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**CANTERRA
SEEDS**

Q2 REPORT

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MANAGEMENT'S **DISCUSSION** and **ANALYSIS REPORT**



Management's Discussion and Analysis Report

REPORT FOR THE SIX MONTHS ENDED MARCH 31, 2025

CANTERRA SEEDS HOLDINGS LTD. (the Company) is a recognized leader in the pedigreed seed industry. Headquartered at 201-1475 Chevrier Boulevard in Winnipeg, Manitoba, the Company is committed to delivering high quality seed to its customers throughout Western Canada. The consolidated financial statements of the Company that follow are for the six months ended March 31, 2025.

CANTERRA SEEDS reports income for the six months ended March 31, 2025, of \$225,313. This compares to the March 31, 2024, results where the Company recorded income of \$2,730,542 for the corresponding six-month period, a reduction of \$2,505,229 for the year to date. For the three-month quarter ended March 31, 2025, the Company reports net income of \$2,004,963. This income is \$2,077,011 lower than the net income of \$4,081,974 recorded for the three-month period ended March 31, 2024.

1. INTRODUCTION

The following Management's Discussion and Analysis (MD&A) provides information which is supplementary to the CANTERRA SEEDS HOLDINGS LTD. results of operations and financial position. The MD&A should be read in conjunction with the unaudited interim condensed consolidated financial statements and notes to the financial statements for the six-month period ending March 31, 2025. The financial data in this report and in the financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting as issued by the International Accounting Standards Board (IASB).

All amounts reported both in the MD&A and in the consolidated financial statements are in Canadian currency and the consolidated financial statements were authorized for issue by the Company's Audit Committee and Board of Directors on May 15, 2025.

2. FORWARD-LOOKING INFORMATION

Certain statements in this MD&A may constitute forward-looking statements. These forward-looking statements can generally be identified with statements that include the phrases such as "believe," "expect," "anticipate," "intend," "plan," "likely," "will" or similar words or phrases. Similarly, statements that describe the Company's objectives, plans or goals are, or may be, forward-looking statements. These forward-looking statements are based on the Company's current expectations and its projections about future events. However, whether actual results and developments will conform to the Company's expectations and projections is subject to several risks and uncertainties. These include, among other things, the risks and uncertainties associated

with seed production, product performance, competition, poor weather, commodity prices, credit, and foreign exchange risk. These are not necessarily all the important factors that could cause actual results to differ materially from those expressed in any of the Company's forward-looking statements. Other known and unpredictable factors could also harm results. Consequently, there can be no assurance that the actual results or developments anticipated by the Company will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Company.

3. RESULTS OF OPERATIONS – SIX MONTHS ENDED MARCH 31

SALES AND GROSS PROFIT

CANTERRA SEEDS records revenue on the sale of canola seed when the product is shipped and delivered to the Company's seed retailers. While these products are ordered and delivered at various times between the months of December to June, the product will not be planted until spring, with seeding occurring mainly in April and May. When deliveries take place and when, therefore, revenue is recorded for canola, is dependent on many factors, both internal and external to CANTERRA SEEDS. These include the availability of warehouse space, the timing of seed treating, the availability of trucking for deliveries, the timing of quality testing, the timing of receiving the bare seed at the treating plant, the availability of the bags and treatment for the bags to be completed, and of course, when the customer (both the farmer and retailer) wants the product delivered to their operation. For the period of October 1, 2024, to March 31, 2025, deliveries were significantly reduced, as compared to the prior year. There were two major reasons for this change. Firstly, CANTERRA SEEDS transitioned from 22.7 kg. to 4.25 million seed count bags for the 2025 crop year. There was extra time required to order and organize the new bags for this transition. Secondly, the Company introduced the following two new varieties for the 2025 crop year, CS3300 TF and CS4100 LL. With both being new, this delayed the timing of treating and in turn shipping, the CS4100LL was produced in Chile which delayed the treatment and shipping dates considerably. While the amount shipped as of March 31, 2024, ended up at a point that was approximately 94% of the total bags shipped during that spring. This year, the percentage of shipments that have occurred to the end of March 2025 is approximately 45% of the forecast sales for the 2024/25 crop year.

So, at the end of March, the sales are \$19.48 million or 45.6% lower than the prior year. From \$42.75 million in 2023/24 to \$23.27 million in 2024/25. The only other sales

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REPORT FOR THE SIX MONTHS ENDED MARCH 31, 2025

that occur from October 1 to March 31 is a small number of transactions (breeder seed sales, winter wheat royalties, other pedigreed sales). Right now, these are immaterial in amount, the changes are all due to the canola delivery timing discussed above.

With this reduction in sales, gross profit has also reduced. In total, the gross profit has reduced by \$2.92 million from \$8.09 million in 2023/24 to \$5.17 million in 2024/25. There is a significant improvement in gross profit percentage. Gross profit percentage has improved from 18.9% to 22.2% year to year. The increases are due mainly to management improvements that have reduced the overall cost of sales per unit.

