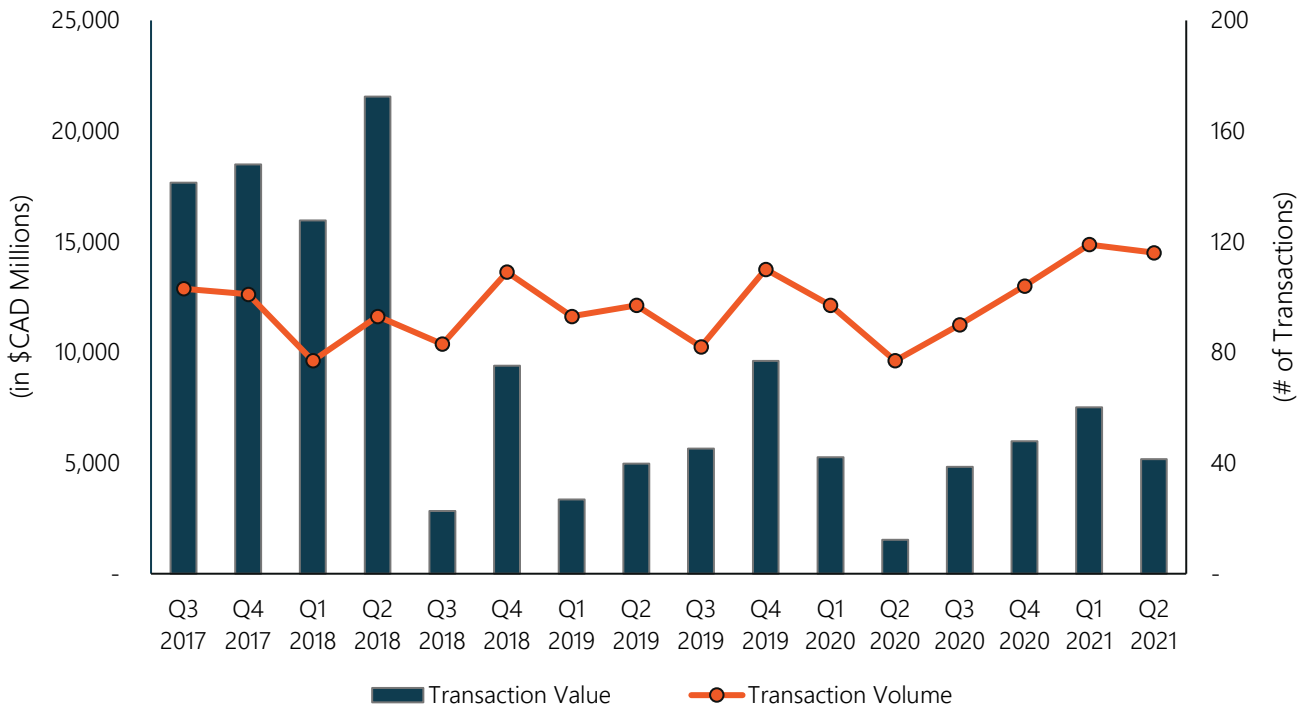


Agriculture

Quarterly Update | Q2 2021



Agriculture M&A Transactions



M&A Market Update – Q2 2021

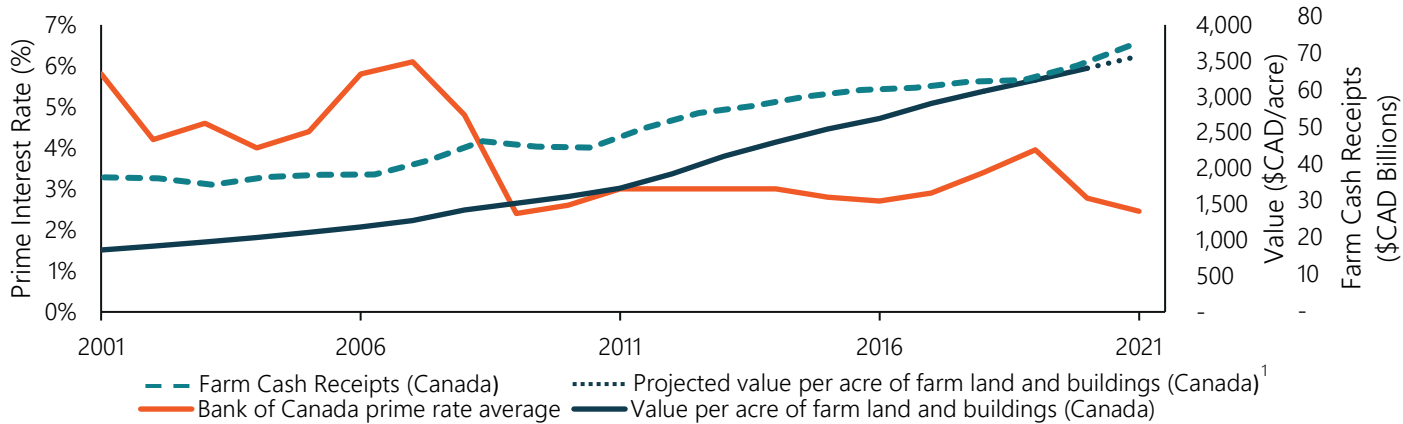
- M&A activity in the North American agriculture industry has continued to rebound, with 116 total transactions in Q2 2021, the second highest total by volume in a quarter since Q3 2017, trailing only Q1 2021.
- A vast majority of transactions in the agriculture landscape in Q2 2021 were in the food products sub-sector, which comprised 75.9% of the disclosed transactions. There was also notable deal volume in the agricultural services, fertilizers and agricultural chemicals, and agricultural farm machinery sub-sectors. M&A activity in these sub-sectors is reflective of operators making strategic acquisitions to diversify product offerings, increase scalability, and expand business models into new channels.
- M&A activity in Q2 2021 was predominantly driven by industry operators (i.e. strategic buyers) who accounted for the vast majority of total deal volume during the period, however, private equity buyers still remain active and are closing deals with ample capital to deploy.
- The largest disclosed transaction in Q2 2021 was General Mills Inc.'s acquisition of the Tyson Pet Products Inc. for \$1.45 billion, accounting for 28% of the total publicly disclosed transaction value in Q2 2021.
- Farmland values continued to increase in 2020, with a national average increase of 5.4% slightly above the 5.2% increase in 2019. Low interest rates and continued growth in land values suggest continued future activity in M&A transactions for primary producers, however, this may be offset by challenging growing conditions in Q3 2021.

Key Drivers

Key drivers affecting farm land values in Canada include farm cash receipts and interest rates and agriculture industry performance, which is impacted by commodity prices, growing season conditions, and macro-economic factors.

Farm cash receipts grew 15.5% year-over-year from Q1 2020 to Q1 2021. The Bank of Canada prime rate averaged 2.45% throughout the first two quarters of 2021.

