MAPLE LEAF FOODS INC.

Interim Report to Shareholders
For the First Quarter Ended
March 31, 2024

Management's Discussion and Analysis

Management's Discussion and Analysis

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

May 1, 2024

1. FINANCIAL OVERVIEW

($ millions except earnings per share) *(Unaudited)*	As at or for the three months ended March 31, 2024	2023	% Change
Sales[(i)]	**$ 1,153.2**	$ 1,171.1	(1.5)%
Net Earnings (Loss)	**$ 51.6**	$ (57.7)	189.4 %
Basic Earnings (Loss) per Share	**$ 0.42**	$ (0.48)	187.5 %
Adjusted Operating Earnings[(ii)]	**$ 53.0**	$ 19.3	174.4 %
Adjusted Earnings (Loss) per Share[(ii)]	**$ 0.04**	$ (0.12)	133.3 %
Adjusted EBITDA[(ii)]	**$ 116.4**	$ 75.3	54.6 %
Free Cash Flow[(ii)]	**$ 73.6**	$ 12.4	493.5 %
Net Debt[(ii)]	**$ (1,722.8)**	$ (1,677.3)	2.7 %
Adjusted EBT[(ii)]	**$ 10.4**	$ (14.0)	174.3 %

(i) *Quarterly amounts for 2023 have been adjusted to eliminate new sales agreements entered into during the year that contained an expectation of repurchase, which had previously been reported as external sales.*

(ii) *Refer to section 17. Non-IFRS Financial Measures of this document for the definition of these non-IFRS measures.*

Sales for the first quarter of 2024 were $1,153.2 million compared to $1,171.1 million last year, a decrease of 1.5%. Sales in the Prepared Foods operating unit decreased approximately 0.4%, with prepared meats increasing 2.9% offset by declines in plant protein and poultry of 5.7% and 7.1% respectively, compared to last year. Sales in the Pork operating unit decreased by 4.5% compared to last year. For more details on sales performance please refer to section 2. Operating Review.

Net earnings for the first quarter of 2024 were $51.6 million ($0.42 per basic share) compared to a loss of $57.7 million ($0.48 loss per basic share) last year. Net earnings were positively impacted by reduced feed costs, operating efficiencies, lower start-up expenses, reduced restructuring costs, and a positive impact of unrealized mark to market valuation on biological assets. Results were negatively impacted by higher interest expense due to increased interest rates and higher debt, as well as increased tax expenses.

Adjusted Operating Earnings for the first quarter of 2024 were $53.0 million compared to $19.3 million last year, and Adjusted Earnings per Share for the first quarter of 2024 was $0.04 compared to loss of $0.12 last year.

Adjusted Earnings Before Taxes ("Adjusted EBT") for the first quarter of 2024 were $10.4 million compared to loss of $14.0 million last year.

For further discussion on key operational metrics and results refer to section 2. Operating Review.

2. OPERATING REVIEW

Earlier this year, the Company announced an update to its strategic blueprint ("Blueprint") that reflects the progress it has made toward achieving its Purpose and Vision and establishes the roadmap for the next chapter for how Maple Leaf Foods intends to deliver on these objectives.

To execute on this Blueprint, the Company has combined its Meat and Plant Protein businesses and aligned its organizational structure to focus on its growth potential in key markets, drive operational efficiencies, and provide clear accountability for strategic execution. Based on this realignment and focus as a protein company, as of the first quarter of 2024, Maple Leaf Foods is reporting its business and operational results as a consolidated protein company, to align with how management monitors and measures business performance. With these changes, the Company believes it is positioned to achieve a consolidated Adjusted EBITDA margin target of 14% to 16% in normal market conditions. Previously, the Company's Adjusted EBITDA margin target of 14% to 16% in normal market conditions was solely for meat protein. The Company achieved an Adjusted EBITDA margin for meat protein of 10.8% in the first quarter of 2024.

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As a consolidated protein company, Maple Leaf Foods has two operating units: Prepared Foods and Pork, which represent on average approximately 75% and 25% of total Company revenue respectively. Prepared Foods combines the operations of prepared meats, plant protein, and poultry, which represent on average approximately 50%, 5% and 20% of total Company revenue respectively.

The following table summarizes the Company's sales, gross profit, selling, general and administrative expenses ("SG&A"), Adjusted Operating Earnings, Adjusted EBITDA, Adjusted EBITDA Margin, and Adjusted EBT for the three months ended March 31, 2024 and March 31, 2023.

($ millions) *(Unaudited)*	**Three months ended March 31, 2024**	2023
Sales[(i)]	**$ 1,153.2**	$ 1,171.1
Gross profit	**$ 226.3**	$ 76.4
Selling, general and administrative expenses	**$ 110.0**	$ 102.7
Adjusted Operating Earnings[(ii)]	**$ 53.0**	$ 19.3
Adjusted EBITDA[(ii)]	**$ 116.4**	$ 75.3
Adjusted EBITDA Margin[(i)(ii)]	**10.1%**	6.4%
Adjusted EBT[(ii)]	**$ 10.4**	$ (14.0)

(i) *Quarterly amounts for 2023 have been adjusted to eliminate new sales agreements entered into during the year that contained an expectation of repurchase, which had previously been reported as external sales.*

(ii) *Refer to section 17. Non-IFRS Financial Measures of this document for the definition of these non-IFRS measures.*

Sales for the first quarter decreased 1.5% to $1,153.2 million, compared to $1,171.1 million last year. Sales in the Prepared Foods operating unit decreased approximately 0.4%, with prepared meats increasing 2.9% offset by declines in plant protein and poultry of 5.7% and 7.1% respectively, compared to last year. Sales in the Pork operating unit decreased by 4.5% compared to last year. Volume and mix drove the increase in sales in prepared meats, while decreases in volume in fresh poultry were driven by reduced sales to industrial channels; and in Pork by a reduction in hog purchases for processing and a negative foreign exchange impact.

Gross profit for the first quarter increased to $226.3 million, (gross margin[(i)] of 19.6%) compared to $76.4 million (gross margin[(i)] of 6.5%) last year. The improvement in gross profit was driven by improving pork market conditions, operating efficiencies at the London Poultry plant, and a higher unrealized mark to market valuation adjustment on biological assets, due to changes in hog and feed markets. In addition, gross profit benefited from reduced start-up expenses related to Capital Construction[(ii)] projects, which decreased by approximately 67% in the current quarter compared to last year.

SG&A expenses for the first quarter were $110.0 million, compared to $102.7 million last year. The increase in SG&A expenses was primarily driven by higher variable compensation.

Adjusted Operating Earnings for the first quarter were $53.0 million, compared to $19.3 million last year, driven primarily by the drivers noted above for gross profit and SG&A, and excluding the impacts of unrealized mark to market valuation adjustments and start-up expenses, which are excluded in the calculation of Adjusted Operating Earnings.

Adjusted EBITDA for the first quarter were $116.4 million, compared to $75.3 million last year, driven by factors consistent with those noted above and also excluding the impact of unrealized mark to market valuation adjustments and start-up expenses. Adjusted EBITDA Margin for 2024 was 10.1% compared to 6.4% last year, also driven by factors consistent with those noted above.

Adjusted EBT for the first quarter were $10.4 million, compared to a loss of $14.0 million last year, driven by factors consistent with those noted above, as well as a $10.5 million increase in interest expense as a result of increased interest rates and higher debt related to capital investments in recent years and also excluding the impacts of unrealized mark to market valuation adjustments and start-up expenses.

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

(ii) *Refer to section 17. Non-IFRS Financial Measures of this document for the definition of these non-IFRS measures.*

3. RESTRUCTURING AND OTHER RELATED COSTS

During the three months ended March 31, 2024, restructuring and other related costs were a net provision reversal of $0.7 million (2023: costs of $7.7 million). Of the $0.7 million, reversals of $1.3 million (2023: costs of $0.3 million) related to severance and other employee costs from the closures of the Brampton, Toronto, St. Mary's, and Schomberg poultry plants, $0.5 million (2023: $1.1 million) related to decommissioning, reversals of $0.1 million (2023: $0.0 million) related to asset impairments, and $0.0 million (2023: $1.4 million) related to accelerated depreciation due to the closures. In addition, $0.1 million (2023: $3.9 million) related to inventory impairment, $0.0 million (2023: $0.4 million) of severance and other employee related costs, and $0.0 million (2023: $0.1 million) is related to other cash costs, as a result of organizational changes in the Plant Protein business. The remaining amount of $0.1 million (2023: $0.5 million) was related to employee related costs for other organizational restructuring initiatives.

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4. INCOME TAXES

The Company's effective rate of income tax expense in the first quarter of 2024 differed from the Canadian statutory tax rate of 26.2% primarily due to the Company not recognizing a deferred tax recovery on losses of its Plant Protein subsidiary. The effective rate of tax recovery in the first quarter of 2023 differed from the Canadian statutory tax rate of 26.2% for the same reason. The effective rate of tax expense in the first quarter of 2024 used in determining Adjusted Earnings per Share is 57.4% (2023: 6.9% tax recovery). In the first quarter of 2024, the effective tax recovery rate on restructuring charges used in the computation of Adjusted Earnings per Share is 27.6% (2023: 10.9%).

