



MAPLE LEAF FOODS INC.

Financial Statements

For the Second Quarter Ended
June 30, 2025

Consolidated Interim Financial Statements

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Consolidated Interim Balance Sheets

(In thousands of Canadian dollars)
(Unaudited)

	Notes	As at June 30, 2025	As at June 30, 2024	As at December 31, 2024
ASSETS				
Cash and cash equivalents		\$ 236,045	\$ 158,381	\$ 175,908
Accounts receivable	3	175,559	184,300	170,919
Notes receivable	3	45,510	44,886	37,978
Inventories	4	602,370	580,472	553,398
Biological assets	5	175,550	124,688	169,399
Income and other taxes recoverable		2,474	62,761	7,551
Prepaid expenses and other assets		39,155	35,203	42,342
Assets held for sale		—	27,438	22,769
Total current assets		\$ 1,276,663	\$ 1,218,129	\$ 1,180,264
Property and equipment		2,058,069	2,186,520	2,123,167
Right-of-use assets		149,272	171,692	160,922
Investments		12,500	16,112	12,763
Investment property	6	63,488	34,744	42,588
Employee benefits		15,500	116,800	22,429
Other long-term assets		23,624	22,271	24,918
Deferred tax asset		45,808	42,504	46,588
Goodwill		477,353	477,353	477,353
Intangible assets		325,055	343,457	339,526
Total long-term assets		\$ 3,170,669	\$ 3,411,453	\$ 3,250,254
Total assets		\$ 4,447,332	\$ 4,629,582	\$ 4,430,518
LIABILITIES AND EQUITY				
Accounts payable and accruals		\$ 628,257	\$ 543,792	\$ 561,179
Current portion of provisions	7	9,182	9,673	14,482
Current portion of long-term debt	8	351,673	300,371	301,478
Current portion of lease obligations		39,710	40,544	39,900
Income taxes payable		51,955	2,351	2,595
Other current liabilities		29,342	24,986	37,587
Total current liabilities		\$ 1,110,119	\$ 921,717	\$ 957,221
Long-term debt	8	1,228,599	1,581,093	1,390,479
Lease obligations		136,631	157,550	147,892
Employee benefits		61,837	60,796	62,395
Provisions	7	3,122	1,998	3,912
Other long-term liabilities		4,961	1,167	5,205
Deferred tax liability		313,939	330,232	325,137
Total long-term liabilities		\$ 1,749,089	\$ 2,132,836	\$ 1,935,020
Total liabilities		\$ 2,859,208	\$ 3,054,553	\$ 2,892,241
Shareholders' equity				
Share capital	9	\$ 904,226	\$ 886,876	\$ 897,839
Retained earnings		631,839	640,589	587,393
Contributed surplus		14,049	6,773	12,482
Accumulated other comprehensive income		38,642	44,222	43,994
Treasury shares		(632)	(3,431)	(3,431)
Total shareholders' equity		\$ 1,588,124	\$ 1,575,029	\$ 1,538,277
Total liabilities and equity		\$ 4,447,332	\$ 4,629,582	\$ 4,430,518

See accompanying Notes to the Consolidated Interim Financial Statements.

Consolidated Interim Statements of Earnings (Loss)

(In thousands of Canadian dollars, except share amounts)
(Unaudited)

	Notes	Three months ended June 30,		Six months ended June 30,	
		2025	2024 ⁽ⁱ⁾	2025	2024 ⁽ⁱ⁾
Sales		\$ 1,362,144	\$ 1,255,173	\$ 2,603,437	\$ 2,402,464
Cost of goods sold		1,126,427	1,124,018	2,149,946	2,044,969
Gross profit		\$ 235,717	\$ 131,155	\$ 453,491	\$ 357,495
Selling, general and administrative expenses		112,966	116,649	227,773	226,682
Earnings before the following:		\$ 122,751	\$ 14,506	\$ 225,718	\$ 130,813
Restructuring and other related costs	7	2,705	6,893	4,208	6,168
Other expense (income)		12,789	(3,492)	14,022	(2,335)
Earnings before interest and income taxes		\$ 107,257	\$ 11,105	\$ 207,488	\$ 126,980
Interest expense and other financing costs	11	26,234	43,637	55,880	85,720
Earnings (loss) before income taxes		\$ 81,023	\$ (32,532)	\$ 151,608	\$ 41,260
Income tax expense (recovery)		23,245	(6,359)	44,267	15,882
Earnings (loss)		\$ 57,778	\$ (26,173)	\$ 107,341	\$ 25,378
Earnings (loss) per share attributable to common shareholders:					
	12				
Basic earnings (loss) per share		\$ 0.47	\$ (0.21)	\$ 0.87	\$ 0.21
Diluted earnings (loss) per share		\$ 0.46	\$ (0.21)	\$ 0.86	\$ 0.20
Weighted average number of shares (millions):					
	12				
Basic		123.9	122.9	123.8	122.7
Diluted		125.6	122.9	125.3	123.8

⁽ⁱ⁾ Adjusted, see Note 16.

See accompanying Notes to the Consolidated Interim Financial Statements.

Consolidated Interim Statements of Other Comprehensive Income

(In thousands of Canadian dollars) (Unaudited)	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Earnings (loss)	\$ 57,778	\$ (26,173)	\$ 107,341	\$ 25,378
Other comprehensive (loss) income				
Actuarial gains (losses) that will not be reclassified to profit or loss (Net of tax of \$2.5 million and \$1.1 million; 2024: \$22.5 million and \$24.7 million)	\$ (7,453)	\$ 65,346	\$ (3,319)	\$ 71,951
Total items that will not be reclassified to profit or loss	\$ (7,453)	\$ 65,346	\$ (3,319)	\$ 71,951
Items that are or may be reclassified subsequently to profit or loss:				
Change in accumulated foreign currency translation adjustment (Net of tax of \$0.0 million and \$0.0 million; 2024: \$0.0 million and \$0.0 million)	(20,338)	3,401	(20,365)	11,111
Change in foreign exchange on long-term debt designated as a net investment hedge (Net of tax of \$2.8 million and \$2.8 million; 2024: \$0.6 million and \$1.8 million)	15,230	(3,226)	15,343	(9,838)
Change in cash flow hedges (Net of tax of \$0.0 million and \$0.1 million; 2024: \$0.5 million and \$0.7 million)	(76)	(1,258)	(330)	(4,880)
Total items that are or may be reclassified subsequently to profit or loss	\$ (5,184)	\$ (1,083)	\$ (5,352)	\$ (3,607)
Total other comprehensive (loss) income	\$ (12,637)	\$ 64,263	\$ (8,671)	\$ 68,344
Comprehensive income	\$ 45,141	\$ 38,090	\$ 98,670	\$ 93,722

See accompanying Notes to the Consolidated Interim Financial Statements.

