



MANAGEMENT’S DISCUSSION AND ANALYSIS

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This Management’s Discussion and Analysis (“**MD&A**”) dated November 14, 2024 should be read in conjunction with the unaudited Interim Condensed Consolidated Financial Statements for the quarter ended September 30, 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, 2024 (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 25, 2024 (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.”

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, 2024, 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.

Ceres also has a 50% interest in Savage Riverport, LLC (“**Savage**”), 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., and a 25% interest in Stewart Southern Railway Inc. (“**SSR**”), a short-line railway located in southeast Saskatchewan with a range of 130 kilometers..

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' 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.

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.

Since June 3, 2019, the Corporation has held a 50% joint venture interest in Gateway. Gateway is governed by a Construction, Ownership and Operating Agreement (the "**CO&O**"), also dated June 3, 2019. On June 13, 2024, the Corporation signed an amendment to the CO&O with its Gateway partner, whereby the Corporation agreed to forego the investment of additional capital in Gateway, in exchange for a dilution of its 50% ownership interest, effective June 1, 2023. For this reason, the Corporation's ownership interest in Gateway changed from 50% to 41.6%, effective as of June 1, 2023.

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

<i>(in thousands of USD except per share)</i>	Quarters Ended September 30,	
	2024	2023
Revenues	\$ 202,078	\$ 216,000
Gross profit (loss)	\$ 6,973	\$ 14,179
Income (loss) from operations	\$ 2,925	\$ 9,039
Net income (loss)	\$ 1,835	\$ 6,206
Weighted average common shares outstanding	31,106,344	31,094,144
Diluted weighted average common shares outstanding	32,010,604	32,001,215
Income (loss) per share – Basic	\$ 0.06	\$ 0.20
Income (loss) per share – Diluted	\$ 0.06	\$ 0.19
Adjusted EBITDA ⁽¹⁾⁽³⁾	\$ 4,259	\$ 10,575
Return on shareholders' equity ⁽¹⁾	1.2%	4.2%
	As at September 30, 2024	As at June 30, 2024
Total assets	\$ 314,706	\$ 259,379
Total bank indebtedness, current	\$ 21,859	\$ 15,730
Term loan ⁽²⁾	\$ 37,418	\$ 39,826
Shareholders' equity	\$ 152,407	\$ 150,954

⁽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 SEPTEMBER 30, 2024

- Bushels handled increased from 29.5 million for the quarter ended September 30, 2023, to 31.1 million for the quarter ended September 30, 2024.
- Gross profit for the quarter was \$7.0 million compared to \$14.2 million in the previous year.
- Net Income for the quarter was \$1.8 million, compared to \$6.2 million in the same quarter in the previous year.
- On September 5, 2024, the Corporation announced an expanded regenerative agriculture partnership with Miller Milling, one of the largest wheat millers in the U.S., to improve agronomic and environmental outcomes for wheat growers in North Dakota by implementing advanced nutrient practices.
- On July 3, 2024, the Corporation closed on the sale of its 17% equity stake in Canterra Seeds Holdings Ltd.

Overall Performance

The Corporation's net income was \$1.8 million for the quarter ended September 30, 2024, compared to a net income of \$6.2 million for the quarter ended September 30, 2023. The net income in the first quarter of fiscal year 2025 was driven by decreased grain trading margin opportunities compared to the same period in the prior year. Gross profit was \$7.0 million for the quarter ended September 30, 2024, compared to a gross profit of \$14.2 million for the quarter ending September 30, 2023, a result of decreased margin opportunities on Ceres' core grains. Furthermore, income from operations was \$2.9 million for the quarter ended September 30, 2024, compared to \$9.0 million from operations for the quarter ended September 30, 2023.

