MANAGEMENT'S DISCUSSION AND ANALYSIS

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This Management's Discussion and Analysis ("**MD&A**") dated May 14, 2024 should be read in conjunction with the unaudited Interim Condensed Consolidated Financial Statements for the quarter ended March 31, 2024 of Ceres Global Ag Corp. ("**Ceres**", the "**Corporation**", "**we**", "**our**", and "**us**"), and the Corporation's audited Consolidated Financial Statements for the year ended June 30, 2023 (the "**Annual Consolidated Financial Statements**"). Additional information about Ceres filed with Canadian securities regulatory authorities, including its Interim Condensed Consolidated Financial Statements, Annual MD&A, and Annual Information Form dated September 15, 2023 (the "**AIF**"), is available online at www.sedarplus.ca.

Basis of Presentation

Unless otherwise noted, all financial information has been prepared in accordance with IFRS Accounting Standards ("**IFRS**") as issued by the International Accounting Standards Board. Unless otherwise indicated, dollar amounts are expressed in United States dollars ("**$**" and "**USD**") and references to "CAD" and "C$" are to Canadian dollars.

Non-IFRS Financial Measures

This MD&A contains references to certain financial measures that are non-IFRS financial measures, also known as non-GAAP financial measures, non-GAAP ratios, or supplementary financial measures pursuant to National Instrument 52-112 – *Non-GAAP and other Financial Measures Disclosure*. Adjusted earnings before interest, income tax, depreciation and amortization ("**Adjusted EBITDA**"), adjusted net income, and working capital are non-GAAP financial measures, adjusted EBITDA per share is a non-GAAP ratio, and return on shareholders' equity is a supplementary financial measure. None of such measures or ratios has a standardized meaning under IFRS. See “Non-IFRS Financial Measures and Reconciliations.”

Beginning in the second quarter of fiscal year 2023, the Corporation changed the label of EBITDA to adjusted EBITDA to better describe the measure and better reflect the purpose of such measure. The composition of adjusted EBITDA remained unchanged and therefore no prior periods were restated.

Risks and Forward-Looking Information

The Corporation’s financial and operational performance is potentially affected by a number of factors, including, but not limited to, the factors described in “Key Assumptions & Advisories”.

This MD&A contains forward-looking information based on the Corporation’s current expectations, estimates, projections, and assumptions. This information is subject to a number of risks and uncertainties, including those discussed in this MD&A and the Corporation’s other disclosure documents, including the Corporation’s AIF for the year ended June 30, 2023, which is available under the Corporation’s SEDAR+ profile at www.sedarplus.ca, many of which are beyond the Corporation’s control. Users of this information are cautioned that actual results may differ materially. See “Key Assumptions & Advisories” for information on material risk factors and assumptions underlying the Corporation’s forward-looking information.

Who We Are

Through its network of commodity logistics centers and team of industry experts, Ceres merchandises high-quality North American agricultural commodities and value-added products and provides reliable supply chain logistics services to agricultural, energy, and industrial customers worldwide.

Ceres is headquartered in Golden Valley, MN and together with its wholly owned affiliates operates 11 facilities across Saskatchewan, Manitoba, and Minnesota. These facilities throughout North America have an aggregate grain and oilseed storage capacity of approximately 29 million bushels. The Corporation also owns membership interest in three agricultural joint ventures that have an aggregate grain and oilseed storage capacity of approximately 15.9 million bushels.

Ceres has a 50% interest in Savage Riverport, LLC (“**Savage Riverport**”), a joint venture with Consolidated Grain and Barge Co., a 50% interest in Farmers Grain, LLC (“**Farmers Grain**”), a joint venture with Farmer’s Cooperative Grain and Seed Association (“**Farmer’s Co-op**”), a 50% interest in Berthold Farmers Elevator, LLC (“**BFE**”), a joint venture with The Berthold Farmers Elevator Company (“**BFEC**”), a 50% interest in Gateway (as defined below), an unincorporated joint operation with Steel Reef Infrastructure Corp., a 25% interest in Stewart Southern Railway Inc. (“**SSR**”), a short-line railway located in southeast Saskatchewan with a range of 130 kilometers, and a 17% interest in Canterra Seeds Holdings Ltd., a Canadian-based seed development company.

Grain Segment

The Corporation's Grain segment is engaged in the procurement, storage, handling, trading, and merchandising of commodity and specialty grains and oilseeds such as hard red spring wheat, durum wheat, oats, canola, barley, and rye through its grain storage and handling facilities in Saskatchewan, Manitoba, and Minnesota. These facilities are strategically located, either close to where Ceres’ core products are grown and sourced, or, at key supply chain locations to effectively serve customers and markets. Six of Ceres’ grain storage facilities and four joint venture grain storage facilities are located on major rail lines across North America. One is located at a deep-water port on the Great Lakes allowing access to vessels and another facility is located on the Minnesota River with capacity to load barges for shipment down the Mississippi River to export terminals in New Orleans. These facilities combine to provide Ceres with efficient access to export and import flows of our core grains and oilseeds to North American and global markets. Approximately 25 million bushels of the Corporation's facilities' capacity are "regular" for delivery for both spring wheat against the Minneapolis Grain Exchange futures contract and oats against the Chicago Board of Trade futures contract. In addition, spring wheat and oats sourced by the Corporation out of Canada are eligible for delivery against respective futures contracts.

Supply Chain Services Segment

The Corporation's Supply Chain Services segment provides logistics services, storage, and transloading for non-agricultural commodities and industrial products. Ceres efficiently manages its supply chains and assets to ensure the optimization of storage and handling capacity and transportation costs and that high quality and value adding products are delivered to key customers and markets served.

Ceres' key Supply Chain Services assets is its terminal at Northgate, Saskatchewan ("**Northgate**"). Northgate sits on approximately 1,300 acres of land, and is designed to utilize two rail loops, each capable of handling unit trains of up to 120 railcars and two ladder tracks capable of handling up to 65 railcars. Northgate is a grain, oil, natural gas liquids and fertilizer terminal and is connected to the Burlington Northern Santa Fe Railway (the "**BNSF**"). The Corporation intends to further build out its infrastructure to support handling of other industrial products and equipment.

Ceres commenced its initial grain operations at Northgate in October 2014 and its grain elevator was fully operational in May 2016. As part of its grain operations, Ceres contracts grain and oilseed purchases from Western Canadian producers that are delivered by truck and unloaded at Northgate. Ceres has the option of storing the grain on-site, loading it into outbound railcars to end-users, or shipping to the Corporations' other facilities to take advantage of the value and strategic location of its current asset base.

In June 2019, Ceres established Gateway Energy Terminal ("**Gateway**"), a 50/50 unincorporated joint operation with Steel Reef Infrastructure Corp. located at Northgate. Gateway began operations on July 1, 2019 and handles the transloading of hydrocarbons at Northgate on an exclusive basis. Ceres' existing hydrocarbon transload contracts were transferred to Gateway as of July 1, 2019. Gateway's operations at Northgate provide a direct link for hydrocarbons to enter the U.S. market.

In November 2015, Ceres entered into an agreement with Koch Fertilizer Canada, ULC for the storage and handling of dry fertilizer products at Northgate's state-of-the-art, 26,000-ton fertilizer storage terminal (the "**Koch Agreement**"). The fertilizer is loaded out by Ceres into trucks and distributed to Canadian retailers. The fertilizer operation commenced on April 30, 2017. On April 1, 2022, the Koch Agreement was renewed for an additional five-year term.

The Corporation continues to expand products transloaded at the Northgate facility including but not limited to barite, bentonite, solvents, drilling pipe, lumber, oriented strand board, and magnesium chloride.

Seed Retail and Processing Segment

The Corporation's Seed Retail and Processing segment was created through the acquisition of Delmar Commodities Ltd. ("**Delmar**") in August 2019 and consists of a soybean crush facility, located in a strong soybean producing region with low-cost origination driven by export economics, and a seed retail business located in Manitoba, Canada.

1. FINANCIAL AND OPERATING SUMMARY

(in thousands of USD except per share)	Quarters Ended March 31, 2024	Quarters Ended March 31, 2023
Revenues	$ 212,319	$ 287,912
Gross profit (loss)	$ 7,770	$ 5,513
Income (loss) from operations	$ 2,781	$ 339
Net income (loss)	$ 985	$ (553)
Weighted average common shares outstanding	31,094,144	31,094,144
Diluted weighted average common shares outstanding	31,981,635	31,094,144
Income (loss) per share – Basic	$ 0.03	$ (0.02)
Income (loss) per share – Diluted	$ 0.03	$ (0.02)
Adjusted EBITDA [(1)(3)]	$ 4,149	$ 2,208
Return on shareholders' equity [(1)]	0.6%	(0.4)%

	As at March 31, 2024	As at June 30, 2023
Total assets	$ 281,840	$ 263,630
Total bank indebtedness, current	$ 27,605	$ 18,684
Term loan [(2)]	$ 41,037	$ 42,167
Shareholders' equity	$ 151,590	$ 142,658

(1) Non-IFRS financial measures. See Non-IFRS Financial Measures and Reconciliations section.

