



**For Immediate Release**

## INPUT CAPITAL CORP. ANNOUNCES FY2017 Q2 RESULTS AND SUCCESSFUL LAUNCH OF MARKETING STREAMS

**Regina, Saskatchewan, May 17, 2017** – Input Capital Corp. (“Input” or the “Company”) (TSX Venture: INP) (US: INPCF) has released its results for the second quarter of its 2017 fiscal year. All figures are presented in Canadian dollars.

“This was a very successful quarter for Input,” said President and CEO Doug Emsley. “During the quarter, Input recorded record gross deployment of \$20.563 million and added a record number of new clients, taking our total stream count to 179. This brings gross deployment for the year to date to \$33.132 million. A large measure of this success comes as a result of Marketing Streams, a new variation on streaming that targets farmers looking to get better pricing for their canola. We soft-launched Marketing Streams in January and have already signed up over 60 farmers in just the first three months. Marketing Streams significantly broaden the addressable market of canola farmers available to Input.

“During the quarter, we also sold 18,992 MT of canola bringing our total to 43,950 MT for the year to date in spite of the weather-related delays to harvest activity in October. Canola sales will continue as some over-wintered canola is harvested this spring. In addition, we have made significant progress on long-anticipated farmland sales, having completed one sale.

“I would be remiss if I failed to mention that last month, the co-founders of the company, including myself, purchased another 4,250,000 shares of the company at \$1.80 per share. This brings insider ownership of Input to over 20% (basic) and over 27% (fully diluted). This demonstrates our confidence in the business of Input and we are excited to continue growing the Company for many years to come with even more skin in the game.”

### **FY2017 Q2 HIGHLIGHTS**

- Adjusted streaming sales<sup>1</sup> of \$8.967 million on the delivery of 18,992 canola equivalent metric tonnes<sup>1</sup> (“MT” or “tonnes”) at an average price of \$472 per MT;
- Generated an additional \$2.267 million in sales from canola trading for total adjusted sales<sup>1</sup> of \$11.234 million;
- Cash operating margin<sup>1</sup> from streaming contracts of \$8.107 million, or \$427 per MT (90.4% cash operating margin);
- Adjusted operating cash flow<sup>1</sup> of \$2.916 million or \$0.04 per share;

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<sup>1</sup> Non-IFRS financial measures with no standardized meaning under IFRS. For further information and a detailed reconciliation, refer to "Non-IFRS Measures" beginning on page 23 of the MD&A.

- Adjusted net income<sup>1</sup> of \$0.360 million, or \$0.00 per share;
- Soft-launched Marketing Streams to enthusiasm in the farm community which management believes should accelerate Input's pace of client acquisition. Over 60 Marketing Streams were signed in the quarter with little promotion;
- Recorded gross capital deployment of \$20.563 million in upfront payments.
  - Net deployment for accounting purposes was \$15.153 million into 125 streaming contracts, adding 60 new producers to the portfolio and more than 175,000 MT to the Company's future canola sales. The difference in upfront payments is attributable to \$2.500 million in contracts which remained pending at the end of the quarter due to closing conditions not yet fulfilled, and to \$2.910 million in contract buy backs; and
- Finished the quarter with:
  - Cash and cash equivalents of \$17.229 million;
  - Total canola interests (current portion and long-term portion) and other financial assets (herein referred to collectively as "canola interests") of \$68.601 million;
  - Multi-year active streaming contracts with 179 farm operators, up from 94 a year ago;
  - Total shareholders' equity of \$109.874 million;
  - \$2.106 million drawn on its \$25 million revolving credit facility; and
  - No long-term debt.

**Subsequent to the quarter end:**

- Input closed a streaming contract totalling \$7.455 million in upfront payments which was previously announced in the Q1 Quarterly Operational Update;
- Input closed the previously announced conditional sale of 4,320 acres of farmland which had been received from a farmer as a partial buy back of a streaming contract;
- Input's Executive Management Team of the company, comprised of its three co-founders, purchased 4,250,000 shares of the company from an institutional shareholder at a price of \$1.80 per share. For further details on the transaction, see the disclosure documents filed on SEDAR and SEDI at the time of the transaction; and
- Input completed an update of its revolving credit facility with HSBC Bank Canada. There are no material changes to the agreement, but several changes were made which simplify reporting processes and enhance the Company's ability to draw on the facility as it relates to the second year of Capital Streams as well as the inclusion of Marketing Streams for draw purposes.

