



MAPLE LEAF FOODS INC.

Financial Statements

For the Year Ended

December 31, 2024

Consolidated Financial Statements

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Independent Auditor's Report

To the Shareholders of Maple Leaf Foods Inc.

Opinion

We have audited the consolidated financial statements of Maple Leaf Foods Inc. (the Entity), which comprise:

- the consolidated balance sheets as at December 31, 2024 and December 31, 2023
- the consolidated statement of earnings (loss) for the years then ended
- the consolidated statement of other comprehensive income (loss) for the years then ended
- the consolidated statement of changes in total equity for the years then ended
- the consolidated statements of cash flows for the years then ended
- and notes to the consolidated financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2024 and December 31, 2023, its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “**Auditor’s Responsibilities for the Audit of the Financial Statements**” section of our auditor’s report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our auditor’s report.

Evaluation of impairment of Goodwill and Indefinite life Intangible Assets

Description of the matter

We draw attention to Notes 2(d), 3(b), 3(j), 3(n), 14 and 15 to the financial statements. The Entity performs impairment testing annually for goodwill and indefinite life intangible assets and, when circumstances indicate that there may be impairment. The Entity has determined two CGU groups, Meat Protein and Plant Protein. The Entity has recorded goodwill and indefinite life intangible assets of \$477,353 thousand and \$184,901 thousand. The Entity assesses impairment by comparing the recoverable amount of each of the indefinite life intangible assets or CGU groups to its carrying value. The recoverable amount is the higher of its value in use or fair value less costs to sell. The value in use is determined using a discounted cash flow model. The fair value less costs to sell is the amount obtainable from the sale of an asset or CGU group in an arm’s length transaction between knowledgeable, willing parties, less costs of disposals. The determination of each of these amounts is subject to estimation uncertainty. The Entity’s significant assumptions used to determine the recoverable amount of CGU groups and each indefinite life intangible asset include:

- future cash inflows and outflows;
- terminal growth rates;
- discount rates; and
- royalty rates in respect of indefinite life intangible assets.

Why the matter is a key audit matter

We identified the evaluation of impairment of goodwill and indefinite life intangible assets as a key audit matter. This matter represented an area of higher risk of misstatement for the Meat Protein and Plant Protein CGU groups given the magnitude of goodwill and indefinite life intangible assets and the high degree of estimation uncertainty in assessing the assumptions used to determine the recoverable amounts. Significant auditor judgment and the involvement of professionals with specialized skills and knowledge was required to evaluate the evidence supporting the Entity’s significant assumptions due to the sensitivity of the recoverable amounts to minor changes in certain significant assumptions.

Independent Auditor's Report

How the matter was addressed in the audit

The primary procedures we performed to address this key audit matter included the following:

For a selection of indefinite life intangible assets and all CGU groups:

- We evaluated the Entity's historical future cash inflows and outflows in comparison to the actual results generated by the group of CGUs or indefinite life intangible asset to assess the Entity's ability to predict future cash inflows and outflows.
- We evaluated the appropriateness of the Entity's future cash inflows and outflows by understanding the Entity's long-term strategy, taking into account historical actual results, conditions or events to assess adjustments or lack of adjustments, and changes in macroeconomic factors affecting the group of CGUs or indefinite life intangible asset.

We involved valuation professionals with specialized skills and knowledge, who assisted in assessing the discount rates, terminal growth rates and royalty rates used in the recoverable amounts. The procedures performed include the following:

- Assessing the Entity's discount rates against discount rate ranges that were independently developed using publicly available market and industry data, and consideration of trading metrics of comparable entities.
- Evaluated the terminal growth rates by considering the growth profile and overall macroeconomic conditions of the group of CGUs or indefinite life intangible asset.
- Assessing the royalty rates against profitability metrics and independent industry benchmarks.

Other Information

Management is responsible for the other information. Other information comprises:

- the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditor's report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

Independent Auditor's Report

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.
- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Chartered Professional Accountants, Licensed Public Accountants

The engagement partner on the audit resulting in this auditor's report is Elliot Marer.

Vaughn, Canada



February 25, 2025

Consolidated Balance Sheets

<i>(In thousands of Canadian dollars)</i>	Notes	As at December 31, 2024	As at December 31, 2023
ASSETS			
Cash and cash equivalents		\$ 175,908	\$ 203,363
Accounts receivable	4	170,919	183,798
Notes receivable	27	37,978	33,220
Inventories	5	553,398	542,392
Biological assets	6	169,399	114,917
Income and other taxes recoverable	13	7,551	88,896
Prepaid expenses and other assets		42,342	44,865
Assets held for sale	7	22,769	—
Total current assets		\$ 1,180,264	\$ 1,211,451
Property and equipment	8	2,123,167	2,251,710
Right-of-use assets	9	160,922	154,610
Investments	10	12,763	15,749
Investment property	11	42,588	57,144
Employee benefits	12	22,429	26,785
Other long-term assets		24,918	22,336
Deferred tax asset	13	46,588	40,854
Goodwill	14	477,353	477,353
Intangible assets	15	339,526	345,129
Total long-term assets		\$ 3,250,254	\$ 3,391,670
Total assets		\$ 4,430,518	\$ 4,603,121
LIABILITIES AND EQUITY			
Accounts payable and accruals		\$ 561,179	\$ 548,444
Current portion of provisions	16	14,482	9,846
Current portion of long-term debt	17	301,478	400,735
Current portion of lease obligations	18	39,900	38,031
Income taxes payable	13	2,595	2,382
Other current liabilities	19	37,587	32,974
Total current liabilities		\$ 957,221	\$ 1,032,412
Long-term debt	17	1,390,479	1,550,080
Lease obligations	18	147,892	142,286
Employee benefits	12	62,395	64,196
Provisions	16	3,912	2,041
Other long-term liabilities		5,205	1,124
Deferred tax liability	13	325,137	296,203
Total long-term liabilities		\$ 1,935,020	\$ 2,055,930
Total liabilities		\$ 2,892,241	\$ 3,088,342
Shareholders' equity			
Share capital	20	\$ 897,839	\$ 873,477
Retained earnings		587,393	597,429
Contributed surplus		12,482	3,227
Accumulated other comprehensive income		43,994	47,829
Treasury shares	20	(3,431)	(7,183)
Total shareholders' equity		\$ 1,538,277	\$ 1,514,779
Total liabilities and equity		\$ 4,430,518	\$ 4,603,121

Commitments and contingencies (Note 29)

See accompanying Notes to the Consolidated Financial Statements.

On behalf of the Board:



CURTIS FRANK



WILLIAM E. AZIZ

Consolidated Statements of Earnings (Loss)

Years ended December 31,
(In thousands of Canadian dollars, except share amounts)

	Notes	2024	2023⁽ⁱ⁾
Sales		\$ 4,895,046	\$ 4,841,213
Cost of goods sold		4,115,040	4,389,839
Gross profit		\$ 780,006	\$ 451,374
Selling, general and administrative expenses		437,133	405,067
Earnings before the following:		\$ 342,873	\$ 46,307
Restructuring and other related costs	16	19,922	23,729
Other expense		19,482	14,352
Earnings before interest and income taxes		\$ 303,469	\$ 8,226
Interest expense and other financing costs	22	162,600	150,851
Earnings (loss) before income taxes		\$ 140,869	\$ (142,625)
Income tax expense (recovery)	13	44,270	(17,649)
Earnings (loss)		\$ 96,599	\$ (124,976)
Earnings (Loss) per share attributable to common shareholders:			
Basic earnings (loss) per share	23	\$ 0.79	\$ (1.03)
Diluted earnings (loss) per share		\$ 0.78	\$ (1.03)
Weighted average number of shares (millions)			
Basic	23	123.0	121.8
Diluted		124.3	121.8

⁽ⁱ⁾ Adjusted, see Note 30.

