Unaudited Interim Condensed Consolidated Financial Statements of

CERES GLOBAL

For the three-month and six-month periods ended December 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

(In thousands of USD)	December 31, 2021	June 30, 2021
Assets		
Current assets:		
Cash	$ 3,901	$ 4,214
Due from brokers (note 4)	4,445	5,642
Unrealized gains on open cash contracts (note 5)	14,718	25,906
Accounts receivable	39,543	37,667
Accounts receivable - related parties (note 16)	620	444
Inventories, grains	180,430	112,019
Prepaid expenses and sundry assets	5,438	1,827
Portfolio investments (note 5)	794	809
Total current assets	249,889	188,528
Investments in associates	14,820	14,933
Property, plant, and equipment (note 6)	112,625	114,581
Intangible assets (note 7)	6,847	6,978
Deferred tax asset	4,948	9,684
Right of use assets (note 8)	3,530	3,886
Other assets (note 6)	10,815	-
Total assets	$ 403,474	$ 338,590
Liabilities and Shareholders' Equity		
Current liabilities:		
Bank indebtedness (note 9)	$ 79,925	$ 80,760
Accounts payable and accrued liabilities	81,318	41,336
Accounts payable - related parties (note 16)	51	136
Repurchase obligations	5,187	-
Unrealized losses on open cash contracts (note 5)	23,584	25,112
Current portion of term loan (note 10)	1,837	1,320
Current portion of lease liability (note 8)	585	685
Total current liabilities	192,487	149,349
Term loan (note 10)	36,338	27,557
Long-term lease liability (note 8)	2,872	3,171
Deferred tax liability	1,643	1,595
Total liabilities	233,340	181,672
Shareholders' equity:		
Common shares (note 13)	172,470	172,374
Deferred share units (note 15)	1,762	1,762
Contributed surplus	6,989	7,033
Accumulated other comprehensive income (loss)	1,379	1,017
Deficit	(12,466)	(25,268)
Total shareholders' equity	170,134	156,918
Legal (note 19)	-	-
Total liabilities and shareholders' equity	$ 403,474	$ 338,590

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

ON BEHALF OF THE BOARD

Signed "Harold Wolkin" Director

Signed "James Vanasek" Director

CERES GLOBAL AG CORP.

Interim Condensed Consolidated Statements of Comprehensive Income (Loss)

Three and six months ended December 31, 2021 and 2020

Unaudited

(In thousands of USD except shares and loss per share)	3 months ended December 31, 2021	3 months ended December 31, 2020	6 months ended December 31, 2021	6 months ended December 31, 2020
Revenues	$ 304,795	$ 175,267	$ 513,166	$ 347,364
Cost of sales	(288,737)	(168,773)	(473,249)	(337,060)
Gross profit	16,058	6,494	39,917	10,304
General and administrative expenses	(9,012)	(3,761)	(19,212)	(7,529)
Income (loss) from operations	7,046	2,733	20,705	2,775
Finance income (loss) (note 11)	(208)	(125)	(239)	(72)
Interest expense (note 12)	(1,341)	(1,273)	(2,465)	(2,313)
Amortization of intangible assets (note 7)	(65)	(65)	(131)	(131)
Revaluation of stock appreciation right liability	(438)	(287)	(431)	(356)
Gain (loss) on equity method investments	249	-	249	-
Gain (loss) on sale of intangible assets (note 7)	110	290	110	290
Gain (loss) on property, plant, and equipment	(11)	11	6	11
Income (loss) before income taxes and undernoted items	5,342	1,284	17,804	204
Income tax (expense) recovered	(1,297)	92	(4,889)	207
Share of net income (loss) of associates	(12)	(51)	(113)	(22)
Net income (loss)	4,033	1,325	12,802	389
Components of comprehensive income (loss):				
Gain (loss) on financial instrument hedge	336	-	362	-
Total comprehensive income (loss)	$ 4,369	$ 1,325	$ 13,164	$ 389
Basic weighted-average number of shares for the period	30,800,597	30,772,845	30,786,721	30,772,845
Diluted weighted-average number of shares for the period	32,439,286	32,820,359	32,266,412	32,652,388
Earnings (loss) per share:				
Basic	$ 0.13	$ 0.04	$ 0.42	$ 0.01
Diluted	0.12	0.04	0.40	0.01
Supplemental disclosure of selected information:				
Depreciation included in Cost of sales	$ (1,494)	$ (1,399)	$ (2,986)	$ (2,753)
Amortization of right of use assets included in Cost of sales	(119)	(73)	(236)	(148)
Depreciation included in General and administrative expenses	(85)	(90)	(174)	(183)
Amortization of right of use assets included in General and administrative expenses	(67)	(71)	(135)	(141)
Amortization of financing costs included in Interest expense	(183)	(181)	(327)	(361)
Personnel costs included in Cost of sales	(2,280)	(2,244)	(4,547)	(4,445)
Personnel costs included in General and administrative expenses	(6,942)	(2,624)	(14,763)	(5,313)
Personnel costs included in Revaluation of stock appreciation right liability	(438)	(287)	(431)	(356)

