SPARKPOWER
GROUP INC

Management Discussion and Analysis | Q3 2018

For the period ending September 30, 2018

Table of Contents

The following Management's Discussion and Analysis ("MD&A") of the operating performance and financial condition of Spark Power Group Inc. ("Spark Power", the "Company", "we", "us", or "our") for the three and nine months ended September 30, 2018, dated November 13, 2018, should be read in conjunction with the September 30, 2018 Condensed Consolidated Interim Financial Statements and related notes thereto and the August 17, 2018 Management Information Circular with respect to the proposed Qualifying Acquisition of Canaccord Genuity Acquisition Corp. Additional information related top Spark Power is available under the Company's SEDAR profile at www.sedar.com and on our website at www.sparkpower.com. Unless otherwise specified all amounts are expressed in Canadian dollars. The information presented in the MD&A, including information relating to comparative period in 2017, is presented in accordance with International Financial Reporting Standards ("IFRS") unless otherwise noted.

This Spark Power MD&A makes reference to certain non-IFRS measures. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of Spark Power's results of operations from management's perspective and to discuss Spark Power's financial outlook. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of Spark Power's financial information reported under IFRS. Spark Power uses non-IFRS measures including: "EBITDA", "Adjusted EBITDA", "Adjusted EBITDA Margin", "Pro-forma Adjusted EBITDA", Pro-forma Adjusted EBITDA Margin" "Adjusted Net Comprehensive Income (Loss)" and "Adjusted Working Capital". For a reconciliation of "EBITDA", "Adjusted EBITDA", "Adjusted EBITDA Margin", "Adjusted Net Comprehensive Income (Loss)" and "Adjusted Working Capital" measures, see "Selected Consolidated Financial Information" and "Non-IFRS Measures".

We encourage readers to read the "Forward-Looking Information" and "Non-IFRS" sections at the end of this document.

November 13, 2018

Dear Shareholders,

We are excited to be presenting our first quarterly report to the shareholders of Spark Power Group Inc.

Its been quite an amazing journey over the last 8+ years. From inception in 2010, as a private company with three employees, we have grown aggressively and profitably to 700 employees, in 36 offices across North America. This growth was achieved both organically and through a series of nine acquisitions, including closing three concurrently on June 30th of this year.

Turning to our third quarter, we are pleased with the company's performance, generating $38.3 million in revenue and $7.3 million in Adjusted EBITDA (19.1% adjusted EBITDA margin). During this quarter, our team also successfully executed on the three acquisitions, completed a major debt re-financing, an equity private placement, and ended the quarter closing the going-public transaction through a merger with Canaccord Genuity Acquisition Corp. Measuring on a year to date basis, revenues were $81.9 and Adjusted EBITDA was $14.5 million (17.7%). With these results, coupled with the pro-forma impact of the January to June 2018 results of our 3 acquisitions, we remain on track to achieve our previously released Pro-forma Adjusted EBITDA target indicated for 2018.

These accomplishments are clear validation of the strength of our very talented and committed leadership team. While we will remain keenly focused on sustaining our market leading EBITDA margins and strong free cash flow, we will use our public company platform to gain better, more liquid access to capital and raise the Company's profile generally in the corporate community. These are the critical elements that will allow us to continue to aggressively grow the business, both organically and through acquisition, driving Spark Power to achieve its '2023 Vision' to be ***The Leading Independent Provider of Integrated Power Solutions to the Industrial, Commercial and Institutional Markets across North America.***

The Future of Power™ is about the Customer

It's about customer choice. The power market construct is transforming, and change is being driven by technology, social pressure, political will and economics. Traditional utilities and power generators are moving downstream beyond the meter point onto the customer's site, and new market entrants that are focused on customer needs are pushing upstream. The result: the meter point is either disappearing or splintering into a thousand pieces throughout the grid, creating both confusion and complexity but also opportunity. While the exact path forward remains unclear, this new construct is empowering the customer to ask questions and take control. The customer will no longer accept a lack of supplier options, forced pricing schemes, dirty power or intermittent supply. Nor will they accept that it is up to them to carry the burden of efficiency as the primary driver of cost reduction, supply certainty and sustainability. Instead, how customers source their power, and where and when they use it, will become a competitive advantage. It will be more sustainable, reliable, resilient and cheaper. Customers ultimately won't accept anything less.

Spark Power is The Future of Power™

Spark Power's industrial, commercial and institutional customers are the largest power users in the market, and they have both profitability and sustainability mandates that are pushing them to demand and be a catalyst for change. Spark Power is positioned to enable that change for our customers, with integrated power solutions that are designed, built, operated and maintained by dedicated, highly-skilled team members who truly understand the customers' needs. We put these needs first and work in partnership with our customers - in their boardrooms, in their facilities and in their communities.

We greatly appreciate your support and look forward to reporting to you as we progress in the months ahead.

Sincerely,

Jason Sparaga
Co-Chief Executive Officer

Andrew Clark
Co-Chief Executive Officer

MANAGEMENT DISCUSSION AND ANALYSIS

ABOUT SPARK POWER GROUP INC.

Headquartered in Oakville, Ontario, Canada, Spark Power Corp. ("Spark Power") is a leading integrated power solutions company serving more than 6,500 industrial, commercial, and institutional customers across North America. Spark Power is a wholly owned subsidiary of Spark Power Group Inc.

Spark Power historically segregates its business between two distinct divisions; Power Services ("Services") and Power Solutions ("Solutions").

Power Services

- Electrical Technical Services (low, medium and high voltage contracting services)
- Renewables (Solar, Wind and Battery) Operations & Maintenance
- Equipment Sales & Rentals

Power Solutions

- Power Consulting & Sustainability
- Integrated Power Solutions
- Community Power

These divisions are looped together to support one another in a "virtuous circle" model whereby a Services customer creates the "lead" for Solutions and the Solutions group in turn, develops the "need" for the Services' offering, to implement the Solution. This operating model is in the process of being changed, as noted below in the "Strategic Plan" section.

Power Services

Low Voltage Technical Services

Spark Power's low voltage technical services are provided through its New Electric division; a full-service industrial electrical contractor working with its customers to design, build and install efficient and sustainable industrial electrical solutions, tailored to its customer's specific needs. These services include:

- Electrical contracting services
- Industrial Automation
- Custom control panel design and assembly
- Electronic Repair

Medium and High Voltage Technical Services

Spark Power's medium and high voltage services division, operating through the Pelikan, Rondar, Tal Trees, Tiltran, and Orbis Engineering brands, deliver integrated, end-to-end power services for medium and high voltage systems to industrial, commercial, institutional and utility customers. These services include:

- Medium & high voltage management
- Power 'On' services
- Commissioning services
- Sub-station construction
- Power line construction and maintenance
- Equipment installation
- Power systems engineering services
- Insulating fluid lab services
- Thermography services

Renewables Operations and Maintenance

Spark Power's renewable services are predominantly provided through its Northwind division, which maintains and operates over 2,000 solar and wind assets accounting for more than 600MW of renewable energy capacity, making Northwind one of the largest independent renewable power operations and maintenance providers in North America (1st in Canada, 4th in US). Spark Power's Renewables services include:

- Solar photovoltaics
- Wind power
- Monitoring and performance analytics
- Battery energy storage solutions

Equipment Sales and Rentals

Through its subsidiary, Lizco Sales and Rentals Inc., the Company buys and sells new and used electrical equipment mainly in the medium and high voltage product categories. Located in Tillsonburg, Ontario, Lizco operates a full capability fabrication shop and warehouses hundreds of new and used products and sells them to developers, contractors, operators and service providers throughout North America.

Power Solutions

Spark Power is well positioned to deliver unique Power Solutions to help its customers adapt to the rapidly changing construct of the power grid. The Company has its roots in renewable and community power and through its Bullfrog Power subsidiary, is the de-facto leader in sustainability in Canada. As a result, the Company has both the deep technical expertise and the key regulatory and government relationships required to deliver on these new commercial models.

Spark Power's Solutions' business unit consists of three primary offerings; Power Consulting and Sustainability (Bullfrog Power), Integrated Power Solutions, and Community Power.

Power Consulting and Sustainability

Bullfrog Power is a leading green energy provider, offering renewable energy solutions that enable individuals and businesses to reduce their environmental impact, support the development of green energy projects in Canada and help create a cleaner, healthier world. Bullfrog Power works with renewable energy projects across the country to ensure that the electricity going on the grid on behalf of its customers comes from clean, renewable sources such as wind, low-impact hydro or solar projects, the natural gas going into the pipeline comes from organic, net zero carbon biogas or biomethane facilities, and the fuel comes from biogenic, earth friendly waste streams. Spark Power believes that Bullfrog Power's core green energy offerings of Green Electricity, Green Natural Gas, Green Fuel, and carbon offset products are complementary to Spark Power's existing Solutions segment and will provide opportunistic synergies in terms of revenue, increased customer-base, and a widened scope of services.

Bullfrog Power earns revenue by sourcing high quality green energy solutions, ensuring that energy is being injected into the respective energy system and the rights to the environmental attributes or benefits are retired on behalf of its customers to mitigate the negative environmental impacts of the customer's energy usage from the conventional energy sources that are commonly fossil fuel based. Bullfrog Power also uses a portion of their customer green energy premiums to support local, community based renewable energy projects across the country. In addition, Bullfrog Power provides value added marketing and communication services that allow the customer to display and market their commitment to minimizing their impact on the environment.