Farm Values vs. Farm Cash Receipts and Interest Rates

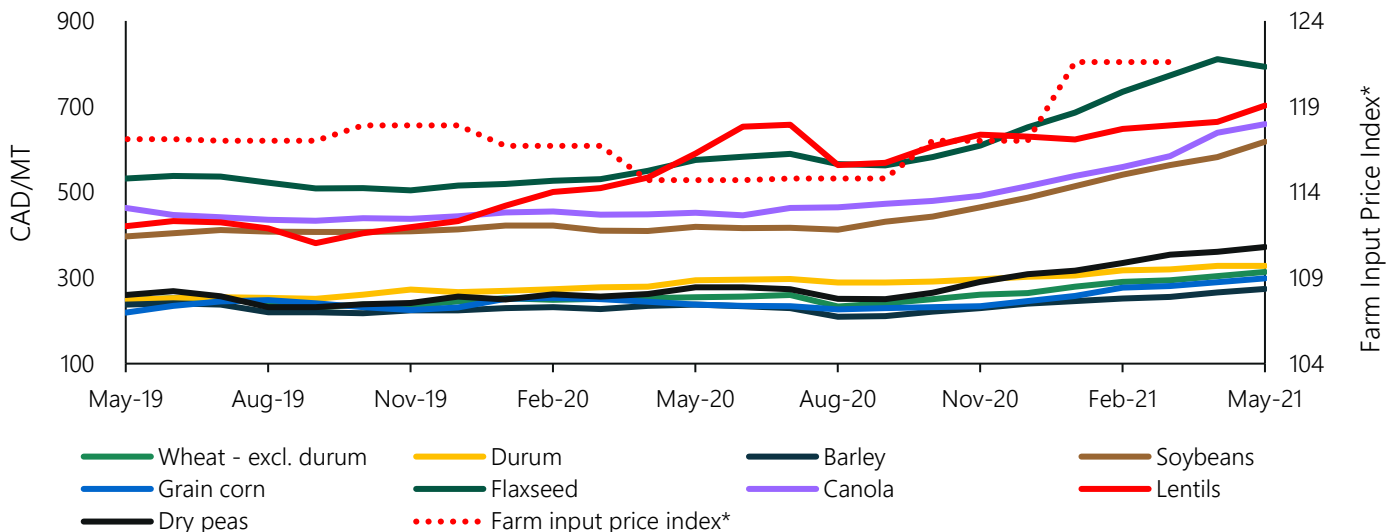


Commodity Price Changes and Farm Input Price Index Costs

While overall average commodity prices have seen stability in recent years, the majority of commodities saw strong price increases in Q1 2021 that continued into Q2 2021 driven by global supply challenges and strong demand.

The Statistics Canada Farm Input Price Index (FIPI) estimates the change in price that farmers pay for inputs in their farming operation through time. The FIPI has continued to increase in recent months, displaying a year-over-year increase of 4.2% from Q1 2020 to Q1 2021.

Crop Commodity Prices



*March 2021 is the most recent data available at the time of this report's preparation.

Source: Stats Canada. Farm cash receipts information is not available for Q2 2021.

1: Based on historical growth from 2019 to 2020.

Inputs and Commodity Markets

Market Pressure, Futures & Exports

Commodity Price Highlights

Prices have continued their upward momentum into Q2 2021, with all commodities detailed in the adjacent listing showing positive gains over the short term and long term, respectively. Price increases over these periods are driven in part by supply shortfalls due to environmental conditions and stronger-than-expected global demand.

Canola, soybeans, dry peas, flaxseed, and grain corn have all shown significant increases of 20% or greater over the long term.

Commodity Price Changes

	<u>LONG-TERM*</u>	<u>SHORT-TERM**</u>
Canola	+45.8%	+17.8%
Soybeans	+47.5%	+14.3%
Dry peas	+34.0%	+11.1%
Barley	+15.3%	+8.7%
Lentils	+19.0%	+8.4%
Flaxseed	+37.8%	+7.9%
Grain corn	+25.8%	+7.8%
Durum	+11.4%	+3.4%

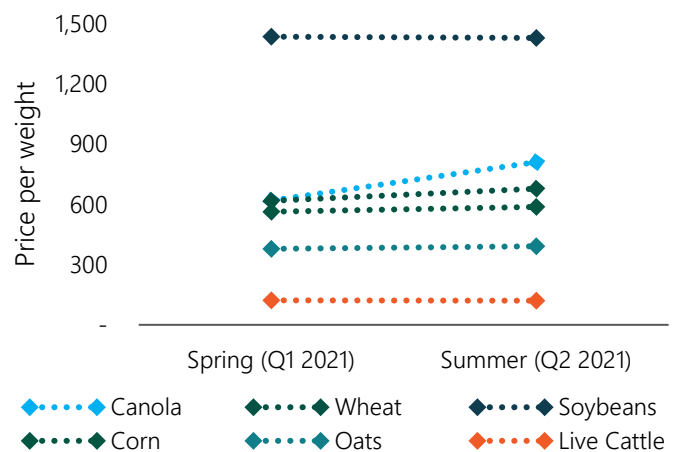
Commodity Price Futures

Quoted prices for summer 2021 futures contracts for most of the aforementioned commodities are higher than futures in the previous quarter resulting from strong export demand and prospective increases in overseas demand.

The futures prices for canola and wheat showed strong growth of 31% and 10%, respectively, whereas corn and oats experienced modest growth of 4% and 3%, respectively, from Q1 2021 to Q2 2021.

Live cattle and soybeans showed marginal decreases of 0.4% and 0.1% in their futures prices, respectively.

Commodity Pricing¹



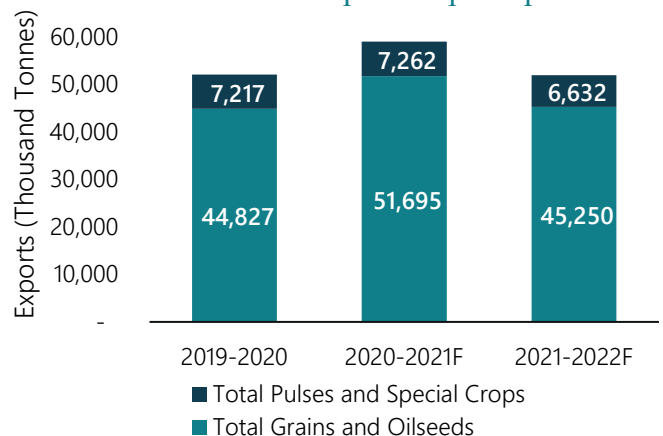
Crop Exports

Canadian principal field crop exports in the 2020/21F period are forecasted to increase 13.3% over the 2019/20 total.

