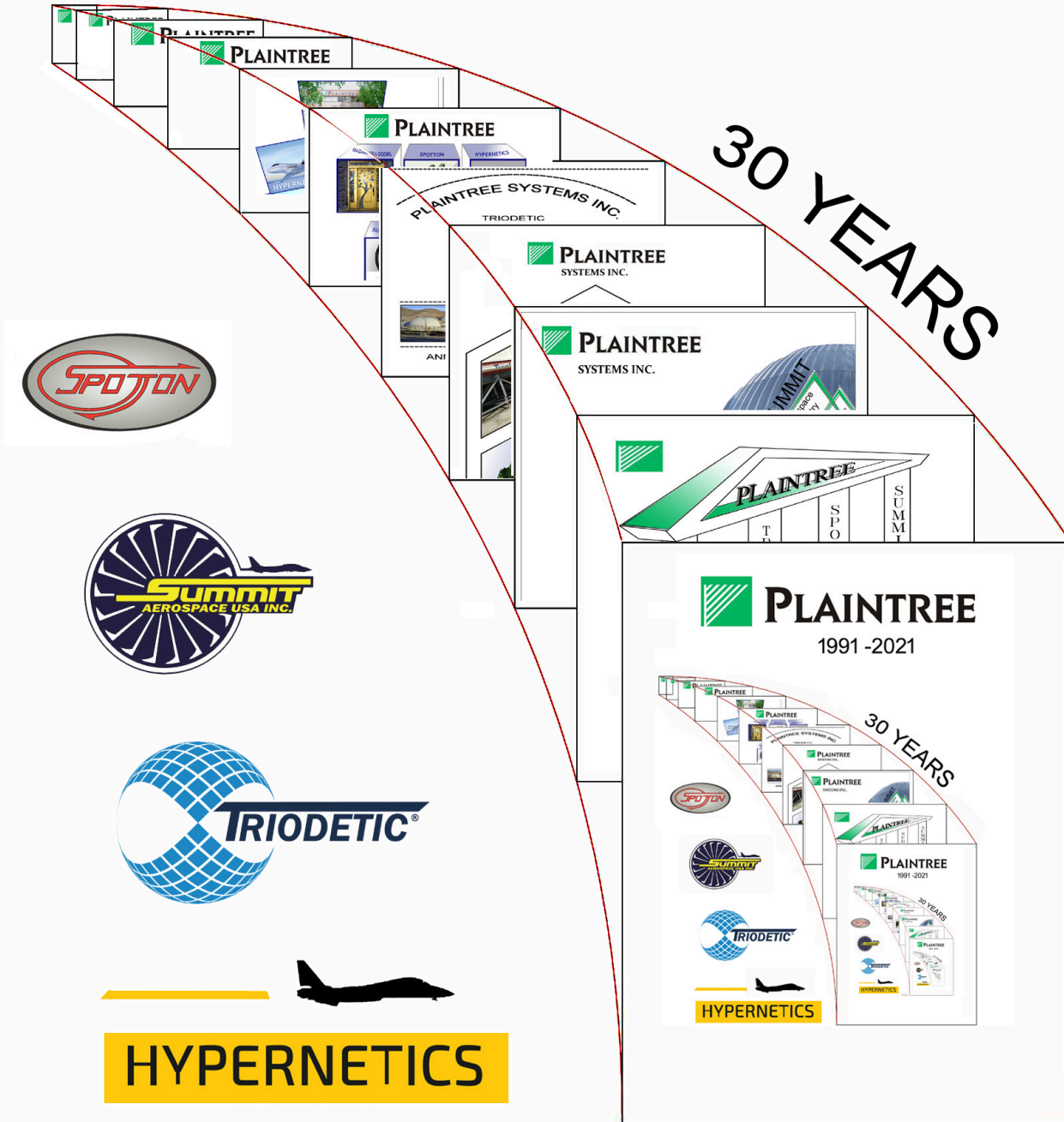




# PLAINTREE

1991 - 2021



Q2 - 2022

For the six months ending September 30, 2021



**“Notice to Reader”**

The accompanying unaudited interim financial statements of Plaintiff Systems Inc. for the three and six months ended September 30, 2021 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These statements have not been reviewed by the Company’s external auditors.

Date: November 11, 2021

“David Watson”

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David Watson  
CEO



**Plaintree Systems Inc.**

Consolidated statements of financial position

(unaudited)

(in Canadian dollars)

	September 30, 2021 (unaudited)	March 31, 2021 (audited)
	\$	\$
<b>Assets</b>		
Current assets		
Cash	2,220,801	2,066,688
Trade receivables and other receivables	2,087,349	2,223,055
Unbilled revenue	1,678,556	1,751,652
Inventories (Note 4)	2,086,358	1,676,853
Prepaid expenses and other receivables	517,375	292,465
Current portion of mortgage receivable (Note 5)	5,250	5,250
	8,595,689	8,015,963
Long-term portion of mortgage receivable (Note 5)	287,224	289,809
Property, plant and equipment (Note 9)	3,232,201	3,456,267
Right of use asset, building (Note 7, 9)	2,714,414	-
Intangible assets (Note 10)	178,183	285,583
	15,007,711	12,047,622
<b>Liabilities</b>		
Current liabilities		
Trade and other payables	1,882,122	1,683,580
Deferred revenue	38,951	250,406
Current portion of long-term debt and lease obligation (Note 6, 7)	1,526,636	1,142,328
Current portion of due to related parties (Note 11)	50,000	50,000
Current portion of government assistance (Note 8)	75,081	75,186
	3,572,790	3,201,500
Long-term debt and lease obligation (Note 6, 7)	3,073,871	1,140,983
Deferred government assistance (Note 8)	509,997	533,875
Due to related parties (Note 11)	4,989,304	5,033,293
Deferred tax liabilities	168,971	168,971
	12,314,933	10,078,622
<b>Shareholders' equity (deficiency)</b>		
Issued capital	2	2
Contributed surplus	2,159,842	2,159,842
Retained earnings	532,934	(190,844)
	2,692,778	1,969,000
	15,007,711	12,047,622

Approved by the Board

"David Watson""Girvan Patterson"

**Plaintree Systems Inc.**

Consolidated statements of comprehensive earnings (loss)

for the three and six months ending September 30, 2021 and September 30, 2020

(unaudited)

(in Canadian dollars)

	for the three months ended		for the six months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	\$	\$	\$	\$
Revenue	4,271,405	2,377,581	7,914,775	5,049,355
Cost of sales	2,964,875	2,092,367	5,546,007	3,729,616
Gross margin	1,306,530	285,214	2,368,768	1,319,739
Operating expenses				
Research and development	404,478	184,596	748,054	452,896
Finance and administration	276,369	223,082	578,023	501,632
Sales and marketing	152,142	112,511	270,350	175,465
Interest expense	61,050	36,814	107,257	81,490
(Gain) loss on foreign exchange	(49,142)	(7,017)	(58,694)	22,973
	844,897	549,986	1,644,990	1,234,456
Net earnings before income taxes	461,633	(264,772)	723,778	85,283
Net earnings and comprehensive earnings	461,633	(264,772)	723,778	85,283
Basic and diluted (loss) per common share (Note 13)	0.01	(0.05)	(0.00)	(0.05)
Weighted average common shares outstanding	12,925,253	12,925,253	12,925,253	12,925,253

The accompanying notes are an integral part of the consolidated financial statements.

