



TSX: MFI

www.mapleleaffoods.com

Investor Contact: Mike Rawle

905-285-5732

Media Contact: Janet Riley

905-285-1515

Maple Leaf Foods Reports Third Quarter 2021 Financial Results

Meat Protein delivers outstanding top-line growth of 13.4%, Adjusted EBITDA Margin of 13.0% and Adjusted EBITDA dollar growth of 21.8%; Reassessing Plant Protein investment

Mississauga, Ontario, November 4, 2021 - Maple Leaf Foods Inc. ("Maple Leaf Foods" or the "Company") (TSX: MFI) today reported its financial results for the third quarter ended September 30, 2021.

"Our meat protein business delivered exceptional results in the third quarter," said Michael H. McCain, President and CEO of Maple Leaf Foods. "Our revenue grew by over 13% and our Adjusted EBITDA grew by 22%, driven by a 90 bps improvement in margin to 13.0%, the result of outstanding execution of our strategies to become the most sustainable protein company on earth. I am grateful for the tireless commitment of our teams who are consistently delivering, and confident in achieving our near-term targets."

"We are seeing a marked slowdown in the plant-based protein category performance which may suggest systemic change in the extremely high growth rates expected by the industry," continued Mr. McCain. "While our overall focus to create long-term value for all stakeholders remains unchanged, and investments to date have been well calculated, well executed and have delivered underlying value, we have always been prepared to re-examine that investment thesis if circumstances change. Given current category performance, such a review is underway, which will either affirm or adjust our strategies and investment thesis going forward."

Third Quarter 2021 Highlights

- Total Company sales grew 12.4% to \$1,188.6 million, with an Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA")⁽ⁱ⁾ Margin of 9.7%, up from 7.8% last year.
- Meat Protein Group sales grew 13.4% to \$1,150.3 million, driven by higher fresh pork and poultry prices and a favourable mix-shift towards branded products and sustainable meats.
- Meat Protein Group Adjusted EBITDA grew by 21.8% to \$149.3 million which is a 90 bps increase in Adjusted EBITDA Margin to 13.0% (13.2% excluding start-up costs related to near completion Construction Capital⁽ⁱ⁾), compared to 12.1% last year.
- Plant Protein Group sales have declined by 6.6% (decline of 1.2% excluding the impact of foreign exchange), due to declining retail sales within the category, offset by growth in foodservice volumes.
- Net earnings were \$44.5 million, compared to \$66.0 million last year primarily due to non-cash fair value changes in biological assets and derivative contracts.
- Capital expenditures were \$152.9 million and consisted predominantly of Construction Capital of \$123.3 million, the majority of which was related to the ongoing construction of the London, Ontario poultry facility and the expansion of the previously announced Bacon Centre of Excellence in Winnipeg, Manitoba.
- Balance sheet remained strong with Net Debt⁽ⁱ⁾ of \$1,089.5 million and undrawn committed credit of over \$800 million.
- **2021 Outlook:** Meat Protein Group targets unchanged – mid-to-high single digit sales growth and Adjusted EBITDA Margin expansion. Driven largely by the lower than expected growth in the plant protein category, the Company does not expect to meet its Plant Protein Group sales growth target for the second half of 2021 and will not likely have a further view on near term sales growth targets until it has completed its reassessment of the category.

⁽ⁱ⁾ Refer to the section titled *Non-IFRS Financial Measures* in this news release.

Financial Highlights

Measure ⁽ⁱ⁾ (Unaudited)	Three months ended September 30,			As at or for the nine months ended September 30,		
	2021	2020	Change	2021	2020	Change
Sales	\$ 1,188.6	\$ 1,057.2	12.4 %	\$ 3,400.6	\$ 3,174.5	7.1 %
Net Earnings	\$ 44.5	\$ 66.0	(32.6)%	\$ 100.9	\$ 87.9	14.8 %
Basic Earnings per Share	\$ 0.36	\$ 0.54	(33.3)%	\$ 0.82	\$ 0.72	13.9 %
Adjusted Operating Earnings ⁽ⁱⁱ⁾	\$ 68.0	\$ 36.9	84.3 %	\$ 174.7	\$ 148.7	17.5 %
Adjusted Earnings per Share ⁽ⁱⁱ⁾	\$ 0.36	\$ 0.17	111.8 %	\$ 0.90	\$ 0.73	23.3 %
Adjusted EBITDA - Meat Protein Group ⁽ⁱⁱ⁾	\$ 149.3	\$ 122.6	21.8 %	\$ 402.3	\$ 371.9	8.2 %
Sales - Plant Protein Group	\$ 48.0	\$ 51.4	(6.6)%	\$ 138.6	\$ 158.3	(12.4)%
Free Cash Flow ⁽ⁱⁱ⁾	\$ (5.5)	\$ 57.8	(109.5)%	\$ (336.6)	\$ (21.8)	(1,444.0)%
Construction Capital ⁽ⁱⁱ⁾				\$ 844.1	\$ 303.0	178.6 %
Net Debt ⁽ⁱⁱ⁾				\$ (1,089.5)	\$ (534.9)	103.7 %

⁽ⁱ⁾ All financial measures in millions of dollars except Basic and Adjusted Earnings per Share.

⁽ⁱⁱ⁾ Refer to the section titled Non-IFRS Financial Measures in this news release.

Sales for the third quarter of 2021 were \$1,188.6 million compared to \$1,057.2 million last year, an increase of 12.4%, driven by higher sales in the Meat Protein Group, partially offset by lower sales in the Plant Protein Group. For more details on sales performance by operating segment, please refer to the section titled Operating Review.

Year-to-date sales for 2021 were \$3,400.6 million compared to \$3,174.5 million last year, an increase of 7.1%, due to similar factors as noted above.

Net earnings for the third quarter of 2021 were \$44.5 million (\$0.36 per basic share) compared to \$66.0 million (\$0.54 per basic share) last year. Strong commercial performance and effective commodity hedges were more than offset by a reduction in net gains from non-cash fair value changes in biological assets and derivative contracts (2021: net loss of \$0.1 million; 2020: net gain of \$64.0 million), both of which are excluded in the calculation of Adjusted Operating Earnings.