Revenues and Gross Profit

Total revenue decreased by \$13.9 million, primarily due to lower core commodities prices compared to the same quarter in the prior year. The Corporation handled and traded 31.1 million bushels of grain and oilseed during the quarter ended September 30, 2024, compared to 29.5 million bushels for the quarter ended September 30, 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 September 30, 2024, and 2023:

<i>(in thousands of USD)</i>	2024				Total
	Grain	Supply Chain Services	Seed Retail and Processing	Corporate*	
Net trading margin	\$ 8,434	\$ -	\$ -	\$ -	\$ 8,434
Supply Chain Services revenue	1,041	888	-	-	1,929
Net Seed Retail and Processing margin	-	-	2,360	-	2,360
Operating expenses included					
in cost of sales	(2,972)	(457)	(903)	-	(4,332)
Depreciation expense included					
in cost of sales	(1,052)	(188)	(95)	(83)	(1,418)
Gross profit (loss)	\$ 5,451	\$ 243	\$ 1,362	\$ (83)	\$ 6,973

<i>(in thousands of USD)</i>	2023				Total
	Grain	Supply Chain Services	Seed Retail and Processing	Corporate*	
Net trading margin	\$ 15,790	\$ -	\$ -	\$ -	\$ 15,790
Supply Chain Services revenue	822	849	-	-	1,671
Net Seed Retail and Processing margin	-	-	2,078	-	2,078
Operating expenses included					
in cost of sales	(2,662)	(422)	(793)	-	(3,877)
Depreciation expense included					
in cost of sales	<u>(1,115)</u>	<u>(186)</u>	<u>(94)</u>	<u>(88)</u>	<u>(1,483)</u>
Gross profit (loss)	<u>\$ 12,835</u>	<u>\$ 241</u>	<u>\$ 1,191</u>	<u>\$(88)</u>	<u>\$ 14,179</u>

*The \$83 thousand depreciation expense included in cost of sales for the period ended September 30, 2024 is due to depreciation taken at the corporate level related to a step-up in asset values acquired from Delmar. For the period ended September 30, 2023, the depreciation was \$88 thousand.

Gross profit decreased by \$7.2 million for the three months ended September 30, 2024, compared to the three months ended September 30, 2023. The decrease in gross profit was driven by decreased trading opportunities across core commodities.

Net Trading Margin

Net trading margin decreased by \$7.4 million for the quarter ended September 30, 2024, compared to the quarter ended September 30, 2023. The decrease is due to lower trading margins in core commodities for the first quarter of fiscal year 2025.

Supply Chain Services Revenue

Supply Chain Services revenue increased by \$258 thousand for the quarter ended September 30, 2024, compared to the quarter ended September 30, 2023. The Corporation's grain-related Supply Chain Services revenue increased \$219 thousand due to higher third-party storage and elevations. For the quarter ended September 30, 2024, the non-grain supply chain service revenue increased \$39 thousand compared to the same quarter in the previous year.

Net Seed Retail and Processing Margin

Net Seed Retail and Processing margin was \$2.4 million for the quarter ended September 30, 2024, compared to \$2.1 million for the quarter end September 30, 2023. The increase is driven by increased crush margins and volumes for the quarter ended September 30, 2024.

Operating Expenses and Depreciation

For the quarter ended September 30, 2024, operating and depreciation expense included in cost of sales totaled \$5.8 million compared to \$5.4 million for the quarter ended September 30, 2023. Operating

expenses increased \$455 thousand quarter over quarter, driven by increased repairs and demurrage expense in the quarter ended September 30, 2024. Depreciation for the three-month period ended September 30, 2024, decreased by \$65 thousand quarter over quarter, driven by the reclassification of assets as available for sale in the fourth quarter of fiscal year 2024, for which depreciation is not recorded.

General and Administrative Expenses

For the quarter ended September 30, 2024, general and administrative expenses totaled \$4.0 million compared to \$5.1 million in the quarter ended September 30, 2023. General and administrative expenses decreased due to lower insurance expense, legal expense related to the CFTC investigation (see *Contingencies* section below), and decreased incentive accruals in the first quarter of fiscal year 2025.

Finance Income (Loss)

For the quarter ended September 30, 2024, finance loss totaled \$144 thousand compared to finance loss of \$76 thousand during the quarter ended September 30, 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

<i>(in thousands of USD except per share)</i>	Quarter ended September 30,	
	2024	2023
Interest on bank indebtedness	\$ (24)	\$ (437)
Interest on term loan	(893)	(958)
Term loan swap interest	305	309
Interest attributable to leases	(40)	(36)
Amortization of financing costs paid	(169)	(176)
Interest on other financing obligations	84	(7)
Total interest expense	<u>\$ (737)</u>	<u>\$ (1,305)</u>

For the quarter ended September 30, 2024, interest expense totaled \$737 thousand compared to \$1.3 million for the quarter ended September 30, 2023. The decrease in total interest expense was driven by decreased average daily borrowings on the Corporation's revolving credit facility as well as increased interest income earned.

