendment provides clarification on the types of costs that can be include when fulfilling an onerous contract.	Fiscal years beginning on or after January 1, 2022 applied prospectively.	The Company does not expect any significant impact on the financial statements, but continues to do analysis.

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

4. Financial instruments

CAPITAL RISK MANAGEMENT - The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the capital structure. The Company's capital consists of $71,027,950 (September 30, 2019 - $80,600,158) of equity attributable to common shareholders, comprised of issued capital (Note 10), contributed surplus, and accumulated deficit.

CREDIT RISK MANAGEMENT - The Company’s assets subject to credit risk include cash, trade and other receivables in the ordinary course of business, mortgages and loans receivable and crop interests. Management’s view is that the carrying amounts of these assets represent the maximum credit exposure.

The carrying amount of these assets is:

	September 30, 2020	September 30, 2019
Cash	$ 27,234,152	$ 11,439,460
Trade and other receivables	682,081	2,555,228
Crop interests (Note 5)	14,396,180	28,394,845
Mortgages and loans receivable (Note 7)	29,682,297	59,243,087
	$ 71,994,710	$ 101,632,620

Management has implemented a number of policies and procedures to manage credit risk. These include: assignments of collateral and security; assignment of crop insurance; and use of derivatives. Management also monitors the agriculture environment to ensure that policies, activities and prices are appropriate and relevant.

The aging of trade and other receivables and allowance for doubtful accounts are as follows:

	September 30, 2020	September 30, 2019
Not past due	$ 422,628	$ 1,348,669
Past due 0-90 days	12,174	141,855
More than 90 days past due	328,870	1,072,319
Total trade and other receivables	763,672	2,562,843
Allowance for doubtful accounts	(81,591)	(7,615)
Total trade and other receivables net of allowance	$ 682,081	$ 2,555,228

COMMODITY PRICE RISK - The Company's financial results may be significantly affected by fluctuations in the price of crops. The price of crops is affected by numerous factors beyond the Company's control, including but not limited to, interest rates, exchange rates, inflation or deflation, fluctuation in the value of foreign currencies, global and regional supply and demand, and the political and economic conditions of major countries throughout the world.

Based on the Company's crop interests as at September 30, 2020, a 1% increase, or decrease, in the price of canola would result in a $106,336 (September 30, 2019 - $240,334) increase, or decrease, in the market value adjustment amount recorded on the statement of net loss and comprehensive loss.

LIQUIDITY RISK - The Company manages liquidity risk through ongoing management and forecasting of cash flows, budgeting, and equity financings. Cash flow forecasting is performed to monitor cash requirements and to manage capital management decisions. Such forecasting takes into account current customers, mortgage amortization schedules, contractual obligations and the Company's expectations. The term and payment dates of the Company's borrowings are generally matched with the timing at which it is expected to receive crop deliveries or payments from it's customers. However, should the timing of payments differ from what is contracted, this does not change the requirement to repay loans from the bank, potentially affecting liquidity. It is due to these timing uncertainties that the Company maintains a high level of cash liquidity on an ongoing basis.

Crop purchase agreements contain obligations in that the Company agrees to purchase crop at a specified price at a future date. A summary of the payments due by period is summarized below:

	Payment due by period				
	< 1 year	1 - 3 years	4 - 5 years	> 5 years	Total
Purchase obligations	$ 4,801,766	$ 6,097,385	$ 147,825	$ -	$ 11,046,976

Financial liabilities and other contractual obligations at September 30, 2020, and their maturities are summarized below:

	Payment due by period				
	< 1 year	1 - 3 years	4 - 5 years	> 5 years	Total
Trade and other payables	$ 2,999,639	$ -	$ -	$ -	$ 2,999,639

Lease obligations at September 30, 2020 are summarized below:

	Payment due by period				
	< 1 year	1 - 3 years	4 - 5 years	> 5 years	Total
Right-of-use lease obligations including interest	$ 127,820	$ -	$ -	$ -	$ 127,820

