



MANAGEMENT'S DISCUSSION AND ANALYSIS

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This Management's Discussion and Analysis ("**MD&A**") dated November 7, 2022 should be read in conjunction with the unaudited Interim Condensed Consolidated Financial Statements for the quarter ended September 30, 2022 of Ceres Global Ag Corp. ("**Ceres**", the "**Corporation**", "**we**", "**our**", and "**us**"), and the Corporation's audited Consolidated Financial Statements for the year ended June 30, 2022 (the "**Annual Consolidated Financial Statements**"). Additional information about Ceres filed with Canadian securities regulatory authorities, including the quarterly financial statements and MD&A, and the annual information form, is available online at www.sedar.com.

Basis of Presentation

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

Non-IFRS Financial Measures

This MD&A contains references to certain financial measures that are non-IFRS measures, also known as non-GAAP financial measures, non-GAAP ratios, or supplementary financial measures pursuant to National Instrument 52-112 – *Non-GAAP and other Financial Measures Disclosure*. Earnings before interest, income tax, depreciation and amortization ("**EBITDA**") is a non-GAAP financial measure, EBITDA per share is a non-GAAP ratio, and return on shareholders' equity is a supplementary financial measure.

None of such measures or ratios has a standardized meaning under IFRS. See “Non-IFRS and Other Financial Measures and Reconciliations.”

Risks and Forward-Looking Information

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

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

Who We Are

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

Ceres is headquartered in Golden Valley, MN and together with its wholly owned affiliates operates 12 facilities across Saskatchewan, Manitoba, Ontario, and Minnesota. These facilities throughout North America have an aggregate grain and oilseed storage capacity of approximately 31 million bushels.

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

Grain Segment

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

Supply Chain Services Segment

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

One of Ceres' key Supply Chain Services assets is its terminal at Northgate, Saskatchewan ("**Northgate**"). Northgate sits on approximately 1,300 acres of land, and is designed to utilize two rail loops, each capable of handling unit trains of up to 120 railcars and two ladder tracks capable of handling up to 65 railcars. Northgate is an approximately \$75 million state-of-the-art grain, oil, natural gas liquids and fertilizer terminal and is connected to the Burlington Northern Santa Fe Railway (the "**BNSF**"). The Corporation intends to further build out its infrastructure to support handling of other industrial products and equipment.

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

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

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

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

Seed and Processing Segment

The Corporation's Seed and Processing segment was created through the acquisition of Delmar Commodities Ltd. ("**Delmar**") in August 2019 and consists of a soybean crush facility, located in a strong soybean producing region with low-cost origination driven by export economics, and a seed production and distribution business focused on western Canada under the trade name "Ceres Global Seeds." This segment's operations are primarily located in Manitoba, Canada.

Delmar has entered into long-term agreements with Sevita International Corporation ("**Sevita**") for the production and distribution of soybean seed in Western Canada, and with Horizon Seeds Canada Inc. ("**Horizon**") for the distribution of corn seed in Western Canada. Partnering with these highly specialized seed companies enables Ceres to diversify its agriculture-related businesses in regions that it knows and

understands well, and to continue delivering high-quality products and superior value to its seed dealer and grower network.

1. FINANCIAL AND OPERATING SUMMARY

<i>(in thousands of USD except per share)</i>	Quarters Ended September 30,	
	2022	2021
Revenues	\$ 260,113	\$ 208,371
Gross profit (loss)	\$ 5,565	\$ 23,859
Income (loss) from operations	\$ (2,179)	\$ 13,659
Net income (loss)	\$ (3,588)	\$ 8,769
Weighted average common shares outstanding	30,996,981	30,772,845
Diluted weighted average common shares outstanding	30,996,981	32,093,008
Income (loss) per share – Basic	\$ (0.12)	\$ 0.28
Income (loss) per share – Diluted	\$ (0.12)	\$ 0.27
EBITDA ⁽¹⁾	\$ (218)	\$ 15,378
As at:		
Total assets	\$ 475,811	\$ 456,804
Total bank indebtedness, current	\$ 43,812	\$ 92,802
Term loan ⁽²⁾	\$ 46,923	\$ 28,509
Shareholders' equity	\$ 146,661	\$ 165,713
Return on shareholders' equity ⁽¹⁾	(2.4)%	5.3%

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

⁽²⁾ Includes current portion of term loan.

HIGHLIGHTS FOR THE QUARTER ENDED SEPTEMBER 30, 2022

- Effective August 23, 2022, Robert Day stepped down as President and Chief Executive Officer of the Corporation. Carlos Paz, VP and Commercial Director, was appointed as Mr. Day's replacement.
- Gross profit for the quarter was \$5.6 million for the quarter. Down from the previous year, which was the most profitable quarter in the history of the Corporation.
- Revenues increased \$51.7 million compared to the first quarter of the prior year primarily due to an increase in commodity prices.
- Adjusted Net Income for the quarter was \$337 thousand. Please refer to Non-IFRS Financial measures and reconciliations for more details.
- On October 1, 2022, Mr. Thomas Coyle was appointed to the Board of Directors. In addition to his role as Independent Director, Mr. Coyle will lead the Board's oversight of Ceres' risk management and futures compliance.

