



**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2021 AND 2020**

## LITE ACCESS TECHNOLOGIES INC.

### Management's Discussion and Analysis

For the Three and Nine Months Ended June 30, 2021 and 2020

Expressed in Canadian Dollars

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## INTRODUCTION

This management's discussion and analysis ("MD&A") for Lite Access Technologies Inc. (the "Company" or "Lite Access" or "LTE"), dated August 30, 2021, should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three and nine months ended June 30, 2021 and the audited consolidated financial statements and MD&A for the year ended September 30, 2020, and related notes therein. Except as otherwise disclosed, all dollar figures in this report are stated in Canadian dollars, which is the Company's reporting currency.

The audited consolidated financial statements of the Company for the year ended September 30, 2020 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").

## FORWARD-LOOKING INFORMATION, DEFINITIONS AND RISKS NOTICE

This management's discussion and analysis is a review of the Company's financial performance and financial condition as at and for the three and nine months ended June 30, 2021 and plans for the future based on facts and circumstances as of August 30, 2021. When we discuss our costs and timing of current and proposed operations, working capital requirements, the requirement for additional capital, future prices, future accounting changes or other things that have not yet happened in this review we are making statements considered to be *forward-looking information* under Canadian securities laws.

The forward-looking information in this MD&A typically includes words and phrases about the future, such as: "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". We can give no assurance that the forward-looking information will prove to be accurate. It is based on a number of assumptions management believes to be reasonable, including but not limited to: no material adverse change in the fibre optic market and exchange rates, competition, reliance of significant customers, limited volatility in the Company's share price, no material change in the competitive market, the Company will be successful in retaining qualified staff, and such other assumptions and factors as set out herein. If our assumptions prove to be incorrect or risks materialize, our actual results and events may vary materially from what we currently expect as set out in this review.

It is also subject to risks associated with our business, including but not limited to: risks inherent in the fibre optic business, ability to fulfill any contract awards or to be retained for the full value of a contract award, requirements for additional capital, government regulations, reliance on key personnel, rapid technology changes, competition, lack of demand, equipment failures, environmental risks, protection of intellectual property rights, and the timing and possible outcome of pending litigation and other risks that are set out below.

We recommend that you review this management's discussion and analysis, which includes a discussion of material risks that could cause actual results to differ materially from our current expectations. Forward-looking information is designed to help you understand management's current views of our near and longer-term prospects, and it may not be appropriate for other purposes.

Non-IFRS Measure: EBITDA is a measure not recognized under IFRS. However, management of Lite Access believes that most shareholders, creditors, other stakeholders and investment analysts prefer to have these measures included as reported measures of operating performance, a proxy for cash flow, and to facilitate valuation analysis. EBITDA is defined as earnings before interest income, taxes, depreciation and amortization, share-based compensation, impairment charges,

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onerous contract provision, discontinued operations and other non-recurring gains or losses. Management believes EBITDA is a useful measure that facilitates period-to-period operating comparisons.

EBITDA does not have any standardized meanings prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. Readers are cautioned that EBITDA is not an alternative to measures determined in accordance with IFRS and should not, on its own, be construed as indicators of performance, cash flow or profitability. References to the Lite Access' EBITDA should be read in conjunction with the financial statements and management's discussion and analysis of Lite Access posted on SEDAR ([www.sedar.com](http://www.sedar.com)).

## **COMPANY OVERVIEW**

Lite Access is a leader in the use of innovative and proven micro/narrow trenching technologies, alternate methods of deployment and specialist products which transform the cost of fibre optic network deployment for telecommunications operators. Lite Access has successfully deployed or enabled deployment of thousands of kilometres of broadband networks throughout Canada and the United Kingdom as well as South America, Africa, Australia and Asia. On March 5, 2021, Lite Access acquired 100% of AMEC Cutting & Coring Limited ("AMEC"), a British Columbia based company that offers a wide range of services including concrete/ asphalt cutting and coring, scanning and utility locates, as well as fibre optic cable installation, pulling, splicing and testing.

As part of its suite of services Lite Access provides clients with integrated solutions or select components for the design and implementation of fibre optic networks. Lite Access' products have been deployed in many high-profile communication networks including Olympic facilities, military and government, numerous communities as well as global telecommunications companies that have adopted Lite Access as the "solution of choice" for the least invasive, most cost effective and future-proof fibre optic connectivity available.

Lite Access' installation technology and proprietary products extend a network provider's ability to deliver true broadband connectivity directly to end-users, such as homes, government and educational institutions, and emergency response facilities. Lite Access remains flexible and innovative in its commitment to provide global clients and partners with the most cost effective and proven fibre connectivity solutions available.

Lite Access is a public company listed as a Tier 1 Industrial Issuer on the TSX Venture Exchange ("TSX-V") under the stock symbol "LTE".

Lite Access was incorporated on October 20, 2003, under the Business Corporations Act (British Columbia). The head office is located at 20108 Logan Avenue, Langley, British Columbia, Canada, V3A 4L6, and its registered and records office is located at 704 – 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5.

## **COMPANY DEVELOPMENTS AND OUTLOOK**

With the completion of the acquisition of AMEC in March 2021 and expected revenue scale and cost synergies as well as operational leadership going forward, progress towards finalizing a \$21 million contract with the City of Brooks, Alberta and increasing number of RFP's we expect to convert into contracts, the Company believes it is building a business that can scale and be sustainable and profitable. With UK costs substantially behind us, an improving outlook in terms of Canadian operations and domestic business opportunities, the Company is confident it is on a path that sets us up well for the future.

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#### **Canadian Operations**

The Canadian market and business conditions continue to improve and provide a real, sustainable opportunity for our Company's growth. The telecom network infrastructure industry is expected to undergo an exponential growth to meet the consumer demand for high-speed internet access. Last October the Canadian government announced plans to spend \$10 billion on infrastructure initiatives such as broadband. Major telecom providers are expanding the breadth of their network capabilities to remain competitive. The Company has definitely witnessed business activity picking up following some process delays due to Coronavirus. The proposal activity in Canada has been and continues to be robust and above typical levels.

With the increased execution capabilities and operational improvement, the Company is well-positioned to seize the growth opportunities to deliver more infrastructure projects, diversify our client base and expand the presence in Western Canada and other regions.

