MAPLE LEAF FOODS INC.

Financial Statements

For the Third Quarter Ended

September 30, 2022

Consolidated Interim Financial Statements

Consolidated Interim Balance Sheets

(In thousands of Canadian dollars) *(Unaudited)*	***Notes***	**As at September 30, 2022**	As at September 30, 2021[(i)]	As at December 31, 2021
ASSETS				*(Audited)*
Cash and cash equivalents		**$ 106,199**	$ 73,468	$ 162,031
Accounts receivable	***3***	**180,301**	200,544	167,082
Notes receivable	***3***	**61,301**	69,455	33,294
Inventories	***4***	**494,477**	432,502	409,677
Biological assets	***5***	**112,237**	131,257	138,209
Income taxes recoverable		**18,997**	1,830	1,830
Prepaid expenses and other assets		**56,104**	34,373	24,988
Assets held for sale		**604**	—	—
Total current assets		**$ 1,030,220**	$ 943,429	$ 937,111
Property and equipment		**2,303,981**	2,107,506	2,189,165
Right-of-use assets		**165,729**	173,879	161,662
Investments		**23,912**	22,731	22,326
Other long-term assets		**21,859**	9,304	11,644
Deferred tax asset		**52,165**	31,822	39,907
Goodwill	***6***	**477,353**	658,938	658,673
Intangible assets	***7***	**367,528**	368,972	365,318
Total long-term assets		**$ 3,412,527**	$ 3,373,152	$ 3,448,695
Total assets		**$ 4,442,747**	$ 4,316,581	$ 4,385,806
LIABILITIES AND EQUITY				
Accounts payable and accruals		**$ 549,723**	$ 531,703	$ 526,189
Current portion of provisions	***8***	**39,939**	773	842
Current portion of long-term debt	***9***	**712**	5,279	5,176
Current portion of lease obligations		**38,417**	38,664	31,375
Income taxes payable		**1,084**	31,592	23,853
Other current liabilities		**50,532**	56,966	81,265
Total current liabilities		**$ 680,407**	$ 664,977	$ 668,700
Long-term debt	***9***	**1,627,651**	1,157,736	1,247,073
Lease obligations		**149,011**	149,475	144,391
Employee benefits		**74,808**	91,063	97,629
Provisions	***8***	**7,113**	44,504	44,650
Other long-term liabilities		**1,304**	4,742	1,057
Deferred tax liability		**172,494**	137,030	146,380
Total long-term liabilities		**$ 2,032,381**	$ 1,584,550	$ 1,681,180
Total liabilities		**$ 2,712,788**	$ 2,249,527	$ 2,349,880
Shareholders' equity				
Share capital	***10***	**$ 852,872**	$ 847,013	$ 847,016
Retained earnings		**880,314**	1,234,975	1,212,244
Contributed surplus		**—**	11,694	5,371
Accumulated other comprehensive income (loss)		**22,689**	(7,890)	(2,459)
Treasury stock		**(25,916)**	(18,738)	(26,246)
Total shareholders' equity		**$ 1,729,959**	$ 2,067,054	$ 2,035,926
Total liabilities and equity		**$ 4,442,747**	$ 4,316,581	$ 4,385,806

[(i)] *Restated, see Note 17.*

See accompanying Notes to the Consolidated Interim Financial Statements.

Consolidated Interim Statements of Net (Loss) Earnings

(In thousands of Canadian dollars, except share amounts) *(Unaudited)*	***Notes***	**Three months ended September 30, 2022**	Three months ended September 30, 2021	**Nine months ended September 30, 2022**	Nine months ended September 30, 2021
Sales		**$ 1,231,855**	$ 1,188,643	**$ 3,553,541**	$ 3,400,587
Cost of goods sold		**1,149,394**	1,000,485	**3,229,978**	2,883,819
Gross profit		**$ 82,461**	$ 188,158	**$ 323,563**	$ 516,768
Selling, general and administrative expenses		**102,800**	120,263	**335,865**	347,067
(Loss) earnings before the following:		**$ (20,339)**	$ 67,895	**$ (12,302)**	$ 169,701
Restructuring and other related costs	***8***	**2,332**	840	**24,389**	3,698
Other expense (income)		**3,733**	(965)	**8,809**	7,194
Impairment of goodwill	***6***	**190,911**	—	**190,911**	—
(Loss) earnings before interest and income taxes		**$ (217,315)**	$ 68,020	**$ (236,411)**	$ 158,809
Interest expense and other financing costs	***12***	**14,494**	5,683	**32,996**	16,362
(Loss) earnings before income taxes		**$ (231,809)**	$ 62,337	**$ (269,407)**	$ 142,447
Income tax (recovery) expense		**(2,333)**	17,858	**994**	41,502
Net (loss) earnings		**$ (229,476)**	$ 44,479	**$ (270,401)**	$ 100,945
(Loss) earnings per share attributable to common shareholders:	***13***				
Basic (loss) earnings per share		**$ (1.86)**	$ 0.36	**$ (2.18)**	$ 0.82
Diluted (loss) earnings per share		**$ (1.86)**	$ 0.35	**$ (2.18)**	$ 0.80
Weighted average number of shares (millions):	***13***				
Basic		**123.7**	123.5	**123.9**	123.4
Diluted		**123.7**	125.5	**123.9**	125.7

See accompanying Notes to the Consolidated Interim Financial Statements.

Consolidated Interim Statements of Other Comprehensive Income (Loss)

(In thousands of Canadian dollars) *(Unaudited)*	Three months ended September 30, **2022**	Three months ended September 30, 2021	Nine months ended September 30, **2022**	Nine months ended September 30, 2021
Net (loss) earnings	**$ (229,476)**	$ 44,479	**$ (270,401)**	$ 100,945
Other comprehensive (loss) income				
Actuarial (losses) gains that will not be reclassified to profit or loss (Net of tax of $6.0 million and $7.6 million; 2021: $0.9 million and $25.8 million)	**$ (17,221)**	$ 2,556	**$ 22,185**	$ 75,717
Items that are or may be reclassified subsequently to profit or loss:				
Change in fair value of investments (Net of tax of $0.0 million; 2021: $1.0 million)	**$ —**	$ 2,945	**$ —**	$ 2,945
Change in accumulated foreign currency translation adjustment (Net of tax of $0.0 million and $0.0 million; 2021: $0.0 million and $0.0 million)	**26,976**	6,267	**35,068**	$ (3,883)
Change in foreign exchange on long-term debt designated as a net investment hedge (Net of tax of $3.9 million and $5.0 million; 2021: $1.1 million and $0.4 million)	**(20,825)**	(5,456)	**(26,350)**	1,826
Change in cash flow hedges (Net of tax of $1.6 million and $5.6 million; 2021: $0.7 million and $1.7 million)	**4,543**	(2,157)	**16,430**	4,636
Total items that are or may be reclassified subsequently to profit or loss	**$ 10,694**	$ 1,599	**$ 25,148**	$ 5,524
Total other comprehensive income (loss)	**$ (6,527)**	$ 4,155	**$ 47,333**	$ 81,241
Comprehensive (loss) income	**$ (236,003)**	$ 48,634	**$ (223,068)**	$ 182,186

See accompanying Notes to the Consolidated Interim Financial Statements.

