



**CANTERRA
SEEDS**



2026 Q2 REPORT

MANAGEMENT'S
DISCUSSION and
ANALYSIS REPORT



Management's Discussion and Analysis Report

REPORT FOR THE SIX MONTHS THAT ENDED MARCH 31, 2026

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 ending March 31, 2026.

CANTERRA SEEDS reports a loss for the six months ending March 31, 2026, of \$950,026. This compares to March 31, 2025, results where the Company recorded income of \$225,313 for the corresponding six-month period, a reduction of \$1,175,339 for the year to date. For the three-month quarter ended March 31, 2026, the Company reports a net income of \$1,230,430. This income is \$774,533 lower than the net income of \$2,004,963 recorded for the three-month period ended March 31, 2025.

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, 2026. 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 14, 2026.

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, 2025, to March 31, 2026, deliveries were quite consistent with the prior year. In both years, however, the canola deliveries were significantly behind plan. The delay was caused by a variety of reasons each year, but the overall effect is the same – a significant portion of the sales will be shifted from Q2 to Q3 as these bags were delivered during April and May 2026. Overall, the number of products that were delivered to the end of March 2026 is approximately 39% of the forecast sales for the 2025/26 crop year.

So, at the end of March, the sales are \$0.08 million or 0.4% higher than the prior year. From \$23.27 million in 2024/25 to \$23.37 million in 2025/26. The only other sales 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 gross profit percentage has reduced from 22.2% in 2024/25 to 20.7% in 2025/26. This reduction is due mainly to the mix of sales, both products as well as regions where overall the profit margins are lower than what occurred in 2024/25. This lower gross profit % has led to the gross profit being reduced by \$0.33 million from \$5.17 million in 2024/25 to \$4.84 million in 2025/26.

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OTHER REVENUE

Other revenues had a significant increase for the year to date, from \$0.23 million in 2024/25 to \$0.66 million in 2025/26, an increase of \$0.43 million. There are two reasons for this increase. First, the Company decided to end its internal field research program during the 2025 fiscal year. During the first quarter of 2026, the Company sold some of the field trialing assets, causing a gain in this sale. Secondly, as was discussed during the prior period's MD&A, the Company invested in a canola research project. This research project is eligible for SRED credits, and this credit is included in the other revenue for the year.

OPERATING, GENERAL AND ADMINISTRATIVE EXPENSES

These expenses are higher by \$1.41 million or 71.2%, from \$1.97 million for the six months ending March 31, 2025, to \$3.38 million for the six months ending March 31, 2026.

The main reasons are as follows:

- As mentioned in the OTHER REVENUE section above, the Company invested in a canola research project during the year.
- CANTERRA SEEDS purchased Alliance Seed effective May 1, 2025. Therefore, the current year includes the expenses from Alliance Seed, and the prior year does not.
- The balance is due to increases related to both inflationary increases along with an increase in the marketing program during the year.

LOSS FROM JOINT VENTURES

This amount relates to CANTERRA SEEDS' 30% joint venture in Limagrain Cereals Research Canada (LCRC). The losses have increased from 2024/25 to 2025/26. They are higher by \$0.06 million from \$0.22 million for the six-month period ending March 31, 2025, to \$0.28 million for the same six-month period ending March 31, 2026. This increase is simply due to timing of expenditures year to year and is anticipated to reverse later in the year.

DEPRECIATION AND AMORTIZATION

Depreciation/Amortization costs increased by \$0.18 million from \$0.46 million for the six months ended March 31, 2025, to \$0.64 million for the six months ended March 31, 2026. This increase is due to the addition of Alliance Seed, between the additional amortization added from that company's assets, along with the amortization of the varieties intangible asset created from the consolidation of Alliance Seed into CANTERRA SEEDS HOLDINGS LTD. make up this entire increase.

SALARIES, WAGES & BENEFITS

Has increased by \$0.04 million from \$2.42 million for the six-month period ended March 31, 2025, to \$2.46 million for the six-month period ended March 31, 2026, an increase of 1.7%. The main reason for this increase in salary costs is because Alliance Seed is now included in the consolidated earnings.

INTEREST

There is a reduction in interest expenses. From \$22 thousand for the six months ended March 31, 2025, to \$18 thousand for the six months ended March 31, 2026. This is a small change.

4. RESULTS OF OPERATIONS – THREE MONTHS ENDED MARCH 31

SALES AND GROSS PROFIT

Since there were no significant canola sales during Q1 in both 2024/25 and 2025/26, the explanations for the sales and gross profit changes were virtually identical to those described for the six-month discussion.