#### **Brooks, Alberta**

In August 2020, the City of Brooks issued an RFP and accepted proposals to provide broadband to the city. The purpose of the RFP was to solicit proposals from qualified construction contractors, for the design, build, operation and maintenance (DBOM) of a citywide open access network using fixed wireless or fibre-to-the-home (FTTH) Next Generation Broadband Network (NGBN) capable of Gigabit + speed service to the end user within the City of Brooks.

In January 2021, Brooks Alberta City council unanimously agreed to accept a proposal from Lite Access to construct a city-wide broadband network. The proposal was initially valued at \$14.4 million and increased to approximately \$21 million, pending a successful negotiation of a contract, which is currently in progress.

#### **West Vancouver, British Columbia**

Lite Access was awarded a fibre build contract valued at over \$400,000 from a major Canadian carrier. Lite Access provided civils and construction services to install fibre through West Vancouver, British Columbia using its advanced deployment and excavation methods. The project commenced in December 2020 and was completed in May 2021.

#### **Southeastern, British Columbia**

In the Fall of 2020, a region in southeastern British Columbia issued an RFP for the provision of project management and construction services, utilizing both aerial and underground fibre construction methodologies, to deploy fibre optic cable. Lite Access was successful in the RFP process with its proposal of approximately \$800,000 for the services, the terms of which have been finalized in a signed contract. Construction for the project is scheduled to start in August and expected to be completed by the end of fiscal 2021.

#### **Prince George, British Columbia**

The company was awarded a project to supply and installation fiber optic cable in City of Prince George. The project has three phases and the total contract value is approximately \$1.5 million. During the first three quarters, the Company completed Phase 1 and phase 2 of the project with total value of \$1.4 million. Phase 3 is expected to finish in next fiscal year.

#### **Clearwater County, Alberta**

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Further to the Company's press release dated May 28, 2020, Lite Access has substantially completed the majority of the first phase of the design/build fibre project for Clearwater County, Alberta. The project has a total contract value worth approximately \$1.2 million. Additionally, in February 2021, the Company announced the receipt of a purchase order from Clearwater County, Alberta totaling \$1,183,000 for the supply of microduct and fibre optic components, which was fulfilled in March 2021. Clearwater has indicated additional phases of the project will be awarded in mid to late summer and Lite Access will be participating in that process.

### **Vancouver Island, British Columbia**

In April 2021, the Company signed a contract with a city on Vancouver Island as the sole source for fiber optic construction and installation work for a period of 5 years.

### **AMEC Cutting & Coring Limited ("AMEC") and appointment of Officers and Directors**

In March 2021, the Company completed its acquisition of AMEC, a British Columbia based company that carries on the business of concrete cutting, coring and fibre installation, pursuant to the terms of a share purchase agreement dated March 5, 2021 (the "Agreement") among the Company, Lite Access Technologies (Canada) Inc., a wholly owned subsidiary of the Company, ("LTE Canada"), AMEC and Ante (Tony) Curkovic. AMEC is based out of Langley, British Columbia, offering a wide range of services including concrete/ asphalt cutting, coring, and fiber optic cable installation, pulling, splicing and testing.

Highlights of the Transaction:

- Immediate synergy of companies resulting in expected substantial cost savings through consolidation of equipment, offices, and personnel.
- AMEC facility large enough to consolidate all personnel and equipment into one location.
- Broader service offerings with existing customers throughout B.C.
- Expanded customer base.
- Value of acquisition dependent on future performance - no common shares will be issued, and no upfront cash.
- Inherit net positive balance sheet.

### *Terms of Transaction*

Under the terms set forth in the Agreement, LTE Canada, being a wholly owned subsidiary of the Company, acquired all of the issued and outstanding shares of AMEC from Tony Curkovic. In consideration of which, LTE Canada will pay \$500,000 to Mr. Curkovic on the first anniversary of closing of the transaction. Mr. Curkovic will also be entitled to the following earnout payments (the "Earn-Out Payments"): (i) 10% of annual EBITDA of LTE Canada and AMEC for 31 months after closing date; and (ii) 5% of the annual EBITDA of LTE Canada and AMEC for an additional 36 months. For a period of three years following closing of the transaction, LTE Canada, at its sole option, will have the right to make a one-time payment of \$500,000 to satisfy all Earn-Out Payments.

Concurrent with closing, Mr. Curkovic was retained as General Manager of LTE Canada, reporting to the CEO and granted 500,000 options with an exercise price of \$0.29 per share for a period of five years from the date of grant, subject to certain vesting requirements. Mr. Curkovic, will bring the leadership, accountability, and additional resources required to build a combined thriving company moving forward.

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With the Company's focus now on Canada, the completion of the acquisition of AMEC is expected to result in significant cost savings through economies of scale along with the expected boost in top line revenue due to a wider customer base and service offerings, yielding a much more robust and resilient Canadian business.

The Company has been evaluating several acquisition opportunities to expand its Canadian operations. AMEC has a solid track record of revenue growth over the last number of years providing a range of installation services. AMEC has developed a strong reputation for reliability and quality service and is a strategic acquisition for the Company. Over the last decade, AMEC has become a significant player in providing concrete and fibre optic deployment services in British Columbia.

The Company has been focusing on integrating the two combined entities, working onsite to expedite its growth and path to profitability by optimizing execution in the field and by implementing robust structure and procedures. Our plan will be to continue to focus on operational execution, continue to build through organic growth as well as accelerate our growth through subsequent acquisitions.

As a result of the transaction with AMEC and the focus on North America, Carlo Shmoon has stepped down from the President & CEO, effective April 30, 2021. Additionally, John Farlinger has joined the Board of Directors and Chui Wong was appointed interim CEO and Linda Han has been appointed interim CFO. Chui Wong is stepping down as the Company's Interim CEO effective June 4th, 2021 to pursue other opportunities and Greg Smith, Lite Access' Chairman, will assume the CEO position, on an interim basis, on June 4th, 2021.

#### **UK Operations**

In October 2019, CityFibre, awarded the Company a contract for fibre-to-the premises (FTTP) installation to over 28,000 homes in Lowestoft, England valued at approximately CAD\$20 million over 2 years. In January 2020, CityFibre, awarded the Company with an additional contract in Bury St. Edmunds, England, valued at approximately CAD\$13 million over 2 years and in April 2020, CityFibre awarded the Company a third contract for FTTP installation to over 20,000 homes in Cambridge, England valued at approximately CAD\$20 million over 21 months, bringing the total UK backlog to over CAD\$53 million.

