

2024 Annual Report





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Highlights



OUR BOARD OF DIRECTORS



HUGO LANDRY
MRC Haut-Richelieu and MRC Roussillon
President
Dairy and field crop productions
Hugo.Landry@uniag.coop



JENNA SOESBERGEN
MRC Haut-Saint-Laurent
Vice-President
Dairy and field crop productions
Jenna.Soesbergen@uniag.coop



JEAN-PIERRE LAVIGNE
Ontario
Vice-President
Dairy and field crop productions
Jean-Pierre.Lavigne@uniag.coop



JEAN BISSONNETTE
MRC Vaudreuil-Soulanges
Dairy and field crop productions
Jean.Bissonnette@uniag.coop



ALISON BROSSEAU, Agr. MRC Jardins-de-Napierville Field crop production Alison.Brosseau@uniag.coop



MANON PERRAS
Non-sectoral
Dairy and field crop productions
Manon.Perras@uniag.coop



GABRIEL VAN WINDEN, Agr.

Vegetable Sector

Vegetable Production

Gabriel.VanWinden@uniag.coop



MARC QUESNEL
Ontario
Dairy and field crop productions
Marc.Quesnel@uniag.coop



SYLVAIN BRAULT MRC Beauharnois-Salaberry Dairy and field crop productions Sylvain.Brault@uniag.coop



ÉRIC GRATTON

Non-sectoral

Dairy and field crop productions

Eric.Gratton@uniag.coop



DANIEL GUÉRIN
MRC Jardins-de-Napierville
Vegetable Production
Daniel.Guerin@uniag.coop



Message from the President - Hugo Landry

Adapting, Innovating, and Thriving: The Cooperative Way

Dear members.

Each year, we might expect economic and geopolitical conditions to stabilize, but reality shows us that challenges continue to evolve. In this ever-changing world, our cooperative model proves to be more relevant than ever. It embodies resilience and sustainability, providing our members with valuable stability in an increasingly complex agricultural environment.

At Uniag Cooperative, we have always relied on proximity and regional roots as the cornerstones of our development. Since our merger, we have not only maintained our stores across the territory, but we have also strengthened our agricultural offerings to meet the diverse needs of our members, regardless of their region.

This commitment to remaining present in the field, close to our producers, has notably been reflected in the organization of region-specific events. These gatherings are more than just opportunities for discussion; they are moments to share knowledge, foster collaboration, and strengthen our agricultural community.

But Uniag is also part of a larger movement. We are proud to be a member of the great Sollio Cooperative Group family, a national force that has been supporting local agricultural producers for over 100 years while actively contributing to the sustainable development of our sector. Being part of this alliance means benefiting from solid expertise and a strong network, helping us navigate the challenges of an ever-evolving market.



We are also a key player in sectors that complement agriculture. Norseco, which Uniag owns, is a leading producer and distributor of vegetable and ornamental seeds. Through this subsidiary, we reinforce our leadership in the horticultural world. Additionally, our involvement in Viridis demonstrates our commitment to the circular economy and the recovery of residual materials—issues that are increasingly crucial for the sustainable management of agricultural operations.

«Financially, Uniag continues to demonstrate its strength and ability to generate value for its members.»

COMMITMENT TO THE NEXT GENERATION OF **FARMERS**

We have also continued our support for the next generation of agricultural entrepreneurs, fully aware that the future of our cooperative depends on them. Our Cooperative Fund for Young Farmers, in partnership with Sollio Cooperative Group, has helped many young farmers launch their projects, ensuring the continuity of our mission.

Year after year, our annual results confirm the relevance of our model and our ability to navigate successfully in an often unpredictable environment. Our strategic choices and rigorous management not only ensure the cooperative's profitability but also allow us to reinvest in our infrastructure, services, and offerings to continuously enhance what we provide to our members.

Of course, such success would not be possible without the efforts and dedication of many individuals. I would like to recognize the hard work and commitment of our Board of Directors, who devote time and energy to ensuring sound governance and a strategic vision aligned with our members' interests. I also want to express my deep gratitude to Sylvain Boyer, our General Manager, whose leadership confidently guides Uniag.

A huge thank you as well to our entire team of employees, who work each day with passion and dedication to advance our cooperative. Our business partners also deserve our appreciation, as they enable us to offer our members high-quality products and services tailored to their realities. And, of course, thank you to you, dear members, for your trust, your engagement, and your active participation in the life of your cooperative.

As we look toward the future, we remain firmly rooted in our cooperative values and our ongoing mission: ensuring the sustainability of our farms while creating a positive and lasting impact on our communities.

Hugo Zandry

Hugo Landry

OUR MEMBERS





VALUES THAT UNITE US

Riguor

Integrity

Solidarity

Commitment

MISSION

Uniag Cooperative, a high-performance agricultural cooperative, contributing to the success and development of its members.

VISION

To be a profitable agricultural cooperative recognized in its region for the quality and relevance of its team, products and services.

2024 Annual Report

ADMINISTRATORS' CONTRIBUTIONS

Uniag Cooperative's Board of Directors held ten ordinary meetings and one extraordinary meeting in the past year.











Executive Committee: Mr. Hugo Landry (President), Mrs. Jenna Soesbergen, Mr. Jean-Pierre Lavigne and Mr. Sylvain Brault

The year 2024 was marked by a more limited activity of Uniag Cooperative's Executive Committee, with few formal meetings, reflecting a context in which strategic needs were primarily addressed at the board of directors level. However, key matters were closely monitored, particularly the governance of the partnership with Sollio and Uniag's strategic planning. The committee also played a key role in overseeing investment projects, aligned with the cooperative's development vision. Finally, the evaluation of the general management and corporate secretariat confirmed the board members' satisfaction with the organization's strategic and operational management.

Hugo Landry, President of the Executive Committee















meetings

Audit Committee: Mrs. Manon Perras (President), Mr. Sylvain Brault, Mrs. Alison Brosseau, Mr. Daniel Guérin, Mr. Hugo Landry and Mr. Jean-Pierre Lavigne

This year, the Audit Committee reviewed risk management by adding and modifying certain significant risks, along with their mitigation measures. A rigorous follow-up on the actions implemented by the Executive Committee throughout the year is conducted at each committee meeting. Additionally, a major disbursement policy was developed. Finally, several key items from the committee's work plan are addressed during its quarterly meetings, including the application of the credit policy, 120-day accounts receivable, requests for capital and interest writeoffs, as well as legal cases and disputes.

The committee continuously ensures the integrity of the cooperative's financial information and makes the necessary recommendations to the Board of Directors.

Mrs. Manon Perras, President of the Audit Committee

In addition to his role as a director of Uniag Cooperative, Mr. Jean Bissonnette serves as a Director on the Board of Sollio Groupe Coopératif. In this capacity, he attended eleven meetings over the past year.















meetinas

Governance Committee: Mr. Jean-Pierre Lavigne (President), Mr. Jean Bissonnette, Mr. Hugo Landry, Mrs. Manon Perras and Mr. Gabriel Van Winden

In 2024, the Governance Committee focused on continuous improvement by reviewing several key aspects of governance, including the roles of vice-presidents and ethical and deontological documents. Particular emphasis was placed on ongoing training, notably in cybersecurity and cooperative governance. Member engagement was another major priority, with the organization of events such as holiday dinners, hockey games, and the Women's Cooperative Forum, aimed at strengthening member involvement. Finally, supporting the next generation remained a priority, with close monitoring of programs like FCARA and the Sollio Next Generation Award, as well as ongoing efforts to encourage young people's participation in cooperative governance.