So, for the three-month period, the sales are \$0.04 million or 0.2% higher than the prior year. From \$23.25 million in 2024/25 to \$23.29 million in 2025/26. As with the explanation for the six-month period there are no other material sales in CANTERRA SEEDS during this quarter in either 2025 or 2026.

Gross profit percentage for the three-month period ended March 31, 2026, reduced by 1.5% from 22.2% in 2025 to 20.7% in 2026. This has led to a reduction of \$0.34 million, from \$5.16 million in 2024/25 to \$4.82 million in 2025/26..

OTHER REVENUE

The explanation for the increase in other revenue is the same as the year to date. Other revenues have increased from \$0.17 million in 2025 to \$0.36 million in 2026, an increase of \$0.19 million. The main reason for this is the Company's investment in a canola research project which is eligible for SRED credits, which are recorded in other revenue.

OPERATING, GENERAL AND ADMINISTRATIVE EXPENSES

These expenses are higher by \$0.78 million or 82.9%, from \$0.94 million for the three months ending March 31, 2025, to \$1.72 million for the three months ending March 31, 2026. The reasons are the same as were discussed in the year-to-date explanations. The Company invested in a canola research project during the year, and CANTERRA SEEDS purchased Alliance Seed effective May 1, 2025. Therefore,

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the current year includes the expenses from Alliance Seed, and the prior year does not, and the balance is due to inflationary increases and an increase in marketing expenses.

LOSS FROM JOINT VENTURES

This amount relates to CANTERRA SEEDS' 30% joint venture in Limagrain Cereals Research Canada (LCRC). The losses increased from 2025 to 2026. They are higher by \$17 thousand from \$127 thousand for the three-month period ending March 31, 2025, to \$144 thousand for the same three-month period ending March 31, 2026. This increase is simply due to timing of expenditures year to year and is anticipated to reverse later in the year.

DEPRECIATION AND AMORTIZATION

As with the year-to-date explanation, for the quarter depreciation/amortization costs increased by \$0.09 million

from \$0.23 million for the three months ended March 31, 2025, to \$0.32 million for the three months ended March 31, 2026. This increase is again due to the expenses relating to the purchase of Alliance Seed.

SALARIES, WAGES & BENEFITS

Has been reduced by \$3 thousand for the current quarter compared to last year's quarter 2. This is a very small difference, that is the effect of a change of both staff and salary levels.

INTEREST

Interest is reducing and is \$2,000 compared to being over \$8,000 for the same three-month period in 2025. This reduction is occurring because the Company is nearing the end of many leases, both vehicles and office, which has caused interest on right-of-use assets to be reduced.

5. SUMMARY OF QUARTERLY FINANCIAL INFORMATION - RESTATED

| (\$000's except per share amounts) | 2025/26 Q2 | 2025/26 Q1 | 2024/25 Q4 | 2024/25 Q3 | 2024/25 Q2 | 2024/25 Q1 | 2023/24 Q4 | 2023/24 Q3 |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Total Revenue | 23,288 | 80 | 4,016 | 30,820 | 23,253 | 21 | 3,273 | 3,045 |
| Net Income (loss) | 1,230 | (2,180) | (899) | 1,647 | 2,005 | (1,780) | (744) | (1,529) |
| Earnings (loss) per Share (diluted) | 0.16 | (0.29) | (0.12) | 0.22 | 0.27 | (0.24) | (0.10) | (0.20) |

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. While most orders of canola take place from October to December, 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.

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6. LIQUIDITY AND CAPITAL RESOURCES

The Company's cash and short-term investment position have increased by \$16.73 million for the six months ending March 31, 2026.

Cash provided for operating activities during the first six months was \$17.32 million. The main additions are as follows:

- CANTERRA SEEDS added deposits on sales totaling to \$23.0 – these are referred to as deferred revenues which will be earned in Q3.
- There has been an increase in Accounts Payable that has added \$1.64 million.
- Repayments of accounts receivable have added \$0.87 million.

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

- The Company increased its inventory and prepaid expenses by \$7.75 million to have canola products available for sale for the 2026 and 2027 crop years.
- The operating loss over the six-month period, along with some income tax adjustments, used an additional \$0.44 million.

For financing activities, the Company paid down \$0.2 million of lease obligations during the quarter.