Consolidated Interim Statements of Changes in Total Equity

(In thousands of Canadian dollars) (Unaudited)	Notes	Share capital	Retained earnings	Contributed surplus	Accumulated other comprehensive income (loss)				Revaluation surplus	Treasury shares	Total equity
					Foreign currency translation adjustment ⁽ⁱ⁾	Unrealized gains (losses) on cash flow hedges ⁽ⁱ⁾	Unrealized gains (losses) on fair value of investments ⁽ⁱ⁾				
Balance at December 31, 2024		\$897,839	587,393	12,482	14,545	(1,257)	(6,641)		37,347	(3,431)	\$1,538,277
Earnings		—	107,341	—	—	—	—	—	—	—	107,341
Other comprehensive income (loss) ⁽ⁱⁱ⁾		—	(3,319)	—	(5,022)	(330)	—	—	—	—	(8,671)
Dividends declared (\$0.48 per share)		5,695	(59,576)	—	—	—	—	—	—	—	(53,881)
Share-based compensation expense	13	—	—	12,406	—	—	—	—	—	—	12,406
Deferred taxes on share-based compensation		—	—	3,175	—	—	—	—	—	—	3,175
Exercise of stock options		692	—	—	—	—	—	—	—	—	692
Shares purchased by RSU trust		—	—	—	—	—	—	—	—	(4,094)	(4,094)
Settlement of share-based compensation		—	—	(14,014)	—	—	—	—	—	6,893	(7,121)
Balance at June 30, 2025		\$904,226	631,839	14,049	9,523	(1,587)	(6,641)		37,347	(632)	\$1,588,124

(In thousands of Canadian dollars) (Unaudited)	Notes	Share capital	Retained earnings	Contributed surplus	Accumulated other comprehensive income (loss)				Revaluation surplus	Treasury shares	Total equity
					Foreign currency translation adjustment ⁽ⁱ⁾	Unrealized gains (losses) on cash flow hedges ⁽ⁱ⁾	Unrealized gains (losses) on fair value of investments ⁽ⁱ⁾				
Balance at December 31, 2023		\$873,477	597,429	3,227	8,625	4,416	(2,559)		37,347	(7,183)	\$1,514,779
Earnings		—	25,378	—	—	—	—	—	—	—	25,378
Other comprehensive income (loss) ⁽ⁱⁱ⁾		—	71,951	—	1,273	(4,880)	—	—	—	—	68,344
Dividends declared (\$0.44 per share)		10,901	(54,169)	—	—	—	—	—	—	—	(43,268)
Share-based compensation expense	13	—	—	11,387	—	—	—	—	—	—	11,387
Deferred taxes on share-based compensation		—	—	(425)	—	—	—	—	—	—	(425)
Exercise of stock options		2,498	—	—	—	—	—	—	—	—	2,498
Settlement of share-based compensation		—	—	(7,416)	—	—	—	—	—	3,752	(3,664)
Balance at June 30, 2024		\$886,876	640,589	6,773	9,898	(464)	(2,559)		37,347	(3,431)	\$1,575,029

⁽ⁱ⁾ Items that are or may be subsequently reclassified to profit or loss.

⁽ⁱⁱ⁾ Included in other comprehensive income (loss) is the change in actuarial gains and losses that will not be reclassified to profit or loss and has been reclassified to retained earnings.

See accompanying Notes to the Consolidated Interim Financial Statements.

Consolidated Interim Statements of Cash Flows

(In thousands of Canadian dollars) (Unaudited)		Three months ended June 30,		Six months ended June 30,	
	Notes	2025	2024	2025	2024
CASH PROVIDED BY (USED IN):					
Operating activities					
Earnings (loss)		\$ 57,778	\$ (26,173)	\$ 107,341	\$ 25,378
Add (deduct) items not affecting cash:					
Change in fair value of biological assets	5	8,087	52,488	(8,324)	(16,655)
Depreciation and amortization		62,103	64,446	125,757	130,299
Share-based compensation	13	6,629	6,089	12,406	11,387
Deferred income tax (recovery) expense		(8,237)	(8,843)	(11,954)	11,093
Current income tax expense		31,482	2,484	56,221	4,789
Interest expense and other financing costs	11	26,234	43,637	55,880	85,720
Gain on sale of long-term assets		—	(1,326)	(10,609)	(1,637)
Impairment of property and equipment and right-of-use assets		1,291	118	2,157	118
Change in fair value of long-term assets		—	(5,038)	—	(5,038)
Change in fair value of non-designated derivatives		(744)	2,991	378	(1,674)
Change in net pension obligation		1,233	2,169	1,952	3,236
Net income taxes (paid) refunded		(229)	18,764	(1,594)	21,746
Interest paid, net of capitalized interest	11	(26,127)	(32,459)	(54,700)	(72,936)
Change in provision for restructuring and other related costs	7	(1,788)	3,087	(6,051)	(173)
Change in derivatives margin		3,650	(1,075)	2,039	1,241
Cash settlement of derivatives		—	(728)	—	(2,878)
Other		(23,549)	2,231	(18,404)	5,324
Change in non-cash operating working capital		101,774	(77,366)	(3,025)	(66,519)
Cash provided by operating activities		\$ 239,587	\$ 45,496	\$ 249,470	\$ 132,821
Investing activities					
Additions to long-term assets		\$ (24,433)	\$ (16,318)	\$ (49,285)	\$ (40,131)
Interest paid and capitalized	11	(303)	(219)	(583)	(574)
Proceeds from sale of long-term assets		1,750	2,631	14,754	3,496
Cash used in investing activities		\$ (22,986)	\$ (13,906)	\$ (35,114)	\$ (37,209)
Financing activities					
Dividends paid		\$ (27,150)	\$ (21,607)	\$ (53,881)	\$ (43,268)
Net decrease in long-term debt	8	(60,265)	(50,480)	(80,047)	(81,365)
Payment of lease obligation		(8,091)	(7,891)	(16,183)	(16,337)
Exercise of stock options		534	2,498	534	2,498
Purchase of treasury shares		(4,094)	—	(4,094)	—
Payment of financing fees	8	(541)	(2,122)	(548)	(2,122)
Cash used in financing activities		\$ (99,607)	\$ (79,602)	\$ (154,219)	\$ (140,594)
Increase (decrease) in cash and cash equivalents		\$ 116,994	\$ (48,012)	\$ 60,137	\$ (44,982)
Cash and cash equivalents, beginning of period		119,051	206,393	175,908	203,363
Cash and cash equivalents, end of period		\$ 236,045	\$ 158,381	\$ 236,045	\$ 158,381