Bullfrog Power's Green Energy solutions are fuelled by:

- Green Electricity
- Green Natural Gas
- Green Fuel

Integrated Power Solutions

Under the Bullfrog Power Solutions brand, Spark Power designs and/or constructs power projects that harmonize new and existing energy systems. Bullfrog Power Solutions provides its customers with an opportunity to make their energy future more sustainable and predictable while also reducing their cost of power through self-generation, renewable energy, energy storage and advanced systems control. In this area, Spark Power's customer base includes government, utilities, school boards, pension funds, public and privately-owned businesses and individual property owners.

Integrated Power Solutions include:

- Power planning
- Power generation infrastructure
- Energy awareness
- Power systems management
- Innovation & future grid strategies

Community Power

Spark Power is a Canadian leader in community power. Community power provides opportunities for community groups focused on renewable energy to invest in and benefit from clean energy assets, located in their local communities.

With combined membership of over 2,000 individuals, Spark Power designed, developed and now operates under long-term agreement, two of the largest community power co-operatives in Canada; the Green Energy Co-operative of Ontario and the AGRIS Solar Co-operative. The projects owned by these co-operatives create clean local power while supporting community development and employment. Both co-operatives were formed to take advantage of the incentives provided in the Ontario Green Energy Act, which provides long-term price guarantees for investors (i.e. members) to encourage the development of smaller distributed generation of clean energy. Spark Power is contracted to run these co-operatives for 20 years or more and earns a base fee for service and a bonus fee as a percentage of the profits, for performance.

With the electric utility industry undergoing a major transformation, Spark Power has embarked on a continuous cycle of innovation within the community power market. Spark Power continues to grow the community power model by leveraging its expertise to develop solutions for the grid of the future.

SELECTED CONSOLIDATED INFORMATION

EBITDA, ADJUSTED EBITDA and PRO-FORMA ADJUSTED EBITDA

EBITDA is defined as earnings before interest expense, income taxes, and amortization. EBITDA is a measure commonly used by management, investors and investment analysts in understanding and comparing results by factoring out the impact of different financing methods, capital structures, amortization techniques and income tax rates between companies in the same industry. While other companies, investors or investment analysts may not utilize the same method of calculating EBITDA, or adjustments thereto, the Company believes its Adjusted EBITDA metric, in particular, results in a better comparison of the Company's underlying operations against its peers. In addition, the Company believes that Pro-forma Adjusted EBITDA provides a better understanding of period on period comparisons of results as it reflects the results of operations of companies acquired during the year as if they were acquired at the beginning of the year being reported. See "NON-IFRS MEASURES" at the end of this report.

The following table outlines how our EBITDA measures are determined:

	3 months ended		9 months ended	
Reconciliation of net comprehensive income (loss) to Adjusted EBITDA and Pro-forma Adjusted EBITDA	**Sept. 30, 2018**	**Sept. 30, 2017**	**Sept. 30, 2018**	**Sept. 30, 2017**
Net comprehensive income (loss)	**($37,619,048)**	**$1,289,889**	**($64,923,406)**	**($1,289,445)**
Adjustments:				
Finance expense	1,477,690	1,154,229	3,473,243	3,474,469
Income tax expense	(126,058)	423,363	(196,117)	1,270,103
Amortization	2,278,744	1,494,383	5,608,926	4,241,004
EBITDA	**(33,988,672)**	**4,361,864**	**(56,037,354)**	**7,696,131**
Other adjustments:				
Increase in value of puttable class A and class 1 special shares	20,654,400	-	47,771,600	-
Transaction costs	9,157,399	-	10,269,633	-
Excess of fair value over net asset acquired	12,660,331	-	12,660,331	-
Gain on retraction of class 1 special shares	(1,250,000)	-	(1,250,000)	-
Redundant employee costs and severences	28,461	39,640	119,861	791,228
Costs related to the New Electric transaction	-	57,659	-	405,731
Redundant software costs	26,321	-	239,090	194,452
New branch opening costs	-	34,409	-	44,499
Work in process costs deemed non-billable	-	-	535,621	-
Other non-recurring costs	25,469	71,105	164,324	421,634
Adjusted EBITDA	**7,313,709**	**4,564,677**	**14,473,106**	**9,553,675**
Adjusted EBITDA Margin	**19.1%**	**20.2%**	**17.7%**	**16.5%**
Other adjustments:				
Pre-acquisition EBITDA for 3 Acquisitions	-	2,431,472	4,892,784	4,749,141
Pro-forma Adjusted EBITDA	**$7,313,709**	**$6,996,149**	**$19,365,890**	**$14,302,816**
Pro-forma Adjusted EBITDA Margin	**19.1%**	**19.5%**	**17.8%**	**15.5%**

OVERVIEW OF TRANSACTIONS COMPLETED IN Q3

Merger with Canaccord Genuity Acquisition Corp.

On August 31, 2018 Spark Power Corp merged with Canaccord Genuity Acquisition Corp. ("CGAC") ("the Qualifying Acquisition"). In conjunction with the closing, CGAC was renamed Spark Power Group Inc. and commenced trading on the Toronto Stock Exchange as SPG, SPG.WT. Spark Power Corp., as a wholly-owned subsidiary of the Company, continued as the operating entity.

The merger was completed through the purchase of certain shares of Spark Power for cash, the exchange of all remaining shares of Spark Power for common shares of CGAC ("Common Shares"), and the exchange of certain warrants to acquire Spark Shares for warrants to acquire Common Shares. In addition, certain outstanding options to acquire Spark Shares were exchanged for options to acquire Common Shares.

Following Closing, each of CGAC's class A restricted voting units not submitted for redemption separated into Common Shares and Warrants, with the underlying class A restricted voting shares having automatically converted into Common Shares on a one-for-one basis immediately prior to such separation. As such, following Closing, the Company had 44,920,316 Common Shares and 11,776,653 Warrants outstanding.

Business Acquisitions

During the third quarter Spark Power completed a series of business acquisition and financing transactions an overview of which is as follows:

Acquisition of Orbis Engineering Field Services Ltd. ("Orbis")

Orbis is based in Edmonton, Alberta and provides engineering, design and field services for medium and high voltage power systems in Western Canada.

Effective July 1, 2018 Spark acquired all of the issued and outstanding shares Orbis Engineering Field Services Ltd. and 1625704 Alberta Inc. ("Orbis") for total consideration on closing of $8.5 million plus $755,538 for working capital acquired in excess of agreed targets. In addition, the Company is liable for an earn-out up to $1.0 million which is based on the performance of Orbis after the close and specific, Spark related business development objectives of the prior owner. The earn-out period ends June 30, 2020.

Total consideration paid at close was comprised of $5.0 million in cash, a $2.3 million promissory note due in 4 years bearing interest at 4%, and 400,000 shares in Spark Power valued at $1.2 million.

Acquisition of Bullfrog Power Inc. ("Bullfrog")

Bullfrog sources high quality green energy solutions and the rights to the environmental attributes and benefits are retired on behalf of its customers.

Effective July 1, 2018 Spark acquired all of the issued and outstanding shares of Bullfrog Power Inc. for total consideration on closing of $17.5 million less $280,103 for working capital acquired below agreed targets.

Total consideration paid at close was comprised of $9.835 million in cash, a $6.0 million promissory note due in four years bearing interest at 6%, and the after-tax impact of key executive retention bonus's totalling $1.665 million.

Acquisition of New Electric Fresno LLC. ("NEF")

NEF operates two branches in California under the New Electric brand. NEF was previously affiliated with New Electric Enterprises Inc., an entity acquired by Spark Power in 2017.

Effective July 1, 2018 Spark acquired all of the issued and outstanding shares of New Electric Fresno LLC for total consideration on closing of $3,287,900 (USD $2.5 million) plus $247,350 for working capital acquired in excess of agreed targets. In addition, the Company is liable for an earn-out up to USD$7.5 million which is based on the performance of NEF after the close. The earn-out period ends June 30, 2020.

Total consideration paid at close was comprised of USD $1.0 million in cash, a USD$1.23 million promissory note due in four years bearing interest at 4%, and 104,542 shares in Spark Power valued at USD$250,000.

Re-financing of Credit Facilities

During the third quarter the Company entered into a new Credit Facility ("Facility") with The Bank of Montreal ("Senior Lender"). The Facility was comprised of three main components with details and terms as follows:

	Operating Line	Term Loan	Acqusition Line	Total
Amount	$20,000,000	$44,000,000	$25,000,000	$89,000,000
Term	Uncommitted	3 years Committed	Uncommitted	
Interest rate (i)	Prime + 0.0%-1.0%	Prime +0.75% - 1.75%	Prime + 0.0%-1.0%	
Repayment terms	Revolving	Year 1 - interest only 8 year amortization thereafter	10 year amortization post drawdown	
Amount Drawn at September 30, 2018	$4,999,979	$44,000,000	nil	$48,999,979

(i) Based on Debt:EBITDA ranges

During the third quarter the Company utilized the proceeds of the $44.0 million facility as follows:

(i) Repayment of amounts due to previous term lender of $27.9 million;
(ii) Payment of early termination penalty to previous senior lender of $2.1 million. This early termination cost has been included in deferred financing fees and will be amortized over the term of the new facility;
(iii) Payment of amounts due to previous New Electric shareholder of $13.7 million including shares and promissory notes;
(iv) Legal and arrangement fees of $300,000.