Amortization of Intangible Assets

Amortization of intangible assets totaled \$62 thousand for the three months ended September 30, 2024, and \$62 thousand for the three months ended September 30, 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 September 30, 2024, and 2023:

<i>(in thousands of USD)</i>	September 30, 2024	September 30, 2023
Current income tax (expense) recovery	\$ (5)	\$ -
Deferred tax (expense) recovery	(632)	(1,943)
Income tax (expense) recovery	<u>\$ (637)</u>	<u>\$ (1,943)</u>

During the quarter ended September 30, 2024, the Corporation recorded income tax expense of \$637 thousand compared to an expense of \$1.9 million for quarter ended September 30, 2023. During the quarter end September 30, 2024, Ceres recognized deferred income tax expense of \$632 thousand 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

For the quarter ended September 30, 2024, the Corporation's share in investments in associates was income of \$539 thousand compared to \$529 thousand for the quarter ended September 30, 2023. The increase in investments in associates is driven by increased income at Berthold Farmers Elevator, LLC, partially offset by decreased income at Farmers Grain, LLC and Savage Riverport, LLC.

On April 30, 2018, the Corporation formed Savage Riverport, LLC 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, LLC, of which, \$2.0 million was utilized to pay down the term debt. The sale of the equity in Savage Riverport, LLC 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, September 30, 2024, and September 30, 2023, the Corporation recognized a deferred gain of \$87 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, North Dakota, Montana, 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, depending on market conditions, a significant portion of Ceres' core commodities may also be bought, sold, and handled throughout the year utilizing its terminal assets.

	3 months	3 months	3 months	3 months	3 months	3 months	3 months	3 months
Reporting dates	<u>9/30/2024</u>	<u>6/30/2024</u>	<u>3/31/2024</u>	<u>12/31/2023</u>	<u>9/30/2023</u>	<u>6/30/2023</u>	<u>3/31/2023</u>	<u>12/31/2022</u>
(in thousands of USD except per share)	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Revenue	\$ 202,078	\$ 209,569	\$ 212,319	\$ 282,200	\$ 216,000	\$ 205,652	\$ 287,912	\$ 283,026
Gross profit (loss)	\$ 6,973	\$ 5,350	\$ 7,770	\$ 7,857	\$ 14,179	\$ 4,940	\$ 5,513	\$ 6,747
Income (loss) from operations	\$ 2,925	\$ 1,226	\$ 2,781	\$ 3,713	\$ 9,039	\$ (1,848)	\$ 339	\$ 976
Net income (loss)	\$ 1,835	\$ (501)	\$ 985	\$ 2,670	\$ 6,206	\$ (2,504)	\$ (553)	\$ (1,267)
Adjusted net income (loss)	\$ 2,144	\$ (501)	\$ 991	\$ 2,734	\$ 6,395	\$ 1,461	\$ 410	\$ 620
Return on shareholders' equity ¹	1.2%	(0.3%)	0.6%	1.8%	4.2%	(1.8%)	(0.4%)	(0.9%)
Basic weighted-average number of common shares for the quarter	31,106	31,102	31,094	31,094	31,094	31,094	31,094	31,070
Dilutive weighted-average number of common shares for the quarter	32,010	32,102	31,982	32,001	32,001	31,094	31,094	31,070
Basic earnings (loss) per share	\$ 0.06	\$ (0.02)	\$ 0.03	\$ 0.09	\$ 0.20	\$ (0.08)	\$ (0.02)	\$ (0.04)
Fully diluted earnings (loss) per share	\$ 0.06	\$ (0.02)	\$ 0.03	\$ 0.08	\$ 0.19	\$ (0.08)	\$ (0.02)	\$ (0.04)
Adjusted EBITDA ¹	\$ 4,259	\$ 2,920	\$ 4,149	\$ 4,906	\$ 10,575	\$ 2,798	\$ 2,208	\$ 2,452
Adjusted EBITDA per share	\$ 0.14	\$ 0.09	\$ 0.13	\$ 0.16	\$ 0.34	\$ 0.09	\$ 0.07	\$ 0.08
Shareholders' equity, as at reporting date	\$ 152,407	\$ 151,085	\$ 151,590	\$ 150,626	\$ 148,380	\$ 142,658	\$ 144,581	\$ 145,425
Shareholders' equity per common share, as at reporting date	\$ 4.90	\$ 4.86	\$ 4.88	\$ 4.84	\$ 4.77	\$ 4.59	\$ 4.65	\$ 4.68
Volumes (in thousands of tonnes)								
Total Product Handled and Traded	864	597	562	797	837	547	750	817