See accompanying Notes to the Consolidated Interim Financial Statements.

Notes to the Consolidated Interim Financial Statements

(Tabular amounts in thousands of Canadian dollars unless otherwise indicated)
Three and six months ended June 30, 2025 and 2024

1. THE COMPANY

Maple Leaf Foods Inc. ("Maple Leaf Foods" or the "Company") is a leading protein company responsibly producing food products under leading brands including Maple Leaf®, Maple Leaf Prime®, Maple Leaf Natural Selections®, Schneiders®, Mina®, Greenfield Natural Meat Co.®, Lightlife® and Field Roast™. The Company's portfolio includes prepared meats, ready-to-cook and ready-to-serve meals, snack kits, value-added fresh pork and poultry, and plant protein products. The address of the Company's registered office is 6897 Financial Dr., Mississauga, Ontario, L5N 0A8, Canada. The unaudited condensed consolidated interim financial statements ("Consolidated Interim Financial Statements") of the Company as at and for the three and six months ended June 30, 2025 include the accounts of the Company and its subsidiaries.

2. MATERIAL ACCOUNTING POLICIES

The Consolidated Interim Financial Statements should be read in conjunction with the Company's 2024 Annual Audited Consolidated Financial Statements ("2024 Consolidated Financial Statements").

(a) Statement of Compliance

The Consolidated Interim Financial Statements have been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* ("IAS 34") as issued by the International Accounting Standards Board ("IASB") and using the accounting policies, determination of significant estimates and judgments, and corresponding accounting treatments consistent with the Company's 2024 Consolidated Financial Statements.

The Consolidated Interim Financial Statements were authorized for issue by the Board of Directors on August 6, 2025.

(b) Accounting Pronouncements Issued But Not Yet Effective

Presentation and Disclosure in Financial Statements – IFRS 18

On April 9, 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* to improve reporting of financial performance. IFRS 18 replaces IAS 1 *Presentation of Financial Statements*. It carries forward many requirements from IAS 1 unchanged and introduces significant changes to the structure of a company's income statement, more discipline and transparency in presentation of management's own performance measures, commonly referred to as 'non-GAAP measures', and less aggregation of items into large, single numbers. IFRS 18 applies for annual reporting periods beginning on or after January 1, 2027 with the requirement of retrospective restatement. Earlier application is permitted. The Company currently intends to adopt this amendment in its Consolidated Interim Financial Statements for the period beginning January 1, 2027. The Company has yet to assess the impact of adoption on the Consolidated Interim Financial Statements.

All other IFRSs and amendments issued but not yet effective have been assessed by the Company and are not expected to have a material impact on the Consolidated Interim Financial Statements.

3. ACCOUNTS RECEIVABLE

	As at June 30, 2025	As at June 30, 2024	As at December 31, 2024
Trade receivables	\$ 147,350	\$ 143,337	\$ 130,409
Less: Allowance for doubtful accounts	(2,783)	(2,111)	(2,119)
Net trade receivables	\$ 144,567	\$ 141,226	\$ 128,290
Other receivables:			
Commodity taxes receivable	13,426	12,536	13,911
Government receivable	154	10,589	11,096
Other	17,412	19,949	17,622
	\$ 175,559	\$ 184,300	\$ 170,919

The aging of trade receivables is as follows:

	As at June 30, 2025	As at June 30, 2024	As at December 31, 2024
Current	\$ 116,365	\$ 119,621	\$ 97,968
Past due 0-30 days	20,951	14,257	23,640
Past due 31-60 days	4,011	4,821	2,578
Past due > 60 days	6,023	4,638	6,223
	\$ 147,350	\$ 143,337	\$ 130,409

Trade receivables are impaired when their estimated future cash flows are less than their contractual cash flows. The amount of impairment takes into account the financial condition of the customers, delinquencies in payments, collaterals and credit insurance coverage on trade receivables.

On May 31, 2024, the Company renewed its accounts receivable securitization facility (the "Securitization Facility") extending its maturity to May 31, 2026. The maximum cash advance available to the Company under the Securitization Facility is \$150.0 million (June 30, 2024: \$150.0 million; December 31, 2024: \$150.0 million). The Securitization Facility provides cash funding with a proportion of the Company's receivables being sold, provides the Company with competitively priced financing and further diversifies its funding sources. Under the Securitization Facility, the Company has sold certain of its trade accounts receivable, with very limited recourse, to an unconsolidated third-party trust financed by an international financial institution with a long-term AA- debt rating, for cash and short-term notes back to the Company. The receivables are sold at a discount to face value based on prevailing money market rates. The Company retains servicing responsibilities for these receivables.