Long-term debt repayment and interest obligations at September 30, 2020 are summarized below:

	Payment due by period				
	< 1 year	1 - 3 years	4 - 5 years	> 5 years	Total
Long-term debt principal and interest repayments	$ 544,434	$ 8,230,560	$ -	$ -	$ 8,774,994

INTEREST RATE RISK - The company has mortgages and loans receivable that are measured at amortized cost and contain a fixed interest rate. There is no variability in cash flow amounts or timing of cash flows with changes in interest rates, however, there are changes in the fair value of these financial assets. A 1% change in the interest rate results in a $1,325,901 (September 30, 2019 - $2,244,503) change in the fair value of the mortgages and loans receivable.

At each reporting date the fair value of each crop interest contract is calculated using internal discounted cash flow models that rely on forward commodity pricing provided by independent sources. Changes in interest rates impact the fair value of these crop interests. A 1% change in the interest rate results in a $88,673 (September 30, 2019 - $371,379) change in the value of the crop interests.

OTHER RISKS - The Company is not subject to other significant foreign currency, or other price risks.

The ongoing effect of the COVID-19 pandemic and uncertainty within international markets did not impact the Company's financial performance for the year ended September 30, 2020 but may in the future. The financial impact will be dependent on the spread and duration of the pandemic and on related restrictions and government advisories. Given this uncertainty, the financial impact on the Company, if any, cannot be determined at this time.

FAIR VALUE - The following sets forth the Company’s financial assets and liabilities measured at fair value by level within the fair value hierarchy. As required by IFRS 9, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	Classification	Level	September 30, 2020	September 30, 2019
Cash	Amortized cost	1	$ 27,234,152	$ 11,439,460
Trade and other receivables	Amortized cost	2	682,081	2,555,228
Other financial assets (liabilities)	Fair value through profit or loss	2	74,540	(420,891)
Crop interests	Fair value through profit or loss	3	14,396,180	28,394,845
Mortgages and loans receivable	Amortized cost	2	29,682,297	59,243,087
Trade and other payables	Other financial liabilities	2	2,999,639	2,075,566
Revolving credit	Other financial liabilities	2	-	5,404,008
Long-term debt	Other financial liabilities	2	7,747,545	19,216,920

The following table represents the change in fair values recognized in the statement of net loss and comprehensive loss.

	Year ended September 30, 2020	Year ended September 30, 2019
Other financial assets (liabilities)	$ 470,190	$ (3,499,516)
Crop interests	1,027,591	(823,488)
Unrealized market value gain (loss)	$ 1,497,781	$ (4,323,004)

The following table represents expected credit gains (losses) and impairment gains (losses) recognized in the statement of net loss and comprehensive loss.

	Year ended September 30, 2020	Year ended September 30, 2019
Trade and other receivables	$ (73,977)	$ (1,158)
Mortgages and loans receivable	(3,024,004)	(539,426)
Impairment and expected credit loss	$ (3,097,981)	$ (540,584)

The fair value of short-term financial instruments approximates their carrying amounts due to the relatively short period to maturity. These include cash, trade and other receivables, and trade and other payables.

LOANS AND BORROWINGS - The Company had a $25 million credit facility with HSBC Bank Canada. Included in the $25 million was up to $10 million that was secured against the mortgages underlying mortgage streams with Input clients and $15 million in a revolving credit facility. In April 2020, the Company repaid all outstanding principal and interest relating to this facility and the facility was cancelled. As a result there was no balance outstanding as of September 30, 2020. On September 30, 2019 - $9,447,319 was drawn on the $10 million available secured against mortgages and $5,404,008 drawn on the $15 million revolving credit facility.

The Company has term debt with Concentra Bank that is secured against the mortgages underlying mortgage streams with Input clients. As September 30, 2020 there was $7,747,545 (September 30, 2019 - $9,769,601) drawn on the $10 million available. The covenants of the term debt include a minimum debt service coverage ratio of 1.5 to 1. At September 30, 2020, the Company met all of its covenants as required by the debt agreement.

