MAPLE LEAF

MAPLE LEAF FOODS INC.

Interim Report to Shareholders

For the Third Quarter Ended

September 30, 2020

Management's Discussion and Analysis

Management's Discussion and Analysis

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

October 26, 2020

1. FINANCIAL OVERVIEW

($ millions except earnings per share) (Unaudited)	Three months ended September 30,			Nine months ended September 30,		
	2020	2019	% Change	**2020**	2019	% Change
Sales	**$ 1,057.2**	$ 995.8	6.2 %	**$ 3,174.5**	$ 2,925.6	8.5 %
Net Earnings	**$ 66.0**	$ 13.4	392.0 %	**$ 87.9**	$ 57.2	53.8 %
Basic Earnings per Share	**$ 0.54**	$ 0.11	390.9 %	**$ 0.72**	$ 0.46	56.5 %
Adjusted Operating Earnings(i)	**$ 36.9**	$ 9.7	280.3 %	**$ 148.7**	$ 117.0	27.1 %
Adjusted Earnings per Share(i)	**$ 0.17**	$ 0.03	466.7 %	**$ 0.73**	$ 0.55	32.7 %

(i) *Refer to the section titled Non-IFRS Financial Measures starting on page 13 of this document for the definition of these non-IFRS measures.*

Sales for the third quarter of 2020 were $1,057.2 million compared to $995.8 million last year, an increase of 6.2%, driven by both Meat and Plant Protein Groups. Meat Protein Group sales growth is attributable primarily to increased demand in the retail channel in North America which more than offset lower volumes in foodservice. Meat Protein Group sales also benefited from strong growth in sustainable meats, exports to Asian markets and the positive impact of foreign currency translation. Plant Protein Group sales growth of 9.3% reflects investments in new products in rapidly expanding categories.

Year-to-date sales for 2020 were $3,174.5 million compared to $2,925.6 million last year, an increase of 8.5%. Sales growth reflects ongoing progress in key strategic areas such as sustainable meats for the Meat Protein Group with increases of 8.1%, while the Plant Protein Group delivered growth of 25.0%.

Net earnings for the third quarter of 2020 were $66.0 million ($0.54 per basic share) compared to $13.4 million ($0.11 per basic share) last year. Strong commercial performance in the Meat Protein Group more than offset costs to mitigate COVID-19 risks, strategic investment in the Plant Protein Group, as well as a favourable resolution of an income tax audit last year. Results were also impacted by a higher gain from non-cash fair value changes in biological assets and derivative contracts, which are excluded in the calculation of Adjusted Operating Earnings below.

Year-to-date net earnings for 2020 were $87.9 million ($0.72 per basic share) compared to $57.2 million ($0.46 per basic share) last year, driven by similar factors as noted above.

Adjusted Operating Earnings for the third quarter of 2020 were $36.9 million compared to $9.7 million last year, and Adjusted Earnings per Share for the third quarter of 2020 were $0.17 compared to $0.03 last year due to similar factors as noted above.

Year-to-date Adjusted Operating Earnings for 2020 were $148.7 million compared to $117.0 million last year, and Adjusted Earnings per Share for 2020 were $0.73 compared to $0.55 last year due to similar factors noted above.

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

2. OPERATING REVIEW

Maple Leaf Foods Inc. ("Maple Leaf Foods" or 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 Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA"), while the performance of the Plant Protein Group is based predominantly on revenue growth rates, managing gross margins and controlling selling, general and administrative expenses ("SG&A"), which generate high revenue growth rates.

The following table summarizes the Company's sales, gross profit, SG&A, Adjusted Operating Earnings, Adjusted EBITDA, and Adjusted EBITDA Margin by operating segment for the three months ended September 30, 2020 and September 30, 2019.

	Three months ended September 30, 2020				Three months ended September 30, 2019			
($ millions)[i] *(Unaudited)*	**Meat Protein Group**	**Plant Protein Group**	**Non-Allocated[ii]**	**Total**	Meat Protein Group	Plant Protein Group	Non-Allocated[ii]	Total
Sales	**$ 1,014.4**	**51.4**	**(8.6)**	**$ 1,057.2**	$ 953.3	47.0	(4.5)	$ 995.8
Gross profit	**$ 160.6**	**3.4**	**64.1**	**$ 228.1**	$ 123.4	10.0	6.4	$ 139.7
Selling, general and administrative expenses	**$ 80.7**	**46.5**	**—**	**$ 127.2**	$ 78.8	44.9	—	$ 123.7
Adjusted Operating Earnings[iii]	**$ 80.0**	**(43.1)**	**—**	**$ 36.9**	$ 44.6	(34.9)	—	$ 9.7
Adjusted EBITDA[iii]	**$ 122.6**	**(39.6)**	**(0.5)**	**$ 82.6**	$ 85.4	(31.6)	(0.4)	$ 53.4
Adjusted EBITDA Margin[iii]	**12.1 %**	**(77.0)%**	**N/A**	**7.8 %**	9.0 %	(67.3)%	N/A	5.4 %

(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 starting on page 13 of this document for the definition of these non-IFRS measures.*

The following table summarizes the Company's sales, gross profit, SG&A, Adjusted Operating Earnings, Adjusted EBITDA, and Adjusted EBITDA Margin by operating segment for the nine months ended September 30, 2020 and September 30, 2019.

	Nine months ended September 30, 2020				Nine months ended September 30, 2019			
($ millions)[i] *(Unaudited)*	**Meat Protein Group**	**Plant Protein Group**	**Non-Allocated[ii]**	**Total**	Meat Protein Group	Plant Protein Group	Non-Allocated[ii]	Total
Sales	**$ 3,036.2**	**158.3**	**(20.0)**	**$ 3,174.5**	$ 2,807.7	126.7	(8.8)	$ 2,925.6
Gross profit	**$ 494.5**	**18.0**	**10.2**	**$ 522.8**	$ 417.5	27.8	(15.1)	$ 430.2
Selling, general and administrative expenses	**$ 252.4**	**111.5**	**—**	**$ 363.9**	$ 254.7	73.6	—	$ 328.3
Adjusted Operating Earnings[iii]	**$ 242.1**	**(93.5)**	**—**	**$ 148.7**	$ 162.8	(45.8)	—	$ 117.0
Adjusted EBITDA[iii]	**$ 371.9**	**(82.7)**	**(0.5)**	**$ 288.8**	$ 283.0	(36.7)	(0.4)	$ 245.9
Adjusted EBITDA Margin[iii]	**12.2 %**	**(52.2)%**	**N/A**	**9.1 %**	10.1 %	(29.0)%	N/A	8.4 %

(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 starting on page 13 of this document for the definition of these non-IFRS measures.*

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.®, Swift® and many leading regional brands.

Sales for the third quarter of 2020 increased 6.4% to $1,014.4 million compared to $953.3 million last year, driven by an increase in demand in the retail channel in North America which more than offset lower volumes in foodservice as a result of COVID-19. Meat Protein sales also benefited from favourable mix driven by growth in sustainable meats and branded products, growth in exports to Asian markets, and positive impact of foreign currency translation.

Year-to-date sales for 2020 increased 8.1% to $3,036.2 million compared to $2,807.7 million last year, driven by favourable mix-shift towards sustainable meats and branded products, an increase in hogs processed, growth in exports to Asian markets, and strong volumes in the retail channel starting with a surge in demand in late March tied to COVID-19. Pricing actions implemented in the third quarter of 2019 to mitigate higher input costs also contributed to sales performance.

Gross profit for the third quarter of 2020 was $160.6 million (gross margin of 15.8%) compared to $123.4 million (gross margin of 12.9%) last year. Gross profit performance benefited from a favourable product and channel mix attributed to expansion of sustainable meats and other branded products, in addition to growth in exports to Asian markets. Partially offsetting strong commercial and plant operating performance were increased costs in response to COVID-19 to safeguard the Company's employees and maintain production. These included personal protective equipment, incremental sanitation, screening and testing and other preventative measures.

Year-to-date gross profit for 2020 was $494.5 million (gross margin of 16.3%) compared to $417.5 million (gross margin of 14.9%) last year. The increase in gross profit is attributable to continued improvements in sales mix and in operational performance started in the fourth quarter of 2019 partially offset by increases in manufacturing and distribution costs due to COVID-19.

SG&A expenses for the third quarter of 2020 were $80.7 million (8.0% of sales), compared to $78.8 million (8.3% of sales) last year. Reductions in discretionary spend such as travel, conferences and training, as well as in advertising and promotions, were offset by an increase in performance bonus accrual.

Year-to-date SG&A expenses for 2020 were $252.4 million (8.3% of sales), compared to $254.7 million (9.1% of sales) last year. The change in SG&A is consistent with the factors noted above with reductions in discretionary spend and advertising and promotion more than offsetting the increase in performance bonus accrual.

Adjusted Operating Earnings for the third quarter of 2020 were $80.0 million compared to $44.6 million last year, driven by factors noted above.

Year-to-date Adjusted Operating Earnings for 2020 were $242.1 million compared to $162.8 million last year. The change in Adjusted Operating Earnings is consistent with factors noted above.

Adjusted EBITDA Margin was 12.1% compared to 9.0% last year, consistent with the factors noted above.

Year-to-date Adjusted EBITDA Margin was 12.2% compared to 10.1% last year, with the increase consistent with the factors 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 Grain Meat Co.™.

Sales for the third quarter of 2020 were $51.4 million compared to $47.0 million last year, representing growth of 9.3% or 8.2% after excluding the impacts of foreign exchange. Growth was driven by expanded distribution of new products and continued volume increases in its existing portfolio.

Year-to-date sales for 2020 were $158.3 million compared to $126.7 million last year, representing growth of 25.0% or 22.6% after excluding the impacts of foreign exchange. Drivers to growth are consistent with the factors noted above.

Gross profit for the third quarter of 2020 was $3.4 million (gross margin of 6.6%) compared to $10.0 million (gross margin of 21.3%) last year. The decrease in gross profit was attributed to supply chain disruptions, amplified by COVID-19. Expenses associated with COVID-19 include labour bonus payments and personal protective equipment.

Year-to-date gross profit for 2020 was $18.0 million (gross margin of 11.4%) compared to $27.8 million (gross margin of 22.0%) last year. The decrease in gross profit was attributed to the factors noted above and increased trade expenditures.

SG&A expenses for the third quarter of 2020 were $46.5 million (90.5% of sales), compared to $44.9 million (95.5% of sales) last year. The increase in SG&A expenses reflects the evolution of the Company's plant protein strategy to drive sales growth and secure market share in a rapidly growing market. Supporting this strategy, significant investment in advertising, promotion and marketing was incurred during the quarter to enhance brand awareness, support new product launches and expand distribution. In addition, the Company invested to broaden organizational capacity and its pipeline of new product innovation.

Year-to-date SG&A expenses for 2020 were $111.5 million (70.4% of sales), compared to $73.6 million (58.1% of sales) last year. The change in selling, general and administrative expenses is consistent with the factors noted above.

Adjusted Operating Earnings for the third quarter of 2020 were a loss of $43.1 million compared to a loss of $34.9 million last year. The decline in Adjusted Operating Earnings is consistent with the factors noted above.

Year-to-date Adjusted Operating Earnings for 2020 were a loss of $93.5 million compared to a loss of $45.8 million last year. The change in Adjusted Operating Earnings is consistent with factors noted above.

3. RESTRUCTURING AND OTHER RELATED COSTS

During the three months ended September 30, 2020, the Company recorded restructuring and other related costs of $1.7 million (2019: $4.6 million). Of this amount, $1.0 million related to accelerated depreciation and $0.6 million related to severance and other employee costs as a result of the previously announced future closures of the Brampton, Toronto and St. Mary's poultry plants. The remaining $0.1 million related to employee related costs for other organizational restructuring initiatives.

During the nine months ended September 30, 2020, the Company recorded restructuring and other related costs of $3.1 million (2019: $6.0 million). Of this amount, $3.3 million related to accelerated depreciation, offset by $0.3 million related to severance and other employee reversals as a result of the previously announced future closures of the Brampton, Toronto and St. Mary's poultry plants. The remaining $0.1 million related to employee related costs for other organizational restructuring initiatives.

4. INCOME TAXES

In the third quarter and the nine months ended September 30, 2020, the Company's effective tax rate differs from the Canadian statutory tax rate of 26.3% primarily due to the geographic mix of earnings, the manufacturing and processing credit, and non-deductible expenditures and transaction costs. The effective tax rates in determining Adjusted Earnings per Share in the third quarter and nine months ended September 30, 2020 are 29.5% and 28.2%, respectively.

