

Unaudited Interim Condensed Consolidated Financial Statements of



*For the three-month and nine-month periods ended March 31, 2021 and 2020
(Expressed in US Dollars)*

CERES GLOBAL AG CORP.

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CERES GLOBAL AG CORP.
Interim Condensed Consolidated Balance Sheets
Unaudited

<i>(In thousands of USD)</i>	March 31, 2021	June 30, 2020
Assets		
Current assets:		
Cash	\$ 1,382	\$ 696
Due from brokers (note 4)	6,477	2,666
Unrealized gains on open cash contracts (note 5)	9,477	8,566
Accounts receivable	24,775	31,312
Accounts receivable - related parties (note 16)	532	279
Inventories, grains	141,514	81,058
Prepaid expenses and sundry assets	4,911	1,782
Portfolio investments (note 5)	799	739
Total current assets	189,867	127,098
Investments in associates	13,100	6,702
Property, plant, and equipment (note 6)	114,742	110,620
Intangible assets (note 7)	7,043	7,390
Right of use assets	4,006	3,159
Other assets	-	18
Total assets	\$ 328,758	\$ 254,987
Liabilities and Shareholders' Equity		
Current liabilities:		
Bank indebtedness (note 8)	\$ 77,699	\$ 31,702
Accounts payable and accrued liabilities	50,234	38,069
Accounts payable - related parties (note 16)	63	25
Repurchase obligations (note 9)	11,498	-
Unrealized losses on open cash contracts (note 5)	8,679	5,752
Current portion of term loan (note 10)	4,789	-
Current portion of lease liability	717	572
Total current liabilities	153,679	76,120
Term loan (note 10)	24,877	29,721
Long-term lease liability	3,219	2,442
Deferred tax liability	1,639	1,715
Total liabilities	183,414	109,998
Shareholders' equity:		
Common shares (note 13)	172,374	172,374
Deferred share units (note 15)	1,921	1,684
Contributed surplus	7,033	7,226
Accumulated other comprehensive income (loss)	1,017	1,017
Deficit	(37,001)	(37,312)
Total shareholders' equity	145,344	144,989
Total liabilities and shareholders' equity	\$ 328,758	\$ 254,987

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

ON BEHALF OF THE BOARD

Signed "Gary Mize" Director

Signed "Doug Speers" Director

CERES GLOBAL AG CORP.

Interim Condensed Consolidated Statements of Comprehensive Income (Loss)

Three and nine months ended March 31, 2021 and 2020

Unaudited

	3 months ended March 31,		9 months ended March 31,	
	2021	2020	2021	2020
<i>(In thousands of USD except shares and loss per share)</i>				
Revenues	\$ 203,911	\$ 120,947	\$ 551,275	\$ 405,205
Cost of sales	(198,053)	(116,641)	(535,113)	(384,881)
Gross profit	5,858	4,306	16,162	20,324
General and administrative expenses	(3,643)	(4,061)	(11,172)	(12,747)
Income (loss) from operations	2,215	245	4,990	7,577
Finance income (loss) (note 11)	(83)	(135)	(155)	(138)
Interest expense (note 12)	(1,334)	(1,529)	(3,647)	(4,739)
Amortization of intangible assets (note 7)	(66)	-	(197)	-
Revaluation of stock appreciation right liability	(405)	244	(761)	302
Revaluation of contingent consideration	-	917	-	917
Gain (loss) on sale of intangible assets (note 7)	-	-	290	-
Gain (loss) on property, plant, and equipment	26	-	37	-
Income (loss) before income taxes and undernoted items	353	(258)	557	3,919
Income tax (expense) recovered	(151)	17	56	(2)
Share of net income (loss) of associates	(280)	(40)	(302)	(107)
Net income (loss)	(78)	(281)	311	3,810
Components of comprehensive income (loss):				
Gain (loss) on currency translation adjustment	-	-	-	-
Total comprehensive income (loss)	\$ (78)	\$ (281)	\$ 311	\$ 3,810
Basic weighted-average number of shares for the period	30,772,845	30,738,840	30,772,845	29,811,021
Diluted weighted-average number of shares for the period	30,772,845	30,738,840	32,713,609	31,197,770
Earnings (loss) per share:				
Basic	\$ (0.00)	\$ (0.01)	\$ 0.01	\$ 0.13
Diluted	(0.00)	(0.01)	0.01	0.12
Supplemental disclosure of selected information:				
Depreciation included in Cost of sales	\$ (1,444)	\$ (1,292)	\$ (4,197)	\$ (3,809)
Amortization of right of use assets included in Cost of sales	(128)	(68)	(276)	(219)
Depreciation included in General and administrative expenses	(107)	(100)	(290)	(284)
Amortization of right of use assets included in General and administrative expenses	(64)	(99)	(205)	(285)
Amortization of financing costs included in Interest expense	(157)	(186)	(361)	(600)
Personnel costs included in Cost of sales	(2,136)	(1,931)	(6,458)	(5,971)
Personnel costs included in General and administrative expenses	(2,565)	(2,300)	(7,878)	(8,312)
Personnel costs included in Revaluation of stock appreciation right liability	(405)	244	(761)	302

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

CERES GLOBAL AG CORP.
Interim Condensed Consolidated Statements of Cash Flows
Nine months ended March 31, 2021 and 2020
Unaudited

<i>(In thousands of USD)</i>	2021	2020
Operating activities:		
Net income (loss)	\$ 311	\$ 3,810
Adjustments for:		
Depreciation and amortization	4,968	4,597
Amortization of intangible assets	197	-
Interest expense	3,647	4,739
Accretion of contingent consideration	-	49
Revaluation of contingent consideration	-	(917)
Gain on sale of intangible assets	(290)	-
Bad debt recovery	(236)	-
Income tax expense	(56)	2
Gain on property, plant, and equipment	(37)	-
Share-based compensation	520	525
Share of net (income) loss of associates	302	107
Revaluation of foreign denominated accounts	(70)	53
Revaluation of stock appreciation right liability	761	(302)
Changes in non-cash working capital accounts:		
Due from brokers	(3,811)	(180)
Net open cash contracts	2,016	(2,939)
Accounts receivable	6,821	3,782
Accounts receivable - related parties	(245)	(473)
Inventories, grains	(60,456)	(23,591)
Prepaid expenses and sundry assets	(3,357)	(4,023)
Accounts payable and accrued liabilities	11,099	2,893
Accounts payable - related parties	38	(44)
Current portion of contingent consideration	-	(600)
Current portion of lease liability	(407)	(334)
Income taxes paid	(60)	-
Interest paid	(2,821)	(4,116)
Net cash provided by (used in) operating activities	(41,166)	(16,962)
Investing activities:		
Cash from disposition of intangible assets	440	-
Cash from disposition of property, plant, and equipment	58	-
Distribution from equity method investment	-	378
Loan issued to related party	12	(18)
Investment in Farmers Grain, LLC	(6,700)	-
Payment to shareholders of Delmar Commodities Ltd.	(329)	(23,790)
Acquisition of property, plant, and equipment	(8,783)	(1,007)
Net cash provided by (used in) investing activities	(15,302)	(24,437)
Financing activities:		
Net proceeds (repayment) of bank indebtedness	46,000	26,000
Proceeds from repurchase obligation	11,498	-
Proceeds from term loan	-	15,000
Repayment of term loan	-	(5,000)
Financing costs paid	(344)	(892)
Private placement, net of share issuance costs	-	9,452
Other financing activities	-	(123)
Net cash provided by (used in) financing activities	57,154	44,437
Effect of exchange rate changes on cash	-	-
Increase (decrease) in cash	686	3,038
Cash, beginning of period	696	1,889
Cash, end of period	\$ 1,382	\$ 4,927