Overall Performance

The Corporation's net loss was \$3.6 million for the quarter ended September 30, 2022, compared to net income of \$8.8 million for the quarter ended September 30, 2021. The net loss in the first quarter of fiscal year 2023 was driven by decreased grain gross margins as well as increased legal fees (\$1.8 million for the quarter ended September 30, 2022, refer to *Contingencies* section below) and employee severance related to cost reduction measures (\$2.1 million for the quarter ended September 30, 2022). Gross profit was \$5.6 million for the quarter ended September 30, 2022, compared to a gross profit of \$23.9 million for the quarter ending September 30, 2021, a result of decreased margin opportunities due to the volatile market that continued from the fourth quarter of the prior year. Furthermore, income from operations was a loss of \$2.2 million for the quarter ended September 30, 2022 compared to \$13.7 million income from operations for the quarter ended September 30, 2021.

Revenues and Gross Profit

Total revenue increased by \$51.7 million, primarily due to an increase in prices of specific core commodities compared to the same quarter in the prior year. The Corporation handled and traded 28.3 million bushels of grain and oilseed in during the quarter ended September 30, 2022 compared to 31.6 million bushels for the quarter ended September 30, 2021. In agriculture commodity markets, cost of sales generally follow increases or decreases in gross revenues. Ceres' Management believes it is more important to focus on changes in gross profits and volume handled rather than changes in revenue dollars.

The table below represents a summary of the components of gross profit for the quarters ended September 30, 2022 and 2021:

<i>(in thousands of USD)</i>	2022				
	Grain	Supply Chain Services	Seed and Processing	Corporate	Total
Net trading margin	\$ 9,224	\$ -	\$ -	\$ -	\$ 9,224
Supply Chain Services revenue	973	842	-	-	1,815
Net Seed and Processing margin	-	-	513	-	513
Operating expenses included in cost of sales	(2,515)	(660)	(1,270)	-	(4,445)
Depreciation expense included in cost of sales	<u>(1,101)</u>	<u>(246)</u>	<u>(105)</u>	<u>(90)</u>	<u>(1,542)</u>
Gross profit (loss)	<u>\$ 6,581</u>	<u>\$ (64)</u>	<u>\$ (862)</u>	<u>\$ (90)</u>	<u>\$ 5,565</u>

<i>(in thousands of USD)</i>	2021				
	Grain	Supply Chain Services	Seed and Processing	Corporate	Total
Net trading margin	\$ 26,566	\$ -	\$ -	\$ -	\$ 26,566
Supply Chain Services revenue	882	948	-	-	1,830
Net Seed and Processing margin	-	-	868	-	868
Operating expenses included					
in cost of sales	(2,120)	(579)	(1,097)	-	(3,796)
Depreciation expense included					
in cost of sales	<u>(1,104)</u>	<u>(278)</u>	<u>(154)</u>	<u>(73)</u>	<u>(1,609)</u>
Gross profit (loss)	<u>\$ 24,224</u>	<u>\$ 91</u>	<u>\$ (383)</u>	<u>\$ (73)</u>	<u>\$ 23,859</u>

Gross profit decreased by \$18.3 million for the three months ended September 30, 2022 compared to the three months ended September 30, 2021. The year over year decrease in gross profit was driven by decreased trading opportunities across core commodities as well as the previous year quarter being the most profitable in the history of the Corporation.

Net Trading Margin

Net trading margin decreased by \$17.3 million for the quarter ended September 30, 2022 compared to the quarter ended September 30, 2021. The decrease is due to lower trading margins as there were fewer trading opportunities across multiple commodities for the first quarter of fiscal year 2023.

Supply Chain Services Revenue

Supply Chain Services revenue decreased by \$15 thousand for the quarter ended September 30, 2022 compared to the quarter ended September 30, 2021. The Corporation's grain-related Supply Chain Services revenue increased due to higher third-party storage and elevations. For the quarter ended September 30, 2022, the non-grain supply chain service revenue decreased \$106 thousand due to decreased revenue related to the Gateway Energy Terminal.

Net Seed and Processing Margin

Net Seed and Processing margin was \$513 thousand for the quarter ended September 30, 2022 compared to \$868 thousand for the quarter end September 30, 2021. The decrease is driven by the sale of the Ste. Agathe Bird food processing plant which occurred in June 2022.

Operating Expenses and Depreciation

For the quarter ended September 30, 2022, operating and depreciation expense included in cost of sales totaled \$6.0 million compared to \$5.4 million for the quarter ended September 30, 2021. The increase in operating expenses was driven by higher repairs and maintenance expense in the first quarter of fiscal year 2023 compared to the same quarter in the previous year. Depreciation for the three month period

ended September 30, 2022 decreased by \$67 thousand quarter over quarter, driven by the sale of the Ste. Agathe bird food facility in June, 2022.

General and Administrative Expenses

For the quarter ended September 30, 2022, general and administrative expenses totaled \$7.7 million compared to \$10.2 million in the quarter ended September 30, 2021. General and administrative expenses decreased due to higher incentive accruals in the prior year related to the record performance in the first quarter of fiscal year 2022.

Finance Income (Loss)

For the quarter ended September 30, 2022, finance income totaled \$195 thousand compared to a finance loss of \$31 thousand during the quarter ended September 30, 2021. Finance income (loss) is composed of realized and unrealized gains and losses on foreign exchange transactions and currency hedging transactions along with revaluation gains of portfolio investments.