As at September 30, 2018 the Company had drawn $4,999,979 on the operating line and nil on the acquisition line.

EFFECT OF ONE-TIME ITEMS ON EARNINGS AND DEFICIT

The reported earnings and associated deficit balances of Spark Power Group Inc. have been significantly impacted by factors associated with the CGAC merger, business acquisitions completed and the requirement for fair market value accounting on certain class of shares held by Spark shareholders prior to the CGAC merger.

The following chart highlights the impact these items have on earnings over the affected periods and on the accumulated deficit of the Company in 2017 and 2018:

	Impact on Earnings in the Period			Deficit Impact
	Q3 2018	YTD 2018	Fiscal 2017	Cumulative
Class A and Class 1 Special shares - puttable to Company at fair market value	($20,654,400)	($47,771,600)	($17,816,420)	($65,588,020)
Transaction costs	(9,157,399)	(10,269,633)	-	(10,269,633)
Excess of fair value paid over net asset acquired on CGAC Merger	(12,660,331)	(12,660,331)	-	(12,660,331)
Gain on retraction of class I special shares	1,250,000	1,250,000	-	1,250,000
Total Impact of above noted items	**($41,222,130)**	**($69,451,564)**	**($17,816,420)**	**($87,267,984)**

Puttable Class A and Class 1 Special Shares

Class A and Class 1 shares were shares held by the previous majority shareholders of Spark Power. These shares had provisions that allowed a shareholder to put their shares to the Company at fair market value under certain events. Given the potential liability associated with these provisions the Company was required to value these shares at the estimated fair market value of these shares at any point in time, reclassify these amounts as liabilities, and charge any increase in value of these shares to the Statement of Comprehensive Income (Loss) in the period. Given the growth in value of the business as it progressed towards the CGAC merger the value of these shares increased and significantly impacted the reported profitability of the Company and the underlying total equity. All of these shares were either converted into the new common shares in Spark Power Group Inc. or redeemed or retracted prior to the CGAC merger such that no similar adjustments will be required going forward.

Transaction Costs

The Company incurred costs directly related to the merger and the acquisition of Orbis, Bullfrog and NEF. These costs totaled $10,269,633 and were comprised of the following:

Description	Amount
Legal, accounting and other professional fees	$4,973,053
Deferred underwriting fees	900,000
Write-off of previous deferred financing fees	1,191,466
Debt early termination fee	2,110,768
Transaction related compensation	650,000
Other	444,346
	$10,269,633

Excess of Fair Value Over Net Assets Acquired on CGAC Merger

While CGAC was the legal acquirer of Spark Power, Spark Power was identified as the acquirer for accounting purposes. The Spark Power Acquisition is outside the scope of IFRS 3, Business Combinations ("IFRS 3"), and is accounted for as an equity-settled share-based payment transaction in accordance with IFRS 2, Share-based Payments ("IFRS 2"). Spark Power is considered to be a continuation of Spark Power with the net identifiable assets of CGAC deemed to have been acquired by Spark Power in exchange for shares of Spark Power. Under IFRS 2, the transaction is measured at the fair value of the shares deemed to have been issued by Spark Power in order for the ownership interest in the combined entity to be the same as if the transaction had taken the legal form of Spark Power acquiring 100% of CGAC. Any difference in the fair value of the shares deemed to have been issued by Spark Power and the fair value of CGAC's net identifiable assets represents a service received by Spark Power, recorded through profit and loss. Spark Power's historical financial statements as of and for the periods ended prior to the completion of the Qualifying Acquisition are presented as the historical financial statements of Spark Power prior to the date of the completion of the Qualifying Acquisition.

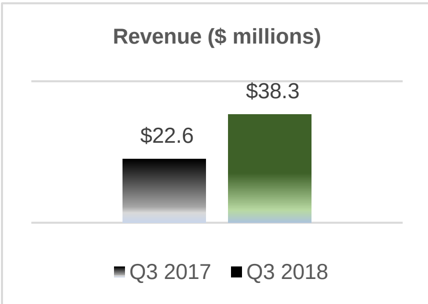
Details of the Spark Power acquisition are summarized as follows:

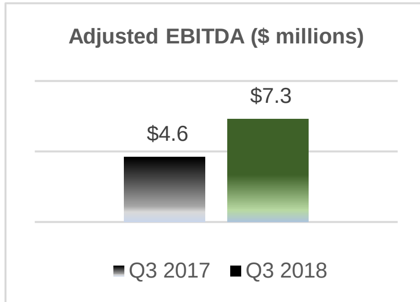
	Amount
Assets acquired:	
Cash	$ 243,736
Cash balance held in escrow	30,302,000
	30,545,736
Liabilities assumed:	
Accounts payable and accrued liabilities	12,000
Amounts due to related party	36,000
	48,000
Net assets acquired	30,497,736
Fair value of shares deemed to have been issued by Spark Power	43,158,067
Excess of fair value over net assets acquired	**$ 12,660,331**

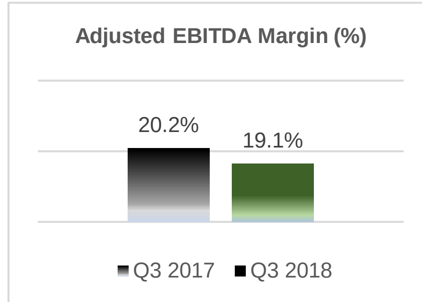
Gain on Retraction of Class B Common Class 1 Special Shares

The Company realized a gain on the retraction of class B common shares class 1 special shares held by a shareholder and promissory note holder of Spark Power. Prior to the close of the CGAC merger the Company entered into an agreement where by the Company would redeem all shares owned and the company would accelerate the payment of all promissory notes outstanding. In exchange the shareholder agreed to reduce the value of the class 1 special shares being retracted by $1.25 million. Total amounts paid to this shareholder on the close of the merger was $18.7 million which settled all promissory notes and accrued interest and satisfied the share redemption and retractions that were agreed to by both parties.

THIRD QUARTER 2018 OVERVIEW





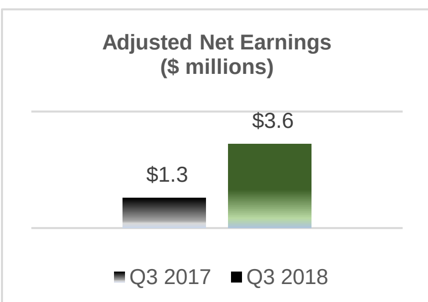


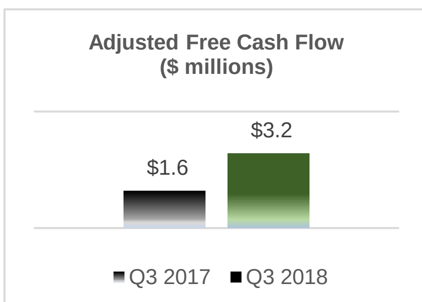
• Consolidated revenue grew to $38.3 million in the third quarter ("Q3") of 2018 from $22.6 million in Q3 2017. The year-over-year improvement reflects organic growth from the Services Group and the impact of the 2018 acquisitions which contributed $12.1 million.

• Adjusted EBITDA grew 58.7% to $7.3 million in Q3 2018 (Adjusted EBITDA margin of 19.1%) from $4.6 million (Adjusted EBITDA margin of 20.2%) in Q3 2017. The improvement reflects the impact of the 2018 acquisitions which contributed $1.6 million to Adjusted EBITDA.

• Third quarter Adjusted Net Earnings increased by $2.3 million to $3.6 million from $1.3 million in Q3 2017 representing an increase of 179.3%.

• Adjusted Free Cash Flow, defined as Adjusted EBITDA less principal and interest payments on debt and leases, income taxes paid and unfunded capital expenditures, was $3.2 million in the third quarter of 2018 compared with $1.6 million in the third quarter of 2017.





STRATEGIC PLAN

Spark Power's Executive Team reviews its 5-year Strategic Plan on an annual basis to assure that the business is consistently positioned to properly address both the current and long-term markets; maximizing the potential for shareholder returns. The Strategic Plan is based on both a Vision and Mission, that are properly articulated to, and understood by, the broader organization and the marketplace through an identifiable and attractive Brand Position. The Plan is based on Spark Power's unique Value Proposition and is driven by the execution of the Strategic Priorities.

Commencing January 2019, Spark Power will be executing on 'Vision 2023', which is based on the immediate, full integration of the Services and Solutions groups, as a unified organization that delivers integrated power solutions, through three groups: Technical Services, On-site Power Generation and Equipment Supply, and Power Advisory and Sustainability.

Vision 2023

We strive to be…***The leading independent provider of integrated power solutions to the industrial, commercial and institutional markets across North America.***

Mission

We exist to…***Disrupt the power sector to reduce cost, make the environment a priority and empower our customers to transition to the grid of the future.***

Our Value Proposition

Our embedded and dedicated technical and design teams cover the entire spectrum of power infrastructure, allowing us to gain a deep understanding of the power environment in our clients' facilities. We are agnostic to technology and brand. This allows us to independently deliver the most comprehensive power solutions in the market, providing maximum economic and environmental benefit, without compromise to the reliability or resiliency of the power system.

