



MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

INTRODUCTION

The following management's discussion and analysis ("**MD&A**") supplements the unaudited condensed interim consolidated financial statements and related notes for the three and nine months ended September 30, 2021 ("**Financial Statements**") of Farmers Edge Inc. ("**Farmers Edge**" or "**the Company**"). This MD&A has been prepared by management to help readers interpret the consolidated financial results and should be read in conjunction with the Financial Statements of the Company for the three and nine months ended September 30, 2021, its annual consolidated financial statements for the year ended December 31, 2020, and its annual MD&A for the year ended December 31, 2020. This MD&A contains forward-looking statements, which are subject to a variety of factors that could cause actual results to differ materially from those contemplated by such forward-looking statements, including, but not limited to, the factors described in the Company's public filings available on SEDAR at www.sedar.com. See "Forward-Looking Information" in **Appendix A**. The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board.

This MD&A has been prepared as of November 11, 2021. All dollar amounts are in thousands of Canadian dollars unless otherwise indicated. The Financial Statements presented herein include the accounts of the Company and all of its subsidiaries. All references to the Company include its subsidiaries as applicable.

On March 3, 2021, Farmers Edge completed an initial public offering ("**IPO**") and its shares began trading on the Toronto Stock Exchange under the symbol "FDGE".

The IPO and the restructuring of the Company's capital provides management the opportunity to execute on its growth strategies and fund negative Free Cash Flow from operations in the short term as it scales its business. The growth strategies include adding higher revenue generating subscribed acres to the Company's platform, converting current acres to higher revenue generating acres, enhancing and developing new features on its platform, expanding its business analytic solution product offerings, and considering merger and acquisition opportunities.

OPERATING HIGHLIGHTS

<i>in thousands, except per share amounts</i>	Three Months Ended		Nine Months ended	
	2021	2020	2021	2020

FINANCIAL PERFORMANCE for periods ended September 30

Revenues ⁽¹⁾	\$ 6,824	\$ 10,334	\$ 22,857	\$ 26,760
Operating expenses ^(2,5)	\$ 23,147	\$ 22,524	\$ 56,541	\$ 69,135
EBITDA ^(3,5)	\$ (16,323)	\$ (12,190)	\$ (33,684)	\$ (42,375)
Net loss ⁽⁵⁾	\$ (19,359)	\$ (19,857)	\$ (46,616)	\$ (67,555)
Loss per share - basic & diluted ^(4,5)	\$ (0.46)	\$ (2.01)	\$ (1.33)	\$ (6.85)
Free Cash Flow ⁽³⁾	\$ (17,266)	\$ (11,253)	\$ (36,797)	\$ (47,176)

	September 30, 2021	December 31, 2020
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FINANCIAL POSITION as at date specified

Total assets	\$ 147,505	\$ 79,484
Total liabilities	\$ 24,525	\$ 370,887
Total equity (deficiency)	\$ 122,980	\$ (291,403)

	September 30, 2021	June 30, 2021	December 31, 2020
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KEY PERFORMANCE INDICATORS as at date specified

Digital Agronomy Acres ⁽⁶⁾	19,260	19,173	18,256
Other Acres ⁽⁶⁾	1,501	3,597	5,101
Total Subscribed Acres ⁽⁶⁾	20,761	22,770	23,357
Annual Recurring Revenue (ARR) ⁽⁶⁾	\$ 64,694	\$ 62,380	\$ 53,421

(1) Revenues included subsidies and commercial contract revenue related to commercial partner agreements for the three and nine-month periods ending September 30, 2021 were \$400 (2020 – \$3,404) and \$2,416 (2020 – \$4,869) respectively. Starting in 2021, the Company began marketing new acres under the Progressive Grower Program. Its remaining commercial contract arrangements expire on December 31, 2021.

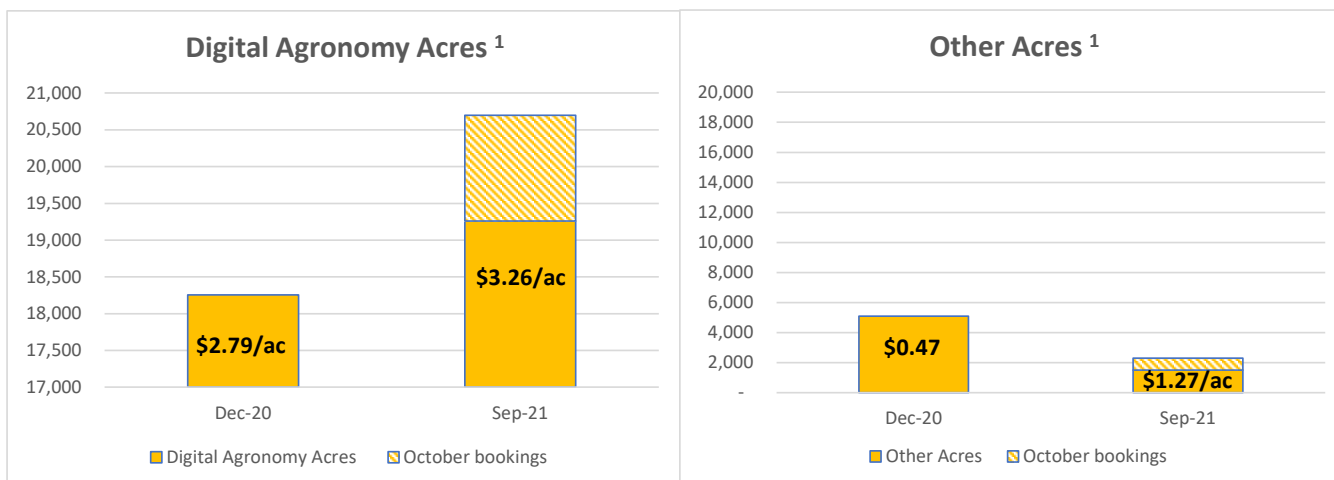
(2) Operating Expenses include Cost of revenue, Data and technology infrastructure expenses, Selling and marketing expenses, Product research and development expenses, and General and administrative expenses as set out on the Company's Statements of Operations and Comprehensive Loss in its Financial Statements.

(3) EBITDA and Free Cash Flow are non-IFRS measures. See "Key Performance Indicators and Non-IFRS Measures". This table reconciles EBITDA to its most comparable IFRS measures. Free Cash Flow is reconciled to its most comparable IFRS measure in the "Results of Operations" section of this MD&A.

(4) Due to net losses incurred, potentially dilutive securities have been excluded from the calculation of diluted loss per share because including them would be anti-dilutive. The loss per share – basic and diluted for the periods ending September 30, 2020 have been retrospectively adjusted to reflect the consolidation of common shares on a 7:1 basis, which occurred at the time of the IPO.

(5) The satellite imagery settlement gain of \$8.2 million in the second quarter of 2021 is included in the results for the nine months ended September 30, 2021.

(6) Digital Agronomy Acres, Other Acres, Subscribed Acres and ARR are defined in "Key Performance Indicators and Non-IFRS measures". These are unaudited.



(1) Price per acre based on average ARR/acre

THIRD QUARTER BUSINESS UPDATE

At the time of its initial public offering, the Company outlined a strategy for growth that centered around the following key objectives:

1. Expand customer base for digital agronomy solutions through:
 - o Expanding number of paid customer acres through current channel partnerships;
 - o Expanding the network of channel partners in existing and new geographies; and
 - o Increasing revenue from our current digital and agronomy solutions by moving customers to higher revenue fertility products.
2. Overlay crop insurance, carbon credit and other products over existing digital agronomy solutions to further leverage the FarmCommand platform and grow Business Analytics solutions revenues.
3. Develop and market additional products to be sold to expand revenue per acre.
4. Selectively pursue acquisitions that improve our dataset and/or expand our technology, accelerate our market presence and provide access to additional acres.

The Company's progress report on these initiatives is outlined below.

Objective	Progress to Date
Expand customer base, increase acres and revenues	<ul style="list-style-type: none"> • New Digital Agronomy acres sold for the quarter ending September 30, 2021 were 1.0 million acres, for a year-to-date total of 4.3 million new acres, including Progressive Grower Program (or "PGP") acres of 2.9 million acres. An additional 2.2 million new Subscribed Acres were booked in October 2021, including 1.4 million Digital Agronomy acres and the remainder being acres subscribed to our Smart Claims product. • New Digital Agronomy acres added in the third quarter were offset by discontinued acres of 0.9 million, including 2020 Elite Grower contracts not renewed. On a year-to-date basis to September 30, 2021 new Digital Agronomy acres of 4.3 million were offset by 3.3 million discontinued acres, which included a total of 1.4 million acres for 2020 Elite Grower contracts not converted. The remaining reduction in acres related to contracts that were not renewed after their four-year period. • Other acres were down 2.1 million acres in the quarter, and 3.6 million acres for the nine-month period ending September 30, 2021. The reduction in other acres for both the quarter and year-to-date periods relate to discontinued, low value non-platform acres, with a

	<p>combined ARR value of \$0.5 million. These acres were not in line with our strategic focus. Other acres at September 30, 2021 represent Smart Claim insurance acres.</p> <ul style="list-style-type: none"> • The Company year-to-date has signed 42 new channel partners who provide access to their combined 12.0 million acre footprint. In addition, as part of the agreements signed with both new and existing partners, the Company has set near-term targets with these partners to provide access to farmers to support its new PGP acre sales targets in 2022. • With the acquisition of CommodityAg, LLC., (“CommodityAg”), the Company has secured connections to a robust retail network in the U.S. to further source additional subscription acres and capture revenue upsell opportunities for insurance, carbon and other new products. In addition, agreements are in place with the former owners to introduce the Company to farmers on 14.5 million acres over a three-year period (on a best-efforts basis). The Company believes that this relationship will also help drive significant new PGP acres in 2022 and beyond. The Company is targeting leads on farmers representing 6.5 million acres by the end of 2022, with the balance to be targeted in 2023. As these new growers are signed to our platform, the Company may earn additional revenue from its subscription services and have multiple opportunities to layer incremental product offerings to this customer base, including any insurance and carbon products. • The Company retained 91% of its recurring revenue related to paid Digital Agronomy subscriptions in North America during the twelve months ending September 30, 2021. North America is the Company’s most mature market and represents approximately 90% of the paid subscription base. The Company’s acre retention on that same customer cohort over the same period was over 80%. Higher revenue retention relative to acre retention reflects shifts in product mix to higher revenue generating acres within our paid subscriber base. • ARR at September 30, 2021 has increased by \$11.3 million (21%) to \$64.7 million from \$53.4 million at December 31, 2020. (See also discussion under “Results of Operations – Annual Recurring Revenue”)
Elite 2020 Program	<ul style="list-style-type: none"> • The Elite Grower program was a program launched in North America in 2020 that added approximately 5 million acres and provided customers with a one-year free subscription period that was partially subsidized by channel partners. This program was replaced by the Progressive Grower program (or “PGP”) in 2021, which offers a similar trial period for growers and is not subsidized by channel partners. • Conversions of acres from the trial Elite/PGP programs to paid acres continue to be a top priority for the Company for which we set a target of converting 67% of the Elite growers under these programs to long-term paid contracts. Approximately 80% of the 2020 Elite customers have now finalized their arrangements and the Company believes conversions in North America will approximate 60%, as 50% have already been converted to date. • The Company has implemented steps to improve its future conversion success by expanding and diversifying its channel partner network, by pre-qualifying customers enrolling in the new PGP programs, and by reorganizing its sales, customer care and certain of its leadership responsibilities. • The proportion of the Elite 2020 contracts converting to higher dollar fertility products has been better than expected with over 60% of the converted acres moving into a fertility solution product. The Company is expecting that this ratio will further increase over the remainder of the year. • An overall expected conversion rate of 60%, combined with the higher proportion of acres converted into fertility products will result in improved revenue for the fourth quarter and future years. We had deferred the conversion of the Elite Grower acres to the fall to promote improved upsells to fertility solutions and this strategy has been successful. Based on an initial 67% conversion rate assumption to a Smart solution product, the converted acres would have generated about \$10 million in annual revenue over the next four years. With the upsell to fertility solutions exceeding 60% of the converted acres, our annual revenues