5. CAPITAL RESOURCES AND LIQUIDITY

The consumer foods industry in which the Company operates is generally characterized by high sales volume and high turnover of inventories and accounts receivable. In general, accounts receivable and inventories are readily convertible into cash. Investment in working capital is affected by fluctuations in the price of raw materials as well as seasonal and other market-related fluctuations. The Company has consistently generated a strong base level of operating cash flow, even in periods of higher commodity prices and during the 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 March 31, 2024 was $206.4 million (March 31, 2023: $79.4 million; December 31, 2023: $203.4 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 March 31, 2024**	As at March 31, 2023	As at December 31, 2023
Revolving line of credit	**$ 813,400**	$ 1,046,603	$ 843,400
U.S. term credit Tranche 1	**358,943**	358,545	350,873
Canadian term credit Tranche 2	**350,000**	350,000	350,000
Canadian term credit Tranche 3	**400,000**	—	400,000
Government loans	**7,046**	6,949	7,147
Supplier financing	**3,570**	—	4,202
Deferred financing charges	**(3,756)**	(5,407)	(4,807)
Total long-term debt	**$ 1,929,203**	$ 1,756,690	$ 1,950,815
Current	**$ 401,538**	$ 1,130	$ 400,735
Non-current	**1,527,665**	1,755,560	1,550,080
Total long-term debt	**$ 1,929,203**	$ 1,756,690	$ 1,950,815
Construction Capital(i) included in total long-term debt	**$ —**	$ 18,093	$ —

(i) *Refer to section 17. Non-IFRS Financial Measures of this document for the definition of this non-IFRS measure.*

The Company has a syndicated sustainability-linked credit facility (the "Credit Facility") consisting of a $1,300.0 million unsecured committed revolving line of credit maturing June 29, 2027, and two unsecured committed term facilities for US$265.0 million and $350.0 million maturing June 29, 2027 and June 29, 2026, respectively. In February 2023, the Company amended its covenants to reflect the extended effect of the post-pandemic economy. On June 20, 2023, the Credit Facility was further amended by adding an additional $400.0 million unsecured committed term credit tranche maturing June 20, 2024, and adjusting the financial covenants to facilitate access to the new tranche. On April 30, 2024 the Company amended its Credit Facility downsizing Tranche 3 of the Term Facility to $300 million, and extending the maturity date to June 20, 2025.

The Credit Facility may 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 by a maximum of 5 basis points 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 March 31, 2024 the Company had drawn letters of credit of $9.1 million on the Credit Facility (March 31, 2023: $9.2 million; December 31, 2023: $9.4 million).

The Credit Facility requires the maintenance of certain covenants. As at March 31, 2024, the Company was in compliance with all of these covenants. The primary financial covenant requires that the Company maintain a net debt to capitalization ratio below a specified threshold.

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The Company has additional uncommitted credit facilities for issuing letters of credit up to a maximum of $105.0 million (March 31, 2023: $125.0 million; December 31, 2023: $105.0 million). As at March 31, 2024, $46.7 million in letters of credit had been issued thereon (March 31, 2023: $49.6 million; December 31, 2023: $46.7 million).

The Company has various government loans to finance specific projects. As at March 31, 2024 and 2023, these loans are non-interest bearing facilities. These loans are repayable over various terms and mature from 2024 to 2033. As at March 31, 2024, $7.0 million (March 31, 2023: $6.9 million; December 31, 2023: $7.1 million) was outstanding. All of these facilities are committed.

The Company has an accounts receivable securitization facility (the "Securitization Facility") maturing June 24, 2024. The Company expects to secure an extension of this facility on commercially reasonable terms. The maximum cash advance available to the Company under the Securitization Facility is $135.0 million (March 31, 2023: $135.0 million; December 31, 2023: $135.0 million). The Securitization Facility provides cash funding with a proportion of the Company's receivables being sold, provides the Company with competitively priced financing and further diversifies its funding sources. Under the Securitization Facility, the Company has sold certain of its trade accounts receivable, with very limited recourse, to an unconsolidated third-party trust financed by an international financial institution with a long-term AA- debt rating, for cash and short-term notes back to the Company. The receivables are sold at a discount to face value based on prevailing money market rates. The Company retains servicing responsibilities for these receivables.

As at March 31, 2024, the Company had $101.1 million (March 31, 2023: $117.8 million; December 31, 2023: $112.7 million) of trade accounts receivable serviced under the Securitization Facility. As consideration for the sale of its trade receivables, the Company will receive cash of $68.5 million (March 31, 2023: $82.3 million; December 31, 2023: $79.4 million) and notes receivable in the amount of $32.6 million (March 31, 2023: $35.5 million; December 31, 2023: $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 March 31, 2024, the Company recorded a net payable in the amount of $66.5 million (March 31, 2023: $49.6 million net payable; December 31, 2023: $55.6 million net payable) in accounts payable and accruals. The facility is accounted for as an off-balance sheet transaction in accordance with IFRS Accounting Standards.

The Securitization Facility is subject to certain restrictions, including the maintenance of covenants. The Company was in compliance with all of the requirements of this facility as at March 31, 2024. If the Securitization Facility were to be terminated, the Company would recognize the related amounts on the unaudited condensed consolidated interim balance sheets ("Consolidated Interim Balance Sheets") and consider alternative financing if required.

6. CAPITAL EXPENDITURES

Capital expenditures in the first quarter of 2024 were $24.1 million compared to $52.6 million in the first quarter last year. The decrease in capital expenditures was primarily attributable to the completion of both the construction of the London, Ontario poultry facility and the capacity expansion in further processed poultry capacity at the prepared meats facility in Brampton, Ontario.

The Company's capital expenditure estimate for the full year of 2024 remains unchanged and in the range of $170 million to $190 million, based on the expected timing of projects and continued discipline in capital management.

7. NORMAL COURSE ISSUER BID

On May 20, 2023 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 7.2 million common shares in the open market or as otherwise permitted by the TSX, subject to the normal terms and limitations of such bids. Common shares purchased by the Company are cancelled. The program commenced on May 25, 2023 and will terminate on May 24, 2024, or on such earlier date as the Company completes its purchases pursuant to the notice of intention. Under this bid, during the three months ended March 31, 2024, no shares were repurchased for cancellation.

On May 20, 2022 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, 2022 and terminated on May 24, 2023. Under this bid, during the three months ended March 31, 2023, 0.4 million shares at an average price of $25.64 per share were repurchased for cancellation.

The Company did not adopt an Automatic Share Purchase Plan ("ASPP") in connection with the NCIB that it put in place on May 20, 2023. As at March 31, 2024, there was no obligation for the repurchase of shares (March 31, 2023: $19.2 million, December 31, 2023: $0.0 million) recognized under an ASPP.

8. CASH FLOW AND FINANCING

Cash and cash equivalents were $206.4 million at the end of the first quarter of 2024, compared to $79.4 million at the end of the first quarter of 2023, and $203.4 million as at December 31, 2023. The increase in cash and cash equivalents for the three months ended

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March 31, 2024 was primarily due to cash earnings and reduced investment in working capital, partially offset by investment in property and equipment, interest and dividend payments as well as loan repayments on the Credit Facility.

Cash Flow from Operating Activities

Cash provided by operating activities for the first quarter of 2024 was $87.3 million compared to $35.7 million in 2023. The improvement was mainly due to higher cash earnings, partially offset by higher interest payments and a lower reduction in working capital.

Cash Flow from Investing Activities

Cash used in investing activities for the first quarter of 2024 was $23.3 million compared to $49.7 million in 2023. The decrease was mainly due to lower investment in property and equipment as the Company completes its Construction Capital projects.

Cash Flow from Financing Activities

Cash used in financing activities for the first quarter of 2024 was an outflow of $61.0 million compared to an inflow of $2.3 million in 2023. The decrease was primarily due to loan repayments (compared to loan drawings in previous quarter) on the Credit Facility, no repurchase of shares under the NCIB in the current quarter, and lower cash dividend payments with the introduction of a dividend reinvestment plan during the third quarter of 2023.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

During the three months ended March 31, 2024, the Company recorded a pre-tax gain of $6.0 million (2023: loss of $10.7 million) on non-designated financial instruments held for trading.

During the three months ended March 31, 2024, the pre-tax amount of hedge ineffectiveness recognized in cost of goods sold was a gain of $0.0 million (2023: gain of $0.0 million).

The table below sets out fair value measurements of derivative financial instruments as at March 31, 2024 using the fair value hierarchy:

($ thousands) *(Unaudited)*	Level 1	Level 2	Level 3	Total
Assets:				
Foreign exchange contracts	$ —	527	—	$ 527
Commodity contracts[(i)]	922	—	—	922
Interest rate swaps	—	333	—	333
	$ 922	**860**	**—**	**$ 1,782**
Liabilities:				
Foreign exchange contracts	—	185	—	185
	$ —	**185**	**—**	**$ 185**

(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 months ended March 31, 2024.

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 2023 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 March 31, 2024, a gain of $3.6 million, net of tax of $0.2 million, was released to net earnings from accumulated other comprehensive income (loss) and included in the net change for the year (2023: gain of $3.1 million, net of tax of $1.1 million).

During the three months ended March 31, 2024, the loss on the net investment hedge recorded in other comprehensive income (loss) was $6.6 million, net of tax of $1.2 million (2023: gain of $0.1 million, net of tax of $0.0 million).

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10. TRANSACTIONS WITH RELATED PARTIES

The Company sponsors a number of defined benefit, defined contribution and post-retirement benefit plans. During the three months ended March 31, 2024, the Company contributed $7.4 million (2023: $7.8 million) to these plans.

