FIRAN TECHNOLOGY GROUP CORPORATION

First Quarter Report
For the period ended
March 5, 2021

April 13, 2021

April 13, 2021

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

(dollar amounts stated in thousands of Canadian dollars unless otherwise specified)

This Management's Discussion and Analysis ("MD&A") for the three months ended March 5, 2021 (first quarter of fiscal 2021 or Q1 2021) is as of April 13, 2021 and provides information on the operating activities, performance and financial position of Firan Technology Group Corporation ("FTG" or the "Corporation") and should be read in conjunction with the interim condensed consolidated financial statements of the Corporation for the first quarter of fiscal 2021, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") and are reported in Canadian dollars. Corporation assumes that the reader of this MD&A has access to, and has read the audited consolidated financial statements prepared in accordance with IFRS and MD&A of the Corporation for the year ended November 30, 2020 (Fiscal 2020) and, accordingly, the purpose of this document is to provide a first quarter update to the information contained in fiscal 2020 MD&A. Additional information is contained in the Corporation's filings with Canadian securities regulators, including its Annual Information Form dated February 10, 2021, found on SEDAR at www.sedar.com and on the Corporation's website at www.ftgcorp.com.

CORE BUSINESS AND STRATEGY

FTG is a leading global supplier of aerospace and defence electronic products and subsystems, with facilities in Canada, the United States and China. It is a publicly traded corporation on the Toronto Stock Exchange listed under the trading symbol "FTG".

FTG has two operating segments: FTG Circuits and FTG Aerospace.

FTG Circuits is a leading manufacturer of high technology/high reliability printed circuit boards within the Global marketplace. Currently, FTG Circuits has manufacturing operations in Canada (Toronto, Ontario), USA (Chatsworth, California, and Fredericksburg, Virginia), as well as a joint venture and sourcing arrangements with operating facilities in China. FTG Circuits' customers are technological and market leaders in the aviation, defence and other high technology industries.

FTG Aerospace designs and manufactures illuminated cockpit panels, keyboards, bezels, sub-assemblies and assemblies for original equipment manufacturers ("OEMs") of avionics products as well as for airframe manufacturers. FTG Aerospace has manufacturing operations in Toronto, Ontario, Canada, Chatsworth, California, USA and Tianjin, China, and an engineering office in Fort Worth, Texas, USA. These products are interactive devices that display information and contain buttons and switches that can be used to input signals into an avionics box or aircraft.

With these facilities in place in North America and China, FTG has completed some key strategic goals including expanding its presence in the large US aerospace and defense market, penetrating the rapidly growing Asian aerospace market, and becoming a more strategic supplier to many of its customers. FTG has become a truly global company with revenues coming from all geographic regions of the world and our current strategy is to increase the utilization and operational leverage of those facilities and realize the significant margin expansion opportunities as fixed costs are already in place. A key element of FTG's strategy has been its continued focus on Operational Excellence. This has led to improved performance across the Corporation. By weaving *Operational Excellence* into its day-to-day operations, FTG continues to create a corporate culture where quality products, on time delivery and customer service are the paramount forces driving the Corporation forward.

FTG continues to increase its technical skills in both segments to support the demands from customers for more complex, challenging solutions on new programs and opportunities.

The FTG management team is focused on and committed to running a healthy business, offering stability to its customers, suppliers and employees while delivering long-term value to all of its stakeholders. FTG continues to strive to balance its sales between commercial aerospace and defence customers. This should help maintain a stable revenue stream as each market goes through its normal cycles.

FTG remains clearly positioned as an aerospace and defence electronics company. FTG is now engaged with most of the top aerospace and defence prime contractors in North America and is making significant progress penetrating markets beyond this continent. FTG's focus on this market is based on a belief that it can provide a unique solution to its customers and attain a sustainable competitive advantage.

Going forward, the Corporation's focus and initiatives will continue to revolve around controlling the Corporation's infrastructure, material and labour costs while increasing the utilization of our facilities realizing significant operational leverage and margin expansion. Simultaneously, management continues to look for accretive business combinations that can add to FTG's strengths and offerings.

RESULTS OF OPERATIONS FOR THE FIRST QUARTER OF 2021 FISCAL YEAR

(thousands of dollars except per share amounts)	**Q1 2021**	**Q1 2020**
Sales	**$ 18,970**	**$ 24,538**
Gross margin	**3,662**	**3,960**
Net loss to equity holders of FTG	**(400)**	**(2,597)**
Number of Common and preferred shares, in aggregate (in thousands)	**24,491**	**24,491**
Net loss per share – basic	**($0.02)**	**($0.11)**
Net loss per share –diluted	**($0.02)**	**($0.11)**
Total assets	**81,492**	**84,602**
Net cash position[1]	**13,430**	**5,186**
Free cash flow[2]	**(428)**	**2,839**

1. Net cash is defined as cash and cash equivalents less bank debt

2 Free cash flow ("FCF") is a non-IFRS financial measure, which the Corporation defines as net cash flow from operating and investing activities excluding acquisitions, less lease liability payments.

Sales

Sales for the first quarter of fiscal 2021 were $18,970, a decrease of $5,568 or 22.7% from the first quarter of fiscal 2020. The significant variances in first quarter sales in 2021 as compared to 2020 were as follows:

- All FTG sites were negatively impacted by COVID-19 in Q1 2021. The impact on FTG's operational efficiency at the site level was significant, particularly at our Chatsworth location in the early weeks of the quarter. The operational impact included employee absences and component shortages. Further, we entered Q1 2021 with low backlog in our commercial aerospace business, which was the result of the reduction in production rates for commercial aircraft imposed by Boeing and Airbus on the supply chain. To mitigate the impacts of low demand, we implemented a series of two-week shutdowns in conjunction with the holiday season at our sites most affected by reduced demand.

- Shipments for Simulator market were approximately $2.6 million in first quarter 2021 as compared to $1.3 million in first quarter 2020, which provided a partial offset to the COVID-19 impact.

The following table compares net sales by reportable segment for the first quarter fiscal 2021 and 2020.

(thousands of dollars)	**Q1 2021**	Q1 2020
Circuits	**$ 11,985**	$ 16,457
Aerospace	**6,985**	8,081
Net sales	**$ 18,970**	$ 24,538

Net sales in the Circuits segment decreased by $4,472 or 27.2% from first quarter of 2020 as a result of reduced demand for commercial aerospace products and operational inefficiencies at our Circuits Chatsworth site, which was partially offset by redirecting some defense market production to the Circuits Toronto site. Net sales to the top five customers represented 56.0% of the FTG Circuits net segment sales for the first quarter of fiscal 2021 (62.7% in 2020).

The decrease in Aerospace segment net sales of $1,096 or 13.6% is the result the COVID-19 on commercial aerospace product demand and operational inefficiencies at our Chatsworth Aerospace site, which was partially offset by increased shipments to the Simulator market. Net sales to the top five customers represented 59.0% of the FTG Aerospace net segment sales for the first quarter of fiscal 2021 (57.2% in 2020).

The Corporation's consolidated net sales by location of its customers are as follows:

(thousands of dollars)	**Q1 2021**	**%**	Q1 2020	%
Canada	**$ 2,392**	**12.6**	$ 1,739	7.1
United States	**14,605**	**77.0**	18,332	74.7
Asia	**1,181**	**6.2**	3,257	13.3
Europe	**599**	**3.2**	908	3.7
Other	**193**	**1.0**	302	1.2
Total	**$ 18,970**	**100.0**	$ 24,538	100.0

Net sales in Canada increased by $653 or 37.6% as compared to same period last year primarily as a result of increased Simulator revenues. Net sales in the United States were decreased by $3,727 or 20.3% as a result of the weak commercial aerospace market, however the percentage of FTG's revenue derived from the U.S. increased by 2.3% on the continued strength of the U.S. defense market. Net sales in Asia were decreased by $2,076 or 63.7% as a result of the weak commercial aerospace market.

The Corporation's top five customers represent 52.1% of net sales for the first quarter of fiscal 2021 as compared to 56.2% for the same period last year. The Corporation's two largest customers accounted for 22.3% (23.1% in 2020) and 9.9% (11.7% in 2020) of net sales for the first quarter of fiscal 2021.

Gross Margin

Gross margin on a consolidated basis decreased by $298 or 7.5% for the first quarter of fiscal 2021 to $3,662 or 19.3%% of net sales compared to $3,960 or 16.1% of net sales for the same period last year. The decrease in gross margin dollars is primarily the result of reduced operating leverage on lower sales volumes. The increase in the gross margin rate is the result of wage and rent subsidies amounting to $974, partially offset by the loss of operating leverage on fixed costs and increased inventory reserves.

Selling, General and Administrative Expenses

Selling, general and administrative expenses ("SG&A") for the first quarter of fiscal 2021 were $2,691 or 14.2% of net sales as compared to $3,431 or 14.0% of net sales for the same period last year. The decrease of $740 during Q1 2021 is the result of reductions in bad debt reserves, lower travel costs, reduced headcount, and wage subsidies in 2021 of $108.

Research and Development Costs

Research and development ("R&D") costs include the cost of direct labour, materials and an allocation of overhead specifically incurred in activities regarding technical uncertainties in production processes, product development and upgrading. Generally, these costs represent specific activities regarding the technical uncertainty of production processes and exotic materials.

R&D costs for the first quarter of fiscal 2021 were $1,382 or 7.3% of net sales as compared to $1,081 or 4.4% of net sales for the same period last year. R&D costs were focused on new product development and process and product improvements.