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

CERES GLOBAL AG CORP.
Interim Condensed Consolidated Statements of Changes in Shareholders' Equity
Nine months ended March 31, 2021 and 2020
Unaudited

<i>(In thousands of USD)</i>	<u>Common shares</u>	<u>Deferred share units</u>	<u>Contributed surplus</u>	<u>Accumulated other comprehensive income (loss)</u>	<u>Deficit</u>	<u>Total shareholders' equity</u>
Balances, June 30, 2020	\$ 172,374	\$ 1,684	\$ 7,226	\$ 1,017	\$ (37,312)	\$ 144,989
Issuance of deferred share units	-	237	-	-	-	237
Share-based compensation net of vesting	-	-	(193)	-	-	(193)
Net income (loss)	-	-	-	-	311	311
Balances, March 31, 2021	<u>\$ 172,374</u>	<u>\$ 1,921</u>	<u>\$ 7,033</u>	<u>\$ 1,017</u>	<u>\$ (37,001)</u>	<u>\$ 145,344</u>
Balances, June 30, 2019	\$ 203,358	\$ 1,387	\$ 9,475	\$ (22,239)	\$ (61,217)	\$ 130,764
Adjustment for change in functional currency	(40,572)	(13)	(2,239)	23,256	19,568	-
Issuance of deferred share units	-	234	-	-	-	234
Private placement, net of share issuance costs	9,452	-	-	-	-	9,452
Share based compensation net of vesting	3	-	99	-	-	102
Net income (loss)	-	-	-	-	3,810	3,810
Balances, March 31, 2020	<u>\$ 172,241</u>	<u>\$ 1,608</u>	<u>\$ 7,335</u>	<u>\$ 1,017</u>	<u>\$ (37,839)</u>	<u>\$ 144,362</u>

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Ceres Global Ag Corp.
Notes to the Interim Condensed Consolidated Financial Statements
March 31, 2021 and 2020 (Expressed in USD)

(1) CORPORATE STATUS, REPORTING AND NATURE OF OPERATIONS

Ceres Global Ag Corp. (hereinafter referred to as “**Ceres**” or the “**Corporation**”) was incorporated on November 1, 2007, as amended on December 6, 2007, under the provisions of the *Business Corporations Act* (Ontario) (the “**OBCA**”). On April 1, 2013, Ceres Global Ag Corp. amalgamated with Corus Land Holding Corp. and on April 1, 2014, Ceres Global Ag Corp. amalgamated with Riverland Agriculture Ltd. and Ceres Canada Holding Corp. Thereafter, the amalgamated corporations continued operating as Ceres Global Ag Corp. Ceres is a corporation domiciled in Canada, with its head office located in Golden Valley, Minnesota, United States. The Corporation’s parent is VN Capital Management, LLC.

These interim condensed consolidated financial statements of Ceres as at and for the three- and nine-month periods ended March 31, 2021 and 2020 include the accounts of Ceres and its wholly owned subsidiaries Ceres U.S. Holding Corp. (Delaware), Riverland Ag Corp. (Delaware) (“**Riverland Ag**”), Nature’s Organic Grist LLC (“**NOG**”), Delmar Commodities Ltd. (“**Delmar**”), and Ceres Global Ag Corp. Mexico S.A. DE C.V. (“**Ceres Mexico**”). All intercorporation transactions and balances have been eliminated. The Corporation is an agricultural cereal grain storage, customer-specific procurement and supply ingredient company that operates thirteen grain storage, handling, and merchandising facilities in the state of Minnesota and the provinces of Ontario, Manitoba, and Saskatchewan, with a combined grain and oilseed storage capacity of 31 million bushels. NOG is a supplier of organic grains. With the acquisition of Delmar, the Corporation owns and operates a soybean crush facility, a specialty crops blending/birdfeed production facility, and a seed distribution network in western Canada.

(2) BASIS OF PREPARATION

Statement of Compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) and with International Accounting Standards (“**IAS**”) 34 – Interim Financial Reporting (“**IAS 34**”). Certain information and disclosures required to be included in notes to the annual consolidated financial statements have been condensed or omitted. Accounting, estimation, and valuation policies have been consistently applied to all periods presented herein in accordance with IFRS.

These interim condensed consolidated financial statements should be read in conjunction with Ceres’ annual consolidated financial statements for the year ended June 30, 2020. The Corporation’s significant accounting policies are presented in note 3 of those consolidated financial statements.

These interim condensed consolidated financial statements were authorized for issue by the board of directors of the Corporation (the “**Board of Directors**”) on May 12, 2021.

Functional and presentation currency

These interim condensed consolidated financial statements are presented in United States Dollars (“**USD**”).

Ceres Global Ag Corp.
Notes to the Interim Condensed Consolidated Financial Statements
March 31, 2021 and March 31, 2020 (Expressed in USD)

Basis of measurement

These interim condensed consolidated financial statements have been prepared on a historical cost basis, except for the following material items in the balance sheet:

- Derivative financial instruments are measured at fair value;
- Financial instruments at fair value through profit or loss are measured at fair value; and
- Inventories of grains are measured at fair value less costs to sell.

(3) SUMMARY OF SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES, AND ASSUMPTIONS

The timely preparation of interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively. The following summarizes the accounting judgments, estimates and assumptions management considers significant:

Summary of Significant Accounting Judgments

Business combinations

Judgment is used in determining whether a transaction is a business combination or an asset acquisition. In determining the allocation of the purchase price in a business combination, including any acquisition related contingent consideration, estimates including market based and appraisal values are used. The contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IFRS 9, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss recognized in interim condensed profit or loss.

Summary of Significant Accounting Estimates

Inventories and Commodity Derivatives

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.

Derivative instruments, including futures contracts, forward commitments, options and other similar types of contracts and commitments based on commodity derivatives, are carried at their fair value. Management determines fair value based on exchange quoted prices and in the case of its forward purchase and sale contracts, estimated fair value is adjusted for differences in local markets. While the

Ceres Global Ag Corp.
Notes to the Interim Condensed Consolidated Financial Statements
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Corporation considers its commodity contracts to be effective economic hedges, the Corporation does not designate or account for its commodity contracts as hedges. Realized and unrealized gains and losses in the value of commodity contracts and grain inventories are recognized in cost of sales. Unrealized gains and losses on these derivative contracts are included in due from broker, and Unrealized gains (losses) on open cash contracts on the Interim Condensed Consolidated Balance Sheet.

