CANTERRA SEEDS

2026 Q3 REPORT

MANAGEMENT'S DISCUSSION and ANALYSIS REPORT

CANTERRA SEEDS

Management's **Discussion** and **Analysis Report**

REPORT FOR THE NINE MONTHS ENDED JUNE 30, 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 nine months ending June 30, 2026.

CANTERRA SEEDS reports income for the nine months ending June 30, 2026, of $2,253,605. This compares to June 30, 2025, results where the Company recorded income of $1,871,879 for the corresponding nine-month period, an increase of $381,726. For the three-month quarter ending June 30, 2026, the Company reports a net income of $3,203,631. This income is $1,557,065 higher than the net income of $1,646,566 recorded for the three-month period ended June 30, 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 nine-month period ending June 30, 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 August 20, 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 – NINE MONTHS ENDED JUNE 30

SALES AND GROSS PROFIT

There has been a significant increase in canola sales at CANTERRA SEEDS, the highest number of canola sales in the history of the Company. Overall, canola sales increased by almost 19% from the 2024/25 fiscal year to the 2025/26 fiscal year.

This is partially offset by a reduction in pedigreed seed sales from the prior year. These sales are reliant on receiving information from the Company's seed growers. This was delayed due to two reasons. First, 2026 had a later spring throughout the Prairies. This meant there was a lag in seeding and in turn a delay in sales. Secondly, in the spring of 2025, CANTERRA SEEDS purchased Alliance Seed. For the 2025 fiscal year, Alliance Seed used its traditional tech fee reporting system. For the 2026 fiscal year, Alliance Seed's sales reporting was moved to the CANTERRA SEEDS reporting system. This delayed sending out the information to the growers, and in turn postponed when these sales would be reported to the Company.

Overall, to the end of June, the sales are $9.04 million or 16.7% higher than the prior year. From $53.09 million in 2024/25 to $63.14 million in 2025/26.

The gross profit percentage has increased from 19.6% in 2024/25 to 20.2% in 2025/26. The Company was able to accomplish some cost savings in its canola sales, due mainly to economies of scale as sales have increased. In total, gross profit has increased by $2.15 million, from $10.58 million in 2024/25 to $12.72 million in 2025/26.

OTHER REVENUE

Other revenues had a significant increase for the year to date, from $0.72 million in 2024/25 to $1.04 million in 2025/26, an increase of $0.32 million. There are two reasons for this increase. First, CANTERRA SEEDS has 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. The increased investment in this research project from the prior year has also increased the SRED claim that the Company will be making regarding this project. In addition, with increased sales there was also an increase in inventory prepayments and overall, a higher cash balance in the Company's bank accounts. This led to an increase in investment income for the Company.

OPERATING, GENERAL AND ADMINISTRATIVE EXPENSES

These expenses are higher by $1.16 million or 29.2%, from $3.97 million for the nine months ending June 30, 2025, to $5.13 million for the nine months ending June 30, 2026. The main reasons are as follows:

- As mentioned in the OTHER REVENUE section above, the Company increased the investment 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 for all nine months, and the prior year only has expenses for two months.
- The balance is due to increases related to both inflationary increases, a focus on investing in the IT needs of the Company, some additional expenses relating to the issuance of the current issuer bid, 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 $0.02 million, from $0.43 million for the nine-month period ending June 30, 2025, to $0.45 million for the same nine-month period ending June 30, 2026. There is not a large change in either the revenues or the expenses of LCRC during this 9-month period.

DEPRECIATION AND AMORTIZATION

Depreciation/Amortization costs increased by $0.46 million, from $0.69 million for the nine months ended June 30, 2025, to $1.15 million for the nine months ended June 30, 2026. This increase is primarily 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. In addition, the Company determined that a mistake was made with the amortization of its intangible assets, specifically its upfront variety payments. When this was determined, an adjusting journal entry was made to correct this error and this increased the current year's depreciation and amortization costs.

SALARIES, WAGES & BENEFITS

Has increased by $0.17 million, from $3.69 million for the nine-month period ended June 30, 2025, to $3.86 million for the nine-month period ended June 30, 2026; an increase of 4.6%. 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 $28 thousand for the nine months ended June 30, 2025, to $22 thousand for the nine months ended June 30, 2026. This is a small change.

4. RESULTS OF OPERATIONS – THREE MONTHS ENDED JUNE 30

SALES AND GROSS PROFIT

In both the 2024/25 and 2025/26 fiscal periods, CANTERRA SEEDS delayed the distribution of canola. Therefore, the increase in deliveries that was discussed in the nine-month sales discussion in section (3) of this report, essentially occurred during Q3.