Mr. Jean-Pierre Lavigne, President of the Governance Committee











meetings

Protection Committee: Mrs. Jenna Soesbergen (President), Mr. Éric Gratton, Mr. Daniel Guérin, Mr. Marc Quesnel and Mr. Hugo Landry

Over the past year, Uniag Cooperative's Protection Committee carried out various initiatives in the areas of human resources, environmental management, and insurance. It continued implementing its work plan, which now includes three statutory meetings per year. The committee reviewed key issues, including insurance coverage assessments, claim follow-ups, and workplace health and safety management. On the environmental front, efforts were made to meet the requirements of the CAN and ANEPA programs and to update emergency measures across various facilities. Several sites were inspected to ensure compliance, and investment projects were evaluated to improve infrastructure. Finally, the committee continued developing internal policies, including revisions to health and safety policies as well as harassment and violence prevention policies.

Mrs. Jenna Soesbergen, President of the Protection Committee

meetings

Board of Directors of the Regional Partnership with Sollio Agriculture:

Mr. Hugo Landry (President), Mr. Sylvain Brault (observer), Mr. David Arseneau, Mr. Simon Baillargeon, Mr. Casper Kaastra, Mr. Marc Quesnel (observer) and Mrs. lenna Soesbergen

In 2024, the Board of Directors of our Agricultural Partnership with Sollio Agriculture continued its work in a context of consolidation and operational optimization. The year was marked by the implementation of strategic planning, including infrastructure improvements, process revisions, and cost reductions in transportation. Financial results showed progress in several sectors, although some challenges remain. Investments were a major focus of discussions, including improvement projects at the Napierville fertilizer centre and progress on the construction of a new fertilizer centre in Ontario. The board also approved a capital budget for 2024-2025, covering the acquisition of new equipment and vehicles. Thanks to budgetary discipline and the dedication of our teams, the year ended on a positive note, with a clear strategic vision for the year ahead.

OUR MANAGEMENT TEAM



Sylvain Boyer General Manager



Isabelle Faille, CPA
Finance & Administration
Director



Lysanne David
Communications Director &
General Secretary



Émilie Morin-Roy, Agr. Director of Operations



Maude Gaillardetz, CRIA, MBA Human Resources Director



Marie-Philip Brisson, Agr.
Sales Director, Animal
Production



Akim Soulé, Agr., MBA Sales Director, Crop Sector



Claude Dubuc
Grain Service Director



Geneviève Peintre Retail Sector Director



Management Report - Sylvain Boyer

A Year of Challenges, A Stronger Cooperative

Dear members,

The past year has once again reminded us of the importance of adaptability and the strength of our cooperative model. At Uniag, we have remained steadfast in our mission to support our members by providing services and products that enable them to achieve their desired performance, both technically and financially.

We have exercised rigorous management and successfully maintained a high-performing and growing cooperative. Our results are solid and reflect a financially healthy organization, well positioned to tackle the challenges of the coming years.

Our consolidated revenue reached \$221 million, with an operating surplus of \$4.3 million and assets increasing to \$112.6 million.

You will find sector-specific details in the following sections. The price reductions of several key inputs, such as fertilizers and grains, had a significant impact on revenue, benefiting our customers. In this context, your cooperative has demonstrated its ability to generate value while ensuring sound resource management.

Beyond the numbers, our local presence remains one of our greatest strengths. The acquisition of the convenience store building in St-Louis-de-Gonzague in June 2024 and investments in the Napierville fertilizer centre are concrete examples of our commitment to investing in strategic assets that ensure our autonomy, reinforce our community presence, and enhance service to our members.



Animal Production

In the animal production sector, sales reached \$21.5 million, supported by a 3% increase in feed sales volumes. In a context where dairy quotas are gradually moving out of our region, the dedication of our team to providing high-quality support to our customers has been crucial in achieving these results. Our monitoring tools, such as Lactascan, allow us to help our clients maximize their margins per kilogram of quota produced and effectively measure herd performance. We are particularly proud to count among our customers five farms that have surpassed the 3.0 kg/cow fat/protein threshold, including the most productive herd in the entire Sollio network, Ferme Nieuwenhof et Associés in Sainte-Agnès-de-Dundee, which has maintained its leading position for several years with an impressive 3.53 kg/cow.

Our flagship product lines, such as Goliath and Transilac, performed well, and we optimized cost management to improve the sector's profitability. Product quality and availability remain at the heart of our commitment to our members. We are increasingly focusing on expanding our offerings for cow-calf producers and the equine sector, with dedicated resources now supporting these activities.

Crop Production

The crop production sector experienced strong activity, with total sales reaching nearly \$36 million. While fertilizer prices saw a significant decline, we successfully increased our sales volumes by 18% compared to the previous year. For crop protection products, sales volumes remained relatively stable compared to 2023.

Meanwhile, field crop seed sales grew by 13%, thanks in part to the high quality of Maizex products. Our field plots days in September were a great success in terms of participation and provided an excellent opportunity to showcase the quality of our offerings. In August, I had the privilege of visiting Maizex's facilities in Western Ontario with a group of producers from our region. This visit highlighted the scale and professionalism behind their seed production. It was also an opportunity to tour the PurYield™ controlled-release nitrogen fertilizer plant in St. Thomas.

The presence of consultants in the field has remained a top priority to ensure excellent service for our members. Over the past year, we welcomed new resources to our vegetable production team and added a specialist to our agri-environment department to better meet our members' needs.

Grain Trading

2024 was marked by the return of the grain trading service within our cooperative. The decline in corn and soybean prices during the summer of 2024 led to a 20% decrease in revenue in this sector, which totalled \$95.9 million, despite transaction volumes remaining comparable to the previous year. With a dedicated team in place since June 2024, we have optimized our buying and selling strategies, positioning us to approach the future with confidence.

Retail Sector

In the retail sector, our seven points of sale recorded total revenue of \$23.7 million, reflecting a slight 3% decrease compared to the previous year. The slowdown in construction and consumer spending impacted sales of building materials and hardware products. However, we focused on tight inventory management and a pricing strategy adapted to market realities, allowing us to maintain a strong profit margin. Our St-Louis-de-Gonzague service station and convenience store saw a drop in the volume of fuel sold, but growth in complementary products.

Our BMR and Agrizone hardware stores play an essential role in our relationship with the agricultural and para-agricultural communities. We are proud to report that the number of individual auxiliary members has almost doubled over the past three years, to 719, reflecting the confidence placed in your cooperative. The Co-op Days held last summer at most of our retail locations were great opportunities to connect with members and welcome new ones.

Norseco

Our subsidiary Norseco, specializing in vegetable seed production, had a dynamic year, marked by rigorous management. Sales continued to grow, reaching \$45.3 million. Part of this increase came from the integration of a new production and distribution sector for ornamental plants. As a leader in the horticultural sector, the company continues to perform well despite increasing competition. Product diversification and the development of online sales illustrate our ability to evolve with the market. The W.H. Perron brand remains a strong focus for the home gardening sector. Expanding Norseco beyond Quebec, particularly into Ontario and the Maritimes, has been a key priority.

Corporate Management

On the administrative side, we have continued our efforts to optimize costs. Naturally, the high interest rates throughout the year impacted our results. However, our prudent financial management and strategic approach have allowed us to maintain a sound and resilient financial structure.

2024 was filled with events and successes for Uniag Cooperative, and our employees have truly embodied the cooperative's values in their daily work. Beyond our financial performance, it is our commitment to you, our members, that has guided all our actions. The solidarity within our teams and their rigorous application of best practices have enabled us to achieve strong results. And, of course, everything we do is carried out with integrity, ensuring long-term trust with our members.

