

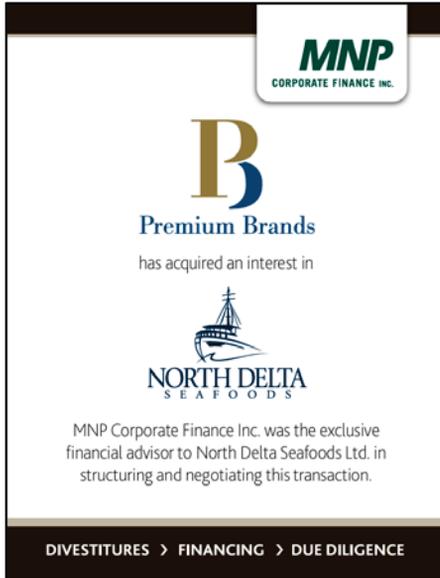
FOOD & BEVERAGE

QUARTERLY UPDATE

Q4 2019

RECENTLY COMPLETED TRANSACTION

FOOD & BEVERAGE



DIVESTITURE

MNP Corporate Finance Inc. is pleased to announce that Premium Brands Operating GP Inc. has acquired an interest in North Delta Seafoods Ltd.

MNP Corporate Finance Inc. was the exclusive financial advisor to North Delta Seafoods Ltd. in structuring and negotiating this transaction.

This transaction provides the shareholders of North Delta Seafoods Ltd. with financial, operational and strategic resources to capitalize on growth initiatives and to implement a succession strategy that will ensure the continued long-term success of the business.

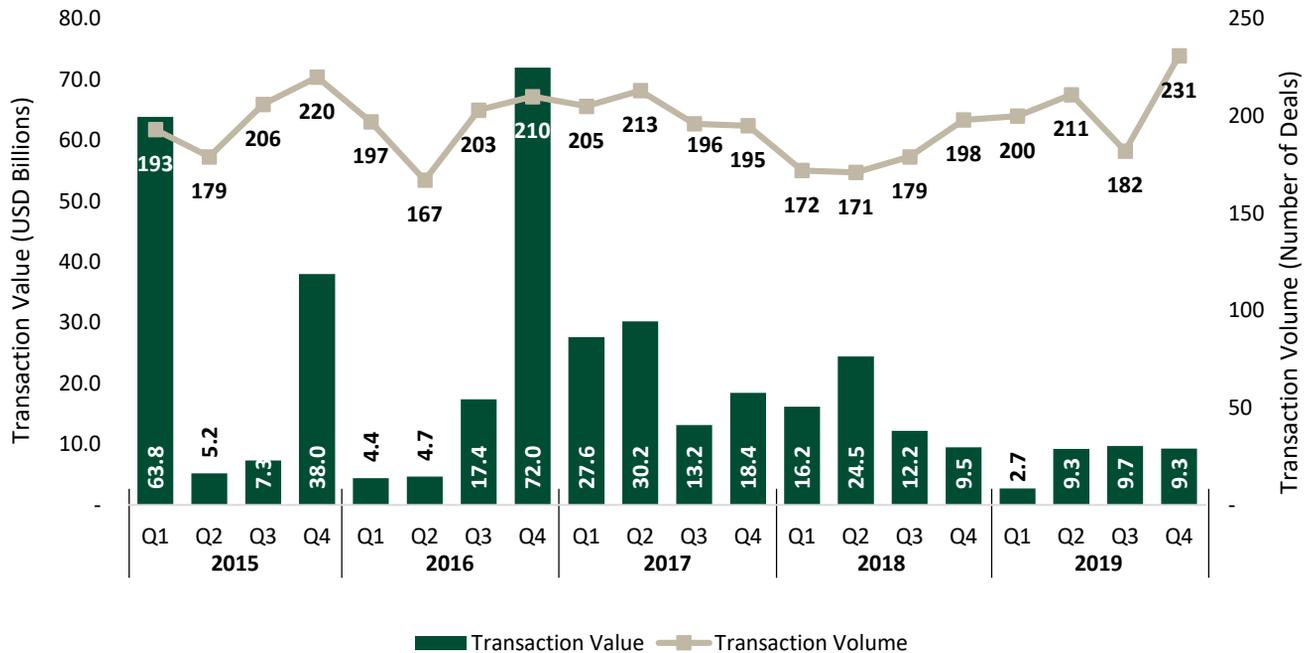
North Delta Seafoods Ltd. is an industry-leading harvester, processor and distributor of fresh and frozen wild-caught seafood. The company harvests, processes and distributes a variety of species within the salmon, pelagic, groundfish and shellfish universe from the waters of the North Pacific.

Premium Brands owns a broad range of leading specialty food manufacturing and differentiated food distribution businesses with operations in Canada and the United States.