OTHER REVENUE

Other revenues are lower than they were in 2023/24. These revenues went from \$0.51 million in 2023/24 to \$0.23 million in 2024/25, a reduction of \$0.28 million. This is due to the timing of partnership payments. In 2023 some of these were received in December and this did not occur during the current year, instead these payments will be occurring in Q4, 2025 and will catch up at that time.

OPERATING, GENERAL AND ADMINISTRATIVE EXPENSES

These expenses have increased by \$0.11 million or 5.9%, from \$1.86 million for the six months ended March 31, 2024, to \$1.97 million for the six months ended March 31, 2025. The biggest increases are in advertising and promotion costs, travel costs, and an increase in computer expenses.

LOSS FROM JOINT VENTURES

This amount relates to CANTERRA SEEDS' 30% joint venture in Limagrain Cereals Research Canada (LCRC). The loss has increased from 2023/24 to 2024/25. There is an increase of \$13 thousand from \$207 thousand for the six-month period ending March 31, 2024, to \$220 thousand for the same six-month period ending March 31, 2025.

DEPRECIATION AND AMORTIZATION

Depreciation/Amortization costs increased by \$32 thousand from \$430 thousand for the six months ended March 31, 2024, to \$462 thousand for the six months ended March 31, 2025. The biggest increase for this is an increase in amortization for right of use assets as the Company's lease costs have increased, one additional Territory Manager and inflationary changes.

SALARIES, WAGES & BENEFITS

Has reduced by \$0.03 million from \$2.44 million for the six-month period ended March 31, 2024, to \$2.41 million for the six-month period ended March 31, 2025, a reduction of 1.0%.

Salary increases year to year is more than offset by a reduction in staff compared to the previous year.

INTEREST

There is an increase in interest expenses. From \$18 thousand for the six months ended March 31, 2025, to \$22 thousand for the six months ended March 31, 2025. Due to timing of Accounts Payable repayments the Company used its line of credit in December 2024. This, in turn, increased the interest expense from the prior year.

4. RESULTS OF OPERATIONS – THREE MONTHS ENDED MARCH 31

SALES AND GROSS PROFIT

Since virtually all canola sales occurred during the three months ended on March 31 in both 2024 and 2025 the explanation for the change in sales is the same for the second quarter as it was for the first six months of the respective fiscal years.

For the three-month period, the sales are \$17.16 million or 42.5% lower than the prior year. From \$40.41 million in 2023/24 to \$23.25 million in 2024/25. As with the explanation for the six-month period there are no other material sales in CANTERRA SEEDS during this quarter in either 2024 or 2025.

Also, as with the explanation for the six-month period with this reduction in sales, gross profit has also reduced. In total, the gross profit has reduced by \$2.46 million from \$7.62 million in 2023/24 to \$5.16 million in 2024/25. There is also, the same improvement in gross profit percentage. Gross profit percentage has improved from 18.9% to 22.2% year to year.

OTHER REVENUE

For the quarter ended March 31, 2025, the other revenues are lower than they were in 2023/24. These revenues went from \$0.2 million in 2023/24 to \$0.17 million in 2024/25, a reduction of \$0.03 million. This is because interest rates have reduced, which has in turn reduced investment income during the quarter.

OPERATING, GENERAL AND ADMINISTRATIVE EXPENSES

These expenses have increased by \$0.26 million or 37.2%, from \$0.68 million for the three months ended March 31, 2024, to \$0.94 million for the three months ended March 31, 2025. The biggest increases are in advertising and promotion costs, travel costs, and an increase in computer expenses. Timing of recording expenses plays a very important role in this change.

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LOSS FROM JOINT VENTURES

This amount relates to CANTERRA SEEDS’ 30% joint venture in Limagrain Cereals Research Canada (LCRC). The loss has increased from 2023/24 to 2024/25. There is an increase of \$30 thousand from \$97 thousand for the three-month period ending March 31, 2024, to \$127 thousand for the same three-month period ending March 31, 2025. The difference is due to the timing of expenses and revenues during the respective years at LCRC.

DEPRECIATION AND AMORTIZATION

Depreciation/Amortization costs increased by \$13 thousand from \$221 thousand for the three months ended March 31, 2024, to \$234 thousand for the three months ended

March 31, 2025. As with the six-month variance, the main reason for the increase in amortization was increases in right of use lease costs.

SALARIES, WAGES & BENEFITS

Has reduced by \$0.02 million from \$1.36 million for the three-month period ended March 31, 2024, to \$1.34 million for the three-month period ended March 31, 2025, a reduction of 1.2%. The annual increase in salary rates was more than offset by some salary adjustments during the period.

INTEREST

There is no difference in interest expenses year to year, both quarters with an expense of approximately \$8 thousand.