In the third quarter and the nine months ended September 30, 2019, the Company's effective tax rate differs from the Canadian statutory tax rate of 26.7% primarily due to (i) the manufacturing and processing credit; (ii) a deferred income tax recovery recorded on the remeasurement of deferred tax liabilities at a lower tax rate; (iii) an adjustment to tax expense for prior periods; and (iv) the favourable resolution of an income tax audit. The effective tax rates in determining Adjusted Earnings per Share in the third quarter and nine months ended September 30, 2019 are 351.4% (recovery) and 24.5% (expense), respectively. The effective tax rate in determining the Adjusted Earnings per Share in the third quarter and for the nine months ended September 30, 2019 differs from the Canadian statutory tax rate primarily due to non-deductible expenditures, the deferred income tax recovery, and adjustments to tax expense for prior periods.

5. CAPITAL RESOURCES

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, seasonal and other market-related fluctuations. The Company has consistently generated a strong base level of operating cash flow, even in periods of higher commodity prices and during restructuring of its operations. These operating cash flows provide 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 September 30, 2020 was $178.2 million (September 30, 2019: $70.8 million; December 31, 2019: $97.3 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 September 30, 2020**	As at September 30, 2019	As at December 31, 2019
U.S. term credit	**$ 354,623**	$ 350,953	$ 346,461
Canadian term credit	**350,000**	115,000	185,000
Government loans	**8,461**	7,924	7,867
Total long-term debt	**$ 713,084**	$ 473,877	$ 539,328
Current	**$ 937**	$ 887	$ 899
Non-current	**712,147**	472,990	538,429
Total long-term debt	**$ 713,084**	$ 473,877	$ 539,328
Construction Capital[(i)] included in total long-term debt	**$ 296,980**	$ 79,481	$ 105,211

(i) *Refer to the section titled Non-IFRS Financial Measures starting on page 13 of this document for the definition of this non-IFRS measure.*

On April 30, 2019, the Company entered into a new syndicated credit facility (the "Credit Facility") consisting of a $1,300.0 million unsecured committed revolving line of credit maturing April 30, 2024 and two unsecured committed term credit facilities for US$265.0 million and $350.0 million maturing April 30, 2024 and April 30, 2023, respectively. The Credit Facility refinanced and replaced the Company's previous $250.0 million and $400.0 million unsecured committed revolving credit facilities, which were due to mature on November 7, 2019 and October 19, 2021, respectively. The Credit Facility can be drawn in Canadian or U.S. dollars and bears interest payable monthly, based on Banker's Acceptance and Prime rates for Canadian dollar loans and the London Inter-bank Offered Rate

("Libor") for U.S. dollar loans. The Credit Facility is intended to meet the Company's funding requirements for capital investments, including the construction of its two new manufacturing facilities in London, Ontario and Shelbyville, Indiana, in addition to providing appropriate levels of liquidity and for general corporate purposes. On December 11, 2019, the Company amended the Credit Facility to reduce interest paid upon achievement of certain sustainability targets. This reduction will not materialize until at least 2021, and there is no penalty for not achieving the targets. In addition to loans, as at September 30, 2020 the Company had drawn letters of credit of $6.7 million on the Credit Facility (September 30, 2019: $6.4 million; December 31, 2019: $6.2 million).

The Credit Facility requires the maintenance of certain covenants. As at September 30, 2020, the Company was in compliance with all of these covenants.

The Company has additional uncommitted credit facilities for issuing letters of credit up to a maximum of $125.0 million (September 30, 2019: $125.0 million; December 31, 2019: $125.0 million). As at September 30, 2020, $78.5 million of letters of credit had been issued thereon (September 30, 2019: $79.4 million; December 31, 2019: $79.5 million).

The Company has various government loans on specific projects, with contractual interest rates ranging from non-interest bearing to 2.9% per annum (September 30, 2019: 2.9%; December 31, 2019: 2.9%). These facilities are repayable over various terms from 2022 to 2032. As at September 30, 2020, $8.5 million (September 30, 2019: $7.9 million; December 31, 2019: $7.9 million) was outstanding. All of these facilities are committed.

On July 19, 2019, the Company amended its three-year accounts receivable securitization facility (the "Securitization Facility") by extending the maturity to July 19, 2022 and increasing the maximum cash advance available to the Company under the Securitization Facility to $120.0 million (September 30, 2019: $120.0 million; December 31, 2019: $120.0 million). The Securitization Facility provides cash funding with a proportion of the Company's receivables being sold, and 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 September 30, 2020, the Company had $150.5 million (September 30, 2019: $139.6 million; December 31, 2019: $133.3 million) of trade accounts receivable serviced under the Securitization Facility. In return for the sale of its trade receivables, the Company will receive cash of $118.4 million (September 30, 2019: $107.2 million; December 31, 2019: $101.6 million) and notes receivable in the amount of $32.1 million (September 30, 2019: $32.4 million; December 31, 2019: $31.7 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 September 30, 2020, the Company recorded a net payable in the amount of $24.1 million (September 30, 2019: $21.0 million net payable; December 31, 2019: $29.4 million net payable) in accounts payable and accruals. The facility is accounted for as an off-balance sheet transaction in accordance with International Financial Reporting Standards ("IFRS").

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 September 30, 2020. If the Securitization Facility were to be terminated, the Company would recognize the related amounts on the consolidated balance sheet and consider alternative financing if required.

6. CAPITAL EXPENDITURES

Capital expenditures for the third quarter of 2020 were $103.0 million, compared to $60.5 million last year, and year-to-date capital expenditures for 2020 were $304.2 million, compared to $186.0 million last year. The increase in capital expenditures was primarily attributable to the construction of the London, Ontario poultry facility and modifications to the Company’s existing network in order to create additional plant protein capacity.

Maple Leaf Foods estimates that its total capital expenditures for the year will be in the range of $450 million to $500 million, with Construction Capital comprising approximately 70% of the spend. A significant portion of the Construction Capital is related to the London, Ontario poultry facility, as well as other projects to further capacity and efficiency improvements in our prepared meats business and investments in plant protein capacity at the Walker Drive facility in Brampton, Ontario. Estimated capital expenditures for the full year has been modified due to factors that include the impact that COVID-19 continues to have on both the pace and timing of construction and facility improvements as well as the lower expected spend for the remainder of the year at the Shelbyville, Indiana plant protein facility.

Update on Construction Capital

Maple Leaf Foods has been purposeful in using a multi-tiered strategy to build plant protein production capacity to meet the growing demand for its products. Focused on capital stewardship, the Company continues to find ways to leverage the capacity from its existing Plant Protein manufacturing assets, while successfully utilizing footprint in the rest of its network. As a result, the Company now believes these efforts will meet its capacity needs beyond 2022, providing it greater flexibility to extend the development horizon for its proposed processing facility in Shelbyville, Indiana.

The Company recently completed a full assessment of the impact of recent events, including COVID-19, have had on the cost and timing of its London, Ontario poultry facility. While expected project completion and start-up timing remains largely unchanged, certain construction material costs have exceeded Maple Leaf Foods' initial estimates established in 2018, primarily due to the robust construction economy in Ontario, coupled with complexities associated with COVID-19. Additional engineering and design work is expected to partially mitigate this inflation, however the Company now expects the total construction costs to be approximately $720 million, up from $660 million as announced in November 2018.

7. NORMAL COURSE ISSUER BID

On May 21, 2020 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 7.5 million common shares in the open market or as otherwise permitted by the TSX, subject to the normal terms and limitation of such bids. Common shares purchased by the Company are cancelled. The program commenced on May 25, 2020 and will terminate on May 24, 2021, or on such earlier date as the Company completes its purchases pursuant to the notice of intention. Under this bid, during the three and nine months ended September 30, 2020, no shares were purchased for cancellation.

On May 17, 2019, the TSX accepted the Company's notice of intention to commence an NCIB, allowing the Company to repurchase, at its discretion, up to 7.5 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 24, 2019 and was terminated on May 23, 2020, as the Company completed its purchase and cancellation of 0.8 million common shares for $20.3 million at a volume weighted average price of $24.21. Under this bid during the three and nine months ended September 30, 2020 and September 30, 2019 no shares were purchased for cancellation.

On May 22, 2018, the TSX accepted the Company's notice of intention to commence an NCIB, which allows the Company to repurchase, at its discretion, up to 7.8 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 were cancelled. The program commenced on May 24, 2018 and was terminated on May 23, 2019 as the Company completed its purchase and cancellation of 4.0 million common shares for $126.6 million at a volume weighted average price of $31.82 per common share. Under this bid, during the three and nine months ended September 30, 2019, no shares were purchased for cancellation.

8. CASH FLOWS

Cash and cash equivalents were $178.2 million at the end of the third quarter of 2020, compared to $70.8 million at the end of the third quarter of 2019, and $97.3 million as at December 31, 2019. The increase in cash and cash equivalents for the nine months ended September 30, 2020 was primarily due to earnings, loans drawn on the Credit Facility, proceeds from sale of long-term assets, partially offset by investment in property and equipment, investment in working capital and quarterly dividend payments.

Cash Flow from Operating Activities

Cash provided by operating activities for the third quarter of 2020 was $135.2 million compared to $97.8 million in 2019. The improvement was primarily due to higher earnings and a larger reduction in posted derivative margin, partially offset by a lower reduction in working capital and higher income tax payments.

For the first nine months of 2020, cash provided by operating activities was $236.5 million compared to $189.0 million last year. The increase was primarily due to higher earnings, lower income tax payments, and a larger reduction in posted derivative margins, partially offset by higher investment in working capital and higher interest payments.

Cash Flow from Financing Activities

Cash used in financing activities for the third quarter of 2020 was $27.6 million compared to $33.5 million in 2019. The decrease was primarily due to no treasury stock purchases in the current quarter, partially offset by fewer stock options exercised and higher dividend payments.

For the first nine months of 2020, cash provided by financing activities was $79.9 million compared to $7.2 million last year. The increase is mainly due to larger loans drawn on the Credit Facility and no treasury stock purchases in current year, partially offset by fewer stock options exercised and higher dividend payments.

Cash Flow from Investing Activities

Cash used in investing activities for the third quarter of 2020 was $40.7 million compared to $60.5 million in 2019. The decrease was primarily due to higher proceeds from sale of long-term assets, partially offset by higher investment in property and equipment.

For the first nine months of 2020, cash used in investing activities was $235.5 million compared to $198.0 million last year. The increase was mainly due to higher investment in property and equipment, partially offset by higher proceeds from sale of long-term assets and last year's payment of income tax liabilities assumed on a prior year acquisition.

9. FINANCIAL INSTRUMENTS

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 September 30, 2020, the Company recorded a gain of $11.2 million (2019: loss of $1.3 million) on non-designated financial instruments held for trading.

During the nine months ended September 30, 2020, the Company recorded a loss of $29.1 million (2019: gain of $11.8 million) on non-designated financial instruments held for trading.

During the three months ended September 30, 2020, the pre-tax amount of hedge ineffectiveness recognized in cost of goods sold was a gain of $0.0 million (2019: gain of $0.1 million).

During the nine months ended September 30, 2020, the pre-tax amount of hedge ineffectiveness recognized in cost of goods sold was a gain of $0.1 million (2019: loss of $0.1 million).

The table below sets out fair value measurements of financial instruments as at September 30, 2020 using the fair value hierarchy:

($ thousands) *(Unaudited)*	Level 1	Level 2	Level 3	Total
Assets:				
Foreign exchange contracts	$ —	381	—	$ 381
Commodity contracts[(i)]	8,481	—	—	8,481
	$ 8,481	**381**	**—**	**$ 8,862**
Liabilities:				
Foreign exchange contracts	$ —	846	—	$ 846
Commodity contracts[(i)]	—	1,165	—	1,165
Interest rate swaps	—	20,948	—	20,948
	$ —	**22,959**	**—**	**$ 22,959**

[(i)] *Level 1 commodity contracts are net settled and recorded as a net asset or liability on the consolidated balance sheets.*

There were no transfers between levels for the three and nine months ended September 30, 2020 and September 30, 2019.

Determination of fair value and the resulting hierarchy requires the use of observable market data whenever available and is consistent with the methodology used in the Company's 2019 annual audited consolidated financial statements. 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 (loss)

During the three months ended September 30, 2020, a loss of $1.2 million, net of tax of $0.4 million, was released to earnings from accumulated other comprehensive (loss) income and included in the net change for the year (2019: gain of $0.2 million, net of tax of $0.1 million).

During the nine months ended September 30, 2020, a loss of $2.3 million, net of tax of $0.8 million, was released to earnings from accumulated other comprehensive (loss) income and included in the net change for the year (2019: loss of $1.9 million, net of tax of $0.7 million).