See accompanying Notes to the Consolidated Financial Statements.

Consolidated Statements of Other Comprehensive Income (Loss)

Years ended December 31,

(In thousands of Canadian dollars)

	Notes	2024	2023
Earnings (loss)		\$ 96,599	\$(124,976)
Other comprehensive (loss) income			
Actuarial gain (loss) that will not be reclassified to profit or loss (Net of tax of \$0.6 million; 2023: \$4.4 million)	13	\$ 1,908	\$ 12,313
Change in revaluation surplus (Net of tax of \$0.0 million; 2023: \$10.6 million)	8	—	40,815
Total items that will not be reclassified to profit or loss		\$ 1,908	\$ 53,128
Items that are or may be reclassified subsequently to profit or loss:			
Change in fair value of investments (Net of tax of \$0.0 million; 2023: \$0.0 million)	10	(4,082)	(5,504)
Change in accumulated foreign currency translation adjustment (Net of tax of \$0.0 million; 2023: \$0.0 million)		30,157	(8,939)
Change in foreign exchange on long-term debt designated as a net investment hedge (Net of tax of \$4.5 million; 2023: \$1.2 million)	21	(24,237)	6,592
Change in cash flow hedges (Net of tax of \$0.9 million; 2023: \$3.9 million)	21	(5,673)	(8,469)
Total items that are or may be reclassified subsequently to profit or loss		\$ (3,835)	\$ (16,320)
Total other comprehensive (loss) income		\$ (1,927)	\$ 36,808
Comprehensive income (loss)		\$ 94,672	\$ (88,168)

See accompanying Notes to the Consolidated Financial Statements.

Consolidated Statements of Changes in Total Equity

		Accumulated other comprehensive income (loss)								
<i>(In thousands of Canadian dollars)</i>	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
Earnings		—	96,599	—	—	—	—	—	—	96,599
Other comprehensive income (loss) ⁽ⁱⁱ⁾		—	1,908	—	5,920	(5,673)	(4,082)	—	—	(1,927)
Dividends declared (\$0.88 per share)		21,864	(108,543)	—	—	—	—	—	—	(86,679)
Share-based compensation expense	24	—	—	21,910	—	—	—	—	—	21,910
Deferred taxes on share-based compensation		—	—	(1,325)	—	—	—	—	—	(1,325)
Exercise of stock options		2,498	—	—	—	—	—	—	—	2,498
Settlement of share-based compensation		—	—	(11,330)	—	—	—	—	3,752	(7,578)
Balance at December 31, 2024		\$897,839	587,393	12,482	14,545	(1,257)	(6,641)	37,347	(3,431)	\$1,538,277

		Accumulated other comprehensive income (loss)								
<i>(In thousands of Canadian dollars)</i>	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
Loss		—	(124,976)	—	—	—	—	—	—	(124,976)
Other comprehensive income (loss) ⁽ⁱⁱ⁾		—	12,313	—	(2,347)	(8,469)	(5,504)	40,815	—	36,808
Dividends declared (\$0.84 per share)		10,178	(102,722)	—	—	—	—	—	—	(92,544)
Share-based compensation expense	24	—	—	11,979	—	—	—	—	—	11,979
Deferred taxes on share-based compensation		—	—	1,100	—	—	—	—	—	1,100
Exercise of stock options		7,395	—	(1,363)	—	—	—	—	—	6,032
Shares re-purchased	20	(4,498)	—	(11,595)	—	—	—	—	—	(16,093)
Sale of investment property		—	6,213	—	—	—	—	(6,213)	—	—
Sale of treasury stock		—	—	—	—	—	—	—	9,841	9,841
Settlement of share-based compensation		1,305	(3,015)	(17,883)	—	—	—	—	8,892	(10,701)
Change in obligation for repurchase of shares		9,011	—	20,989	—	—	—	—	—	30,000
Balance at December 31, 2023		\$873,477	597,429	3,227	8,625	4,416	(2,559)	37,347	(7,183)	\$1,514,779

⁽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 Financial Statements.

Consolidated Statements of Cash Flows

Years ended December 31,
(In thousands of Canadian dollars)

	Notes	2024	2023
CASH PROVIDED BY (USED IN):			
Operating activities			
Earnings (loss)		\$ 96,599	\$ (124,976)
Add (deduct) items not affecting cash:			
Change in fair value of biological assets	6	(63,582)	19,556
Depreciation and amortization		265,173	271,394
Share-based compensation	24	21,910	11,979
Deferred income tax expense	13	30,651	86,959
Current income tax expense (recovery)	13	13,619	(104,608)
Interest expense and other financing costs	22	162,600	150,851
Gain on sale of long-term assets		(9,299)	(516)
Impairment of property and equipment and right-of-use assets		667	9,011
Impairment of investments	10	—	1,953
Change in fair value of long-term assets	8, 11	5,669	—
Change in fair value of non-designated derivatives		(3,334)	(4,632)
Change in net pension obligation		5,063	2,400
Net income taxes refunded		75,712	39,028
Interest paid, net of capitalized interest		(148,925)	(150,425)
Change in provision for restructuring and other related costs	16	6,570	(33,542)
Change in derivatives margin	21	2,235	(6,409)
Cash settlement of derivatives		—	3,361
Other		(3,165)	(5,617)
Change in non-cash operating working capital		6,757	11,116
Cash provided by operating activities		\$ 464,920	\$ 176,883
Investing activities			
Additions to long-term assets		\$ (95,489)	\$ (198,181)
Interest paid and capitalized	22	(1,128)	(2,969)
Proceeds from sale of long-term assets		14,081	18,039
Purchase of investments		—	(200)
Payment of legal settlement	8	—	(5,256)
Cash used in investing activities		\$ (82,536)	\$ (188,567)
Financing activities			
Dividends paid		\$ (86,679)	\$ (92,544)
Net (decrease) increase in long-term debt	17	(290,981)	253,064
Payment of lease obligation	18	(32,353)	(32,951)
Exercise of stock options		2,498	6,032
Repurchase of shares		—	(16,093)
Payment of financing fees	17	(2,324)	(3,378)
Sale of treasury shares		—	9,841
Cash (used in) provided by financing activities		\$ (409,839)	\$ 123,971
(Decrease) increase in cash and cash equivalents		(27,455)	112,287
Cash and cash equivalents, beginning of period		203,363	91,076
Cash and cash equivalents, end of period		\$ 175,908	\$ 203,363

See accompanying Notes to the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

(Tabular amounts in thousands of Canadian dollars unless otherwise indicated)
Years ended December 31, 2024 and 2023

1. THE COMPANY

Maple Leaf Foods Inc. ("Maple Leaf Foods" or the "Company") is a leading protein company responsibly producing food products under leading brands including Maple Leaf®, Maple Leaf Prime®, Maple Leaf Natural Selections®, Schneiders®, Mina®, Greenfield Natural Meat Co.®, Lightlife® and Field Roast™. The Company's portfolio includes prepared meats, ready-to-cook and ready-to-serve meals, snack kits, value-added fresh pork and poultry, and plant protein products. The address of the Company's registered office is 6985 Financial Dr., Mississauga, Ontario, L5N 0A1, Canada. The Company's 2024 audited consolidated financial statements ("Consolidated Financial Statements") as at and for the year ended December 31, 2024 include the accounts of the Company and its subsidiaries. The composition of the Company is further described in Note 27.