So, for the three-month period, the sales are $8.95 million, or 29.0% higher than the prior year. From $30.82 million in 2024/25 to $39.77 million in 2025/26. For canola, during this three-month period, there was an increase of 33.0%. The delay in reporting pedigreed seed and recording pedigreed seed sales that was referred to in section (3) above, all related to the Q3 period, which in turn offset the canola increase for the quarter.

Gross profit percentage for the three-month period ended June 30, 2026, increased by 2.2%, from 17.6% in 2024/25 to 19.8% in 2025/26. As with the YTD analysis, the Company was able to attain some improvements in its canola margins due mainly to economies of scale. In addition, a few adjustments to margin occur in Q3 when accruals for costs are trued up to actual amounts. These adjustments can alter the margins for this quarter substantially. Overall, gross profit has increased during the quarter by $2.47 million, from $5.41 million in 2024/25 to $7.88 million in 2025/26.

OTHER REVENUE

For the three-month period, other revenue has reduced by $0.11 million, from $0.49 million in 2024/25 to $0.38 million in 2025/26. This reduction is caused mainly due to the timing of when the SRED credits were recorded in the accounts year to year.

OPERATING, GENERAL AND ADMINISTRATIVE EXPENSES

These expenses are lower by $0.24 million or 11.9%, from $2.00 million for the three months ending June 30, 2025, to $1.76 million for the three months ending June 30, 2026. As with the explanation for the other revenue, the timing of when the canola research consulting expenses were recorded has caused this reduction.

There are a few offsets, specifically there are higher expenses for advertising and promotion, professional fees from the current issuer bid, and additional IT costs.

LOSS FROM JOINT VENTURES

This amount relates to CANTERRA SEEDS' 30% joint venture in Limagrain Cereals Research Canada (LCRC). The losses are lower than the prior year. They are lower by $36 thousand, from $208 thousand for the three-month period ending June 30, 2025, to $172 thousand for the same three-month period ending June 30, 2026. This reduction is simply due to timing of expenditures year to year and some additional royalty revenues during the current fiscal year.

DEPRECIATION AND AMORTIZATION

As with the year-to-date explanation, for the quarter, depreciation/amortization costs increased by $0.28 million, from $0.23 million for the three months ended June 30, 2025, to $0.51 million for the three months ended June 30, 2026. Again, this increase is due both to the expenses relating to the purchase of Alliance Seed along with the fix of the amortization of variety rights fees made during the quarter.

SALARIES, WAGES & BENEFITS

These expenses are higher by $0.13 million. Specifically, the costs have increased from $1.27 million for Q3, 2025 to $1.40 for Q3, 2026. Both staff and salary levels have increased year to year causing this increase.

INTEREST

Interest is reducing and is $4,000 compared to being over $6,000 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 in right-of-use assets to be reduced.

5. SUMMARY OF QUARTERLY FINANCIAL INFORMATION - RESTATED

($000's except per share amounts)	2025/26 Q3	2025/26 Q2	2025/26 Q1	2024/25 Q4	2024/25 Q3	2024/25 Q2	2024/25 Q1	2023/24 Q4
Total Revenue	39,769	23,288	80	4,016	30,820	23,253	21	3,273
Net Income (loss)	3,204	1,230	(2,180)	(899)	1,647	2,005	(1,780)	(744)
Earnings (loss) per Share (diluted)	0.43	0.16	(0.29)	(0.12)	0.22	0.27	(0.24)	(0.10)

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 fees 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 $5.03 million for the nine months ending June 30, 2026.

Cash provided for operating activities during this time was $6.54 million. The main additions are as follows:

- There has been an increase in Accounts Payable that has added $15.85 million.
- Income after adding back non-cash items and tax adjustments added $3.21 million.
- Inventory and prepaid expenses and deposits reduced by $1.32 million.

These are partially offset by a significant increase in Accounts Receivable, $14.72 million. Also, deferred revenues reduced by $0.02 million.

For financing activities, the Company paid down $0.26 million of lease obligations during the quarter. Also, shares totaling to $0.01 million were sold out of treasury during the year.

The cash used for investment activities was $1.26 million. The main usage was the net purchases of property and equipment and intangible assets during the nine-month period; this totals $0.86 million. Also, there have been loans to affiliated companies that have used $0.40 million that disbursed during the quarter, totaling $0.25 million.

