

Acquisition Opportunity

Private & Confidential

Dairy Farm Operations in the North Okanagan

Bid Deadline: April 19, 2024

Bifano Consolidated Inc., Bifano Farms Inc., Spallumcheen Farms Ltd., Nata Farms Inc. and SSC Ventures (No. 105) Ltd. (together, “Bifano” or the “Company”)

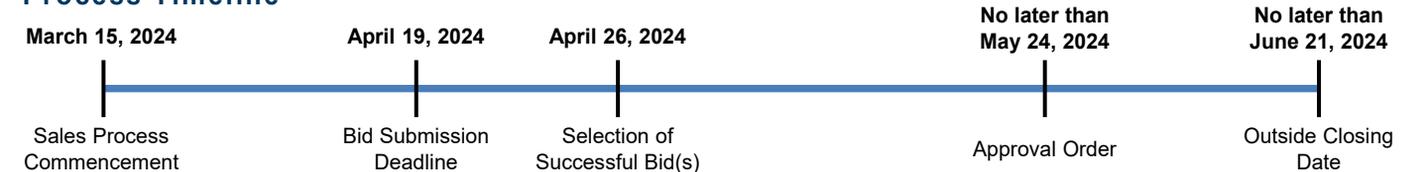
Company Background

- Bifano is one of the largest independent dairy farming operations in BC, consisting of over 1,600 dairy cattle situated on 795 acres of farmland in Armstrong, BC.
- The Company generated \$7.4 million in revenue from milk sales in FY23, with an additional \$4.9 million generated from custom farming services, sale of sawdust, excess feed and livestock during the same period.
- The Company maintains and manages a daily accessible quota of approximately 900 kg.

CCAA Court Process

- Bifano was granted relief under the *Companies’ Creditor Arrangement Act*, R.S.C. 1985 c. C-36 (the “**CCAA**”) from the Supreme Court of British Columbia on February 28, 2024 (“**CCAA Proceedings**”). Alvarez & Marsal Canada Inc. was appointed as Monitor (“**Monitor**”) in the CCAA Proceedings.
- On March 11, 2024, the Court made orders in the CCAA Proceedings which, among other things, authorized and directed the Monitor to implement a sale process (“**Sales Process**”) to solicit offers for one or more, or any combination of: a) the sale of the Company’s assets and business operations as a going concern or otherwise; or b) a restructuring, recapitalization or other form of reorganization of the business and affairs of the Company as a going concern.

Process Timeline



Consistent Cash Flows and Ample Asset Base

- The Company’s asset base consists of milk quota of approximately 484 kg per day and quota subject to management contracts of 416 kg per day, generating approximately \$7 million in sales in FY22 and FY23.
- Bifano’s real estate was appraised at \$22.2 million as of November 24, 2022.

Diversified Revenue Streams

- Bifano has provided contracted custom farming services to farmers in the region by supplying farming equipment and labour as well as sawdust delivery generating \$3.1 million in revenue in FY23.

Turnkey Operations

- Bifano represents a rare opportunity for an investor to acquire an established farm operation that is currently operating at full capacity.
- The dairy farm features both owned and leased farm equipment as well as 25-30 experienced dairy employees to ensure business continuity.

Notice to Interested Parties & Disclaimer:

Any transaction involving the Company, or the assets of the Company, will be on an “**as is, where is**” basis and without surviving representations, warranties, covenants or indemnities of any kind, nature, or description by the Company, the Monitor, or any of their respective agents whatsoever. All qualified interested parties will be provided with an opportunity to participate in the Sales Process and are required to execute a non-disclosure agreement (“**NDA**”) that accompanies this document to receive access to a virtual data room with additional information. The Company, Monitor and their agents make no representation or warranty as to the accuracy or completeness of the information contained herein or otherwise made available pursuant to the Sales Process.

Acquisition Opportunity

Private & Confidential

Dairy Farm Operations in the North Okanagan

Bid Deadline: April 19, 2024

Select Bifano Financials

Select FY 23 Revenues (CA\$000's)		Livestock Inventory as of January 2024	Quantity
Dairy Sales	\$7,352	Milk Cows	750
Custom Contracting Work	2,126	Dry Cows	190
Sawdust Sales	954	Pregnant & Bred Heifers	350
Livestock, Crop & Other Revenue	1,803	Open Heifers & Calves	330
Total Revenue	\$12,235	Total	1,620

Land & Buildings Summary



- 1 House
- 2 New Bunker Silos
- 3 Maintenance Shops
- 4 Sawdust Bunks
- 5 Milking Parlour & Holding Area
- Livestock Barns

Appraisal & Description

- The real estate was appraised at \$22 million in November 2022 and includes 8 parcels of land including houses, bunker silos, maintenance shops, sawdust bunks and livestock barns.
- 200 acres are utilized by dairy operations while the remaining 595 acres are cultivated land with minimal development.
- The land, infrastructure and buildings support the existing herd, dairy quota, and commercial dairy operations of Bifano.
- There are two houses located on the property, one pictured on the left at 2,520 sq. ft., and another two-level home sized at 2,500 sq. ft. Both houses are currently occupied.

Dairy Quota Summary

Dairy Quota	Kilogram / Day
Total Available Transferable Quota	442.42
Unearned Allocation	42.00
Management Contracted Quota	415.64
Total	900.06*

Dairy Quota Commentary

- Bifano owns 484 kg per day of dairy milk quota. The Company also manages an additional 416 kg per day of quota from multiple third-party quota holders.
- The sale and transfer of quota will be subject to regulation set by from the BC Milk Marketing Board.

*Per BCMMB Quota Letter dated March 1, 2024

Next Steps

- Interested parties who wish to submit a potential bid are required to execute a NDA to gain access to the virtual data room. Please contact one of the Monitor's representatives below for further information.

Todd Martin
Senior Vice President
Vancouver
604.638.7445
tmartin@alvarezandmarsal.com

Taylor Poirier
Senior Associate
Vancouver
604.639.0852
tpoirier@alvarezandmarsal.com

Nishant Virmani*
Associate
Vancouver
604.639.0850
nvirmani@alvarezandmarsal.com

Ryan Wu*
Associate
Vancouver
604.639.0853
ryan.wu@alvarezandmarsal.com

*NDA Contacts