2. BASIS OF PREPARATION

(a) Statement of Compliance

The Consolidated Financial Statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and using the accounting policies described herein.

The Consolidated Financial Statements were authorized for issue by the Board of Directors on February 25, 2025.

(b) Basis of Measurement

The Consolidated Financial Statements have been prepared on a going concern basis under the historical cost method except for certain assets and liabilities which are measured at fair value. Liabilities associated with employee benefits are stated at actuarially determined present values.

(c) Functional and Presentation Currency

The Consolidated Financial Statements are presented in Canadian dollars, which is the Company's functional currency.

(d) Use of Estimates and Judgements

The preparation of the Consolidated Financial Statements in accordance with IFRS requires Management to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, equity, income, and expenses. Actual amounts may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Judgements included in the Consolidated Financial Statements are decisions made by Management, based on analysis of relevant information available at the time the decision is made. Judgements relate to the application of accounting policies and decisions applied to the measurement, recognition, and disclosure of financial information.

Information about areas of estimation uncertainty and critical judgements in applying accounting policies, that have a material effect on the amounts recognized in the Consolidated Financial Statements, are included both below and in the statement notes relating to items subject to significant estimation uncertainty and critical judgements.

Long-Lived Assets Valuation

The Company performs impairment testing annually for goodwill and indefinite life intangible assets. Goodwill, indefinite life intangibles, other long-lived assets and definite life intangibles are also tested for impairment when circumstances indicate that there may be impairment. Management judgement is involved in determining if there are circumstances indicating that testing for impairment is required, and in identifying Cash Generating Units ("CGUs") for the purpose of impairment testing.

The Company assesses impairment by comparing the recoverable amount of a long-lived asset, CGU, or CGU group to its carrying value. The recoverable amount is defined as the higher of: (i) value in use; or (ii) fair value less cost to sell.

The determination of the recoverable amount involves significant assumptions, including those with respect to future cash inflows and outflows, discount rates, terminal growth rates, royalty rates with respect to indefinite life intangible assets, and asset lives. These assumptions could affect the Company's future results if the current estimates of future performance and fair values change. These determinations will affect the amount of amortization expense on definite life assets recognized in future periods.

Revaluation of investment properties

The Company carries its investment properties at fair value, with changes in fair value being recognized in the Statement of Earnings (Loss). Fair value is determined based on available market evidence. If the market evidence is not readily available in less active markets, the Company uses alternative valuation methods such as recent transaction prices or anticipated cash flows. The Company also engages an independent valuation specialist to assess fair value of the investment properties from time to time as required. The determination of fair value includes significant estimation and judgement in comparing market evidence to specific properties. To the

extent that estimates differ from amounts realized earnings, comprehensive income, and investment property values will be affected in future periods.

Measurement of Fair Values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When the measurement of fair values cannot be determined based on quoted prices in active markets, fair value is measured using valuation techniques and models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of estimation is required in establishing fair values. To the extent that these estimates differ from those realized, the measured asset or liability, earnings, and/or comprehensive income will be affected in future periods. Changes in assumptions about the inputs to these models could affect the reported fair value of the Company's financial and non-financial assets and liabilities.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Notes 6, 7, 10, 11, 12, 14, 15, 21, and 24.

Nature of Interests in Other Entities

Management applies significant judgement in assessing the nature of its interest in unconsolidated structured entities relating to its accounts receivable securitization facilities. The Company does not hold any equity interest in the structured entities and based on the terms of the agreements under which the entities are established, the Company does not receive the returns related to their operations and is exposed to limited recourse with respect to losses. Information about the nature of interest in other entities is disclosed in Note 27.

Valuation of Inventories

Management makes estimates of the future customer demand for products when establishing appropriate provisions for inventory. In making these estimates, Management considers the product life of inventory and the profitability of recent sales. Code or "best before" dates are very important in the determination of net realizable value of inventory. Management ensures that systems are in place to highlight and properly value inventory that may be approaching code dates. To the extent that actual losses on inventory differ from those estimated, inventory, earnings, and comprehensive income will be affected in future periods.

Biological Assets

Biological assets are measured at each reporting date, at fair value less costs to sell, except when fair value cannot be reliably measured. If fair value cannot be reliably measured, biological assets are measured at cost less depreciation and impairment losses. Although a reliable measure of fair value may not be available at the point of initial recognition, it may subsequently become available. In such circumstances, biological assets are measured at fair value less costs to sell from the point at which the reliable measure of fair value becomes available. Gains and losses that arise on measuring biological assets at fair value less costs to sell are recognized in the Consolidated Statements of Earnings (Loss) in the period in which they arise. Costs to sell include all costs that would be necessary to sell the biological assets, including costs necessary to get the biological assets to market. Management uses estimates over the future price per hog, foreign exchange rates, and estimated weight and cost of hogs at maturity in the determination of fair value. To the extent that actual values differ from estimates, biological assets, earnings and comprehensive income will be affected in future periods.

Trade Merchandise Allowances and Other Trade Discounts

The Company provides for estimated payments to customers based on various trade programs and contracts that often include payments that are contingent upon attainment of specified sales volumes. Significant estimates used to determine these liabilities include: the projected level of sales volume for the relevant period, customer contracted rates for allowances, discounts, and rebates. These arrangements are complex and affect a significant number of customers and products. Management has systems and processes in place to estimate and value these obligations. To the extent that payments on trade discounts differ from estimates of the related liability, accounts payable and accruals, earnings, and comprehensive income will be affected in future periods.

Employee Benefit Plans

The cost of pensions and other post-retirement benefits earned by employees is actuarially determined using the projected unit credit method prorated on service, and Management's best estimate of salary escalation and mortality rates. Discount rates used in actuarial calculations are based on long-term interest rates and can have a material effect on the amount of plan liabilities and expenses. Management employs external experts to advise the Company when deciding upon the appropriate estimates to use in valuing employee benefit plan obligations and expenses. The Company's plans invest in pooled funds which hold underlying equity, debt and other securities that are not quoted in an active market. Management relies on external experts to value these pooled funds. To the extent that these estimates differ from those realized, employee benefit plan assets and liabilities and comprehensive income will be affected in future periods.

Income Taxes

Provisions for income taxes are based on domestic and international statutory income tax rates and the amount of income earned in the jurisdictions in which the Company operates. Significant judgement is required in determining income tax provisions and the

recoverability of deferred tax assets. The calculation of current and deferred income tax balances requires Management to make judgements regarding the carrying values of assets and liabilities that include estimates of future cash flows and earnings related to such assets and liabilities, the interpretation of income tax legislation in the jurisdictions in which the Company operates, and the timing of reversal of temporary differences. The Company establishes additional provisions for income taxes when, despite Management's opinion that the Company's tax positions are fully supportable, there is sufficient complexity or uncertainty in the application of legislation that certain tax positions may be reassessed by tax authorities. The Company adjusts these additional accruals in light of changing facts and circumstances. To the extent that these adjustments differ from original estimates, deferred tax assets and liabilities, earnings, and comprehensive income will be affected in future periods.

Provisions

The Company evaluates all provisions at each reporting date. These provisions can be significant and are prepared using estimates of the costs of future activities. In certain instances, Management may determine that these provisions are no longer required or that certain provisions are insufficient as new events occur or as additional information is obtained. Provisions are separately identified and disclosed in the Consolidated Financial Statements. Changes to these estimates may affect the value of provisions, earnings, and comprehensive income in future periods.