	will improve by another \$3 million. ARR will be further complemented as many of these converted acres have also signed into a carbon program.
Launch new crop insurance & carbon offset products	<ul style="list-style-type: none"> • A new carbon program was launched for growers in June 2021, with 2.7 million acres booked in Canada to date, and already exceeding our goal to have 2.5 million carbon acres booked in 2021. The Company estimates that gross revenues from the sale of the carbon offsets, including carbon offsets for prior years, is between \$13 to \$16 million. Gross revenues on the sale of these offsets will be reported in revenue when carbon offsets are serialized and sold, primarily in the first half of 2022. The Company expects to bring in additional carbon program acres before the end of the year and is currently in negotiations with long term strategic carbon offset buyers to secure sales agreements. (See “Outlook”). • Launched DigiAg Risk Management, our branded insurance agency to market tailored solutions to farmers and building the infrastructure and capabilities to begin promoting new insurance products beginning in the spring of 2022. • Launched a yield prediction product in Brazil, for use by farmers, insurers, lenders and other agribusinesses which began a pilot in the third quarter of 2021. • In the fourth quarter, the Company received a commitment of another 0.8 million acres to Smart Claim subscriptions in Brazil which will be included in Other Acres. These subscriptions help with validating planting dates and varieties and provide yield predictions to reduce the instances of inaccurate or fraudulent reporting. The Company is paid a subscription fee per acre based on the number of acres contracted for this service.
Develop & Market additional products to be sold to expand revenue per acre.	<ul style="list-style-type: none"> • Finalized a collaboration with Gestão Integrada De Recebíveis Do Agronegócio S.A. (“GIRA”), a company controlled by Santander bank in Brazil. GIRA is a modern multi-platform provider dedicated to supporting growers and reducing risk to lenders in the Brazilian market. By collaborating on the distribution of one another’s products in Brazil, Farmers Edge and GIRA should generate a more transparent credit environment where both farmers and lenders can benefit from reliable data. Under this arrangement, GIRA will pay for the subscription cost of our digital products for our mutual customers in Brazil, in exchange for the grower’s consent to share farm-level data. This pilot will allow Farmers Edge to demonstrate the capabilities of its platform in providing insights to lenders to help Santander better manage risk and underwriting.
Selectively pursue strategic acquisitions	<ul style="list-style-type: none"> • Completed the acquisition of CommodityAg, which in addition to the relationships secured with major U.S. retailers and their related acre pipeline, will provide cross-selling opportunities with its e-commerce platform. Due to seasonality, most of the revenue expected from CommodityAg’s core business will occur in the first six months of each calendar year. (See “Outlook”)

BUSINESS OVERVIEW

The Company provides digital tools to growers and other key participants in the agricultural ecosystem. Through FarmCommand, its proprietary, cloud-based analytics software platform, the Company integrates data from multiple field-level sources, and depending on the subscription level, includes data from weather stations, soil moisture probes, telematics devices (specifically its proprietary CanPlug device that can be installed on most hardware and equipment already deployed on a grower’s farm to enable passive collection of machine and agronomic data), location tracking devices, grain cart weighing devices, soil sampling, irrigation monitoring and satellite imagery. All data is ingested into the FarmCommand platform to provide growers real-time monitoring and alerts, predictive models, and sophisticated outcome-based data recommendations on their fields to help them make proactive, informed decisions to improve their yields and profitability.

The Company further leverages its data and analytics to develop a unique portfolio of products, disrupting large agriculture verticals including crop insurance and other financial services, carbon offset, and broader agriculture technology industries. The Company focuses on getting acres on subscription with growers, which then allows for multiple opportunities with the

broader agriculture ecosystem, and for building partnerships with other agribusinesses who offer our platform alongside their own solutions.

The Company offers a comprehensive suite of digital agronomy solutions to growers which are sold in five principal tiers of subscriptions and are priced on an annual, per acre basis. The Company categorizes the five principal tiers of digital agronomy solutions into two categories: digital contracts and fertility contracts. A digital contract is a subscription package that provides access to the FarmCommand software plus certain other elements, including hardware for certain products, depending on the tier. A fertility contract is a contract that comprises the Smart package plus a fertility service.

The Company sells its platform solutions through a network of channel partners, comprised of global crop input manufacturers and retailers, seed and crop protection companies, equipment manufacturers, grain companies, insurance companies and agencies, and food manufacturers. These sales efforts are complemented by smaller regional partners and direct sales teams in North America, Brazil, Australia, and Eastern Europe.

In addition to its digital agronomy solutions, the Company also looks to generate streams of revenue enhancing opportunities under its business analytics solutions, which contributes to the Company generating multiple revenue streams on the same acre. This strategy expands its scope of market beyond the farm and individual grower subscriptions. For example, the Company's Smart Carbon program which was launched earlier this year has been developed to help growers who use our platform to validate and serialize carbon offsets already being created through their existing farming practices. Such carbon offsets will be assigned, measured and verified by the Company using our proprietary capabilities, and then aggregated with offsets from multiple growers to be sold into the voluntary marketplace. The Company will pay the grower 70% of the proceeds received as consideration for the assignment of their credits and share the remaining margin with its aggregation partner. This program contributes to more sustainable farming practices and also creates additional income for the grower to help support their farming operations. Revenue earned by the Company on the sale of carbon offsets will be reported in business analytic solutions and further monetizes the value of each acre subscription.

Seasonality

Seasonality impacts the Company's interim results from factors that generally affect the agriculture industry. In North America, harvest traditionally occurs in the last four months of the calendar year and planting typically occurs in the second quarter of the calendar year. Certain subscriptions have revenues recognized in line with those seasonal periods when the service is provided, and others are recognized evenly over the life of the contract. The Company generally experiences increased seasonal labour costs shortly after harvest is completed. The Company issues sales invoices to its customers semi-annually or annually in advance, in April and October each year for its digital agronomy solution. Fertility solution subscription invoices are issued in either August or December. The accounting for fertility services performed results in revenue being recognized generally in the fourth quarter and first quarter when these services are completed. Carbon sales are also recorded when the offsets are sold to third parties which will be dependent upon the timing of the serialization and market conditions.

The CommodityAg business is highly seasonal with most sales expected just prior to or during spring planting. The Company anticipates between 70% and 90% of CommodityAg's gross revenue to occur during the first 6 months of the calendar year.

RESULTS OF OPERATIONS

Revenues

<i>in thousands</i>	Three Months Ended		Change	Nine Months Ended		Change
<i>for the periods ended September 30</i>	2021	2020		2021	2020	
Digital agronomy solutions	\$5,353	\$8,704	\$(3,351)	\$19,321	\$23,854	\$(4,533)
Business analytic solutions	856	625	231	2,504	1,549	955
Commercial contract revenue	—	785	(785)	—	785	(785)
Other	615	220	395	1,032	572	460
Total revenue	\$6,824	\$10,334	\$(3,510)	\$22,857	\$26,760	\$(3,903)
Digital agronomy solutions	\$5,353	\$8,704	\$(3,351)	\$19,321	\$23,854	\$(4,533)
Less: channel partner subsidies	(400)	(2,619)	2,219	(2,416)	(4,084)	1,668
Digital agronomy solutions revenue after channel partner subsidies	\$4,953	\$6,085	\$(1,132)	\$16,905	\$19,770	\$(2,865)

Annual Recurring Revenue (ARR) ⁽¹⁾

\$64,694 \$49,085 \$15,609

(1) ARR is defined in "Key Performance Indicators and Non-IFRS measures."

Revenues generated for the three months ended September 30, 2021 ("Q3 2021") were \$6.8 million (2020 — \$10.3 million), and \$22.9 million (2020 — \$26.8 million) for the nine months ended September 30, 2021 ("Q3 YTD 2021"), representing a decrease of 34% and 15%, respectively, over the comparative periods.

The Company's digital agronomy solutions revenue includes revenue from both digital and fertility solution subscription contracts with growers and represents the majority of the Company's revenue. Digital agronomy solutions revenue was \$5.4 million for Q3 2021 (2020 — \$8.7 million) and \$19.3 million for Q3 YTD 2021 (2020 — \$23.8 million), representing a decrease of \$3.3 million and \$4.5 million, respectively, over the comparative periods.

The Company received subsidies from channel partners in North America associated with acres under the 2020 Elite Grower program. These subsidies were approximately \$0.4 million (2020 - \$2.6 million) in the third quarter and \$2.4 million (2020 - \$4.1 million) in the nine-month period ending September 30, 2021. In 2021 this program was replaced with the Progressive Grower program which is internally funded from the funds generated from the initial public offering. The Company's strategy is to grow acres under the PGP program while showcasing the platforms capabilities, including the Smart Carbon Solutions, and convert acres to paid digital or fertility contracts.

After adjusting for the impact of the subsidies in prior years results, digital agronomy revenue in Q3 2021 was down \$1.1 million and \$2.9M for Q3 YTD 2021, respectively. The \$1.1 million reduction in digital agronomy revenue (after adjusting for the variability of the partner subsidies) in the third quarter of 2021 reflects the quarterly impact of non-renewed four-year contracts, as well as foreign exchange variances. For the nine-months ending September 30, 2021, 4.3 million new digital agronomy acres were added. The majority of these acres were added under the PGP program so do not generate revenue until the free period ends. The decision to delay the conversion of many of the 2020 Elite acres to the fall to promote higher conversions to fertility programs alongside our Smart Carbon program therefore had a short-term impact on our digital agronomy revenue as revenue is only recorded after the conversion date. Revenue on the converted Elite 2020 acres will begin to be recognized in the fourth quarter of this year, including additional fertility solutions revenue as the related services are completed.

The variance in Q3 YTD 2021 revenue mainly relates to the amount of fertility revenue booked in 2021 compared to the prior year. This year, virtually all the fertility services in respect of the 2021 planting season were completed and recognized in the last quarter of 2020 and the first quarter of 2021. However, in 2020, fertility services were delayed due to late harvest conditions at the end of 2019 so a higher proportion of services were completed in 2020. The year-to-date fertility variance recorded as a result of this timing anomaly was \$1.6 million and was realized by the end of the second quarter of 2021. Foreign exchange differences on the translation of revenue in our international operations due to a strengthening Canadian dollar also reduced revenue in the year-to-date period by approximately \$0.8 million.

Business analytics solutions revenue represents analytic and technology solutions. For Q3 2021, business analytics solutions revenue was \$0.9 million (2020 – \$0.6 million) for an increase of \$0.3 million (37%) over the comparative period and a \$1.0 million increase for Q3 YTD 2021 (62%). The increase in both the quarterly and year to date periods can be attributed mainly to revenue generated from Alberta carbon offsets sold in the regulated market. There is no carbon credit revenue in the comparative periods. This revenue also includes Smart Claim insurance subscriptions acres which are included in Other Acres within our Subscribed Acre KPI.

Commercial contract revenue decreased \$0.8 million in Q3 2021 and Q3 YTD 2021 compared to the respective periods in 2020. Revenue in the prior year related to certain strategic contracts with the Company’s channel partners, whereby the partners guaranteed to deliver a minimum number of contracted grower acres or if the target was not met, make a shortfall payment. In the third quarter of 2020, the Company recorded revenue related to a shortfall on one of its contracts.

Annual Recurring Revenue

As described in the Company’s definition in “*Key Performance Indicators & Non-IFRS Measures*”, ARR is measured by taking the annual contract value at each period end date and adjusting for any committed recurring discounts or premiums on the contract and excluding any first-year discounts, including those under the PGP program. For Subscribed Acres in the PGP program, ARR also excludes the potential future benefit from converting to fertility contracts that would increase recurring revenue and excludes the potential lower recurring revenue as a result of an opt-out option exercised. ARR also excludes any sales revenues associated with CommodityAg, as the revenues generated in that business are not based on a subscription model.

Carbon offset revenues are also included in ARR based on the estimated annual carbon offset created for acres subscribed in the program. Currently, historical carbon offsets may also be captured and serialized but are not included in ARR.

The Company’s ARR increased by \$2.3 million in the third quarter of 2021, and \$11.3 million for the year-to-date periods. The increases in ARR reflect a combination of new digital agronomy acres signed through the respective periods, plus new contracts signed under business analytic solutions, including carbon offsets, upsells to fertility products and is adjusted for foreign exchange rate differences at the respective measurement dates. Increases in ARR were partially offset by 3.3 million Digital Agronomy acres discontinued, including the 2020 Elite Grower acres not converted.