**Plaintree Systems Inc.**Consolidated statements of cash flows  
for the six months ended September 30, 2021 and September 30, 2020

(in Canadian dollars)

	September 30, 2021	September 30, 2020
	\$	\$
<b>Operating activities</b>		
Comprehensive earnings	723,778	85,283
Add (deduct) items not affecting cash:		
Depreciation of intangible assets	107,400	72,332
Depreciation of property, plant and equipment	534,030	456,993
		-
Changes in non-cash operating working capital items		
Deferred revenue	(211,455)	81,768
Inventories	(409,505)	(176,383)
Prepaid expenses and other receivables	(224,910)	(514,376)
Trade and other payables	198,540	47,916
Trade and other receivables	135,706	(381,767)
Unbilled revenue	73,096	409,826
Mortgage receivable	2,585	2,433
Cash provided by operations	929,265	84,025
<b>Investing activities</b>		
Payments to acquire intangible assets	-	(18,547)
Payments to acquire property, plant and equipment	(219,842)	(203,062)
Cash (used) in investing activities	(219,842)	(221,610)
<b>Financing activities</b>		
Repayment of government assistance	(23,983)	(71,692)
Repayment of long-term debt	(157,171)	(119,205)
Repayment of capital lease obligations	(330,167)	41,663
Repayment of related party borrowings (Note 11)	(43,989)	(38,065)
Cash (used) in financing activities	(555,310)	(187,299)
<b>Net cash inflow</b>	154,113	(324,884)
Net cash (beginning of the year)	2,066,688	1,503,880
Net cash, end of the year	2,220,801	1,178,996

The accompanying notes are an integral part of the consolidated financial statements.

**PLAINTREE SYSTEMS INC.**

Consolidated Statement of changes in equity  
for the periods ended September 30, 2021 and September 30, 2020  
(unaudited)  
(in Canadian dollars)

	Common Shares Number	Issued Capital \$	Preferred Shares (1) Number	Issued Capital \$	Contributed Surplus \$	Retained earnings (deficit) \$	Shareholders' Equity \$
Balances at March 31, 2021	12,925,253	1	18,325	1	2,159,842	(190,844)	1,969,000
Net earnings and comprehensive earnings						723,778	723,778
Balances at September 30, 2021	12,925,253	1	18,325	1	2,159,842	532,934	2,692,778

	Common Shares Number	Issued Capital \$	Preferred Shares (1) Number	Issued Capital \$	Contributed Surplus \$	Retained earnings (deficit) \$	Shareholders' Equity \$
Balances at March 31, 2020	12,925,253	1	18,325	1	2,159,842	532,934	2,692,778
Net earnings and comprehensive earnings						85,283	85,283
Balances at September 30, 2020	12,925,253	1	18,325	1	2,159,842	618,217	2,778,061

(1) Class A Shares have a 8% cumulative dividend, calculated on redemption amount, redeemable at the option of the Company at any time at \$1000 per share plus accrued dividends; non-voting.

The accompanying notes are an integral part of the consolidated financial statements.



# Plaintree Systems Inc.

## Notes to the condensed consolidated interim financial statements

For the three and six months ended September 30, 2021 and September 30, 2020 (unaudited)

(In Canadian dollars)

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### 1. Description of the business

Plaintree Systems Inc. ("Plaintree" or the "Company") was incorporated in Canada under the Canada Business Corporation Act and is publicly traded on the Canadian Securities Exchange ("CSE") under "NPT". Plaintree is a diversified company with proprietary technologies and manufacturing capabilities in structural design and aerospace. The Company operates an Electronics division, consisting of the Hypernetics division and Summit Aerospace USA Inc. ("Summit Aerospace"), and a Specialty Structures division consisting of the Triodetic business and Spotton Corporation. The Hypernetics business manufactures avionic components for various applications including aircraft antiskid braking, aircraft indicators, solenoids and permanent magnet alternators. The Triodetic business is a design/build manufacturer of steel, aluminum, and stainless steel specialty structures such as commercial domes, free form structures, barrel vaults, space frames, and industrial dome coverings. Summit Aerospace specializes in the high-end machining of super-alloys for the aircraft and helicopter markets. Spotton's business involves the design and manufacture of high-end custom hydraulic and pneumatic cylinders for the industrial, automation and oil and gas markets.

The address of the Company's registered office and principal place of business is 10 Didak Drive, Arnprior, Ontario.

### 2. Basis of presentation

#### (a) Statement of compliance

The condensed consolidated unaudited interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and were approved for issue by the Board of Directors on November 11, 2021. The unaudited consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* using the accounting policies disclosed below. These statements should be read in conjunction with the audited financial statements and notes included in the Annual Report for the year ended March 31, 2021.

#### (b) Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for share-based compensation and for the purchase price allocation for business combinations, which are measured at fair value. Historical cost is generally based upon the fair value of the consideration given in exchange for assets.

#### (c) Basis of consolidation

The consolidated financial statements include the accounts of Plaintree Systems Inc. and its wholly-owned subsidiaries: Summit Aerospace USA Inc. and Triodetic Inc. (U.S. companies), and Triodetic Ltd and Spotton Corporation (Canadian companies). Subsidiaries are entities controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries align with the policies adopted by the Company. All inter-company transactions have been eliminated.

# Plaintree Systems Inc.

## Notes to the condensed consolidated interim financial statements

For the three and six months ended September 30, 2021 and September 30, 2020 (unaudited)

(In Canadian dollars)

### 3. Significant accounting policies

The accounting policies applied in these unaudited condensed consolidated interim financial statements are the same as those applied in the Company's consolidated financial statements for the year ending March 31, 2021.