Share-Based Compensation

The Company uses estimates in the calculation of the liability and expenses for certain share-based incentive plans including, but not limited to, estimates of forfeitures, share price volatility, future dividends, future share price, expected life of the award, and Company performance. These estimates are based on previous experience and may change throughout the life of an incentive plan. Such changes could impact the carrying value of contributed surplus, liabilities, earnings, and comprehensive income in future periods.

Some of the Company's share-based payment plans may be settled in either cash or equity instruments. Management uses judgement in determining the appropriate accounting treatment for these plans, based on expectations and historical settlement decisions. Changes to accounting treatment based on Management's judgement may impact contributed surplus, liabilities, earnings, and comprehensive income in future periods.

Depreciation and Amortization

The Company's property and equipment and definite life intangible assets are depreciated and amortized on a straight-line basis, considering the estimated useful lives of the assets and residual values. Right-of-use ("ROU") assets are depreciated on a straight-line basis, considering the shorter of the useful life of the underlying asset or the lease term. If it is reasonably certain at the commencement of the lease arrangement that the Company will exercise its purchase option or otherwise obtain ownership of the underlying asset at the end of the lease term, the ROU asset is depreciated over its useful life. Changes to these estimates may affect the carrying value of these assets, earnings, and comprehensive income in future periods.

Investments

The Company analyzes its private equity investment holdings for changes in fair value at each reporting period. The Company uses significant judgement in reviewing internally and externally available financial information to determine if there are indicators that the fair value of the holdings have changed. Changes to the estimated fair value may affect the value of investment assets, and comprehensive income in future periods.

Leases

The Company applies significant judgement in assessing whether a contract is or contains a lease. Such judgements include the determination of whether an asset or assets are specifically or implicitly identified in the contract, if the Company has the right to obtain substantially all the economic benefits from use of the asset or assets and whether the Company has the right to direct the use of the asset or assets. These judgements are made at the inception of a contract and may change if there are material changes to the agreement.

Estimates are used to determine the incremental borrowing rate of a lease when the interest rate implicit to the lease is not readily available. The Company's incremental borrowing rate is determined using a model which incorporates the Company's credit worthiness, the nature and quality of the underlying asset, geographic environments and the duration of the lease. The inputs used in determining the incremental borrowing rate are reviewed and updated quarterly. Changes to these estimates may affect the value of assets, liabilities, and earnings in future periods.

The Company also applies significant judgement in determining whether it is reasonably certain to exercise lease extension options or purchase options in a contract by considering all relevant factors and circumstances that may create an economic incentive for the Company to exercise the option considering such factors as past experience, the terms and conditions of the contract, and the importance of the underlying assets to the Company's operations.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these Consolidated Financial Statements.

(a) Principles of Consolidation

These Consolidated Financial Statements include the accounts of the Company and its subsidiaries from the date that control commences until the date that control ceases. Control exists when the Company is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

All intercompany accounts and transactions have been eliminated on consolidation.

(b) Goodwill

Goodwill is measured as the excess of the sum of the fair value of the consideration transferred in a business combination, the amount of any non-controlling interests in the acquiree, and the fair value of any previously held equity interest in the acquiree over the net of the acquisition date fair value of the identifiable assets acquired and the liabilities assumed. If the excess is negative, a bargain purchase gain is recognized immediately in earnings. Transaction costs, other than those associated with the issue of debt or equity, are recognized in earnings as incurred.

Goodwill is not amortized and is tested for impairment annually in the fourth quarter and as required when circumstances indicate that its carrying amount may not be recoverable. Goodwill is tested for impairment at the CGU group level by comparing the carrying amount to its recoverable amount, consistent with the methodology outlined in Note 3 (j).

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured, and settlement is accounted for in equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in earnings.

(c) Fair Value Measurements

The Company measures certain financial and non-financial assets and liabilities at fair value at each balance sheet date. In addition, fair value measurements are disclosed for certain financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and disclosure purposes is determined on such a basis, except for share-based payment transactions, and measurements that have some similarities to fair value but are not fair value, such as net realizable value or value in use.

Assets and liabilities, for which fair value is measured or disclosed in the consolidated financial statements, are classified using a three-level fair value hierarchy that reflects the significance and transparency of the inputs used in making the fair value measurements. Each level is based on the following:

Level 1 - inputs are unadjusted quoted prices of identical assets or liabilities in active markets

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 - one or more significant inputs used in a valuation technique are unobservable in determining fair values of the asset or liability

Determination of fair value and the resulting hierarchy requires the use of observable market data whenever available. The classification of an asset or liability in the hierarchy is based upon the lowest level of input that is significant to the measurement of fair value.

(d) Non-current Assets (or Disposal Groups) Held for Sale

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. The criteria for held for sale classification is regarded as met when a sale is highly probable, the asset or disposal group is available for immediate sale in its present condition, and Management is committed to the sale, which is expected to be completed within one year from the date of classification. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are not depreciated once classified as held for sale. Should an asset no longer meet the definition of held for sale the asset will be accounted for as if it had not been moved to held for sale, and reclassified back to its original line item on the consolidated balance sheet.

(e) Translation of Foreign Currencies

The accounts of the Company are presented in Canadian dollars. Transactions in foreign currencies are translated at the actual rates of exchange. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the Canadian dollar at the exchange rate for that date. Foreign exchange differences arising on translation are recognized in earnings. Non-monetary assets and liabilities that are measured at historical cost are translated using the exchange rate at the date of the transaction.

The financial statements of foreign subsidiaries whose unit of measure is not the Canadian dollar are translated into Canadian dollars using the exchange rate in effect at the period-end for assets and liabilities, and the average exchange rates for the period for revenue, expenses, and cash flows. Foreign exchange differences arising on translation are recognized in accumulated other comprehensive income (loss) in equity.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Company disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to the non-controlling interest. When the Company disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to earnings.

Foreign exchange gains and losses arising from a receivable or payable to a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future and which in substance is considered to form part of the net investment in the foreign operations, are recognized in other comprehensive income (loss) in the cumulative foreign currency translation differences.

(f) Financial Instruments

The Company's financial assets, upon initial recognition, are measured at fair value and are classified as Fair Value through Profit or Loss ("FVTPL"), Fair Value through Other Comprehensive Income ("FVOCI"), or amortized cost. The classification is determined at initial recognition and is dependent on the business model in which a financial asset is managed and the characteristics of the contractual cash flows. Subsequent reclassification may only occur on the first day of the reporting period following a change to the business model. The classification of the Company's financial assets is disclosed in Note 21.

The Company's financial liabilities, upon initial recognition, are measured at fair value and are classified as amortized cost or FVTPL. A financial liability is classified as amortized cost at initial recognition unless it is classified as held-for-trading, is a derivative instrument or is specifically designated as FVTPL. Financial liabilities classified as amortized cost are subsequently measured using the effective interest method while financial liabilities at FVTPL are subsequently measured at fair value with changes in fair value recognized in the Consolidated Statements of Earnings (Loss) in the period in which such changes arise.

The Company records a loss allowance of expected credit losses for financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance at an amount equal to the lifetime expected credit losses if the credit risk on its financial assets has increased significantly since initial recognition. If credit risk has not significantly increased since initial recognition, the Company measures the loss allowance at an amount equal to the 12-month expected credit losses.

Transaction costs, other than those related to financial instruments classified as fair value through profit or loss, which are expensed as incurred, are capitalized to the carrying amount of the instrument and amortized using the effective interest method.

(g) Hedge Accounting

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

At the inception of a hedging relationship, the Company designates and formally documents the relationship between the hedging instrument and the hedged item, the risk management objective, and its strategy for undertaking the hedge. The documentation identifies the specific asset, liability, or anticipated cash flows being hedged, the risk that is being hedged, the type of hedging instrument used, and how effectiveness will be assessed.