Recovery of Investment Tax Credits

The Corporation records the tax benefit of investment tax credits ("ITCs") when there is reasonable assurance that such credits will be realized. During the three months ended March 5, 2021, the Corporation recorded $127 in ITCs (2020 – $172), which were earned from qualifying research and development expenditures.

The Corporation has, as at March 5, 2021, $1,012 (November 30, 2020 – $1,359) of investment tax credits available to be applied against future income taxes otherwise payable in Canada.

Depreciation of Plant and Equipment

Depreciation of plant and equipment for the first quarter of fiscal 2021 was $1,140, an increase of $100 or 9.6% as compared to depreciation of $1,040 for the same period last year. The increase in depreciation during the first quarter of fiscal 2021 is mainly due to the timing of capital expenditures being put into service.

Depreciation of right-of-use assets

Depreciation of right-of-use assets for the first quarter of fiscal 2021 was $383, which was marginally lower than $397 in the first quarter of 2020.

Amortization/Impairment of Intangible Assets

Amortization of intangible assets for the first quarter of fiscal 2021 was $89, a decrease of $210 as compared to amortization of $299 for last year. The decrease in amortization is due to a lower level of intangible assets carried on the balance sheet in the first quarter of 2021. In the first quarter of fiscal 2020, the Corporation determined that the carrying value of intangible assets recognized following the acquisition of the Teledyne PCT business in July, 2016, exceeded its recoverable amount and a write-down of $1,145 was recorded.

Interest Expense on bank debt, net

In the first quarter of fiscal 2020, interest costs were $39 as compared to $41 for the same period last year. The decrease in interest expense in fiscal 2020 was mainly due to the decrease in bank debt as compared to last year.

Accretion on lease liabilities

Accretion on lease liabilities for the first quarter of fiscal 2021 was $126, as compared to $137 for the same period last year.

Forgiveness of debt

In May, 2020, the Corporations' US subsidiaries, FTG Circuits Inc., FTG Aerospace Inc., and FTG Circuits Fredericksburg Inc., closed on an unsecured bank debt guaranteed under the Paycheck Protection Program ("PPP") in the total amount of U.S. $2,369 or $3,309 ("PPP Loans") as part of the Coronavirus Aid, Relief, and Economic Security ("CARES") Act of the U.S. Government. PPP Loans may be forgiven in whole or in part, to the extent permitted in accordance with the applicable provisions of the CARES Act.

During the three month period ended March 5, 2021, U.S. $1,032 or $1,336 of the PPP loans were fully forgiven.

Foreign Exchange Loss

The foreign exchange loss for the first quarter of fiscal 2021 was $618 compared to a foreign exchange loss of $49 for the same period last year. The foreign exchange loss for the first quarter of fiscal 2021 was mainly as a result of net realized loss of $4 (2020 – net loss of $4) on foreign exchange contracts and net loss of $614 (2020 – net loss of $45) on the re-valuation of the U.S. dollar assets and liabilities on the respective balance sheets. These foreign exchange fluctuations are due to the variance in US dollar balances held by the Corporation, the changes in average and quarter-end Canadian dollar versus U.S. dollar exchange rates and the foreign exchange hedging contracts that the Corporation has in place. The quarter-end Canadian dollar, as compared to the U.S. dollar exchange rate, appreciated by approximately $0.0297 or 2.3% from 1.2965 as at November 30, 2020 to 1.2668 as at March 5, 2021, as compared to depreciation of approximately $0.0140 or 1.05% from 1.3289 as at November 30, 2019 to 1.3429 as at February 28, 2020.

In the first quarter of fiscal 2021, a net realized gain of $331 was recognized in sales with respect to foreign exchange forward contracts designed as cash flow hedges, this compares to a net realized loss of $313 recognized in sales with respect to foreign exchange forward contracts designed as cash flow hedges in the first quarter of fiscal 2020. The table below includes the effect of the net realized gain (loss) on foreign exchange forward contracts on net sales.

(thousands of dollars)	**Q1 2021**	Q1 2020
Sales before adjustment for net realized gain (loss) on f/x forward contracts designed as cash flow hedges	**$ 18,639**	$ 24,851
Less: adjustment for net realized gain (loss) on hedged f/x forward contracts designed as cash flow hedges	**331**	(313)
Net sales	**18,970**	24,538
Costs of sales	**13,865**	19,199
Depreciation of plant and equipment and right-of-use assets	**1,443**	1,379
Total cost of sales	**15,308**	20,578
Gross margin	**3,662**	3,960
Gross margin %	**19.3%**	16.1%
Gross margin before f/x gain (loss)	**$ 3,331**	$ 4,273
Gross margin % before f/x gain (loss)	**17.9%**	17.2%

Income Tax Expense

During the three months period ended March 5, 2021, current income tax of $461 (2020 – current income tax of $434) was recognised in the interim condensed consolidated statement of loss which included current income tax expense of $484 (2020 - $414) related to income tax on earnings in the Canadian entity, and withholding taxes of $13 (2020 – $17) related to source deductions on remittances from the Chinese subsidiary to the Corporation, offset by net recovery of $36 (2020 – expense of $3) related to taxes for the U.S. subsidiaries.

Deferred tax expense of $26 ($35 in 2020) related to the tax effect of recognition of investment tax credits of $127 ($172 in 2020) in the first quarter of fiscal 2021.

The Corporation's tax expense is calculated by using the rates applicable in each of the tax jurisdictions that the Corporation operates in. The effective tax rate on Canadian earnings for the period ended March 5, 2021 was 25% (2020: 25%) which was based on projected annualized Manufacturing and Processing rates.

Net Loss

The net loss for the first quarter of fiscal 2021 was ($427) which included net loss of ($400) attributable to equity holders of FTG, offset by net loss of ($27) relating to non-controlling interests. The net loss for the first quarter of fiscal 2021 attributable to equity holders of FTG translated into basic and diluted loss per share of ($0.02).

The net loss for the first quarter of fiscal 2020 was ($2,629) which included net loss of ($2,597) attributable to equity holders of FTG, offset by net loss of ($32) relating to non-controlling interests. The net loss for the first quarter of fiscal 2020 attributable to equity holders of FTG translated into basic and diluted loss per share of ($0.11).

OVERVIEW OF HISTORICAL QUARTERLY RESULTS
(thousands of dollars except per share amounts and exchange rates)

	Q2-19	Q3-19	Q4-19	Q1-20	Q2-20	Q3-20	Q4-20	**Q1-21**
Circuit Segment Sales	$19,265	$18,336	$18,634	$16,457	$19,599	$15,690	$14,078	**$11,985**
Aerospace Segment Sales	12,970	9,617	8,441	8,081	7,223	8,674	12,633	**6,985**
Total Net Sales	32,235	27,953	27,075	24,538	26,822	24,364	26,711	**18,970**
Earnings (Loss) before income taxes	3,798	2,838	1,112	(2,160)	3,300	1,388	2,118	**60**
Net Earnings (Loss) Attributable to Equity holders of FTG	2,482	1,783	575	(2,597)	2,034	645	1,308	**(400)**
Earnings (Loss) per share: Basic	$0.11	$0.08	$0.03	($0.11)	$0.08	$0.03	$0.06	**($0.02)**
Earnings (Loss) per share: Diluted	$0.10	$0.07	$0.03	($0.11)	$0.08	$0.03	$0.06	**($0.02)**
Quarterly average CDN$ U.S.$ exchange rates	$1.3401	$1.3214	$1.3223	$1.3169	$1.3996	$1.3449	$1.3176	**$1.2740**

The Corporation is exposed to foreign exchange fluctuations as the vast majority of sales are earned in U.S. dollars, while a significant amount of operating expenses are incurred in Canadian dollars. The Corporation regularly enters into foreign exchange forward contracts to sell excess U.S. dollars generated from its Canadian operations.

LIQUIDITY AND CAPITAL RESOURCES

As at March 5, 2021, the Corporation's primary sources of liquidity totalled $51,069 ($56,116 as at November 30, 2020), made up of cash, accounts receivable, contract assets, and inventory, excluding the unused portion of the Corporation's credit facilities of up to approximately $22,500 (U.S. $17.8 million). Working capital at March 5, 2021 was $39,573 as compared to $39,406 at November 30, 2020.

Accounts receivable days outstanding were 60 as at March 5, 2021 compared to 62 as of November 30, 2020, inventory turns were 2.9 as at March 5, 2021 as compared to 3.8 as of November 30, 2020, and accounts payable days outstanding were 77 as at March 5, 2021 as compared to 74 as of November 30, 2020.

All of the Corporation's credit facilities with its primary lender are secured by a first charge on all of the Corporation's assets. The Corporation was in compliance with all of its financial loan covenants as at March 5, 2021.

Management believes the Corporation has sufficient liquidity and capital resources to meet its obligations for the foreseeable future.

The following table outlines the contractual obligations of the Corporation as at March 5, 2021.

CONTRACTUAL OBLIGATIONS	PAYMENTS DUE IN $000'S Total	First Year	Second Year	Third Year	Fourth Year	Beyond Fourth Year
Bank debt (committed facility)	2,954	940	2,014	-	-	-
Bank debt (PPP Loans)	1,694	1,379	315	-	-	-
Accounts payable and accrued liabilities, and provisions	11,643	11,643	-	-	-	-
Contract liabilities	477	477	-	-	-	-
Lease liabilities	15,172	1,785	1,562	1,314	1,303	9,208
Income tax payable	362	362	-	-	-	-
Operating Leases	488	274	119	71	24	-

The Corporation does not have any off consolidated statements of financial position arrangements that have or reasonably are likely to have a material effect on its financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources. As a result, the Corporation is not exposed materially to any financing, liquidity, market or credit risk that could arise if it had engaged in these arrangements.