5. SUMMARY OF QUARTERLY FINANCIAL INFORMATION – RESTATED

Selected Quarterly Financial Information Consolidated

[\$000's except per share amounts]	2024/25 Q2	2024/25 Q1	2023/24 Q4	2023/24 Q3	2023/24 Q2	2023/24 Q1	2022/23 Q4	2022/23 Q3
Total Revenue	23,253	21	3,273	3,045	40,408	2,345	1,242	18,922
Net Income (loss)	2,005	(1,780)	(744)	(1,529)	4,082	(1,351)	(342)	611
Earnings (loss) per Share (diluted)	0.27	(0.24)	(0.10)	(0.20)	0.54	(0.18)	(0.05)	0.08

CANTERRA SEEDS principal business is the distribution and sale of seed for the main field crops grown in Western Canada including canola which occurs from December until June. Delivery of these sales generally takes place from December until May, as farmers prefer to defer delivery until a date closer to their time of seeding. Most of the deliveries and sales take place in the months of February to April (Q2 & Q3). The October to December quarter consists mainly of the recording of royalties for fall seeded cereal varieties, along with some adjustments on late reported spring tech feels and some early deliveries of canola. The financial quarter Q2, from January to March, is made up mainly of canola seed deliveries and sales, along with some early deliveries of pedigreed products. Q3 sales consist of additional canola sales, along with the balance of the spring stock seed and registered and certified sales of CANTERRA SEEDS licensed seed. The quarter consisting of the months July to September (Q4) generally includes only royalties collected on sales of CANTERRA SEEDS licensed seed along with any adjustments on sales recorded during the previous three quarters.

If there are any write-downs of canola inventory this generally occurs in Q4, the months of July through to September. This is when the stock is tested for germination and hybridity and a future sales plan for each canola variety is finalized.

6. LIQUIDITY AND CAPITAL RESOURCES

The Company’s cash and short-term investment position has increased by \$8.39 million for the six months ended March 31, 2025.

Cash provided for operating activities during the first six months was \$8.94 million. The main additions are as follows:

- CANTERRA SEEDS added deposits on sales totaling to \$18.4 – these are referred to as deferred revenues which will be earned in Q3.
- There has been an increase in Accounts Payable that has added \$4.4 million.

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- Income earned over the six-month period, along with some income tax adjustments, adds an additional \$1.0 million.

These were partially offset by some uses of cash as follows:

- The Company increased its inventory and prepaid expenses by \$8.17 million to have canola products available for sale for the 2025 and 2026 crop years.
- Accounts receivable, from canola sales in Q2, has increased and used \$6.69 million.

For financing activities, the Company paid down \$0.24 million of lease obligations during the quarter. This was partially offset by additional share capital of \$0.02 million.

The cash used for investing activities was \$0.34 million. The main amount was that CANTERRA SEEDS had net purchases of long-term assets totaling to \$0.21 million during the quarter. Also, a loan to an affiliated company was paid back during the quarter totaling to \$0.13 million.

7. OUTSTANDING SHARE DATA

Issued securities as of May 15, 2025, are as follows:

Issued	Book Value
7,551,147 Class A common shares	\$12,109,827
2,220,000 Class B series 1 shares	\$569,281

CANTERRA SEEDS HOLDINGS LTD. is a reporting issuer. Shares of the Company can be traded privately between two parties, with or without using the assistance of a broker, or can be sold “over the counter” at a licensed security trader. There have been 24,000 Class B sales out of treasury so far for the 2024/25 fiscal year. There were no Class B shares sold out of treasury for the same six-month period during the 2023/24 fiscal year. The Company did not sell any Class A common shares out of treasury over the last twenty-four months.

Besides the share transactions from treasury, there are share transactions that are trades between outgoing and new shareholders. During the last twelve months there were 1,476,977 Class A shares and 96,000 Class B shares transferred outside of treasury. Included in this was the sale of 1,286,187 Class A shares sold by Ceres Global Ag. Corp. to United Farmers of Alberta Co-operative Limited. During the twelve months ended March 31, 2024, there were 114,026 Class A shares and 54,000 Class B shares transferred outside of treasury.

8. FINANCIAL INSTRUMENTS

A very small portion of the Company's revenues and expenses are denominated in US dollars. The Company is therefore exposed to currency fluctuations on transactions in US dollars. Currency fluctuations may impact on the profitability of the Company, specifically for CANTERRA SEEDS who buys more US dollars than it would earn when the Canadian exchange rate is weaker compared to the US dollar it will work to reduce margins of the Company. This risk is managed, where practicable, with foreign exchange forward contracts to fix the exchange rates on future net foreign currency cash outflows along with fixed Canadian \$ priced contracts for untreated canola seed. The Company does not hold or issue derivative contracts for speculative purposes. As of March 31, 2025, CANTERRA SEEDS has no outstanding foreign currency forward contracts in place.

9. OUTLOOK

The most effective way to analyze the seed sales at CANTERRA SEEDS is to break the business down into their two methods: (1) canola sales where CANTERRA SEEDS acts as the manufacturer and processor and sells the seed in a CANTERRA SEEDS branded bag, and (2) pedigreed seed sales where the products are owned and distributed by CANTERRA SEEDS seed grower shareholders and the Company collects a tech fee (royalty plus margin) for the grower's right to produce and sell these varieties which are under exclusive license from the breeder to CANTERRA SEEDS.