The cash used for investment activities was \$0.4 million. The main amount was a loan to an affiliated company that disbursed during the quarter totaling \$0.25 million. The other \$0.15 million was net purchases of property and equipment and intangible assets during the quarter.

7. OUTSTANDING SHARE DATA AND TRADING HISTORY

Issued securities as of May 14, 2026, 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 no sales out of treasury so far for the 2025/26 fiscal year but

in the last 12 months, CANTERRA SEEDS sold an additional 24,000 Class B shares out of treasury. For the previous 12-month period ending December 31, 2024, CANTERRA SEEDS also sold an additional 24,000 Class B shares out of treasury. The Company did not sell any Class A common shares out of treasury over the last 24 months.

Besides the share transactions from treasury, there are share transactions that are trades between outgoing and new shareholders. During the last 12 months there were 77,445 Class A shares and 24,000 Class B shares transferred outside of treasury. During the 2024/25 fiscal year 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.

8. FINANCIAL INSTRUMENTS

A very small portion of the Company's revenues and expenses are denominated in U.S. dollars. The Company is therefore exposed to currency fluctuations on transactions in U.S. dollars. Currency fluctuations may impact on the profitability of the Company, specifically for CANTERRA SEEDS who buys more U.S. dollars than it would earn when the Canadian exchange rate is weaker compared to the U.S. 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 dollar priced contracts for untreated canola seed. The Company does not hold or issue derivative contracts for speculative purposes. As of March 31, 2026, 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:

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- 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 sells 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 2025 crop year, CANTERRA SEEDS introduced two new canola varieties. First, CS3300 TF, a TruFlex® canola hybrid. This product is an early maturity hybrid 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 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+. For the 2026 crop year, CANTERRA SEEDS is introducing two new canola varieties. First, CS3400 TF, a TruFlex® canola hybrid. This product is a mid-maturity variety with R-A, E2 blackleg resistance, 1st and 2nd generation clubroot resistance, and excellent straight cut abilities due to its PodProtect™ shatter tolerance rating of 7+. In addition, the Company has launched its third LibertyLink® canola variety. CS4200 LL is a hybrid suitable for growing zones with mid to late maturity, has multigenic blackleg resistance, both 1st and 2nd generation clubroot resistance, and excellent straight cut abilities due to its PodProtect™ shatter tolerance rating of 8.0. The Company has excellent relationships with several of the top canola breeding companies and anticipates continuing to introduce leading-edge canola varieties into the future.
 - As was mentioned earlier in this report, CANTERRA SEEDS has made the decision to invest in a research project. This investment is expected to bring more market leading varieties to the Company over the next few years.
 - 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.
 - 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.
 - 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. In addition, CANTERRA SEEDS has added a few retail sites of Paterson Grain for the 2026 crop year. Every farmer in the Prairies has access to a local retailer who distributes CANTERRA SEEDS canola. In addition, the Company continues to expand its distribution into the U.S. Beginning in 2025, it now markets its seed to three separate distributors in the upper mid-west of the country.
- CANTERRA SEEDS is working to increase its market share in the western Canadian canola market. This improvement started in 2020 and continued to grow through 2025. The Company sold the greatest number of bags in its history for the 2025 crop year and the orders that are registered as of May 14, 2026, show that sales will have a substantial increase again for the 2026 crop year.
- For the pedigreed 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 (AAFC), 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

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breeding venture named Limagrain Cereals Research Canada (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 (SPG). 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. AAFC recently made the decision to reduce its staff numbers by approximately 10%. While CANTERRA SEEDS is uncertain what this will mean for the future release of AAFC varieties, this decision further validates the decision to support and have preferred access to products that come out of the LCRC private program.

- 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 it's anticipated that this will continue to bring new top varieties into the western Canadian market.
- 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 188 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. To that end, as has been mentioned earlier in the report, CANTERRA SEEDS purchased Alliance Seed effective May 1, 2025. This purchase has added the rights to more than three dozen varieties and more than 40 new growers to the consolidated CANTERRA SEEDS family. The plan is to keep this brand separate but currently the almost 190 CANTERRA SEEDS licensed growers will have access to all varieties, including those licensed to Alliance Seed. We're hoping that a majority of the 40 new Alliance Seed growers will also become CANTERRA SEEDS shareholders which will also increase the overall distribution of all varieties.