The liabilities and obligations of the Company are secured by all property of the Company including an assignment of the rights of the Company under the streaming contracts and any collateral security granted in favour of the Company in connection with each contract.

5. Crop interests and other financial assets (liabilities)

	September 30, 2020	September 30, 2019
Crop interests:		
Opening balance - date	October 1, 2019	October 1, 2018
Opening balance	$ 28,394,845	$ 37,334,191
Acquisition of crop interests - upfront payments	-	4,370,813
Acquisition of crop interests - crop payments	5,343,603	17,610,487
Realization of crop interests - upfront payments	(5,913,197)	(7,620,036)
Realization of crop interests - crop payments	(6,229,243)	(18,422,180)
Realization of crop interests - realized market value adjustment	(279,543)	(48,971)
Settlements on contracts that are in the process of restructuring and or security realization	(2,530,950)	(1,090,478)
Buy back of crop contracts	(5,416,926)	(2,915,493)
Market value adjustment	1,027,591	(823,488)
	$ 14,396,180	$ 28,394,845
Crop interests (including amounts relating to terminated contracts):		
Current	$ 1,292,949	$ 6,883,620
Non-current	13,103,231	21,511,225
	$ 14,396,180	$ 28,394,845

The fair value of each streaming contract is calculated using internal discounted cash flow models that rely on forward canola and other correlated commodity pricing provided by independent sources. Other variables that impact the fair value of crop interests include the timing of the delivery of the tonnes, changes in expected costs and cash flows associated with the contract, and changes in the risk free interest rate. Included in the market value adjustment as a reduction to the value of crop interests is a cumulative unrealized market value loss of $14,137,820 (September 30, 2019 - loss of $14,398,398) on streaming contracts that are in the process of restructuring and/or security realization relating to changes in the timing and expected net cash flows associated with the settlement of crop delivery obligations.

As at September 30, 2020 there are streaming contracts that are in the process of restructuring and/or security realization. The value of these contracts included in crop interests at September 30, 2020 is $11,775,951 (September 30, 2019 - $13,238,042).

A producer or the Company may negotiate a buy back of a streaming contract. The buy back of crop interests resulted in a gain as disclosed further in Note 13.

Changes in the fair value of other financial assets (liabilities) are recognized in profit or loss in market value adjustment and as follows:

	Year ended September 30, 2020	Year ended September 30, 2019
Unrealized market value gain (loss)	$ 470,190	$ (3,499,516)

Part of the Company's crop marketing program involves the purchase of crop futures and options contracts to maintain an open pricing position. Included in realized gain (loss) on futures and options is a gain of $177,130 for the year ended September 30, 2020 (year ended September 30, 2019 - loss of $376,247).

6. *Assets held for sale*

Assets held for sale result from Input taking ownership of land and associated fixtures as a result of enforcing security on contracts or as a result of contract buy backs. These assets are expected to be sold in the near term. A continuity schedule of the assets held for sale is presented below:

At September 30, 2018	$ 827,653
Purchase of assets held for sale	1,149,851
Sale of assets held for sale	(984,733)
At September 30, 2019	992,771
Increase as a result of assuming ownership of properties underlying a mortgage	5,458,883
Sale of assets held for sale	(561,200)
At September 30, 2020	$ 5,890,454

7. *Mortgages and loans receivable*

Mortgages and loans receivable consist of conventional first mortgages and loans secured by land and equipment. A continuity schedule of the mortgages and loans receivable is presented below:

At September 30, 2018	$ 55,290,414
Issuance of mortgages	9,927,903
Less repayments on mortgages and loans receivable	(1,510,177)
Less settlements on mortgages and loans receivable	(4,526,892)
Increase in interest receivable on mortgages and loans receivable	1,090,980
Remeasurement of expected credit losses	(1,029,141)
At September 30, 2019	59,243,087
Less repayments on mortgages and loans receivable	(20,737,009)
Less settlements on mortgages and loans receivable	(5,441,191)
Decrease in interest receivable on mortgages and loans receivable	(589,461)
Remeasurement of expected credit loss	(2,741,745)
At September 30, 2020	$ 29,733,681