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

Six months ended December 31, 2021 and 2020

Unaudited

(In thousands of USD)	2021	2020
Operating activities:		
Net income (loss)	$ 12,802	$ 389
Adjustments for:		
Depreciation and amortization	3,160	2,936
Amortization of intangible assets	131	131
Amortization of right of use assets	371	289
Interest expense	2,465	2,313
Gain on sale of intangible assets	-	(290)
Bad debt recovery	-	(170)
Income tax expense	4,889	(216)
Gain (loss) on property, plant, and equipment	6	(11)
Share-based compensation	640	364
Share of net (income) loss of associates	113	22
Revaluation of foreign denominated accounts	2	(51)
Revaluation of stock appreciation right liability	431	356
Changes in non-cash working capital accounts:		
Due from brokers	1,559	(933)
Net open cash contracts	9,660	3,301
Accounts receivable	(1,983)	1,349
Accounts receivable - related parties	(176)	44
Inventories, grains	(68,411)	(26,005)
Prepaid expenses and sundry assets	(3,611)	(3,593)
Accounts payable and accrued liabilities	39,427	2,092
Accounts payable - related parties	(85)	5
Current portion of lease liability	(414)	(242)
Income taxes paid	-	(60)
Interest paid	(2,080)	(1,695)
Net cash provided by (used in) operating activities	(1,104)	(19,675)
Investing activities:		
Cash from disposition of intangible assets	-	440
Cash from disposition of property, plant, and equipment	31	58
Payment to shareholders of Delmar Commodities Ltd.	-	(329)
Investment in other non-current assets	(10,815)	-
Acquisition of property, plant, and equipment	(1,747)	(8,050)
Net cash provided by (used in) investing activities	(12,531)	(7,881)
Financing activities:		
Net proceeds (repayment) of bank indebtedness	(1,000)	37,000
Proceeds from repurchase obligation	5,187	-
Proceeds from delayed draw term loan	10,000	-
Repayment of term loan	(750)	-
Financing costs paid	(115)	-
Net cash provided by (used in) financing activities	13,322	37,000
Effect of exchange rate changes on cash	-	-
Increase (decrease) in cash	(313)	9,444
Cash, beginning of period	4,214	696
Cash, end of period	$ 3,901	$ 10,140

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

Six months ended December 31, 2021 and 2020

Unaudited

(In thousands of USD)	Common shares	Deferred share units	Contributed surplus	Accumulated other comprehensive income (loss)	Deficit	Total shareholders' equity
Balances, June 30, 2021	$ 172,374	$ 1,762	$ 7,033	$ 1,017	$ (25,268)	$ 156,918
Share-based compensation net of vesting	96	-	(44)	-	-	52
Gain (loss) on financial instrument hedge	-	-	-	362	-	362
Net income (loss)	-	-	-	-	12,802	12,802
Balances, December 31, 2021	$ 172,470	$ 1,762	$ 6,989	$ 1,379	$ (12,466)	$ 170,134
Balances, June 30, 2020	$ 172,374	$ 1,684	$ 7,226	$ 1,017	$ (37,312)	$ 144,989
Issuance of deferred share units	-	160	-	-	-	160
Share-based compensation net of vesting	-	-	(60)	-	-	(60)
Net income (loss)	-	-	-	-	389	389
Balances, December 31, 2020	$ 172,374	$ 1,844	$ 7,166	$ 1,017	$ (36,923)	$ 145,478

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

(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 six-month periods ended December 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 (North Dakota) ("**NOG**"), Delmar Commodities Ltd. (Manitoba) ("**Delmar**"), and Ceres Global Ag Corp. Mexico S.A. DE C.V. ("**Ceres Mexico**"). All intercompany 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, 2021. 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 February 9, 2022.

Interest rate benchmark reform – phase 2 amendments

The Corporation adopted Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 9, IAS 39, IFRS 4 and IFRS 16 (the "**Phase 2 Amendments**") which is effective for all fiscal years beginning on or after January 1, 2021. Interest rate benchmark reform ("**Reform**") refers to a global reform of interest rate benchmarks, which includes the replacement of some interbank offered rates with alternative benchmark rates. The Phase 2 Amendments provide a practical expedient requiring the effective interest rate be adjusted when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities that relate directly to the Reform rather than applying modification accounting which might have resulted in a gain or loss. In addition, the Phase 2 Amendments require disclosures to assist users in understanding the effect of the Reform on the Corporation's financial instruments and risk management strategy. The Corporation has the following financial instruments indexed to the London Interbank Offered Rate ("**LIBOR**") that have not yet transitioned to alternative benchmark rates as at December 31, 2021:

(in thousands of USD)		Carrying amount
BMO Term Loan	$	28,875
BMO Delayed Draw		10,000
Interest rate swap contract		362
2021 Credit Facility (defined below)		80,000

On March 5, 2021, the Financial Conduct Authority, the regulatory supervisor of the LIBOR's administrator, announced that panel bank submissions for the 1-week and 2-month USD LIBOR settings will cease immediately after December 31, 2021, and, in the case of the remaining USD LIBOR settings, immediately after June 30, 2023, after which representative LIBOR rates will no longer be available. The Corporation maintains a term loan which bears interest at the one-month USD LIBOR plus a fixed interest rate margin of 3.5% which is expected to be fully repaid in June 2026. The Corporation is currently working with the syndicate of lenders to assess the potential alternatives to the use of LIBOR. The Corporation also maintains a LIBOR interest rate swap contract with underlying notional amounts for the total outstanding balance of its term loan. The balance as at December 31, 2021 was $28.8 million. Considering the maturity dates of the contracts and the expected timing of changes to alternative benchmark rates, at the date LIBOR ceases or early adoption is implemented, the Corporation will replace LIBOR with the current secured overnight financing rate ("**SOFR**"). At which time, the Corporation will re-enter a swap agreement.

