# AOHKII 2018 Ltd.
## Compiled Financial Information
*For the year ended March 31, 2025*

To the Management of AOHKII 2018 Ltd.:

On the basis of information provided by management, we have compiled the balance sheet of AOHKII 2018 Ltd. as at March 31, 2025, the statements of earnings and retained earnings for the year then ended, and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information and, if applicable, other explanatory information ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

The firm MNP is not independent of the Company as prior to compiling the financial statements of the Company, we preformed EFA services, which may include the preparation of journal entries.

Lethbridge, Alberta

MNP LLP

May 29, 2025

Chartered Professional Accountants

# AOHKII 2018 Ltd.
## Balance Sheet
*As at March 31, 2025*

| | 2025 | 2024 |
|---|---|---|
| **Assets** | | |
| **Current** | | |
| Cash | **2,358,015** | 1,379,170 |
| Trade and other receivables | **1,312** | 12,441 |
| Goods and Services Tax receivable | **12,464** | - |
| Prepaid expenses and deposits | **-** | 50,000 |
| Current portion of long-term notes receivable *(Note 2)* | **-** | 66,000 |
| | **2,371,791** | 1,507,611 |
| **Property, plant and equipment** *(Note 3)* | **11,706,648** | 11,504,300 |
| **Investments** *(Note 4)* | **375,000** | 375,000 |
| **Patronage equity** | **24,674** | 24,674 |
| **Investment in Kainai Forage Limited Partnership** *(Note 5)* | **2,014,801** | 1,814,625 |
| | **16,492,914** | 15,226,210 |
| **Liabilities** | | |
| **Current** | | |
| Trade and other payables | **53,546** | 10,269 |
| Goods and Services Tax payable | **-** | 27,195 |
| Deferred revenue *(Note 6)* | **185,000** | - |
| | **238,546** | 37,464 |
| | **238,546** | 37,464 |
| **Equity** | | |
| **Contributed surplus** | **3,550,380** | 3,550,380 |
| **Retained earnings** | **12,703,988** | 11,638,366 |
| | **16,254,368** | 15,188,746 |
| | **16,492,914** | 15,226,210 |

**Approved on behalf of the Board of Trustees**

Trustee

Trustee

# AOHKII 2018 Ltd.
## Statement of Earnings
*For the year ended March 31, 2025*

| | **2025** | *2024* |
|---|---|---|
| **Revenue** | | |
| Lease revenue | **6,682,379** | 6,284,665 |
| Rental income | **188,745** | 176,255 |
| Other revenue | **134,168** | 233,818 |
| Straw sales | **88,370** | 125,209 |
| Interest | **887** | - |
| Dividends | **262** | - |
| | **7,094,811** | 6,819,947 |
| **Expenses** | | |
| Headlease fees | **2,336,210** | 2,188,516 |
| Salaries, wages and benefits | **899,749** | 881,967 |
| Repairs and maintenance | **252,347** | 374,936 |
| Professional fees | **188,696** | 227,900 |
| Insurance | **188,070** | 191,372 |
| Board costs | **103,365** | 97,495 |
| Utilities | **85,550** | 169,752 |
| Automotive | **57,061** | 44,545 |
| Office | **48,016** | 46,424 |
| Travel | **29,649** | 19,051 |
| Training and education | **21,878** | 18,837 |
| Interest and bank charges | **16,649** | 3,392 |
| Interest on long-term debt | **-** | 164,001 |
| Amortization | **729,432** | 1,016,800 |
| | **4,956,672** | 5,444,988 |
| **Income from operations** | **2,138,139** | 1,374,959 |
| **Other income (expense)** | | |
| Share of income (loss) from investment in Kainai Forage LP (Note 5) | **200,176** | (100,749) |
| CRA proposal payment - GST | **-** | (47,335) |
| Gain on disposal of property, plant and equipment | **-** | 13,614 |
| Severance packages | **(20,081)** | (22,986) |
| | **180,095** | (157,456) |
| **Net income** | **2,318,234** | 1,217,503 |

# AOHKII 2018 Ltd.
## Statement of Retained Earnings
*For the year ended March 31, 2025*

| | **2025** | *2024* |
|---|---|---|
| **Retained earnings, beginning of year** | **11,638,366** | 11,593,179 |
| **Net income** | **2,318,234** | 1,217,503 |
| **Dividends** | **(200,000)** | (245,450) |
| **Transfer to Capital Reserve Fund Trust (Note 7)** | **(1,052,612)** | (926,866) |
| **Retained earnings, end of year** | **12,703,988** | 11,638,366 |