As at June 30, 2025, trade accounts receivable being serviced under this program amounted to \$172.0 million (June 30, 2024: \$155.3 million; December 31, 2024: \$129.2 million). As consideration for the sale of its trade receivables, the Company will receive cash advances of \$126.5 million (June 30, 2024: \$110.4 million; December 31, 2024: \$91.2 million) and notes receivable in the amount of \$45.5 million (June 30, 2024: \$44.9 million; December 31, 2024: \$38.0 million). The notes receivable are non-interest bearing and are settled on the settlement dates of the securitized accounts receivable. Due to the timing of receipts and disbursements, the Company may, from time to time, also record a receivable or payable related to the Securitization Facility. As at June 30, 2025, the Company recorded a net payable in the amount of \$39.3 million (June 30, 2024: \$23.9 million net payable; December 31, 2024: \$59.8 million net payable) in accounts payable and accruals (June 30, 2024: accounts payable and accruals; December 31, 2024: accounts payable and accruals).

The sale of trade receivables under the Securitization Facility are treated as a sale from an accounting perspective and as a result, trade receivables sold under this facility are derecognized from the unaudited condensed consolidated interim balance sheets ("Consolidated Interim Balance Sheets") as at June 30, 2025 and 2024 and the 2024 annual audited consolidated balance sheet as at December 31, 2024.

4. INVENTORIES

	As at June 30, 2025	As at June 30, 2024	As at December 31, 2024
Raw materials	\$ 73,441	\$ 74,702	\$ 60,552
Work in process	50,863	44,824	46,926
Finished goods	341,213	334,284	319,529
Packaging	39,947	34,929	32,893
Spare parts	96,906	91,733	93,498
	\$ 602,370	\$ 580,472	\$ 553,398

For the three months ended June 30, 2025, inventory in the amount of \$1,045.1 million (2024: \$985.0 million) was expensed through cost of goods sold.

For the six months ended June 30, 2025, inventory in the amount of \$1,979.7 million (2024: \$1,894.8 million) was expensed through cost of goods sold.

As at June 30, 2025, inventories have been reduced by \$13.7 million (June 30, 2024: \$14.7 million; December 31, 2024: \$16.2 million) as a result of write-downs to net realizable value. The write-downs are included in the amount expensed through cost of goods sold.

5. BIOLOGICAL ASSETS

The change in fair value of commercial hog stock for the three months ended June 30, 2025 was a loss of \$8.1 million (2024: loss of \$52.5 million) and was recorded in cost of goods sold.

The change in fair value of commercial hog stock for the six months ended June 30, 2025 was a gain of \$8.3 million (2024: gain of \$16.7 million) and was recorded in cost of goods sold.

The fair value measures of commercial hog stock have been categorized as a Level 3 fair value based on inputs to the valuation techniques used. There were no transfers between levels for the three and six months ended June 30, 2025 and June 30, 2024.

6. INVESTMENT PROPERTY

	As at June 30, 2025	
Net balance, December 31, 2024	\$	42,588
Net balance, March 31, 2025	\$	42,588
Transfer from assets held for sale	\$	20,900
Net balance, June 30, 2025	\$	63,488

	As at June 30, 2024	
Net balance, December 31, 2023	\$	57,144
Net balance, March 31, 2024	\$	57,144
Transfer to assets held for sale	\$	(22,400)
Net balance, June 30, 2024	\$	34,744

The fair value measurement of investment properties has been categorized as a Level 3 fair value based on inputs to the valuation techniques used. There have been no changes to the valuation techniques and there have not been any transfers between levels for the three months ended June 30, 2025 and June 30, 2024.

The Company's investment properties did not earn a material amount of rental income, nor did they incur a material amount of expenses in either of the current or the prior year.

7. PROVISIONS

		Restructuring and related provisions			
	Environmental	Severance and other employee related costs	Site closing and other cash costs		Total
Balance at December 31, 2024 ⁽ⁱ⁾	\$ 1,978	16,225	191	\$	18,394
Charges	—	562	86		648
Reversals	—	(205)	—		(205)
Cash payments	(19)	(4,524)	(182)		(4,725)
Balance at March 31, 2025	\$ 1,959	12,058	95	\$	14,112
Charges	—	2,162	489		2,651
Reversals	—	(545)	—		(545)
Cash payments	(20)	(3,551)	(341)		(3,912)
Foreign currency translation	—	—	(2)		(2)
Balance at June 30, 2025	\$ 1,939	10,124	241	\$	12,304
Current				\$	9,182
Non-current					3,122
Total at June 30, 2025				\$	12,304

⁽ⁱ⁾ Balance as at December 31, 2024, includes current portion of \$14.5 million and non-current portion of \$3.9 million.

		Restructuring and related provisions			
	Environmental	Severance and other employee related costs	Site closing and other cash costs		Total
Balance at December 31, 2023 ⁽ⁱ⁾	\$ 2,041	9,846	—	\$	11,887
Charges	—	283	501		784
Reversals	—	(1,501)	—		(1,501)
Cash payments	(4)	(2,048)	(501)		(2,553)
Foreign currency translation	—	6	—		6
Balance at March 31, 2024	\$ 2,037	6,586	—	\$	8,623
Charges	—	4,521	356		4,877
Reversals	—	(99)	—		(99)
Cash payments	(39)	(1,437)	(256)		(1,732)
Foreign currency translation	—	2	—		2
Balance at June 30, 2024	\$ 1,998	9,573	100	\$	11,671
Current				\$	9,673
Non-current					1,998
Total at June 30, 2024				\$	11,671

⁽ⁱ⁾ Balance as at December 31, 2023, includes current portion of \$9.8 million and non-current portion of \$2.0 million.

Restructuring and Other Related Costs

During the three months ended June 30, 2025, the Company recorded restructuring and other related costs of \$2.7 million. Of this, \$2.2 million in severance and other employee costs related to the reorganization of its commercial and operations teams. A further \$0.8 million of net charges was comprised of \$0.6 million in accelerated depreciation and \$0.4 million of decommissioning costs, and offset by a reversal of \$0.2 million related to severance and other employee costs, associated with the previously announced closure of the Company's further processed poultry facility in Brantford, Ontario. The remaining reversals relate to employee costs for the closures of the Brampton, Toronto, St. Mary's, and Schomberg poultry plants.

During the three months ended June 30, 2024, the Company recorded restructuring and other related costs of \$6.9 million. Of this, \$6.1 million of severance and other employee costs and \$0.5 million of accelerated depreciation related to the closure of the Brantford plant. A further expense of \$0.3 million related to decommissioning costs, incurred for the closures of the Brampton, Toronto, St. Mary's and Schomberg poultry plants.