(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

<i>(in thousands of USD)</i>	Quarter ended September 30,	
	2024	2023
Net cash provided by (used in)		
Operating activities	\$ (5,524)	\$ (70,024)
Investing activities	1,060	(394)
Net cash provided (used) before financing activities	(4,464)	(70,418)
Financing activities	3,551	68,375
Increase (decrease) in cash	\$ (913)	\$ (2,043)

Operating Activities

Cash used in operating activities was \$5.5 million for the quarter ended September 30, 2024 compared to cash used in operating activities of \$70.0 million in the first quarter of the prior year. Cash used in operating activities is attributable to the change in working capital, primarily due to Ceres' increase in inventory compared to the period ended June 30, 2024. During the quarter ended September 30, 2024, in relation to the cash used in operating activities of \$5.5 million, the Corporation utilized its revolving credit facility to fund inventory purchases and operations.

Investing Activities

During the quarter ended September 30, 2024, the Corporation had \$1.1 million in cash provided by investing activities which is a \$1.5 million increase compared to the \$394 thousand in cash used in investing activities in the first quarter of the prior year. Cash provided by investing activities was driven by the sale of Ceres' 17% equity ownership in Canterra Seeds Holdings Ltd ("**Canterra Seeds**").

Financing Activities

During the quarter ended September 30, 2024, the Corporation had \$3.6 million in cash provided by financing activities compared to cash provided from financing activities of \$68.4 million in the first quarter of the prior year. The Corporation increased its cash from its revolving line of credit by \$6.0 million to fund working capital needs, specifically inventory. The increase in cash from the revolving credit facility was partially offset by the \$2.4 million repayment of the delayed draw portion of the term loan, \$1.8 million of which was paid with the proceeds from the sale of Canterra Seeds.

Available Sources of Liquidity

Bank Indebtedness

The Corporation's sources of liquidity as at September 30, 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 September 30, 2024 contains certain covenants, including a covenant that the Corporation maintain minimum working capital of not less than \$30.0 million. As at September 30, 2024 the Corporation's working capital¹ – defined as current assets less current liabilities – totaled \$62.9 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 at and for the quarter ended September 30, 2024, the Corporation was in compliance with all of the above-mentioned financial covenants.

As at September 30, 2024 and June 30, 2024, the Corporation had \$64.7 million and \$33.5 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. As at September 30, 2024 there were no outstanding repurchase obligations.

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 includes 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 drawn in fiscal year 2022. As at September 30, 2024, there were no undrawn amounts on the BMO Loan.

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

September 30, 2024

(in thousands of USD)	Carrying Amount	Contractual Cash Flows	1 year	2 years	3 to 5 Years	More than 5 years
Bank indebtedness	\$ 21,859	\$ 22,000	\$ 22,000	\$ -	\$ -	\$ -
Accounts payable and accrued liabilities	72,529	72,529	72,529	-	-	-
Accounts payable - related parties	5,162	5,162	5,162	-	-	-
Unrealized losses on open cash contracts	21,484	21,484	21,484	-	-	-
Term loan	37,418	37,676	2,500	35,176	-	-
Lease commitments	2,347	3,271	724	563	616	1,368
	<u>\$ 160,799</u>	<u>\$ 162,122</u>	<u>\$ 124,399</u>	<u>\$ 35,739</u>	<u>\$ 616</u>	<u>\$ 1,368</u>