With canola, the Company will continue to focus on the critical success factors:

- The Company will continue to introduce “leading-edge” spring canola hybrids into the western Canadian and U.S. markets. The Company partners with several of the top canola seed and trait developers in Western Canada. This ensures that only those hybrids that meet or exceed the market standard are introduced. CANTERRA SEEDS is selling hybrids that deliver the agronomic traits farmers expect and require such as clubroot and blackleg tolerance, shatter tolerance, TruFlex® canola, Clearfield® (Non-GMO) production system for canola and LibertyLink® canola, with various ranges of maturity, that compete with the best in the market. For the 2024 crop year CANTERRA SEEDS introduced CS3200 TF, a TruFlex® canola hybrid. For the 2025 crop year CANTERRA SEEDS has introduced two new canola varieties. First, CS3300 TF, a TruFlex® canola hybrid. This product is an early maturity variety with multigenic blackleg resistance,

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1st generation clubroot resistance, and excellent straight cut abilities due to its PodProtect™ shatter tolerance rating of 7+. In addition, the Company has launched its second LibertyLink® canola variety. CS4100 LL is a mid-season hybrid suitable for all growing zones, has multigenic blackleg resistance, both 1st and 2nd generation clubroot resistance, and excellent straight cut abilities due to its PodProtect™ shatter tolerance rating of 7+. This quest for new and improved products never stops. To that end, CANTERRA SEEDS is testing 8 new canola varieties (7 LibertyLink® canola and 1 TruFlex® canola) in sites throughout Western Canada to determine which will be the next addition to the Company's portfolio.

- Secondly, the Company will continue to distribute products that are of impeccable quality. To this end, CANTERRA SEEDS has implemented a quality control policy that is of the highest standard in the industry. It ensures that the canola seed quality not only meets the standards set by the Canada Seeds Act but exceeds these standards and the competition in the market.
- Thirdly, there is always the risk of inventory obsolescence with all seed products. This could be due to germination levels no longer meeting the required specifications or because the variety is no longer competitive in the market. The Company proactively manages the lifecycles of the specific hybrids and varieties as well as following its strict seed quality protocol that keeps these risks to a minimum.
- Finally, it is critical that the Company ensures its canola products are accessible to as many farmers as possible. CANTERRA SEEDS has worked diligently to continually improve the corporate brand and canola distribution footprint, ensuring CANTERRA SEEDS canola hybrids are easily accessible at a local retailer. The Company is now distributing its canola product directly with its retail partners, including all UFA and P&H retail locations, across Western Canada. Every farmer in the Prairies has access to a local retailer who distributes CANTERRA SEEDS canola.

CANTERRA SEEDS is working to increase its market share in the western Canadian canola market. This improvement started in 2020 and has continued to grow through 2023. There was a small reduction in canola sales at CANTERRA SEEDS in 2024, but the Company determined the causes of this reduction and designed sales and marketing tactics that have allowed the increase in market share to continue. Currently, the forecast of canola orders for 2025 shows an increase of more than 13% from 2024.

For the pedigree seed business, the Company will focus on the critical success factors of the business as follows:

- CANTERRA SEEDS will continue to access leading edge varieties by focusing on the following.
 - Firstly, CANTERRA SEEDS has been successful at acquiring high-performing varieties from public breeding entities like Agriculture and Agri-Food Canada, the Crop Development Centre, and the University of Alberta.
 - Secondly, the Company is a 30% partner with Limagrain, one of the world's largest and most innovative field seed companies, in the cereals breeding venture named LCRC. CANTERRA SEEDS has licensed several varieties from this partnership, including CS Daybreak, CS Accelerate, CS Recoil, CS Garde, CS Breadwinner, CS Baker, and CS Palisade. In addition, Limagrain has entered a joint venture with the pulse crop development board, Saskatchewan Pulse Growers. The objective of this joint venture is to bring the very best germplasm of peas and lentils in the western Canadian market into the future. CANTERRA SEEDS has a priority position to access products from this venture and has licensed the following small red lentil varieties from Limagrain, CDC 6928, CDC 6956, CDC 6930, CDC 7208, and CDC 7026-13. Also, CANTERRA SEEDS has licensed one yellow pea from this joint venture, CDC 5791. LCRC is now entering its tenth year of operation and is at the point where it's ramping up production of leading-edge varieties both in cereals and pulses. CANTERRA SEEDS has first right to any cereal varieties that are registered from this entity, which is now registering varieties bred in-house using top western Canadian parent lines, into the market. It also has a priority position on any peas and lentils that are registered by the Limagrain/SPG joint venture and while there aren't any in-house varieties currently being registered the joint venture is well on the way to make this happen. It is expected that this will continue to bring the very best new wheat and pulse varieties to Western Canada and will continue to ramp up the Company's market share in these crop types into the future.
 - Lastly, CANTERRA SEEDS has arrangements with breeders throughout the world to test and register products in Western Canada. This has been very successful for the Company and currently one of its most successful pedigree products, CS Camden, came from one of these partnerships.