Consolidated Interim Statements of Changes in Total Equity

(In thousands of Canadian dollars) (Unaudited)	***Notes***	**Share capital**	**Retained earnings**	**Contributed surplus**	**Accumulated other comprehensive income (loss)(i)** Foreign currency translation adjustment	**Unrealized gains and losses on cash flow hedges**	**Unrealized gains on fair value of investments**	**Treasury stock**	**Total equity**
Balance at December 31, 2021		**$ 847,016**	**1,212,244**	**5,371**	**2,037**	**(7,441)**	**2,945**	**(26,246)**	**$2,035,926**
Net loss		**—**	**(270,401)**	**—**	**—**	**—**	**—**	**—**	**(270,401)**
Other comprehensive income (loss)(ii)		**—**	**22,185**	**—**	**8,718**	**16,430**	**—**	**—**	**47,333**
Dividends declared ($0.60 per share)		**—**	**(74,533)**	**—**	**—**	**—**	**—**	**—**	**(74,533)**
Share-based compensation expense	***14***	**—**	**—**	**16,945**	**—**	**—**	**—**	**—**	**16,945**
Modification of stock compensation plan	***14***	**—**	**—**	**(3,594)**	**—**	**—**	**—**	**—**	**(3,594)**
Deferred taxes on share-based compensation		**—**	**—**	**(2,125)**	**—**	**—**	**—**	**—**	**(2,125)**
Exercise of stock options		**5,888**	**—**	**(1,289)**	**—**	**—**	**—**	**—**	**4,599**
Shares re-purchased	***10***	**(8,333)**	**—**	**(19,231)**	**—**	**—**	**—**	**—**	**(27,564)**
Shares purchased by RSU trust		**—**	**—**	**—**	**—**	**—**	**—**	**(7,500)**	**(7,500)**
Settlement of share-based compensation		**—**	**—**	**(15,560)**	**—**	**—**	**—**	**7,830**	**(7,730)**
Change in obligation for repurchase of shares	***10***	**8,301**	**(9,181)**	**19,483**	**—**	**—**	**—**	**—**	**18,603**
Balance at September 30, 2022		**$ 852,872**	**880,314**	**—**	**10,755**	**8,989**	**2,945**	**(25,916)**	**$1,729,959**

(In thousands of Canadian dollars) (Unaudited)	*Notes*	Share capital	Retained earnings	Contributed surplus	Accumulated other comprehensive income (loss)(i) Foreign currency translation adjustment	Unrealized gains and losses on cash flow hedges	Unrealized gains on fair value of investments	Treasury stock	Total equity
Balance at December 31, 2020		$ 838,969	1,124,973	5,866	3,002	(16,416)	—	(23,930)	$1,932,464
Net earnings		—	100,945	—	—	—	—	—	100,945
Other comprehensive income (loss)(ii)		—	75,717	—	(2,057)	4,636	2,945	—	81,241
Dividends declared ($0.54 per share)		—	(66,660)	—	—	—	—	—	(66,660)
Share-based compensation expense	*14*	—	—	17,738	—	—	—	—	17,738
Deferred taxes on share-based compensation		—	—	(450)	—	—	—	—	(450)
Exercise of stock options	*14*	8,711	—	—	—	—	—	—	8,711
Settlement of share-based compensation		—	—	(9,679)	—	—	—	5,192	(4,487)
Change in obligation for repurchase of shares		(667)	—	(1,781)	—	—	—	—	(2,448)
Balance at September 30, 2021		$ 847,013	1,234,975	11,694	945	(11,780)	2,945	(18,738)	$2,067,054

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

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

See accompanying Notes to the Consolidated Interim Financial Statements.

Consolidated Interim Statements of Cash Flows

(In thousands of Canadian dollars)		**Three months ended September 30,**		**Nine months ended September 30,**	
(Unaudited)	***Notes***	**2022**	2021	**2022**	2021
CASH PROVIDED BY (USED IN):					
Operating activities					
Net (loss) earnings		**$ (229,476)**	$ 44,479	**$ (270,401)**	$ 100,945
Add (deduct) items not affecting cash:					
Change in fair value of biological assets	***5***	**31,451**	(6,630)	**42,104**	6,779
Depreciation and amortization		**57,602**	47,800	**172,032**	148,201
Share-based compensation	***14***	**2,727**	8,509	**16,485**	17,738
Deferred income taxes		**1,803**	(7,824)	**6,615**	(17,694)
Income tax current		**(4,136)**	25,682	**(5,621)**	59,196
Interest expense and other financing costs	***12***	**14,494**	5,683	**32,996**	16,362
Loss on sale of long-term assets		**104**	1,226	**1,686**	1,919
Impairments		**192,954**	—	**209,010**	436
Change in fair value of non-designated derivatives		**(6,872)**	6,042	**(19,407)**	(2,375)
Change in net pension obligation		**2,496**	3,620	**6,938**	3,594
Net income taxes paid		**(3,371)**	(10,545)	**(29,858)**	(57,248)
Interest paid, net of capitalized interest	***12***	**(4,026)**	(5,373)	**(34,414)**	(16,766)
Change in provision for restructuring and other related costs	***8***	**(1,810)**	(156)	**1,648**	(224)
Change in derivatives margin		**(2,379)**	4,888	**(2,698)**	4,492
Other		**(2,548)**	(4,631)	**(10,361)**	(5,989)
Change in non-cash operating working capital		**26,486**	23,994	**(109,756)**	(122,865)
Cash provided by operating activities		**$ 75,499**	$ 136,764	**$ 6,998**	$ 136,501
Investing activities					
Additions to long-term assets		**$ (78,544)**	$ (136,346)	**$ (257,784)**	$ (458,586)
Interest paid and capitalized	***12***	**(7,019)**	(5,916)	**(16,639)**	(14,525)
Acquisition of business	***17***	**—**	(1,777)	**—**	(41,928)
Proceeds from sale of long-term assets		**6**	—	**123**	768
Purchase of investments		**—**	(3,184)	**—**	(3,184)
Proceeds from legal settlement		**—**	20,822	**—**	20,822
Cash used in investing activities		**$ (85,557)**	$ (126,401)	**$ (274,300)**	$ (496,633)
Financing activities					
Dividends paid		**$ (24,759)**	$ (22,285)	**$ (74,533)**	$ (66,660)
Net increase in long-term debt	***9***	**84,527**	29,333	**340,474**	419,055
Payment of lease obligation		**(8,859)**	(9,125)	**(26,949)**	(27,806)
Receipt of lease inducement		**—**	—	**6,847**	—
Exercise of stock options		**—**	6,782	**4,599**	8,711
Repurchase of shares		**(27,564)**	—	**(27,564)**	—
Purchase of treasury stock		**—**	—	**(7,500)**	—
Payment of financing fees		**(59)**	(478)	**(3,904)**	(528)
Cash provided by financing activities		**$ 23,286**	$ 4,227	**$ 211,470**	$ 332,772
Increase (decrease) in cash and cash equivalents		**$ 13,228**	$ 14,590	**$ (55,832)**	$ (27,360)
Cash and cash equivalents, beginning of period		**92,971**	58,878	**162,031**	100,828
Cash and cash equivalents, end of period		**$ 106,199**	$ 73,468	**$ 106,199**	$ 73,468

See accompanying Notes to the Consolidated Interim Financial Statements.