Brand Position - *The Future of Power™*

Spark Power's brand position is the ***Future of Power™***. This brand will underpin the Company's go to market execution strategies, including but not limited to marketing, business development, and human resources. The Company will live this brand overtly through its messaging (internal and external) and through events such as its first annual Future of Power conference discussed below.

The Future of Power™ is about the Customer

It's about customer choice. The power market construct is transforming, and change is being driven by technology, social pressure, political will and economics. Traditional utilities and power generators are moving downstream beyond the meter point onto the customer's site, and new market entrants that are focused on customer needs are pushing upstream. The result: the meter point is either disappearing or splintering into a thousand pieces throughout the grid, creating both confusion and complexity but also opportunity. While the exact path forward remains unclear, this new construct is empowering the customer to ask questions and take control. The customer will no longer accept a lack of supplier options, forced pricing schemes, dirty power or intermittent supply. Nor will they accept that it is up to them to carry the burden of efficiency as the primary driver of cost reduction, supply certainty and sustainability. Instead, how customers source their power, and where and when they use it, will become a competitive advantage. It will be more sustainable, reliable, resilient and cheaper. Customers ultimately won't accept anything less.

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Spark Power's industrial, commercial and institutional customers are the largest power users in the market, and they have both profitability and sustainability mandates that are pushing them to demand and be a catalyst for change. Spark Power is positioned to enable that change for our customers, with integrated power solutions that are designed, built, operated and maintained by dedicated, highly-skilled team members who truly understand the customers' needs. We put these needs first and work in partnership with our customers - in their boardrooms, in their facilities and in their communities.

Future of Power™ Conference

On April 9, 2019 Spark Power will be launching and hosting the first annual Future of Power conference at the Brickworks in Toronto. Spark Power has signed on Alectra Utilities and ABB as its Premier Sponsors, with meaningful financial and non-financial contributions and is targeting over 500 attendees, the most significant of which will be from the Company's industrial, commercial and institutional customer base. This conference aims to position Spark Power as a de-facto leader in the power solutions market, being on the leading edge of the issues and opportunities facing our customers. The keynote for the conference is Canadian hero and astronaut, Chris Hadfield.

Strategic Priorities

Our strategy for the next five years will be focused on creating shareholder value by: (i) achieving significant growth both organically and through acquisition (ii) sustaining our market-leading profitability and cash-flow through integration and scale and (iii) building an identifiable brand that is connected to our value proposition and positions us as the leader our market. Organic growth will be achieved through the acquisition of new customers, expansion of existing customer relationships, cross-selling of our diverse technical capabilities, and the execution of an aggressive branch expansion in Canada and the United States. This organic growth will be augmented by a continued focus on strategic acquisitions at attractive valuations using highly effective purchase structures.

The following are further details on some of our growth strategies:

- ***Multi-unit Branch Rollouts***

Spark's multi-unit branch rollout strategy will accelerate our organic growth outside of Ontario in other areas of Canada and in the United States. Most new branches will continue to have one brand associated with the location, while, on a selective basis, certain new key geographies will encompass all our core service offerings/brands. In 2018, three New Electric branches were opened in Belleville, ON, London, ON and Winnipeg, MB and one each in the US under the Spark Power (Raleigh) and Northwind (Minnesota) brands. In 2019, Spark Power has plans to open several new branches in Canada and the U.S. in regional markets where existing customers operate, and where new customer opportunities are available.

- ***Acquisitions***

An integral part of Spark's growth will continue to be through the acquisition of smaller, tuck-in opportunities. In addition to this, Spark anticipates making transformational acquisitions that become a platform on their own, such as the New Electric acquisition from 2017. Our M&A team currently has identified close to 100 acquisition targets that include a mix of tuck-in and platform opportunities in both existing geographies and new regions currently not served by the Company.

- ***Power Advisory and Solutions Selling***

Given the multiple service platforms Spark offers in the market, there continues to be an extensive opportunity to expand our customer relationships by simply offering these existing customers more of our services, on a singular basis or as a power solution across multiple business units. To be effective in this approach, Spark has started building an integrated, companywide sales and business development platform, including a fully scaled CRM that will launch programs to cross-sell throughout each of Spark's business units, to the existing 6,500 plus customers.

OUTLOOK

Compared with 2017, we expect revenue and Adjusted EBITDA to be higher due to organic growth in our base business and the impact of the three acquisitions completed effective July 1, 2018. We are on track to achieve our previously released Proforma Adjusted EBITDA target indicated for 2018.

Excluding the impact of any acquisitions that may be completed in 2019 we expect continued growth in revenue and EBITDA as we execute our organic growth plans including new branch openings and cross-selling of our solutions capabilities across our customer base, coupled with the impact of the 2018 acquisitions contributing a full year of results.

During the third quarter and into November 2018 the Company identified and effected a variety of synergies across the organization that are expected to positively impact EBITDA by $4.5 - $5.0 million on an annualized basis. The impact of a majority of these changes will begin in the fourth quarter of 2018 and be fully realized commencing January 1, 2019. The Company expects to a incur one-time charge of up to $1.3 million in the fourth quarter of 2018 in association with changes with the cash impact being realized over the next four quarters.

With the new Credit Facility implemented in August 2018 the Company believes it has adequate financial resources to support our growth expectations in 2019. We expect to have availability on our operating line of approximately $15.0 million and have an existing unutilized acquisition line of $25.0 million to support acquisition opportunities that may arise in 2019.

RESULTS OF OPERATIONS

Consolidated Results

	For the Three-Months Ended September 30, 2018		For the Nine-Months Ended September 30, 2018	
	2018	2017	2018	2017
Revenue	$ 38,268,707	$ 22,639,739	$ 81,849,796	$ 57,868,574
Cost of sales	24,971,705	13,305,684	51,398,252	33,300,151
Gross profit	13,297,002	9,334,055	30,451,544	24,568,423
Selling, general and administrative expenses	8,277,598	6,414,393	22,617,089	21,055,459
Income from operations	5,019,404	2,919,662	7,834,455	3,512,964
Other income (expenses):				
Finance costs	(1,477,690)	(1,154,229)	(3,473,243)	(3,474,469)
Increase in value of puttable class A and Class 1 shares	(20,654,400)	-	(47,771,600)	-
Transaction costs	(9,157,399)	-	(10,269,633)	-
Excess of fair value over net asset acquired	(12,660,331)	-	(12,660,331)	-
Gain on retraction of Class 1 special shares	1,250,000	-	1,250,000	-
Other	(64,690)	(52,182)	(29,171)	(57,837)
	(42,764,510)	(1,206,411)	(72,953,978)	(3,532,306)
Income (loss) before income taxes	(37,745,106)	1,713,251	(65,119,523)	(19,342)
Income tax expense:				
Current	685,243	190,714	1,481,064	572,156
Deferred	(811,301)	232,649	(1,677,181)	697,947
	(126,058)	423,363	(196,117)	1,270,103
Net income (loss) and comprehensive income (loss)	(37,619,048)	1,289,888	(64,923,406)	(1,289,445)
EBITDA	(33,988,672)	4,361,864	(56,037,354)	7,696,131
Adjusted EBITDA	7,313,709	4,564,677	14,473,110	9,553,675
Adjusted EBITDA margin	19.1%	20.2%	17.7%	16.5%
Pro-forma Adjusted EBITDA	7,313,709	6,996,149	19,365,890	14,302,816
Pro-forma Adjusted EBITDA margin	19.1%	19.5%	17.8%	15.5%

Note: (1) "Adjusted EBITDA", Pro-forma Adjusted EBITDA, Adjusted EBITDA margin" and Pro-forma Adjusted EBITDA Margin are non-IFRS measures. Refer to Non-IFRS Measures" for definitions of these terms.

Results for the Three Months Ended September 30, 2018

Revenue in the third quarter ended September 30, 2018 was $38.3 million compared with $22.6 million in the third quarter of 2017, representing and increase of $15.7 million or 69.0%. Effective July 1, 2018 the Company completed the acquisitions of Orbis, Bullfrog and NEF which contributed $12.1 million to the revenue increase. The balance of the revenue growth in Q3 2018 of $3.6 million was attributable to organic growth representing an increase of 15.9%. Organic growth was driven by the Services Group, and primarily growth in low voltage electrical services under the New Electric brand.

Gross profit in the third quarter of 2018 was $13.3 million, or 34.7% of revenue, compared with $9.3 million or 41.2% in the third quarter of 2017. The percentage decline was primarily attributable to the following factors:

(i) increased amortization expense allocated to cost of goods sold related to increased right-of-use assets and identifiable intangible assets negatively impacting consolidated gross margins by 2.5%;

(ii) the impact of lower combined gross margin percentage realizations from the Orbis, Bullfrog and NEF acquisitions negatively impacting consolidated gross margins by 1.8% in the quarter; and

(iii) the impact of a significant high margin job in Q3 2017 related to storm recovery work that did not reoccur in 2018 which negatively impacted margins by 1.6%.

Selling, general and administration expenses for the third quarter of 2018 were $8.3 million, or 21.6% of revenue, compared with $6.4 million, or 28.3% of sales. The absolute dollar increase was attributable to the impact of the 2018 acquisitions. The percentage decline was attributable primarily to the impact of operational leverage as we realized revenue growth without corresponding increases in costs.