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- On the distribution side for pedigreed seed, CANTERRA SEEDS ensures that it partners with the premier seed growers in Western Canada. Currently, the Company has 187 seed licensees throughout the Prairies that are growing and selling CANTERRA SEEDS licensed varieties. This will ensure that the Company's varieties are readily available in the areas best suited to plant those products. The Company will continue to add growers where needed and as required, to ensure that farmers throughout the region will have access to the highest quality CANTERRA SEEDS product available.

As of today, the forecast is that the 2025 revenues on pedigreed seed for products that are licensed to CANTERRA SEEDS are expected to be similar to what was recorded in 2024. There are also some new products that have been registered to CANTERRA SEEDS in the last few years that are anticipated to increase these revenues in the future.

There was also a very significant event that occurred on May 1, 2025. CANTERRA SEEDS purchased the shares of Alliance Seeds. Beginning immediately, this is anticipated to increase the revenues and margins from the consolidated results of the pedigreed sales by approximately 50% in 2025. Going forward, these additional varieties and growers are anticipated to further increase the sales of pedigreed products into the future.

With the affiliated companies results as mentioned earlier, LCRC will continue to improve its earnings as it continues to register new varieties for the western Canadian market and the Great Plains region of the US. LCRC is also part of the Variety Use Agreement (VUA) project which will enable it to receive royalties on all acreage seeded with its varieties. These improvements in revenue will occur while operating expenses are kept quite stable. Over the next four to five years, it is anticipated that this loss on investment will continue to reduce and will become income as LCRC varieties continue to increase their market share of spring wheat in North America.

For net operating expenses, CANTERRA SEEDS is being as proactive by limiting expenses in areas where possible. As always, the focus will be to ensure that all expenses will guarantee a successful return on investment.

In the last few months, there has been a tremendous amount of uncertainty and market change when it comes to the real and potential tariff war between the US and Canada. There are clearly affects related both to these tariffs as well as the

significant foreign exchange changes that accompany these tariffs. CANTERRA SEEDS is in the process of both evaluating and managing these risks to ensure that the negative affects to the Company are limited.

10. ADVANCES TO/FROM RELATED AFFILIATES

Advances to/from affiliates are unsecured, non-interest bearing and have no fixed terms of repayment. The advances are made to/from Limagrain Cereals Research Canada. Generally, the advances occurred because CANTERRA SEEDS is the administrative arm for LCRC and there are charges/ payment that occur within CANTERRA SEEDS that are then charged/paid through to LCRC. In addition, since LCRC is one of CANTERRA SEEDS breeding partners, royalties are owed on tech fee reports during the year. The amounts owing at both March 31, 2024, and March 31, 2025, were repaid prior to the timing of this report.

11. RESPONSIBILITIES, CONTROL AND POLICIES

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements, the MD&A and all other information in this interim report are the responsibility of Management and have been reviewed and approved by the Board of Directors.

Management, in accordance with International Financial Reporting Standards, has prepared the consolidated financial statements. The MD&A has been prepared in accordance with the requirements of securities regulators. The financial statements and MD&A include items that are based on best estimates and judgments of the expected effects of current events and transactions. Management has determined such items on a reasonable basis to ensure that the financial statements and MD&A are presented fairly in all material respects.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting, and is ultimately responsible for reviewing and approving the unaudited interim consolidated financial statements and MD&A. The Board of Directors carries out this responsibility principally through its Audit Committee.

The Audit Committee, appointed by the Board of Directors, is financially literate and is fully comprised of independent directors. The Audit Committee meets periodically with management to review the unaudited interim consolidated financial statements, the MD&A, auditing matters and financial reporting issues. The Audit Committee also

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discusses internal controls over the financial reporting process and ensures that each party is properly discharging its responsibilities. In addition, the Audit Committee has the duty to review the appropriateness of the accounting policies and significant estimates and judgments underlying the unaudited interim consolidated financial statements as presented by management. The Audit Committee also reviews and makes recommendations to the Board of Directors with respect to the fees of the external auditors. The Audit Committee reports its findings to the Board of Directors for its considerations when it approves the consolidated financial statements and MD&A for issuance to shareholders.

Meyers Norris Penny LLP, external auditors designated by the shareholders, meets annually with the Audit Committee to discuss audit activities, financial reporting matters and other related subjects.

This report and the unaudited interim consolidated financial statements were reviewed by the Company's Audit Committee and approved by the CANTERRA SEEDS Board of Directors on May 15, 2025.

Disclosure Controls

The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) are responsible for establishing and maintaining disclosure controls and procedures for the Company. The disclosure controls and procedures have been conducted under the CEO's and CFO's supervision, to provide reasonable assurance that the material information relating to the Company is known to management in the period in which the interim filings are made.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS



CANTERRA SEEDS Holdings Ltd.