Grains and oilseeds exports are forecast to increase 15.3%, while pulses and special crops are forecasted to increase 0.6% between the 2019/20 and 2020/21F periods.

Carry-out stocks for all principal field crops are forecast to drop in 2020/21F to their lowest level in eight years due to record exports driven by increased global demand.

Canada's Principal Crops Exports²



¹"F" indicates Forecast.

*Change over the twelve months ended May 2021.

**Change over the three months ended May 2021.

Source 1: Capital IQ. Data as of May 31, 2021.

Source 2: Agriculture and Agri-Food Canada, Outlook for Principal Field Crops. June 18, 2021 update.

Select Recent M&A Transactions

Klassen
Agriventures Ltd.

Announced
April 2021



Exclusive financial advisor to Hagel Feeders Ltd. in structuring and negotiating this transaction.

- **Klassen Agriventures Ltd.** (Klassen) is a grain and livestock enterprise that continues to seek growth acquisitions to expand its business that complements its core operations.

acquired

Industry
Primary
Producer

Hagel Feeders Inc.

- **Hagel Feeders Ltd.** (Hagel) is a family-owned livestock feedlot and farming business located near Swalwell, Alberta, providing customized cattle feeding programs while also growing various crops for cattle feedstuffs.

[Click here for more information](#)



acquired a minority
equity stake in

Announced
June 2021

Industry
Agriculture
Technology



- **Ag Growth International Inc.** (AGI), headquartered in Winnipeg, Manitoba, is a provider of the physical equipment and digital technology solutions required to support global food infrastructure including seed, fertilizer, grain, feed, and food processing systems.
- **MyLand Company LLC** (MyLand) is a soil health company that allows farmers to easily and rapidly implement regenerative agriculture practices and improve their soil health by harnessing the land's own natural ecosystem.



acquired four pig
farms from

B&T Polar Pork

Announced
June 2021

Industry
Food
Products &
Processing

- **Maple Leaf Foods Inc.** (Maple Leaf) is a leading consumer packaged food company, headquartered in Toronto with operations across Canada and in the United States, United Kingdom, Asia, and Mexico.
- **B&T Polar Pork** (Polar Pork) is a group of companies that operates as a multi-farm pork production.
- Maple Leaf's acquisition of four pig farms in central Saskatchewan will enhance the company's overall pig supply and substantially increase its pig production capacity in the province.



acquired

RAVEN

Announced
June 2021

Industry
Agriculture
Implements
and
Technology

- **CNH Industrial** (CNH) is a global leader in the capital goods sector that, through its various businesses, designs, produces, and sells agricultural and construction equipment, trucks, commercial vehicles, buses, and specialty vehicles, in addition to a broad portfolio of powertrain applications.
- **Raven Industries** (Raven) manufacturer of precision agriculture products, high-altitude balloons, plastic film and sheeting, and radar systems. The company is headquartered in Sioux Falls, South Dakota.
- CNH's acquisition of Raven enhances the company's position in the autonomous and precision agriculture technology space.

Public Comparable Analysis

Trading Multiples & Operating Statistics

(Figures In \$CAD Millions, except percentages and ratios)

Company	Market Capitalization	Enterprise Value	LTM Operating Figures			
			Revenue	Revenue Growth	EBITDA	EBITDA Margin
Nutrien Ltd.	\$42,828	\$56,378	\$25,804	3.8%	\$4,819	18.7%
Archer-Daniels-Midland Company	\$41,947	\$56,284	\$85,885	6.2%	\$5,424	6.3%
Bunge Limited	\$13,694	\$24,328	\$56,846	11.9%	\$4,645	8.2%
The Andersons, Inc.	\$1,236	\$3,819	\$11,310	11.7%	\$376	3.3%
The Mosaic Company	\$15,015	\$20,230	\$11,548	4.3%	\$2,283	19.8%
Ceres Global Ag Corp.	\$139	\$276	\$915	34.8%	\$15	1.7%
Median	\$14,354	\$22,279	\$18,676	8.9%	\$3,464	7.2%
Mean	\$19,143	\$26,886	\$32,051	12.1%	\$2,927	9.7%