For the three months ended September 30, 2018, Adjusted EBITDA was $7.3 million compared with $4.6 million in the third quarter of 2017, representing an increase of $2.7 million or 60.2%. The increase was attributable to higher volumes driving higher gross profit, despite lower gross margins realized, and scale achieved on selling, general and administration costs.

The Company generated Adjusted Net and Comprehensive Income of $3.6 million in the third quarter of 2018 compared with $1.3 million over the same period in 2017. The Company incurred a net loss in the quarter of $37.6 million due to the impact of various one-time expenses incurred relating to the merger and acquisitions completed in the quarter, which included $21.0 million due to the increase in value of puttable shares prior to conversion of these shares on the CGAC merger transaction, $9.2 million in transaction related costs, and a $12.7 million expense related to the excess of fair value received on the merger with CGAC, partially offset by a $1.25 million gain on the retraction of the class 1 shares.

Results for the Nine Months Ended September 30, 2018

Revenue for the nine months ended September 30, 2018 was $81.9 million compared with $57.9 million in the first nine months of 2017 representing and increase of $24.0 million or 41.4%. The impact of the acquisitions noted earlier contributed $12.1 million of the revenue increase. The balance of the revenue growth in for the nine months ended September 30, 2018 of $11.9 million was attributable to organic growth representing an increase of 20.6%. Organic growth was driven by the Services Group, and primarily growth in low voltage electrical services under the New Electric brand and operations and maintenance services under the Northwind brand.

Gross profit was $30.5 million, or 37.2% of revenue as compared with $24.6 million, or 42.5% of revenue in the first nine months of 2017. The percentage decline was primarily attributable to a variety of factors including:

(i) increased amortization expense allocated to cost of goods sold related to increased right-of-use assets and identifiable intangible assets negatively impacting consolidated gross margins by 1.8% year-to-date;

(ii) the impact of lower combined gross margin percentage realized from the Orbis, Bullfrog and NEF acquisitions negatively impacting consolidated gross margins by 0.4% year-to-date; and

(iv) the impact of a two significant high margin job in the first nine months of 2017 related to storm recovery work that did not reoccur in 2018 which negatively impacted margins by 1.5%.

Selling, general and administration expenses were $22.6 million or 27.6% of revenue in the first nine months of 2018 compared with $21.0 million or 36.3% of revenue in the same period of the prior year. The absolute dollar increase was attributable to the impact of the 2018 acquisitions. The percentage decline was attributable to the impact of cost reductions implemented in the second half of 2017, and increased amortization expense allocated to selling, as well as the impact of operational leverage as we realized revenue growth without corresponding increases in costs.

For the nine months ended September 30, 2018, Adjusted EBITDA was $14.5 million, compared with $9.6 million in the same period of 2017, representing an increase of $4.9 million or 51.5%. The increase was attributable to higher volumes driving greater gross profit, despite lower gross margins realized, and scale achieved on selling, general and administration costs.

The Company generated Adjusted Net and Comprehensive Income of $4.5 million for the nine months ended September 30, 2018 compared to a loss of $1.3 million over the same period in 2017. The Company incurred a net loss for the nine months ended September 30, 2018 of $64.9 million due to the impact of various one-time expenses incurred in the quarter related to the merger and acquisitions completed in the quarter, which included $47.8 million due to the increase in value of puttable shares prior to conversion of these shares on the CGAC merger transaction, $10.3 million in transaction related costs, and a $12.7 million expense related to the excess of fair value received on the merger with CGAC, partially offset by a $1.25 million gain on the retraction of class 1 shares.

RESULTS OF OPERATIONS BY GROUP

Services Group

The Services Group is comprised of our low voltage electrical services operating under the New Electric brand, our medium and high voltage electrical services operating under the Tiltran, Taltrees, Pelikan, Rondar and Orbis brands; our operations and maintenance service group operating under the Northwind brand; and Lizco, our equipment sales and rental division.

	3 Months ended September 30		9 Months ended September 30	
	2018	2017	2018	2017
Revenue	$ 34,306,089	$ 21,260,756	$ 76,720,018	$ 55,203,842
Gross profit	10,629,589	8,577,754	26,616,971	22,526,373
Gross profit margin	31.0%	40.3%	34.7%	40.8%
Selling, general and administration	6,763,930	5,581,944	19,966,584	18,253,681
Segment EBITDA (i)	$ 6,060,438	$ 4,322,312	$ 11,984,382	$ 7,679,525
	17.7%	20.3%	15.6%	13.9%

(1) ***Excludes corporate expenses***

Results for the 3 Months ended September 30, 2018

Revenue in the third quarter ended September 30, 2018 was $34.3 million compared with $21.3 million in the third quarter of 2017, representing and increase of $13.0 million or 61.0%. Effective July 1, 2018 the Company completed the acquisitions of Orbis and NEF that are included in the Services Group and accounted for $9.0 million to the revenue increase. The balance of the revenue growth in the third quarter of 2018 of $4.0 million was attributable to organic growth representing an increase of 18.8%. Revenues are broken down as follows:

		For the Three Months Ended		
Business Unit	**Brand**	**2018 Revenue**	**2017 Revenue**	**Change**
Low Voltage Electrical Services	New Electric	$ 12,489,763	$ 10,742,817	$ 1,746,946
High Voltage Electrical Services	Various	6,719,676	7,119,513	- 399,837
Operations & Maintenace Services	Northwind	4,400,400	3,209,964	1,190,436
Equipment Sales and Rentals	Lizco	1,673,600	188,461	1,485,139
2018 Acquisitions	Orbis and NEF	9,022,650	-	9,022,650
Total Services Group Revenue		$ 34,306,089	$ 21,260,755	$ 13,045,334

Business Unit revenues have all increased in the third quarter compared to same period in 2017, with the exception of High Voltage Services. The increases are due to the impact of new and expanded customer relationships and, in the case of New Electric, the addition of three new branches in 2017. The decline in High Voltage Services was due primarily to a large one-time maintenance project for a large data centre in 2017 that did not re-occur in the third quarter of 2018.

Gross profit in the third quarter of 2018 was $10.7 million, or 31.0% of revenue, compared with $8.5 million or 40.3% in the third quarter of 2017. The percentage decline was attributable to a variety of factors including:

i) increased amortization expense allocated to cost of goods sold related to right-of-use assets and increased identifiable intangible assets;
ii) the impact of lower margin Orbis business that contributed approximately 31% gross margin on $8.5 million of sales; and
iii) lower margins in the Company's low voltage business due to the impact of larger jobs with higher material components that garner lower margins;

Selling, general and administration expenses for the third quarter of 2018 were $6.8 million, or 19.8% of revenue, compared with $5.6 million, or 26.3% of sales. The absolute dollar increase was attributable to the impact of the 2018 acquisitions. The percentage decline was attributable to the impact of operational leverage as we realized revenue growth without corresponding increases in costs.

For the three months ended September 30, 2018, Segment EBITDA was $6.1 million compared with $4.3 million in the third quarter of 2017, representing an increase of $1.7 million or 45.7%. The increase was attributable to higher volumes driving higher gross profit, despite lower gross margins realized, and scale achieved on selling, general and administration costs.

Results for the Nine Months Ended September 30, 2018

Revenue for the nine months ended September 30, 2018 was $76.7 million, compared with $55.2 million over the same period in 2017, representing and increase of $21.5 million or 39.0%. Effective July 1, 2018 the Company completed the acquisitions of Orbis and NEF that are included in the Services Group and accounted for $9.0 million to the revenue increase. The balance of the revenue growth in the third quarter of 2018 of $12.5 million was attributable to organic growth representing an increase of 22.6%. Revenues are broken down as follows:

Business Unit	Brand	For the Nine Months Ended September 30, 2018	2017	Change
Low Voltage Electrical Services	New Electric	$ 36,942,512	$ 28,456,312	$ 8,486,200
High Voltage Electrical Services	Various	17,000,242	18,233,935	- 1,233,693
Operations & Maintenace Services	Northwind	10,506,496	7,315,735	3,190,761
Equipment Sales and Rentals	Lizco	3,272,057	1,197,859	2,074,198
2018 Acquisitions	Orbis and NEF	9,022,650	-	9,022,650
Total Services Group Revenue		$ 76,743,957	$ 55,203,841	$ 21,540,116

Business Unit revenues have all increased for the nine months ended September 30 compared to same period in 2017, with the exception of High Voltage Services. The increases are due to the impact of new and expanded customer relationships and, in the case of New Electric, the addition of three new branches in 2018. The decline in High Voltage Services was due primarily to a large one-time maintenance project for a large data centre that did not re-occur in the third quarter of 2018 and a focus on maximizing gross margin realizations by eliminating low margin jobs. The variance in operations & maintenance revenues was also driven by delays in revenues associated with planned maintenance activities in the third quarter of 2017 that were realized in the fourth quarter.