Functional and presentation currency

The Corporation and all of its subsidiaries have a functional currency of United States Dollars ("**USD**").

These interim condensed consolidated financial statements are presented 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 or other comprehensive income 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

Measurement of Deferred Income Tax

Management is required to apply judgment in determining, on an entity-by-entity basis, whether it is probable that deferred income tax assets will be realized. In addition, the measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements.

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 the 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 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 Sheets.

The fair values of commodity inventories are determined from exchange or quoted market prices and judgment is applied in estimating expected freight costs to normal delivery points and the price premium or discount to reflect the effect of local supply and demand factors.

Current Events

COVID-19

The outbreak of COVID-19 has resulted in governments worldwide enacting 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 judgments, estimates and assumptions, used in the preparation of the consolidated financial statements and did not identify any material changes for the current period.

(4) DUE FROM 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:

(in thousands of USD)	December 31, 2021	June 30, 2021
Margin deposits	$ 2,867	$ 6,460
Unrealized gains on futures contracts and options, at fair value	1,318	1,286
Unrealized gain on financial instrument hedge	362	-
	4,547	7,746
Unrealized losses on futures contracts and options, at fair value	(102)	(2,104)
	$ 4,445	$ 5,642

(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 December 31, 2021.

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.

(in thousands of USD)	December 31, 2021 Level 1	Level 2	Level 3	Total
Cash	$ 3,901	$ -	$ -	$ 3,901
Portfolio investments	-	-	794	794
Due from broker, margin deposits (note 4)	2,867	-	-	2,867
Due from broker, unrealized gains on futures and options (note 4)	1,318	-	-	1,318
Unrealized gains on open cash contracts (derivatives)	-	14,718	-	14,718
Due from broker, unrealized losses on futures and options (note 4)	(102)	-	-	(102)
Unrealized gain on financial instrument hedge (note 4)	-	362	-	362
Unrealized losses on open cash contracts (derivatives)	-	(23,584)	-	(23,584)
Stock appreciation right liability included in accounts payable	-	-	(1,993)	(1,993)
Deferred share unit liability included in accounts payable	-	-	(480)	(480)
Balance December 31, 2021	$ 7,984	$ (8,504)	$ (1,679)	$ (2,199)

	June 30, 2021			
(in thousands of USD)	Level 1	Level 2	Level 3	Total
Cash	$ 4,214	$ -	$ -	$ 4,214
Portfolio investments	-	-	809	809
Due from broker, margin deposits (note 4)	6,460	-	-	6,460
Due from broker, unrealized gains on futures and options (note 4)	1,286	-	-	1,286
Unrealized gains on open cash contracts (derivatives)	-	25,906	-	25,906
Due from broker, unrealized losses on futures and options (note 4)	(2,104)	-	-	(2,104)
Unrealized losses on open cash contracts (derivatives)	-	(25,112)	-	(25,112)
Stock appreciation right liability included in accounts payable	-	-	(1,334)	(1,334)
Deferred share unit liability included in accounts payable	-	-	(254)	(254)
Balance June 30, 2021	$ 9,856	$ 794	$ (779)	$ 9,871

Reconciliation of Level 3 fair values:

(in thousands of USD)	Portfolio Investments
Balance at June 30, 2020	$ 739
Unrealized foreign exchange loss	70
Balance at June 30, 2021	809
Unrealized foreign exchange loss	(15)
Balance at December 31, 2021	$ 794

(in thousands of USD)		Stock Appreciation Right Liability
Balance at June 30, 2020	$	(139)
Revaluation of stock appreciation right liability		(685)
Expense		(287)
Exercises		7
Vestitures		(193)
Unrealized foreign exchange gain (loss)		(37)
Balance at June 30, 2021		(1,334)
Revaluation of stock appreciation right liability		(431)
Expense		(253)
Exercises		13
Vestitures		-
Unrealized foreign exchange gain		12
Balance at December 31, 2021	$	(1,993)

(in thousands of USD)		Deferred Share Unit Liability
Balance at June 30, 2020	$	-
Expense		(239)
Exercises		-
DSU liability revaluation		(12)
Unrealized foreign exchange gain		(3)
Balance at June 30, 2021		(254)
Expense		(144)
Exercises		-
DSU liability revaluation		(83)
Unrealized foreign exchange gain		1
Balance at December 31, 2021	$	(480)

Management of financial instruments risks

In the normal course of business, the Corporation is exposed to various financial instrument 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 December 31, 2021, the Corporation's market risk pertaining to portfolio investments was potentially affected by changes in actual market prices. As at December 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 December 31, 2021, if the fair value of each of the portfolio investments as at December 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 December 31, 2021 would be as follows:

(in thousands of USD except income per share)	Increase (decrease) in net income	Increase (decrease) in income per share
10% increase in fair value of portfolio investments	$ 79	$ -
10% decrease in fair value of portfolio investments	$ (79)	$ -

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 a component of Cost of sales. Unrealized gains and losses on these derivative contracts are recognized in earnings and classified on the Interim Condensed 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 December 31, 2021, if the fair value of each of the open cash contracts as at December 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 period ending December 31, 2021 would be as follows:

