ANNUAL REPORT 2024-2025

Nurturing tomorrow's harvests, today.

JUNE 2025

Western Crop Innovations

Produced by: Keeley Bender, Communications & Marketing Coordinator

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Message from the Chair

Jason Lenz

Interim Chair for Western Crop Innovations

As we celebrate Western Crop Innovations' (WCI) first year, it's a time to reflect both on how far we've come, and look ahead to where we're going.

This organization took shape thanks to the leadership of Alberta Agriculture and Irrigation Minister RJ Sigurdson, whose vision for a renewed crop breeding centre in Lacombe was informed by voices from across Alberta's crop sector. He appointed three farmer Interim Directors — myself, Dr. Fred Lozeman, and D'Arcy Hilgartner — to build the governance and financial foundation for WCI. It was no small task, and I am deeply grateful to Fred and D'Arcy for their dedication and leadership throughout this process.

We also want to acknowledge the executive leaders who helped us bring WCI to life. Mark Olson guided the transition to a non-profit model and helped manage countless early details. David Hoekstra then stepped in, engaging staff and stakeholders and keeping us on course in the lead-up to our first AGM. We're now excited to welcome Trevor Sears as our first permanent Executive Director to lead WCI into the future.

Over the past year, WCI connected with agricultural organizations across Western Canada to shape a path that reflects the needs of producers. We are grateful to our funding partners for their early support: Alberta Agriculture and Irrigation, Results Driven Agriculture Research (RDAR), Alberta Grains, Alberta Beef Producers, the Saskatchewan Barley Development Commission, and SeedNet Inc. They provided resources crucial to charting a path to a second year, and beyond.

As any farmer knows, you can't grow a successful crop — or build a successful organization —without doing the groundwork. Thanks to the efforts of the Interim Board, executive leadership, and most importantly, our dedicated staff, we've done the groundwork and the seeds to success have been planted. The work underway at WCI will bring forward new and improved barley and triticale varieties with real impact in Western Canadian fields.

Increasing the productivity, competitiveness, and sustainability of prairie farms is at the heart of what we do. Thank-you to all who walked this path with us in year one.

Jason Lenz
Interim Chair

Message from the Executive Director

Trevor Sears

Executive Director for Western Crop Innovations

It has undeniably been a transformative and exciting year for Western Crop Innovations. Though I have only recently stepped into my role as Executive Director, it's clear that the past year has been one of tremendous effort and foundational growth. I'm honoured by the trust placed in me and excited to guide WCI into its next chapter.

I was drawn to WCI for the opportunity to play a part in a world-class research organization in service to the Canadian agriculture community. In my short time with the team, one thing has already become abundantly clear: the resilience, professionalism, and deep commitment of the staff. Over the past year — and even prior to WCI's formal incorporation — they have continued to deliver high-quality research, despite facing uncertainty and organizational transition. Their ability to stay focused is commendable. I look forward to learning from and working alongside them as we move forward.

Looking ahead, my focus will be on executing the business plan, securing sustainable funding, and aligning research with producer needs. Above all, I'm committed to ensuring that WCI remains responsive, relevant, and collaborative — guided by the needs of producers and the wider agricultural community. Together, we will continue to grow WCI's presence and impact in Canadian agriculture.

I'm excited to be part of WCI's journey and grateful to everyone — staff, interim board members, funders, partners, and stakeholders — who have contributed to the organization's progress. With a strong foundation and a clear path ahead, I believe the future holds tremendous promise.

Trevor Sears
Executive Director

Governance

Western Crop Innovations was overseen in 2024-2025 by an Interim Board of Directors appointed by the Alberta Minister of Agriculture and Irrigation. This board played a critical role in guiding the organization through its start-up phase — establishing core governance structures, entering foundational agreements, and positioning WCI for long-term success. During this time, WCI also benefited from the leadership of two interim executive directors, Mark Olson and David Hoekstra, who worked closely with the board to build internal capacity, engage early stakeholders, and lay the groundwork for a successful handoff to permanent leadership.

As part of this foundational work, WCI established a membership-based model as the basis of its permanent governance structure. Membership is extended to key stakeholder organizations that have made significant financial contributions to WCI's transition, sustainability, and future growth. Those contributing above a defined threshold gain voting rights, proportionate to their level of support.

Going forward, WCI's members will play a central role in guiding the organization's strategic direction. They will elect a permanent Board of five Directors (serving staggered terms), and vote on major decisions including bylaw amendments and the approval of financial statements at the Annual General Meeting.

This member-driven governance model ensures that Western Crop Innovations remains responsive, accountable, and aligned with the needs of the agricultural community we serve.