Estimates and assumptions are required in determination of fair values of commodity inventories, particularly for those commodities where exchange-traded prices are not available. For these inventories, management assesses the available quoted market prices and applies judgment in determining the effect of local market conditions.

Valuation of investments

Portfolio investments are measured at FVTPL and may include securities not traded in an active market. The fair value of such securities is determined using valuation techniques. Depending on various circumstances, the Corporation may use several methods and makes assumptions based on market conditions existing at each reporting date. Valuation techniques may include, without limitation, the use of comparable recent arm's length transactions, discounted cash flow analysis, option-pricing models and other valuation techniques commonly used by market participants.

Current Events

COVID-19

The outbreak of COVID-19 has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, non-essential business closures, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Although the Corporation has managed through this crisis without material impacts to its business, COVID-19 and any other future pandemic or public health crisis may have impacts on the Corporation's business, affairs, operations, financial condition, liquidity, availability of credit and results of operations that will depend on future developments that are highly uncertain and cannot be predicted with any meaningful precision. Management has considered the impact of COVID-19 on significant accounting judgements, estimates and assumptions, used in the preparation of the financial statements and did not identify any material changes for the current year.

Acquisitions

On September 1, 2020, Ceres paid cash consideration to purchase Cargill Limited's grain elevator and associated assets located in Ridgedale, Saskatchewan (the "**Nicklen Facility**"), including inventory and assumption of certain open grain purchase contracts. The purchase of assets was funded with existing working capital and Ceres hired all the Nicklen Facility's existing employees as a part of the transaction. The purchase of the Nicklen Facility is a continuation of the Corporation's progress in adding strategic origination capabilities for Ceres' core products while further expanding its geographical footprint.

*Farmers Grain, LLC ("**Farmers Grain**")*

On February 10, 2021, Ceres Global Ag Corp., through its wholly owned subsidiary, Riverland Ag, and Farmer's Cooperative Grain and Seed Association ("**FCGS**"), an agricultural cooperative based in Thief

Ceres Global Ag Corp.
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River Falls, Minnesota, formed a grain merchandising joint venture named Farmers Grain, LLC, also based in Thief River Falls. FCGS contributed its existing grain elevator and related grain merchandising assets in Thief River Falls to the joint venture, with Riverland Ag contributing \$6.7 million in cash.

Ceres holds a 50% equity interest in Farmers Grain. Major operating decisions of Farmers Grain are made by its Board of Directors and Ceres does not have a majority of the board seats. Due to these factors, Ceres has joint control and accounts for its investment in Farmers Grain using the equity method.

(4) DUE FROM (TO) BROKERS

“Due from brokers” represents unrealized gains and losses due from custodian brokers on commodity futures and options contracts in addition to margin deposits in the form of cash that are held by custodian brokers in connection with such contracts. Amounts due from brokers are offset by amounts due to the same brokers, under the terms and conditions of enforceable master netting arrangements in effect with all brokers, through which the Corporation executes its transactions and for which the Corporation intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Amounts due from brokers consist of the following:

<i>(in thousands of USD)</i>	March 31, 2021	June 30, 2020
Margin deposits	\$ 5,018	\$ 2,649
Unrealized gains on futures contracts and options, at fair value	3,222	486
	8,240	3,135
Unrealized losses on futures contracts and options, at fair value	(1,763)	(469)
	\$ 6,477	\$ 2,666

(5) FINANCIAL INSTRUMENTS

Fair value of financial instruments

The Corporation’s financial assets and liabilities that are measured at fair value in the Interim Condensed Consolidated Balance Sheets are categorized by level according to the reliability of the inputs used in making the measurements. The Corporation recognizes transfers between fair value measurements hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers between levels in the period ended March 31, 2021.

Ceres Global Ag Corp.
Notes to the Interim Condensed Consolidated Financial Statements
March 31, 2021 and March 31, 2020 (Expressed in USD)

The following table presents information about the financial assets and liabilities measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques used to determine such fair values.

<i>(in thousands of USD)</i>	March 31, 2021			
	Level 1	Level 2	Level 3	Total
Cash	\$ 1,382	\$ -	\$ -	\$ 1,382
Portfolio investments	-	-	799	799
Due from broker, margin deposits (note 4)	5,018	-	-	5,018
Due from broker, unrealized gains on futures and options (note 4)	3,222	-	-	3,222
Unrealized gains on open cash contracts (derivatives)	-	9,477	-	9,477
Due from broker, unrealized losses on futures and options (note 4)	(1,763)	-	-	(1,763)
Unrealized losses on open cash contracts (derivatives)	-	(8,679)	-	(8,679)
Stock appreciation right liability included in accounts payable	-	-	(1,284)	(1,284)
Balance March 31, 2021	\$ <u>7,859</u>	\$ <u>798</u>	\$ <u>(485)</u>	\$ <u>8,172</u>

Ceres Global Ag Corp.
Notes to the Interim Condensed Consolidated Financial Statements
March 31, 2021 and March 31, 2020 (Expressed in USD)

<i>(in thousands of USD)</i>	June 30, 2020			
	Level 1	Level 2	Level 3	Total
Cash	\$ 696	\$ -	\$ -	\$ 696
Portfolio investments	-	-	739	739
Due from broker, margin deposits (note 4)	2,649	-	-	2,649
Due from broker, unrealized gains on futures and options (note 4)	486	-	-	486
Unrealized gains on open cash contracts (derivatives)	-	8,566	-	8,566
Due from broker, unrealized losses on futures and options (note 4)	(469)	-	-	(469)
Unrealized losses on open cash contracts (derivatives)	-	(5,752)	-	(5,752)
Stock appreciation right liability included in accounts payable	-	-	(139)	(139)
Balance June 30, 2020	<u>\$ 3,362</u>	<u>\$ 2,814</u>	<u>\$ 600</u>	<u>\$ 6,776</u>

Reconciliation of Level 3 fair values:

<i>(in thousands of USD)</i>	Portfolio Investments
Balance at June 30, 2020	\$ 739
Unrealized foreign exchange gain	60
Balance at March 31, 2021	<u>\$ 799</u>

<i>(in thousands of USD)</i>	Stock Appreciation Right Liability
Balance at June 30, 2020	\$ (139)
Revaluation of stock appreciation right liability	(761)
Expense	(363)
Exercises	3
Unrealized foreign exchange loss	(24)
Balance at March 31, 2021	<u>\$ (1,284)</u>

Ceres Global Ag Corp.
Notes to the Interim Condensed Consolidated Financial Statements
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Management of financial instruments risks

In the normal course of business, the Corporation is exposed to various financial instruments risks, including market risk (consisting of price risk, commodity risk, interest rate risk and currency risk), credit risk, custodian and prime brokerage risks, and liquidity risk. The Corporation's overall risk management program seeks to minimize potentially adverse effects of those risks on the Corporation's financial performance. The Corporation may use derivative financial instruments to mitigate certain risk exposures. The Corporation may invest in non-public and public issuers and assets.

Price risk

As at March 31, 2021, the Corporation's market risk pertaining to portfolio investments was potentially affected by changes in actual market prices. As at March 31, 2021, the Corporation's portfolio investments are solely in private companies. Therefore, market factors affecting the value of the portfolio investments are primarily changes in fair value of the investments and the Corporation's ability to liquidate the investments.