Throughout fiscal 2020, the Company progressively commenced and scaled up its operations in Lowestoft followed by additional city deployments in Bury St. Edmunds and Cambridge, in a difficult operating environment during the COVID-19 global pandemic back-drop. The Company worked closely with its customer during the first quarter 2021 for several months to seek additional support related to operational inefficiencies related to COVID-19 and other contractual challenges, but with limited progress. Execution of operations was proving to be increasingly challenging with continuing tighter COVID-19 restrictions and recent UK lockdowns, and in November 2020, the Company announced that it was unable to meet targets with the continuing conditions and was implementing a mitigation strategy. Accordingly, the UK operations were suspended temporarily to allow the Company time to consult with stakeholders to optimize both its current operations and existing contracts in a COVID-19 environment.

In December 2020, the Company resumed partial UK operations, based on good faith discussions with its customer that certain contractual challenges would be addressed, and was working to build a pathway to increase the ramp-up of operations and was working with stakeholders to create a sustainable path forward incorporating planning and operational efficiencies and optimizing existing contracts. However, shortly after the continued discussions which the Company entered into in good faith with its customer regarding contractual challenges and operational inefficiencies, all in the context of a very challenging COVID environment, the Company received a notice from its customer that the Company had allegedly committed a repudiatory breach of its contracts for FTTP installation in Cambridge, Lowestoft and Bury St

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Edmunds (the "contracts") by its suspension of works. Based on the alleged repudiatory breaches, the customer has purported to terminate its engagement of the Company under all of the contracts. Notwithstanding the notices to terminate, the Company intends to vigorously defend its position that it was not in repudiatory breach of the contracts at the time of its receipt of the notices and is actively engaged with its UK legal counsel regarding this matter, as well as potential remedies. As a result, the Company took immediate steps to mitigate any unnecessary cash burn for its UK operations and elected to file a notice of intent to appoint an administrator (the "NOI") to create a moratorium over the Company in order to protect the assets of Lite Access UK. On January 26, 2021, the UK business officially appointed FRP Advisory Trading Limited as administrators. Accordingly, as the Company no longer has control over the UK business as of the date of the appointment of the administrators, it is now considered a discontinued operation, and its assets and liabilities have been deconsolidated from the Company's consolidated statement of financial position for the period ended March 31, 2021. Additionally, the UK Business results of operations will no longer be included in the consolidated statement of income on a go forward basis as of January 26, 2021. During the quarter ended June 31, 2021, the administrator has made substantial progress on the liquidation and the Company is expected to receive the initial dividend distribution in the next few months.

**Financing Update**

In March 2021, the Company closed a fully subscribed non-brokered private placement (the "Financing"). The Financing consists of 5,040,000 units (each a "Unit") at \$0.25 per Unit for gross proceeds of \$1,260,000. Each Unit consists of one common share of the Company and one share purchase warrant (each a "Warrant"), with each Warrant entitling the holder to purchase one additional common share for a period of one year from the date of the issue at an exercise price of \$0.35 per share. Under the Financing, the Company paid and issued the following finders fees: \$62,550 and 250,200 Warrants of the Company. Proceeds from the Financing will be used to fund growth initiatives and for working capital purposes. All securities issued under the Financing, including securities issuable on the exercise thereof, are subject to a hold period expiring four months and one day from the date of issuance.

The Company's continuing operations are dependent, ultimately, upon reaching and maintaining profitable operations. Management plans to continue to deliver contracts and obtain new contracts and ensure the Company can generate sustainable, long-term profitability. The Company may need to raise additional funds in order to continue on as a going concern and there can be no assurances that sufficient funding, including adequate financing, will be available. The ability of the Company to arrange additional financing in the future depends in part, on the prevailing capital market conditions and profitability of its operations. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

**FINANCIAL PERFORMANCE**

On January 26, 2021, the UK business officially appointed FRP Advisory Trading Limited as administrators. Accordingly, as the Company no longer has control over the UK business as of the date of the appointment of the administrators, it is now considered a discontinued operation, and its assets and liabilities have been deconsolidated from the Company's consolidated statement of financial position since the period ended March 31, 2021. Additionally, the UK Business results of operations will no longer be included in the consolidated statement of income on a go forward basis as of January 26, 2021. This resulted in a net gain of \$4,051,727 from discontinued operations, for the nine months ended June 30, 2021, respectively, which was included in the consolidated statement of income. Certain prior year comparatives have been reclassified to conform with the current year presentation.

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On March 5, 2021, the Company, through its wholly owned subsidiary LTE Canada, purchased 100% of the shares of AMEC. The acquisition of AMEC was accounted for as a business combination in accordance with IFRS 3 Business Combination using the acquisition method. The Company was identified as the acquirer. AMEC's assets and liabilities were remeasured at their individual fair value as at March 5, 2021 and AMEC's financial results have been consolidated commencing from March 5, 2021. For the period from March 5, 2021 to June 30, 2021, gross revenue of \$1,124,898 and net loss \$118,682 have been included in the condensed interim consolidated statement of operations and comprehensive loss.

For the nine months ended June 30, 2021, the Company had comprehensive income of \$1,399,184 (June 30, 2020: comprehensive loss of \$3,877,879), with an EBITDA from continuing operations of \$(1,441,164) (June 30, 2020: \$(1,787,324)). The comprehensive income comprised of revenues of \$5,647,081 (June 30, 2020: \$1,605,226), costs of sales of \$5,384,858 (June 30, 2020: \$1,977,350), operating expenses of \$2,790,014 (June 30, 2020: \$2,326,938), other expenses of \$29,060 (June 30, 2020: other income of \$43,823) and a net gain of \$4,051,727 from discontinued operations.

**DISCUSSION OF OPERATIONS****Consolidated Statements of Financial Position as at June 30, 2021 and September 30, 2020**

Significant variances include:

**Assets and Liabilities**

	June 30, 2021	September 30, 2020	Variance
Cash	\$ 1,037,580	\$ 1,486,633	\$(449,053)

In March 2021, the Company closed a fully subscribed non-brokered private placement, consisting of 5,040,000 units at \$0.25 per Unit for gross proceeds of \$1,260,000, which was partially offset by the deconsolidation of the UK operation.