The ARR per digital agronomy acre has also increased from \$2.79/acre at December 31, 2020 to \$3.26/acre at September 30, 2021, an increase of 17%. Similarly, the price per acre for other acres has increased from \$0.47/acre at December 31, 2020 to \$1.27/acre at September 30, 2021. The increase corresponds with the increased sales of more premium digital agronomy products while decommissioning lower value subscriptions.

Cost of Revenues

<i>in thousands</i>	Three Months Ended		Change	Nine Months Ended		Change
<i>for the periods ended September 30</i>	2021	2020		2021	2020	
Employee compensation & benefits	\$6,219	\$5,353	\$866	\$16,264	\$15,755	\$509
Vehicle & travel	1,305	1,172	133	3,399	3,325	74
Soil testing costs	593	634	(41)	2,042	1,909	133
Other	1,265	193	1,072	3,133	2,713	420
Total costs of revenue	\$9,382	\$7,352	\$2,030	\$24,838	\$23,702	\$1,136

Direct cost of revenue includes payroll and related expenses for employees involved in initial customer setup and ongoing customer service needs. Direct cost of revenue also includes vehicle and travel, shipping and soil testing costs, direct costs associated with the Company’s carbon program, cost of goods sold related to the Company’s consolidation of CommodityAg (see “*Investing Activities – Business Acquisitions*”) and other expenses necessary to support customer service requirements.

Total costs of revenue for Q3 2021 were \$9.4 million (2020 — \$7.4 million) and \$24.8 million (2020 - \$23.7 million) for Q3 YTD 2021, representing an increase of \$2.0 million (28%) and an increase of \$1.1 million (5%) over the comparative periods. Most of the increase for the current quarter is recorded in other costs and relates to the cost of goods sold in CommodityAg of \$0.3 million and \$0.4 million of costs related to the sale of carbon credits in Alberta. For the nine-month period ending September 30, 2021, cost of revenues increased primarily due to the additional \$0.7 million in costs related to sales of carbon offsets and the sale of CommodityAg inventory.

Data and technology infrastructure expenses

<i>in thousands</i>	Three Months Ended		Change	Nine Months Ended		Change
<i>for the periods ended September 30</i>	2021	2020		2021	2020	
Direct costs	\$3,537	\$4,413	\$(876)	\$1,440	\$12,409	\$(10,969)
Imagery costs, indirect	—	3,071	(3,071)	—	9,860	(9,860)
Total data and technology infrastructure expenses	\$3,537	\$7,484	\$(3,947)	\$1,440	\$22,269	\$(20,829)

Data and technology infrastructure expense includes satellite imagery costs, cloud hosting services, network data costs for CanPlugs and weather stations and the costs of certain software licenses.

Total data and technology infrastructure expense for Q3 2021 decreased by \$3.9 million as a result of the lower negotiated satellite imagery cost and a new cloud hosting agreement with Google Cloud Canada (“Google”) that provides more favourable terms than the prior year.

Total data and technology infrastructure expense of \$1.4 million reported for Q3 YTD 2021 decreased \$20.8 million and includes the successful negotiation with a satellite imagery vendor and resulting one-time settlement gain of \$8.2 million recorded in the second quarter of 2021. After adjusting for this gain, data and technology infrastructure costs for Q3 YTD 2021 would have been \$9.6 million, representing a reduction of \$12.7 million compared to the same period of 2020.

Included in the comparative period’s data and technology infrastructure expenses are “indirect” imagery costs, which are considered fixed costs and not directly tied to the Company’s solution offerings. There is no comparable cost in the current period as the new contracts for satellite imagery are tied to usage and acreage.

Selling and Marketing Expenses

Selling and marketing expenses include commissions paid to third-party sales representatives, the cost of the Company’s sales, business development and related management teams, and marketing and advertising costs.

Total selling and marketing expenses for Q3 2021 were \$3.9 million (2020 — \$3.0 million), and \$9.3 million (2020 — \$9.4 million) for Q3 YTD 2021, reflecting an increase of \$0.9 million (29%) and a decrease of \$0.1 million (1%) over the comparative periods, respectively. The primary driver for the increased costs in the third quarter is higher third-party commissions as acres have converted to paid contracts and additional personnel added to the sales and marketing teams to facilitate accelerated growth and to promote conversions of our Elite/PGP acres. The reduction of selling and marketing expenses on a year-to-date basis is primarily due to lower employee compensation costs reflecting lower headcount from October 2020 to the end of June 2021 and lower vehicle and travel expenses due to COVID-19 related restrictions for the first six months of 2021, offset in part by an increase in commissions paid to third-party sales representatives.

Product Research and Development Expenses

Product research and development expenses consist primarily of employee expenses related to the technology and research and development components of the business.

Total product research and development expenses for Q3 2021 were \$2.2 million (2020 — \$1.1 million), and \$5.5 million (2020 — \$3.7 million) on a year-to-date basis, reflecting an increase of \$1.1 million (100%) and \$1.8 million (49%) over the comparative periods. The Company also capitalizes qualifying costs related to employee costs on internally generated software and third-party outsourcing costs. The total product research and development costs for Q3 2021 (adding back capitalized costs) were \$2.7 million (2020 — \$3.0 million) and on a year-to-date basis were \$7.9 million (2020 — \$9.3 million), reflecting decreases of \$0.3 million and \$1.4 million, respectively. As discussed below in “Investing Activities”, the Company has reduced total spending tied to lower headcount and reduced outsourced third-party software development.

General and Administrative Expenses

General and administrative expenses include the shared employee costs encompassing finance, human resources, legal, internal information technology and the Company’s executive team. These costs also include other professional fees, costs associated with corporate systems, and general corporate expenses.

Total general and administrative expenses for Q3 2021 were \$4.2 million (2020 — \$3.6 million), reflecting an increase of \$0.6 million (16%). The total increase in general and administrative expenses was primarily a result of \$0.8 million of share-based compensation relating to the new long-term incentive plan granted in the first quarter.

Total general and administrative expenses for Q3 YTD 2021 were \$15.4 million (2020 — \$10.0 million), reflecting an increase of \$5.4 million (54%). The higher general and administrative expenses in Q3 YTD 2021 include the year-to-date impact of \$2.0 million of new share-based compensation expenses. The remaining increase reflects higher employee compensation and benefit costs of \$0.9 million, together with \$0.6 million in increased legal fees associated with existing claims, \$0.5 million of incremental costs incurred as part of the IPO, and increased costs related to software subscriptions and increased insurance premiums resulting from the Company's transition to a publicly traded company.

EBITDA and Net Loss

<i>in thousands</i>	Three Months Ended		Change	Nine Months Ended		Change
<i>for the periods ended September 30</i>	2021	2020		2021	2020	
EBITDA ⁽¹⁾	\$(16,323)	\$(12,190)	\$(4,133)	\$(33,684)	\$(42,375)	\$8,691
Foreign exchange (gain) loss	(815)	193	(1,008)	(2,595)	552	(3,147)
Depreciation of property and equipment	2,634	2,591	43	7,669	7,240	429
Amortization of intangible assets	2,010	2,051	(41)	5,677	5,487	190
Finance costs	155	9,502	(9,347)	7,586	25,190	(17,604)
Other income	(948)	(6,670)	5,722	(5,405)	(13,289)	7,884
Net loss	\$(19,359)	\$(19,857)	\$498	\$(46,616)	\$(67,555)	\$20,939

(1) EBITDA is a non-IFRS measure. See "Key Performance Indicators and Non-IFRS Measures."

EBITDA for Q3 2021 was a loss of \$16.3 million (2020 — \$12.2 million), and a loss of \$33.7 million (2020 - \$42.4 million) for Q3 YTD 2021, representing an increase of \$4.1 million (34%), and an improvement of \$8.7 million (21%) over the respective comparative periods. The improvement for the nine months ended September 30, 2021 includes the one-time settlement gain of \$8.2 million recorded in the second quarter of 2021 in data and technology infrastructure expenses. EBITDA per acre (computed as EBITDA over the average of Subscribed Acres for the trailing twelve-month period) was a loss of \$2.07 per acre for the twelve months ended September 30, 2021 after excluding the \$8.2 million settlement gain that occurred in the second quarter of 2021, compared to a loss of \$3.19 per acre in the comparative period, reflecting an improvement of 35%.

The Company's net loss (before and after taxes) for Q3 2021 was \$19.4 million (2020 — \$19.9 million), and \$46.6 million (2020 — \$67.6 million) for Q3 YTD 2021, a decrease in the net loss of \$0.5 million (3%) and \$20.9 million (31%), respectively, over the comparative periods. The changes in the net loss for Q3 2021 compared to Q3 2020 is driven primarily by a reduction in finance costs of \$9.3 million and an increase in the foreign exchange gain of \$1.0 million that were partially offset by a higher EBITDA loss of \$4.1 million and a reduction in other income of \$5.7 million compared to the third quarter of 2020. The Company's improved net loss in Q3 YTD 2021 was primarily a result of the lower EBITDA loss, increased foreign exchange gain and reduced finance costs, partially offset by a reduction in other income of \$7.9 million.

Foreign Exchange Gain

The foreign exchange gain for Q3 2021 was \$0.8 million (2020 — \$0.2 million loss) and \$2.6 million (2020 — \$0.6 million loss) for the nine month period ended September 30, 2021. The Financial Statements are presented in Canadian dollars, which is the Company's functional and presentation currency. Foreign exchange gains or losses included above comprise translation differences arising from the settlement of foreign currency transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in a foreign currency. The foreign exchange gain in Q3 YTD 2021 primarily relates to a stronger Canadian dollar relative to the United States dollar during the first half of 2021 when the Company was in a foreign net liability position, primarily as a result of the US \$15 million satellite imagery liability that was settled during the second quarter of 2021.

Depreciation and Amortization

Combined depreciation and amortization expenses for Q3 2021 were \$4.6 million (2020— \$4.6 million) and \$13.3 million (2020 — \$12.7 million) on a year-to-date basis. The increase in the Q3 YTD 2021 over the comparable period of \$0.6 million is

a result of additions for hardware equipment, right of use vehicles, capitalized platform development costs and other intangible assets in 2021. See “Investing Activities”.

Finance Cost

Finance costs include interest and accretion expense on the Company’s former convertible debentures, plus interest expense on the Company’s right of use assets and long-term debt. Finance costs for Q3 2021 were \$0.2 million (2020 – \$6.7 million), and \$7.6 million (2020 – \$25.2 million) for the nine-month period ended September 30, 2021, representing a decrease of \$6.5 million and \$18.7 million, respectively, over the comparative periods. As part of the Company’s initial public offering on March 3, 2021, all convertible debentures and accrued interest were converted into common shares. As such, interest on the convertible debentures was only incurred for approximately two months in the first quarter of 2021. Interest charges on long term debt was impacted with the repayment of long-term debt using proceeds from the initial public offering. The Company will continue to see nominal interest costs going forward tied to right-of-use leasing obligations.

Other Income and Expenses

Other income includes government subsidies and financial assistance, including direct grants together with refundable investment tax credits (“ITCs”) received by the Company for its qualifying Scientific Research and Development (“SRED”) activities, which are recorded as income when there is reasonable assurance that the benefits of the credits will be realized prior to their expiration date. See “Investing Activities” for an explanation of amounts received in the current and comparable periods.

Income Taxes

The Company has not recorded any current or deferred income tax benefit for its tax losses in any of its reporting periods. The Company has \$346 million of accumulated non-capital losses as of December 31, 2020, with expiry dates ranging between 2030 and 2040. These losses may be used to offset future taxable income. In addition, the Company has undeducted Scientific Research and Experimental Development expenditures of approximately \$39 million which may be carried forward indefinitely and unused investment tax credits of approximately \$4 million which expire between 2034 and 2039.

