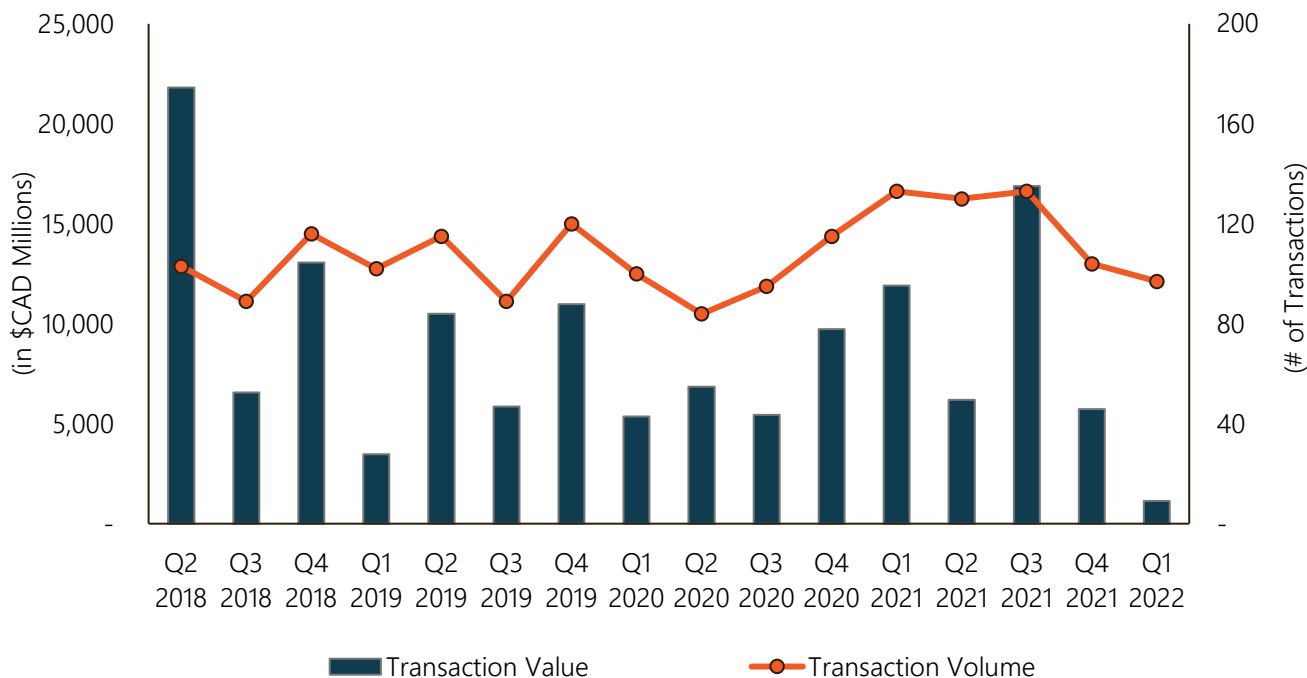


Agriculture

Quarterly Update | Q1 2022



Agriculture M&A Transactions



M&A Market Update – Q1 2022

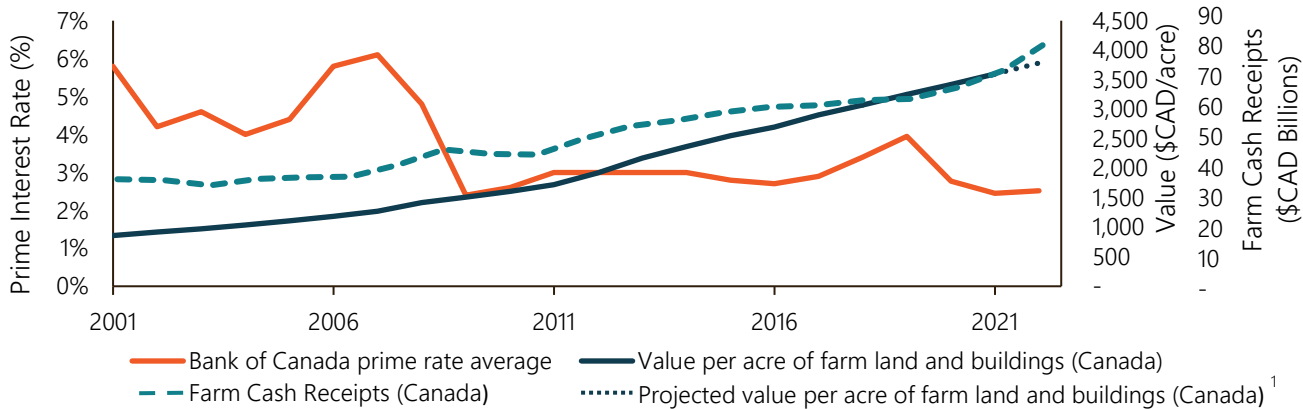
- M&A activity in the North American agriculture industry has slowed in Q1 2022, with 97 total transactions, trailing Q4 2021 which had 104 transactions. Total transaction value of publicly disclosed transactions in Q1 2022 exceeded \$1.0 billion which lagged behind Q4 2021 of \$5.7 billion.
- A vast majority of transactions in the agriculture landscape in Q1 2022 were in the food products sub-sector, which comprised 78.4% 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 Q1 2022 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 Q1 2022 was Swedencare’s acquisition of The Garmon Corporation for \$590 million, accounting for 51.6% of the total publicly disclosed transaction value in the quarter.
- Farmland values continued to increase in 2021, with a national average increase of 5.2%, in line with the increase in 2020. Q1 2022 still saw persistently low interest rates and growth in land values.