Interest Expense

<i>(in thousands of USD except per share)</i>	Quarter ended September 30,	
	2022	2021
Interest on bank indebtedness	\$ (542)	\$ (605)
Interest on term loan	(596)	(293)
Interest attributable to repurchase obligations	(12)	(31)
Interest attributable to leases	(43)	(52)
Amortization of financing costs paid	(178)	(144)
Interest on other financing obligations	3	1
Total interest expense	<u>\$ (1,368)</u>	<u>\$ (1,124)</u>

For the quarter ended September 30, 2022, interest expense totaled \$1.4 million compared to \$1.1 million for the quarter ended September 30, 2021. The increase in total interest expense was driven by increased borrowings on the term debt partially offset by lower average daily borrowings on the revolving credit facility. In October 2021 and March 2022, the Corporation increased the outstanding term debt via delayed draw by \$10.0 million each. The delayed draws were used to fund the Northgate crush project and the related interest was capitalized. In June 2022, the Corporation suspended the Northgate crush project and wrote off the previously capitalized costs. Subsequent to the suspension, any interest expense related to the delayed draws is recorded within interest expense.

Amortization of Intangible Assets

Amortization of intangible assets totaled \$62 thousand for the three months ended September 30, 2022 and \$66 thousand for the three months ended September 30, 2021. Amortization for the quarter was comprised solely of the amortization of intangible assets related to the Delmar acquisition including customer relationships, producer relationships, and trademarks/tradenames.

Income Tax (Expense) Recovery

The following table presents income tax (expense) recovery for the three months ended September 30, 2022 and 2021:

<i>(in thousands of USD)</i>	September 30, 2022	September 30, 2021
Current income tax (expense) recovery	\$ -	\$ (66)
Deferred income tax expense	(178)	(3,526)
Income tax (expense) recovery	\$ (178)	\$ (3,592)

During the quarter ended September 30, 2022, the Corporation recorded income tax expense of \$178 thousand compared to an expense of \$3.6 million for quarter ended September 30, 2021. During the quarter end September 30, 2022, Ceres recognized deferred income tax expense of \$178 thousand with the expected utilization of net operating losses in a subsidiary based in the United States.

Share of Net Income (Loss) in Investments in Associates

For the quarter ended September 30, 2022, the Corporation's share in investments in associates was a loss of \$103 thousand compared to a loss of \$101 thousand for the quarter ended September 30, 2021. The decrease in investments in associates is driven by reduced income at Savage Riverport, LLC, as well as Farmers Grain, LLC, offset by increased income at Berthold Farmers Elevator, LLC.

On April 30, 2018, the Corporation formed Savage Riverport, LLC and transferred the grain elevator and related assets at its Savage, Minnesota facility, which had net book value of \$9.3 million as at April 30, 2018, to the newly formed entity. Subsequent to the transaction, Ceres received cash of \$8.5 million from Consolidated Grain and Barge Co. in exchange for 50% of the equity in Savage Riverport, LLC, of which, \$2.0 million was utilized to pay down the term debt. The sale of the equity in Savage Riverport, LLC net of transaction fees resulted in a gain of \$3.7 million. The Corporation has been and will continue to recognize the remaining gain of \$3.8 million over the useful life of the contributed assets. For both quarters ended, September 30, 2022 and September 30, 2021, the Corporation recognized a deferred gain of \$87 thousand, under share of net income (loss) of associates.

2. QUARTERLY FINANCIAL DATA

	3 months	3 months	3 months	3 months	3 months	3 months	3 months	3 months
Reporting dates	<u>9/30/2022</u>	<u>6/30/2022</u>	<u>3/31/2022</u>	<u>12/31/2021</u>	<u>9/30/2021</u>	<u>6/30/2021</u>	<u>3/31/2021</u>	<u>12/31/2020</u>
(in thousands of USD except per share)	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Revenue	\$ 260,113	\$ 278,150	\$ 269,625	\$ 304,795	\$ 208,371	\$ 196,929	\$ 203,911	\$ 175,267
Gross profit (loss)	\$ 5,565	\$ 3,693	\$ 12,265	\$ 16,058	\$ 23,859	\$ 8,756	\$ 5,858	\$ 6,494
Income (loss) from operations	\$ (2,179)	\$ (329)	\$ 3,597	\$ 7,046	\$ 13,659	\$ 3,875	\$ 2,215	\$ 2,733
Net income (loss)	\$ (3,588)	\$ (22,537)	\$ 912	\$ 4,033	\$ 8,769	\$ 11,733	\$ (78)	\$ 1,325
Adjusted net income (loss)	\$ 337	\$ 5,028	\$ 2,457	\$ 4,579	\$ 9,760	\$ 12,067	\$ (78)	\$ 1,325
Return on shareholders' equity ¹	(2.4%)	(15.1%)	0.5%	2.4%	5.3%	7.5%	(0.1%)	1.0%
Basic weighted-average number of common shares for the quarter	30,997	30,801	30,801	30,801	30,773	30,773	30,773	30,773
Dilutive weighted-average number of common shares for the quarter	30,997	30,801	32,400	32,439	32,093	32,765	30,773	32,820
Basic earnings (loss) per share	\$ (0.12)	\$ (0.73)	\$ 0.03	\$ 0.13	\$ 0.28	\$ 0.38	\$ -	\$ 0.04
Fully diluted earnings (loss) per share	\$ (0.12)	\$ (0.73)	\$ 0.03	\$ 0.12	\$ 0.27	\$ 0.36	\$ -	\$ 0.04
EBITDA ¹	\$ (218)	\$ 2,724	\$ 5,389	\$ 8,524	\$ 15,401	\$ 5,477	\$ 3,469	\$ 4,244
EBITDA per share	\$ (0.01)	\$ 0.09	\$ 0.18	\$ 0.28	\$ 0.50	\$ 0.18	\$ 0.12	\$ 0.14
Shareholders' equity, as at reporting date	\$146,661	\$149,505	\$172,160	\$170,134	\$165,713	\$156,918	\$145,344	\$ 145,478
Shareholders' equity per common share, as at reporting date	\$ 4.72	\$ 4.85	\$ 5.59	\$ 5.52	\$ 5.39	\$ 5.10	\$ 4.72	\$ 4.73
Volumes (in thousands of tonnes)								
Total Product Handled and Traded	780	503	563	709	875	629	781	756