	June 30, 2021	September 30, 2020	Variance
Amounts Receivable	\$ 2,466,551	\$ 5,708,184	\$(3,241,633)

Amounts receivable decreased primarily as the Company collected funds on amounts outstanding and stopped progressing and billing on its contracts in Lowestoft, Bury St. Edmunds, and Cambridge, as they were terminated in December 2020. This was partially offset by an increase in accounts receivable from the AMEC acquisition.

	June 30, 2021	September 30, 2020	Variance
Contract Assets	\$ 78,255	\$ 1,138,986	\$(1,060,731)

Contract Assets decreased primarily as the Company invoiced and collected funds on amounts outstanding and stopped progressing and billing on its contracts in Lowestoft, Bury St. Edmunds, and Cambridge, as they were terminated in December 2020.

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	June 30, 2021	September 30, 2020	Variance
Inventory	\$ 587,817	\$ 383,191	\$ 204,206

Inventory increased primarily due the addition of inventory associated with the acquisition of AMEC, which was partially offset by the Company winding down its operations in Lowestoft, Bury St. Edmunds, and Cambridge as the contracts were terminated in December 2020.

	June 30, 2021	September 30, 2020	Variance
Property, plant and equipment	\$ 2,590,699	\$ 2,803,399	\$ (212,700)

Property, plant and equipment decreased primarily as a result of the deconsolidation of the UK assets, which was substantially offset by the addition of the fair value of equipment on the acquisition of AMEC.

	June 30, 2021	September 30, 2020	Variance
Accounts payable and accrued liabilities	\$ 2,898,938	\$ 9,066,152	\$(6,167,214)

Accounts payable and accrued liabilities decreased primarily as a result of the deconsolidation of the UK related payables. This was partially offset by the addition of payables related to the acquisition of AMEC and accounts payable related to the Canadian operation increased as work progressed on various projects.

	June 30, 2021	September 30, 2020	Variance
Onerous Contract Provision	\$ -	\$3,315,147	\$(3,315,147)

The contracts for Lowestoft, Bury St. Edmunds and Cambridge were terminated in December 2020. As the costs and purchase obligations under the contract exceed the economic benefit, they were deemed to be considered onerous contracts. As a result, the estimated losses incurred were accrued as of September 30, 2020. Accordingly, the estimated losses associated with the nine months ended June 30, 2021, were reversed as they have already been previously accrued.

	June 30, 2021	September 30, 2020	Variance
Business acquisition payable (short and long term)	\$ 835,946	\$ -	\$835,946

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Pursuant to the terms set forth in the share purchase agreement of March 5, 2021, LTE Canada, being a wholly owned subsidiary of the Company, acquired all of the issued and outstanding shares of AMEC. In consideration of which, LTE Canada will pay \$500,000 on the first anniversary of closing of the transaction and the following earnout payments: (i) 10% of annual EBITDA of LTE Canada and AMEC for 31 months after closing date; and (ii) 5% of the annual EBITDA of LTE Canada and AMEC for an additional 36 months. For a period of three years following closing of the transaction, LTE Canada, at its sole option, will have the right to make a one-time payment of \$500,000 to satisfy all Earn-Out Payments. The amount accrued as of June 30, 2021, represents the estimated preliminary purchase price.

	June 30, 2021	September 30, 2020	Variance
Revolving credit facility	\$ 437,544	\$ -	\$437,544

AMEC has a \$500,000 revolving demand credit facility at RBC's prime plus 1.94% per annum of which \$437,544 was drawn as at June 30, 2021.

	June 30, 2021	September 30, 2020	Variance
Lease Liabilities (short and long-term)	\$565,314	\$ 507,900	\$ 57,414

Lease liabilities increased primarily as a result of a new office lease in Canada entered into in December 2020 as well as the acquisition of leases associated with the AMEC acquisition, whereby a right-of-use asset was recorded in property, plant and equipment on the statement of financial position with a corresponding lease liability.

	June 30, 2021	September 30, 2020	Variance
Deferred income tax liability	\$ 229,707	\$ -	\$229,707

As part of the acquisition of AMEC, deferred income taxes of \$229,707 have been accrued representing the tax impact on the difference between the fair value of assets acquired and the tax basis of those assets.

**Operating results for the nine months ended June 30, 2021 and 2020**

For the nine months ended June 30, 2021, the Company had comprehensive income of \$1,399,184 (June 30, 2020: comprehensive loss of \$3,877,879), which included a net comprehensive loss from continuing operations of \$2,652,543 (June 30, 2020: net comprehensive loss of 2,584,917), and a net gain from discontinued operations related to the UK business of \$4,051,727 (June 30, 2020: net loss of \$1,292,962). Certain prior period comparative figures have been reclassified to conform with the current year presentation. The results of operations also included AMEC's net loss from acquisition date of March 5, 2021 to June 30, 2021 of \$118,682.

Significant variances include:

	June 30, 2021	June 30, 2020	Variance
Revenue	\$ 5,647,081	\$1,605,226	\$4,041,855

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Revenue for the nine months ended June 30, 2021 was \$5,647,081, \$4,041,855 or 252% higher than the same period of fiscal 2020. The substantial revenue growth was primarily driven by several large jobs completed for the Canadian operation, including a design/build fibre project for Clearwater County, Alberta worth approximately \$1.2 million, Phase 1 and 2 of the fibre project for the City of Prince George valued at approximately \$1.4 million, and a fibre build contract valued at over \$400,000 for a major Canadian carrier. Additionally, the Company fulfilled a purchase order from Clearwater County, Alberta totaling \$1,183,000 for the supply of microduct and fibre optic components. After the acquisition, the total revenue of \$1,124,898 from AMEC was reported, representing 28% of the revenue growth for the nine months period this year.

	June 30, 2021	June 30, 2020	Variance
Cost of Sales	\$ 5,384,858	\$1,977,350	\$3,407,508

Cost of sales comprises of purchases and subcontractor costs, direct wages, vehicle and travel, amortization, freight and rental expenses. The increase in costs of sales was correlated with the increase in revenue and activity for the Canadian operations and acquisition of AMEC.