Year-to-date net earnings for 2021 were \$100.9 million (\$0.82 per basic share) compared to \$87.9 million (\$0.72 per basic share) last year. Strong commercial performance and effective commodity hedges were more than offset by an increase in non-cash fair value changes in biological assets and derivative contracts (2021: net gain of \$5.0 million; 2020: net loss of \$10.2 million), both of which are excluded in the calculation of Adjusted Operating Earnings.

Adjusted Operating Earnings for the third quarter of 2021 were \$68.0 million compared to \$36.9 million last year, and Adjusted Earnings per Share for the third quarter of 2021 were \$0.36 compared to \$0.17 last year due to similar factors as noted above.

Year-to-date Adjusted Operating Earnings for 2021 were \$174.7 million compared to \$148.7 million last year, and Adjusted Earnings per Share for 2021 were \$0.90 compared to \$0.73 last year due to similar factors as noted above.

For further discussion on key metrics and a discussion of results by operating segment, refer to the section titled Operating Review.

Note: Several items are excluded from the discussions of underlying earnings performance as they are not representative of ongoing operational activities. Refer to the section entitled Non-IFRS Financial Measures at the end of this news release for a description and reconciliation of all non-IFRS financial measures.

Response to COVID-19

As an essential service, Maple Leaf Foods is focused on protecting the health and well-being of its people, maintaining business continuity, and broadening its social outreach. To manage through this unprecedented environment, the Company has taken a number of measures in its business and operating practices that include heightened safety policies and procedures, and close communication and collaboration with public health authorities including on-site vaccination clinics. The measures enacted to protect the health and safety of employees have increased the Company's cost structure due to higher labour, personal protective equipment, sanitation and other expenses associated with the pandemic. Continuing COVID-19 structural costs have been incorporated in the Company's 2021 operating plan.

Overall, the Company believes its proactive and comprehensive efforts have, and should continue to mitigate adverse operational impacts. As the COVID-19 situation evolves, Maple Leaf Foods will continue to adapt and adopt best practices that prioritize the health and safety of its employees and the stability of the food supply. As part of Maple Leaf Foods' broader social responsibility since the pandemic began, the Company has provided extensive support to front-line staff, emergency food relief efforts and health care providers.

COVID-19 continues to have an impact on the global economy, leading to increased inflation, labour shortages and disruptions in the global supply chain. To date, the Company's leading brands, revenue management capabilities and robust supply chain have enabled it to manage these impacts. Maple Leaf Foods continues to monitor the ongoing environment and believes it is well positioned to face these headwinds.

Operating Review

The Company has two reportable segments. These segments offer different products, with separate organizational structures, brands, financial, and marketing strategies. The Company's chief operating decision makers regularly review internal reports for these businesses: performance of the Meat Protein Group is based on revenue growth, Adjusted Operating Earnings and Adjusted EBITDA, while the performance of the Plant Protein Group is based predominantly on revenue growth rates, gross margin optimization and controlling SG&A investment levels, which generate high revenue growth rates.

The following table summarizes the Company's sales, gross profit, SG&A expenses, Adjusted Operating Earnings, Adjusted EBITDA, and Adjusted EBITDA Margin by operating segment for the three months ended September 30, 2021 and September 30, 2020.

	Three months ended September 30, 2021				Three months ended September 30, 2020			
(\$ millions) ⁽ⁱ⁾ (Unaudited)	Meat Protein Group	Plant Protein Group	Non- Allocated ⁽ⁱⁱ⁾	Total	Meat Protein Group	Plant Protein Group	Non- Allocated ⁽ⁱⁱ⁾	Total
Sales	\$ 1,150.3	48.0	(9.7)	\$ 1,188.6	\$ 1,014.4	51.4	(8.6)	\$ 1,057.2
Gross profit	\$ 191.5	(3.3)	(0.1)	\$ 188.2	\$ 160.6	3.4	64.1	\$ 228.1
Selling, general and administrative expenses	\$ 85.9	34.4	—	\$ 120.3	\$ 80.7	46.5	—	\$ 127.2
Adjusted Operating Earnings⁽ⁱⁱⁱ⁾	\$ 105.6	(37.7)	—	\$ 68.0	\$ 80.0	(43.1)	—	\$ 36.9
Adjusted EBITDA⁽ⁱⁱⁱ⁾	\$ 149.3	(33.9)	—	\$ 115.4	\$ 122.6	(39.6)	(0.5)	\$ 82.6
Adjusted EBITDA Margin⁽ⁱⁱⁱ⁾	13.0 %	(70.8)%	n/a	9.7 %	12.1 %	(77.0)%	n/a	7.8 %

⁽ⁱ⁾ Totals may not add due to rounding.

⁽ⁱⁱ⁾ Non-allocated includes eliminations of inter-segment sales and associated cost of goods sold, changes in the fair value of biological assets and derivatives, and non-allocated costs which are comprised of expenses not separately identifiable to reportable segments and are not part of the measures used by the Company when assessing a segment's operating results.

⁽ⁱⁱⁱ⁾ Refer to the section titled Non-IFRS Financial Measures in this news release.

The following table summarizes the Company's sales, gross profit, SG&A expenses, Adjusted Operating Earnings, Adjusted EBITDA, and Adjusted EBITDA Margin by operating segment for the nine months ended September 30, 2021 and September 30, 2020.

(\$ millions) ⁽ⁱ⁾ (Unaudited)	Nine months ended September 30, 2021				Nine months ended September 30, 2020			
	Meat Protein Group	Plant Protein Group	Non-Allocated ⁽ⁱⁱ⁾	Total	Meat Protein Group	Plant Protein Group	Non-Allocated ⁽ⁱⁱ⁾	Total
Sales	\$ 3,281.5	138.6	(19.6)	\$ 3,400.6	\$ 3,036.2	158.3	(20.0)	\$ 3,174.5
Gross profit	\$ 524.6	(2.9)	(5.0)	\$ 516.8	\$ 494.5	18.0	10.2	\$ 522.8
Selling, general and administrative expenses	\$ 254.1	93.0	—	\$ 347.1	\$ 252.4	111.5	—	\$ 363.9
Adjusted Operating Earnings⁽ⁱⁱⁱ⁾	\$ 270.5	(95.8)	—	\$ 174.7	\$ 242.1	(93.5)	—	\$ 148.7
Adjusted EBITDA⁽ⁱⁱⁱ⁾	\$ 402.3	(84.8)	—	\$ 317.5	\$ 371.9	(82.7)	(0.5)	\$ 288.8
Adjusted EBITDA Margin⁽ⁱⁱⁱ⁾	12.3%	(61.2)%	n/a	9.3%	12.2%	(52.2)%	n/a	9.1%

⁽ⁱ⁾ Totals may not add due to rounding.