Notes to the Consolidated Interim Financial Statements

(Tabular amounts in thousands of Canadian dollars unless otherwise indicated)
Three and Nine Months Ended September 30, 2022 and 2021

1. THE COMPANY

Maple Leaf Foods Inc. (“Maple Leaf Foods” or the "Company") is a carbon neutral[(i)] company with a vision to be the most sustainable protein company on earth, responsibly producing food products under leading brands including Maple Leaf®, Maple Leaf Prime®, Maple Leaf Natural Selections®, Schneiders®, Schneiders® Country Naturals®, Mina®, Greenfield Natural Meat Co.®, Lightlife® and Field Roast™. The Company's portfolio includes prepared meats, ready-to-cook and ready-to-serve meals, snacks kits, value-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 Interim Financial Statements") of the Company as at and for the three and nine months ended September 30, 2022 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.

(i) See the Company's 2021 Sustainability Report that is available on the Maple Leaf Foods website at https://www.mapleleaffoods.com/sustainability.

2. SIGNIFICANT ACCOUNTING POLICIES

The Consolidated Interim Financial Statements should be read in conjunction with the Company’s 2021 annual audited consolidated financial statements ("2021 Consolidated Financial Statements").

(a) Statement of Compliance

The Consolidated Interim Financial Statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting* ("IAS 34") as issued by the International Accounting Standards Board (“IASB”) and using the accounting policies, determination of significant estimates and judgments, and corresponding accounting treatments consistent with the Company’s 2021 Consolidated Financial Statements, except for new standards adopted during the nine months ended September 30, 2022 as described below.

The Consolidated Interim Financial Statements were authorized for issue by the Board of Directors on November 7, 2022.

(b) Accounting Standards Adopted During the Period

Beginning on January 1, 2022, the Company adopted certain International Financial Reporting Standards ("IFRS") and amendments. As required by IAS 34 and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, the nature and the effect of these changes are disclosed below:

Onerous Contracts - Cost of Fulfilling a Contract

Beginning January 1, 2022, the Company adopted the amendment to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. The amendment specifies that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to the contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling that contract. The adoption of the amendment did not have a material impact on the Consolidated Interim Financial Statements.

Annual Improvements to IFRS (2018-2020) Cycle

Beginning January 1, 2022, the Company adopted the narrow-scope amendments to three standards as part of the IASB 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 *Financial instruments*. 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. Lastly, an amendment was made to IFRS 1 *First-time Adoption of International Financial Reporting Standards* for subsidiaries as a first-time adopter. The adoption of the amendment did not have a material impact on the Consolidated Interim Financial Statements.

(c) Accounting Pronouncements Issued But Not Yet Effective

Classification of Liabilities as Current or Non-current

On January 23, 2020, an amendment was issued to IAS 1 *Presentation of Financial Statements* to address inconsistencies with how entities classify current and non-current liabilities. The amendment serves to address whether debt and other liabilities with an uncertain settlement date should be classified as current or non-current in the consolidated balance sheets. This amendment is effective on January 1, 2023. The Company intends to adopt this amendment in its Consolidated Financial Statements for the annual period beginning January 1, 2023. The adoption of this amendment is not expected to have a material impact on the Consolidated Financial Statements.

Definition of Accounting Estimates (Amendments to IAS 8)

On February 12, 2021, the IASB issued *Definition of Accounting Estimates (Amendments to IAS 8)*. The amendments will require the disclosure of material accounting policy information rather than disclosing significant accounting policies and clarifies how to distinguish changes in accounting policies from changes in accounting estimates. The amendments are effective for annual periods beginning on or after January 1, 2023. The Company intends to adopt this amendment in its Consolidated Financial Statements for the annual period beginning January 1, 2023. The adoption of this amendment is not expected to have a material impact on the Consolidated Financial Statements.

Disclosure Initiative – Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

On February 12, 2021, the IASB issued *Disclosure Initiative – Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements)*. The amendments help companies provide useful accounting policy disclosures. The amendments are effective for annual periods beginning on or after January 1, 2023. The Company intends to adopt this amendment in its Consolidated Financial Statements for the annual period beginning January 1, 2023. The adoption of this amendment is not expected to have a material impact on the Consolidated Financial Statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

On May 7, 2021 the IASB issued *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)*. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 *Income Taxes* (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. The Company intends to adopt this amendment in its Consolidated Financial Statements for the annual period beginning January 1, 2023. The adoption of this amendment is not expected to have a material impact on the Consolidated Financial Statements.

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

On September 22, 2022 the IASB issued *Lease Liability in a Sale and Leaseback (Amendments to IFRS 16).* The amendments added subsequent measurement requirements for sale and leaseback transactions with variable payments. The amendments are effective for annual periods beginning on or after January 1, 2024. The Company intends to adopt this amendment in its Consolidated Financial Statements for the annual period beginning January 1, 2024. The extent of the impact of the adoption of this amendment 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, 2022	As at September 30, 2021	As at December 31, 2021
Trade receivables	**$ 154,622**	$ 170,697	$ 122,030
Less: Allowance for doubtful accounts	**(1,769)**	(2,315)	(2,041)
Net trade receivables	**$ 152,853**	$ 168,382	$ 119,989
Other receivables:			
Commodity taxes receivable	**15,929**	16,326	13,188
Government receivable	**929**	4,838	17,871
Other	**10,590**	10,998	16,034
	$ 180,301	$ 200,544	$ 167,082

The aging of trade receivables is as follows:

	As at September 30, 2022	As at September 30, 2021	As at December 31, 2021
Current	**$ 122,565**	$ 138,366	$ 94,110
Past due 0-30 days	**26,354**	24,947	20,088
Past due 31-60 days	**2,265**	2,664	3,473
Past due > 60 days	**3,438**	4,720	4,359
	$ 154,622	$ 170,697	$ 122,030

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

On June 24, 2022, the Company amended its accounts receivable securitization facility (the "Securitization Facility") by extending the maturity to June 24, 2024. The maximum cash advance available to the Company under the Securitization Facility is $135.0 million (September 30, 2021: $120.0 million; December 31, 2021: $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, 2022, trade accounts receivable being serviced under this program amounted to $196.3 million (September 30, 2021: $168.7 million; December 31, 2021: $145.6 million). In return for the sale of its trade receivables, the Company will receive cash of $135.0 million (September 30, 2021: $120.0 million; December 31, 2021: $112.3 million) and notes receivable in the amount of $61.3 million (September 30, 2021: $48.7 million; December 31, 2021: $33.3 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, 2022, the Company recorded a net payable in the amount of $0.0 million (September 30, 2021: $20.8 million net receivable; December 31, 2021: $7.7 million net payable) in accounts payable and accruals (September 30, 2021: notes receivable; December 31, 2021: accounts payable and accruals).

The sale of trade receivables under the Securitization Facility are treated as a sale from an accounting perspective and as a result, trade receivables sold under this facility are derecognized from the unaudited condensed consolidated interim balance sheets ("Consolidated Interim Balance Sheets") as at September 30, 2022 and 2021 and the 2021 annual audited consolidated balance sheet as at December 31, 2021.

4. INVENTORIES

	As at September 30, 2022	As at September 30, 2021	As at December 31, 2021
Raw materials	**$ 78,892**	$ 69,818	$ 73,580
Work in process	**43,613**	39,978	33,964
Finished goods	**276,990**	239,575	217,937
Packaging	**24,954**	21,816	20,752
Spare parts	**70,028**	61,315	63,444
	$ 494,477	$ 432,502	$ 409,677

For the three months ended September 30, 2022, inventory in the amount of $1,003.0 million (2021: $948.7 million) was expensed through cost of goods sold.