Free Cash Flow

<i>in thousands</i>	Three Months Ended		Change	Nine Months Ended		Change
<i>for the periods ended September 30</i>	2021	2020		2021	2020	
EBITDA⁽¹⁾	\$ (16,323)	\$ (12,190)	\$ (4,133)	\$ (33,684)	\$ (42,375)	\$ 8,691
Government subsidies and financial assistance	786	6,623	(5,837)	4,960	12,875	(7,915)
Stock-based compensation	842	226	616	2,616	619	1,997
Additions to property and equipment (net of proceeds)	(1,010)	(2,391)	1,381	(6,024)	(7,906)	1,882
Additions to intangible assets (net of proceeds)	(846)	(2,728)	1,882	(2,880)	(8,104)	5,224
Repayment of right-of-use obligations	(715)	(793)	78	(2,254)	(2,285)	31
Costs incurred for becoming public	—	—	—	469	—	469
Free Cash Flow⁽¹⁾	\$ (17,266)	\$ (11,253)	\$ (6,013)	\$ (36,797)	\$ (47,176)	\$ 10,379

(1) EBITDA and Free Cash Flow are non-IFRS measures. See “Key Performance Indicators and Non IFRS Measures”. This table reconciles Free Cash Flow to its most comparable IFRS measure.

The Company’s Free Cash Flow deployed for Q3 2021 was \$17.3 million (2020 – \$11.3 million), and \$36.8 million (2020 - \$47.2 million) for the nine-month period ended September 30, 2021, a decrease of \$6.0 million (53%) and an improvement of \$10.4 million (22%), respectively, over the comparative periods. Free Cash Flow traditionally will fluctuate by quarter due to the timing of capital expenditures for both tangible and intangible assets, government subsidies, and the seasonality and timing of revenue recognition. See “Investing Activities” below for a discussion of the cash flow items impacting Free Cash Flow.

INVESTING ACTIVITIES

The Company's investing activities consist of expenditures made for business acquisitions, tangible property and intangible assets plus the repayments of right-of-use obligations associated with leased assets. The Company has historically received government funding to support a portion of the costs of its investment in its research and development efforts.

Business acquisitions

On August 12, 2021 ("date of acquisition"), the Company acquired 100% of the outstanding units of CommodityAg. CommodityAg partners with local retailers to offer farmers a differentiated, comprehensive, and convenient online marketplace with access to various products and technologies. The CommodityAg acquisition also gives the Company access to the customer base of CommodityAg to facilitate additional sales of its core FarmCommand software platform and other ancillary services.

The purchase price included an initial payment of cash to the vendors of \$6.0 million (net of cash acquired), plus a multi-year earn out if certain performance targets are met for the twelve-month periods ending August 31, 2022, 2023 and 2024. The maximum earn-out that can be achieved by the vendors is U.S. \$7.2 million. The contingent consideration recorded by the Company reflects the estimated discounted liability related to the performance targets, which was assessed as of the date of acquisition, translated into Canadian dollars. The purchase price allocation is described in detail in note 4 of the Financial Statements.

Property and Equipment Additions

The Company's property and equipment expenditures, net of disposal proceeds, were \$1.0 million for Q3 2021 (2020 — \$2.4 million), and \$6.0 million (2020 — \$7.9 million) for the nine-month period ending September 30, 2021, reflecting decreases of \$1.4 million and \$1.9 million, respectively. Most of the Company's expenditures are for farm hardware, including CanPlugs, weather stations and other sensors that are installed on the farm and are used to collect and transfer data. Lower expenditures in the current year reflect higher equipment carryover levels coming into 2021 and a reduction in costs for some of its hardware components.

Right-of-Use Repayments

The Company's right-of-use repayments relating to leased assets for the third quarter of 2021 were \$0.7 million (2020 — \$0.8 million) and \$2.2 million (2020 — \$2.3 million) for the nine-month period ending September 30, 2021. The assets being leased mainly comprise fleet vehicles, building space for operations team members and warehouse space for farm equipment. As the fleet size has not varied materially from the prior year, these payments are relatively consistent over the comparable periods.

Intangible Asset Investments

The Company's intangible asset additions, which include both internal and third-party software development expenses, were \$0.8 million for Q3 2021 (2020 — \$2.7 million), and \$2.9 million (2020 — \$8.1 million) for the nine-month period ending September 30, 2021, reflecting decreases of \$1.9 million and \$5.2 million, respectively. The decreases in the current periods are a result of lower capitalized platform development software that started in the second half of 2020 and continues into 2021. Additionally, the overall amount being invested in the platform has been reduced as fewer resources are needed with the platform being more mature. This is relatively consistent with the reduced amount of expenses for product research and development as the Company has built a leaner, more efficient development team and reduced outsourced third-party software development. The amount of capitalized platform development costs will fluctuate as new features and functions on the platform are designed and developed to create future economic benefits that may be capitalized under IFRS.

Government Subsidies and Financial Assistance

Government subsidies and financial assistance includes direct grants and refundable investment tax credits received by the Company for its qualifying scientific research and development activities. The Company's government subsidies and financial assistance was \$0.8 million (2020 — \$6.6 million) for Q3 2021, and \$5.0 million (2020 — \$12.9 million) for Q3 YTD 2021, reflecting decreases of \$5.8 million and \$7.9 million, respectively. The timing and amount collected by the Company for government subsidies and financial assistance can vary between periods. Higher amounts in the third quarter of 2020 reflect

refundable SRED investment tax credits received in the prior year and additional direct grants received in 2020, including some which came from North American government bodies for funding associated with COVID-19.

OUTLOOK

The Company is focused on adding new acres, building on its strong growth in higher dollar value digital agronomy acres in 2021, and in expanding its carbon and insurance footprint in 2022.

Facing pressures from rising fertilizer prices, growers are looking for ways to reduce their fertilizer application, creating more demand for the Company's fertility efficient solutions, in particular our variable rate fertility programs. The Company is seeing strong value from its fertility programs and continues to focus on upselling customers from a digital to fertility program to expand its revenue base and promote strong customer retention.

In addition to the 2020 Elite program acres that have been converted into fertility contracts, the Company has already begun to convert some of the PGP acres signed in 2021, even though many of those contracts are still in their initial free trial period. In those cases, growers will continue with a free digital subscription until the end of their initial year under their PGP contract but will add a paid fertility service in the meantime. The Company expects to convert between 20-25% of its 2021 PGP contracts before the end of the current fiscal year. This will have a positive impact on revenues in the fourth quarter of 2021. Improving the retention rate compared to the 60% rate on the 2020 Elite program is also an important goal for 2022 and the Company has already implemented changes within its sales programs to qualify and attract higher quality customers with characteristics leading to higher probabilities of retention following the trial period.

The Company expects to also earn more revenues from serializing, aggregating and selling carbon offsets to meet a growing demand from organizations seeking carbon neutrality for their own sustainability initiatives. As noted earlier, the Company expects to generate \$13 to \$16 million of revenue once the offsets are serialized and sold. The majority of this revenue is expected to be realized in the first and second quarters of 2022. The Company expects to pay 70% of the gross revenue from the sale of the carbon offsets to the grower as consideration for the assignment of the carbon offset, with the remaining margin shared with its aggregation partner. Revenue expansion is also expected to occur where new growers coming into the carbon program are adding a fertility subscription service, or existing customers are adding a fertility subscription to their base digital subscription. This is primarily a Canadian program today and expansion into the U.S. market in 2022 is a key goal.

With the growth in the Company's fertility service subscriptions this year, the Company is expecting a stronger fourth quarter in 2021 compared to the fourth quarter of 2020. Digital agronomy revenues are expected to be approximately 33% higher than those reported in the fourth quarter of 2020. However, if adverse weather conditions impede soil sampling activities, some of the fertility services may be held over and completed in the first quarter of 2022.

The Company is also integrating the CommodityAg acquisition and is forecasting gross revenues from CommodityAg of approximately US\$12 million over the next twelve months. Tight supply chains in the U.S. may impact the Company's ability to source sufficient product. With the seasonality of the CommodityAg business, higher levels of sales typically occur in the first and second calendar quarters. Normalized gross margins on CommodityAg are expected to be in the 7%-10% range, depending on the mix between direct and third-party business, and the impact of tight supply chains for the upcoming crop season.

Success with the actions above while maintaining strong cost control measures should significantly reduce the EBITDA loss and Free Cash Flow deficiencies in the upcoming quarters so that the Company may achieve break-even Free Cash Flow in the medium term.

LIQUIDITY AND CAPITAL RESOURCES

The Company's balance sheet and capital structure changed significantly during the first quarter of 2021 with the successful initial public offering that closed in March 2021, including the overallotment subscription. The impact of the initial public offering resulted in a much stronger balance sheet to fund the Company's growth over the medium term.

Since its initial public offering, the Company's Free Cash Flow has largely been deployed to fund operating expenses and capital expenditures associated with the Company's subscription hardware. Free Cash Flow deployed on a trailing twelve-month basis to the end of September 2021, was a loss of \$40.9M, which includes Free Cash Flow deployed in the fourth quarter of 2020 of \$4.1 million. Included in Free Cash Flow in the fourth quarter of 2020 were total partner subsidies and commercial contract revenues of \$7.0 million and government grants of \$2.8 million. Therefore, after adjusting for these items, Free Cash Flow deployed for the fourth quarter of 2020 was \$13.9 million. The Company expects that Free Cash Flow deployed for the fourth quarter of 2021 will be in the range of \$5 million to \$10 million, given higher Digital agronomy revenues expected in the fourth quarter of this year.

The Company expects cash flow requirements to also be significantly lower in fiscal 2022, driven largely by incremental revenue from the strong pipeline of new fertility acres, the conversion of PGP acres in 2022 to paid acres, the new revenue on its carbon and insurance product initiatives, new international acres expected to be added next year outside of the PGP program and the revenue from the conversion of the 2020 Elite acres. Furthermore, with the Company's cost structure largely fixed, this additional revenue is expected to reduce the cash burn rate over the next twelve months. The Company's cash position at the end of September 2021 was \$69.8 million and based on its current forecasts expects to have sufficient cash reserves until such time as it becomes cash flow positive.

The Company is not subject to any externally imposed capital requirements.

Sources and Uses of Cash

The Company's sources and uses of cash for the three and nine months ended September 30, 2021 and 2020 are summarized below:

<i>in thousands</i>	Three Months Ended		Change	Nine Months Ended		Change
<i>for the periods ended September 30</i>	2021	2020		2021	2020	
Issuance of convertible debentures	\$—	\$18,000	\$(18,000)	\$—	\$42,500	\$(42,500)
Net repayment of long-term debt	—	500	(500)	(3,000)	500	(3,500)
Issue of common shares, net of issuance costs	—	53	(53)	134,732	53	134,679
Repayment of right-of-use obligations	(715)	(793)	78	(2,254)	(2,285)	31
Net cash (used) provided by financing activities	\$(715)	\$17,760	\$(18,475)	\$129,478	\$40,768	\$88,710
EBITDA ⁽¹⁾	\$(16,323)	\$(12,190)	\$(4,133)	\$(33,684)	\$(42,375)	\$8,691
Free Cash Flow ⁽¹⁾	\$(17,266)	\$(11,253)	\$(6,013)	\$(36,797)	\$(47,176)	\$10,379

(1) EBITDA and Free Cash Flow are non-IFRS measures. See "Key Performance Indicators and Non IFRS Measures". A reconciliation of EBITDA is in "Operating Highlights" and a reconciliation of Free Cash Flow is in "Results of Operations" section of this MD&A.

The closing of the initial public offering in the first quarter was the main contributor to the Company's net cash provided by financing activities for the nine-month period in 2021. The Company used the net proceeds to repay long-term debt, including accrued interest that was outstanding plus the \$11.0 million of new non-convertible debt it drew in the first quarter of 2021. In the comparative period, the Company used convertible debentures for funding operations and negative Free Cash Flow.

The factors leading to the improvements in EBITDA and Free Cash Flow in the current period are described in "Results of Operations".

Key Working Capital Items

The Company's cash position as at September 30, 2021 was \$69.8 million. The Company's non-cash working capital position as at September 30, 2021 and December 31, 2020 are summarized below:

<i>in thousands</i>		
<i>as at</i>	September 30,	December 31, 2020
	2021	
Accounts Receivable	\$14,511	\$18,548
Less: Deferred Revenue	(766)	(7,405)
Net	\$13,745	\$11,143
Inventories	1,431	—
Prepaid expenses	2,356	1,562
Accounts payable and accrued liabilities	(14,147)	(35,339)
Non-Cash working capital	\$3,385	\$(22,634)

The Company's accounts payable and accrued liabilities decreased mainly as a result of the settlement of the US \$15.0 million liability for satellite imagery that occurred in the second quarter of 2021. Accounts receivable and deferred revenue balances are typically higher at the end of December due to the increased invoicing for fertility contracts at the end of the year.