Management has determined the effect on the results of operations of the Corporation for the period ended March 31, 2021 if the fair value of each of the portfolio investments as at March 31, 2021 had increased or decreased by 10%, using the fair market value of the portfolio investments as at that date and the number of shares then issued and outstanding, and with all other variables remaining constant.

The potential effects on the result of operations for the period ending March 31, 2021 would be as follows:

<i>(in thousands of USD except income per share)</i>	Increase (decrease) in net income	Increase (decrease) in income per share
10% increase in fair value of portfolio investments	\$ 80	\$ -
10% decrease in fair value of portfolio investments	\$ (80)	\$ -

Commodity risk

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 may be significantly influenced 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. Derivative contracts have not been designated, and are not accounted for, as fair value hedges. Management determines fair value based on exchange-quoted prices, and in the case of its forward purchase and sale contracts, estimated fair value is adjusted for differences in local markets. Realized and unrealized gains and losses in the value of inventories of merchandisable agricultural commodities, forward cash purchase and sales contracts, and exchange-traded futures contracts are recognized in profit or loss as

Ceres Global Ag Corp.
Notes to the Interim Condensed Consolidated Financial Statements
March 31, 2021 and March 31, 2020 (Expressed in USD)

a component of cost of sales. Unrealized gains and losses on these derivative contracts are recognized in earnings and classified on the Consolidated Balance Sheet as Due from Broker, Unrealized gains (losses) on open cash contracts, as applicable.

Management has determined the effect on the results of operations of the Corporation for the period ended March 31, 2021 if the fair value of each of the open cash contracts as at March 31, 2021 had increased or decreased by 5%, using the open cash contracts as at that date and the number of shares then issued and outstanding, and with all other variables remaining constant.

The potential effects on the result of operations for the nine-month period ending March 31, 2021 would be as follows:

<i>(in thousands of USD except income per share)</i>	Increase (decrease) in net income	Increase (decrease) in income per share
5% increase in bid/ask prices of commodities	\$ (951)	\$ (0.03)
5% decrease in bid/ask prices of commodities	\$ 951	\$ 0.03

Interest rate risk

As at March 31, 2021, Ceres had no long or short portfolio positions in any interest-bearing investment securities.

As at March 31, 2021, except for cash on deposit, the amounts of which vary from time-to-time and on which the Corporation earns interest at nominal variable interest rates, the Corporation had no other variable rate interest-bearing financial assets. As at those dates, a notional increase or decrease in interest rates applicable to cash on deposit would not have materially affected interest revenue and the results of operations. Therefore, as at March 31, 2021, the Corporation's assets are not directly exposed to any significant degree to cash flow interest rate risk due to changes in prevailing market interest rates.

As disclosed in note 8 (Bank Indebtedness), as at March 31, 2021, the Corporation's 2021 Credit Facility (as defined herein) bears a tiered annual interest based on utilization ranging from 2.50% to 2.75% plus one-week LIBOR. As at March 31, 2021, management has determined the effect on the future results of operations of the Corporation if the variable interest rate component applicable on that date was to increase by 25 basis points ("25 bps"), using the balance of the revolving credit facility payable as at that date and the number of shares then issued and outstanding, and with all other variables remaining constant.

Furthermore, as at March 31, 2021, the Corporation's Term Loan (note 10) bears interest at an annual rate of 6.00% plus one-month LIBOR. As at March 31, 2021, management has determined the effect on the future results of operations of the Corporation if the variable interest rate component applicable on that date on the term loan was to increase by 25 bps, using the balance of the term loan payable as at that date and the number of shares then issued and outstanding, and with all other variables remaining constant.

Ceres Global Ag Corp.
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On that basis, the potential effects on the results of operations for the nine-month period ending March 31, 2021 would be as follows:

<i>(in thousands of USD except income per share)</i>	Increase (decrease) in net income	Increase (decrease) in income per share
<u>2021 Credit Facility</u>		
25 bps increase in annual interest rate	\$ (148)	\$ -
<u>Term loan</u>		
25 bps increase in annual interest rate	\$ (57)	\$ -

Credit risk

Credit risk is the risk a counterparty would be unable to pay for amounts due to the Corporation in accordance with the terms and conditions of the debt instruments. As at March 31, 2021, the Corporation is subject to credit risk concerning cash, amounts due from brokers, trade accounts receivable, and to the extent that open cash contracts for grain commodities have given rise to unrealized gains. The maximum exposure to credit risk on those assets is limited to the carrying value of those assets. The Corporation uses various grain contracts as part of its overall grain merchandising strategies. Performance on these contracts is dependent on delivery of the grain or a customer buy-out. There is counter-party risk associated with non-performance, which may have the potential of creating losses. Management has assessed the counter-party risk and believes that insignificant losses, if any, would result from non-performance.

The Corporation regularly evaluates its credit risk concerning its trade accounts receivable to the extent that such receivables may be concentrated with significant customers. The Corporation minimizes this risk by having a diverse customer base and established credit policies. The aging of the Corporation's trade accounts receivable is substantially current. As at March 31, 2021 and June 30, 2020, the allowance for doubtful accounts was \$584 thousand and \$820 thousand, respectively.

The Corporation had no customers that individually represented more than 10% of total revenue for the nine months ended March 31, 2021. For the nine months ended March 31, 2020, the Corporation had one customer that individually represented more than 10% of total revenue, comprising 11% of total revenue.

Custody and prime brokerage risk

There are risks involved with dealing with a custodian or broker who settle trades. In certain circumstances, the securities or other assets deposited with the custodian or broker may be exposed to credit risk with respect to those parties. In addition, there may be practical, or timing implications associated with enforcing the Corporation's rights to its assets in the case of the insolvency of any such party. Notwithstanding the foregoing, management has evaluated the risk of loss related to the custodian or brokers and has determined this risk to be insignificant.

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Liquidity risk

As at March 31, 2021 and June 30, 2020, the following are the contractual maturities of financial liabilities, excluding interest payments:

March 31, 2021

(in thousands of USD)	Carrying Amount	Contractual Cash Flows	1 year	2 years	3 to 5 Years	More than 5 years
Bank indebtedness	\$ 77,699	\$ 78,000	\$ 78,000	\$ -	\$ -	\$ -
Accounts payable and accrued liabilities	50,234	50,234	50,234	-	-	-
Accounts payable - related parties	63	63	63	-	-	-
Unrealized losses on open cash contracts	8,679	8,679	8,679	-	-	-
Term loan	29,666	30,000	5,000	5,000	20,000	-
Repurchase obligations	11,498	11,498	11,498	-	-	-
Lease commitments	3,936	5,454	918	669	1,741	2,126
	<u>\$ 181,775</u>	<u>\$ 183,928</u>	<u>\$ 154,392</u>	<u>\$ 5,669</u>	<u>\$ 21,741</u>	<u>\$ 2,126</u>

June 30, 2020

(in thousands of USD)	Carrying Amount	Contractual Cash Flows	1 year	2 years	3 to 5 Years	More than 5 years
Bank indebtedness	\$ 31,702	\$ 32,000	\$ 32,000	\$ -	\$ -	\$ -
Accounts payable and accrued liabilities	38,069	38,069	38,069	-	-	-
Accounts payable - related parties	25	25	25	-	-	-
Unrealized losses on open cash contracts	5,752	5,752	5,752	-	-	-
Term loan	29,721	30,000	-	5,000	25,000	-
Lease commitments	3,014	3,985	738	753	816	1,678
	<u>\$ 108,283</u>	<u>\$ 109,831</u>	<u>\$ 76,584</u>	<u>\$ 5,753</u>	<u>\$ 25,816</u>	<u>\$ 1,678</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, and the active management of trade accounts. The Corporation's cash flow management activities and the continued likelihood of its operations further minimize liquidity risk.

