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## **Cervus Equipment Corporation Agrees to be Acquired by Brandt Tractor Ltd. for \$19.50 per Share in Cash**

- **All-cash consideration delivers significant value and immediate liquidity to Cervus shareholders: \$19.50 purchase price represents a 37% premium to the 20-day volume-weighted average price per share for the period ending August 13, 2021**
- **Transaction would create one of the largest privately-held dealership groups in the world and enhance Cervus' ability to execute on its strategy of delivering best-in-class equipment and solutions to its customers**

CALGARY, Alberta (August 16, 2021) -- Cervus Equipment Corporation (the "Company" or "Cervus") (TSX: CERV) today announced that it has entered into an arrangement agreement (the "Arrangement Agreement") pursuant to which Brandt Tractor Ltd. ("Brandt") will acquire all of the issued and outstanding common shares of the Company, excluding those held by Brandt, for \$19.50 per share in cash (the "Consideration"), valuing Cervus at approximately \$302 million on an equity value basis (the "Transaction"). The Consideration represents a 37% premium to the 20-day volume-weighted average price of the Company's shares on the Toronto Stock Exchange for the period ending August 13, 2021.

Angela Lekatsas, President and Chief Executive Officer of Cervus, said, "This Transaction delivers tremendous value for our shareholders and clearly demonstrates the successful execution of our strategy. As a private company with a committed, well-capitalized and long-term owner, Cervus will be better positioned for the next stage of evolutionary growth for our dealerships. The size and scale of the entity created by the combination of our two companies will allow for increased investment into Cervus for the benefit of our employees and customers".

Shaun Semple, Chief Executive Officer of Brandt, said, "The Brandt team is excited about this deal as it will allow us to better serve our customer base across Canada. The addition of Cervus' offerings will form three brand new segments at Brandt dedicated to serving the Agriculture, Transportation and Material Handling industries. These segments, in addition to our existing specializations in construction, road building, forestry and more, will further establish Brandt as a total solutions provider across our diverse customer groups."

### Transaction Highlights

Entry into the Arrangement Agreement was based on the unanimous recommendations of both the board of directors of Cervus (the "Board") and a Special Committee of independent directors (the "Special Committee") and followed an extensive review and analysis of what is in the best interests of Cervus and its stakeholders, including shareholders, customers, partners and employees. The conclusions and recommendations of the Special Committee and the Board have been based on a number of factors, including (without limitation) the following:

- **Compelling Value to Cervus Shareholders** – The Consideration represents a 37% premium to the 20-day volume-weighted average price per share for the period ending August 13, 2021.



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- **Certainty of Value and Liquidity** – The Arrangement Agreement does not contain a financing condition and the Consideration will be paid in cash, which provides certainty and immediate liquidity to Cervus shareholders.
- **Support from Major OEMs** – John Deere Canada ULC and Peterbilt Motors Company have provided consent to proceed with the change of control.
- **Fairness Opinion** – CIBC Capital Markets has provided the Special Committee and the Board with an opinion stating that, as of the date of such opinion, and based on and subject to the assumptions, limitations and qualifications set forth therein, the Consideration to be received by holders of Cervus shares pursuant to the Arrangement Agreement is fair, from a financial point of view, to such holders, other than Brandt (the “Fairness Opinion”).

After considering, among other things, the recommendation of the Special Committee and its receipt of the Fairness Opinion, the Board (i) has unanimously determined that the Transaction is in the best interests of the Company and is fair to holders of Cervus shares (other than Brandt); and (ii) unanimously recommends that holders of Cervus shares vote in favour of the Transaction.

#### Transaction and Shareholder Meeting Details

The Transaction will be implemented by way of a plan of arrangement under the Canada Business Corporations Act. Completion of the Transaction will be subject to shareholder approval by two-thirds of all votes cast at a special meeting of the Company’s shareholders (the “Special Meeting”). Mr. Peter Lacey, Chairman of Cervus and the Company’s largest shareholder, who holds approximately 18% of the outstanding shares of Cervus, has entered into an irrevocable agreement to vote his Cervus shares in favour of the Transaction. All of the other directors and executive officers of Cervus, who collectively hold approximately 1% of the outstanding shares of Cervus, have entered into revocable support agreements to vote their Cervus shares in favour of the Transaction. As at August 16, 2021, Brandt and its affiliates hold approximately 9% of the outstanding shares of Cervus.

The completion of the Transaction is also subject to certain third party approvals, including from each of John Deere Canada ULC and Peterbilt Motors Company, each of which has provided consent to proceed with the change of control, as well as certain regulatory approvals and other conditions customary for a transaction of this nature. The Arrangement Agreement includes customary provisions relating to non-solicitation, subject to customary “fiduciary out” provisions that entitle Cervus to consider and accept a superior proposal if not matched by Brandt. Cervus has agreed to pay a termination fee of \$10.9 million to Brandt if the Transaction is terminated in certain circumstances.

Pursuant to the Arrangement Agreement, the Company has agreed not to declare or pay any common share dividends until the completion or termination of the Transaction.

Cervus expects to hold the Special Meeting of shareholders to consider the Transaction in October 2021 and to mail the management information circular for the Special Meeting in September 2021. Subject to the conditions set forth above, the Transaction is expected to close in the fourth quarter of 2021.