(in thousands of USD except income per share)		Increase (decrease) in net income		Increase (decrease) in income per share
5% increase in bid/ask prices of commodities	$	1,862	$	0.06
5% decrease in bid/ask prices of commodities	$	(1,862)	$	(0.06)

Interest Rate Risk

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

As at December 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 December 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 9 (Bank Indebtedness), as at December 31, 2021, the Corporation's 2021 Credit Facility (as defined herein) bears a tiered annual interest rate based on utilization ranging from 2.875% to 3.125% plus one-week LIBOR. As at December 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, the Corporation's term debt with the Bank of Montreal ("BMO Loan") (note 10) bears interest at an annual rate of 3.50% plus one-month LIBOR. On September 14, 2021, the Corporation entered into a floating-to-fixed interest rate swap, fixing the variable interest portion of the BMO Loan. Refer to note 10 for more information. As there is no variable interest rate component on the BMO Loan, there would be no impact if the LIBOR rate were to increase by 25 bps.

On that basis, the potential effects on the results of operations for the period ending December 31, 2021 would be as follows:

(in thousands of USD except income per share)		Increase (decrease) in net income		Increase (decrease) in income per share
2021 Credit Facility				
25 bps increase in annual interest rate	$	(102)	$	-
BMO Loan				
25 bps increase in annual interest rate	$	-	$	-

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 December 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 December 31, 2021 and June 30, 2021, the allowance for doubtful accounts was $96 thousand and $108 thousand, respectively.

The Corporation had no customers that individually represented more than 10% of total revenue for the six months ended December 31, 2021 and December 31, 2020.

Custody and Prime Brokerage Risk

There are risks involved with dealing with a custodian or broker who settles 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.

Liquidity Risk

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

December 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	$ 79,925	$ 80,000	$ 80,000	$ -	$ -	$ -
Accounts payable and accrued liabilities	81,318	81,318	81,318	-	-	-
Accounts payable - related parties	51	51	51	-	-	-
Unrealized losses on open cash contracts	23,584	23,584	23,584	-	-	-
Term loan	38,175	38,875	2,000	2,000	34,875	-
Repurchase obligations	5,187	5,187	5,187	-	-	-
	$ 228,240	$ 229,015	$ 192,140	$ 2,000	$ 34,875	$ -

June 30, 2021

(in thousands of USD)	Carrying Amount	Contractual Cash Flows	1 year	2 years	3 to 5 Years	More than 5 years
Bank indebtedness	$ 80,760	$ 81,000	$ 81,000	$ -	$ -	$ -
Accounts payable and accrued liabilities	41,336	41,336	41,336	-	-	-
Accounts payable - related parties	136	136	136	-	-	-
Unrealized losses on open cash contracts	25,112	25,112	25,112	-	-	-
Term loan (note 10)	28,877	29,625	1,500	1,500	26,625	-
	$ 176,221	$ 177,209	$ 149,084	$ 1,500	$ 26,625	$ -

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 payables and receivables. The Corporation's cash flow management activities and the continued likelihood of its operations further minimize liquidity risk.

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

(in thousands of USD)	Net asset (liability) exposure
Canadian dollars	$ 2,977

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

(in thousands of USD except income per share)	Increase (decrease) in net income	Increase (decrease) in income per share
CAD 5% Stronger	$ 149	$ 0.00
CAD 5% Weaker	$ (142)	$ (0.00)

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 December 31, 2021 due to the short-term nature of these instruments. The carrying value of the term loan approximates fair value as at December 31, 2021 based on current market rates for similar instruments.

(6) PROPERTY, PLANT, AND EQUIPMENT

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

(in thousands of USD)	Land	Buildings, Silos & Elevators	Machinery & equipment	Office equipment & other assets	Construction in progress	Totals
Cost						
June 30, 2021	$ 21,534	$ 83,547	$ 33,401	$ 4,438	$ 3,357	$ 146,277
Additions	-	-	-	-	1,240	1,240
Placed in service	-	1,715	2,515	-	(4,230)	-
Disposals	-	(9)	(8)	(68)	-	(85)
December 31, 2021	$ 21,534	$ 85,253	$ 35,908	$ 4,370	$ 367	$ 147,432
Accumulated depreciation						
June 30, 2021	$ -	$ (18,806)	$ (9,956)	$ (2,934)	$ -	$ (31,696)
Depreciation	-	(1,556)	(1,407)	(197)	-	(3,160)
Disposals	-	-	1	48	-	49
December 31, 2021	$ -	$ (20,362)	$ (11,362)	$ (3,083)	$ -	$ (34,807)
Carrying amount						
June 30, 2021	$ 21,534	$ 64,741	$ 23,445	$ 1,504	$ 3,357	$ 114,581
December 31, 2021	$ 21,534	$ 64,891	$ 24,546	$ 1,287	$ 367	$ 112,625

There were $71 thousand of property, plant, and equipment additions that have been accrued but not yet paid as at December 31, 2021 compared to $578 thousand as at June 30, 2021.

Other Assets

On October 14, 2021, the Corporation entered into a purchase agreement with a vendor to supply equipment for the planned canola crush plant to be located at the Corporation’s Northgate, Saskatchewan location (the “Purchase Agreement”). As at December 31, 2021, the committed and paid amount under the Purchase Agreement, along with other consulting and engineering fees, totaled $10.8 million and is recorded in Other assets on the Interim Condensed Consolidated Balance Sheet.