(Figures In \$CAD Millions, except percentages and ratios)

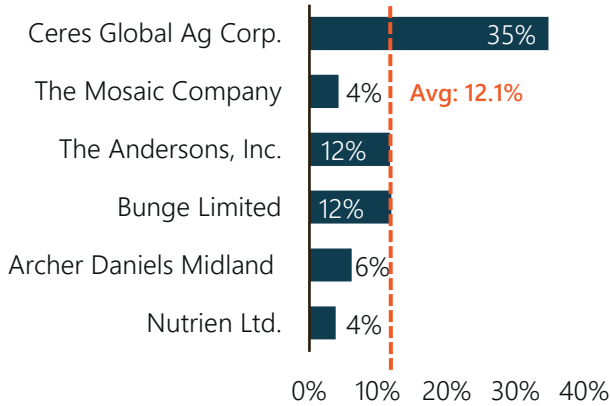
Company	NTM Consensus Estimates			Valuation	
	Revenue Growth	EBITDA Margin	NTM EV/EBITDA	LTM EV/EBITDA	LTM EV/REV
Nutrien Ltd.	20.2%	22.5%	7.9x	11.7x	2.2x
Archer-Daniels-Midland (ADM) Company	7.8%	5.5%	10.9x	10.5x	.7x
Bunge Limited	11.6%	3.8%	10.0x	5.3x	.4x
The Andersons, Inc.	8.2%	3.2%	9.7x	10.3x	.3x
The Mosaic Company	28.4%	25.2%	5.2x	9.0x	1.8x
Ceres Global Ag Corp.	N/A	N/A	N/A	18.1x	.3x
Median	11.6%	5.5%	9.7x	10.4x	.5x
Mean	15.2%	12.0%	8.7x	10.8x	1.0x