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 U.S. 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 in investment will continue to be reduced 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 both in the current year and in the future. It has already been mentioned that the Company has entered a research project with a canola breeding company that is set to last at least three years. While this will continue to increase the operating expenses over the next couple of years, the offset will be a lower cost to purchase product from that breeder in the future, along with expected access to improved varieties over the next few years.

Overall, the tariff issues that have been such an issue for Canadian companies has not been much of an issue for CANTERRA SEEDS. Regarding the interactions between the U.S. and Canada, canola and canola products are part of the United States-Mexico-Canada Agreement and do not incur any tariffs so there has been only minor effects to CANTERRA SEEDS currently. However, the future is very uncertain when it comes to whether there will be tariffs on

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seed (canola or otherwise) in the future and with the U.S. being Canada's largest market for grain, this may have a very significant effect on the Canadian farm economy. For China, an agreement has now been made where sales of Canadian canola seed imports into China is being tariffed at 15% and this rate would stay in place until at least the end of the 2026 calendar year. China is Canada's second largest export customer for canola and while the current tariff doesn't help with sales, it still allows enough profitability, at the right price, to enable sales into China. Overall, since the amendment to these tariffs, the sales of canola from Canada to China have been very robust, so it appears that an effectively open market currently exists. Overall, there certainly is still a great deal of instability within the canola export industry, and as always, the management team will continue to both evaluate and manage these issues to ensure that the negative effects on the Company are limited.

In addition, the war in Iran has caused a significant amount of volatility and pain to the world's oil markets. This, in turn, has caused gas prices to increase by as much as 50% in the last two months. This will cause additional costs to the Company over the balance of our fiscal year and depending on these external factors, into the 2026/27 fiscal year. It will increase the cost of production for both canola seed deliveries and travel costs within the operating expenses. The Company will continue to monitor and manage these costs as efficiently as possible.

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 (LCRC). Generally, the advances occur 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, 2025, and March 31, 2026, 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 consideration 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 May 14, 2026.

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, 2026, and 2025


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

| | March 31, 2026 | March 31, 2025 | <i>September 30, 2025</i> |
|---|---------------------------|---------------------------|-------------------------------|
| | Unaudited | Unaudited | <i>Audited</i> |
| | \$ | \$ | \$ |
| Assets | | | |
| Current | | | |
| Cash | 23,807,322 | 14,788,052 | 7,077,559 |
| Accounts receivable | 5,144,110 | 9,225,713 | 5,992,939 |
| Income taxes receivable | 288,611 | 149,322 | - |
| Inventory (Note 5) | 24,864,317 | 27,849,859 | 18,240,542 |
| Prepaid expenses and deposits | 3,735,647 | 2,045,640 | 2,609,495 |
| | 57,840,007 | 54,058,586 | 33,920,535 |
| Property and equipment | 465,474 | 266,678 | 450,328 |
| Intangible assets | 3,662,688 | 2,582,384 | 3,907,188 |
| Right-of-use assets | 91,037 | 486,945 | 283,125 |
| Goodwill | 342,367 | - | 342,367 |
| Investment in joint venture (Note 9) | 180,767 | 528,335 | 153,806 |
| Advances to related company (Note 6) | 21,815 | - | 77,098 |
| | 62,604,155 | 57,922,928 | 39,134,447 |
| Liabilities | | | |
| Current | | | |
| Accounts payable and accruals | 21,906,132 | 21,687,124 | 20,262,393 |
| Deferred revenue (Note 7) | 23,015,634 | 18,398,898 | 17,878 |
| Income Taxes Payable | - | - | 29,672 |
| Current Portion of Lease Obligations | 91,037 | 389,738 | 283,126 |
| | 45,012,803 | 40,475,760 | 20,593,069 |
| Deferred Taxes | 939,874 | 499,999 | 939,874 |
| Lease Obligations | - | 93,364 | - |
| | 45,952,677 | 41,069,123 | 21,532,943 |
| Shareholders' Equity | | | |
| Share capital (Note 8) | 12,679,108 | 12,679,108 | 12,679,108 |
| Retained Earnings | 3,953,647 | 4,155,974 | 4,903,673 |
| Contributed surplus | 18,723 | 18,723 | 18,723 |
| | 16,651,478 | 16,853,805 | 17,601,504 |
| Total Liabilities and Equity | 62,604,155 | 57,922,928 | 39,134,447 |

APPROVED ON BEHALF OF THE BOARD



 Director



 Director

The accompanying notes are an integral part of these financial statements

CANTERRA SEEDS Holdings Ltd.