The Company's largest shareholder is McCain Capital Inc. ("MCI"). The Company has been informed that Mr. Michael H. McCain, Executive Chairman of the Board, is the controlling shareholder of MCI. For the three months ended March 31, 2024, the Company received services from MCI and companies directly or indirectly owned by MCI in the amount of $0.1 million (2023: $0.3 million), which represented the market value of these transactions. As at March 31, 2024, $0.1 million (March 31, 2023: $0.2 million; December 31, 2023: $0.5 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 months ended March 31, 2024 and 2023, the Company provided services to and received services from MFAS for a nominal amount which represented the market value of the transactions.

11. SHARE CAPITAL

As at April 25, 2024, there were 122,942,966 common shares issued and outstanding.

12. OTHER MATTERS

On May 1, 2024, the Board of Directors approved a quarterly dividend of $0.22 per share (an increase of $0.01 per share from the 2023 first quarter dividends), $0.88 per share on an annual basis, payable June 28, 2024 to shareholders of record at the close of business June 6, 2024. Unless indicated otherwise by the Company at or before the time the dividend is paid, the dividend will be considered an eligible dividend for the purposes of the "Enhanced Dividend Tax Credit System". The Board of Directors has also approved the issuance of common shares from treasury at a two percent discount under the Company's Dividend Reinvestment Plan ("DRIP"). Under the DRIP, investors holding the Company's common shares can receive common shares instead of cash dividend payments. Further details, including how to enroll in the program are available at https://www.mapleleaffoods.com/investors/stock-information.com.

13. SUMMARY OF QUARTERLY RESULTS

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

	First Quarter		Fourth Quarter		Third Quarter		Second Quarter	
($ millions) *(Unaudited)*	**2024**	2023	2023	2022	2023	2022	2023	2022
Sales[ii]	**$1,153.2**	$1,171.1	$1,192.7	$1,185.5	$1,238.3	$1,231.9	$1,265.8	$1,195.1
Gross Profit	**$ 226.3**	$ 76.4	$ 135.5	$ 100.6	$ 145.9	$ 82.5	$ 93.6	$ 87.2
SG&A	**$ 110.0**	$ 102.7	$ 101.3	$ 95.9	$ 94.9	$ 102.8	$ 106.2	$ 113.6
Net Earnings (Loss)	**$ 51.6**	$ (57.7)	$ (9.3)	$ (41.5)	$ (4.3)	$ (229.5)	$ (53.7)	$ (54.6)
Earnings (Loss) Per Share								
Basic	**$ 0.42**	$ (0.48)	$ (0.08)	$ (0.34)	$ (0.04)	$ (1.86)	$ (0.44)	$ (0.44)
Diluted	**$ 0.42**	$ (0.48)	$ (0.08)	$ (0.34)	$ (0.04)	$ (1.86)	$ (0.44)	$ (0.44)
Adjusted Earnings (Loss) per Share	**$ 0.04**	$ (0.12)	$ 0.08	$ (0.28)	$ 0.13	$ (0.01)	$ 0.00	$ 0.00
Adjusted Operating Earnings[i]	**$ 53.0**	$ 19.3	$ 57.5	$ 1.8	$ 70.5	$ 24.1	$ 45.9	$ 23.6
Adjusted EBITDA	**$ 116.4**	$ 75.3	$ 120.2	$ 55.3	$ 129.0	$ 76.7	$ 103.1	$ 74.1
Adjusted EBITDA Margin[ii]	**10.1 %**	6.4 %	10.1 %	4.7 %	10.4 %	6.2 %	8.1 %	6.2 %

[i] *Refer to section 17. Non-IFRS Financial Measures of this document.*

[ii] *Quarterly amounts for 2023 have been adjusted to eliminate new sales agreements entered into during the year that contained an expectation of repurchase, which had previously been reported as external sales.*

Fluctuations in quarterly sales can be attributed to changes in pricing, volume, sales mix, and the impact of foreign currency 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, transitional costs incurred, provision adjustments, impairment losses, gains/losses on disposal of assets, changes in interest rates and long-term debt, 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.

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14. MATERIAL ACCOUNTING POLICIES

The Company did not adopt any new accounting standards or policies during the quarter ended March 31, 2024.

Accounting Pronouncements Issued But Not Yet Effective

Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

On May 23, 2023, the IASB issued *Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7).* The amendments require an entity to provide additional disclosures about its supplier finance arrangements. 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 ending December 31, 2024. The adoption of this amendment is not expected to have a material impact on the Consolidated Financial Statements.

Presentation and Disclosure in Financial Statements – IFRS 18

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

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

15. INTERNAL CONTROLS OVER FINANCIAL REPORTING

There has been no change in the Company's internal control over financial reporting during the period beginning on January 1, 2024 and ended on March 31, 2024, that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

16. OUTLOOK

Maple Leaf Foods is a leading consumer protein company built on a powerful portfolio of brands, with a leading voice in sustainability and food security. The Company's strategic Blueprint defines how it will advance its vision to be the most sustainable protein company on earth while delivering on its commercial and financial objectives.

The Company recognizes that macro-economic factors and global conflict continue to define the current operating environment, contributing to higher interest rates, inflation, supply chain tensions, and pressures on agricultural, commodity and foreign exchange markets. As a result, consumers and businesses alike are adapting their behaviour which impacts demand and product mix. The Company leverages its data-driven insights to stay close to these dynamics, and it is confident in the resilience of its brands, business model and strategy to manage through prevailing economic conditions.

Earlier this year, Maple Leaf Foods refreshed its Blueprint and announced it was realigning its organizational structure to support its new strategic orientation as it brings together its Meat and Plant Protein businesses under a single umbrella with a clear and consistent focus on driving profitable growth in Canada, the U.S., and internationally across its entire protein portfolio.

With this focus, the Company expects to achieve an overall consolidated Adjusted EBITDA margin target of 14% to 16% in normal market conditions. Prior to this quarter, this Adjusted EBITDA margin target applied to the previous Meat Protein segment but now applies on a consolidated protein basis.

For the full year 2024, the Company expects:

- Low-to-mid single-digit revenue growth
- Adjusted EBITDA margin expansion from 2023, supported by the benefits of:
    - Profitable growth of its leading portfolio of protein brands
    - Returns from investments in the London Poultry Plant and the Bacon Centre of Excellence
    - Leadership in sustainable meats
    - Driving operational and cost efficiencies
- To generate strong free cash flow and delever its balance sheet by:
    - Improving margins and overall profitability as outlined above

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- Generating the targeted returns on its capital investments at the London Poultry Plant and the Bacon Centre of Excellence, including reducing start-up expenses, maximizing efficiencies and onboarding new customers
- Exercising disciplined capital management, with total capital expenditures this year expected to be in the range of $170 - $190 million, largely focused on maintenance capital and optimization of its existing network

Maple Leaf Foods will also continue to advance its ambitious sustainability agenda, including leading the real food movement, advancing its animal care initiatives, seeking solutions to address food insecurity, accelerating its efforts to reduce its environmental footprint and continuing to deliver safe food made in a safe work environment.

17. NON-IFRS FINANCIAL MEASURES

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

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

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

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The table below provides a reconciliation of earnings (loss) before income taxes as reported under IFRS in the Consolidated Interim Financial Statements to Adjusted Operating Earnings, Adjusted EBITDA and Adjusted EBT for the three months ended March 31 as indicated below. Management believes that these non-IFRS measures are useful in assessing the performance of the Company's ongoing operations and its ability to generate cash flows to fund its requirements, including the Company's capital investment program.

($ millions)[i] *(Unaudited)*	Three months ended March 31, 2024	2023
Earnings (loss) before income taxes	**$ 73.8**	$ (69.9)
Interest expense and other financing costs	**42.1**	31.6
Other expense	**1.2**	4.3
Restructuring and other related (reversals) costs	**(0.7)**	7.7
Earnings (loss) from operations	**$ 116.3**	$ (26.3)
Start-up expenses from Construction Capital[ii]	**11.4**	34.8
Change in fair value of biological assets	**(69.1)**	1.1
Unrealized and deferred (gain) loss on derivative contracts	**(5.6)**	9.7
Adjusted Operating Earnings	**$ 53.0**	$ 19.3
Depreciation and amortization	**65.0**	57.7
Items included in other income (expense) representative of ongoing operations[iii]	**(1.5)**	(1.7)
Adjusted EBITDA	**$ 116.4**	$ 75.3
Adjusted EBITDA Margin[iv]	**10.1%**	6.4%
Interest expense and other financing costs	**(42.1)**	(31.6)
Interest income	**1.0**	—
Depreciation and amortization	**(65.0)**	(57.7)
Adjusted EBT	**$ 10.4**	$ (14.0)

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

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

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

(iv) *Quarterly amounts for 2023 have been adjusted to eliminate new sales agreements entered into during the year that contained an expectation of repurchase, which had previously been reported as external sales.*

Adjusted Earnings per Share

Adjusted Earnings per Share, a non-IFRS measure, is used by Management to evaluate financial operating results. It is defined as basic earnings per share and is adjusted on the same basis as Adjusted Operating Earnings. The table below provides a reconciliation of basic earnings per share as reported under IFRS in the Consolidated Interim Financial Statements to Adjusted Earnings per Share for the three months ended March 31 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.