For the nine months ended September 30, 2022, inventory in the amount of $2,878.6 million (2021: $2,669.1 million) was expensed through cost of goods sold.

As at September 30, 2022, inventories have been reduced by $14.4 million (September 30, 2021: $9.1 million; December 31, 2021: $10.7 million) as a result of write-downs to net realizable value. The write-downs are included in the amount expensed through cost of goods sold.

5. BIOLOGICAL ASSETS

The change in fair value of commercial hog stock for the three months ended September 30, 2022 was a loss of $31.5 million (2021: gain of $6.6 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, 2022 was a loss of $42.1 million (2021: loss of $6.8 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, 2022 and September 30, 2021.

6. GOODWILL

The Company performs impairment testing annually during the fourth quarter, or in any quarter during which there is a trigger to test for impairment of a Cash Generating Unit ("CGU") group to which goodwill is allocated.

At September 30, 2022, the Company performed impairment testing on the Plant Protein CGU group. This test was triggered by changes in macro-economic conditions which resulted in a significant increase in the discount rate. This test resulted in the Company recognizing non-cash impairment charges of $190.9 million related to goodwill.

For the purposes of impairment testing, goodwill is allocated to the Meat Protein and Plant Protein CGU groups, being the groups expected to benefit from the synergies of each business combination in which the goodwill arose.

Changes in the carrying amount of goodwill, by segment, were:

	Meat Protein Group	Plant Protein Group
Balance at December 31, 2021	$ 477,353	$ 181,320
Impairment loss	—	(190,911)
Foreign currency translation	—	9,591
Balance at September 30, 2022	**$ 477,353**	**$ —**

Impairment testing involves determining the recoverable amount of the CGU group to which goodwill is allocated and comparing this to the carrying value of the CGU group. The measurement of the recoverable amount of the Plant Protein CGU group was calculated based on fair value less costs to sell. Fair value was determined by discounting the future anticipated cash flows generated from the continuing use of the Plant Protein CGU group. The fair value measurement was categorized as a Level 3 fair value based on the inputs in the valuation technique used. The calculation of the fair value based on discounting the future cash flows was built on the following key assumptions:

- Cash inflows and outflows were projected for five-years based on the Company's long-term business plan. Cash flows for a further perpetual period were extrapolated using a growth rate declining to 3.0% over seven years.
- The business plan contains forecasts based on past experience of actual operating results in conjunction with anticipated future growth projections. A continued slowdown of the long-term growth rates of the Plant Protein CGU group was realized for the nine-months ended September 30, 2022. While the forecast does assume some base business expansion, the primary engine of growth is strategic in nature and is consistent with the projects and expectations as articulated in the Company's strategic plan and outlook.
- The discount rate applied in determining the recoverable amount of the Plant Protein CGU group was 12.8%. The discount rate was estimated based on the weighted average cost of capital of the Plant Protein CGU group and other competitors in the industry.

The value assigned to the key assumptions represent Management's assessment of future trends in the industry in which the Plant Protein CGU group operates and are based on both external and internal sources, historical trends and other relevant data.

7. INTANGIBLE ASSETS

	As at September 30, 2022	As at September 30, 2021	As at December 31 2021
Definite life	**$ 181,699**	$ 188,150	$ 184,576
Indefinite life	**185,829**	180,822	180,742
Total intangible assets	**$ 367,528**	$ 368,972	$ 365,318

The Company performs impairment testing on its indefinite life intangible assets annually during the fourth quarter, or in any quarter during which there is a trigger to test for impairment. As at September 30, 2022 based on the triggers described in relation to goodwill in Note 6, the Company also performed testing of the indefinite life intangibles associated with the Plant Protein CGU group.

Impairment testing of indefinite life intangibles is consistent with the impairment testing for goodwill as previously described in Note 6, which involves determining the recoverable amount of each indefinite life intangible asset and comparing this to the asset's carrying value.

The indefinite life intangible assets are allocated between the Meat Protein and Plant Protein CGU groups as follows:

CGU Group	**As at September 30, 2022**	As at September 30, 2021	As at December 31 2021
Meat Protein	**$ 126,412**	$ 126,412	$ 126,412
Plant Protein	**59,417**	54,410	54,330
Total indefinite life intangible assets	**$ 185,829**	$ 180,822	$ 180,742

Indefinite life intangible assets within the Plant Protein CGU group are comprised of trademarks. The recoverable amount of these trademarks was calculated using the royalty savings approach, which involved present valuing the royalties earned by similar trademarks. The key assumptions used in this determination were:

	2022	2021
Royalty rate	**1.5 - 3.0%**	1.5 - 3.0%
Terminal growth rate	**3.0%**	3.0%
Discount rate	**12.8%**	12.2%

Compared to the test completed during the fourth quarter of 2021, a decrease in risk associated with lower future sales projections, which are in line with the Company's current business plan, was more than offset by the changes in the macro-economic environment including the risk-free rate. No impairment of the intangible assets related to the Plant Protein CGU group resulted from comparing the carrying value of the indefinite life intangible assets to their recoverable amount determined through the royalty savings approach.

8. PROVISIONS

			Restructuring and related provisions		
	Legal	Environ-mental	Severance and other employee related costs	Site closing and other cash costs	Total
Balance at December 31, 2021[(i)]	$ 650	2,449	42,344	49	$ 45,492
Charges	—	—	3,997	6	4,003
Reversals	—	—	(2,132)	—	(2,132)
Cash payments	(20)	(37)	(103)	(55)	(215)
Balance at March 31, 2022	$ 630	2,412	44,106	—	$ 47,148
Charges	—	—	3,004	468	3,472
Reversals	—	—	(1,681)	—	(1,681)
Cash payments	—	(16)	(46)	—	(62)
Balance at June 30, 2022	$ 630	2,396	45,383	468	$ 48,877
Charges	—	—	1,378	24	1,402
Reversals	—	—	(653)	—	(653)
Cash payments	—	(15)	(2,086)	(525)	(2,626)
Foreign currency translation	—	—	19	33	52
Balance at September 30, 2022	$ 630	2,381	44,041	—	$ 47,052
Current					$ 39,939
Non-current					7,113
Total at September 30, 2022					$ 47,052

(i) *Balance as at December 31, 2021, includes current portion of $0.8 million and non-current portion of $44.7 million.*

	Legal	Environ-mental	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, 2020	$ 739	2,621	42,338	61	$ 45,759
Charges	—	—	1,009	—	1,009
Reversals	—	(140)	(313)	—	(453)
Cash payments	—	(8)	(607)	(49)	(664)
Balance at March 31, 2021	$ 739	2,473	42,427	12	$ 45,651
Charges	—	—	717	37	754
Reversals	(89)	—	(340)	—	(429)
Cash payments	—	(13)	(522)	—	(535)
Balance at June 30, 2021	$ 650	2,460	42,282	49	$ 45,441
Charges	—	—	562	—	562
Reversals	—	—	(543)	—	(543)
Cash payments	—	(8)	(175)	—	(183)
Balance at September 30, 2021	$ 650	2,452	42,126	49	$ 45,277
Current					$ 773
Non-current					44,504
Total at September 30, 2021					$ 45,277

Restructuring and Other Related Costs

During the three months ended September 30, 2022, the Company recorded restructuring and other related costs of $2.3 million (2021: $0.8 million). The $2.3 million consists of $0.3 million in the Plant Protein Group and $2.0 million in the Meat Protein Group. The $0.3 million (2021: $0.0 million) in the Plant Protein Group is related to severance and other employee related costs, as the Company changes focus and reorganizes SG&A and manufacturing operations in response to slower than previously anticipated segment growth. Of the $2.0 million in the Meat Protein Group, $1.6 million (2021: $0.8 million) related to accelerated depreciation and $0.4 million (2021: $0.0 million) related to severance and other employee costs related to the previously announced future closures of the Brampton, Toronto, St. Mary's, and Schomberg poultry plants.