	June 30, 2021	June 30, 2020	Variance
Gross Margin	5%	(23%)	28%

Gross margin of \$262,223 was reported for the nine months ended June 30, 2021, 28% increase compared to gross loss of \$372,124 for the same period of last year. Gross margin increased primarily due to the improvement from project execution this year. The higher margin was also attributed to the higher margin from the concrete cutting revenue after the acquisition.

**Operating Expenses**

	June 30, 2021	June 30, 2020	Variance
Total operating expenses	\$2,770,861	\$2,326,938	\$443,923
Total operating expenses/total revenue	49%	145%	(96%)

Operating expenses for the nine months ended June 30, 2021 increased by \$463,076 to \$2,790,014 from \$2,326,938 reported for the same period of last year, mainly due to the inclusion of the expenses from AMEC after the acquisition. Operating expenses as a percentage of revenue decreased to 49% this year from 145% in 2020, which primarily driven by the synergy saving achieved from the acquisition of AMEC.

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For the three months ended June 30, 2021, the Company had comprehensive loss of \$896,642. For the same period of last year, the comprehensive loss of \$1,131,297 was reported, which included a net comprehensive loss from continuing operations of \$657,213 and a net loss of \$474,051 from discontinued operations related to the UK business. Certain prior period comparative figures have been reclassified to conform with the current year presentation. The results of operations also included AMEC's net loss of \$109,507 for the three months ended June 30, 2021.

Significant variances include:

	June 30, 2021	June 30, 2020	Variance
Revenue	\$ 1,621,794	\$699,896	\$921,898

Revenue for the three months ended June 30, 2021 was \$1,621,794, up 57% compared to the revenue of \$699,896 reported for the same quarter of last year, resulted from the revenue contributed by concrete cutting segment from AMEC.

	June 30, 2021	June 30, 2020	Variance
Cost of Sales	\$ 1,442,852	\$725,841	\$717,011

Cost of sales comprises of purchases and subcontractor costs, direct wages, vehicle and travel, amortization, freight and rental expenses. The increase in costs of sales reflected the increase in revenue from concrete cutting segment and activity for the Canadian operations on various projects.

	June 30, 2021	June 30, 2020	Variance
Gross Margin	11%	(4%)	15%

For the three months ended June 30, 2021, the Company reported gross margin of 178,942, an increase of \$204,887 compared to gross loss of \$25,978 reported for the same quarter of last year. Gross margin as a percentage of revenue went up to 11% from negative 4% from last year. During this quarter, the Company has made solid improvement on the project execution which led to the higher gross margin on the projects completed. The margin improvement was also driven by the higher margin from concrete cutting segment which represented approximately 50% of the revenue of this quarter.

**Operating Expenses**

	June 30, 2021	June 30, 2020	Variance
Total operating expenses	\$1,066,478	\$629,053	\$437,425

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Total operating expenses/total revenue	65%	90%	(25%)
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The operating expenses of \$1,047,325 was reported for the quarter ended June 30, 2021, an increase of \$418,272 compared to the same quarter of last year. The increase was primarily attributed to the addition of operating expenses from AMEC, offset by the cost saving from synergy and integration post the acquisition. The operating expenses as a percentage of revenue went down to 66% from 90% reported for the same quarter last year. Excluding the amortization and share-based payments, the operating expenses as a percentage of revenue decreased to 49% this year from 66% in last year.

**EBITDA**

Below is the calculation of the EBITDA for the three and nine months ended June 30, 2021 and 2020:

	Nine months ended June 30		Three Months Ended June 30	
	2021	2020	2021	2020
Net (loss) from continuing operation	(2,556,851)	(2,655,239)	(896,642)	(657,246)
Interest expense	26,759	9,602	14,270	1,494
Depreciation and Amortization	483,621	345,682	214,601	121,013
Share-based payments	605,307	512,631	216,217	151,135
<b>EBITDA*</b>	<b>(1,441,164)</b>	<b>(1,787,324)</b>	<b>(451,554)</b>	<b>(383,604)</b>

*\*This is a non-IFRS financial measure*

EBITDA for the nine months ended June 30, 2021 increased to \$(1,44,1164) from \$(1,787,324) for the same period of last year, which reflected the revenue growth this year and decreased operating expenses as a result of synergy saving achieved after the acquisition. EBITDA for the three months period was \$(451,554), compared to \$(383,604) reported a year ago due to the addition of operating expenses from AMEC after the acquisition, partially offset by the cost saving from the synergy.

**SELECTED ANNUAL INFORMATION**

The audited consolidated financial statements for the years ended September 30, 2020, 2019 and 2018 were prepared in accordance with International Financial Reporting Standards (IFRS), with a Canadian dollar presentation currency.

	Year Ended September 30, 2020 (audited) \$	Year Ended September 30, 2019 (audited) \$	Year Ended September 30, 2018 (audited) \$
Revenue	18,867,242	12,194,874	9,698,526
Cost of Sales	20,235,882	11,132,948	12,653,503
Gross Profit (loss)	(1,368,640)	1,061,926	(2,954,977)
Assets	11,649,154	8,726,413	15,422,129
Long-Term Liabilities	382,325	157,210	456,236

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Comprehensive Income (Loss)	(17,272,126)	(5,440,890)	(10,257,012)
Basic and Diluted Income (Loss) per Common Share	(0.36)	(0.12)	(0.24)

**SUMMARY OF QUARTERLY RESULTS**

The following selected quarterly financial information is derived from the consolidated financial statements of the Company and has been prepared in accordance with IFRS, with a Canadian dollar presentation currency.