During the three months ended September 30, 2020, the gain on the net investment hedge recorded in other comprehensive (loss) income was $4.4 million, net of tax of $0.9 million (2019: loss of $3.5 million, net of tax of $0.6 million).

During the nine months ended September 30, 2020, the loss on the net investment hedge recorded in other comprehensive (loss) income was $6.9 million, net of tax of $1.3 million (2019: gain of $8.0 million, net of tax of $1.5 million).

10. TRANSACTIONS WITH RELATED PARTIES

The Company sponsors a number of defined benefit, defined contribution and post-retirement benefit plans. During the three and nine months ended September 30, 2020, the Company's contributions to these plans were $7.5 million and $22.3 million (2019: $7.2 million and $22.5 million).

The Company's largest shareholder is McCain Capital Inc. ("MCI"). The Company understands that Mr. Michael H. McCain, Chief Executive Officer and President of the Company, is the controlling shareholder of MCI. For the three and nine months ended September 30, 2020, the Company received services from MCI in the amount of $0.0 million and $0.1 million (2019: $0.1 million and $0.4 million), which represented the market value of the transactions with MCI. As at September 30, 2020, $0.0 million (September 30, 2019: $0.1 million; December 31, 2019: $0.0 million) was owed to 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 nine months ended September 30, 2020 and 2019, the Company provided services to and received from, MFAS for a nominal amount which represented the market value of the transactions.

11. SHARE CAPITAL

As at October 21, 2020, there were 123,936,226 common shares issued and outstanding.

12. OTHER MATTERS

On October 26, 2020, the Board of Directors approved a quarterly dividend of $0.16 per share, $0.64 per share on an annual basis, payable December 31, 2020 to shareholders of record at the close of business December 7, 2020. 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".

13. MAPLE LEAF CENTRE FOR ACTION ON FOOD SECURITY

The Maple Leaf Centre for Action on Food Security (the "Centre") is the primary expression of the Company's sustainability strategy pillar of better communities. The Centre is a registered charity working to advance food security through collaboration with other organizations and individuals, through advocating for critical policies and investing in programs required to make sustainable improvements in food security. Additional information regarding the Centre is available on its website at: https://www.feedopportunity.com.

14. SUMMARY OF QUARTERLY RESULTS

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

($ millions except earnings per share)[(i)]			First Quarter	Second Quarter	Third Quarter	Fourth Quarter		Total
Sales								
Meat Protein Group	**2020**	**$**	**981.4**	**1,040.4**	**1,014.4**	**—**	**$**	**3,036.2**
	2019	$	871.1	983.3	953.3	970.3	$	3,778.0
	2018	$	789.3	872.8	838.7	856.1	$	3,356.9
Plant Protein Group	**2020**	**$**	**46.3**	**60.6**	**51.4**	**—**	**$**	**158.3**
	2019	$	36.8	42.9	47.0	49.7	$	176.4
	2018	$	28.2	36.4	36.1	37.8	$	138.5
Non-Allocated[(ii)]	**2020**	**$**	**(5.0)**	**(6.4)**	**(8.6)**	**—**	**$**	**(20.0)**
	2019	$	(0.8)	(3.5)	(4.5)	(4.1)	$	(12.9)
	2018	$	—	—	—	—	$	—
Total Sales	**2020**	**$**	**1,022.8**	**1,094.6**	**1,057.2**	**—**	**$**	**3,174.5**
	2019	$	907.1	1,022.7	995.8	1,016.0	$	3,941.5
	2018	$	817.5	909.2	874.8	893.9	$	3,495.4
Net Earnings (Loss)								
Meat Protein Group	**2020**	**$**	**68.2**	**92.8**	**79.8**	**—**	**$**	**240.8**
	2019	$	42.3	74.0	39.6	62.1	$	218.0
	2018	$	49.2	56.6	50.3	13.3	$	169.4
Plant Protein Group	**2020**	**$**	**(24.1)**	**(26.3)**	**(43.2)**	**—**	**$**	**(93.5)**
	2019	$	(3.3)	(7.7)	(34.9)	(38.2)	$	(84.1)
	2018	$	1.3	2.7	0.4	(1.7)	$	2.7
Non-Allocated[(ii)]	**2020**	**$**	**(47.8)**	**(40.8)**	**29.3**	**—**	**$**	**(59.4)**
	2019	$	11.1	(72.6)	8.7	(6.4)	$	(59.2)
	2018	$	(22.6)	(24.4)	(24.1)	0.3	$	(70.8)
Total Net Earnings (Loss)	**2020**	**$**	**(3.7)**	**25.7**	**66.0**	**—**	**$**	**87.9**
	2019	$	50.1	(6.3)	13.4	17.5	$	74.7
	2018	$	27.9	34.9	26.6	11.9	$	101.3
Earnings (Loss) Per Share[(iii)]								
Basic	**2020**	**$**	**(0.03)**	**0.21**	**0.54**	**—**	**$**	**0.72**
	2019	$	0.41	(0.05)	0.11	0.14	$	0.60
	2018	$	0.22	0.28	0.21	0.10	$	0.81
Diluted	**2020**	**$**	**(0.03)**	**0.21**	**0.53**	**—**	**$**	**0.71**
	2019	$	0.40	(0.05)	0.11	0.14	$	0.60
	2018	$	0.22	0.27	0.21	0.10	$	0.79
Adjusted EPS[(iv)]	**2020**	**$**	**0.21**	**0.35**	**0.17**	**—**	**$**	**0.73**
	2019	$	0.20	0.33	0.03	0.12	$	0.68
	2018	$	0.29	0.34	0.29	0.29	$	1.22

(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 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) *Per share information is based on amounts attributable to common shareholders.*

(iv) *Refer to Non-IFRS Financial Measures starting on page 13 of this document.*

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

Fluctuations in quarterly net 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, acquisitions, transitional costs incurred, provision estimate adjustments, gains/losses on disposal of assets and changes in tax regulations.

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.

15. RISK FACTORS

For a detailed discussion of the risks and trends that could affect the financial performance of the Company and the steps that the Company takes to mitigate these risks, see the Company's Management Discussion and Analysis for the year ending December 31, 2019, which is available on SEDAR at www.sedar.com.

COVID-19 pandemic

The Company's business operations and financial condition may be materially adversely affected by public health emergencies, including the COVID-19 pandemic, as well as related government responses and consumer and customer behaviour. The risk of COVID-19 to the Company includes the health and safety of its employees and contractors; the temporary suspension of operations in geographic locations in which the Company operates; disruptions in international trade and access to markets; operational restrictions and restrictions on gatherings of individuals; delays in the completion of capital projects; counterparty credit risk; volatility in financial and commodity markets; shifts in customer and consumer demand; and supply chain disruptions; all or any of which could materially adversely affect the Company's business operations and financial results.

As the spread (and risk of spreading) of COVID-19 continues, governments may increase or extend restrictions, directives, orders or regulations that could adversely affect the Company's operations, suppliers, customers, counterparties, employee health, workforce productivity, insurance premiums and coverage, and ability to advance its business strategy.

The Company is following recommendations from applicable government agencies, public health authorities and leading international health organizations in order to maintain the continued safe operation of its business operations. It has implemented pandemic plans at all of its locations and is continuing to review and audit the effectiveness of these efforts to protect the ongoing health of its workforce.

It is possible however, that such measures may not be effective. The full extent, effect and duration of the COVID-19 pandemic is unknown at this time and the degree to which it may affect the Company's business operations and financial results will depend on future developments, which are uncertain and cannot be predicted with certainty. Depending on the duration and severity of the COVID-19 pandemic, such events may increase the effect of the other risks described in the Company's Management Discussion and Analysis for the year ending December 31, 2019.

Legal Risks

In the normal course of its operations, the Company becomes involved in various legal and regulatory actions relating to its commercial activities and relationships, employment matters, product liabilities, and other matters. This includes a class action against packaged bread manufacturers and retailers in respect of which Maple Leaf Foods believes it was added as a defendant as a result of its previous ownership of Canada Bread Company, Limited ("Canada Bread"). There is an ongoing investigation by the Competition Bureau into the Canadian bread industry, including alleged price fixing and related securities disclosure issues. The time horizon covered by the Competition Bureau's investigation includes a period of when the Company was a majority shareholder of Canada Bread, which was a stand-alone public company, and extends through 2014 when the Company sold its shares in Canada Bread. With the expansion of Competition Bureau's investigation over the years, Maple Leaf Foods has recently been advised that the Competition Bureau has formed the view that it should be considered a subject of the investigation. This expansion does not change the Company's assessment of the matter. The final outcome of the investigation, any outstanding actions or any future claims cannot be predicted with certainty.

16. SIGNIFICANT ACCOUNTING POLICIES

Accounting Standards Adopted During the Period

Beginning on January 1, 2020, the Company adopted certain IFRSs and amendments. As required by IAS 34 *Interim Financial Reporting* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, the nature and the effect of these changes are disclosed below:

Conceptual Framework

Beginning January 1, 2020, the Company adopted the revised *Conceptual Framework for Financial Reporting* ("revised conceptual framework"). The revised conceptual framework does not constitute a substantial revision from the previously effective guidance, but does provide additional guidance on topics not previously covered such as presentation and disclosure. The adoption of the revised conceptual framework did not have a material impact on the Company's 2020 third quarter unaudited condensed consolidated interim financial statements ("consolidated financial statements").

Definition of a Business

Beginning January 1, 2020, the Company adopted the IASB amendment regarding the definition of a business under IFRS 3 *Business Combinations*. This amendment narrowed and clarified the definition of a business, as well as permitted a simplified assessment of whether an acquired set of activities and assets is a group of assets rather than a business. The adoption of the amendment to IFRS 3 did not have a material impact on the consolidated financial statements.

Definition of Material

Beginning January 1, 2020, the Company adopted the amendments to IAS 1 *Presentation of Financial Statements* and IAS 8. These amendments clarify and align the definition of material and provide guidance to help improve consistency in the application of materiality when used in other IFRS standards. The adoption of the amendments to IAS 1 and IAS 8 did not have a material impact on the consolidated financial statements.

Interest Rate Benchmark Reform - Phase 1

Beginning January 1, 2020, the Company adopted the amendments to IFRS 9 *Financial Instruments*, IAS 39 *Financial Instruments: Recognition and Measurement* and IFRS 7 *Financial Instruments: Disclosures* to address the potential effects Interbank Offered Rates ("IBOR") reform could have on financial reporting. The amendments modify specific hedge accounting requirements to allow entities to assume that the interest rate benchmark on which the hedged cash flows and the cash flows of which the hedging instrument are based on, are not altered as a result of IBOR reform. The adoption of the amendments to IFRS 9, IAS 39 and IFRS 7 did not have a material impact on the consolidated financial statements.

Accounting Pronouncements Issued But Not Yet Effective

Annual Improvements to IFRS (2018-2020) Cycle

On May 14, 2020, the IASB issued narrow-scope amendments to a total of four standards as part of its annual improvement process. Amendments were made to clarify which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognize a financial liability in accordance with IFRS 9. The amendments also remove the requirement in IAS 41 *Agriculture* for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. There is also an amendment to IFRS 16 *Leases* to remove from an example the illustration of the reimbursement of leasehold improvements by the lessor. Lastly, an amendment was made to IFRS 1 *First-time Adoption of International Financial Reporting Standards* for subsidiaries as a first-time adopter. The Company intends to adopt these amendments prospectively in its consolidated financial statements for the annual period beginning January 1, 2022. The extent of the impact of the adoption of these standards has not yet been determined.

Interest Rate Benchmark Reform - Phase 2

On August 27, 2020 the IASB issued amendments to IFRS 9, IAS 39, and IFRS 7 to address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. The amendments relate to modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements, and disclosure requirements applying IFRS 7 to accompany the amendments regarding modifications and hedge accounting. The Company intends to adopt the amendments in its consolidated financial statements for the annual period beginning January 1, 2021. The extent of the impact of the adoption of these standards has not yet been determined.

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 financial statements.

17. INTERNAL CONTROLS OVER FINANCIAL REPORTING

There has been no change in the Company's internal control over financial reporting during the period beginning on July 1, 2020 and ended on September 30, 2020, that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

18. OUTLOOK AND LONG-TERM TARGETS

Maple Leaf Foods is a leading consumer protein company, with the competitive advantages of a portfolio of leading brands, a robust pipeline of opportunities in attractive expanding markets and a proven-track record of execution. Combined with its solid balance sheet and capital structure that provide the financial flexibility to invest in future growth, Maple Leaf Foods is well-positioned to drive sustainable growth and create shareholder value.