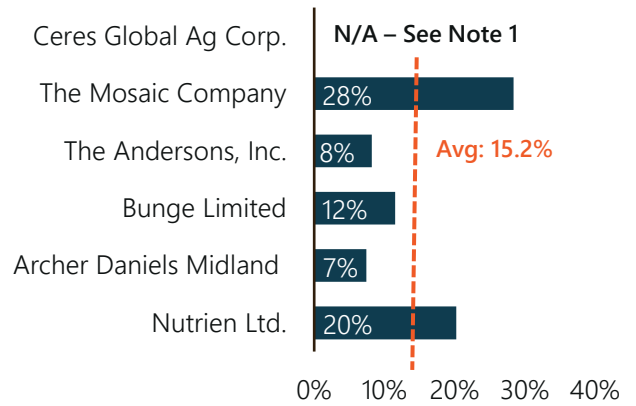
Public Comparable Analysis

Growth, Margins & Multiples

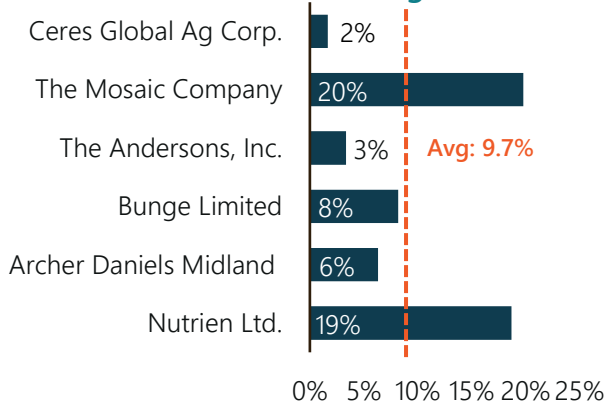
LTM Revenue Growth



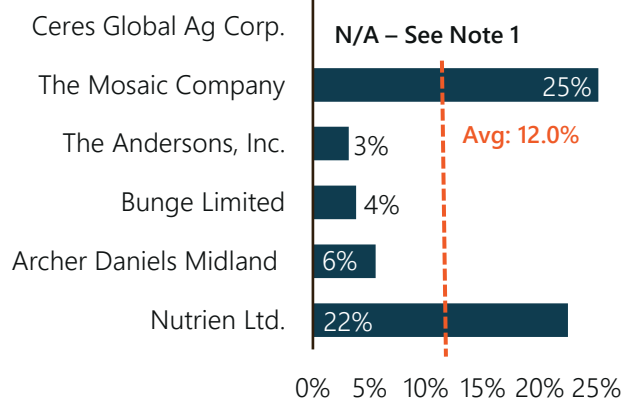
NTM Revenue Growth



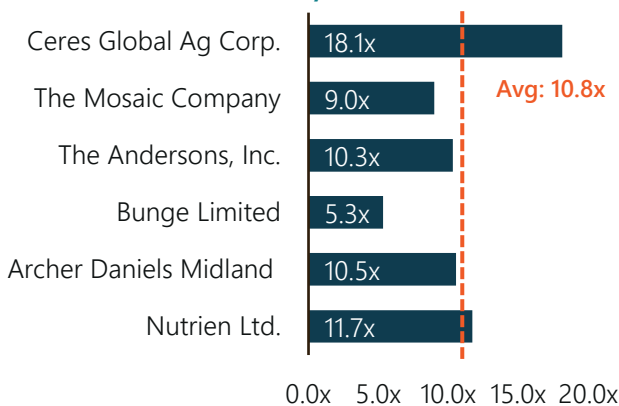
LTM EBITDA Margin



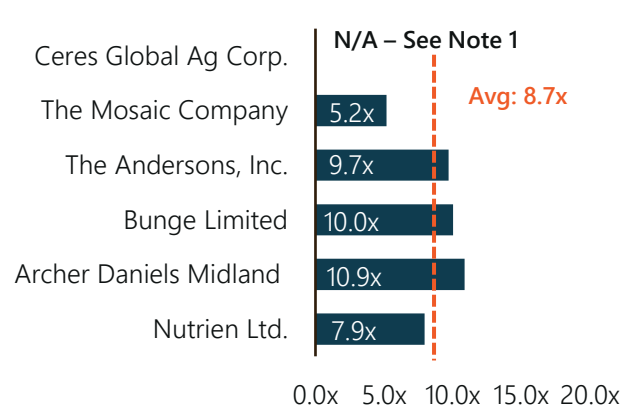
NTM EBITDA Margin



LTM EV/EBITDA



NTM EV/EBITDA



Source: Capital IQ. Data as of June 30, 2021.

"LTM" refers to last twelve months. "NTM" refers to next twelve months.

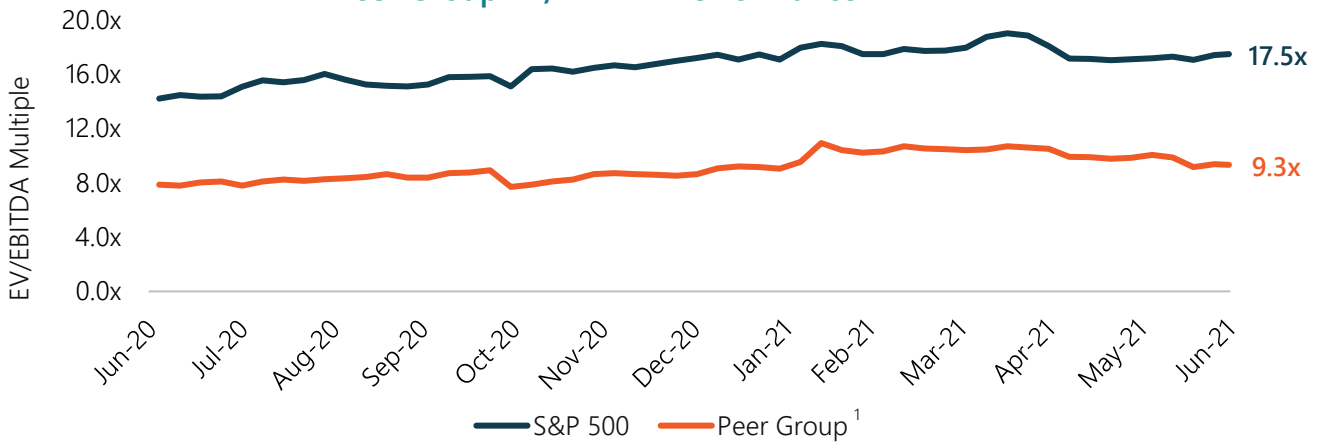
Note 1: Projected information for Ceres Global Ag Corp has been labelled as "N/A" as limited information is available for the company.

