



MAPLE LEAF FOODS INC.

Interim Report to Shareholders

For the Second Quarter Ended
June 30, 2025

Management's Discussion and Analysis

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Management's Discussion and Analysis

All dollar amounts are presented in Canadian dollars unless otherwise noted.

August 6, 2025

1. FINANCIAL AND OPERATING REVIEW

As part of the restructuring of its commercial and supply chain operations during 2024, Maple Leaf Foods Inc. ("Maple Leaf Foods" or the "Company") split its prepared foods operations into two operating units; Prepared Foods which encompasses its prepared meats and plant protein categories, and Poultry which encompasses its fresh poultry category. Maple Leaf Foods consists of three operating units: Prepared Foods, Poultry, and Pork which represent approximately 55%, 20%, and 25% of total Company revenue respectively.

(\$ millions except earnings per share) (Unaudited)	As at or for the three months ended June 30,			As at or for the six months ended June 30,		
	2025	2024	Change	2025	2024	Change
Sales ⁽ⁱ⁾	\$ 1,362.1	\$ 1,255.2	8.5 %	\$ 2,603.4	\$ 2,402.5	8.4 %
Gross profit	\$ 235.7	\$ 131.2	79.6 %	\$ 453.5	\$ 357.5	26.9 %
Selling, general and administrative expenses	\$ 113.0	\$ 116.6	(3.1)%	\$ 227.8	\$ 226.7	0.5 %
Earnings (Loss)	\$ 57.8	\$ (26.2)	nm ⁽ⁱⁱⁱ⁾	\$ 107.3	\$ 25.4	nm ⁽ⁱⁱⁱ⁾
Basic Earnings (Loss) per Share	\$ 0.47	\$ (0.21)	nm ⁽ⁱⁱⁱ⁾	\$ 0.87	\$ 0.21	nm ⁽ⁱⁱⁱ⁾
Adjusted Operating Earnings ⁽ⁱⁱ⁾	\$ 122.8	\$ 78.1	57.2 %	\$ 218.5	\$ 131.1	66.7 %
Adjusted EBITDA ⁽ⁱⁱ⁾	\$ 181.6	\$ 140.9	28.9 %	\$ 348.0	\$ 257.3	35.3 %
Adjusted EBITDA Margin ⁽ⁱⁱ⁾	13.3%	11.2%	210 bps	13.4%	10.7%	270 bps
Adjusted EBT ⁽ⁱⁱ⁾	\$ 94.5	\$ 34.4	nm ⁽ⁱⁱⁱ⁾	\$ 169.3	\$ 44.8	nm ⁽ⁱⁱⁱ⁾
Adjusted Earnings per Share ⁽ⁱⁱ⁾	\$ 0.56	\$ 0.18	nm ⁽ⁱⁱⁱ⁾	\$ 0.99	\$ 0.22	nm ⁽ⁱⁱⁱ⁾
Free Cash Flow ⁽ⁱⁱ⁾	\$ 216.0	\$ 27.0	nm ⁽ⁱⁱⁱ⁾	\$ 202.4	\$ 100.7	nm ⁽ⁱⁱⁱ⁾
Net Debt ⁽ⁱⁱ⁾				\$ 1,344.2	\$ 1,723.1	(22.0)%

⁽ⁱ⁾ Quarterly amounts for 2024 have been adjusted to eliminate new sales agreements entered into during the year that contained an expectation of repurchase, which had previously been reported as external sales.

⁽ⁱⁱ⁾ Refer to section 16. Non-IFRS Financial Measures of this document for the definition of these non-IFRS measures.

⁽ⁱⁱⁱ⁾ Not meaningful.

Sales for the second quarter of 2025 were \$1,362.1 million compared to \$1,255.2 million last year, an increase of 8.5%. Prepared Foods sales increased by 7.5% driven by pricing, improved mix, and volume growth. Poultry sales increased by 8.5% driven by improved channel mix tied to retail and foodservice volume growth, and pricing. Pork sales increased by 10.7% due to an increase in the number of hogs processed and higher average hog weights.

Year-to-date sales for 2025 were \$2,603.4 million compared to \$2,402.5 million last year, an increase of 8.4%. Prepared Foods sales increased by 7.3% driven by pricing, improved mix, volume growth, and favourable foreign exchange impacts related to US sales. Poultry sales increased by 7.3% driven by improved channel mix tied to retail and foodservice volume growth, and pricing. Pork sales increased by 11.3% due to an increase in the number of hogs processed, higher average hog weights, and favourable foreign exchange impacts.

Gross profit for the second quarter of 2025 increased to \$235.7 million (gross margin⁽ⁱ⁾ of 17.3%) compared to \$131.2 million (gross margin⁽ⁱ⁾ of 10.4%) last year. The increase in gross profit was driven by an increase in mark-to-market valuation of biological assets and commodity futures contracts, improved pork market conditions, favourable volume and mix impacts in Prepared Foods and Poultry, and operating efficiencies inclusive of benefits from the investments in the London poultry and Bacon Centre of Excellence facilities. These factors were partially offset by increased trade promotions.

Year-to-date gross profit for 2025 was \$453.5 million (gross margin⁽ⁱ⁾ of 17.4%) compared to \$357.5 million (gross margin⁽ⁱ⁾ of 14.9%) last year. The increase in gross profit was driven by improved pork market conditions, favourable volume and mix impacts in Prepared Foods and Poultry, and lower start-up expenses. These factors were partially offset by increased trade promotions and a decrease in mark-to-market valuation of biological assets.

Selling, General and Administrative ("SG&A") expenses for the second quarter of 2025 were \$113.0 million compared to \$116.6 million last year. The decrease in SG&A expenses was primarily driven by lower consulting fees, which were partially offset by higher variable compensation.

Year-to-date SG&A expenses for 2025 were \$227.8 million compared to \$226.7 million last year. The increase in SG&A expenses was driven by higher variable compensation and higher advertising and promotional expenses, which were partially offset by lower consulting fees.