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($ per share) *(Unaudited)*	Three months ended March 31, **2024**	2023
Basic earnings (loss) per share	**$ 0.42**	$ (0.48)
Restructuring and other related costs[(i)]	**0.00**	0.06
Items included in other expense not considered representative of ongoing operations[(ii)]	**0.00**	0.02
Start-up expenses from Construction Capital[(iii)]	**0.07**	0.21
Change in fair value of biological assets	**(0.42)**	0.01
Change in unrealized fair value on derivatives	**(0.03)**	0.06
Adjusted Earnings (Loss) per Share	**$ 0.04**	$ (0.12)

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

(ii) *Primarily includes legal fees and settlements, gains or losses on investment property, and transaction related costs, net of tax.*

(iii) *Start-up expenses are temporary costs as a result of operating new facilities that are or were previously classified as Construction Capital. These costs can include training, product testing, yield and labour efficiency variances, duplicative overheads and other temporary expenses required to ramp-up production, 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 are not yet operational. It is defined as investments and related financing charges in projects over $50.0 million that are related to longer-term strategic initiatives, with no returns expected for at least 12 months from commencement of construction and the asset is re-categorized from Construction Capital once operational. There are no Construction Capital projects as at March 31, 2024 as all projects have been completed and have been recategorized as regular property and equipment. The following table is a summary of Construction Capital activity and debt financing for the periods indicated below.

($ thousands) *(Unaudited)*	**2024**	2023
Property and equipment and intangibles at January 1	**$ 2,596,839**	$ 2,663,985
Other capital and intangible assets at January 1[(i)]	**2,596,839**	2,654,419
Construction Capital at January 1	**$ —**	$ 9,566
Additions	**—**	8,822
Construction Capital at March 31[(ii)]	**$ —**	$ 18,388
Other capital and intangible assets at March 31[(i)]	**2,569,440**	2,635,039
Property and equipment and intangibles at March 31	**$ 2,569,440**	$ 2,653,427
Construction Capital debt financing[(iii)(iv)]	**$ —**	$ 18,093

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

(ii) *As at March 31, 2024 the net book value of Construction Capital includes $0.0 million related to intangible assets (2023: $0.2 million).*

(iii) *Does not include $882.8 million in capital that has been transferred out but is still in the start-up stage (2023: $1,008.0 million).*

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

Net Debt

The following table reconciles Net Debt and Net Debt to Adjusted EBITDA to amounts reported under IFRS in the Company's Consolidated Interim Financial Statements as at March 31 as indicated below. The Company calculates Net Debt as cash and cash

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equivalents, less long-term debt and bank indebtedness. Management believes this measure is useful in assessing the amount of financial leverage employed.

($ thousands) *(Unaudited)*	As at March 31,	
	2024	2023
Cash and cash equivalents	**$ 206,393**	$ 79,433
Current portion of long-term debt	**$ (401,538)**	$ (1,130)
Long-term debt	**(1,527,665)**	(1,755,560)
Total debt	**$(1,929,203)**	$(1,756,690)
Net Debt	**$(1,722,810)**	$(1,677,257)
Adjusted EBITDA	**$ 116,446**	$ 75,296
Trailing four quarters Adjusted EBITDA[(i)]	**468,738**	281,339
Net Debt to trailing four quarters Adjusted EBITDA	**3.7**	6.0

[(i)] *Trailing four quarters includes Q2 2023, Q3 2023, Q4 2023 and Q1 2024 for 2024; and Q2 2022, Q3 2022, Q4 2022 and Q1 2023 for 2023.*

Free Cash Flow

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

($ thousands) *(Unaudited)*	Three months ended March 31,	
	2024	2023
Cash provided by operating activities	**$ 87,325**	$ 35,714
Maintenance Capital[(i)]	**(13,436)**	(23,107)
Interest paid and capitalized related to Maintenance Capital	**(263)**	(234)
Free Cash Flow	**$ 73,626**	$ 12,373

[(i)] *Maintenance Capital is defined as non-discretionary investment required to maintain the Company's existing operations and competitive position. For the three months ended March 31, 2024, total capital spending of $23.8 million (2023: $49.3 million) shown on the Consolidated Statements of Cash Flows is made up of Maintenance Capital of $13.4 million (2023: $23.1 million), and Growth Capital of $10.4 million (2023: $26.2 million). Growth Capital is defined as discretionary investment meant to create stakeholder value through initiatives that for example, expand margins, increase capacities or create further competitive advantage.*

Return on Net Assets ("RONA")

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

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Quarterly Non-IFRS Financial Measures

($ millions) (Unaudited)	Three months ended June 30, 2023	2022	Three months ended September 30, 2023	2022	Three months ended December 31, 2023	2022
Earnings (loss) before income taxes	**$(63.7)**	$(58.6)	**$ (0.2)**	$ (231.8)	**$ (8.7)**	$ (29.6)
Interest expense and other financing costs	**37.6**	10.8	**40.5**	14.5	**41.2**	23.0
Impairment of goodwill	**—**	—	**—**	190.9	**—**	—
Other expense (income)	**2.5**	2.4	**6.6**	3.8	**0.9**	5.6
Restructuring and other related (reversals) costs	**11.0**	19.0	**4.1**	2.3	**0.8**	5.7
Earnings (loss) from operations	**$(12.6)**	$(26.4)	**$ 51.0**	$ (20.3)	**$ 34.2**	$ 4.7
Start-up expenses from Construction Capital[(i)]	**33.8**	11.3	**24.1**	11.2	**29.7**	25.8
Change in fair value of biological assets	**27.5**	50.0	**(0.3)**	31.4	**(8.9)**	(27.0)
Unrealized and deferred loss (gain) on derivative contracts	**(2.8)**	(11.3)	**(4.3)**	1.8	**2.5**	(1.7)
Adjusted Operating Earnings	**$ 45.9**	$ 23.6	**$ 70.5**	$ 24.1	**$ 57.5**	$ 1.8
Depreciation and amortization	**59.7**	52.4	**65.7**	53.8	**63.6**	54.0
Items included in other income (expense) representative of ongoing operations[(ii)]	**(2.5)**	(1.9)	**(7.2)**	(1.2)	**(0.9)**	(0.5)
Adjusted EBITDA	**$ 103.1**	74.1	**$ 129.0**	$ 76.7	**$ 120.2**	$ 55.3
Adjusted EBITDA Margin[(iii)]	**8.1 %**	6.2 %	**10.4 %**	6.2 %	**10.1 %**	4.7 %
Interest expense and other financing costs	**(37.6)**	(10.8)	**(40.5)**	(14.5)	**(41.2)**	(23.0)
Interest income	**0.9**	—	**2.3**	—	**1.0**	—
Depreciation and amortization	**(59.7)**	(52.4)	**(65.7)**	(53.8)	**(63.6)**	(54.0)
Adjusted EBT	**$ 6.7**	$ 10.9	**$ 25.1**	$ 8.4	**$ 16.4**	$ (21.7)

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

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

(iii) *Quarterly amounts for 2023 have been adjusted to eliminate new sales agreements entered into during the year that contained an expectation of repurchase, which had previously been reported as external sales.*

18. FORWARD-LOOKING STATEMENTS

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

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

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

- assumptions about the economic environment, including the implications of inflationary pressures on customer and consumer behaviour, supply chains, global conflicts and competitive dynamics;

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- expected future cash flows and the sufficiency thereof, sources of capital at attractive rates, future contractual obligations, future financing options, renewal of credit facilities, compliance with credit facility covenants, and availability of capital to fund growth plans, operating obligations and dividends;
- future performance, including future financial objectives, goals and targets, category growth analysis, expected capital spend and expected SG&A expenditures, global pork market dynamics, Japan export market margin outlook, labour markets, inflationary pressures (including the ability to price for inflation);
- potential for a recurrence of a cybersecurity incident on the Company's systems, business and operations, as well as the ability to mitigate the financial and operational impacts, the success of remediation and recovery efforts, the implications of data breaches, and other ongoing risks associated with cybersecurity;
- the execution of the Company's business strategy, including the development and expected timing of business initiatives, brand expansion and repositioning, plant protein category investment and performance, market access in China and Japan, capital allocation decisions (including investment in share repurchases under the NCIB) and investment in potential growth opportunities and the expected returns associated therewith;
- the impact of international trade conditions and markets on the Company's business, including access to markets, global conflict and other social, economic and political factors that affect trade;
- implications associated with the spread of foreign animal disease (such as African Swine Fever ("ASF")) and other animal diseases such as Avian Influenza;
- competitive conditions and the Company's ability to position itself competitively in the markets in which it competes;
- capital projects, including planning, construction, estimated expenditures, schedules, approvals, 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 and foreign exchange impacts on the Company's operations and financial performance, including the use and effectiveness of hedging instruments;
- operating risks, including the execution, monitoring and continuous improvement of the Company's food safety programs, animal health initiatives, cost reduction initiatives, and service levels (including service level penalties);
- the implementation, cost and impact of environmental sustainability initiatives, the ability of the Company to achieve its sustainability objectives, changing climate and sustainability laws and regulation, changes in customer and consumer expectations related to sustainability matters, as well as the anticipated future cost of remediating environmental liabilities;
- the adoption of new accounting standards and the impact of such adoption on the financial position of the Company;
- expectations regarding pension plan performance, including future pension plan assets, liabilities and contributions; and
- developments and implications of actual or potential legal actions.