Consolidated Statement of Financial Position

For the six-month period ended March 31, 2025 and 2024

THESE FINANCIAL STATEMENTS ARE UNAUDITED AND WERE NOT REVIEWED BY AN AUDITOR

	March 31, 2025 Unaudited	March 31, 2024 Unaudited	September 30, 2024 Audited
	\$	\$	\$
Assets			
Current			
Cash	14,788,052	14,794,927	6,402,897
Accounts receivable	9,225,713	13,943,848	2,537,458
Income taxes receivable	149,322	-	223,940
Inventory (Note 5)	27,849,859	18,003,983	16,523,523
Prepaid expenses and deposits	2,045,640	2,832,641	5,200,704
	54,058,586	49,575,399	30,888,522
Property and equipment	266,678	283,240	259,763
Intangible assets	2,582,384	2,788,185	2,621,336
Right-of-use assets	486,945	606,885	708,807
Deferred tax asset	-	55,710	-
Investment in joint venture (Note 9)	528,335	1,159,355	748,224
Long-term receivables	-	101,638	-
	57,922,928	54,570,412	35,226,652
Liabilities			
Current			
Accounts payable and accruals	21,687,124	31,355,718	17,288,121
Deferred revenue (Note 7)	18,398,898	2,889,616	-
Income Taxes Payable	-	858,246	-
Advances from Related Companies	-	8,471	128,122
Current Portion of Lease Obligations	389,738	336,290	420,465
	40,475,760	35,448,341	17,836,708
Deferred Taxes	499,999	-	499,999
Lease Obligations	93,364	268,661	285,453
	41,069,123	35,717,002	18,622,160
Shareholders' Equity			
Share capital (Note 8)	12,679,108	12,631,108	12,655,108
Retained Earnings	4,155,974	6,203,579	3,930,661
Contributed surplus	18,723	18,723	18,723
	16,853,805	18,853,410	16,604,492
Total Liabilities and Equity	57,922,928	54,570,412	35,226,652

APPROVED ON BEHALF OF THE BOARD


Director


Director

The accompanying notes are an integral part of these financial statements

CANTERRA SEEDS Holdings Ltd.

Interim Consolidated Statements of Comprehensive Income

For the six-month period ended March 31, 2025 and 2024

THESE FINANCIAL STATEMENTS ARE UNAUDITED AND WERE NOT REVIEWED BY AN AUDITOR

	Three months ended		Six months ended	
	2025	2024	2025	2024
	Unaudited	Unaudited	Unaudited	Unaudited
	\$	\$	\$	\$
Sales	23,252,295	40,408,024	23,273,695	42,753,061
Cost of sales	18,088,021	32,788,095	18,107,292	34,663,534
Gross profit	5,164,274	7,619,929	5,166,403	8,089,527
Other revenue (Note 4)	166,787	196,971	227,628	511,736
	5,331,061	7,816,900	5,394,031	8,601,263
Selling, general and administrative expenses and loss from joint venture				
Operating, general and administrative	939,237	684,672	1,974,652	1,864,331
Loss from joint venture	126,979	97,016	219,889	207,314
Depreciation and amortization	234,355	221,004	462,257	430,224
Salaries, wages and benefits	1,346,449	1,362,298	2,415,181	2,440,652
Interest	8,623	8,393	22,122	17,641
	2,655,643	2,373,383	5,094,101	4,960,162
Income from operations before taxes	2,675,418	5,443,517	299,930	3,641,101
Income tax expense	(670,455)	(1,361,543)	(74,617)	(910,559)
Income and comprehensive income	2,004,963	4,081,974	225,313	2,730,542
Income per share				
Basic and fully diluted (Note 10)	0.27	0.54	0.03	0.36

The accompanying notes are an integral part of these financial statements

CANTERRA SEEDS Holdings Ltd.

Consolidated Statements of Cash Flows

For the six-month period ended March 31, 2025 and 2024

THESE FINANCIAL STATEMENTS ARE UNAUDITED AND WERE NOT REVIEWED BY AN AUDITOR

	2025 Unaudited	2024 Unaudited
	\$	\$
Cash provided by (used for) the following activities		
Operating activities		
Net income	225,313	2,730,542
Depreciation of plant and equipment	72,831	66,595
Depreciation of intangible assets	167,564	163,398
Depreciation of right-of-use assets	221,862	200,231
Interest	22,122	17,641
Loss from joint venture	219,889	207,314
ITC's	(18,000)	(18,000)
	911,581	3,367,721
Changes in working capital accounts		
Accounts receivable	(6,688,255)	(9,465,719)
Inventory	(11,326,336)	(9,182,611)
Prepaid expenses and deposits	3,155,064	9,422,552
Accounts payable and accruals	4,399,003	11,888,828
Deferred revenue	18,398,898	2,889,616
Income tax payable/receivable adjustments	92,618	790,072
	8,942,573	9,710,459
Financing activities		
Lease obligation repayments	(244,939)	(187,484)
Issuance of share capital	24,000	-
	(220,939)	(187,484)
Investing activities		
Purchases of property and equipment	(79,745)	(107,852)
Acquisition of intangible assets	(128,612)	(88,606)
Repayment from (loans to) affiliated companies	(128,122)	(127,586)
	(336,479)	(324,044)
Increase in cash resources	8,385,155	9,198,931
Cash and investments, beginning of period	6,402,897	5,595,996
Cash and investments, end of period	14,788,052	14,794,927

The accompanying notes are an integral part of these financial statements

CANTERRA SEEDS Holdings Ltd.