	September 30, 2020	September 30, 2019
Mortgages and loans receivable		
Current	$ 2,460,396	$ 3,151,153
Non-current	27,221,901	56,091,934
	$ 29,682,297	$ 59,243,087

The weighted average yield of the mortgages and loans is 9.2% and the weighted average term is 2.9 years (September 30, 2019 - average yield of 6.6% and weighted term of 3.6 years). The fair value of the loans and mortgages are calculated on a discounted cash flow basis using the prevailing market rates. The fair value of the mortgages and loans receivable at September 30, 2020 is $31,493,188 (September 30, 2019 - $59,016,371).

Interest revenue on mortgages and loans receivable for the year ended September 30, 2020 was $3,419,228 (year ended September 30, 2019 - $4,401,174).

Details regarding the expected mortgage credit losses are outlined below:

	Performing (stage 1)	Significant increase in credit risk (stage 2)	Expected credit losses on impaired mortgages (stage 3)	Total
Mortgages and loans receivable - gross carrying value for year ended September 30, 2019	$ -	$ 32,925,075	$ 29,247,240	$ 62,172,315
Expected credit loss balance on mortgages and loans receivable as at September 30, 2018	-	(736)	(1,900,087)	(1,900,823)
Re-measurement	-	(3,220)	(536,206)	(539,426)
Transfer from crop interests	-	-	(488,979)	(488,979)
Expected credit loss balance on mortgages and loans receivable for year ended September 30, 2019	-	(3,956)	(2,925,272)	(2,929,228)
Mortgages and loans receivable - net carrying value for year ended September 30, 2019	-	32,921,119	26,321,968	59,243,087

	Performing (stage 1)	Significant increase in credit risk (stage 2)	Expected credit losses on impaired mortgages (stage 3)	Total
Mortgages and loans receivable - gross carrying value for the year ended September 30, 2020	$ -	$ 27,550,628	$ 3,355,792	$ 30,906,420
Expected credit loss balance on mortgages and loans receivable as at September 30, 2019	-	(3,956)	(2,925,272)	(2,929,228)
Re-measurement	-	3,249	(3,027,253)	(3,024,004)
Recoveries	-	-	282,261	282,261
Transfers to assets held for sale	-	-	4,446,848	4,446,848
Expected credit loss balance on mortgages and loans receivable for the year ended September 30, 2020	-	(707)	(1,223,416)	(1,224,123)
Mortgages and loans receivable - net carrying value for the year ended September 30, 2020	$ -	$ 27,549,921	$ 2,132,376	$ 29,682,297

Mortgages and loans receivable principal and interest past due are as follows:

	1 to 30 days	31 to 60 days	61 to 90 days	Over 90 days	Total
As at September 30, 2020	$ 3,341	$ 38,564	$ 43,230	$ 2,032,454	$ 2,117,589

The estimated principal repayments in each of the next five fiscal periods are as follows:

2021	$	2,460,396
2022		2,345,769
2023		23,313,612
2024		1,847,106
2025		243,586
Thereafter		695,951
	$	30,906,420

8. Revolving credit

The Company had up to $15 million in a revolving credit facility with HSBC Bank Canada. In April 2020, the Company repaid all outstanding principal and interest relating to this facility and the facility was cancelled. A continuity schedule of the Company's revolving debt is presented below:

At September 30, 2018	$	3,686,707
Advances		5,404,008
Repayments		(3,686,707)
At September 30, 2019	$	5,404,008
Advances		-
Repayments		(5,404,008)
At September 30, 2020	$	-

Interest expense relating to the revolving credit facility for the year ended September 30, 2020 is $66,984 (year ended September 30, 2019 - $206,146).