Inventories reflect crop input inventories in the newly acquired CommodityAg.

Credit Facilities and Long-Term Debt

The Company had a \$0.9 million demand facility for the funding of its corporate credit card program, secured by a \$1.0 million pledge of the Company's cash deposits. In January 2021, the Company decreased the size of the demand facility to \$0.65 million and the size of pledge to \$0.4 million.

The Company's long-term debt of \$0.9 million relates to a loan from Western Economic Diversification Canada and is repayable in monthly installments commencing in January 2023 and ending in December 2025. No interest is charged on the loan if it is repaid by the December 2025 maturity date.

Convertible Debt Financing

The majority of the Company's financing during its development and growth over the last few years consisted of the issuance of convertible debentures to related parties. All outstanding convertible debentures of the Company had a mandatory conversion feature that provided that all outstanding principal and accrued interest be converted to Common Shares immediately prior to the completion of an initial public offering.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements as of the date of this MD&A.

RELATED PARTY TRANSACTIONS

The Company has no related party transactions other than those described in Note 12 to the Financial Statements for the third quarter of 2021. The related party transactions of the Company are in the normal course of operations pertaining to shareholder financing, for revenue earned with another subsidiary of a shareholder and for the compensation of directors and key management who are designated as related parties. As described above, the Company's capital structure changed with the initial public offering, which included certain shareholders of the Company converting all outstanding convertible debentures into common shares and exercising all warrants. Consequently, the Company has no convertible debentures outstanding as at the time of this report that will incur interest.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The accounting policies used in determining the results for the third quarter of 2021 and the comparative period that are discussed and analyzed in this report are described in detail in Note 3 of the Company's audited consolidated financial statements for the year ended December 31, 2020 and Note 3 to the unaudited condensed interim consolidated financial statements for the period ended September 30, 2021 and should be read in conjunction with these statements.

The preparation of unaudited condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these unaudited condensed interim consolidated financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the audited consolidated financial statements as at and for the year ended December 31, 2020 except as described in the Financial Statements.

DISCLOSURE AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining adequate disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR").

DC&P refers to controls and other procedures designed to ensure that information required to be disclosed in the reports we file or submit under securities legislation is recorded, processed, summarized and reported within the time frame specified in applicable securities legislation.

Our ICFR is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Our management under the supervision of our CEO and CFO has evaluated the design of our ICFR based on the Internal Control – Integrated Framework issued in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission.

Management, including our CEO and CFO, does not expect that our DC&P and ICFR will prevent or detect all errors and all fraud or will be effective under all future conditions. A control system is subject to inherent limitations and even those systems determined to be effective can provide only reasonable, but not absolute, assurance that the control objectives will be met with respect to public disclosure filings and financial statement preparation and presentation.

National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109") requires our CEO and CFO to certify that they are responsible for establishing and maintaining DC&P and ICFR and that those internal controls have been designed and are effective in providing reasonable assurance regarding public disclosure filings and the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. Our CEO and CFO are also responsible for disclosing any changes to our internal controls during the most recent period that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. As at September 30, 2021, management assessed the design of our ICFR and concluded that our ICFR is appropriately designed and there are no material weaknesses that have been identified.

The Company has limited the scope of design of its DC&P and ICFR to exclude controls, policies and procedures of CommodityAg which was acquired on August 12, 2021, the financial performance of which is included in our September 30, 2021 interim financial statements. The scope limitation is in accordance with section 3.3(1)(b) of NI 52-109 which allows an issuer to limit its design of DC&P and ICFR to exclude controls, policies and procedures of a business that the issuer acquired not more than 365 days before the end of the fiscal period.

The tables below presents the summary financial information of CommodityAg:

<i>in thousands of Canadian dollars</i>	As at
	September 30, 2021
Current assets	1,532
Non-current assets	516
Current liabilities	882
Non-current liabilities	579

<i>in thousands of Canadian dollars</i>	Nine months ended
	September 30, 2021⁽¹⁾
Revenues	336
Expenses	664
Net loss	(328)

(1) Reflects results from the date of acquisition of August 12, 2021

RISK AND UNCERTAINTIES

In addition to the risks identified in this section and elsewhere in this MD&A, a number of factors that could cause actual results to vary significantly from the results discussed herein are noted in the Company's Annual Information Form, filed on March 29, 2021, a copy of which is available on SEDAR at www.sedar.com. There were no changes to the Company's principal risks and uncertainties from those reported in the Company's Annual Information Form. With the recently launched carbon program, certain of the risks noted in our Annual Information Form should also be read and adapted to reflect our activities in verifying, aggregating and selling carbon offsets. Such risks include, but are not limited to, risks around increasing sales of subscriptions and other products to growers, attracting new customers to our business analytic solutions, including buyers for our carbon offsets, competitive risk, the risk of operating in international markets, (including currency exchange risk, governmental or regulatory risk, and other political risks), among others. In particular, readers should also reference the risks enumerated under the heading "Our success depends on our ability to continue to enhance products and develop new products and services" in our Annual Information Form. The occurrence of any of such risks, or other risks not presently known to the Company or that the Company currently believes are immaterial, could materially and adversely affect the Company's results of operations, cash flows or financial condition.

KEY PERFORMANCE INDICATORS & NON-IFRS MEASURES

Key Performance Indicators ("KPI")

KPIs help the Company evaluate its business activities, measure performance, identify key trends affecting the business, formulate business plans and make key strategic decisions. Investors are cautioned that the Company's KPIs should not be viewed as an alternative to measures that are recognized under IFRS. The Company's KPIs may be calculated in a manner different than similar KPIs used by other companies and therefore may not be comparable to such measures.

Subscribed Acres means the aggregate of all Digital Agronomy Acres and Other Acres, including both new and renewal acres as measured at each reporting date. Digital Agronomy Acres are the subject of a contract with a grower and are priced on a per acre basis. Other acres typically include specialty products provided for fees that do not always correlate to acres subscribed, and can include those acres under fixed fee arrangements, product offerings that have a term of less than one year, and acres subscribed under its Business Analytics Solutions platform. The Company views Subscribed Acres as an important metric since these acres are expected to contribute to the revenue of the Company.

Annual Recurring Revenue (“ARR”) measures the expected annualized subscription revenue associated with the Company’s contracts at the end of a reporting period. The recurring nature of the Company’s revenue provides high visibility into future performance. However due to the revenue recognition policies under IFRS for Subscribed Acres, new acres may not immediately contribute to quarterly or annual revenues, depending on the timing and type of the new acres signed. The Company assesses its ARR at the end of each reporting period to reflect the expected annualized revenue associated with its committed contracts at a point in time. ARR includes carbon offset revenues from acres under contract with the Smart Carbon program. The carbon offset revenue potential is added to ARR by using the estimated carbon offsets created on an annual basis at an estimate of the market value for carbon offsets in a voluntary marketplace, excluding any additional years of carbon offsets that may accrue if multiple years are serialized. ARR also excludes any sales revenues associated with CommodityAg, as the revenues generated in that business are not based on a subscription model.

ARR is measured by taking the annual contract value at each period end date and adjusting for any committed recurring discounts or premiums on the contract and excluding any first-year discounts, including those under the Progressive Grower program or those that are expected to be recovered upon a sale of carbon offsets. Contracts denominated in a foreign currency are translated to Canadian dollars based on the period end exchange rate. Management believes that ARR is a good predictor of its future revenue streams. Recurring revenue may fluctuate by the amount and timing of acre changes or cancellations on subscribed contracts and by the foreign exchange impact of contracts held in foreign operations. For Subscribed Acres in the Progressive Grower program, ARR excludes the potential future upsell of converting to fertility contracts that would increase recurring revenue and excludes the potential lower recurring revenue as a result of an opt-out option exercised by the grower.

Non-IFRS Measures

The information presented within this MD&A includes certain financial measures such as EBITDA and Free Cash Flow. These are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather these measures are provided as additional information to complement IFRS measures by providing a further understanding of the Company’s results of operations from management’s perspective, and to discuss the Company’s financial outlook. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of the Company’s financial information reported under IFRS. The definitions of these measures will likely differ from those used by other companies.

EBITDA is the operating loss before foreign exchange, depreciation and amortization as set out in the Company’s consolidated statement of operations and comprehensive loss in the financial statements. We use the term EBITDA interchangeably with the term operating loss before foreign exchange, depreciation and amortization. The Company’s management and Board use this measure to evaluate consolidated operating results. In addition, this measure is used to make operating decisions as it is an indicator of the performance of the business and how much cash is being used by the Company and assists in determining resource allocation decisions. This measure may not be comparable to similar measures presented by other companies. See reconciliation under “*Operating Highlights*”. The Company may also reference Adjusted EBITDA at certain times to highlight unusual items impacting EBITDA in the period.

Free Cash Flow is EBITDA as defined above, adjusted for government grant income, non-cash stock-based compensation expense, net additions to property and equipment and intangible assets, repayment of right-of-use obligations, and any unusual non-recurring items. See reconciliation in “*Results of Operations*”.

Free Cash Flow is useful as a performance measure to analyze the cash used in operations before the seasonal impact of changes in working capital items or other unusual items.

SELECTED QUARTERLY INFORMATION

The following summary reflects quarterly results of the Company for the past two years:

<i>in thousands, except per share amounts</i>	2021 Quarters			2020 Quarters			2019 Quarters	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenues	\$6,824	\$6,150	\$9,883	\$19,120	\$10,334	\$9,053	\$7,374	\$6,696
EBITDA ⁽¹⁾	(16,323)	(9,008)	(8,353)	(4,597)	(12,190)	(13,515)	(16,669)	(17,729)
Net Loss	(19,359)	(9,993)	(17,264)	(17,078)	(19,857)	(18,965)	(28,733)	(34,104)
-per share basic ⁽²⁾	(0.46)	(0.24)	(0.81)	(1.55)	(2.01)	(1.93)	(2.91)	(3.46)
-per share fully diluted ⁽²⁾	(0.46)	(0.24)	(0.81)	(1.55)	(2.01)	(1.93)	(2.91)	(3.46)
Free Cash Flow ⁽¹⁾	(17,266)	(9,266)	(10,265)	(4,081)	(11,253)	(13,682)	(22,241)	(24,518)

(1) EBITDA and Free Cash Flow are non-IFRS measures. See "Key Performance Indicators and Non-IFRS Measures." A reconciliation of these measures is in "Operating Highlights." and in "Results of Operations" in this MD&A.

(2) Adjusted retrospectively to reflect the consolidation of common shares on a 7:1 basis.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is on SEDAR at www.sedar.com.

APPENDIX A - CAUTION REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking information" within the meaning of applicable securities laws. Particularly, information regarding our expectations of future results of operations, performance, business prospects, and opportunities of the Company, including the planned further expansion into the carbon credit market, and the anticipated benefits therefrom, is forward-looking information. Discussions containing forward-looking information may be found, among other places, under "Business Overview", "Outlook", "Liquidity and Capital Resources" and "Risk Factors". In some cases, forward-looking information can be identified by the use of forward-looking terminology such as "anticipate", "believe", "continue", "could", "expect", "intend", "plan", "will" or variations of such words or similar expressions suggesting future conditions or events. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events or circumstances.

The forward-looking information contained in this MD&A is based on management's opinions, estimates and assumptions in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe to be appropriate and reasonable in the circumstances. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. Certain assumptions in respect of our anticipated growth prospects, including growth in new Business Analytic products, such as sales of financial services products and the sale of carbon offsets, the state of the agricultural industry and global economy, and the expected impact and adoption of digital tools by farmers are material factors in preparing the forward-looking information and management's expectations contained in this MD&A.

The forward-looking information contained in this MD&A represents management's expectations as at November 11, 2021 and is subject to change after such date.

Forward-looking information is subject to known and unknown risks and uncertainties and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including the factors discussed under "Forward-Looking Information" and "Risk Factors" in the Company's annual information form dated March 29, 2021 and under "Risk and Uncertainties" above. The Company cautions that the list of risk factors and uncertainties is not exhaustive and other factors could also adversely affect the

Company's results. Readers are urged to consider the risks, uncertainties and assumptions associated with these statements carefully in evaluating the forward-looking information and are cautioned not to place undue reliance on such information. The Company does not undertake any obligation to update such forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities laws in Canada.