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Further details regarding the terms of the Transaction are set out in the Arrangement Agreement, which will be publicly filed by the Company under its profile at [www.sedar.com](http://www.sedar.com). Additional information regarding the terms of the Arrangement Agreement, the background to the Transaction, the rationale for the recommendations made by the Special Committee and the Board and how shareholders can participate in and vote at the Special Meeting will be provided in the management information circular for the Special Meeting which will also be filed at [www.sedar.com](http://www.sedar.com). Shareholders are urged to read these and other relevant materials when they become available.

#### Advisors

CIBC Capital Markets is acting as financial advisor to the Company. Bennett Jones LLP is acting as legal advisor to the Company and the Special Committee. Stikeman Elliott LLP and MLT Aikins LLP are acting as legal advisors to Brandt.

#### **About Cervus Equipment Corporation**

Cervus is a leading equipment solutions provider to customers in agriculture, transportation, and industrial markets across Canada, Australia and New Zealand. Throughout our territories and across our diverse markets, Cervus dealerships are united by the sales and support of the market-leading equipment our customers depend on to grow their business. The Company operates 64 Cervus dealerships and is the authorized representative of leading Original Equipment Manufacturers including: John Deere agricultural equipment; Peterbilt transportation equipment; and Clark, Sellick, Doosan, JLG and Baumann material handling equipment. Cervus common shares are listed on the Toronto Stock Exchange and trade under the symbol "CERV".

#### **About the Brandt Group of Companies**

The Brandt Group of Companies — headquartered in Regina, Saskatchewan, Canada — is comprised of Brandt Agricultural Products, Brandt Engineered Products, Brandt Equipment Solutions, Brandt Road Rail, Brandt Positioning Technology, Brandt Truck Rigging & Trailers, Brandt Finance, Brandt Developments Ltd., Brandt Road Technology, Brandt Mineral Technology, and Brandt Tractor Ltd. — the world's largest privately-owned John Deere Construction & Forestry equipment dealer. Brandt has over 100 locations in Canada and the U.S., over 3,400 employees, and a growing international audience; serving the construction, road building, forestry, agriculture, rail, mining, steel, and energy industries with unique custom products. Brandt is one of Canada's largest privately owned companies and is among an elite group of Platinum Club members of Canada's Best Managed Companies.

#### **Forward-Looking Information**

Certain statements included in this press release may constitute “forward-looking statements” within the meaning of applicable Canadian securities legislation. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “planned”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases which state that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will be taken”, “occur”, “be achieved”, or other similar expressions of future or conditional verbs.



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More particularly and without limitation, this press release contains forward-looking statements and information regarding the anticipated benefits of the proposed Transaction, the anticipated timing of the Special Meeting and of the completion of the Transaction. Except as may be required by Canadian securities laws, the Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Forward-looking statements, by their nature, are subject to numerous risks and uncertainties and are based on several assumptions which give rise to the possibility that actual results could differ materially from the Company's expectations expressed in or implied by such forward-looking statements and that the objectives, plans, strategic priorities and business outlook may not be achieved. As a result, the Company cannot guarantee that any forward-looking statements will materialize, or if any of them do, what benefits the Company will derive from them.

In respect of forward-looking statements and information concerning the anticipated benefits and timing of the completion of the proposed Transaction, the Company has provided such statements and information in reliance on certain assumptions that it believes are reasonable at this time, including assumptions as to the ability of the parties to receive, in a timely manner and on satisfactory terms, the necessary regulatory, court, third party OEM and shareholder approvals; the ability of the parties to satisfy, in a timely manner, the other conditions for the completion of the Transaction, and other expectations and assumptions concerning the proposed Transaction. The anticipated dates indicated may change for a number of reasons, including the necessary regulatory, third party OEM, court and shareholder approvals, the necessity to extend the time limits for satisfying the other conditions for the completion of the proposed Transaction or the ability of the Board to consider and approve a superior proposal for the Company. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct, that the proposed Transaction will be completed or that it will be completed on the terms and conditions contemplated in this press release. Accordingly, investors and others are cautioned that undue reliance should not be placed on any forward-looking statements.

Risks and uncertainties inherent in the nature of the proposed Transaction include, without limitation, the failure of the parties to obtain the necessary shareholder, third party OEM, regulatory and court approvals or to otherwise satisfy the conditions for the completion of the Transaction; failure of the parties to obtain such approvals or satisfy such conditions in a timely manner; significant transaction costs or unknown liabilities; the ability of the Board to consider and approve a superior proposal for the Company; and general economic conditions. Failure to obtain the necessary shareholder, third party OEM, regulatory and court approvals, or the failure of the parties to otherwise satisfy the conditions for the completion of the Transaction or to complete the Transaction, may result in the Transaction not being completed on the proposed terms or at all. In addition, if the Transaction is not completed, and the Company continues as an independent entity, there are risks that the announcement of the Transaction and the dedication of substantial resources by the Company to the completion of the Transaction could have an impact on its business and strategic relationships, including with future and prospective employees, customers, suppliers and partners, operating results and activities in general, and could have a material adverse effect on its current and future operations, financial condition and prospects. Consequently, the Company cautions readers not to place undue reliance on the forward-looking statements and information contained in this press release. The Company does not intend, and disclaims any obligation, except as required by law, to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.



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**For more information please contact:**

Angela Lekatsas  
President and Chief Executive Officer  
[alekatsas@cervusequipment.com](mailto:alekatsas@cervusequipment.com)

Catie Busch  
Chief Financial Officer  
[cbusch@cervusequipment.com](mailto:cbusch@cervusequipment.com)