During the six months ended June 30, 2025, the Company recorded restructuring and other related costs of \$4.2 million. Of this, \$2.6 million in severance and other employee costs related to the reorganization of its commercial and operations teams. A further \$1.8 million of net charges was comprised of \$1.6 million in accelerated depreciation and \$0.5 million of decommissioning costs, offset by a reversal of \$0.3 million related to severance and other employee costs, associated with the closure of the Brantford plant. The remaining reversals relate to employee costs due to closures of the Brampton, Toronto, St. Mary's, and Schomberg poultry plants.

During the six months ended June 30, 2024, the Company recorded restructuring and other related costs of \$6.2 million. Of this, \$6.1 million of severance and other employee costs and \$0.5 million of accelerated depreciation related to the closure of the Brantford plant. A net reversal of \$0.6 million related to the closures of the Brampton, Toronto, St. Mary's and Schomberg poultry plants and was comprised of \$0.8 million of decommissioning costs, offset by a reversal of \$1.3 million related to severance and other employee costs and a reversal of \$0.1 million related to asset impairments. The remaining amount of \$0.2 million related to employee costs and inventory impairment for other previous organizational restructuring initiatives.

8. LONG-TERM DEBT

	As at June 30, 2025	As at June 30, 2024	As at December 31, 2024
Revolving line of credit	\$ 861,398	\$ 863,400	\$ 652,000
U.S. term credit Tranche 1	361,049	362,692	381,030
Canadian term credit Tranche 2	350,000	350,000	350,000
Canadian term credit Tranche 3	—	300,000	300,000
Government loans	5,875	6,628	6,208
Supplier financing	4,479	3,607	6,167
Deferred financing charges	(2,529)	(4,863)	(3,448)
Total long-term debt	\$ 1,580,272	\$ 1,881,464	\$ 1,691,957
Current	\$ 351,673	\$ 300,371	\$ 301,478
Non-current	1,228,599	1,581,093	1,390,479
Total long-term debt	\$ 1,580,272	\$ 1,881,464	\$ 1,691,957

The Company has a syndicated sustainability-linked credit facility (the "Credit Facility") consisting of a \$1,300.0 million unsecured committed revolving line of credit maturing June 29, 2027, and two unsecured committed term facilities for \$350.0 million (Tranche 2) and US\$265.0 million (Tranche 1) maturing June 29, 2026 and June 29, 2027, respectively. On June 20, 2023, the Credit Facility was amended by adding an additional \$400.0 million unsecured committed term credit (Tranche 3) maturing June 20, 2024, and adjusting the financial covenants to facilitate access to the new tranche. On April 30, 2024 the Company amended its Credit Facility, downsizing Tranche 3 to \$300.0 million and extending its maturity to June 20, 2025. On June 20, 2025, the Company fully repaid the \$300.0 million term credit (Tranche 3) at its maturity.

The Credit Facility may be drawn in Canadian or U.S. dollars and bears interest payable monthly, based on Canadian Overnight Repo Rate Average ("CORRA") and Prime rates for Canadian dollar loans and based on the Secured Overnight Financing Rate ("SOFR") for U.S. dollar loans. The Credit Facility is intended to meet the Company's funding requirements for capital investments in addition to providing appropriate levels of liquidity for general corporate purposes. The interest rate on the Credit Facility may be adjusted up or down by a maximum of 5 basis points based on the Company's performance compared to specified sustainability targets.

In addition to the borrowings on the revolving facility and the term credit, as at June 30, 2025 the Company had drawn letters of credit of \$9.0 million on the Credit Facility (June 30, 2024: \$9.1 million; December 31, 2024: \$9.1 million).

The Credit Facility requires the maintenance of certain covenants. As at June 30, 2025, the Company was in compliance with all of these covenants. The primary financial covenant requires that the Company maintain a net debt to capitalization ratio below a specified threshold.

The Company has additional uncommitted credit facilities for issuing letters of credit up to a maximum of \$105.0 million (June 30, 2024: \$105.0 million; December 31, 2024: \$105.0 million). As at June 30, 2025, \$47.2 million in letters of credit had been issued thereon (June 30, 2024: \$47.0 million; December 31, 2024: \$47.6 million).

As at June 30, 2025, the Company has one non-interest bearing government loan of \$5.9 million (June 30, 2024: \$6.6 million; December 31, 2024: \$6.2 million) still outstanding and maturing in 2033. The facility is committed.

The following table reconciles the changes in cash flows from financing activities for long-term debt for the period in the respective years:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Total long-term debt, beginning of period	\$ 1,672,710	\$ 1,929,203	\$ 1,691,957	\$ 1,950,815
Revolving and term credit facilities - net repayments	\$ (60,000)	\$ (50,000)	\$ (78,252)	\$ (80,000)
Government loans repayments	(222)	(480)	(444)	(647)
Supplier financing repayments	(43)	—	(1,351)	(718)
Payment of financing fees	(541)	(2,122)	(548)	(2,122)
Total cash outflow from long-term debt financing activities	\$ (60,806)	\$ (52,602)	\$ (80,595)	\$ (83,487)
Foreign exchange revaluation	\$ (32,344)	\$ 3,786	\$ (32,668)	\$ 11,942
Other non-cash changes	712	1,077	1,578	2,194
Total non-cash changes	\$ (31,632)	\$ 4,863	\$ (31,090)	\$ 14,136
Total long-term debt, end of period	\$ 1,580,272	\$ 1,881,464	\$ 1,580,272	\$ 1,881,464

9. SHARE CAPITAL

Share Repurchase

On March 11, 2025 the Toronto Stock Exchange ("TSX") accepted the Company's notice of intention to commence a Normal Course Issuer Bid ("NCIB"), allowing the Company to repurchase, at its discretion, up to 7.3 million common shares in the open market or as otherwise permitted by the TSX, subject to the normal terms and limitations of such bids. Common shares purchased by the Company are cancelled. The program commenced on March 13, 2025 and will terminate on March 12, 2026. Under this bid, during the three and six months ended June 30, 2025, no shares were repurchased for cancellation.