Consolidated Statements of Changes in Equity

For the six-month period ended March 31, 2025 and 2024

THESE FINANCIAL STATEMENTS ARE UNAUDITED AND WERE NOT REVIEWED BY AN AUDITOR

	Share capital	Contributed Surplus	Surplus (deficit)	Total
Balance, September 30, 2023	12,631,108	18,723	3,473,037	16,122,868
Issuance of Class B shares	-	-	-	-
Comprehensive income-2023/24	-	-	2,730,542	2,730,542
Balance, March 31, 2024	12,631,108	18,723	6,203,579	18,853,410
Balance, September 30, 2024	12,655,108	18,723	3,930,661	16,604,492
Issuance of Class B shares	24,000	-	-	24,000
Comprehensive income-2024/25	-	-	225,313	225,313
Balance, March 31, 2025	12,679,108	18,723	4,155,974	16,853,805

The accompanying notes are an integral part of these financial statements

CANTERRA SEEDS Holdings Ltd.

Notes to the Consolidated Financial Statements

For the six-month period ended March 31, 2025 and 2024

THESE FINANCIAL STATEMENTS ARE UNAUDITED AND WERE NOT REVIEWED BY AN AUDITOR

1. INCORPORATION AND OPERATIONS

Entity information

CANTERRA SEEDS Holdings Ltd. (the “Company”) was incorporated under the laws of the Province of Saskatchewan on March 14, 1996. The head and registered office for the Company is located at 201 – 1475 Chevrier Blvd., Winnipeg, Manitoba, Canada R3T 1Y7. The Company purchases, produces, markets, and sells seed varieties and related technologies. Due to the seasonal nature of the agricultural industry seed sales generally occur during the months of October to June. This same seasonal nature significantly affects the statement of financial position on a quarterly basis as accounts receivable, inventory and accounts payable and accrued liabilities have significant swings depending on the canola, corn, and cereals sales cycles.

The interim consolidated financial statements of the Company reflect the operations and financial position of the Company and its wholly owned subsidiaries: CANTERRA SEEDS (2002) Ltd. (a Canadian corporation) and CANTERRA SEEDS (USA) Ltd. (a US company) which are both fully consolidated, and its long-term investment; Limagrain Cereals Research Canada (a Canadian partnership), which is accounted for using the equity method.

2. BASIS OF PRESENTATION AND CONTINUING OPERATIONS

Statement of compliance

The unaudited condensed consolidated interim financial statements (or “consolidated financial statements”) of the Company as of March 31, 2025, have been prepared in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting as issued by the International Accounting Standards Board (IASB). These condensed financial statements do not include all the information required for consolidated financial statements and use the accounting policies consistent with the annual audited consolidated financial statements for the year ended September 30, 2024.

These interim condensed consolidated financial statements for the six-month period ended March 31, 2025, and 2024 were recommended for approval by the Audit Committee and were approved and authorized for issue by the Board of Directors on May 15, 2025.

3. SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

The Company recognizes revenue and profits from the sale of seed when the seed has been shipped. Volume related royalty revenue is recognized in the period in which the sale is reported to the Company by the seed grower. Scientific Research and Experimental Development credits are recognized when the related expenses have been incurred. Deferred revenue is taken into income in the period in which it is earned. Contract services and program payments are recognized when earned.

Key accounting estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accounts receivables are stated after evaluation as to their collectability, and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of property, equipment, and other fixed assets. Scientific Research and Experimental Development tax credit claims are based on methodologies and assumptions applied by management in previous successful claims. Intangible assets consist of licenses for varieties and are depreciated over the life of the agreement. Management has evaluated using judgement long-term equity investments and determined if there is joint control and joint operations in place. Management has estimated that, while the terms of advances to related companies are not defined, the fair value approximates the carrying value due to the anticipated repayment dates of the advances. Management has estimated the Company’s incremental borrowing rate for leases where the implicit rate cannot be determined.

These judgements, estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

CANTERRA SEEDS Holdings Ltd.

Notes to the Consolidated Financial Statements

For the six-month period ended March 31, 2025 and 2024

THESE FINANCIAL STATEMENTS ARE UNAUDITED AND WERE NOT REVIEWED BY AN AUDITOR

4. OTHER REVENUE

	Three Months Ended		Six Months Ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
	\$	\$	\$	\$
Interest and investment income	82,393	139,144	119,264	171,073
Other	85,389	13,262	99,624	324,458
Gain (loss) on foreign exchange	(9,995)	35,565	(9,260)	(1,795)
Scientific research & development tax refundable	9,000	9,000	18,000	18,000
	166,787	196,971	227,628	511,736

5. INVENTORY

	March 31, 2025	March 31, 2024	September 30, 2024
	\$	\$	\$
Finished goods	8,593,390	6,434,803	6,820,245
Raw materials	19,256,469	11,569,180	9,703,278
	27,849,859	18,003,983	16,523,523

The cost of inventories recognized as an expense and included in cost of sales in 2025 amounted to \$7,590,975. (2024 – \$14,635,659).