(7) INTANGIBLE ASSETS

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

(in thousands of USD)	Trademarks, tradename, customer/ producer relationships	Goodwill	Other intangible assets	Total
Intangible assets				
June 30, 2021	$ 6,595	$ 4,704	$ 150	$ 11,449
Additions	-	-	-	-
Disposals	-	-	-	-
December 31, 2021	$ 6,595	$ 4,704	$ 150	$ 11,449
Accumulated amortization				
June 30, 2021	$ (4,471)	$ -	$ -	$ (4,471)
Amortization	(131)	-	-	(131)
December 31, 2021	$ (4,602)	$ -	$ -	$ (4,602)
Carrying amount				
June 30, 2021	$ 2,124	$ 4,704	$ 150	$ 6,978
December 31, 2021	$ 1,993	$ 4,704	$ 150	$ 6,847

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.

(8) RIGHT OF USE ASSETS

Lease commitments are comprised of the following as at December 31, 2021 and June 30, 2021.

(in thousands of USD)		Land and Buildings		Machinery and Equipment		Office Equipment		Total Right of Use Assets
June 30, 2021	$	3,889	$	1,060	$	120	$	5,069
Additions and modifications		14		-		-		14
Disposals		-		-		(37)		(37)
December 31, 2021	$	3,903	$	1,060	$	83	$	5,046
Accumulated amortization								
June 30, 2021	$	(765)	$	(372)	$	(46)	$	(1,183)
Amortization		(257)		(104)		(9)		(370)
Disposals		-		-		37		37
December 31, 2021	$	(1,022)	$	(476)	$	(18)	$	(1,516)
Carrying amount								
June 30, 2021	$	3,124	$	688	$	74	$	3,886
December 31, 2021	$	2,882	$	584	$	65	$	3,530

(in thousands of USD)		Lease Commitments
Lease payments due within:		
1 year	$	763
2 years		662
3-5 years		1,587
6 or more years		1,797
Contractual lease cash flow		4,810
Interest attributed to lease payments		(1,353)
Balance at December 31, 2021	$	3,457

(9) 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 $100.0 million, with the potential to access an accordion feature that would provide an additional $20.0 million. The revolving facility matures on February 9, 2022 (refer to note 20 for information on credit facility renewal information).

On September 17, 2021, the Corporation executed a Commitment to Increase Agreement to access the accordion feature of the 2021 Credit Facility, providing an additional $20.0 million in availability. To do so, the Corporation incurred fees of $79 thousand that will be amortized over the remaining life of the 2021 Credit Facility.

The interest rate under the 2021 Credit Facility is a tiered annual interest rate based on the utilization 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 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 December 31, 2021, the Corporation was in compliance with all covenants.

As at December 31, 2021 and June 30, 2021, the Corporation had $38.6 million and $19.0 million in availability, respectively, on its revolving credit facility.

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

(in thousands of USD)	December 31, 2021	June 30, 2021
Revolving credit facility	$ 80,000	$ 81,000
Unamortized financing costs	(75)	(240)
Bank indebtedness	$ 79,925	$ 80,760

(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 which increased the amount of the loan by $15.0 million to a total of $35.0 million. 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.

On June 11, 2021, the Corporation entered into the BMO Loan, a five-year senior secured $50 million term debt credit facility that includes a $30 million term loan draw that was used to retire the Bixby Loan along with an additional $20 million delayed draw committed term ("**BMO Delayed Draw**") that will be used to fund future growth projects and initiatives. 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. Undrawn amounts on the delayed draw term loan are subject to a 0.25% commitment fee. Interest is paid monthly and at the Corporation's option, the BMO Loan will bear interest equal to:

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

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

The notional balance outstanding on the swap as at December 31, 2021 is $28.8 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 December 31, 2021. 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 $362 thousand on the interim condensed consolidated balance sheet.

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

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. During the first quarter of fiscal year 2022, the Corporation paid $36 thousand in relation to the origination of the BMO Loan.

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.

(in thousands of USD)	December 31, 2021	June 30, 2021
Current portion of term loan	$ 2,000	$ 1,500
Less current portion of unamortized financing costs	(163)	(180)
Current portion of term loan	1,837	1,320
Long-term portion of term loan	36,875	28,125
Less long-term portion of unamortized financing costs	(537)	(568)
Long-term loan	36,338	27,557
Total	$ 38,175	$ 28,877

The BMO Loan is secured by the following: (i) a security interest in substantially all of the personal property of Ceres; (ii) a charge and mortgage over substantially all of the real property and elevator assets held by the Corporation (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 six-month periods ended December 31, 2021 and 2020:

	3 Months		6 Months	
(in thousands of USD)	2021	2020	2021	2020
Realized and unrealized gain (loss) on foreign exchange	$ (208)	$ (127)	$ (239)	$ (76)
Finance lease interest income	-	2	-	4
Finance income (loss)	$ (208)	$ (125)	$ (239)	$ (72)