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

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

3. LIQUIDITY & CASH FLOW

<i>(in thousands of USD)</i>	Quarter ended September 30,	
	2022	2021
Net cash provided by (used in)		
Operating activities	\$ (17,361)	\$ (22,119)
Investing activities	(512)	(1,724)
Net cash provided (used) before financing activities	(17,873)	(23,843)
Financing activities	6,928	21,172
Increase (decrease) in cash	\$ (10,945)	\$ (2,671)

Operating Activities

Cash used in operating activities was \$17.4 million for the quarter ended September 30, 2022 compared to cash used in operating activities of \$22.1 million in the first quarter of the prior year. Cash used in operating activities is attributable to the change in working capital, primarily due to Ceres' increase in inventory period over period. During the quarter ended September 30, 2022, in relation to the cash used in operating activities of \$17.4 million, the Corporation utilized its revolving credit facility to fund inventory purchases and operations.

Investing Activities

During the quarter ended September 30, 2022, the Corporation used \$512 thousand in investing activities which is a \$1.2 million decrease compared to the \$1.7 million in cash used in investing activities in the prior year. The decrease in cash used in investing activities was primarily driven by lower capitalizable projects in the current year.

Financing Activities

During the quarter ended September 30, 2022, the Corporation had \$6.9 million in cash provided by financing activities compared to cash provided from financing activities of \$21.2 million in the first quarter of the prior year. The Corporation decreased its cash from its revolving line of credit by \$11.0 million, which netted against a repurchase obligation with Macquarie Bank, Ltd. resulting in an increase in cash from financing activities of \$18.6 million, to fund working capital needs.

Available Sources of Liquidity

Bank Indebtedness

The Corporation's sources of liquidity as at June 30, 2022 include available funds under its revolving credit facility (the "**2022 Credit Facility**"). Management believes that cash flow from operations will be adequate to fund operating expenditures, maintenance capital, interest, and any income tax obligations. Capital expenditures in the next fiscal year are expected to be funded by working capital on hand and borrowing against the 2022 Credit Facility. Any additional debt incurred is expected to be serviced by the anticipated increases in cash flow and will only be borrowed within the Corporation's debt covenant and borrowing base limits.

The 2022 Credit Facility, as at September 30, 2022 contains certain covenants, including a covenant that the Corporation maintain minimum working capital of not less than \$30.0 million. As at September 30, 2022 the Corporation's working capital – defined as current assets less current liabilities – totaled \$52.3 million. The covenants also include the maintenance of "consolidated debt" to "consolidated EBITDA" (as defined in the agreement) and consolidated tangible net worth of not less than \$120.0 million, as well as a fixed charge coverage ratio. As at and for the three months ended September 30, 2022, the Corporation was in compliance with all of the above-mentioned financial covenants.

As at September 30, 2022 and June 30, 2022, the Corporation had \$61.4 million and \$28.6 million in availability, respectively, on its revolving credit facility.

Term Loan

On June 11, 2021, the Corporation entered into a five-year senior secured \$50 million term debt credit facility with the Bank of Montreal (the "BMO Loan") that includes a \$30 million term loan draw along with an additional \$20 million delayed draw committed term loan that was used to fund the development of the Northgate crush plant project. Undrawn amounts on the delayed draw term loan are subject to a 0.25% commitment interest.