Earnings for the second quarter of 2025 were \$57.8 million (\$0.47 basic earnings per share) compared to a loss of \$26.2 million (\$0.21 basic loss per share) last year. Earnings were impacted by the same factors as noted above for gross profit and SG&A as well as reduced interest expense due to lower debt, all partly offset by higher income tax expense as well as incremental costs associated with the upcoming spin-off of the Pork Operations and certain costs associated with the *"Fuel for Growth"* initiative, both of which were recorded outside of Adjusted Operating Earnings.

Year-to-date earnings for 2025 were \$107.3 million (\$0.87 basic earnings per share) compared to \$25.4 million (\$0.21 basic earnings per share) last year. Year-to-date earnings were impacted by the same factors as noted above for gross profit and SG&A, as well as reduced interest expense due to lower debt, all partly offset income tax expenses and by incremental costs associated with the upcoming spin-off of the Pork Operations and the *"Fuel for Growth"* initiative, both of which were recorded outside of Adjusted Operating Earnings.

Adjusted Operating Earnings for the second quarter of 2025 were \$122.8 million compared to \$78.1 million last year, and Adjusted Earnings per Share for the second quarter of 2025 was \$0.56 compared to \$0.18 last year. The increase was driven by factors consistent with those noted above for gross profit and SG&A expenses, excluding the impact of unrealized mark-to-market valuation adjustments.

Year-to-date Adjusted Operating Earnings for 2025 were \$218.5 million compared to \$131.1 million last year, and Adjusted Earnings per Share for 2025 was \$0.99 compared to \$0.22 last year due to factors consistent with those noted above for gross profit and SG&A expenses excluding the impact of unrealized mark-to-market valuation adjustments and start-up expenses.

Adjusted EBITDA for the second quarter was \$181.6 million, compared to \$140.9 million last year, driven by factors consistent with those noted above for Adjusted Operating Earnings. Adjusted EBITDA Margin was 13.3% compared to 11.2% last year, also driven by factors consistent with those noted above.

Year-to-date Adjusted EBITDA for 2025 was \$348.0 million compared to \$257.3 million last year, driven by factors consistent with those noted above for Adjusted Operating Earnings along with reduction of other expense. Year-to-date Adjusted EBITDA Margin for 2025 was 13.4% compared to 10.7% last year, also driven by factors consistent with those noted above.

Adjusted Earnings Before Taxes ("Adjusted EBT") for the second quarter of 2025 were \$94.5 million compared to \$34.4 million last year due to similar factors as noted above for Adjusted EBITDA, along with a reduction in interest expense.

Year-to-date Adjusted EBT for 2025 were \$169.3 million compared to \$44.8 million last year due to similar factors as noted above for the second quarter.

Free Cash Flow for the second quarter of 2025 was \$216.0 million compared to Free Cash Flow of \$27.0 million in the prior year. The improvement was driven by improved earnings after the removal of non-cash items, and timing impacts related to the change in non-cash working capital.

Year-to-date Free Cash Flow for 2025 was \$202.4 million compared to Free Cash Flow of \$100.7 million in the prior year. Free Cash Flow increased significantly due to improved earnings after the removal of non-cash items, timing impacts related to the change in non-cash working capital, and lower interest payments.

Net Debt as at June 30, 2025 was \$1,344.2 million, a decrease of \$378.8 million compared to the prior year. For discussion of changes in Net Debt see section 7. Cash Flow and Financing.

⁽ⁱ⁾ Gross margin is defined as gross profit divided by sales.

2. 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.

3. INCOME TAXES

In the second quarter and the six months ended June 30, 2025, the Company's effective rate of tax recovery and expense differs from the Canadian statutory tax rate of 26.2% primarily due to the Company not recognizing a deferred tax recovery on losses of its Plant Protein subsidiary and non-deductible transaction costs. The effective rates of tax expense in determining Adjusted Earnings per Share in the second quarter and for the six months ended June 30, 2025 are 27.1% and 27.9%, respectively. The effective tax rates in determining the Adjusted Earnings per Share in the second quarter and for the six months differ from the Canadian statutory tax rate primarily due to the Company not recognizing a deferred tax recovery on losses of its Plant Protein subsidiary. In the second quarter and the six months ended June 30, 2025, the effective tax rates on restructuring charges used in the computation of Adjusted Earnings per Share are 25.3% and 25.5%, respectively.

In the second quarter and the six months ended June 30, 2024, the Company's effective rate of tax recovery differs from the Canadian statutory tax rate of 26.2% primarily due to the Company not recognizing a deferred tax recovery on losses of its Plant Protein subsidiary. The effective rates of tax expense used in determining Adjusted Earnings per Share in the second quarter and for the six months ended June 30, 2024 are 32.8% and 38.5%, respectively. The effective tax rates in determining the Adjusted Earnings per Share in the second quarter and for the six months differ from the Canadian statutory tax rate primarily due to the reason described above. In the second quarter and the six months ended June 30, 2024, the effective tax recovery rate on restructuring charges used in the computation of Adjusted Earnings per Share are 25.6% and 25.4%, respectively.

4. CAPITAL RESOURCES AND LIQUIDITY

The consumer foods industry in which the Company operates is generally characterized by high sales volume and high turnover of inventories and accounts receivable. In general, accounts receivable and inventories are readily convertible into cash. Investment in working capital is affected by fluctuations in the price of raw materials as well as seasonal and other market-related fluctuations. The Company has consistently generated a strong base level of operating cash flow which provides a base of underlying liquidity that the Company supplements with credit facilities and cash on hand to provide longer-term funding and to finance fluctuations in working capital levels.

The Company's cash balance as at June 30, 2025 was \$236.0 million (June 30, 2024: \$158.4 million; December 31, 2024: \$175.9 million). Cash is held in demand and short-term investment deposits with Canadian financial institutions having long-term debt ratings of A or higher.

The composition of long-term debt is shown below:

(\$ thousands) (Unaudited)	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.

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, the Company had \$172.0 million (June 30, 2024: \$155.3 million; December 31, 2024: \$129.2 million) of trade accounts receivable serviced under the Securitization Facility. 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). The facility is accounted for as an off-balance sheet transaction in accordance with IFRS Accounting Standards.

