

FarmWorks Investment Co-operative Limited
Annual General Meeting
The Station Food Hub
April 26, 2026

Directors Present: *Charlie MacLean, Linda Best, Robin McAdam, Lindsay Reid, Jean Kelly, Danny Martin, Stephen Read, H  l  ne Branch, Lindsay Lamb (previously confirmed by Board)*

Absent: Retiring Directors: *Barb Boates Sweet, Avila Coutinho, Hana Nelson, John Wray*

Proposed New Directors Present: *Natalie Smith, Joe MacEachern*

Guest Speakers/Others: *Minister of Finance and Treasury Board The Honourable John Lohr, Rebecca Tran – Owner of The Station Food Hub, Nadia Gerrits – Administrative Assistant, FarmWorks*

Shareholders in Addition to Directors Present: *Nadia Gerrits, Rebecca Tran, Peter Hicklenton, Louise Roberts, John Roberts, Mimi Stanfield, Murray Coolihan, Jen Ballard, Lil MacPherson, John Evans, MJ Sakurai*

Guests: *Cindy Lou Oulton, Nancy Robinson, Marion McCahon, Cindy Lou Oulton, Brianna Hagell, Carly Gillis, Gary Singh*

2:00 pm Welcome and Introductions

Charlie McLean called the AGM to order and thanked Rebecca Tran for hosting us and welcomed attendees and the Honorable John Lohr, Minister of Finance and Treasury Board

Minister Lohr farmed in the Annapolis Valley for many years and became a food processor – ‘Farmer John’s’ herbs. He has been in government since 2013, most recently as Minister of Finance and Treasury Board.

Minister Lohr thanked Rebecca Tran for all her work at The Station Food Hub and spoke about the importance of the processing being carried out there, as businesses that use imperfect crops are very important for farmers, and there is a need for food to be prepared for schools and hospitals and everyone. The Minister spoke about the need for food production to increase, referencing past production and opportunities.

The Minister spoke about how impressed he is with FarmWorks and its impact, noting that FarmWorks is a unique entity that has encountered regulatory issues because of its growth. Increasing the investment cap beyond \$6 million required accounting changes. He mentioned that Finance employees may not understand the limited timeframes and deadline for contributions that affect FarmWorks ability to attract investments, and he said his office is always willing to work with FarmWorks to make it right if they get it wrong because “*FarmWorks is absolutely the most successful CEDIF in the province*”, The Department of Finance turned down FarmWorks request for an additional 10% roll over for shareholders who have reached 15 years of investment, but the Minister noted that the Nova Scotia tax credit of 65% over 15 years is not available anywhere else in Canada.

A question was asked about why so much of our food is imported and why there isn’t more of a push for Nova Scotia to be food secure. Minister Lohr said that NS is self sufficient in milk, eggs, chicken, turkey, apples, seafood and that we could produce more. One of the reasons so much food comes from away is because many people choose prepared foods and over time that has cost producers market share.

Managing Director, Linda Best, introduced Rebecca Tran, owner of The Station Food Hub Company, and described the possibilities we see for this crucial space.

Rebecca told us that she grew up in NS and moved to BC for a job in public health and nutrition that lasted for 17 years. After marrying, she moved back to NS for family reasons and worked in Berwick school on the lunch menu. She visited 42 elementary schools, asking why school food isn't coming from NS. Learning about FarmWorks and meeting with Directors encouraged to buy the Newport school with a business partner to start processing produce, especially good food that wouldn't meet retail standards. She is now the sole owner and has eight employees and the facility meets the food safety standards required to be able to sell across Canada! They buy seconds from farmers and provide food for schools and NS Health, and they process and value-add for co-packing clients. The new apple slicing equipment will provide apples for schools and institutions across NS and soon PEI and NB. They have three kitchens and have capacity to increase production as more crops are grown in Nova Scotia.

Following the AGM Rebecca toured the attendees through the kitchens and the apple processing room.

Call to Order

Charlie MacLean, Chair, called the meeting to order and indicated that there was a quorum.

Agenda Review

Charlie asked for any additions or changes to the agenda. Hearing none, the agenda was moved and seconded and the motion was carried.

Minutes of 2025

Robin McAdam, Secretary, presented the minutes from last year and moved acceptance, Lindsay Reid seconded and motion was carried

Report from the Chair (see Annual Report)

Charlie highlighted that

- IFRS was a huge problem last year – caused a lot of hardships both mental and financial and that hurdle is out of the way
- A big challenge is to stimulate the appetite of NS kids for fresh fruits and vegetables – many kids don't have access and school lunch program is an important way to do this and provides huge opportunity for kids to learn about good food and persuade parents to use fresh local foods
- As Minister Lohr said, the Department of Finance was not able to provide an additional 5 year investment at the end of 15 years.
- FarmWorks is considering asking Shareholders to enable the board to offer investors an opportunity to lend mature funds to FarmWorks at 2% interest if there are no concerns expressed by NS Securities Commission. This would provide shareholders with income rather than a tax credit.
- Changing our year end to Oct 31 will enable FarmWorks to reduce audit expenses.

Report from the Managing Director (see Annual Report)

FarmWorks mission is to *promote and provide strategic and responsible community investment in food production and distribution in order to help increase access to a sustainable local food supply for Nova Scotians*. We used to produce about 60% of our food and now far less – maybe 15% - and the number of farmers had decreased to about 2,740 in the 2021 census, some of whom aren't even producing food anymore, just maintaining fields. I am concerned about the 2026 census result. And of the 80-90% of food imported, far too much is highly processed. Succession is difficult, health is costly - not only farms but the whole of our economy is affected by loss of production.

