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

INTRODUCTION

The following management's discussion and analysis ("**MD&A**") of financial condition and results of operations has been prepared by management to help readers interpret the consolidated financial results of Farmers Edge Inc ("the Company" or Farmers Edge") for the three months and year ended December 31, 2021 and 2020. This document should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2021 and 2020 ("**Financial Statements**"). 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 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**.

This MD&A has been prepared as of March 25, 2022. 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, and expanding its business analytic solution product offerings.

OPERATING HIGHLIGHTS

in thousands, except per share amounts	Three Months Ended		Year ended	
	2021	**2020**	**2021**	**2020**
FINANCIAL PERFORMANCE for periods ended December 31				
Digital Ag and Fertility solutions revenue	$ 10,239	$ 8,664	$ 27,144	$ 28,434
Add: channel partner subsidies	507	3,031	2,923	7,115
Digital Ag and Fertility solutions subscriptions	10,746	11,695	30,067	35,549
Commercial contract revenue	—	5,731	—	6,516
Business analytic solutions	935	1,058	3,439	2,607
Agronomic services	572	636	1,268	1,208
Crop input sales	1,062	—	1,398	—
Revenues (1)	$ 13,315	$ 19,120	$ 36,172	$ 45,880
Operating expenses (2,5)	$ 29,493	$ 23,717	$ 86,034	$ 92,851
Adjusted EBITDA (3,5)	$ (16,178)	$ (4,597)	$ (49,862)	$ (46,971)
Net loss (5)	$ (19,735)	$ (17,078)	$ (66,351)	$ (84,633)
Loss per share - basic & diluted (4,5)	$ (0.47)	$ (1.55)	$ (1.81)	$ (8.01)
Free Cash Flow ("FCF")(3)	$ (17,373)	$ (4,081)	$ (54,170)	$ (51,257)

	December 31, 2021	**December 31, 2020**
FINANCIAL POSITION as at date specified		
Total assets	$ 135,783	$ 79,484
Total liabilities	$ 31,749	$ 370,887
Total equity (deficiency)	$ 104,034	$ (291,403)

	December 31, 2021	**December 31, 2020**
KEY PERFORMANCE INDICATORS AND OTHER FINANCIAL MEASURES as at date specified		
Digital Agronomy Acres (6)	16,503	14,803
Other Acres (6)	2,435	7,554
Total Subscribed Acres (6)	18,938	22,357
Annual Recurring Revenue (ARR) (6)	$ 60,389	$ 49,600

(1) Revenues included subsidies and commercial contract revenue related to commercial partner agreements for the three months and years ended December 31, 2021 and 2020. Starting in 2021, the Company began marketing new acres under the Progressive Grower Program. Its remaining commercial contract arrangements expired 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) Adjusted EBITDA and Free Cash Flow are non-GAAP financial measures used throughout this MD&A. See "Key Performance Indicators and Non-GAAP and Other Financial Measures" for more information on each non-GAAP financial measure. A quantitative reconciliation of Adjusted EBITDA to Net loss and Free Cash Flow, the most directly comparable IFRS financial measures are disclosed in our financial statements to which Adjusted EBITDA and FCF relates, is in the "Results of Operations" section of this MD&A.

(4) 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 ended December 31, 2020 and 2021 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 year ended December 31, 2021.
(6) Digital Agronomy Acres, Other Acres, Total Subscribed Acres and ARR are supplementary financial measures used throughout this MD&A. FY2020 Digital Agronomy Acres, Other Acres and Annual Recuring Revenue have been restated to conform to current year's presentation. See "Key Performance Indicators and Non-GAAP and Other Financial Measures" for more information on each supplementary financial measure. These numbers are unaudited.