The Company also formally assesses both at inception and at least quarterly thereafter, whether or not the derivatives that are used in hedging transactions are effective in offsetting the changes attributable to the hedged risks in the fair values or cash flows of the hedged items. If a hedging relationship becomes ineffective, it no longer qualifies for hedge accounting and any subsequent change in the fair value of the hedging instrument is recognized in the Consolidated Statements of Earnings (Loss).

When hedge accounting is permitted, the hedging relationship may be designated as a cash flow hedge, a fair value hedge, or a net investment in foreign operation hedge. For most cash flow hedges, the change in fair value of the hedging instrument is recorded, to the extent it is effective, in other comprehensive income (loss) until the hedged item affects earnings. If the cash flow hedge is a forecast transaction that results in the recognition of a non-financial asset or liability, the Company removes that amount from the cash flow hedge reserve and includes it directly in the initial cost or other carrying amount of the asset or the liability. In a fair value hedge, the change in fair value of the hedging derivative is offset in the Consolidated Statements of Earnings (Loss) by the change in fair value of the hedged item relating to the hedged risk. For a net investment in a foreign operations hedge, foreign exchange gains and losses on the designated financial instrument are recorded in accumulated other comprehensive income (loss) and are offset by the translation adjustments on the underlying net assets of the foreign operations.

Hedge ineffectiveness is measured and recorded in current period earnings in the Consolidated Statements of Earnings (Loss). When either a fair value hedge or cash flow hedge is discontinued, any cumulative adjustment to either the hedged item or other comprehensive income (loss) is recognized in earnings, as the hedged item affects earnings, or when the hedged item is derecognized for a net investment in a foreign operations hedge. If a designated hedge is no longer effective, the associated derivative instrument is subsequently carried at fair value through earnings without any offset from the hedged item.

Derivatives that do not qualify for hedge accounting are carried at fair value on the Consolidated Balance Sheets, and subsequent changes in their fair value are recorded in the Consolidated Statements of Earnings (Loss).

(h) Inventories

Inventories are valued at the lower of cost and net realizable value, with cost being determined substantially on a first-in, first-out basis. The cost of inventory includes direct product costs, direct labour, and an allocation of variable and fixed manufacturing overhead, including depreciation. When circumstances that previously caused inventories to have a write-down below cost no longer exist, or when there is clear evidence of an increase in the net realizable value, the amount of a write-down previously recorded is reversed through cost of goods sold.

(i) Biological Assets

Biological assets consist of live hogs, poultry, and eggs. For the purposes of valuation, these assets are categorized as either parent stock or commercial stock. Parent stock represents animals held and bred for the purpose of generating commercial stock and to replace parent stock nearing the end of its productive cycle. Commercial stock is held for the purposes of further processing or eventual sale, at which point it becomes inventory. The fair value of commercial stock is determined based on market prices of livestock of similar age, breed, and genetic merit, less costs to sell the assets, including estimated costs necessary to transport the assets to market. Where reliable market prices of parent stock are not available, they are valued at cost less accumulated depreciation and any accumulated impairment losses. No active market exists for parent stock as they are rarely sold. Hog parent stock is depreciated on a straight-line basis over two to three years after considering residual values, whereas poultry parent stock is depreciated on a straight-line basis over six to eight months.

Biological assets are transferred into inventory at fair value less costs to sell at the point of delivery.

(j) Impairment or Disposal of Long-Lived Assets

The Company reviews long-lived assets or asset groups held and used, including property and equipment and intangible assets subject to amortization, for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Asset groups referred to as CGUs include an allocation of corporate assets and are reviewed at their lowest level for which identifiable cash inflows are largely independent of cash inflows of other assets or groups of assets. The recoverable amount is the greater of its value in use and its fair value less cost to sell.

Value in use is based on estimates of discounted future cash flows expected to be recovered from a CGU, CGU group or asset through its use. Management develops its cash flow projections based on past performance and its expectations of future market and business developments. Once calculated, the estimated future pre-tax cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Fair value less cost to sell is the amount obtainable from the sale of an asset, CGU or CGU group in an arm's-length transaction between knowledgeable, willing parties, less the costs of disposal. Costs of disposal are incremental costs directly attributable to the disposal of an asset or CGU, excluding financing costs and income tax expense.

An impairment loss is recognized in the Consolidated Statements of Earnings (Loss) when the carrying amount of any asset, CGU, or CGU group exceeds its estimated recoverable amount. Impairment losses recognized in respect of a CGU or a CGU group are allocated, first to reduce the carrying amount of any goodwill allocated to the CGU or CGU group, and then to reduce the net carrying amount of the other assets in the CGU or CGU group on a pro rata basis.

Impairment losses related to long-lived assets recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no previous impairment loss had been recognized.

(k) Property and Equipment

Property and equipment, with the exception of land, is recorded at cost less accumulated depreciation and any net accumulated impairment losses. Land is carried at cost and not depreciated. For qualifying assets, cost includes interest capitalized during the construction or development period. Construction-in-process assets are capitalized during construction and depreciation commences when the asset is available for use. Depreciation related to assets used in production is recorded in inventory and cost of goods sold.

Depreciation related to non-production assets is recorded through selling, general, and administrative expense ("SG&A"). Depreciation is calculated on a straight-line basis, after taking into account residual values, over the following expected useful lives of the assets:

Buildings, including other components	10-40 years
Machinery and equipment	3-20 years

When parts of an item of property and equipment have different useful lives, those components are accounted for as separate items of property and equipment.

(l) Investment Properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair value is determined based on available market evidence. If market evidence is not readily available in less active markets the Company uses alternative valuation methods such as recent transaction prices or anticipated cash flows.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property, and equipment up to the date of change in use. Gains from the change in fair value at the time a property ceases to be owner-occupied are recorded through Other Comprehensive Income within revaluation surplus prior to the transfer.

(m) Right-of-use ("ROU") Assets and Lease Obligations

At the inception of a contract, the Company assesses if the agreement is or contains a lease. A lease arrangement exists if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company recognizes a ROU asset and lease obligation with respect to all lease arrangements with a lease term greater than 12 months. Leases with a term of 12 months or less and variable rent expenses are recognized as an expense in the Consolidated Statements of Earnings (Loss) when performance relating to those expenses has occurred.

The Company measures its lease obligation as the present value of the outstanding lease payments, discounted using the interest rate implicit in the lease and the term of the contract adjusted for reasonably certain renewal or termination options. If the interest rate implicit in the lease is not readily available, the payments are discounted using the Company's incremental borrowing rate. The lease obligation is subsequently measured by increasing the carrying amount for interest using the effective interest method. Lease payments are recognized as reductions to the carrying amount of the lease obligation.

The ROU asset is measured at the amount of the initial lease obligation and adjusted for any lease payments made at or before the commencement date of the lease less any incentives, initial direct costs, or the estimate of costs to restore the ROU asset at the conclusion of the lease term. ROU assets are depreciated on a straight-line basis over the shorter of the useful life of the underlying asset consistent with the Company's depreciation policy for property and equipment as outlined in Note 3 (k), or the lease term. If it is reasonably certain at the commencement of the lease arrangement that the Company will exercise its purchase option or otherwise obtain ownership of the underlying asset at the end of the lease term, the ROU asset is depreciated over the useful life of the underlying asset.

The Company remeasures the lease obligation and ROU asset as a result of material modifications to a lease arrangement.