Interim Board

Jason Lenz
Chair

Dr. Fred Lozeman
Vice-Chair

D'Arcy Hilgartner
Director

John Conrad
Ex-Officio
AGI Representative

Western Crop Innovations

Background

Western Crop Innovations (WCI) is a new force in Canadian agriculture, building on the 50+ year legacy of the Field Crop Development Centre (FCDC).

Incorporated in 2024 under the Canada Not-for-profit Corporations Act and backed by a partnership with Alberta Agriculture and Irrigation, WCI is committed to delivering real-world solutions for western Canadian producers.

We strive to equip farmers with the tools, seed technology, and knowledge they need to meet today's challenges and prepare for tomorrow's opportunities.

Through strong public-private collaboration and a focus on both scientific and operational excellence, WCI is advancing not just crop breeding, but the business of plant breeding itself.

"Getting high-yielding, high-performance, and climate-resistant seed into the hands of producers as soon as possible is the cornerstone of what we do."

Our Organization Today:

3 BREEDING PROGRAMS FOR 2 CROP TYPES:
BARLEY & TRITICALE

4 SUPPORTING RESEARCH LABS:
QUALITY
AGRONOMY
PATHOLOGY
BIO-TECH

OPERATIONS SUPPORT & BUSINESS & ADMINISTRATIVE FRAMEWORK

Our Team

Executives

Trevor Sears
Executive Director

Lauren Huolt
Chief Financial Officer

Administrative

Erin Collier*
Business Development Officer

Keeley Bender*
Communications & Marketing Coordinator

Christine Hanrahan
Data & Systems Analyst

Curtis Marquart
Research Projects Accountant

Operations

Mike Oro
Operations Manager

Edwin Woodrow
Operations Technician

Dana Bajema
Research Assoc. Growth Facility & Ops

Makayla Stewart
Research Asst. Operations

Contract & Seasonal Positions: R.A. Biotechnology (parental leave fill), R.A. F&F Barley (parental leave fill), R.A. Animal Nutrition - Barley (project-funded), summer research assistants, seasonal research assistants.

*indicates staff member(s) on temporary leave

Breeding

Yadeta Kabeta
Research Scientist:
Barley Breeding

Mazen Aljarrah
Research Scientist:
Triticale Breeding

John Bowness
Sr. Research Assoc.
Malting Barley

***Tashelle Loov**
Sr. Research Assoc.
Feed Forage Barley

Susan Lajeunesse
Sr. Research Assoc.
Barley

Shan Lohr
Sr. Research Assoc.
Triticale

Amanda Wong
Research Technician
Barley

Darlyn Abando
Research Assistant
Triticale

Research

Lori Oatway
Research Scientist:
Crop Quality

Sajid Rehman
Research Scientist:
Plant Pathology

***Jennifer Zantinge**
Research Scientist:
Biotechnology

Laura Bony
Agronomy Manager,
Research

Carla Weidner
Sr. Research Assoc.
Crop Quality

Segun Babarinde
Research Assoc.
Plant Pathology

Michael Holtz
Sr. Research Assoc.
Biotechnology

***Erinn Smith**
Research Assoc.
Biotechology

Transition Activities

Establishing WCI as a fully independent, not-for-profit entity required significant groundwork in its first year. Substantial time and resources were dedicated through 2024-2025 to laying the foundation for long-term, sustainable operations.

Transition from Olds College

Transition Services Agreement - Olds College

A formal agreement was signed between WCI and Olds College to support WCI's start-up. This agreement allowed WCI to use services from Olds College until fully operational (between April 1 - July 1 2024), and outlined the transfer of all key assets and responsibilities — including research equipment, plant material, access to land and lab space, funding, and project records — from Olds College to WCI.

Lease Agreements - Government of Alberta

WCI entered into five-year lease agreements with Alberta Infrastructure and Alberta Agriculture & Irrigation for access to land, facilities, equipment, genetics, and other assets essential to ongoing operations.

Governance & Membership

Draft bylaws were developed by contract counsel and Interim Vice-Chair Fred Lozeman, aligned with national not-for-profit standards and best practices. WCI adopted a membership model linking voting rights to financial support. In 2024–2025, four organizations contributed a total of $575,000 in transitional funding as founding members: Alberta Beef Producers, Alberta Grains, Saskatchewan Barley Development Commission, and SeedNet Inc. WCI's bylaws will be ratified at its Annual General Meeting.