Our cooperative life is becoming increasingly vibrant, and we aim to continue this momentum with a variety of activities, reaching different age groups and types of producers. These are great opportunities to connect, exchange ideas, and discuss your present and future needs.

I am also extremely proud that our team of expert advisors has been recognized as top performers within the Sollio network, receiving multiple nominations at last fall's annual meeting in every production sector where Uniag is involved.

In closing, I would like to thank our President, Hugo Landry, and our Board of Directors for their commitment and vision. I also extend my appreciation to my management team and all our employees, who work tirelessly to advance our cooperative and meet our members' expectations. And finally, a huge thank you to you, dear members. It is your trust and engagement that allow us to build a sustainable and high-performing cooperative model.

The future of Uniag is promising. With a solid foundation and a strong commitment to serving our members, we enter 2025 with ambition and determination. Together, we will continue to build a cooperative focused on innovation and growth.

Sylvain Loyer



Sylvain Boyer General Manager



Auditor's Report



Son of Rosanna and Thomas Morin from Wynsum Meadows Farm At the Delurenic Farm Plot September 2024

UNIAG COOPÉRATIVE CONSOLIDATED FINANCIAL STATEMENTS OCTOBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members of UNIAG COOPÉRATIVE

Opinion

We have audited the consolidated financial statements of UNIAG COOPÉRATIVE and its subsidiaries (the Group), which comprise the consolidated balance sheet as at October 31, 2024, and the consolidated statements of income, reserve and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at October 31, 2024, and the results of its consolidated operations and its consolidated cash flows for the year then ended in accordance with section 131 of the Quebec Cooperatives Act.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Saint-Rémi Saint-Constant

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ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

In preparing the consolidated financial statements, management is responsible for assessing the Group's

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

LLG CPA inc.1

Saint-Rémi, February 19, 2025

¹ By CPA auditor, public accountancy permit No. A122500

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UNIAG COOPÉRATIVE CONSOLIDATED INCOME YEAR ENDED OCTOBER 31, 2024

	2024	2023
SALES (Schedule A)	\$ 221,167,523	\$ 248,096,163
COST OF GOOD SOLD (Schedule B)	200,523,907	227,527,383
GROSS PROFIT	20,643,616	20,568,780
OPERATING EXPENSES Operating and sales expenses Administration expenses Interest on preferred shares Interest on long-term debt Interest and bank charges Interest income Amortization of property, plant and equipment Amortization of assets under capital leases Amortization of intangible asset	8,118,093 3,711,233 389,198 504,422 221,729 (1,188,172) 699,632 35,377 4,994	7,690,072 3,522,617 339,567 538,509 299,886 (1,374,146) 506,981 15,522 4,992
	12,496,506	11,544,000
EARNINGS	8,147,110	9,024,780
OTHER REVENUES (Schedule C)	(1,868,240)	635,270
EARNING FOR THE YEAR BEFORE SUBSIDIARIES INCOME TAXES	6,278,870	9,660,050
INCOME TAXES Current Future	1,901,731 	1,956,341 (88,177)
	1,978,128	1,868,164
NET SURPLUS EARNINGS FOR THE YEAR	\$ <u>4,300,742</u>	\$ <u>7,791,886</u>
ATTRIBUTABLE TO THE MEMBERS OF THE COOPERATIVE (Note 4)	\$ 2,542,529	\$ 5,812,435
TO NON-CONTROLLING INTERESTS	1,758,213	1,979,451
	\$4,300,742	\$ <u>7,791,886</u>

UNIAG COOPÉRATIVE CONSOLIDATED RESERVE YEAR ENDED OCTOBER 31, 2024

		2024		2023
BALANCE, BEGINNING OF YEAR	\$	24,990,026	\$	22,660,943
Net surplus earnings from the previous financial year	_	5,812,435	-	4,742,121
	_	30,802,461	_	27,403,064
Patronage refunds from the previous year Cash Membership shares Preferred shares		(1,349,186) (15,475) (1,337,875)		(1,287,046) (16,719) (1,260,706)
Future income taxes related to the previous year's surplus earnings Income taxes related to the previous year's surplus earnings	_	344,143	_	153,235 (1,802)
	_	(2,358,393)	-	(2,413,038)
BALANCE, END OF YEAR	\$_	28,444,068	\$_	24,990,026

UNIAG COOPÉRATIVE CONSOLIDATED CASH FLOW YEAR ENDED OCTOBER 31, 2024

	2024	2023
OPERATING ACTIVITIES (Note 3)		
Inflows relating to year consolitated earnings Net changes in non-cash working capital items	\$ 7,018,222 2,335,632	\$ 7,609,523 (3,676,809)
	9,353,854	3,932,714
INVESTING ACTIVITIES		
Acquisition of investments Proceeds from disposal of investments Net change in loan receivable from joint-arrangement Deposit on property, plant and equipment Acquisition of property, plant and equipment held for sale Proceeds from the disposal of property, plant and equipment Acquisition of intangible assets	(575) 1,210,978 2,532,952 - (4,213,370) - (5,000) (475,015)	509,054 1,500,000 (338,342) (463,817) 77,635
FINANCING ACTIVITIES		
Repayment of obligations under capital leases Long-term loans Repayment of long-term debt Patronage refunds paid Issuance of member shares and preferred shares Redemption of member shares and preferred shares Dividends Withdrawal from the non-controlling interest	(20,323) - (1,692,143) (1,349,186) 1,373,779 (2,463,877) (1,200,000) (311,746) (5,663,496)	(13,684) 300,000 (720,408) (1,287,046) 1,441,996 (489,085) (1,050,000) (240,066) (2,058,293)
INCREASE IN CASH AND CASH EQUIVALENTS	3,215,343	3,158,951
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	17,059,798	13,900,847
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	\$ <u>20,275,141</u>	\$ <u>17,059,798</u>

Cash and cash equivalents consist of cash.

UNIAG COOPÉRATIVE CONSOLIDATED BALANCE SHEET OCTOBER 31, 2024

ASSETS		2024		2023
ABBLIB				
CURRENT				
Cash	\$	20,275,141	\$	17,059,798
Accounts receivable (Note 5)		26,305,231		21,346,586
Income taxes receivable		534,164		-
Inventories (Note 6)		26,419,027		18,650,900
Deposits on inventories		556,687		5,000,000
Prepaid expenses		372,750		320,960
Current portion of investments (Note 7)	_	3,049,767	_	1,807,150
		77,512,767		64,185,394
INVESTMENTS (Note 7)		15,246,833		21,850,491
INTEREST IN A JOINT ARRANGEMENT (Note 8)		4,557,997		4,289,171
DEPOSIT ON PROPERTY, PLANT AND EQUIPMENT		-		338,342
PROPERTY, PLANT AND EQUIPMENT (Note 9)		11,809,675		7,687,427
ASSETS UNDER CAPITAL LEASES (Note 10)		76,369		111,746
INTANGIBLE ASSET - SOFTWARE IN DEVELOPMENT		19,974		19,968
GOODWILL		3,399,361		3,399,361
FUTURE INCOME TAXES (Note 16)	_	25,615	_	26,625
	\$_	112,648,591	\$_	101,908,525