(12) INTEREST EXPENSE

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

	3 Months		6 Months	
(in thousands of USD)	2021	2020	2021	2020
Interest on bank indebtedness	$ (702)	$ (595)	$ (1,307)	$ (941)
Interest on term loan	(329)	(471)	(622)	(943)
Interest on repurchase obligations	(78)	-	(109)	-
Interest attributable to leases	(50)	(43)	(102)	(88)
Amortization of financing costs paid	(183)	(181)	(327)	(361)
Interest on other financing obligations	1	17	2	20
Interest expense	$ (1,341)	$ (1,273)	$ (2,465)	$ (2,313)

(13) EQUITY

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

	Common shares	
	Number of shares	Amount (*in thousands of USD*)
Balances, June 30, 2020 and June 30,2021	30,772,845	$ 172,374
Restricted stock options exercised	27,752	96
Balance at December 31, 2021	30,800,597	$ 172,470

As at December 31, 2021 and June 30, 2021, directors and officers of the Corporation, through a controlled entity, beneficially own, directly or indirectly, or exercise control or direction over 55.9% and 55.4%, respectively, of the outstanding Common shares of the Corporation.

December 31, 2021, and December 31, 2020 (Expressed in USD)

(14) EQUITY INCENTIVE PLAN

During the six months ended December 31, 2021, Ceres granted stock option awards ("**Options**"), which include Tandem SARs, under the Corporation's Amended and Restated Equity Incentive Plan dated November 20, 2019 ("**Equity Incentive Plan**"), to certain officers and employees of the Corporation. As at December 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, 2020	1,757,816	$	4.88	2.40
Granted	330,000		3.14	4.25
Exercised	(11,000)		3.60	-
Expired/forfeited	(773,441)		5.67	-
Outstanding as at June 30, 2021	1,303,375		4.61	1.66
Granted	345,000		4.67	3.25
Exercised	(17,500)		3.70	-
Expired/forfeited	(33,250)		3.94	-
Outstanding as at December 31, 2021	1,597,625	$	4.14	2.81

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 .73%; expected volatility of 41.87%; dividend yield of nil; an average expected option life of 3.25 years; and average exercise price of CAD $4.67. The weighted average grant date fair value of the Options granted during the period ended December 31, 2021, is CAD $1.39 and CAD $0.70 for the quarter ended December 31, 2020. As at December 31, 2021, Options had exercise prices ranging from CAD $2.98 to CAD $5.84 and CAD $2.98 to CAD $5.84 as at December 31, 2020.

The total Option compensation cost included in general and administrative expenses for the three months ended December 31, 2021, amounted to $84 thousand and $39 thousand for the three months ended December 31, 2020, with the non-cash expense being accrued and classified within accounts payable and accrued liabilities in the Interim Condensed Consolidated Balance Sheet. For the six months ended December 31, 2021 and December 31, 2020, total Option compensation cost included in general and administrative expenses was $253 thousand and $112 thousand respectively.

In the first quarter of fiscal year 2022, the Corporation granted 42,827 Restricted Stock Units ("**RSUs**") under the Equity Incentive Plan, with a grant date fair value of $200 thousand bringing the total number of RSUs issued and outstanding to 197,865. The RSU grants vest in three equal installments based on the attainment of certain performance measures and the employee's continued service through the vest date. Total RSU expense for the three months ended December 31, 2021 was $84 thousand and $46 thousand for the three months ended December 31, 2020. The expense related to RSUs was $173 thousand for the six months ended December 31, 2021, and $92 thousand for the six months ended December 31, 2020, and are recorded within General and Administrative expenses. As at December 31, 2021, there were 197,865 issued and outstanding RSUs.

(15) DEFERRED SHARE UNIT PLAN

Effective December 1, 2020, the Board of Directors amended the Directors' Share and Deferred Share Unit Plan ("DSU Plan") to provide that any Deferred Share Unit ("DSU") granted on or after December 1, 2020, will be redeemed in cash in an amount equal to the Fair Market Value of a Common Share, determined by the Committee in its sole discretion as of the Entitlement Date; provided that the Corporation may, at its option and subject to the availability of shares under the DSU Plan, deliver to the Eligible Director in satisfaction of all or a portion of such Deferred Share Units, one Common Share for each Deferred Share Unit.

Effective September 29, 2016, the Board of Directors amended the DSU Plan to (i) authorize the Board of Directors, 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, whereby 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 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 DSU Plan also provides for the Board of Directors to award additional DSUs (referred to in the DSU Plan agreement 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 equity settled DSUs with shares through the issuance of treasury shares, and settle all cash settled DSUs with the payout being calculated based on the five-day weighted share average price. 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 equity settled DSUs outstanding:

	Number of DSUs		Amount (*in thousands of USD*)
DSUs as at June 30, 2020	482,358	$	1,684
Units issued	33,284		78
Balance at June 30, 2021 and December 31, 2021	515,642	$	1,762

(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 the Corporation's leadership team, including the President and CEO, CFO, and vice presidents for the three and six months ended December 31, 2021 and 2020:

	3 Months		6 Months	
(in thousands of USD)	2021	2020	2021	2020
Salary and short-term employee and director benefits	$ 760	$ 412	$ 1,354	$ 833
Share-based compensation	390	142	632	291
	$ 1,150	$ 554	$ 1,986	$ 1,124

Savage Riverport, LLC

As at December 31, 2021 and June 30, 2021, Ceres owns a 50% interest in 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 December 31, 2021 compared to related party revenue of $20 thousand in the three months ended December 31, 2020. Related party revenue of $40 thousand is included in total revenue for the six months ended December 31, 2021 compared to related party revenue of $40 thousand in the six months ended December 31, 2020. Related party expenses recorded in cost of sales are $339 thousand for the three months ended December 31, 2021 and $460 thousand for three months ended December 31, 2020. Related party expenses recorded in cost of sales are $750 thousand for the six months ended December 31, 2021 and $954 thousand for six months ended December 31, 2020. As at December 31, 2021, the accounts receivable, due from Savage Riverport, LLC totaled $179 thousand and $212 thousand as at June 30, 2021. Accounts payable, due to Savage Riverport, LLC totaled $51 thousand and $39 thousand as at December 31, 2021 and June 30, 2021, respectively.