A key part of Maple Leaf Foods' long-term growth includes its Plant Protein Group. In 2019, the Company articulated its ambitious goal, to achieve $3.0 billion in sales in the Plant Protein Group by 2029. This would assume a market size of approximately $25 billion. In that environment the Company would aspire to generate approximately 30% gross margin and SG&A expense (as a % of sales) in the low double-digit range. Long-term, achieving these targets is expected to result in Adjusted EBITDA Margins that exceed those in the Meat Protein Group.

This will be driven by:

- Capitalizing on the high growth plant protein market, predominantly in the refrigerated space.
- Leveraging Maple Leaf Foods' established expertise in brand development and effective marketing.
- Delivering on a pipeline of new product innovation to broaden and deepen its product portfolio.

- Executing on a multi-tier supply capacity strategy including leverage of existing meat protein footprint, opportunistic utilization of co-packing services, and development of new capacity, which includes the highly modularized Shelbyville, Indiana plant processing facility.

In 2017, the Company established an Adjusted EBITDA Margin target of 14.0-16.0% to be achieved in 2022. This target remains unchanged for the Meat Protein Group and includes:

- Low single-digit organic revenue growth and achieve an Adjusted EBITDA Margin in the Meat Protein Group between 14.0-16.0% in 2022.

  This will be driven by:

  - Growth in sustainable meats, including further establishing the business as a leading provider of Raised Without Antibiotics ("RWA") pork and poultry in North America.
  - Continued benefits from brand renovation strategies to accelerate volume growth and product mix-shift in branded prepared meats products.
  - Focus on cost control through operational efficiencies.

2020 Outlook

The impact of the COVID-19 pandemic to people, communities, and organizations has been significant. By providing nutrition to people nationally and internationally, Maple Leaf Foods has been designated an essential service. This responsibility does mitigate some of the more significant financial and operational impacts experienced in many other industries, however, the current environment does increase operating costs and the potential for short-term processing shutdowns required to protect the health and safety of plant personnel.

In the third quarter, gross costs associated with COVID-19 were approximately $19 million, slightly ahead of expectations due to additional costs related to the community outbreak in Brandon, Manitoba and support for our hog producers which also continues to assure hog supply. Costs were partially offset by discretionary spending savings in SG&A, resulting in a net impact of approximately $12 million to total Company Adjusted EBITDA. For the fourth quarter of 2020, gross incremental costs associated with COVID-19 are expected to be approximately $15 million. These costs are primarily associated with increased personal protective equipment, sanitation, screening, testing, and other preventative measures. The Company expects to partially mitigate these expenses through SG&A savings.

Factoring in Maple Leaf Foods' financial performance year-to-date, as well as the Company’s estimate for incremental COVID-19 costs through the remainder of the year, Maple Leaf Foods’ expectations for 2020 include:

Meat Protein Group - Profitable Growth

- Mid-to-high single digit revenue growth driven by sustainable meats and higher sales to Asian markets.
- Gross margin expansion due to the continued mix benefits in prepared meats resulting from growth in sustainable meats and brand renovation, coupled with pork complex conditions more in-line with the 5-year average, as well as contributions from higher sales to Asian markets. These factors are expected to more than offset incremental costs associated with COVID-19.
- Expand Adjusted EBITDA Margin, making significant progress towards the 2022 Adjusted EBITDA Margin target of 14.0-16.0%, based on the factors noted above, cost efficiencies, and SG&A savings to mitigate costs associated with COVID-19.

Plant Protein Group - Investing for Growth

- Commitment to a business model that drives approximately 30% revenue growth. Due to supply chain and COVID-19 disruptions largely experienced in the third quarter, Maple Leaf Foods expects sales growth in 2020 to be slightly below this strategic target.
- Commitment to a business model that will deliver gradually improving gross margins to approximately 30% over the long-term. Due to factors noted above as well as inherent inefficiencies of a rapidly growing business, Maple Leaf Foods expects gross margin for 2020 to be below 2019 levels.
- SG&A expense is expected to be approximately $150 million (US$110 million). The Company will continue to invest in advertising, promotion and marketing to establish brand awareness, while scaling up talent and operations to develop the organizational structure required for this growing business.

Capital

- Maple Leaf Foods estimates that its total capital expenditures for the year will be in the range of $450 million to $500 million, with Construction Capital comprising approximately 70% of the spend. A significant portion of the Construction Capital is related to the London, Ontario poultry facility, as well as other projects to further capacity and efficiency improvements in our prepared meats business and investments in plant protein capacity at the Walker Drive facility in Brampton, Ontario. Estimated capital expenditures for the full year has been modified due to factors that include the impact that COVID-19 continues to have on both the pace and timing of construction and facility improvements as well as the lower expected spend for the remainder of the year at the Shelbyville, Indiana plant protein facility.

Factors that could have an impact on our business, which we cannot estimate or control due to the COVID-19 pandemic, include:

- Volatility in the pork and poultry commodity and foreign exchange markets.
- 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:

- Commitment to carbon neutrality.
- Better Food: leading the real food movement and transitioning key brands to 100.0% "raised without antibiotics".
- Better Care: further advancement of animal care, including progress towards transitioning all sows under management to open housing systems by 2021.
- Better Communities: investing approximately 1% of pre-tax profit to advance sustainable food security.
- Better Planet: focus on eliminating waste in any resources the Company consumes, including food, energy, water, packaging, and time.

COVID-19 Update

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. These measures have the effect of increasing the Company's cost structure in the mid-term due to higher labour, personal protective equipment, sanitation, and other expenses associated with the pandemic.

The health and safety of its people is paramount, while ensuring the security of the Company's food supply. In the third quarter, Maple Leaf Foods did see some disruption to its operations due to a community outbreak of COVID-19 in Brandon, Manitoba, and does expect that additional operational disruptions could occur across its network. Overall, the Company believes its proactive and comprehensive efforts should mitigate operational impacts. As conditions and guidelines related to COVID-19 evolve, 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.

While the mid-term impact of COVID-19 continues to be uncertain, Maple Leaf Foods' purpose and long-term strategy remain unchanged.

19. 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 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 not 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 financial statements to Adjusted Operating Earnings and Adjusted EBITDA for the three and nine months ended September 30, 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, 2020				Three months ended September 30, 2019			
($ 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	**$ 79.8**	**(43.2)**	**53.7**	**$ 90.4**	$ 39.6	(34.9)	(2.9)	$ 1.8
Interest expense and other financing costs	**—**	**—**	**7.5**	**7.5**	—	—	8.1	8.1
Other (income) expense	**(1.6)**	**0.0**	**2.9**	**1.4**	0.4	0.1	1.1	1.5
Restructuring and other related costs	**1.7**	**—**	**—**	**1.7**	4.6	—	—	4.6
Earnings (loss) from operations	**$ 80.0**	**(43.1)**	**64.1**	**$ 100.9**	$ 44.6	(34.9)	6.4	$ 16.1
(Increase) decrease in fair value of biological assets	**—**	**—**	**(40.2)**	**(40.2)**	—	—	1.3	1.3
Unrealized gain on derivative contracts	**—**	**—**	**(23.9)**	**(23.9)**	—	—	(7.7)	(7.7)
Adjusted Operating Earnings	**$ 80.0**	**(43.1)**	**—**	**$ 36.9**	$ 44.6	(34.9)	—	$ 9.7
Depreciation and amortization	**44.1**	**3.6**	**—**	**47.7**	41.2	3.3	—	44.5
Items included in other income (expense) representative of ongoing operations[iii]	**(1.5)**	**0.0**	**(0.5)**	**(2.0)**	(0.4)	(0.1)	(0.4)	(0.8)
Adjusted EBITDA	**$ 122.6**	**(39.6)**	**(0.5)**	**$ 82.6**	$ 85.4	(31.6)	(0.4)	$ 53.4
Adjusted EBITDA Margin	**12.1 %**	**(77.0)%**	**N/A**	**7.8 %**	9.0 %	(67.3)%	N/A	5.4 %

(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 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) *Primarily includes gain/loss on sale of long-term assets and gain/loss on equity investments.*

($ millions)[i] *(Unaudited)*		**Nine months ended September 30, 2020** Meat Protein Group	Plant Protein Group	Non-Allocated[ii]		Total		Nine months ended September 30, 2019 Meat Protein Group	Plant Protein Group	Non-Allocated[ii]		Total
Earnings (loss) before income taxes	**$**	**240.8**	**(93.5)**	**(22.8)**	**$**	**124.5**	$	155.9	(46.0)	(46.6)	$	63.4
Interest expense and other financing costs		**—**	**—**	**23.4**		**23.4**		—	—	24.6		24.6
Other (income) expense		**(1.8)**	**0.1**	**9.6**		**7.9**		0.9	0.1	6.8		7.9
Restructuring and other related costs		**3.1**	**—**	**—**		**3.1**		6.0	—	—		6.0
Earnings (loss) from operations	**$**	**242.1**	**(93.5)**	**10.2**	**$**	**158.9**	$	162.8	(45.8)	(15.1)	$	101.9
Decrease in fair value of biological assets		**—**	**—**	**1.2**		**1.2**		—	—	13.3		13.3
Unrealized (gain) loss on derivative contracts		**—**	**—**	**(11.4)**		**(11.4)**		—	—	1.8		1.8
Adjusted Operating Earnings	**$**	**242.1**	**(93.5)**	**—**	**$**	**148.7**	$	162.8	(45.8)	—	$	117.0
Depreciation and amortization		**131.1**	**10.9**	**—**		**141.9**		121.1	9.3	—		130.4
Items included in other income (expense) representative of ongoing operations[iii]		**(1.3)**	**(0.1)**	**(0.5)**		**(1.8)**		(0.9)	(0.1)	(0.4)		(1.5)
Adjusted EBITDA	**$**	**371.9**	**(82.7)**	**(0.5)**	**$**	**288.8**	$	283.0	(36.7)	(0.4)	$	245.9
Adjusted EBITDA Margin		**12.2 %**	**(52.2)%**	**N/A**		**9.1 %**		10.1 %	(29.0)%	N/A		8.4 %

(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 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) *Primarily includes insurance settlements, gain/loss on sale of long-term assets and gain/loss 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 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,** **2020**		2019		**Nine months ended September 30,** **2020**		2019
Basic earnings per share	**$**	**0.54**	$	0.11	**$**	**0.72**	$	0.46
Income tax recovery not considered representative of ongoing operations		**—**		(0.08)		**—**		(0.08)
Restructuring and other related costs[i]		**0.01**		0.03		**0.02**		0.04
Items included in other expense not considered representative of ongoing operations[ii]		**—**		0.01		**0.05**		0.04
Change in fair value of biological assets		**(0.24)**		0.01		**0.01**		0.08
Unrealized loss (gain) on derivatives		**(0.14)**		(0.05)		**(0.07)**		0.01
Adjusted Earnings per Share	**$**	**0.17**	$	0.03	**$**	**0.73**	$	0.55

(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.*

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 have not yet entered commercial production. It is defined as investments in projects over $50.0 million that are related to longer-term strategic initiatives, with no returns expected for at least 12 months in the future and the asset will be re-categorized from Construction Capital once operational. Current strategic initiatives primarily include the investments in the London, Ontario poultry production facility, further capacity and efficiency improvements in the prepared meats business, investments in plant protein capacity at the Walker Drive facility in Brampton, Ontario, and the plant protein production facility in Shelbyville, Indiana. The following table is a summary of Construction Capital activity and debt financing for the periods indicated below.

($ thousands) *(Unaudited)*		**2020**		2019
Opening balance at January 1	**$**	**105,211**	$	22,422
Additions		**56,926**		18,100
Balance at March 31	**$**	**162,137**	$	40,522
Additions		**62,760**		23,127
Balance at June 30	**$**	**224,897**	$	63,649
Additions		**72,083**		15,832
Balance at September 30	**$**	**296,980**	$	79,481
Construction Capital debt financing[(i)]	**$**	**296,980**	$	79,481

[(i)] *Assumed to be fully funded by debt to the extent that the Company has Net Debt outstanding.*

Net Debt

The following table reconciles Net Debt to amounts reported under IFRS in the Company's consolidated 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.

	As at September 30,			
		2020		2019
Cash and cash equivalents	**$**	**178,190**	$	70,760
Current portion of long-term debt	**$**	**(937)**	$	(887)
Long-term debt		**(712,147)**		(472,990)
Total debt	**$**	**(713,084)**	$	(473,877)
Net Debt	**$**	**(534,894)**	$	(403,117)

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. The following table calculates Free Cash Flow for the periods indicated below:

($ thousands)	**Three months ended September 30,**				**Nine months ended September 30,**			
(Unaudited)		**2020**		2019		**2020**		2019
Cash provided by operating activities	**$**	**135,202**	$	97,772	**$**	**236,544**	$	189,035
Additions to long-term assets		**(75,167)**		(59,774)		**(253,085)**		(184,621)
Free Cash Flow	**$**	**60,035**	$	37,998	**$**	**(16,541)**	$	4,414

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.