Consolidated Statements of Comprehensive Income

For the six-month period ended March 31, 2026, and 20254

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

| | <i>Three months ended</i> | | <i>Six months ended</i> | |
|---|---------------------------|-------------------|-------------------------|-------------------|
| | 2026 | <i>2025</i> | 2026 | <i>2025</i> |
| | <i>Unaudited</i> | <i>Unaudited</i> | <i>Unaudited</i> | <i>Unaudited</i> |
| | \$ | \$ | \$ | \$ |
| Sales | 23,287,863 | 23,252,295 | 23,368,404 | 23,273,695 |
| Cost of sales | 18,461,678 | 18,088,021 | 18,524,927 | 18,107,292 |
| Gross profit | 4,826,185 | 5,164,274 | 4,843,477 | 5,166,403 |
| Other revenue (Note 4) | 362,918 | 166,787 | 662,881 | 227,628 |
| | 5,189,103 | 5,331,061 | 5,506,358 | 5,394,031 |
| Selling, general and administrative expenses and loss from joint venture | | | | |
| Operating, general and administrative | 1,718,382 | 939,237 | 3,380,771 | 1,974,652 |
| Loss from joint venture | 143,842 | 126,979 | 280,534 | 219,889 |
| Depreciation and amortization | 325,317 | 234,355 | 638,501 | 462,257 |
| Salaries, wages and benefits | 1,343,304 | 1,346,449 | 2,456,806 | 2,415,181 |
| Interest | 1,961 | 8,623 | 18,085 | 22,122 |
| | 3,532,806 | 2,655,643 | 6,774,697 | 5,094,101 |
| Income from operations before taxes | 1,656,297 | 2,675,418 | (1,268,339) | 299,930 |
| Income tax expense | (425,867) | (670,455) | 318,313 | (74,617) |
| Income and comprehensive income | 1,230,430 | 2,004,963 | (950,026) | 225,313 |
| Income per share | | | | |
| Basic and fully diluted (Note 10) | 0.16 | 0.27 | (0.13) | 0.03 |

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, 2026, and 2025

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

| | 2026 | 2025 |
|---|-------------------|-------------------|
| | Unaudited | Unaudited |
| | \$ | \$ |
| Cash provided by (used for) the following activities | | |
| Operating activities | | |
| Net income | (950,026) | 225,313 |
| Depreciation of plant and equipment | 134,900 | 72,831 |
| Depreciation of intangible assets | 311,512 | 167,564 |
| Depreciation of right-of-use assets | 192,089 | 221,862 |
| Interest on right-of-use assets | 5,087 | 22,122 |
| Loss from joint venture | 280,534 | 219,889 |
| ITC's | (24,000) | (18,000) |
| Gains on disposals of property and equipment | (74,111) | - |
| | (124,015) | 911,581 |
| Changes in working capital accounts | | |
| Accounts receivable | 872,829 | (6,688,255) |
| Inventory | (6,623,775) | (11,326,336) |
| Prepaid expenses and deposits | (1,126,152) | 3,155,065 |
| Accounts payable and accruals | 1,643,739 | 4,399,002 |
| Deferred revenue | 22,997,756 | 18,398,898 |
| Income tax payable/receivable adjustments | (318,283) | 92,618 |
| | 17,322,099 | 8,942,573 |
| Financing activities | | |
| Lease obligation repayments | (197,176) | (244,939) |
| Issuance of share capital | - | 24,000 |
| | (197,176) | (220,939) |
| Investing activities | | |
| Purchases of property and equipment | (169,435) | (79,745) |
| Acquisition of intangible assets | (67,013) | (128,612) |
| Repayment from (loans to) affiliated companies | (252,212) | (128,122) |
| Proceeds on disposal of property and equipment | 93,500 | - |
| | (395,160) | (336,479) |
| Increase in cash resources | 16,729,763 | 8,385,155 |
| Cash and investments, beginning of period | 7,077,559 | 6,402,897 |
| Cash and investments, end of period | 23,807,322 | 14,788,052 |

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, 2026, and 2025

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

| | Share capital | Contributed Surplus | Surplus (deficit) | Total |
|--|-------------------|------------------------|----------------------|-------------------|
| 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 |
| Balance, September 30, 2025 | 12,679,108 | 18,723 | 4,903,673 | 17,601,504 |
| Issuance of Class B shares | - | - | - | - |
| Comprehensive income-2024/25 | - | - | (950,026) | (950,026) |
| Balance, March 31, 2026 | 12,679,108 | 18,723 | 3,953,647 | 16,651,478 |

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, 2026, and 2025

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 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, 2026, 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, 2025.