During the nine months ended September 30, 2022, the Company recorded restructuring and other related costs of $24.4 million (2021: $3.7 million). The $24.4 million consists of $19.0 million in the Plant Protein Group and $5.4 million in the Meat Protein Group. Of the $19.0 million in the Plant Protein Group is $15.9 million (2021: $0.0 million) related to asset impairment and $3.1 million (2021: $0.0 million) related to severance and other employee related costs, as the Company changes focus and reorganizes SG&A and manufacturing operations in response to slower than previously anticipated segment growth. Of the $5.4 million in the Meat Protein Group, $4.1 million (2021: $2.6 million) related to accelerated depreciation and $1.3 million (2021: $0.7 million) related to severance and other employee costs as a result of the announced future closure of the Schomberg poultry plant as well as the previously announced future closures of the Brampton, Toronto, and St. Mary's poultry plants. The remaining amount of $0.4 million in 2021 were employee related costs for other organizational restructuring initiatives.

9. LONG-TERM DEBT

	As at September 30, 2022	As at September 30, 2021	As at December 31, 2021
Revolving line of credit	**$ 905,084**	$ 470,000	$ 555,219
U.S. term credit	**366,177**	335,318	334,828
Canadian term credit	**350,000**	350,000	350,000
Government loans	**7,102**	7,697	12,202
Total long-term debt	**$ 1,628,363**	$ 1,163,015	$ 1,252,249
Current	**$ 712**	$ 5,279	$ 5,176
Non-current	**1,627,651**	1,157,736	1,247,073
Total long-term debt	**$ 1,628,363**	$ 1,163,015	$ 1,252,249

On June 29, 2022, the Company renewed its syndicated sustainability-linked credit facility (the "Credit Facility"). The Company extended the maturity date of the $1,300.0 million unsecured committed revolving line of credit to June 29, 2027, and extended the maturity dates of the US$265.0 million and $350.0 million unsecured committed term credit facilities to June 29, 2027 and June 29, 2026, 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 based on the Secured Overnight Financing Rate ("SOFR") for U.S. dollar loans. The Credit Facility is intended to meet the Company's funding requirements for capital investments in addition to providing appropriate levels of liquidity for general corporate purposes. The interest rate on the Credit Facility may be adjusted up or down based on the Company's performance compared to specified sustainability targets.

In addition to the drawings on the revolving facility and the term credit, as at September 30, 2022 the Company had drawn letters of credit of $8.4 million on the Credit Facility (September 30, 2021: $8.1 million; December 31, 2021: $8.2 million).

The Credit Facility requires the maintenance of certain covenants. As at September 30, 2022, the Company was in compliance with all of these covenants. The primary financial covenant requires that the Company maintain a total debt to capitalization ratio below a specified threshold.

The Company has additional uncommitted credit facilities for issuing letters of credit up to a maximum of $125.0 million (September 30, 2021: $125.0 million; December 31, 2021: $125.0 million). As at September 30, 2022, $58.6 million in letters of credit had been issued thereon (September 30, 2021: $66.8 million; December 31, 2021: $66.8 million).

The Company has various government loans on specific projects. As at September 30, 2022, these loans are non-interest bearing facilities (September 30, 2021: 0.0% to 2.9%; December 31, 2021: 0.0% to 2.9%). These specific facilities are repayable over various terms and are maturing from 2024 to 2032. As at September 30, 2022, $7.1 million (September 30, 2021: $7.7 million; December 31, 2021: $12.2 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,**	
	2022	2021	**2022**	2021
Total long-term debt, beginning of period	**$ 1,514,153**	$ 1,127,100	**$ 1,252,249**	$ 745,948
Revolving and term credit facilities - net drawings	**$ 85,194**	$ 30,000	**$ 345,839**	$ 420,000
Government loans - repayments	**(667)**	(667)	**(5,365)**	(945)
Total cash flow from long-term debt financing activities	**$ 84,527**	$ 29,333	**$ 340,474**	$ 419,055
Foreign exchange revaluation	**$ 29,615**	$ 6,506	**$ 35,375**	$ (2,226)
Other non-cash changes	**68**	76	**265**	238
Total non-cash changes	**$ 29,683**	$ 6,582	**$ 35,640**	$ (1,988)
Total long-term debt, end of period	**$ 1,628,363**	$ 1,163,015	**$ 1,628,363**	$ 1,163,015

10. SHARE CAPITAL

Share Repurchase

On May 20, 2022 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 limitations of such bids. Common shares purchased by the Company are cancelled. The program commenced on May 25, 2022 and will terminate on May 24, 2023, 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, 2022, 1.2 million shares at an average price of $22.97 per share were repurchased for cancellation.

On May 20, 2021 the TSX accepted the Company's notice of intention to commence a 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 25, 2021 and terminated on May 24, 2022. Under this bid, during the nine months ended September 30, 2022, no shares were repurchased for cancellation. During the three and nine months ended September 30, 2021, no shares were purchased for cancellation.

On May 21, 2020 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 25, 2020 and was terminated on May 24, 2021. During the three and nine months ended September 30, 2021, 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, 2022, an obligation for the repurchase of shares of $30.5 million (September 30, 2021: $32.3 million, December 31, 2021: $49.1 million) was recognized under the ASPP.

11. 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:

	2022			2021		
	Notional amount(i)	**Fair value Asset**(ii)	**Fair value Liability**(ii)	Notional amount(i)	Fair value Asset(ii)	Fair value Liability(ii)
Cash flow hedges						
Foreign exchange contracts	**$ 22,327**	**$ —**	**$ 739**	$ 14,340	$ 8	$ 220
Interest rate swaps	**$ 501,177**	**17,386**	**—**	$ 470,318	—	11,023
		$ 17,386	**$ 739**		$ 8	$ 11,243
Fair value hedges(iii)						
Foreign exchange contracts	**$ 22,928**	**$ —**	**$ 1,593**	$ 50,326	$ 101	$ 651
Commodity contracts	**$ 22,097**	**2,292**	**—**	$ 45,633	—	3,719
		$ 2,292	**$ 1,593**		$ 101	$ 4,370
Derivatives not designated in a formal hedging relationship						
Interest rate swaps	**$ 552,978**	**$ 10,073**	**$ —**	$ —	$ —	$ —
Foreign exchange contracts	**$ 128,328**	**$ 3,720**	**$ 1,859**	$ 265,038	$ 2,095	$ 1,168
Commodity contracts	**$ 407,363**	**823**	**2,673**	$ 292,278	2,334	—
		$ 14,616	**$ 4,532**		$ 4,429	$ 1,168
Total fair value		**$ 34,294**	**$ 6,864**		$ 4,538	$ 16,781
Current(ii)(iv)		**$ 28,455**	**$ 6,864**		$ 4,538	$ 12,039
Non-current(ii)		**5,839**	**—**		—	4,742
Total fair value		**$ 34,294**	**$ 6,864**		$ 4,538	$ 16,781

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

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

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

(iv) *As at September 30, 2022, the above fair value of current assets has been decreased by $0.5 million (September 30, 2021: increased by $2.2 million; December 31, 2021: decreased by $0.5 million), and the above fair value of current liabilities has been decreased by $2.4 million (September 30, 2021: decreased by $3.7 million; December 31, 2021: decreased by $0.0 million) on the Consolidated Interim Balance Sheets, representing the difference in the fair market value of exchange traded commodity contracts and the initial margin requirements. The difference in margin requirements and fair market value is net settled in cash each day with the futures exchange and is recorded within cash and cash equivalents.*

During the three months ended September 30, 2022, the Company recorded a pre-tax gain of $7.3 million (2021: gain of $0.3 million) on non-designated financial instruments held for trading.