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Currency risk

In the normal course of business, Ceres may hold assets or have liabilities denominated in currencies other than USD. Therefore, Ceres is exposed to currency risk, as the value of any monetary assets or liabilities denominated in currencies other than USD will vary due to changes in foreign exchange rates.

As at March 31, 2021, the following is a summary, at fair value, of Ceres' exposure to currency risks on monetary assets and liabilities:

<i>(in thousands of USD)</i>	Net asset (liability) exposure
Canadian dollars	<u>\$ 2,602</u>

The following is a summary of the effect on Ceres' profit or loss for the period ended March 31, 2021 if the USD had become 5% stronger or weaker against the CAD as at March 31, 2021, with all other variables remaining constant, related to monetary assets and liabilities denominated in CAD:

<i>(in thousands of USD except income per share)</i>	Increase (decrease) in net income	Increase (decrease) in income per share
CAD 5% Stronger	\$ 101	\$ 0.00
CAD 5% Weaker	<u>\$ (96)</u>	<u>\$ (0.00)</u>

Currency risk for Ceres relates to transactions denominated in a currency other than USD and the translation of its accounts from CAD to the functional currency of USD. Transactional gains and losses on foreign exchange are recorded in "Finance income (loss)" in the Interim Condensed Consolidated Statements of Comprehensive Income (Loss).

Other financial instruments

The carrying values of accounts receivable, bank indebtedness, and account payable and accrued liabilities approximate their fair values as at March 31, 2021 due to the short-term nature of these instruments. The carrying value of long-term debt approximates fair value as at March 31, 2021 based on current market rates for similar instruments.

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(6) PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment is comprised of the following at March 31, 2021 and June 30, 2020:

(in thousands of USD)	Land	Buildings, Silos & Elevators	Machinery & equipment	Office equipment & other assets	Construction in progress	Totals
Cost						
June 30, 2020	\$ 21,483	\$ 79,362	\$ 29,746	\$ 4,438	\$ 1,261	\$ 136,290
Additions	-	-	-	-	2,369	2,369
Placed in service	46	628	506	-	(1,180)	-
Disposals	-	(46)	27	-	-	(19)
Assets acquired	5	3,263	2,991	-	-	6,259
March 31, 2021	<u>\$ 21,534</u>	<u>\$ 83,207</u>	<u>\$ 33,270</u>	<u>\$ 4,438</u>	<u>\$ 2,450</u>	<u>\$ 144,899</u>
Accumulated depreciation						
June 30, 2020	\$ -	\$ (15,671)	\$ (7,490)	\$ (2,509)	\$ -	\$ (25,670)
Depreciation	-	(2,342)	(1,824)	(321)	-	(4,487)
Disposals	-	3	(3)	-	-	-
March 31, 2021	<u>\$ -</u>	<u>\$ (18,010)</u>	<u>\$ (9,317)</u>	<u>\$ (2,830)</u>	<u>\$ -</u>	<u>\$ (30,157)</u>
Carrying amount						
June 30, 2020	<u>\$ 21,483</u>	<u>\$ 63,691</u>	<u>\$ 22,256</u>	<u>\$ 1,929</u>	<u>\$ 1,261</u>	<u>\$ 110,620</u>
March 31, 2021	<u>\$ 21,534</u>	<u>\$ 65,197</u>	<u>\$ 23,953</u>	<u>\$ 1,608</u>	<u>\$ 2,450</u>	<u>\$ 114,742</u>

There were \$31 thousand of property, plant, and equipment additions that have been accrued but not yet paid as at March 31, 2021 compared to \$186 thousand as at June 30, 2020.

On September 1, 2020, Ceres acquired the Nicklen Facility. The property, plant, and equipment acquired totaled \$6.3 million. The purchase of assets was funded with existing working capital. The purchase of the Nicklen Facility is a continuation of the Corporation's progress in adding strategic origination capabilities for Ceres' core products while further expanding its geographical footprint.

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(7) INTANGIBLE ASSETS

Intangible assets are comprised of the following at March 31, 2021 and June 30, 2020:

<i>(in thousands of USD)</i>	Trademarks, tradenname, customer/ producer relationships	Goodwill	Other intangible assets	Total
Intangible assets				
June 30, 2020	\$ 6,595	\$ 4,704	\$ 300	\$ 11,599
Additions	-	-	-	-
Disposals	-	-	(150)	(150)
March 31, 2021	<u>\$ 6,595</u>	<u>\$ 4,704</u>	<u>\$ 150</u>	<u>\$ 11,449</u>
Accumulated amortization				
June 30, 2020	\$ (4,209)	\$ -	\$ -	\$ (4,209)
Amortization	(197)	-	-	(197)
March 31, 2021	<u>\$ (4,406)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,406)</u>
Carrying amount				
June 30, 2020	<u>\$ 2,386</u>	<u>\$ 4,704</u>	<u>\$ 300</u>	<u>\$ 7,390</u>
March 31, 2021	<u>\$ 2,189</u>	<u>\$ 4,704</u>	<u>\$ 150</u>	<u>\$ 7,043</u>

Other intangible assets consist of customer and producer relationships, as well as tradenames and trademarks acquired as part of the purchase of Delmar. Other intangible assets are amortized on a straight-line basis over 10 years.

During the quarter ended March 31, 2021 the Corporation sold two Minneapolis Grain Exchange seats. The Corporation recognized a \$290 thousand gain on the sale which is recorded within the income statement under Gain (loss) on sale of intangible assets.

(8) BANK INDEBTEDNESS

On February 10, 2021, the Corporation amended the 2020 credit facility agreement led by Macquarie Bank Ltd., as administrative agent on behalf of a syndicate group of lenders which includes Bank of Montreal and Cooperative Rabo Bank U.A. (the "**2020 Credit Facility**"). Under the new credit facility (the "**2021 Credit Facility**") the amount of the revolving facility available to Ceres remains at \$100 million, with the potential to access an accordion feature that would provide an additional \$20 million. The revolving facility matures on February 9, 2022.