An issuer bid was dated June 26, 2026, and distributed to the Class A shareholders of CANTERRA SEEDS on June 30, 2026. This issuer bid gave Class A shareholders the option of transferring all or a portion of their Class A common shares to Class E preferred shares. The option was that each Class A share would be transferred to 3.25 Class E shares. These Class E shares will then be redeemed in five equal payments over the next five years, beginning in January 2027 and ending in January 2031. The transfer of Class A common shares was limited to 10% of the Class A common share as at June 26, 2026, date or 755,115 shares. If more than this amount of shares were tendered, then the shares tendered would be transferred on a pro-rata basis where each shareholder would have the same percentage of their shares transferred to Class E shares. There was a total of 1,009,487 Class A shares validly tendered under the offer and after the proration 755,096 Class A shares were transferred for an aggregate consideration of 2,454,052 Class A shares. Therefore, the Company, depending on annual approval by the Board of Directors, will be redeeming these Class E shares for a payment totaling $490,810 for each of the next five years.

7. OUTSTANDING SHARE DATA

Issued securities as of August 14, 2026, are as follows:

Issued	Book Value
7,551,147 Class A common shares	$12,109,827
2,232,000 Class B series 1 shares	$581,281

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 12,000 Class B shares sold out of treasury for both the 2025/26 fiscal year as well as the last 12 months. For the previous 12-month period ending June 30, 2025, 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 along with title changes on the shares. During the last 12 months there were 27,309 Class A shares and 60,000 Class B shares transferred outside of treasury. During the 2024/25 fiscal year there were 190,790 Class A shares and 96,000 Class B shares transferred outside of treasury.

8. FINANCIAL INSTRUMENTS

A very small portion of the Company's revenues and expenses are denominated in 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 June 30, 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:

- 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 year 2026 crop, CANTERRA SEEDS introduced 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 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.
- 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 added a few retail sites of Paterson Grain for the 2026 crop year and just signed an agreement with Richardson International, in which the Company will be distributing through their retails beginning for the 2027 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, now distributing its canola through several retail channels in the upper mid-west.

It is anticipated that due to the outcome with these critical success factors, the growth in canola sales, discussed earlier in the report, will continue into the future.

For the pedigreed seed business, the Company focuses 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 Limagrain Cereals Research

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Canada (LCRC). CANTERRA SEEDS have licensed several varieties from this partnership, including CS Daybreak, CS Accelerate, CS Recoil, CS Garde, CS Breadwinner, CS Baker, and CS Palisade. In addition, Limagrain has entered a joint venture with the pulse crop development board, Saskatchewan Pulse Growers. The objective of this joint venture is to bring the very best germplasm of peas and lentils in the western Canadian market into the future. CANTERRA SEEDS has a priority position to access products from this venture and has licensed the following small red lentil varieties from Limagrain, CDC 6928, CDC 6956, CDC 6930, CDC 7208, and CDC 7026-13. Also, CANTERRA SEEDS has licensed one yellow pea from this joint venture, CDC 5791. LCRC is now entering its tenth year of operation and is at the point where it's ramping up production of leading-edge varieties both in cereals and pulses. CANTERRA SEEDS has first right to any cereal varieties that are registered from this entity, which is now registering varieties bred in-house using top western Canadian parent lines, into the market. It also has a priority position on any peas and lentils that are registered by the Limagrain/SPG joint venture and while there aren't any in-house varieties currently being registered, the joint venture is well on the way to make this happen. It is expected that this will continue to bring the very best new wheat and pulse varieties to Western Canada and will continue to ramp up the Company's market share in these crop types into the future

  - Lastly, CANTERRA SEEDS has arrangements with breeders throughout the world to test and register products in Western Canada. This has been very successful for the Company and currently one of its most successful pedigree products, CS Camden, comes from one of these partnerships.

- 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.

The Company is still in the process of working through the royalty reports from its list of seed growers. It appears that these sales are going to end up lower than the amounts recorded for the 2024/25 fiscal year. This reduction is due to market conditions within the industry, specifically a reduction in acres for yellow peas and oats, as well as a suspected reduction in certified seed use by growers in Western Canada. For the future, CANTERRA SEEDS has registered several new products in the last few years that are currently being multiplied and are expected to increase these revenues over the next few years.

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 so far 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 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. The Company has determined that the new 50% tariff announced on Canadian goods into Canada will not include canola seed, so this shouldn't cause any negative effect. 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 tariffs could intensify. 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% from the pre-war amounts. 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 June 30, 2025, and June 30, 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.

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

This report and the unaudited interim consolidated financial statements were reviewed by the Company's Audit Committee and approved by the CANTERRA SEEDS Board of Directors on August 20, 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

CANTERRA SEEDS Holdings Ltd.