Key Drivers

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

Farm cash receipts grew 20.0% year-over-year from Q4 2020 to Q4 2021, representing the most recent quarterly information available. The Bank of Canada prime rate averaged 2.45% throughout 2021, representing near historic lows, however interest rates were increased in Q2 2022 with additional rate hikes contemplated.

Farm Values vs. Farm Cash Receipts and Interest Rates

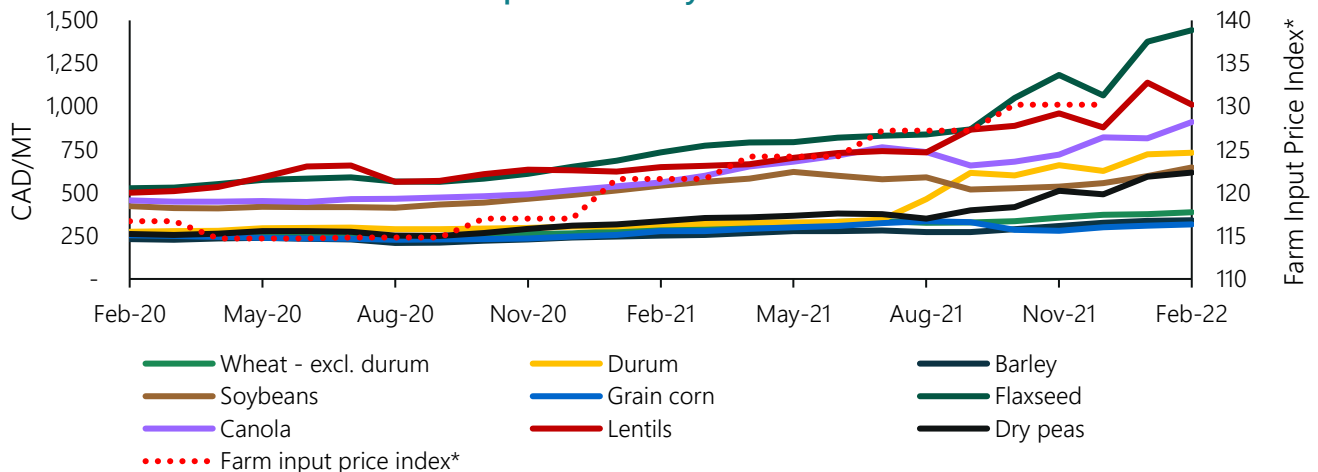


Commodity Price Changes and Farm Input Price Index Costs

Average commodity prices have seen sharp increases over the last 12 months, with continued gains in Q1 2022, driven by global supply challenges which have been impacted by uncertainties associated with the war in Ukraine, low supply, 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 11.3% from Q4 2020 to Q4 2021.

Crop Commodity Prices



*December 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 Q1 2022.