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

- expectations regarding the adaptations in operations, supply chain, customer and consumer behaviour, economic patterns (including but not limited to global pork markets), foreign exchange rates, international trade dynamics and access to capital, including possible presence or absence of structural changes associated with the economic recovery since the pandemic and global conflicts;
- the competitive environment, associated market conditions and market share metrics, category growth or contraction, the expected behaviour of competitors and customers and trends in consumer preferences;
- the success of the Company's business strategy and the relationship between pricing, inflation, volume and sales of the Company's products;
- prevailing commodity prices (especially in pork and feed markets), interest rates, tax rates and exchange rates;
- potential impacts related to cybersecurity matters, including security costs, the potential for a future incident, the risks associated with data breaches, the availability of insurance, the effectiveness of remediation and prevention activities, third party activities, ongoing impacts, customer, consumer and supplier responses and regulatory considerations;
- the economic condition of and the sociopolitical dynamics between Canada, the U.S., Japan and China, and the ability of the Company to access markets and source ingredients and other inputs in light of global sociopolitical disruption, and the ongoing impact of global conflicts on inflation, trade and markets;

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- the spread of foreign animal disease (including ASF and Avian Influenza), preparedness strategies to manage such spread, and implications for all protein markets;
- the availability of and access to capital to fund future capital requirements and ongoing operations;
- expectations regarding participation in and funding of the Company's pension plans;
- the availability of insurance coverage to manage certain liability exposures;
- the extent of future liabilities and recoveries related to legal claims;
- prevailing regulatory, tax and environmental laws; and
- future operating costs and performance, including the Company's ability to achieve operating efficiencies and maintain sales volumes, turnover of inventories and turnover of accounts receivable.

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

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

- presence or absence of adaptations or structural changes arising since the economic recovery following the pandemic which may have implications for the operations and financial performance of the Company, as well the ongoing implications for macro socio-economic trends and global conflict;
- macro economic trends, including inflation, consumer behaviour, recessionary indicators, labour availability and labour market dynamics and international trade trends (including global pork markets);
- the results of the Company's execution of its business plans, the degree to which benefits are realized or not, and the timing associated realizing those benefits, including the implications on cash flow;
- competition, market conditions, and the activities of competitors and customers, including the expansion or contraction of key categories, inflationary pressures, pork market dynamics and Japan export margins;
- cybersecurity and maintenance and operation of the Company's information systems, processes and data, recovery, restoration and long term impacts of the cybersecurity event, the risk of future cybersecurity events, actions of third parties, risks of data breaches, effectiveness of business continuity planning and execution, and availability of insurance;
- the health status of livestock, including the impact of potential pandemics;
- international trade and access to markets and supplies, as well as social, political and economic dynamics, including global conflicts;
- operating performance, including manufacturing operating levels, fill rates and penalties;
- availability of and access to capital, and compliance with credit facility covenants;
- decision respecting the return of capital to shareholders;
- the execution of capital projects and investment maintenance capital;
- food safety, consumer liability and product recalls;
- climate change, climate regulation and the Company's sustainability performance;
- strategic risk management;
- acquisitions and divestitures;
- fluctuations in the debt and equity markets;
- fluctuations in interest rates and currency exchange rates;
- pension assets and liabilities;
- cyclical nature of the cost and supply of hogs and the competitive nature of the pork market generally;
- the effectiveness of commodity and interest rate hedging strategies;
- impact of changes in the market value of the biological assets and hedging instruments;
- the supply management system for poultry in Canada;
- availability of plant protein ingredients;
- intellectual property, including product innovation, product development, brand strategy and trademark protection;
- consolidation of operations and focus on protein;

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- 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 this Management Discussion and Analysis

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 expansion, and the Company's ability to achieve its financial targets or projections may be considered to be financial outlooks for purposes of applicable securities legislation. These financial outlooks are presented to evaluate potential future earnings and anticipated future uses of cash flows and may not be appropriate for other purposes. Readers should not assume these financial outlooks will be achieved.

More information about risk factors can be found under the heading "Risk Factors" in the Company's Annual Management's Discussion and Analysis for the year ended December 31, 2023, that is available on SEDAR+ at www.sedarplus.ca. The reader should review such section in detail. Additional information concerning the Company, including the Company's Annual Information Form, is available on SEDAR+ at www.sedarplus.ca.

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

19. ABOUT MAPLE LEAF FOODS INC.

Maple Leaf Foods 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 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).

(i) *See the Company's 2023 Integrated Report that is available on the Maple Leaf Foods website at https://www.mapleleaffoods.com/wp-content/uploads/sites/6/2024/04/MLF_2023_Integrated-Report.pdf*

Consolidated Interim Financial Statements

Consolidated Interim Balance Sheets

(In thousands of Canadian dollars) *(Unaudited)*	***Notes***	**As at March 31, 2024**	As at March 31, 2023	As at December 31, 2023
ASSETS				
Cash and cash equivalents		**$ 206,393**	$ 79,433	$ 203,363
Accounts receivable	***3***	**168,994**	160,290	183,798
Notes receivable	***3***	**32,564**	35,506	33,220
Inventories	***4***	**584,134**	576,183	542,392
Biological assets	***5***	**180,281**	140,100	114,917
Income taxes recoverable		**83,365**	66,977	88,896
Prepaid expenses and other assets		**43,620**	47,004	44,865
Assets held for sale	***6***	**—**	11,204	—
Total current assets		**$ 1,299,351**	$ 1,116,697	$ 1,211,451
Property and equipment		**2,224,502**	2,297,130	2,251,710
Right-of-use assets		**169,145**	155,140	154,610
Investments		**16,029**	23,656	15,749
Investment property	***7***	**57,144**	5,289	57,144
Employee benefits		**32,557**	16,599	26,785
Other long-term assets		**22,303**	9,223	22,336
Deferred tax asset		**41,980**	42,525	40,854
Goodwill		**477,353**	477,353	477,353
Intangible assets		**344,938**	356,297	345,129
Total long-term assets		**$ 3,385,951**	$ 3,383,212	$ 3,391,670
Total assets		**$ 4,685,302**	$ 4,499,909	$ 4,603,121
LIABILITIES AND EQUITY				
Accounts payable and accruals		**$ 590,696**	$ 605,777	$ 548,444
Current portion of provisions	***8***	**6,586**	36,114	9,846
Current portion of long-term debt	***9***	**401,538**	1,130	400,735
Current portion of lease obligations		**39,928**	37,349	38,031
Income taxes payable		**1,788**	1,100	2,382
Other current liabilities		**25,518**	42,533	32,974
Total current liabilities		**$ 1,066,054**	$ 724,003	$ 1,032,412
Long-term debt	***9***	**1,527,665**	1,755,560	1,550,080
Lease obligations		**154,863**	140,304	142,286
Employee benefits		**62,230**	65,966	64,196
Provisions	***8***	**2,037**	3,631	2,041
Other long-term liabilities		**1,202**	2,197	1,124
Deferred tax liability		**317,978**	218,903	296,203
Total long-term liabilities		**$ 2,065,975**	$ 2,186,561	$ 2,055,930
Total liabilities		**$ 3,132,029**	$ 2,910,564	$ 3,088,342
Shareholders' equity				
Share capital	***10***	**$ 878,852**	$ 850,616	$ 873,477
Retained earnings		**628,549**	728,477	597,429
Contributed surplus		**7,750**	3,047	3,227
Accumulated other comprehensive income		**45,305**	33,121	47,829
Treasury shares		**(7,183)**	(25,916)	(7,183)
Total shareholders' equity		**$ 1,553,273**	$ 1,589,345	$ 1,514,779
Total liabilities and equity		**$ 4,685,302**	$ 4,499,909	$ 4,603,121

See accompanying Notes to the Consolidated Interim Financial Statements.

Consolidated Interim Statements of Net Earnings (Loss)

(In thousands of Canadian dollars, except share amounts) *(Unaudited)*	***Notes***	**Three months ended March 31, 2024**	Three months ended March 31, 2023[(i)]
Sales		**$ 1,153,225**	$ 1,171,067
Cost of goods sold		**926,885**	1,094,620
Gross profit		**$ 226,340**	$ 76,447
Selling, general and administrative expenses		**110,033**	102,713
Earnings (loss) before the following:		**$ 116,307**	$ (26,266)
Restructuring and other related (reversals) costs	***8***	**(725)**	7,749
Other expense		**1,157**	4,295
Earnings (loss) before interest and income taxes		**$ 115,875**	$ (38,310)
Interest expense and other financing costs	***12***	**42,083**	31,603
Earnings (loss) before income taxes		**$ 73,792**	$ (69,913)
Income tax expense (recovery)		**22,241**	(12,209)
Net earnings (loss)		**$ 51,551**	$ (57,704)

Earnings (loss) per share attributable to common shareholders:	***13***		
Basic earnings (loss) per share		**$ 0.42**	$ (0.48)
Diluted earnings (loss) per share		**$ 0.42**	$ (0.48)
Weighted average number of shares (millions):	***13***		
Basic		**122.5**	121.3
Diluted		**123.6**	121.3

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

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 March 31,			
		2024		2023
Net earnings (loss)	**$**	**51,551**	$	(57,704)
Other comprehensive income				
Actuarial gains (losses) that will not be reclassified to profit or loss (Net of tax of $2.2 million; 2023: $0.7 million)	**$**	**6,605**	$	2,124
Change in revaluation surplus (Net of tax of $0.0 million; 2023: $1.7 million)		**—**		6,993
Total items that will not be reclassified to profit or loss	**$**	**6,605**	$	9,117
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; 2023: $0.0 million)		**7,710**		(433)
Change in foreign exchange on long-term debt designated as a net investment hedge (Net of tax of $1.2 million; 2023: $0.0 million)		**(6,612)**		119
Change in cash flow hedges (Net of tax of $0.2 million; 2023: $1.1 million)		**(3,622)**		(3,105)
Total items that are or may be reclassified subsequently to profit or loss	**$**	**(2,524)**	$	(3,419)
Total other comprehensive income	**$**	**4,081**	$	5,698
Comprehensive income (loss)	**$**	**55,632**	$	(52,006)

See accompanying Notes to the Consolidated Interim Financial Statements.