⁽ⁱⁱ⁾ Non-allocated includes eliminations of inter-segment sales and associated cost of goods sold, changes in the fair value of biological assets and derivatives, and non-allocated costs which are comprised of expenses not separately identifiable to reportable segments and are not part of the measures used by the Company when assessing a segment's operating results.

⁽ⁱⁱⁱ⁾ Refer to the section titled Non-IFRS Financial Measures in this news release.

Meat Protein Group

The Meat Protein Group is comprised of prepared meats, ready-to-cook and ready-to-serve meals, value-added fresh pork and poultry products that are sold to retail, foodservice and industrial channels, and agricultural operations in pork and poultry. The Meat Protein Group includes leading brands such as Maple Leaf®, Maple Leaf Prime®, Schneiders®, Mina®, Greenfield Natural Meat Co.® and many leading regional brands.

Sales for the third quarter of 2021 increased 13.4% to \$1,150.3 million compared to \$1,014.4 million last year. Growth in sales is driven by pricing action implemented in the third quarter of 2021 to mitigate meat inflation, growth in fresh volumes from an increase in hogs and birds processed, and a favourable mix-shift towards sustainable meats and branded products. These factors more than offset an unfavourable impact from lower prepared meats volumes, foreign exchange, and lower sales to China.

Year-to-date sales for 2021 increased 8.1% to \$3,281.5 million compared to \$3,036.2 million last year. Sales growth was driven by pricing actions taken in the fourth quarter of 2020 and the third quarter of 2021 to mitigate inflation and structural cost increases, favourable mix-shift towards sustainable meats and branded products, and growth in fresh volumes from an increase in hogs and birds processed. These factors more than offset an unfavourable impact from foreign exchange, lower prepared meats volumes, and lower sales to China.

Gross profit for the third quarter of 2021 was \$191.5 million (gross margin of 16.6%) compared to \$160.6 million (gross margin of 15.8%) last year. Gross profit benefited from strong commercial performance and effective commodity hedges including a favourable product and channel mix attributed to expansion of sustainable meats and other branded products, more than offsetting cost pressure in the supply chain primarily due to labour challenges and \$2.0 million in start-up costs associated with Construction Capital projects. The third quarter of 2020 was also impacted by heightened operating costs in response to COVID-19 to safeguard the Company's employees.

Year-to-date gross profit for 2021 was \$524.6 million (gross margin of 16.0%) compared to \$494.5 million (gross margin of 16.3%) last year. This increase is attributable to strong performance in branded products and value added sustainable meats, and effective hedges more than offsetting lower profits in China, higher structural costs and \$4.1 million in start-up costs associated with Construction Capital projects. Gross profit in the first three quarters of 2020 was also impacted by significant operational and one-off costs in response to COVID-19.

SG&A expenses for the third quarter of 2021 were \$85.9 million compared to \$80.7 million last year. The increase in SG&A expenses was driven by the timing of advertising and promotional expenses and a gradual normalization of discretionary spending as COVID-19 restrictions relaxed.

Year-to-date SG&A expenses for 2021 were \$254.1 million compared to \$252.4 million last year. The increase in SG&A was driven by timing of advertising and promotional spend, partially offset by the lapping of donations made in March 2020 to support front-line health care workers at the outset of the COVID-19 pandemic.

Adjusted Operating Earnings for the third quarter of 2021 were \$105.6 million compared to \$80.0 million last year, consistent with factors noted above.

Year-to-date Adjusted Operating Earnings for 2021 were \$270.5 million compared to \$242.1 million last year, consistent with factors noted above.

Adjusted EBITDA for the third quarter of 2021 were \$149.3 million compared to \$122.6 million last year, driven by factors consistent with those noted above. Adjusted EBITDA Margin for the third quarter was 13.0% compared to 12.1% last year, also driven by factors consistent with those noted above.

Year-to-date Adjusted EBITDA for 2021 were \$402.3 million compared to \$371.9 million last year, driven by factors consistent with those noted above. Year-to-date Adjusted EBITDA Margin for 2021 was 12.3% compared to 12.2% last year, also driven by factors consistent with those noted above.

Plant Protein Group

The Plant Protein Group is comprised of refrigerated plant protein products, premium grain-based protein, and vegan cheese products sold to retail, foodservice and industrial channels. The Plant Protein Group includes the leading brands Lightlife® and Field Roast™.

Sales for the third quarter of 2021 decreased 6.6% to \$48.0 million compared to \$51.4 million last year. Excluding the impact of foreign exchange, sales decreased 1.2%, driven by lower volumes in fresh and core retail products. This more than offset growth in foodservice volumes and pricing action implemented at the end of the third quarter of 2020 to mitigate inflation and structural cost increases.

Year-to-date sales for 2021 decreased 12.4% to \$138.6 million compared to \$158.3 million last year. Excluding the impact of foreign exchange, sales decreased 5.0%, driven by lower volumes in retail products. This more than offset growth in foodservice volumes and pricing action implemented at the end of the third quarter of 2020 to mitigate inflation and structural cost increases.

Gross profit for the third quarter of 2021 was a loss of \$3.3 million (gross margin loss of 6.8%) compared to income of \$3.4 million (gross margin of 6.6%) last year. The decrease in gross profit was attributed to lower sales volumes and strategic investments in capacity to build for anticipated demand which has resulted in increased overhead and transitory costs, as well as inflationary pressure on labour and other input costs. The third quarter of 2020 was also impacted by heightened operating costs in response to COVID-19 to safeguard the Company's employees.