1: Based on historical growth from 2020 to 2021.

Inputs and Commodity Markets

Market Pressure, Futures & Exports

Commodity Price Highlights

Prices have continued their upward surge into Q1 2022, 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.

Durum, flaxseed, dry peas, canola and lentils have all shown significant increases of 50% or greater over the long term.

Commodity Price Changes

	LONG-TERM*	SHORT-TERM**
Durum	+130.5%	+11.0%
Flaxseed	+96.4%	+21.9%
Dry peas	+84.1%	+20.6%
Canola	+62.7%	+26.3%
Lentils	+55.9%	+5.2%
Barley	+35.0%	+10.8%
Soybeans	+19.5%	+20.8%
Grain corn	+14.5%	+13.3%

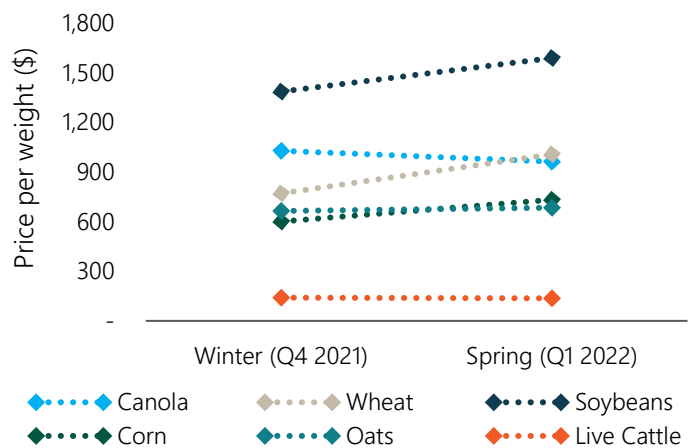
Commodity Price Futures

Quoted prices for spring 2022 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 wheat, corn, and soybeans showed strong growth of 30.6%, 22.0% and 14.6%, respectively, whereas oats experienced modest growth of 2.9%, from Q4 2021 to Q1 2022.

Canola and live cattle showed decreases of 6.3% and 2.8% in their future prices this quarter, respectively.

Commodity Futures Pricing¹

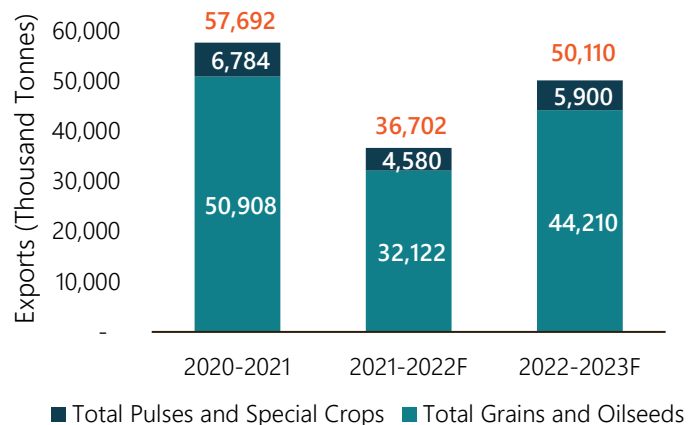


Crop Exports

Canadian principal field crop exports in the 2022-2023F period are forecasted to increase 36.5% over the 2021-2022F total.

Grains and oilseeds exports are forecasted to increase 37.6%, while pulses and special crops are forecasted to increase 28.8% between the 2021-2022F and 2022-2023F periods.

Canada's Principal Crops Exports²



"F" indicates Forecast.

*Change over the twelve months ended February 2022.

**Change over the three months ended February 2022.

Source 1: Capital IQ. Data as of March 31, 2022.

Source 2: Agriculture and Agri-Food Canada, Outlook for Principal Field Crops. March 18, 2022 update.