On May 20, 2023 the TSX accepted the Company's notice of intention to commence a NCIB, allowing the Company to repurchase, at its discretion, up to 7.2 million common shares in the open market or as otherwise permitted by the TSX, subject to the normal terms and limitations of such bids. Common shares purchased by the Company are cancelled. The program commenced on May 25, 2023 and terminated on May 24, 2024. Under this bid, during the three and six months ended June 30, 2024, no shares were repurchased for cancellation.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company applies hedge accounting as appropriate and uses derivatives and other non-derivative financial instruments to manage its exposures to fluctuations in foreign exchange rates, interest rates, and commodity prices.

The fair values and notional amounts of derivative financial instruments as at June 30 are shown below:

	2025			2024		
	Notional amount ⁽ⁱ⁾	Fair value		Notional amount ⁽ⁱ⁾	Fair value	
		Asset ⁽ⁱⁱ⁾	Liability ⁽ⁱⁱ⁾		Asset ⁽ⁱⁱ⁾	Liability ⁽ⁱⁱ⁾
Cash flow hedges						
Foreign exchange contracts	\$ 59,099	\$ 685	\$ 1	\$ 70,473	\$ —	\$ 631
Commodity contracts	\$ 17,583	—	1,832	\$ —	—	—
Interest rate swaps	\$ 400,000	3,489	5,492	\$ —	—	—
		\$ 4,174	\$ 7,325		\$ —	\$ 631
Fair value hedges⁽ⁱⁱⁱ⁾						
Foreign exchange contracts	\$ 45,897	\$ 1,447	\$ 4	\$ 23,887	\$ 2	\$ 260
Commodity contracts	\$ 43,332	—	2,562	\$ 22,153	2,490	—
		\$ 1,447	\$ 2,566		\$ 2,492	\$ 260
Derivatives not designated in a formal hedging relationship						
Interest rate swaps	\$ 222,625	\$ —	\$ 1,223	\$ —	\$ —	\$ —
Foreign exchange contracts	\$ 134,847	429	700	\$ 153,073	556	36
Commodity contracts	\$ 162,973	8,084	—	\$ 256,979	—	2,293
		\$ 8,513	\$ 1,923		\$ 556	\$ 2,329
Total fair value		\$ 14,134	\$ 11,814		\$ 3,048	\$ 3,220
Current ^{(ii)(iv)}		\$ 12,399	\$ 8,917		\$ 3,048	\$ 3,220
Non-current ⁽ⁱⁱⁱ⁾		1,735	2,897		—	—
Total fair value		\$ 14,134	\$ 11,814		\$ 3,048	\$ 3,220

⁽ⁱ⁾ Unless otherwise stated, notional amounts are stated at the contractual Canadian dollar equivalent.

⁽ⁱⁱ⁾ The current portion of derivative assets and liabilities are recorded in prepaid expenses and other assets and other current liabilities, respectively, in the Consolidated Interim Balance Sheets and will impact earnings at various dates within the next 12 months. The non-current portion of derivative assets and liabilities are recorded in other long-term assets and other long-term liabilities, respectively, in the Consolidated Interim Balance Sheets.

⁽ⁱⁱⁱ⁾ The carrying amount of the hedged items in the Consolidated Interim Balance Sheets are recorded at the inverse of the associated hedging instruments and are equal to the accumulated fair value hedge adjustments less hedge ineffectiveness.

^(iv) As at June 30, 2025, the above fair value of current assets has been decreased by \$6.0 million (June 30, 2024: decreased by \$0.3 million; December 31, 2024: increased by \$1.1 million), and the above fair value of current liabilities has been decreased by \$4.4 million (June 30, 2024: decreased by \$2.3 million; December 31, 2024: decreased by \$0.0 million) on the Consolidated Interim Balance Sheets, representing the difference in the fair market value of exchange traded commodity contracts and the initial margin requirements. The difference in margin requirements and fair market value is net settled in cash each day with the futures exchange and is recorded within cash and cash equivalents.

During the three months ended June 30, 2025, the Company recorded a pre-tax loss of \$0.4 million (2024: gain of \$1.3 million) on non-designated financial instruments held for trading.

During the six months ended June 30, 2025, the Company recorded a pre-tax loss of \$3.1 million (2024: gain of \$7.2 million) on non-designated financial instruments held for trading.

During the three and six months ended June 30, 2025 and 2024, hedge ineffectiveness was negligible.

The table below sets out fair value measurements of derivative financial instruments as at June 30, 2025 using the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
Assets:				
Foreign exchange contracts	\$ —	2,561	—	\$ 2,561
Commodity contracts ⁽ⁱ⁾	3,690	—	—	3,690
Interest rate swaps	—	3,489	—	3,489
	\$ 3,690	6,050	—	\$ 9,740
Liabilities:				
Foreign exchange contracts	\$ —	705	—	\$ 705
Interest rate swaps	—	6,715	—	6,715
	\$ —	7,420	—	\$ 7,420

⁽ⁱ⁾ Level 1 commodity contracts are net settled and recorded as a net asset or liability on the Consolidated Interim Balance Sheets.

There were no transfers between levels for the three and six months ended June 30, 2025 and June 30, 2024.

Determination of fair value and the resulting hierarchy requires the use of observable market data whenever available. The classification of a financial instrument in the hierarchy is based upon the lowest level of input that is significant to the measurement of fair value. For financial instruments that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

Accumulated other comprehensive income

The Company estimates that \$0.8 million, net of tax of \$0.3 million, of the unrealized loss included in accumulated other comprehensive income will be reclassified into earnings within the next 12 months. The actual amount of this reclassification will be impacted by future changes in the fair value of financial instruments designated as cash flow hedges. The actual amount reclassified could differ from this estimated amount.

During the three months ended June 30, 2025, a loss of \$0.1 million, net of tax of \$0.0 million, was released to loss from accumulated other comprehensive income (loss) and included in the net change for the year (2024: gain of \$0.8 million, net of tax of \$0.3 million).