Consolidated Statements of Changes in Total Equity

					Accumulated other comprehensive income (loss)					
(In thousands of Canadian dollars) (Unaudited)	***Notes***	**Share capital**	**Retained earnings**	**Contributed surplus**	**Foreign currency translation adjustment(i)**	**Unrealized gains (losses) on cash flow hedges(i)**	**Unrealized gains (losses) on fair value of investments(i)**	**Revaluation surplus**	**Treasury stock**	**Total equity**
Balance at December 31, 2023		**$873,477**	**597,429**	**3,227**	**8,625**	**4,416**	**(2,559)**	**37,347**	**(7,183)**	**$1,514,779**
Net earnings		**—**	**51,551**	**—**	**—**	**—**	**—**	**—**	**—**	**51,551**
Other comprehensive income (loss)(ii)		**—**	**6,605**	**—**	**1,098**	**(3,622)**	**—**	**—**	**—**	**4,081**
Dividends declared ($0.22 per share)		**5,375**	**(27,036)**	**—**	**—**	**—**	**—**	**—**	**—**	**(21,661)**
Share-based compensation expense	***14***	**—**	**—**	**5,298**	**—**	**—**	**—**	**—**	**—**	**5,298**
Deferred taxes on share-based compensation		**—**	**—**	**(775)**	**—**	**—**	**—**	**—**	**—**	**(775)**
Balance at March 31, 2024		**$878,852**	**628,549**	**7,750**	**9,723**	**794**	**(2,559)**	**37,347**	**(7,183)**	**$1,553,273**

					Accumulated other comprehensive income (loss)					
(In thousands of Canadian dollars) (Unaudited)	*Notes*	Share capital	Retained earnings	Contributed surplus	Foreign currency translation adjustment(i)	Unrealized gains (losses) on cash flow hedges(i)	Unrealized gains (losses) on fair value of investments(i)	Revaluation surplus	Treasury stock	Total equity
Balance at December 31, 2022		$850,086	809,616	—	10,972	12,885	2,945	2,745	(25,916)	$1,663,333
Net loss		—	(57,704)	—	—	—	—	—	—	(57,704)
Other comprehensive income (loss)(ii)		—	2,124	—	(314)	(3,105)	—	6,993	—	5,698
Dividends declared ($0.21 per share)		—	(25,559)	—	—	—	—	—	—	(25,559)
Share-based compensation expense	*14*	—	—	2,012	—	—	—	—	—	2,012
Deferred taxes on share-based compensation		—	—	800	—	—	—	—	—	800
Exercise of stock options		769	—	—	—	—	—	—	—	769
Shares re-purchased	*10*	(2,931)	—	(7,838)	—	—	—	—	—	(10,769)
Change in obligation for repurchase of shares		2,692	—	8,073	—	—	—	—	—	10,765
Balance at March 31, 2023		$850,616	728,477	3,047	10,658	9,780	2,945	9,738	(25,916)	$1,589,345

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

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

See accompanying Notes to the Consolidated Interim Financial Statements.

Consolidated Interim Statements of Cash Flows

(In thousands of Canadian dollars) *(Unaudited)*	***Notes***	**Three months ended March 31, 2024**	Three months ended March 31, 2023
CASH PROVIDED BY (USED IN):			
Operating activities			
Net earnings (loss)		**$ 51,551**	$ (57,704)
Add (deduct) items not affecting cash:			
Change in fair value of biological assets	***5***	**(69,143)**	1,127
Depreciation and amortization		**65,853**	67,425
Share-based compensation	***14***	**5,298**	2,012
Deferred income tax (recovery) expense		**19,936**	(2,874)
Current income tax (recovery) expense		**2,305**	(9,335)
Interest expense and other financing costs	***12***	**42,083**	31,603
(Gain) loss on sale of long-term assets		**(311)**	234
Change in fair value of non-designated derivatives		**(4,665)**	3,109
Change in net pension obligation		**1,067**	467
Net income taxes refunded (paid)		**2,982**	(1,777)
Interest paid, net of capitalized interest	***12***	**(40,477)**	(33,790)
Change in provision for restructuring and other related costs	***8***	**(3,260)**	(6,006)
Change in derivatives margin		**2,316**	(13,740)
Cash settlement of derivatives		**(2,150)**	11,009
Other		**3,093**	217
Change in non-cash operating working capital		**10,847**	43,737
Cash provided by operating activities		**$ 87,325**	$ 35,714
Investing activities			
Additions to long-term assets		**$ (23,813)**	$ (49,252)
Interest paid and capitalized	***12***	**(355)**	(481)
Proceeds from sale of long-term assets		**865**	64
Cash used in investing activities		**$ (23,303)**	$ (49,669)
Financing activities			
Dividends paid		**$ (21,661)**	$ (25,559)
Net (decrease) increase in long-term debt	***9***	**(30,885)**	48,800
Payment of lease obligation		**(8,446)**	(9,918)
Exercise of stock options		**—**	769
Repurchase of shares		**—**	(10,769)
Payment of financing fees	***9***	**—**	(1,011)
Cash (used in) provided by financing activities		**$ (60,992)**	$ 2,312
Increase (decrease) in cash and cash equivalents		**$ 3,030**	$ (11,643)
Cash and cash equivalents, beginning of period		**203,363**	91,076
Cash and cash equivalents, end of period		**$ 206,393**	$ 79,433

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 months ended March 31, 2024 and 2023

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 months ended March 31, 2024 include the accounts of the Company and its subsidiaries.

(i) *See the Company's 2023 Integrated Report that is available on the Maple Leaf Foods website at https://www.mapleleaffoods.com/wp-content/uploads/sites/6/2024/04/MLF_2023_Integrated-Report.pdf*

2. MATERIAL ACCOUNTING POLICIES

The Consolidated Interim Financial Statements should be read in conjunction with the Company’s 2023 Annual Audited Consolidated Financial Statements ("2023 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 2023 Consolidated Financial Statements.

The Consolidated Interim Financial Statements were authorized for issue by the Board of Directors on May 1, 2024.

(b) Accounting Pronouncements Issued But Not Yet Effective

Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

On May 23, 2023, the IASB issued *Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7).* The amendments require an entity to provide additional disclosures about its supplier finance arrangements. 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 ending December 31, 2024. The adoption of this amendment is not expected to have a material impact on the Consolidated Financial Statements.

Presentation and Disclosure in Financial Statements – IFRS 18

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

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

3. ACCOUNTS RECEIVABLE

	As at March 31, 2024	As at March 31, 2023	As at December 31, 2023
Trade receivables	**$ 135,383**	$ 130,385	$ 144,676
Less: Allowance for doubtful accounts	**(1,644)**	(1,959)	(1,900)
Net trade receivables	**$ 133,739**	$ 128,426	$ 142,776
Other receivables:			
Commodity taxes receivable	**12,438**	14,569	13,520
Government receivable	**3,704**	2,593	2,840
Other	**19,113**	14,702	24,662
	$ 168,994	$ 160,290	$ 183,798

The aging of trade receivables is as follows:

	As at March 31, 2024	As at March 31, 2023	As at December 31, 2023
Current	**$ 111,630**	$ 108,561	$ 113,679
Past due 0-30 days	**15,755**	16,234	21,273
Past due 31-60 days	**4,207**	2,362	2,915
Past due > 60 days	**3,791**	3,228	6,809
	$ 135,383	$ 130,385	$ 144,676

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.

The Company has an accounts receivable securitization facility (the "Securitization Facility") maturing June 24, 2024. The Company expects to secure an extension of this facility on commercially reasonable terms. The maximum cash advance available to the Company under the Securitization Facility is $135.0 million (March 31, 2023: $135.0 million; December 31, 2023: $135.0 million). The Securitization Facility provides cash funding with a proportion of the Company's receivables being sold, provides the Company with competitively priced financing and further diversifies its funding sources. Under the Securitization Facility, the Company has sold certain of its trade accounts receivable, with very limited recourse, to an unconsolidated third-party trust financed by an international financial institution with a long-term AA- debt rating, for cash and short-term notes back to the Company. The receivables are sold at a discount to face value based on prevailing money market rates. The Company retains servicing responsibilities for these receivables.

As at March 31, 2024, trade accounts receivable being serviced under this program amounted to $101.1 million (March 31, 2023: $117.8 million; December 31, 2023: $112.7 million). As consideration for the sale of its trade receivables, the Company will receive cash of $68.5 million (March 31, 2023: $82.3 million; December 31, 2023: $79.4 million) and notes receivable in the amount of $32.6 million (March 31, 2023: $35.5 million; December 31, 2023: $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 March 31, 2024, the Company recorded a net payable in the amount of $66.5 million (March 31, 2023: $49.6 million net payable; December 31, 2023: $55.6 million net payable) in accounts payable and accruals (March 31, 2023: accounts payable and accruals; December 31, 2023: 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 March 31, 2024 and 2023 and the 2023 annual audited consolidated balance sheet as at December 31, 2023.