Year-to-date gross profit for 2021 was a loss of \$2.9 million (gross margin loss of 2.1%) compared to income of \$18.0 million (gross margin of 11.4%) last year. The decrease in gross profit was primarily attributed to lower sales volumes and strategic investments in capacity to build for anticipated demand which has resulted in increased overhead and transitory costs, as well as inflationary pressure on labour and other input costs. Gross profit in the first three quarters of 2020 was also impacted by significant operational and one-off costs in response to COVID-19.

SG&A expenses for the third quarter of 2021 were \$34.4 million (71.7% of sales) compared to \$46.5 million (90.5% of sales) last year. The decrease in SG&A expenses was primarily driven by the timing of advertising and promotional expenses.

Year-to-date SG&A expenses for 2021 were \$93.0 million (67.0% of sales) compared to \$111.5 million (70.4% of sales) last year. The decrease in SG&A was driven by the timing of advertising and promotional expenses.

Adjusted Operating Earnings for the third quarter of 2021 were a loss of \$37.7 million compared to a loss of \$43.1 million last year. The increase in Adjusted Operating Earnings is consistent with the factors noted above.

Year-to-date Adjusted Operating Earnings for 2021 were a loss of \$95.8 million compared to a loss of \$93.5 million last year. The decrease in Adjusted Operating Earnings is consistent with the factors noted above.

Other Matters

On November 3, 2021, the Board of Directors approved a quarterly dividend of \$0.18 per share, \$0.72 per share on an annual basis, payable December 31, 2021 to shareholders of record at the close of business December 8, 2021. 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".

Conference Call

A conference call will be held at 8:00 a.m. ET on November 4, 2021, to review Maple Leaf Foods' third quarter financial results. To participate in the call, please dial 416-764-8650 or 1-888-664-6383. For those unable to participate, playback will be made available an hour after the event at 416-764-8677 or 1-888-390-0541 (Passcode: 592170#).

A webcast of the third quarter conference call will also be available at:

<https://www.mapleleaffoods.com>

The Company's full unaudited condensed consolidated interim financial statements ("Consolidated Interim Financial Statements") and related Management's Discussion and Analysis are available on the Company's website.

An investor presentation related to the Company's third quarter financial results is available at www.mapleleaffoods.com and can be found under *Presentations and Webcasts* on the *Investors* page.

2021 Outlook

Throughout the COVID-19 pandemic, Maple Leaf Foods has remained focused on protecting its employees and ensuring continuity of its supply chain. As a result, the current environment does increase certain operating costs and potential for short-

term processing disruptions to protect the health and safety of plant personnel. Continuing COVID-19 structural costs have been incorporated in the Company's 2021 operating plan.

Based on year-to-date performance and the Company's outlook for the balance of the year, Maple Leaf Foods expects to achieve the following in 2021:

Meat Protein Group - Driving Profitable Growth

- Mid-to-high single digit sales growth on a 52-week comparable basis, driven by continued momentum in sustainable meats, leveraging brand renovation, and growth into the U.S. market.
- Adjusted EBITDA margin expansion, progressing towards the 2022 target of 14% - 16%, driven by mix-shift benefits in prepared meats resulting from growth in sustainable meats and brand renovation, as well as operational efficiencies, while assuming pork complex conditions in-line with the 5-year average.

Plant Protein Group - Investing for Growth

- Gross margin is expected to be volatile in the near-term, as benefits from structural improvements in the supply chain may be impacted by investment opportunities to drive sales growth in a rapidly evolving market, as well as ongoing effects of COVID-19.
- SG&A expenses broadly in-line with 2020 levels, excluding any impact from fluctuations in foreign exchange, while declining as a percentage of sales as the Company leverages investments in advertising, promotion and marketing to elevate the Lightlife® and Field Roast™ brand renovations, drive innovation and build scale in the business.
- Driven largely by the lower than expected growth in the plant protein category, the Company does not expect to meet its sales growth target for the second half of 2021 and will not likely have a further view on near term sales growth targets until it has completed its reassessment of the category.

Capital

- The Company's capital expenditure estimate for the full year of 2021 remains unchanged and at the high end of the range of \$550 million to \$650 million, with approximately 75% to be comprised of Construction Capital. A significant portion of the Construction Capital is related to the London, Ontario poultry facility, the plant protein facility in Indianapolis, Indiana and the expansion of the Bacon Centre of Excellence in Winnipeg, Manitoba.

Factors that could have an impact on the business, which cannot be estimated or controlled due to the COVID-19 pandemic, include:

- Volatility in the pork and poultry commodity and foreign exchange markets.
- Inflationary cost pressures.
- Disruptions in the global supply chain.
- Availability of labour.
- The balance between retail and foodservice demand.
- Potential future production disruptions or shutdowns.
- The duration of government measures, including social distancing.

In addition to financial and operational priorities, Maple Leaf Foods believes that shared value and operating its business for the benefit of all stakeholders is crucial. The Company's guiding pillars to be the "Most Sustainable Protein Company on Earth" include Better Food, Better Care, Better Communities, Better Planet and are core to how Maple Leaf Foods conducts itself. To that end, the Company's priorities include:

- *Better Food* - leading the real food movement and transitioning key brands to 100% "raised without antibiotics".
- *Better Care* - further advancement of animal care, including progress towards transitioning all sows under management to open housing systems by 2022.
- *Better Communities* - investing approximately 1% of pre-tax profit to advance sustainable food security.
- *Better Planet* - continuing to amplify its commitment to carbon neutrality, while focusing on eliminating waste in any resources it consumes, including food, energy, water, packaging, and time.

Non-IFRS Financial Measures

The Company uses the following non-IFRS measures: Adjusted Operating Earnings, Adjusted Earnings per Share, Adjusted EBITDA, Adjusted EBITDA Margin, Construction Capital, Net Debt, 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 and Adjusted EBITDA Margin

Adjusted Operating Earnings, Adjusted EBITDA and Adjusted EBITDA Margin are non-IFRS measures used by Management to evaluate financial operating results. Adjusted Operating Earnings is defined as earnings before income taxes and interest expense adjusted for items that are not considered representative of ongoing operational activities of the business and 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.

The tables below provide a reconciliation of earnings (loss) before income taxes as reported under IFRS in the Consolidated Interim Financial Statements to Adjusted Operating Earnings and Adjusted EBITDA for the three and nine months ended September 30, 2021 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 cash requirements, including the Company's capital investment program.