Stakeholder Engagement

From May to October 2024, WCI's interim leadership met with 30 stakeholders. These included crop commissions, research centres, seed companies, and post-secondary institutions in Alberta, Saskatchewan, and Manitoba. The objective was to gain a clear understanding of industry needs and identify gaps in supporting Western Canadian farmers, as well as to gather insight on the perceived value of the existing breeding programs formerly housed at FCDC.

Marketing & Communications

After moving out of the Olds College environment, WCI faced a gap in marketing and communications support, previously handled by a dedicated college department. In the early days, a senior communications specialist was retained to help shape WCI's internal and external messaging. Branding and marketing consultants worked with staff to develop a fresh new visual identity for the organization.

To improve transparency and engagement, WCI launched a website, established a presence on X and LinkedIn, introduced a monthly newsletter, and hosted quarterly stakeholder town halls. News releases were issued as needed.

One staff position was reclassified, with the individual now serving as WCI's Communications and Marketing Coordinator, overseeing communications initiatives and supporting the organization's extension activities.

Human Resources

While Olds College continued to provide HR support from April 1 - June 30 of 2024, WCI moved quickly to establish its own systems and policies.

A right-sized benefits package was created, and an RRSP matching program was introduced in place of a pension plan for permanent staff.

To streamline HR management, a consultancy firm helped implement a new Human Resource Information System (HRIS) for tracking employee records and managing leave and overtime requests. A separate payroll system was also established.

This approach positions WCI for cost-effective HR operations going forward.

Transition Activities (continued)

Information Technology

WCI transitioned to a new IT service and internet providers for the main office and farm site. This included replacing equipment previously owned by Olds College.

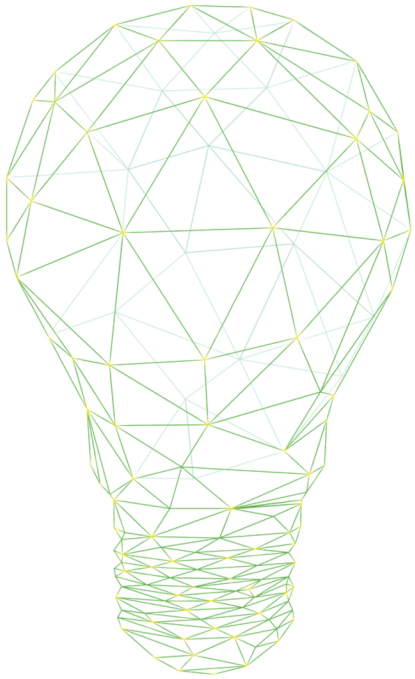
To support secure and professional operations, WCI adopted Microsoft 365. Migrating from Olds College's Google-based system required specialized tools to ensure a smooth and secure transfer of files and systems. Virtual servers were established to host WCI's main SQL database.

All staff completed cybersecurity training, with ongoing training now part of standard practice.

Finance

WCI transitioned from Olds College's enterprise accounting system to QuickBooks Online, a more cost-effective and flexible solution for smaller organizations. With guidance from a consultant, staff implemented a system that supports remote approvals, expense tracking, and customizable project reporting.

WCI also welcomed its first Chief Financial Officer to the team on August 1.



Business Plan Development

The first iteration of the Western Crop Innovations (WCI) Business Plan for 2025–2026 was developed in fall 2024. It was informed by input from staff, members, industry stakeholders, and Western Canadian producers.

The Business Plan was approved by the Interim Board and submitted to Alberta Agriculture and Irrigation, RDAR, and WCI Members in October. Subsequent feedback indicated interest in a more detailed Strategic Framework, which remains in development alongside a revised funding model.

While this plan establishes WCI's immediate direction and priorities, a comprehensive Strategic Plan — including a formal mission and vision — is expected to follow in 2025 under the leadership of the new Executive Director and elected Board.

“Our research delivers high-performance varieties to elevate farm efficiency and output across Western Canada.”

BREEDING HIGHLIGHTS

Growing Season

WCI cultivates about 40,000 research plots each year across four research locations. Included in this number are about 1,500 reciprocal plots grown for the Crop Development Centre at the University of Saskatchewan, Agriculture and Agri-Food Canada, and Nutrien. Test sites for the 2024 season included Lacombe, Olds, Trochu, and Morrin.

Planting and Monitoring

- Planting takes place in May.
- Plot maintenance and monitoring continue until harvest, which mostly occurs from late August through September. In 2024, silage harvest began in the last week of July.
- During July and August, data points are collected on:
  - Maturity
  - Heading
  - Plant Height
  - Lodging
  - Disease reactions of breeding lines
- Breeders make observational selections to advance or discard breeding material.