INDUSTRY OVERVIEW

M&A TRANSACTIONS & PERFORMANCE

NORTH AMERICAN FOOD AND BEVERAGE M&A TRANSACTIONS



M&A MARKET UPDATE – Q4 2019

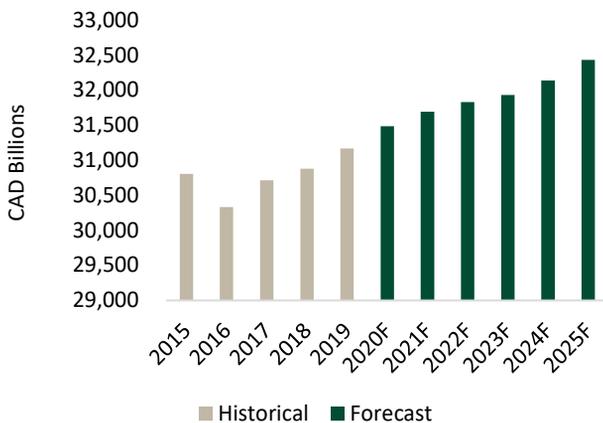
- Q4 2019 M&A activity in the North American food and beverage industry was highlighted by the highest volume of transactions in the past five years. The total number of disclosed transactions in Q4 2019 reached 231, approximately a 27 percent increase from Q3 2019. Despite the increase in transaction volume, average disclosed transaction value fell from \$53.3 million US in Q3 2019 to \$40.3 million in Q4 2019 as a result of fewer multi-billion dollar transactions during the period.
- M&A activity in Q4 2019 was predominantly driven by industry operators (i.e. strategic buyers), which accounted for 90 percent of total deal volume during the period. Approximately 78 percent of the strategic deals were completed by privately held food and beverage companies.
- Consistent with prior periods, the majority of transactions in Q4 2019 were in either the packaged foods or restaurant sub-sectors, which comprised 39 percent and 33 percent of total transactions respectively. There was also notable deal activity in the beverage sector, with a total of 28 transactions involving craft brewers, distillers and vintners, or soft drink producers. M&A activity in these sub-sectors was reflective of operators consolidating in efforts to manage costs, strengthen distribution networks and expand market share.
- The most sizable deals during the quarter were Froneri International Limited’s acquisition of Nestlé S.A.’s US Ice Cream Business for \$4.0 billion, E. & J. Gallo Winery, Inc.’s acquisition of Constellation Brands, Inc.’s Wine And Spirits Portfolio for \$1.1 billion, and Marfrig Global Foods S.A.’s acquisition of National Beef Packing Company, LLC for \$970 million.

INDUSTRY DRIVERS

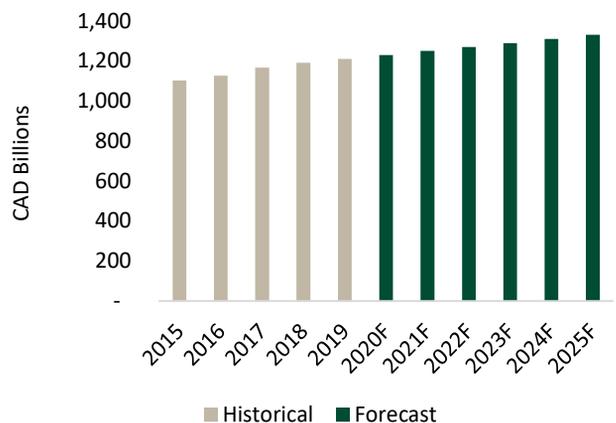
Key external drivers influencing the food and beverage industry in Canada include per capita disposable income, consumer spending, the consumer price index for food and the consumer confidence index. Since 2015, reduced levels of unemployment and rising disposable incomes have resulted in greater spending and growth in the food and beverage industry. The recent tapering in consumer confidence was due to concerns of slowing global growth and declining domestic investment, however this is projected to recover in the outlook period.¹

Notable trends in the food and beverage industry, which are predicted to drive future sales growth, include health and nutrition-focused products, as well as products that cater to particular food sensitivities (i.e. free from allergens, gluten, or GMO).² Furthermore, the Canadian government’s legalization of cannabis-infused products, including edibles, non-alcoholic beverages, topicals and extracts on October 17, 2019, is expected to contribute additional growth to the food and beverage industry. Current reports estimate the Canadian market for edibles and alternative cannabis products to be worth approximately \$2.7 billion Cdn annually.³