DERIVATIVE FINANCIAL INSTRUMENTS

The Corporation follows hedge accounting on its derivative financial instruments and as a result, has designated certain derivative financial instruments as cash flow hedges. The fair value of the Corporation's foreign exchange forward contracts, gold forward contracts, interest rate swap is based on the current market values of similar contracts with similar remaining durations as if the contract had been entered into on March 5, 2021. The forward current value (fair value) of these financial instruments as at March 5, 2021 had an net unrealized gain of $2,629 (an unrealized gain on foreign exchange forward contracts of $2,830, offset by an unrealized loss on gold forward contracts of $96, and an unrealized loss on interest rate swaps of $105), and included in other comprehensive income (loss), net of $657 in tax, and relates to derivatives designated as cash flow hedges. The forward current value (fair value) of these financial instruments as at November 30, 2020 had an net unrealized gain of $1,569 (an unrealized gain on foreign exchange forward contracts of $1,680, and an unrealized gain on gold forward contracts of $19, offset by an unrealized loss on interest rate swaps of $130), and included in other comprehensive income (loss), net of $392 in tax, and relates to derivatives designated as cash flow hedges.

In July 2016, the Corporation entered into an interest rate swap to hedge the U.S. dollar interest payments of the term loan (7.0 year U.S. $2,600 term loan, amortized over 7 years, repayable in equal monthly principal payments of approximately U.S. $31 plus interest at LIBOR rate plus 215 basis points) over the seven year term at a fixed rate of 1.20% plus applicable margin of 215 basis points for an aggregate fixed interest rate of 3.35%. The interest rate swap has been designated as a cash flow hedge and the forward current value (fair value) of the interest rate swap as at March 5, 2021 had an unrealized loss of $16 (November 30, 2020 - unrealized loss of $21) which is included in other comprehensive loss and accounts payable and accrued liabilities.

In February 2018, the Corporation entered into an interest rate swap to hedge the U.S. dollar interest payments of the term loan (7.0 year U.S. $1,500 term loan, amortized over 7 years, repayable in equal monthly principal payments of approximately U.S. $18 plus interest at LIBOR rate plus 215 basis points) over the seven year term at a fixed rate of 2.81% plus applicable margin of 215 basis points for an aggregate fixed interest rate of 4.96%. The interest rate swap has been designated as a cash flow hedge and the forward current value (fair value) of the interest rate swap as at March 5, 2021 had an unrealized loss of $50 (November 30, 2020 - unrealized loss of $60) which is included in other comprehensive loss and accounts payable and accrued liabilities.

In April 2018, the Corporation entered into an interest rate swap to hedge the U.S. dollar interest payments of the term loan (7.0 year U.S. $1,000 term loan, amortized over 7 years, repayable in equal monthly principal payments of approximately U.S. $12 plus interest at LIBOR rate plus 215 basis points) over the seven year term at a fixed rate of 2.93% plus applicable margin of 215 basis points for an aggregate fixed interest rate of 5.08%. The interest rate swap has been designated as a cash flow hedge and the forward current value (fair value) of the interest rate swap as at March 5, 2021 had an unrealized loss of $39 (November 30, 2020 - unrealized loss of $49) which is included in other comprehensive loss and accounts payable and accrued liabilities.

CAPITAL EXPENDITURES (PLANT AND EQUIPMENT)

For the first quarter of fiscal 2021, the Corporation invested $378 in net capital expenditures which mainly included various upgrades to machinery and equipment at its existing facilities.

For the first quarter of fiscal 2020, the Corporation invested $1,046 in net capital expenditures which mainly included purchase of a deburring machine, sprint inkjet printers and various upgrades to machinery and equipment at its existing facilities. The Corporation also invested in an automated, highly secure system to ensure that critical Information Technology data and software is backed up and retrievable.

CASH FLOW

Operating Activities

Cash from operating activities for Q1 2021 was $400 as compared to $4,325 in Q1 2020. In Q1 2020, the net change in non-cash working capital contributed $4,022 to operating cash, whereas in Q1 2021 the change in non-cash working capital is a reduction of operating cash of $465 for a variance of $3,557. In Q1 2021, FTG experienced a delay in cash payments from the Canada Revenue Agency in the amount of $1.4 million, as a result of administrative issues within the CRA. These payments were comprised of HST refunds, wage subsidies and rent subsidies, and were received in full subsequent to the end of Q1 2021. In Q1 2020, FTG received customer prepayments for Simulator orders, which is also a major contributor to the variance in non-cash working capital.

Investing Activities

Cash used by investing activities was reduced to $376 in Q1 2021, as compared to $1,040 in Q1 2020 as the Corporation has there were no significant dollar capital expenditure items in Q1 2021.

Financing Activities

Cash used by financing activities in the first quarter of fiscal 2021 resulted in a cash outflow of $684 which included $232 towards repayments of bank debt and $452 towards lease liability payments. Cash used by financing activities in Q1 2021 is less than in Q1 2020 as one of the term loans was repaid in full in 2020.

Free Cash Flow

FCF in Q1 2021 was an outflow of $0.4 million as compared to an inflow of $2.8 million in Q1 2020 for an unfavourable variance of approximately $3.3 million. Contributors to the variance include unfavourable changes in non-cash working capital, partially offset by reduced capex.

RELATED PARTY TRANSACTIONS

There were no related party transactions during the first quarter of fiscal 2021 and 2020.

FINANCIAL RISK MANAGEMENT

Disclosures regarding the nature and extent of the Corporation's exposure to risks arising from financial instruments, including credit risk, liquidity risk, foreign currency risk and interest rate risk and how the Corporation manages those risks can be found under the heading "Financial Instruments" in *Note 6* of the consolidated financial statements as at March 5, 2021 and are designed to meet the requirements of the set out by the IASB in IFRS 7 *Financial Instruments: Disclosures.*

OUTSTANDING SHARES

The authorized capital of the Corporation consists of an unlimited number of common shares ("Common Shares") and an unlimited number of preference shares issuable in series, of which authorized is a series of convertible preference shares, Series 1 (the "Preferred Shares"). The outstanding common shares at the year ended March 5, 2021 were 24,491,201 (24,491,201 as at November 30, 2020).

During the three months period ended March 5. 2021, there were 82,500 grants of performance share units ("PSUs") (2020 – nil), PSU's vest based on the achievement of a non-market performance condition. PSUs vest at the end of their respective terms, generally three years, to the extent that the applicable performance conditions have been met. As at March 5, 2021, nil of the 189,583 outstanding PSU's had vested). As at November 30, 2020, nil of the 108,750 outstanding PSU's had vested.

RISK FACTORS

FTG operates in a dynamic and rapidly changing environment and industry, which exposes the Corporation to numerous risk factors. Additional information about the Corporation, including risks and uncertainties about FTG's business, is provided in the Corporation's Annual Information Form dated February 10, 2021 which is available on SEDAR at www.sedar.com.

In March 2020, the World Health Organization characterized the novel coronavirus ("COVID-19") as a global pandemic and extraordinary actions have been taken by international, federal, state and provincial governmental authorities to contain and combat the spread of COVID-19 in regions throughout the world. The COVID-19 outbreak and related public health measures, including orders to shelter-in-place, travel restrictions and mandated business closures, have adversely affected workforces, organizations, consumers, economies, and financial markets globally, leading to an economic downturn and increased market volatility. The extent of the impact of COVID-19 on the Corporation's operational and financial performance will depend on certain developments, including the duration of the outbreak, impact on the Corporation's customers and its sales cycles, impact on critical suppliers, and impact on the Corporation's employees.

The economic downturn and uncertainty caused by the COVID-19 outbreak and measures undertaken to contain its spread continue to negatively affect all of the Corporation's operations to some extent and, in particular, and has caused volatility in demand for the Corporation's products and services targeted to the commercial aerospace market. The Corporation continues to evaluate the current and potential impact of the COVID-19 outbreak on its business, results of operations and interim condensed consolidated financial statements.

ETHICAL BUSINESS CONDUCT

The Corporation has a written code of conduct for Directors, Officers and employees (the "Policy of Business Conduct") and a "Whistle Blowing Policy", which are each available on www.sedar.com. The Board monitors compliance with the Policy of Business Conduct through an annual review and sign off procedure from all of its Directors, Officers and employees.

OUTLOOK

The world economy and the outlook for the commercial Aerospace industry is very uncertain at this time. By far the largest negative impact is the COVID-19 pandemic. This has resulted in a significant decline in air travel, and has hurt the overall world economy. Looking forward, widespread vaccines could help reduce the number of cases of Covid-19 and reduce restrictions on air travel. Offsetting this could be the spread of new variants of the virus that are more easily transmissible that might or might not be controlled by existing vaccines.

On a global scale, the airline industry is dramatically weakened with huge drops in passenger travel. Both the demand for and the capacity to finance new aircraft in the short term is reduced.

Specifically at FTG, the COVID-19 pandemic has caused production disruptions at all sites at various points in time. We have had some plants shut down for periods of time due to government restrictions, we have had restricted operations, we have had suppliers with restricted operations and we have had a number of employees absent due to testing positive for the virus or having close contact with others that tested positive. We have made efforts within all our facilities to protect our employees through physical distancing, wearing masks, enhanced cleaning and other actions to minimize their exposure to the virus.