Crossing

The initial step in developing new varieties is crossing. Some crosses are aimed at germplasm development, while others become breeding lines. In 2024, crosses were performed from the last week of June through the first two weeks of July.

- Barley: 126 crosses
- Triticale: 95 crosses

Challenges

Precipitation was a key challenge during the 2024 growing season, particularly in Lacombe. Facing a second consecutive dry summer, with below-average snowfall the preceding winter, moisture reserves were depleted. Plants faced drought conditions and heat stress, leading to greater variability than is typically observed. This rendered portions of the collected data unusable.

Post-Harvest Activities

Following harvest, seed from approximately 30,000 plots is dried, weighed, and cleaned. This is also when data is imported, reviewed, and analyzed to support breeder selection decisions.

Data from reciprocal trials is shared with collaborator groups, and WCI receives corresponding data from other reciprocal trial sites.

Indoor Growing Environments

WCI operates four indoor growth rooms for contra-season production, Conviron growth chambers, and has access to leased greenhouse space at Olds College.

Indoor growth environments are a key component of WCI's accelerated breeding strategy. By advancing early generations over the winter months to stabilize plant genetics, we currently achieve up to three generations of advancement per calendar year—and are actively strategizing to push for a fourth.

Growth Rooms

- Sept-Dec: 105 barley single-seed descent (SSD) populations, 37 triticale SSD populations, 72 barley first filial generation (F1) populations, and 43 triticale F1 populations.
- Jan-April: 135 F4 populations of barley and triticale. Resulting F5 seed is advanced to the field as headrows.
- May-Aug: No temperature control is currently available for cooling during the hot summer months. This period is used for maintenance, rototilling, and cleaning of grow lights and other equipment.

Growth Chambers

A new LED lighting system was tested over the fall and winter under various regimes to develop optimized "recipes" for crossing barley and triticale. This trial also served as an evaluation of a potential supplier for future lighting upgrades to the growth rooms.

Greenhouse

Plants grown in the greenhouse were planted in pots. 30 barley and 39 triticale F1 populations were advanced in this manner, and 22 barley crosses were completed in late autumn.

Contra-Season Nursery

As another component to accelerated breeding, WCI utilized a contra-season nursery based in El Centro, California.

- 130 F3 barley plots and 60 F5 triticale plots were prepared and shipped to California in early October, 2024. Planting commenced mid-October.
- Plots were maintained by University of California Davis staff on site.
- Plots were harvested late March 2025, and seed was received back in Lacombe in April for spring planting.

Research Highlights

Agronomy

In 2024–25, WCI took key steps toward building a dedicated agronomy program — an initiative driven by findings from a producer survey that identified gaps in agronomic research across Alberta and Western Canada. In response, WCI hired an Agronomy Manager – Research in January of 2025 to lead field-focused investigations and expand our applied research capacity.

Land Stewardship
Optimizing crop rotations & land management practices for WCI research locations

Supporting Producers
Coordinating Alberta's Silage Regional Variety Trials, delivering relevant, practical data

Building Capacity
Expansion of agronomic research & program objectives for the 2026 growing season & beyond

Biotechnology

WCI's biotechnology team supports breeding efforts through genetic screening of breeding material. Genotypic screening is a cost-effective tool for predicting plant traits that may be time-consuming, labour-intensive, or impossible to measure through visual observation in the field.

Marker-Assisted Selection (MAS)

- 2,633 barley lines from 282 populations were screened using WCI's routine genotyping markers between September 2024 and February 2025.
- New in 2024–25, selection indexes were developed for disease resistance, malt quality, and feed & forage quality/agronomics. These indexes combine scores across multiple loci and allow breeders to apply custom weighting based on trait priorities when interpreting genomic data.
- 36 markers developed by other Canadian breeding institutions were reviewed and evaluated for potential adoption. Testing and validation are underway.

Genotyping by Sequencing (GBS)

WCI prepared to genotype 390 triticale lines via GBS to support expansion of MAS into triticale breeding. Limited research on the triticale genome remains a challenge. Some lines did not germinate, so due to scarce seed supply, this work is currently paused until sufficient material is available.

Pathology

To successfully register a new variety, the line must exhibit a threshold level of disease resistance to Priority-I diseases. Canada has seven Priority-I diseases for barley, and two for triticale. WCI has an in-house pathology team who screen breeding material for disease resistance or susceptibility. In 2024, they managed two disease nurseries: one at the Crop Diversification Centre - North in Edmonton, the other at the WCI research farm in Lacombe.

Germplasm Screening:

A total of 10,790 plots of advanced breeding material were screened at disease nurseries located at disease hotspots managed by WCI or partner organizations in 2024. Our breeders use this data to select lines exhibiting resistance, moderate resistance, or intermediate reactions to advance through the breeding pipeline.