4. INVENTORIES

	As at March 31, 2024	As at March 31, 2023	As at December 31, 2023
Raw materials	**$ 73,140**	$ 79,040	$ 75,513
Work in process	**42,025**	43,648	40,358
Finished goods	**351,139**	346,317	311,885
Packaging	**29,270**	25,343	27,280
Spare parts	**88,560**	81,835	87,356
	$ 584,134	$ 576,183	$ 542,392

For the three months ended March 31, 2024, inventory in the amount of $915.7 million (2023: $982.2 million) was expensed through cost of goods sold.

As at March 31, 2024, inventories have been reduced by $12.5 million (March 31, 2023: $19.7 million; December 31, 2023: $14.1 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 March 31, 2024 was a gain of $69.1 million (2023: loss of $1.1 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 months ended March 31, 2024 and March 31, 2023.

6. ASSETS HELD FOR SALE

As at March 31, 2024, there are no assets held for sale. As at March 31, 2023, assets held for sale consisted of the land and building of the St. Mary's, Ontario poultry facility as well as a parking lot located in Toronto, Ontario for a total of $11.2 million. The land and building in St. Mary's was subsequently sold, and the parking lot sale was not completed and the land was transferred to investment property during the year ended December 31, 2023.

7. INVESTMENT PROPERTY

	As at March 31, 2024
Net balance, December 31, 2023	**$ 57,144**
Transfers from Property and equipment	—
Transfer to assets held for sale / Disposition	—
Net balance, March 31, 2024	**$ 57,144**

	As at March 31, 2023
Restated net balance, December 31, 2022	$ 5,289
Transfers from Property and equipment	10,600
Transfer to assets held for sale / Disposition	(10,600)
Net balance, March 31, 2023	$ 5,289

The fair value measurement of investment properties have been categorized as a Level 3 fair value based on inputs to the valuation techniques used. There have been no changes to the valuation techniques and there have not been any transfers between levels for the three months ended March 31, 2024 and March 31, 2023.

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

8. PROVISIONS

	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, 2023[(i)]	**$ —**	**2,041**	**9,846**	**—**	**$ 11,887**
Charges	**—**	**—**	**283**	**501**	**784**
Reversals	**—**	**—**	**(1,501)**	**—**	**(1,501)**
Cash payments	**—**	**(4)**	**(2,048)**	**(501)**	**(2,553)**
Foreign currency translation	**—**	**—**	**6**	**—**	**6**
Balance at March 31, 2024	**$ —**	**2,037**	**6,586**	**—**	**$ 8,623**
Current					**$ 6,586**
Non-current					**2,037**
Total at March 31, 2024					**$ 8,623**

(i) *Balance as at December 31, 2023, includes current portion of $9.8 million and non-current portion of $2.0 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, 2022	$ 630	2,370	43,388	—	$ 46,388
Charges	—	—	1,785	503	2,288
Reversals	(200)	—	(455)	—	(655)
Cash payments	(430)	(7)	(7,473)	(369)	(8,279)
Foreign currency translation	—	—	3	—	3
Balance at March 31, 2023	$ —	2,363	37,248	134	$ 39,745
Current					$ 36,114
Non-current					3,631
Total at March 31, 2023					$ 39,745

Restructuring and Other Related Costs

During the three months ended March 31, 2024, restructuring and other related costs were a net provision reversal of $0.7 million (2023: costs of $7.7 million). Of the $0.7 million, reversals of $1.3 million (2023: costs of $0.3 million) related to severance and other employee costs from the closures of the Brampton, Toronto, St. Mary's, and Schomberg poultry plants, $0.5 million of costs (2023: $1.1 million) related to decommissioning, reversals of $0.1 million (2023: $0.0 million) related to asset impairments, and $0.0 million (2023: $1.4 million) related to accelerated depreciation due to the closures. In addition, $0.1 million (2023: $3.9 million) related to inventory impairment, $0.0 million (2023: $0.4 million) of severance and other employee related costs, and $0.0 million (2023: $0.1 million) is related to other cash costs, as a result of organizational changes in the Plant Protein business. The remaining amount of $0.1 million (2023: $0.5 million) was related to employee related costs for other organizational restructuring initiatives.

9. LONG-TERM DEBT

	As at March 31, 2024	As at March 31, 2023	As at December 31, 2023
Revolving line of credit	**$ 813,400**	$ 1,046,603	$ 843,400
U.S. term credit Tranche 1	**358,943**	358,545	350,873
Canadian term credit Tranche 2	**350,000**	350,000	350,000
Canadian term credit Tranche 3	**400,000**	—	400,000
Government loans	**7,046**	6,949	7,147
Supplier financing	**3,570**	—	4,202
Deferred financing charges	**(3,756)**	(5,407)	(4,807)
Total long-term debt	**$ 1,929,203**	$ 1,756,690	$ 1,950,815
Current	**$ 401,538**	$ 1,130	$ 400,735
Non-current	**1,527,665**	1,755,560	1,550,080
Total long-term debt	**$ 1,929,203**	$ 1,756,690	$ 1,950,815

The Company has a syndicated sustainability-linked credit facility (the "Credit Facility") consisting of a $1,300.0 million unsecured committed revolving line of credit maturing June 29, 2027, and two unsecured committed term facilities for US$265.0 million and $350.0 million maturing June 29, 2027 and June 29, 2026, respectively. In February 2023, the Company amended its covenants to reflect the extended effect of the post-pandemic economy. On June 20, 2023, the Credit Facility was further amended by adding an additional $400.0 million unsecured committed term credit tranche maturing June 20, 2024, and adjusting the financial covenants to facilitate access to the new tranche. On April 30, 2024 the Company amended its Credit Facility downsizing Tranche 3 of the Term Facility to $300 million, and extending the maturity date to June 20, 2025.

The Credit Facility may 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 by a maximum of 5 basis points 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 March 31, 2024 the Company had drawn letters of credit of $9.1 million on the Credit Facility (March 31, 2023: $9.2 million; December 31, 2023: $9.4 million).

The Credit Facility requires the maintenance of certain covenants. As at March 31, 2024, the Company was in compliance with all of these covenants. The primary financial covenant requires that the Company maintain a net debt to capitalization ratio below a specified threshold.

The Company has additional uncommitted credit facilities for issuing letters of credit up to a maximum of $105.0 million (March 31, 2023: $125.0 million; December 31, 2023: $105.0 million). As at March 31, 2024, $46.7 million in letters of credit had been issued thereon (March 31, 2023: $49.6 million; December 31, 2023: $46.7 million).

The Company has various government loans to finance specific projects. As at March 31, 2024 and 2023, these loans are non-interest bearing facilities. These loans are repayable over various terms and mature from 2024 to 2033. As at March 31, 2024, $7.0 million (March 31, 2023: $6.9 million; December 31, 2023: $7.1 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 March 31,	
	2024	2023
Total long-term debt, beginning of period	**$ 1,950,815**	$ 1,710,414
Revolving and term credit facilities - net drawings (repayments)	**$ (30,000)**	$ 48,940
Government loans - net drawings (repayments)	**(167)**	(140)
Supplier financing	**(718)**	—
Payment of financing fees	**—**	(1,011)
Total cash (outflow) inflow from long-term debt financing activities	**$ (30,885)**	$ 47,789
Foreign exchange revaluation	**$ 8,156**	$ (1,978)
Other non-cash changes	**1,117**	465
Total non-cash changes	**$ 9,273**	$ (1,513)
Total long-term debt, end of period	**$ 1,929,203**	$ 1,756,690

10. SHARE CAPITAL

Share Repurchase

On May 20, 2023 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 7.2 million common shares in the open market or as otherwise permitted by the TSX, subject to the normal terms and limitations of such bids. Common shares purchased by the Company are cancelled. The program commenced on May 25, 2023 and will terminate on May 24, 2024, or on such earlier date as the Company completes its purchases pursuant to the notice of intention. Under this bid, during the three months ended March 31, 2024, no shares were repurchased for cancellation.

On May 20, 2022 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, 2022 and terminated on May 24, 2023. Under this bid, during the three months ended March 31, 2023, 0.4 million shares at an average price of $25.64 per share were repurchased for cancellation.

The Company did not adopt an Automatic Share Purchase Plan ("ASPP") in connection with the NCIB that it put in place on May 20, 2023. As at March 31, 2024, there was no obligation for the repurchase of shares (March 31, 2023: $19.2 million, December 31, 2023: $0.0 million) recognized under an ASPP.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

The fair values and notional amounts of derivative financial instruments as at March 31 are shown below:

	2024			2023		
	Notional amount(i)	**Fair value**		Notional amount(i)	Fair value	
		Asset(ii)	**Liability**(ii)		Asset(ii)	Liability(ii)
Cash flow hedges						
Foreign exchange contracts	**$ 18,748**	**$ 19**	**$ 22**	$ 43,248	$ 821	$ —
Interest rate swaps	**$ 358,943**	**333**	**—**	$ 493,545	1,488	180
		$ 352	**$ 22**		$ 2,309	$ 180
Fair value hedges(iii)						
Foreign exchange contracts	**$ 30,446**	**$ 14**	**$ 95**	$ 1,166	$ 5	$ 21
Commodity contracts	**$ 28,146**	**—**	**714**	$ 1,120	182	—
		$ 14	**$ 809**		$ 187	$ 21
Derivatives not designated in a formal hedging relationship						
Interest rate swaps	**$ —**	**$ —**	**$ —**	$ 339,981	$ —	$ 387
Foreign exchange contracts	**$ 81,532**	**494**	**68**	$ 109,652	1,482	105
Commodity contracts	**$ 113,344**	**1,636**	**—**	$ 92,360	—	7,962
		$ 2,130	**$ 68**		$ 1,482	$ 8,454
Total fair value		**$ 2,496**	**$ 899**		$ 3,978	$ 8,655
Current(ii)(iv)		**$ 2,496**	**$ 899**		$ 3,978	$ 8,524
Non-current(ii)		**—**	**—**		—	131
Total fair value		**$ 2,496**	**$ 899**		$ 3,978	$ 8,655

(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 March 31, 2024, the above fair value of current assets has been increased by $0.6 million (March 31, 2023: increased by $2.9 million; December 31, 2023: increased by $2.3 million), and the above fair value of current liabilities has been decreased by $0.7 million (March 31, 2023: decreased by $8.0 million; December 31, 2023: decreased by $1.7 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 March 31, 2024, the Company recorded a pre-tax gain of $6.0 million (2023: loss of $10.7 million) on non-designated financial instruments held for trading.