Valuation details provided on page 6.

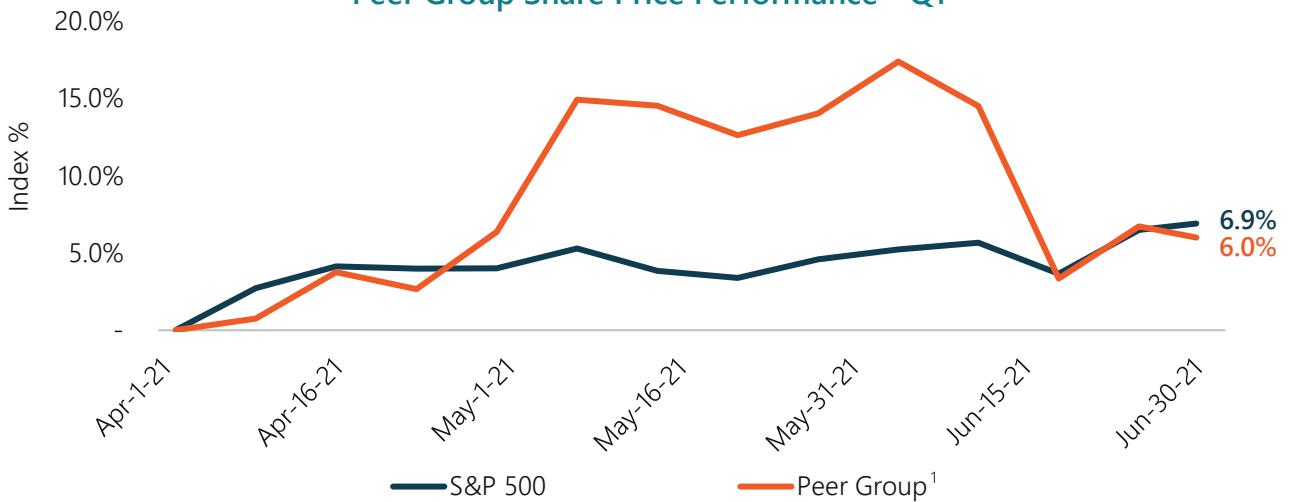
Public Comparable Analysis

Performance Analysis

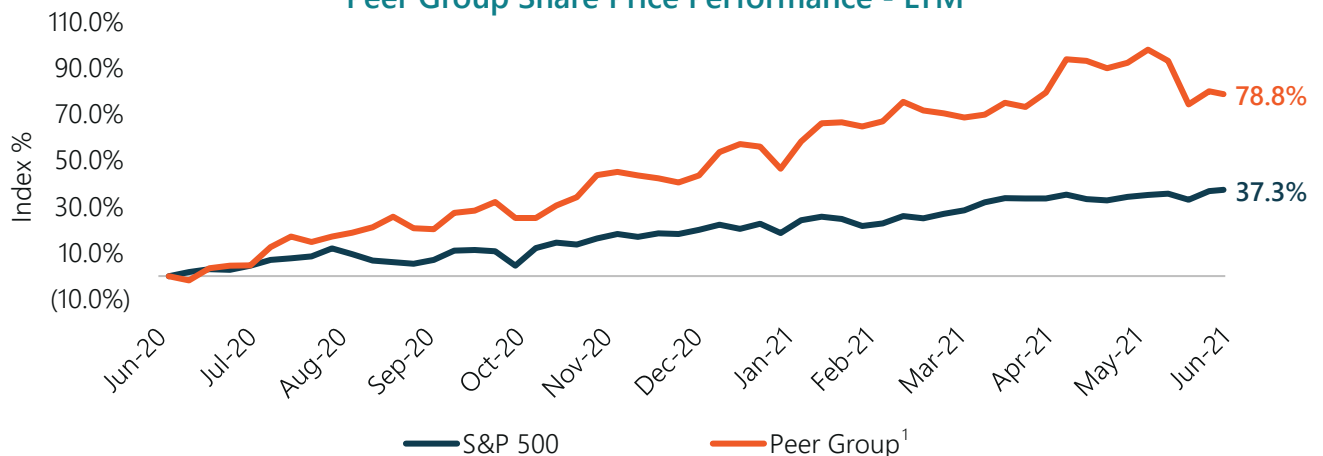
Peer Group EV/EBITDA Performance - LTM



Peer Group Share Price Performance - Q1



Peer Group Share Price Performance - LTM



Source: Capital IQ. Data as of June 30, 2021.

