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Q3 REPORT

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



Management's Discussion and Analysis Report

REPORT FOR THE NINE MONTHS ENDED JUNE 30, 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 nine months ended June 30, 2025.

CANTERRA SEEDS reports income for the nine months ended June 30, 2025, of \$1,871,879. This compares to the June 30, 2024, results where the Company recorded income of \$1,202,315 for the corresponding nine-month period, an increase of \$669,564 for the year to date. For the three-month quarter ended June 30, 2025, the Company reports net income of \$1,646,566. This income is a \$3,174,793 improvement from the net loss of \$1,528,227 recorded for the three-month period ended June 30, 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 nine-month period ending June 30, 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 August 21, 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 – NINE MONTHS ENDED JUNE 30

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. In addition, the process is that these canola deliveries include both product that will be sold to a farmer and seeded as well as product that is not seeded and needs to be returned to CANTERRA. These returns are determined and accounted for during the Q3 period of April 1 to June 30 each year.

For the period of October 1, 2024, to June 30, 2025, deliveries increased by almost 11.5%, as compared to the prior year. The introduction of two new market leading varieties for the 2025 crop year, CS3300 TF and CS4100 LL assisted in bringing this increase. Other market factors also assisted in enabling this change.

On the pedigreed side of the business, CANTERRA SEEDS is right in the middle of invoicing for 2025 sales on June 30th. The timing of this is dependent on many factors but mainly is dependent on receiving the appropriate information for billing from the grower customers. While some parts of the pedigreed were higher than 2023/24 some others were lower,

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based almost exclusively on timing of these entries. Overall, there was a small increase in sales for the nine-month period ended June 30, 2025.

CANTERRA SEEDS purchased Alliance Seed during the last quarter. This also has increased the sales compared to the 2023/24 results.

Year to year, due mainly to the increase in canola deliveries, sales are higher by \$8.29 million or 18.1% from \$45.80 million in 2023/24 to \$54.09 million in 2024/25.

There is also increased gross profit with the significant increase in sales. Gross profit has increased by \$2.20 million or more than 26% from \$8.38 million in 2023/24 to \$10.58 million in 2024/25. The gross profit percentage has improved from 18.3% in 2023/24 to 19.6% in 2024/25. The main reason for this increase is some additional margin that has been kept from the sale of canola in 2024/25, including some significant reduction in some costs of production. The addition of Alliance Seed tech fee revenue also improved the gross profit percentage.

OTHER REVENUE

Other revenues are slightly lower than they were in 2023/24. These revenues went from \$724 thousand in 2023/24 to \$718 thousand in 2024/25, a reduction of \$6 thousand. There is a reduction from the prior year due firstly 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. In addition, investment income is lower due to lower interest rates and a reduction of prepayments for canola orders during the current year. These are almost fully offset by the fact that CANTERRA SEEDS has invested in a canola research project during the current year. As this is research, the Company has accrued a SRED grant income for this research project that will be claimed at the end of the fiscal year.

OPERATING, GENERAL AND ADMINISTRATIVE EXPENSES

These expenses have increased by \$1.18 million or 42.2%, from \$2.79 million for the nine months ended June 30, 2024, to \$3.97 million for the nine months ended June 30, 2025. CANTERRA SEEDS has invested \$1 million in a canola research project during the year. There are two offsets to this investment, first is the SRED accrual described in the other income above and second is the fact that this investment is reducing the cost of goods for canola. In addition to this increase, there also has been some additional advertising, IT costs, travel expenses and legal fees, due to the purchase of Alliance Seed in 2025.

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 \$415 thousand for the nine-month period ending June 30, 2024, to \$428 thousand for the same nine-month period ending June 30, 2025.

DEPRECIATION AND AMORTIZATION

Depreciation/Amortization costs increased by \$43 thousand from \$651 thousand for the nine months ended June 30, 2024, to \$694 thousand for the nine months ended June 30, 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 increased by \$0.07 million from \$3.62 million for the nine-month period ended June 30, 2024, to \$3.69 million for the nine-month period ended June 30, 2025, an increase of 1.8%. This is due mainly to salary increases year to year.