20. 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;
- 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, 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;
- food safety, consumer liability and product recalls;
- 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, 2019.

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, 2019, that is available on SEDAR at www.sedar.com and in the Risk Factors section of this Management Discussion and Analysis on page 10. 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.

21. ABOUT MAPLE LEAF FOODS INC.

Maple Leaf Foods is a producer of food products under leading brands including Maple Leaf®, Maple Leaf Prime®, Schneiders®, Mina®, Greenfield Natural Meat Co.®, Swift®, Lightlife®, and Field Roast Grain Meat Co.™ 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 Financial Statements

Consolidated Interim Balance Sheets

(In thousands of Canadian dollars) *(Unaudited)*	***Notes***		**As at September 30, 2020**		As at September 30, 2019[i]		As at December 31, 2019[i]
ASSETS							
Current assets							
Cash and cash equivalents		**$**	**178,190**	$	70,760	$	97,285
Accounts receivable	***3***		**136,827**		151,479		154,969
Notes receivable	***3***		**32,107**		32,418		31,699
Inventories	***4***		**401,339**		384,115		385,534
Biological assets	***5***		**121,828**		108,558		119,016
Income and other taxes recoverable			**—**		2,107		—
Prepaid expenses and other assets			**50,156**		37,815		51,494
Assets held for sale			**734**		37,044		34,293
		$	**921,181**	$	824,296	$	874,290
Property and equipment			**1,576,653**		1,346,625		1,386,482
Right-of-use assets			**230,771**		229,864		227,426
Investments			**16,398**		3,127		3,448
Other long-term assets			**10,121**		11,506		12,497
Deferred tax asset			**5,900**		—		—
Goodwill			**661,599**		659,612		657,179
Intangible assets			**351,587**		350,898		352,713
Total assets		**$**	**3,774,210**	$	3,425,928	$	3,514,035
LIABILITIES AND EQUITY							
Current liabilities							
Accounts payable and accruals		**$**	**468,113**	$	406,697	$	445,774
Current portion of provisions	***6***		**2,710**		2,701		3,973
Current portion of long-term debt	***7***		**937**		887		899
Current portion of lease obligations			**41,797**		39,650		39,505
Income taxes payable			**3,482**		—		205
Other current liabilities			**35,572**		31,166		44,698
		$	**552,611**	$	481,101	$	535,054
Long-term debt	***7***		**712,147**		472,990		538,429
Lease obligations			**207,072**		205,750		204,013
Employee benefits			**183,563**		154,276		116,742
Provisions	***6***		**43,773**		46,020		44,929
Other long-term liabilities			**18,303**		2,583		3,026
Deferred tax liability			**117,622**		116,091		121,972
Total liabilities		**$**	**1,835,091**	$	1,478,811	$	1,564,165
Shareholders' equity							
Share capital	***8***	**$**	**845,986**	$	851,068	$	840,005
Retained earnings			**1,121,233**		1,120,286		1,137,450
Contributed surplus			**8,708**		4,577		—
Accumulated other comprehensive (loss) income			**(12,878)**		1,564		2,793
Treasury stock			**(23,930)**		(30,378)		(30,378)
Total shareholders' equity		**$**	**1,939,119**	$	1,947,117	$	1,949,870
Total liabilities and equity		**$**	**3,774,210**	$	3,425,928	$	3,514,035

[i] *Certain comparative figures have been restated to conform with current year presentation.*

Commitments and contingencies (Note 14).

See accompanying Notes to the Unaudited Condensed Consolidated Interim Financial Statements.

Consolidated Interim Statements of Net Earnings

(In thousands of Canadian dollars, except share amounts)		**Three months ended September 30,**		**Nine months ended September 30,**	
(Unaudited)	***Notes***	**2020**	2019	**2020**	2019
Sales		**$ 1,057,169**	$ 995,787	**$ 3,174,510**	$ 2,925,576
Cost of goods sold		**829,055**	856,070	**2,651,723**	2,495,362
Gross profit		**$ 228,114**	$ 139,717	**$ 522,787**	$ 430,214
Selling, general and administrative expenses		**127,165**	123,650	**363,899**	328,325
Earnings before the following:		**$ 100,949**	$ 16,067	**$ 158,888**	$ 101,889
Restructuring and other related costs	***6***	**1,732**	4,588	**3,070**	5,979
Other expense		**1,378**	1,534	**7,866**	7,892
Earnings before interest and income taxes		**$ 97,839**	$ 9,945	**$ 147,952**	$ 88,018
Interest expense and other financing costs	***10***	**7,474**	8,137	**23,434**	24,648
Earnings before income taxes		**$ 90,365**	$ 1,808	**$ 124,518**	$ 63,370
Income tax expense (recovery)		**24,389**	(11,601)	**36,595**	6,199
Net earnings		**$ 65,976**	$ 13,409	**$ 87,923**	$ 57,171
Earnings per share attributable to common shareholders:	***11***				
Basic earnings per share		**$ 0.54**	$ 0.11	**$ 0.72**	$ 0.46
Diluted earnings per share		**$ 0.53**	$ 0.11	**$ 0.71**	$ 0.46
Weighted average number of shares (millions):	***11***				
Basic		**123.2**	123.8	**123.2**	123.7
Diluted		**124.6**	125.2	**124.3**	125.4

See accompanying Notes to the Unaudited Condensed Consolidated Interim Financial Statements.

Consolidated Interim Statements of Other Comprehensive Income (Loss)

(In thousands of Canadian dollars) *(Unaudited)*	Three months ended September 30,				Nine months ended September 30,			
		2020		2019		**2020**		2019
Net earnings	**$**	**65,976**	$	13,409	**$**	**87,923**	$	57,171
Other comprehensive income (loss)								
Actuarial (losses) gains that will not be reclassified to profit or loss (Net of tax of $0.2 million and $15.4 million; 2019: $1.8 million and $14.1 million)	**$**	**(677)**	$	5,192	**$**	**(44,963)**	$	(39,808)
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; 2019: $0.0 million and $0.0 million)	**$**	**(4,885)**	$	4,154	**$**	**8,652**	$	(11,563)
Change in foreign currency gains and (losses) on long-term debt designated as a net investment hedge (Net of tax of $0.8 million and $1.2 million; 2019: $0.6 million and $1.5 million)		**4,413**		(3,505)		**(6,887)**		7,956
Change in unrealized gains and (losses) on cash flow hedges (Net of tax of $0.5 million and $6.1 million; 2019: $0.2 million and $0.6 million)		**1,383**		(461)		**(17,436)**		1,639
Total items that are or may be reclassified subsequently to profit or loss	**$**	**911**	$	188	**$**	**(15,671)**	$	(1,968)
Total other comprehensive income (loss)	**$**	**234**	$	5,380	**$**	**(60,634)**	$	(41,776)
Comprehensive income	**$**	**66,210**	$	18,789	**$**	**27,289**	$	15,395

See accompanying Notes to the Unaudited Condensed 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)[(i)]** Foreign currency translation adjustment	**Accumulated other comprehensive income (loss)[(i)]** Unrealized gains and losses on cash flow hedges	**Treasury stock**	**Total equity**
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 ($0.48 per share)		**—**	**(59,177)**	**—**	**—**	**—**	**—**	**(59,177)**
Share-based compensation expense	***12***	**—**	**—**	**12,161**	**—**	**—**	**—**	**12,161**
Deferred taxes on share-based compensation		**—**	**—**	**400**	**—**	**—**	**—**	**400**
Exercise of stock options		**1,012**	**—**	**—**	**—**	**—**	**—**	**1,012**
Settlement of share-based compensation		**—**	**—**	**(9,738)**	**—**	**—**	**6,448**	**(3,290)**
Change in obligation for repurchase of shares	***8***	**4,969**	**—**	**5,885**	**—**	**—**	**—**	**10,854**
Balance at September 30, 2020		**$ 845,986**	**1,121,233**	**8,708**	**6,039**	**(18,917)**	**(23,930)**	**$ 1,939,119**

(In thousands of Canadian dollars) *(Unaudited)*	*Notes*	Share capital	Retained earnings	Contributed surplus	Accumulated other comprehensive income (loss)[(i)] Foreign currency translation adjustment	Accumulated other comprehensive income (loss)[(i)] Unrealized gains and losses on cash flow hedges	Treasury stock	Total equity
Balance at December 31, 2018		$ 849,655	1,178,389	4,649	8,518	(4,986)	(29,386)	$ 2,006,839
Impact of new IFRS standards		—	(1,100)	—	—	—	—	(1,100)
Net earnings		—	57,171	—	—	—	—	57,171
Other comprehensive income (loss)[(ii)]		—	(39,808)	—	(3,607)	1,639	—	(41,776)
Dividends declared ($0.44 per share)		—	(53,903)	—	—	—	—	(53,903)
Share-based compensation expense	*12*	—	—	13,352	—	—	—	13,352
Deferred taxes on share-based compensation		—	—	1,160	—	—	—	1,160
Change in obligation for repurchase of shares	*8*	(6,347)	—	(7,556)	—	—	—	(13,903)
Exercise of stock options		7,760	—	—	—	—	—	7,760
Settlement of share-based compensation		—	(20,463)	(7,028)	—	—	13,986	(13,505)
Shares purchased by RSU trust		—	—	—	—	—	(14,978)	(14,978)
Balance at September 30, 2019		$ 851,068	1,120,286	4,577	4,911	(3,347)	(30,378)	$ 1,947,117

(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 Unaudited Condensed Consolidated Interim Financial Statements.

Consolidated Interim Statements of Cash Flows

(In thousands of Canadian dollars)		**Three months ended September 30,**		**Nine months ended September 30,**	
(Unaudited)	***Notes***	**2020**	2019[(i)]	**2020**	2019[(i)]
CASH PROVIDED BY (USED IN):					
Operating activities					
Net earnings		**$ 65,976**	$ 13,409	**$ 87,923**	$ 57,171
Add (deduct) items not affecting cash:					
Change in fair value of biological assets	***5***	**(40,176)**	1,289	**1,159**	13,316
Depreciation and amortization		**47,699**	44,534	**141,942**	130,359
Share-based compensation	***12***	**4,320**	3,948	**12,161**	13,352
Deferred income taxes		**19,432**	(2,897)	**12,535**	2,803
Income tax current		**4,957**	(8,704)	**24,060**	3,396
Interest expense and other financing costs	***10***	**7,474**	8,137	**23,434**	24,648
(Gain) loss on sale of long-term assets		**(2,724)**	375	**(2,158)**	1,092
Asset impairment (impairment reversal)		**(18)**	—	**1,554**	—
Change in fair value of non-designated derivatives		**(23,693)**	(6,450)	**(11,027)**	624
Change in net pension obligation		**2,059**	854	**6,478**	1,804
Net income taxes paid		**(12,807)**	(7,172)	**(21,151)**	(37,956)
Interest paid		**(8,536)**	(7,264)	**(23,108)**	(21,006)
Change in provision for restructuring and other related costs		**910**	3,819	**524**	3,965
Change in derivatives margin		**19,194**	(721)	**7,400**	1,804
Other		**3,386**	2,255	**4,905**	2,191
Change in non-cash operating working capital		**47,749**	52,360	**(30,087)**	(8,528)
Cash provided by operating activities		**$ 135,202**	$ 97,772	**$ 236,544**	$ 189,035
Financing activities					
Dividends paid		**$ (19,871)**	$ (17,993)	**$ (59,177)**	$ (53,903)
Net increase in long-term debt	***7***	**1,018**	(667)	**165,740**	99,630
Payment of lease obligation		**(8,971)**	(8,848)	**(27,085)**	(25,719)
Exercise of stock options		**239**	4,789	**1,012**	7,760
Payment of financing fees		**—**	(769)	**(599)**	(5,597)
Purchase of treasury stock		**—**	(9,978)	**—**	(14,978)
Cash (used in) provided by financing activities		**$ (27,585)**	$ (33,466)	**$ 79,891**	$ 7,193
Investing activities					
Additions to long-term assets		**$ (75,167)**	$ (59,774)	**$ (253,085)**	$ (184,621)
Acquisition of business, net of cash acquired		**—**	—	**—**	(847)
Capitalization of interest expense		**(2,235)**	(770)	**(5,246)**	(1,339)
Proceeds from sale of long-term assets		**36,846**	71	**36,854**	146
Purchase of investments		**(100)**	—	**(14,053)**	—
Payment of income tax liabilities assumed on acquisition		**—**	—	**—**	(11,385)
Cash used in investing activities		**$ (40,656)**	$ (60,473)	**$ (235,530)**	$ (198,046)
Increase (decrease) in cash and cash equivalents		**$ 66,961**	$ 3,833	**$ 80,905**	$ (1,818)
Cash and cash equivalents, beginning of period		**111,229**	66,927	**97,285**	72,578
Cash and cash equivalents, end of period		**$ 178,190**	$ 70,760	**$ 178,190**	$ 70,760

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

See accompanying Notes to the Unaudited Condensed Consolidated Interim Financial Statements.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements

(Tabular amounts in thousands of Canadian dollars unless otherwise indicated)
Three and Nine Months Ended September 30, 2020 and 2019

1. THE COMPANY

Maple Leaf Foods Inc. ("Maple Leaf Foods" or the "Company") is a producer of food products under leading brands including Maple Leaf®, Maple Leaf Prime®, Schneiders®, Mina®, Greenfield Natural Meat Co.®, Swift®, Lightlife®, and Field Roast Grain Meat Co.™ The Company's portfolio includes prepared meats, ready-to-cook and ready-to-serve meals, valued-added fresh pork and poultry, and plant protein products. The address of the Company's registered office is 6985 Financial Dr. Mississauga, Ontario, L5N 0A1, Canada. The unaudited condensed consolidated interim financial statements ("consolidated financial statements") of the Company as at and for the three and nine months ended September 30, 2020, include the accounts of the Company and its subsidiaries. The Company's results are organized into two segments: the Meat Protein Group and the Plant Protein Group.