FOURTH 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:
    - Expanding number of paid customer acres through channel partnerships;
    - Expanding the network of channel partners in existing and new geographies; and
    - Increasing revenue from our current digital and agronomy solutions by moving customers to higher revenue fertility products.
2. Overlay crop insurance, carbon offsets 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	• New Digital Agronomy acres sold for the quarter ending December 31, 2021 were 3.0 million acres, for a year-to-date total of 7.3 million new acres, including Progressive Grower Program (or "PGP") acres of 5.3 million acres. • An additional 1.5 million new Subscribed Acres were signed in 2022. They are all digital agronomy acres. • New Digital Agronomy acres added in the fourth quarter were offset by discontinued acres of 2.3 million, primarily 2020 Elite Grower contracts not renewed. On a year-to-date basis, acres were reduced by 5.6 million acres including Elite 2020 acres expired of 3.3 million and contracts not renewed after their four-year period ended. • Other acres increased 0.9 million acres in the quarter to 2.4 million on a year-to-date basis. The reduction in other acres for 2021 was 6.0 million, including 2 million acres in Q4 with recurring revenue of $0.2M in Russian and Ukrainian markets as we are winding down these operations, and another 3.6 million acres related to discontinued, low value non-platform acres, with a combined ARR value of $0.5 million from prior quarters. These acres were not in line with our strategic focus. Other acres at December 31, 2021 represent business analytics acres. • The Company maintained approximately 90% of its recurring revenue related to paid Digital Agronomy subscriptions in North America during the year ended December 31, 2021. High revenue retention relative to acre retention reflects shifts in product mix to higher revenue-generating acres within our paid subscriber base.

	• ARR at December 31, 2021 has increased by $10.8 million (22%) to $60.4 million from $49.6 million at December 31, 2020. (See also discussion under "*Results of Operations – Annual Recurring Revenue*")
PGP 2021 Program	• The Company has implemented steps to continuously improve its future acre conversion success by refining its business model to offer the carbon program along with new PGP 2021 and 2022 programs, by expanding and diversifying its channel partner network on a global scale, by pre-qualifying customers enrolling in the PGP programs, and by improving operational efficiency and effectiveness. • Conversions of acres from the PGP 21 program with a due date April 1, 2022 are approximately 63%.
Elite 2020 Program	• Conversions of acres from the Elite 2020 program to paid acres in North America were approximately 45%. The proportion of the Elite contracts converting to higher dollar fertility products was over 65% of the converted acres, however, not all of these acres used the fertility product in the 2021 fertility season. • The Elite 2020 program conversion rate was significantly below expectations of 60%, due to a weaker response rate, some cancellation of earlier commitments and the quality of customers in the Elite 2020 program. Action steps have been taken to address those issues in the PGP ongoing program.
Launch new crop insurance & carbon offset products	• Launched a new carbon program in June 2021. 3.2 million acres were signed in Canada by the end of year, exceeding our goal of 2.5 million carbon acres. These acres are expected to generate $13 million in revenue in 2022. • Maple Leaf bought 15,000 tons of carbon offsets in Q4 2021. The remainder of the offsets when aggregated and serialized are expected to be sold in the back half of 2022. • Launched DigiAg Risk Management, our branded insurance agency to market tailored solutions to farmers starting in the spring of 2022, which includes canola heat blast product.
CommoditAg	• Q4 e-commerce revenue was $1.1 million. This is a cyclical business. • We continue to work with retailers to connect their customers to FarmCommand, and introduce our digital platform and capability, smart carbon program, and insurance products.

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, allowing for multiple opportunities with the broader agriculture ecosystem and 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 sold in five principal tiers of subscriptions and 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 market scope beyond the farm and individual grower subscriptions and a focus for 2022 is the sale of insurance products.

The Company's Smart Carbon program 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 share the proceeds with farmers and strategic channel partners. This program contributes to more sustainable farming practices and also creates additional income for the growers to help support their farming operations.

With the acquisition of CommoditAg, LLC, ("CommoditAg") this past summer, the Company is expanding the platform's capabilities for growers into e-commerce in the United States. Beyond the addition of the e-commerce capabilities, through this acquisition, the company has secured connections to a robust retail network in the U.S. to source additional subscription acres and capture revenue upsell opportunities for insurance, carbon and other new products.

In December, the company launched DigiAg Risk Management Inc, a wholly-owned subsidiary of Farmers Edge. This MGA will provide farmers across Canada with innovative parametric insurance products. The company is working closely with prominent players such as Munich Re on product development. DigiAg is focused on delivering a streamlined insurance experience and solution to farmers.

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 results in revenue being recognized generally in the fourth quarter and first quarter when these services are completed. In Q4 2021, over 90% of fertility services for the 2021 season were completed which was higher than usual. Carbon sales are also recorded when the offsets are sold to third parties which is dependent upon the timing of the serialization and market conditions.

The CommoditAg business is highly seasonal with most sales expected just prior to or during spring and fall planting.