INTEREST

There is a small increase in interest expenses. From \$25 thousand for the nine months ended June 30, 2024, to \$28 thousand for the nine months ended June 30, 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 JUNE 30

SALES AND GROSS PROFIT

There has been a significant increase in sales from the prior year during the current quarter. There are two reasons for this, first there was a significant delay in making deliveries during the current year as compared to the 2024 spring sales. The main reason for this delay was that CANTERRA SEEDS was introducing two new varieties in 2025, CS4100 LL, and CS3300 TF. The Company had to wait until this seed was delivered, before it could be treated, bagged, and shipped to the customer. In addition, there was a reorder of canola bags that had to occur when the Company switched its product from weight to seed count that further delayed the ability to treat and package the canola product. The increase is almost exclusively due to canola sales. There were some pedigreed sales during the quarter, and while they were higher, in particular due to the addition of Alliance Seed royalty revenues, they only make up a small portion of the overall increase.

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For the three-month period, the sales are \$27.77 million higher than the \$3.05 million recorded during the quarter in the prior year. Sales for this quarter in 2024/25 totaled therefore to \$30.82 million in 2024/25.

Due mainly to this sales increase gross profit increased by \$5.12 million in 2024/25. Gross profit increased from \$0.29 million to \$5.41 million for this quarter.

OTHER REVENUE

For the quarter ended June 30, 2025, the other revenues are higher than they were in 2023/24. These revenues went from \$0.21 million in 2023/24 to \$0.49 million in 2024/25, an increase of \$0.28 million. This is because of the recording of the SRED grant income during the quarter, it is partially offset by reduced investment income during the quarter.

OPERATING, GENERAL AND ADMINISTRATIVE EXPENSES

These expenses have increased by \$1.07 million from \$0.93 million for the three months ended June 30, 2024, to \$2.0 million for the three months ended June 30, 2025. CANTERRA SEEDS has invested \$1 million in a canola research project during the year. There are two offsets to this investment, first is the SRED accrual described in the other income above and second is the fact that this investment is reducing the cost of goods for canola. In addition to this increase, there also has been some additional advertising, IT costs, travel expenses and legal fees, due to the purchase of Alliance Seed in 2025.

LOSS FROM JOINT VENTURES

This amount relates to CANTERRA SEEDS’ 30% joint venture in Limagrain Cereals Research Canada (LCRC). The loss has stayed the same for the three month period of both the current and prior year.

DEPRECIATION AND AMORTIZATION

Depreciation/Amortization costs increased by \$11 thousand from \$221 thousand for the three months ended June 30, 2024, to \$232 thousand for the three months ended June 30, 2025. As with the nine-month variance, the main reason for the increase in amortization was increases in right of use lease costs.

SALARIES, WAGES & BENEFITS

Has increased by \$0.09 million from \$1.18 million for the three-month period ended June 30, 2024, to \$1.27 million for the three-month period ended June 30, 2025, an increase of 7.8%. This increase is due to annual salary increases, the addition of one employee, and the timing of some incentive payments year to year.

INTEREST

There is a reduction in interest expense payments from \$8 thousand to \$6 thousand during the quarter. This is not a significant change.

5. SUMMARY OF QUARTERLY FINANCIAL INFORMATION - RESTATED

Selected Quarterly Financial Information Consolidated

(\$'000's except per share amounts)	2024/25 Q3	2024/25 Q2	2024/25 Q1	2023/24 Q4	2023/24 Q3	2023/24 Q2	2023/24 Q1	2022/23 Q4
Total Revenue	30,820	23,253	21	3,273	3,045	40,408	2,345	1,242
Net Income (loss)	1,647	2,005	(1,780)	(744)	(1,529)	4,083	(1,351)	(342)
Earnings (loss) per Share (diluted)	0.22	0.27	(0.24)	(0.10)	(0.20)	0.54	(0.18)	(0.05)

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 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

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stock seed and registered and certified sales of CANTERRA SEEDS licensed seed. Q3 is also when most if not all the canola returns occur which can cause some significant differences year to year. 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 reduced by \$2.21 million for the nine months ended June 30, 2025.