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements should be read in conjunction with the Company's 2019 annual audited consolidated financial statements ("2019 consolidated financial statements").

(a) Statement of Compliance

The consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting 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 2019 consolidated financial statements, except for new standards adopted during the nine months ended September 30, 2020 as described below.

The consolidated financial statements were authorized for issue by the Board of Directors on October 26, 2020.

(b) Accounting Standards Adopted During the Period

Beginning on January 1, 2020, the Company adopted certain International Financial Reporting Standards ("IFRS") and amendments. As required by IAS 34 *Interim Financial Reporting* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, the nature and the effect of these changes are disclosed below:

Conceptual Framework

Beginning January 1, 2020, the Company adopted the revised *Conceptual Framework for Financial Reporting* ("revised conceptual framework"). The revised conceptual framework does not constitute a substantial revision from the previously effective guidance, but does provide additional guidance on topics not previously covered such as presentation and disclosure. The adoption of the revised conceptual framework did not have a material impact on the consolidated financial statements.

Definition of a Business

Beginning January 1, 2020, the Company adopted the IASB amendment regarding the definition of a business under IFRS 3 *Business Combinations*. This amendment narrowed and clarified the definition of a business, as well as permitted a simplified assessment of whether an acquired set of activities and assets is a group of assets rather than a business. The adoption of the amendment to IFRS 3 did not have a material impact on the consolidated financial statements.

Definition of Material

Beginning January 1, 2020, the Company adopted the amendments to IAS 1 *Presentation of Financial Statements* and IAS 8. These amendments clarify and align the definition of material and provide guidance to help improve consistency in the application of materiality when used in other IFRS standards. The adoption of the amendments to IAS 1 and IAS 8 did not have a material impact on the consolidated financial statements.

Interest Rate Benchmark Reform - Phase 1

Beginning January 1, 2020, the Company adopted the amendments to IFRS 9 *Financial Instruments*, IAS 39 *Financial Instruments: Recognition and Measurement* and IFRS 7 *Financial Instruments: Disclosures* to address the potential effects Interbank Offered Rates ("IBOR") reform could have on financial reporting. The amendments modify specific hedge accounting requirements to allow entities to assume that the interest rate benchmark on which the hedged cash flows and the cash flows of which the hedging instrument are based on, are not altered as a result of IBOR reform. The adoption of the amendments to IFRS 9, IAS 39 and IFRS 7 did not have a material impact on the consolidated financial statements.

(c) Accounting Pronouncements Issued But Not Yet Effective

Annual Improvements to IFRS (2018-2020) Cycle

On May 14, 2020, the IASB issued narrow-scope amendments to a total of four standards as part of its annual improvement process. Amendments were made to clarify which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognize a financial liability in accordance with IFRS 9. The amendments also remove the requirement in IAS 41 *Agriculture* for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. There is also an amendment to IFRS 16 *Leases* to remove from an example the illustration of the reimbursement of leasehold improvements by the lessor. Lastly, an amendment was made to IFRS 1 *First-time Adoption of International Financial Reporting Standards* for subsidiaries as a first-time adopter. The Company intends to adopt these amendments prospectively in its consolidated financial statements for the annual period beginning January 1, 2022. The extent of the impact of the adoption of these standards has not yet been determined.

Interest Rate Benchmark Reform - Phase 2

On August 27, 2020 the IASB issued amendments to IFRS 9, IAS 39, and IFRS 7 to address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. The amendments relate to modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements, and disclosure requirements applying IFRS 7 to accompany the amendments regarding modifications and hedge accounting. The Company intends to adopt the amendments in its consolidated financial statements for the annual period beginning January 1, 2021. The extent of the impact of the adoption of these standards has not yet been determined.

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 financial statements.

3. ACCOUNTS RECEIVABLE

	As at September 30, 2020	As at September 30, 2019	As at December 31, 2019
Trade receivables	**$ 104,874**	$ 117,769	$ 123,617
Less: Allowance for doubtful accounts	**(2,293)**	(2,773)	(3,107)
Net trade receivables	**$ 102,581**	$ 114,996	$ 120,510
Other receivables:			
Commodity taxes receivable	**13,552**	11,400	12,082
Government receivable	**9,762**	13,750	8,484
Other	**10,932**	11,333	13,893
	$ 136,827	$ 151,479	$ 154,969

The aging of trade receivables is as follows:

	As at September 30, 2020	As at September 30, 2019	As at December 31, 2019
Current	**$ 78,030**	$ 81,430	$ 79,284
Past due 0-30 days	**18,138**	24,888	30,990
Past due 31-60 days	**2,058**	4,230	4,559
Past due > 60 days	**6,648**	7,221	8,784
	$ 104,874	$ 117,769	$ 123,617

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 the trade receivables.

On July 19, 2019, the Company amended its three-year accounts receivable securitization facility (the "Securitization Facility") by extending the maturity to July 19, 2022 and increasing the maximum cash advance available to the Company under the Securitization Facility to $120.0 million (September 30, 2019: $120.0 million; December 31, 2019: $120.0 million). The Securitization Facility provides cash funding with a proportion of the Company's receivables being sold, and 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 September 30, 2020, trade accounts receivable being serviced under this program amounted to $150.5 million (September 30, 2019: $139.6 million; December 31, 2019: $133.3 million). In return for the sale of its trade receivables, the Company will receive cash of $118.4 million (September 30, 2019: $107.2 million; December 31, 2019: $101.6 million) and notes receivable in the amount of $32.1 million (September 30, 2019: $32.4 million; December 31, 2019: $31.7 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 September 30, 2020, the Company recorded a net payable in the amount of $24.1 million (September 30, 2019: $21.0 million net payable; December 31, 2019: $29.4 million net payable) in 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 consolidated interim balance sheets ("consolidated balance sheets") as at September 30, 2020 and 2019 and the consolidated annual balance sheets as at December 31, 2019.

4. INVENTORIES

	As at September 30, 2020	As at September 30, 2019	As at December 31, 2019
Raw materials	**$ 66,021**	$ 56,934	$ 60,190
Work in process	**37,745**	35,370	33,297
Finished goods	**217,161**	222,986	223,877
Packaging	**24,246**	19,395	16,940
Spare parts	**56,166**	49,430	51,230
	$ 401,339	$ 384,115	$ 385,534

For the three months ended September 30, 2020, inventory in the amount of $781.2 million (2019: $784.9 million) was expensed through cost of goods sold.

For the nine months ended September 30, 2020, inventory in the amount of $2,363.7 million (2019: $2,292.7 million) was expensed through cost of goods sold.

5. BIOLOGICAL ASSETS

The change in fair value of commercial hog stock for the three months ended September 30, 2020 was a gain of $40.2 million (2019: loss of $1.3 million) and was recorded in cost of goods sold.

The change in fair value of commercial hog stock for the nine months ended September 30, 2020 was a loss of $1.2 million (2019: loss of $13.3 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 nine months ended September 30, 2020 and September 30, 2019.

6. PROVISIONS

	Legal	Environ-mental	Lease make-good	Restructuring and related provisions: Severance and other employee related costs	Restructuring and related provisions: Site closing and other cash costs	Total
Balance at December 31, 2019[i]	**$ 289**	**2,705**	**—**	**45,799**	**109**	**$ 48,902**
Charges	**850**	**—**	**—**	**504**	**—**	**1,354**
Reversals	**—**	**—**	**—**	**(2,197)**	**—**	**(2,197)**
Cash payments	**—**	**(11)**	**—**	**(961)**	**—**	**(972)**
Balance at March 31, 2020	**$ 1,139**	**2,694**	**—**	**43,145**	**109**	**$ 47,087**
Charges	**—**	**—**	**—**	**1,276**	**—**	**1,276**
Reversals	**—**	**—**	**—**	**(657)**	**(33)**	**(690)**
Cash payments	**(400)**	**(61)**	**—**	**(763)**	**—**	**(1,224)**
Balance at June 30, 2020	**$ 739**	**2,633**	**—**	**43,001**	**76**	**$ 46,449**
Charges	**—**	**—**	**—**	**793**	**84**	**877**
Reversals	**—**	**—**	**—**	**(104)**	**—**	**(104)**
Cash payments	**—**	**(1)**	**—**	**(654)**	**(84)**	**(739)**
Balance at September 30, 2020	**$ 739**	**2,632**	**—**	**43,036**	**76**	**$ 46,483**
Current						**$ 2,710**
Non-current						**43,773**
Total at September 30, 2020						**$ 46,483**

[i] *Balance as at December 31, 2019, includes current portion of $4.0 million and non-current portion of $44.9 million.*

	Legal	Environ-mental	Lease make-good	Restructuring and related provisions: Severance and other employee related costs	Restructuring and related provisions: Site closing and other cash costs	Total
Balance at December 31, 2018	$ 289	4,762	1,810	43,820	2,671	$ 53,352
Impact of new IFRS standards	—	—	(1,810)	—	(2,400)	(4,210)
Charges	—	—	—	1,385	2	1,387
Cash payments	—	(25)	—	(582)	(62)	(669)
Non-cash items	—	—	—	—	(5)	(5)
Balance at March 31, 2019	$ 289	4,737	—	44,623	206	$ 49,855
Charges	—	—	—	624	30	654
Reversals	—	—	—	(3,470)	—	(3,470)
Cash payments	—	(4)	—	(571)	(30)	(605)
Non-cash items	—	—	—	—	(98)	(98)
Balance at June 30, 2019	$ 289	4,733	—	41,206	108	$ 46,336
Charges	—	—	—	3,635	8	3,643
Reversals	—	—	—	(467)	—	(467)
Cash payments	—	(21)	—	(763)	(7)	(791)
Balance at September 30, 2019	$ 289	4,712	—	43,611	109	$ 48,721
Current						$ 2,701
Non-current						46,020
Total at September 30, 2019						$ 48,721

Restructuring and Other Related Costs

During the three months ended September 30, 2020, the Company recorded restructuring and other related costs of $1.7 million (2019: $4.6 million). Of this amount, $1.0 million related to accelerated depreciation and $0.6 million related to severance and other employee costs as a result of the previously announced future closures of the Brampton, Toronto and St. Mary's poultry plants. The remaining $0.1 million related to employee related costs for other organizational restructuring initiatives.

During the nine months ended September 30, 2020, the Company recorded restructuring and other related costs of $3.1 million (2019: $6.0 million). Of this amount, $3.3 million related to accelerated depreciation, offset by $0.3 million related to severance and other employee reversals as a result of the previously announced future closures of the Brampton, Toronto and St. Mary's poultry plants. The remaining $0.1 million related to employee related costs for other organizational restructuring initiatives.