Consolidated Statement of Financial Position

For the nine-month period ending June 30, 2026, and 2025

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

	June 30, 2026 Unaudited	***June 30, 2025 Unaudited***	*September 30, 2025 Audited*
	$	*$*	*$*
Assets			
Current			
Cash	**12,110,460**	4,188,800	7,077,559
Accounts receivable	**21,288,854**	21,057,178	5,992,939
Inventory (*Note 5)*	**15,769,529**	18,784,346	18,240,542
Prepaid expenses and deposits	**3,762,769**	2,433,722	2,609,495
	52,931,612	46,464,046	33,920,535
Property and equipment	**1,048,532**	482,125	450,328
Intangible assets	**3,351,837**	4,202,460	3,907,188
Right-of-use assets	**26,499**	379,901	283,125
Goodwill	**342,367**	-	342,367
Investment in joint venture (*Note 9***)**	**8,697**	319,925	153,806
Advances to related company	**162,966**	-	77,098
	57,872,510	51,848,457	39,134,447
Liabilities			
Current			
Accounts payable and accruals	**36,112,220**	31,851,308	20,262,393
Deferred revenues	**-**	-	17,878
Income taxes payable	**926,807**	371,992	29,672
Advances from related companies	**-**	11,046	-
Current portion of lease obligations	**7,681**	610,303	283,126
	37,046,708	32,844,649	20,593,069
Deferred taxes	**939,874**	499,999	939,874
Lease obligations	**18,819**	3,438	-
	38,005,401	33,348,086	21,532,943
Shareholders' Equity			
Share capital *(Note 8)*	**12,691,108**	12,679,108	12,679,108
Retained earnings	**7,157,278**	5,802,540	4,903,673
Contributed surplus	**18,723**	18,723	18,723
	19,867,109	18,500,371	17,601,504
Total Liabilities and Equity	**57,872,510**	51,848,457	39,134,447

APPROVED ON BEHALF OF THE BOARD

James M. Wilton

Director

Director

The accompanying notes are an integral part of these financial statements

CANTERRA SEEDS Holdings Ltd.

Consolidated Statements of Comprehensive Income

For the nine-month period ending June 30, 2026, and 2025

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

	Three months ended		*Nine months ended*	
	2026 Unaudited	*2025 Unaudited*	***2026 Unaudited***	*2025 Unaudited*
	$	*$*	*$*	*$*
Sales	**39,768,870**	**30,820,677**	**63,137,274**	**54,094,372**
Cost of sales	**31,887,895**	**25,410,755**	**50,412,822**	**43,518,047**
Gross profit	**7,880,975**	**5,409,922**	**12,724,452**	**10,576,325**
Other revenue *(Note 4)*	**379,944**	**490,682**	**1,042,825**	**718,310**
	8,260,919	**5,900,604**	**13,767,277**	**11,294,635**
Selling, general and administrative expenses and loss from joint venture				
Operating, general and administrative	**1,754,620**	**1,999,673**	**5,135,391**	**3,974,325**
Loss from joint venture	**172,071**	**208,410**	**452,605**	**428,299**
Depreciation and amortization	**511,997**	**231,829**	**1,150,498**	**694,086**
Salaries, wages and benefits	**1,398,916**	**1,270,101**	**3,855,722**	**3,685,281**
Interest	**3,573**	**5,531**	**21,658**	**27,654**
	3,841,177	**3,715,544**	**10,615,874**	**8,809,645**
Income from operations before taxes	**4,419,742**	**2,185,060**	**3,151,403**	**2,484,990**
Income tax expense	**(1,216,111)**	**(538,494)**	**(897,798)**	**(613,111)**
Income and comprehensive income	**3,203,631**	**1,646,566**	**2,253,605**	**1,871,879**
Income per share				
Basic and fully diluted *(Note 10)*	**0.43**	**0.22**	**0.30**	**0.25**

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 ending June 30, 2026, and 2025