Select Recent M&A Transactions

PFINGSTEN

acquired



Closed
January
2022

Industry
Agriculture
Equipment

- **Pfingsten Partners** ("Pfingsten") is a private equity firm that primarily invests in manufacturing, distribution and business service companies.
- **Fairbank Equipment Holdings Inc.** ("Fairbank") is a leading specialty distributor and dealer of agricultural equipment and component add-ons.
- The closed acquisition will support Fairbank's growth strategy as Pfingsten will provide continued investment in digital infrastructure, and product and geographic expansion.



acquired



Closed
February
2022

Industry
Fertilizers
and
Agricultural
Chemicals

- **The Mosaic Company** ("Mosaic") mines and processes phosphate and potash minerals into crop nutrients. Mosaic is the largest producer of potash and phosphate fertilizer in the United States.
- **Plant Response** develops agricultural technologies designed to reduce botanical stress and improve plant growth.
- Mosaic's closed acquisition of Plant Response complements the company's market access to key agricultural geographies and industries within the agricultural biotechnology space.

KINPERIUM INDUSTRIES INC.

acquired



and



Closed
February
2022

Industry
Agriculture
Equipment

- **Kinperium Industries** ("Kinperium") is a family office that invests in long-term sustainable businesses with strong management teams and potential for growth.
- **K-Tec Earthmovers** ("K-Tec") headquartered in Rosenort, Manitoba, manufactures efficient earthmoving scrapers for construction and mining sites around the world.
- **Ashland Industries** ("Ashland") produces advanced dolly wheel, direct mount, and dump-style scrapers for the compact, agriculture, and industrial construction markets.
- The closed acquisition will provide capital to both K-Tec and Ashland, allowing both brands to implement their long-term growth strategies.



Lake Country and
Prairie North

acquired



Closed
February
2022

Industry
Fertilizers
and
Agricultural
Chemicals

- **Lake Country Co-op and Prairie North Co-op** are member-owned co-operatives with several locations throughout communities in North Central Saskatchewan.
- **Paragon Ag Services** ("Paragon") is an independent ag retailer providing regional farmers with crop protection products, dry fertilizer and anhydrous ammonia.
- Lake Country Co-op and Prairie North Co-op acquired Paragon's three Saskatchewan retail ag sites and two anhydrous ammonia locations, allowing both businesses to increase their presence in the market place.

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.	\$71,442	\$84,595	\$33,992	34.0%	\$8,714	25.6%
Archer-Daniels-Midland Company	\$63,383	\$75,721	\$107,882	32.5%	\$6,305	5.8%
Bunge Limited	\$19,746	\$28,017	\$74,856	42.9%	\$5,467	7.3%
The Andersons, Inc.	\$2,108	\$3,627	\$15,960	56.4%	\$478	3.0%
The Mosaic Company	\$30,578	\$35,298	\$15,638	42.3%	\$4,732	30.3%
Ceres Global Ag Corp.	\$166	\$321	\$1,157	41.7%	\$42	3.6%
Seaboard Corporation	\$6,095	\$6,615	\$11,679	29.5%	\$1,057	9.0%
Median	\$19,746	\$28,017	\$15,960	37.3%	\$4,732	7.0%
Mean	\$27,645	\$33,456	\$38,327	39.0%	\$3,791	12.0%

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

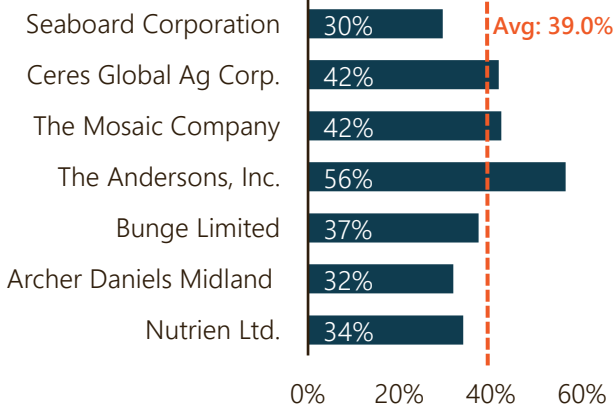
Company	NTM Consensus Estimates				Valuation		
	Revenue Growth	EBITDA Margin	NTM EV	NTM EV/EBITDA	LTM EV	LTM EV/EBITDA	LTM EV/REV
Nutrien Ltd.	41.3%	36.4%	\$83,217	4.8x	\$84,595	9.7x	2.5x
Archer-Daniels-Midland (ADM) Company	7.8%	5.9%	\$81,012	11.3x	\$75,721	12.2x	.7x
Bunge Limited	5.0%	4.6%	\$29,464	7.9x	\$28,017	5.2x	.4x
The Andersons, Inc.	5.6%	2.5%	\$3,729	8.7x	\$3,627	7.7x	.2x
The Mosaic Company	58.8%	34.9%	\$34,855	4.0x	\$35,298	7.6x	2.3x
Ceres Global Ag Corp.	N/A	N/A	N/A	N/A	\$321	7.7x	.3x
Seaboard Corporation	N/A	N/A	N/A	N/A	\$6,615	6.3x	.6x
Median	7.8%	5.9%	\$34,855	7.9x	\$28,017	7.7x	.6x
Mean	23.7%	16.9%	\$46,456	7.4x	\$33,456	8.1x	1.0x