Beyond the above, we are seeing very mixed signals in the various markets we serve.

In commercial Air Transport, the pandemic has hurt demand. Airbus has reduced production by 30-40% in 2020. They are now speculating of production increases in late 2021 but not back to pre-pandemic levels. Boeing has also been hurt by the pandemic but also by their challenges with the B737 aircraft. Although the B737 is now approved for flight in the US, Canada and Europe, there are over 400 aircraft already built that need to be delivered before significant production will resume. And at the airline level, domestic travel is recovering faster than international travel and this is driving an expected ramp up of single aisle aircraft demand ahead of long-haul, twin aisle aircraft.

The business jet market also saw reduced demand due to the pandemic. But business jet activity has recovered rapidly and is now near pre-pandemic levels. In Canada, Bombardier has divested programs until it is now a business jet manufacturer only. FTG continues to maintain a solid relationship with Bombardier.

The helicopter market was less impacted by the pandemic. Production rates are being impacted by the overall economic conditions and key industries such resource extraction and public safety that are heavy users of helicopters.

The defense market is not expected to be significantly impacted by the COVID-19 pandemic. In fact, defense spending is one tool governments can use to stimulate the global economy.

There are many other economic factors, outside the aerospace and defense market, that can also impact the outlook for FTG. The relative strength, or weakness, of the Canadian dollar is one such factor as about 50-60% of FTG's operations are located in Canada but FTG competes primarily in U.S. dollars. Strengthening of the Canadian dollar would hurt FTG's competitiveness whereas a weakening of the Canadian dollar would enhance FTG's competitiveness.

CONTROLS AND PROCEDURES

The Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Corporation. The control framework used in the design of disclosure controls and procedures and internal control over financial reporting is the internal control integrated framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in 1992. In May 2013, COSO released an updated version of the 1992 internal control integrated framework. The Company is in the process adopting the new framework.

Internal control over financial reporting

Management, including the CEO and CFO, does not expect that the Corporation's disclosure controls or internal controls over financial reporting will prevent or detect all errors and all fraud or will be effective under all potential future conditions. A control system is subject to inherent limitations and, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control systems objectives will be met.

During the first quarter ended March 5, 2021, there have been no changes in the Corporation's internal controls over financial reporting, other than the limitation of scope of design as noted above, that may have materially affected, or are reasonably likely to materially affect, the Corporation's internal controls over financial reporting.

Caution Regarding Forward-Looking Statements

Certain statements in this MD&A other than statements of historical fact, are forward-looking statements based on certain assumptions and reflect the current expectations of FTG. These statements include without limitation, statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of FTG, as well as the outlook for North American and international economies, for the current fiscal year and subsequent periods. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "plans", "believes", "estimates", "seeks", "considers", "intends", "targets", "projects", "forecasts" or negative versions thereof and other similar expressions, or future or conditional verbs such as "may", "will", "should", "would" and "could". Forward-looking statements are provided for the purpose of conveying information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes.

Forward-looking information is based upon certain material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking statements, including FTG's perception of historical trends, current conditions and expected future developments as well as other factors FTG believes are appropriate in the circumstances.

By its nature, forward-looking information is subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. A variety of material factors, many of which are beyond FTG's control, affect the operations, performance and results of FTG and its business, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. These factors include, but are not limited to: impact or unanticipated impact of general economic, political and market factors in North America and internationally; intense business competition and uncertain demand for products; technological change; customer concentration; foreign currency exchange rates; dependence on key personnel; ability to retain and develop sufficient labour and management resources; ability to complete strategic transactions, integrate acquisitions and implement other growth strategies; litigation and product liability proceedings; increased demand from competitors with lower production costs; reliance on suppliers; credit risk of customers; compliance with environmental laws; possibility of damage to manufacturing facilities as a result of unforeseeable events, such as natural disasters or fires; fluctuations in operating results; possibility of intellectual property infringement claims; demand for the products of FTG's customers; ability to obtain continued debt and equity financing on acceptable terms; ability of a significant shareholder to influence matters requiring shareholder approval; historic volatility in the market price of the Corporation's common shares and risk of price decreases; production warranty and casualty claim losses; conducting business in foreign jurisdictions; income and other taxes; and government regulation and legislation and FTG's ability to successfully anticipate and manage the foregoing risks.

The reader is cautioned that the foregoing list of factors is not exhaustive of the factors that may affect any of FTG's forward-looking statements. The reader is also cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements.

Other than as specifically required by law, FTG 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.

The MD&A presents certain non-IFRS financial measures to assist readers in understanding the Corporation's performance. Non-IFRS financial measures are measures that either exclude or include amounts that are not excluded or included in the most directly comparable measures calculated and presented in accordance with Generally Accepted Accounting Principles ("GAAP"). Throughout this discussion, reference is made to gross margin which represents net sales less cost of sales and expenses. Not included in the calculation of gross margin are selling, administrative and general expenses, research and development costs and recoveries, foreign exchange, gains or losses on the sale of assets, interest and income taxes. Gross margin is not generally accepted earnings measures and should not be considered as an alternative to net earnings or cash flows as determined in accordance with IFRS. As there is no standardized method of calculating these measures, the Corporation's gross margin may not be directly comparable with similarly titled measures used by other companies. Management believes the gross margin measure is important to many of the Corporation's shareholders, creditors and other stakeholders. The risks, uncertainties and other factors that could influence actual results are described in this MD&A based on information available as of April 13, 2021 and the Corporation's Annual Information Form (including documents incorporated by reference) dated February 10, 2021 which is available on SEDAR at www.sedar.com.

FIRAN TECHNOLOGY GROUP CORPORATION

Notice of No Auditor Review of Interim Condensed Consolidated Financial Statements

The accompanying unaudited interim condensed consolidated financial statements of the Corporation have been prepared by management and approved by the Audit Committee and Board of Directors of the Corporation.

The Corporation's independent auditors have not performed a review of these interim condensed consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim condensed consolidated financial statements by an entity's auditors.

Interim Condensed Consolidated Statements of Financial Position

(Unaudited) (in thousands of Canadian dollars)		**March 5, 2021**		November 30, 2020
ASSETS				
Current assets				
Cash and cash equivalents	**$**	**18,073**	$	19,032
Accounts receivable		**13,257**		16,795
Contract assets		**906**		985
Inventories		**18,833**		19,304
Prepaid expenses and other		**5,071**		3,363
		56,140		59,479
Non-current assets				
Plant and equipment, net		**11,768**		12,640
Right-of-use assets		**11,615**		12,130
Investment tax credits recoverable		**1,012**		1,359
Intangible and other assets, net		**957**		1,068
Total assets	**$**	**81,492**	$	86,676
LIABILITIES AND EQUITY				
Current liabilities				
Accounts payable and accrued liabilities	**$**	**10,808**	$	13,904
Provisions		**835**		885
Contract liabilities		**477**		388
Current portion of bank debt		**2,300**		2,931
Current portion of lease liabilities		**1,785**		1,810
Income tax payable		**362**		155
		16,567		20,073
Non-current liabilities				
Bank debt		**2,343**		3,464
Lease liabilities		**10,238**		10,659
Deferred tax payable		**1,076**		1,192
Total liabilities		**30,224**		35,388
Equity				
Retained earnings	**$**	**18,735**	$	19,135
Accumulated other comprehensive income		**1,336**		958
		20,071		20,093
Share capital				
Common Shares *(Note 3.1)*		**21,881**		21,881
Contributed surplus		**8,343**		8,303
Total equity attributable to FTG's shareholders		**50,295**		50,277
Non-controlling interest		**973**		1,011
Total equity		**51,268**		51,288
Total liabilities and equity	**$**	**81,492**	$	86,676

See accompanying notes.

Interim Condensed Consolidated Statements of Loss

(Unaudited) (in thousands of Canadian dollars, except per share amounts)	Three months ended **March 5, 2021**	February 28, 2020
Sales	**$ 18,970**	$ 24,538
Cost of sales		
Cost of sales	**13,865**	19,199
Depreciation of plant and equipment	**1,077**	994
Depreciation of right-of-use assets	**366**	385
Total cost of sales	**15,308**	20,578
Gross margin	**3,662**	3,960
Expenses		
Selling, general and administrative	**2,691**	3,431
Research and development costs	**1,382**	1,081
Recovery of investment tax credits	**(127)**	(172)
Depreciation of plant and equipment	**63**	46
Depreciation of right-of-use assets	**17**	12
Amortization of intangible assets	**89**	299
Interest expense on bank debt, net	**39**	41
Accretion on lease liabilities	**126**	137
Stock based compensation	**40**	51
Foreign exchange loss *(Note 6.2)*	**618**	49
Forgiveness of debt *(Note 6.2)*	**(1,336)**	-
Impairment of intangible assets	**-**	1,145
Total expenses	**3,602**	6,120
Earnings before income taxes	**60**	(2,160)
Current income tax expense	**461**	434
Deferred income tax expense	**26**	35
Total income tax expense	**487**	469
Net loss	**$ (427)**	$ (2,629)
Attributable to:		
Non-controlling interest	**$ (27)**	$ (32)
Equity holders of FTG	**$ (400)**	$ (2,597)
Loss per share, attributable to the equity holders of FTG		
Basic *(Note 3.2)*	**$ (0.02)**	$ (0.11)
Diluted *(Note 3.2)*	**$ (0.02)**	$ (0.11)

See accompanying notes.