	Three months ended September 30, 2021				Three months ended September 30, 2020			
(\$ millions) ⁽ⁱ⁾ (Unaudited)	Meat Protein Group	Plant Protein Group	Non- Allocated ⁽ⁱⁱ⁾	Total	Meat Protein Group	Plant Protein Group	Non- Allocated ⁽ⁱⁱ⁾	Total
Earnings (loss) before income taxes	\$ 105.3	(37.9)	(5.2)	\$ 62.3	\$ 79.8	(43.2)	53.7	\$ 90.4
Interest expense and other financing costs	—	—	5.7	5.7	—	—	7.5	7.5
Other (income) expense	(0.6)	0.2	(0.6)	(1.0)	(1.6)	0.0	2.9	1.4
Restructuring and other related costs	0.8	—	—	0.8	1.7	—	—	1.7
Earnings (loss) from operations	\$ 105.6	(37.7)	(0.1)	\$ 67.9	\$ 80.0	(43.1)	64.1	\$ 100.9
Change in fair value of biological assets	—	—	(6.6)	(6.6)	—	—	(40.2)	(40.2)
Unrealized loss (gain) on derivative contracts	—	—	6.7	6.7	—	—	(23.9)	(23.9)
Adjusted Operating Earnings	\$ 105.6	(37.7)	—	\$ 68.0	\$ 80.0	(43.1)	—	\$ 36.9
Depreciation and amortization	43.1	3.9	—	47.0	44.1	3.6	—	47.7
Items included in other income (expense) representative of ongoing operations ⁽ⁱⁱⁱ⁾	0.6	(0.2)	—	0.4	(1.5)	0.0	(0.5)	(2.0)
Adjusted EBITDA	\$ 149.3	(33.9)	—	\$ 115.4	\$ 122.6	(39.6)	(0.5)	\$ 82.6
Adjusted EBITDA Margin	13.0 %	(70.8)%	n/a	9.7 %	12.1 %	(77.0)%	n/a	7.8 %

⁽ⁱ⁾ Totals may not add due to rounding.

⁽ⁱⁱ⁾ Non-allocated includes eliminations of inter-segment sales and associated cost of goods sold, and non-allocated costs which are comprised of income and expenses not separately identifiable to reportable segments and are not part of the measures used by the Company when assessing a segment's operating results.

⁽ⁱⁱⁱ⁾ 2021 primarily includes legal settlements, gains and losses on the sale of long-term assets, and other miscellaneous expenses. 2020 primarily includes gains and losses on sale of long-term assets and gains and losses on equity investments.

	Nine months ended September 30, 2021				Nine months ended September 30, 2020			
(\$ millions) ⁽ⁱ⁾ (Unaudited)	Meat Protein Group	Plant Protein Group	Non- Allocated ⁽ⁱⁱ⁾	Total	Meat Protein Group	Plant Protein Group	Non- Allocated ⁽ⁱⁱ⁾	Total
Earnings (loss) before income taxes	\$ 268.3	(96.2)	(29.6)	\$ 142.4	\$ 240.8	(93.5)	(22.8)	\$ 124.5
Interest expense and other financing costs	—	—	16.4	16.4	—	—	23.4	23.4
Other (income) expense	(1.4)	0.4	8.3	7.2	(1.8)	0.1	9.6	7.9
Restructuring and other related costs	3.7	—	—	3.7	3.1	—	—	3.1
Earnings (loss) from operations	\$ 270.5	(95.8)	(5.0)	\$ 169.7	\$ 242.1	(93.5)	10.2	\$ 158.9
Change in fair value of biological assets	—	—	6.8	6.8	—	—	1.2	1.2
Unrealized gain on derivative contracts	—	—	(1.8)	(1.8)	—	—	(11.4)	(11.4)
Adjusted Operating Earnings	\$ 270.5	(95.8)	—	\$ 174.7	\$ 242.1	(93.5)	—	\$ 148.7
Depreciation and amortization	134.4	11.3	—	145.7	131.1	10.9	—	141.9
Items included in other income (expense) representative of ongoing operations ⁽ⁱⁱⁱ⁾	(2.6)	(0.4)	—	(2.9)	(1.3)	(0.1)	(0.5)	(1.8)
Adjusted EBITDA	\$ 402.3	(84.8)	—	\$ 317.5	\$ 371.9	(82.7)	(0.5)	\$ 288.8
Adjusted EBITDA Margin	12.3%	(61.2)%	n/a	9.3%	12.2%	(52.2)%	n/a	9.1%

⁽ⁱ⁾ Totals may not add due to rounding.

⁽ⁱⁱ⁾ Non-allocated includes eliminations of inter-segment sales and associated cost of goods sold, and non-allocated costs which are comprised of income and expenses not separately identifiable to reportable segments and are not part of the measures used by the Company when assessing a segment's operating results.

⁽ⁱⁱⁱ⁾ 2021 primarily includes legal settlements, gains and losses on the sale of long-term assets, and other miscellaneous expenses. 2020 primarily includes insurance settlements, gains and losses on sale of long-term assets and gains and losses on equity investments.

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 nine months ended September 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 September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Basic earnings per share	\$ 0.36	\$ 0.54	\$ 0.82	\$ 0.72
Restructuring and other related costs ⁽ⁱ⁾	0.01	0.01	0.02	0.02
Items included in other expense not considered representative of ongoing operations ⁽ⁱⁱ⁾	—	—	0.03	0.05
Change in fair value of biological assets	(0.04)	(0.24)	0.04	0.01
Change in unrealized fair value on derivatives	0.04	(0.14)	(0.01)	(0.07)
Adjusted Earnings per Share⁽ⁱⁱⁱ⁾	\$ 0.36	\$ 0.17	\$ 0.90	\$ 0.73

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

⁽ⁱⁱ⁾ Primarily includes legal fees and provisions and transaction related costs, net of tax.