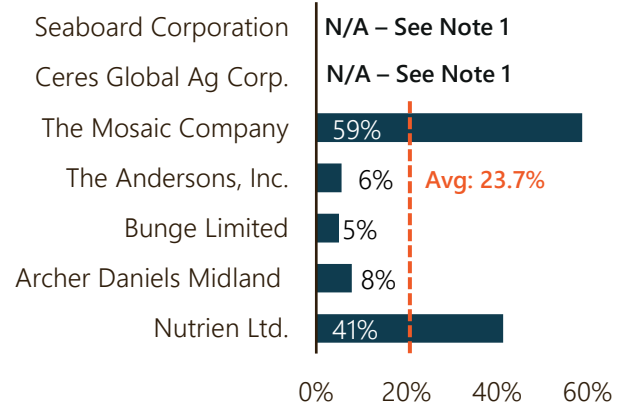
Public Comparable Analysis

Growth, Margins & Multiples

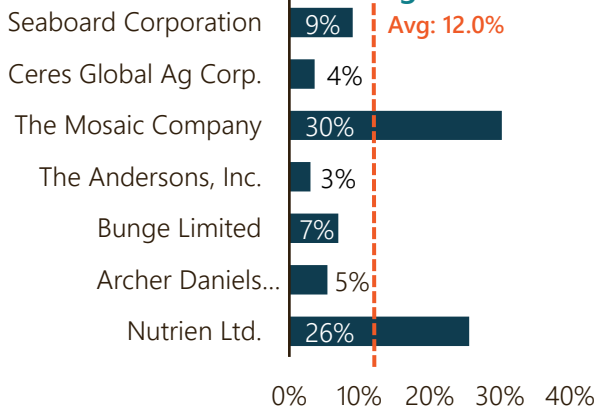
LTM Revenue Growth



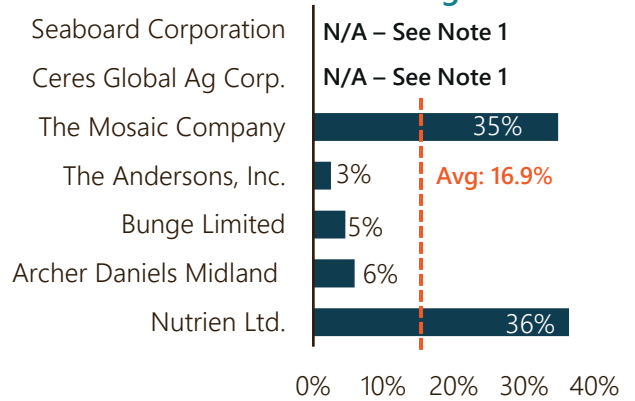
NTM Revenue Growth



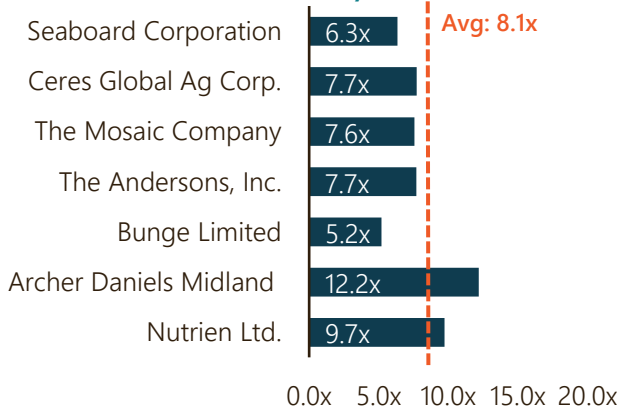
LTM EBITDA Margin



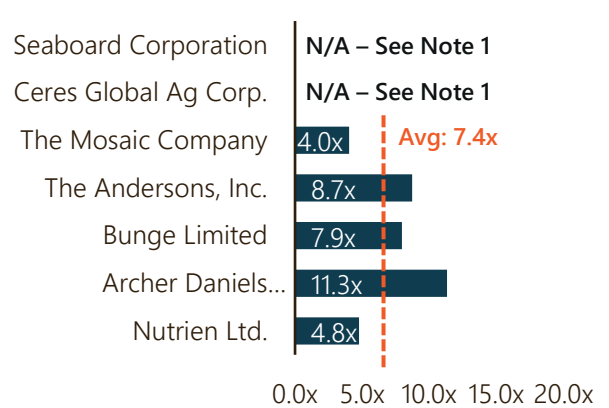
NTM EBITDA Margin



LTM EV/EBITDA