Liquidity Risk

As at September 30, 2022 and June 30, 2022, the following are the contractual maturities of financial liabilities, excluding interest payments:

September 30, 2022

(in thousands of USD)	Carrying Amount	Contractual Cash Flows	1 year	2 years	3 to 5 Years	More than 5 years
Bank indebtedness	\$ 43,812	\$ 44,000	\$ 44,000	\$ -	\$ -	\$ -
Accounts payable and accrued liabilities	81,226	81,226	81,226	-	-	-
Accounts payable - related parties	12,708	12,708	12,708	-	-	-
Unrealized losses on open cash contracts	21,789	21,789	21,789	-	-	-
Term loan	46,923	47,500	2,250	2,250	43,000	-
Lease commitments	3,141	4,026	623	614	1,188	1,601
Repurchase obligations	18,553	18,553	18,553	-	-	-
	<u>\$ 228,152</u>	<u>\$ 229,802</u>	<u>\$ 181,149</u>	<u>\$ 2,864</u>	<u>\$ 44,188</u>	<u>\$ 1,601</u>

June 30, 2022

(in thousands of USD)	Carrying Amount	Contractual Cash Flows	1 year	2 years	3 to 5 Years	More than 5 years
Bank indebtedness	\$ 54,676	\$ 55,000	\$ 55,000	\$ -	\$ -	\$ -
Accounts payable and accrued liabilities	51,600	51,600	51,600	-	-	-
Accounts payable - related parties	1,597	1,597	1,597	-	-	-
Unrealized losses on open cash contracts	24,668	24,668	24,668	-	-	-
Term loan	47,506	48,125	2,500	2,500	43,125	-
Lease commitments	3,141	4,383	645	635	1,336	1,767
	<u>\$ 183,188</u>	<u>\$ 185,373</u>	<u>\$ 136,010</u>	<u>\$ 3,135</u>	<u>\$ 44,461</u>	<u>\$ 1,767</u>

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

The Corporation has incurred significant expense in connection with the ongoing regulatory investigations. Certain costs to cooperate with the investigations have been significant, including but not limited to legal related fees of \$1.8 million for the quarter ended September 30, 2022, and \$6.9 million investigation to date. While the duration of the investigation is difficult to assess, these legal expenses are material to the Corporation's financial performance.

4. CAPITAL RESOURCES

The Corporation utilizes the 2022 Credit Facility to finance its grain trading operations, which primarily consist of purchases of grain inventories, financing of accounts receivable, and hedging activities, less accounts payable. Levels of short-term debt fluctuate based on changes in underlying commodity prices, inventories on hand and the timing of grain purchases.

Credit Facility

As disclosed in the Interim Condensed Consolidated Financials Statements, on February 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 included Bank of Montreal and Cooperative Rabo Bank U.A. Under the credit facility (the “**2021 Credit Facility**”) the amount of the revolving facility available to Ceres remained at \$100.0 million, with the potential to access an accordion feature that would provide an additional \$20.0 million. The revolving facility matured on February 9, 2022.

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 which were amortized over the remaining life of the 2021 Credit Facility.

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 on February 8, 2023.

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

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

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

Term Loan

On June 11, 2021, the Corporation entered BMO Loan, a five-year senior secured \$50 million term debt credit facility that includes a \$30 million term loan draw along with an additional \$20 million delayed draw committed term (“**BMO Delayed Draw**”) that was used to fund the Northgate crush project. Repayment of the BMO loan will be in the form of quarterly payments of \$375 thousand over the 5-year term, with the remaining balance of \$22.5 million due on the maturity date of June 11, 2026. 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 term loan draw portion of the BMO Loan, the delayed draw portion of the BMO Loan remains unhedged. The amount of the floating-to-fixed interest rate swap will reduce in tandem with the quarterly principal repayments on the loan. The swap locks in the variable LIBOR portion of the interest rate at 0.721%.

The notional balance outstanding on the swap as at September 30, 2022, is \$27.8 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 September 30, 2022. 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 \$2.5 million on the consolidated balance sheet.

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

On March 29, 2022 the Corporation borrowed the remaining \$10.0 million on the BMO Delayed Draw. Repayment of the BMO Delayed Draw will be in the form of quarterly payments of \$125 thousand over the 5-year term, with the remaining balance of \$8.0 million due on the maturity date of June 11, 2026. Interest on the BMO Delayed Draw follows the rates set forth for the BMO 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. Transaction costs directly attributable to the issuance of the loan are recognized as a reduction in the balance of the loan and are amortized over the term of the loan using the effective interest method.

5. ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

Changes in Accounting Policies and Standards Issued but Not Yet Effective

For the quarter ended September 30, 2022, there were no changes in accounting policies, and no standards issued but not yet effective which are expected to have a material impact to the Corporation's Financial Statements. Refer to note 3 of the Annual Consolidated Financial Statements for information pertaining to the significant accounting policies for the quarter ended September 30, 2022.

Critical Accounting Judgments, Estimates, and Assumptions

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

Current Events

War in Ukraine

In late February 2022, Russia invaded Ukraine. The Black Sea region is a key international grain, oilseed, and fertilizer export market and the conflict between Russia and Ukraine could continue to disrupt supply and logistics, cause volatility in prices, and impact global margins due to increased commodity, energy, and input costs. While the Corporation does not actively trade in the region, the war has put a strain on the global commodities market as a whole. Management will continue to monitor the situation and address the possible risks accordingly.