During the nine months ended September 30, 2022, the Company recorded a pre-tax gain of $23.0 million (2021: loss of $9.2 million) on non-designated financial instruments held for trading.

During the three months ended September 30, 2022, the pre-tax amount of hedge ineffectiveness recognized in cost of goods sold was a gain of $0.0 million (2021: gain of $0.1 million).

During the nine months ended September 30, 2022, the pre-tax amount of hedge ineffectiveness recognized in cost of goods sold was a gain of $0.0 million (2021: gain of $0.1 million).

The table below sets out fair value measurements of derivative financial instruments as at September 30, 2022 using the fair value hierarchy:

		Level 1	Level 2	Level 3		Total
Assets:						
Foreign exchange contracts	$	—	3,720	—	$	3,720
Commodity contracts[(i)]		—	823	—		823
Interest rate swaps		—	27,459	—		27,459
	$	**—**	**32,002**	**—**	**$**	**32,002**
Liabilities:						
Foreign exchange contracts	$	—	4,191	—	$	4,191
Commodity contracts[(i)]		381	—	—		381
	$	**381**	**4,191**	**—**	**$**	**4,572**

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

There were no transfers between levels for the three and nine months ended September 30, 2022 and September 30, 2021.

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 2021 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 $8.1 million, net of tax of $2.8 million, of the unrealized gain included in accumulated other comprehensive income (loss) will be reclassified into net (loss) 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, 2022, a loss of $0.1 million, net of tax of $0.0 million, was released to net (loss) earnings from accumulated other comprehensive income (loss) and included in the net change for the year (2021: gain of $1.8 million, net of tax of $0.6 million).

During the nine months ended September 30, 2022, a loss of $0.8 million, net of tax of $0.3 million, was released to net (loss) earnings from accumulated other comprehensive income (loss) and included in the net change for the year (2021: gain of $0.6 million, net of tax of $0.2 million).

As at September 30, 2022, the Company had US$265.0 million (September 30, 2021: US$265.0 million; December 31, 2021: US$265.0 million) drawn on the Credit Facility 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 accumulated other comprehensive income (loss) and offset translation adjustments on the underlying net assets of the U.S. operations, which are also recorded in accumulated other comprehensive income (loss).

During the three months ended September 30, 2022, the loss on the net investment hedge recorded in other comprehensive income (loss) was $20.8 million, net of tax of $3.9 million (2021: loss of $5.5 million, net of tax of $1.1 million).

During the nine months ended September 30, 2022, the loss on the net investment hedge recorded in other comprehensive income (loss) was $26.4 million, net of tax of $5.0 million (2021: gain of $1.8 million, net of tax of $0.4 million).

12. INTEREST EXPENSE AND OTHER FINANCING COSTS

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Interest on borrowings from credit facility	**$ 18,096**	$ 8,149	**$ 39,573**	$ 20,012
Interest on lease obligations	**1,377**	1,560	**4,331**	5,433
Interest on securitized receivables	**946**	313	**1,879**	809
Interest on government loans	**69**	76	**265**	237
Amortization of deferred financing charges	**407**	416	**1,239**	1,265
Credit facility standby fees and other interest	**618**	1,085	**2,348**	3,131
	$ 21,513	$ 11,599	**$ 49,635**	$ 30,887
Interest paid and capitalized	**(7,019)**	(5,916)	**(16,639)**	(14,525)
	$ 14,494	$ 5,683	**$ 32,996**	$ 16,362

Interest paid during the three and nine months ended September 30, 2022 was $11.0 million and $51.1 million (2021: $11.3 million and $31.3 million).

13. (LOSS) EARNINGS PER SHARE

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

Diluted (loss) earnings per share amounts are calculated by dividing the net (loss) 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 (loss) earnings per share ("EPS"):

	2022			2021		
Three months ended September 30,	**Net loss**	**Weighted average number of shares[(i)]**	**EPS**	Net earnings	Weighted average number of shares[(i)]	EPS
Basic	**$ (229,476)**	**123.7**	**$ (1.86)**	$ 44,479	123.5	$ 0.36
Stock options[(ii)]		**—**			2.0	
Diluted	**$ (229,476)**	**123.7**	**$ (1.86)**	$ 44,479	125.5	$ 0.35
Nine months ended September 30,						
Basic	**$ (270,401)**	**123.9**	**$ (2.18)**	$ 100,945	123.4	$ 0.82
Stock options[(ii)]		**—**			2.3	
Diluted	**$ (270,401)**	**123.9**	**$ (2.18)**	$ 100,945	125.7	$ 0.80

(i) *In millions.*

(ii) *Excludes the effect of approximately 6.3 million (2021: 3.4 million) options and performance shares that are anti-dilutive for the three months ended September 30, 2022 and 5.0 million (2021: 3.4 million) for the nine months ended September 30, 2022 that are anti-dilutive.*

14. SHARE-BASED PAYMENT

Stock Options

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

	2022		2021	
	Options outstanding	**Weighted average exercise price**	Options outstanding	Weighted average exercise price
Outstanding at January 1	**6,076,750**	**$ 26.22**	5,889,550	$ 25.48
Granted	**730,500**	**$ 28.20**	1,241,250	$ 25.10
Exercised	**(164,970)**	**$ 22.53**	(63,900)	$ 21.26
Outstanding at March 31	**6,642,280**	**$ 26.53**	7,066,900	$ 25.45
Granted	**—**	**$ —**	10,500	$ 25.10
Exercised	**(355,200)**	**$ 22.52**	(24,050)	$ 23.04
Forfeited	**—**	**$ —**	(11,100)	$ 28.38
Outstanding at June 30	**6,287,080**	**$ 26.76**	7,042,250	$ 25.46
Exercised	**—**	**$ —**	(334,400)	$ 20.28
Forfeited	**(90,600)**	**$ 26.21**	—	$ —
Outstanding at September 30	**6,196,480**	**$ 26.77**	6,707,850	$ 25.72
Options currently exercisable	**4,237,280**	**$ 27.25**	4,142,350	$ 26.26

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, 2022 and 2021 are shown in the table below[(i)]:

	Nine months ended September 30,	
	2022	2021
Share price at grant date	**$29.91**	$26.38
Exercise price	**$28.20**	$25.10
Expected volatility	**28.4%**	26.4%
Option life (in years)[(ii)]	**4.5**	4.5
Expected dividend yield	**3.3%**	2.7%
Risk-free interest rate[(iii)]	**2.0%**	0.8%

(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, 2022 (2021: $0.0 million). Expenses relating to current and prior year options during the three months ended September 30, 2022 were $1.2 million (2021: $1.4 million).