### 4. Inventories

	September 30, 2021 (unaudited)	March 31, 2021 (audited)
	\$	\$
Raw materials	1,386,295	1,007,122
Work in process	633,849	634,217
Finished goods	66,214	35,514
	<b>2,086,358</b>	<b>1,676,853</b>

The cost of inventories recognized as an expense during the six months ending September 30, 2021 was \$5,525,714 (\$3,718,386 – September 30, 2020). The total carrying value of inventory as at September 30, 2021, was pledged as security through general security agreements under bank lines of credit and related party liabilities (see note 6 and 7).

The Company wrote down its inventories by \$NIL during the first six months of fiscal 2022 (\$NIL in first six months of fiscal 2021). The Company had write ups totaling \$12,751 in the first half of fiscal 2022 (\$19,438 in first half of fiscal 2021).

### 5. Mortgage receivable

During fiscal 2020, the Company sold a building owned by it in Arnprior Ontario for \$1.3 million. The consideration was paid by \$1 million in cash and by a vendor take mortgage of \$300,000 of which \$292,474 remains outstanding as at September 30, 2021. The vendor take back mortgage has a five year term and earns interest at 6.076%. The Issuer has secured the vendor take back mortgage by a charge over the building and other security.

### 6. Long-term debt

	September 30, 2021 (unaudited)	March 31, 2021 (audited)
Non-revolving loan payable in monthly blended installments of principal and interest, \$8,061, at a rate of 4.728%, secured by general security agreement, maturing March 2022.	\$ 227,810	\$ 270,191
Non-revolving loan payable (\$261,552 USD) in monthly blended installments of principal and interest, \$7,559 USD, at a rate of LIBOR plus 3.25%, secured by general security agreement, maturing March 2022.	333,243	379,932
Non-revolving loan payable in monthly blended installments of principal and interest, \$15,148.09, at a rate of 3.640%, secured by general security agreement, maturing March 2026.	766,288	829,827
Deferred financing fees	(77,157)	(72,595)
	<b>1,250,184</b>	<b>1,407,355</b>
Current portion	(720,541)	(804,249)
	<b>529,643</b>	<b>603,106</b>

# Plaintree Systems Inc.

## Notes to the condensed consolidated interim financial statements

For the three and six months ended September 30, 2021 and September 30, 2020 (unaudited)

(In Canadian dollars)

### 7. Lease Obligation

The Company's leases are for factory equipment which are typically 5 to 7 years in length. Leases for factory equipment are subject to a range of interest rates from 4 to 8 percent per annum. During the second quarter of Fiscal 2022, the Company entered into a five year office lease agreement with a related party. The office lease has been recorded as a right of use asset and lease liability on the consolidated statement of financial position. The following table presents the Company's lease obligations as at September 30, 2021:

	Factory Equipment Leases	Building Lease	Total
Fiscal 2022 Remaining	160,584	304,875	465,459
Fiscal 2023	270,492	609,750	880,242
Fiscal 2024	188,793	609,750	798,543
Fiscal 2025	81,574	609,750	691,324
Fiscal 2026	-	609,750	609,750
Thereafter	-	152,438	152,438
Total future minimum lease payments	701,444	2,896,313	3,597,756
Inputed interest	(12,792)	(234,642)	(247,434)
Total lease liabilities	714,236	2,661,671	3,375,907
Less: current portion	(282,367)	(523,728)	(806,095)
Non-current portion	431,869	2,137,943	2,569,812

### 8. Government assistance

The Company's Summit Aerospace USA Inc. division accepted a loan of \$720,000 USD (\$917,352 CAD) from the Pennsylvania Industrial Development Authority (PIDA) as partial financing towards the manufacturing facility in Pocono Summit, PA purchased in May 2013. The loan carries a 15-year term, maturing in May 2029, with level monthly payments of principal and interest at a fixed rate of 1.5%. The loan is secured by the related land and building.

The Company records the government loan at its estimated fair value at the date in which the payments are recorded. The estimated fair value of the loan payable is determined by discounting future cash flows associated with the loan at a discount rate which represents the estimated borrowing rate to the Company. The difference between the face value of the loan and the estimated fair value is deemed to be government assistance. The loan payable is accreted to the face value over the term of the loan and is recognized as accretion expense.

	Loan present value (unaudited)	Deferred Government Assistance (unaudited)	Repayable government assistance (unaudited)
	\$	\$	\$
Opening Balance	470,495	58,566	529,061
Loan adjustment for exchange	6,210	(1,481)	4,729
Repayments	(30,966)		(30,966)
Accretion	6,348	(4,094)	2,254
September 30, 2021	452,086	52,991	505,077
Current Portion	(62,635)	(12,446)	(75,081)
Balance	389,452	40,545	429,997

# Plaintree Systems Inc.

## Notes to the condensed consolidated interim financial statements

For the three and six months ended September 30, 2021 and September 30, 2020 (unaudited)

(In Canadian dollars)

The Company recorded Canadian Emergency Wage Subsidy ("CEWS") and Canadian Emergency Rent Subsidy ("CERS") and US Protection Program ("PPP") related to COVID-19. Government subsidies during the first six months of fiscal 2022 and fiscal 2021 amounted to \$120,795 and \$581,394 respectively for the Electronics Division and \$262,746 and \$582,394 respectively in the Specialty Structures Division for a total of \$383,541 and \$1,163,788 respectively. The total government assistance was recorded in the September 30, 2021 consolidated statement of comprehensive earnings as a reduction of the following accounts:

	Three months ending		Six months ending	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	\$	\$		
Cost of sales	106,827	271,633	208,866	738,380
Research and development	67,475	193,754	112,805	241,765
Finance and administration	35,182	82,183	42,284	114,563
Sales and marketing	3,260	36,343	19,586	69,080
	<u>212,744</u>	<u>583,913</u>	<u>383,541</u>	<u>1,163,788</u>

The Company has recorded short term, interest free loans in the amount of \$80,000 under the Canada Emergency Business Account ("CEBA").