(2) Includes current portion of term loan.

(3) Beginning in the second quarter of fiscal year 2023, the Corporation changed the label of EBITDA to Adjusted EBITDA to better describe the measure and better reflect the purpose of such measure. The composition of Adjusted EBITDA remained unchanged and therefore no prior periods were restated.

HIGHLIGHTS FOR THE QUARTER ENDED MARCH 31, 2024

- Gross profit for the quarter was $7.8 million, the second-best third quarter in the Corporation's history, up from $5.5 million in the previous year.
- Income from operations was $2.8 million, increasing 720.4% from $339 thousand in the prior year.
- Net income for the quarter was $1.0 million, up $1.5 million compared to the previous year.
- On February 12, 2024, the Corporation announced an exclusive agreement with Groupo Trimex, Mexico's largest flour miller, to collaboratively develop and execute regenerative agriculture initiatives for hard red spring wheat grown in Canada and the United States that is destined for Mexico.

Overall Performance

The Corporation's net income was $985 thousand for the quarter ended March 31, 2024, compared to a net loss of $553 thousand for the quarter ended March 31, 2023. The net income in the third quarter of fiscal year 2024 was driven by higher grain gross margins across core commodities as well as the prior year being negatively impacted by legal expense related to the regulatory investigations ($948 thousand for the quarter ended March 31, 2023, and $6 thousand for the quarter ended March 31, 2024). Gross profit was $7.8 million for the quarter ended March 31, 2024, compared to a gross profit of $5.5 million for the quarter ending March 31, 2023, a result of higher gross margins in the Grain segment. Furthermore, income from operations was $2.8 million for the quarter ended March 31, 2024, compared to $339 thousand income from operations for the quarter ended March 31, 2023. The Grain segment's asset-based grain handling business is seasonal in nature in that the largest portion of the principal grains are harvested and delivered from the farm and commercial elevators typically in July through October (the first and second quarter of the fiscal year) for the commodities it trades and handles, although a significant portion of the principal grains are bought, sold, and handled throughout the year.

Revenues and Gross Profit

Total revenue decreased by $75.6 million, primarily due to fewer bushels merchandised compared to the same quarter in the prior year. The Corporation handled and traded 21.2 million bushels of grain and oilseed during the quarter ended March 31, 2024, compared to 27.4 million bushels for the quarter ended March 31, 2023. The decrease in bushels handled and traded is due to favorable market carries in the current year, which drove higher inventory levels at its terminal assets as well as the divestment of the Port Colborne facility in Q3 2023. In agriculture commodity markets, cost of sales generally follow increases or decreases in gross revenues. Ceres' Management believes it is more important to focus on changes in gross profits and volume handled rather than changes in revenue dollars.

The table below represents a summary of the components of gross profit for the three months ended March 31, 2024, and 2023:

	2024				
(in thousands of USD)	Grain	Supply Chain Services	Seed Retail and Processing	Corporate	Total
Net trading margin	$ 10,508	$ -	$ -	$ -	$ 10,508
Supply Chain Services revenue	659	944	-	-	1,603
Net Seed Retail and Processing margin	-	-	1,353	-	1,353
Operating expenses included in cost of sales	(2,839)	(441)	(946)	-	(4,226)
Depreciation expense included in cost of sales	(1,105)	(182)	(95)	(86)	(1,468)
Gross profit (loss)	$ 7,223	$ 321	$ 312	$ (86)	$ 7,770

	2023				
(in thousands of USD)	Grain	Supply Chain Services	Seed Retail and Processing	Corporate	Total
Net trading margin	$ 7,582	$ -	$ -	$ -	$ 7,582
Supply Chain Services revenue	1,211	836	-	-	2,047
Net Seed Retail and Processing margin	-	-	1,658	-	1,658
Operating expenses included in cost of sales	(3,178)	(241)	(871)	-	(4,290)
Depreciation expense included in cost of sales	(1,224)	(86)	(84)	(90)	(1,484)
Gross profit (loss)	$ 4,391	$ 509	$ 703	$(90)	$ 5,513

Gross profit increased by $2.3 million for the three months ended March 31, 2024, compared to the three months ended March 31, 2023. The increase in gross profit was driven by higher gross margins in the grain segment.

Net Trading Margin

Net trading margin increased by $2.9 million for the quarter ended March 31, 2024, compared to the quarter ended March 31, 2023. The increase was driven by increased margin opportunities across core commodities.

Supply Chain Services Revenue

Supply Chain Services revenue decreased by $444 thousand for the quarter ended March 31, 2024, compared to the quarter ended March 31, 2023. The Corporation's grain-related Supply Chain Services revenue decreased $552 thousand due to lower third-party storage and elevations. The three months ended March 31, 2023, includes third party storage revenue from the Corporation's Port Colborne facility which was sold in February 2023. For the quarter ended March 31, 2024, the non-grain supply chain service revenue increased $108 thousand compared to the same quarter in the previous year.

Net Seed Retail and Processing Margin

Net Seed Retail and Processing margin was $1.4 million for the quarter ended March 31, 2024, compared to $1.7 million for the quarter ended March 31, 2023. The quarter ended March 31, 2023, included margins from the seed distribution activities which were discontinued in June 2023.

Operating Expenses and Depreciation

For the quarter ended March 31, 2024, operating and depreciation expense included in cost of sales totaled $5.7 million compared to $5.8 million for the quarter ended March 31, 2023, which is consistent period over period. Depreciation for the three-month period ended March 31, 2024, decreased by $16 thousand quarter over quarter.

General and Administrative Expenses

For the quarter ended March 31, 2024, general and administrative expenses totaled $5.0 million compared to $5.2 million in the quarter ended March 31, 2023. General and administrative expenses decreased due to reduced legal fees related to the regulatory investigations (2024: $6 thousand; 2023: $948 thousand) partially offset by a higher incentive accrual in the third quarter of fiscal year 2024.

Finance Income (Loss)

For the quarter ended March 31, 2024, finance loss totaled $20 thousand compared to finance income of $70 thousand during the quarter ended March 31, 2023. Finance income (loss) is composed of realized and unrealized gains and losses on foreign exchange transactions and currency hedging transactions along with revaluation gains of portfolio investments.

Interest Expense

	Quarter ended March 31,	
(in thousands of USD except per share)	2024	2023
Interest on bank indebtedness	$ (778)	$ (724)
Interest on term loan	(938)	(896)
Interest on term loan swap	305	265
Interest attributable to repurchase obligations	(13)	-
Interest attributable to leases	(32)	(38)
Amortization of financing costs paid	(178)	(181)
Interest on other financing obligations	35	(40)
Total interest expense	$ (1,599)	$ (1,614)

For the quarter ended March 31, 2024, interest expense totaled $1.6 million compared to $1.6 million for the quarter ended March 31, 2023. The increase in interest on bank indebtedness was driven by higher average SOFR rates on the Corporation's revolving credit facility. The increased interest expense on the term loan is offset by the increased term loan swap interest.

Amortization of Intangible Assets

Amortization of intangible assets totaled $62 thousand for the three months ended March 31, 2024, and $62 thousand for the three months ended March 31, 2023. Amortization for the quarter was comprised solely of the amortization of intangible assets related to the Delmar acquisition including customer relationships, producer relationships, and trademarks/tradenames.

Income Tax (Expense) Recovery

The following table presents income tax (expense) recovery for the three months ended March 31, 2024, and 2023:

(in thousands of USD)		March 31, 2024		March 31, 2023
Current income tax (expense) recovery	$	-	$	120
Deferred tax (expense) recovery		(627)		(2)
Income tax (expense) recovery	$	(627)	$	118

During the quarter ended March 31, 2024, the Corporation recorded income tax expense of $627 thousand compared to an income tax recovery of $118 thousand for the quarter ended March 31, 2023. During the quarter ended March 31, 2024, Ceres recognized deferred income tax expense of $627 thousand.

Share of Net Income (Loss) in Investments in Associates

The following table presents share of net income (loss) in investment in associates for the three months ended March 31, 2024, and 2023:

(in thousands of USD)		March 31, 2024		March 31, 2023
Savage Riverport	$	110	$	(97)
Farmers Grain		561		(874)
BFE		31		166
SSR		(5)		(16)
Share of income (loss) in investment in associates	$	697	$	(821)

For the quarter ended March 31, 2024, the Corporation's share in investments in associates was income of $697 thousand compared to a loss of $821 thousand for the quarter ended March 31, 2023. The increase in investments in associates is driven by increased income at Savage Riverport and Farmers Grain partially offset by decreased income from BFE.