June 30, 2024

(in thousands of USD)	Carrying Amount	Contractual Cash Flows	1 year	2 years	3 to 5 Years	More than 5 years
Bank indebtedness	\$ 15,730	\$ 16,000	\$ 16,000	\$ -	\$ -	\$ -
Accounts payable and accrued liabilities	30,544	30,544	30,544	-	-	-
Accounts payable - related parties	125	125	125	-	-	-
Unrealized losses on open cash contracts	18,160	18,160	18,160	-	-	-
Term loan	39,826	40,125	2,500	37,625	-	-
Lease commitments	2,540	3,497	725	614	727	\$ 1,431
	<u>\$ 106,925</u>	<u>\$ 108,451</u>	<u>\$ 68,054</u>	<u>\$ 38,239</u>	<u>\$ 727</u>	<u>\$ 1,431</u>

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 September 30, 2024, the Corporation had forward purchase contracts of \$117.2 million, with \$117.2 million 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 \$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. \$1.0 million was paid on each of November 2, 2023, and April 23, 2024, and October 15, 2024. As at September 30, 2024,

\$1.0 million is recorded in accounts payable and accrued liabilities on the Interim Condensed Consolidated Balance Sheet. These legal expenses are material to the Corporation's financial performance. Refer to the "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 Financials Statements, 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 and paid on a monthly basis by adding the applicable margins above plus the Secured Overnight Financing Rate ("**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 \$494 thousand during fiscal year 2024, 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 drawn in fiscal year 2022. 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. 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%.

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 notional balance outstanding on the swap as at September 30, 2024, is \$24.8 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 June 30, 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 \$758 thousand 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 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 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. Additionally, during the fiscal quarter ended September 30, 2024, the Corporation utilized \$1.8 million from the proceeds of the sale of Canterra Seeds 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 quarter ended September 30, 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 quarter ended September 30, 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' significant 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

In the first quarter of fiscal year 2025, Ceres achieved near record volumes handled and solid financial results, with income from operations of \$2.9 million. Despite modest directional trading opportunities due to benign weather in the Northern U.S. Plains and Canadian Prairies compared to the same period last year, Ceres' experienced team, supported by robust trading and risk management practices, successfully capitalized on the limited market opportunities to deliver a strong start to the year.

Ceres continues to make significant strides in its long-term corporate strategy of delivering regenerative agriculture solutions to farmers and end-users. During this quarter, Ceres announced an expanded partnership with Miller Milling, one of the largest wheat millers in the U.S., to implement advanced nutrient practices to improve agronomic and environmental outcomes for wheat growers in North Dakota.

Over the past year, Ceres deepened its partnership with Grupo 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 destined for Mexico. The Corporation also strengthened its relationship with Lavie Bio to seamlessly integrate innovative bio-stimulant and bio-pesticide products into farmers' practices and support their sustainability goals.

Ceres has experienced significant growth in its regenerative agriculture program. During the 2024 crop year, Ceres enrolled over 6 times the acreage it enrolled in 2023. Additionally, the Corporation achieved a 100% retention rate for its grower partners on the program and welcomed two new milling partners to its existing network.

The success of the program highlights the strengths of Ceres' partnerships and its ability to leverage its network of assets and relationships to effectively deliver impactful solutions for its partners. As the importance of regenerative agriculture practices continues to grow due to their potential for mitigating climate change and improving soil health, Ceres is well-positioned to be at the forefront of driving the adoption of sustainable growing practices by enabling growth for producers and regenerative agriculture solutions for end customers.

Benign weather conditions in the Northern Plains and Canadian prairies are expected to result in higher-than-average crop yields, which limits trading opportunities but will allow Ceres to maximize storage and volume throughput across its network of assets. The Ceres team is well-positioned to capitalize on crop quality dynamics, efficiently manage volumes to fully utilize its terminal assets, and maximize the value of a potential bumper harvest season.

Rising tensions in the Middle East, along with the ongoing conflict between Russia and Ukraine, continue to fuel geopolitical instability and market volatility. Recent reports of Russia targeting ships carrying Ukrainian grain, coupled with uncertain agricultural and energy policies following the new U.S. administration, add further instability to market pricing and volatility. These evolving geopolitical factors may lead to increased volatility as markets adjust to changing conditions.

Ceres handled near record volumes, increasing 5.5% (1.6 million bushels) in the first quarter of fiscal year 2025, compared to the same quarter last year as the Corporation increased its inventories at its terminal assets during harvest. Ceres' team effectively merchandised the accumulated volumes and strategically positioned the Corporation's assets to maximize grain and oilseed origination and storage during this harvest season.