7. LONG-TERM DEBT

	As at September 30, 2020	As at September 30, 2019	As at December 31, 2019
U.S. term credit	**$ 354,623**	$ 350,953	$ 346,461
Canadian term credit	**350,000**	115,000	185,000
Government loans	**8,461**	7,924	7,867
Total long-term debt	**$ 713,084**	$ 473,877	$ 539,328
Current	**$ 937**	$ 887	$ 899
Non-current	**712,147**	472,990	538,429
Total long-term debt	**$ 713,084**	$ 473,877	$ 539,328

On April 30, 2019, the Company entered into a new syndicated credit facility (the "Credit Facility") consisting of a $1,300.0 million unsecured committed revolving line of credit maturing April 30, 2024 and two unsecured committed term credit facilities for US$265.0 million and $350.0 million maturing April 30, 2024 and April 30, 2023, respectively. The Credit Facility refinanced and replaced the Company's previous $250.0 million and $400.0 million unsecured committed revolving credit facilities, which were due to mature on

November 7, 2019 and October 19, 2021, respectively. The Credit Facility can be drawn in Canadian or U.S. dollars and bears interest payable monthly, based on Banker's Acceptance and Prime rates for Canadian dollar loans and the London Inter-bank Offered Rate ("Libor") for U.S. dollar loans. The Credit Facility is intended to meet the Company's funding requirements for capital investments, including the construction of its two new manufacturing facilities in London, Ontario and Shelbyville, Indiana, in addition to providing appropriate levels of liquidity and for general corporate purposes. On December 11, 2019, the Company amended the Credit Facility to reduce interest paid upon achievement of certain sustainability targets. This reduction will not materialize until at least 2021, and there is no penalty for not achieving the targets. In addition to loans, as at September 30, 2020 the Company had drawn letters of credit of $6.7 million on the Credit Facility (September 30, 2019: $6.4 million; December 31, 2019: $6.2 million).

The Credit Facility requires the maintenance of certain covenants. As at September 30, 2020, the Company was in compliance with all of these covenants.

The Company has additional uncommitted credit facilities for issuing letters of credit up to a maximum of $125.0 million (September 30, 2019 $125.0 million; December 31, 2019: $125.0 million). As at September 30, 2020, $78.5 million of letters of credit had been issued thereon (September 30, 2019: $79.4 million; December 31, 2019: $79.5 million).

The Company has various government loans on specific projects, with contractual interest rates ranging from non-interest bearing to 2.9% per annum (September 30, 2019: 2.9%; December 31, 2019: 2.9%). These facilities are repayable over various terms from 2022 to 2032. As at September 30, 2020, $8.5 million (September 30, 2019: $7.9 million; December 31, 2019: $7.9 million) was outstanding. All of these facilities are 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 September 30,		**Nine months ended September 30,**	
	2020	2019	**2020**	2019
Total long-term debt, beginning of period	**$ 717,910**	$ 470,295	**$ 539,328**	$ 383,421
Revolving and term credit facilities - net drawings	**$ —**	$ —	**$ 165,000**	$ 100,621
Government loans - new issuance	**1,684**	—	**1,684**	—
Government loans - repayments	**(666)**	(667)	**(944)**	(991)
Total cash flow from long-term debt financing activities	**$ 1,018**	$ (667)	**$ 165,740**	$ 99,630
Foreign exchange revaluation	**$ (5,539)**	$ 4,161	**$ 8,162**	$ (9,443)
Other non-cash changes	**(305)**	88	**(146)**	269
Total non-cash changes	**$ (5,844)**	$ 4,249	**$ 8,016**	$ (9,174)
Total long-term debt, end of period	**$ 713,084**	$ 473,877	**$ 713,084**	$ 473,877

8. SHARE CAPITAL

Share Repurchase

On May 21, 2020 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 7.5 million common shares in the open market or as otherwise permitted by the TSX, subject to the normal terms and limitation of such bids. Common shares purchased by the Company are cancelled. The program commenced on May 25, 2020 and will terminate on May 24, 2021, or on such earlier date as the Company completes its purchases pursuant to the notice of intention. Under this bid, during the three and nine months ended September 30, 2020, no shares were purchased for cancellation.

On May 17, 2019, the TSX accepted the Company's notice of intention to commence an NCIB, allowing the Company to repurchase, at its discretion, up to 7.5 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 24, 2019 and was terminated on May 23, 2020, as the Company completed its purchase and cancellation of 0.8 million common shares for $20.3 million at a volume weighted average price of $24.21. Under this bid during the three and nine months ended September 30, 2020 and September 30, 2019 no shares were purchased for cancellation.

On May 22, 2018, the TSX accepted the Company's notice of intention to commence an NCIB, which allows the Company to repurchase, at its discretion, up to 7.8 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 were cancelled. The program commenced on May 24, 2018 and was terminated on May 23, 2019 as the Company completed its purchase and cancellation of 4.0 million common shares for $126.6 million at a volume weighted average price of $31.82 per common share. Under this bid, during the three and nine months ended September 30, 2019, no shares were purchased for cancellation.

The Company entered into an Automatic Share Purchase Plan ("ASPP") with a broker that allows the purchase of common shares for cancellation under the NCIB at any time during predetermined trading blackout periods. As at September 30, 2020, an obligation for the repurchase of shares of $14.5 million (September 30, 2019: $13.9 million; December 31, 2019: $25.4 million) was recognized under the ASPP.

Dividends

On October 26, 2020, the Board of Directors approved a quarterly dividend of $0.16 per share, $0.64 per share on an annual basis, payable December 31, 2020 to shareholders of record at the close of business December 7, 2020.

9. FINANCIAL INSTRUMENTS

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 September 30 are shown below:

	2020			2019		
		Fair value			Fair value	
	Notional amount(i)	**Asset**(ii)	**Liability**(ii)	Notional amount(i)	Asset(ii)	Liability(ii)
Cash flow hedges						
Foreign exchange contracts	**$ —**	**$ —**	**$ —**	$ 36,413	$ 187	$ 95
Interest rate swaps	**$ 488,020**	**—**	**20,948**	$ —	—	—
		$ —	**$ 20,948**		$ 187	$ 95
Fair value hedges(iii)						
Foreign exchange contracts	**$ 44,631**	**$ 162**	**$ 191**	$ 84,905	$ 294	$ 107
Commodity contracts	**$ 44,654**	**—**	**1,086**	$ 87,138	4,024	—
		$ 162	**$ 1,277**		$ 4,318	$ 107
Derivatives not designated in a formal hedging relationship						
Foreign exchange contracts	**$ 103,745**	**$ 219**	**$ 655**	$ 174,811	$ 621	$ 154
Commodity contracts	**$ 139,330**	**9,567**	**1,165**	$ 183,427	2,005	372
		$ 9,786	**$ 1,820**		$ 2,626	$ 526
Total fair value		**$ 9,948**	**$ 24,045**		$ 7,131	$ 728
Current(ii)(iv)(v)		**$ 9,948**	**$ 9,659**		$ 7,131	$ 728
Non-current(ii)		**—**	**14,386**		—	—
Total fair value		**$ 9,948**	**$ 24,045**		$ 7,131	$ 728

(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 balance sheets. 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 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) *Derivatives are short-term and will impact profit or loss at various dates within the next 12 months.*

(v) *As at September 30, 2020, the above fair value of current assets has been decreased by $7.4 million (September 30, 2019: decreased by $3.0 million; December 31, 2019: increased by $1.1 million), and the above fair value of current liabilities has been decreased by $1.1 million (September 30, 2019: $0.0 million; December 31, 2019: $0.0 million) on the consolidated 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 September 30, 2020, the Company recorded a gain of $11.2 million (2019: loss of $1.3 million) on non-designated financial instruments held for trading.

During the nine months ended September 30, 2020, the Company recorded a loss of $29.1 million (2019: gain of $11.8 million) on non-designated financial instruments held for trading.

During the three months ended September 30, 2020, the pre-tax amount of hedge ineffectiveness recognized in cost of goods sold was a gain of $0.0 million (2019: gain of $0.1 million).

During the nine months ended September 30, 2020, the pre-tax amount of hedge ineffectiveness recognized in cost of goods sold was a gain of $0.1 million (2019: loss of $0.1 million).

The table below sets out fair value measurements of financial instruments as at September 30, 2020 using the fair value hierarchy:

($ thousands) *(Unaudited)*		**Level 1**	**Level 2**	**Level 3**		**Total**
Assets:						
Foreign exchange contracts	$	—	381	—	$	381
Commodity contracts[(i)]		8,481	—	—		8,481
	$	**8,481**	**381**	**—**	**$**	**8,862**
Liabilities:						
Foreign exchange contracts	$	—	846	—	$	846
Commodity contracts[(i)]		—	1,165	—		1,165
Interest rate swaps		—	20,948	—		20,948
	$	**—**	**22,959**	**—**	**$**	**22,959**

(i) *Level 1 commodity contracts are net settled and recorded as a net asset or liability on the consolidated balance sheets.*

There were no transfers between levels for the three and nine months ended September 30, 2020 and September 30, 2019.

Determination of fair value and the resulting hierarchy requires the use of observable market data whenever available and is consistent with the methodology used in the 2019 consolidated financial statements. 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 (loss)

The Company estimates that $4.9 million, net of tax of $1.7 million, of the unrealized loss included in accumulated other comprehensive (loss) income will be reclassified into net 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 September 30, 2020, a loss of $1.2 million, net of tax of $0.4 million, was released to earnings from accumulated other comprehensive (loss) income and included in the net change for the year (2019: gain of $0.2 million, net of tax of $0.1 million).

During the nine months ended September 30, 2020, a loss of $2.3 million, net of tax of $0.8 million, was released to earnings from accumulated other comprehensive (loss) income and included in the net change for the year (2019: loss of $1.9 million, net of tax of $0.7 million).

As at September 30, 2020, the Company had US$265.0 million (September 30, 2019: US$265.0 million; December 31, 2019: US$265.0 million) drawn on the Credit Facility (see Note 7) that 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 shareholders' equity in the foreign currency translation adjustment component of 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 (loss) income.

During the three months ended September 30, 2020, the gain on the net investment hedge recorded in other comprehensive (loss) income was $4.4 million, net of tax of $0.9 million (2019: loss of $3.5 million, net of tax of $0.6 million).

During the nine months ended September 30, 2020, the loss on the net investment hedge recorded in other comprehensive (loss) income was $6.9 million, net of tax of $1.3 million (2019: gain of $8.0 million, net of tax of $1.5 million).

10. INTEREST EXPENSE AND OTHER FINANCING COSTS

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	**2020**	2019
Interest on borrowings from credit facility	**$ 5,064**	$ 4,298	**$ 14,952**	$ 12,779
Interest on lease obligations	**2,100**	2,255	**6,467**	6,780
Interest on securitized receivables	**674**	736	**2,127**	2,082
Interest on government loans	**60**	88	**236**	269
Deferred finance charges	**459**	410	**1,263**	1,092
Credit facility standby fees and other interest	**1,352**	1,120	**3,635**	2,029
Interest capitalized	**(2,235)**	(770)	**(5,246)**	(1,339)
Write-off of deferred finance charges	**—**	—	**—**	956
	$ 7,474	$ 8,137	**$ 23,434**	$ 24,648

11. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing the net earnings of the Company by the weighted average number of shares outstanding during the year.

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

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

	2020			2019		
Three months ended September 30,	**Net earnings**	**Weighted average number of shares**[(i)]	**EPS**	Net earnings	Weighted average number of shares[(i)]	EPS
Basic	**$ 65,976**	**123.2**	**$ 0.54**	$ 13,409	123.8	$ 0.11
Stock options[(ii)]		**1.4**			1.4	
Diluted	**$ 65,976**	**124.6**	**$ 0.53**	$ 13,409	125.2	$ 0.11
Nine months ended September 30,						
Basic	**$ 87,923**	**123.2**	**$ 0.72**	$ 57,171	123.7	$ 0.46
Stock options[(ii)]		**1.1**			1.7	
Diluted	**$ 87,923**	**124.3**	**$ 0.71**	$ 57,171	125.4	$ 0.46

(i) *In millions.*

(ii) *Excludes the effect of approximately $2.4 million (2019: $1.1 million) options and performance shares for the three months ended September 30, 2020 and $2.4 million (2019: $2.0 million) for the nine months ended September 30, 2020 that are anti-dilutive.*

12. SHARE-BASED PAYMENT

Stock Options

A summary of the status of the Company's outstanding stock options and changes during the nine months ended September 30 are presented below:

	2020		2019	
	Options outstanding	**Weighted average exercise price**	Options outstanding	Weighted average exercise price
Outstanding at January 1	**4,558,250**	**$ 26.26**	3,976,300	$ 25.38
Granted	**1,408,950**	**$ 23.08**	1,039,200	$ 28.38
Forfeited	**(54,200)**	**$ 31.39**	—	$ —
Outstanding at March 31	**5,913,000**	**$ 25.46**	5,015,500	$ 26.01
Exercised	**(34,300)**	**$ 22.53**	(137,400)	$ 21.62
Forfeited	**(150)**	**$ 23.08**	—	$ —
Outstanding at June 30	**5,878,550**	**$ 25.47**	4,878,100	$ 26.13
Exercised	**(11,800)**	**$ 20.28**	(221,000)	$ 21.67
Outstanding at September 30	**5,866,750**	**$ 25.49**	4,657,100	$ 26.34
Options currently exercisable	**3,539,875**	**$ 25.40**	2,868,900	$ 24.14

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 nine months ended September 30, 2020 and 2019 are shown in the table below(i):

	Nine months ended September 30,	
	2020	2019
Share price at grant date	**$22.80**	$28.05
Exercise price	**$23.08**	$28.38
Expected volatility	**23.3%**	21.3%
Option life (in years)(ii)	**4.5**	4.5
Expected dividend yield	**2.8%**	2.1%
Risk-free interest rate(iii)	**1.1%**	1.8%

(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 September 30, 2020 and 2019. Expenses relating to current and prior year options were $1.1 million (2019: $1.1 million).