⁽ⁱⁱⁱ⁾ 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 \$50.0 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 will be re-categorized from Construction Capital once operational. Current strategic initiatives primarily include investments in the London, Ontario poultry production facility, the expansion of the Bacon Centre of Excellence in Winnipeg, Manitoba, investments in plant protein capacity at the Walker Drive facility in Brampton,

Ontario, and the plant protein production facilities in Indiana. The following table is a summary of Construction Capital activity and debt financing for the periods indicated below.

(\$ thousands) (Unaudited)	2021	2020
Total property, plant, and equipment and intangibles at January 1	\$ 2,062,683	\$ 1,739,195
Other capital and intangible assets at January 1 ⁽ⁱ⁾	1,622,094	1,632,365
Construction Capital at January 1	\$ 440,589	\$ 106,830
Additions ⁽ⁱⁱ⁾	152,342	57,797
Construction Capital at March 31	\$ 592,931	\$ 164,627
Additions ⁽ⁱⁱ⁾	127,822	64,357
Construction Capital at June 30	\$ 720,753	\$ 228,984
Additions ⁽ⁱⁱ⁾	123,321	74,036
Construction Capital at September 30⁽ⁱⁱⁱ⁾	\$ 844,074	\$ 303,020
Other capital and intangible assets at September 30 ⁽ⁱ⁾	1,640,047	1,625,220
Total property, plant, and equipment and Intangibles at September 30	\$ 2,484,121	\$ 1,928,240
Construction Capital debt financing^(iv)	\$ 821,110	\$ 296,980

⁽ⁱ⁾ Other capital and intangible assets consists of property and equipment and intangibles that do not meet the definition of Construction Capital.

⁽ⁱⁱ⁾ Certain comparatives figures have been restated to conform with current year presentation.

⁽ⁱⁱⁱ⁾ As at September 30, 2021, the net book value of construction capital includes \$3.2 million related to intangible assets (September 30, 2020: \$0.6 million; December 31, 2020: \$1.2 million).

^(iv) Assumed to be fully funded by debt to the extent that the Company has Net Debt outstanding. Construction Capital debt financing excludes interest paid and capitalized.

Net Debt

The following table reconciles Net Debt to amounts reported under IFRS in the Company's Consolidated Interim Financial Statements as at September 30, as indicated below. The Company calculates Net Debt as cash and cash equivalents, less long-term debt and bank indebtedness. Management believes this measure is useful in assessing the amount of financial leverage employed.

(\$ thousands) (Unaudited)	As at September 30,	
	2021	2020
Cash and cash equivalents	\$ 73,468	\$ 178,190
Current portion of long-term debt	\$ (5,279)	\$ (937)
Long-term debt	(1,157,736)	(712,147)
Total debt	\$ (1,163,015)	\$ (713,084)
Net Debt	\$ (1,089,547)	\$ (534,894)

Free Cash Flow

Free Cash Flow, a non-IFRS measure, is used by Management to evaluate cash flow after investing in the maintenance or expansion of the Company's asset base. It is defined as cash provided by operations, less cash additions to long-term assets and capitalized interest. The following table calculates Free Cash Flow for the periods indicated below:

(\$ thousands) (Unaudited)	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Cash provided by operating activities	\$ 136,764	\$ 135,202	\$ 136,501	\$ 236,544
Additions to long-term assets	(136,346)	(75,167)	(458,586)	(253,085)
Interest paid and capitalized ⁽ⁱ⁾	(5,916)	(2,235)	(14,525)	(5,246)
Free Cash Flow	\$ (5,498)	\$ 57,800	\$ (336,610)	\$ (21,787)

⁽ⁱ⁾ Certain comparatives figures have been restated to conform with current year presentations.

Return on Net Assets

Return on Net Assets ("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.

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, judgments 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:

- implications of COVID-19, including implications for supply chain, workforce availability and consumption patterns;
- future performance, including future financial objectives, goals and targets, expected capital spend and expected SG&A expenditures for the Company and each of its operating segments;
- the execution of the Company's business strategy, including the development and expected timing of business initiatives, brand expansion and repositioning, and other growth opportunities, as well as the impact thereof;
- the impact of international trade conditions on the Company's business, including access to markets, implications associated with the spread of foreign animal disease (such as African Swine Fever ("ASF")), and other social, economic and political factors that affect trade;
- 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, expected capacity, in-service dates and anticipated benefits of construction of new facilities and expansions of existing facilities;
- 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 on the Company's operations and financial performance, including the use and effectiveness of hedging instruments;
- expected future cash flows and the sufficiency thereof, sources of capital at attractive rates, future contractual obligations, future financing options, renewal of credit facilities, and availability of capital to fund growth plans, operating obligations and dividends;
- operating risks, including the execution, monitoring and continuous improvement of the Company's food safety programs, animal health initiatives and cost reduction initiatives;
- the implementation, cost and impact of environmental sustainability initiatives, 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 regarding the impact and future implications of COVID-19 and adaptations in operations, customer and consumer behaviour, economic patterns and international trade;
- the competitive environment, associated market conditions 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, including execution of the strategy in each of the Meat Protein and Plant Protein Groups;
- prevailing commodity prices, interest rates, tax rates and exchange rates;
- the economic condition of and the socio-political dynamics between Canada, the U.S., Japan and China, and the ability of the Company to access markets in these countries;
- the spread of foreign animal disease (including ASF), preparedness strategies to manage such spread, and implications for all protein markets;
- the availability of capital to fund future capital requirements associated with existing operations, assets and projects;
- 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 high sales volumes, high turnover of inventories and high 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:

- implications of COVID-19 on the operations and financial performance of the Company, as well the implications for macro socio-economic trends;
- competition, market conditions and the activities of competitors and customers, including the expansion or contraction of key categories (including plant protein);
- the health status of livestock, including the impact of potential pandemics;
- international trade and access to markets, as well as social, political and economic dynamics affecting same;
- availability of and access to capital;
- decision respecting the return of capital to shareholders;
- the execution of capital projects, including cost, schedule and regulatory variables;
- food safety, consumer liability and product recalls;
- cyber security and the maintenance and operation of the Company's information systems and processes;
- acquisitions and divestitures;
- climate change;
- 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;
- changes in International Financial Reporting Standards and other accounting standards that the Company is required to adhere to for regulatory purposes; and
- other factors as set out under the heading "Risk Factors" in the Company's Management Discussion and Analysis for the year ended December 31, 2020.