## 9. Property, plant and equipment

	Factory equipment	Computer equipment	Furniture	Vehicles	Lease improvements	Building	Land	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Cost, balance								
<b>March 31, 2020</b>	<b>9,548,566</b>	<b>1,093,154</b>	<b>202,313</b>	<b>378,967</b>	<b>1,618,008</b>	<b>1,007,783</b>	<b>124,557</b>	<b>13,973,350</b>
Additions	420,922	6,853	-	-	-	-	-	427,775
Disposals	(68,058)	(1,776)	-	(12,049)	-	-	-	(81,883)
<b>March 31, 2021</b>	<b>9,901,430</b>	<b>1,098,231</b>	<b>202,313</b>	<b>366,918</b>	<b>1,618,008</b>	<b>1,007,783</b>	<b>124,557</b>	<b>14,319,242</b>
Additions	25,893	7,223	-	-	133,984	2,857,278	-	3,024,378
Disposals	(5,336)	-	-	-	-	-	-	(5,336)
<b>September 30, 2021</b>	<b>9,921,987</b>	<b>1,105,454</b>	<b>202,313</b>	<b>366,918</b>	<b>1,751,992</b>	<b>3,865,061</b>	<b>124,557</b>	<b>17,338,284</b>
Depreciation, balance								
<b>March 31, 2020</b>	<b>(6,805,059)</b>	<b>(1,066,943)</b>	<b>(201,279)</b>	<b>(359,664)</b>	<b>(1,213,348)</b>	<b>(431,612)</b>	<b>-</b>	<b>(10,077,906)</b>
Depreciation	(626,586)	(11,720)	(1,034)	(7,842)	(148,502)	(61,555)	-	(857,239)
Disposal	58,345	1,776	-	12,049	-	-	-	72,170
<b>March 31, 2021</b>	<b>(7,373,300)</b>	<b>(1,076,887)</b>	<b>(202,313)</b>	<b>(355,457)</b>	<b>(1,361,850)</b>	<b>(493,167)</b>	<b>-</b>	<b>(10,862,975)</b>
Depreciation	(300,447)	(6,079)	-	(3,865)	(49,591)	(174,048)	-	(534,030)
Disposal	5,336	-	-	-	-	-	-	5,336
<b>September 30, 2021</b>	<b>(7,668,411)</b>	<b>(1,082,967)</b>	<b>(202,313)</b>	<b>(359,322)</b>	<b>(1,411,441)</b>	<b>(667,215)</b>	<b>-</b>	<b>(11,391,669)</b>
Carrying amount,								
September 30, 2021	2,253,576	22,487	-	7,596	340,551	3,197,846	124,557	5,946,615
March 31, 2021	2,528,130	21,343	-	11,463	256,158	514,616	124,557	3,456,267

Included in factory equipment are right of use assets with a cost of \$2,059,916 and accumulated amortization of \$642,309. Included in building are right of use assets with a cost of \$2,857,278 and accumulated amortization of \$142,864. Refer to Note 7 for a breakdown of the Company's lease obligations.

# Plaintree Systems Inc.

## Notes to the condensed consolidated interim financial statements

For the three and six months ended September 30, 2021 and September 30, 2020 (unaudited)

(In Canadian dollars)

### 10. Intangibles

Cost, balance	Customer Relationship		Total
	Software	and Non-compete	
	\$	\$	\$
March 31, 2020	336,406	1,313,270	1,649,676
Additions	22,372	-	22,372
<b>March 31, 2021</b>	<b>358,778</b>	<b>1,313,270</b>	<b>1,672,048</b>
Additions	-	-	-
<b>September 30, 2021</b>	<b>358,778</b>	<b>1,313,270</b>	<b>1,672,048</b>
Accumulated Depreciation, balance			
March 31, 2020	(189,392)	(1,052,616)	(1,242,008)
Depreciation	(14,131)	(130,327)	(144,458)
<b>March 31, 2021</b>	<b>(203,522)</b>	<b>(1,182,943)</b>	<b>(1,386,465)</b>
Depreciation	(42,237)	(65,163)	(107,400)
<b>September 30, 2021</b>	<b>(245,759)</b>	<b>(1,248,106)</b>	<b>(1,493,865)</b>
Carrying amount,			
<b>September 30, 2021</b>	<b>113,019</b>	<b>65,164</b>	<b>178,183</b>
<b>March 31, 2021</b>	<b>155,256</b>	<b>130,327</b>	<b>285,583</b>

### 11. Due to related parties

	September 30, 2021	March 31, 2021
	(unaudited)	(audited)
	\$	\$
Due to senior officers	3,890,785	3,932,870
Dividends payable	60,000	60,000
Due to Targa Group Inc, convertible debentures	247,672	247,672
Due to Tidal Quality Management Inc.	396,857	398,760
Due to Targa Group Inc, line of credit interest	242,598	242,598
Due to Targa Group Inc, demand loan interest	201,393	201,393
	<b>5,039,304</b>	5,083,293
Less: current portion	(50,000)	(50,000)
	<b>4,989,304</b>	5,033,293

Targa Group Inc. and Tidal Quality Management Corporation are companies under common control.

# Plaintree Systems Inc.

## Notes to the condensed consolidated interim financial statements

For the three and six months ended September 30, 2021 and September 30, 2020 (unaudited)

(In Canadian dollars)

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As at September 30, 2021, a balance of \$3,890,785 (\$2,655,151 principal and \$1,235,634 interest); March 31, 2021 - \$3,970,563 (\$2,734,929 principal and \$1,235,634 interest) remained owing to senior officers of the Company. The parties agreed to discontinue interest payments accruing on balances as of April 1, 2016. During the first six months of fiscal 2022 payments in the amount of \$42,085 were repaid to senior officers. The balance of the amount is classified as long-term, as the related parties have agreed with third-party lenders to postpone repayments.

On July 14, 2011, the board of directors of the Company declared a cash dividend of \$10.91405 per Class A preferred share (\$200,000 in the aggregate) payable on July 22, 2011, to the holders of record at the close of business on July 18, 2011. The Class A preferred shares are held by related parties and are entitled to annual cumulative dividends of 8% on the \$1,000 redemption amount of the Class A preferred share. An amount of \$60,000 (\$60,000 - March 31, 2021) of the dividend remains outstanding as at September 30, 2021. The balance of the amount is classified as long-term, as the related parties have agreed with third-party lenders to postpone repayments.

As at September 30, 2021, interest in the amount of \$247,672 (\$247,672 - March 31, 2021) on a loan from Targa remains outstanding. The balance of the amount is classified as long-term, as the related party has agreed with third-party lenders to postpone repayments.

As at September 30, 2021, a balance of \$396,857 (\$213,969 rent arrears and \$182,888 interest); March 31, 2020 - \$398,760 (\$215,872 rent arrears and \$182,888 interest) remained owing to a related party controlled by Targa, Tidal Quality Management Corporation. The related party agreed to discontinue interest accruing on unpaid balances as at April 1, 2016. Until then the interest rate was at bank prime plus 2%. The balance of the amount is classified as long-term, as the related party has agreed with third-party lenders to postpone repayments.

The Company has a revolving line of credit of up to \$1,000,000 with Targa. Under the loan agreements, all amounts advanced to the Company are payable on demand and bear interest at bank prime plus 2%. The Targa Credit Line is secured by a security interest granted over the assets of the Company. As at September 30, 2021, accumulated interest only of \$242,598 (\$242,598 - March 31, 2021) remained outstanding.