RESULTS OF OPERATIONS

Revenues

in thousands	Three Months Ended		Change	Year Ended		Change
for the periods ended December 31	**2021**	**2020**		**2021**	**2020**	
Digital Ag and Fertility solutions revenue	$10,239	$8,664	$1,575	$27,144	$28,434	$(1,290)
Add: channel partner subsidies	507	3,031	(2,524)	2,923	7,115	(4,192)
Digital Ag and Fertility solutions subscriptions	10,746	11,695	(949)	30,067	35,549	(5,482)
Commercial contract revenue	—	5,731	(5,731)	—	6,516	(6,516)
Business analytic solutions	935	1,058	(123)	3,439	2,607	832
Agronomic services	572	636	(64)	1,268	1,208	60
Crop input sales	1,062	—	1,062	1,398	—	1,398
Total revenue	**$13,315**	**$19,120**	**$(5,805)**	**$36,172**	**$45,880**	**$(9,708)**
Annual Recurring Revenue (ARR) (1)				**$60,389**	**$49,600**	**$10,789**

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

Revenues generated for the three months ended December 31, 2021 (“Q4 2021”) were $13.3 million (2020 — $19.1 million), and $36.2 million (2020 — $45.9 million) for the year ended December 31, 2021.

The Company’s digital ag and fertility solutions subscription revenue includes revenue from both digital and fertility solution subscription contracts with growers and represents the majority of the Company’s revenue. Excluding subsidies which on a go-forward basis will not be part of our revenue steam, Digital ag and fertility solutions subscription revenue was $10.2 million for Q4 2021 (2020 – $8.7 million), increasing 18% and $27.1 million for the year ended December 31, 2021 (2020 – $28.4 million). The $1.6 million increase of Q4 2021 reflects a higher fertility service completion rate and more fertility acres in 2021. The full year revenues were lower due to discontinued 3.6 million low value acres, contracts not renewed after their four-year period, and the strengthening Canadian dollar, which were offset by a shift in product mix to fertility products. The PGP 2021 growth in acres gives the grower the first year free so there is no related revenue.

The Company received subsidies from channel partners in North America associated with acres under the 2020 Elite Grower program. There were $0.5 million (2020 - $3.0 million) in the fourth quarter of 2021 and $2.9 million (2020 - $7.1 million) in the year ended December 31, 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.

There was no commercial contract revenue in 2021 as the contracts with minimum commitments expired. 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 make a shortfall payment if the target was not met. The Company has no similar contracts at the December 31, 2021.

Business analytics solutions revenue represents analytic and technology solutions for agribusiness and insurance. For Q4 2021, business analytics solutions revenue was $0.9 million (2020 – $1.1 million) for a decrease of $0.2 million over the comparative period and a $0.8 million increase for the year ended December 31, 2021. The decrease in the quarter was impacted by the timing of carbon sales. The 2021 increase in business analytics solutions revenue for the year ended 2021 reflects higher carbon sales and insurance revenue, offset by the strength of the Canadian dollar in 2021 compared to the prior year.

Crop input sales represents CommoditAg e-commerce revenue

Annual Recurring Revenue

As described in the Company’s definition in “*Key Performance Indicators & Non-GAAP and Other Financial 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. Carbon offset revenues are also included in ARR based on the estimated annual carbon offset created for acres subscribed in the program. ARR excludes any sales revenues associated with CommoditAg, as the revenues generated in that business are not based on a subscription model.

The Company's ARR decreased in the fourth quarter 2021 primarily due to the lower 2020 Elite Grower Program conversion rate and acre churn which more than offset new acre growth, however, increased $10.8 million (22%) for the year-to-date period. 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 acre churn, including 2020 Elite Grower Program acres not converted and foreign exchange rate differences at the respective measurement dates.

Cost of Revenues

in thousands	Three Months Ended		Change	Year Ended		Change
for the periods ended December 31	2021	2020		2021	2020	
Employee compensation & benefits	$6,667	$5,876	$791	$22,931	$21,631	$1,300
Vehicle & travel	897	1,095	(198)	4,296	4,420	(124)
Soil testing costs	748	798	(50)	2,790	2,706	84
Other	1,722	585	1,137	4,855	2,578	2,277
Total costs of revenue	**$10,034**	**$8,354**	**$1,680**	**$34,872**	**$31,335**	**$3,537**

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 CommoditAg (*see "Investing Activities – Business Acquisitions"*) and other expenses necessary to support customer service requirements.