NTM EV/EBITDA



Source: Capital IQ. Data as of March 31, 2022.

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

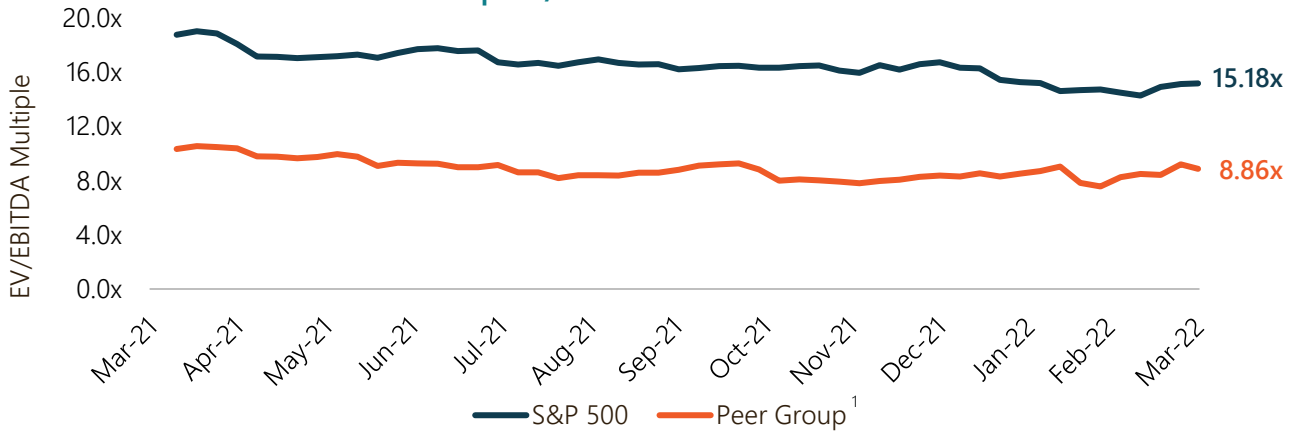
Note 1: Projected information for Seaboard Corporation and Ceres Global Ag Corp. has been labelled as "N/A" as limited information is available for those companies.

Valuation details provided on page 6.