## 1. Basis of accounting

The basis of accounting applied in the preparation of the financial information of AOHKII (2018) Ltd. as at March 31, 2024 is on the historical cost basis, reflecting cash transactions with the addition of:
- Accounts receivable less an allowance for doubtful accounts
- Property, plant and equipment amortized over their useful life
- Long term investments at cost with earnings reported when received
- Investment in Kainai Forage Limited Partnership using the equity method
- Accounts payable and accrued liabilities
- Rental revenue recorded in accordance with the lease terms

## 2. Current portion of long-term notes receivable

| | ***2025*** | *2024* |
|---|---|---|
| Degenstein Farms note 2 - equipment sale | **-** | 66,000 |

## 3. Property, plant and equipment

| | | | ***2025*** | *2024* |
|---|---|---|---|---|
| | ***Cost*** | ***Accumulated amortization*** | ***Net book value*** | *Net book value* |
| Buildings | **951,256** | **461,857** | **489,399** | 430,341 |
| Automotive | **1,105,204** | **923,277** | **181,927** | 152,431 |
| Computer equipment | **254,886** | **243,761** | **11,125** | 15,892 |
| Equipment | **22,354,761** | **12,237,086** | **10,117,675** | 9,981,331 |
| Road improvements | **1,084,147** | **177,625** | **906,522** | 924,305 |
| | **25,750,254** | **14,043,606** | **11,706,648** | 11,504,300 |

## 4. Investment

| | ***2025*** | *2024* |
|---|---|---|
| **API Labs Inc.** | | |
| 125,000 shares at $3 per share | **375,000** | 375,000 |

## 5. Investment in Kainai Forage Limited Partnership

| | ***2025*** | *2024* |
|---|---|---|
| **Kainai Forage Limited Partnership (50.9995% ownership interest)** | | |
| Contribution - initial investment | **3,550,380** | 3,550,380 |
| Share of loss from investment - 2020 | **(1,077,023)** | (1,077,023) |
| Share of loss from investment - 2021 | **(1,292,259)** | (1,292,259) |
| Share of loss from investment - 2022 | **(496,105)** | (496,105) |
| Share of income from investment - 2023 | **138,479** | 138,479 |
| KFLP - change in accounting policy regarding IFRS 16 (elected not to follow) | **1,091,902** | 1,091,902 |
| Share of loss from investment - 2024 | **(100,749)** | (100,749) |
| Share of income from investment - 2025 | **200,176** | - |
| | **2,014,801** | 1,814,625 |

## 6. Deferred revenue

| | ***2025*** | *2024* |
|---|---|---|
| Deferred revenue | **185,000** | - |

Blood Tribe Administration provided funding for a fencing project however as of year end the project was not complete, the fencing project is expected to be completed in the 2026 fiscal year.

## 7. Transfer to Capital Reserve Fund Trust

The Capital Reserve Fund Trust was approved by the Board of Trustees in 2022, BMO was approved as the trustee and investment manager for the trust. As per the trust agreement funds were deposited to the AOHKII (2018) Ltd. Capital Reserve Fund Trust in the amounts of $2,000,000 for the initial allocation and $900,000 for the annual allocation. An additional allocation of $100,000 was deposited to the trust at the direction of the Trustees of the Blood Tribe Agri Business Trust (AOHKII (2018) Ltd. is held as an investment of the business trust). For the 2024 year the annual allocation was $900,000 plus an adjustment for CPI, thus the 2024 allocation was $926,866.

For the current year the annual allocation was $900,000 plus an adjustment for CPI, thus the 2025 allocation was $952,612. An additional allocation of $100,000 was deposited to the trust at the direction of the Trustees of the Blood Tribe Agri Business Trust for the 2025 fiscal year.

| | 2025 | 2024 | 2023 |
|---|---|---|---|
| Initial contribution | - | - | 2,000,000 |
| Trust agreement contribution 2023 | - | - | 900,000 |
| Supplemental contribution 2023 | - | - | 100,000 |
| Trust agreement contribution 2024 | - | 926,866 | - |
| Supplemental contribution 2024 | 100,000 | - | - |
| Trust agreement contribution 2025 | 952,612 | - | - |
| | 1,052,612 | 926,866 | 3,000,000 |