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 Margin growth in the Meat Protein Group, expected sales and growth margin targets in the Plant Protein Group and SG&A spend, 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, 2020, that is available on SEDAR at www.sedar.com. 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.sedar.com.

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.

About Maple Leaf Foods Inc.

Maple Leaf Foods is a carbon neutral company with a vision to be the most sustainable protein company on earth, responsibly producing food products under leading brands including Maple Leaf®, Maple Leaf Prime®, Maple Leaf Natural Selections®, Schneiders®, Schneiders® Country Naturals®, Mina®, Greenfield Natural Meat Co.®, Lightlife® and Field Roast™. 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).

Consolidated Interim Balance Sheets

(In thousands of Canadian dollars)
(Unaudited)

	As at September 30, 2021	As at September 30, 2020	As at December 31, 2020
ASSETS			(Audited)
Current assets			
Cash and cash equivalents	\$ 73,468	\$ 178,190	\$ 100,828
Accounts receivable	200,544	136,827	159,750
Notes receivable	69,455	32,107	31,550
Inventories	432,502	401,339	398,070
Biological assets	131,257	121,828	125,648
Income taxes recoverable	1,830	—	1,830
Prepaid expenses and other assets	34,373	50,156	64,517
Assets held for sale	—	734	575
	\$ 943,429	\$ 921,181	\$ 882,768
Property and equipment	2,110,055	1,576,653	1,721,487
Right-of-use assets	173,879	230,771	222,705
Investments	22,731	16,398	15,910
Other long-term assets	9,304	10,121	9,568
Deferred tax asset	31,822	5,900	14,070
Goodwill	651,295	661,599	652,501
Intangible assets	374,066	351,587	341,196
Total assets	\$ 4,316,581	\$ 3,774,210	\$ 3,860,205
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accruals	\$ 531,703	\$ 468,113	\$ 501,529
Current portion of provisions	773	2,710	1,529
Current portion of long-term debt	5,279	937	900
Current portion of lease obligations	38,664	41,797	79,601
Income taxes payable	31,592	3,482	27,639
Other current liabilities	56,966	35,572	55,849
	\$ 664,977	\$ 552,611	\$ 667,047
Long-term debt	1,157,736	712,147	745,048
Lease obligations	149,475	207,072	160,636
Employee benefits	91,063	183,563	188,946
Provisions	44,504	43,773	44,230
Other long-term liabilities	4,742	18,303	11,918
Deferred tax liability	137,030	117,622	109,916
Total liabilities	\$ 2,249,527	\$ 1,835,091	\$ 1,927,741
Shareholders' equity			
Share capital	\$ 847,013	\$ 845,986	\$ 838,969
Retained earnings	1,234,975	1,121,233	1,124,973
Contributed surplus	11,694	8,708	5,866
Accumulated other comprehensive loss	(7,890)	(12,878)	(13,414)
Treasury stock	(18,738)	(23,930)	(23,930)
Total shareholders' equity	\$ 2,067,054	\$ 1,939,119	\$ 1,932,464
Total liabilities and equity	\$ 4,316,581	\$ 3,774,210	\$ 3,860,205

Consolidated Interim Statements of Net Earnings

(In thousands of Canadian dollars, except share amounts) (Unaudited)	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Sales	\$ 1,188,643	\$ 1,057,169	\$ 3,400,587	\$ 3,174,510
Cost of goods sold	1,000,485	829,055	2,883,819	2,651,723
Gross profit	\$ 188,158	\$ 228,114	\$ 516,768	\$ 522,787
Selling, general and administrative expenses	120,263	127,165	347,067	363,899
Earnings before the following:	\$ 67,895	\$ 100,949	\$ 169,701	\$ 158,888
Restructuring and other related costs	840	1,732	3,698	3,070
Other (income) expense	(965)	1,378	7,194	7,866
Earnings before interest and income taxes	\$ 68,020	\$ 97,839	\$ 158,809	\$ 147,952
Interest expense and other financing costs	5,683	7,474	16,362	23,434
Earnings before income taxes	\$ 62,337	\$ 90,365	\$ 142,447	\$ 124,518
Income tax expense	17,858	24,389	41,502	36,595
Net earnings	\$ 44,479	\$ 65,976	\$ 100,945	\$ 87,923
Earnings per share attributable to common shareholders:				
Basic earnings per share	\$ 0.36	\$ 0.54	\$ 0.82	\$ 0.72
Diluted earnings per share	\$ 0.35	\$ 0.53	\$ 0.80	\$ 0.71
Weighted average number of shares (millions):				
Basic	123.5	123.2	123.4	123.2
Diluted	125.5	124.6	125.7	124.3

Consolidated Interim Statements of Other Comprehensive Income (Loss)

(In thousands of Canadian dollars) (Unaudited)	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Net earnings	\$ 44,479	\$ 65,976	\$ 100,945	\$ 87,923
Other comprehensive income (loss)				
Actuarial gains (losses) that will not be reclassified to profit or loss (Net of tax of \$0.9 million and \$25.8 million; 2020: \$0.2 million and \$15.4 million)	\$ 2,556	\$ (677)	\$ 75,717	\$ (44,963)
Items that are or may be reclassified subsequently to profit or loss:				
Change in fair value of investments (Net of tax of \$1.0 million and \$1.0 million; 2020: \$0.0 million and \$0.0 million)	\$ 2,945	\$ —	\$ 2,945	\$ —
Change in accumulated foreign currency translation adjustment (Net of tax of \$0.0 million and \$0.0 million; 2020: \$0.0 million and \$0.0 million)	6,267	(4,885)	(3,883)	8,652
Change in foreign exchange on long-term debt designated as a net investment hedge (Net of tax of \$1.1 million and \$0.4 million; 2020: \$0.8 million and \$1.2 million)	(5,456)	4,413	1,826	(6,887)
Change in cash flow hedges (Net of tax of \$0.7 million and \$1.7 million; 2020: \$0.5 million and \$6.1 million)	(2,157)	1,383	4,636	(17,436)
Total items that are or may be reclassified subsequently to profit or loss	\$ 1,599	\$ 911	\$ 5,524	\$ (15,671)
Total other comprehensive income (loss)	\$ 4,155	\$ 234	\$ 81,241	\$ (60,634)
Comprehensive income	\$ 48,634	\$ 66,210	\$ 182,186	\$ 27,289