(n) Intangible Assets

Intangible assets include computer software, trademarks, recipes, customer relationships and poultry production quota. Definite life intangible assets are measured at cost less accumulated amortization and any net accumulated impairment losses. Amortization is

recognized in the Consolidated Statements of Earnings (Loss) on a straight-line basis over the estimated useful lives of the following assets:

Computer software	3-10 years
Customer relationships	20-25 years
Recipes	5-20 years

Indefinite life intangibles including trademarks and poultry production quota are tested for impairment annually in the fourth quarter and as required when circumstances indicate that the net carrying value may not be recoverable. Refer to Note 3 (j) for impairment testing methods.

Upon recognition of an intangible asset, the Company determines if the asset has a definite or indefinite life. In making this determination, the Company considers the expected use, expiry of agreements, the nature of the asset, and whether the value of the asset decreases over time.

(o) Employee Benefit Plans

The Company provides post-employment benefits through defined benefit and defined contribution plans.

Defined Benefit Plans

The Company accrues obligations and costs in respect of employee defined benefit plans. The cost of pensions and other retirement benefits earned by employees is actuarially determined using the projected unit credit method prorated on service and Management's best estimate of salary escalation, retirement ages of employees, mortality rates, inflation and expected health care costs. Changes in these assumptions could affect future pension expense. The fair value of plan assets and the present value of the obligation are used to calculate net interest cost or income. The discount rate used to value the defined benefit obligation is based on high-quality corporate bonds in the same currency in which the benefits are expected to be paid and with terms to maturity that, on average, match the terms of the defined benefit obligations. The discount rate used to value the current service cost is based on high-quality corporate bonds in the same currency in which the employer contributions are expected to be made in and with terms of maturity that, on average, match the expected remaining service period for active employees.

Actuarial gains and losses due to changes in defined benefit plan assets and obligations are recognized immediately in accumulated other comprehensive income (loss).

When the calculation results in a net benefit asset, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of future refunds from the plan or reductions in future contributions to the plan (the "asset ceiling"). To calculate the present value of economic benefits, consideration is given to minimum funding requirements that apply to the plan. Where it is anticipated that the Company will not be able to recover the value of the net defined benefit asset, after considering minimum funding requirements for future services, the net defined benefit asset is reduced to the amount of the asset ceiling. The impact of the asset ceiling is recognized in other comprehensive income (loss).

When future payment of minimum funding requirements related to past service would result in a net defined benefit asset "surplus" or an increase in a surplus, the minimum funding requirements are recognized as a liability, to the extent that the surplus would not be fully available as a refund or a reduction in future contributions. Re-measurement of this liability is recognized in other comprehensive income (loss) in the period in which the re-measurement occurs.

Defined Contribution Plans

The Company's obligations for contributions to employee defined contribution pension plans are recognized in the Consolidated Statements of Earnings (Loss) in the periods during which services are rendered by employees.

Multi-Employer Plans

The Company participates in multi-employer pension plans which are accounted for as defined contribution plans. The Company does not administer these plans as the administration and the investment of these assets are controlled by a board of trustees consisting of union and employer representatives. The Company's responsibility to make contributions to these plans is established pursuant to collective bargaining agreements. The contributions made by the Company to the multi-employer plans are expensed when due.

(p) Share-Based Compensation

The Company applies the fair value method of accounting for share-based compensation. The fair value at grant date of stock options is estimated using the Black-Scholes option-pricing model. The fair value of restricted share units ("RSUs"), including performance share units ("PSUs"), is measured based on the fair value of the underlying shares on the grant date and expected achievement of performance conditions. Compensation cost is recognized on a straight-line basis over the expected vesting period of the share-based compensation. The Company estimates the number of units expected to vest at the grant date and revises the estimate as necessary if subsequent information indicates that the actual number of units vesting differs significantly from the original estimate. The fair value of deferred share units ("DSUs") is measured based on the fair value of the underlying shares at grant date.

The Company has share-based compensation plans which are able to be settled in either cash or equity instruments at the option of the Company. Each grant is accounted for based on the expected settlement method at the time of issue. The expectation is re-evaluated at the end of each reporting period.

(q) Revenue Recognition

The majority of the Company's revenue is derived from the sale of products to retail and foodservice customers, as well as the sale of by-products to industrial and agricultural customers. The Company recognizes revenue for all sales at the fair value of the consideration received or receivable. Sales are net of a provision for variable consideration of estimated allowances and sales incentives provided to customers, such that it is highly probable that a significant reversal will not occur once the uncertainty related to the variable consideration is subsequently resolved. For all transactions, revenue is recognized when control of the goods has transferred, being at the point the customer receives and accepts the product. The customer may receive product either through delivery or by pick-up. There are no significant financing components associated with the Company's payment terms.

The Company generally does not accept returns of spoiled products from customers. For product that may not be returned, the Company, in certain cases, provides customers with allowances to cover any damage or spoilage, and such allowances are deducted from sales at the time of revenue recognition.

The value of sales incentives provided to customers are estimated using historical trends and are recognized at the time of sale as a reduction of revenue. Sales incentives include rebate and promotional programs provided to the Company's customers. These rebates are based on achievement of specified volume or growth in volume levels and other agreed promotional activities. In subsequent periods, the Company monitors the performance of customers against agreed upon obligations related to sales incentive programs and makes any adjustments to both revenue and sales incentive accruals as required.

The Company enters into repurchase agreements, which represent sales to third parties where the Company is required to buy-back the asset sold or a good containing that asset as a component. These sales and their associated cost of goods sold are not recognized in the Consolidated Statements of Earnings (Loss) until their eventual third-party sale.

(r) Borrowing Costs

Borrowing costs are primarily comprised of interest on the Company's indebtedness. Borrowing costs are capitalized when they are attributable to the acquisition, construction, or production of a qualifying asset. The Company defines qualifying assets as any asset that requires more than six months to prepare for its intended use. Borrowing costs attributable to qualifying assets are calculated using the Company's average borrowing cost excluding the costs associated with the derecognition of accounts receivables under securitization programs. Borrowing costs that are not attributable to a qualifying asset are expensed in the period in which they are incurred and reported within interest expense in the Consolidated Statements of Earnings (Loss).

(s) Government Incentives

Government incentives are not recognized until there is reasonable assurance that they will be received and that the Company will be in compliance with any conditions associated with the incentives. Incentives that compensate the Company for expenses or losses are recognized in earnings with the same classification as the related expense or loss in the same periods in which the expenses or losses are recognized.

Government incentives received with the primary condition that the Company should purchase, construct, or otherwise acquire non-current assets are recognized as a deduction from the associated asset on the Consolidated Balance Sheets. The incentive is recognized in earnings over the useful life of the asset as a reduction of the related depreciation expense.

Government incentives that are receivable as compensation for expenses or losses already incurred, or for the purpose of giving immediate financial support to the Company with no future related costs, are recognized in earnings in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government incentive, and is measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

(t) Income Taxes

Income tax expense is comprised of current and deferred tax. Income tax is recognized in the Consolidated Statements of Earnings (Loss), except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income (loss).

Current tax expense represents the amount of income taxes payable, in respect of the taxable profit for the period, based on tax law that is enacted or substantially enacted at the reporting date, and is adjusted for changes in estimates of tax expense recognized in prior periods. A current tax liability or asset is recognized for income tax payable, or paid but recoverable in respect of all periods to date.

The Company uses the asset and liability method of accounting for income taxes. Accordingly, deferred tax assets and liabilities are recognized for the deferred tax consequences attributable to differences between the carrying amounts of assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to

apply to taxable income in the years when those temporary differences are expected to be recovered or settled and in the manner in which those temporary differences are expected to be recovered or settled through sale or continued use. In addition, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in both earnings and comprehensive income in the period in which the enactment or substantive enactment takes place.