UNIAG COOPÉRATIVE CONSOLIDATED BALANCE SHEET OCTOBER 31, 2024

LIABILITIES	2024	2023
CURRENT Bank loan (Note 11) Accounts payable (Note 12) Accounts payable - Partenariat Agricole QMO S.E.C. Advance payments Income taxes payable Derivative financial instruments (Note 13) Obligations under capital leases - current portion (Note 14) Long-term debt - current portion (Note 15) Preferred shares - current portion (Note 17)	\$ 7,500,000 25,768,697 8,392,000 1,837,612 - 720,468 23,343 1,192,143 1,724,307 47,158,570	17,920,071 5,459,154 991,290 422,749 14,218 20,858 1,192,143 1,762,086
DERIVATIVE FINANCIAL INSTRUMENTS (Note 13)	148,885	32,747
OBLIGATIONS UNDER CAPITAL LEASES (Note 14)	54,739	77,547
LONG-TERM DEBT (Note 15)	5,617,689	7,309,832
FUTURE INCOME TAXES (Note 16)	1,285,394	1,554,150
	54,265,277	44,256,845
EQUITY		
PREFERRED SHARES MEMBERS' EQUITY	20,302,928	20,021,430
Social capital (Note 18) CONTRIBUTED SURPLUS COOPERATIVE EQUITY	946,225 3	926,692 3
Net surplus earnings (Note 4) Reserve	2,542,529 28,444,068	5,812,435 24,990,026
NON-CONTROLLING INTERESTS	52,235,753 6,147,561	51,750,586 5,901,094
	58,383,314	57,651,680
	\$ <u>112,648,591</u>	\$ <u>101,908,525</u>

ON BEHALF OF THE BOARD

, Director

, Director

UNIAG COOPÉRATIVE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OCTOBER 31, 2024

STATUTES OF INCORPORATION AND NATURE OF ACTIVITIES

The cooperative, etablished under the Cooperatives Act, resulting from a merger between La Coop Uniforce and La Coop des Frontières, agricultural cooperative, is an organization created to procure goods and services for its members which they then use for operating their enterprises. It operates hardware stores, sells a variety of products mainly in the agricultural sector, and markets grain. On August 20, 2020, the cooperative adopted the corporate name Uniag Coopérative.

SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements were prepared in accordance with Canadian accounting standards for private enterprises (ASPE), with the exception of certain situations arising from the requirements of section 131 of Quebec Cooperatives Act, and includes de following significant accounting policies:

Patronage refunds and income taxes

The net surplus earning for the year presented in the consolidated income statements is established before patronage refunds and income taxes on net surplus earnings of the cooperative. The amount of the patronage refunds is established by members at the Annual General Meeting. The net surplus earnings for the year, the patronage refunds and income taxes on net surplus earnings will be entered against the consolidated reserve during the next financial year.

Interest on preferred shares

Interest on preferred shares and related income taxes are indicated in the consolidated income statement.

Consolidated financial statements

The consolidated financial statements include the accounts of the cooperative and its subsidiaries. On consolidation, all intercompany transactions and balances have been eliminated.

The cooperative's subsidiaries are as follows:

Name	Description	Percentage ownership
9406-5299 Québec inc.	Holding	70 %
Norseco S.E.C.	Seed distributor	73.4 %
9403-1689 Québec inc.	Holding	73.4 %

SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Sales of services are registered when the services are rendered to the client as long as there is proof a sales agreement, that the price has been determined or is possible to establish, and that the probability of collecting the payment is reasonably good.

Volume discounts and cash discounts given to customersare registered as a reduction in the sales figure as the sale is recorded.

Use of estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the amounts recognized as revenues and expenses for the periods covered. Actual results may differ from these estimates. The critical estimates relate to the provision for doubtful accounts, the net realizable value of inventory, the impairment of financial assets, the useful lives of property, plant and equipment and intangible assets subject to amortization.

Cash and cash equivalents

The cooperative's policy is to present bank balances under cash and cash equivalents, including bank overdrafts when bank balances that fluctuate frequently from being positive to overdrawn.

Financial instruments

Initial measurement

The cooperative initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the cooperative is in the capacity of management, are initially measured at cost.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. The cost of a financial asset or liability in a related party transaction that has repayment terms is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, its cost is determined using the consideration transferred or received by the cooperative in the transaction.

UNIAG COOPÉRATIVE NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OCTOBER 31, 2024

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent measurement

The cooperative subsequently measures all its financial assets and liabilities at cost or amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable and investments.

Financial assets and liabilities measured at fair value include foreign exchange contracts, interest rate swaps and forward contracts.

Impairment

For financial assets measured at cost or amortized cost, the cooperative determines whether there are indications of possible impairment. When there are, and the cooperative determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in net income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Transaction costs

Transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction are recognized in net income in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in net income over the life of the instrument using the straight-line method.

Derivative financial instruments

In accordance with its risk management strategy, the cooperative uses derivative financial instruments to manage the risks associated with fluctuations in the cost of grain and the foreign exchange risks arising from its future commercial transactions abroad. Derivative financial instruments include forward price contracts and foreign exchange contracts and interest rate swaps.

Derivative financial instruments, for those not designated as hedge funds, are recorded at their estimated fair value as an asset or liability, which is the approximate amount that can be obtained from the settlement of these instruments at market prices or rates. Gains or losses resulting from the revaluation at the end of each year are recorded in the earnings.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories

Inventories are measured at the lower of cost and net realizable value. The weighted average cost is determined using the average cost method.

For stock of seeds of one of subsidiaries, they are measured at the lower of cost and net realizable value. The cost is determined according to the specific cost method.

The cost of inventories includes all purchase costs and other costs incurred to bring inventories to their present location and condition. Purchase costs include the purchase price, import duties and non-recoverable taxes, as well as transportation, handling, and other costs directly attributable to the acquisition of the products.

Interests in a joint arrangement

The interests in a joint-arrangement are accounted at the equity method.

Property, plant and equipment

Property, plant and equipment are accounted for a cost. They are amortized on the basis of their useful life using the declining balance methods at the following rates:

Buildings	4 % and 10 %
Office furniture	20 %
Computer equipment	20% and 30%
Rolling stock	10 % and 30 %
Pavement and sidings	8 %
Truck scales	20 %
Machinery and equipment	10% and 20 %
Leasehold improvements	20% and 25 %

Assets under capital leases

Assets under capital leases are accounted for at cost. The cost corresponds to the present value of the minimum lease payments. Amortization is calculated on their respective estimated useful lives using the straight-line method:

Rolling stock 5 years

Intangible asset

Intangible asset consists of a sofware and is recorded at cost. It will be amortized on the basis of their useful life using the declining balance method at 20 % when it is used.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of long-lived assets

Property, plant and equipment and intangible asset subject to amortization are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

Goodwill

Goodwill represents the future economic benefits arising from assets acquired in a business combination that are not individually identified and separately recognized. Goodwill is not amortized and is tested for impairment whenever events or changes in circumstances indicate that the fair value of the reporting unit to which the goodwill is assigned may be less than its carrying amount. When the carrying amount of a reporting unit exceeds its fair value, a goodwill impairment loss is recognized in net income in an amount equal to the excess.

Currency conversion

Transactions in foreign currencies are converted into Canadian dollars. Monetary items on the balance sheet are converted at the exchange rate in effect at the end of the year, while non-monetary items are converted at the exchange rate in effect on the date of the transaction. Income and expenses are converted at the exchange rate in effect on the date of the transactions. Gains and losses resulting from the conversion are included in the earnings.