The fair value of options granted during the nine months ended September 30, 2022 was $4.2 million (2021: $5.8 million). Expenses relating to current and prior year options during the nine months ended September 30, 2022 were $3.5 million (2021: $3.9 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")) as at and for the nine months ended September 30 are presented below:

	2022		2021	
	Share units outstanding	**Weighted average fair value at grant**	Share units outstanding	Weighted average fair value at grant
Outstanding at January 1	**1,742,421**	**$ 23.59**	1,550,135	$ 24.99
Granted	**659,980**	**$ 27.11**	548,050	$ 24.12
Forfeited	**(4,307)**	**$ 23.79**	(4,760)	$ 23.45
Outstanding at March 31	**2,398,094**	**$ 24.56**	2,093,425	$ 24.76
Granted	**39,940**	**$ 24.70**	—	$ —
Distributed	**(498,842)**	**$ 26.52**	(319,791)	$ 30.61
Forfeited	**(18,414)**	**$ 23.90**	(54,933)	$ 27.98
Outstanding at June 30	**1,920,778**	**$ 24.06**	1,718,701	$ 23.57
Granted	**28,720**	**$ 18.01**	24,760	$ 24.79
Forfeited	**(63,792)**	**$ 25.25**	(1,040)	$ 24.12
Outstanding September 30	**1,885,706**	**$ 23.93**	1,742,421	$ 23.59

The fair value of RSUs and PSUs granted during the three months ended September 30, 2022 was $0.5 million (2021: $0.5 million). Expenses for the three months ended September 30, 2022 relating to current and prior year RSUs and PSUs, were $0.7 million (2021: $6.7 million), of which includes a net reduction in expense of $0.4 million (2021: $0.0 million) related to cash settled units and the remainder of the net expense will be settled in shares.

The fair value of RSUs and PSUs granted during the nine months ended September 30, 2022 was $16.4 million (2021: $11.9 million). Expenses for the nine months ended September 30, 2022 relating to current and prior year RSUs and PSUs were $11.7 million (2021: $13.0 million), of which $0.1 million (2021: $0.0 million) will be paid in cash and the remainder settled in shares.

During the nine months ended September 30, 2022 the Company stated its intention to settle a portion of the outstanding Restricted Share Units and Performance Share Units in cash, and an amount of $3.7 million was re-classified from equity to other liabilities. The total liability recorded for these units is $1.3 million.

The key assumptions used in the valuation of fair value of RSUs granted during the nine months ended September 30, 2022 and 2021 are shown in the table below[(i)]:

	2022	2021
Expected RSU life (in years)	**3.1**	3.1
Forfeiture rate	**15.4%**	13.8%
Risk-free interest rate[(ii)]	**2.1%**	0.5%

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

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

Deferred Share Units

Expenses for the three and nine months ended September 30, 2022 relating to director share units were $0.4 million and $1.3 million (2021: $0.4 million and $0.8 million).

15. 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 predominately on revenue growth rates, gross margin optimization and controlling selling, general and administrative ("SG&A") investment levels, which generate high revenue growth rates, with the short term focus on obtaining Adjusted EBITDA neutral or better results. Refer to section 22. Non-IFRS Financial Measures, of the Company's Management's Discussion and Analysis for the three and nine months ended September 30, 2022, 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, and 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®, Maple Leaf Natural Selections®, Schneiders®, Schneiders® Country Naturals®, Mina®, Greenfield Natural Meat Co.®, and many leading regional 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™.

	Three months ended September 30, 2022				Three months ended September 30, 2021			
	Meat Protein Group	**Plant Protein Group**	**Non-Allocated(i)**	**Total(ii)**	Meat Protein Group	Plant Protein Group	Non-Allocated(i)	Total(ii)
Sales	**$1,194,465**	**43,593**	**(6,202)**	**$1,231,855**	$1,150,338	47,967	(9,662)	$1,188,643
Gross profit (loss)	**$ 125,556**	**(9,822)**	**(33,272)**	**$ 82,461**	$ 191,483	(3,263)	(62)	$ 188,158
Selling, general and administrative expenses	**$ 82,948**	**19,853**	**—**	**$ 102,800**	$ 85,859	34,404	—	$ 120,263
Earnings (loss) before income taxes	**$ 39,448**	**(223,007)**	**(48,249)**	**$ (231,808)**	$ 105,345	(37,857)	(5,151)	$ 62,337
Interest expense and other financing costs	**—**	**—**	**14,494**	**14,494**	—	—	5,683	5,683
Impairment of goodwill	**—**	**190,911**	**—**	**190,911**	—	—	—	—
Other expense (income)	**1,189**	**2,061**	**483**	**3,733**	(561)	190	(594)	(965)
Restructuring and other related costs	**1,971**	**360**	**—**	**2,332**	840	—	—	840
Earnings (loss) from operations	**$ 42,609**	**(29,675)**	**(33,272)**	**$ (20,339)**	$ 105,624	(37,667)	(62)	$ 67,895
Start-up expenses from Construction Capital(iii)(iv)	**10,994**	**222**	**—**	**11,216**	2,022	573	—	2,595
Change in fair value of biological assets	**—**	**—**	**31,451**	**31,451**	—	—	(6,630)	(6,630)
Unrealized loss (gain) on derivative contracts	**—**	**—**	**1,820**	**1,820**	—	—	6,692	6,692
Adjusted Operating Earnings(iv)	**$ 53,602**	**(29,452)**	**—**	**$ 24,148**	$ 107,646	(37,094)	—	$ 70,552
Depreciation and amortization(iv)	**48,535**	**5,244**	**—**	**53,779**	43,112	3,915	—	47,027
Items included in other (expense) income representative of ongoing operations	**(1,189)**	**(43)**	**—**	**(1,232)**	562	(191)	—	371
Adjusted EBITDA(iv)	**$ 100,948**	**(24,251)**	**—**	**$ 76,695**	$ 151,320	(33,370)	—	$ 117,950

(i) *Non-Allocated includes eliminations of inter-segment sales and associated cost of goods sold, and non-allocated costs which are comprised of income and expenses not separately identifiable to reportable segments or 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.*

(iii) *Start-up expenses are temporary costs as a result of operating new facilities that are or have been classified as Construction Capital. These costs include but are not limited to training, product testing, yield and labour efficiency variances, duplicative overheads and other temporary expenses required to ramp-up production.*