Farmers Edge Inc.

Unaudited Condensed Interim Consolidated Financial Statements
September 30, 2021

Farmers Edge Inc.

Condensed Interim Consolidated Balance Sheets (unaudited, expressed in thousands of Canadian dollars)

As at	September 30, 2021	December 31, 2020
Assets		
Cash	\$ 69,758	\$ 6,072
Accounts receivable	14,511	18,548
Inventories	1,431	—
Prepaid expenses and other current assets	2,356	1,562
Current assets	88,056	26,182
Property and equipment	32,357	31,321
Intangible assets	20,965	20,866
Goodwill	6,127	1,115
	59,449	53,302
Total assets	\$ 147,505	\$ 79,484
Liabilities		
Accounts payable and accrued liabilities	\$ 14,147	\$ 35,339
Deferred revenue	766	7,405
Current portion of right-of-use obligations	2,802	2,334
Current portion of long-term debt (note 7)	—	3,000
Current portion of convertible debentures and accrued interest (note 8)	—	318,049
Current liabilities	17,715	366,127
Right-of-use obligations	3,643	3,852
Long-term debt (note 7)	924	908
Other long-term liabilities (note 13)	2,243	—
	6,810	4,760
Total liabilities	24,525	370,887
Shareholders' equity (deficiency)		
Share capital (note 9)	613,773	129,701
Equity component of debentures (note 8)	—	23,411
Contributed surplus	5,124	5,325
Accumulated other comprehensive loss	(3,279)	(1,770)
Long-term incentive plan reserve (note 10)	2,048	—
Deficit	(494,686)	(448,070)
Total shareholders' equity (deficiency)	122,980	(291,403)
Total liabilities and shareholders' equity (deficiency)	\$ 147,505	\$ 79,484
Contingencies (note 15)		

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Farmers Edge Inc.

Condensed Interim Consolidated Statements of Operations and Comprehensive Loss

(unaudited, expressed in thousands of Canadian dollars except per share figures)

For the periods ended September 30	Three Months Ended		Nine Months Ended	
	2021	2020	2021	2020
Revenues (note 5)	\$ 6,824	\$ 10,334	\$ 22,857	\$ 26,760
Operating expenses				
Cost of revenue (excluding depreciation, amortization and data and technology infrastructure expenses)	9,382	7,352	24,838	23,703
Data and technology infrastructure expenses (note 2)	3,537	7,484	1,440	22,270
Selling and marketing expenses	3,912	3,022	9,307	9,449
Product research and development expenses	2,154	1,069	5,543	3,672
General and administrative expenses	4,162	3,597	15,413	10,041
Operating loss before foreign exchange, depreciation and amortization	(16,323)	(12,190)	(33,684)	(42,375)
Foreign exchange (gain) loss	(815)	193	(2,595)	552
Depreciation of property and equipment	2,634	2,591	7,669	7,240
Amortization of intangible assets	2,010	2,051	5,677	5,487
Operating loss	(20,152)	(17,025)	(44,435)	(55,654)
Finance costs	155	9,502	7,586	25,190
Other income (note 6)	(948)	(6,670)	(5,405)	(13,289)
Loss before income tax expense	(19,359)	(19,857)	(46,616)	(67,555)
Income tax expense (note 11)	—	—	—	—
Net loss	\$ (19,359)	\$ (19,857)	\$ (46,616)	\$ (67,555)
Loss per share - basic and diluted (note 11)	\$ (0.46)	\$ (2.01)	\$ (1.33)	\$ (6.85)
Other comprehensive loss				
Net loss	(19,359)	(19,857)	(46,616)	(67,555)
Items that are or may be reclassified to profit or loss				
- Foreign currency translation differences of foreign operations, net of tax (nil)	(578)	(417)	(1,509)	(1,268)
Total comprehensive loss	\$ (19,937)	\$ (20,274)	\$ (48,125)	\$ (68,823)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Farmers Edge Inc.

Condensed Interim Consolidated Statements of Cash Flows

(unaudited, expressed in thousands of Canadian dollars)

For the periods ended September 30	Three Months Ended		Nine Months Ended	
	2021	2020	2021	2020
Operating activities				
Net loss for the period	\$ (19,359)	\$ (19,857)	\$ (46,616)	\$ (67,555)
Items not affecting cash and cash equivalents:				
Depreciation of property and equipment	2,634	2,591	7,669	7,240
Amortization of intangible assets	2,010	2,051	5,677	5,487
Accretion in convertible debentures	—	573	631	1,911
Accretion in long term debt	5	—	16	—
Accrued interest on convertible debentures	—	8,764	6,481	22,746
Unrealized foreign exchange (gain) loss	(705)	(86)	(1,441)	173
Gain on disposal of property and equipment	(58)	(39)	(204)	(97)
Accretion on other long-term liabilities	61	—	61	—
Gain on settlement of supply agreement (note 2)	—	—	(8,172)	—
Stock-based compensation (note 10)	842	226	2,616	619
	(14,570)	(5,777)	(33,282)	(29,476)
Changes in operating assets and liabilities:				
Accounts receivable	(691)	(550)	4,051	2,630
Prepaid expenses and other current assets	52	(118)	(757)	852
Inventories	(626)	—	(626)	—
Accounts payable and accrued liabilities	1,353	2,350	(13,593)	5,760
Deferred revenue	(1,476)	(5,181)	(6,639)	(2,674)
Net cash used in operating activities	(15,958)	(9,276)	(50,846)	(22,908)
Investing activities				
Additions to property and equipment	(1,069)	(2,430)	(6,257)	(8,043)
Additions to intangible assets	(846)	(2,728)	(2,880)	(8,104)
Acquisition, net of cash acquired (note 4)	(5,969)	—	(5,969)	—
Proceeds from disposal of property and equipment	59	39	233	137
Net cash used in investing activities	(7,825)	(5,119)	(14,873)	(16,010)
Financing activities				
Repayment of right-of-use obligations	(715)	(793)	(2,254)	(2,285)
Repayment of long-term debt	—	—	(14,000)	—
Proceeds from long-term debt	—	500	11,000	500
Issuance of convertible debentures	—	18,000	—	42,500
Issuance of shares (note 9)	—	53	145,462	53
Share issuance costs (note 9)	—	—	(10,730)	—
Net cash (used) provided from financing activities	(715)	17,760	129,478	40,768
Effect of foreign exchange rate on cash	(13)	(30)	(73)	(163)
Net (decrease) increase in cash during the period	(24,511)	3,335	63,686	1,687
Cash - Beginning of period	94,269	3,127	6,072	4,775
Cash - End of period	\$ 69,758	\$ 6,462	\$ 69,758	\$ 6,462
Interest paid	\$ 65	\$ 74	\$ 216	\$ 245
Income taxes paid	—	—	—	—

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Farmers Edge Inc.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (deficiency) (unaudited, expressed in thousands of Canadian dollars)

	Share capital	Equity component of debentures	Contributed surplus	Accumulated other comprehensive loss	Long-term incentive plan reserve	Deficit	Total shareholders' equity (deficiency)
Balance as at December 31, 2019	\$ 124,758	\$ 24,343	\$ 4,519	\$ (558)	\$ —	\$ (363,437)	\$ (210,375)
Total comprehensive loss	—	—	—	(1,268)	—	(67,555)	(68,823)
Exercise of stock options	77	—	(24)	—	—	—	53
Stock-based compensation (note 10)	—	—	619	—	—	—	619
Issuance of convertible debentures	—	3,645	—	—	—	—	3,645
Balance as at September 30, 2020	\$ 124,835	\$ 27,988	\$ 5,114	\$ (1,826)	\$ —	\$ (430,992)	\$ (274,881)
Balance as at December 31, 2020	\$ 129,701	\$ 23,411	\$ 5,325	\$ (1,770)	\$ —	\$ (448,070)	\$ (291,403)
Total comprehensive loss	—	—	—	(1,509)	—	(46,616)	(48,125)
Exercise of stock options (note 9)	2,041	—	(769)	—	—	—	1,272
Stock-based compensation (note 10)	—	—	568	—	2,048	—	2,616
Conversion of convertible debentures (note 8, 9)	339,687	(14,527)	—	—	—	—	325,160
Exercise of warrants (note 9)	8,886	(8,884)	—	—	—	—	2
Issuance of shares (note 9)	144,188	—	—	—	—	—	144,188
Share issuance costs (note 9)	(10,730)	—	—	—	—	—	(10,730)
Balance as at September 30, 2021	\$ 613,773	\$ —	\$ 5,124	\$ (3,279)	\$ 2,048	\$ (494,686)	\$ 122,980

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Farmers Edge Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited, in thousands of Canadian dollars except as otherwise indicated)

1. Corporate information

Farmers Edge Inc. ("the Company") was formed on August 21, 2014 under the Manitoba Corporations Act. The Company's registered offices are located at 242 Hargrave Street, Suite 1700, Winnipeg, Manitoba, Canada. The Company provides advanced digital tools to growers and other key participants in the agricultural value chain. The Company's technology platform, FarmCommand, integrates remote imagery from satellites with other data sources including equipment and field sensors, on-farm weather stations, and detailed soils data to provide growers with specific decision tools and insights on their fields. Growers may also access the Company's e-commerce platform to purchase the Company's suite of solution products and other crop inputs available through this online marketplace.

On March 3, 2021, the Company completed an initial public offering ("IPO") and its shares began trading on the Toronto Stock Exchange under the symbol "FDGE".

The Company's interim results are impacted by seasonality factors that generally affect the agriculture industry. In North America, harvest traditionally occurs in the last four months of the calendar year and planting typically occurs in the second quarter of the calendar year. Certain subscriptions have revenues recognized in line with those seasonal services when the service is provided but most are recognized evenly over the life of the contract and over the reporting period. The Company generally experiences increased seasonal labour costs shortly after harvest is completed. The Company issues to its customers sales invoices semi-annually or annually in advance, in April and October each year for its Digital Agronomy Solutions and similarly Fertility Solutions subscription invoices are issued in either August or December. The accounting for fertility services performed results in seasonal revenue recognition which are traditionally primarily in the fourth quarter and first quarter when the services are completed. Revenue on the sale of carbon offsets to third parties may also vary depending on the timing of serialization and market conditions.

2. Basis of presentation

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

On March 2, 2021, the Company consolidated all the outstanding common shares, warrants and stock options on a 7:1 basis (notes 9, 10 and 11). All references to common shares and per share data presented in these financial statements have been retrospectively adjusted to reflect the consolidation of common shares on a 7:1 basis unless otherwise noted.

These unaudited condensed interim consolidated financial statements include the accounts of the Company and all of its subsidiaries as follows:

	Country of Incorporation	Ownership interest (directly and indirectly)
Farmers Edge (US), Inc.	United States	100%
CommoditAg, LLC	United States	100%
DigiAg Risk Management (US), LLC	United States	100%
DigiAg Risk Management Inc.	Canada	100%
7050160 Manitoba Inc.	Canada	100%
Farmers Edge (Brasil) Consultoria Em Atividades Agricolas Ltda.	Brazil	100%
Farmers Edge Australia PTY Ltd.	Australia	100%
Farmers Edge LLC	Russia	100%
Farmers Edge Ukraine LLC	Ukraine	100%

Farmers Edge Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited, in thousands of Canadian dollars except as otherwise indicated)

Statement of compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34 *Interim Financial Reporting* and do not include all of the information required for full annual consolidated financial statements.

These unaudited condensed interim consolidated financial statements were approved by the Company's Board of Directors on November 11, 2021.

Use of estimates and judgments

The preparation of the unaudited condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these unaudited condensed interim consolidated financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the audited consolidated financial statements as at and for the year ended December 31, 2020, except for the following:

Satellite Imagery Contract Settlement and Renewal

During the second quarter of 2021, the Company entered an agreement with a satellite imagery provider to provide the Company with satellite imagery services up to the first quarter of 2024. In conjunction with this agreement, the Company settled an amount owing of \$18,066 recorded within accounts payable and accrued liabilities which related to a prior agreement with the same satellite imagery provider. Judgement was necessary in determining the appropriate allocation of the combined cash flows to the settlement of the existing liability under the prior agreement and the cost of the future imagery services to be provided under the new agreement.