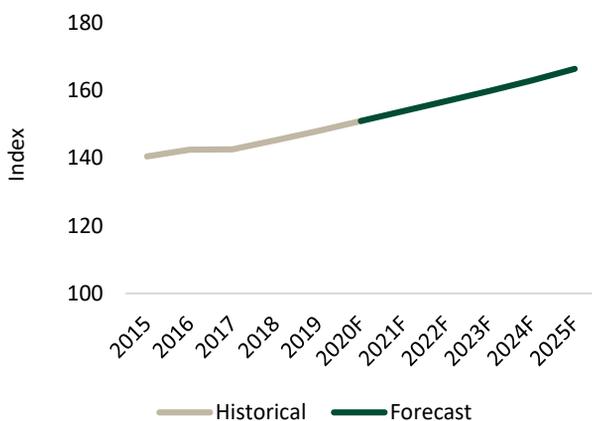
PER CAPITA DISPOSABLE INCOME - CANADA



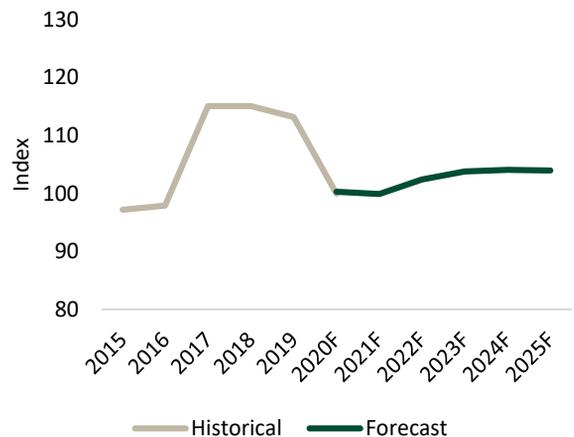
CONSUMER SPENDING - CANADA



CONSUMER PRICE INDEX FOR FOOD - CANADA



CONSUMER CONFIDENCE INDEX - CANADA



Source: ¹ IBISWorld Industry Reports, ² Mazars USA, ³ Deloitte. "F" indicates forecast.

SELECT RECENT M&A TRANSACTIONS



acquired



Announced	Dec 11, 2019
TEV	107.0M
TEV/EBITDA	Not disclosed
TEV/Revenue	Not disclosed

- Oregon Potato Co. grows and processes fruits and vegetables in the US. The company was incorporated in 2000 and is based in Pasco, Washington.
- NORPAC Foods, Inc. is a farmer-owned cooperative in the Pacific Northwest of the US. The cooperative was founded in 1924 and is based in Salem, Oregon.
- The acquisition increases Oregon Potato Co.'s presence in Washington, and enhances the company's offerings and service to customers across all business channels.



acquired



Announced	Dec 2, 2019
TEV	319.8M
TEV/EBITDA	Not disclosed
TEV/Revenue	Not disclosed

- Hostess Brands Inc. is a leading packaged food company in the US. The company was founded in 1919 and is based in Kansas City, Missouri.
- Voortman Cookies Limited produces and sells a variety of cookies globally through its well-established distribution network. The company was founded in 1951 and is based in Burlington, Ontario.
- The acquisition extends Hostess Brand Inc.'s product portfolio into the cookie and better-for-you snacking categories.



acquired



Announced	Nov 11, 2019
TEV	378.6M
TEV/EBITDA	70.7x
TEV/Revenue	1.9x

- Anheuser-Busch Companies, LLC produces and sells various alcoholic beverages. The company was founded in 1852 and is based in St. Louis, Missouri.
- Craft Brew Alliance, Inc. brews and sells craft beers in the US and internationally. The company was founded in 1981 and is based in Portland, Oregon.
- The transaction cements Anheuser-Busch Companies, LLC's ownership of Craft Brew Alliance, Inc. after acquiring a minority stake in 2016.



acquired



Announced	Oct 29, 2019
TEV	84.3M
TEV/EBITDA	12.3x
TEV/Revenue	0.7x

- Lassonde Industries, Inc. manufactures and markets various ready-to-drink fruit and vegetable beverages in North America and internationally. The company was founded in 1918 and is based in Rougemont, Quebec.
- Sun-Rype Products Ltd. engages in the manufacturing, marketing and sale of fruit-based food and beverage products in Canada and the US. The company was founded in 1946 and is based in Kelowna, British Columbia.
- The acquisition is a part of Lassonde Industries, Inc.'s strategy to strengthen its Canadian and US presence.

PUBLIC COMPARABLE ANALYSIS

TRADING MULTIPLES & OPERATING STATISTICS

(Figures in USD Millions, except percentages and ratios)

