



Six-month report for the period ended June 30, 2025 Interim Management Discussion and Analysis

Dated: August 15, 2025

This Management's Discussion and Analysis ("MD&A") for CMI Terminal Ltd. ("CMI", the "Company") should be read in conjunction with the condensed interim consolidated financial statements and related notes for the six-month period ended June 30, 2025. The Company's condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and have been reviewed by the Company's Audit Committee and approved by its Board of Directors.

FORWARD-LOOKING STATEMENTS DISCLAIMER

Statements in this MD&A that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties that may cause the Corporation's actual results or outcomes to be materially different from those anticipated and discussed herein. In assessing forward-looking statements contained herein, readers are urged to read carefully all cautionary statements contained in this MD&A and accompanying Consolidated Financial Statements, and in those other filings with the Corporation's Canadian regulatory authorities as found at 'www.SEDAR.com' and to not put undue reliance on such forward-looking statements. Although CMI's management ("Management") believes that the expectations reflected in the forward-looking statements are reasonable, Management cannot guarantee future results, levels of activity, performance or achievements, or other future events. Management has no duty to update any of its forward-looking statements after the date of this MD&A, other than as required and governed by law.

Additional information related to the Corporation is available on SEDAR at www.sedarplus.ca and www.cmiterminal.com.

Business Performance

Overview

The Company's financial statements include the accounts of CMI and CMI Ag Ltd. ("CMI Ag") in addition to 50% of the accounts of CMI Terminal Joint Venture ("CMI JV") based on the Company's 50% share as a joint venturer. The Company's assets, liabilities, revenues and expenses reflect this; additionally, all intercompany transactions between CMI, CMI Ag and CMI JV are eliminated upon consolidation.

The Company's business operations are grouped into two reportable segments: the crop production products and services business operated by CMI Ag, a wholly owned subsidiary of CMI, and the grain handling business operated by CMI JV, of which CMI owns a 50% interest with Viterra owning the remaining 50%.

Grain Handling: (1/2 of the Joint Venture)

Grain Handling For the Period Ending June 30 (Unaudited)	2025	2024	2023
Revenue	\$1,023,292	\$1,016,671	\$1,015,444
Premiums and Delivery Costs	\$134,753	\$65,220	\$85,446
Operating Expenses	\$526,798	\$663,633	\$626,717
Other Income	\$9,325	\$16,025	\$17,238
Subtotal	\$371,066	\$303,843	\$320,519
Depreciation	\$86,676	\$86,506	\$85,921
Total Comprehensive Income	\$284,390	\$217,337	\$234,598
 Total Grain Shipped (tonnes)	 112,692	 94,509	 113,453

The Company's ½ of CMI JV's revenue from grain handling for the six-month period ended June 30, 2025, was \$1,023,292, an increase of \$6,621 compared to the prior year. CMI JV shipped 112,692 metric tonnes in the period, an increase of 18,183 metric tonnes.

The table below shows the grain receipts for the six-month periods ended June 30:

Grain	2025	2024	2023
Wheat	49,169	46,206	50,084
Malt barley	32,317	13,159	18,438
Feed barley	3,228	12,494	1,926
Canola	16,678	21,000	24,019
Oats	-	1,086	9,592
Yellow peas	2,108	86	1,633
Total	103,500	94,031	105,692

Total receipts for the first half of 2025 were up by over 9,000 metric tonnes compared to the six months ended June 30, 2024. Wheat receipts rose by approximately 3,000 metric tonnes as favorable growing conditions led to better yields. High wheat prices, buoyed by strong international demand, also encouraged producers to bring more wheat to market in 2025. Malt barley receipts spiked from 13,159 metric tonnes received in 2024 to 32,317 metric tonnes in 2025, pointing to both improved growing conditions for barley and broader market incentives. Conversely, feed barley receipts declined due to more barley meeting malting specifications. As evidenced by three straight drops in a row, the intense competition for canola tonnes has created significant downward pressure on CMI JV's canola receipts. No oats were handled in the six months ended June 30, 2025, as prices have caused production to shift to more profitable crops. The excellent marketing opportunities available due to global pulse shortages and good growing conditions in the region bumped pea receipts from nearly zero in the six months ended June 30, 2024, to over 2,000 metric tonnes in the current period. The international markets for wheat, barley, and pulses remain strong; however, canola prices have stagnated somewhat following highs in 2024. Conditions were largely favorable in the spring and early summer of 2025, with variable weather possibly affecting canola yields. Overall, through the practice of precise inventory management, paying attention to contract specifications, and employing market-responsive strategies, including adapting to weather conditions and market signals, CMI JV is in a unique position to leverage the strengths of its producer partners to produce a successful finish to 2025.