Income taxes on the surplus earnings

The cooperative uses the tax liability method to calculate the income tax due on the surplus earnings. Future income tax assets and liabilities on the surplus earnings are recognized to take into account temporary differences in the future tax consequences between the accounting the accounting value of assets and liabilities and their tax value. Future income tax assets and liabilities on the surplus earnings are measured using the rates applicable in the year in which the differences are expected to reverse. For their part, the subsidiaries use the future income tax method to record income taxes on its profits.

3. CASH FLOW

Inflows related to the consolitated income of the year are detailed as follows:

		2024		2023
Net surplus earnings for the year	\$	4,300,742	\$	7,791,886
Items not affecting cash:				
Depreciation of property, plant and equipment		699,632		506,981
Amortization of assets under capital leases		35,377		15,522
Amortization of intangible asset		4,994		4,992
Loss (gain) on disposal of property, plant and equipment		29,832		(138,526)
Net change on derivative financial instruments		822,388		140,365
Gain on the disposal of investments		_		(291,318)
Devaluation on investments		1,317,686		-
Share of results of joint arrangements		(268,826)		(330,400)
Future income taxes		76,397		(88,177)
Income taxes related to the previous year's surplus		, , , , , , , , , , , , , , , , , , , ,		())
earnings	_	-	_	(1,802)
	\$	7,018,222	\$	7,609,523
The net changes in non-cash working capital items are as fol	lows:			
		2024		2023

		2024		2023
Accounts receivable	\$	(4,958,645)	\$	(1,735,885)
Income taxes receivable		(956,913)		1,054,344
Inventories		(7,768,127)		(2,431,225)
Deposits on inventories		4,443,313		2,273,744
Prepaid expenses		(51,790)		(99,064)
Advance payments		846,322		(1,604,035)
Accounts payable		7,848,626		1,043,287
Accounts payable - Partenariat Agricole QMO S.E.C.	_	2,932,846	_	(2,177,975)
	\$	2.335.632	\$	(3,676,809)

4. SURPLUS EARNINGS FOR THE YEAR - RECOMMENDATION ON DISTRIBUTION

At its meeting on February 19, 2025, the Board of Directors decided to recommend to its members that they distribute a patronage refunds of \$1,454,298 for the financial year ending October 31, 2024.

Considering that at the general meeting, the members approved the aforementioned recommendation, the income taxes on surplus earnings that will be recorded in the reserve for the following year, in accordance with the Regulation under the Cooperatives Act, are as follows:

	2024
Surplus earnings for the year Recommended patronage refunds	\$ 2,542,529 (1,454,298)
	1,088,231
Income taxes on surplus earnings for the year	
Future income taxes related to the surplus earnings for the year	479,822
Amount to be allocated to the reserve	\$1,568,053

The future income taxes related to the surplus earnings of the year consist of the temporary difference on property, plant and equipment, as well as tax losses carried forward to the tax value and dividends received in preferred shares for an amount of \$761,159 in liabilities (\$1,240,981 in 2023).

5. ACCOUNTS RECEIVABLE

		2024		2023
Customers				
Grains	\$	6,251,397	\$	6,156,460
Members		5,033,069		3,703,774
Others		9,519,710		7,662,024
Partenariat Agricole QMO S.E.C., joint arrangement		1,433,691		1,169,515
Allowance for doubtful accounts		(597,460)		(424,694)
Sales Taxes		164,824		79,507
Advance to Partenariat Agricole QMO S.E.C., joint				
arrangement, prime rate	_	4,500,000	_	3,000,000
	\$_	26,305,231	\$_	21,346,586

6. INVENTORIES

		2024		2023
Animal feed	\$	339,042	\$	-
Packaging materials		122,626		42,864
Hardware Stores		5,830,875		5,950,523
Grains		3,408,905		-
Fertilizer		818,974		-
Crop protection products and seeds	_	15,898,605	_	12,657,513
	\$	26,419,027	\$_	18,650,900

The provision for depreciation of inventories at their net relizable value amounts to \$1,106,157 (\$801,418 in 2023), the variation was recognized as a cost of goods sold.

7. INVESTMENTS

		2024	2023
Sollio Groupe Coopératif - Class A common shares 924 shares (901 shares in 2023)	\$	23,100	\$ 22,525
Sollio Groupe Coopératif - Class B common shares 2,113,337 shares		2,113,337	2,113,337
Sollio Groupe Coopératif - Class D common shares 12,400,440 shares (13,611,418 shares en 2023)		12,400,440	13,611,418
Other cooperatives		2,894	2,894
11.28 % interest in 9372-4409 Québec inc.		541,794	541,794
Partenariat Agricole GQ S.E.C. 750,752 Class A common shares, representing an 8.89 % interest 1,407,661 Class C preferred shares Allowance for devaluation	_	750,752 1,407,661 (1,317,686)	750,752 1,407,661
To carry forward	\$	15,922,292	\$ 18,450,381

7. INVESTMENTS (continued)

		2024		2023
Carried forward	\$	15,922,292	\$	18,450,381
Membership shares Coopérative Beauharnois en santé - coop de solidarité Centre Coopératif de grains Coopérative de développement régional du Québec		500 5,000 100		500 5,000 100
Loan receivable from company, without interest (a)		-		300,000
8.89 % interest of Class A shares in Grains Québec Commandité inc.		89		89
159,669 Class A common shares, representing an 2.59 % interest in 2836072 Ontario inc.		159,669		159,669
Loan receivable from joint arrangement, Partenariat Agricole QMO S.E.C., prime rate of the Fédération des caisses Desjardins du Québec, subordinated to the repayment of the line of credit from the Fédération des caisses Desjardins du Québec held by the joint				
arrangement, without terms of repayment	_	2,208,950	_	4,741,902
		18,296,600		23,657,641
Current portion of investments	_	3,049,767	_	1,807,150
	\$_	15,246,833	\$_	21,850,491

a) During the year, the cooperative cancelled a investments for an amout of \$300 000 in consideration for acquisition of property, plant and equipment.

8. INTEREST IN A JOINT ARRANGEMENT

		2024		2023
50 Class A common shares, representing an 50 % interest in Partenariat Agricole QMO S.E.C.50 Class A common shares, representing an 50 % interest	\$	4,557,947	\$	4,289,121
in Commandité QMO inc.	_	50	_	50
	\$	4,557,997	\$	4,289,171

The entity Partenariat Agricole QMO S.E.C. specializes in the marketing of agricultural products, specifically animal feeding and products and services in the vegetal sector. The entity Commandité QMO inc. acts as general partner for the limited partnership.

9. PROPERTY, PLANT AND EQUIPMENT

	_					2024		2023
				cumulated		Net		Net
	_	Cost	am	ortization	bo	ook value	bo	ook value
Land Buildings Office furniture Computer equipment Rolling stock Machinery and equipment Pavement and sidings Truck scales Leasehold improvements Building under construction	\$	2,230,483 9,222,420 160,018 835,458 411,665 3,615,670 738,930 231,695 117,921	\$	2,418,774 103,168 668,448 293,022 1,619,944 356,522 225,451 69,256	\$	2,230,483 6,803,646 56,850 167,010 118,643 1,995,726 382,408 6,244 48,665	\$	1,718,672 4,501,751 69,249 214,499 167,801 541,238 305,018 7,804 59,119
construction	-		_		_		_	102,270
	\$_	17,564,260	\$_	5,754,585	\$_	11,809,675	\$_	7,687,427

10. ASSETS UNDER CAPITAL LEASES

				2	2024		2023
		Accu	ımulated		Net		Net
	 Cost	amo	rtization	boo	k value	boo	ok value
Rolling stock	\$ 135,360	\$	58,991	\$	76,369	\$	111,746

11. BANK LOAN

The cooperative has an authorized two lines of credit of \$ 13,000,000 of which \$ 5,500,000 had not been used as at October 31, 2024. This bank loan is secured by a first ranked moveable mortgage on the universality of present and future receivables, tangible and intangible inventories for an amount of \$ 13,000,000 and is renewable annually. Accounts receivable and inventories have a net value of \$ 34,170,944.