During the six months ended June 30, 2025, a loss of \$1.0 million, net of tax of \$0.3 million, was released to earnings from accumulated other comprehensive income and included in the net change for the year (2024: gain of \$3.8 million, net of tax of \$1.3 million).

As at June 30, 2025, the Company had US\$265.0 million (June 30, 2024: US\$265.0 million; December 31, 2024: US\$265.0) drawn on the Credit Facility of which US\$241.7 million (June 30, 2024: US\$258.3 million; December 31, 2024: US\$245.2 million) is designated as a net investment hedge of the Company's U.S. operations. Foreign exchange gains and losses on the designated drawings are recorded in accumulated other comprehensive income and offset translation adjustments on the underlying net assets of the U.S. operations, which are also recorded in accumulated other comprehensive income.

During the three months ended June 30, 2025, the gain on the net investment hedge recorded in other comprehensive income (loss) was \$15.2 million, net of tax of \$2.8 million (2024: loss of \$3.2 million, net of tax of \$0.6 million).

During the six months ended June 30, 2025, the gain on the net investment hedge recorded in other comprehensive income was \$15.3 million, net of tax of \$2.8 million (2024: loss of \$9.8 million, net of tax of \$1.8 million).

11. INTEREST EXPENSE AND OTHER FINANCING COSTS

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Interest on borrowings from credit facility	\$ 21,787	\$ 38,012	\$ 46,550	\$ 74,934
Interest on lease obligations	1,985	2,174	4,038	4,032
Interest on securitized receivables	1,216	1,680	2,481	3,326
Interest on government loans	55	62	111	128
Amortization of deferred financing charges	680	1,015	1,490	2,066
Credit facility standby fees and other interest	814	913	1,793	1,808
	\$ 26,537	\$ 43,856	\$ 56,463	\$ 86,294
Interest paid and capitalized	(303)	(219)	(583)	(574)
	\$ 26,234	\$ 43,637	\$ 55,880	\$ 85,720

Interest paid during the three and six months ended June 30, 2025 was \$26.4 million and \$55.3 million (2024: \$32.7 million and \$73.5 million).

12. EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share amounts are calculated by dividing the earnings (loss) of the Company by the weighted average number of shares outstanding during the period.

Diluted earnings (loss) per share amounts are calculated by dividing the earnings (loss) of the Company by the weighted average number of shares outstanding during the period, adjusted for the effects of potentially dilutive instruments.

The following table sets forth the calculation of basic and diluted earnings (loss) per share ("EPS"):

	2025			2024		
	Earnings	Weighted average number of shares ⁽ⁱ⁾	EPS	(Loss) Earnings	Weighted average number of shares ⁽ⁱ⁾	EPS
<i>Three months ended June 30,</i>						
Basic	\$ 57,778	123.9	\$ 0.47	\$ (26,173)	122.9	\$ (0.21)
Effect of dilutive securities ⁽ⁱⁱ⁾		1.7			—	
Diluted	\$ 57,778	125.6	\$ 0.46	\$ (26,173)	122.9	\$ (0.21)
<i>Six months ended June 30,</i>						
Basic	\$ 107,341	123.8	\$ 0.87	\$ 25,378	122.7	\$ 0.21
Effect of dilutive securities ⁽ⁱⁱ⁾		1.5			1.1	
Diluted	\$ 107,341	125.3	\$ 0.86	\$ 25,378	123.8	\$ 0.20

⁽ⁱ⁾ In millions.

⁽ⁱⁱ⁾ Excludes the effect of approximately 5.2 million (2024: 7.4 million) stock options and restricted share units that are anti-dilutive for the three months ended June 30, 2025 and 5.3 million (2024: 6.0 million) for the six months ended June 30, 2025.

13. SHARE-BASED PAYMENT

Stock Options

A summary of the status of the Company's outstanding stock options for the for the six months ended June 30 are presented below:

	2025		2024	
	Options outstanding	Weighted average exercise price	Options outstanding	Weighted average exercise price
Outstanding at January 1	7,299,200	\$ 25.62	6,537,050	\$ 26.83
Granted	870,300	\$ 24.64	1,793,850	\$ 22.95
Forfeited	(3,450)	\$ 22.95	(107,850)	\$ 25.57
Expired	(664,950)	\$ 32.50	(677,100)	\$ 30.86
Outstanding at March 31	7,501,100	\$ 24.90	7,545,950	\$ 25.56
Exercised	(23,550)	\$ 22.95	(108,200)	\$ 23.08
Forfeited	(4,500)	\$ 22.95	—	\$ —
Expired	—	\$ —	(90,100)	\$ 25.22
Outstanding at June 30	7,473,050	\$ 24.90	7,347,650	\$ 25.60
Options currently exercisable	5,171,850	\$ 25.43	4,797,900	\$ 26.63

All outstanding stock options vest and become exercisable over a period not exceeding five years (time vesting) from the date of grant. The outstanding options have a term of seven years.

At grant date, each option series is measured at fair value based on the Black-Scholes formula. Expected volatility is estimated by considering historic average share price volatility. The inputs used in this model for the options granted during the six months ended June 30, 2025 and 2024 are shown in the table below⁽ⁱ⁾:

	2025	2024
Share price at grant date	\$25.22	\$22.99
Exercise price	\$24.64	\$22.95
Expected volatility	30.8%	32.1%
Option life (in years) ⁽ⁱⁱ⁾	4.5	4.5
Expected dividend yield	4.5%	4.6%
Risk-free interest rate ⁽ⁱⁱⁱ⁾	2.5%	3.6%

⁽ⁱ⁾ Weighted average based on number of units granted.

⁽ⁱⁱ⁾ Expected weighted average life.

⁽ⁱⁱⁱ⁾ Based on Government of Canada bonds.

There were no stock options granted during the three months ended June 30, 2025 and 2024. Expenses relating to current and prior year options during the three months ended June 30, 2025 were \$1.3 million (2024: \$1.3 million).

The fair value of options granted during the six months ended June 30, 2025 was \$4.1 million (2024: \$7.9 million). Expenses relating to current and prior year options during the six months ended June 30, 2025 were \$2.8 million (2024: \$3.2 million).