Surveillance Activities:

Annual surveillance monitors the severity of known and emerging plant diseases. This helps determine whether deployed resistance genes remain effective as pathogen populations evolve. In 2024, WCI collaborated with AAFC Lacombe and Alberta Agriculture & Irrigation to survey 172 random commercial barley fields across Alberta for leaf spot diseases.

Pathogen Population Variation:

Diseased heads, inoculum, and differentials were collected from commercial fields between August and September. Pathogens were isolated and analyzed to conduct race identification for net blotch and scald, providing insight into pathogen diversity and potential resistance breakdown.

Quality

WCI's quality team provides analysis and expertise to ensure that new barley and triticale varieties meet the diverse requirements of end-use industries. Testing is conducted for feed, forage, and malting quality, as applicable.

NIRS

Early-Generation Screening

Near-infrared spectroscopy (NIRS) is a non-destructive method of measuring grain quality traits.

- Approximately 15,500 samples were screened for the breeding programs in winter of 2024-2025.
- An additional 1,538 samples were analyzed for external projects, either as a collaborator or on a fee-for-service basis.

Micromalting

Pilot-Scale Malting Capability

WCI's micromalter, installed at Olds College, was commissioned in the spring by an engineer from Curio Malting (UK), who also provided training to WCI and Olds College Brewery staff on operating the equipment.

Wet Chemistry

Expanding In-House Testing

Preliminary setup of a wet chemistry laboratory is underway. This facility will enhance WCI's capabilities in analyzing feed and forage quality, as well as evaluating malting barley. In-house testing will allow for more timely data availability and improved cost-effectiveness.

WCI gratefully acknowledges generous equipment donations from the Canadian Malting Barley Technical Centre (CMBTC) and RAHR Malting, which are instrumental to the setup of WCI's wet chemistry lab.

Varieties Released

Varieties Released

Every year, Canadian plant breeding centers submit requests for support of new crop variety registration to the Prairie Grain Development Committee (PGDC).

These applications are evaluated during the annual PGDC meetings held at the end of February. Lines that receive support are then recommended to the Canadian Food Inspection Agency (CFIA).

WCI tenders the approved varieties to seed companies, generally accepting variety licensing applications during the first three weeks of March. A committee reviews these applications, and licenses are granted based on a balanced assessment of merit.

2024 Licensing

In early April of 2024, following the creation of WCI, licenses for varieties approved at the 2024 annual PGDC meeting were awarded:

FB22816
Six-row, "ultra" smooth-awn. hulled, general-purpose barley. *FB22816 will be available through SeedNet.*

T301
Reduced-awn, dual purpose spring triticale. *T301 will be available through FP Genetics.*

2025 Licensing

WCI had five varieties approved by PGDC in February 2025:

FB23618
Two-row, hulled, general-purpose barley. *FB23618 will be available through FP Genetics.*

TR22669
Two-row, semi-dwarf, hulled, general-purpose barley. *TR22669 remains available for licensing.*

T317
Reduced-awn, dual purpose spring triticale. *T317 will be available through Corns Seeds.*

T318
Reduced-awn, dual purpose spring triticale. *T318 will be available through SeCan.*

Notably, T318 was endorsed by the Prairie Recommending Committee for Wheat, Rye & Triticale as a new benchmark check variety, for exceptional yield performance and agronomic traits.

WT0050
Reduced-awn winter triticale developed for feed & forage. *WT0050 will be available through Corns Seeds.*

WT0050 was the final winter triticale line available from WCI's existing breeding pipeline.

Research Projects

$442.39K
RESEARCH REVENUE

Project Revenues

During the fiscal year 2024-2025, WCI secured $442,386 in project funding. This reflects funds received within the current fiscal year, not including future-year disbursements from multi-year funding agreements. This also includes $28,824 contributed for capital asset purchases.

3 PROJECTS
ONGOING

Ongoing Projects

Three multi-year projects started in 2023 continued through 2024-2025. These projects are funded through the Sustainable Canadian Agriculture Partnership Barley Cluster, and will continue through to 2028.

4 PROJECTS
STARTED

New Projects

In 2024, four new projects were launched — two where WCI is principal investigator and two as a collaborator. Three projects focus on pathology and disease resistance, while the fourth, led by WCI, aims to advance triticale genetics.

13 PROJECT
APPLICATIONS
SUBMITTED

Funding Proposals

A total of 13 funding proposals — including project applications and letters of intent — were submitted over the course of the year. Two proposals submitted in 2024 were approved with project start dates in 2025. In March 2025, 11 letters of intent were submitted: 8 with WCI as the primary investigator and 3 as a collaborator.