9. Long-term debt

The Company has up to $10 million in five year term debt available from Concentra Bank. The term debt bears a fixed interest rate of 4.33% and interest is payable semi-annually. The debt is secured by mortgages underlying mortgage streams with Input clients. A continuity schedule of the Company's term debt with Concentra is presented below:

At September 30, 2018	$	9,967,276
Repayments		(197,675)
At September 30, 2019		9,769,601
Repayments		(2,022,056)
At September 30, 2020	$	7,747,545

The Company had up to $10 million in revolving debt available from HSBC Bank Canada for mortgage funding purposes. In April 2020, the Company repaid all outstanding principal and interest relating to this facility and the facility was cancelled. A continuity schedule of the Company's mortgage related debt with HSBC is presented below:

At September 30, 2018	$	-
Advances		13,263,319
Repayments		(3,816,000)
At September 30, 2019	$	9,447,319
Advances		17,500
Repayments		(9,464,819)
At September 30, 2020	$	-

Interest expense relating to the term debt for the year ended September 30, 2020 is $608,813 (year ended September 30, 2019 - $827,261). The fair value of the term debt as at September 30, 2020 is $8,435,431 (year ended September 30, 2019 - $9,531,002).

The estimated principal repayments on the Company's long-term debt in each of the next five fiscal periods is as follows:

2021	$	211,091
2022		197,674
2023		7,338,780
	$	7,747,545

10. *Share capital, contributed surplus and accumulated deficit*

A. SHARES AUTHORIZED

The Company’s authorized share capital consists of an unlimited number of Class “A” common voting shares ("common shares") without par value.

B. SHARES ISSUED AND PURCHASED

	Number of Shares		Share Capital
Common shares - September 30, 2018	83,250,960	$	110,277,708
Shares purchased for cancellation under the normal course issuer bid	(3,411,120)		(2,712,738)
Shares purchased for cancellation under the substantial issuer bid	(16,088,083)		(13,192,228)
Reduction in stated capital	-		(11,337,823)
Common shares - September 30, 2019	63,751,757	$	83,034,919
Shares purchased for cancellation under the normal course issuer bid	(2,804,604)		(2,042,604)
Shares purchased for cancellation under the substantial issuer bid	(7,418,686)		(5,193,080)
Common shares - September 30, 2020	53,528,467	$	75,799,235

As approved by the shareholders at the Company's Annual General Meeting held on February 26, 2019, the stated capital of the Company's common shares was reduced to $98,000,000 effective February 26, 2019. The reduction of share capital was applied to the deficit which was reduced by $11,337,823.

On July 15, 2019, Input announced the completion of the substantial issuer bid, in which Input bought back and cancelled 16,088,083 shares at a price of $0.82 per share, for a total expenditure of $13,192,228.

On April 16, 2020, Input announced the completion of a substantial issuer bid, in which Input bought back 7,418,686 shares at a price of $0.70 per share, for a total expenditure of $5,193,080.

The Company has a normal course issuer bid for the repurchase of approximately ten percent of the company's public float in a given year. The bid commenced on December 14, 2017 and has been renewed for subsequent years until the earlier of December 17, 2020 and the date by which Input has acquired the maximum shares which may be purchased.

During the year ended September 30, 2020, the Company bought back 2,804,604 shares under its normal course issuer bid at an average price of $0.73 per share (year ended September 30, 2019 - 3,411,120 shares at an average price of $0.80). During the year ended September 30, 2020, the Company cancelled 2,989,104 shares (year ended September 30, 2019 - 3,349,520).

C. SHARE PURCHASE OPTIONS

The Company has an incentive share purchase option plan (the “Option Plan”) whereby the Company may grant share options to eligible employees, officers, directors and consultants at an exercise price, expiry date, and vest over a three year period. Each share option converts into one common share of the Company on exercise.