Company	Market Capitalization	Enterprise Value	LTM Operating Figures				NTM Consensus Estimates			Valuation	
			Revenue	Revenue Growth	EBITDA	EBITDA Margin	Revenue Growth	EBITDA Margin	NTM EV/EBITDA	LTM EV/EBITDA	LTM EV/REV
Processed Foods											
Nestlé S.A.	\$312,394	\$352,667	\$93,290	2.6%	\$19,305	20.7%	3.6%	22.0%	16.5x	18.3x	3.8x
Tyson Foods, Inc.	\$33,264	\$44,855	\$42,405	5.9%	\$3,978	9.4%	7.4%	10.5%	9.4x	11.3x	1.1x
Campbell Soup Company	\$14,908	\$23,457	\$8,088	21.5%	\$1,457	18.0%	0.7%	20.1%	14.3x	16.1x	2.9x
B&G Foods, Inc.	\$1,148	\$3,059	\$1,648	(3.6%)	\$287	17.4%	2.1%	17.3%	10.5x	10.7x	1.9x
Median	\$24,086	\$34,156	\$25,247	4.2%	\$2,718	17.7%	2.9%	18.7%	12.4x	13.7x	2.4x
Mean	\$90,428	\$106,009	\$36,358	6.6%	\$6,257	16.4%	3.5%	17.5%	12.7x	14.1x	2.4x
Natural Foods											
The Hain Celestial Group, Inc.	\$2,708	\$3,101	\$2,266	(5.1%)	\$163	7.2%	(11.1%)	9.3%	16.5x	19.0x	1.4x
Sprouts Farmers Market, Inc.	\$2,286	\$3,933	\$5,539	9.0%	\$334	6.0%	7.7%	5.4%	12.1x	11.8x	.7x
United Natural Foods, Inc.	\$469	\$4,739	\$24,538	130.7%	\$455	1.9%	(1.2%)	2.3%	8.6x	10.4x	.2x
Median	\$2,286	\$3,933	\$5,539	9.0%	\$334	6.0%	(1.2%)	5.4%	12.1x	11.8x	.7x
Mean	\$1,821	\$3,924	\$10,781	44.9%	\$317	5.0%	(1.6%)	5.7%	12.4x	13.7x	.8x
Snacks											
General Mills	\$32,394	\$46,940	\$16,783	3.1%	\$3,723	22.2%	3.3%	21.0%	12.9x	12.6x	2.8x
The Hershey Company	\$30,707	\$35,152	\$7,906	2.1%	\$2,056	26.0%	3.0%	25.5%	16.9x	17.1x	4.4x
J & J Snack Foods Corp.	\$3,483	\$3,240	\$1,186	4.2%	\$166	13.9%	3.1%	14.4%	18.4x	19.6x	2.7x
Median	\$30,707	\$35,152	\$7,906	3.1%	\$2,056	22.2%	3.1%	21.0%	16.9x	17.1x	2.8x
Mean	\$22,195	\$28,444	\$8,625	3.2%	\$1,981	20.7%	3.1%	20.3%	16.1x	16.4x	3.3x
Alcoholic Beverages											
Anheuser-Busch InBev SA/NV	\$159,877	\$275,529	\$54,364	(1.1%)	\$21,383	39.3%	(0.4%)	41.6%	12.2x	12.9x	5.1x
Heineken N.V.	\$60,736	\$79,989	\$23,119	4.8%	\$5,753	24.9%	18.6%	23.3%	12.5x	13.9x	3.5x
Brown-Forman Corporation	\$31,486	\$33,755	\$3,403	3.5%	\$1,182	34.7%	5.3%	35.6%	26.4x	28.6x	9.9x
Molson Coors Brewing Company	\$11,691	\$21,111	\$10,512	(3.8%)	\$2,181	20.7%	0.0%	21.0%	9.6x	9.7x	2.0x