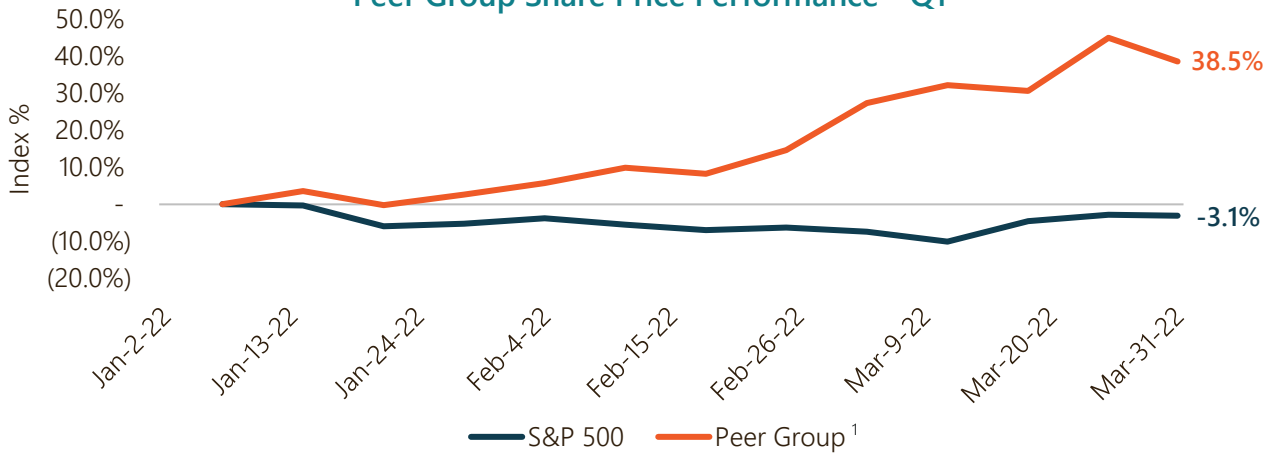
Public Comparable Analysis

Performance Analysis

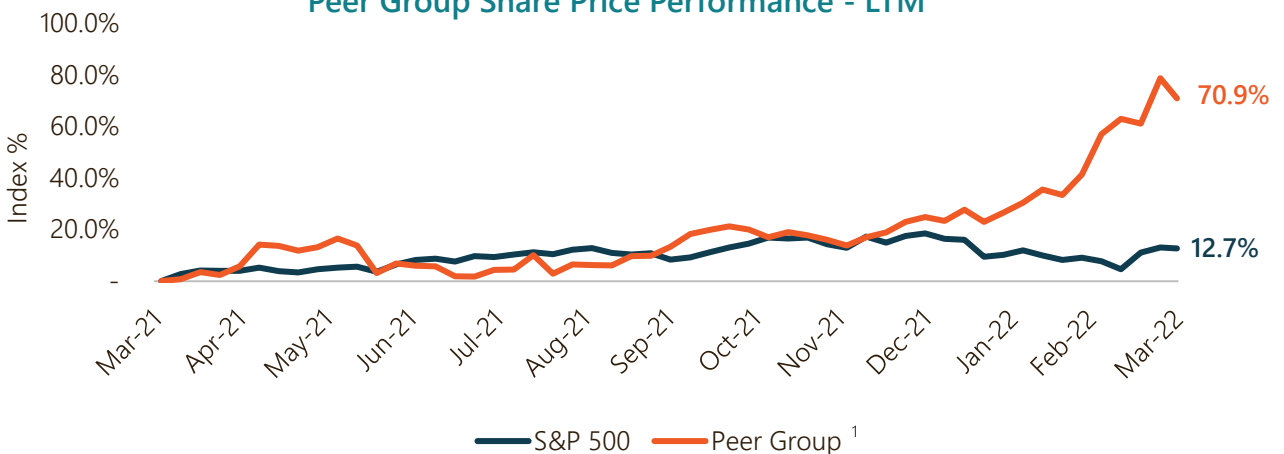
Peer Group EV/EBITDA Performance - LTM



Peer Group Share Price Performance - Q1



Peer Group Share Price Performance - LTM



Source: Capital IQ. Data as of March 31, 2022.

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

About Us



MNP Corporate Finance (MNPCF) has a dedicated team of over 100 M&A and due diligence professionals across Canada. MNPCF works with clients in virtually all industries as they prepare, plan and execute transactions.

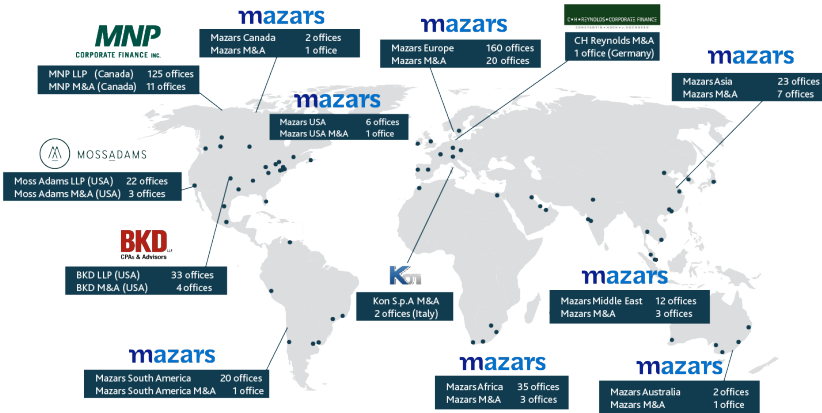
Our typical transactions range in value between \$3 million and \$300 million.

