

**LAND O'LAKES, INC.**  
**CONSOLIDATED BALANCE SHEETS**

	<b>December 31, 2020</b>	<b>December 31, 2019</b>
	(\$ in thousands)	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 778,221	\$ 335,714
Receivables, net	2,009,661	1,912,695
Inventories	1,950,353	2,358,462
Prepaid assets	1,262,342	1,054,830
Other current assets	175,973	93,554
Total current assets	6,176,550	5,755,255
Investments	331,455	331,863
Property, plant and equipment, net	1,520,359	1,611,327
Goodwill	565,613	566,564
Other intangibles, net	398,292	442,451
Other assets	193,767	191,844
Total assets	\$ 9,186,036	\$ 8,899,304
<b>LIABILITIES AND EQUITIES</b>		
Current liabilities:		
Notes and short-term obligations	\$ 193,639	\$ 209,304
Current portion of long-term debt	139,123	37,175
Accounts payable	1,719,273	1,717,487
Customer advances	1,744,719	1,660,058
Accrued liabilities	843,247	664,291
Patronage refunds and other member equities payable	117,994	129,604
Total current liabilities	4,757,995	4,417,919
Long-term debt	947,280	1,066,116
Employee benefits and other liabilities	520,029	542,653
Commitments and contingencies	—	—
Equities:		
Preferred Stock	747,645	747,645
Common stock	695	696
Additional paid-in capital	301,672	301,889
Member equities	1,258,508	1,247,083
Retained earnings	885,249	835,787
Accumulated other comprehensive loss	(245,837)	(272,908)
Total Land O'Lakes, Inc. equity	2,947,932	2,860,192
Noncontrolling interests	12,800	12,424
Total equities	2,960,732	2,872,616
Total liabilities and equities	\$ 9,186,036	\$ 8,899,304

**LAND O'LAKES, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(Unaudited)**

	For the Year Ended December 31,		
	2020	2019	2018
	(\$ in thousands)		
Net sales	\$ 13,948,939	\$ 13,887,722	\$ 14,936,208
Cost of sales	12,576,014	12,592,857	13,570,581
Gross profit	<u>1,372,925</u>	<u>1,294,865</u>	<u>1,365,627</u>
Selling, general and administrative	1,091,628	1,056,162	1,079,665
Earnings from operations	<u>281,297</u>	<u>238,703</u>	<u>285,962</u>
Interest expense, net	48,616	71,517	77,906
Other expense, net	12,280	11,831	18,131
Equity in earnings of affiliated companies	(46,055)	(37,201)	(44,699)
Earnings before income taxes	<u>266,456</u>	<u>192,556</u>	<u>234,624</u>
Income tax expense (benefit)	520	(14,219)	(20,587)
Net earnings	<u>265,936</u>	<u>206,775</u>	<u>255,211</u>
Less: net earnings attributable to noncontrolling interests	1,000	869	726
Net earnings attributable to Land O'Lakes, Inc.	<u><u>\$ 264,936</u></u>	<u><u>\$ 205,906</u></u>	<u><u>\$ 254,485</u></u>
Applied to:			
Member equities			
Allocated patronage	\$ 162,956	\$ 166,661	\$ 216,529
Deferred equities	1,507	(22,266)	—
	<u>164,463</u>	<u>144,395</u>	<u>216,529</u>
Retained earnings	100,473	61,511	37,956
	<u><u>\$ 264,936</u></u>	<u><u>\$ 205,906</u></u>	<u><u>\$ 254,485</u></u>

**LAND O'LAKES, INC.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS**

	For the year ended December 31,		
	2020	2019	2018
	(\$ in thousands)		
Net earnings	\$ 265,936	\$ 206,775	\$ 255,211
Other comprehensive earnings, net of tax			
Pension and other postretirement adjustments, net of tax	31,270	(20,484)	9,260
Cash flow hedge adjustments, net of tax	(6,923)	(1,635)	2,089
Foreign currency translation adjustments, net of tax	2,764	11,387	(14,885)
Total other comprehensive earnings (loss)	27,111	(10,732)	(3,536)
Comprehensive earnings	293,047	196,043	251,675
Less: comprehensive earnings (loss) attributable to noncontrolling interests	915	1,291	(2,642)
Comprehensive earnings attributable to Land O'Lakes, Inc.	\$ 292,132	\$ 194,752	\$ 254,317

**LAND O'LAKES, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	For the year ended December 31,		
	2020	2019	2018
	(\$ in thousands)		
<b>Cash Flows from operating activities:</b>			
Net earnings	\$ 265,936	\$ 206,775	\$ 255,211
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	246,519	245,815	242,552
Amortization of deferred financing costs	1,463	1,512	1,779
Non-cash patronage income	(6,110)	(6,484)	(4,978)
Deferred income tax benefit	18,705	(5,076)	(4,885)
Multiemployer pension withdrawal and related expenses	—	—	72,054
Equity in earnings of affiliated companies	(46,055)	(37,201)	(44,699)
Dividends from investments in affiliated companies	40,297	38,041	35,544
Other	18,503	13,052	7,398
Changes in assets and liabilities, net of acquisitions and divestitures:			
Receivables	(95,627)	24,819	42,819
Inventories	410,335	55,332	209,727
Prepays and other current assets	(249,312)	467,703	372,539
Accounts payable	7,097	(101,403)	(69,877)
Customer advances	83,547	(210,606)	(78,420)
Accrued liabilities	122,169	(11,133)	(450)
Other assets	4,989	(5,111)	(53,740)
Other liabilities	357	(23,967)	(14,962)
Net cash provided by operating activities	<u>822,813</u>	<u>652,068</u>	<u>967,612</u>
<b>Cash Flows from investing activities:</b>			
Additions to property, plant and equipment	(142,614)	(202,139)	(272,512)
Acquisitions, net of cash acquired	—	(550)	(11,342)
Investments in affiliates	(7,404)	(13,974)	(1,679)
Net proceeds from divestiture of businesses	20,626	4,965	—
Net proceeds from sale of investments	10,942	4,825	6,218
Proceeds from sale of property, plant and equipment	5,907	15,598	5,530
Change in notes receivable	(19,928)	1,055	(15,397)
Other	586	2,817	—
Net cash used by investing activities	<u>(131,885)</u>	<u>(187,403)</u>	<u>(289,182)</u>
<b>Cash Flows from financing activities:</b>			
(Decrease) increase in short-term debt	(30,505)	19,279	(484,335)
Proceeds from issuance of long-term debt	1,578	1,346	991
Principal payments on long-term debt and capital lease obligations	(2,819)	(92,314)	(4,998)
Cash patronage and payments for redemption of member equities	(158,900)	(187,282)	(194,261)
Proceeds from preferred stock issued	—	—	195,345
Preferred stock dividends paid	(57,325)	(57,324)	(47,856)
Other	(4,183)	(15,126)	(11,950)
Net cash used by financing activities	<u>(252,154)</u>	<u>(331,421)</u>	<u>(547,064)</u>
Effect of exchange rate changes on cash and cash equivalents	3,733	1,465	(3,493)
Net increase in cash and cash equivalents	438,774	133,244	131,366
Cash and cash equivalents at beginning of the period	335,714	201,005	73,132
Cash and cash equivalents at end of the period	<u>\$ 778,221</u>	<u>\$ 335,714</u>	<u>\$ 201,005</u>