A deferred tax asset is recognized for unused tax losses, tax credits, and deductible temporary differences, to the extent that it is probable that future taxable income will be available to utilize such amounts. Deferred tax assets are reviewed at each reporting date and are adjusted to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

(u) Accounting Standards Adopted During the Period

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 adopted this amendment in its Consolidated Financial Statements for the annual period ending December 31, 2024. The adoption of this amendment did not have a material impact on the Consolidated Financial Statements.

(v) Accounting Pronouncements Issued But Not Yet Effective

Presentation and Disclosure in Financial Statements – IFRS 18

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

4. ACCOUNTS RECEIVABLE

	As at December 31,	
	2024	2023
Trade receivables	\$ 130,409	\$ 144,676
Less: Allowance for doubtful accounts	(2,119)	(1,900)
Net trade receivables	\$ 128,290	\$ 142,776
Other receivables:		
Commodity taxes receivable	13,911	13,520
Government receivable	11,096	2,840
Other	17,622	24,662
	\$ 170,919	\$ 183,798

The aging of trade receivables is as follows:

	As at December 31,	
	2024	2023
Current	\$ 97,968	\$ 113,679
Past due 0-30 days	23,640	21,273
Past due 31-60 days	2,578	2,915
Past due > 60 days	6,223	6,809
	\$ 130,409	\$ 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 the trade receivables.

The Company has sold certain of its trade accounts receivables under a securitization program as described in Note 27.

The Company's securitization program requires the sale of trade receivables to be treated as a sale from an accounting perspective and as a result, trade receivables sold under this program are derecognized from the Consolidated Balance Sheets as at December 31, 2024 and 2023.

5. INVENTORIES

	As at December 31,	
	2024	2023
Raw materials	\$ 60,552	\$ 75,513
Work in process	46,926	40,358
Finished goods	319,529	311,885
Packaging	32,893	27,280
Spare parts	93,498	87,356
	\$ 553,398	\$ 542,392

For the year ended December 31, 2024, inventory in the amount of \$3,854.7 million (2023: \$3,973.2 million) was expensed through cost of goods sold.

For the year ended December 31, 2024, inventories have been reduced by \$16.2 million (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.

6. BIOLOGICAL ASSETS

	Hog stock		Poultry stock		Total
	Commercial	Parent	Commercial	Parent	
Balance at December 31, 2023	\$ 69,048	36,054	5,930	3,885	\$ 114,917
Additions and purchases	433,759	8,620	77,626	5,922	525,927
Depreciation	—	(10,127)	—	(5,411)	(15,538)
Change in fair value realized	51,039	—	—	—	51,039
Change in fair value unrealized	12,543	—	—	—	12,543
Further processing and sales	(442,033)	—	(77,456)	—	(519,489)
Balance at December 31, 2024	\$ 124,356	34,547	6,100	4,396	\$ 169,399

	Hog stock		Poultry stock		Total
	Commercial	Parent	Commercial	Parent	
Balance at December 31, 2022	\$ 101,351	33,476	5,763	3,579	\$ 144,169
Additions and purchases	490,326	11,667	76,553	5,346	583,892
Depreciation	—	(9,089)	—	(5,040)	(14,129)
Change in fair value realized	31,482	—	—	—	31,482
Change in fair value unrealized	(51,038)	—	—	—	(51,038)
Further processing and sales	(503,073)	—	(76,386)	—	(579,459)
Balance at December 31, 2023	\$ 69,048	36,054	5,930	3,885	\$ 114,917

Hog stock is comprised of approximately 0.9 million animals as at December 31, 2024 (2023: 0.9 million). During the years ended December 31, 2024 and 2023, substantially all hog stock was directly transferred to the Company's primary processing operations.

Poultry stock is comprised of approximately 8.6 million eggs and 0.2 million birds as at December 31, 2024 (2023: 8.4 million eggs and 0.2 million birds). Substantially all poultry stock was directly transferred to the Company's primary processing operations.

The change in fair value of commercial hog stock for the year was a gain of \$63.6 million for the year ended December 31, 2024 (2023: loss of \$19.6 million) 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 year ended December 31, 2024.

The Company uses the market comparison approach to determine the fair value of its commercial hog stock. The valuation model is based on the market price of hog stock of similar age, weight, breed, and genetic make-up. The model is based on the U.S. dollar market price per cut weight and adjusted for foreign exchange, conversion from pounds to kilograms, and specific significant unobservable inputs, including a quality index adjustment and a market conversion factor, as defined below.

The quality index adjustment is a value adjustment based on the relative quality of a processed hog based on the lean yield (being the ratio between muscle and fat content) and total weight. Quality adjustments during the year ranged from 6.7% to 7.1% (2023: 5.9% to 7.0%). A higher (lower) quality adjustment percentage will result in an increase (decrease) to the fair market value of the commercial hog stock.

The market conversion factor is a market adjustment used to discount the formula from a U.S. market price to a Canadian pricing model. The market conversion factor experiences minimal fluctuation. A higher (lower) market conversion factor will result in an increase (decrease) to the fair market value of the commercial hog stock.

Commercial poultry stock are valued at cost as an indicator of fair value in the case where little biological transformation has taken place since initial cost occurrence or when the impact of the biological transformation on price is not expected to be material.

Where reliable market prices of parent stock are not available, they are valued at cost less accumulated depreciation and any accumulated impairment losses. No active liquid market exists for parent stock as they are rarely sold.

The Company's biological asset operations can be affected by outbreaks of disease among livestock. To mitigate this risk, the Company monitors herd health status and has strict bio-security procedures and employee training programs throughout its livestock production operation.

7. ASSETS HELD FOR SALE

As at December 31, 2024, assets held for sale consisted of a parking lot located in Toronto, Ontario and poultry production quota. As at December 31, 2023, there were no assets held for sale.

8. PROPERTY AND EQUIPMENT

	Land	Buildings	Machinery and equipment	Under construction	Total
Cost	\$ 57,064	1,869,312	2,067,682	48,212	\$ 4,042,270
Accumulated depreciation	—	(566,336)	(1,352,767)	—	(1,919,103)
Net balance, December 31, 2024	\$ 57,064	1,302,976	714,915	48,212	\$ 2,123,167

	Land	Buildings	Machinery and equipment	Under construction	Total
Cost	\$ 58,203	1,861,461	2,005,886	59,410	\$ 3,984,960
Accumulated depreciation	—	(499,717)	(1,233,533)	—	(1,733,250)
Net balance, December 31, 2023	\$ 58,203	1,361,744	772,353	59,410	\$ 2,251,710

The changes in net carrying amounts of property and equipment during 2024 and 2023 were as follows:

	Land	Buildings	Machinery and equipment	Under construction	Total
Net balance, December 31, 2023	\$58,203	1,361,744	772,353	59,410	\$ 2,251,710
Additions	—	—	—	86,313	86,313
Transfers from under construction	107	12,882	82,575	(95,564)	—
Impairment	—	—	(667)	—	(667)
Settlements ⁽ⁱⁱ⁾	—	—	—	(1,514)	(1,514)
Depreciation	—	(67,456)	(143,119)	—	(210,575)
Foreign currency translation	130	6,996	6,000	182	13,308
Revaluation of land and buildings	(156)	(4,956)	—	—	(5,112)
Transfers to Investment Property	(1,220)	(5,680)	—	—	(6,900)
Other ⁽ⁱⁱⁱ⁾	—	(554)	(2,227)	(615)	(3,396)
Net balance, December 31, 2024	\$57,064	1,302,976	714,915	48,212	\$ 2,123,167

	Land	Buildings	Machinery and equipment	Under construction	Total
Net balance, December 31, 2022	\$64,779	1,365,096	806,868	66,681	\$ 2,303,424
Additions	—	—	—	188,248	188,248
Transfers from under construction	151	70,773	127,533	(198,457)	—
Impairment ⁽ⁱ⁾	—	—	(7,962)	—	(7,962)
Settlement ⁽ⁱⁱ⁾	—	—	551	4,705	5,256
Depreciation	—	(65,389)	(151,119)	—	(216,508)
Foreign currency translation	(34)	(1,879)	(1,551)	13	(3,451)
Transfer from Assets Held for Sale	604	—	—	—	604
Revaluation of land and buildings	39,628	11,757	—	—	51,385
Transfers to Investment Property	(46,925)	(15,530)	—	—	(62,455)
Other ⁽ⁱⁱⁱ⁾	—	(3,084)	(1,967)	(1,780)	(6,831)
Net balance, December 31, 2023	\$58,203	1,361,744	772,353	59,410	\$ 2,251,710

⁽ⁱ⁾ Includes impairment charges related to restructuring.