The following option plans were in existence during the current and prior years:

Option series	Number	Expiry date	Exercise price	Fair value at date of grant
(1) granted on December 1, 2013	2,386,622	December 1, 2018	$ 1.73	$ 1.73
(2) granted on May 27, 2014	36,600	May 27, 2019	$ 2.20	$ 2.20
(3) granted on November 28, 2014	37,218	November 28, 2019	$ 2.01	$ 2.01
(4) granted on June 10, 2015	732,100	June 10, 2020	$ 3.05	$ 3.05
(5) granted on November 16, 2015	30,900	November 16, 2020	$ 1.88	$ 1.88
(6) granted on June 8, 2016	912,700	June 8, 2021	$ 2.18	$ 2.18
(7) granted on December 15, 2016	642,900	December 15, 2021	$ 2.00	$ 2.00
(8) granted on December 15, 2017	1,781,000	December 15, 2022	$ 1.54	$ 1.54
(9) granted on December 21, 2018	941,500	December 21, 2023	$ 0.80	$ 0.80

The fair value of the stock options is estimated at the grant date based on the Black-Scholes pricing model using the assumptions below. The assumptions below are for options issued since September 30, 2018 and are based on management's best estimates at the time of issuance.

	Option Series
Inputs into the model	Series 9
Grant date share price	$ 0.80
Exercise price	$ 0.80
Average vesting period from grant date	3.00 years
Volatility	53.02%
Expected life	5.00 years
Dividend yield	5.00%
Risk free interest rate	1.89%

Volatility above is calculated based on the daily historical share price volatility over the expected life of the option.

At September 30, 2020, the following options to purchase common shares were outstanding:

		Options outstanding				
Option series	Average remaining life (in years)	Vested	Unvested	Exercised	Expired or cancelled	Total
Series 1	0.00	2,386,622	-	-	2,386,622	-
Series 2	0.00	36,600	-	-	36,600	-
Series 3	0.00	37,218	-	-	37,218	-
Series 4	0.00	732,100	-	-	732,100	-
Series 5	0.00	30,900	-	-	30,900	-
Series 6	0.69	912,700	-	-	108,900	803,800
Series 7	1.21	642,900	-	-	70,200	572,700
Series 8	2.21	1,657,388	123,612	-	276,400	1,504,600
Series 9	3.22	557,161	384,339	-	403,500	538,000
Weighted average	1.54	6,993,589	507,951	-	4,082,440	3,419,100

A continuity schedule of the total number of options is presented below:

Options outstanding at September 30, 2018 (weighted average exercise price is $1.92)	6,345,940
Issued	941,500
Expired or cancelled	(2,885,640)
Options outstanding at September 30, 2019 (weighted average exercise price is $1.70)	4,401,800
Issued	-
Expired or cancelled	(982,700)
Options outstanding at September 30, 2020 (weighted average exercise price is $1.65)	3,419,100

D. DIVIDENDS

The Company declared the following dividends to shareholders of record on the following dates.

Record date	Dividend per share	Shares outstanding	Total Dividend
December 31, 2018	0.01	82,550,460	826,482
March 31, 2019	0.01	82,154,460	821,545
June 30, 2019	0.01	82,021,960	820,220
September 30, 2019	0.01	63,751,757	637,518
December 31, 2019	0.01	61,919,757	619,198
March 31, 2020	0.01	61,535,657	615,357
June 30, 2020	0.01	53,586,471	535,865

11. *Basic and diluted weighted average number of common shares*

Diluted weighted average number of common shares is based on the following:

	Year ended September 30, 2020	Year ended September 30, 2019
Basic weighted average number of shares	58,435,671	78,774,808
Potentially dilutive securities:		
Share options	3,962,099	4,911,096

When there is a net loss and comprehensive loss the share options are anti-dilutive and therefore the diluted loss per share is the same as the basic loss per share.