Interest in the amount of \$66,581 (\$66,581 - March 31, 2021) remained outstanding on a demand loan with Targa. The balance of the amount is classified as long-term, as the related party has agreed with third-party lenders to postpone repayments. Accumulated interest in the amount of \$134,812 (\$134,812 - March 31, 2021), on a loan from Targa remains outstanding as of September 30, 2020. The balance of the amount is classified as long-term, as the related party has agreed with third-party lenders to postpone repayments.

Rents in the form of lease payments paid to Tidal Quality Management Corporation during the six months ended September 30, 2021, totaled \$309,004 (\$280,189 - March 31, 2021). The above related party transactions are measured at their exchange amount, which is the amount agreed to by the parties.

## 12. Share capital

Authorized, unlimited number

Common shares

Class A preferred shares

Class A 8% cumulative dividends, calculated on redemption amount, redeemable at the option of the Company at any time at \$1000 per share plus accrued dividends; liquidation preference of the redemption value plus cumulative dividends (when and if declared) to common shares; non-voting. As of September 30, 2021, the accrued and unpaid dividends on Class A preferred shares were \$18,991,000 (\$18,258,000 - March 31, 2021).

# Plaintree Systems Inc.

## Notes to the condensed consolidated interim financial statements

For the three and six months ended September 30, 2021 and September 30, 2020 (unaudited)

(In Canadian dollars)

### Stock options

Under the Company's Stock Option Plan, the Company is authorized to issue up to 12,000,000 stock options to its employees, officers, directors or consultants.

Stock options are granted with an exercise price equal to the stock's fair market value at the date of grant and the maximum term of an option is ten years. Options are granted periodically and vest immediately on the date of grant.

As at September 30, 2021 there were 880,000 options outstanding and exercisable at an exercise price of \$0.11.

### 13. Basic and diluted (loss) per common share

Net income (loss) attributable to common shares used in the numerator of basic and diluted earnings per share is calculated as follows:

For the first six months ended September 30, 2021 and 2020, diluted earnings per share equals basic earnings per share due to the anti-dilutive effect of options and convertible instruments.

	Three months ending	
	September 30, 2021 (unaudited) \$	September 30, 2020 (unaudited) \$
Net profit from operations	461,633	(264,772)
Cumulative dividends on preferred shares - per annum	(366,500)	(366,500)
Net earnings (loss) attributed to common shares (basis and diluted)	95,133	(631,272)
Basic and diluted weighted average shares outstanding	12,925,253	12,925,253
Basic and diluted earnings (loss) per share from operations	0.01	(0.05)

	Six months ending	
	September 30, 2021 (unaudited) \$	September 30, 2020 (unaudited) \$
Net profit from operations	723,778	85,283
Cumulative dividends on preferred shares - per annum	(733,000)	(733,000)
Net (loss) attributed to common shares (basis and diluted)	(9,222)	(647,717)
Basic and diluted weighted average shares outstanding	12,925,253	12,925,253
Basic and diluted (loss) per share from operations	(0.00)	(0.05)

# Plaintree Systems Inc.

## Notes to the condensed consolidated interim financial statements

For the three and six months ended September 30, 2021 and September 30, 2020 (unaudited)

(In Canadian dollars)

### 14. Business segment information

The Company's chief decision maker, the CEO, tracks the Company's operations as two business segments - the design, development, manufacture, marketing and support of electronic product, and the specialty structural products. The Company determines the geographical location of revenue based on the location of its customers.

#### Revenue by division

	Three months ending		Six months ending	
	September 30, 2021 (unaudited)	September 30, 2020 (unaudited)	September 30, 2021 (unaudited)	September 30, 2020 (unaudited)
	\$			
Electronics	1,214,638	1,334,105	2,553,958	2,956,412
Specialty Structures	3,056,767	1,043,476	5,360,817	2,092,943
	<b>4,271,405</b>	<b>2,377,581</b>	<b>7,914,775</b>	<b>5,049,355</b>

#### Revenue by geographical location

	Three months ending		Six months ending	
	September 30, 2021 (unaudited)	September 30, 2020 (unaudited)	September 30, 2021 (unaudited)	September 30, 2020 (unaudited)
	\$		\$	
Canada	2,872,469	1,054,926	4,698,125	1,963,105
United States	1,398,936	1,282,526	3,141,250	3,052,275
Other	-	40,129	75,400	33,975
	<b>4,271,405</b>	<b>2,377,581</b>	<b>7,914,775</b>	<b>5,049,355</b>

#### Net earnings (loss) before taxes by division

	Three months ending		Six months ending	
	September 30, 2021 (unaudited)	September 30, 2020 (unaudited)	September 30, 2021 (unaudited)	September 30, 2020 (unaudited)
	\$		\$	
Electronics	(56,393)	(70,025)	(140,043)	332,650
Specialty Structures	518,026	(194,747)	863,821	(247,367)
	<b>461,633</b>	<b>(264,772)</b>	<b>723,778</b>	<b>85,283</b>

#### Product revenue concentration (customers with revenue in excess of 10%)

	Three months ending		Six months ending	
	September 30, 2021 (unaudited)	September 30, 2020 (unaudited)	September 30, 2021 (unaudited)	September 30, 2020 (unaudited)
Number of customers	1	2	2	2
% of total revenue	21%	12%, 20%	10%, 15%	11%, 20%

#### Assets by division

	September 30, 2021 (unaudited)	September 30, 2020 (unaudited)
Electronics	7,844,076	7,308,646
Specialty Structures	7,163,635	3,997,983



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

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## PLAINTREE SYSTEMS INC.

*For the three and six months ended September 30, 2021 and September 30, 2020*

**Date: November 11, 2021**

The following discussion and analysis is the responsibility of management and has been reviewed by the Audit Committee of Plaintiff Systems Inc ("Plaintree" or the "Company") and approved by the Board of Directors of Plaintiff. The Board of Directors carries out its responsibilities for the financial statements and management's discussion and analysis principally through the Audit Committee, which is comprised exclusively of independent directors.

The following discussion of the financial condition, changes in financial condition and results of operations of Plaintiff is for the three and six months ended September 30, 2021 and 2020. Historical results of operations, percentage relationships and any trends that may be inferred there from are not necessarily indicative of the operating results of any future periods. Unless otherwise stated all amounts are in Canadian dollars following the requirements of the International Financial Reporting Standards ("IFRS"). The information contained herein is dated as of November 11, 2021, and is current to that date, unless otherwise stated. Management is responsible for ensuring that processes are in place to provide sufficient knowledge to support the representations made in the annual filings. Our Audit Committee and Board of Directors provide an oversight role with respect to all public financial disclosures by the Company and have reviewed this MD&A and the accompanying financial statements.