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.



CFxBorder - Global reach with local relationships
Our corporate finance team through CFxBorder 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 eight years alone we have completed over 200 transactions worth over \$3.5 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)



MNP
CORPORATE FINANCE INC.

CROSS COUNTRY
SUPPLIES & SERVICES

has acquired the Canadian assets of

CROSS COUNTRY
INFRASTRUCTURE SERVICES INC.

MNP Corporate Finance Inc. acted as exclusive financial advisor to Cross Country Canada Supplies & Rentals Inc. in structuring and negotiating this transaction.



MNP
CORPORATE FINANCE INC.

SAGE
CAPITAL PARTNERS

has acquired

BRAIN POWER
ENRICHMENT

MNP Corporate Finance Inc. acted as exclusive financial advisor to Brain Power Enrichment Programs Ltd. in structuring and negotiating this transaction.



MNP
CORPORATE FINANCE INC.

E360S
Environmental Management

has acquired

ONE
ENVIRONMENTAL

MNP Corporate Finance Inc. provided financial and tax due diligence services to Environmental 360 Solutions Ltd.



MNP
CORPORATE FINANCE INC.

TRUSSPOINT
EQUITY PARTNERS

has acquired

JDI
CLEANING SYSTEMS

MNP Corporate Finance Inc. acted as exclusive financial advisor to JDI Cleaning Systems Inc. in structuring and negotiating this transaction.



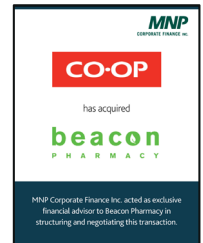
MNP
CORPORATE FINANCE INC.

CIEL
CAPITAL

has acquired

GENERAL
KINETICS

MNP Corporate Finance Inc. provided financial and tax due diligence services to CIEL Capital Inc.



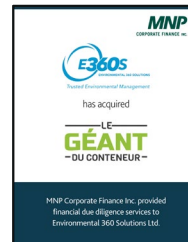
MNP
CORPORATE FINANCE INC.

CO-OP

has acquired

beacon
PHARMACY

MNP Corporate Finance Inc. acted as exclusive financial advisor to Beacon Pharmacy in structuring and negotiating this transaction.



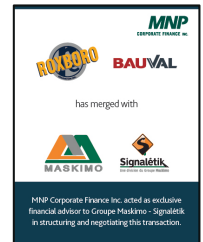
MNP
CORPORATE FINANCE INC.

E360S
Environmental Management

has acquired

GEANT
DU CONTENEUR

MNP Corporate Finance Inc. provided financial due diligence services to Environmental 360 Solutions Ltd.



MNP
CORPORATE FINANCE INC.

RIMBRO **BAUVAL**

has merged with

MAKIMO **Signalétik**

MNP Corporate Finance Inc. acted as exclusive financial advisor to Groupe Makimo - Signalétik in structuring and negotiating this transaction.



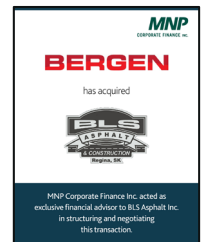
MNP
CORPORATE FINANCE INC.

GraybaR
CANADA

has acquired

ELECTROMAG

MNP Corporate Finance Inc. provided financial and tax due diligence services to GraybaR Canada Ltd.



MNP
CORPORATE FINANCE INC.

BERGEN

has acquired

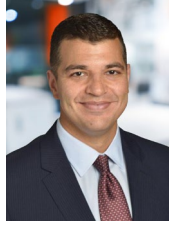
BLS
ASPHALT

MNP Corporate Finance Inc. acted as exclusive financial advisor to BLS Asphalt Inc. in structuring and negotiating this transaction.

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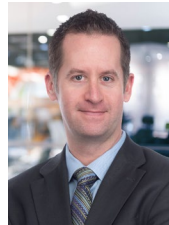


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