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The interest rate under the 2021 Credit Facility is a tiered annual interest rate based on the utilization and is as follows:

Revolver Facility Utilization	Applicable Margin
≤ 30%	2.75%
> 30%	2.50%

The total interest rate is calculated by adding the applicable margins above plus one-week LIBOR. In the event the one-week LIBOR does not adequately reflect the cost to the lenders, the adjusted base rate shall be a rate equal to the average of the lender’s cost of funding the borrowings. The interest rate is calculated and paid on a monthly basis. The 2021 Credit Facility is subject to borrowing base limitations. Amounts under the agreement that remain undrawn are not subject to a commitment fee. The 2021 Credit Facility has certain covenants pertaining to the accounts of the Corporation, as at March 31, 2021, the Corporation was in compliance with all covenants.

As at March 31, 2021 and June 30, 2020, the Corporation had \$22.0 million and \$44.3 million in availability, respectively, on its revolving credit facility.

As at March 31, 2021 and June 30, 2020, the carrying amount of bank indebtedness is summarized as follows:

<i>(in thousands of USD)</i>	March 31, 2021	June 30, 2020
Revolving credit facility	\$ 78,000	\$ 32,000
Unamortized financing costs	(301)	(298)
Bank indebtedness	<u>\$ 77,699</u>	<u>\$ 31,702</u>

(9) REPURCHASE OBLIGATIONS

As at March 31, 2021, the Corporation had three open grain repurchase commitments under its product financing arrangement to repurchase a total of 1,750,000 bushels of certain grains. Under the product financing arrangements, the Corporation sold grain under contract and simultaneously entered into contracts to repurchase a total of 1,000,000 and 750,000 bushels of grain by April 27, 2021 and April 20, 2021, respectively. Since the Corporation was obligated to repurchase these commodities, it did not recognize these transactions as sales. As at March 31, 2021, the Corporation recognized the inventory owned by the Corporation in this regard on its consolidated balance sheet and recorded a liability of \$11.5 million plus accrued interest payable. As at March 31, 2021, the fixed interest rates on the open repurchase commitments were 2.9%.

(10) TERM LOAN

On November 15, 2018, the Corporation entered into a \$20.0 million term loan agreement with Bixby Bridge Fund IV, LLC (the “**Bixby Loan**”). On August 16, 2019, the Bixby Loan was amended in conjunction with the Corporation’s acquisition of Delmar Commodities Ltd. The Bixby Loan was amended to increase the amount of the loan by \$15.0 million to a total of \$35.0 million. The payment schedule was amended

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such that the Corporation will pay \$5.0 million on November 15, 2020, \$5.0 million on November 15, 2021, and the remaining \$25.0 million is due on November 15, 2022. On February 28, 2020, the Corporation elected to pay the \$5.0 million scheduled payment due November 15, 2020 early. Additionally, the annual interest rate increased to 6.00% plus one-month LIBOR.

In connection with the origination of the Bixby Loan, the Corporation paid transaction costs relating to the loan closure in the amount of \$349 thousand during fiscal year 2020 and \$454 thousand during fiscal year 2019, 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 rate method.

<i>(in thousands of USD)</i>	March 31, 2021	June 30, 2020
Current portion of term loan	\$ 5,000	\$ -
Less current portion of unamortized financing costs	(211)	-
Current portion of term loan	4,789	-
Loan-term portion of term loan	25,000	30,000
Less long-term portion of unamortized financing costs	(123)	(279)
Long-term loan	24,877	29,721
Total	\$ 29,666	\$ 29,721

The Bixby Loan is secured by the following: (i) a security interest in substantially all the personal property of Ceres; (ii) a charge and mortgage over substantially all of the real property and elevator assets held by Riverland Ag and the real property of Northgate; and (iii) a pledge of substantially all of the equity interests and investment property held by the Corporation.

(11) FINANCE INCOME (LOSS)

The following table presents realized and unrealized gains (losses) on foreign exchange, currency-hedging transactions and the revaluation of portfolio investments for the three and nine-month periods ended March 31, 2021 and 2020:

<i>(in thousands of USD)</i>	<u>3 Months</u>		<u>9 Months</u>	
	2021	2020	2021	2020
Realized and unrealized gain (loss) on foreign exchange	\$ (84)	\$ (128)	\$ (160)	\$ (89)
Finance lease interest income	1	-	5	-
Accretion of contingent consideration	-	(7)	-	(49)
Finance income (loss)	\$ (83)	\$ (135)	\$ (155)	\$ (138)

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(12) INTEREST EXPENSE

The following table presents interest expense for the three and nine-month periods ended March 31, 2021 and 2020:

<i>(in thousands of USD)</i>	<u>3 Months</u>		<u>9 Months</u>	
	2021	2020	2021	2020
Interest on bank indebtedness	\$ (625)	\$ (659)	\$ (1,566)	\$ (2,083)
Interest on term loan	(460)	(641)	(1,403)	(1,914)
Interest on repurchase obligations	(25)	-	(25)	-
Interest attributable to leases	(68)	(48)	(156)	(144)
Amortization of financing costs paid	(157)	(186)	(518)	(600)
Interest on other financing obligations	1	5	21	2
Interest expense	<u>\$ (1,334)</u>	<u>\$ (1,529)</u>	<u>\$ (3,647)</u>	<u>\$ (4,739)</u>

As at March 31, 2021 and June 30, 2020, interest accrued on the term loan, credit facility, and repurchase obligations totaled \$396 and \$88 thousand respectively and is classified within accounts payable and accrued liabilities in the Consolidated Balance Sheet.

(13) EQUITY

The following is a summary of the changes in the Common shares for the nine months ended March 31, 2021 and year ended June 30, 2020:

	Common shares	
	<u>Number of shares</u>	<u>Amount (in thousands of USD)</u>
Balances, June 30, 2019	27,934,991	\$ 203,358
Adjustment for change in functional currency	-	(40,572)
Private placement	2,802,599	9,568
Share issuance costs	-	(77)
Options exercised for common shares	1,250	3
Restricted stock options exercised	34,005	94
Balances, June 30, 2020, and March 31, 2021	<u>30,772,845</u>	<u>\$ 172,374</u>

As at March 31, 2021 and June 30, 2020, directors and officers of the Corporation, through a controlled entity, beneficially own, directly or indirectly, or exercise control or direction over 55.4% and 50.6% respectively, of the outstanding Commons shares of the Corporation.

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(14) EQUITY INCENTIVE PLAN

During the nine months ended March 31, 2021, Ceres granted stock option awards (“Options”), which include Tandem SARs, under the Corporation’s stock option plan to certain officers and employees of the Corporation. As at March 31, 2021, the outstanding Tandem SARs are as follows:

	Number of Options	Weighted average exercise price (CAD)	Weighted average remaining contractual term (years)
Outstanding as at June 30, 2019	1,830,387	\$ 5.17	2.90
Granted	365,500	3.74	4.34
Exercised	(6,250)	4.19	-
Expired/forfeited	(431,821)	5.17	-
Outstanding as at June 30, 2020	1,757,816	4.88	2.40
Granted	330,000	3.14	4.50
Exercised	(6,250)	3.57	-
Expired/forfeited	(41,315)	5.03	-
Outstanding as at March 31, 2021	<u>2,040,251</u>	<u>\$ 4.60</u>	<u>2.04</u>

At the grant date, the fair value of the Options was estimated using the Black-Scholes option pricing model with the following weighted-average assumptions: an average risk-free interest rate of 0.87%; expected volatility of 38.6%; dividend yield of nil; an average expected option life of 4.50 years; and average exercise price of CAD \$3.14. The weighted average grant date fair value of the Options granted during the period ended March 31, 2021, is CAD \$2.11 and CAD \$0.79 for the period ended March 31, 2020. As at March 31, 2021, Options had exercise prices ranging from CAD \$2.98 to CAD \$5.84 and CAD \$3.68 to CAD \$6.75 as at March 31, 2020.