Median	\$46,111	\$56,872	\$16,815	1.2%	\$3,967	29.8%	2.7%	29.5%	12.4x	13.4x	4.3x
Mean	\$65,947	\$102,596	\$22,849	0.8%	\$7,625	29.9%	5.9%	30.4%	15.2x	16.3x	5.1x
Non-Alcoholic Beverages											
The Coca-Cola Company	\$237,147	\$269,934	\$33,560	(1.3%)	\$10,670	31.8%	13.5%	32.3%	21.9x	25.3x	8.0x
PepsiCo, Inc.	\$190,577	\$218,938	\$66,045	2.1%	\$12,787	19.4%	3.9%	19.8%	16.1x	17.1x	3.3x
Starbucks Corporation	\$103,834	\$112,315	\$26,509	7.2%	\$5,365	20.2%	7.0%	22.2%	17.9x	20.9x	4.2x
Monster Beverage Corporation	\$34,170	\$32,888	\$4,108	11.2%	\$1,466	35.7%	9.4%	35.3%	20.8x	22.4x	8.0x
Median	\$147,205	\$165,627	\$30,034	2.1%	\$8,018	20.2%	8.2%	27.2%	19.3x	20.9x	4.2x
Mean	\$141,432	\$158,519	\$32,555	2.7%	\$7,572	23.8%	8.5%	27.4%	19.2x	21.1x	5.2x
Fruit and Vegetable											
Lamb Weston Holdings, Inc.	\$12,566	\$14,957	\$3,938	9.2%	\$879	22.3%	3.9%	24.1%	15.1x	17.0x	3.8x
Fresh Del Monte Produce Inc.	\$1,682	\$2,511	\$4,510	2.5%	\$211	4.7%	7.5%	N/A	N/A	11.9x	.6x
Seneca Foods Corporation	\$379	\$717	\$1,270	9.6%	\$11	0.8%	N/A	N/A	N/A	67.7x	.6x
Median	\$1,682	\$2,511	\$3,938	9.2%	\$211	4.7%	5.7%	24.1%	15.1x	17.0x	.6x
Mean	\$4,875	\$6,062	\$3,239	7.1%	\$367	9.3%	5.7%	24.1%	15.1x	32.2x	1.6x
Fast Food											
McDonald's Corporation	\$148,819	\$193,077	\$20,891	(1.5%)	\$10,357	49.6%	2.7%	51.0%	17.7x	18.6x	9.2x
Yum! Brands, Inc.	\$30,467	\$41,152	\$5,461	(4.3%)	\$1,994	36.5%	5.6%	37.5%	19.1x	20.6x	7.5x
Restaurant Brands International Inc.	\$19,011	\$33,007	\$5,509	5.8%	\$2,177	39.5%	5.3%	42.1%	13.5x	15.2x	6.0x
Chipotle Mexican Grill, Inc.	\$23,268	\$25,262	\$5,371	13.1%	\$653	12.2%	12.4%	13.9%	30.2x	38.7x	4.7x
Median	\$26,867	\$37,079	\$5,485	2.2%	\$2,086	38.0%	5.5%	39.8%	18.4x	19.6x	6.8x
Mean	\$55,391	\$73,124	\$9,308	3.3%	\$3,795	34.4%	6.5%	36.1%	20.1x	23.3x	6.9x
Food Retail											
Costco Wholesale Corporation	\$129,841	\$130,002	\$154,674	6.8%	\$6,379	4.1%	7.4%	4.2%	18.5x	20.4x	.8x
The Kroger Co.	\$23,209	\$43,243	\$120,989	(2.9%)	\$5,138	4.2%	3.3%	4.5%	7.7x	8.4x	.4x
Median	\$76,525	\$86,623	\$137,832	1.9%	\$5,759	4.2%	5.4%	4.4%	13.1x	14.4x	.6x
Mean	\$76,525	\$86,623	\$137,832	1.9%	\$5,759	4.2%	5.4%	4.4%	13.1x	14.4x	.6x