Total costs of revenue for Q4 2021 were $10.0 million (2020 — $8.4 million) and $34.9 million (2020 - $31.3 million) for the year ended December 31, 2021, representing increases of $1.7 million and $3.6 million, respectively, over the comparative periods. Most of the increase for the current quarter is in other costs and relates to the cost of goods sold for crop inputs in CommoditAg of $0.9 million and an $0.8 million increase in seasonal people costs as a result of increased headcount, for the fall fertility solution period. These costs were higher in 2021 due to the increased volume of work related to service the expanded acre base. Similarly, the year ended December 31, 2021, cost of revenues increased primarily due to the additional $1.2 million in costs related to the sale of CommoditAg inventory, $0.8 million of costs related to the sale of carbon credits and an increase in headcount of $1.3 million.

Data and technology infrastructure expenses

in thousands	Three Months Ended		Change	Year Ended		Change
for the periods ended December 31	2021	2020		2021	2020	
Direct costs	$4,836	$3,492	$1,344	$6,276	$15,901	$(9,625)
Imagery costs, indirect	—	3,286	(3,286)	—	13,147	(13,147)
Total data and technology infrastructure expenses	**$4,836**	**$6,778**	**$(1,942)**	**$6,276**	**$29,048**	**$(22,772)**

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 Q4 2021 decreased by $1.9 million as a result of the lower negotiated satellite imagery costs 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 $6.3 million reported for the year ended December 31, 2021 decreased $22.8 million and includes the successful negotiation with a new satellite imagery vendor resulting in a one-time settlement gain related to the past service of $8.2 million recorded in the second quarter of 2021. After adjusting for this gain, data and technology infrastructure costs for the year ended December 31, 2021 would have been $14.5 million, representing a reduction of $14.6 million compared to the same period of 2020.

The comparative period's data and technology infrastructure expenses include "indirect" imagery costs, which were considered fixed costs and not directly tied to the Company's solution offerings. There is no comparable fixed cost in the current year.

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 Q4 2021 were $6.0 million (2020 — $2.2 million), and $15.3 million (2020 – $11.7 million) for the year ended December 31, 2021. The primary driver for the increased costs in the fourth quarter is an increase in third-party commissions on acres of $1.5 million, $0.5 million increase in advertising to support and promote CommoditAg and $1.5 million related to increased personnel added to the sales and marketing teams to facilitate accelerated growth and improve customer service.

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 Q4 2021 were $2.4 million (2020 — $1.6 million), and $7.9 million (2020 – $5.3 million) on a year-to-date basis. The increase can be attributed to lower capitalization of qualifying costs related to employee costs on internally generated software and third-party outsourcing costs. The total product research and development costs for Q4 2021 were consistent after adding back capitalized costs, at $3.2 million (2020 — $3.1 million) and on a year-to-date basis of $11.2 million (2020 – $12.4 million). We expect to continue to reduce these costs in 2022 given the maturity of the platform.

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, bad debt expense and general corporate expenses.

Total general and administrative expenses for Q4 2021 were $6.3 million (2020 — $4.8 million), reflecting an increase of $1.5 million. The increase in general and administrative expenses was primarily a result of $1.0 million of share-based compensation expense relating to the new long-term incentive plan granted in the first quarter of 2021, and $0.8 million increase in bad debts partially related to the settlement of a dispute.

Total general and administrative expenses for the year ended December 31, 2021 were $21.7 million (2020 — $15.5 million). The higher general and administrative expenses in 2021 includes the impact of $3.0 million of new share-based compensation expense, the increase in bad debts discussed above, $0.5 million of one-time costs incurred as part of the IPO and ongoing public company costs of approximately $1.0 million.