The total Option compensation cost included in general and administrative expenses for the three months ended March 31, 2021, amounted to \$62 thousand and \$55 thousand for the three months ended March 31, 2020, with the non-cash expense being accrued and classified within accounts payable and accrued liabilities in the Consolidated Balance Sheet. For the nine months ended March 31, 2021 and March 31, 2020, total Option compensation cost included in general and administrative expenses was \$174 thousand and \$147 thousand respectively.

In fiscal year 2020, the Corporation granted 258,398 Restricted Stock Units (“RSUs”) with a grant date fair value of \$412 thousand. The RSUs vest in five equal annual installments over four years based on the attainment of certain performance measures and the employee’s continued service through the vest date. During the year ended June 30, 2020, 51,680 of the RSUs vested and were settled. The expense related to RSUs was \$109 thousand for the nine months ended March 31, 2021 and \$144 thousand for the nine months ended March 31, 2020 and recorded within General and administrative expenses. As at March 31, 2021, there were 206,718 RSUs issued and outstanding.

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(15) DEFERRED SHARE UNIT PLAN

Effective September 29, 2016, the Board amended the Directors' Deferred Share Unit Plan to (i) authorize the Board, in its sole discretion, to issue Common Shares to directors in lieu of all or a portion of the annual cash remuneration payable to eligible directors in respect of services provided by such eligible directors to the Corporation, (ii) increase the aggregate number of Common Shares issuable under the plan from 450,000 to 600,000 Common Shares and (iii) rename the plan the Directors' Share and Deferred Share Unit Plan.

Effective March 10, 2014, Ceres has a Directors' Deferred Share Unit Plan ("DSU Plan"), whereby deferred share units ("DSUs") are issued to Eligible Directors, in lieu of cash, for a portion of Directors' fees otherwise payable to Directors. The Fair Market Value of the DSUs on the date such units are calculated and issued represents the volume-weighted average trading price of Ceres' common shares for the five trading days immediately preceding the date of issuance of the DSUs. Each DSU entitles the director to receive payment after the end of the director's term in the form of common shares of the Corporation. Under the DSU Plan, the aggregate number of common shares issuable by Ceres under this Plan was limited to 450,000 and subsequently amended to 600,000 common shares. Certain insider restrictions and annual dollar limits per Eligible Director exist. Dividends, if any, otherwise payable on the common shares represented by the DSUs are converted into additional DSUs based on the Fair Market Value as of the date on which any such dividends would be paid. The Plan also provides for the Board to award additional DSUs (referred to in the DSU Plan as "Matching DSUs") to an Eligible Director who has elected to receive DSUs pertaining to his/her Annual Cash Remuneration amount (as defined by the DSU Plan).

The Corporation intends to settle all DSUs with shares through the issuance of treasury shares. Compensation expense is included as part of Directors' fees classified with general and administrative expenses and is recognized in the accounts as and when services are rendered to the Corporation.

The following table summarizes the information related to DSUs outstanding:

	Number of DSUs	Amount (in thousands of USD)
DSUs as at June 30, 2019	357,030	\$ 1,387
Units issued	125,328	310
Adjustment for change in functional currency	-	(13)
Balance at June 30, 2020	482,358	1,684
Units issued	80,942	237
Balance at March 31, 2021	563,300	\$ 1,921

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(16) RELATED PARTY TRANSACTIONS

Key management personnel

Below is the remuneration of key management personnel of the Corporation, which includes both members of the Board of Directors and leadership team, including the President and CEO, CFO, and vice presidents for the three and nine months ended March 31, 2021 and 2020:

	<u>3 Months</u>		<u>9 Months</u>	
<i>(in thousands of USD)</i>	2021	2020	2021	2020
Salary and short-term employee and director benefits	\$ 406	\$ 438	\$ 1,239	\$ 1,044
Share-based compensation	109	225	400	447
	\$ 515	\$ 663	\$ 1,639	\$ 1,491

Ownership

The Corporation's majority shareholder, VN Capital Management, LLC, beneficially owns and controls, directly and indirectly, through VN Capital Fund C, L.P., a total of 16,782,557 common shares, representing 54.5% of Ceres' outstanding shares (15,338,057 common shares, 49.8% as at June 30, 2020).

Savage Riverport, LLC

Ceres routinely transacts business directly with Savage Riverport, LLC. Such transactions are in the ordinary course of business and include storage and elevation fees for grain storage, as well as management fees. Related party revenue of \$20 thousand is included in total revenue for the three months ended March 31, 2021 compared to related party revenue of \$20 thousand in the three months ended March 31, 2020. Related party revenue of \$60 thousand is included in total revenue for the nine months ended March 31, 2021 compared to related party revenue of \$60 thousand in the nine months ended March 31, 2020. Related party expenses recorded in cost of sales are \$423 thousand for the three months ended March 31, 2021 and \$346 thousand for three months ended March 31, 2020. Related party expenses recorded in cost of sales are \$1.4 million for the nine months ended March 31, 2021 and \$1.1 million for nine months ended March 31, 2020. As at March 31, 2021, the accounts receivable, due from Savage Riverport, LLC totaled \$154 thousand and \$84 thousand as at June 30, 2020. Accounts payable, due to Savage Riverport, LLC totaled \$52 thousand and \$25 thousand as at March 31, 2021 and June 30, 2020, respectively.

Farmers Grain, LLC

As at March 31, 2021, the accounts receivable, due from Farmers Grain totaled \$304 thousand and nil as at June 30, 2020. As at March 31, 2021, the accounts payable, due to Farmers Grain totaled \$11 thousand and nil as at June 30, 2020.

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Gateway Energy Terminal

As at March 31, 2021, the accounts receivable, due from Gateway Energy Terminal, totaled \$67 thousand and \$195 thousand for the year ending June 30, 2020.

Stewart Southern Railway Inc.

As at June 30, 2020, Ceres had an \$18 thousand (CAD \$25 thousand) note due from SSR. The note has an annual interest rate of 1.0% and was recorded in “Other assets” as a long-term receivable on Ceres’ Consolidated Balance Sheet. During the three months ended March 31, 2021, SSR repaid \$12 thousand (CAD \$15 thousand) of the note. As at March 31, 2021, the remaining balance of \$7 thousand (CAD \$10 thousand) is recorded in “Accounts receivable – related parties.”

Bixby Loan

An affiliate of Bixby Bridge Fund IV, LLC (“**the Lender**”), separate and distinct from the Lender, holds an indirect, minority investment in Ceres. The Bixby Loan was negotiated on arm’s length terms after consideration of other financing alternatives under the supervision of members of the Corporation’s Board of Directors who are independent of the Lender.