Farmers Grain, LLC

As at December 31, 2021 and June 30, 2021, Ceres owns a 50% interest in Farmers Grain, LLC ("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. Related party revenue of $27 thousand is included in total revenue for the three months ended December 31, 2021 compared to nil in in the same period of the previous year. For the six months ended December 31, 2021, related party revenue was $1.3 million compared to nil in in the same period of the previous year. Related party expenses recorded in cost of sales are $1.1 million for the quarter ended December 31, 2021 and nil for the quarter ended December 31, 2020. Related party expenses for the six months ended December 31, 2021 was $3.1 million and nil for the same period in the previous year. As at December 31, 2021, the accounts receivable, due from Farmers Grain totaled $351 thousand compared to $147 as at June 30, 2021. As at December 31, 2021, the accounts payable, due to Farmers Grain totaled nil compared to $97 as at June 30, 2021.

Gateway Energy Terminal

As at December 31, 2021 and June 30, 2021, Ceres owned a 50% interest in Gateway Energy Terminal.

As at December 31, 2021, the accounts receivable, due from Gateway Energy Terminal, totaled $90 thousand and $85 thousand as at June 30, 2021. Related party revenue of $225 thousand is included in total revenue for the three months ended December 31, 2021 compared to related party revenue of $189 thousand in the three months ended December 31, 2020. For the six months ended December 31, 2021, related party revenue included in total revenue was $542 thousand compared to $471 thousand for the same period in the prior year.

Stewart Southern Railway Inc. ("SSR")

As at December 31, 2021 and June 30, 2021, Ceres owns a 25% interest in SSR.

Bixby Loan

As at June 30, 2020, an affiliate of Bixby Bridge Fund IV, LLC ("the Lender"), separate and distinct from the Lender, held 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 Board who are independent of the Lender. The Bixby Loan was paid in full on June 11, 2021, and as at December 31, 2021, the balance of the Bixby Loan was nil.

(17) SEGMENT REPORTING

As at December 31, 2021, the Corporation has four reportable segments: Grain, Supply Chain Services, Seed and Processing, and Corporate. As at December 31, 2021, the Corporation has three operating segments: Grain, Supply Chain Services, and Seed and Processing. 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.

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

(in thousands of USD)	Grain	Supply Chain Services	Seed and Processing	Corporate and Eliminations	Total
Revenues	$ 285,753	$ 854	$ 18,188	$ -	$ 304,795
Cost of sales	(271,625)	(889)	(16,150)	(73)	(288,737)
Gross profit	14,128	(35)	2,038	(73)	16,058
General and administrative expenses	(2,139)	-	(541)	(6,332)	(9,012)
Income (loss) from operations	11,989	(35)	1,497	(6,405)	7,046
Finance income (loss)	-	-	-	(208)	(208)
Interest expense	(927)	-	1	(415)	(1,341)
Amortization of intangible assets	-	-	-	(65)	(65)
Revaluation of stock appreciation right liability	-	-	-	(438)	(438)
Gain/loss on equity method investments	-	-	-	249	249
Gain/loss on sale of intangible assets	-	-	-	110	110
Gain/loss on property, plant, and equipment	-	1	-	(12)	(11)
Income (loss) before taxes	11,062	(34)	1,498	(7,184)	5,342
Income tax (expense) recovered	-	-	-	(1,297)	(1,297)
Share in net income (loss) from associates	(15)	-	-	3	(12)
Net income (loss)	$ 11,047	$ (34)	$ 1,498	$ (8,478)	$ 4,033

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

(in thousands of USD)	Grain	Supply Chain Services	Seed and Processing	Corporate and Eliminations	Total
Revenues	$ 166,382	$ 794	$ 11,271	$ (3,180)	$ 175,267
Cost of sales	(160,679)	(863)	(10,338)	3,107	(168,773)
Gross profit	5,703	(69)	933	(73)	6,494
General and administrative expenses	(983)	-	(281)	(2,497)	(3,761)
Income (loss) from operations	4,720	(69)	652	(2,570)	2,733
Finance income (loss)	2	-	-	(127)	(125)
Interest expense	(723)	-	2	(552)	(1,273)
Amortization of intangible assets	-	-	-	(65)	(65)
Revaluation of stock appreciation right liability	-	-	-	(287)	(287)
Gain/loss on sale of intangible assets	-	-	-	290	290
Gain (loss) on property, plant, and equipment	-	-	-	11	11
Income (loss) before taxes	3,999	(69)	654	(3,300)	1,284
Income tax (expense) recovered	209	-	-	(117)	92
Share in net income (loss) of associates	(34)	-	-	(17)	(51)
Net income (loss)	$ 4,174	$ (69)	$ 654	$ (3,434)	$ 1,325