On April 30, 2018, the Corporation formed Savage Riverport and transferred the grain elevator and related assets at its Savage, Minnesota facility, which had net book value of $9.3 million as at April 30, 2018, to the newly formed entity. Subsequent to the transaction, Ceres received cash of $8.5 million from Consolidated Grain and Barge Co. in exchange for 50% of the equity in Savage Riverport, of which, $2.0 million was utilized to pay down the term debt. The sale of the equity in Savage Riverport net of transaction fees resulted in a gain of $3.7 million. The Corporation has been and will continue to recognize the remaining gain of $3.8 million over the useful life of the contributed assets. For both quarters ended, March 31, 2024, and March 31, 2023, the Corporation recognized a deferred gain of $87 thousand, under share of net income (loss) of associates.

For the nine-month periods ended March 31, 2024, and March 31, 2023

The following financial data has been prepared in accordance with IFRS.

	Nine months ended March 31,	
(in thousands of USD except per share)	2024	2023
Revenues	$ 710,519	$ 831,051
Gross profit (loss)	$ 29,808	$ 17,825
Income (loss) from operations	$ 15,533	$ (864)
Net income (loss)	$ 9,861	$ (5,408)
Weighted average common shares outstanding	31,094,144	31,053,308
Diluted weighted average common shares outstanding	31,994,923	31,053,308
Income (loss) per share – Basic	$ 0.32	$ (0.17)
Income (loss) per share – Diluted	$ 0.31	$ (0.17)
Adjusted EBITDA [(1)(3)]	$ 19,629	$ 4,442
Return on shareholders' equity [(1)]	6.5%	(3.7)%

	As at March 31, 2024	As at June 30, 2023
Total assets	$ 281,840	$ 263,630
Total bank indebtedness, current	$ 27,605	$ 18,684
Term loan [(2)]	$ 41,037	$ 42,167
Shareholders' equity	$ 151,590	$ 142,658

(1) Non-IFRS financial measures. See Non-IFRS Financial Measures and Reconciliations section.

(2) Includes current portion of term loan.

(3) Beginning in the second quarter of fiscal year 2023, the Corporation changed the label of EBITDA to Adjusted EBITDA to better describe the measure and better reflect the purpose of such measure. The composition of Adjusted EBITDA remained unchanged and therefore no prior periods were restated.

Overall Performance

The Corporation's net income was $9.9 million for the nine months ended March 31, 2024, compared to a net loss of $5.4 million for the nine months ended March 31, 2023. Net income in fiscal year 2024 was driven by higher grain and seed retail and processing gross margins as well as the prior year being negatively impacted by employee severance related to cost reduction measures ($2.4 million for the nine months ended March 31, 2023) and legal expenses related to the regulatory investigations ($4.4 million for the period ended March 31, 2023; $259 thousand for the period ended March 31, 2024). Gross profit was $29.8 million for the nine-month period ended March 31, 2024, compared to a gross profit of $17.8 million for the nine-month period ended March 31, 2023, a result of increased margin opportunities on both Ceres' core grains and soybean crush. Furthermore, income from operations was $15.5 million for the nine months ended March 31, 2024, compared to a loss of $864 thousand from operations for the nine months ended March 31, 2023. The Grain segment's asset-based grain handling business is seasonal in nature in that the largest portion of the principal grains are harvested and delivered from the farm and commercial elevators typically in July through October (the first and second quarter of the fiscal year) for the commodities it trades and handles, although a significant portion of the principal grains are bought, sold, and handled throughout the year.

Revenues and Gross Profit

Total revenue decreased by $120.5 million, primarily due to lower core commodities prices compared to the same period in the prior year as well as a decrease in bushels merchandised. The Corporation handled and traded 76.4 million bushels of grain and oilseed during the nine months ended March 31, 2024, compared to 84.2 million bushels for the nine months ended March 31, 2023. In agriculture commodity markets, cost of sales generally follow increases or decreases in gross revenues. Ceres' Management believes it is more important to focus on changes in gross profits and volume handled rather than changes in revenue dollars.

The table below represents a summary of the components of gross profit for the nine months ended March 31, 2024, and 2023:

	2024				
(in thousands of USD)	Grain	Supply Chain Services	Seed Retail and Processing	Corporate	Total
Net trading margin	$ 34,718	$ -	$ -	$ -	$ 34,718
Supply Chain Services revenue	2,418	2,750	-	-	5,168
Net Seed Retail and Processing margin	-	-	6,617	-	6,617
Operating expenses included in cost of sales	(8,289)	(1,288)	(2,691)	-	(12,268)
Depreciation expense included in cost of sales	(3,329)	(553)	(286)	(259)	(4,427)
Gross profit (loss)	$ 25,518	$ 909	$ 3,640	$(259)	$ 29,808

	2023				
(in thousands of USD)	Grain	Supply Chain Services	Seed Retail and Processing	Corporate	Total
Net trading margin	$ 25,317	$ -	$ -	$ -	$ 25,317
Supply Chain Services revenue	3,525	2,531	-	-	6,056
Net Seed Retail and Processing margin	-	-	3,966	-	3,966
Operating expenses included in cost of sales	(8,956)	(1,499)	(2,600)	-	(13,055)
Depreciation expense included in cost of sales	(3,375)	(572)	(242)	(270)	(4,459)
Gross profit (loss)	$ 16,511	$ 460	$ 1,124	$(270)	$ 17,825

Gross profit increased by $12.0 million for the nine months ended March 31, 2024, compared to the nine months ended March 31, 2023. The increase in gross profit was driven by increased trading opportunities across core commodities as well as record volumes and margins in the Seed Retail and Processing segment.

Net Trading Margin

Net trading margin increased by $9.4 million for the nine months ended March 31, 2024, compared to the nine months ended March 31, 2023. The increase is due to higher trading margins across multiple commodities for the first three quarters of fiscal year 2024.

Supply Chain Services Revenue

Supply Chain Services revenue decreased by $888 thousand for the nine months ended March 31, 2024, compared to the nine months ended March 31, 2023. The Corporation's grain-related Supply Chain Services revenue decreased $1.1 million due to lower third-party storage and elevations. The nine months ended March 31, 2023, includes third party storage revenue from the Corporation's Port Colborne facility which was sold in February 2023. For the nine months ended March 31, 2024, the non-grain supply chain service revenue increased $219 thousand compared to the same period in the previous year.

Net Seed Retail and Processing Margin

Net Seed Retail and Processing margin was $6.6 million for the nine months ended March 31, 2024, compared to $4.0 million for the nine months ended March 31, 2023. The increase is driven by record crush volumes and margins for the nine months ended March 31, 2024.

Operating Expenses and Depreciation

For the nine-month period ended March 31, 2024, operating and depreciation expense included in cost of sales totaled $16.7 million compared to $17.5 million for the nine-month period ended March 31, 2023. The decrease in operating expenses was driven by the sale of the Port Colborne Facility in February 2023. Depreciation for the nine-month period ended March 31, 2024, decreased by $32 thousand period over period, driven by the sale of the Port Colborne facility in February 2023.

General and Administrative Expenses

For the nine months ended March 31, 2024, general and administrative expenses totaled $14.3 million compared to $18.7 million in the nine months ended March 31, 2023. General and administrative expenses decreased due to the prior year being negatively impacted by employee severance related to cost reduction measures (2024: $12 thousand; 2023: $2.4 million) and legal fees related to the regulatory investigations (2024: $259 thousand; 2023: $4.4 million) partially offset by a higher incentive accrual in fiscal year 2024.

Finance Income (Loss)

For the nine-month period ended March 31, 2024, finance loss totaled $426 thousand compared to finance income of $63 thousand during the nine-month period ended March 31, 2023. Finance income (loss) is composed of realized and unrealized gains and losses on foreign exchange transactions and currency hedging transactions along with revaluation gains of portfolio investments.

Interest Expense

(in thousands of USD except per share)	Nine months ended March 31, 2024	2023
Interest on bank indebtedness	$ (2,500)	$ (2,262)
Interest on term loan	(2,849)	(2,462)
Interest on term loan swap	923	577
Interest attributable to repurchase obligations	(65)	(139)
Interest attributable to leases	(101)	(122)
Amortization of financing costs paid	(530)	(536)
Interest on other financing obligations	19	(28)
Total interest expense	$ (5,103)	$ (4,972)

For the nine months ended March 31, 2024, interest expense totaled $5.1 million compared to $5.0 million for the nine months ended March 31, 2023. The increase in interest on bank indebtedness was driven by increased average SOFR rates on the Corporation's revolving credit facility partially offset by lower average daily borrowings. The increased interest expense on the term loan is offset by the increased term loan swap interest.