The cooperative is a co-borrower an authorized line of credit of \$ 10,000,000 of which any amount had been used as at October 31, 2024. This loan is secured by a second ranked moveable mortgage on the universality of present and future receivables, inventories, property, plant and equipment and intangible assets for a capital amount of \$ 10,000,000. Accounts receivable and inventories have a net value of \$ 34,170,944.

One of subsidiaries have an authorized line of credit, joint with 9406-5299 Québec inc., of \$5,000,000, wich any amount had been used as at October 31, 2024. In addition, it has a foreign exchange line of \$1,000,000 of which any amount had been used as at October 31, 2024. It is secured by a first ranked moveable mortgage of \$7,000,000 on the universality of moveable assets, receivables, and inventories. Moveable assets, receivables and inventories have a net value of \$3,458,280. This line of credit is renewable annually.

12. ACCOUNTS PAYABLE

		2024		2023
Accounts payable		2 (20 012	Φ.	2 (27 0/2
Members	\$	3,620,912	\$	2,637,862
Sollio Groupe Coopératif		6,743,641		1,378,996
Other suppliers and accrued liabilities		15,323,468		13,782,230
Government remittances	_	80,676	_	120,983
	\$	25,768,697	\$_	17,920,071

13. DERIVATE FINANCIAL INSTRUMENTS

The fair value of derivative financial instruments as at the end of the year is as follows:

	20	24	20	23
		Fair value asset Fair value		
	Notional value	(liability)	Notional value	(liability)
Current				
Foreign exchange contracts Forward contracts	\$ 1,352,500 \$ 12,928,514	\$ (8,372) \$ (712,096)	\$ 1,251,500 \$	\$ (14,218) \$
	14,281,014	(720,468)	1,251,500	(14,218)
Long term				
Interest rate swaps	\$ <u>4,754,286</u>	\$ <u>(148,885</u>)	\$5,446,429	\$(32,747)

Derivative financial instruments are classified as held for trading. They are accounted for at fair value determined by a dealer based on market prices. Gains and losses attribuable to changes in the fair value of derivative instruments, not designated as hedges, are recognized in earnings.

14. OBLIGATIONS UNDER CAPITAL LEASES

	2	2024		2023
Capital lease for rolling stock, 10.62 %, maturing in Febuary 2027	\$	36,932	\$	50,175
Capital lease for rolling stock, 13.38 %, maturing in July 2028		41,150	_	48,230
		78,082		98,405
Obligations under capital leases - current portion		23,343		20,858
	\$	54,739	\$	77,547

14. OBLIGATIONS UNDER CAPITAL LEASES (continued)

The minimum future payments due on capital leases over the next five years are as follows:

2025 2026 2027 2028	\$ 31,710 31,710 19,750 10,328
Interest included in minimum payments	 \$ 93,498 15,416 78,082

2024

2023

4,581,250 \$ 5,273,393

15. LONG-TERM DEBT

Loans from Fédération des Caisses Desjardins du
Québec, 5.84 %, renewable in November 2025, secured
by a first mortgage on the universality of present and
futur receivables, inventories, property, plant and
equipment and intangible assets for an amount of
\$ 30,000,000, with a net value of \$ 45,941,674, principal
and interest repayable in total monthly instalments of
\$ 57,679 more interest

Loans from Fédération des Caisses Desjardins du Québec, 5.95 %, renewable in Avril 2026, secured by a first mortgage on the universality of present and futur receivables, inventories, property, plant and equipment and intangible assets for an amount of \$ 30,000,000, with a net value of \$ 45,941,674, principal repayable at the end of the loan and interest repayable by variable monthly payments

the end of the loan and interest repayable by variable		
monthly payments	2,228,582	3,228,582
	6,809,832	8,501,975
Long-term debt - current portion	1,192,143	1,192,143
	\$ <u>5,617,689</u>	\$7,309,832

15. LONG-TERM DEBT (continued)

The estimated payments on the long-term debt during the next five years, established as follows:

2025	\$ 1,192,143
2026	\$ 1,192,143
2027	\$ 1,192,143
2028	\$ 1,192,143
2029	\$ 1,192,143

16. FUTURE INCOME TAXES

The amount of future taxes attribuable to each type of temporary difference, unused tax losses and unused tax reductions is detailed as follows:

		2024		2023
Property, plant and equipment	\$	(492,323)	\$	(467,740)
Assets under capital leases		736		218
Patronage refunds paid		(4,167,060)		(4,167,060)
Unrealized gain on exchange rate		-		(242)
Capital gain		(197,254)		(197,254)
Unused tax loss		3,574,132		3,207,176
Unused R&D expenses		66,403		66,403
Consolidation difference	_	(44,413)	_	30,974
	\$	(1.259.779)	\$	(1.527.525)

The future income tax balance is allocated between future income tax assets and liabilities as follows

		2024		2023
Future income tax assets Future income tax liabilities	\$ \$	25,615 (1,285,394)		,
	\$	(1,259,779)	\$_	(1,527,525)

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17. PREFERRED SHARES REDEEMABLE

	2024	2023
Class R preferred shares, 3.2 % Preferred shares - current portion	\$ 1,724,307 (1,724,307)	1,762,086 (1,762,086)
	\$ -	\$ -

18. SOCIAL CAPITAL

The cooperative members' equity consists of social shares, preferred shares and associates shares. The cooperative may issue an unlimited number of social shares with a nominal value of \$ 10 each. All members must hold 100 social shares at \$ 10 each for a total of \$ 1,000. A member only has the right to one vote, no matter how many social parts they hold. These shares are paid for the following way: \$ 250 at the time of subscription, the balance is payable out of future patronage refunds that will be declared. The member has the option of paying the balance in advance.

An individual auxiliary member must hold 1 social shares at \$ 10 each for a total of \$ 10. This member has no voting rights but has the right to patronage refunds.

A company auxiliary member must hold 10 social shares at \$ 10 each for a total of \$ 100. This member has no voting rights but has the right to patronage refunds.

An associate member must hold 100 social shares at \$ 10 each for a total of \$ 1,000. This member has only one voting rights, no matter how many shares are held. The relative weight of the votes cast by associate members may total not more than 25 % of the total votes. These shares are payable as follows: \$ 250 at the subscription, the balance being payable out of future patronage refunds that will be declared. The member has the option of paying the balance in advance.

Cooperative regulations authorize the board to issue various classes of preferred shares and to determinate the amount, privileges, interests, rights and restrictions, and the terms and conditions of payments, repayment, and redemption.

Preferred shares, nominal value of \$ 1, interest-free, redeemable from paid-up capital at the option of the Board of Directors.

Class R preferred shares, nominal value of \$1, non-cumulative interest of 3.2 % to 4.5 % in 2024, reviewable annually, issued under the Régime d'investissement coopératif, redeemable at the nominal value by decision of the Board of Directors in December 2024, December 2025, December 2026, December 2027 and December 2028.

Class LCF-2017 preferred shares, nominal value of \$ 1, without interest, issued in connection with the acquisition of assets, redeemable at the option of the Board of Directors.