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

(in thousands of USD)	Grain	Supply Chain Services	Seed and Processing	Corporate and Eliminations	Total
Revenues	$ 480,210	$ 1,803	$ 31,153	$ -	$ 513,166
Cost of sales	(441,858)	(1,747)	(29,498)	(146)	(473,249)
Gross profit	38,352	56	1,655	(146)	39,917
General and administrative expenses	(4,710)	-	(970)	(13,532)	(19,212)
Income (loss) from operations	33,642	56	685	(13,678)	20,705
Finance income (loss)	-	-	-	(239)	(239)
Interest expense	(1,669)	-	2	(798)	(2,465)
Amortization of intangible assets	-	-	-	(131)	(131)
Revaluation of stock appreciation right liability	-	-	-	(431)	(431)
Gain (loss) on equity method investments	-	-	-	249	249
Gain (loss) on sale of intangible assets	-	-	-	110	110
Gain (loss) on property, plant, and equipment	-	18	-	(12)	6
Income (loss) before taxes	31,973	74	687	(14,930)	17,804
Income tax (expense) recovered	-	-	-	(4,889)	(4,889)
Share in net income (loss) from associates	(86)	-	-	(27)	(113)
Net income (loss)	$ 31,887	$ 74	$ 687	$ (19,846)	$ 12,802

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

(in thousands of USD)	Grain	Supply Chain Services	Seed and Processing	Corporate and Eliminations	Total
Revenues	$ 330,612	$ 1,646	$ 20,488	$ (5,382)	$ 347,364
Cost of sales	(321,611)	(1,702)	(18,984)	5,237	(337,060)
Gross profit	9,001	(56)	1,504	(145)	10,304
General and administrative expenses	(1,820)	-	(544)	(5,165)	(7,529)
Income (loss) from operations	7,181	(56)	960	(5,310)	2,775
Finance income (loss)	4	-	-	(76)	(72)
Interest expense	(1,191)	-	3	(1,125)	(2,313)
Amortization of intangible assets	-	-	-	(131)	(131)
Revaluation of stock appreciation right liability	-	-	-	(356)	(356)
Gain/loss on sale of intangible assets	-	-	-	290	290
Gain (loss) on property, plant, and equipment	-	-	-	11	11
Income (loss) before taxes	5,994	(56)	963	(6,697)	204
Income tax (expense) recovered	209	-	-	(2)	207
Share in net income (loss) of associates	4	-	-	(26)	(22)
Net income (loss)	$ 6,207	$ (56)	$ 963	$ (6,725)	$ 389

(18) TAXES

The following table presents income tax (expense) recovery for the three and six months ended December 31, 2021 and 2020:

	3 Months		6 Months	
(in thousands of USD)	2021	2020	2021	2020
Current income tax (expense) recovery	$ (41)	$ 92	$ (107)	$ 207
Deferred income tax	(1,256)	-	(4,782)	-
Income tax (expense) recovery	$ (1,297)	$ 92	$ (4,889)	$ 207

During the six-month period ended December 31, 2021, the Corporation recorded income tax expense of $4.9 million compared to a recovery of $207 thousand for the six months ended December 31, 2020. During the six-month period ended December 31, 2021, Ceres recognized deferred income tax expense of $4.8 million with the expected utilization of net operating losses in a subsidiary based in the United States.

December 31, 2021, and December 31, 2020 (Expressed in USD)

(19) 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 December 31, 2021 and June 30, 2021, the Corporation has no provision for any legal claims.

Department of Justice

The Corporation and certain of its current and former personnel have received subpoenas from the U.S. Department of Justice ("DOJ") to produce documents and other records regarding the Corporation's trading and other related activities, with a particular focus on the Corporation's oat market trades from 2016 to 2019. The Corporation also received a voluntary document request from the U.S. Commodities Futures Trading Commission ("CFTC") seeking similar information. The Corporation is cooperating with both investigations. The Board has established a special committee to oversee the Corporation's response to these investigations.

The outcome of the investigations is difficult to assess or quantify. The existence, timing and amount of any future financial obligations (such as fines, penalties or damages) or other consequences arising from the DOJ and CFTC investigations and any potential related litigation are unable to be determined at this time and no liability has been recognized in relation to these matters in the interim condensed consolidated balance sheet at the end of the reporting period. The cost to cooperate with the investigations may be significant. In addition, if the DOJ and/or the CFTC decide to pursue an enforcement action against the Corporation as a result of the investigations, that may result in liability material to the Corporation's financial statements as a whole or may materially and adversely affect the Corporation's business, financial position, cash flow, and/or results of operations, and the magnitude of the potential loss may remain unknown for substantial periods of time.

(20) SUBSEQUENT EVENTS

On February 8, 2022, the Corporation amended the 2021 Credit Facility. Under the new credit facility (the "2022 Credit Facility") the maximum amount is increasing from $100 million to $150 million, with the potential to access an accordion feature that would provide an additional $20 million. The 2022 Credit Facility matures in February 2023.

The interest rate under the 2022 Credit Facility is a tiered annal interest rate based on utilization and is as follows:

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

The total interest rate is calculated by adding the applicable margins above plus SOFR plus 10 basis points. The 2022 Credit Facility is subject to borrowing base limitations. Amounts under the agreement that remain undrawn are not subject to a commitment fee.