The Securitization Facility is subject to certain restrictions, including the maintenance of covenants. The Company was in compliance with all of the requirements of this facility as at June 30, 2025. If the Securitization Facility were to be terminated, the Company would recognize the related amounts on the unaudited condensed consolidated interim balance sheets ("Consolidated Interim Balance Sheets") and consider alternative financing if required.

5. CAPITAL EXPENDITURES

Capital expenditures in the second quarter of 2025 were \$24.7 million compared to \$15.7 million in the second quarter last year and year-to-date capital expenditures for 2025 were \$49.8 million compared to \$39.8 million last year. The increase in capital expenditures was largely driven by the timing of maintenance projects compared to 2024.

The Company currently estimates its capital expenditures for 2025 will be in the range of \$160 million to \$180 million, a decrease from previous expectations mainly driven by timing of projects.

6. NORMAL COURSE ISSUER BID

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.

7. CASH FLOW AND FINANCING

Cash and cash equivalents were \$236.0 million at the end of the second quarter of 2025, compared to \$158.4 million at the end of the second quarter of 2024, and \$175.9 million as at December 31, 2024. The increase in cash and cash equivalents for the six months ended June 30, 2025 was primarily due to cash earnings, income tax refunds received in the prior year, and lower interest payments, partially offset by loan repayments on the Credit Facility, increased dividend payments, and investment in long-term assets.

Cash Flow from Operating Activities

Cash provided by operating activities for the second quarter of 2025 was \$239.6 million compared to \$45.5 million in the same period of 2024. The improvement was mainly due to higher cash earnings and timing of investment in working capital, partially offset by income tax refunds received in the prior year.

Cash provided by operating activities for the first six months of 2025 was \$249.5 million compared to \$132.8 million in the same period of 2024. The improvement was mainly due to higher cash earnings, timing of investment in working capital, and lower interest payments, partly offset by income tax refunds received in the prior year.

Cash Flow from Investing Activities

Cash used in investing activities for the second quarter of 2025 was \$23.0 million compared to \$13.9 million in 2024. The increase was mainly due to higher investment in long-term assets.

For the first six months of 2025, cash used in investing activities was \$35.1 million compared to \$37.2 million in 2024. The decrease was mainly due to higher proceeds from sale of long-term assets, partially offset by higher investment in long-term assets.

Cash Flow from Financing Activities

Cash used in financing activities for the second quarter of 2025 was \$99.6 million compared to \$79.6 million in 2024. The increase was primarily due to higher loan repayments on the Credit Facility, increased dividends, and the purchase of treasury shares.

For the first six months of 2025, cash flow used in financing activities was an outflow of \$154.2 million compared to an outflow of \$140.6 million in 2024. The increase was primarily due to the purchase of treasury shares, an increase in dividends paid due to increased dividend rate and lower participation in the dividend reinvestment plan.

8. 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.

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:

(\$ thousands)
(Unaudited)

	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

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).

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).

9. TRANSACTIONS WITH RELATED PARTIES

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.

10. SHARE CAPITAL

As at July 30, 2025, there were 124,080,720 common shares issued and outstanding.

11. OTHER MATTERS

On August 6, 2025, the Board of Directors approved a quarterly dividend of \$0.24 per share, \$0.96 per share on an annual basis, payable September 29, 2025, to shareholders of record at the close of business on September 5, 2025. Unless indicated otherwise by the Company at or before the time the dividend is paid, the dividend will be considered an eligible dividend for the purposes of the "Enhanced Dividend Tax Credit System". The Company's Dividend Reinvestment Plan ("DRIP") permits eligible shareholders to direct their cash dividends to be reinvested in additional common shares of the Company. The Company eliminated the 2% discount on the treasury shares issued under the DRIP beginning in 2025. Therefore, for shareholders who wish to reinvest their dividends under the DRIP, Maple Leaf Foods intends to issue common shares from treasury at a price equal to 100% of the weighted average closing price of the shares for the five trading days preceding the dividend payment date. Full details of the DRIP, including how to enroll in the program, are available at <https://www.mapleleaffoods.com/>.

12. SUMMARY OF QUARTERLY RESULTS

The following is a summary of unaudited quarterly financial information for each quarter in the last two fiscal years:

	Second Quarter		First Quarter		Fourth Quarter		Third Quarter	
(\$ millions except earnings per share and margin) (Unaudited)	2025	2024	2025	2024	2024	2023	2024	2023
Sales⁽ⁱ⁾	\$1,362.1	\$1,255.2	\$1,241.3	\$1,147.3	\$1,237.1	\$1,186.0	\$1,255.5	\$1,231.4
Gross Profit	\$ 235.7	\$ 131.2	\$ 217.8	\$ 226.3	\$ 236.3	\$ 135.5	\$ 186.2	\$ 145.9
SG&A	\$ 113.0	\$ 116.6	\$ 114.8	\$ 110.0	\$ 101.9	\$ 101.3	\$ 108.5	\$ 94.9
Earnings (Loss)	\$ 57.8	\$ (26.2)	\$ 49.6	\$ 51.6	\$ 53.5	\$ (9.3)	\$ 17.7	\$ (4.3)
Earnings (Loss) Per Share								
Basic	\$ 0.47	\$ (0.21)	\$ 0.40	\$ 0.42	\$ 0.43	\$ (0.08)	\$ 0.14	\$ (0.04)
Diluted	\$ 0.46	\$ (0.21)	\$ 0.40	\$ 0.42	\$ 0.43	\$ (0.08)	\$ 0.14	\$ (0.04)
Adjusted Earnings per Share⁽ⁱⁱ⁾	\$ 0.56	\$ 0.18	\$ 0.43	\$ 0.04	\$ 0.38	\$ 0.08	\$ 0.18	\$ 0.13
Adjusted Operating Earnings⁽ⁱⁱ⁾	\$ 122.8	\$ 78.1	\$ 95.7	\$ 53.0	\$ 88.7	\$ 57.5	\$ 73.6	\$ 70.5
Adjusted EBITDA⁽ⁱⁱ⁾	\$ 181.6	\$ 140.9	\$ 166.3	\$ 116.4	\$ 155.1	\$ 120.2	\$ 140.8	\$ 129.0
Adjusted EBITDA Margin⁽ⁱⁱ⁾	13.3 %	11.2 %	13.4 %	10.1 %	12.5 %	10.1 %	11.2 %	10.5 %

⁽ⁱ⁾ Quarterly amounts for 2024 and 2023 have been adjusted to eliminate sales agreements that contained an expectation of repurchase, which had previously been reported as external sales.