Extension & Knowledge Transfer

4 STAKEHOLDER TOWN HALLS

29 INDUSTRY MEETINGS & EVENTS ATTENDED

10 GUEST SPEAKING ENGAGEMENTS

10 TOURS WERE HOSTED

8 MEDIA & NEWS INTERVIEWS

July 10th in Calgary, WCI hosted nearly 40 key stakeholder guests to discuss how WCI is innovating agriculture and delivering high performance varieties across Western Canada.

Stakeholder Engagement: SADDLE-UP LUNCH

AgSmart

AgSmart served as Western Crop Innovations' main extension event for 2024.

Presentations

WCI gave six presentations over July 30-31. Three were included in the Alberta Crop Diagnostics Day programming.

Exhibits

WCI's tent hosted five exhibits highlighting the quality, pathology, and biotechnology programs, an information table, and Feature Beer of the Year tasting station.

Tours

WCI hosted 2 tours of the micromalt lab during AgSmart.

Field Demos

WCI displayed 36 plots of recently released varieties and advanced breeding lines, in addition to planting an interactive walk-through demonstration that taught attendees about the plant breeding process. The pathology program also displayed plots of diseased plants, demonstrating how to identify various barley and triticale diseases.

Media

Staff participated in five media interviews over the two-day event.

Western Crop Innovations

Financial Statements

For the initial year ended March 31, 2025

Independent Auditor's Report

To the board of directors of
Western Crop Innovations

Opinion
We have audited the financial statements of Western Crop Innovations (the "Organization"), which comprise the statement of financial position as at March 31, 2025, and the statements of changes in net assets, operations and cash flows for the initial year ended March 31, 2025, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2025, and the results of its operations and its cash flows for the initial year ended March 31, 2025 in accordance with Canadian accounting standards for not-for-profit organizations.

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 Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the 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.

Other Matter
We have not audited, reviewed or otherwise attempted to verify the accuracy of completeness of Schedule 2 on page 14 of the Organization's financial statements.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's 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 Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise

Independent Auditor's Report (continued)

professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 Organization's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 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 Organization'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 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 Organization to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

BDO Canada LLP

Chartered Professional Accountants

Edmonton, Alberta
June 6, 2025

Western Crop Innovations
Statement of Financial Position

March 31, 2025

Assets

Current	
Cash	$ 183,571
Accounts receivable	302,207
Prepaid expenses	49,755
Deposits	25,000
GST receivable	31,088
	591,621
Capital assets (Note 2)	661,119
	$ 1,252,740

Liabilities and Net Assets

Current	
Accounts payable and accrued liabilities (Note 3)	$ 415,763
Current portion of capital lease obligation (Note 4)	24,000
	439,763
Deferred capital contributions (Note 5)	508,623
	948,386
Net assets	
Invested in capital assets	128,496
Unrestricted	175,858
	304,354
	$ 1,252,740

Approved on behalf of the board:

Signed by: _____, Director
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Signed by: _____, Director
F52E153E71B54FC...

The accompanying notes and schedules are an integral part of these financial statements.

Western Crop Innovations
Statement of Changes in Net Assets

For the initial year ended March 31, 2025

	Invested in capital assets	Unrestricted	Total
Balance, beginning of period	$ -	$ -	$ -
Excess (deficiency) of revenue over expenditures for the period, being surplus at March 31, 2025	(25,173)	329,527	**304,354**
Purchase of capital assets	206,494	(206,494)	-
Capital assets transferred from Olds College	516,736	(516,736)	-
Capital lease additions	(37,000)	37,000	-
Principal reduction in capital lease	13,000	(13,000)	-
Deferred capital contributions	(545,561)	545,561	-
Balance, end of period	$ 128,496	$ 175,858	$ 304,354

The accompanying notes and schedules are an integral part of these financial statements.