Interim Condensed Consolidated Statements of Comprehensive loss

(Unaudited) (in thousands of Canadian dollars)	Three months ended **March 5, 2021**	 February 28, 2020
Net loss	**$ (427)**	$ (2,629)
Other comprehensive earnings (loss) to be reclassified to net earnings (loss) in subsequent periods:		
Change in foreign currency translation adjustments	**(428)**	248
Net gain (loss) on valuation of derivative financial instruments designated as cash flow hedges *(Note 6.1, Note 6.2)*	**1,060**	(382)
Deferred income taxes	**(265)**	96
	367	(38)
Total comprehensive loss	**$ (60)**	$ (2,667)
Attributable to:		
Equity holders of FTG	**$ (22)**	$ (2,653)
Non-controlling interest	**$ (38)**	$ (14)

See accompanying notes.

Interim Condensed Consolidated Statements of Changes in Equity

Three months ended March 5, 2021	**Attributed to the equity holders of FTG**							
(Unaudited) (in thousands of Canadian dollars)	**Common shares**	**Preferred shares**	**Retained earnings**	**Contributed surplus**	**Accumulated other comprehensive income**	**Total**	**Non-controlling interest**	**Total equity**
Balance, November 30, 2020	**$ 21,881**	**$ -**	**$ 19,135**	**$ 8,303**	**$ 958**	**$ 50,277**	**$ 1,011**	**$ 51,288**
Net loss	-	-	**(400)**	**-**	**-**	**(400)**	**(27)**	**(427)**
Stock-based compensation	-	-	**-**	**40**	**-**	**40**	**-**	**40**
Other comprehensive income (loss)	-	-	**-**	**-**	**378**	**378**	**(11)**	**367**
Balance, March 5, 2021	**$ 21,881**	**$ -**	**$ 18,735**	**$ 8,343**	**$ 1,336**	**$ 50,295**	**$ 973**	**$ 51,268**

Three months ended February 28, 2020	Attributed to the equity holders of FTG							
(Unaudited) (in thousands of Canadian dollars)	Common shares	Preferred shares	Retained earnings	Contributed surplus	Accumulated other comprehensive loss	Total	Non-controlling interest	Total equity
Balance, November 30, 2019	$ 19,323	$ 2,218	$ 17,745	$ 8,933	$ (1,554)	$ 46,665	$ 1,094	$ 47,759
Net loss	-	-	(2,597)	-	-	(2,597)	(32)	(2,629)
Stock-based compensation	-	-	-	51	-	51	-	51
Other comprehensive income (loss)	-	-	-	-	(56)	(56)	18	(38)
Balance, February 28, 2020	$ 19,323	$ 2,218	$ 15,148	$ 8,984	$ (1,610)	$ 44,063	$ 1,080	$ 45,143

See accompanying notes.

Interim Condensed Consolidated Statements of Cash Flows

(Unaudited) (in thousands of Canadian dollars)	Three months ended **March 5, 2021**	 February 28, 2020
Net inflow (outflow) of cash related to the following:		
Operating activities		
Net loss	**$ (427)**	$ (2,629)
Items not affecting cash and cash equivalents:		
Stock-based compensation	**40**	51
Loss on disposal of plant and equipment	**1**	6
Effect of exchange rates on U.S. dollar bank debt	**(189)**	53
Depreciation of plant and equipment	**1,140**	1,040
Depreciation of right-of-use assets	**383**	397
Amortization of intangible assets	**89**	299
Amortization, other	**12**	3
Impairment of intangible assets	**-**	1,145
Investment tax credits/deferred income taxes	**231**	87
Accretion on lease liabilities	**126**	137
Forgiveness of debt *(Note 6.2)*	**(1,336)**	-
Net gain (loss) on valuation of derivative financial instruments designated as cash flow hedges, net of taxes *(Note 6.1, Note 6.2)*	**795**	(286)
Net change in non-cash operating working capital *(Note 5)*	**(465)**	4,022
	400	4,325
Investing activities		
Additions to plant and equipment	**(378)**	(1,046)
Recovery of contract and other costs	**10**	6
Additions to deferred financing costs	**(8)**	-
	(376)	(1,040)
Net cash flow from operating and investing activities	**24**	3,285
Financing activities		
Repayments of bank debt	**(232)**	(503)
Lease liability payments	**(452)**	(446)
	(684)	(949)
Effects of foreign exchange rate changes on cash flow	**(299)**	169
Net (decrease) increase in cash flow	**(959)**	2,505
Cash and cash equivalents, beginning of the period	**19,032**	7,647
Cash and cash equivalents, end of period	**$ 18,073**	$ 10,152
Disclosure of cash payments		
Payment for interest	**$ 42**	$ 55
Payments for income taxes	**$ 197**	$ 979

See accompanying notes.

1. NATURE OF OPERATIONS

Firan Technology Group Corporation ("FTG") was formed as a result of the amalgamation between Circuit World Corporation and Firan Technology Group Inc. on August 30, 2003 pursuant to articles of amalgamation under the *Canada Business Corporations Act*. Prior to this, FTG was established as Helix Circuits Inc. on April 18, 1983 by articles of amalgamation pursuant to the provisions of the *Canada Business Corporations Act*. FTG, its subsidiaries and its joint venture (together referred to as the "Corporation" or the "Group") are primarily suppliers of aerospace and defence electronic products and sub-systems.

The address of the Corporation's registered office is 250 Finchdene Square, Toronto, Ontario, M1X 1A5.

The interim condensed consolidated financial statements of the Corporation as at and for the three months ended March 5, 2021 comprise FTG, its subsidiaries and its joint venture.

These interim condensed consolidated financial statements were approved for issuance by the Board of Directors on April 13, 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. Accordingly, certain information and disclosures normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), have been omitted or condensed. These interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements of the Corporation for the year ended November 30, 2020, which are available on SEDAR at www.sedar.com and on the Corporation's website at www.ftgcorp.com.

The same accounting policies and methods of computation were followed in the preparation of these interim condensed consolidated financial statements as were followed in the preparation of the audited consolidated financial statements for the year ended November 30, 2020.

2.1 Use of estimates, judgements and assumptions

The preparation of interim condensed consolidated financial statements requires the use of certain critical accounting estimates, judgements and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities at the end of the reporting period. It also requires management to exercise judgement in applying the Corporation's accounting policies. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods. Estimates and judgements are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

The Corporation based its assumptions and estimates on parameters available when the interim condensed consolidated financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Corporation.

2.2 COVID-19

In March 2020, the World Health Organization characterized the novel coronavirus ("COVID-19") as a global pandemic and extraordinary actions have been taken by international, federal, state and provincial governmental authorities to contain and combat the spread of COVID-19 in regions throughout the world. The COVID-19 outbreak and related public health measures, including orders to shelter-in-place, travel restrictions and mandated business closures, have adversely affected workforces, organizations, consumers, economies, and financial markets globally, leading to an economic downturn and increased market volatility. The extent of the impact of COVID-19 on the Corporation's operational and financial performance will depend on certain developments, including the duration of the outbreak, impact on the Corporation's customers and its sales cycles, and impact on the Corporation's employees.

The economic downturn and uncertainty caused by the COVID-19 outbreak and measures undertaken to contain its spread continue to negatively affect all of the Corporation's operations to some extent and, in particular, and has caused volatility in demand for the Corporation's products and services targeted to the commercial aerospace market. The Corporation continues to evaluate the current and potential impact of the COVID-19 outbreak on its business, results of operations and consolidated financial statements.

3. SHARE CAPITAL

3.1 Authorized

Authorized share capital consists of an unlimited number of Common Shares with no par value and an unlimited number of Preferred Shares with no par value, issuable in series, with the attributes of each series to be fixed by the Board of Directors. Each Common and Preferred Share carries the right to one vote. The outstanding common shares at the three months ended March 5, 2021 were 24,491,201 (24,491,201 as at November 30, 2020).

During the three month ended March 5, 2021, the Corporation granted 82,500 performance share units ("PSU's") (2020– nil), of which 100% vest based on the achievement of a non-market performance condition. PSU's vest at the end of their respective terms, generally three years, to the extent that the applicable performance conditions have been met. The fair value of the non-market performance based PSU's is determined by the market value of the Corporation's Common Shares at the time of grant and may be adjusted in subsequent years to reflect the estimated level of achievement related to the applicable performance condition. The Corporation expects to settle these awards with Common Shares issued from the treasury or by purchasing from the open market.

As at March 5, 2021, nil of the 189,583 outstanding PSU's had vested or were exercisable. As at November 30, 2020, nil of the 108,750 outstanding PSU's had vested or were exercisable.