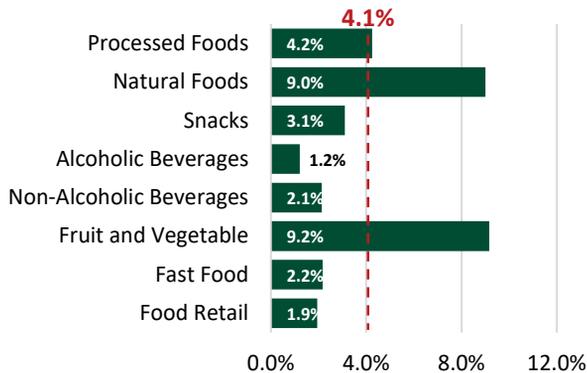
Source: Capital IQ. Data as of December 31, 2019.

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

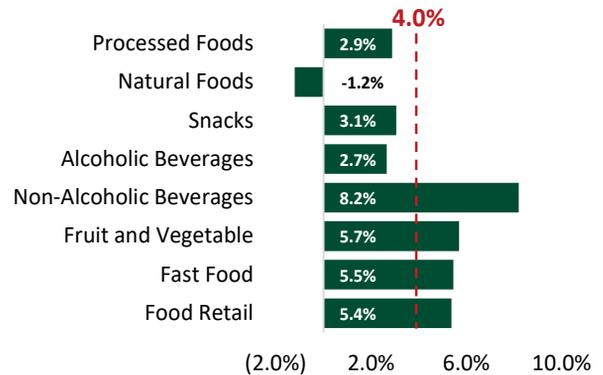
PUBLIC COMPARABLE ANALYSIS

GROWTH, MARGINS & MULTIPLES

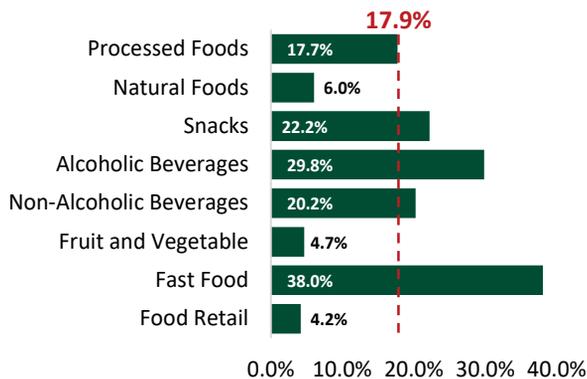
LTM REVENUE GROWTH



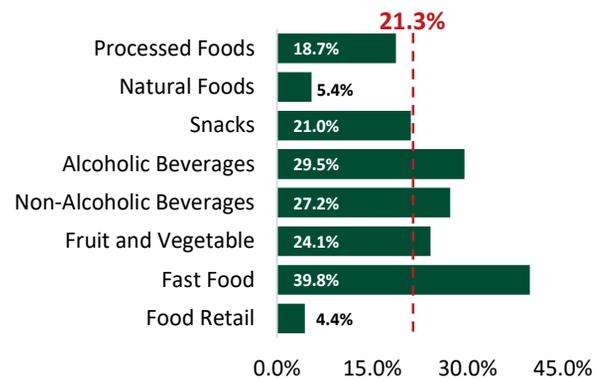
NTM REVENUE GROWTH



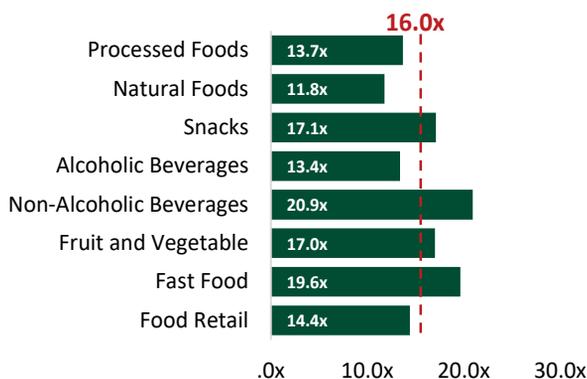
LTM EBITDA MARGIN