⁽ⁱⁱ⁾ Refer to section 16. Non-IFRS Financial Measures of this document.

Fluctuations in quarterly sales can be attributed to changes in pricing, volume, sales mix, and the impact of foreign currency.

Fluctuations in quarterly earnings can be attributed to similar factors as noted above, pork and poultry industry processing margins, restructuring and other related costs, operating efficiencies, changes in the fair value of derivative and non-derivative financial instruments and biological assets, transitional costs incurred, provision adjustments, impairment losses, gains/losses on disposal of assets, and changes in interest rates and long-term debt.

The Company is sufficiently large and diversified, with a balanced portfolio, that seasonal factors within various parts of its operations tend to largely offset each other. For example, in general, margins on fresh pork products tend to be higher in the second half of the year when hog prices historically decline which in turn reduces earnings from raising hogs, maintaining balance within the Company's integrated pork business during this period. Variations in quarterly sales patterns can occur from year to year, however, over time the business shows consistent sales levels in the second quarter through the fourth, with typically lower sales in the first quarter of each year. Strong demand for grilled meat products positively affects categories such as wieners and fresh sausages in the summer, while back-to-school promotions support increased sales of sliced meats and lunch items in the fall. Higher demand for turkey and ham products occurs in the spring and fourth quarter holiday seasons.

For an explanation and analysis of quarterly results, refer to the Company's Management's Discussion and Analysis for each of the respective quarterly periods which are filed on SEDAR+ and also available on the Company's website at www.mapleleaffoods.com.

13. MATERIAL ACCOUNTING POLICIES

The Company did not adopt any new accounting standards or policies during the quarter ended June 30, 2025.

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.

14. INTERNAL CONTROLS OVER FINANCIAL REPORTING

There has been no change in the Company's internal control over financial reporting during the period beginning on April 1, 2025 and ended on June 30, 2025, that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

15. OUTLOOK

Maple Leaf Foods is a leading protein company built on a powerful portfolio of brands, with a leading voice in sustainability and food security. The Company continues to execute against its strategic Blueprint, which defines how it intends to advance its vision to be the Most Sustainable Protein Company on Earth and deliver on its commercial and financial objectives. A key deliverable in 2025 is the execution of the previously announced spin-off of the Pork Operations, unlocking value for all stakeholders by creating two robust, independent public companies: Maple Leaf Foods as a protein focused consumer packaged goods company, and Canada Packers as a leading global pork company. Until the spin-off is completed, the Company continues to look at its business on a holistic basis.

For the full year 2025, the Company expects:

- Mid-single-digit revenue growth.
- Adjusted EBITDA in the range of \$680 million to \$700 million, up from the previous outlook of \$634 million or greater, supported by:
 - a full year of benefits related to the London poultry and Bacon Centre of Excellence large capital projects, as well as benefits from the further processed poultry expansion at the Walker Road plant;
 - continuing to adapt to the consumer environment, supported by brand and revenue management plans to optimize volume and mix and capitalize on growing consumer demand for protein;
 - a return to more normal levels of profitability in the Pork operating unit; and
 - the Company's "Fuel for Growth" initiative which will accelerate Maple Leaf's cost reduction focus and competitive edge through supply chain savings, SG&A reductions, and completion of a strategic manufacturing review.
- Continued focus on using Free Cash Flow to further strengthen the balance sheet, facilitating more choice for capital allocation in the future:
 - focus remains on maintaining an investment-grade balance sheet⁽ⁱ⁾;
 - disciplined capital expenditures within a range of \$160 million to \$180 million, which is adjusted from the previous outlook of \$175 million to \$200 million due to timing of projects, with approximately \$130 million comprised of maintenance capital, and the remainder being growth capital; and
 - initiatives to create value for shareholders including; executing the spin-off of Canada Packers, a nine per cent increase in the annual dividend and the elimination of the discount on the Company's dividend reinvestment plan, establishment of a Normal Course Issuer Bid program, as well as evaluating future capital allocation alternatives.

The Company currently expects relatively normal pork market conditions and a stable consumer environment to continue for the balance of the year which is reflected in its increased full year 2025 Adjusted EBITDA outlook. However, evolving macro-economic factors continue to influence the operating environment. These factors may have an impact on consumer sentiment, supply chain activity, access to markets, barriers to trade, markets and foreign exchange rates. The Company leverages its data-driven insights to stay close to these evolving circumstances and is confident in the resilience of its brands, business model and strategy to manage through prevailing economic conditions. At the same time, it recognizes that its ability to deliver its 2025 guidance could be impacted by these conditions, including the impact of tariffs between Canada and the U.S. The Company is continuing to closely monitor the evolving tariff landscape so that it is prepared to adapt quickly as circumstances change. It has already adapted to changes in consumer sentiment that have emerged, including launching brand campaigns in Canada that respond to the "buy Canadian" movement.

⁽ⁱ⁾Maple Leaf defines investment grade leverage as typically operating below 3.0x Net Debt to Trailing Twelve Months Adjusted EBITDA.

Update on the Canada Packers spin-off

The Company is continuing to advance its operational readiness for the spin-off of its Pork Operations to create Canada Packers Inc. as a stand-alone public company. The transaction, which was approved by shareholders in June, will be implemented as a tax-free "butterfly reorganization" by way of a plan of arrangement and, subject to receipt of an advance tax ruling from the Canada Revenue Agency and final TSX approval, is on track to be completed in the last half of 2025 as planned. Details about the spin-off are included in the Company's Management Information Circular dated May 1, 2025, which is available on SEDAR+ at www.sedarplus.ca and the Company's website at www.mapleleaffoods.com.