Amortization of Intangible Assets

Amortization of intangible assets totaled $186 thousand for the nine months ended March 31, 2024, and $186 thousand for the nine months ended March 31, 2023. Amortization for the period was comprised solely of the amortization of intangible assets related to the Delmar acquisition including customer relationships, producer relationships, and trademarks/tradenames.

Income Tax (Expense) Recovery

The following table presents income tax (expense) recovery for the nine months ended March 31, 2024, and 2023:

(in thousands of USD)	March 31, 2024	March 31, 2023
Current income tax (expense) recovery	$ (49)	$ (122)
Deferred tax (expense) recovery	(1,390)	(350)
Income tax (expense) recovery	$ (1,439)	$ (472)

During the nine-month period ended March 31, 2024, the Corporation recorded income tax expense of $1.4 million compared to an expense of $472 thousand for nine-month period ended March 31, 2023. During the nine months ended March 31, 2024, Ceres recognized deferred income tax expense of $1.4 million with the expected utilization of net operating losses in a subsidiary based in the United States.

Share of Net Income (Loss) in Investments in Associates

The following table presents share of net income (loss) in investment in associates for the nine months ended March 31, 2024, and 2023:

(in thousands of USD)		March 31, 2024		March 31, 2023
Savage Riverport	$	475	$	(238)
Farmers Grain		1,014		(1,213)
BFE		241		788
SSR		(8)		11
Share of income (loss) in investment in associates	$	1,722	$	(652)

For the nine months ended March 31, 2024, the Corporation's share in investments in associates was income of $1.7 million compared to a loss of $652 thousand for the nine months ended March 31, 2023. The increase in investments in associates is driven by increased income at Savage Riverport and Farmers Grain, partially offset by decreased income at BFE.

On April 30, 2018, the Corporation formed Savage Riverport and transferred the grain elevator and related assets at its Savage, Minnesota facility, which had net book value of $9.3 million as at April 30, 2018, to the newly formed entity. Subsequent to the transaction, Ceres received cash of $8.5 million from Consolidated Grain and Barge Co. in exchange for 50% of the equity in Savage Riverport, of which, $2.0 million was utilized to pay down the term debt. The sale of the equity in Savage Riverport net of transaction fees resulted in a gain of $3.7 million. The Corporation has been and will continue to recognize the remaining gain of $3.8 million over the useful life of the contributed assets. For the nine-month periods ended, March 31, 2024, and March 31, 2023, the Corporation recognized a deferred gain of $261 thousand, under share of net income (loss) of associates.

2. QUARTERLY FINANCIAL DATA

Trends in Ceres' quarterly revenue, gross profit, and net income are driven primarily by net trading and crush margins and volumes of product handled and traded and crushed, which can be impacted by volatility in the markets for products Ceres handles, crop decisions and yields in Saskatchewan, Manitoba, and Minnesota, and other events impacting operations. Although there is a seasonal aspect to the grain segment as it relates to harvest, which occurs July-October, the Corporation can take advantage of merchandising opportunities throughout the year utilizing its terminal assets. As a commercial grain storage company, seasonality does not materially affect the Corporation's operations in the same way as a traditional grain handler that is focused on inventory turns and the annual harvest of crops; however, in certain years the Corporation may have lower inventory positions in the summer months in order to take advantage of harvests in the subsequent months.

	3 months	3 months	3 months	3 months	3 months	3 months	3 months	3 months
Reporting dates	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023	12/31/2022	9/30/2022	6/30/2022
(in thousands of USD except per share)	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Revenue	$ 212,319	$ 282,200	$ 216,000	$ 205,652	$ 287,912	$ 283,026	$ 260,113	$ 278,150
Gross profit (loss)	$ 7,770	$ 7,857	$ 14,179	$ 4,940	$ 5,513	$ 6,747	$ 5,565	$ 3,693
Income (loss) from operations	$ 2,781	$ 3,713	$ 9,039	$ (1,848)	$ 339	$ 976	$ (2,179)	$ (329)
Net income (loss)	$ 985	$ 2,670	$ 6,206	$ (2,504)	$ (553)	$ (1,267)	$ (3,588)	$ (22,537)
Adjusted net income (loss)	$ 991	$ 2,734	$ 6,395	$ 1,461	$ 410	$ 620	$ 337	$ 5,028
Return on shareholders' equity [1]	0.6%	1.8%	4.2%	(1.8%)	(0.4%)	(0.9%)	(2.4%)	(15.1%)
Basic weighted-average number of common shares for the quarter	31,094	31,094	31,094	31,094	31,094	31,070	30,997	30,801
Dilutive weighted-average number of common shares for the quarter	31,982	32,001	32,001	31,094	31,094	31,070	30,997	30,801
Basic earnings (loss) per share	$ 0.03	$ 0.09	$ 0.20	$ (0.08)	$ (0.02)	$ (0.04)	$ (0.12)	$ (0.73)
Fully diluted earnings (loss) per share	$ 0.03	$ 0.08	$ 0.19	$ (0.08)	$ (0.02)	$ (0.04)	$ (0.12)	$ (0.73)
Adjusted EBITDA [1]	$ 4,149	$ 4,906	$ 10,575	$ 2,798	$ 2,208	$ 2,452	$ (218)	$ 2,724
EBITDA per share	$ 0.13	$ 0.16	$ 0.34	$ 0.09	$ 0.07	$ 0.08	$ (0.01)	$ 0.09
Shareholders' equity, as at reporting date	$151,590	$150,626	$148,380	$142,658	$144,581	$145,425	$146,661	$149,505
Shareholders' equity per common share, as at reporting date	$ 4.88	$ 4.84	$ 4.77	$ 4.59	$ 4.65	$ 4.68	$ 4.72	$ 4.85
Volumes (in thousands of tonnes)								
Total Product Handled and Traded	562	797	547	750	817	794	535	594

(1) Non-IFRS financial measure. See "Non-IFRS Financial Measures and Reconciliations".

(2) Non-IFRS ratio. See "Non-IFRS Financial Measures and Reconciliations".

3. LIQUIDITY & CASH FLOW

(in thousands of USD)	Nine months ended March 31, 2024	Nine months ended March 31, 2023
Net cash provided by (used in)		
Operating activities	$ (7,803)	$ 25,707
Investing activities	(496)	1,870
Net cash provided (used) before financing activities	(8,299)	27,577
Financing activities	7,261	(38,416)
Increase (decrease) in cash	$ (1,038)	$ (10,839)

Operating Activities

Cash used in operating activities was $7.8 million for the nine months ended March 31, 2024, compared to cash provided by operating activities of $25.7 million in the same period of the prior year. Cash used in operating activities is attributable to the change in working capital, primarily due to Ceres' fluctuation in inventory period over period. During the nine months ended March 31, 2024, in relation to the cash used in operating activities of $7.8 million, the Corporation utilized its revolving credit facility to fund inventory purchases and operations.

Investing Activities

During the nine months ended March 31, 2024, the Corporation used $496 thousand in investing activities which is a $2.4 million decrease compared to the $1.9 million in cash provided by investing activities in the first nine months of the prior year. Cash used in investing activities was driven by $850 thousand used in the acquisition of property, plant, and equipment, partially offset by cash provided by distributions from equity method investments of $315 thousand.

Financing Activities

During the nine months ended March 31, 2024, the Corporation had $7.3 million in cash provided by financing activities compared to cash used for financing activities of $38.4 million in the first nine months of the prior year. During the period ended March 31, 2024, the Corporation increased its cash from its revolving line of credit by $9.0 million.

Available Sources of Liquidity

Bank Indebtedness

The Corporation's sources of liquidity as at March 31, 2024, include available funds under its 2024 Credit Facility (as defined below). Management believes that cash flow from operations will be adequate to fund operating expenditures, maintenance capital, interest, and any income tax obligations. Capital expenditures in the next fiscal year are expected to be funded by working capital on hand and borrowing against the 2024 Credit Facility. Any additional debt incurred is expected to be serviced by the anticipated increases in cash flow and will only be borrowed within the Corporation's debt covenant and borrowing base limits. As circumstances require, management will address the capital needs of the Corporation.