These interim condensed consolidated financial statements for the six-month period ended March 31, 2026, and 2025 were recommended for approval by the Audit Committee and were approved and authorized for issue by the Board of Directors on May 14, 2026.

3. Significant accounting policies**Revenue recognition**

The Company recognizes revenue and profits from the sale of seeds 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 assessed 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, 2026, and 2025

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

4. Other revenue

| | Three Months Ended | | Six Months Ended | |
|--|--------------------|----------------|------------------|----------------|
| | March 31, 2026 | March 31, 2025 | March 31, 2026 | March 31, 2025 |
| | \$ | \$ | \$ | \$ |
| Interest and investment income | 89,968 | 82,393 | 109,812 | 119,264 |
| Contract services, program payments and other | 49,673 | 85,389 | 142,005 | 99,624 |
| Gain (loss) on foreign exchange | 31,277 | (9,995) | 27,064 | (9,260) |
| Scientific research & development tax refundable | 192,000 | 9,000 | 384,000 | 18,000 |
| | 362,918 | 166,787 | 662,881 | 227,628 |

5. Inventory

| | March 31, 2026 | March 31, 2025 | September 30, 2024 |
|----------------|-------------------|-------------------|-----------------------|
| | \$ | \$ | \$ |
| Finished goods | 10,175,883 | 8,593,390 | 6,223,685 |
| Raw materials | 14,688,434 | 19,256,469 | 12,016,857 |
| | 24,864,317 | 27,849,859 | 18,240,542 |

The cost of inventories recognized as an expense and included in cost of sales in 2026 amounted to \$7,948,622. (2025 – \$7,590,975).

6. Advances to Related Company

| | March 31, 2026 | March 31, 2025 | September 30, 2025 |
|-----------------------------------|-------------------|-------------------|-----------------------|
| | \$ | \$ | \$ |
| Limagrain Cereals Research Canada | 21,815 | - | 77,098 |

The Advances to related company are unsecured, non-interest bearing, and have no fixed terms of repayment. The Company has a 30% 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, 2026, and 2025
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, 2026, or March 31, 2025.

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, 2026 | March 31, 2025 | September 30, 2025 |
|---------------|--|-------------------|-------------------|-----------------------|
| Issued | | \$ | \$ | \$ |
| Common shares | | | | |
| 7,551,147 | Class A common shares (2025 – 7,551,147) | 12,109,827 | 12,109,827 | 12,109,827 |
| 2,220,000 | Class B series 1 shares (2025 – 2,220,000) | 569,281 | 569,281 | 569,281 |
| | | 12,679,108 | 12,679,108 | 12,679,108 |

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 no sales out of treasury so far for the 2025/26 fiscal year but in the last 12 months CANTERRA SEEDS sold an additional 24,000 Class B shares out of treasury. For the previous twelve-month period ending December 31, 2024, CANTERRA SEEDS also sold an additional 24,000 Class B shares out of treasury. 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 77,445 Class A shares and 24,000 Class B shares transferred outside of treasury. During the 2024/25 fiscal year 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.

CANTERRA SEEDS Holdings Ltd.

Notes to the Consolidated Financial Statements

For the six-month period ended March 31, 2026, and 2025
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 represents the results and financial position of Limagrain Cereals Research Canada for the six months ending March 31, 2026, and 2025. The amounts below are in in Canadian \$.

| | 2026 | 2025 |
|---|-----------|-----------|
| | \$ | \$ |
| Current Assets | 428,468 | 1,040,441 |
| Long-term Assets | 1,142,458 | 1,916,982 |
| Current Liabilities | 1,052,977 | 747,560 |
| Revenues | 61,157 | 98,912 |
| Expenses | 996,271 | 838,628 |
| Net Loss | (935,114) | (739,716) |
| Cash provided by (used in) operating activities | 475,544 | (340,366) |
| Cash provided by (used in) investing and financing activities | (293,930) | (273,652) |

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

| | 2026 | 2025 |
|---|---------|---------|
| | \$ | \$ |
| Investment in Limagrain Cereals Research Canada | 180,767 | 528,335 |

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, 2026, of 7,551,147 (2025 – 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, 2026, 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.



201-1475 Chevrier Boulevard | Winnipeg, Manitoba R3T 1Y7
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