The fair value of options granted during the nine months ended September 30, 2020 was $4.4 million (2019: $4.4 million). Expenses relating to current and prior year options were $3.4 million (2019: $3.2 million).

Restricted Share Units and Performance Share Units

A summary of the status of the Company's Restricted Share Units ("RSUs") plans (including Performance Share Units ("PSUs")) and changes during the nine months ended September 30 are presented below:

	2020		2019	
	RSUs outstanding	**Weighted average fair value at grant**	RSUs outstanding	Weighted average fair value at grant
Outstanding at January 1	**1,245,915**	**$ 28.80**	1,471,662	$ 28.48
Granted	**672,360**	**$ 20.80**	460,450	$ 26.26
Outstanding at March 31	**1,918,275**	**$ 25.99**	1,932,112	$ 27.95
Granted	**—**	**$ —**	6,240	$ 34.03
Distributed	**(329,381)**	**$ 30.26**	(671,658)	$ 26.33
Forfeited	**(60,922)**	**$ 28.97**	(63,609)	$ 28.38
Outstanding at June 30	**1,527,972**	**$ 24.96**	1,203,085	$ 28.86
Granted	**14,220**	**$ 26.73**	70,330	$ 27.53
Forfeited	**(2,630)**	**$ 23.23**	(5,820)	$ 27.35
Outstanding September 30	**1,539,562**	**$ 24.95**	1,267,595	$ 28.79

The fair value of RSUs and PSUs granted during the three months ended September 30, 2020 was $0.3 million (2019: $1.7 million). Expenses for the three months ended September 30, 2020 relating to current and prior year RSUs and PSUs, were $2.8 million (2019: $2.5 million).

The fair value of RSUs and PSUs granted during the nine months ended September 30, 2020 was $12.4 million (2019: $12.4 million). Expenses for the nine months ended September 30, 2020 relating to current and prior year RSUs and PSUs, were $7.7 million (2019: $9.1 million).

The key assumptions used in the valuation of fair value of RSUs granted during the nine months ended September 30, 2020 and 2019 are shown in the table below[(i)]:

	2020	2019
Expected RSU life (in years)	**3.2**	3.1
Forfeiture rate	**13.7%**	12.6%
Risk-free interest rate[(ii)]	**1.1%**	1.7%

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

(ii) *Based on Government of Canada bonds.*

Director Share Units

The fair value of director share units expensed during the three and nine months ended September 30, 2020 was $0.4 million and $1.1 million (2019: $0.3 million and $1.0 million) respectively.

13. SEGMENTED FINANCIAL INFORMATION

The Company has two reportable segments, as described below, 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, while managing gross margins and controlling investment levels which generate high revenue growth rates. Refer to the section, Non-IFRS Financial Measures, of the Company's Management's Discussion and Analysis for the three and nine months ended September 30, 2020, for the definitions of these non-IFRS financial measures. The operations of each segment are described as follows:

(a) The Meat Protein Group is comprised of prepared meats, ready-to-cook and ready-to-serve meals, hog production and value-added fresh pork and poultry products that are sold to retail, foodservice and industrial channels. The Meat Protein Group includes brands such as Maple Leaf®, Maple Leaf Prime®, Schneiders®, Mina®, Greenfield Natural Meat Co.®, Swift® and many sub-brands.

(b) 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 brands Lightlife® and Field Roast Grain Meat Co.™

	Three months ended September 30, 2020				Three months ended September 30, 2019			
	Meat Protein Group	**Plant Protein Group**	**Non-Allocated[(i)]**	**Total[(ii)]**	Meat Protein Group	Plant Protein Group	Non-Allocated[(i)]	Total[(ii)]
Sales	**$1,014,423**	**51,369**	**(8,624)**	**$1,057,169**	$ 953,306	46,998	(4,517)	$ 995,787
Gross profit	**$ 160,649**	**3,391**	**64,073**	**$ 228,114**	$ 123,351	9,995	6,371	$ 139,717
Selling, general and administrative expenses	**$ 80,655**	**46,509**	**—**	**$ 127,165**	$ 78,783	44,867	—	$ 123,650
Earnings (loss) before income taxes	**$ 79,829**	**(43,165)**	**53,701**	**$ 90,365**	$ 39,617	(34,925)	(2,884)	$ 1,808
Interest expense and other financing costs	**—**	**—**	**7,474**	**7,474**	—	—	8,137	8,137
Other (income) expense	**(1,567)**	**47**	**2,898**	**1,378**	363	53	1,118	1,534
Restructuring and other related costs	**1,732**	**—**	**—**	**1,732**	4,588	—	—	4,588
Earnings (loss) from operations	**$ 79,994**	**(43,118)**	**64,073**	**$ 100,949**	$ 44,568	(34,872)	6,371	$ 16,067
(Increase) decrease in fair value of biological assets	**—**	**—**	**(40,176)**	**(40,176)**	—	—	1,289	1,289
Unrealized gain on derivative contracts	**—**	**—**	**(23,896)**	**(23,896)**	—	—	(7,660)	(7,660)
Adjusted Operating Earnings	**$ 79,994**	**(43,118)**	**—**	**$ 36,876**	$ 44,568	(34,872)	—	$ 9,696
Depreciation and amortization	**44,099**	**3,599**	**—**	**47,699**	41,225	3,309	—	44,534
Items included in other income representative of ongoing operations	**(1,490)**	**(47)**	**(469)**	**(2,007)**	(363)	(53)	(392)	(808)
Adjusted EBITDA	**$ 122,603**	**(39,565)**	**(469)**	**$ 82,568**	$ 85,430	(31,616)	(392)	$ 53,422

(i) *Non-Allocated includes eliminations of inter-segment sales and associated cost of goods sold, 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.*

(ii) *Totals may not add due to rounding.*

	Nine months ended September 30, 2020				Nine months ended September 30, 2019			
	Meat Protein Group	**Plant Protein Group**	**Non-Allocated**[i]	**Total**[ii]	Meat Protein Group	Plant Protein Group	Non-Allocated[i]	Total[ii]
Sales	**$3,036,160**	**158,337**	**(19,988)**	**$3,174,510**	$2,807,699	126,673	(8,796)	$2,925,576
Gross profit	**$ 494,535**	**18,033**	**10,218**	**$ 522,787**	$ 417,507	27,815	(15,108)	$ 430,214
Selling, general and administrative expenses	**$ 252,407**	**111,491**	**—**	**$ 363,899**	$ 254,679	73,646	—	$ 328,325
Earnings (loss) before income taxes	**$ 240,818**	**(93,528)**	**(22,772)**	**$ 124,518**	$ 155,923	(45,979)	(46,574)	$ 63,370
Interest expense and other financing costs	**—**	**—**	**23,434**	**23,434**	—	—	24,648	24,648
Other (income) expense	**(1,760)**	**70**	**9,556**	**7,866**	926	148	6,818	7,892
Restructuring and other related costs	**3,070**	**—**	**—**	**3,070**	5,979	—	—	5,979
Earnings (loss) from operations	**$ 242,128**	**(93,458)**	**10,218**	**$ 158,888**	$ 162,828	(45,831)	(15,108)	$ 101,889
Decrease in fair value of biological assets	**—**	**—**	**1,159**	**1,159**	—	—	13,316	13,316
Unrealized (gain) loss on derivative contracts	**—**	**—**	**(11,377)**	**(11,377)**	—	—	1,792	1,792
Adjusted Operating Earnings	**$ 242,128**	**(93,458)**	**—**	**$ 148,670**	$ 162,828	(45,831)	—	$ 116,997
Depreciation and amortization	**131,089**	**10,853**	**—**	**141,942**	121,054	9,305	—	130,359
Items included in other income representative of ongoing operations	**(1,297)**	**(70)**	**(469)**	**(1,836)**	(926)	(148)	(392)	(1,466)
Adjusted EBITDA	**$ 371,920**	**(82,675)**	**(469)**	**$ 288,776**	$ 282,956	(36,674)	(392)	$ 245,890

(i) *Non-Allocated includes eliminations of inter-segment sales and associated cost of goods sold, 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.*

(ii) *Totals may not add due to rounding.*

The following summarizes capital expenditures by segments:

	Three months ended September 30,		**Nine months ended September 30,**	
	2020	2019	**2020**	2019
Capital expenditures				
Meat Protein Group	**$ 92,699**	$ 48,319	**$ 273,030**	$ 153,018
Plant Protein Group	**5,776**	7,168	**13,355**	19,951
Non-allocated capital expenditures	**4,520**	5,057	**17,799**	12,991
	$ 102,995	$ 60,544	**$ 304,184**	$ 185,960

Information About Geographic Areas

The following summarizes sales by country of origin:

	Three months ended September 30,		**Nine months ended September 30,**	
	2020	2019[i]	**2020**	2019[i]
Canada	**$ 789,439**	$ 748,708	**$ 2,287,324**	$ 2,185,002
U.S.	**113,887**	106,442	**359,629**	297,832
Japan	**100,130**	95,783	**315,186**	274,865
China	**24,533**	2,113	**121,537**	49,901
Other	**29,180**	42,741	**90,834**	117,976
Sales	**$ 1,057,169**	$ 995,787	**$ 3,174,510**	$ 2,925,576

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

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

	As at September 30, 2020	As at September 30, 2019	As at December 31, 2019
Canada	**$ 2,424,814**	$ 2,207,716	$ 2,246,146
U.S.	**408,642**	393,354	393,146
Other	**292**	562	453
Total non-current assets(i)	**$ 2,833,748**	$ 2,601,632	$ 2,639,745

(i) *Excludes financial instruments, employee benefits and deferred tax assets.*

Information About Major Customers

For the three months ended September 30, 2020, the Company reported Meat and Plant Protein sales to two customers representing 13.2% and 11.5% (2019: 11.5% and 10.7%) of total sales. No other sales were made to any one customer that represented in excess of 10.0% of total sales.

For the nine months ended September 30, 2020, the Company reported Meat and Plant Protein sales to two customers representing 12.7% and 11.1% (2019: 11.1% and 10.5%) of total sales. No other sales were made to any one customer that represented in excess of 10.0% of total sales.

14. COMMITMENTS AND CONTINGENCIES

In the normal course of its operations, the Company becomes involved in various legal and regulatory actions relating to its commercial activities and relationships, employment matters, product liabilities, and other matters. This includes a class action against packaged bread manufacturers and retailers in respect of which Maple Leaf Foods believes it was added as a defendant as a result of its previous ownership of Canada Bread Company, Limited ("Canada Bread"). There is an ongoing investigation by the Competition Bureau into the Canadian bread industry, including alleged price fixing and related securities disclosure issues. The time horizon covered by the Competition Bureau's investigation includes a period of when the Company was a majority shareholder of Canada Bread, which was a stand-alone public company, and extends through 2014 when the Company sold its shares in Canada Bread. With the expansion of Competition Bureau's investigation over the years, Maple Leaf Foods has recently been advised that the Competition Bureau has formed the view that it should be considered a subject of the investigation. This expansion does not change the Company's assessment of the matter. The final outcome of the investigation, any outstanding actions or any future claims cannot be predicted with certainty.

15. RELATED PARTY TRANSACTIONS

The Company sponsors a number of defined benefit, defined contribution and post-retirement benefit plans. During the three and nine months ended September 30, 2020, the Company's contributions to these plans were $7.5 million and $22.3 million (2019: $7.2 million and $22.5 million).

The Company's largest shareholder is McCain Capital Inc. ("MCI"). The Company understands that Mr. Michael H. McCain, Chief Executive Officer and President of the Company, is the controlling shareholder of MCI. For the three and nine months ended September 30, 2020, the Company received services from MCI in the amount of $0.0 million and $0.1 million (2019: $0.1 million and $0.4 million), which represented the market value of the transactions with MCI. As at September 30, 2020, $0.0 million (September 30, 2019: $0.1 million; December 31, 2019: $0.0 million) was owed to 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 nine months ended September 30, 2020 and 2019, the Company provided services to and received from, MFAS for a nominal amount which represented the market value of the transactions.