**FY2017 YTD HIGHLIGHTS**

- Adjusted streaming sales<sup>1</sup> of \$20.691 million on the delivery of 43,950 canola equivalent metric tonnes<sup>1</sup> (“MT” or “tonnes”) at an average price of \$471 per MT;
- Generated an additional \$3.852 million in sales from canola trading for total adjusted sales<sup>1</sup> of \$24.543 million;
- Cash operating margin<sup>1</sup> from streaming contracts of \$18.025 million, or \$410 per MT (87.1% cash operating margin);
- Adjusted operating cash flow<sup>1</sup> of \$11.514 million or \$0.14 per share;
- Adjusted net income<sup>1</sup> of \$1.407 million, or \$0.02 per share;
- Recorded gross capital deployment of \$33.132 million in upfront payments.
  - Net deployment for accounting purposes was \$19.265 million into 140 streaming contracts, adding 69 new producers to the portfolio and more than 193,000 MT to the Company’s future canola sales. The difference in upfront payments is attributable to \$9.956 million in contracts which remained pending at the end of the quarter due to closing conditions not yet fulfilled, and to \$3.911 million in contract restructuring.

KEY PERFORMANCE INDICATORS FOR THE COMPARABLE PERIODS ARE SUMMARIZED BELOW:

Selected non-IFRS measures <sup>1</sup>	Three months ended Mar 31		Six months ended Mar 31	
	2017	2016	2017	2016
<i>CAD millions, unless otherwise noted</i>				
Adjusted streaming sales	<b>8.967</b>	2.633	<b>20.691</b>	18.273
Adjusted streaming volume (MT)	<b>18,992</b>	5,894	<b>43,950</b>	37,783
<i>Average selling price from streaming contracts</i>	<b>\$472</b>	\$447	<b>\$471</b>	\$484
Cash operating margin	<b>8.107</b>	2.321	<b>18.025</b>	15.934
<i>Cash operating margin per tonne</i>	<b>\$426.86</b>	\$393.79	<b>\$410.13</b>	\$421.72
Cash margin	<b>2.358</b>	0.746	<b>5.055</b>	5.942
<i>Cash margin per tonne</i>	<b>\$124.16</b>	\$126.57	<b>\$115.02</b>	\$157.27
Adjusted EBITDA	<b>6.310</b>	1.195	<b>15.011</b>	13.807
<i>Adjusted EBITDA per share (basic)</i>	<b>\$0.08</b>	\$0.01	<b>\$0.18</b>	\$0.17
Adjusted operating cash flow	<b>2.916</b>	2.397	<b>11.514</b>	13.595
<i>Adjusted operating cash flow per share (basic)</i>	<b>\$0.04</b>	\$0.03	<b>\$0.14</b>	\$0.17
Adjusted net income (loss)	<b>0.360</b>	(0.253)	<b>1.407</b>	2.831
<i>Adjusted net income (loss) per share (basic)</i>	<b>\$0.00</b>	\$(0.00)	<b>\$0.02</b>	\$0.03
<i>Upfront payment per tonne<sup>2</sup></i>	<b>\$86.50*</b>	\$296.44	<b>\$99.83*</b>	\$300.91

For the first time, the upfront payment per tonne reflects upfront payments made into Marketing Streams. For more information about Marketing Streams, refer to discussion on Marketing Streams beginning on page 10 in the accompanying Management’s Discussion and Analysis.

**SALES**

For the quarter ended March 31, 2017, Input generated adjusted sales from streaming contracts of \$8.967 million on adjusted streaming volume of 18,992 MT for an average price of \$472 per MT.

The sales from streaming tonnes plus net settlements of canola interests for the quarter represent a 222% increase in quarterly volume over the comparable quarter one year ago, when the Company sold 5,894 MT of canola equivalent for revenue of \$2.633 million for an average price of \$447 per MT.

For the six months ended March 31, 2017, Input generated adjusted sales from streaming contracts of \$20.691 million on the adjusted streaming volume of 43,950 MT an average price of \$471 per MT.

The sales from streaming tonnes plus net settlements from streaming tonnes for the quarter represent a 16% increase in quarterly volume over the comparable quarter one year ago, when the Company sold 37,783 MT of canola equivalent for revenue of \$18.273 million for an average price of \$484 per MT.