12. *Crop revenue, purchase of crop and other direct expenses, and realization of crop interests*

Crop revenue, realization of crop interests and other direct expenses for crop sales is presented below:

	Year ended September 30, 2020	Year ended September 30, 2019
Crop revenue	$ 21,913,352	$ 39,400,781
Realization of crop interests		
Upfront payments	4,791,621	6,160,211
Crop payments	5,462,552	17,475,977
Realized market value (gain) expense	261,643	(7,027)
Purchase of crop and other direct expenses	10,897,572	13,429,422
Profit from crop contracts	$ 499,964	$ 2,342,198

13. Net settlement of crop interests

The net settlement of crop interests is presented below:

	Year ended September 30, 2020	Year ended September 30, 2019
Total cash proceeds received for settlement of current crop interests	$ 2,124,056	$ 3,478,033
Amounts applied to the realization of crop interests		
Upfront payments	1,121,576	1,459,825
Crop payments	766,691	946,203
Realized market value (gain) expense	17,900	(6,489)
Other direct expenses	1,129	4,803
Net settlement of current crop interests	$ 216,760	$ 1,073,691
Gain on buy-back of non-current crop interests	454,704	333,481
Realized market value gain (loss) on buyouts	386,200	(62,487)
Gain from settlements of crop interests	$ 1,057,664	$ 1,344,685

14. Corporate administration

The corporate administration expenses of the Company are as follows:

	Year ended September 30, 2020	Year ended September 30, 2019
Advertising and client development	$ -	$ 340,027
Amortization of capital and intangible assets	42,152	81,989
Board and executive expenses	21,986	79,840
Contractors, employee salaries and benefits	1,247,245	2,363,838
Investor relations and public company costs	166,026	388,551
Licenses, dues and filing fees	95,381	142,650
Mortgage administration and commissions	47,979	80,607
Office expenses	483,517	549,225
Professional fees – legal, accounting, tax and collection	864,205	804,165
Director compensation - DSUs (Note 18)	1,287,377	49,016
Share option based compensation	164,647	480,249
Total corporate administration expense	$ 4,420,515	$ 5,360,157

15. _Income taxes_

The income tax expense differs from the amounts that would result from applying the federal and provincial income tax rate to the net loss before income taxes. These differences result from the following items:

	Year ended September 30, 2020	Year ended September 30, 2019
Net loss before income tax	$ (938,078)	$ (2,884,006)
Canadian federal and provincial tax rates	27.0%	27.0%
Income tax recovery based on the above rates	(253,281)	(778,681)
Increase due to the tax effect of:		
Non-deductible stock compensation	44,454	129,667
True up from prior year	1,500	-
Income tax recovery	$ (207,327)	$ (649,014)

The income tax expense (recovery) consists of the following:

	Year ended September 30, 2020	Year ended September 30, 2019
Current	$ -	$ (771,880)
Deferred	(207,327)	122,866
	$ (207,327)	$ (649,014)

The components of deferred income taxes recognized on the statement of financial position are as follows:

	September 30, 2020	September 30, 2019
Deferred income tax assets		
Capital lease obligation	$ 1,365	$ -
DSU compensation	511,535	163,944
Capital and intangible assets	1,033	(13,306)
Market value adjustment	2,882,369	3,026,218
Non-capital loss carryforwards	285,119	292,613
Total deferred income tax assets	$ 3,681,421	$ 3,469,469

16. _Supplemental cash flow information_

	Year ended September 30, 2020	Year ended September 30, 2019
Change in non-cash working capital items		
Trade and other receivables	$ (340,025)	$ 314,328
Prepaid expenses	172,754	282,987
Trade and other payables	453,408	(1,221,285)
Net increase (decrease) in cash	$ 286,137	$ (623,970)

17. *Key management personnel compensation*

Members of the key management team include the Board of Directors, the President and Chief Executive Officer, the Executive Vice-President and Chief Financial Officer, and the Vice-President of Market Development.