Adjusted EBITDA and Net Loss

in thousands	**Three Months Ended**		**Change**	**Year Ended**		**Change**
for the periods ended December 31	**2021**	**2020**		**2021**	**2020**	
Adjusted EBITDA [(1)]	$(16,178)	$(4,597)	$(11,581)	$(49,862)	$(46,971)	$(2,891)
Foreign exchange (gain) loss	98	(627)	725	(2,497)	(74)	(2,423)
Depreciation of property and equipment	2,876	3,040	(164)	10,545	10,280	265
Amortization of intangible assets	2,192	2,438	(246)	7,869	7,925	(56)
Finance costs	121	10,446	(10,325)	7,707	35,636	(27,929)
Other income	(1,730)	(2,816)	1,086	(7,135)	(16,105)	8,970
Net loss	**$(19,735)**	**$(17,078)**	**$(2,657)**	**$(66,351)**	**$(84,633)**	**$18,282**

(1) Adjusted EBITDA is a non-GAAP financial measure. See "Key Performance Indicators and Non-GAAP and Other Financial Measures" for more information on each non-GAAP financial measure. This table provides a quantitative reconciliation of Adjusted EBITDA to Net loss, the most directly comparable IFRS financial measure disclosed in our financial statements to which Adjusted EBITDA relates.

Adjusted EBITDA for Q4 2021 was a loss of $16.2 million (2020 — $4.6 million), and a loss of $49.9 million (2020 - $47.0 million) for the year ended December 31, 2021. Lower Adjusted EBITDA in Q4 2021 compared to Q4 2020 and for the year ended December 31, 2021 is primarily due to lower revenue and higher expenses described earlier including the impact of renegotiated satellite imagery agreement.

The Company's net loss (before and after taxes) for Q4 2021 was $19.7 million (2020 — $17.1 million), and $66.4 million (2020 – $84.6 million) for the year ended 2021, an increase in the net loss of $2.7 million and an improvement of $18.3 million over the respective comparative periods. The change in the net loss for Q4 2021 compared to Q4 2020 was driven primarily by a higher Adjusted EBITDA loss of $11.6 million, partially offset by a reduction in finance costs of $10.3 million compared to the fourth quarter of 2020. The Company's improved net loss in the year ended December 31, 2021 was primarily a result of positive movements in foreign exchange and lower finance costs, which were partially offset by a reduction in grant income of $9.0 million and a higher EBITDA loss in 2021.

Foreign Exchange Gain

The foreign exchange loss for Q4 2021 was $0.1 million (2020 — $0.6 million gain) and a foreign exchange gain of $2.5 million (2020 – $0.1 million) was recorded for the year ended December 31, 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 the year ended December 31, 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 U.S. net liability position, given 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 Q4 2021 were $5.1 million (2020— $5.5 million) and $18.4 million (2020 – $18.2 million) on a year-to-date basis. The increase in the year ended December 31, 2021, over the comparable period of $0.2 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 Q4 2021 were $0.1 million (2020 – $10.4 million), and $7.7 million (2020 – $35.6 million) for the year ended December 31, 2021, representing a decrease of $10.3 million and $27.9 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 were also lower in 2021. The Company will continue to see nominal interest costs in 2022 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 $405 million of accumulated non-capital losses as of December 31, 2021, with expiry dates ranging between 2030 and 2041. 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 $3 million which expire between 2034 and 2039.

Free Cash Flow

in thousands	Three Months Ended		Change	Year Ended		Change
for the periods ended December 31	2021	2020		2021	2020	
Net loss	$(19,735)	$(17,078)	$(2,657)	$(66,351)	$(84,633)	$18,282
Foreign exchange (gain) loss	98	(627)	725	(2,497)	(74)	(2,423)
Depreciation of property and equipment	2,876	3,040	(164)	10,545	10,280	265
Amortization of intangible assets	2,192	2,438	(246)	7,869	7,925	(56)
Finance costs	121	10,446	(10,325)	7,707	35,636	(27,929)
Other income	(1,730)	(2,816)	1,086	(7,135)	(16,105)	8,970
Government subsidies and financial assistance	1,426	2,780	(1,354)	6,386	15,654	(9,268)
Stock-based compensation	1,011	211	800	3,627	830	2,797
Additions to property and equipment (net of proceeds)	(1,583)	(1,025)	(558)	(7,607)	(8,931)	1,324
Additions to intangible assets (net of proceeds)	(1,321)	(1,755)	434	(4,201)	(9,859)	5,658
Repayment of right-of-use obligations	(728)	(780)	52	(2,982)	(3,065)	83
Costs incurred for becoming public	—	1,085	(1,085)	469	1,085	(616)
Free Cash Flow (1)	**$(17,373)**	**$(4,081)**	**$(13,292)**	**$(54,170)**	**$(51,257)**	**$(2,913)**