**CAPITAL DEPLOYMENT AND STREAMING CONTRACT PORTFOLIO**

For the three months ended March 31, 2017, Input recorded gross capital deployment of \$20.563 million (compared to \$11.264 million in the same quarter last year) in upfront payments into 125 streaming contracts for the right to purchase over 175,000 MT of canola over the life of the streaming contracts. Net deployment for accounting purposes was \$15.153 million. The difference is attributable to \$2.500 million in contracts which remained pending at the end of the quarter due to closing conditions not yet fulfilled, and to \$2.910 million in contract restructuring.

During the quarter, Input added 60 new producers to its streaming contract portfolio; 40 in Saskatchewan, 19 in Alberta and 1 in Manitoba. The remaining contracts were renewals, expansions and restructures of existing contracts.

During the comparable quarter last year, Input added 17 new producers to its portfolio.

Input has taken deliberate steps to add a larger number of smaller contracts to its portfolio of streaming contracts, including Capital Streams and Marketing Streams, and is pleased to have added a record number of new producers to its portfolio.

During the quarter, Input's average upfront cost per tonne was \$86.50 compared to \$296.44 in the comparable quarter last year. For the first time, the upfront payment per tonne reflects upfront payments made into Marketing Streams. For more information about Marketing Streams, refer to discussion on Marketing Streams beginning on page 10 in the accompanying Management's Discussion and Analysis.

For the six months ended March 31, 2017, Input recorded gross capital deployment of \$33.132 million (compared to \$17.917 million in the same period last year) into 142 streaming contracts for the right to purchase just over 193,000 MT of canola over the life of the streaming contracts. Net deployment for accounting purposes was \$19.265 million. The difference is attributable to \$9.956 million in contracts which remained pending at the end of the quarter due to closing conditions not yet fulfilled, and to \$3.911 million in contract restructuring.

During the six months, Input added 69 new contracts; 48 in Saskatchewan, 20 in Alberta and 1 in Manitoba. The remaining contracts were renewals, expansions and of existing contracts.

During the comparable six month period ended March 31, 2016, Input added 19 new producers to its portfolio.

During the six month period, Input's average upfront cost per tonne was \$98.20 compared to \$300.91 in the comparable period last year. For the first time, the upfront payment per tonne reflects upfront payments made into Marketing Streams. For more information about Marketing Streams, refer to discussion on Marketing Streams beginning on page 10 in the accompanying Management's Discussion and Analysis.

As of March 31, 2017, Input's active streaming portfolio consisted of 179 geographically diversified streams. 134 of the Company's canola streams are with farms in Saskatchewan, 38 are located in Alberta, and 7 are in Manitoba. The Company is pleased with its continued growth across Alberta and Saskatchewan and expects to continue diversifying its asset base across the Prairies as it adds new streams to its portfolio.

The change in active streaming contracts by region on a quarterly and annual basis is demonstrated in the table below:

Active Streaming Contracts	Mar 31, 2017	Dec 31, 2016	Quarterly Growth	Mar 31, 2016	Year Over Year Growth
Manitoba	7	6	1	5	2
Saskatchewan	134	95	39	75	59
Alberta	38	20	18	14	24
<b>Total</b>	<b>179</b>	<b>121</b>	<b>58</b>	<b>94</b>	<b>85</b>

## BALANCE SHEET

KEY BALANCE SHEET ITEMS ARE SUMMARIZED BELOW:

Statements of Financial Position <i>CAD millions, unless otherwise noted</i>	As at Mar 31, 2017	As at Sep 30, 2016
Cash and cash equivalents	17.229	16.643
Canola interests and other financial assets	68.601	77.757
Total assets	119.511	118.548
Total liabilities	9.637	2.935
Total shareholders' equity	109.874	115.613
Working capital	49.382	71.181
Revolving credit facility	2.106	-
Long-term debt	-	-

## OUTLOOK

Seeding is underway across western Canada, accompanied by some late harvest activities in a few areas. While busy farmers generally means slower activity for Input, the Company has continued to complete numerous new streaming contracts in recent days. Management expects that Marketing Streams will be easily saleable year-round, leading to greater activity in the summer months than previously experienced in other years. So far, the Company is on track with its goal of doubling deployment from last year to this year, but it will not be known whether the Company's deployment goals for the year have been met until the fiscal year ends in September.