Management determined the fair value of the services to be provided under the new agreement by using comparable market values on an annual per acre basis. The estimated fair value of the services to be provided under the new agreement was used to allocate a portion of the combined cash flows to the cost of the future imagery services to be provided, with the residual of the combined cash flows being allocated to the settlement of the prior agreement. This allocation resulted in the Company recording a gain on settlement relating to the prior agreement of \$8,172 in the second quarter of 2021 in data and technology infrastructure expenses in the Company's Statement of Operations. A change in the estimated fair value of the future services that are to be provided would result in a change to the settlement gain recorded in the current period as well as future data and technology infrastructure expenses.

Operating loss before foreign exchange, depreciation and amortization

The Company presents, as an additional IFRS measure, operating loss before foreign exchange, depreciation and amortization in the unaudited condensed interim consolidated statement of operations to assist users in assessing financial performance. The Company's management and the Board use this measure to evaluate consolidated operating results. In addition, this measure is used to make operating decisions as it is an indicator of the performance of the business and how much cash is being used by the Company and assists in determining resource allocation decisions. Operating loss before foreign exchange, depreciation and amortization is referred to as an additional IFRS measure and may not be comparable to similar measures presented by other companies.

Farmers Edge Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited, in thousands of Canadian dollars except as otherwise indicated)

3. Significant accounting policies

These unaudited condensed interim consolidated financial statements follow the same significant accounting policies as described and used in the Company's audited consolidated financial statements for the year ended December 31, 2020 and should be read in conjunction with these statements except for the following:

Stock-based Compensation

Restricted Share Units ("RSUs") and Performance Share Units ("PSUs") were awarded in March 2021 and will be settled with common shares of the Company. The RSUs vest at the end of 36 months. The PSUs vest at the end of 48 months and upon the achievement of certain non-market financial performance conditions. As well, during August 2021 the Company awarded additional RSUs, which will vest by one third each year over the next three years.

The grant date fair values equals the share price on the grant date of the RSUs and PSUs and are recognized as an expense, with a corresponding increase in equity (Long-term incentive plan reserve), over the vesting period. The amount recognized as an expense is based on the estimate of the number of awards expected to vest, which is revised if subsequent information indicates that actual forfeitures or the achievement of performance conditions are likely to differ from the estimate. No related tax benefit has been recorded in these financial statements.

Inventories

Inventories are measured at the lower of cost and net realizable value and consists primarily of crop inputs for resale. The cost of inventories is based on the first-in first-out principle, and includes expenditures (net of supplier rebates) incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less selling expenses. The costs of inventories sold during the three and nine month periods ended September 30, 2021 of \$278 and \$278, respectively (2020 - \$nil and \$nil respectively) was included in cost of revenue on the unaudited condensed interim consolidated statements of operations and comprehensive loss.

Revenue

As a result of the acquisition of CommodityAg, LLC (note 4) the Company now recognizes revenue from the sale of certain crop input products. This revenue is measured at the fair value of the consideration received or receivable and is recognized at a point in time when control has transferred to the customer. The timing of control transfer varies depending on the individual terms of the sales agreement. Generally, revenue recognition requirements are met when title to the products has transferred to the customer. Revenue from the sales of crop inputs is presented as Other (crop input sales and agronomic services) in Note 5.

Intangible assets

Certain intangible assets were acquired in the CommodityAg, LLC purchase (see note 4). These intangibles are considered to have finite lives and are amortized as follows:

Software (includes e-commerce platform)	5 years	Straight Line
Customer relationships	20%	Declining Balance
Non-compete agreements	3 years	Straight Line

Farmers Edge Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited, in thousands of Canadian dollars except as otherwise indicated)

Business Combinations

The Company's business acquisitions have been accounted for using the acquisition method of accounting. Under the acquisition method, the acquiring company adds to its balance sheet the estimated fair values of the acquired company's assets and assumed liabilities. There are various assumptions made when determining the fair values of the acquired company's assets and assumed liabilities. The most significant assumptions and those requiring the most judgment involve the estimated fair values of intangible assets. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred and the liabilities incurred to the former owners of the subsidiary and the equity interests issued by the Company, if applicable.

The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Any contingent consideration to be transferred by the Company is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration liability is generally recognized in profit or loss.

The initial recognition of intangible assets acquired that require critical accounting estimates were customer relationships, e-commerce platform and non-compete agreements. To determine the fair value of customer relationships and the non-compete agreements, the Company used the comparative income differential method. This valuation technique values the intangible asset by estimating the cash flows and value of the business without the intangible asset and comparing that calculated value to the value of business with the intangible asset. Significant assumptions include, among others, the determination of projected revenues and expenses, cash flows, customer retention rates, discount rates and anticipated average income tax rates. To determine the fair value of the e-commerce platform, the Company used the reproduction cost method. This valuation technique values the intangible asset by estimating all the costs a typical market participant would incur to generate an exact replica of the intangible asset in the context of the acquired business. This includes the cost of being out of market while the intangible asset is being reproduced. Significant assumptions include, among others, the estimated hours and estimated hourly rate that would be incurred to reproduce the intangible asset to its exact state as of the date of acquisition, and the estimated time and reduction in cash flow while being out of market.

The Company's liabilities for contingent consideration associated with the earn out portion of its acquisitions is reassessed each period end subsequent to the related acquisition. The carrying value of the liability is based on an estimate of both the amount of the potential payment and the probability that the earn out will be paid.

4. Acquisitions

Acquisition of CommodityAg, LLC

On August 12, 2021 ("date of acquisition"), the Company acquired 100% of the outstanding units of CommodityAg, LLC. ("CommodityAg"). CommodityAg partners with local retailers to offer farmers a differentiated, comprehensive, and convenient online marketplace with access to various products and technologies. The CommodityAg acquisition also gives the Company access to the customer base of CommodityAg to facilitate additional sales of its core FarmCommand software platform and other ancillary services.

The components of the consideration paid to acquire CommodityAg are outlined in the table below.

Consideration given:

Cash	\$	6,041
Estimated working capital settlement		1
Contingent consideration		2,144
Total purchase consideration	\$	8,186

Farmers Edge Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited, in thousands of Canadian dollars except as otherwise indicated)

The purchase price included an initial payment of cash to the vendors, plus a multi-year earn-out if certain sales growth performance targets are met in the e-commerce business for the twelve-month periods ending August 31, 2022, 2023 and 2024. The maximum earn-out that can be achieved by the vendors is U.S. \$7,200. The contingent consideration recorded by the Company reflects the estimated discounted liability related to the performance targets, which was assessed as of the date of acquisition, translated into Canadian dollars.

The preliminary purchase price allocation is summarized in the table below and will be finalized as part of the December 31, 2021 financial statements when the final settlement of working capital and other post-closing adjustments will occur.

Fair value of assets acquired:

Cash	\$	72
Accounts receivable		14
Inventory		805
Prepaid expenses and deposits		36
Intangible assets		2,816
		<u>3,743</u>

Less fair value of liabilities assumed:

Accounts payable and accrued liabilities		500
Deferred revenue		69
		<u>569</u>

Fair value of identifiable net assets acquired

Goodwill		3,174
		<u>5,012</u>
Total purchase consideration	\$	<u>8,186</u>

Of the \$2,816 acquired intangible assets, \$930 was assigned to the value of customer relationships, \$879 was assigned to the software related to the e-commerce platform and \$1,007 was assigned to the value of the non-compete agreements. The customer relationships, e-commerce platform, and non-compete agreements are subject to amortization in accordance with the accounting policy outlined in note 3. The goodwill is attributable to the expected ability of the Company to generate FarmCommand and other ancillary sales within the existing CommoditAg market and customer base, the skilled workforce, expansion capabilities into other geographies, and the synergies of the combined business.

5. Revenue

The disaggregation of the Company's revenue from contracts with customers was as follows:

For the periods ended September 30	Three Months Ended		Nine Months Ended	
	2021	2020	2021	2020
Digital Ag and Fertility solutions subscriptions	\$ 5,353	\$ 8,704	\$ 19,321	\$ 23,854
Business analytics solutions	856	625	2,504	1,549
Commercial contract revenue	—	785	—	785
Other (crop input sales and agronomic services)	615	220	1,032	572
Total revenue	\$ 6,824	\$ 10,334	\$ 22,857	\$ 26,760

The Company discloses revenue by geographic area in note 14.

The Digital Ag and Fertility solutions subscription revenue included subsidies received from channel partners in North America. The subsidies for the three and nine month periods ended September 30, 2021 were \$400 and \$2,416, respectively (2020 - \$2,619 and \$4,084, respectively).

Farmers Edge Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited, in thousands of Canadian dollars except as otherwise indicated)

6. Other Income

For the periods ended September 30	Three Months Ended		Nine Months Ended	
	2021	2020	2021	2020
Government subsidies and financial assistance	\$ 786	\$ 6,623	\$ 4,960	\$ 12,875
Gain on disposal of property and equipment	58	39	204	97
Other	104	8	241	317
	<u>\$ 948</u>	<u>\$ 6,670</u>	<u>\$ 5,405</u>	<u>\$ 13,289</u>

The Company has fulfilled all conditions set out in the terms of the government funding and no related contingencies exist.

7. Long-term debt

	September 30, 2021	December 31, 2020
Loan - Western Economic Diversification Canada	\$ 924	\$ 908
Promissory note	—	3,000
	<u>924</u>	<u>3,908</u>
Less: current portion	—	(3,000)
	<u>\$ 924</u>	<u>\$ 908</u>

The Company's promissory note of \$3,000, held by Fairfax Shareholders, bore interest at 12% per year and had a maturity of June 30, 2021 and was repaid using the Company's net proceeds from its IPO on March 3, 2021.

On January 5, 2021, the Company entered into a short-term debenture financing agreement with the Fairfax Shareholders which provided the Company with up to \$11,000 of financing to cover estimated operational cash flow requirements for the first quarter of 2021. In January 2021, \$5,000 was drawn from this debenture with another \$6,000 drawn in February 2021. This debenture bore an 8% interest rate per annum. The principal and accrued interest related to the debenture was repaid on March 3, 2021 with the proceeds of the IPO.

8. Convertible Debentures

On March 2, 2021, all of the principal and accrued interest relating to the outstanding convertible debentures, in the amount of \$326,483 was converted to 136,034,435 common shares at a \$2.40 conversion price on a pre-share consolidation basis.

The carrying value of the convertible debentures, immediately prior to conversion was \$325,160, which included \$1,323 of unaccreted debenture value. The carrying value of the convertible debentures as of March 2, 2021, combined with the equity component of debentures of \$14,527 totalled \$339,687, which was reallocated to common shares as a result of the conversion of the convertible debentures. The conversion of debentures to common shares had no impact on the condensed interim consolidated statements of operations and comprehensive loss.

As a result of the conversion of debentures, the Company was required to remit withholding taxes of \$4,920 relating to the settlement of the accrued interest. The full amount of withholding taxes was reimbursed by the Fairfax Shareholders.

9. Share capital

The Company has unlimited authorized share capital without par value. Authorized share capital consists of (i) an unlimited number of Common Shares and (ii) an unlimited number of preferred shares, issuable in series. Common shares rank equally with regard to the Company's residual assets and are entitled to one vote per share at general meetings of the Company.

Farmers Edge Inc.

Notes to the Condensed Interim Consolidated Financial Statements

(unaudited, in thousands of Canadian dollars except as otherwise indicated)

	Common shares	
	Number of shares	Carrying value
As at December 31, 2020	11,239,959	\$ 129,701
Exercise of options	151,794	2,041
Exercise of warrants	2,601,198	8,886
Conversion of debentures	19,433,491	339,687
Issuance of shares	8,481,683	144,188
Share issuance costs, net of tax (nil)	—	(10,730)
As at September 30, 2021	41,908,125	\$ 613,773

On March 2, 2021, the Company converted all of the outstanding convertible debentures principal and accrued interest into common shares. As well, the total outstanding warrants of 18,208,384, were exercised by Fairfax Shareholders into common shares at the price of \$0.0001 per common share on a pre-share consolidation basis. The equity component of debentures that related to the warrants of \$8,884 was credited to common shares upon exercise of the warrants.