Gross profit for the nine months ended September 30, 2018 was $26.6 million, or 34.7% of revenue, compared with $22.5 million or 40.8% in the same period in 2017. The percentage decline was attributable to a variety of factors including:

i) increased amortization expense allocated to cost of goods sold related to right-of-use assets and increased identifiable intangible assets;
ii) the impact of lower margin Orbis business that contributed approximately 31% gross margin on $8.5 million of sales; and
iii) lower margins in the Company’s low voltage business due to the impact of larger jobs with higher material components that garner lower margins;

Selling, general and administration expenses for the third quarter of 2018 were $20.0 million, or 26.1% of revenue, compared with $18.3 million, or 33.2% of sales. The absolute dollar increase was attributable to the impact of the 2018 acquisitions. The percentage decline was attributable to the impact of operational leverage as we realized revenue growth without corresponding increases in costs.

For the nine months ended September 30, 2018, Segment EBITDA was $12.0 million compared with $7.7 million over the same period in 2017, representing an increase of $4.3 million or 55.8%. The increase was attributable to higher volumes driving higher gross profit, despite lower gross margins realized, and scale achieved on selling, general and administration costs.

Solutions Group

The Solutions Group is comprised of our recent Bullfrog acquisition, asset management services and solutions services to our ICI customers.

	3 Months ended September 30				9 Months ended September 30			
	2018		2017		2018		2017	
Revenue	$	3,962,618	$	1,378,983	$	5,129,778	$	2,664,732
Gross profit		2,667,413		756,301		3,834,573		2,042,050
Gross profit margin		67.3%		54.8%		74.8%		76.6%
Selling, general and administration		1,696,420		1,832,450		2,833,257		2,801,779
Segment EBITDA (i)	$	1,054,958		($908,266)	$	1,276,247		($629,345)
		26.6%		-(65.9%)		24.9%		-(23.6%)

Results for the Three and Nine Months ended September 30, 2018

Revenue for the three and nine months ended September 30, 2018 was $4.0 million and $5.1 million, respectively, compared with $1.4 million and $2.6 million respectively, over the same periods in 2017. Effective July 1, 2018 the Company completed the acquisition of Bullfrog Power results of which are included in the Solutions Group and accounted for the revenue increase in the nine-month period ended September 30, 2018 compared to the same period in 2017.

Gross profit for the three and nine months ended September 30, 2018 was $2.6 million and $3.8 million, respectively as compared with $0.8 million and $2.0 million, respectively, over the same periods in 2017. The increase resulted primarily from the addition of Bullfrog Power in the third quarter of 2018.

Selling, general and administration expenses for the three and nine months ended September 30, 2018 were $1.6 million and $2.8 million respectively compared with $1.8 million and $2.8 million respectively over the same periods in 2017.

For the three and nine months ended September 30, 2018, Segment EBITDA was $1.1 million and $1.3 million respectively compared with ($0.9) million and ($0.6) million over the same period in 2017.

LIQUIDITY

Cash and Borrowing Capacity

We monitor our liquidity principally through cash and cash equivalents and available borrowing capacity under our revolving operating line of credit. Our primary uses of funds are for operating expenses, working capital requirements, capital expenditures and debt service requirements.

Cash at September 30, 2018 was $1.5 million compared with $3.1 million held at December 31, 2017. In addition, the Company had drawn $5.0 million on its operating line of credit compared to nil at December 31, 2017. Accordingly, net cash for the third quarter of 2018 was ($3.5) million compared with $3.1 million at December 31, 2017. The change reflects an investment of cash into non-cash working capital during the nine-month period. As at September 30, 2018 we had additional borrowing capacity under the revolving line of credit of $15.0 million.

Debt and Capital Structure

Long-term indebtedness, including the current portion of long-term debt, increased to $69.9 million at September 30, 2018 from $51.0 million at December 31, 2017. The increase in long-term debt resulted from then impact of a variety of factors including investment in non-cash working capital, cash required to fund cash payments associated with the acquisitions completed, redemption of shares in conjunction with the closing of the merger with CGAC, and increased lease liabilities as a result of the acquisitions in 2018. Long-term debt is comprised of the following components:

		September 30, 2018		December 31, 2017
Term debt, excluding financing fees	$	45,500,000	$	31,065,000
Promissory notes		10,233,527		9,500,000
Lease liability, including current portion		14,115,454		10,405,139
Total Long-term debt	$	69,848,981	$	50,970,139

The current portion of long-term debt declined to $700,000 at September 30, 2018 from $3.7 million at December 31, 2017. The decrease is attributable to the impact of the new credit facility, entered into in the third quarter of 2018, that requires interest only payments for the initial 12 months. The principal value of term debt at September 30, 2018 is $44.0 million before the deduction for accounting purposes of deferred financing fees.

We monitor our capital structure through the use of the net long-term indebtedness to Pro-forma Adjusted EBITDA metric. As at September 30, 2018, our long-term indebtedness to Pro-forma Adjusted EBITDA ("net debt to Pro-forma Adjusted EBITDA") ratio was 2.63 compared with 3.02 at December 31, 2017, calculated as follows:

	September 30, 2018	December 31, 2017
Total long-term indebtedness (principal value)	$69,848,981	$49,931,253
Less: Cash on hand	(1,460,120)	(3,126,617)
Net long-term indebtedness	68,388,861	46,804,636
Divided by: 2018 - LTM Pro-forma Adjusted EBITDA; 2017-Adjusted EBITDA	26,003,336	15,494,761
Net long term indebtedness to pro-forma adjusted EBITDA	**2.63**	**3.02**
Total Senior Debt and Lease Liability	$63,115,454	$37,304,636
Divided by: Pro-forma LTM EBITDA	26,003,336	15,494,761
Net long term indebtedness to pro-forma adjusted EBITDA for covenant purposes	**2.43**	**2.41**

The senior secured credit facility is subject to financial covenants that include a Pro-forma Senior Funded Debt to EBITDA ("Debt:EBITDA") and a Debt Service Coverage Ratio ("DSCR"). As at September 30, 2018 we were in full compliance with covenants under the Credit Facility.

	Debt:EBITDA	DSCR
Covenant requirement	<3.75:1.00	>1.10:1.00
Actual at September 30, 2018	2.43:1.00	1.88:1.00

The outstanding balance under the revolving operating line fluctuates from quarter-to-quarter as it is drawn to finance working capital requirements, capital expenditures and acquisitions, and is repaid with funds from operations, dispositions or financing activities.

The maximum Debt:EBITDA covenant is 3.75:1 in a year in which the Company completes an acquisition, otherwise the maximum allowable is 3.25:1. All promissory notes due to previous owners of companies purchased by Spark Power are subordinated to the Senior Lender for purposes of financial covenant compliance.

A condition to the agreement is that the Company must enter into interest rate swaps for a minimum of 50% of the value of the term loan which will be completed by November 30, 2018.

Summary of Cash Flows

The following table summarizes Spark Power's cash flows for the nine months ended September 30, 2018 and 2017:

	9 Months Ended 2018	2017
Operating activities	($1,480,073)	($3,484,398)
Investing activities	16,863,065	(14,298,532)
Financing activities	(17,049,489)	17,580,233
Increase (decrease) in cash	(1,666,497)	(202,697)
Cash, beginning of period	3,126,617	109,442
Cash, end of period	$1,460,120	($93,255)

Cash flows from operating activities

Cash used in operating activities decreased by $2.0 million from the nine months ended September 30, 2017. The increase was attributable to improvements in EBITDA, decreased investment in working capital primarily through increased accounts payable, partially offset by $10.3 million in transaction costs.

Cash flows from investing activities

Cash used in investing activities was $13.3 million for the nine months ended September 30, 2018 and was comprised of $10.2 million for acquired businesses and $3.5 million in purchases of property, plant and equipment. This was consistent with same period in 2017 where total invested was $15.3 million of which $14.7 million was related to an acquired business. During the nine months ended September 30, 2018 the Company generated cash flows from investing due to cash acquired on the reverse takeover of $30.5 million resulting in net cash flows from investing of $16.9 million compared to a use in 2017 of $14.3 million.

Cash flows used for financing activities

Cash flows used for financing activities in the nine-months ended September 30, 2018 were $17.1 million representing a decrease of $34.6 million compared to the same period in 2017. The decrease resulted from the impact of share redemptions and lease payments, repayment of previous senior debt, offset by proceeds from issuance of share capital and proceeds from a new credit facility that were completed through September 30, 2018.

External Factors Impacting Liquidity

Please refer to the "Risks" section contained in the Spark Power Group Inc. Final long-form prospectus dated August7, 2018 filed under the Company's profile at www.sedar.com, for a description of circumstances that could affect our sources of funding.

CAPITAL RESOURCES

Working Capital and Adjusted Working Capital

Working Capital includes cash, short-term investments, accounts receivable, inventory and prepaid expenses and deposits, bank indebtedness, accounts payable and accrued liabilities, income taxes payable, current portion of long-term debt and lease liability, puttable class A and class 1 special shares, redeemable preference shares, redeemable common and special shares and deferred revenues. Adjusted Working Capital excludes the current portion of long-term debt and lease liability, puttable class A and class 1 special shares, redeemable preference shares and redeemable class B common and class 1 special shares, and therefore provides management and investors with a clearer understanding of the efficiency of operational working capital needs absent working capital required as a result of capital structure.

Spark Power's main sources of liquidity have been cash on hand, cash generated from operating activities and borrowings under its existing and previous credit facilities. As at December 31, 2017, Spark Power's Working Capital and Adjusted Working Capital were ($31.9) million and $13.8 million, respectively. At September 30, 2018 Working Capital and Adjusted Working Capital were $11.2 and $17.2 million, respectively.