	Year ended September 30, 2020	Year ended September 30, 2019
Contractors, employee salaries and benefits	$ 726,424	$ 927,306
Deferred share unit expense (see Note 18)	1,287,377	(64,870)
Share based payments	106,108	333,111
Total key management compensation expense	$ 2,119,909	$ 1,195,547

18. *Board compensation*

The Company has a Deferred Share Unit Plan (the “DSU Plan”) whereby the Company grants deferred share units ("DSUs") to eligible directors. Each eligible director is given the opportunity to elect, in lieu of cash, to receive all, or a portion of, their annual board retainer or board meeting fees in the form of DSUs. The DSUs are cash-settled payment transactions and are valued at the fair value of the rights based on the closing stock price at the end of the reporting period. For the fiscal year ended September 30, 2020, Input issued 198,658 DSUs for a value of $145,000 in total director compensation (for the fiscal year ended September 30, 2019 - 293,768 DSUs for a value of $296,000). At September 30, 2020 there were 1,093,684 DSUs granted, vested and outstanding (September 30, 2019 - 843,333). Included in Trade and other payables at September 30, 2020 is $1,903,010 (September 30, 2019 - $607,200) relating to the valuation of the DSUs. Included in Board and executive expenses (gain) under corporate administration expense for the year ended September 30, 2020 is a charge of $1,287,377 (year ended September 30, 2019 - recovery of $64,870) relating to the valuation of the DSUs. During the year ended September 30, 2020, $nil was paid out for DSUs being cash-settled (year ended September 30, 2019 - $113,887).

19. *Related party transactions*

The Company is related to Emsley & Associates (2002) Inc., Nomad Holdings Ltd. and Dalhousie Capital Corp. as a result of common management. The companies share some common personnel and Input leases furnished office space from Emsley & Associates Inc. (see Note 20). These transactions are in the normal course of operations and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Related party expenses are summarized in the following table:

	Year ended September 30, 2020	Year ended September 30, 2019
Corporate administration	$ 891,011	$ 885,786

20. *Commitments and Contingencies*

At September 30, 2020 the Company had a contract of insurance in favour of the Canadian Grain Commission in the amount of $1,500,000 from October 1, 2020 to January 31, 2021, decreasing down to $1,000,000 from February 1 to September 30, 2021. The policy can be claimed against by the beneficiary in the event of a producer grain payment default. The policy renews on March 31, 2021.

Lawsuits and claims that have arisen in the normal course of business are pending for and against the Company and provisions have been recorded where appropriate. It is the opinion of management that the final determination of these claims will not have a material adverse effect on the financial position or the results of the Company.

In August 2016, the Company signed a five-year lease that commenced September 1, 2016, ending February 28, 2021 with Emsley & Associates (2002) Inc. The Company's annual fiscal commitments remaining under the lease are as follows:

Commitments and contingencies	
2021	$ 127,820

21. Subsequent events

Subsequent to the end of the reporting period, Input received a letter from Bridgeway National CEO, Eric C. Blue, indicating that Bridgeway was not in a position to complete the previously announced Plan of Arrangement and that Bridgeway wished to terminate the Agreement. As a result of Bridgeway's inability to complete the Arrangement, the Agreement was terminated. Input's Board of Directors met and confirmed a return to Input's previous strategic plan.

On November 30, 2020, Input signed a non-binding term sheet (the "Term Sheet") with SRG Security Resource Group Inc. ("SRG") outlining the principal terms and conditions on which Input would be prepared to purchase 100% of the common shares of SRG, a Canadian provider of cyber security and physical protective security services (the "Proposed Acquisition"). The Term Sheet has been accepted by SRG and a majority group of shareholders holding approximately 78% of the common shares of SRG. The Proposed Acquisition as contemplated by the Term Sheet remains subject to, among other conditions, the completion of due diligence to Input's satisfaction and the negotiation and execution of a definitive share purchase agreement, which is expected to contain customary covenants, representations, warranties, indemnities and closing conditions, including the approval of the TSX Venture Exchange.