VERSION [0.0]

[DATE]

replace with
LOGO

For the Period Ended [ENTER DATES]

[COMPANY NAME]

INSTRUCTIONS FOR MD&A TEMPLATE

The purpose of this document is to give you a starting point for your quarterly Private Company MD&A. This document has been structured to provide the boilerplate documentation (GREEN text throughout) required for an MD&A and sample documentation that needs to be tailored to your [Company] (BLUE text throughout). In addition, this document comes with an accompanying Excel workbook that contains the tables that are included within this MD&A. The Excel workbook tables are to be filled out according to your financial statement numbers and then cut and paste into this document.

The Colours and notations that are used throughout this MD&A are as follows:

BLUE – This is sample documentation that has been provided to give you a starting point for your write up. It should be tailored to your specific [Company] and operations.

GREEN – This is boilerplate documentation that for the most part, is standard across all MD&A documents. Updates to this documentation would be changing of dates, inputting [Company] names, subsidiaries etc.

[Highlights] – This is guidance that have been added throughout to help with filling in certain sections of this MD&A.

[Company] – Replace these placeholders with your [Company] name or delete as needed.

Numeric Tables – Tables in this MD&A template are created in a separate excel file and pasted into this word document. The excel template with these tables is provided as a separate tool entitled “MD&A TABLES AND SUMMARY FS – IFRS – PRIVATE COMPANY

MANAGEMENT'S DISCUSSION AND ANALYSIS

GENERAL

The following management's discussion and analysis (MD&A) of financial condition and results of operations is intended to help the reader understand the current and prospective financial position and operating results of [Company]. The MD&A discusses the operating and financial results for the [Insert Time Frame] and takes into consideration information available up to that date. The MD&A is based on the unaudited consolidated financial statements of [Company]. The MD&A should be read in conjunction with the audited consolidated financial statements and related notes for the year ended December 31, 20XX, the unaudited consolidated financial statements for [Insert Time Frame] and the unaudited consolidated financial statements for [Insert Time Frame], all of which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The unaudited consolidated financial statements for [Insert Time Frame] include the accounts of the [Company], its wholly owned subsidiaries; [enter the name of [Company] subsidiaries that make up the consolidated financial statements].

All amounts are denominated in [Insert Currency] unless otherwise identified.

GOING CONCERN

[Company]'s MD&A and unaudited consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. [Company]'s ability to continue as a going concern is substantially dependent on, but not limited to, the successful execution of [Company]'s objectives and strategies outlined in this MD&A, as well as [Company] ability to be proactive in managing these objectives and strategies in a timely manner. This financial information does not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that may be necessary should [Company] be unable to continue as a going concern.

judgment in the ultimate determination of the functional currency of each of its subsidiaries. Management has determined that the functional currency of each of the Segment 2 branch is U.S. dollars ("USD") and the functional currency of the Segment 3 branch ("Pesos"). The functional currency of each of the [Company]'s remaining subsidiaries is CAD.

FORWARD-LOOKING STATEMENTS

The MD&A contains certain forward-looking statements relating to [Company]'s plans, strategies, objectives, expectations and intentions. The use of any of the words “expect”, “anticipate”, “continue”, “estimate”, “objective”, “ongoing”, “may”, “will”, “project”, “should”, “believe”, “plans”, “intends”, “confident”, “might” and similar expressions are intended to identify forward-looking information or statements. Various assumptions were used in drawing the conclusions or making the projections contained in the forward-looking statements throughout this MD&A. The forward-looking information and statements included in this MD&A are not guarantees of future performance and should not be unduly relied upon.

Forward-looking statements are based on current expectations, estimates and projections that involve a number of risks and uncertainties, which could cause actual results to differ materially from those anticipated and described in the forward-looking statements. Such information and statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information or statements. The forward-looking information and statements contained in this MD&A speak only as of the date of this MD&A and [Company] assumes no obligation to publicly update or revise them to reflect new events or circumstances.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

[Numeric Tables - Tables in this MD&A template are created in a separate excel file and pasted into this word document. The current tables have been copied and pasted as placeholders. The excel template with these tables is provided as a separate tool entitled “MD&A TABLES AND SUMMARY FS – IFRS – PRIVATE COMPANY”]