Crop Production Products and Services

Crop Production Products and Services For the period ending June 30 (Unaudited)	2025	2024	2023
Sales	\$14,863,265	\$12,045,983	\$15,468,784
Cost of Sales	\$13,528,471	\$10,732,617	\$13,922,655
Gross Profit	\$1,334,794	\$1,313,366	\$1,546,129
Operating Expenses	\$1,056,932	\$1,315,981	\$1,186,369
Inventory Impairment Loss (Reversal)	(\$33,833)	\$104,337	\$-
Other Income	\$1,418	\$36,397	\$32,808
Subtotal	\$313,113	(\$70,555)	\$392,568
Interest on Term Loans	\$4,411	\$6,007	\$2,535
Income Taxes	\$48,199	\$3,640	\$88,235
Depreciation	\$111,103	\$104,371	\$108,930
Total Comprehensive Income (Loss)	\$149,400	(\$184,573)	\$192,868

Total revenue from crop production products and services for the six-month period ended June 30, 2025, was \$14,863,265, resulting in a gross profit of \$1,334,794 as compared to the same period in 2024 in which sales were \$12,045,983 and gross profit was \$1,313,366. In 2025, dry fertilizer tonnes sold increased significantly to 13,082 tonnes, up from 9,689 tonnes in the six months ended June 30, 2024, representing growth of approximately 35%. This was offset by a notable decline in NH3 volumes, which fell from 1,367 tonnes in 2024 to 923 tonnes in 2025, a drop of 32%. Sales performance varied by product: chemical sales declined from \$2.20M to \$1.81M, inoculant sales fell sharply from \$40,369 to \$8,105, while seed sales grew from \$471,548 to \$650,617. Changes in sales volumes and mix directly impacted cost of goods sold and overall profitability across categories. Gross margin trends were mixed. Chemicals saw a modest improvement in margin from 17.17% in 2024 to 18.61% in 2025, pointing to better cost control and pricing despite lower revenue. Inoculants experienced a dramatic jump in margin from 30.22% to 66.81%. Inoculant sales were minimal in the six months ended June 30, 2025, suggesting the margin increase was not indicative of substantial efficiency gains or a shift to higher-value sales. In contrast, seed margins deteriorated from 8.41% to just 1.94%, reflecting tighter pricing and higher costs. Overall, the product mix shifted toward higher dry fertilizer tonnage with improved margins on chemicals and inoculants, but weaker profitability in seeds and reduced NH3 volumes. As noted in the financial statements for the period ended June 30, 2025, and elsewhere in this report, the Company completed the sale of substantially all the operating assets of its crop production products and services business unit, CMI Ag Ltd. on July 14, 2025. However, CMI Ag Ltd. still expects to receive programming credits based on its sales to producers before that date. Accordingly, an accrual has been made in the Company's records for these amounts as of June 30, 2025, with the expectation of receiving them over the balance of 2025 as reconciliations with suppliers are completed.

Summary of Semi-Annual Results

The following table summarizes the Company's consolidated operating results for interim periods ended June 30:

	2025	2024	2023
Sales	\$15,886,557	\$13,062,654	\$16,484,228
Cost of sales	\$13,528,471	\$10,732,617	\$13,922,655
Gross profit	\$2,358,086	\$2,330,037	\$2,561,573
Premiums and Delivery Costs	\$134,753	\$65,220	\$85,446
Operating expenses	\$1,583,730	\$1,979,614	\$1,813,086
Inventory Impairment Loss (Reversal)	(\$33,833)	\$104,337	-
Other income	\$10,743	\$52,422	\$50,046
Subtotal	\$684,179	\$233,288	\$713,087
Interest on Term Loans	\$4,411	\$6,007	\$2,535
Income Taxes	\$48,199	\$3,640	\$88,235
Depreciation	\$197,779	\$190,877	\$194,851
Total comprehensive income	\$433,790	\$32,764	\$427,466

The Company's sales are comprised of its 50% share of the sales of CMI JV and the sales of CMI Ag. CMI JV's sales are generated primarily from the handling and elevation of grains and oilseeds owned by Viterra. Product is purchased directly from farmers by Viterra, and Viterra is responsible for the marketing and sale of the product.

The Company has sufficient cash reserves to meet all operating expenses and commitments for the coming year. The long-term debt is subject to certain financial covenants with respect to current ratio, net worth, and earnings. The Company is in compliance with all such covenants at June 30, 2025. It is management's opinion that the Company is likely to remain in compliance with all long-term debt throughout the twelve months subsequent to June 30, 2025.

Working capital

Current assets were \$7,189,951 at June 30, 2025, as compared to \$6,470,711 at December 31, 2024. Current liabilities were \$3,493,800 as compared to \$3,376,490 at December 31, 2024.

Working capital was \$3,696,151 at June 30, 2025, and \$3,094,221 at December 31, 2024. The net result is the Company's working capital increased by \$601,930. Increases in accounts receivable and deposits and a decrease in customer prepayments more than offset the increases in accounts payable and accrued liabilities, deferred revenue, and the current portion of term loans in addition to reductions in income taxes receivable and due from related party and lower cash and inventory levels.