(17) SEGMENT REPORTING

As at March 31, 2021, the Corporation has four reportable segments: Grain, Supply Chain Services, Seed and Processing, and Corporate. The Corporation’s Grain segment is engaged in grain procurement and merchandising of specialty grains and oilseeds such as oats, barley, rye, hard red spring wheat, durum wheat, canola, and pulses. The Supply Chain Services segment utilizes the Corporation’s facilities to provide logistics services, storage, and transloading for commodities and industrial products. The Seed and Processing segment is engaged in soybean crush, specialty crops blending, birdfeed production, and seed distribution in western Canada.

Management reporting comprises analysis of revenue and gross profit within three distinct operating segments. Corporate oversees and administers the operating segments. The chief operating decision maker focuses on revenues and costs by operating segment, but manages assets and liabilities on a global basis.

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The following table presents information about reported segment profit or loss from the Statement of Comprehensive Income (Loss) for the three months ended March 31, 2021:

(in thousands of USD)	Grain	Supply Chain Services	Seed and Processing	Corporate and Eliminations	Total
Revenues	\$ 190,849	\$ 802	\$ 14,262	\$ (2,002)	\$ 203,911
Cost of sales	(184,793)	(915)	(14,274)	1,929	(198,053)
Gross profit	6,056	(113)	(12)	(73)	5,858
General and administrative expenses	(993)	-	(280)	(2,370)	(3,643)
Income (loss) from operations	5,063	(113)	(292)	(2,443)	2,215
Finance income (loss)	1	-	-	(84)	(83)
Interest expense	(760)	-	-	(574)	(1,334)
Amortization of intangible assets	-	-	-	(66)	(66)
Revaluation of stock appreciation right liability	-	-	-	(405)	(405)
Revaluation of contingent consideration	-	-	-	-	-
Gain/loss on sale of intangible assets	-	-	-	-	-
Gain/loss on property, plant, and equipment	-	-	-	26	26
Income (loss) before taxes	4,304	(113)	(292)	(3,546)	353
Income tax (expense) recovered	(209)	-	-	58	(151)
Share in net income (loss) from associates	(110)	-	-	(170)	(280)
Net income (loss)	\$ 3,985	\$ (113)	\$ (292)	\$ (3,658)	\$ (78)

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The following table presents information about reported segment profit or loss from the Statement of Comprehensive Income (Loss) for the three months ended March 31, 2020:

(in thousands of USD)	Grain	Supply Chain Services	Seed and Processing	Corporate and Eliminations	Total
Revenues	\$ 115,025	\$ 995	\$ 7,821	\$ (2,894)	\$ 120,947
Cost of sales	(110,665)	(957)	(7,913)	2,894	(116,641)
Gross profit	4,360	38	(92)	-	4,306
General and administrative expenses	(1,324)	(3)	(230)	(2,504)	(4,061)
Income (loss) from operations	3,036	35	(322)	(2,504)	245
Finance income (loss)	-	-	-	(135)	(135)
Interest expense	(794)	-	-	(735)	(1,529)
Amortization of intangible assets	-	-	-	-	-
Revaluation of stock appreciation right liability	-	-	-	244	244
Revaluation of contingent consideration	-	-	-	917	917
Legal settlement	-	-	-	-	-
Gain (loss) on property, plant, and equipment	-	-	-	-	-
Income (loss) before taxes	2,242	35	(322)	(2,213)	(258)
Income tax (expense) recovered	(2)	-	-	19	17
Share in net income (loss) of associates	(11)	-	-	(29)	(40)
Net income (loss)	\$ 2,229	\$ 35	\$ (322)	\$ (2,223)	\$ (281)

Ceres Global Ag Corp.
Notes to the Interim Condensed Consolidated Financial Statements
March 31, 2021 and March 31, 2020 (Expressed in USD)

The following table presents information about reported segment profit or loss from the Statement of Comprehensive Income (Loss) for the nine months ended March 31, 2021:

(in thousands of USD)	Grain	Supply Chain Services	Seed and Processing	Corporate and Eliminations	Total
Revenues	\$ 521,461	\$ 2,448	\$ 34,750	\$ (7,384)	\$ 551,275
Cost of sales	(506,373)	(2,618)	(33,288)	7,166	(535,113)
Gross profit	15,088	(170)	1,462	(218)	16,162
General and administrative expenses	(2,813)	-	(824)	(7,535)	(11,172)
Income (loss) from operations	12,275	(170)	638	(7,753)	4,990
Finance income (loss)	5	-	-	(160)	(155)
Interest expense	(1,951)	-	3	(1,699)	(3,647)
Amortization of intangible assets	-	-	-	(197)	(197)
Revaluation of stock appreciation right liability	-	-	-	(761)	(761)
Gain (loss) on sale of intangible assets	-	-	-	290	290
Gain/loss on property, plant, and equipment	-	-	-	37	37
Income (loss) before taxes	10,329	(170)	641	(10,243)	557
Income tax (expense) recovered	-	-	-	56	56
Share in net income (loss) from associates	(106)	-	-	(196)	(302)
Net income (loss)	<u>\$ 10,223</u>	<u>\$ (170)</u>	<u>\$ 641</u>	<u>\$ (10,383)</u>	<u>\$ 311</u>

Ceres Global Ag Corp.
Notes to the Interim Condensed Consolidated Financial Statements
March 31, 2021 and March 31, 2020 (Expressed in USD)

The following table presents information about reported segment profit or loss from the Statement of Comprehensive Income (Loss) for the nine months ended March 31, 2020:

(in thousands of USD)	Grain	Supply Chain Services	Seed and Processing	Corporate and Eliminations	Total
Revenues	\$ 385,719	\$ 3,157	\$ 20,849	\$ (4,520)	\$ 405,205
Cost of sales	(366,299)	(2,977)	(20,125)	4,520	(384,881)
Gross profit	19,420	180	724	-	20,324
General and administrative expenses	(4,276)	(17)	(679)	(7,775)	(12,747)
Income (loss) from operations	15,144	163	45	(7,775)	7,577
Finance income (loss)	-	-	-	(138)	(138)
Interest expense	(2,495)	-	(40)	(2,204)	(4,739)
Amortization of intangible assets	-	-	-	-	-
Revaluation of stock appreciation right liability	-	-	-	302	302
Revaluation of contingent consideration	-	-	-	917	917
Legal settlement	-	-	-	-	-
Gain (loss) on property, plant, and equipment	-	-	-	-	-
Income (loss) before taxes	12,649	163	5	(8,898)	3,919
Income tax (expense) recovered	47	-	-	(49)	(2)
Share in net income (loss) of associates	95	-	-	(202)	(107)
Net income (loss)	\$ 12,791	\$ 163	\$ 5	\$ (9,149)	\$ 3,810

(18) LEGAL

The Corporation is involved in various legal claims and legal notices arising in the ordinary course of business. The Corporation believes it has adequately assessed each claim, and the necessity of a provision for such claims. As at March 31, 2021 and June 30, 2020, the Corporation has no provision for any of these legal claims.