Volumes handled at Berthold Farmers Elevator, LLC increased by 4% in the first quarter of fiscal year 2025 compared to the same period in the prior year. This increase was driven by systematic planning during spring and summer to accommodate higher harvested volumes. BFE remains a crucial asset to Ceres and has been integral to Ceres' regenerative agriculture strategy, as it connects the Corporation to farmers and enables Ceres to provide regenerative agriculture solutions for our partners. Management remains pleased with the financial results realized in the fourth quarter and since the joint venture formation at BFE.

Volumes handled at Farmers Grain, LLC marginally decreased by 2% in the first quarter, compared to the same periods in the prior year, partly due to significant flooding around Thief River Falls, Minnesota, which impacted crop yields and quality. Ceres remains committed to leveraging the high operational standards achieved last year by focusing on performance enhancements through continued negotiations with railroads to secure freight capacity and timely rail execution while fostering talent and engagement at the site. Ceres' joint venture with Farmer's Co-op of Thief River Falls, MN, continues to facilitate direct collaboration with growers, enabling the handling of diverse commodities and delivering value-added solutions for customers. The Corporation will continue to build on the solid foundation established at Farmers Grain to maximize operational efficiency and fully realize 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., with 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 are key bridgeheads for Ceres to reach producers and offer solutions to end customers.

Ceres' focus on streamlining its asset footprint as part of its core strategy has been a key contributor to the Corporation's strong financial results over the past fiscal year. In line with this strategy, Ceres divested its stake in Canterra Seeds to United Farmers of Alberta Co-operative Limited on July 3, 2024. Ceres' execution of strategic divestments has allowed the Corporation to optimize its capital structure by paying down debt, lowering expenses, and streamlining its operations to focus on its core business. Ceres will continue to pursue opportunities to strategically divest non-core assets to optimize its asset base and enhance shareholder value.

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 more substantial in Q1 2025 compared to the previous quarter and the same quarter last year due to timely rail logistics, increased demand for fertilizer products, and the Northgate team's ability to process increased customer volumes.

Industrial product volumes, including oriented strand board, reached a record high, increasing by 21% compared to Q1 2024. Fertilizer volumes also set a record, surpassing Q4 2024 volumes due to greater market penetration and replenishing supplies for fall needs. Natural gas liquids ("NGL") volumes through the Gateway facility increased by 2% compared to the same period last year. Overall, the segment achieved record volumes for the quarter, with near-record revenues.

Looking forward, supply chain services volumes are expected to rise during the second quarter due to consistent Industrial Products and Fertilizer volumes with increased demand for Northgate's transloading products.

Seed Retail and Processing Segment

Ceres realized record soybean crush volumes in the first quarter of 2025. Quarterly volumes were 4% higher compared to the robust first quarter volumes of the previous year. Record quarterly volumes continue to be driven by Ceres' operations and commercial teams implementing operational efficiencies at the Jordan crush plant to maintain the trajectory of higher volumes, elevated product yields, and effective trading and positioning to service customers.

Gross margins for the first quarter were 14% higher compared to the same period last year. Moving forward, the Corporation forecasts adequate local crush margins, as Ceres expects better-than-average soybean crop production in Manitoba. Ceres' ability to source local beans remains a key driver to enabling the plant to continue to crush at high capacity and realize adequate margins.

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 enabled Ceres to focus more strategically on its core strengths. Through Delmar's retail network, the Corporation has continued collaborating with Sevita and Horizon to deliver seed genetics for Manitoba soybean and corn growers. Aligned with this strategy of focusing on core assets, the Corporation will be closing its Beausejour facility. The Corporation will maintain its retail soybean and corn seed locations in Jordan and Gladstone.

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 September 30, 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 September 30, 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 ("IFRS"). 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 September 30, 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 quarters ended September 30, 2024 and September 30, 2023:

<i>(in thousands of USD)</i>	September 30, 2024	September 30, 2023
Salary and short-term employee and director benefits	\$ 1,053	\$ 451
Share-based compensation	106	(16)
Executive severance	309	-
	\$ 1,468	\$ 435

The increase in key management compensation for the quarter ended September 30, 2024, is driven by increased executive incentive costs.