16. NON-IFRS FINANCIAL MEASURES

The Company uses the following non-IFRS measures: Adjusted Operating Earnings, Adjusted Earnings per Share, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted EBT, Construction Capital, Net Debt, Net Debt to Trailing Twelve Months Adjusted EBITDA, Free Cash Flow and Return on Net Assets. Management believes that these non-IFRS measures provide useful information to investors in measuring the financial performance of the Company for the reasons outlined below. These measures do not have a standardized meaning prescribed by IFRS and therefore they may not be comparable to similarly titled measures presented by other publicly traded companies and should not be construed as an alternative to other financial measures determined in accordance with IFRS.

Adjusted Operating Earnings, Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted EBT

Adjusted Operating Earnings, Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted EBT are non-IFRS measures used by Management to evaluate financial operating results. Adjusted Operating Earnings is defined as earnings before income taxes adjusted for items that are not considered representative of ongoing operational activities of the business and certain items where the economic impact of the transactions will be reflected in earnings in future periods when the underlying asset is sold or transferred. Adjusted EBITDA is defined as Adjusted Operating Earnings plus depreciation and intangible asset amortization, adjusted for items included in other expense that are considered representative of ongoing operational activities of the business. Adjusted EBITDA Margin is calculated as Adjusted EBITDA divided by sales. Adjusted EBT is used annually by the Company to evaluate its performance and is a component of calculating bonus entitlements under the Company's short term incentive plan. It is defined as Adjusted EBITDA plus interest income, less depreciation and amortization, and interest expense and other financing costs.

The table below provides a reconciliation of earnings before income taxes as reported under IFRS in the Consolidated Interim Financial Statements to Adjusted Operating Earnings, Adjusted EBITDA and Adjusted EBT for the three and six months ended June 30, 2025 as indicated below. Management believes that these non-IFRS measures are useful in assessing the performance of the Company's ongoing operations and its ability to generate cash flows to fund its requirements.

(\$ millions) ⁽ⁱ⁾ (Unaudited)	Three months ended June 30, Six months ended June 30,			
	2025	2024	2025	2024
Earnings (loss) before income taxes	\$ 81.0	\$ (32.5)	\$ 151.6	\$ 41.3
Interest expense and other financing costs	26.2	43.6	55.9	85.7
Other expense (income)	12.8	(3.5)	14.0	(2.3)
Restructuring and other related costs	2.7	6.9	4.2	6.2
Earnings from operations	\$ 122.8	\$ 14.5	\$ 225.7	\$ 130.8
Start-up expenses from Construction Capital ⁽ⁱⁱ⁾	0.8	4.4	2.2	15.8
Decrease (increase) in fair value of biological assets	8.1	52.5	(8.3)	(16.7)
Decrease (increase) in derivative contracts	(8.9)	6.8	(1.0)	1.1
Adjusted Operating Earnings	\$ 122.8	\$ 78.1	\$ 218.5	\$ 131.1
Depreciation and amortization ⁽ⁱⁱⁱ⁾	61.5	63.7	124.1	128.6
Items included in other income (expense) representative of ongoing operations ^(iv)	(2.7)	(0.9)	5.3	(2.4)
Adjusted EBITDA	\$ 181.6	\$ 140.9	\$ 348.0	\$ 257.3
Adjusted EBITDA Margin^(v)	13.3 %	11.2 %	13.4 %	10.7 %
Interest expense and other financing costs	(26.2)	(43.6)	(55.9)	(85.7)
Interest income	0.6	0.8	1.3	1.8
Depreciation and amortization	(61.5)	(63.7)	(124.1)	(128.6)
Adjusted EBT	\$ 94.5	\$ 34.4	\$ 169.3	\$ 44.8

⁽ⁱ⁾ Totals may not add due to rounding.

⁽ⁱⁱ⁾ Start-up expenses are temporary costs as a result of operating new facilities that are or were previously classified as Construction Capital. These costs can include training, product testing, yield and labour efficiency variances, duplicative overheads including depreciation and other temporary expenses required to ramp-up production.

⁽ⁱⁱⁱ⁾ Depreciation included in start-up expenses is excluded from this line.

^(iv) Primarily includes certain costs associated with sustainability projects, gains and losses on the impairment and sale of long-term assets, gains and losses on investments and other miscellaneous expenses.

^(v) Quarterly amounts for 2024 have been adjusted to eliminate new sales agreements entered into during the year that contained an expectation of repurchase, which had previously been reported as external sales.

Adjusted Earnings per Share

Adjusted Earnings per Share, a non-IFRS measure, is used by Management to evaluate financial operating results. It is defined as basic earnings per share and is adjusted on the same basis as Adjusted Operating Earnings. The table below provides a reconciliation of basic earnings per share as reported under IFRS in the Consolidated Interim Financial Statements to Adjusted Earnings per Share for the three and six months ended June 30, as indicated below. Management believes this basis is the most appropriate on which to evaluate financial results as they are representative of the ongoing operations of the Company.

(\$ per share) (Unaudited)	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Basic earnings (loss) per share	\$ 0.47	\$ (0.21)	\$ 0.87	\$ 0.21
Restructuring and other related costs ⁽ⁱ⁾	0.02	0.04	0.03	0.04
Items included in other expense not considered representative of ongoing operations ⁽ⁱⁱ⁾	0.07	(0.03)	0.14	(0.02)
Start-up expenses from Construction Capital ⁽ⁱⁱⁱ⁾	0.01	0.03	0.01	0.10
Change in fair value of biological assets	0.05	0.31	(0.05)	(0.12)
Change in unrealized and deferred fair value on derivatives	(0.05)	0.04	(0.01)	0.01
Adjusted Earnings per Share^(iv)	\$ 0.56	\$ 0.18	\$ 0.99	\$ 0.22

⁽ⁱ⁾ Includes per share impact of restructuring and other related costs, net of tax.

⁽ⁱⁱ⁾ Primarily includes legal fees, vacancy costs on investment property, transaction related costs and costs associated with "Fuel for Growth", net of tax.

⁽ⁱⁱⁱ⁾ Start-up expenses are temporary costs as a result of operating new facilities that are or have been classified as Construction Capital. These costs can include training, product testing, yield and labour efficiency variances, duplicative overheads and other temporary expenses required to ramp-up production, net of tax.

^(iv) Totals may not add due to rounding.