Restricted Share Units and Performance Share Units

A summary of the status of the Company's Restricted Share Units ("RSUs") and Performance Share Units ("PSUs") plans as at and for the six months ended June 30 are presented below:

	2025		2024	
	Share units outstanding	Weighted average fair value at grant	Share units outstanding	Weighted average fair value at grant
Outstanding at January 1	3,224,990	\$ 21.38	2,018,396	\$ 23.87
Granted	925,790	\$ 22.11	1,818,035	\$ 20.67
Forfeited	(29,262)	\$ 21.17	(34,260)	\$ 23.04
Outstanding at March 31	4,121,518	\$ 21.54	3,802,171	\$ 22.35
Distributed	(533,478)	\$ 24.21	(262,532)	\$ 24.08
Forfeited	(377,599)	\$ 25.85	(255,553)	\$ 24.04
Outstanding at June 30	3,210,441	\$ 20.59	3,284,086	\$ 21.36

There were no RSUs and PSUs granted during the three months ended June 30, 2025 and 2024. Expenses for the three months ended June 30, 2025 relating to current and prior year RSUs and PSUs, were \$5.4 million (2024: \$5.1 million), of which \$0.6 million (2024: \$0.5 million) will be paid in cash and the remainder settled in shares.

The fair value of RSUs and PSUs granted during the six months ended June 30, 2025, was \$17.2 million (2024: \$30.7 million). Expenses for the six months ended June 30, 2025 relating to current and prior year RSUs and PSUs were \$9.9 million (2024: \$8.0 million), of which \$1.2 million (2024: \$0.6 million) will be paid in cash and the remainder settled in shares.

A portion of the outstanding RSUs and PSUs will be settled in cash. The total liability recorded for these units is \$2.1 million (June 30, 2024: \$1.2 million, December 31, 2024: \$1.7 million).

The key assumptions used in the valuation of fair value of RSUs and PSUs granted during the six months ended June 30, 2025 and 2024 are shown in the table below⁽ⁱ⁾:

	2025	2024
Expected RSU life (in years)	3.0	2.6
Forfeiture rate	16.1%	12.6%
Risk-free interest rate ⁽ⁱⁱ⁾	2.5%	4.0%

⁽ⁱ⁾ Weighted average based on number of units granted.

⁽ⁱⁱ⁾ Based on Government of Canada bonds.

Deferred Share Units

Expenses for the three and six months ended June 30, 2025 relating to deferred share units were \$0.6 million and \$1.0 million (2024: \$0.4 million and \$0.8 million).

14. GEOGRAPHIC AND CUSTOMER PROFILE

Information About Geographic Areas

The following summarizes sales by country of origin:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Canada ⁽ⁱ⁾	\$ 1,007,679	\$ 943,554	\$ 1,906,459	\$ 1,792,466
U.S.	131,556	130,501	270,037	253,232
Japan	113,749	92,732	214,229	186,292
China	15,644	16,890	30,899	30,418
Other	93,516	71,496	181,813	140,056
Sales	\$ 1,362,144	\$ 1,255,173	\$ 2,603,437	\$ 2,402,464

⁽ⁱ⁾ Quarterly amounts for 2024 have been adjusted, see Note 16.

The following summarizes the location of non-current assets by country:

	As at June 30,	As at June 30,	As at December 31,
	2025	2024	2024
Canada	\$ 2,816,922	\$ 2,939,471	\$ 2,862,830
U.S.	278,283	297,020	303,349
Other	945	270	234
Total non-current assets⁽ⁱ⁾	\$ 3,096,150	\$ 3,236,761	\$ 3,166,413

⁽ⁱ⁾ Excludes financial instruments, investments designated as financial instruments, employee benefits, and deferred tax assets.

Information About Major Customers

For the three months ended June 30, 2025, the Company reported sales to two customers representing 12.8% and 10.8% (2024: 11.9% and 12.0%) of total sales. No other sales were made to any one customer that represented in excess of 10.0% of total sales.

For the six months ended June 30, 2025, the Company reported sales to two customers representing 12.7% and 11.1% (2024: 12.3% and 12.3%) of total sales. No other sales were made to any one customer that represented in excess of 10.0% of total sales.

15. RELATED PARTY TRANSACTIONS

The Company sponsors a number of defined benefit, defined contribution and post-retirement benefit plans. During the three and six months ended June 30, 2025, the Company contributed \$7.7 million and \$15.9 million (2024: \$8.2 million and \$15.6 million) to these plans.

The Company's largest shareholder is McCain Capital Inc. ("MCI"). The Company has been informed that Mr. Michael H. McCain, Executive Chairman of the Board, is the controlling shareholder of MCI. For the three and six months ended June 30, 2025, the Company received services from MCI and companies directly or indirectly owned by MCI in the amount of \$0.2 million and \$0.3 million (2024: \$0.2 million and \$0.3 million), which represented the market value of these transactions. As at June 30, 2025, \$0.3 million (June 30, 2024: \$0.2 million; December 31, 2024: \$0.2 million) was owed to MCI and companies directly or indirectly owned by MCI relating to these transactions.

McCain Financial Advisory Services ("MFAS"), is an entity jointly controlled by individuals including Mr. Michael H. McCain. For the three and six months ended June 30, 2025 and 2024, the Company provided services to and received services from MFAS for a nominal amount which represented the market value of the transactions.

16. ADJUSTMENT OF COMPARATIVE INFORMATION

Prior year sales and cost of goods sold have both been adjusted to reduce each balance for the three and six months ended by \$5.7 million and \$11.6 million, respectively, from the previously published amounts in order to eliminate agreements that contained an expectation of repurchase and had previously been reported as external sales and cost of goods sold.

	Three months ended June 30, 2024			Six months ended June 30, 2024		
	As reported	Change	As adjusted	As reported	Change	As adjusted
Sales	\$ 1,260,878	\$ (5,705)	\$ 1,255,173	\$ 2,414,103	\$ (11,639)	\$ 2,402,464
Cost of goods sold	1,129,723	(5,705)	1,124,018	2,056,608	(11,639)	2,044,969
Gross profit	\$ 131,155	—	\$ 131,155	\$ 357,495	—	\$ 357,495