18. SOCIAL CAPITAL (continued)

•	SOCIAL CALLIAL (continued)				
			2024		2023
	Shares issued and paid, presented as members' equity:				
	947 social shares (934 in 2023) 71 associate member shares (69 in 2023) 719 individual auxiliary member shares (570 in	\$	861,248 70,062	\$	849,935 64,500
	2023) 91 company auxiliary member shares (81 in		7,190		5,700
	2023)	_	7,725	_	6,557
		\$	946,225	\$_	926,692
	Preferred shares, presented as equity:				
	- Preferred shares	\$	7,478,922	\$	7,841,690
	Class R preferred sharesClass LCF-2017 preferred shares		9,988,006 2,836,000	_	9,343,740 2,836,000
		\$	20,302,928	\$_	20,021,430
	During the year, the social capital and preferred shares varie	ed as fo	ollows:		
			2024		2023
	Balance at the beginning of year	\$	20,948,122	\$	18,971,810
	Increase		, ,		, ,
	- Social shares		21,245		24,531
	- Auxiliary shares		2,988		2,511
	- Associate shares		5,562		20,750
	- Preferred shares		1,337,875		1,260,707
	- Class R preferred shares	_	2,380,474	_	2,474,938
		_	<u>24,696,266</u>	-	22,755,247
	Decrease				
	- Social shares		(9,932)		(8,954)
	- Auxiliary shares		(330)		(533)
	- Preferred shares		(1,700,643)		(1,035)
	- Class R preferred shares		(11,901)		(34,517
	- Preferred shares presented as a financial liabilities	_	(1,724,307)	-	(1,762,086
		\$	21,249,153	\$_	20,948,122

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19. TRANSACTIONS WITH MEMBERS

During the year, the cooperative carried out 58.66 % (61.05 % in 2023) of its transactions with members as defined by the Regulation under the Cooperatives Act.

20. CONTRACTUAL COMMITMENTS

The cooperative and their subsidiaries signed rental agreements for buildings, vehicles, and equipment with various maturing between February 2025 and March 2029. Minimum future payments total \$ 1,764,072 and include the following payments for the next five years:

2025	\$ 492,317
2026	\$ 389,356
2027	\$ 364,490
2028	\$ 365,354
2029	\$ 152,555

As the result of an agreement with Sollio Groupe Coopératif, the cooperative has committed to purchasing 95 % of its feed products as well as hardware and materials from Sollio Groupe Coopératif.

In addition, one of the subsidiaries has committed to pay royalties of 40 % on the annual sales of certain categories of lettuce seed.

21. CONTINGENCIES

As part of a lease agreement with Sollio Groupe Coopératif, the cooperative signed a letter of guarantee in the amount of \$ 200,000.

In addition, the cooperative is liable for its share of the liabilities and obligations related to Partenariat QMO S.E.C., a joint arrangement. The liabilities and obligations are summarized as bank loans in an authorized amount of \$25,000,000 wich no amount is used as at October 31, 2024. It is not possible to estimate the cooperative's exposure to other contingent obligations. However, if the cooperative were required to pay any of these obligations, it would have a claim on the assets of the joint arrangement.

The board of directors accepted the dissolution of the joint arrangement in Partenariat Agricole GQ S.E.C. In order to represent the real value that the cooperative estimates to recover, a devaluation of the investment of \$ 1,317,686 was recognized in the financial statements. Grain marketing activities are now manage by Uniag Cooperative since 2024 June.

22. ECONOMIC DEPENDENCE

During the year, the cooperative made approximately 42 % (32 % in 2023) of its purchases from Sollio Groupe Coopératif.

During the year, the cooperative made approximately 27 % (0 % in 2023)of its grains sales to a major customer.

23. RELATED PARTIES TRANSACTIONS

The following table summarizes the cooperative's related party transactions for the year with the joint arrangement:

2024

2023

Partenariat Agricole QMO S.E.C		
Chargeback of expenses	\$ 4,805,497	\$ 4,259,713
Interest income	\$ 206,073	\$ 428,803
Purchases	\$ 58,283,113	\$ 61,167,084

In addition, operations were carried out with companies of the members of the Board of Directors in the normal course of operations.

These transactions were carried out in the normal course of operations. The sales and the purchases are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The accounts receivable and payable are measured at cost, determined using the undiscounted cash flows. No impact resulted from these operations.

24. FINANCIAL INSTRUMENTS

Financial risks

The significant risks arising from financial instruments to which the cooperative is exposed as at October 31, 2024 are detailed below.

Credit risk

Credit risk is the risk that one party to a financial asset will cause a financial loss for the cooperative by failing to discharge an obligation. The cooperative's credit risk is mainly related to accounts receivable and notes receivable.

24. FINANCIAL INSTRUMENTS (continued)

The cooperative provides credit to its clients in the normal course of its operations. The cooperative assesses the financial condition of its clients on an ongoing basis and reviews the credit history of any new client. The cooperative establishes an allowance for doubtful accounts taking into account the credit risk of individual customers, historical trends and other information. As at October 31, 2024, no amount (56 % in 2023) of the total accounts receivable is receivable from one major corporation.

Liquidity risk

Liquidity risk is the risk that the cooperative will encounter difficulty in meeting obligations associated with financial liabilities. The cooperative is exposed to this risk mainly in respect operational needs and using multiple sources of funding to maintain flexibility.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. The cooperative is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed interest rate instruments subject the cooperative to fair value risk as it varies inversely with changes in market interest rates. Floating rate instruments subject the cooperative to fluctuations in future cash flows. However, a 1 % change in the prime rate would not have a material impact on the cooperative's consolidated results and financial position.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The cooperative realizes sales and purchases in foreign currency. Consequently, some assets and liabilities are exposed to foreign exchange fluctuations. At the end of the year, assets and liabilities denominated in foreign exchange and converted into Canadian dollars are the following:

	2024	4	202	3
		American		American
	Euros	dollars	Euros	dollars
	ϵ	\$	ϵ	\$
Cash	-	1,267,173	-	1,162,719
Accounts receivable	-	5,820,119	-	1,577,023
Accounts payable	414,552	4,723,129	28,248	6,109,836

	2024	2023
SCHEDULE A - SALES		
Grains Agricultural Seed Detail Other	\$ 95,903,692 56,970,206 44,720,217 23,565,277 8,131 \$ 221,167,523	\$ 119,862,057 59,803,879 44,024,463 24,400,064 5,700 \$ 248,096,163
SCHEDULE B - COST OF GOOD SOLD		
Inventories at beginning of year Purchases Freight charges Increase in inventories depreciation Inventories at the end of year	\$ 18,650,900 206,804,989 1,182,306 304,739 226,942,934 26,419,027 \$ 200,523,907	\$ 16,219,675 229,860,320 25,901 72,387 246,178,283 18,650,900 \$ 227,527,383
SCHEDULE C - OTHER REVENUES		
Share of results of joint arrangements Dividends Gain (loss) on the disposal of property, plant and equipment Gain on the disposal of investments Unrealized loss on derivative financial instruments Patronage refunds - others Devaluation on investments Subsidy	\$ 268,826 63,162 (29,832) - (855,134) 2,424 (1,317,686) \$ (1,868,240)	\$ 330,400 2,481 138,526 291,318 (140,365) 2,910 - 10,000 \$ 635,270



2024

Achievements

Uniag unveils its new employer brand: My Field of Achievement

At its most recent annual general meeting, Uniag Cooperative presented its new employer brand, the result of a collaboration with the renowned HR marketing agency Sept24. This project is part of a concerted effort with Sollio Cooperative Group to promote the agricultural cooperative network as an employer of choice while highlighting the distinctive strengths and characteristics of each cooperative.