(1) Free Cash Flow is a non-GAAP financial measure. See "Key Performance Indicators and Non -GAAP and Other Financial Measures". This table provides a quantitative reconciliation of Free Cash Flow to net loss during the period, the most directly comparable IFRS financial measure disclosed in our financial statements to which Free Cash Flow relates

The Company's Free Cash Flow deployed for Q4 2021 was $17.4 million (2020 – $4.1 million), and $54.2 million (2020 - $51.3 million) for the year ended December 31, 2021, a decrease of $13.3 million and $2.9 million compared to 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 CommoditAg. CommoditAg partners with local retailers to offer farmers a differentiated, comprehensive, and convenient online marketplace with access to various products and technologies. The CommoditAg acquisition also gives the Company access to the customer base of CommoditAg 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 year ended 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 5 of the Financial Statements.

Property and Equipment Additions

The Company's property and equipment expenditures, net of disposal proceeds, were $1.6 million for Q4 2021 (2020 — $1.0 million), and $7.6 million (2020 – $8.9 million) for the year ended December 31, 2021, reflecting an increase of $0.6 million in Q4 2021 and a decrease of $1.3 million when comparing the annual additions to the previous year. 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.

Right-of-Use Repayments

The Company's right-of-use repayments relating to leased assets for Q4 2021 were $0.7 million (2020 – $0.8 million) and $3.0 million (2020 – $3.1 million) for the year ended December 31, 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 $1.3 million for Q4 2021 (2020 – $1.8 million), and $4.2 million (2020 – $9.9 million) for 2021. The decreases in the current periods are a result of lower capitalized platform development software that started in the second half of 2020 and continued into 2021. The overall amount being invested in the platform has been reduced as fewer resources are needed with the platform being more mature. 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 $1.4 million (2020 – $2.8 million) for Q4 2021, and $6.4 million (2020 – $15.7 million) for 2021. The timing and amount collected by the Company for government subsidies and financial assistance can vary between periods. Higher amounts in the year end 2020 reflect refundable SRED investment tax credits received, and higher direct grants received in 2020, including funding associated with COVID-19.

OUTLOOK

We signed 7.3 million new digital agronomy acres, including 5.3 million new PGP acres with a one-year free subscription period in calendar 2021. We expect the PGP program and other initiatives to bring significant new acres to our platform at an expanding pace in 2022 aided by our Smart Carbon program. Our future revenue stream will depend on our ability to convert these PGP 2021 acres and future acres to paid acres, to upsell growers to fertility solutions and reduce acre churn.

The Smart carbon program launched in July 2021 brought in 3.2 million acres. These carbon acres are expected to generate approximately $13 million revenue in 2022. We are also hopeful that U.S. nitrogen carbon protocols will be refined in 2022 allowing us to expand our U.S. carbon footprint.

The Company acquired CommoditAg, LLC., ("CommoditAg"), an e-commerce platform to provide cross-selling opportunities in the agriculture supply chain. This acquisition also should over time help the company secure stronger connections to the U.S. retail network in the U.S to access new acres. As these new growers are signed to our platform, the Company may earn additional revenue from its subscription services and have opportunities to layer incremental product offerings to the retailers' customer base, including insurance and carbon products.

Newly formed DigiAg Risk Management Inc ('DigiAg"), a wholly-owned subsidiary of Farmers Edge., will also provide farmers across Canada with innovative parametric insurance products. As a managing general agent, DigiAg is working closely with prominent players such as Munich Re on product development and is focused on delivering a streamlined insurance experience and solution to farmers.

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 an operating deficiency and capital expenditures associated with the Company's subscription hardware.

On March 25, 2022, the Company announced it has agreed to enter into a $75 million secured credit facility with Fairfax and/or certain affiliates of Fairfax (the ''Facility"), which Facility will bear interest at a rate of 6% per annum and will mature January 31, 2025. The net proceeds of the Facility will be used for working capital and general corporate purposes. Farmers Edge will pay an annual commitment fee of 1% of the total undrawn amount of the Facility. The closing of the Facility is subject to the acceptance of the Toronto Stock Exchange.

The Company expects to continue refining its business model, expanding acre acquisitions primarily in North America and Brazil, and executing the Smart carbon program while improving operational efficiency and effectiveness and managing costs. The company's cash position at the end of December 2021 was $54.7 million.