Consolidated Interim Statements of Changes in Total Equity

(In thousands of Canadian dollars) (Unaudited)	Accumulated other comprehensive income (loss) ⁽ⁱ⁾							Total equity
	Share capital	Retained earnings	Contributed surplus	Foreign currency translation adjustment	Unrealized gains and losses on cash flow hedges	Unrealized gains on fair value of investments	Treasury stock	
Balance at December 31, 2020	\$ 838,969	1,124,973	5,866	3,002	(16,416)	—	(23,930)	\$ 1,932,464
Net earnings	—	100,945	—	—	—	—	—	100,945
Other comprehensive income (loss) ⁽ⁱⁱ⁾	—	75,717	—	(2,057)	4,636	2,945	—	81,241
Dividends declared (\$0.54 per share)	—	(66,660)	—	—	—	—	—	(66,660)
Share-based compensation expense	—	—	17,738	—	—	—	—	17,738
Deferred taxes on share-based compensation	—	—	(450)	—	—	—	—	(450)
Exercise of stock options	8,711	—	—	—	—	—	—	8,711
Settlement of share-based compensation	—	—	(9,679)	—	—	—	5,192	(4,487)
Change in obligation for repurchase of shares	(667)	—	(1,781)	—	—	—	—	(2,448)
Balance at September 30, 2021	\$ 847,013	1,234,975	11,694	945	(11,780)	2,945	(18,738)	\$ 2,067,054

(In thousands of Canadian dollars) (Unaudited)	Accumulated other comprehensive income (loss) ⁽ⁱ⁾							Total equity
	Share capital	Retained earnings	Contributed surplus	Foreign currency translation adjustment	Unrealized gains and losses on cash flow hedges	Unrealized gains on fair value of investments	Treasury stock	
Balance at December 31, 2019	\$ 840,005	1,137,450	—	4,274	(1,481)	—	(30,378)	\$ 1,949,870
Net earnings	—	87,923	—	—	—	—	—	87,923
Other comprehensive income (loss) ⁽ⁱⁱ⁾	—	(44,963)	—	1,765	(17,436)	—	—	(60,634)
Dividends declared (\$0.48 per share)	—	(59,177)	—	—	—	—	—	(59,177)
Share-based compensation expense	—	—	12,161	—	—	—	—	12,161
Deferred taxes on share-based compensation	—	—	400	—	—	—	—	400
Exercise of stock options	1,012	—	—	—	—	—	—	1,012
Settlement of share-based compensation	—	—	(9,738)	—	—	—	6,448	(3,290)
Change in obligation for repurchase of shares	4,969	—	5,885	—	—	—	—	10,854
Balance at September 30, 2020	\$ 845,986	1,121,233	8,708	6,039	(18,917)	—	(23,930)	\$ 1,939,119

⁽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.

Consolidated Interim Statements of Cash Flows

(In thousands of Canadian dollars)
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020 ⁽ⁱ⁾	2021	2020 ⁽ⁱ⁾
CASH PROVIDED BY (USED IN):				
Operating activities				
Net earnings	\$ 44,479	\$ 65,976	\$ 100,945	\$ 87,923
Add (deduct) items not affecting cash:				
Change in fair value of biological assets	(6,630)	(40,176)	6,779	1,159
Depreciation and amortization	47,800	48,699	148,201	145,242
Share-based compensation	8,509	4,320	17,738	12,161
Deferred income taxes	(7,824)	19,432	(17,694)	12,535
Income tax current	25,682	4,957	59,196	24,060
Interest expense and other financing costs	5,683	7,474	16,362	23,434
Loss (gain) on sale of long-term assets	1,226	(2,724)	1,919	(2,158)
Asset impairment	—	(18)	436	1,554
Change in fair value of non-designated derivatives	6,042	(23,693)	(2,375)	(11,027)
Change in net pension obligation	3,620	2,059	3,594	6,478
Net income taxes paid	(10,545)	(12,807)	(57,248)	(21,151)
Interest paid, net of capitalized interest	(5,373)	(8,536)	(16,766)	(23,108)
Change in provision for restructuring and other related costs	(156)	(90)	(224)	(2,776)
Change in derivatives margin	4,888	19,194	4,492	7,400
Other	(4,631)	3,386	(5,989)	4,905
Change in non-cash operating working capital	23,994	47,749	(122,865)	(30,087)
Cash provided by operating activities	\$ 136,764	\$ 135,202	\$ 136,501	\$ 236,544
Investing activities				
Additions to long-term assets	\$ (136,346)	\$ (75,167)	\$ (458,586)	\$ (253,085)
Interest paid and capitalized	(5,916)	(2,235)	(14,525)	(5,246)
Acquisition of business	(1,777)	—	(41,928)	—
Proceeds from sale of long-term assets	—	36,846	768	36,854
Purchase of investments	(3,184)	(100)	(3,184)	(14,053)
Proceeds from legal settlement	20,822	—	20,822	—
Cash used in investing activities	\$ (126,401)	\$ (40,656)	\$ (496,633)	\$ (235,530)
Financing activities				
Dividends paid	\$ (22,285)	\$ (19,871)	\$ (66,660)	\$ (59,177)
Net increase in long-term debt	29,333	1,018	419,055	165,740
Payment of lease obligation	(9,125)	(8,971)	(27,806)	(27,085)
Exercise of stock options	6,782	239	8,711	1,012
Payment of financing fees	(478)	—	(528)	(599)
Cash provided by (used in) financing activities	\$ 4,227	\$ (27,585)	\$ 332,772	\$ 79,891
Increase (decrease) in cash and cash equivalents	\$ 14,590	\$ 66,961	\$ (27,360)	\$ 80,905
Cash and cash equivalents, beginning of period	58,878	111,229	100,828	97,285
Cash and cash equivalents, end of period	\$ 73,468	\$ 178,190	\$ 73,468	\$ 178,190

⁽ⁱ⁾ Certain comparative figures have been restated to conform with current year presentation.