6. OUTLOOK

Grain Segment

Markets and prices for the products Ceres handles and merchandizes remained volatile throughout the first quarter of the fiscal year (July – September 2022). The uncertainty created by the war in Ukraine and access to exportable quantities the world needs from the Black Sea has had a direct impact on the price volatility of wheat and oilseeds, in particular. Meanwhile, northern tier crops proved to be resilient on both sides of the US/Canadian border, despite early weather concerns, and yields ended-up surpassing initial expectations. However, delayed planting due to moisture leading to a later than normal harvest, coupled by extremely low inventories from last year's unprecedented drought, resulted in volumes handled by Ceres to drop by 11% compared to the same quarter a year ago. Altogether, these market conditions resulted in choppy markets and limited directional trading opportunities during quarter. Ceres' team performed well by not taking unnecessary risks and taking only manageable risk. This resulted in positive results for Adjusted Net Income this past quarter (refer to non-IFRS measures and reconciliations for more information on Adjusted Net Income).

Looking forward, the Corporation expects uncertain and volatile markets to remain as the conflict in Ukraine continues. South American crop planting will soon take place, and the market will turn much of its attention to crop progress in that part of the world. This is especially important for corn, which typically influences prices across the rest of the grain and oilseed complex. Meanwhile, farmers in the Northern tier regions have held onto their product throughout this year's harvest, though the Corporation expects farmer sales and handled volumes to increase during the second quarter (October - December 2022). Moreover, poor railroad performance in North America during the harvest season has created logistical challenges and added to the complexity around effectively merchandizing grain. The Corporation is confident that with the talent added over the years, it will be able to navigate these choppy market conditions and maximize opportunities as they are presented.

Regarding growth and development, on February 10th, 2021 Ceres formed a joint venture with Farmers Cooperative Grain and Seed Association of Thief River Falls, MN, which allows Ceres to continue to work directly with growers to deliver value-added solutions for its customers. A major investment and initiative from this joint venture, which was recently completed early and on budget, was to add storage and unit train loading capabilities to the grain operation in Thief River Falls. Since completion, the joint venture has loaded several Canadian Pacific unit trains. However, as harvest began, railroad performance and service significantly declined, resulting in major challenges shipping products originating from farmer partners. The Corporation is working diligently to get this issue resolved and surpass the expected volume handled at Thief River Falls for this crop year.

In March 2022, the Corporation announced it had entered into a letter of intent to acquire Columbia Grain International's 50% membership interest in BFE, a grain originator and merchandiser with locations in Berthold, N.D. and Carpio, N.D., and in early June, Ceres closed on that acquisition. The other 50% membership interest in BFE is owned by Berthold Farmers Elevator Company ("BFEC"), a farmer cooperative also based in Berthold, N.D. Partnering in BFE with BFEC advances the Corporation's strategy to partner with growers and increase origination of its core products. These investments provide critical origination directly from growers in critical areas of Minnesota and North Dakota, and further enable the Corporation to leverage the value of its terminal assets and deliver unique value to its customers. The deal closed on June 3, 2022. Since its inception, BFE is working very well, maximizing the synergies created by being part of the Ceres network of assets and merchandising activities.

Going forward, the Corporation will focus on realizing full value of the assets in Farmers Grain and BFE joint ventures and other acquisitions made over the past several years. The Corporation will continue to focus on maximizing trading and merchandising opportunities and organically developing regenerative agriculture and supply chain solutions for strategic customers, which will take a higher priority the remainder of this fiscal year and beyond.

Supply Chain Services Segment

Industrial products, including oriented strand board ("OSB"), volumes were weaker in Q1 vs the same quarter a year ago as poor rail service & low car supply delayed operations. Meanwhile, fertilizer volumes were also lower, but expected to trend higher as grain commodity prices remain elevated to compensate for higher fertilizer prices. Natural gas liquid ("NGL") volumes through Gateway were significantly higher than the same quarter a year ago, due to the increased collaboration with Steel Reef Infrastructure Corp. and their origination and marketing efforts. Overall, gross margins for the segment were steady from last quarter and slightly lower compared the same quarter a year ago.

Looking forward, Industrial Products and fertilizer volumes are expected to trend higher compared to the last fiscal year while NGL volumes have the potential to improve as crude oil prices remain high and the Gateway business has increased in size and scope.

Seed and Processing Segment

Soybean crush volumes were higher than the same quarter a year ago but fell short of targeted capacity due to operational issues that prevented the plant from running at full capacity. Running at full capacity after the 50% expansion has proven to be more challenging than initially expected. Our operations team is diligently working to resolve these issues and the Corporation expects to crush volumes closer to full capacity for the remainder of the fiscal year. Meanwhile, local margins were adequate during the quarter but challenged by higher soybean prices relative to soybean meal sales already on the books. Going forward, replacement crush margins for the second quarter (October - December 2022) are far more attractive, and running closer to full capacity should result in better results for the soy processing segment. The team has opened new markets in the Renewable and Biodiesel US sector which should contribute to better demand for the oil produced.

On June 20, 2022, the Corporation closed on the sale of its specialty crop blending and bird food facility in St. Agathe, MB. The Corporation successfully finished the transition of this business to its new owner during this past Quarter.

The Seed business is seasonal and typically only generates gross margins during the fourth quarter of the fiscal year (April – June). Costs were well managed during the quarter while the team focused on

marketing seed supplied by Sevita International and Horizon Seeds Canada for the sale and distribution of soybean and corn seed products in Western Canada, respectively. Soybeans marketed by Ceres Global Seeds have produced attractive yields this past harvest, which should support increased sales next year as soybean acres are expected to increase in Manitoba.