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 twelve months ended December 31, 2021 and 2020 are summarized below:

in thousands	**Three Months Ended**		**Change**	**Year Ended**		**Change**
for the periods ended December 31	**2021**	**2020**		**2021**	**2020**	
Issuance of convertible debentures	$—	$6,000	$(6,000)	$—	$48,500	$(48,500)
Net proceeds from (repayment of) long-term debt	—	500	(500)	(3,000)	1,000	(4,000)
Issue of common shares, net of issuance costs	—	—	—	134,732	53	134,679
Repayment of right-of-use obligations	(728)	(780)	52	(2,982)	(3,065)	83
Net cash (used) provided by financing activities	**$(728)**	**$5,720**	**$(6,448)**	**$128,750**	**$46,488**	**$82,262**
Adjusted EBITDA (1)	**$(16,178)**	**$(4,597)**	**$(11,581)**	**$(49,862)**	**$(46,971)**	**$(2,891)**
Free Cash Flow (1)	**$(17,373)**	**$(4,081)**	**$(13,292)**	**$(54,170)**	**$(51,257)**	**$(2,913)**

(1) Adjusted EBITDA and Free Cash Flow are non-GAAP financial measures. See "Key Performance Indicators and Non -GAAP and Other Financial Measures". Quantitative reconciliations of Adjusted EBITDA and Free Cash Flow to the most directly comparable IFRS financial measure disclosed in our financial statements to which they relate are in the "Results of Operations" section of this MD&A.

The closing of the initial public offering in the first quarter of 2021 was the contributor to the Company's net cash provided by financing activities for the year ended December 31, 2021. The Company used the net proceeds to repay long-term debt, including accrued interest that was outstanding. In the year ended December 31, 2020, the Company used convertible debentures for funding operations.

The factors leading to decrease in Adjusted 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 December 31, 2021 was $54.7 million. The Company's non-cash working capital position as at December 31, 2021 and December 31, 2020 are summarized below:

in thousands		
as at	**December 31, 2021**	**December 31, 2020**
Accounts Receivable	$19,480	$18,548
Less: Deferred Revenue	(5,805)	(7,405)
Net	**$13,675**	**$11,143**
Inventories	2,517	—
Prepaid expenses	2,241	1,562
Accounts payable and accrued liabilities	(17,464)	(35,339)
Non-Cash working capital	**$969**	**$(22,634)**

In comparing the Company's working capital as at December 31, 2021 to the prior year, 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 increased by $0.9 million and deferred revenue decreased $1.6 million at the end of December 2021 primarily due to the increase in the revenue recognized for fertility contracts during Q4 2021 as compared to Q4 2020.

Inventories primarily reflect crop input inventories in the recently acquired CommoditAg.

Credit Facilities and Long-Term Debt

The Company had a $0.65 million demand facility for the funding of its corporate credit card program, secured by a $0.4 million pledge of the Company's cash deposits. As at December 31, 2021 the Company had not drawn on this facility (December 31, 2020 - $nil). For collateral, the Company has pledged $400 of the Company's cash deposits.

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.

Share Capital

Refer to note 18 of the consolidated financial statements for details of changes to share capital.

Contractual Obligations

The following table describes the Company's maturity analysis of the undiscounted cash flows of leases, long-term debt, purchase and other obligations as at December 31, 2021

in thousands	**As at December 31, 2021**				
	< 1 Year	**1-3 Years**	**4-5 Years**	**> 5 years**	**Total**
Right-of-use obligations	$ 3,241	$ 3,758	$ —	$ —	$ 6,999
Purchase obligations	14,278	35,331	—	—	49,609
Long-term debt	—	334	666	—	1,000
Accounts payable and accrued liabilities	17,464	—	—	—	17,464
Total	**$ 34,983**	**$ 39,423**	**$ 666**	**$ —**	**$ 75,072**

Off-Balance Sheet Arrangements

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

RELATED PARTY TRANSACTIONS

On March 25, 2022, the company announced it has agreed to enter into a $75 million secured credit facility with Fairfax and/or certain affiliates of Fairfax (the ‘‘Facility”), which Facility will bear interest at a rate of 6% per annum and will mature January 31, 2025. The net proceeds of the Facility will be used for working capital and general corporate purposes. The company will pay an annual commitment fee of 1% of the total undrawn amount of the Facility. The closing of the Facility is subject to the acceptance of the Toronto Stock Exchange.