Cash provided for operating activities during the first nine months was \$0.17 million. The main additions are as follows:

- There has been an increase in Accounts Payable that has added \$14.56 million.
- Income earned over the nine-month period, along with some income tax adjustments, adds an additional \$3.62 million.
- The Company reduced its inventory and prepaid expenses by \$0.51 million.

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

- Accounts receivable, from canola sales in Q2, has increased and used \$18.52 million.

For financing activities, the Company paid down \$0.11 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 \$2.29 million. The biggest portion of this was the purchase of Alliance Seed on May 1, 2025. This has added new varieties and customers for the consolidated group of companies. There were also some other capital purchases that occurred during the nine-month period. In total, this used \$2.17 million for this nine-month period. Also, there has been repayments of \$0.12 million of loans from affiliated companies.

7. OUTSTANDING SHARE DATA

Issued securities as of August 21, 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 54,000 Class B shares sold out of treasury for the same nine-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 190,790 Class A shares and 96,000 Class B shares transferred outside of treasury. For the same twelve-month period last year there was the sale of 1,286,187 Class A shares which were sold by Ceres Global Ag. Corp. to United Farmers of Alberta Co-operative Limited.

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 June 30, 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

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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 introduced two new canola varieties. First, CS3300 TF, a TruFlex® canola hybrid. This product is an early maturity variety with multigenic blackleg resistance, 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 this summer to determine which will be the next addition to the Company's portfolio.
- As was mentioned earlier in this report, CANTERRA SEEDS has entered into a research project with one of its breeding partners. This investment is expected to bring more market leading varieties to the Company over the next few years.
- 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 allowed the increase in market share to continue and there has been an 11.5% increase in sales from the prior year and finished off with the highest quantity of canola sold in the history of the Company.

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 very 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,

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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.
- On the distribution side for pedigree 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.

The Company is still in the process of working through the royalty reports from its list of seed growers. It appears at present that there will be a reduction in sales and gross profit from the previous year. The main reason for this reduction is

that some of the key varieties being sold by CANTERRA SEEDS have now been in the market for a few years. CANTERRA SEEDS has registered some new products in the last few years that are currently being multiplied and are expected to increase these revenues in the future.

There was also a very significant event that occurred on May 1, 2025. As mentioned earlier in this report, CANTERRA SEEDS purchased the shares of Alliance Seeds. This will 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 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 wars between both Canada and the United States and Canada and China. For the US, canola and canola products are part of the United States-Mexico-Canada Agreement and do not incur any tariffs. However, canola seed is currently being tariffed as it enters Canada from the US, so this could increase the Company's cost of Production for any canola seed that is grown in the United States. For China, in March of 2025 China put a 100% tariff on any purchases of canola meal and oil from Canada, and then on August 14, 2025, China implemented a 75.8% duty on all canola shipments from Canada. China is Canada's second largest export customer for canola. This significant duty/tariff is expected to essentially shut down the Chinese canola market to Canadian canola until the trade issues are

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resolved. Although the impact for canola acres is unclear for 2025/26, there is the possibility of negative effects to the Company and CANTERRA SEEDS. The management team is in the process of both evaluating and managing these issues 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 and Alliance Seed. Generally, the advances occurred because CANTERRA SEEDS is the administrative arm for these two associated companies, 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 June 30, 2024, and June 30, 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 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.