W. David Watson II, President and Chief Executive Officer, and Lynn E. Saunders, Chief Financial Officer, in accordance with National Instrument 52-109 ("NI52-109"), have both certified that they have reviewed the annual financial statements and this MD&A ("the annual Filings") and that, based on their knowledge having exercised reasonable diligence, (a) the annual Filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made with respect to the period covered by the annual Filings; and (b) the annual financial statements together with the other financial information included in the annual Filings fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the dates and for the periods presented in the annual Filings.

Investors should be aware that the inherent limitations on the ability of certifying officers of a venture issuer to design and implement, on a cost effective basis, Disclosure Controls and Procedures and Internal Controls over Financial Reporting as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

### **Caution Regarding Forward Looking Information**

*This MD&A of the Company contains certain statements that, to the extent not based on historical events, are forward-looking statements based on certain assumptions and reflect Plaintiff's current expectations. Forward-looking statements include, without limitation, statements evaluating market and general economic conditions, and statements regarding growth strategy and future-oriented project revenue, costs and expenditures. Actual results could differ materially from those projected and should not be relied upon as a prediction of future events. A variety of inherent risks, uncertainties and factors, many of which are beyond Plaintiff's control, affect the operations, performance and results of Plaintiff and its business, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. Some of these risks, uncertainties and factors include the impact or unanticipated impact of: companies evaluating Plaintiff's products delaying purchase decisions; current, pending and proposed legislative or regulatory developments in the jurisdictions where Plaintiff operates; change in tax laws; political conditions and developments; intensifying competition from established competitors and new entrants in the*

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

*industry; technological change; currency value fluctuation; general economic conditions worldwide, including in China; Plaintiff's success in developing and introducing new products and services, expanding existing distribution channels, developing new distribution channels and realizing increased revenue from these channels. This list is not exhaustive of the factors that may affect any of Plaintiff's forward-looking statements. Plaintiff undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results otherwise. Readers are cautioned not to put undue reliance on forward-looking statements. Readers should also carefully review the risks concerning the business of the Company and the industries in which it operates generally described in the documents filed from time to time with Canadian securities regulatory authorities.*

## **Overview**

Plaintree Systems Inc. ("Plaintree" or the "Company") was incorporated in Canada under the Canada Business Corporation Act and is publicly traded on the Canadian Securities Exchange ("CSE") under "NPT". Plaintree is a diversified company with proprietary technologies and manufacturing capabilities in structural design and aerospace. The Company operates an Electronics division, consisting of the Hypernetics division and Summit Aerospace USA Inc. ("Summit Aerospace"), and a Specialty Structures division consisting of the Triodetic business and Spotton Corporation. The Hypernetics business manufactures avionic components for various applications including aircraft antiskid braking, aircraft indicators, solenoids and permanent magnet alternators. The Triodetic business is a design/build manufacturer of steel, aluminum, and stainless steel specialty structures such as commercial domes, free form structures, barrel vaults, space frames, and industrial dome coverings. Summit Aerospace specializes in the high-end machining of super-alloys for the aircraft and helicopter markets. Spotton's business involves the design and manufacture of high-end custom hydraulic and pneumatic cylinders for the industrial, automation and oil and gas markets.

The address of the Company's registered office and principal place of business is 10 Didak Drive, Arnprior, Ontario.

## **Control Activities**

The Company's Chief Executive Officer and Chief Financial Officer exercise reasonable diligence around the controls and procedures designed to provide reasonable assurance that financial information disclosed is recorded, processed and disclosed reliability.

### Selected Annual Financial Information

Company's consolidated financial statements are stated in Canadian dollars and are prepared in accordance with International Financial Reporting Standards ("IFRS"). The following table sets forth selected financial information from the Company's interim financial statements:

(\$000s, except per share amounts)

	Three months ending		Six months ending	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	\$	\$		
Revenue	4,271	2,378	7,915	5,049
Net earnings (loss) and comprehensive earnings (loss)	462	(265)	724	85
Net earnings (loss) attributed to common shareholders	95	(631)	(9)	(648)
Basic and diluted (loss) per share	(0.01)	(0.05)	(0.00)	(0.05)

(\$000s, except per share amounts)

	September 30, 2021	March 31, 2021
	(unaudited)	(audited)
	\$	\$
Total assets	15,008	12,048
Total liabilities	12,315	10,079
Long-term liabilities	8,742	6,877
Cash dividends declared per share	nil	nil

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

**Results from Operations**

(\$000s)

	Three months ending		Change from
	September 30, 2021	September 30, 2020	
	(unaudited)	(unaudited)	
	\$	\$	\$
Revenue	4,272	2,377	1,895
Cost of sales	2,965	2,092	873
Gross margin	1,307	285	1,022
	31%	12%	
Operating expenses:			
Research and development	404	184	220
Finance and administration	276	223	53
Sales and marketing	152	113	39
Interest expense	61	37	24
(Gain) loss on foreign exchange	(49)	(7)	(42)
	844	550	294
Net earnings and comprehensive earnings before non-recurring items	463	(265)	728

(\$000s)

	Six months ending		Change from
	September 30, 2021	September 30, 2020	
	(unaudited)	(unaudited)	
	\$	\$	\$
Revenue	7,915	5,049	2,866
Cost of sales	5,546	3,730	1,816
Gross margin	2,369	1,319	1,050
	30%	26%	
Operating expenses:			
Research and development	748	453	295
Finance and administration	578	502	76
Sales and marketing	270	175	95
Interest expense	107	81	26
Loss on foreign exchange	(58)	23	(81)
	1,645	1,234	411
Net earnings (loss) and comprehensive earnings (loss) before non-recurring items	724	85	639

## Business segment information

The Company's chief decision maker, the CEO, tracks the Company's operations as two business segments - the design, development, manufacture, marketing and support of electronic product, and the specialty structural products. The Company determines the geographical location of revenue based on the location of its customers.