This is also the time of year when Input is busy organizing and pricing canola for sale from the next harvest. Strong spring pricing is helpful in this regard, and news reports of anticipated canola shortages over the summer appear to be supporting the market. Farmers have announced intentions to grow a record number of canola acres this year – whether this occurs is now primarily a function of weather cooperation, as seeding has gotten off to a slower start than normal. Any shortfall in anticipated acres could lead to strong pricing right into the harvest period.

#### **WEBCAST AND CONFERENCE CALL DETAILS**

A conference call will be held on Thursday, May 18, 2017 starting at 8:30 am Saskatchewan time (10:30 am Eastern time) to further discuss the year end results. To participate in the conference call use the following dial-in number:

Participant Dial in #: (888) 231-8191 (North America Toll Free)

Participant Dial in #: (647) 427-7450 (International)

Webcast URL:

<http://event.on24.com/r.htm?e=1414988&s=1&k=75E4DA9FC55CA4808940FDE5D8A91A83>

It is recommended that participants dial in five minutes prior to the commencement of the conference call. Soon after the completion of the call, the webcast will be available for download on the Input Capital website at [investor.inputcapital.com](http://investor.inputcapital.com).

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#### **ABOUT INPUT**

Input is an agriculture commodity streaming company with a focus on canola, the largest and most profitable crop in Canadian agriculture. Input enters into multi-year canola streaming contracts with canola farmers in western Canada. Pursuant to the streaming contract, Input purchases a fixed portion of the canola produced, at a fixed price, for the duration of the term of the contract. Input is a non-operating farming company with a diversified portfolio of canola streams, all of which produce canola and revenue for Input within a year of being signed. Input plans to grow and diversify its low cost canola production profile through entering into additional canola streaming contracts with farmers across western Canada. Input is focused on farmers with quality production profiles, excellent upside yield potential, and strong management teams.

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### **Forward Looking Statements**

*This release includes forward-looking statements regarding Input and its business. Such statements are based on the current expectations and views of future events of Input's management. In some cases the forward-looking statements can be identified by words or phrases such as "may", "will", "expect", "plan", "anticipate", "intend", "potential", "estimate", "believe" or the negative of these terms, or other similar expressions intended to identify forward-looking statements. The forward-looking events and circumstances discussed in this release may not occur and could differ materially as a result of known and unknown risk factors and uncertainties affecting Input, including risks regarding the agricultural industry, economic factors and the equity markets generally and many other factors beyond the control of Input. No forward-looking statement can be guaranteed. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statement or information. Accordingly, readers should not place undue reliance on any forward-looking statements or information. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and Input undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.*

### **Non-IFRS Measures**

Input measures key performance metrics established by management as being key indicators of the Company's strength, using certain non-IFRS performance measures, including:

- Adjusted Streaming Sales, Adjusted Streaming Volume and Adjusted Gross Profit from Streaming;
- Crop Payment per Tonne;
- Cash Operating Margin and Cash Operating Margin per Tonne;
- Cash Margin and Cash Margin per Tonne;
- Adjusted EBITDA and Adjusted EBITDA per share;
- Adjusted Operating Cash Flow and Adjusted Operating Cash Flow per share;
- Adjusted Net Income (Loss) and Adjusted Net Income (Loss) per share; and
- Upfront Payment per Tonne.

The Company uses these non-IFRS measures for its own internal purposes. These non-IFRS measures do not have any standardized meaning prescribed by IFRS, and these measures may be calculated differently by other companies. The presentation of these non-IFRS measures is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The Company provides these non-IFRS measures to enable investors and analysts to understand the underlying operating and financial performance of the Company in the same way as it is frequently evaluated by Management. Management will periodically assess these non-IFRS measures and the components thereof to ensure their continued use is beneficial to the evaluation of the underlying operating and financial performance of the Company, and to confirm that these measures remain useful for comparison purposes to other royalty/streaming companies. For more detailed information, please refer to Input's Management Discussion and Analysis available on the Company's website at [investor.inputcapital.com](http://investor.inputcapital.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

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<sup>1</sup> Non-IFRS financial measures with no standardized meaning under IFRS. For further information and a detailed reconciliation, refer to "Non-IFRS Measures" in the accompanying MD&A.

<sup>2</sup> Includes contracts that were signed but not completely funded at the end of the quarter ended March 31, 2017 and is net of contract buy backs.