MNP 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 August 21, 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 nine-month period ended June 30, 2025, and 2024

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

	March 31, 2025 Unaudited	June 30, 2024 Unaudited	September 30, 2024 Audited
	\$	\$	\$
Assets			
Current			
Cash	4,188,800	2,543,100	6,402,897
Accounts receivable	21,057,178	11,596,643	2,537,458
Income taxes receivable	-	-	223,940
Inventory (Note 5)	18,784,346	16,881,409	16,523,523
Prepaid expenses and deposits	2,433,722	4,465,606	5,200,704
	46,464,046	35,486,758	30,888,522
Property and equipment	482,125	270,191	259,763
Intangible assets	4,202,460	2,711,657	2,621,336
Right-of-use assets	379,901	621,361	708,807
Deferred tax asset	-	55,710	-
Investment in joint venture (Note 8)	319,925	951,834	748,224
Advance to related companies	-	8,333	-
	51,848,457	40,105,844	35,226,652
Liabilities			
Current			
Accounts payable and accruals	31,851,308	21,854,247	17,288,121
Income taxes payable	371,992	307,465	-
Advances from related companies	11,046	-	128,122
Current portion of lease obligations	610,303	346,293	420,465
	32,844,649	22,508,005	17,836,708
Deferred taxes	499,999	-	499,999
Lease obligations	3,438	272,656	285,453
	33,348,086	22,780,661	18,622,160
Shareholders' Equity			
Share capital (Note 7)	12,679,108	12,631,108	12,655,108
Retained earnings	5,802,540	4,675,352	3,930,661
Contributed surplus	18,723	18,723	18,723
	18,500,371	17,325,183	16,604,492
Total Liabilities and Equity	51,848,457	40,105,844	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 nine-month period ended June 30, 2025, and 2024

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

	Three months ended		Nine months ended	
	2025	2024	2025	2024
	Unaudited	Unaudited	Unaudited	Unaudited
	\$	\$	\$	\$
Sales	30,820,677	3,045,436	54,094,372	45,798,497
Cost of sales	25,410,755	2,751,522	43,518,047	37,415,056
Gross profit	5,409,922	293,914	10,576,325	8,383,441
Other revenue (Note 4)	490,682	212,264	718,310	724,000
	5,900,604	506,178	11,294,635	9,107,441
Selling, general and administrative expenses and loss from joint venture				
Operating, general and administrative	1,999,673	930,647	3,974,325	2,794,978
Loss from joint venture	208,410	207,521	428,299	414,835
Depreciation and amortization	231,829	220,924	694,086	651,148
Salaries, wages and benefits	1,270,101	1,177,818	3,685,281	3,618,470
Interest	5,531	7,835	27,654	25,476
	3,715,544	2,544,745	8,809,645	7,504,907
Income from operations before taxes	2,185,060	(2,038,567)	2,484,990	1,602,534
Income tax expense	(538,494)	510,340	(613,111)	(400,219)
Income and comprehensive income	1,646,566	(1,528,227)	1,871,879	1,202,315
Income per share				
Basic and fully diluted (Note 9)	0.22	(0.20)	0.25	0.16

The accompanying notes are an integral part of these financial statements

CANTERRA SEEDS Holdings Ltd.

Consolidated Statements of Cash Flows

For the nine-month period ended June 30, 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	1,871,879	1,202,315
Depreciation of plant and equipment	123,383	104,029
Depreciation of intangible assets	250,057	246,078
Depreciation of right-of-use assets	320,646	301,041
Interest	27,654	25,476
Loss from joint venture	428,299	414,835
ITC's	(387,000)	(27,000)
	2,634,918	2,266,774
Changes in working capital accounts		
Accounts receivable	(18,519,720)	(7,016,876)
Inventory	(2,260,823)	(8,060,037)
Prepaid expenses and deposits	2,766,982	7,789,587
Accounts payable and accruals	14,563,187	2,387,357
Income tax payable/receivable adjustments	982,932	248,290
	167,476	(2,384,905)
Financing activities		
Lease obligation repayments	(111,571)	(181,320)
Issuance of share capital	24,000	-
	(87,571)	(181,320)
Investing activities		
Purchases of property and equipment	(345,745)	(247,523)
Acquisition of intangible assets	(1,831,181)	(94,758)
Repayment from (loans to) affiliated companies	(117,076)	(144,390)
	(2,294,002)	(486,671)
Increase in cash resources	(2,214,097)	(3,052,896)
Cash and investments, beginning of period	6,402,897	5,595,996
Cash and investments, end of period	4,188,800	2,543,100

The accompanying notes are an integral part of these financial statements

CANTERRA SEEDS Holdings Ltd.