The 2024 Credit Facility, as at March 31, 2024, contains certain covenants, including a covenant that the Corporation maintain minimum working capital of not less than $30.0 million. As at March 31, 2024, the

Corporation's working capital[1] – defined as current assets less current liabilities – totaled $57.0 million. The covenants also include the maintenance of "consolidated debt" to "consolidated EBITDA" (as defined in the agreement) and consolidated tangible net worth of not less than $120.0 million, as well as a fixed charge coverage ratio. As at and for the nine months ended March 31, 2024, the Corporation was in compliance with all of the above-mentioned financial covenants.

As at March 31, 2024 and June 30, 2023, the Corporation had $47.0 million and $35.8 million in availability, respectively, on its revolving credit facility.

Inventory

The Corporation periodically enters into sale/repurchase agreements whereby the Corporation receives cash in exchange for selling inventory to a commodity trading financial institution and the Corporation agrees to repurchase the inventory from the financial institution at a fixed rate on a future date. The Corporation accounts for these as product financing arrangements and, accordingly, these transactions are treated as borrowings and commodity inventory in the Corporation's consolidated financial statements and no sales and purchases are reported in the consolidated financial statements.

Term Loan

On June 11, 2021, the Corporation entered into a five-year senior secured $50 million term debt credit facility with the Bank of Montreal (the "BMO Loan") that included a $30 million term loan draw that was used to retire the loan from Bixby Bridge Fund IV, LLC, along with an additional $20 million delayed draw committed term loan that was used to fund the development of the Crush Project.

1 Working capital is a non-GAAP financial measure. Please refer to "Non-IFRS Financial Measures and Reconciliations" for more details.

Contractual Obligations and Liquidity Risk

As at March 31, 2024, and June 30, 2023, the following are the contractual maturities of liabilities, excluding interest payments, to be paid over the next five years and beyond:

March 31, 2024

(in thousands of USD)	Carrying Amount	Contractual Cash Flows	1 year	2 years	3 to 5 Years	More than 5 years
Bank indebtedness	$ 27,605	$ 28,000	$ 28,000	$ -	$ -	$ -
Accounts payable and accrued liabilities	48,874	48,874	48,874	-	-	-
Accounts payable - related parties	2,947	2,947	2,947	-	-	-
Unrealized losses on open cash contracts	6,147	6,147	6,147	-	-	-
Term loan	41,037	41,375	2,500	2,500	36,375	-
Lease commitments	2,140	3,021	584	525	470	1,442
	$ 128,750	$ 130,364	$ 89,052	$ 3,025	$ 36,845	$ 1,442

June 30, 2023

(in thousands of USD)	Carrying Amount	Contractual Cash Flows	1 year	2 years	3 to 5 Years	More than 5 years
Bank indebtedness	$ 18,684	$ 19,000	$ 19,000	$ -	$ -	$ -
Accounts payable and accrued liabilities	44,491	44,491	44,491	-	-	-
Accounts payable - related parties	252	252	252	-	-	-
Unrealized losses on open cash contracts	11,365	11,365	11,365	-	-	-
Term loan	42,167	42,625	2,500	2,500	37,625	-
Lease commitments	2,513	3,548	634	584	760	1,570
	$ 119,472	$ 121,281	$ 78,242	$ 3,084	$ 38,385	$ 1,570

Future expected operational cash flows and sufficient assets are available to fund the settlement of these obligations in the normal course of business. In addition, the following factors allow for the substantial mitigation of liquidity risk: the prompt settlement of amounts due from brokers, the active management of trade accounts receivable and the lack of concentration risk related thereto. The Corporation's cash flow management activities and the continued likelihood of its operations further minimize liquidity risk.

Commodity Purchase Obligations

The Corporation enters into forward purchase contracts of commodities with producers through the normal course of business. These forward purchase contracts are largely offset by forward sales contracts of commodities and the net of these forward contracts are offset by exchange-traded futures and options contracts or over-the-counter contracts. As at March 31, 2024, the Corporation had forward purchase contracts of $69.6 million, all of which is payable within 12 months.

Legal Fees

The Corporation incurred significant expense in connection with the settled regulatory investigations. Certain costs to cooperate with the investigations have been significant, including, but not limited, to legal related fees of $259 thousand for the nine months ended March 31, 2024, and $13.5 million for the investigation to date. Additionally, in the fiscal year ended June 30, 2023, the Corporation recognized $3.0 million as a legal settlement reserve. These legal expenses are material to the Corporation's financial performance. Refer to the “Commitments and Contingencies” section below for more information on the investigations.

4. CAPITAL RESOURCES

The Corporation utilizes the 2024 Credit Facility to finance its grain trading operations, which primarily consist of purchases of grain inventories, financing of accounts receivable, and hedging activities, less accounts payable. Levels of short-term debt fluctuate based on changes in underlying commodity prices, inventories on hand and the timing of grain purchases.

Credit Facility

As disclosed in the Interim Condensed Consolidated Financial Statements, on February 7, 2023, the Corporation amended the 2022 Credit Facility. Under the credit facility (the “**2023 Credit Facility**”), the maximum amount remained at $150 million, with the potential to access an accordion feature that would provide an additional $20 million. The 2023 Credit Facility matured on February 6, 2024.

The interest rate under the 2023 Credit Facility was a tiered annual base interest rate based on utilization and was as follows:

Revolver Credit Facility Utilization	Applicable Margin
≤ 30%	2.50%
> 30%	2.25%

The total interest rate is calculated and paid on a monthly basis by adding the applicable margins above plus SOFR plus 10 basis points. The 2023 Credit Facility is subject to borrowing base limitations. Amounts under the agreement that remain undrawn are not subject to a commitment fee.

On February 5, 2024, the Corporation amended the 2023 Credit Facility. Under the new credit facility (the “**2024 Credit Facility**”) the maximum amount remained at $150 million, with the potential to access an accordion feature that would provide an additional $20 million. The 2024 Credit Facility matures on February 3, 2025. The base interest rate under the 2024 Credit Facility is 2.125%.

The total interest rate is calculated by adding the applicable margins above plus SOFR plus 10 basis points. The 2024 Credit Facility is subject to borrowing base limitations. Amounts under the agreement that remain undrawn are not subject to a commitment fee.

In connection with the amendment of the credit facility, the Corporation paid transaction costs relating to the credit facility renewal in the amount of $489 thousand during fiscal year 2024 and $541 thousand during fiscal year 2023, which included legal fees and other related borrowing costs. Transaction costs directly attributable to the renewal of the credit facility are recognized as a reduction in the balance of the loan and are amortized over the term of the facility using the effective interest method.

Term Loan

On June 11, 2021, the Corporation entered a five-year senior secured $50 million term debt credit facility with the Bank of Montreal (the “**BMO Loan**”). The BMO Loan includes a $30 million term loan draw along with an additional $20 million delayed draw committed term (the “**BMO Delayed Draw**”) that was used to fund the Crush Project. Repayment of the BMO Loan will be in the form of quarterly payments of

$375 thousand over the 5-year term, with the remaining balance of $22.5 million due on the maturity date of June 11, 2026. The Corporation may prepay, in whole or in part, without penalty or premium. Undrawn amounts on the delayed draw term loan are subject to a 0.25% commitment fee. Interest is paid monthly and at the Corporation's option, the BMO Loan bears interest equal to:

- 3.5% plus one-month LIBOR; or
- 2.5% plus the greater of (i) Lender's prime commercial rate as in effect on such day, (ii) the sum of the U.S. federal funds rate plus 0.5%, and (iii) the one-month LIBOR plus 1.0%.

On September 14, 2021, the Corporation entered into a floating-to-fixed interest rate swap to lock in the interest rate on the term loan draw portion of the BMO Loan, the delayed draw portion of the BMO Loan remains unhedged. The amount of the floating-to-fixed interest rate swap will reduce in tandem with the quarterly principal repayments on the loan. The swap locked in the variable LIBOR portion of the interest rate at 0.721%.

On December 30, 2022, the Corporation amended its Term Loan to transition from one-month LIBOR to Term SOFR (refer to note 10 of the Interim Condensed Consolidated Financial Statements) effective January 30, 2023. To align the interest rate swap with the amended Term Loan, the Corporation executed an interest rate swap amendment, effective January 31, 2023, locking in the variable SOFR portion of the interest rate at 0.665%. Interest is paid monthly and at the Corporation's option, the BMO Loan bears interest equal to:

- 3.5% plus one-month SOFR; or
- 2.5% plus the greater of (i) Bank of Montreal's prime commercial rate as in effect on such day, (ii) the sum of the U.S. federal funds rate plus 0.5%, and (iii) the one-month SOFR plus 1.0%.