(in thousands of Canadian dollars, except where noted and per share amounts)

3.2 Loss per share

	Three months ended	
	March 5, 2021	February 28, 2020
Numerator		
Net loss	**$ (427)**	$ (2,629)
Net loss attributable to non-controlling interests	**(27)**	(32)
Net loss attributable to equity holders of FTG	**$ (400)**	$ (2,597)
Numerator for basic loss per share - net loss applicable to Common Shares	**$ (400)**	$ (2,597)
Numerator for diluted loss per share - net loss applicable to Common Shares	**$ (400)**	$ (2,597)
Denominator		
Denominator for basic loss per share - weighted average number of Common Shares outstanding	**24,491,201**	22,716,201
Effect of dilutive securities		
Number of Preferred Shares	**-**	-
Number of PSU's	**-**	-
Denominator for diluted loss per share - weighted average number of Common Shares outstanding and assumed conversions	**24,491,201**	22,716,201
Loss per share data attributable to the equity holders of FTG		
Basic loss per share	**$ (0.02)**	$ (0.11)
Diluted loss per share	**$ (0.02)**	$ (0.11)

The Corporation has nil voting convertible Series 1 Preferred Shares outstanding as at March 5, 2021 (February 28, 2020 – 1,775,000). The Corporation has 189,583 PSU's outstanding as at March 5, 2021 (February 28, 2020 – 201,994). The PSU's were not included in calculating diluted loss per share for the three months ended March 5, 2021 as the Corporation had a net loss. The convertible Series 1 Preferred Shares, and PSU's were not included in calculating diluted loss per share for the three months February 28, 2020 as the Corporation had a net loss.

3.3 Management of capital

The Corporation's objective in managing capital is to ensure sufficient liquidity to pursue its organic growth strategy and undertake selective acquisitions, while at the same time taking a conservative approach towards financial leverage and management of financial risk.

For the purpose of the Corporation's capital management, capital includes bank debt and total equity attributable to FTG's shareholders. The Corporation's primary uses of capital are to finance increases in non-cash working capital, capital expenditures and acquisitions. The Corporation currently funds these requirements from internally generated cash flows, cash, and bank debt.

The managed capital as at March 5, 2021 of $54,938 is comprised of total equity attributable to FTG's shareholders of $50,295 and bank debt of $4,643. The managed capital as at November 30, 2020 of $56,672 is comprised of total equity attributable to FTG's shareholders of $50,277 and bank debt of $6,395.

(in thousands of Canadian dollars, except where noted and per share amounts)

The Corporation manages its capital structure and makes adjustments to it as necessary, taking into account the economic conditions, the risk characteristics of the underlying assets and the Corporation's working capital requirements. In order to maintain or adjust its capital structure, the Corporation, may increase or repay long-term debt, issue shares, or undertake other activities as deemed appropriate under the specific circumstances. The Board of Directors review and approve any material transactions out of the ordinary course of business, including proposals on acquisitions or other major investments or divestitures, as well as capital and operating budgets. There were no changes in the Corporation's approach to capital management during the year.

The Corporation does not currently have a policy to pay a dividend. The credit facilities are secured by a first charge on all assets of the Corporation.

4. INCOME TAX EXPENSE

The Corporation's tax expense is calculated by using the rates applicable in each of the tax jurisdictions that the Corporation operates in. The effective tax rate on Canadian earnings for the three months ended March 5, 2021 was 25% (2020: 25%) which was based on projected annualized Manufacturing and Processing rates.

5. NET CHANGE IN NON-CASH OPERATING WORKING CAPITAL

Changes in non-cash operating working capital comprise of the following:

	Three months ended	
	March 5, 2021 $	February 28, 2020 $
Accounts receivable, contract assets	**3,629**	1,743
Income taxes receivable	**-**	(247)
Inventories	**469**	1,485
Prepaid expenses and other	**(1,710)**	293
Contract liabilities	**87**	3,938
Accounts payable and accrued liabilities, and provisions	**(3,148)**	(2,550)
Income tax payable	**208**	(640)
	(465)	4,022

6. FINANCIAL INSTRUMENTS

6.1 Fair value

The Corporation uses the following hierarchy for determining and disclosing the fair value of financial instruments carried at fair value:

Level 1: Quoted (Unadjusted) Prices in Active Markets for Identical Assets or Liabilities: This level includes equity securities traded on an active market and quoted corporate and government-backed debt instruments. The Corporation did not have any Level 1 financial instruments carried at fair value as at March 5, 2021 and November 30, 2020.

Level 2: Valuation Techniques with Observable Parameters: The financial instruments held by the Corporation in this level included cash, accounts receivable, contract assets, accounts payable and accrued liabilities and provisions, contract liabilities, bank debt, foreign exchange forward contracts, gold forward contracts and interest rate swaps as at March 5, 2021 and November 30, 2020.

Level 3: Valuation Techniques with Significant Unobservable Parameters: Instruments classified in this category have a parameter input or inputs that are unobservable and have more than insignificant impact on either the fair value of the instrument or the profit or loss of the instrument. The Corporation did not have any Level 3 financial instruments carried at fair value as at March 5, 2021 and November 30, 2020.

There were no transfers between levels during the period. The estimated fair value amounts approximate the amounts at which financial instruments could be exchanged in a current transaction between willing parties who are under no compulsion to act. For financial instruments that lack an available trading market, the Corporation applies present value and valuation techniques that use observable or unobservable market inputs. Because of the estimation process and the need to use judgement, the aggregate fair value amounts should not be interpreted as being necessarily realizable in an immediate settlement of the instruments.

The methods and assumptions used to estimate the fair value of financial instruments are described as follows:

Cash, accounts receivable, contract assets, accounts payable and accrued liabilities, and contract liabilities:

The Corporation determined that the fair value of its short-term financial assets and liabilities approximates their respective carrying value as at the consolidated statements of financial position dates because of the short-term maturity of those instruments.

Bank debt:

The fair value of bank debt bearing interest at variable rates approximates its carrying value as interest rate charges fluctuate with changes in the bank's prime rate.

Foreign exchange forward contracts, gold forward contracts and interest rate swap:

The fair value of the Corporation's foreign exchange forward contracts, gold forward contracts, interest rate swap (per details in *Note 6.2*) is based on the current market values of similar contracts with similar remaining durations as if the contract had been entered into on March 5, 2021. The forward current value (fair value) of these financial instruments as at March 5, 2021 had an net unrealized gain of $2,629 (an unrealized gain on foreign exchange forward contracts of $2,830, offset by an unrealized loss on gold forward contracts of $96, and an unrealized loss on interest rate swaps of $105), and included in other comprehensive income (loss), net of $657 in tax, and relates to derivatives designated as cash flow hedges. The forward current value (fair value) of these financial instruments as at November 30, 2020 had an net unrealized gain of $1,569 (an unrealized gain on foreign exchange forward contracts of $1,680, and an unrealized gain on gold forward contracts of $19, offset by an unrealized loss on interest rate swaps of $130), and included in other comprehensive income (loss), net of $392 in tax, and relates to derivatives designated as cash flow hedges.

(in thousands of Canadian dollars, except where noted and per share amounts)

6.2 Financial risks

Interest rate risk

Interest rate risk arises because of the fluctuation in interest rates. The Corporation's interest rate and cash flow risks are primarily related to the Corporation's revolving credit facilities, for which amounts drawn are subject to varying rates at the time of borrowing. The interest rates on amounts currently drawn on the revolving facility and on any future borrowings will vary and are unpredictable. The Corporation monitors its exposure to interest rates and has entered into derivative contracts to mitigate this risk which include three (November 30, 2020 – three) interest rate swaps as at March 5, 2021.

Based on the value of interest bearing financial instruments for the three months ended March 5, 2021, an assumed 50 basis points increase in interest rates during such year would have decreased earnings before income taxes by $2 (period ended February 28, 2020 – $nil), with an equal but opposite effect for an assumed 50 basis points decrease in interest rates.

Currency risk

Currency risk arises because of fluctuations in exchange rates. The Corporation conducts a significant portion of its business activities in foreign currencies, primarily in U.S. dollars. The assets, liabilities, revenue and expenses that are denominated in foreign currencies will be affected by changes in the exchange rate between the Canadian dollar and these foreign currencies. The Corporation's bank debt and most of the manufacturing materials are sourced in U.S. dollars, and also a significant portion of the headcount and operations are in now located in United States, providing a natural economic hedge for a portion of the Corporation's currency exposure. The foreign exchange loss for the reporting periods is set out in the table below:

	Three months ended	
	March 5, 2021	February 28, 2020
	$	$
Realized loss relating to financial assets and liabilities, excluding foreign exchange forward contracts	**614**	45
Realized loss relating to foreign exchange forward contracts	**4**	4
Foreign exchange loss	**618**	49

In addition, net realized gain of $331 for foreign exchange forward contracts designated as cash flow hedges that were settled during the three months ended March 5, 2021 was included in sales in the interim condensed consolidated statements of loss. Net realized loss of $313 for foreign exchange forward contracts designated as cash flow hedges that were settled during the three months ended February 28, 2020 was offset against sales in the interim condensed consolidated statements of loss.

The foreign exchange exposure for the reporting periods, covering the period-end balances of financial assets during the periods presented that were denominated in U.S. dollars, is set out in the table below:

			March 5, 2021	November 30, 2020
(In thousands of U.S. dollars)	**Canadian and other operations $**	**U.S. operations $**	**Consolidated financial statements $**	Consolidated financial statements $
Cash	**8,440**	**1,649**	**10,089**	11,554
Accounts receivable, contract assets	**6,833**	**2,638**	**9,471**	12,805
Accounts payable and accrued liabilities, contract liabilities	**(2,005)**	**(4,300)**	**(6,305)**	(6,946)
Total bank borrowings	**(2,349)**	**(1,358)**	**(3,707)**	(4,954)
Balance sheet exposure, excluding financial derivatives	**10,919**	**(1,371)**	**9,548**	12,459
Reporting date Cdn.$:U.S.$ exchange rate			**1.2668**	1.2965

	Three months ended			
			March 5, 2021	February 28, 2020
(In thousands of U.S. dollars)	**Canadian and other operations $**	**U.S. operations $**	**Total $**	Total $
Net sales	**8,738**	**5,348**	**14,086**	18,022
Operating expenses	**(2,762)**	**(6,687)**	**(9,449)**	(12,283)
Net exposure	**5,976**	**(1,339)**	**4,637**	5,739

With all variables remaining constant, assuming a 1% strengthening of the Canadian dollar versus the U.S. dollar, net earnings before tax for the three months ended March 5, 2021 and February 28, 2020 would decrease as follows in the tables below. An assumed 1% weakening of the Canadian dollar versus the U.S. dollar would have had an equal but opposite effect on the amounts shown below.