NTM EBITDA MARGIN



LTM EV/EBITDA



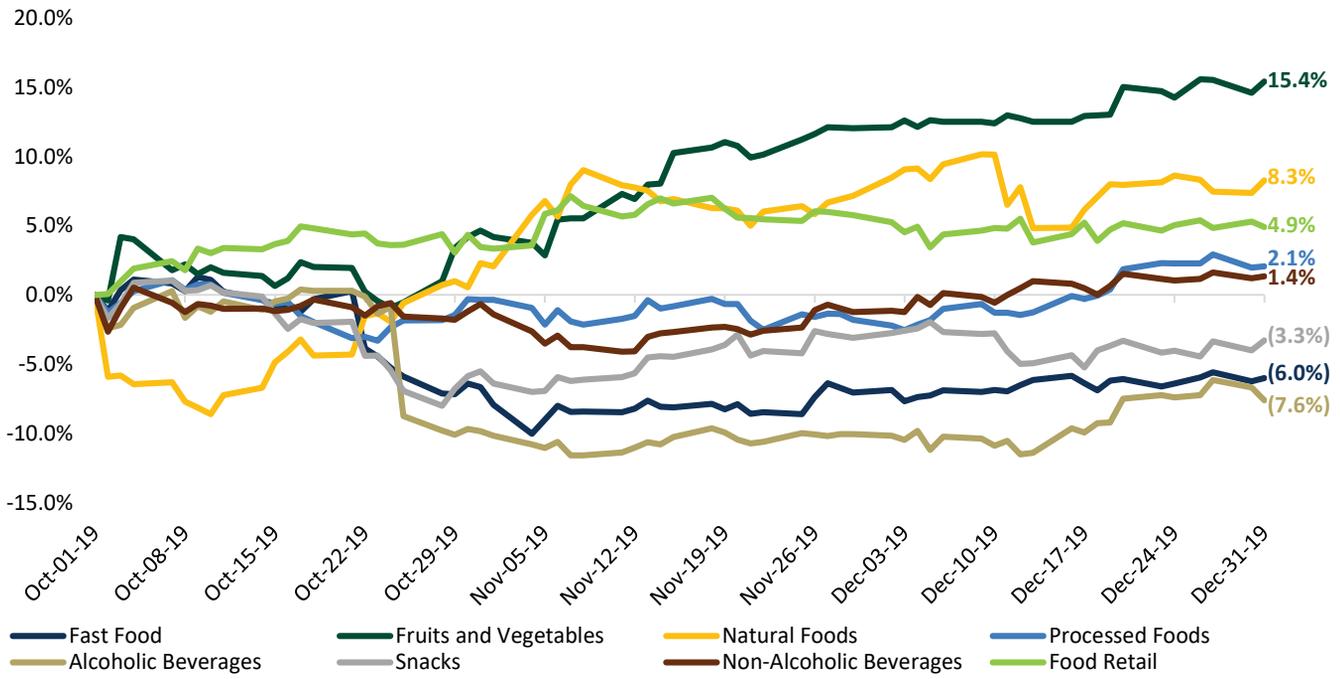
NTM EV/EBITDA



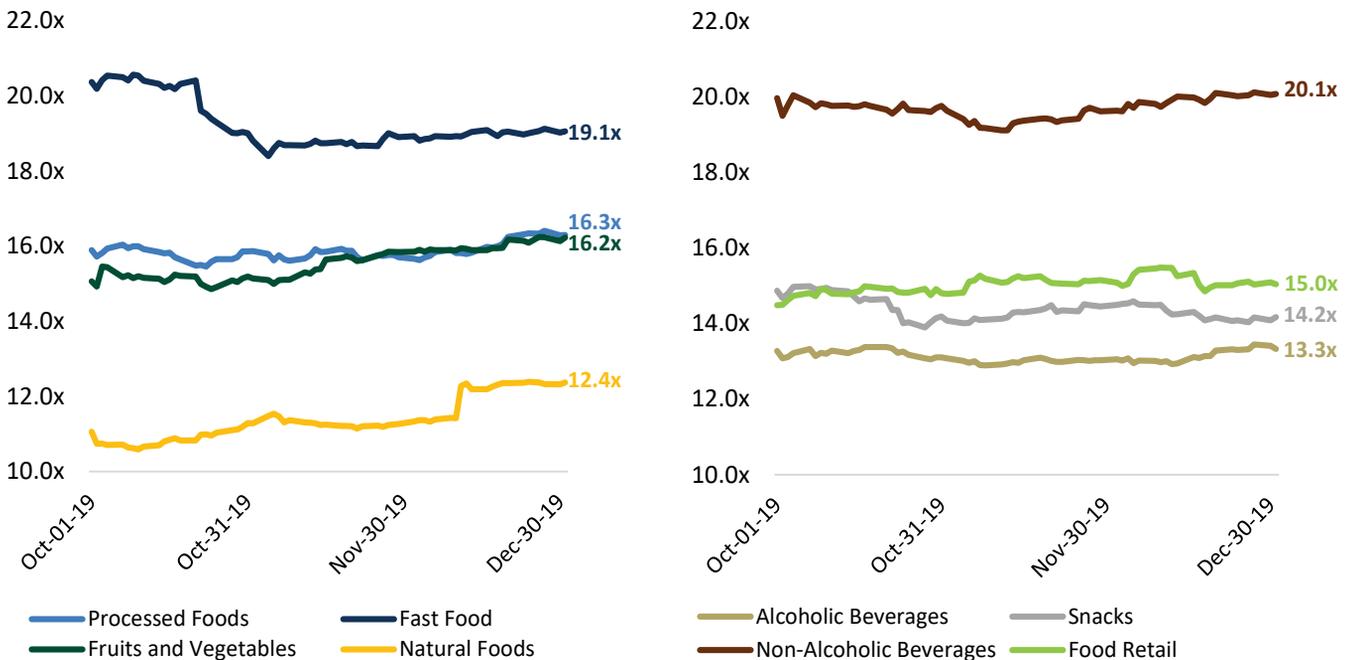
PUBLIC COMPARABLE ANALYSIS

PERFORMANCE ANALYSIS

FOOD AND BEVERAGE PEER GROUP STOCK PRICE PERFORMANCE*



FOOD AND BEVERAGE PEER GROUP EV/EBITDA MULTIPLES*



Source: Capital IQ. Data as of December 31, 2019.

*Peer group metrics are weighted by market capitalization.

Further details provided on page 6.