Consolidated Statements of Changes in Equity

For the nine-month period ended June 30, 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, 2024	12,631,108	18,723	3,473,037	16,122,868
Issuance of Class B shares	-	-	-	-
Comprehensive income-2023/24	-	-	1,202,315	1,202,315
Balance, June 30, 2024	12,631,108	18,723	4,675,352	17,325,183
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	-	-	1,871,879	1,871,879
Balance, June 30, 2025	12,679,108	18,723	5,802,540	18,500,371

The accompanying notes are an integral part of these financial statements

CANTERRA SEEDS Holdings Ltd.

Notes to the Consolidated Financial Statements

For the nine-month period ended June 30, 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), Alliance Seed (a Canadian corporation), and CANTERRA SEEDS (USA) Ltd. (a US company) which are all 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 June 30, 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 nine-month period ended June 30, 2025, and 2024 were recommended for approval by the Audit Committee and were approved and authorized for issue by the Board of Directors on August 21, 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 nine-month period ended June 30, 2025, and 2024

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

4. OTHER REVENUE

	Three Months Ended		Nine Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
	\$	\$	\$	\$
Interest and investment income	71,501	136,238	190,765	307,311
Other	54,191	58,666	153,815	383,124
Gain (loss) on foreign exchange	(4,010)	8,360	(13,270)	6,565
Scientific research & development tax refundable	369,000	9,000	387,000	27,000
	490,682	212,264	718,310	724,000

5. INVENTORY

	June 30, 2025	June 30, 2024	September 30, 2024
	\$	\$	\$
Finished goods	5,563,091	6,808,409	6,820,245
Raw materials	13,221,255	10,073,000	9,703,278
	18,784,346	16,881,409	16,523,523

The cost of inventories recognized as an expense and included in cost of sales in 2025 amounted to \$18,807,293. (2024 – \$15,804,865).

6. ADVANCES TO (FROM) RELATED COMPANY

	June 30, 2025	June 30, 2024	September 30, 2024
	\$	\$	\$
Limagrain Cereals Research Canada	(11,046)	8,333	(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 nine-month period ended June 30, 2025, and 2024

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

7. 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.

		June 30, 2025	June 30, 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 54,000 Class B shares sold out of treasury for the same nine-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 190,790 Class A shares and 96,000 Class B shares transferred outside of treasury. For the same twelve-month period last year there was the sale of 1,286,187 Class A shares which were sold by Ceres Global Ag. Corp. to United Farmers of Alberta Co-operative Limited.

CANTERRA SEEDS Holdings Ltd.

Notes to the Consolidated Financial Statements

For the nine-month period ended June 30, 2025, and 2024

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

8. 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 nine months ending June 30, 2025, and 2024. The amounts below are in Canadian \$.

	2025	2024
	\$	\$
Current Assets	995,304	2,660,353
Long-term Assets	1,716,656	2,419,876
Current Liabilities	1,336,663	1,113,436
Revenues	346,504	333,070
Expenses	1,780,920	1,715,854
Net Loss	(1,434,416)	(1,382,784)
Cash provided by (used in) operating activities	(358,865)	(587,020)
Cash provided by (used in) investing and financing activities	(411,837)	(442,244)

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

	2025	2024
	\$	\$
Investment in Limagrain Cereals Research Canada	319,925	951,834

9. EARNINGS PER SHARE

The basic income per share has been calculated based upon the weighted average number of shares outstanding during the three- and nine-month period ended June 30, 2025, of 7,551,147 (2024 – 7,551,147).

10. 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.

11. CAPITAL MANAGEMENT

A wholly owned subsidiary of the Company has externally imposed capital requirements as governed through its bank credit facilities. As of June 30, 2025, the Company is not in default on these capital requirements and is in good standing in its dealings with its bank.

12. 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.

NOTES

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and extend across the width of the page. At the very bottom of the page, there is a decorative border featuring a light blue sky with soft, wispy clouds. The overall appearance is that of a clean, unused notebook or worksheet.



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