	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
	\$	\$	\$	\$
Revenue	1,621,794	2,030,877	6,166,355	9,292,692
Assets	6,913,558	7,995,471	9,644,218	11,649,154
Working Capital	168,585	714,828	(4,390,148)	(3,819,547)
Shareholders' Equity	1,793,582	2,474,007	(2,040,137)	(1,398,473)
Net Income (Loss) from continuing operations	(896,642)	(1,004,089)	(763,305)	(13,437,068)
Net Income (Loss) from discontinued operations	-	4,158,912		
Basic Income (Loss) per Common Share - Continuing operations	(0.01)	(0.02)		
Basic Income (Loss) per Common Share - Discontinued operations		0.07		
Diluted Income (Loss) per Common Share - Discontinued operations		0.06		
Basic and Diluted Income (Loss) per Common Share			(0.01)	(0.25)

	June 30, 2020 (Reclassified)	March 31, 2020 (Reclassified)	December 31, 2019	September 30, 2019
	\$	\$	\$	\$
Revenue	699,896	275,646	1,109,539	1,186,582
Assets	11,803,860	10,849,453	8,422,370	8,726,413
Working Capital	2,462,930	3,299,391	1,580,174	2,153,813
Shareholders' Equity	7,151,834	7,969,938	6,367,730	6,905,832
Net Income (Loss) from continuing operations	(657,246)	(1,210,588)	(957,433)	(2,658,805)
Net Income (Loss) from discontinued operations	(474,051)	(890,274)		
Basic Income (Loss) per Common Share - Continuing operations	(0.01)	(0.02)		
Basic Income (Loss) per Common Share - Discontinued operations	(0.01)	(0.02)		
Diluted Income (Loss) per Common Share - Discontinued operations	(0.01)	(0.02)		
Basic and Diluted Income (Loss) per Common Share			(0.02)	(0.07)

Overall, the Company has seen a fluctuation in operational activity over the eight most recently completed quarters primarily due to the nature of its business. Results in any one quarter are not necessarily indicative of results of any other quarter or for the year as a whole. Significant variations during the quarters, can be primarily attributed to the following events:

- The three months ended March 31, 2021, included a gain from discontinued operations of \$4,158,912.
- The three months ended September 30, 2020 included non-cash impairment charges of \$4,736,127 and an accrual of \$3,315,147 related to an onerous contract provision.
- During the three months ended March 31, 2020, the Lite Access UK segment focused its resources to ramp up its projects in Lowestoft and Bury St. Edmunds
- During the three months ended September 30, 2019, the Lite Access UK segment focused its resources to wind-down the Gigaclear project in Oxfordshire, UK.

Please refer to section 'Discussion of Operations' hereinabove for additional details.

## **LIQUIDITY AND CAPITAL MANAGEMENT**

### **Liquidity Management**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective is to ensure that there are sufficient committed financial resources to meet its short-term business requirements for the foreseeable future. As at June 30, 2021, the Company had working capital of \$168,585 (September 30, 2020: working capital deficiency of \$3,819,547) and during the nine months ended June 30, 2021, the Company's cash decreased from \$1,486,633, as at September 30, 2020, to \$1,037,580 as at June 30, 2021, primarily as a result of cash outflows from operations, offset by cashflows inflows from financing activities.

In March 2021, the Company closed a fully subscribed non-brokered private placement. The Financing consists of 5,040,000 units (each a "Unit") at \$0.25 per Unit for gross proceeds of \$1,260,000. Each Unit consists of one common share of the Company and one share purchase warrant (each a "Warrant"), with each Warrant entitling the holder to purchase one additional common share for a period of one year from the date of the issue at an exercise price of \$0.35 per share. Under the Financing, the Company paid and issued the following finders fees: \$62,550 and 250,200 Warrants of the Company. Proceeds from the Financing will be used to fund growth initiatives and for working capital purposes. All securities issued under the Financing, including securities issuable on the exercise thereof, are subject to a hold period expiring four months and one day from the date of issuance.

In January 2020, following a review of the Company's current financial position, in addition to the Company's \$500,000 revolving demand credit facility at RBC's prime plus 2.60%, RBC approved an additional \$1,650,000 revolving credit facility at RBC's prime plus 0.66%, with the first and second credit facilities not to exceed \$1.9 million. The first facility is repayable on demand and the second facility was repayable on June 30, 2021. As a condition to RBC granting the credit facility, the Company entered into a corporate guarantee and a general security agreement granting a first priority general security interest in all personal property of the Company, and a cash collateral agreement in the amount of \$200,000. As a result of the termination of the UK contracts, in January 2021, RBC informed the Company that the second additional \$1,650,000 revolving credit facility was cancelled and the cash collateral of \$200,000 has been released as there were no amounts outstanding, while the first \$500,000 revolving demand credit facility continues to remain in place and undrawn as of March 31, 2021. AMEC also has a \$500,000 revolving demand credit facility at RBC's prime plus 1.94% per annum of which \$437,544 was drawn at June 30, 2021.

In December 2020, the UK contracts in Lowestoft, Bury St. Edmonds and Cambridge were terminated and a NOI to appoint an administrator to create a moratorium over the Company in order to protect the assets of Lite Access UK was filed. In January 2021, the UK business officially appointed FRP Advisory Trading Limited as administrators. The Company's continuing operations are dependent, ultimately, upon reaching and maintaining profitable operations. Management plans to continue to deliver contracts and obtain new contracts and ensure the Company can generate sustainable, long-term profitability. The Company may need to raise additional funds in order to continue on as a going concern and there can be no assurances that sufficient funding, including adequate financing, will be available. The ability of the Company to arrange additional financing in the future depends in part, on the prevailing capital market conditions and profitability of its operations. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

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**Management of Capital**

The Company considers its cash and cash equivalents and shareholders' equity as capital. There are no external restrictions on the Company's capital, and there have been no changes in this regard during the three months ended March 31, 2021. As part of the RBC credit facility, the Company entered into a cash collateral agreement in the amount of \$200,000, which was subsequently released in January 2021. The Company's principal source of funds for its operations is from sales and services, as well as the issuance of common shares and entering debt facilities. The issuance of common shares requires the approval of the Board of Directors. It is the Company's objective to safeguard its ability to continue as a going concern, so that it can continue to operate for the benefit of its stakeholders.

The Company uses stock options primarily to retain and provide future incentives to key employees and members of the management team. The Board of Directors determine the granting of stock options. The Company's overall capital management strategy remains unchanged from the prior year.