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

	Nine months ended September 30, 2022				Nine months ended September 30, 2021			
	Meat Protein Group	**Plant Protein Group**	**Non-Allocated(i)**	**Total(ii)**	Meat Protein Group	Plant Protein Group	Non-Allocated(i)	Total(ii)
Sales	**$3,444,073**	**129,295**	**(19,826)**	**$3,553,541**	$3,281,509	138,648	(19,570)	$3,400,587
Gross profit (loss)	**$ 392,486**	**(26,161)**	**(42,761)**	**$ 323,563**	$ 524,622	(2,854)	(5,000)	$ 516,768
Selling, general and administrative expenses	**$ 258,898**	**76,967**	**—**	**$ 335,865**	$ 254,112	92,955	—	$ 347,067
Earnings (loss) before income taxes	**$ 123,650**	**(315,217)**	**(77,837)**	**$ (269,406)**	$ 268,259	(96,165)	(29,647)	$ 142,447
Interest expense and other financing costs	**—**	**—**	**32,996**	**32,996**	—	—	16,362	16,362
Impairment of goodwill	**—**	**190,911**	**—**	**190,911**	—	—	—	—
Other expense (income)	**4,563**	**2,165**	**2,080**	**8,809**	(1,447)	356	8,285	7,194
Restructuring and other related costs	**5,375**	**19,013**	**—**	**24,389**	3,698	—	—	3,698
Earnings (loss) from operations	**$ 133,588**	**(103,128)**	**(42,761)**	**$ (12,302)**	$ 270,510	(95,809)	(5,000)	$ 169,701
Start-up expenses from Construction Capital(iii)(iv)	**28,668**	**4,759**	**—**	**33,427**	4,087	1,569	—	5,656
Change in fair value of biological assets	**—**	**—**	**42,104**	**42,104**	—	—	6,779	6,779
Unrealized loss (gain) on derivative contracts	**—**	**—**	**657**	**657**	—	—	(1,779)	(1,779)
Adjusted Operating Earnings(iv)	**$ 162,256**	**(98,369)**	**—**	**$ 63,886**	$ 274,597	(94,240)	—	$ 180,357
Depreciation and amortization(iv)	**144,867**	**13,544**	**—**	**158,411**	134,359	11,323	—	145,682
Items included in other (expense) income representative of ongoing operations	**(4,563)**	**(147)**	**—**	**(4,710)**	(2,568)	(356)	—	(2,924)
Adjusted EBITDA(iv)	**$ 302,560**	**(84,972)**	**—**	**$ 217,588**	$ 406,388	(83,273)	—	$ 323,115

(i) *Non-Allocated includes eliminations of inter-segment sales and associated cost of goods sold, and non-allocated costs which are comprised of income and expenses not separately identifiable to reportable segments or 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.*

(iii) *Start-up expenses are temporary costs as a result of operating new facilities that are or have been classified as Construction Capital. These costs include but are not limited to training, product testing, yield and labour efficiency variances, duplicative overheads and other temporary expenses required to ramp-up production.*

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

The following summarizes capital expenditures by segments:

	Three months ended September 30,		**Nine months ended September 30,**	
	2022	2021	**2022**	2021
Meat Protein Group	**$ 71,040**	$ 128,277	**$ 235,134**	$ 420,563
Plant Protein Group	**1,781**	21,213	**9,305**	75,072
Non-allocated capital expenditures	**3,430**	3,455	**10,887**	8,800
Total capital expenditures	**$ 76,251**	$ 152,945	**$ 255,326**	$ 504,435

Information About Geographic Areas

The following summarizes sales by country of origin:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021[(i)]	**2022**	2021[(i)]
Canada	**$ 940,496**	$ 879,827	**$ 2,657,327**	$ 2,493,450
U.S.	**152,290**	147,075	**449,379**	413,047
Japan	**84,947**	111,585	**285,990**	316,726
Other	**54,122**	50,156	**160,845**	177,364
Sales	**$ 1,231,855**	$ 1,188,643	**$ 3,553,541**	$ 3,400,587

(i) *Certain comparatives 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, 2022	As at September 30, 2021	As at December 31, 2021
Canada	**$ 3,025,921**	$ 2,865,924	$ 2,910,048
U.S.	**312,262**	454,616	478,062
Other	**711**	1,048	963
Total non-current assets[(i)]	**$ 3,338,894**	$ 3,321,588	$ 3,389,073

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

Information About Major Customers

For the three months ended September 30, 2022, the Company reported Meat and Plant Protein sales to two customers representing 12.0% and 11.7% (2021: 11.9% 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, 2022, the Company reported Meat and Plant Protein sales to two customers representing 11.6% and 11.5% (2021: 12.2% and 11.2%) of total sales. No other sales were made to any one customer that represented in excess of 10.0% of total sales.

16. 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, 2022, the Company contributed $7.8 million and $23.9 million (2021: $7.6 million and $28.6 million) to these plans.

The Company’s largest shareholder is McCain Capital Inc. (“MCI”). The Company has been informed that Mr. Michael H. McCain, Chief Executive Officer and Executive Chair of the Company, is the controlling shareholder of MCI. For the three and nine months ended September 30, 2022, the Company received services from MCI and companies directly or indirectly owned by MCI in the amount of $0.2 million and $1.8 million (2021: $0.0 million and $0.0 million), which represented the market value of these transactions. As at September 30, 2022, $0.1 million (September 30, 2021: $0.0 million; December 31, 2021: $0.6 million) was owed to MCI and companies directly or indirectly owned by MCI relating to these transactions.

McCain Financial Advisory Services ("MFAS"), is an entity jointly controlled by individuals including Mr. Michael H. McCain. For the three and nine months ended September 30, 2022 and 2021, the Company provided services to and received services from, MFAS for a nominal amount which represented the market value of the transactions.

17. BUSINESS COMBINATIONS

(a) 2021 Acquisition

On June 25, 2021, the Company completed the acquisition of a poultry processing facility and associated supply from Certm Inc. (formerly Cericola Farms Inc.), a privately held Canadian company for total consideration of $62.1 million (cash due at closing: $40.0 million; 2018 deposit of $20.2 million and working capital adjustments of $1.9 million). This acquisition concludes the purchase and sale agreement dated June 27, 2018 pursuant to which the Company previously acquired two poultry plants and associated supply, which had been previously recorded as a right-of-use asset with a corresponding lease obligation, with a put/call option to purchase a third processing facility. The Company has financed the transaction using a combination of cash on hand and drawings on existing credit facilities. The acquisition has been accounted for as a business combination. The Company recognized goodwill of $7.6 million which is attributable to synergies created by expanding the Company's share of regulated input supply.

The Company finalized the amounts recorded in the business combination during the fourth quarter of 2021.

The final fair value of the consideration transferred for the poultry processing facility and associated poultry supply consists of the following:

		Purchase Price
		June 25, 2021
Purchase price paid upon closing of the put option	$	40,000
Cash deposit prepaid in the year ended December 31, 2018		20,185
Working capital and other adjustments		1,928
Total consideration paid in cash	**$**	**62,113**

During the fourth quarter of 2021 the Company finalized amounts recorded in the business combination which resulted in the following adjustments to the preliminary purchase price allocation:

		June 25, 2021			
		Preliminary amounts	**Adjustments**		**Final amounts**
Current assets					
Accounts receivable[(i)]	$	1,339	—	$	1,339
Prepaid and other assets		70	—		70
Non-current assets					
Property and equipment		13,651	(2,549)		11,102
Intangible assets - poultry quota		46,155	(3,317)		42,838
Goodwill		—	7,643		7,643
Current liabilities					
Accounts payable and accruals		(879)	—		(879)
Total net assets acquired	**$**	**60,336**	**1,777**	**$**	**62,113**

(i) *Pertain to trade receivables for which contractual cash flows not expected to be collected are not significant.*

(b) Transaction Costs

During the three and nine months ended September 30, 2021, the Company recorded transaction costs of $0.1 million that have been excluded from the consideration paid and have been recognized as an expense in other expense (income).

There were no transaction costs recorded in 2022.

18. SUBSEQUENT EVENT

On November 6, 2022 the Company confirmed that it was experiencing a system outage linked to a cybersecurity incident. The Company is executing its business continuity plans as it works to restore the impacted systems. At this time the impact of the event on the financial results of the Company is unknown.