Napierville Fertilizer Centre

The Napierville Fertilizer Centre has reached a new milestone with significant improvements aimed at optimizing efficiency and operational speed. A brand-new intake system, including a chain conveyor, an elevator, and a distribution conveyor, now ensures smoother and more efficient handling of inputs.

On the shipping side, the installation of a 24-foot hopper, an elevator, and a 14.5 MT mixer allows for faster and more uniform blending, delivering even greater service performance. These investments reflect our commitment to continuously meeting producers' needs by providing modern, well-adapted infrastructure that aligns with their realities.



Uniag Becomes a Property Owner in Saint-Louis-de-Gonzague

To mark this important milestone, Uniag Cooperative hosted a small celebration on December 4 to highlight the acquisition and recognize the outstanding work of the new team at the Saint-Louis-de-Gonzague convenience store. The event brought together cooperative employees, managers, and members of the Board of Directors. Even Mr. Robert Brault, affectionately known as "Uncle Bob", joined in the celebration.



A TEAM THAT STANDS OUT



Each year, Uniag Cooperative employees stand out for their performance, dedication to the cooperative, and teamwork.

Here are some of the individuals who were recognized in 2024.

Animal Production



Gaëlle Thouny was a finalist for the prestigious Consultant of the Year title in the ruminant category, as well as the SYNCHRO Consultant of the Year Award. Her expertise was further recognized with Uniag Cooperative's Bottine d'Or Award, presented annually to the advisor who has distinguished themselves the most. Congratulations, Gaëlle!

Crop Production



A big congratulations to **Rami Razzouk** for his outstanding achievements! He was named **Consultant of the Year in the Horticultural Sector** and also stood out by winning **the Crop Protection Performance Award**. These honours, awarded during the Consultants Meeting, reflect his passion for his clients and excellence in the field. Congratulations, Rami!



We proudly recognize **Bianca Taillefer** as the **Breakthrough of the Year in the Crop Sector**! She also distinguished herself by winning the **Rising Star – Seeds Award.** Her efforts were honoured during the Consultants Meeting organized by Sollio Agriculture last September. These distinctions highlight her dedication to her clients and business development. Congratulations, Bianca!

Retail Sector



Golden Hammer

Awarded annually, this prize recognizes the branch manager with the best performance based on specific criteria. Congratulations to **Patrick Loiselle**, Manager of BMR Express in Sainte-Barbe, and his entire team for this achievement!

Corporate Sector



Caring Award
Pierrette Guérin, Sales Support
Agent, has been awarded the Caring
Award. Her unwavering support for
the team was recognized at the Uniag
Summit on January 30, 2025.

ASSOCIATIVE / i/o,





Hockey Games: A Growing Tradition

Uniag Cooperative recently had the pleasure of organizing three memorable hockey games for its members. This annual event is eagerly anticipated by sports enthusiasts, and this year was no exception. Nearly 70 hockey fans laced up their skates and geared up for matches played in a competitive yet friendly atmosphere.

These friendly games took place in three different locations — Napierville Arena (QC), Sainte-Martine Arena (QC), and St-Isidore Sports Complex (ON) — providing the perfect opportunity to bring our members together around their shared passion.

Beyond on-ice performances, these events strengthened connections, sparked plenty of laughter, and celebrated the values of unity and sportsmanship that are so important to us.

Co-op Days

We had the pleasure of hosting six Co-op Days at Uniag business locations, including BMR Napierville, BMR Express Sainte-Martine, Agrizone Saint-Polycarpe, BMR Express Sainte-Barbe, Agrizone St-Isidore, and Agrizone St-Albert. These events provided a wonderful opportunity for our members to come together in a friendly atmosphere. A big thank you to all participants and partners who contributed to the success of these gatherings! Together, we strengthen the bonds within our community and continue driving our cooperative forward.





Women's Cooperative Conference

Three members of our cooperative participated in the Women's Cooperative Conference organized by Sollio Cooperative Group on November 18 and 19 in Thetford Mines. From left to right: Elyse Gendron from Ferme Val-Bisson, Amanda Lukassen from Suntor Holstein, and Betty Mercier from Ferme Bri-Mer. Thank you, ladies, for your dedication and involvement!



In March 2024, during its General Assembly, Uniag awarded a total of \$27,855 in scholarships to young participants of the fund: Jenna Soesbergen, Amanda Lukassen, Samuel Grégoire, and Valérie Quesnel. Visit uniag.coop to learn more about this program.



Cooperation Week, October 13 to 20, 2024

During this special week, employee duos visited members, reaching approximately 50 member farms across the territory. Meanwhile, 250 members visited one of our seven branches to take part in the BMR gift card draw. Congratulations to the three winners: Réjean Langevin from Sainte-Barbe (\$250), Aldéric Laflèche from St-Albert (\$250) and Michaël Galipeau from St-Isidore (\$500).

A Successful 14th Edition of the 2024 Women's Cooperative Forum

Members from Agiska Coopérative, Covris Coopérative, and Uniag Cooperative gathered on April 9 at Hôtel Rive Gauche in Beloeil for this annual event. Now a tradition for women in cooperation from Montérégie and Centre-du-Québec, the day was hosted by Jeannine Chartrand, president of Covris Coopérative and board member of Sollio Cooperative Group. The three conferences focused on the professional and personal development of participants.





Holiday Dinners

An annual tradition centred on warmth, appreciation, and solidarity. These gatherings provided an opportunity to celebrate collective achievements while strengthening the bonds within the cooperative community.

December 10 at a greenhouse of Maraîcher J.P.L. Guérin & Fils inc. (Sherrington, Quebec)

December 11 at the new barn of Terryland Farms (St-Eugène, Ontario) December 13 at the Ormstown Curling Centre (Ormstown, Quebec)

Thank you to our hosts!

Corporate Social Responsibility

Corporate Social Responsibility (CSR) is the practice by which the Cooperative integrates social and environmental concerns into our business activities. This means that we take into account the impact of our actions on society and the environment, and seek to contribute to the well-being of the community and the protection of the environment.

Donations and sponsorships

To fulfill its mission, Uniag Cooperative has a policy of donations and sponsorships. The aim is to ensure a presence in local and regional activities, and to support the next generation of farmers. Here are a few examples of organizations that received support from the cooperative in 2024.



- Ormstown 4H Club
- Ormstown CVR
- Popote roulante Vaudreuil-Soulanges
- Casselman Catholic High School
- AERWSO
- MadClean
- Gymkhana Newton Ranch
- Riceville Agricultural society
- MVS Holstein Club
- Haut-Richelieu UPA
- Association pour l'amélioration des sols et cultures du comté de Russell
- Livestock Breeders Association

- Bio-Action Club Exploratory Trip
- Besner Farm Plowing Contest
- Les Copains Regional Sports Centre
- Napierville Fête des Moissons
- Quebec's Épatante patate
- Festin des récoltes ARAMO
- St-Isidore's Christmas Parade
- St-Albert's Christmas Parade
- 2024 Agristar Gala
- St-Albert Community Group's Ice Rink
- Ormstown Curling Club
- Havelock Fair 4H Show
- Twilight Stormont at Redlodge Holstein, in Glengarry at Mader Family Farm, and in Prescott at Allensite



Notes



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grizone

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68, boul. Cité des Jeunes, St-Polycarpe, QC, JOP 1XO (450) 265-3142 quinc.poly@uniag.coop



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