The Company believes that adjusted working capital provides a better understanding of period-on-period comparisons of results as it reflects the results of operations of companies. See "NON-IFRS MEASURES" at the end of this report.

The following table outlines how our working capital measures are determined:

Reconciliation of working capital to Adjusted Working Capital	Sept. 30, 2018	Sept. 30, 2017	Jun. 30, 2018	Dec. 31, 2017
Working capital (deficiency)	$11,178,180	($8,367,752)	($60,122,556)	($31,870,778)
Adjustments to working capital:				
Current portion of long-term debt	708,333	3,542,601	4,018,000	3,645,000
Current portion of lease liability	3,710,182	3,274,039	3,063,012	2,867,672
Current portion of promissory notes	1,561,261			
Puttable class A and class 1 special shares	-	-	46,110,034	17,816,420
Redeemable preferred shares	-	17,207,336	15,000,000	15,000,000
Redeemable class B common and class 1 special shares	-	6,180,000	5,722,500	6,360,000
Adjusted Working Capital	17,157,956	21,836,224	13,790,990	13,818,314
Comprised of:				
Cash	1,460,120	-	3,457,538	3,126,617
Operating line	(4,999,979)	(93,255)	-	-
Non-cash working capital balances	20,697,815	21,929,479	10,333,452	10,691,697

Contractual Obligations

Spark Power manages its risks of failing to discharge its financial liabilities in a timely manner through cash forecasting and prudent management of its capital structure to ensure it has sufficient resources to meet contractual obligations as they become due.

Spark Power has no off-balance sheet arrangements that have or are reasonably likely to have, a current or future material effect on the Companies financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Outstanding Share Data

The total number of fully diluted outstanding and issuable Common Shares is as follows:

As at	September 30, 2018	December 31, 2017
Common shares	44,920,313	2,046,384
Warrants	11,776,648	160,500
Stock options	2,061,980	2,998,984
Total	**58,758,941**	**5,205,868**

Warrants

The Company issued 943,315 warrants in August 2018. Each whole warrant gives the right to purchase one share at an exercise price of $3.45 for a term of 5 years. In addition, 10,833,333 warrants were issued in connection with the Spark Power Acquisition. These warrants give the right to the purchase of one Common share at an exercise price of $3.45 per share for a term of 5 years. These warrants have been classified as an equity instrument measured through profit or loss and have been measured using the Black-Scholes method using the following inputs: stock price - $3.00 per share; exercise price - $3.45 per share; risk-free interest rate – 2.16%; volatility – 14%; term – 5 years; yield – 0%, These inputs require management judgment and estimates and a change in such estimates could result in a material change to the valuation of these warrants.

Stock options

The Company has an incentive stock option plan. Under the terms of the plan, directors, officers, employees and consultants, subject to certain conditions, may be granted options to purchase common shares of the Company. Options generally expire after ten years, with vesting provisions stated in the plan and the applicable grant agreement.

SUMMARY QUARTERLY FINANCIAL INFORMATION

	2018			2017			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	$38,268,707	$23,846,670	$19,734,419	$22,175,002	$22,639,739	$18,844,707	$16,384,128
Gross Profit	13,297,002	9,063,895	8,090,647	10,170,337	9,334,055	8,039,498	7,194,870
Income from Operations	5,019,404	2,216,203	598,848	3,913,210	2,919,661	373,771	219,531
Net income (loss)	(37,619,048)	(8,056,503)	(19,247,855)	(15,420,493)	1,289,888	(1,281,187)	(1,298,146)
Adjusted Net Income (Loss)	3,603,082	1,565,671	(640,595)	1,367,835	1,289,888	(353,059)	(1,298,146)
Adjusted EBITDA	7,313,709	4,836,030	2,287,848	5,890,456	4,564,677	3,043,556	1,943,890
Adjusted EBITDA Margin	19.1%	20.3%	11.6%	26.6%	20.2%	16.2%	11.9%
Pro-forma Revenue	38,268,707	38,896,800	31,375,467	33,164,273	35,717,899	30,076,162	26,152,129
Pro-forma Adjusted EBITDA	7,313,709	7,714,458	4,302,744	6,672,425	6,996,149	3,956,946	3,349,721
Pro-forma Adjusted EBITDA Margin	19.1%	19.8%	13.7%	20.1%	19.5%	13.2%	12.8%
Pro-forma Adjusted LTM EBITDA	$26,003,336	$25,685,776	$21,928,264	$20,975,241			

Note: (1) “Adjusted EBITDA”, Adjusted EBITDA margin”, “Adjusted Net Income (loss)”, Pro-forma Revenue”, “Pro-forma Adjusted EBITDA”, “Pro-forma Adjusted LTM EBITDA” are non-IFRS measures. Refer to Non-IFRS Measures” for definitions of these terms

CRITICAL ACCOUNTING ESTIMATES

Significant judgment has been applied by management that may affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting period. Management is required to apply judgment in recognizing revenue, determination of the useful lives of assets, discount rate of lease liability and impairment of goodwill. By their nature, these estimates are subject to measurement uncertainty and are reviewed periodically and adjustments, if necessary, are made in the period in which they are identified. Actual results could differ from those estimates.

Revenue recognition

The most significant judgments and estimates in recognizing revenue relate to the management contracts, as they are long-term in nature and contain consideration that is variable based on a number of uncertain factors, such as estimated electrical production over many years, expense growth, and the number of sites to be monitored. Key assumptions made in determining the estimate of the transaction price relating to management contracts include:

- Cash flow projections for the per-project and per-kilowatt hour capacity fees are uniform in each year going forward; and

- The number of licensees will not materially change over the remaining contract term.

Key assumptions made in determining the satisfaction of the performance obligation at the reporting period are the expected number of licensees over the term of the remaining contract. Spark Power does not expect the number of licensees to change materially over the remaining term of the contracts.

Spark Power determines the extent to which the estimate of variable consideration is constrained (and therefore included in the measurement of revenue) by considering historical trends and the lowest levels of annual incentive fees earned in the past.

Allowance for doubtful accounts

Spark Power is exposed to credit risk associated with trade receivables. Management reviews the trade receivables at each reporting date and assesses and makes an allowance for doubtful accounts when the expected recovery could be less than the actual trade receivable. The expected recovery amount can vary from the actual cash received.

Estimated useful lives of assets

At each reporting period, management will assess the estimated useful lives of property and equipment and intangible assets based on the expected deterioration rate of these assets, expiration of intangible assets, etc. There has been no change to management's assessment of useful lives of assets in the past two financial years.

Discount rate of lease liability

The lease liability associated with all property and vehicle leases is measured at the present value of the expected lease payments at inception and discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, Spark Power's incremental borrowing rate is used to discount the lease liability. Judgement is required to determine the incremental borrowing rate which is based on the type of leased asset, assessment of the fair value of the leased properties at the start of the lease along with any unguaranteed residual value at the end of the term of the lease. Refer to Note 12 for additional details.

Impairment of goodwill

The annual test of impairment of goodwill is completed based on management's estimates of future performance of the related cash generating unit based on past history and economic trends, plus estimates of the weighted average cost of capital. For the purpose of impairment testing, goodwill was allocated to three cash generating units (CGU). The goodwill related to Spark Solar Development was allocated to the solar services CGU. The goodwill related to the Rondar and Pelikan acquisitions was allocated to the Spark High Voltage CGU. The goodwill related to New Electric was allocated to the New Electric CGU. The value in use was calculated using unobservable inputs such as budgeted and projected 2018-2022 revenues and EBITDA margin. Spark Power considered past experience, economic trends as well as industry and market trends in assessing if the level of EBITDA can be maintained in the future. Spark Power also used a discount rate of approximately 15%, which represents the weighted average cost of capital ("WACC"). Determining the WACC requires analyzing the cost of equity and debt separately and takes into account a risk premium that is based on the CGU.

RECENT AND FUTURE ACCOUNTING PRONOUNCEMENTS

The International Accounting Standards Board and International Financial Reporting Interpretations Committee have not issued any new or revised Standards and Interpretations that will become effective for Spark Power in future years and have a material impact on Spark Power. Spark Power has early adopted IFRS 9, Financial Instruments, IFRS 15, Revenue from Contracts with Customers, and IFRS 16, Leases, as at January 1, 2017.

Spark Power early adopted IFRS 9, Financial Instruments, effective January 1, 2017 on a fully retrospective basis. The adoption of IFRS 9 did not result in a material impact on the consolidated financial statements.

Spark Power early adopted IFRS 15, Revenue from Contracts with Customers, retrospectively with the cumulative effect of initially applying this standard recognized at the date of initial application of January 1, 2017.

As a result of the adoption of IFRS 15, Spark Power has changed its presentation of contract-related assets and liabilities. As such, Spark Power now presents its contract balances, on a contract-by-contract basis, in a net contract asset or liability position, separately from its accounts receivable. Contract assets and accounts receivable are both rights to consideration in exchange for goods or services that Spark Power has transferred to a customer, however, the classification depends on whether such right is only conditional on the passage of time (accounts receivable) or if it is also conditional on something else (contract assets), such as the satisfaction of further performance obligations under the contract. A contract liability is the amount received by Spark Power that exceeds the right to consideration resulting from its performance under a given contract.