The notional balance outstanding on the swap as at March 31, 2024, is $25.9 million. The interest rate on the BMO Loan is expected to be approximately 4.2% per annum through the swap maturity date of September 29, 2025. Settlement of both the fixed and variable portions of the interest rate swap occurs on a monthly basis. The Corporation has applied hedge accounting to this relationship whereby the change in fair value of the effective portion of the hedging derivative is recognized in accumulated other comprehensive income. The full amount of the hedge was determined to be effective as at March 31, 2024. The Corporation has classified this financial instrument as a cash flow hedge and the fair value of the hedging instrument is recorded as an asset of $1.5 million on the consolidated balance sheet.

On October 15, 2021, the Corporation borrowed $10.0 million on the BMO Delayed Draw. Repayment of the BMO Delayed Draw will be in the form of quarterly payments of $125 thousand over the 5-year term, with the remaining balance of $7.9 million due on the maturity date of June 11, 2026. Interest on the BMO Delayed Draw follows the rates set forth for the BMO Loan.

On March 29, 2022, the Corporation borrowed the remaining $10.0 million on the BMO Delayed Draw. Repayment of the BMO Delayed Draw will be in the form of quarterly payments of $125 thousand over the 5-year term, with the remaining balance of $8.0 million due on the maturity date of June 11, 2026. Interest on the BMO Delayed Draw follows the rates set forth for the BMO Loan.

During the fiscal year ended June 30, 2023, the Corporation utilized $3.0 million from the proceeds of the sale of its Port Colborne Facility to pay down the BMO Delayed Draw.

In connection with the origination of term loans, the Corporation paid transaction costs relating to the loan closure in the amount of $748 thousand during fiscal year 2021 and $349 thousand during fiscal year 2020, which included legal fees and other related borrowing costs. Transaction costs directly attributable to the issuance of the loan are recognized as a reduction in the balance of the loan and are amortized over the term of the loan using the effective interest method.

5. ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

Changes in Accounting Policies and Standards Issued but Not Yet Effective

For the nine months ended March 31, 2024, there were no changes in accounting policies, and no standards issued but not yet effective which are expected to have a material impact to the Corporation's Financial Statements. Refer to note 3 of the Annual Consolidated Financial Statements for information pertaining to the significant accounting policies for the nine-month period ended March 31, 2024.

Critical Accounting Judgments, Estimates, and Assumptions

The discussion and analysis of Ceres' financial condition and results of operations are based upon the Corporation's Interim Condensed Consolidated Financial Statements, which have been prepared in accordance with IFRS. Ceres' material accounting policies and accounting judgments, estimates, and assumptions are contained in the Interim Condensed Consolidated Financial Statements (see note 3 for the description of policies or references to notes where such policies are contained). The critical accounting estimates are valuation of investments, valuation of inventories and commodity derivatives, and measurement of deferred tax. Valuation of investments and valuation of deferred tax impact the corporate segment. Valuation of inventories and commodity derivatives impact the grain segment. The chief operating decision maker focuses on revenues and costs by operating segment but manages assets and liabilities on a global basis. The critical accounting judgments are measurement of deferred tax and determination of joint arrangements; because they require Ceres to make assumptions about matters that are potentially uncertain at the time the accounting estimate is made and due to the likelihood that materially different amounts could be reported under different conditions or using different assumptions.

6. OUTLOOK

Grain Segment

Expanding on the strong momentum from the first half of the fiscal year, Ceres achieved income from operations of $2.8 million, marking a near-record third quarter in the Corporation's history. Year-to-date, income from operations continued to improve, compared to the same period last year, and resulted in the second-best nine-month performance in the history of the Corporation.

Robust trading practices and Ceres' ability to navigate volatile markets have been cornerstones of its success. Ceres executed another strong quarter through effective trading, combined with the utilization of Ceres' network of assets and partners, and improved joint venture performance.

As part of its long-term corporate strategy, Ceres continues to focus on regenerative agriculture solutions. As part of this strategy, Ceres strengthened one of its key partnerships with Grupo Trimex ("**Trimex**"), Mexico's largest flour miller. On February 12, 2024, Ceres announced an exclusive agreement with Trimex to collaboratively develop and execute regenerative agriculture initiatives for hard red spring wheat grown in Canada and the United States that is destined for Mexico.

This quarter, Ceres also deepened its relationship with Lavie Bio, a subsidiary of Evogene Ltd. that develops microbiome-based, computational-driven bio-stimulant and bio-pesticide novel products, by integrating Yalos, a bio-inoculant, into its regenerative agriculture initiatives. By using solutions like Yalos, Ceres seamlessly integrates with farmers' current practices and supports their broader sustainability goals within the agricultural industry.

These partnerships represent demonstrative progress in Ceres' long-term strategy to grow regenerative agriculture solutions for its network of partners. As the importance of regenerative agriculture practices continues to grow due to their potential for mitigating climate change and improving soil health, Ceres will continue to innovate in this space, enabling growth for producers and regenerative agriculture solutions for end customers.

As another component of its long-term growth strategy, Ceres closely monitors the micro and macro environments for both strategic and opportunistic growth opportunities. As the South American harvest season concludes with potential record corn and bean crops, and as Canada and the US enter their planting seasons, markets will turn their attention north. This is a critical time for Ceres' core products, and the team will be closely monitoring weather and global crop developments to best position the Corporation for capitalizing on market opportunities as they emerge.

Current market volatility remains partially tied to ongoing geopolitical instability, with the conflicts in Ukraine, Gaza, and Israel as focal points. Recent heightening tensions between Iran and Israel highlight the potential for further escalation as instability in the region continues to grow. Although markets have adapted to evolving geopolitical uncertainties after initial spikes in volatility, intensifying geopolitical risks may drive a resurgence of market volatility.

Ceres' handled volumes declined by 23% (21.2 million bushels) in the third quarter of fiscal year 2024, compared to the same quarter last year, primarily due to favorable market carries which drove higher inventory levels at its terminal assets and the divestment of the Port Colborne facility in Q3 2023. The Ceres' team skillfully positioned the Corporation's assets to maximize grain and oilseed origination and storage volumes, and Ceres will focus on merchandising these accumulated volumes to optimally position the Corporation for the quarter ahead.

Volumes handled at BFE decreased by 17% in the third quarter of fiscal year 2024, compared to the same period in the prior year. This decrease was primarily driven, by higher farmer retention during this period. Management remains pleased by the financial results realized since the joint venture formation at BFE.

Volumes handled at Farmers Grain increased by 17% in the third quarter of fiscal year 2024, compared to the same period last year. The year-over-year growth is a result of the intentional and focused improvement initiatives implemented by Ceres and its joint venture partners to improve operational efficiency and financial performance. Key focus areas of the performance strategy included continued negotiations with railroads to secure freight capacity and timely rail execution, and a focus on talent and engagement at the site. Ceres' joint venture with Farmer's Co-op of Thief River Falls, MN continues to allow the Corporation to work directly with growers, handle a variety of commodities, and deliver value-added solutions for its customers. The Corporation will continue to build on the solid foundation set at Farmers Grain to maximize the potential and financial returns of the joint venture.

The Corporation's interest in the joint ventures at BFE and Farmers Grain continues to provide Ceres and its subsidiary, Riverland Ag Corp., increased origination of its core products directly from growers in critical areas of North Dakota and Minnesota, enabling the Corporation to leverage the value of its terminal assets and to partner with growers to deliver unique value to customers. With experienced staff and productive facilities, BFE and Farmers Grain serve as a key bridgehead for Ceres to reach producers and offer solutions to end customers.

Ceres continues to focus on streamlining its asset footprint as part of its core strategy. Ceres' execution of strategic divestments and utilizing proceeds to optimize the Corporation's capital structure have been enablers of success over the past three quarters, and the Corporation remains committed to enhancing operational efficiencies and fully realizing the potential of its assets, drawing on its extensive experience in grain markets to cultivate enduring partnerships with its network. Ceres continues to look for creative, capital-efficient solutions to increase Ceres' farmer-direct origination through strategic partnerships, and thus achieve its vision of enabling customers to realize their supply chain and sustainability goals.

Supply Chain Services Segment

Supply Chain Services volumes were stronger in Q3 2024 compared to the same quarter last year due to competitive rail logistics, increased demand for fertilizer products, and the Northgate Team's ability to process increased customer volumes.

Industrial product volumes, including oriental strand board, were 11% higher than Q3 2023. Fertilizer volumes were greater than Q3 2023 due to the limited domestic supply of fertilizer products and replenishing supplies for spring needs. Natural gas liquids ("**NGL**") volumes through the Gateway facility rose substantially, increasing 31% compared to the same period last year. The higher NGL volumes were facilitated by the commissioning of the Gateway pipeline connection to Northgate and continued strong performance with our Gateway joint venture partner, Steel Reef Infrastructure Corp. Overall, quarterly gross margins for the segment were 13% higher than the same time last year.