	Three months ended			
			March 5, 2021	February 28, 2020
Source of net earnings/loss variability from changes in foreign exchange rates	**Canadian and other operations $**	**U.S. operations $**	**Total $**	Total $
Balance sheet exposure, excluding financial derivatives	**(109)**	**14**	**(95)**	(87)
Net sales and operating expenses (net exposure)	**(60)**	**13**	**(47)**	(57)
Net exposure	**(169)**	**27**	**(142)**	(144)

The Corporation also holds RMB arising from its Circuits and Aerospace facilities in the People's Republic of China. Total consolidated statements of financial position exposure as at March 5, 2021 was RMB 4,540,532 or Cdn. $885 (November 30, 2020 was RMB 3,609,002 or Cdn. $711) including a short term deposit with a financial institution with maturity of less than 1 year an amount of RMB 2,546,771 or Cdn. $497 (November 30, 2020 – RMB 2,538,900 or Cdn. $500). With all variables remaining constant, assuming a 1% strengthening of the Canadian dollar versus the RMB, net earnings before tax for the three months ended March 5, 2021 and February 28, 2020 would decrease by approximately $9 and $10, respectively. An assumed 1% weakening of the Canadian dollar versus the U.S. dollar would have had an equal but opposite effect on these amounts.

(in thousands of Canadian dollars, except where noted and per share amounts)

Derivative Financial Instruments and Hedge Accounting

Foreign exchange forward contracts

Foreign exchange forward contracts are transacted with a financial institution to hedge part of a foreign currency denominated anticipated sale of products. The following table summarizes the Corporation's outstanding commitments to buy and sell foreign currency under foreign exchange forward contracts, all of which have a maturity date of less than thirty six months as at March 5, 2021 and November 30, 2020

Currency sold	Currency bought	Notional value	Forward value at transaction date	Forward current value	Unrealized gain
March 5, 2021					
U.S. dollars	**Canadian dollars**	**$54,000**	**$71,402**	**$68,572**	**$2,830**
November 30, 2020					
U.S. dollars	Canadian dollars	$54,000	$71,730	$70,050	$1,680

As at March 5, 2021 and November 30, 2020, the foreign exchange forward contracts (contracts to sell foreign currency) are designated as cash flow hedges, all of which was recognized in other comprehensive loss and prepaid expenses and other. This net unrealized gain in other comprehensive loss is expected to be realized through net earnings on the interim condensed consolidated statements of loss over the next thirty six months when the sales are recorded.

Gold forward contracts

As at March 5, 2021, in addition to the foreign exchange forward contracts per above, the Corporation had an outstanding commitment to buy 600 ounces of gold (November 30, 2020 – 600 ounces of gold) under gold forward contracts at a contract price of approximately $2.32 per ounce (2020 – $2.28) expiring quarterly from March 2021. These gold forward contracts qualify for hedge accounting. The table below summarizes the outstanding commitments under these gold forward contracts, all of which have a maturity date of less than one year:

Year ended	Nature of contract	Quantity	Forward value at transaction date	Forward current value	Unrealized (loss) gain
March 5, 2021	**Gold forward contract**	**600 ounces**	**$1,390**	**$1,294**	**($96)**
November 30, 2020	Gold forward contracts	600 ounces	$1,366	$1,385	$19

As at March 5, 2021 and November 30, 2020, the gold forward contracts are designated as a cash flow hedges, all of which was recognized in other comprehensive loss and prepaid expenses and other, accounts payable and accrued liabilities. This unrealized loss in other comprehensive loss is expected to be reclassified to the interim condensed consolidated statements of loss over the next twelve months when the cost of sales are recorded.

(in thousands of Canadian dollars, except where noted and per share amounts)

The terms of the foreign currency and gold forward contracts match the terms of the expected highly probable forecast transactions. As a result, no hedge ineffectiveness arises requiring recognition through earnings or loss. The amounts as at March 5, 2021 retained in other comprehensive loss related to these contracts are expected to be recognized through net earnings on the interim condensed consolidated statement of loss in fiscals 2021, 2022, 2023 and 2024.

Interest rate swaps

In July 2016, the Corporation entered into an interest rate swap to hedge the U.S. dollar interest payments of the term loan (7.0 year U.S. $2,600 term loan, amortized over 7 years, repayable in equal monthly principal payments of approximately U.S. $31 plus interest at LIBOR rate plus 215 basis points) over the seven year term at a fixed rate of 1.20% plus applicable margin of 215 basis points for an aggregate fixed interest rate of 3.35%. The interest rate swap has been designated as a cash flow hedge and the forward current value (fair value) of the interest rate swap as at March 5, 2021 had an unrealized loss of $16 (November 30, 2020 - unrealized loss of $21) which is included in other comprehensive loss and accounts payable and accrued liabilities.

In February 2018, the Corporation entered into an interest rate swap to hedge the U.S. dollar interest payments of the term loan (7.0 year U.S. $1,500 term loan, amortized over 7 years, repayable in equal monthly principal payments of approximately U.S. $18 plus interest at LIBOR rate plus 215 basis points) over the seven year term at a fixed rate of 2.81% plus applicable margin of 215 basis points for an aggregate fixed interest rate of 4.96%. The interest rate swap has been designated as a cash flow hedge and the forward current value (fair value) of the interest rate swap as at March 5, 2021 had an unrealized loss of $50 (November 30, 2020 - unrealized loss of $60) which is included in other comprehensive loss and accounts payable and accrued liabilities.

In April 2018, the Corporation entered into an interest rate swap to hedge the U.S. dollar interest payments of the term loan (7.0 year U.S. $1,000 term loan, amortized over 7 years, repayable in equal monthly principal payments of approximately U.S. $12 plus interest at LIBOR rate plus 215 basis points) over the seven year term at a fixed rate of 2.93% plus applicable margin of 215 basis points for an aggregate fixed interest rate of 5.08%. The interest rate swap has been designated as a cash flow hedge and the forward current value (fair value) of the interest rate swap as at March 5, 2021 had an unrealized loss of $39 (November 30, 2020 - unrealized loss of $49) which is included in other comprehensive loss and accounts payable and accrued liabilities.

The table below summarizes the net unrealised loss related to interest rate swaps as at March 5, 2021 and November 30, 2020:

Period ended	Nature of contracts	Net unrealized loss
March 5, 2021	**Interest rate swaps**	**($105)**
November 30, 2020	Interest rate swaps	($130)

Credit risk

The Corporation considers that there has been a significant increase in credit risk when contractual payments are more than 120 days past due. The Corporation considers a receivable to be in default when contractual payments are 180 days past due. However, in certain cases, the Corporation may also consider a financial asset to be in default when internal or external information indicates that the Corporation is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Corporation.

Credit risk arises from the potential that the counterparty will fail to fulfil its obligations. The Corporation is exposed to credit risk from its customers. However, the Corporation has a significant number of customers, which minimizes concentration of credit risk, and the majority of the Corporation's customers are large, multi-national, stable organizations. The Corporation's largest and second largest customer accounted for approximately 22.3% and 9.9% of sales (2020 – 23.1% and 11.7%), respectively during the three months ended March 5, 2021. The Corporation may also have credit risk relating to cash and foreign exchange forward contracts, which it manages by dealing with its current bank, a major financial institution that the Corporation anticipates will satisfy its obligations under the contracts.

Historically, losses under trade receivables have been insignificant. To minimize the risk of loss from trade receivables, extension of credit terms to customers requires review and approval by senior management even though the customers have generally been dealing with the Corporation for several years, and the losses have been historically minimal.

Although the Corporation's credit control processes have been effective in mitigating credit risk, these controls cannot eliminate credit risk and there can be no assurance that these controls will continue to be effective or that the Corporation's low credit loss experience will continue. Most sales are invoiced with payment terms in the range of 30 to 90 days in accordance with industry practice. Customers do not provide collateral in exchange for credit. The Corporation reviews its trade receivable accounts regularly and to determine whether an adjustment to the provision for expected credit loss. The expected credit loss is charged against earnings. Shortfalls in collections are applied against this provision. Estimates for expected credit loss are determined on a portfolio basis taking into account any available relevant information on the portfolio's liquidity and market factors.

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they come due. The Corporation manages liquidity risk through the management of its capital structure and financial leverage, as outlined in *Note 3.3*. It also manages liquidity risk by continuously monitoring actual and projected cash flows, taking into account sales, receipts, expenditures and matching the maturity profile of financial assets and liabilities. The Board of Directors review and approve the Corporation's operating and capital budgets, as well as any material transactions out of the ordinary course of business, including proposals on mergers, acquisitions or other major investments or divestitures. The Corporation currently finances its operations through internally generated cash flows and the use of its credit facility.