In addition, the adoption of IFRS 15 resulted in a cumulative increase to Retained Earnings of $865,172 related to certain long-term management contracts where anticipated future revenues were allocated to the completion of past performance obligations.

Spark Power early adopted IFRS 16, Leases, as at January 1, 2017 using the modified retrospective approach without the restatement of comparative figures. In using this approach, Spark Power has taken advantage of the following practical expedients:

- a single discount rate has been applied to portfolios of leases with reasonably similar characteristics.

- impairment losses on right-of-use assets as at January 1, 2017 have been measured by reference to the amount of any onerous lease provision recognized on December 31, 2016

- initial direct costs have not been included in the measurement of the right-to-use assets as at the date of initial application

- for the purposes of measuring the right-of-use assets hindsight has been used. Therefore, it has been measured based on prevailing estimates at the date of initial application and not retrospectively by making estimates and judgements based on circumstances on or after the lease commitment date.

There are currently no other future accounting pronouncements that have not been adopted by Spark Power.

FINANCIAL INSTRUMENTS

Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: amortized cost, fair value through profit or loss, held for trading, or fair value through other comprehensive income. Spark Power does not have any assets held for trading, nor does it voluntarily classify any financial assets as being at fair value through profit or loss and does not have any assets recorded at fair value through other comprehensive income.

Amortized cost

These assets arise principally from the provision of goods and services to customers, but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely the payments of principal and interest. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issues and are subsequently carried at amortized cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade receivables are recognized based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During the process of reviewing accounts receivable for impairment, the probability of the non-payment of the trade receivable is assessed based on reasonable and supportable information about past events, current conditions and forecasts of future events and economic conditions that would impact the Company's credit risk assessment. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for trade receivables. Expected life is the maximum contractual period the Company is exposed to the credit risk. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognized within operating expenses in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognized based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve-month expected credit losses along with gross interest income are recognized. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognized. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognized.

Spark Power's financial assets measured at amortized cost comprise cash, accounts receivable and due from related parties and shareholders.

Financial liabilities

Spark Power classifies its financial instruments into one of two categories, depending on the purpose for which the liability was acquired.

Fair value through profit or loss

This category comprises puttable class A common and class 1 special shares. They are carried in the consolidated statement of financial position at fair value with changes in fair value recognized in the consolidated statement of comprehensive income (loss).

Other financial liabilities

Other financial liabilities include the following items:

- bank indebtedness, long-term debt, due to related parties and shareholders, lease liability, redeemable preference shares, puttable class A and class 1 special shares and redeemable class B common and class 1 special shares are initially recognized at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortized cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position; and

- trade payables and other short-term monetary liabilities, which are initially recognized at fair value and subsequently carried at amortized cost using the effective interest method.

RISK MANAGEMENT

Financial Risks
Spark Power is exposed to a variety of financial risks in the normal course of operations including interest rate, credit and liquidity risk. Spark Power's overall risk management program and business practices seek to minimize any potential adverse effects on its consolidated financial performance.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial instruments that potentially subject Spark Power to cash flow interest rate risk include financial assets and liabilities with variable interest rates. Spark Power is currently exposed to cash flow risk on its credit facilities and lease liability as they do not bear interest at variable interest rates.

Credit Risk

Spark Power is exposed to credit risk resulting from the possibility that counterparties may default on their financial obligations to it. Spark Power's maximum exposure to credit risk at the reporting date is equal to the carrying value of accounts receivable and mitigates its risk by monitoring the credit worthiness of its customers.

Spark Power provides credit to its customers in the normal course of its operations. The amounts disclosed in the statement of financial position represent the maximum credit risk and are net of allowance for doubtful accounts, based on management's estimates taking into account Spark Power's prior experience and its assessment of the current economic environment.

In determining the recoverability of a trade receivable, Spark Power considers any change in the credit quality of the trade receivable for the date the credit was initially granted up to the end of the reporting period.

Liquidity Risk

Liquidity risk is the risk that Spark Power will encounter difficulty in meeting obligations associated with financial liabilities. Spark Power's approach to managing liquidity risk is to ensure, to the extent possible, that it will always have sufficient liquidity to meet liabilities when due. Spark Power is exposed to this risk mainly in respect of its trade and other payables, credit facilities, long-term debt, redeemable class B common and class 1 special shares, puttable class A and class 1 special shares, redeemable preferred shares and lease agreements. Spark Power reviews its cash flows from operations on a periodic basis to determine whether it will be able to meet its financial obligations and assess whether funding from financing sources is required.

Other Risk

Please refer to the "Risks" section contained in the Spark Power Group Inc. final long-form prospectus dated August 7, 2018 filed under the Company's profile at www.sedar.com.

RELATED PARTY TRANSACTIONS

No revenues were earned or expenses incurred from related parties in three and nine months ended September 30, 2018 (2017 - $nil). Included in accounts payable and accrued liabilities is $817,425 owing to a former shareholder of a company acquired in Note 11. Further, there were no other balances due to/from related parties and/or shareholders as at September 30, 2018 (December 31, 2017 - $nil).

NON-IFRS MEASURES

This Q3 report makes reference to certain non-IFRS measures, including: "EBITDA", "Adjusted EBITDA", "Adjusted EBITDA Margin", Pro-forma Adjusted EBITDA", Pro-forma Adjusted EBITDA Margin", Pro-forma Revenue", "Adjusted Working Capital", and "Adjusted Net Comprehensive Income (Loss)". These non-IFRS measures are used to provide investors with supplemental measures of Spark Power's operating performance and highlight trends in Spark Power's business that may not otherwise be apparent when relying solely on IFRS measures. Spark also believes that providing such information to securities analysts, investors and other interested parties who frequently use non-IFRS measures in the evaluation of issuers will allow them to better compare Spark Power's performance against others in its industry. Management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of management compensation. See "Selected Consolidated Financial Information" and "Management's Discussion and Analysis".

"**EBITDA**" means net income (loss) before amortization, finance costs, and provision for income taxes.

"**Adjusted EBITDA**" means EBITDA adjusted for any change in fair value of puttable class A and class 1 special shares, non-recurring items, excess of fair value over net asset acquired, gain on retraction of class 1 special shares, work in process costs deemed non-billable, acquisition and transaction related costs, non-recurring insurance related matters and other miscellaneous items, which management considers to be not representative of Spark Power's ongoing operating performance. Spark Power uses EBITDA and Adjusted EBITDA to evaluate the performance of its business as these measures reflect ongoing profitability and it believes these measures are useful in making comparisons between periods. Spark Power believes that EBITDA and Adjusted EBITDA provide analysts and investors with information about its income generating capabilities, and ability to service debt and meet other payment obligations. Management uses these measures to monitor and plan for the operating performance of Spark Power in conjunction with other data prepared in accordance with IFRS.

"Pro-forma Adjusted EBITDA" means Adjusted EBITDA adjusted for the impact of EBITDA earned by companies acquired during the year for the period prior to acquisition.

"Pro-forma Adjusted Revenue" means revenue adjusted for the impact of revenue earned by companies acquired during the year for the period prior to acquisition.

"**Adjusted EBITDA Margin**" means Adjusted EBITDA divided by revenue.

"Pro-forma Adjusted EBITDA Margin" means Pro-forma Adjusted EBITDA divided by revenue.

"**Adjusted Working Capital**" means working capital less the current portion of long-term debt and lease liability, puttable class A and class 1 special shares of Spark Power, redeemable preference shares and redeemable common and special shares, and therefore provides management and investors with a more clear understanding of the efficiency of operational working capital needs absent working capital required as a result of capital structure.

"**Adjusted Net Comprehensive Income (Loss)**" means net comprehensive income (loss) adjusted for the impact of certain items, including non-cash items, such as change in fair value of puttable class A and class 1 special shares of Spark Power, gain (loss) on investments, gains on business combinations and other costs which management considers to be not representative of Spark Power's ongoing operating performance, net of related tax effects.

See "Selected Consolidated Financial Information of Spark Power" and "Management's Discussion and Analysis of Spark Power" for a reconciliation of "EBITDA", "Adjusted EBITDA", "Adjusted EBITDA Margin", "Pro-forma Adjusted EBITDA", "Pro-forma Adjusted EBITDA Margin", "Adjusted Working Capital", and "Adjusted Net Comprehensive Income (Loss)" to their most directly comparable measures calculated in accordance with IFRS.

FORWARD LOOKING INFORMATION

Some of the information contained in this Spark Power MD&A contains forward-looking statements. These statements are based on management's reasonable assumptions and beliefs in light of the information currently available to them and are made as of the date of this Spark Power MD&A. Spark Power does not undertake to update any such forward-looking statements as a result of new information, future events or otherwise, except as required by applicable securities laws in Canada. Actual results may differ materially from those indicated or underlying forward-looking statements as a result of various factors, including those described in "Risk Factors" in the Company's final long-form prospectus dated August 7, 2018 available on SEDAR at www.sedar.com. Spark Power cautions that the list of risk factors and uncertainties is not exhaustive and other factors could also adversely affect results. Readers are urged to consider the risks, uncertainties and assumptions carefully in evaluating the forward-looking information and are cautioned not to place undue reliance on such information.