¹ **Peer Group:** Nutrien Ltd., ADM Company, Bunge Limited, The Andersons, Inc., The Mosaic Company, Ceres Global Ag Corp. "LTM" refers to last twelve months.

About Us



MNP Corporate Finance (MNPCF) has a dedicated team of over 85 merger, acquisition, and transaction professionals across Canada. MNPCF works with clients in virtually all industries as they prepare, plan and execute transactions.

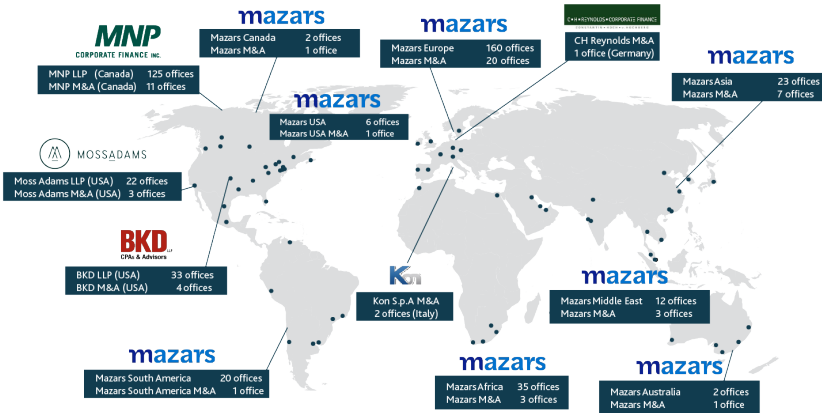
Our typical transactions range in value between \$3 million and \$300 million.

Local and International Reach

MNP is a participating firm within Praxity, a unique global alliance of independent accounting/advisory firms created to answer global business needs. As a member of Praxity, we are able to offer access to corporate finance, accounting and tax advisory services worldwide. We are also affiliated with Corporate Finance Cross Border, which consists of 250+ M&A professionals in more than 30 countries.



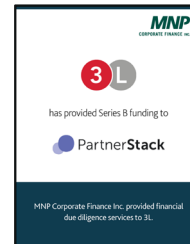
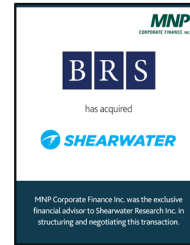
CFxB CFxBorder - Global reach with local relationships
Our corporate finance team through CFxB consists of 250 plus M&A professionals in more than 30 countries



Services

- Divestitures
- Acquisitions
- Debt Financing
- Due Diligence
- Transaction Advisory Services

Recently Closed Deals (National)



About Us

Deal Experience

Since our inception, our team has advised on hundreds of transactions, in a wide range of industries with diverse enterprise values. In the past five years alone we have completed over 125 transactions worth over \$2 billion (not including due diligence engagements).

Industry Experience

- Food & Beverage
- Retail & Distribution
- Manufacturing
- Agriculture
- Automotive
- Materials
- Health Care
- Pharmaceutical
- Transportation
- Construction
- Software
- Financial Services
- Technology
- Energy
- Oilfield Services
- Real Estate

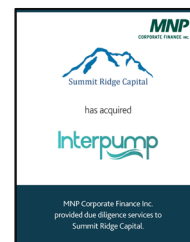
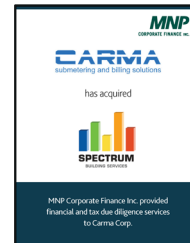
Hands-on Approach

Current M&A transactions require a hands-on approach from start to finish including the active engagement of senior resources. Our senior resources are dedicated to our clients and are available as necessary and appropriate. We keep our clients regularly informed of the engagement status, issues we are encountering, successes, and overall progress.

Integrated Service Offering

We draw on the vast experience and deep specialist knowledge network of our partners locally, nationally and internationally as specialty issues arise, such as pre-transaction tax planning, transaction structuring, estate planning, valuation, due diligence, performance improvement, and risk management.

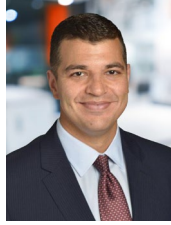
Recently Closed Deals (National)



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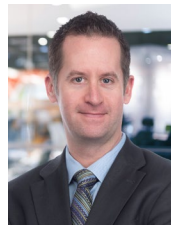


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