Nova Scotians are spending over \$5 billion on food – think of the impact of every percent of increase in local purchase on our provincial economy. FarmWorks shareholders, NS Farm Loan Board, FCC, other lenders like CBDC and banks are helping – no one can do this alone. NS Loyal, markets, restaurants committed to local, schools, NS Health – we need the public to support the local economy because we truly are what we eat. Challenges provide opportunities.

Financial Report from the Managing Director (see BDO Audit Report)

Note from Lauren Vail, BDO Canada;

Thanks very much for all your hard work on this year's audit. From our perspective things went very smoothly since we were able to complete the IFRS transition as part of the interim financial statements and it's really great to see a positive net income result this year despite the increase in loan loss impairment due to the transition to IFRS.

Overall, when presenting the financial statements at the AGM it is important to highlight that the deficit position is being driven by the transition to IFRS which has increased the allowance on the loans. This is shown very clearly on page 9 of the financial statements. I think it's also very important to highlight that the allowance for loan losses of \$754,662 shown on page 16 is an estimate of potential losses only, but that actual write-offs in the year were limited to only \$58,000 (page 15) or 1.5% of the entire loan portfolio. I support changing FarmWorks year end to October 31st to reduce compliance costs and reduce audit fees. We can facilitate this quite easily with CRA on your behalf.

FarmWorks total Income for 2025 was \$243,644 and that amount would have been greater had we not been limited by the \$300,000 cap that, along with drought and business challenges, significantly decreased the amount we were able to lend. FarmWorks direct expenses were \$143,781, which included audit fees that were more than we paid employees. There was a small profit before the loan loss provision.

Changing our year end to October 31st to coincide with the financial statements required for the 16th and subsequent offers will reduce audit costs. Decreasing those costs means more funds to lend, and to employ more staff to help manage and mentor over 100 clients. Our clients require our full attention for their success and for ours, and we frequently consult with people in the food system who aren't clients.

We are thankful to the shareholders who leave their money invested, including those who have donated their shares to FarmWorks – our clients appreciated your support. Over 14 years only 14% of \$5.9 million was redeemed, often due to RRSP holders reaching age 71, and we are seeking a RRIF option for shareholders. After being limited to \$300,000 last year, with IFRS in place this year we expected to have the usual 30 to 45 days to travel and meet people but when the Offer was 'non-objected' only eleven days remained. We raised \$520,100 and next year we'll aim for \$1 M.

Questions -

Shareholder – Thanks Linda for all FarmWorks does including working to fix the ETC certificate delay. Asks why the tax credits can't be restarted after the 15 year cycle ends and Linda explains that shares can't be withdraw and invested in the same year. **Please note** that we have subsequently learned that once shares are redeemed the shareholder is not permitted to purchase what Finance terms 'replacement' shares. Discussion with NSSC and Finance is ongoing.

Charlie suggests that we make a motion to enable the board to offer shareholders an option to lend their investment (with interest of 2%) to FarmWorks once they have reached their 15 year mark. Lindsay notes Minister Lohr's comment about FarmWorks being the most successful CEDIF and that no one else has faced these problems as we are the only CEDIF with investors reaching 15 years.

Linda makes motion to accept the financial statements as presented, Peter Hicklenton moves and Lindsay Reid seconds and motion passed.

Linda makes motion to accept Lauren Vail of BDO Canada as our accountant going forward, Lindsay moves and Danny Martin seconds and motion passed.

Nominating Committee Report – Lindsay Reid

Charlie asks if there are any nominations from the floor and hearing none, Lindsay presents proposed slate of Directors. Linda makes a motion to accept the new Board of Directors and Murray Coolican Murray moves and Danny Martin seconds and the motion is passed.

Charlie MacLean – North Sydney	Chair
Robin McAdam - Halifax	Vice Chair
Lindsay Reid – North Alton	Secretary
Lindsay Lamb – Mount Uniacke	Treasurer, Independent Director
Linda Best, Greenwich	Managing Director, Ex-Officio
Danny Martin - Dartmouth	Director
Stephen Read - Sydney	Director
Hélène Branch - Bridgewater	Director
Jean Kelly - Wolfville	Director
Natalie Smith - Argyle	Director
Robert MacEachern – New Glasgow	Independent Director

Other Business

Charlie suggests we need motions to change year end and to allow the board give 2% interest loans to shareholders who keep their money in after 15 years

Robin McAdam makes motion for the change of our year end and Jean Kelly seconds

Discussion: Shareholder asked how much money this will save and Linda says that BDO accounting costs were over \$40,000 for Offer financials and year end, and Danny notes that changing the year end will solve the problem of the crunch time to get the offer open. Lindsay Lamb speaks to the potential cost savings of year end changes and says that she will be helping BDO to do IFRS accounting which will make audit easier and decrease costs.

The motion to change the year end from Dec 31 to Oct 31 was passed.

Robin MacAdam makes motion to allow the board to offer 2% interest loans and Hélène Branch seconds and motion was passed.

Meeting adjourned at 4:10 pm and tours of The Station were followed by goodies from Bedard Bakery and lots of conversation.