### Revenue by division

	Three months ending		Six months ending	
	September 30, 2021 (unaudited)	September 30, 2020 (unaudited)	September 30, 2021 (unaudited)	September 30, 2020 (unaudited)
Electronics	\$ 1,214,638	1,334,105	2,553,958	2,956,412
Specialty Structures	3,056,767	1,043,476	5,360,817	2,092,943
	<b>4,271,405</b>	<b>2,377,581</b>	<b>7,914,775</b>	<b>5,049,355</b>

### Revenue by geographical location

	Three months ending		Six months ending	
	September 30, 2021 (unaudited)	September 30, 2020 (unaudited)	September 30, 2021 (unaudited)	September 30, 2020 (unaudited)
Canada	\$ 2,872,469	1,054,926	4,698,125	1,963,105
United States	1,398,936	1,282,526	3,141,250	3,052,275
Other	-	40,129	75,400	33,975
	<b>4,271,405</b>	<b>2,377,581</b>	<b>7,914,775</b>	<b>5,049,355</b>

### Net earnings (loss) before taxes by division

	Three months ending		Six months ending	
	September 30, 2021 (unaudited)	September 30, 2020 (unaudited)	September 30, 2021 (unaudited)	September 30, 2020 (unaudited)
Electronics	\$ (56,393)	(70,025)	(140,043)	332,650
Specialty Structures	518,026	(194,747)	863,821	(247,367)
	<b>461,633</b>	<b>(264,772)</b>	<b>723,778</b>	<b>85,283</b>

### Product revenue concentration (customers with revenue in excess of 10%)

	Three months ending		Six months ending	
	September 30, 2021 (unaudited)	September 30, 2020 (unaudited)	September 30, 2021 (unaudited)	September 30, 2020 (unaudited)
Number of customers	1	2	2	2
% of total revenue	21%	12%, 20%	10%, 15%	11%, 20%

### Assets by division

	September 30, 2021 (unaudited)	September 30, 2020 (unaudited)
Electronics	7,844,076	7,308,646
Specialty Structures	7,163,635	3,997,983

## Revenues

Total product revenue from ongoing operations for the first three and six months of fiscal 2022 was \$4,271,405 and \$7,914,775 respectively compared to \$2,377,581 and \$5,049,355 in the same periods of fiscal 2021.

Plaintree has two diversified business divisions: Specialty Structures and Electronics.

Plaintree's Electronics Division revenues from operations decreased in the first six months of fiscal 2022 to \$2,553,958 from \$2,956,412 in the same period of fiscal 2021.

Plaintree's Specialty Structures Division revenues from operations increased to \$5,360,817 in the first six months of fiscal 2022 from \$2,092,943 from the same period in fiscal 2021.

### **Gross Margin**

Total gross margin increased during the first six months of fiscal 2022, 29.9% compared to 26.1% for same period in fiscal 2021. The Company recorded in cost of goods sold, \$383,541 and \$1,163,788 for the six months ended September 30, 2021 and September 30, 2020 respectively, in Government sponsored wage and rent subsidies related to Covid-19.

### **Operating Expenses**

#### **Research and development expenses**

Research and development expenses were \$748,054 and \$452,896 during the first six months of fiscals 2022 and 2021, respectively. Included are Government wage and rent subsidies of \$112,805, and \$241,765 in each period related to COVID-19. Research and development expenditures consist primarily of development engineering and personnel expenses.

#### **Finance and administration expenses**

Finance and administration expenses were \$578,023 and \$501,632 for the first six months of fiscals 2022 and 2021, respectively. Included are Government wage and rent subsidies of \$42,284 and \$114,563 in each period related to COVID-19. Finance and administration expenses consist primarily of costs associated with managing the Company's finances, which included financial staff, legal and audit activities.

#### **Sales and marketing expenses**

Sales and marketing expenses were \$270,350 and \$175,465 for the first six months of fiscals 2022 and 2021, respectively. Included are Government wage and rent subsidies of \$19,586 and \$60,080 in each period related to COVID-19. These expenses consisted primarily of personnel and related costs associated with Company's sales and marketing departments, which include sales commissions, advertising, travel, trade shows and other promotional activities.

#### **Interest expense**

Interest expense consists of interest incurred on bank debt. Interest expenses amounted to \$107,257 and \$81,490 for the first six months of fiscals 2022 and 2021, respectively. The majority of the Company's debt accrues interest at variable rates based on the Company's bank prime lending rate of interest.

#### **Loss on foreign exchange**

The Company reported a gain on foreign exchange of \$(58,694) and a loss of \$22,973 in the first six months of fiscals 2022 and 2021, respectively. The gain/loss on foreign exchange represents the gain/loss, realized or unrealized, of transactions and year end foreign balances that are completed in currencies other than the Company's reporting currency.

#### **Net (loss), Comprehensive (losses) and Net (losses) Attributable to Common Shareholders**

Net earnings and comprehensive earnings for the first half of fiscal 2022 and fiscal 2021 were \$(9,222) and \$(647,717), respectively. Net income attributed to common shareholders is calculated by reducing net income by the \$1,466,000 cumulative dividends that accrue annually on the Class A preferred shares. The cumulative dividends accrue at 8% per annum on the face value of the \$18,325,000 for the Class A preferred shares and at September 30, 2021 the accrued and unpaid dividends on the Class A preferred shares were \$18,991,000 (March 31, 2021 - \$18,258,000).

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

### Quarterly Results

The following table sets out selected unaudited consolidated financial information for the last eight quarters in fiscals 2022 and 2021 and 2020:

**Quarters ended** (unaudited, in \$000s except per share data)

	Sept 30 2021 Q2 2022	June 30 2021 Q1 2022	Mar 31 2021 Q4 2021	Dec 31 2020 Q3 2021	Sept 30 2020 Q 2021	June 30 2020 Q1 2021	Mar 31 2020 Q4 2020	Dec 31 2019 Q3 2020
Revenue	\$ 4,271	\$ 3,643	\$ 4,656	\$ 2,954	\$ 2,378	\$ 2,672	\$ 14,198	\$ 3,158
Net earnings (loss) and total comprehensive earnings (loss)	462	262	809	0	(265)	350	(2901)	(783)
Net earnings (loss) attributed to common shareholders	95	(104)	442	(367)	(631)	(16)	(3,268)	(1,150)
Basic and diluted earnings (loss) per share	0.01	(0.01)	0.03	(0.03)	(0.05)	(0.00)	(0.25)	(0.09)

### Liquidity and Capital Resources

in \$000s

	September 30, 2021 (unaudited)	March 31, 2021 (audited)	Change
Cash	\$ 2,221	\$ 2,067	154
Working Capital	5,323	4,814	509

	September 30, 2021 (unaudited)	September 30, 2020 (unaudited)	Change
Net cash provided by (used in) :	\$	\$	\$
Operating activities	929	84	845
Investing activities	(220)	(222)	2
Financing activities	(555)	(187)	(368)



### **Cash**

As at September 30, 2021, the Company had a cash balance of \$2,220,801, an increase of \$154,113 from cash balance of \$2,066,688 in March 31, 2021.

### **Working Capital**

Working capital represents current assets less current liabilities. As at September 30, 2021, the Company had working capital of \$5,022,899 compared to a working capital of \$4,814,463 at March 31, 2021.