LEADERSHIP TEAM

TRANSACTION LEADERSHIP



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RECENTLY CLOSED DEALS

NATIONAL

<p>has acquired an equity interest in</p> <p>MNP Corporate Finance Inc. provided financial and tax due diligence services to E360S in structuring and negotiating this transaction.</p> <p>DIVESTITURES > FINANCING > DUE DILIGENCE</p>	<p>has acquired</p> <p>MNP Corporate Finance Inc. provided financial and tax due diligence services to trialcard in structuring and negotiating this transaction.</p> <p>DIVESTITURES > FINANCING > DUE DILIGENCE</p>	<p>has acquired</p> <p>MNP Corporate Finance Inc. acted as exclusive financial advisor to De La Fontaine in providing advisory and tax due diligence services to CIBC Express in structuring and negotiating this transaction.</p> <p>DIVESTITURES > FINANCING > DUE DILIGENCE</p>	<p>has acquired</p> <p>MNP Corporate Finance Inc. provided financial and tax due diligence services to Equicapita Investment Corp.</p> <p>DIVESTITURES > FINANCING > DUE DILIGENCE</p>	<p>has acquired</p> <p>MNP Corporate Finance Inc. acted as exclusive financial advisor to Norweld Stress (1994) Ltd. in structuring and negotiating this transaction.</p> <p>DIVESTITURES > FINANCING > DUE DILIGENCE</p>
<p>has acquired</p> <p>MNP Corporate Finance Inc. acted as exclusive financial advisor to Grand Medicine Pharmacy in structuring and negotiating this transaction.</p> <p>DIVESTITURES > FINANCING > DUE DILIGENCE</p>	<p>has acquired</p> <p>MNP Corporate Finance Inc. acted as exclusive financial advisor to Pomnies Elder Care Co. in structuring and negotiating this transaction.</p> <p>DIVESTITURES > FINANCING > DUE DILIGENCE</p>	<p>has acquired the retail business of</p> <p>MNP Corporate Finance Inc. provided transaction advisory and financial due diligence services to Co-op.</p> <p>DIVESTITURES > FINANCING > DUE DILIGENCE</p>	<p>has acquired</p> <p>MNP Corporate Finance Inc. acted as exclusive financial advisor to Oxbow Village Pharmacy in structuring and negotiating this transaction.</p> <p>DIVESTITURES > FINANCING > DUE DILIGENCE</p>	<p>has acquired</p> <p>MNP Corporate Finance Inc. acted as exclusive financial advisor to Policy Works Inc. in structuring and negotiating this transaction.</p> <p>DIVESTITURES > FINANCING > DUE DILIGENCE</p>
<p>has acquired</p> <p>MNP Corporate Finance Inc. acted as exclusive financial advisor to Rigney Building Supplies Ltd. in structuring and negotiating this transaction.</p> <p>DIVESTITURES > FINANCING > DUE DILIGENCE</p>	<p>has acquired</p> <p>MNP Corporate Finance Inc. acted as exclusive financial advisor to Universal Ford Lincoln Sales Ltd. in structuring and negotiating this transaction.</p> <p>DIVESTITURES > FINANCING > DUE DILIGENCE</p>	<p>has acquired</p> <p>MNP Corporate Finance Inc. acted as exclusive financial advisor to a confidential buyer in structuring and negotiating this transaction.</p> <p>DIVESTITURES > FINANCING > DUE DILIGENCE</p>	<p>has acquired</p> <p>MNP Corporate Finance Inc. acted as exclusive financial advisor to Newhope Pharmacy in structuring and negotiating this transaction.</p> <p>DIVESTITURES > FINANCING > DUE DILIGENCE</p>	<p>has acquired</p> <p>MNP Corporate Finance Inc. provided financial and tax due diligence services to Doxim Inc.</p> <p>DIVESTITURES > FINANCING > DUE DILIGENCE</p>
<p>has acquired</p> <p>MNP Corporate Finance Inc. acted as exclusive financial advisor to Integrity Hyundai Ltd. in structuring and negotiating this transaction.</p> <p>DIVESTITURES > FINANCING > DUE DILIGENCE</p>	<p>has acquired</p> <p>MNP Corporate Finance Inc. provided financial due diligence services to Crescent Park Capital Ltd.</p> <p>DIVESTITURES > FINANCING > DUE DILIGENCE</p>	<p>has acquired an interest in</p> <p>MNP Corporate Finance Inc. was the exclusive financial advisor to North Delta Subrobs Ltd. in structuring and negotiating this transaction.</p> <p>DIVESTITURES > FINANCING > DUE DILIGENCE</p>	<p>has acquired</p> <p>MNP Corporate Finance Inc. provided financial and tax due diligence services to Undisclosed Private Investors.</p> <p>DIVESTITURES > FINANCING > DUE DILIGENCE</p>	<p>has acquired</p> <p>MNP Corporate Finance Inc. provided financial and tax due diligence services to Environmental 360 Solutions Ltd.</p> <p>DIVESTITURES > FINANCING > DUE DILIGENCE</p>
<p>has acquired</p> <p>MNP Corporate Finance Inc. provided financial and tax due diligence services to Environmental 360 Solutions Ltd.</p> <p>DIVESTITURES > FINANCING > DUE DILIGENCE</p>	<p>has provided growth capital to</p> <p>MNP Corporate Finance Inc. provided financial and tax due diligence services to the Canadian Business Growth Fund.</p> <p>DIVESTITURES > FINANCING > DUE DILIGENCE</p>	<p>has acquired a majority interest in</p> <p>MNP Corporate Finance Inc. acted as exclusive financial advisor to Wingenack Inc. in structuring and negotiating this transaction.</p> <p>DIVESTITURES > FINANCING > DUE DILIGENCE</p>	<p>has acquired</p> <p>MNP Corporate Finance Inc. acted as exclusive financial advisor to Noble Concrete (1987) Ltd. in structuring and negotiating this transaction.</p> <p>DIVESTITURES > FINANCING > DUE DILIGENCE</p>	<p>has acquired</p> <p>MNP Corporate Finance Inc. acted as exclusive financial advisor to Preston Phipps Inc. in structuring and negotiating this transaction.</p> <p>DIVESTITURES > FINANCING > DUE DILIGENCE</p>