Construction Capital

Construction Capital, a non-IFRS measure, is used by Management to evaluate the amount of capital resources invested in specific strategic development projects that are not yet operational. It is defined as investments and related financing charges in projects over \$50 million that are related to longer-term strategic initiatives, with no returns expected for at least 12 months from commencement of construction and the asset is re-categorized from Construction Capital once operational. There were no Construction Capital projects during the three and six months ended June 30, 2025 or June 30, 2024 as all projects had been completed and recategorized as regular property and equipment.

Net Debt

The following table reconciles Net Debt and Net Debt to Trailing Twelve Months Adjusted EBITDA ratio to amounts reported under IFRS in the Company's Consolidated Interim Financial Statements as at June 30, as indicated below. The Company calculates Net Debt as cash and cash equivalents, less current and long-term debt and bank indebtedness and calculates Net Debt to Trailing Twelve Months Adjusted EBITDA as the absolute value of Net Debt divided by Trailing Twelve Months Adjusted EBITDA. Management believes this measure is useful in assessing the amount of financial leverage employed.

(\$ thousands) (Unaudited)	As at June 30,	
	2025	2024
Cash and cash equivalents	\$ 236,045	\$ 158,381
Current portion of long-term debt	\$ (351,673)	\$ (300,371)
Long-term debt	(1,228,599)	(1,581,093)
Total debt	\$(1,580,272)	\$(1,881,464)
Net Debt	\$(1,344,227)	\$(1,723,083)
Trailing Twelve Months Adjusted EBITDA⁽ⁱ⁾	\$ 643,865	\$ 506,468
Net Debt to Trailing Twelve Months Adjusted EBITDA	2.1	3.4

⁽ⁱ⁾ Trailing Twelve Months includes Q3 2024, Q4 2024, Q1 2025, and Q2 2025 for 2025; and Q3 2023, Q4 2023, Q1 2024, and Q2 2024 for 2024.

Free Cash Flow

Free Cash Flow, a non-IFRS measure, is used by Management to evaluate cash flow after investing in the maintenance of the Company's asset base. It is defined as cash provided by operations, less Maintenance Capital⁽ⁱ⁾ and associated interest paid and capitalized. The following table calculates Free Cash Flow for the periods indicated below:

(\$ thousands) (Unaudited)	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Cash provided by operating activities	\$ 239,587	\$ 45,496	\$ 249,470	\$ 132,821
Maintenance Capital ⁽ⁱ⁾	(23,276)	(18,250)	(46,516)	(31,686)
Interest paid and capitalized related to Maintenance Capital	(285)	(220)	(555)	(483)
Free Cash Flow	\$ 216,026	\$ 27,026	\$ 202,399	\$ 100,652

⁽ⁱ⁾ Maintenance Capital is defined as non-discretionary investment required to maintain the Company's existing operations and competitive position. For the three and six months ended June 30, 2025, total capital spending of \$24.4 million and \$49.3 million (2024: \$16.3 million and \$40.1 million) shown on the Consolidated Interim Statements of Cash Flows is made up of Maintenance Capital of \$23.3 million and \$46.5 million (2024: \$18.3 million and \$31.7 million), and Growth Capital of \$1.1 million for the three months ended June 30, 2025 and \$2.8 million for the six months ended June 30, 2025 (2024: net inflow of \$2.0 million as a result of government grants received and a net outflow of \$8.4 million). Growth Capital is defined as discretionary investment meant to create stakeholder value through initiatives that for example, expand margins, increase capacities or create further competitive advantage.

Return on Net Assets ("RONA")

RONA is calculated by dividing tax effected earnings from operations (adjusted for items which are not considered representative of the underlying operations of the business) by average monthly net assets. Net assets are defined as total assets (excluding cash and deferred tax assets) less non-interest bearing liabilities (excluding deferred tax liabilities). Management believes that RONA is an appropriate basis upon which to evaluate long-term financial performance.

Quarterly Non-IFRS Financial Measures

(\$ millions) ⁽ⁱ⁾ (Unaudited)	Three months ended March 31,		Three months ended December 31,		Three months ended September 30,	
	2025	2024	2024	2023	2024	2023
Earnings (loss) before income taxes	\$ 70.6	\$ 73.8	\$ 74.4	\$ (8.7)	\$ 25.2	\$ (0.2)
Interest expense and other financing costs	29.6	42.1	35.8	41.2	41.1	40.5
Other expense	1.2	1.2	11.9	0.9	9.9	6.6
Restructuring and other related costs	1.5	(0.7)	12.4	0.8	1.4	4.1
Earnings from operations	\$ 103.0	\$ 116.3	\$ 134.4	\$ 34.2	\$ 77.7	\$ 51.0
Start-up expenses from Construction Capital ⁽ⁱⁱ⁾	1.4	11.4	0.9	29.7	3.9	24.1
Decrease (increase) in fair value of biological assets	(16.4)	(69.1)	(43.2)	(8.9)	(3.7)	(0.3)
(Increase) decrease in derivative contracts	7.8	(5.6)	(3.3)	2.5	(4.3)	(4.3)
Adjusted Operating Earnings	\$ 95.7	\$ 53.0	\$ 88.7	\$ 57.5	\$ 73.6	\$ 70.5
Depreciation and amortization ⁽ⁱⁱⁱ⁾	62.6	65.0	63.5	63.6	68.6	65.7
Items included in other income (expense) representative of ongoing operations ^(iv)	8.0	(1.5)	2.9	(0.9)	(1.4)	(7.2)
Adjusted EBITDA	\$ 166.3	\$ 116.4	\$ 155.1	\$ 120.2	\$ 140.8	\$ 129.0
Adjusted EBITDA Margin^(v)	13.4 %	10.1 %	12.5 %	10.1 %	11.2 %	10.5 %
Interest expense and other financing costs	(29.6)	(42.1)	(35.8)	(41.2)	(41.1)	(40.5)
Interest income	0.7	1.0	4.8	1.0	1.0	2.3
Depreciation and amortization ⁽ⁱⁱⁱ⁾	(62.6)	(65.0)	(63.5)	(63.6)	(68.6)	(65.7)
Adjusted EBT	\$ 74.7	\$ 10.4	\$ 60.7	\$ 16.4	\$ 32.1	\$ 25.1

- (i) Totals may not add due to rounding.
- (ii) Start-up expenses are temporary costs as a result of operating new facilities that are or were previously classified as Construction Capital. These costs can include training, product testing, yield and labour efficiency variances, duplicative overheads and other temporary expenses required to ramp-up production.
- (iii) Depreciation included in start-up expenses and restructuring and other related costs is excluded from this line.
- (iv) Primarily includes certain costs associated with sustainability projects, gains and losses on the impairment and sale of long-term assets, legal and insurance settlements, gains and losses on investments, and other miscellaneous expenses.
- (v) Quarterly amounts for 2024 and 2023 have been adjusted to eliminate new sales agreements entered into during the year that contained an expectation of repurchase, which had previously been reported as external sales.