(in thousands of Canadian dollars, except where noted and per share amounts)

The following is the summary of contractual maturities of financial liabilities and obligations, excluding future interest payments but including interest, accrued to March 5, 2021 and November 30, 2020:

					March 5, 2021	November 30, 2020
	Less than 1 year $	**1 to 2 years $**	**2 to 5 years $**	**More than 5 years $**	**Amount $**	Amount $
Bank debt[1] (committed facility)	**940**	**2,014**	**-**	**-**	**2,954**	3,318
Bank debt[2] PPP Loans	**1,379**	**315**			**1,694**	3,072
Accounts payable and accrued liabilities, and provisions	**11,643**	**-**	**-**	**-**	**11,643**	14,789
Contract liabilities	**477**	**-**	**-**	**-**	**477**	388
Lease liabilities	**1,785**	**1,562**	**3,931**	**7,894**	**15,172**	15,769
Operating leases	**274**	**119**	**95**	**-**	**488**	605
	16,498	**4,010**	**4,026**	**7,894**	**32,428**	37,941

1. Bank debt as at March 5, 2021 is offset by $30 for deferred financing charge ($28 as at November 30, 2020).

2. Bank debt as at March 5, 2021 includes $54 for accretion of interest ($70 as at November 30, 2020), offset by $29 for amortization of government grant ($37 as at November 30, 2020).

Financial liabilities and obligations for future interest payments relating to bank debt are $121 for within 1 year, $71 for the second year, $40 in aggregate for years three, four and five and $nil after the fifth year.

Paycheck Protection Program Loans

In May, 2020, the Corporations' US subsidiaries, FTG Circuits Inc., FTG Aerospace Inc., and FTG Circuits Fredericksburg Inc., closed on an unsecured bank debt guaranteed under the Paycheck Protection Program ("PPP") in the total amount of U.S. $2,369 or $3,309 ("PPP Loans") as part of the Coronavirus Aid, Relief, and Economic Security ("CARES") Act of the U.S. Government. The PPP Loans specifically support the ongoing payroll costs and certain operating costs of these subsidiaries, bear interest at a fixed rate of 1% per annum, and have a maturity date of two years from the date of advance. PPP Loans require blended monthly principal and interest payments. PPP Loans may be forgiven in whole or in part, to the extent permitted in accordance with the applicable provisions of the CARES Act.

During the three month period ended March 5, 2021, U.S. $1,032 or $1,336 of the PPP loans were fully forgiven. As at March 5, 2021, the remaining PPP loan balance is $1,719 (U.S. $1,337).

In addition to the PPP loans, the corporation had bank debt of $2,924 as at March 5, 2021 (November 30, 2020 - $3,290).

Government subsidies

During the second quarter of fiscal 2020, the Government of Canada announced the Canada Emergency Wage Subsidy ("CEWS") for Canadian employers whose businesses were affected by the COVID-19 pandemic. The CEWS provides a subsidy of up to 75% of eligible employees' employment insurable remuneration, subject to certain criteria.

Accordingly, the Corporation applied for the CEWS to the extent it met the requirements to receive the subsidy and during the three months ended March 5, 2021, recorded $1,000 (2020 – $nil), in government subsidies as a reduction to operating expenses in the interim condensed consolidated statement of loss.

(in thousands of Canadian dollars, except where noted and per share amounts)

7. SEGMENTED INFORMATION

Management has determined that the operating segments are based on the information regularly reviewed for the purposes of decision making, allocating resources and assessing performance by the Corporation's chief operating decision maker. The chief operating decision maker of the Corporation is the President and Chief Executive Officer. The Corporation evaluates the financial performance of its operating segments primarily based on earnings before interest and income taxes.
The Corporation consists of two operating segments which operate within the Global marketplace, FTG Circuits ("Circuits") and FTG Aerospace ("Aerospace"). Circuits is a leading manufacturer of high technology/high reliability printed circuit boards. Aerospace is a manufacturer of illuminated cockpit panels, keyboard, bezels and sub-assemblies for original equipment manufacturers of avionic products and airframe manufacturers. Circuits and Aerospace financial information is shown below:

	Three months ended March 5, 2021			
	Circuits	**Aerospace**	**Corporate Office**	**Total**
	$	**$**	**$**	**$**
Sales	**12,671**	**8,328**	**-**	**20,999**
Inter-company sales	**(686)**	**(1,343)**	**-**	**(2,029)**
Net sales	**11,985**	**6,985**	**-**	**18,970**
Cost of sales and selling, general and administrative expenses	**9,438**	**6,600**	**558**	**16,596**
Research and development costs	**1,225**	**157**	**-**	**1,382**
Recovery of investment tax credits	**(84)**	**(43)**	**-**	**(127)**
Depreciation of plant and equipment	**891**	**200**	**49**	**1,140**
Depreciation of right-of-use assets	**193**	**178**	**12**	**383**
Amortization of intangible assets	**31**	**58**	**-**	**89**
Forgiveness of debt	**(645)**	**(691)**	**-**	**(1,336)**
Foreign exchange loss on conversion of assets and liabilities	**256**	**248**	**114**	**618**
Earnings (loss) before interest and income taxes	**680**	**278**	**(733)**	**225**
Interest expense on bank debt, net	**-**	**-**	**39**	**39**
Accretion on lease liabilities	**79**	**46**	**1**	**126**
Income tax expense	**-**	**-**	**487**	**487**
Net earnings (loss)	**601**	**232**	**(1,260)**	**(427)**

(in thousands of Canadian dollars, except where noted and per share amounts)

	Three months ended February 28, 2020			
	Circuits $	Aerospace $	Corporate Office $	Total $
Sales	16,767	9,797	-	26,564
Inter-company sales	(310)	(1,716)	-	(2,026)
Net sales	16,457	8,081	-	24,538
Cost of sales and selling, general and administrative expenses	13,732	8,160	789	22,681
Research and development costs	901	180	-	1,081
Recovery of investment tax credits	(122)	(50)	-	(172)
Depreciation of plant and equipment	809	200	31	1,040
Depreciation of right-of-use assets	197	191	9	397
Amortization of intangible assets	35	264	-	299
Impairment of intangible assets	-	1,145	-	1,145
Foreign exchange loss (gain) on conversion of assets and liabilities	121	(63)	(9)	49
Earnings (loss) before interest and income taxes	784	(1,946)	(820)	(1,982)
Interest expense on bank debt, net	-	-	41	41
Accretion on lease liabilities	85	51	1	137
Income tax expense	-	-	469	469
Net earnings (loss)	699	(1,997)	(1,331)	(2,629)

The following table details the total assets, intangible assets, additions to plant and equipment and total liabilities of the Corporation by operating segments:

	As at March 5, 2021			As at November 30, 2020		
	Circuits $	**Aerospace $**	**Total $**	Circuits $	Aerospace $	Total $
Total segment assets	**58,677**	**22,815**	**81,492**	59,577	27,099	86,676
Intangible and other assets	**692**	**265**	**957**	746	322	1,068
Additions to plant and equipment	**364**	**14**	**378**	2,890	329	3,219
Total segment liabilities	**26,556**	**3,668**	**30,224**	30,403	4,985	35,388

The following tables detail the financial information of the Corporation by geographic location:

	Canada $	**United States $**	**Asia $**	**Europe $**	**Other $**	**Total $**
Three months ended March 5, 2021:						
Net sales (by location of customer)	**2,392**	**14,605**	**1,181**	**599**	**193**	**18,970**
Three months ended February 28, 2020:						
Net sales (by location of customer)	1,739	18,332	3,257	908	302	24,538

(in thousands of Canadian dollars, except where noted and per share amounts)

The following tables detail the financial information of the Corporation by geographic location:

	As at March 5, 2021					
	Canada	**United States**	**Asia**	**Europe**	**Other**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Intangible and other assets (by location of division)	**210**	**473**	**274**	**-**	**-**	**957**
Plant and equipment (by location of division)	**5,906**	**4,282**	**1,580**	**-**	**-**	**11,768**
Right-of-use assets (by location of division)	**6,561**	**4,771**	**283**	**-**	**-**	**11,615**

	As at November 30, 2020					
	Canada	United States	Asia	Europe	Other	Total
	$	$	$	$	$	$
Intangible and other assets (by location of division)	212	575	281	-	-	1,068
Plant and equipment (by location of division)	6,335	4,621	1,684	-	-	12,640
Right-of-use assets (by location of division)	6,700	5,107	323	-	-	12,130

The Corporation's primary sources of revenue are as follows:	Three months ended	
	March 5, 2021	February 28, 2020
	$	$
Sale of goods	**18,615**	24,290
Services	**355**	248
	18,970	24,538

Timing of revenue recognition based on transfer of control is as follows:	Three months ended	
	March 5, 2021	February 28, 2020
	$	$
At a point of time	**18,615**	24,290
Over time	**355**	248
	18,970	24,538

During the three months ended March 5, 2021, there were two customers that accounted for 22.3% (in United States) and 9.9% (in Canada) of the total net sales, respectively - the largest customer accounted for approximately $4,200 of net sales (of which 80.8% was in Circuits segment and the remaining 19.2% in the Aerospace segment) and the second largest customer accounted for approximately $1,850 of net sales (of which 3.9% was in Circuits segment and the remaining 96.1% in the Aerospace segment).

During the three months ended February 28, 2020, there were two customers in the United States that accounted for 23.1% and 11.7% of the total net sales, respectively - the largest customer accounted for approximately $5,650 of net sales (of which 81.6% was in Circuits segment and the remaining 18.4% in the Aerospace segment) and the second largest customer accounted for approximately $2,900 of net sales (of which 42.7% was in Circuits segment and the remaining 57.3% in the Aerospace segment).

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