Savage Riverport, LLC

As at September 30, 2024 and June 30, 2024, Ceres owned a 50% interest in Savage. Ceres routinely transacts business directly with Savage. 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 September 30, 2024 and June 30, 2024, 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 September 30, 2024 and June 30, 2024, 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 September 30, 2024 and June 30, 2024, Ceres owned a 50% interest in Gateway.

The following table summarizes the information for related parties.

(in thousands of USD)

	September 30, 2024	June 30, 2024
<u>Accounts receivable due from associates</u>		
<i>(Recorded in Accounts receivable – related parties)</i>		
Savage	\$ 201	\$ 149
Farmers Grain	23	479
BFE	228	56
Gateway	98	196
Total accounts receivable due from associates	550	880
 <u>Accounts payable due to associates</u>		
<i>(Recorded in Accounts payable – related parties)</i>		
Savage	101	72
Farmers Grain	156	53
BFE	4,905	-
Gateway	-	-
Total accounts payable due to associates	5,162	125
 <u>Gain on open cash contracts – Related Party</u>		
<i>(Recorded in Unrealized gains on open cash contracts)</i>		
Farmers Grain	374	62
BFE	73	21
Total gain on related party open cash contracts	447	83
 <u>Loss on open cash contracts – Related Party</u>		
<i>(Recorded in unrealized losses on open cash contracts)</i>		
Farmers Grain	2	133
BFE	-	1,251
Total loss on related party open cash contracts	2	1,384

	For the three months ended	
	September 30,	September 30,
	2024	2023
<u>Related party revenues</u>		
<i>(Recorded in Revenues)</i>		
Savage	\$ 23	\$ 23
Farmers Grain	30	24
BFE	170	-
Gateway	149	170
Total related party revenues	<u>372</u>	<u>217</u>
<u>Related party expense</u>		
<i>(Recorded in Cost of sales)</i>		
Savage	502	617
Farmers Grain	4,789	7,357
BFE	24,219	27,573
Gateway	-	-
Total related party expense	<u>29,510</u>	<u>35,547</u>

Stewart Southern Railway Inc.

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

SHARES OUTSTANDING

As at November 14, 2024, the issued and outstanding equity securities of the Corporation consisted of 31,106,144 common shares. In addition, the Corporation has 1,056,300 stock options outstanding with a weighted-average exercise price of C\$2.90 per common share, 280,000 restricted stock units outstanding, and 343,649 equity-settled deferred share units outstanding and 212,826 cash-settled deferred share units outstanding.

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 each of November 2, 2023, April 23, 2024, and October 15, 2024. As at September 30, 2024, \$1.0 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.

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.

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 months ended September 30, 2024 and 2023:

<i>(in thousands of USD)</i>	Quarter ended September, 30	
	2024	2023
Net income (loss) for the period	\$ 1,835	\$ 6,206
Interest expense	737	1,305
Amortization of intangible assets	62	62
Income tax (recovered)	637	1,943
Gain (loss) on sale of PP&E	15	-
Share of net (Income) loss in investment in associates	(539)	(529)
Depreciation and amortization	1,512	1,588
	<u>\$ 4,259</u>	<u>\$ 10,575</u>

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.

<i>(in thousands of USD)</i>	Three months ended September 30,	
	2024	2023
Net income (loss) for the period	\$ 1,835	\$ 6,206
Executive severance and employee cost reduction measures	309	-
Expense related to regulatory investigations	-	189
	<u>\$ 2,144</u>	<u>\$ 6,395</u>

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 months ended September 30, 2024 and 2023:

<i>(in thousands of USD)</i>	Three months ended September 30,	
	2024	2023
Net income (loss) for the year	\$ 1,835	\$ 6,206
Total shareholder's equity as at reporting date	152,407	148,380
	<u>1.2%</u>	<u>4.2%</u>

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 September 30, 2024 and June 30, 2024:

<i>(in thousands of USD)</i>	September 30, 2024	June 30, 2024
Current assets	\$ 186,415	\$ 129,822
Current liabilities	(124,002)	(67,519)
	<u>\$ 62,413</u>	<u>\$ 62,303</u>

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, 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 Department of Justice.

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;
- 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 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.