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

	2026 Unaudited	*2025 Unaudited*
	$	*$*
Cash provided by (used for) the following activities		
Operating activities		
Net income	**2,253,605**	1,871,879
Depreciation of plant and equipment	**224,980**	123,383
Depreciation of intangible assets	**646,418**	250,057
Depreciation of right-of-use assets	**279,100**	320,646
Interest on right-of-use assets	**6,872**	27,654
Loss from joint venture	**452,605**	428,299
ITC's	**(576,000)**	(387,000)
Gains on disposals of property and equipment	**(74,112)**	-
	3,213,468	2,634,918
Changes in working capital accounts		
Accounts receivable	**(14,719,915)**	(18,519,720)
Inventory	**2,471,013**	(2,260,823)
Prepaid expenses and deposits	**(1,153,274)**	2,766,982
Accounts payable and accruals	**15,849,827**	14,563,187
Deferred revenue	**(17,878)**	-
Income tax payable/receivable adjustments	**897,135**	982,932
	6,540,376	167,476
Financing activities		
Lease obligation repayments	**(263,498)**	(111,571)
Issuance of share capital	**12,000**	24,000
	(251,498)	(87,571)
Investing activities		
Purchases of property and equipment	**(865,047)**	(345,745)
Acquisition of intangible assets	**(91,067)**	(1,831,181)
Repayment from (loans to) affiliated companies	**(393,363)**	(117,076)
Proceeds on disposal of property and equipment	**93,500**	-
	(1,255,977)	(2,294,002)
Increase in cash resources	**5,032,901**	(2,214,097)
Cash and investments, beginning of period	**7,077,559**	6,402,897
Cash and investments, end of period	**12,110,460**	4,188,800

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 ending June 30, 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	-	-	1,871,879	1,871,879
Balance, June 30, 2025	12,679,108	18,723	5,802,540	**18,500,371**
Balance, September 30, 2025	12,679,108	18,723	4,903,673	**17,601,504**
Issuance of Class B shares	12,000	-	-	12,000
Comprehensive income-2025/26	-	-	2,253,605	2,253,605
Balance, June 30, 2026	**12,691,108**	**18,723**	**7,157,278**	**19,867,109**

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 ending June 30, 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 June 30, 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 nine-month period ended June 30, 2026, and 2025 were recommended for approval by the Audit Committee and were approved and authorized for issue by the Board of Directors on August 20, 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 are 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 nine-month period ending June 30, 2026, and 2025

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

4. Other revenue

	Three Months Ended		***Nine Months Ended***	
	June 30, 2026	*June 30, 2025*	***June 30, 2026***	*June 30, 2025*
	$	*$*	*$*	*$*
Interest and investment income	**129,600**	71,501	**239,412**	190,765
Contract services, program payments and other	**112,856**	54,191	**254,861**	153,815
Gain (loss) on foreign exchange	**(54,512)**	(4,010)	**(27,448)**	(13,270)
Scientific research & development tax refundable	**192,000**	369,000	**576,000**	387,000
	379,944	490,682	**1,042,825**	718,310

5. Inventory

	June 30, 2026	*June 30, 2025*	*September 30, 2024*
	$	*$*	*$*
Finished goods	**6,687,188**	5,563,091	6,223,685
Raw materials	**9,082,341**	13,221,255	12,016,857
	15,769,529	18,784,346	18,240,542

The cost of inventories recognized as an expense and included in cost of sales in 2026 amounted to $21,497,587. (2025 – $18,807,293).

6. Advances to Related Company

	June 30, 2026	*June 30, 2025*	*September 30, 2025*
	$	$	$
Limagrain Cereals Research Canada	**162,966**	(11,046)	77,098

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 ending June 30, 2026, and 2025

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, 2026	June 30, 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
2,232,000	Class B series 1 shares (2025 – 2,220,000)	**581,281**	569,281	569,281
		12,691,108	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 12,000 Class B shares sold out of treasury for both the 2025/26 fiscal year as well as the last 12 months. For the previous 12-month period ending June 30, 2025, 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 along with title changes on the shares. During the last 12 months there were 27,309 Class A shares and 60,000 Class B shares transferred outside of treasury. During the 2024/25 fiscal year there were 190,790 Class A shares and 96,000 Class B shares transferred outside of treasury.

CANTERRA SEEDS Holdings Ltd.

Notes to the Consolidated Financial Statements

For the nine-month period ending June 30, 2026, and 2025

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 represents the results and financial position of Limagrain Cereals Research Canada for the nine months ending June 30, 2026, and 2025. The amounts below are in Canadian $.

	2026	2025
	$	$
Current Assets	**249,439**	995,304
Long-term Assets	**983,367**	1,716,656
Current Liabilities	**1,363,773**	1,336,663
Revenues	**279,259**	346,504
Expenses	**1,787,941**	1,780,920
Net Loss	**(1,508,682)**	(1,434,416)
Cash provided by (used in) operating activities	**412,572**	(358,865)
Cash provided by (used in) investing and financing activities	**(439,987)**	(411,837)

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

	2026	2025
	$	$
Investment in Limagrain Cereals Research Canada	**8,697**	319,925

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

CANTERRA SEEDS
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