	Three months ended September 30,			Nine months ended September 30,		
	20XX	20XX	% change	**20XX**	20XX	% change
Financial						
Revenue	**$ 21,364,072**	$ 19,141,318	11.6	**$ 64,146,429**	$ 49,411,095	29.8
Gross margin*	**$ 14,765,377**	$ 10,446,400	41.3	**$ 43,595,765**	$ 29,079,684	49.9
Gross margin percentage*	**69.1**	**54.6**	26.6	**68.0**	**58.9**	15.4
EBITDA*	**$ 11,159,101**	$ 6,154,109	81.3	**$ 32,275,484**	$ 18,484,002	74.6
EBITDA margin*	**52.2**	**32.2**	62.1	**50.3**	**37.4**	34.5
Net income	**$ 6,955,041**	$ 1,610,891	331.8	**$ 18,685,176**	$ 4,710,224	296.7
Cash flow from operations	**$ 11,627,352**	$ 4,232,312	174.7	**$ 24,117,608**	$ 5,317,349	353.6
Cash flow from operations before change in working capital*	**$ 9,324,833**	$ 3,685,273	153.0	**$ 25,524,644**	$ 11,485,606	122.2
Cash flow from investing	**$ (196,654)**	$ (1,242,023)	(84.2)	**$ (1,796,128)**	$ (4,145,977)	(56.7)
Total debt, net	**$ 29,212,213**	$ 48,915,308	-40.28	**$ 29,212,213**	$ 48,915,308	-40.28

* Amounts are non-IFRS measures. Please see the Non-IFRS Measures section of this MD& A for further details.
This data is not readily available for the periods presented.

[The explanations below walk through each line on the above Highlights table. This gives a quick overview of the Company's performance during the periods being reported on]

Overall, the [Company] performed very strongly in the first three quarters of 20XX increasing revenue $X.XX million (X.XX%) over the same period in 20XX. Revenue increased laregly due to increased P1 production from existing customers and the addition of new customers. Revenue in the fourth quarter of 20XX and the first half of 20XX is expected to be negatively impacted by reduced P1 production due to issues experienced by Customer 4 at its Facility 1 (see additional discussion in the Business Line section of this MD&A). In addition, revenue is expected to decline in the fouth quarter of 20XX due to reduced production from Customer 9 and Customer 5.

Customer 9 is currently experiencing internal financing and budget constraints which are expected to result in reduced activity through 20XX. Customer 5 is currently reviewing its alternatives to increase production at their Project 1 and this delay has resulted in reduced fourth quarter 20XX revenue forecasts which will likely continue into 20XX. There is no change related to the Customer 5 projects and revenue is expected to continue at historical levels from these projects.

Gross margin increased $X.XX million (X.XX%) in the XX months ended [Insert Date] compared to 20XX consistent with the increase in revenue. However, gross margin percentage increased from X.XX% in the first three quarters of 20XX to X.XX% in the same period of 20XX largely due to increased production, increased production in the new shop and continued realization of operational effeciencies from the targeted capital investment made throughout 20XX. In particular, the [Company] was able to improve its rate which resulted in signficantly higher revenue without a corresponding increase in operating costs and overhead. The increased rate was achieved by adding capacity through the replacement of two widgets. In addition, [Company] realized a more favourable product mix in the first three quarters of 20XX with increased production of higher margin products. However, gross margin percent will decrease in the fourth quarter of 20XX in connection with the expected decrease in P1 production and the Customer 9 and Customer 5 revenue declines discussed above.

EBITDA increased $X.XX million (X.XX%) in the first XX months of 20XX compared to 20XX largely due to the increased gross margins and cost reduction initiatives implemented in 20XX, offset slightly by a number of non-recurring costs (see discussion of normalized and adjusted EBITDA below).

The [Company] invested $X.XX million in investing activities in the XX months ended [Insert Date] consisting of $X.XX million of actual capital expenditures, offset by usage of capital inventory spares of $X.XX million, proceeds on sale of fixed assets of $X.XX million, and foreign exchange on USD denominated property and equipment balances of $X.XX million. Capital expenditures through the first three quarters of 20XX largely relate to completion of a new handling system, both of which were completed and placed into service in the second quarter of 20XX, development of a new widget system which is expected to be completed in the fourth quarter of 20XX, and two devices; the first of these devices is expected to be completed and operational in the first quarter of 20XX with the second in the second quarter of 20XX. The completion of the two new devices will allow the [Company] to potentially move two of its current devices to other locations to increase capacity and utilization.

Major capital projects budgeted for 20XX are nearing completion. The only significant capital expenditures expected for the fourth quarter of 20XX relate to the two devices. However, the [Company] may overspend its 20XX revised capital budget of $X.XX million, as a the completion of the 5 module was over-budget by $X.XX million and additional $X.XX million was spent on two devices that were not contemplated in the revised budget. In addition, the [Company] still has approximately $X.XX million