Other related party transactions are described in Note 20 to the Financial Statements. The related party transactions of the Company are in the normal course of operations pertaining to shareholder financing, for revenue earned with a 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 of the Company used in the determination of the results for years ended December 31, 2021 and 2020 that are discussed in this report are described in detail in Note 3 of the Financial Statements.

The preparation of Financial Statements in accordance with IFRS requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Financial Statements and the reported amount of revenue and expenses during the reporting period. The Company bases its assumptions on a number of factors including historical experience, current events, actions that the Company may take in the future, and other assumptions it believes are reasonable under the circumstances. Actual results could differ from those estimates under different conditions or assumptions.

In preparing the Financial Statements, the significant judgments made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were described in detail in Note 4 of 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.

There have been no changes in the Company's ICFR during the quarter ended December 31, 2021 that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

As at December 31, 2021, management assessed the design and operational effectiveness of our ICFR and concluded that the Company's ICFR and DC&P were effective.

The Company has limited the scope of design of its DC&P and ICFR to exclude controls, policies and procedures of CommoditAg which was acquired on August 12, 2021, the financial performance of which is included in our December 31, 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 CommoditAg:

in thousands of Canadian dollars	**As at December 31, 2021**
Current assets	3,614
Non-current assets	551
Current Liabilities	2,440
Non-current Liabilities	1,604
in thousands of Canadian dollars	**Year ended December 31, 2021**
Revenues	1,398
Expenses	2,190
Net loss	(792)

(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 most recent Annual Information Form, 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-GAAP AND OTHER FINANCIAL MEASURES

Key Performance Indicators ("KPI")

KPIs are supplementary financial measures that 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. Subscribed Acres, Digital Agronomy Acres and Other Acres are supplementary financial measures. The Company views Subscribed Acres as an important metric since these acres are expected to contribute to the future 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. ARR is a supplementary financial measure. The recurring nature of the Company's revenue provides 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 CommoditAg, 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-GAAP Financial Measures

The information presented within this MD&A includes certain financial measures, including non-GAAP financial measures of Adjusted 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.

Adjusted EBITDA is the net loss before income tax expense, other income, finance costs, foreign exchange (gain) loss, depreciation and amortization as set out in the Company's consolidated statement of operations and comprehensive loss in the financial statements. Adjusted EBITDA is a non-GAAP financial measure and its more directly comparable financial measure that is disclosed in our financial statements is net loss. 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 "*Results from Operations*".

Free Cash Flow is net loss, adjusted for other income, finance costs, foreign exchange (gain) loss, depreciation and amortization as set out in the Company's consolidated statement of operations and comprehensive loss in the financial statements, government subsidies and financial assistance, stock-based compensation, net additions to property and equipment and intangible assets, repayment of right-of-use obligations, and any unusual non-recurring items. Free Cash Flow is a non-GAAP financial measure and its more directly comparable financial measure that is disclosed in our financial statements is net loss during the period. The Company's management and Board use this measure to assess the availability of the Company's cash. 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:

in thousands, except per share amounts	**2021 Quarters**				2020 Quarters			
	Q4	**Q3**	**Q2**	**Q1**	Q4	Q3	Q2	Q1
Revenues	**$13,315**	**$6,824**	**$6,150**	**$9,883**	$19,120	$10,334	$9,053	$7,374
Adjusted EBITDA (1)	**(16,178)**	**(16,323)**	**(9,008)**	**(8,353)**	(4,597)	(12,190)	(13,515)	(16,669)
Net Loss	**(19,735)**	**(19,359)**	**(9,993)**	**(17,264)**	(17,078)	(19,857)	(18,965)	(28,733)
-per share basic (2)	**(0.47)**	**(0.46)**	**(0.24)**	**(0.81)**	(1.55)	(2.01)	(1.93)	(2.91)
-per share fully diluted (2)	**(0.47)**	**(0.46)**	**(0.24)**	**(0.81)**	(1.55)	(2.01)	(1.93)	(2.91)
Free Cash Flow (1)	**(17,373)**	**(17,266)**	**(9,266)**	**(10,265)**	(4,081)	(11,253)	(13,682)	(22,241)

(1) Adjusted EBITDA and Free Cash Flow are non-GAAP financial measures. See "Key Performance Indicators and Non-GAAP and Other Financial Measures." A reconciliation of these measures to the most directly comparable IFRS financial measures disclosed in our financial statements to which they relate are in the "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 March 25, 2022 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 most recent annual information form 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.