Western Crop Innovations
Statement of Operations

For the initial year ended March 31, 2025

Revenue	
RDAR core funding (Schedule 1)	$ 2,000,000
Ministry of Agriculture and Irrigation base funding (Note 11)	1,240,000
Membership funding	575,000
Project revenue (Note 5)	415,780
Licenses and royalties	278,581
Field commodity sales	130,687
Regional variety trials	44,990
Contribution revenue (Note 5)	34,720
Government grants	15,000
Fee for services	10,285
	4,745,043
Expenditures	
Salaries and benefits	
Benefits	324,395
Salaries	2,239,820
	2,564,215
Farm Operations	
Custom plot work	61,336
Farm vehicles	51,958
Rent and lease expense	228,199
Repairs and maintenance	101,107
Supplies and services	257,071
	699,671
Lab Operations	
Lab supplies	48,229
General Operations	
Administrative building lease	68,626
Bank fees	3,850
Business development	2,122
Director fees	58,010
Information technology	78,226
Insurance	26,197
Legal and accounting fees (Note 8)	94,682
Marketing	7,470
Meals and entertainment	4,700
Office	17,142
Professional development	11,838
Professional fees	508,409
Professional memberships	11,320
Shipping	17,885
Software subscriptions (Note 8)	30,669
Travel	87,114
Utilities	15,141
	1,043,401
Other	
Amortization	62,111
Lacombe field days	23,062
	85,173
	4,440,689
Excess of revenue over expenditures for the period, being surplus at March 31, 2025	$ 304,354

The accompanying notes and schedules are an integral part of these financial statements.

Western Crop Innovations
Statement of Cash Flows

For the initial year ended March 31, 2025

Cash flows from operating activities	
Excess of revenue over expenditures for the period	$ 304,354
Adjustments for non-cash items	
Amortization	62,111
Amortization of deferred capital contributions (Note 5)	(36,938)
	329,527
Change in non-cash working capital items	
Increase in accounts receivable	(302,207)
Increase in prepaid expenses	(49,755)
Increase in deposits	(25,000)
Increase in GST receivable	(31,088)
Increase in accounts payable and accrued liabilities	415,763
Increase in deferred capital contributions	28,825
	366,065
Cash flows from investing activity	
Purchase of capital assets	(169,494)
Cash flows from financing activity	
Repayment of capital lease obligation	(13,000)
Increase in cash during the period and cash at March 31, 2025	$ 183,571

The accompanying notes and schedules are an integral part of these financial statements.

Western Crop Innovations
Notes to the Financial Statements

March 31, 2025

Nature of operations

Western Crop Innovations (the "Organization") is a not-for-profit organization incorporated under the Canada Not-for-profit Corporations Act that began operations on April 1, 2024. The Organization is exempt from income taxes under Section 149(1)(l) of the Canadian Income Tax Act. The key objectives of the Organization are to conduct research and development in relation to new high-yielding and resilient crop varieties that will benefit Alberta and western Canadian agriculture sectors and the public.

1. Summary of significant accounting policies

The Organization applies the Canadian accounting standards for not-for-profit organizations.

Accounting estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates. Accounts specifically affected by estimates in these financial statements are accounts payable and accrued liabilities and revenue recognition.

Revenue recognition

The Organization follows the deferral method of accounting for contributions.

Unrestricted contributions are recognized as revenue when received can be reasonably estimated and collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred.

Contributions of tangible assets and externally restricted contributions for the purchase of capital assets that will be amortized are recorded as deferred capital contributions and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets. Externally restricted contributions for the purchase of capital assets that will not be amortized are recognized as direct increases in net assets to the net equity investment in capital assets balance.

Project revenue arises from contracts or specific deliverables tied to a funded project where funders either remit the project funds once the agreement is executed or reimburse the Organization for expenses incurred once the report is filed and approved. Revenue is recognized in the year in which the related expenditures are incurred.

Field commodity sales and licenses and royalties are recognized once the service or product has been provided and collection is reasonably assured.

March 31, 2025

1. Summary of significant accounting policies (continued)

Contributed services

Contributed services were received for rent in carrying out the activities of the Organization. Because of the difficulty in determining the fair value, these contributed services are not recognized in these financial statements.

Capital assets

Capital assets are recorded at cost. The Organization provides for amortization using the straight-line method at rates designed to amortize the cost of the capital assets over their estimated useful lives. No amortization is recorded in the year of disposal. The annual amortization rates are as follows:

Asset	Rate
Computer equipment	3-5 years
Computer software	3-5 years
Machinery and equipment	3-25 years

Amortization of leasehold improvements is recorded over the remaining term of the lease plus the first renewal option.

Cloud computing arrangements

The Organization applies the simplification approach to account for expenditures in cloud computing arrangements. The expenditures in the arrangements are expensed as incurred.

Income taxes

The Organization is registered as a not-for-profit organization under the Income Tax Act and, as such, is exempt from income taxes.

2. Capital assets

	Cost	Accumulated Amortization
Computer equipment	$ 52,819	$ 12,855
Computer software	81,702	10,550
Leasehold improvements	58,969	1,923
Machinery and equipment	529,740	36,783
	723,230	62,111
Net book value		$ 661,119

Included in machinery and equipment are assets under capital lease with a cost of $37,000 and accumulated amortization of $6,167.

3. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are government remittances of $15,327.The total credit limit on business credit cards is $25,000. As at March 31, 2025, the available credit is $15,326.

March 31, 2025

4. Capital lease obligation

Pentagon Farm Centre capital lease bearing interest at 8.31%, payable in one lumpsum payment of $24,000 on December 1, 2025 and is secured by the specific asset (net book value - $30,833).	$ 24,000
Less current portion	24,000
Long-term portion	$ -

5. Deferred capital contributions

Deferred capital contributions consist of the unamortized amount of capital asset contributions and contributions received for the purchase of capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized. Changes in deferred capital contributions are as follows:

Balance, beginning of initial year	$ -
Add: Contributions received	545,561
Less: Amounts recognized as revenue during the year	(36,938)
Balance, end of initial year	$ 508,623

During the year, the Organization entered into a transaction with Olds College where various capital assets with a fair market value of $516,737 were acquired in exchange for consideration of $1. The difference between the fair market value of the assets and the consideration exchanged is deferred and recognized into income as contribution revenue. In the year, $34,720 was recognized into revenue.

As well, during the year, the Organization purchase capital assets for $28,824 with restricted project funds. In the year, $2,218 was recognized into project revenue.

6. Commitments

The Organization's total obligations under various operating leases for occupied premises, exclusive of realty taxes and other occupancy charges, are as follows:

2026	$ 383,086
2027	380,086
2028	367,486
2029	367,486
2030	91,872
	$ 1,590,016

7. Economic dependence

The Organization receives a significant portion of its revenue through funding agreements from Results Driven Agriculture Research ("RDAR") and the Government of Alberta. The Organization's continued operations are dependent on these funding agreements and on satisfying the terms of the agreements.

8. Cloud computing arrangements

During the year, the Organization expensed $28,038 with respect to cloud computing arrangements which is included in software subscription, and legal and accounting fees.

9. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The Organization is exposed to credit risk as it maintains all its bank accounts at a single financial institution. Balances in these accounts exceed federally insured amounts.

The Organization is also exposed to credit risk as approximately 66% of the accounts receivable was due from one funder. The Organization reduces its exposure to credit risk by performing credit valuations on a regular basis. At this time, management expects to collect all accounts receivable.

(b) Liquidity risk
Liquidity risk is the risk that the Organization encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Organization will not have sufficient funds to settle a transaction on the due date. Liquidity risk arises from accounts payable and commitments. In the opinion of management, the liquidity risk exposure to the Organization is low.

10. Subsequent events

Subsequent to the year end, the Organization has received additional funding in the amount of $1,200,000 from the Minister of Agriculture and Irrigation.

11. Ministry of Agriculture and Irrigation

During the year, $1,240,000 of funding from the Ministry of Agriculture and Irrigation was recognized as revenue. Of this, $940,000 was in relation to the Sustainable Canadian Agricultural Partnership and $300,000 was for the purpose of first year, transitional expenditures.

Western Crop Innovations
Schedule 1 - RDAR core funding

For the initial year ended March 31, 2025

RDAR funding	$ 2,000,000
Expenditures	
Salaries and benefits	1,559,183
Farm supplies and services	193,803
Farm repairs and maintenance	87,550
Custom plotwork	37,936
Automotive repairs and maintenance	21,885
Shipping and freight	17,885
Automotive fuel	15,494
Telephone and internet	15,141
Automotive insurance	10,932
Land lease	10,406
Professional development	8,718
Office	7,804
Lab supplies	5,774
Bank fees	3,850
Automotive registration	3,647
	2,000,008
Deficiency of revenue over expenditures	$ (8)

Western Crop Innovations
Schedule 2 - Ministry of Agriculture and Irrigation base funding (unaudited)

For the initial year ended March 31, 2025

Ministry of Agriculture and Irrigation base funding	**$ 940,000**
Expenditures	
Professional fees	463,404
Capital purchases	107,989
Legal and accounting fees	94,682
Salaries	92,710
Information technology	78,226
Director fees	58,010
Insurance	22,971
Software subscriptions	16,872
Industry engagement	9,436
Supplies and services	8,760
	953,060
Deficiency of revenue over expenditures	**$ (13,060)**

Western Crop Innovations

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A special thank-you to our 2024-2025 Funders:

Program Funders:

Sustainable Canadian Agricultural Partnership
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RDAR
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WCI Founding Members:

Alberta Beef Producers

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RDAR
Results Driven Agriculture Research

SaskBarley Development Commission

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