Looking forward, supply chain services volumes are expected to remain steady. Ceres expects the segment will end the year with record volumes and solid returns for the segment.

Seed Retail and Processing Segment

Ceres realized record soybean crush volumes in the nine-month period ended March 31, 2024. Volumes were 12.2% higher compared to the third quarter of the previous year and 19.8% higher for the first three quarters due to the team's proactive purchasing of soybean volumes, which allowed for enhanced operational capacity and increased efficiency. Ceres' operations and commercial teams have implemented operational efficiencies at the Jordan crush plant to maintain the trajectory of higher volumes, elevated product yields, and effective trading and positioning to service our customers.

Year-to-date gross margins were the highest on record for any nine-month period in the history of the Corporation. Moving forward, the Corporation forecasts adequate local crush margins, albeit less elevated compared to the first half of the fiscal year. Local soybean supply remains elevated due to a better than average soybean crop production in Manitoba, less export competition due to record South American soybean crops, and lower volumes of soybean imports from China. Combined with Ceres' ability to source local beans, these market conditions should enable Ceres' plant to continue to crush at high capacity and realize adequate margins.

On June 24, 2022, the Corporation announced that it had suspended its previously announced Crush Project. The Corporation continues to discuss with interested parties to explore avenues of partnership and will provide updates to the extent that material progress is made.

On July 1, 2023, the Corporation entered into agreements with Sevita International ("**Sevita**") and Horizon Seeds Canada, Inc. ("**Horizon**"), respectively, to mutually terminate distribution agreements with Sevita (for soybeans) and with Horizon (for corn). The decision to exit seed production and distribution was made to enable Ceres to focus more strategically on its core strengths. Through Delmar's retail network, the Corporation has continued to collaborate with Sevita and Horizon to deliver seed genetics for Manitoba soybean and corn growers. The Corporation maintained its retail soybean and corn seed locations in Beausejour, Jordan, and Gladstone, with the Beausejour facility continuing to retail crop protection products.

7. OTHER

CONTROLS ENVIRONMENT

Disclosure Controls and Procedures

Ceres maintains appropriate information systems, procedures, and controls to ensure that new information disclosed externally is complete, reliable, and timely. National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109") requires the Chief Executive Officer and the Chief Financial Officer to certify that they are responsible for establishing and maintaining disclosure controls and procedures ("DC&P") and that they have, as at March 31, 2024, designed the DC&P (or have caused such DC&P to be designed under their supervision) to provide reasonable assurance that material information relating to Ceres is made known to them by others, particularly during the period in which Ceres' annual filings are being prepared, and that information required to be disclosed by Ceres in its annual filings, interim filings or other reports filed or submitted by Ceres under applicable securities legislation is recorded, processed, summarized, and reported within the time periods specified in applicable securities legislation.

Internal Controls over Financial Reporting

NI 52-109 also requires the Chief Executive Officer and the Chief Financial Officer to certify that they are responsible for establishing and maintaining internal control over financial reporting ("ICFR") and that they have, as at March 31, 2024, designed ICFR to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with IFRS Accounting Standards. The control framework used by the Chief Executive Officer and the Chief Financial Officer to design Ceres' ICFR is the *Risk Management and Governance: Guidance on Control* (COCO Framework) published by CPA Canada. There have been no material changes in the Corporation's internal control over financial reporting during the quarter ended March 31, 2024, that materially affected, or are reasonably likely to materially affect, the Corporation's internal control over financial reporting.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

To reduce price risk caused by market fluctuations, the Corporation generally follows a policy of using exchange traded futures and options contracts to minimize its net position of merchandisable agricultural commodity inventories and forward cash purchase and sales contracts. The Corporation will also use exchange traded futures and options contracts as components of merchandising strategies designed to enhance margins. The results of these strategies can be significantly impacted by factors such as the volatility of the relationship between the value of exchange traded commodities futures contracts and the cash prices of the underlying commodities, and volatility of freight markets.

The Corporation's financial instruments and other instruments, including a discussion of risks and relevant risk sensitivities, can be found in note 5 of the Interim Condensed Consolidated Financial Statements.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation does not currently have any off-balance sheet arrangements.

RELATED-PARTY TRANSACTIONS

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any director, whether executive or otherwise, of that entity.

Below is the remuneration of key management personnel of the Corporation for the three and nine months ended March 31, 2024, and March 31, 2023:

	3 Months		9 Months	
(in thousands of USD)	2024	2023	2024	2023
Salary and short-term employee and director benefits	$ 482	$ 419	$ 1,394	$ 1,495
Share-based compensation	182	167	276	403
Executive severance	-	-	-	1,850
	$ 664	$ 586	$ 1,670	$ 3,748

The decrease in key management compensation for the three and nine months ended March 31, 2024, is driven by executive severance costs.

Savage Riverport, LLC

As at March 31, 2024, and June 30, 2023, Ceres owned a 50% interest in Savage Riverport. Ceres routinely transacts business directly with Savage Riverport. Such transactions are in the ordinary course of business and include storage and elevation fees for grain storage, as well as management fees.

Farmers Grain, LLC

As at March 31, 2024, and June 30, 2023, Ceres owned a 50% interest in Farmers Grain. Ceres routinely transacts business directly with Farmers Grain. Such transactions are in the ordinary course of business and include the purchase of grain, as well as management fees.

Berthold Farmers Elevator, LLC.

As at March 31, 2024, and June 30, 2023, Ceres owned a 50% interest in BFE. Ceres routinely transacts business directly with BFE. Such transactions are in the ordinary course of business and include the purchase of grain.

Gateway Energy Terminal

As at March 31, 2024, and June 30, 2023, Ceres owned a 50% interest in Gateway.

The following table summarizes the information for related parties.

(in thousands of USD) Accounts receivable due from associates		March 31, 2024		June 30, 2023
(Recorded in Accounts receivable – related parties)				
Savage Riverport	$	130	$	113
Farmers Grain		122		116
BFE		27		70
Gateway		257		159
Total accounts receivable due from associates	$	536	$	458
Accounts payable due to associates				
(Recorded in Accounts payable – related parties)				
Savage Riverport	$	40	$	26
Farmers Grain		49		51
BFE		2,858		174
Gateway		-		-
Total accounts payable due to associates	$	2,947	$	251
Gain on open cash contracts – Related Party				
(Recorded in Unrealized gains on open cash contracts)				
Farmers Grain	$	10	$	206
BFE		20		216
Total gain on related party open cash contracts	$	30	$	422
Loss on open cash contracts – Related Party				
(Recorded in unrealized losses on open cash contracts)				
Farmers Grain	$	2	$	7
BFE		7		35
Total loss on related party open cash contracts	$	9	$	42

(in thousands of USD)	3 Months March 31, 2024	3 Months March 31, 2023	9 Months March 31, 2024	9 Months March 31, 2023
Related party revenues				
Savage Riverport	$ 23	$ 23	$ 69	$ 69
Farmers Grain	43	(28)	44	39
BFE	63	1	177	204
Gateway	153	226	484	657
Total related party revenues	$ 282	$ 222	$ 774	$ 969
Related party expense				
Savage Riverport	$ 600	$ 330	$ 1,795	$ 1,077
Farmers Grain	787	7,348	17,178	28,093
BFE	14,040	26,925	52,068	66,678
Gateway	-	-	-	-
Total related party expenses	$ 15,427	$ 34,603	$ 71,041	$ 95,848

Stewart Southern Railway Inc.

As at March 31, 2024 and June 30, 2023, Ceres owned 25% in SSR. The Corporation does not routinely transact with SSR.

SHARES OUTSTANDING

As at May 14, 2024, the issued and outstanding equity securities of the Corporation consisted of 31,094,144 common shares. In addition, the Corporation has 971,500 stock options outstanding with a weighted-average exercise price of C$2.99 per common share, 280,000 restricted stock units outstanding, and 343,649 equity-settled deferred share units outstanding and 184,001 cash-settled deferred share units outstanding.

COMMITMENTS AND CONTINGENCIES

Regulatory Investigations

On October 23, 2023, Ceres resolved an investigation by the Commodity Futures Trading Commission (the "CFTC") that was primarily focused on its oat market activities from over 6 years ago by consenting to an "Order Instituting Proceedings Pursuant to Section 6 (c) and (d) of the Commodity Exchange Act, Making Findings, and Imposing Remedial Sanctions" (the "Settlement Order"). Under the Settlement Order, Ceres will pay a civil monetary penalty in the amount of $3.0 million, to be paid in three equal installments. $1.0 million was paid on November 2, 2023, and April 23, 2024, and $1.0 million will be paid on October 23, 2024. As at March 31, 2024, $2.0 million is recorded in accounts payable and accrued liabilities on the Interim Condensed Consolidated Balance Sheet. The monetary penalty was consistent with the amount that was accrued as a legal settlement reserve in the Corporation's financial statements for the year ended June 30, 2023. The Corporation neither admitted nor denied the findings or conclusions contained in the Settlement Order. The Settlement Order can be found on the CFTC's website. The Corporation does not currently anticipate any other charges or fines arising from the U.S. Department of Justice or CFTC investigations.