**TRANSACTIONS WITH RELATED PARTIES**

During the three and nine months ended June 30, 2021 and 2020, the Company entered into related party transactions or held balances with the following individuals and corporations:

Carlo Shmoon	Former CEO and Director
Jacob Gabriel Design and Consulting Inc.	Company controlled by Carlo Shmoon, Former CEO and Director
Chui Wong	Former CFO
Linda Han	Interim CFO
David Toyoda	Director
Greg Smith	Interim CEO and director
Daniel Nanson	Director
Kevin Smith	Director
John Farlinger	Director
Steven King	Director
SACA Future Limited	Company controlled by Steven King, Director

The following is a summary of the Company's related party transactions during the period that are not disclosed elsewhere in these consolidated financial statements. All related party transactions are recorded at the exchange amounts.

**Key Management Compensation**

	Nine Months Ended June 30, 2021	Nine Months Ended June 30, 2020
	\$	\$
Short-term employee benefits and director fees (in wages and consulting)	487,877	551,280
Share-based payments	135,345	329,269
<b>Total</b>	<b>623,222</b>	<b>880,549</b>

## **SEGMENTED INFORMATION**

The Company's principal business locations and operations are in British Columbia, Canada. The UK operations have been discontinued. The Company has three reporting segments: sale of micro-duct and fiber optic installations, based on the type of products sold and services provided, as well as services for concrete/ asphalt cutting and coring. The Company reports activities not directly attributable to an operating segment under Corporate. Refer to note 14 of the Company's June 30, 2021 interim consolidated financial statements for segmented information.

## **PROPOSED TRANSACTIONS**

The Company is identifying opportunities for acquisitions to increase its capacity and capability to execute projects in telecommunications network deployment in North America.

## **CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of the audited consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of any contingent assets and liabilities as at the date of the audited consolidated financial statements, as well as the reported amounts of revenues earned and expenses incurred during the periods. Actual results could differ from those estimates.

Significant accounts that require estimates as the basis for determining the stated amounts include inventory valuation, amounts receivable and holdbacks receivable, impairment of goodwill, revenues recognized based on percentage of completion, property, plant and equipment impairment and amortization, and estimation of onerous contracts.

## **SIGNIFICANT ACCOUNTING POLICIES**

The Company follows the accounting policies described in Note 2 of the Company's September 30, 2020 audited consolidated financial statements.

## **CHANGES IN ACCOUNTING POLICIES AND NEW ACCOUNTING PRONOUNCEMENTS**

On October 22, 2018, the IASB issued Definition of a Business (Amendments to IFRS 3: Business Combinations). The amendments to IFRS 3 are applicable for acquisitions occurring on or after January 1, 2020 and are adopted prospectively. These amendments to the implementation guidance of IFRS 3 clarify the definition of a business to assist entities to determine whether a transaction should be accounted for as a business combination or an asset acquisition. The amendments to IFRS 3 – Business Combinations may affect whether future acquisitions are accounted for as business combinations or asset acquisitions, along with the resulting allocation of the purchase price between the net identifiable assets acquired and goodwill. There was no material impact to the Company's consolidated financial statements on the adoption of the amendments to IFRS 3.

## **FINANCIAL INSTRUMENTS AND MANAGEMENT OF FINANCIAL RISK**

The Company's financial instruments include: cash and cash equivalents, amounts receivable, holdbacks receivable, accounts payable and accrued liabilities, long-term debt, lease liabilities and accrued provision for onerous contracts. The

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### **Management's Discussion and Analysis**

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carrying value of the financial instruments approximates their fair values. There were no assets or liabilities recorded at fair value as at June 30, 2021. Refer to Note 15 of the Company's June 30, 2021 interim consolidated financial statements.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective is to ensure that there are sufficient committed financial resources to meet its short-term business requirements for the foreseeable future. The Company's continuing operations are dependent, ultimately, upon reaching and maintaining profitable operations. Management plans to continue to deliver contracts and obtain new contracts and ensure the Company can generate sustainable, long-term profitability. The Company may need to raise additional funds in order to continue on as a going concern and there can be no assurances that sufficient funding, including adequate financing, will be available. The ability of the Company to arrange additional financing in the future depends in part, on the prevailing capital market conditions and profitability of its operations. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern. Refer to Liquidity and Capital Management Section above as well as Note 1 of the Company's June 30, 2021 interim consolidated financial statements.

## **OTHER**

### **Outstanding Share Data**

The Company is authorized to issue unlimited common shares without par value and unlimited preferred shares without par value. As at June 30, 2021 and the date of this MD&A, the Company had 64,232,098 common shares issued and outstanding. The holders of common shares are entitled to one vote per share at meetings of the Company.

During the nine months ended June 30, 2021, no warrants were exercised and there were 5,290,200 warrants outstanding.

During the nine months ended June 30, 2021, 15,667 options were exercised and 4,060,000 were outstanding. As at the date of this MD&A, there were 4,060,000 options outstanding.

### **Off-Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements.

## **RISK FACTORS**

The following risk factors, as well as risks not currently known to Lite Access, could materially adversely affect Lite Access's future business activities and financial condition, and could cause them to differ materially from the estimates described in forward-looking statements relating to Lite Access. Before making an investment decision, consideration should be made of the principal risks and uncertainties described below:

### *High Degree of Product Concentration*

Substantially all the Company's currently anticipated revenues will be derived from a limited number of products and services. Consequently, the Company's performance will depend on establishing market acceptance of these products and services, as well as enhancing the performance of such products and services to meet the evolving needs of customers. The Company, like other entities involved in a rapidly evolving new industry, faces the risk that the Company's products and services may not prove to be commercially successful or may be rendered obsolete by further scientific and technological developments. There can be no assurances that the Company will establish and maintain a position at the forefront of emerging technological trends. Any reduction in anticipated future demand or anticipated future sales of these products

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or any increase in competition could have a material adverse effect on the Company's business prospects, operating results, or financial condition.

*Competition*

The Company has experienced, and expects to continue to experience, competition from a number of companies. The Company's competitors may announce new products, services or enhancements that better meet the needs of customers or changing industry standards. Increased competition may cause price reductions, reduced gross margins and loss of market share, any of which could have a material adverse effect on the Company's business, results of operations and financial condition.

Many of the competitors and potential competitors of the Company have significantly greater financial, technical, marketing and/or service resources than does the Company. Many of these companies also have a larger installed base of users, longer operating histories or greater name recognition than the Company. Customers of the Company are particularly concerned that their suppliers will continue to operate and provide upgrades and maintenance over a long-term period. Prospective customers may negatively perceive the Company's smaller size and short operating history. Even if competitors of the Company provide products with more limited system functionality than those of the Company, these products may incorporate other capabilities of interest to some customers and may be appealing due to a reduction in the number of different types of systems used to operate such customers' businesses. Further, competitors may be able to respond more quickly than the Company to changes in customer requirements and devote greater resources to the enhancement, promotion and sale of their products.