On March 3, 2021, the Company completed its IPO by issuing 7,353,000 common shares from treasury at \$17.00 per common share for gross proceeds of \$125,001. Concurrent with the IPO, the Company closed a private placement of 25,733 common shares to certain directors, officers and employees of the Company residing or located outside of Canada for gross proceeds of \$437. As well, the Company issued an additional 1,102,950 common shares at \$17.00 per common share for gross proceeds of \$18,750 as part of the over-allotment option granted to the underwriters. The Company incurred \$10,730 of direct costs associated with the issuance of shares and recorded these costs against share capital, net of tax (nil).

10. Stock-based compensation

The Company has a stock option plan which authorizes the issue of common shares to certain directors and employees. All options have a maximum term ending on March 8, 2023. All outstanding stock options vested immediately upon the completion of the IPO.

	Number of options	Weighted average exercise price (\$)
Outstanding, December 31, 2020	766,199	\$ 11.02
Granted	25,000	5.22
Forfeited	(10,880)	(11.02)
Exercised	(151,794)	(8.38)
Outstanding, September 30, 2021	628,525	\$ 11.43

On March 2, 2021, the Company consolidated all the outstanding common shares and stock options on a 7:1 basis and as such the above table and all amounts in these financial statements have been adjusted retrospectively unless otherwise indicated.

On March 3, 2021, the Company adopted a new long-term incentive plan ("LTIP"), under which the Company granted 90,000 RSUs to certain board of director members and 747,500 PSUs to certain senior management. As well, during August 2021, the Company granted an additional 793,880 RSUs to certain key management, that will vest equally over the next three years.

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Type of grant	RSU	PSU	RSU	Total
Date of grant	March 2021	March 2021	August 2021	
Vesting term	at end of 36 months	at end 48 months	1/3 per year	
Outstanding, December 31, 2020	—	—	—	—
Granted	90,000	747,500	793,880	1,631,380
Forfeited	—	(60,000)	—	(60,000)
Exercised	—	—	—	—
Outstanding, September 30, 2021	90,000	687,500	793,880	1,571,380

The total stock-based compensation expense for the three and nine month periods ended September 30, 2021 was \$842 and \$2,616, respectively (2020 - \$226 and \$619, respectively). The stock-based compensation that relates to the new LTIP for the three and nine month periods ended September 30, 2021 was \$837 and \$2,048, respectively (2020 - \$nil and \$nil, respectively) while the remainder of the total stock based compensation expense relates to stock options. Stock-based compensation expense is included in general and administrative expense in the condensed interim consolidated statement of operations and comprehensive loss.

11. Loss Per Share

Diluted loss per share excludes all dilutive potential shares if their effect is anti-dilutive. As a result of net losses incurred in these reported periods, all potentially dilutive securities have been excluded from the calculation of diluted loss per share because including them would be anti-dilutive. No tax benefit has been recorded related to the losses incurred to date.

Prior to the closing of the IPO, the Company consolidated the common shares on a 7:1 basis.

The loss per share – basic and diluted for the periods ended September 30, 2020 has been retrospectively adjusted to reflect the consolidation of common shares on a 7:1 basis.

Basic and diluted loss per share are as follows:

	Three Months Ended		Nine Months Ended	
	2021	2020	2021	2020
For the periods ended September 30				
Net loss	\$ (19,359)	\$ (19,857)	\$ (46,616)	\$ (67,555)
Basic weighted average number of common shares outstanding	41,908,125	9,877,318	35,096,358	9,867,794
<u>Effect of dilutive securities:</u>				
RSUs, PSUs, stock options, convertible debentures, warrants	—	—	—	—
Diluted basis weight average number of shares	41,908,125	9,877,318	35,096,358	9,867,794
Loss per share (retrospectively adjusted) - basic and diluted	\$ (0.46)	\$ (2.01)	\$ (1.33)	\$ (6.85)

12. Related Party Transactions

The Fairfax Shareholders, directly or indirectly, have an approximate 61.37% interest in the Company through ownership of, or control or direction over 25,718,393 Common Shares. Fairfax is a leading Canadian financial services holding company which, through its subsidiaries, is engaged in property and casualty insurance and reinsurance and the associated investment management. Fairfax's corporate objective is to achieve a high rate of return on invested capital and build long-term shareholder value.

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Interest expense for the three and nine month periods ended September 30, 2021 was \$nil and \$5,617, respectively (2020 - \$7,878 and \$19,618, respectively) related to Fairfax's portion of the convertible debentures and accrued interest that were converted to common shares on March 2, 2021 and the \$14,000 of long-term debt that was repaid on March 3, 2021

Revenue was recognized for the three month and nine month periods ended September 30, 2021 of \$391 and \$1,142, respectively (2020 - \$448 and \$1,372, respectively) related to business analytics solutions provided to this same shareholder.

13. Financial instruments

Fair value

The Company measures the fair value of its financial assets and financial liabilities using a fair value hierarchy. A financial instrument's classification within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Three levels of inputs may be used to measure fair value. The different levels of the fair value hierarchy are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Unobservable inputs for the asset or liability.

The Company estimated the fair value of its financial instruments as described below.

The fair value of cash, accounts receivable, inventories, accounts payable and accrued liabilities and long-term debt are considered to be equal to their respective carrying values due to their short-term maturities.

Fair value of the debentures were valued using level 3 inputs, based on the present value of estimated cash flows. The discount rate was determined by using a risk-free benchmark bond yield for instruments of similar maturity adjusted for the Company's specific credit risk. In determining the adjustment for credit risk, the Company considers market conditions and other indicators of the Company's credit worthiness. The carrying amount of the debentures, prior to being converted into common shares on March 2, 2021, is a reasonable approximation of their fair value. There were no transfers of financial instruments between the levels within the fair value hierarchy.

Other long-term liabilities include the fair value of the contingent consideration for the earn-out arising from the acquisition of CommoditAg and is recorded as a financial liability carried at fair value with adjustments recorded through profit or loss. The fair value of contingent consideration was valued using Level 3 inputs, based on the present value of the estimated cash flows, considering the most likely outcomes and adjusted for the foreign exchange rate as of the date of measurement. The discount rate was determined on the basis of the risk level associated with the acquisition of CommoditAg. During the three and nine months ended September 30, 2021, \$61 (2020 – \$nil) of accretion expense was recorded in finance costs line on the condensed interim consolidated statements of operations and comprehensive loss, related to other long-term liabilities.

Capital risk management objectives and policies

The Company is exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives for growth. The main objective of the Company's risk management process is to ensure that risks are properly identified and that the capital base is adequate in relation to these risks. The Company was previously subject to certain negative covenants that limited the extent of additional financing without prior approval from certain of its existing lenders.

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The Company's capital structure after the IPO consists of cash, long-term debt, and shareholders' equity. The Company manages capital to ensure an appropriate balance between debt and equity. The Company's capital structure was impacted upon completion of the IPO (note 9).

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, long-term debt and lease obligations. The Company manages its liquidity risk by forecasting cash flows from operations and seeking additional financing for growth and operations. Concurrently with the IPO, all the convertible debentures and accrued interest were converted into common shares and the long-term debt owing to shareholders plus accrued interest was repaid.

The Company has significant cash on hand to fund the planned growth over the medium term. As part of the growth business plan, the Company expects to continue to incur a cash flow deficiency in the short-term. This deficiency will continue to decrease as revenues increase and cost savings are realized from the Company's recent contract negotiations with reduced costs for satellite imagery and cloud hosting. The Company is not subject to any externally imposed capital requirements.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's main credit risk relates to its accounts receivable. The Company provides credit to its customers in the normal course of its operations.

The Company maintains a provision for doubtful accounts receivable. The Company estimates expected losses from doubtful accounts based upon the collectability of all accounts receivable, which considers the number of days past due, collection history, identification of specific customer exposure, and current economic trends.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Company does not hold any collateral as security.

The loss allowance of \$943 as at September 30, 2021 (December 31, 2020 – \$1,632) was determined as follows for trade receivables:

	<90 days	91 - 365 days	>365 days	Total
Expected loss rate	4%	11%	100%	
Gross carrying value of trade receivables	\$ 2,246	\$ 324	\$ 840	\$ 3,410

Foreign currency risk

The Canadian dollar is the Company's functional and presentation currency. Fluctuations in the exchange rate between the Canadian dollar ("CAD") and other foreign currencies, mainly the United States dollar ("USD"), Brazilian Real and Australian dollar, will affect the Company's reported results.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's borrowings are at fixed rates which minimizes interest rate cash flow risk exposures on financing and following the IPO the Company has no significant debt. The exposure to interest rates for the Company's short-term deposits is considered immaterial.

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14. Geographic information

The Company's property and equipment, intangible assets and goodwill are as follows:

	September 30, 2021		
	Property and equipment	Intangible assets	Goodwill
Canada	\$ 16,508	\$ 16,155	\$ 1,115
United States	11,090	4,623	5,012
Brazil	3,608	186	—
Australia	943	—	—
Russia and Ukraine	208	1	—
	<u>\$ 32,357</u>	<u>\$ 20,965</u>	<u>\$ 6,127</u>

	December 31, 2020		
	Property and equipment	Intangible assets	Goodwill
Canada	\$ 15,903	\$ 18,581	\$ 1,115
United States	10,744	2,075	—
Brazil	3,512	210	—
Australia	899	—	—
Russia and Ukraine	263	—	—
	<u>\$ 31,321</u>	<u>\$ 20,866</u>	<u>\$ 1,115</u>

Geographic revenue based on the allocation of customer and commercial partner contracts are detailed as follows:

For the periods ended September 30	Three Months Ended		Nine Months Ended	
	2021	2020	2021	2020
Canada	\$ 3,223	\$ 6,663	\$ 10,712	\$ 14,301
United States	1,942	2,130	6,792	8,063
Brazil	1,394	1,132	4,116	2,990
Australia	204	111	1,076	721
Russia and Ukraine	61	298	161	685
Total revenue	<u>\$ 6,824</u>	<u>\$ 10,334</u>	<u>\$ 22,857</u>	<u>\$ 26,760</u>

15. Contingencies

The Company is defending various legal claims, including a patent infringement claim and breach of contract counterclaim, filed against the Company. The Company believes that it has a meritorious defense with respect to the patent infringement claim and breach of contract counterclaim and is vigorously pursuing such defense.

Litigation outcomes are inherently unpredictable, and it is therefore not possible at this time to predict with certainty the outcome of the proceedings described above. No provisions have been recorded in the financial statements relating to these claims.

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16. Supplementary Cash Flow information

Information on the change in liabilities for which cash flows have been classified as financing activities in the condensed interim consolidated statement of cash flows is presented below.

	Cash Flows			Non-Cash Changes					September 30, 2021
	January 1, 2021	Proceeds	Repayments	New lease obligations	Accrued interest	Conversion of debentures	Accretion in carrying value	New long term liabilities	
Convertible debentures	\$ 318,049	\$ —	\$ —	\$ —	\$ 6,481	\$ (325,161)	\$ 631	\$ —	\$ —
Long-term debt	3,908	11,000	(14,000)	—	—	—	16	—	924
Other long-term liabilities	—	—	—	—	—	—	61	2,182	2,243
Right-of-use obligations	6,186	—	(2,254)	2,513	—	—	—	—	6,445
Total liabilities from financing activities	\$ 328,143	\$ 11,000	\$ (16,254)	\$ 2,513	\$ 6,481	\$ (325,161)	\$ 708	2,182	\$ 9,612

	Cash Flows			Non-Cash Changes					September 30, 2020
	January 1, 2020	Proceeds	Repayments	New lease obligations	Accrued interest	Equity portion of debentures	Accretion in carrying value	Portion classified as Government Grant	
Convertible debentures	\$ 238,548	\$ 42,500	\$ —	\$ —	\$ 22,746	\$ (3,644)	\$ 1,911	\$ —	\$ 302,061
Long-term debt	3,000	500	—	—	—	—	—	—	3,500
Right-of-use obligations	6,442	—	(2,285)	2,394	—	—	—	—	6,551
Total liabilities from financing activities	\$ 247,990	\$ 43,000	\$ (2,285)	\$ 2,394	\$ 22,746	\$ (3,644)	\$ 1,911	—	\$ 312,112