On June 24th, 2022, the Corporation announced that it had suspended its previously announced Crush Project. The Corporation continues to explore avenues to pursue a canola crush project of some form at Northgate and will provide updates if/when material progress is made to that end.

7. OTHER

CONTROLS ENVIRONMENT

Disclosure Controls and Procedures

Ceres maintains appropriate information systems, procedures, and controls to ensure that new information disclosed externally is complete, reliable, and timely. National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109") requires the Chief Executive Officer and the Chief Financial Officer to certify that they are responsible for establishing and maintaining disclosure controls and procedures ("DC&P") and that they have, as at September 30, 2022, designed the DC&P (or have caused such DC&P to be designed under their supervision) to provide reasonable assurance that material information relating to Ceres is made known to them by others, particularly during the period in which Ceres' annual filings are being prepared, and that information required to be disclosed by Ceres in its annual filings, interim filings or other reports filed or submitted by Ceres under applicable securities legislation is recorded, processed, summarized, and reported within the time periods specified in applicable securities legislation.

Internal Controls over Financial Reporting

NI 52-109 also requires the Chief Executive Officer and the Chief Financial Officer to certify that they are responsible for establishing and maintaining internal control over financial reporting ("ICFR") and that they have, as at September 30, 2022, designed ICFR to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with International Financial Reporting Standards ("IFRS"). The control framework used by the Chief Executive Officer and the Chief Financial Officer to design Ceres' ICFR is the *Risk Management and Governance: Guidance on Control* (COCO Framework) published by CPA Canada. There have been no material changes in the Corporation's internal control over financial reporting during the quarter ended September 30, 2022 that materially affected, or are reasonably likely to materially affect, the Corporation's internal control over financial reporting.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

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

OFF-BALANCE SHEET ARRANGEMENTS

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

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-months ended September 30, 2022 and September 30, 2021:

<i>(in thousands of USD)</i>	September 30, 2022	September 30, 2021
Salary and short-term employee and director benefits	\$ 602	\$ 594
Share-based compensation	378	242
Executive severance	1,639	-
	<u>\$ 2,421</u>	<u>\$ 836</u>

The increase in key management compensation for the quarter ended September 30, 2022, is driven by executive severance costs.

Savage Riverport, LLC

As at September 30, 2022 and June 30, 2022, Ceres owns a 50% interest in Savage. Ceres routinely transacts business directly with Savage. Such transactions are in the ordinary course of business and include storage and elevation fees for grain storage, as well as management fees.

Farmers Grain, LLC

As at September 30, 2022 and June 30, 2022, Ceres owns a 50% interest in Farmers Grain. Ceres routinely transacts business directly with Farmers Grain. Such transactions are in the ordinary course of business and include the purchase of grain as well as management fees.

Berthold Farmers Elevator, LLC.

As at September 30, 2022 and June 30, 2022, Ceres owns a 50% interest in BFE. Ceres routinely transacts business directly with BFE. Such transactions are in the ordinary course of business and include the purchase of grain.

Gateway Energy Terminal

As at September 30, 2022 and June 30, 2022, Ceres owned a 50% interest in Gateway Energy Terminal ("Gateway").

Stewart Southern Railway Inc.

As at September 30, 2022 and June 30, 2022, Ceres owns 25% in SSR.

The following table summarizes the information for related parties.

<i>(in thousands of USD)</i>	September 30, 2022	June 30, 2022
<u>Accounts receivable due from associates</u>		
<i>(Recorded in Accounts receivable – related parties)</i>		
Savage	\$ 270	\$ 173
Farmers Grain	402	370
BFE	8	2
Gateway	88	94
Total accounts receivable due from associates	768	639
 <u>Accounts payable due to associates</u>		
<i>(Recorded in Accounts payable – related parties)</i>		
Savage	60	-
Farmers Grain	-	13
BFE	12,648	1,584
Gateway	-	-
Total accounts payable due to associates	12,708	1,597
 <u>Gain on open cash contracts – Related Party</u>		
<i>(Recorded in Unrealized gains on open cash contracts)</i>		
Farmers Grain	16	444
BFE	1,262	989
Total gain on related party open cash contracts	1,278	1,433
 <u>Loss on open cash contracts – Related Party</u>		
<i>(Recorded in unrealized losses on open cash contracts)</i>		
Farmers Grain	98	13
BFE	45	2,850
Total loss on related party open cash contracts	143	2,863

	For the three months ended	
	September 30,	September 30,
	2022	2021
<u>Related party revenues</u>		
<i>(Recorded in Revenues)</i>		
Savage	\$ 23	\$ 20
Farmers Grain	31	1,304
BFE	-	-
Gateway	220	355
Total related party revenues	<u>274</u>	<u>1,679</u>
<u>Related party expense</u>		
<i>(Recorded in Cost of sales)</i>		
Savage	368	411
Farmers Grain	8,793	2,018
BFE	25,242	-
Gateway	-	-
Total related party expense	<u>34,403</u>	<u>2,429</u>

CEO Departure

Effective August 23, 2022, Robert Day stepped down as President and Chief Executive Officer of the Corporation. Carlos Paz, VP and Commercial Director, has been appointed as Mr. Day's replacement. Mr. Day will continue to support Ceres on a consulting basis through the second quarter of fiscal year 2023.