### **Operating activities**

Cash provided by operating activities during the first six months of fiscal 2022 was \$929,265 representing an increase of \$845,240 from cash provided of \$84,025 for the respective period during fiscal 2021. Cash provided by operating activities during the period was primarily the result of profitability.

### **Investing activities**

Cash (used in) investing activities during the first six months of fiscal 2022 was \$(219,842) representing a decrease of \$(1,768) in investing activities from cash provided of \$(221,610) in the respective period during fiscal 2021. The use of cash from investing activities during the period was primarily to acquire manufacturing equipment.

### **Financing activities**

Cash (used in) financing activities during the first six months of fiscal 2022 was \$(555,310) representing an increase of \$(368,011) from cash used of \$(187,299) during the respective period in fiscal 2021. Cash used in financing activities during fiscal the period relates to repayment of long-term debt.

### **Outlook**

The Company has in place a credit facility of up to \$3,000,000 CAD through its bank based on acceptable trade receivables and inventory. The total amount available to the Company as at September 30, 2021 was \$2,164,378 CAD of which \$NIL was in use and a letter of credit in the amount of US\$100,000 (\$127,410 CAD) leaving \$2,036,968 CAD available. The Company through its bank has in place a credit facility of up to \$3,500,000 CAD for the issuance of standby letters of credit and/or letters of guarantee insured by Export Development Corporation ("EDC") Performance Security Guarantee of which \$973,774 CAD was in use at September 30, 2021. The Company has in place a credit facility of up to \$2,000,000 CAD to assist with financing of new and used equipment. As at September 30, 2021 \$853,837 CAD was available (Note 7 Lease obligations). As a result, the Company believes that it has sufficient cash resources to meet its obligations, beyond the next 12 months.

**Due to related parties**

	<b>September 30, 2021</b>	March 31, 2021
	<b>(unaudited)</b>	(audited)
	<b>\$</b>	\$
Due to senior officers	<b>3,890,785</b>	3,932,870
Dividends payable	<b>60,000</b>	60,000
Due to Targa Group Inc, convertible debentures	<b>247,672</b>	247,672
Due to Tidal Quality Management Inc.	<b>396,857</b>	398,760
Due to Targa Group Inc, line of credit interest	<b>242,598</b>	242,598
Due to Targa Group Inc, demand loan interest	<b>201,393</b>	201,393
	<b>5,039,304</b>	5,083,293
Less: current portion	<b>(50,000)</b>	(50,000)
	<b>4,989,304</b>	5,033,293

Targa Group Inc. and Tidal Quality Management Corporation are companies under common control.

As at September 30, 2021, a balance of \$3,890,785 (\$2,655,151 principal and \$1,235,634 interest); March 31, 2021 - \$3,970,563 (\$2,734,929 principal and \$1,235,634 interest) remained owing to senior officers of the Company. The parties agreed to discontinue interest payments accruing on balances as of April 1, 2016. During the first six months of fiscal 2022 payments in the amount of \$42,085 were repaid to senior officers. The balance of the amount is classified as long-term, as the related parties have agreed with third-party lenders to postpone repayments.

On July 14, 2011, the board of directors of the Company declared a cash dividend of \$10.91405 per Class A preferred share (\$200,000 in the aggregate) payable on July 22, 2011, to the holders of record at the close of business on July 18, 2011. The Class A preferred shares are held by related parties and are entitled to annual cumulative dividends of 8% on the \$1,000 redemption amount of the Class A preferred share. An amount of \$60,000 (\$60,000 - March 31, 2021) of the dividend remains outstanding as at September 30, 2021. The balance of the amount is classified as long-term, as the related parties have agreed with third-party lenders to postpone repayments.

As at September 30, 2021, interest in the amount of \$247,672 (\$247,672 - March 31, 2021) on a loan from Targa remains outstanding. The balance of the amount is classified as long-term, as the related party has agreed with third-party lenders to postpone repayments.

As at September 30, 2021, a balance of \$396,857 (\$213,969 rent arrears and \$182,888 interest); March 31, 2020 - \$398,760 (\$215,872 rent arrears and \$182,888 interest) remained owing to a related party controlled by Targa, Tidal Quality Management Corporation. The related party agreed to discontinue interest accruing on unpaid balances as at April 1, 2016. Until then the interest rate was at bank prime plus 2%. The balance of the amount is classified as long-term, as the related party has agreed with third-party lenders to postpone repayments.

The Company has a revolving line of credit of up to \$1,000,000 with Targa. Under the loan agreements, all amounts advanced to the Company are payable on demand and bear interest at bank prime plus 2%. The Targa Credit Line is secured by a security interest granted over the assets of the Company. As at September 30, 2021, accumulated interest only of \$242,598 (\$242,598 - March 31, 2021) remained outstanding.

Interest in the amount of \$66,581 (\$66,581 - March 31, 2021) remained outstanding on a demand loan with Targa. The balance of the amount is classified as long-term, as the related party has agreed with third-party lenders to postpone repayments. Accumulated interest in the amount of \$134,812 (\$134,812 - March 31, 2021), on a loan from Targa remains outstanding as of September 30, 2020. The balance of the amount is classified as long-term, as the related party has agreed with third-party lenders to postpone repayments.

Rents in the form of lease payments paid to Tidal Quality Management Corporation during the six months ended September 30, 2021, totaled \$309,004 (\$280,189 – March 31, 2021). The above related party transactions are measured at their exchange amount, which is the amount agreed to by the parties.

### **Facilities**

The Company leases a 135,500 sq. /ft. building at 10 Didak Drive in Arnprior, Ontario.

On July 1, 2021, the Company signed a lease agreement with a related party, Tidal Quality Management Corporation. The lease term is five years with \$609,750 payable annually.

The Company along with its wholly-owned US subsidiary owns a 16,300 sq. ft. manufacturing facility in Pocono Summit, PA.

### **Summary of Outstanding Share Data**

As at November 11, 2021 the following equity instruments of the Company were issued and outstanding:

Common Shares: 12,925,253

Class A Preferred Shares: \* 18,325

\* The Class A Preferred shares provide an 8% cumulative dividend based on a value of \$1,000 per share, are redeemable at the option of the Company at any time at \$1,000 per share plus accrued dividends and they are non-voting.

Convertible Debentures:\*\* \$nil principal value

\*\* The Company has issued various tranches of convertible debentures to related parties for total outstanding value at March 31, 2021 of \$247,672 in accrued interest only. Interest is convertible in cash only.

Options:\*\*\* 880,000

Additional information relating to the Company may be found on SEDAR at [www.sedar.com](http://www.sedar.com) or the Company's website at [www.plaintree.com](http://www.plaintree.com).