17. FORWARD-LOOKING STATEMENTS

This document contains, and the Company's oral and written public communications often contain, "forward-looking information" within the meaning of applicable securities law. These statements are based on current expectations, estimates, projections, beliefs, judgements and assumptions based on information available at the time the applicable forward-looking statement was made and in light of the Company's experience combined with its perception of historical trends. Such statements include, but are not limited to, statements with respect to objectives and goals, in addition to statements with respect to beliefs, plans, targets, goals, objectives, expectations, anticipations, estimates, and intentions. Forward-looking statements are typically identified by words such as "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "could", "would", "believe", "plan", "intend", "design", "target", "undertake", "view", "indicate", "maintain", "explore", "entail", "schedule", "objective", "strategy", "likely", "potential", "outlook", "aim", "propose", "goal", and similar expressions suggesting future events or future performance. These statements are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes the expectations reflected in the forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon.

Specific forward-looking information in this document may include, but is not limited to, statements with respect to:

- the terms, timing, receipt of all approvals, expected structure, expected benefits, risks, costs, dis-synergies and tax implications associated with the spin-off including the timely receipt of an advance tax ruling from the CRA in form and substance satisfactory to the Company;
- the anticipated future financial performance of the businesses following the spin-off, including post separation business structure, the operationalization of the proposed agreements entered into between the companies, and the ability of each company to execute their respective business and sustainability strategies;
- assumptions about the economic environment, including the implications of tariffs, inflationary pressures on customer and consumer behaviour, supply chains, global conflicts and competitive dynamics;
- expected future cash flows and the sufficiency thereof, sources of capital at attractive rates, future contractual obligations, future financing options, renewal of credit facilities, compliance with credit facility covenants, and availability of capital to fund growth plans, operating obligations and dividends;
- future performance, including future financial objectives, goals and targets, category growth analysis, expected capital spend and expected SG&A expenditures, global pork market dynamics, Japan export market margin outlook, labour markets, and inflationary pressures (including the ability to price for inflation);
- potential for a recurrence of a cybersecurity incident on the Company's systems, business and operations, as well as the ability to mitigate the financial and operational impacts, the success of remediation and recovery efforts, the implications of data breaches, and other ongoing risks associated with cybersecurity;
- the execution of the Company's business strategy, including the development and expected timing of business initiatives, brand expansion and repositioning, plant protein category investment and performance, market access in China and Japan, capital allocation decisions (including investment in share repurchases under a NCIB) and investment in potential growth opportunities and the expected returns associated therewith;
- the impact of international trade conditions, tariffs and markets on the Company's business, including access to markets, global conflict and other social, economic and political factors that affect trade;
- implications associated with the spread of foreign animal disease (such as African Swine Fever ("ASF")) and other animal diseases such as Avian Influenza;
- competitive conditions and the Company's ability to position itself competitively in the markets in which it competes;
- capital projects, including planning, construction, estimated expenditures, schedules, approvals, and anticipated benefits;

- the Company's dividend policy, including future levels and sustainability of cash dividends, the tax treatment thereof and future dividend payment dates;
- the impact of commodity prices and foreign exchange impacts on the Company's operations and financial performance, including the use and effectiveness of hedging instruments;
- operating risks, including the execution, monitoring and continuous improvement of the Company's food safety programs, animal health initiatives, cost reduction initiatives, and service levels (including service level penalties);
- the implementation, cost and impact of environmental sustainability initiatives, the ability of the Company to achieve its sustainability objectives, changing climate and sustainability laws and regulation, changes in customer and consumer expectations related to sustainability matters, as well as the anticipated future cost of remediating environmental liabilities;
- the adoption of new accounting standards and the impact of such adoption on the financial position of the Company;
- expectations regarding pension plan performance, including future pension plan assets, liabilities and contributions; and
- developments and implications of actual or potential legal actions.

Various factors or assumptions are typically applied by the Company in drawing conclusions or making the forecasts, projections, predictions or estimations set out in the forward-looking statements. These factors and assumptions are based on information currently available to the Company, including information obtained by the Company from third-party sources and include but are not limited to the following:

- expectations and assumptions concerning the timing and completion of the spin-off; implications of the risks, benefits, costs, dis-synergies, tax structure, future business performance of each company; the impact of the operationalization of the agreements between the companies; and ability of each company to execute their respective business and sustainability strategies to generate returns;
- expectations and assumptions as to the timely receipt of an advance tax ruling from the CRA in form and substance satisfactory to the Company which is not altered or withdrawn; satisfaction of the conditions necessary to proceed with tax matters agreement; compliance by Maple Leaf Foods, Canada Packers and "specified shareholders", as defined in the Income Tax Act ("ITA"), with the rules related to butterfly transactions under the ITA both before and after the completion of the spin-off;
- expectations regarding the adaptations in operations, supply chain, customer and consumer behaviour, economic patterns (including but not limited to global pork markets), foreign exchange rates, tariffs and other international trade dynamics, access to capital, and potential structural changes in global economic patterns;
- the competitive environment, associated market conditions (including tariffs) and market share metrics, category growth or contraction, the expected behaviour of competitors and customers and trends in consumer preferences;
- the success of the Company's business strategy and the relationship between pricing, inflation, volume and sales of the Company's products;
- prevailing commodity prices (especially in pork and feed markets), implications of tariffs, interest rates, tax rates and exchange rates;
- potential impacts related to cybersecurity matters, including security costs, the potential for a future incident, the risks associated with data breaches, the availability of insurance, the effectiveness of remediation and prevention activities, third party activities, ongoing impacts, customer, consumer and supplier responses and regulatory considerations;
- the economic condition of and the sociopolitical dynamics between Canada, the U.S., Japan and China, and the ability of the Company to access markets and source ingredients and other inputs in light of global sociopolitical disruption, and the ongoing impact of global conflicts on inflation, trade and markets;
- the spread of foreign animal disease (including ASF and Avian Influenza), preparedness strategies to manage such spread, and implications for all protein markets;
- the availability of and access to capital to fund future capital requirements and ongoing operations;
- expectations regarding participation in and funding of the Company's pension plans;
- the availability of insurance coverage to manage certain liability exposures;
- the extent of future liabilities and recoveries related to legal claims;
- prevailing regulatory, tax and environmental laws; and
- future operating costs and performance, including the Company's ability to achieve operating efficiencies and maintain sales volumes, turnover of inventories and turnover of accounts receivable.