8. NON-IFRS FINANCIAL MEASURES AND RECONCILIATIONS

Certain financial measures in this interim MD&A and discussed below are not prescribed by and do not have a standardized meaning under IFRS. As such, they are unlikely to be comparable to similar measures presented by other issuers. These non-IFRS financial measures and ratios and supplementary financial measure are included because management uses the information to analyze leverage, liquidity, and operating performance and believes that investors may find such information useful.

Beginning in the second quarter of 2023, the Corporation changed the label of EBITDA to adjusted EBITDA to better describe the measure and better reflect the purpose of such measure. The composition of adjusted EBITDA remained unchanged and therefore no prior periods were restated.

Adjusted Earnings Before Interest, Income Taxes, Depreciation and Amortization

The Corporation believes the presentation of adjusted EBITDA and adjusted EBITDA per share can provide useful information to investors and shareholders as it provides increased transparency. Adjusted EBITDA is one metric that is used by management to determine the Corporation's ability to service its debt and finance capital. The measure is most directly comparable to net income (loss), a GAAP measure reported in the Interim Condensed Consolidated Financial Statements. Adjusted EBITDA excludes gains and losses on property, plant and equipment, assets held for sale, gains and other certain one-time gains and losses.

The following table is a reconciliation of Adjusted EBITDA for Ceres on a consolidated basis for the three and nine months ended March 31, 2024, and 2023:

	Three months ended March 31		Nine months ended March 31	
(in thousands of USD)	2024	2023	2024	2023
Net income (loss)	$ 985	$ (553)	$ 9,861	$ (5,408)
Interest expense	1,599	1,614	5,103	4,972
Amortization of intangible assets	62	62	186	186
Income tax (recovered)	627	(118)	1,439	472
Share of net (income) loss in investment in associates	(697)	821	(1,722)	652
Depreciation and amortization	1,573	1,595	4,744	4,798
(Gain) loss on property, plant, and equipment	-	(1,213)	18	(1,230)
	$ 4,149	$ 2,208	$ 19,629	$ 4,442

Adjusted EBITDA per share is the quotient obtained by dividing adjusted EBITDA for the period by the weighted average number of shares outstanding for the period.

Adjusted Net Income

The Corporation believes the presentation of adjusted net income can provide useful information to investors and shareholders as it can be used to evaluate the performance of the business. The measure is most directly comparable to net income (loss), a GAAP measure reported in the Interim Condensed

Consolidated Financial Statements. Adjusted net income excludes major one-time write offs, such as severance and employee cost reduction measures, as well as legal fees and settlement costs that relate to special matters.

	Three months ended March 31		Nine months ended March 31	
(in thousands of USD)	2024	2023	2024	2023
Net income (loss)	$ 985	$ (553)	$ 9,861	$ (5,408)
Executive severance and employee cost reduction measures	-	15	-	2,354
Expense related to regulatory investigations	6	948	259	4,420
	$ 991	$ 410	$ 10,120	$ 1,366

Return on Shareholders' Equity

The Corporation believes that the return on shareholders' equity can be an effective measure used to evaluate the performance of the business over time. Management uses this metric to analyze performance and set targets. Return on shareholders' equity is the quotient of the net income (loss) for the period and the total shareholders' equity as at the reporting date.

The following table is a calculation of return on shareholders' equity for the three and nine months ended March 31, 2024, and 2023:

	Three months ended March, 31		Nine months ended March, 31	
(in thousands of USD)	2024	2023	2024	2023
Net income (loss) for the period	$ 985	$ (553)	$ 9,861	$ (5,408)
Total shareholders' equity as at reporting date	151,590	144,581	151,590	144,581
	0.6%	(0.4%)	6.5%	(3.7%)

Working Capital

Ceres believes working capital can be an effective measurement to evaluate the financial health of the Corporation. Management uses this metric to evaluate the Corporation's ability to meet short-term obligations. Working capital is current assets less current liabilities.

The following table is a calculation of working capital as at March 31, 2024, and June 30, 2023:

(in thousands of USD)	March 31, 2023	June 30, 2023
Current assets	$ 145,379	$ 122,565
Current liabilities	(88,425)	(77,634)
	$ 56,954	$ 44,931

9. KEY ASSUMPTIONS & ADVISORIES

FORWARD-LOOKING STATEMENTS

This interim MD&A contains information that is "forward-looking information", "forward-looking statements" and "future oriented financial information" (collectively herein referred to as "forward-looking statements") within the meaning of applicable securities laws. Forward-looking statements in this document may include, among others, statements regarding future operations and results, anticipated business prospects and financial performance of Ceres and its subsidiaries, expectations or projections about the future, strategies and goals for growth, expected and future cash flows, costs, planned capital expenditures, additional anticipated capital projects, construction and completion dates, including plans to further develop Northgate and continue to explore avenues to pursue a crush project of some form at Northgate, operating and financial results, critical accounting estimates, the expected financial and operational consequences of future commitments and the existence, timing, and the Corporation's expectations that no other charges or fines will arise from the resolved investigations by CFTC, or DOJ.

Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "outlook", "likely", "probably", "going forward", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", "believes", "may have implications" or similar words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might", or "will be taken", "occur", or "be achieved". Forward-looking statements in this document are intended to provide Ceres' shareholders and potential investors with information regarding Ceres and its subsidiaries, including Management's assessment of future financial and operational plans and outlook for Ceres and its subsidiaries.

Forward-looking statements are based on the opinions and estimates of management at the date the information is made and are based on a number of assumptions and subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Such risks and uncertainties and other factors include but are not limited to the impact on the business of the COVID-19 pandemic and the pace of recovery from the pandemic, economic and political conditions, globally and in the markets served including the ongoing economic impacts from the conflict in Ukraine, fluctuations in cost and availability of commodities, weather and agricultural conditions, governmental regulations, and the unpredictability of existing and possible future litigation. Actual results or events may differ from those predicted in these forward-looking statements. All of the Corporation's forward-looking statements are qualified by the assumptions that are stated or inherent therein, including the assumptions listed below. Although Ceres believes these assumptions are reasonable, this list is not exhaustive of factors that may affect any of the forward-looking statements.

KEY ASSUMPTIONS

Key assumptions have been made in connection with the forward-looking statements in this MD&A. These assumptions include, but are not limited to, the following:

- No material change in the regulatory environment in Canada and the United States;
- Supply and demand factors as well as the pricing environment for grains and other agricultural commodities;
- Fluctuation of currency and interest rates;
- General financial conditions for Western Canadian and American agricultural producers;
- Market share that will be achieved by the Corporation;
- Adequate and timely service from the railroads that service our facilities;
- The Corporation's ability to maintain existing customer contracts and relationships coupled with its ability to increase its customer portfolio;
- The Corporation's ability to adapt with climate change-related risks and comply with future regulations;
- The results of the U.S. Department of Justice and CFTC investigations will not materially disrupt the Corporation's business activities.

The preceding list is not an exhaustive list of all possible factors. All factors should be considered carefully when making decisions with respect to Ceres. Many such factors and events are not within the control of Ceres. Factors that could cause actual results or events to differ materially from current expectations include, among others, risks related to weather, politics and governments, changes in environmental and other laws and regulations, competitive factors in the agricultural, food processing and feed sectors, construction and completion of capital projects, labour, equipment and material costs, access to capital markets, interest and currency exchange rates, technological developments, global and local economic conditions, the ability of Ceres to successfully implement strategic initiatives and whether such strategic initiatives will yield the expected benefits, the operating performance of the Corporation's assets, the availability and price of commodities, and the regulatory environment, processes and decisions. Ceres has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements. However, there may be other factors that might cause actions, events or results that are not anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements or information.

By their nature, forward-looking statements are subject to various risks and uncertainties, including those risks discussed in other sections of this MD&A, the AIF, and in other filings and communications, any of which could cause Ceres' actual results and experience to differ materially from the anticipated results or published expectations. Additional information on these and other factors is available in the AIF and other reports filed by Ceres with Canadian securities regulators. Readers are cautioned not to place undue reliance on the forward-looking statements herein, which are given as of the date of this MD&A or otherwise, and not to use future-oriented information or financial outlooks for anything other than their intended purpose. Ceres undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, change in management's estimates or opinions, future events or otherwise, except as required by law.