Cash Flow

Cash used in operating activities for the six months ended June 30, 2025, was \$1,110,579 compared to \$452,520 for the same period in 2024.

Capital requirements

In the six-month period ended June 30, 2025, CMI JV expended \$20,909 to upgrade its car progressioner, while CMI Ag Ltd. spent \$23,330 for a conveyor and \$4,158 for a new overhead door.

Off-balance sheet obligations and arrangements

The ownership of grain transfers directly from each producer to Viterra at the time of purchase. From CMI JV's perspective, this arrangement reduces the need for bank financing to fund the purchases of grain inventory and also reduces its exposure to market fluctuations in the prices of such commodities.

Outstanding share data

The Company's authorized share capital consists of an unlimited number of Class A voting common shares which may be issued in series. At June 30, 2025, there were 20,078 Class A shares issued, representing no change in the issued share capital in the last six months.

There are no options, warrants or other securities issued that are capable of being converted into shares of the Company.

On March 12, 2007, CMI's Board of Directors implemented a web-based share trading mechanism intended to provide shareholders with a certain level of liquidity by allowing shareholders to post their shares of CMI for sale and interested buyers to post an offer to buy shares. The most recent transaction on the share trading platform was completed at a price of \$450.00 per share.

Full details of CMI's share trading mechanism can be found on the CMI's website under the "Investors" tab at www.cmiterminal.com.

The Articles of CMI also provide for a redemption feature that can be implemented year to year in the sole discretion of the Board of CMI. Participation by shareholders in any given year's share redemption plan is voluntary. In 2023, 100 shares were repurchased under the plan at \$371.58 each for a total of \$37,158, while 90 shares were repurchased for a total of \$33,986 or \$377.63 per share in 2024.

The redemption price is calculated using the most recent financial statements of that year. This is determined by adding the share capital and the retained earnings of the Company at its immediately preceding financial year-end and dividing that amount by the number of then issued and outstanding Class "A" Shares at that time. There is no assurance that the Board will implement the redemption plan in any given year, and the decision as to whether to implement the redemption plan is largely based on the availability of operational surpluses from the prior year.

Transactions with related parties

CMI JV is governed by the terms of an Amended and Restated Joint Venture Agreement between the Company and Viterra. CMI JV markets substantially all of its services through an arrangement with Viterra. The ability of the Company to sustain operations is dependent upon the continued operation of this arrangement.

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Accounting Standards 34, Interim Financial Reporting ("**IAS 34**") using accounting policies consistent with IFRS as issued by the International Accounting Standards Board ("**IASB**") and interpretations of the International Financial Reporting Interpretations Committee ("**IFRIC**") in effect at June 30, 2025.

The accounting policies and methods of application used by the Company in these condensed interim consolidated financial statements are the same as those applied in the Company's most recent annual audited consolidated financial statements at December 31, 2024.

Risk

The Company is exposed to a variety of financial risks as part of its operations, including the following:

- Foreign exchange risk
- Credit risk
- Liquidity risk
- Interest rate risk
- Price risk
- Climate and environmental risk

The Company, as part of operations, has established avoidance of undue concentrations of risk as a risk management objective. In seeking to meet this objective, the Company follows a risk management policy approved by its Board of Directors. The Company's approach to each of the above risks is explained in detail in the condensed interim consolidated financial statements.

Other risks

a) Commodity price risk

Commodity price risk is the risk that the value of inventory will fluctuate due to changes in market prices. A change in price and quality will have a direct effect on the value of inventory. Exposure typically includes but is not limited to changes in the commodity prices of oilseeds and grains inventories. Prices for these commodities are volatile and are influenced by numerous factors beyond the Company's control, such as supply and demand fundamentals as well as the weather. A substantial change in prices may affect the Company's comprehensive income and operating cash flows, if not properly managed.

The Company does not take ownership of oilseeds and grains inventories and does not enter into derivative contracts. The commodity price risk relating to oilseeds and grains is therefore limited to the change in market prices while the Company holds inventories for which it is contingently liable.

b) Weather risk

The effects of weather conditions in a relatively confined geographic market area present a significant operating risk for the Company. Poor weather conditions can have a materially adverse effect on grain handling volumes, production quality and the sale of crop inputs.

c) Commodity grade risk

The Company faces the risk of maintaining grain quality between the time grains and oilseeds are purchased and when they are shipped and unloaded. Grain quality can be compromised prior to delivery by insect infestation and inadequate producer storage facilities which fail to prevent the damage which may be caused by rodents and other wildlife.

Subsequent event – sale of business assets

On July 14, 2025, subsequent to the reporting date of June 30, 2025, the Company completed the sale of substantially all the operating assets of its crop production products and services business unit, CMI Ag Ltd. Additional information regarding the sale will be released as it becomes available. Readers are encouraged to visit the Company's website at www.cmiterminal.com.