6. ADVANCES TO (FROM) RELATED COMPANY

	March 31, 2025	March 31, 2024	September 30, 2024
	\$	\$	\$
Limagrain Cereals Research Canada	-	(8,471)	(128,122)

The Advances to (from) the related company are unsecured, non-interest bearing, and have no fixed terms of repayment. The Company has a 30% has an investment in Limagrain Cereals Research Canada and all these items were paid within 60 days of the report date.

CANTERRA SEEDS Holdings Ltd.

Notes to the Consolidated Financial Statements

For the six-month period ended March 31, 2025 and 2024

THESE FINANCIAL STATEMENTS ARE UNAUDITED AND WERE NOT REVIEWED BY AN AUDITOR

7. DEFERRED REVENUE

Deferred revenue is comprised of deposits received from customers for which the related product has not been shipped on March 31, 2025, or March 31, 2024.

8. SHARE CAPITAL

Authorized

Unlimited number of Class A voting common shares.

Unlimited number of Class B shares, non-voting, non-participating, redeemable at the option of the Company if the shareholder fails to fully pay for shares, fails to exercise share purchase options, or if the shareholder causes the corporation to have its rights under any license agreement terminated.

Unlimited number of Class C shares without nominal or par value, non-voting, and non-redeemable.

		March 31, 2025	March 31, 2024	September 30, 2024
Issued		\$	\$	\$
Common shares				
7,551,147	Class A common shares (2024 – 7,551,147)	12,109,827	12,109,827	12,109,827
2,220,000	Class B series 1 shares (2024 – 2,172,000)	569,281	521,281	545,281
		12,679,108	12,631,108	12,655,108

CANTERRA SEEDS HOLDINGS LTD. is a reporting issuer. Shares of the Company can be traded privately between two parties, with or without using the assistance of a broker, or can be sold “over the counter” at a licensed security trader. There have been 24,000 Class B sales out of treasury so far for the 2024/25 fiscal year. There were no Class B shares sold out of treasury for the same six-month period during the 2023/24 fiscal year. The Company did not sell any Class A common shares out of treasury over the last twenty-four months.

Besides the share transactions from treasury, there are share transactions that are trades between outgoing and new shareholders. During the last twelve months there were 1,476,977 Class A shares and 96,000 Class B shares transferred outside of treasury. Included in this was the sale of 1,286,187 Class A shares sold by Ceres Global Ag. Corp. to United Farmers of Alberta Co-operative Limited. During the twelve months ended March 31, 2024, there were 114,026 Class A shares and 54,000 Class B shares transferred outside of treasury.

CANTERRA SEEDS Holdings Ltd.

Notes to the Consolidated Financial Statements

For the six-month period ended March 31, 2025 and 2024

THESE FINANCIAL STATEMENTS ARE UNAUDITED AND WERE NOT REVIEWED BY AN AUDITOR

9. INTEREST IN JOINT VENTURES

The Company owns a 30% investment in Limagrain Cereals Research Canada, a cereal breeding and development partnership located in Saskatoon, Saskatchewan. Investments in this company, which are subject to joint control, are accounted for using the equity method.

The following amount represent the results and financial position of Limagrain Cereals Research Canada for the six months ending March 31, 2025, and 2024. The amounts below are in Canadian \$.

	2025	2024
	\$	\$
Current Assets	1,040,441	2,824,885
Long-term Assets	1,916,982	2,559,429
Current Liabilities	747,560	763,040
Revenues	98,912	66,261
Expenses	838,628	757,309
Net Loss	(739,716)	(691,048)
Cash provided by (used in) operating activities	(340,366)	(201,841)
Cash provided by (used in) investing and financing activities	(273,652)	(271,593)

Limagrain Cereals Research Canada is Canadian limited partnership and a 30% joint venture interest.

	2025	2024
	\$	\$
Investment in Limagrain Cereals Research Canada	528,335	1,159,355

10. EARNINGS PER SHARE

The basic income per share has been calculated based upon the weighted average number of shares outstanding during the three- and six-month period ended March 31, 2025, of 7,551,147 (2024 – 7,551,147).

11. COMMITMENTS

The Company is involved in various legal matters arising in the ordinary course of business. The resolution of these matters is not expected to have a material effect on the Company's financial position, results of operations or cash flows.

Director and officer indemnification

The Company indemnifies its directors and officers against all claims or losses reasonably incurred in the performance of their service to the Company to the extent permitted by law.

12. CAPITAL MANAGEMENT

A wholly owned subsidiary of the Company has externally imposed capital requirements as governed through its bank credit facilities. As of March 31, 2025, the Company is not in default on these capital requirements and is in good standing in its dealings with its bank.

13. RELATED PARTY TRANSACTIONS

Certain shareholders have had transactions with the Company for the purchase and sale of seed and seed products. These transactions were in the normal course of business and were recorded at their exchange amount.



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