During the three months ended March 31, 2024, the pre-tax amount of hedge ineffectiveness recognized in cost of goods sold was a gain of $0.0 million (2023: gain of $0.0 million).

The table below sets out fair value measurements of derivative financial instruments as at March 31, 2024 using the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
Assets:				
Foreign exchange contracts	$ —	527	—	$ 527
Commodity contracts[(i)]	922	—	—	922
Interest rate swaps	—	333	—	333
	$ 922	**860**	**—**	**$ 1,782**
Liabilities:				
Foreign exchange contracts	$ —	185	—	$ 185
	$ —	**185**	**—**	**$ 185**

(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 months ended March 31, 2024 and March 31, 2023.

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 2023 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 $0.8 million, net of tax of $0.3 million, of the unrealized gain included in accumulated other comprehensive income (loss) will be reclassified into net earnings (loss) 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 March 31, 2024, a gain of $3.6 million, net of tax of $0.2 million, was released to net earnings from accumulated other comprehensive income (loss) and included in the net change for the year (2023: gain of $3.1 million, net of tax of $1.1 million).

As at March 31, 2024, the Company had US$265.0 million (March 31, 2023: US$265.0 million; December 31, 2023: US$265.0 million) drawn on the Credit Facility of which US$256.5 million (March 31, 2023: US$265.0 million; December 31, 2023: US$265.0 million) is designated as a net investment hedge of the Company's U.S. operations. Foreign exchange gains and losses on the designated drawings are recorded in accumulated other comprehensive income (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 March 31, 2024, the loss on the net investment hedge recorded in other comprehensive income (loss) was $6.6 million, net of tax of $1.2 million (2023: gain of $0.1 million, net of tax of $0.0 million).

12. INTEREST EXPENSE AND OTHER FINANCING COSTS

	Three months ended March 31,	
	2024	2023
Interest on borrowings from credit facility	**$ 36,922**	$ 28,021
Interest on lease obligations	**1,858**	1,502
Interest on securitized receivables	**1,646**	1,737
Interest on government loans	**66**	62
Amortization of deferred financing charges	**1,051**	404
Credit facility standby fees and other interest	**895**	358
	$ 42,438	$ 32,084
Interest paid and capitalized	**(355)**	(481)
	$ 42,083	$ 31,603

Interest paid during the three months ended March 31, 2024 was $40.8 million (2023: $34.3 million).

13. EARNINGS (LOSS) PER SHARE

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

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

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

	2024			2023		
Three months ended March 31,	**Net earnings**	**Weighted average number of shares**[(i)]	**EPS**	Net loss	Weighted average number of shares[(i)]	EPS
Basic	**$ 51,551**	**122.5**	**$ 0.42**	$ (57,704)	121.3	$ (0.48)
Effect of dilutive securities[(ii)(iii)]	**$ (196)**	**1.1**			—	
Diluted	**$ 51,355**	**123.6**	**$ 0.42**	$ (57,704)	121.3	$ (0.48)

(i) *In millions.*

(ii) *Excludes the effect of approximately 5.2 million (2023: 4.9 million) options and performance shares that are anti-dilutive.*

(iii) *Employee stock options and restricted share units.*

14. SHARE-BASED PAYMENT

Stock Options

A summary of the status of the Company's outstanding stock options three months ended March 31 are presented below:

	2024		2023	
	Options outstanding	**Weighted average exercise price**	Options outstanding	Weighted average exercise price
Outstanding at January 1	**6,537,050**	**$ 26.83**	6,099,680	$ 26.82
Granted	**1,793,850**	**$ 22.95**	831,600	$ 24.15
Exercised	**—**	**$ —**	(33,630)	$ 22.88
Forfeited	**(107,850)**	**$ 25.57**	—	$ —
Expired	**(677,100)**	**$ 30.86**	—	$ —
Outstanding at March 31	**7,545,950**	**$ 25.56**	6,897,650	$ 26.52
Options currently exercisable	**4,987,500**	**$ 26.53**	5,205,200	$ 26.86

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 three months ended March 31, 2024 and 2023 are shown in the table below[(i)]:

	Three months ended March 31,	
	2024	2023
Share price at grant date	**$22.99**	$24.33
Exercise price	**$22.95**	$24.15
Expected volatility	**32.1%**	31.6%
Option life (in years)[(ii)]	**4.5**	4.5
Expected dividend yield	**4.6%**	4.2%
Risk-free interest rate[(iii)]	**3.6%**	3.0%

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

(ii) *Expected weighted average life.*

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

The fair value of options granted during the three months ended March 31, 2024 was $8.0 million (2023: $4.0 million). Expenses relating to current and prior year options were $1.9 million (2023: $1.1 million).

Restricted Share Units and Performance Share Units

A summary of the status of the Company's Restricted Share Units ("RSUs") and Performance Share Units ("PSUs") plans as at and for the three months ended March 31 are presented below:

	2024		2023	
	Units outstanding	**Weighted average fair value at grant**	Units outstanding	Weighted average fair value at grant
Outstanding at January 1	**2,018,396**	**$ 23.87**	1,881,158	$ 23.93
Granted	**1,818,035**	**$ 20.67**	852,950	$ 21.53
Forfeited	**(34,260)**	**$ 23.04**	(42,143)	$ 24.11
Outstanding at March 31	**3,802,171**	**$ 22.35**	2,691,965	$ 23.17

The fair value of RSUs and PSUs granted during the three months ended March 31, 2024, was $31.7 million (2023: $16.0 million). Expenses for the three months ended March 31, 2024 relating to current and prior year RSUs and PSUs were $2.9 million (2023: $0.7 million), of which $0.1 million (2023: $0.2 million) will be paid in cash and the remainder settled in shares.

A portion of the outstanding RSUs and PSUs will be settled in cash. The total liability recorded for units that will be cash settled as at March 31, 2024 is $1.2 million (March 31, 2023: $2.1 million; December 31, 2023: $1.1 million).

The key assumptions used in the valuation of fair value of RSUs and PSUs granted during the three months ended March 31, 2024 and 2023 are shown in the table below[(i)]:

	2024	2023
Expected Units life (in years)	**2.6**	3.1
Forfeiture rate	**12.6%**	13.5%
Risk-free interest rate[(ii)]	**3.9%**	3.3%

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

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

Deferred Share Units

Expenses for the three months ended March 31, 2024 relating to director share units were $0.4 million (2023: $0.4 million).

15. GEOGRAPHIC AND CUSTOMER PROFILE

Information About Geographic Areas

The following summarizes sales by country of origin:

	Three months ended March 31,	
	2024	2023[(i)]
Canada	**$ 854,846**	$ 859,795
U.S.	**122,731**	137,129
Japan	**93,560**	97,788
China	**13,528**	3,762
Other	**68,560**	72,593
Sales	**$ 1,153,225**	$ 1,171,067

(i) *Quarterly amounts for 2023 have been adjusted see Note 17.*

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

	As at March 31, 2024	As at March 31, 2023	As at December 31, 2023
Canada	**$ 3,008,183**	$ 3,001,201	$ 3,023,577
U.S.	**287,635**	301,261	285,085
Other	**357**	585	451
Total non-current assets[(i)]	**$ 3,296,175**	$ 3,303,047	$ 3,309,113

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

Information About Major Customers

For the three months ended March 31, 2024, the Company reported sales to two customers representing 12.6% and 12.5% (2023: 12.2% and 11.6%) 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 months ended March 31, 2024, the Company contributed $7.4 million (2023: $7.8 million) to these plans.

The Company's largest shareholder is McCain Capital Inc. ("MCI"). The Company has been informed that Mr. Michael H. McCain, Executive Chairman of the Board, is the controlling shareholder of MCI. For the three months ended March 31, 2024, the Company received services from MCI and companies directly or indirectly owned by MCI in the amount of $0.1 million (2023: $0.3 million), which represented the market value of these transactions. As at March 31, 2024, $0.1 million (March 31, 2023: $0.2 million; December 31, 2023: $0.5 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 months ended March 31, 2024 and 2023, the Company provided services to and received services from MFAS for a nominal amount which represented the market value of the transactions.

17. ADJUSTMENT OF COMPARATIVE INFORMATION

Prior year sales and cost of goods sold have both been adjusted by $3.8 million from the originally published amounts in order to eliminate new sales agreements entered into during that period that contained an expectation of repurchase and had previously been reported as external sales and cost of goods sold.