*Market Uncertainty*

The Company's success depends to a significant degree on its ability to develop the market and gain acceptance for its products and services. There is no assurance that a significant market will develop for the Company's principal products and services. There can be no assurances that the additional commercial applications and markets for the Company's products and services will develop as currently contemplated. To manage such development, the Company must continue to expand its existing resources and management information systems and must attract, train, and motivate qualified marketing, management, technical and administrative personnel. There can be no assurance that the Company will be able to achieve these goals.

*Labour and Key Personnel*

The Company depends on the services of its key management personnel. The loss of one of these people could have a significant unfavorable impact on the Company, its operating results, and its financial position. The success of the Company is largely dependent upon its ability to identify, hire, train, motivate and retain highly skilled management employees, engineers, technical employees, and sales and marketing personnel. Competition for its employees can be intense, and the Company cannot ensure that it will be able to bring in and retain highly skilled technical and management personnel in the future. Its ability to bring in and retain management and technical personnel and the necessary sales and marketing employees could have an unfavorable impact on its growth and future profitability. The Company may be obligated to increase the compensation paid to current or new employees, which could substantially increase operating expenses.

*Growth Management and Market Development*

There is no guarantee that the Company can develop its market significantly, thus affecting its profitability. The Company's expected growth might create significant pressure on management, operations, and technical resources. To manage its

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growth, Lite Access may need to increase the size of its technical and operational staff and manage its personnel while maintaining many effective relationships with third parties.

#### *Pricing Policies*

The competitive market in which Lite Access operates could force it to reduce its prices. If its competitors offer large discounts on certain products and services to gain market share or sell products and services, the Company may need to lower its prices and offer other favorable terms in order to compete successfully. Such changes could reduce profit margins and have an unfavorable impact on its operating results. Some of Lite Access's competitors could offer products and services that compete with theirs as part of a long-term pricing strategy or offer price guarantees or product implementation. With time, these practices could limit the prices Lite Access may charge for its products and services. If Lite Access cannot offset these price reductions with a corresponding increase in sales volume or decreased expense, the decreased revenues from products and services could unfavorably affect its profit margins and its operating results.

#### *Product Failures and Mistakes*

Lite Access products may contain failures and mistakes that could be detected at any time in a product's life cycle. Failures and mistakes in its products could have a significant unfavorable impact on its reputation, open it up to significant costs, delay product launch dates, and harm its ability to sell its products in the future. The costs of correcting a failure or mistake in one of these products could be significant and could negatively affect its operating margins. Although Lite Access expects to continue to test products to detect failures and mistakes and to work with its customers through its support and maintenance services in order to find and correct failures and mistakes, they could appear in its products in the future.

#### *Technological Obsolescence*

Competitors and new companies could launch new products. To remain on the cutting edge of technology, Lite Access may need to launch a new generation of products and services. Whether it is competition from development companies or a merger or acquisition of existing companies, competition within certain fibre optic industry sectors offering solutions similar to what Lite Access offers could increase. Technological progress and product development could make Lite Access products obsolete or reduce their value.

#### *Lite Access may Acquire Businesses and Assets which are not Successfully Integrated*

Lite Access undertakes evaluations of opportunities to acquire additional properties and businesses. Any acquisitions may change the scale of Lite Access's business and may expose Lite Access to new geographic, political, operating, and financial risks. Lite Access's success in its acquisition activities depends on its ability to identify suitable acquisition candidates, acquire them on acceptable terms, and integrate their operations successfully. Any acquisitions would be accompanied by risks, such as the difficulty of assimilating the operations and personnel of any acquired companies; the potential disruption of Lite Access's ongoing business; the inability of management to realize anticipated synergies and maximize the financial and strategic position of Lite Access; the failure to maintain uniform standards, controls, procedures and policies; the impairment of relationships with employees and contractors as a result of any integration of new management personnel, and the potential unknown liabilities associated with acquired assets and businesses. There can be no assurance that any assets or business acquired will prove to be beneficial or that Lite Access will be able to integrate the required businesses successfully, which could slow Lite Access's rate of expansion and Lite Access's business and financial condition could suffer.

Lite Access may need additional capital to finance acquisitions (whether completed or not) which may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence and prior to the completion of comprehensive

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due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies already advanced may not be recoverable, which may have a material adverse effect on the Company. If Lite Access obtains debt financing, it will be exposed to the risk of leverage and its operations could become subject to restrictive loan and lease covenants and undertakings. If Lite Access obtains equity financing, existing shareholders may suffer dilution. There can be no assurance that Lite Access would be successful in overcoming these risks or any other problems encountered in connection with such financings.

*Lite Access may be Subject to Litigation*

Lite Access may be involved in disputes with other parties, which may result in litigation. If Lite Access is unable to resolve these disputes favourably, it may have a material adverse impact on Lite Access's financial condition.

*Lite Access does not have a Dividend History*

No dividends have been paid by Lite Access to date. Lite Access anticipates that for the foreseeable future it will retain future earnings and other cash resources for the operation and development of its business. Payment of any future dividends will be at the discretion of Lite Access's Board of Directors' after considering many factors, including Lite Access's financial condition and current and anticipated cash needs.

*Securities Investment Risks*

Potential investors and shareholders should be aware that there are risks associated with any securities investment. The prices at which the Lite Access shares trade may be above or below the issue price and may fluctuate in response to a number of factors.

*COVID-19*

In March 2020, there was a global outbreak of a novel coronavirus identified as "COVID-19". The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and specifically, the regional economies in which the Company operates. The pandemic could result in delays in the course of business and could have a negative impact on the Company's ability to raise new capital and continue operations. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

**Closing Details**

Other information about the Company is available at [www.sedar.com](http://www.sedar.com) or on the Company's website [www.liteaccess.com](http://www.liteaccess.com).

*"Greg Smith"*

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Greg Smith, Interim CEO  
Vancouver, Canada  
August 30, 2021