Readers are cautioned that these assumptions may prove to be incorrect in whole or in part. The Company's actual results may differ materially from those anticipated in any forward-looking statements.

Factors that could cause actual results or outcomes to differ materially from the results expressed, implied, or projected in the forward-looking statements contained in this document include, among other things, risks associated with the following:

- the spin-off not proceeding as expected (within the expected timeline or at all), including as a result of the conditions of the transaction, including receipt of all third-party consents and approvals, not being satisfied;
- the spin-off not delivering the intended benefits, including the ability of the separated companies to each succeed as a standalone publicly trading company;
- unanticipated effects of the announcement of the spin-off, and/or changes in transaction structure, on the market price for the Company's securities or the financial performance of the Company;
- the results of each of the separated companies' execution of their respective business plans, the degree to which benefits are realized or not and the timing to realize those benefits, including the implications on the financial results of each;
- failure to satisfy the conditions contained in the tax matters agreement as described in the Management Information Circular dated May 1, 2025;
- failure to receive an advance tax ruling from the CRA on terms acceptable to the Company in form and substance satisfactory to the Company, that is not altered or withdrawn;
- failure of the Company, Canada Packers or a "specified shareholder," as defined in the ITA, to comply with the rules related to butterfly transactions under the ITA which could result in significant tax becoming payable by the Company and/or Canada Packers;
- potential structural changes in global economic patterns which may have implications for the operations and financial performance of the Company, as well the ongoing implications for macro socio-economic trends, trade action and global conflict;
- macro economic trends, including inflation, consumer behaviour, recessionary indicators, labour availability and labour market dynamics and international trade trends, including tariffs, duties and global pork markets;
- the results of the Company's execution of its business plans, the degree to which benefits are realized or not, and the timing associated with realizing those benefits, including the implications on cash flow;
- competition, market conditions, and the activities of competitors and customers, including the expansion or contraction of key categories, inflationary pressures, pork market dynamics and Japan export margins;
- cybersecurity and maintenance and operation of the Company's information systems, processes and data, recovery, restoration and long term impacts of the cybersecurity event, the risk of future cybersecurity events, actions of third parties, risks of data breaches, effectiveness of business continuity planning and execution, and availability of insurance;
- the health status of livestock, including the impact of potential pandemics;
- international trade and access to markets and supplies, as well as social, political and economic dynamics, including global conflicts;
- operating performance, including manufacturing operating levels, fill rates and penalties;
- availability of and access to capital, and compliance with credit facility covenants;
- decisions respecting the return of capital to shareholders;
- the execution of capital projects and investment in maintenance capital;
- food safety, consumer liability and product recalls;
- climate change, climate regulation and the Company's sustainability performance;
- strategic risk management;
- acquisitions and divestitures;
- fluctuations in the debt and equity markets;
- fluctuations in interest rates and currency exchange rates;
- pension assets and liabilities;
- cyclical nature of the cost and supply of hogs and the competitive nature of the pork market generally;
- the effectiveness of commodity and interest rate hedging strategies;
- impact of changes in the market value of the biological assets and hedging instruments;
- the supply management system for poultry in Canada;
- availability of plant protein ingredients;

- intellectual property, including product innovation, product development, brand strategy and trademark protection;
- consolidation of operations and focus on protein;
- the use of contract manufacturers;
- reputation;
- weather;
- compliance with government regulation and adapting to changes in laws;
- actual and threatened legal claims;
- consumer trends and changes in consumer tastes and buying patterns;
- environmental regulation and potential environmental liabilities;
- consolidation in the retail environment;
- employment matters, including complying with employment laws across multiple jurisdictions, the potential for work stoppages due to non-renewal of collective agreements, recruiting and retaining qualified personnel, reliance on key personnel and succession planning;
- pricing of products;
- managing the Company's supply chain; and
- changes in International Financial Reporting Standards and other accounting standards that the Company is required to adhere to for regulatory purposes.

The Company cautions readers that the foregoing list of factors is not exhaustive.

Readers are further cautioned that some of the forward-looking information, such as statements concerning future capital expenditures, Adjusted EBITDA expectations, Adjusted EBITDA Margin expansion, and the Company's ability to achieve its financial targets or projections may be considered to be financial outlooks for purposes of applicable securities legislation. These financial outlooks are presented to evaluate potential future earnings and anticipated future uses of cash flows and may not be appropriate for other purposes. Readers should not assume these financial outlooks will be achieved.

More information about risk factors can be found under the heading "Risk Factors" in the Company's Annual Management's Discussion and Analysis for the year ended December 31, 2024, that is available on SEDAR+ at www.sedarplus.ca. The reader should review such section in detail. Additional information concerning the Company, including the Company's Annual Information Form, is available on SEDAR+ at www.sedarplus.ca.

All forward-looking statements included herein speak only as of the date hereof. Unless required by law, the Company does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. All forward-looking statements contained herein are expressly qualified by this cautionary statement.

18. ABOUT MAPLE LEAF FOODS INC.

Maple Leaf Foods 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 Company employs approximately 13,500 people and does business primarily in Canada, the U.S. and Asia. The Company is headquartered in Mississauga, Ontario and its shares trade on the Toronto Stock Exchange (MFI).

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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 ^(f)	\$ 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