SHARES OUTSTANDING

As at November 7, 2022, the issued and outstanding equity securities of the Corporation consisted of 31,044,144 common shares. In addition, the Corporation has 1,179,000 stock options outstanding with a weighted-average exercise price of C\$3.82 per common share, 250,000 restricted stock units outstanding, and 343,649 equity-settled deferred share units outstanding and 126,326 cash-settled deferred share units outstanding.

CONTINGENCIES

Regulatory Investigations

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 has been significant, (\$1.8 million for the quarter ended September 30, 2022, and \$6.9 million investigation to date). 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 Interim Condensed Consolidated 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.

8. NON-IFRS FINANCIAL MEASURES AND RECONCILIATIONS

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

Earnings Before Interest, Income Taxes, Depreciation and Amortization

The Corporation believes the presentation of EBITDA and EBITDA per share can provide useful information to investors and shareholders as it provides increased transparency. EBITDA is one metric that is used by management to determine the Corporation's ability to service its debt and finance capital. EBITDA excludes gains and losses on property, plant and equipment, assets held for sale, and gains and losses on equity investments.

The following table is a reconciliation of EBITDA for Ceres on a consolidated basis for the quarters ended September 30, 2022 and 2021:

<i>(in thousands of USD)</i>	Quarter ended September, 30	
	2022	2021
Net income (loss) for the period	\$ (3,588)	\$ 8,769
Interest expense	1,368	1,124
Amortization of intangible assets	62	66
Income tax (recovered)	178	3,592
Share of net (Income) loss in investment in associates	103	101
Depreciation and amortization	1,659	1,766
Gain (loss) on property, plant, and equipment	-	(17)
	<u>\$ (218)</u>	<u>\$ 15,401</u>

Adjusted Net Income

The Corporation believes the presentation of Adjusted Net Income can provide useful information to investors and shareholders as it can be used to evaluate the performance of the business. Adjusted Net Income excludes major one-time write offs as well as legal fees that relate to special matters.

<i>(in thousands of USD)</i>	Three months ended September 30,	
	2022	2021
Net income (loss) for the period	\$ (3,588)	\$ 8,769
Executive severance and employee cost reduction measures	2,076	-
Expense related to regulatory investigations	1,849	991
	<u>\$ 337</u>	<u>\$ 9,760</u>

Return on Shareholders' Equity

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

The following table is a calculation of return on shareholders' equity for the quarters ended September 30, 2022 and 2021:

<i>(in thousands of USD)</i>	For the quarter ended September 30,	
	2022	2021
Net income (loss) for the year	\$ (3,588)	\$ 8,769
Total shareholder's equity as at reporting date	146,661	165,713
	<u>(2.4%)</u>	<u>5.3%</u>

9. KEY ASSUMPTIONS & ADVISORIES

FORWARD-LOOKING STATEMENTS

This interim MD&A contains information that is "forward-looking information", "forward-looking statements" and "future oriented financial information" (collectively herein referred to as "forward-looking statements") within the meaning of applicable securities laws. Forward-looking statements in this document may include, among others, statements regarding future operations and results, anticipated business prospects and financial performance of Ceres and its subsidiaries, expectations or projections about the future, strategies and goals for growth, expected and future cash flows, costs, planned capital expenditures, additional anticipated capital projects, construction and completion dates, including plans to further develop the NLC, operating and financial results, critical accounting estimates and the expected financial and operational consequences of future commitments.

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

Forward-looking statements are based on the opinions and estimates of management at the date the information is made, and are based on a number of assumptions and subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. Actual results or events may differ from those predicted in these forward-looking statements. All of the Corporation’s forward-looking statements are qualified by the assumptions that are stated or inherent therein, including the assumptions listed below. Although Ceres believes these assumptions are reasonable, this list is not exhaustive of factors that may affect any of the forward-looking statements.

KEY ASSUMPTIONS

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

- No material change in the regulatory environment in Canada and the United States;
- Supply and demand factors as well as the pricing environment for grains and other agricultural commodities;
- Fluctuation of currency and interest rates;
- General financial conditions for Western Canadian and American agricultural producers;
- Market share that will be achieved by the Corporation;
- Adequate and timely service from the railroads, and in particular from the BNSF at Northgate;
- The Corporation’s ability to maintain existing customer contracts and relationships coupled with its ability to increase its customer portfolio;
- COVID-19 does not significantly impact the Corporation’s operations and the markets it serves;
- No significant findings or penalties as a result of the DOJ and CFTC investigations.

The preceding list is not an exhaustive list of all possible factors. All factors should be considered carefully when making decisions with respect to Ceres. Many such factors and events are not within the control of Ceres. Factors that could cause actual results or events to differ materially from current expectations include, among others, risks related to weather, politics and governments, changes in environmental and other laws and regulations, competitive factors in the agricultural, food processing and feed sectors, construction and completion of capital projects, labour, equipment and material costs, access to capital markets, interest and currency exchange rates, technological developments, global and local economic conditions, the ability of Ceres to successfully implement strategic initiatives and whether such strategic initiatives will yield the expected benefits, the operating performance of the Corporation’s assets, the

availability and price of commodities, and the regulatory environment, processes and decisions. Ceres has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements. However, there may be other factors that might cause actions, events or results that are not anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements or information.

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