⁽ⁱⁱ⁾ During the year the Company settled previous legal claims resulting in cash settlements.

⁽ⁱⁱⁱ⁾ Includes disposals and other adjustments.

Borrowing Costs

For the year ended December 31, 2024, borrowing costs of \$1.0 million were capitalized (2023: \$2.7 million), using an average capitalization rate of 7.5% (2023: 6.8%).

9. RIGHT-OF-USE ASSETS

The Company enters into lease arrangements for land, buildings, vehicles, and machinery and equipment as part of its daily operations.

Land and building leases include the rental of office space, manufacturing and distribution facilities and barns. These leases vary in length, are typically over 5 years and may include several renewal options.

Vehicle leases primarily include leases of employee vehicles. Employee vehicle leases have an initial term of 3 years. As part of its leasing agreement for employee vehicles, the Company is required to pay a residual value guarantee to the lessor for the value of the leased vehicle at the end of the lease term. As at December 31, 2024, the Company's residual value guarantees on employee vehicles totaled \$4.2 million (2023: \$3.9 million).

Machinery and equipment leases include the rental of manufacturing machinery and computer hardware. These leases vary in duration and structure and typically do not exceed 10 years.

Right-of-use assets are comprised of:

	Land and Buildings	Vehicles	Machinery and Equipment	Total
Cost	\$ 273,907	10,851	6,184	\$ 290,942
Accumulated depreciation	(120,337)	(4,715)	(4,968)	(130,020)
Net balance, December 31, 2024	\$ 153,570	6,136	1,216	\$ 160,922

	Land and Buildings	Vehicles	Machinery and Equipment	Total
Cost	\$ 255,043	8,678	9,163	\$ 272,884
Accumulated depreciation	(108,407)	(3,071)	(6,796)	(118,274)
Net balance, December 31, 2023	\$ 146,636	5,607	2,367	\$ 154,610

Changes in the net balance of right-of-use assets during 2024 and 2023 were as follows:

	Land and Buildings	Vehicles	Machinery and Equipment	Total
Net balance, December 31, 2023	\$ 146,636	5,607	2,367	\$ 154,610
Additions	37,963	4,387	4	42,354
Depreciation	(29,379)	(3,447)	(1,156)	(33,982)
Dispositions, retirements, and other	(2,015)	(408)	—	(2,423)
Foreign currency translation	365	(3)	1	363
Net balance, December 31, 2024	\$ 153,570	6,136	1,216	\$ 160,922

	Land and Buildings	Vehicles	Machinery and Equipment	Total
Net Balance, December 31, 2022	\$ 152,452	3,292	3,455	\$ 159,199
Additions	27,326	5,443	494	33,263
Depreciation	(29,994)	(2,344)	(1,641)	(33,979)
Dispositions, retirements, and other	(2,987)	(784)	62	(3,709)
Foreign currency translation	(161)	—	(3)	(164)
Net balance, December 31, 2023	\$ 146,636	5,607	2,367	\$ 154,610

Lease obligations associated with the Company's right-of-use assets are described in Note 18.

10. INVESTMENTS

	As at December 31, 2024	As at December 31, 2023
Portfolio Investments	\$ 11,983	\$ 15,028
Other Investments	780	721
	\$ 12,763	\$ 15,749

The Company holds strategic long-term equity investments in private companies that are not quoted in an active market. Fair value for these investments is determined using available financial and market information which can include financial statements, company projections and evidence from external transactions in the private company's equity. Changes in fair value for the Portfolio Investments are recorded in other comprehensive income, as it best represents the Company's position to maintain a long-term interest in these holdings while the Other Investments are accounted for using the equity method.

During the year ended December 31, 2024, based on an independent valuation completed the Company recorded a reduction in fair value of \$4.0 million (2023: \$5.5 million) on its portfolio investments, which was recorded through Other Comprehensive Income.

During the year ended December 31, 2023 based on available information of the future prospects of one of the Other Investments the Company recorded an impairment of \$2.0 million, which was recorded through other expense.

No dividends were recognized for the years ended December 31, 2024 and 2023.

11. INVESTMENT PROPERTY

	Notes	As at December 31, 2024
Net balance, December 31, 2023		\$ 57,144
Transfers from Property and equipment	8	6,900
Transfer to Assets held for sale		(22,400)
Change in fair value		944
Net balance, December 31, 2024		\$ 42,588

	Notes	As at December 31, 2023
Net balance, December 31, 2022		\$ 5,289
Transfers from Property and equipment	8	62,455
Disposal		(10,600)
Net balance, December 31, 2023		\$ 57,144

As at December 31, 2024, the fair values of the properties are based on information received from an accredited independent valuator, using a market comparison approach that reflects recent transaction prices for similar properties in the same geographical areas. In estimating the fair value of properties the highest and best use is considered to be consistent with the current use. 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 used during the year, and there have not been any transfers between levels.

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.

During the year ended December 31, 2023, the Company transferred its Brampton, St.Mary's and Schomberg poultry plants into investment properties upon their closure. These properties were accounted for as property and equipment up to the date of change in use. During the year ended December 31, 2023, a parking lot in Toronto, Ontario which was previously classified as an asset held for sale was remeasured and transferred to investment property, as the sale was deemed to be no longer probable.

During the year ended December 31, 2024, the Company transferred its Winnipeg pork manufacturing plant into investment property. The property was accounted for as property and equipment up to the date of change in use and was remeasured to fair value prior to transfer to investment property. During the year ended December 31, 2024, the parking lot in Toronto, Ontario which was previously classified as an investment property was remeasured and transferred to asset held for sale, as the Company entered into negotiations with a new potential buyer.

12. EMPLOYEE BENEFITS

The Company sponsors several defined benefit pension programs for Canadian employees which are either final salary plans, career salary plans, service-based plans, or a combination thereof. The Company also sponsors a final salary defined benefit pension plan in the U.K. in which membership is closed with no members accruing benefits. These defined benefit plans require contributions to be made to separately administered funds. Certain retired employees are covered under a post-retirement benefit plan, which reimburses certain medical costs and provides life insurance coverage.

The Canadian plan is governed by the pension laws of Ontario. The U.K. plan is governed by the employment laws of the U.K.

The Company's pension funding policy is to contribute amounts sufficient, at a minimum, to meet local statutory funding requirements. For the Company's defined benefit pension plans, local regulatory bodies either define minimum funding requirements or approve funding plans submitted by the Company. From time to time the Company may make additional discretionary contributions considering actuarial assessments and other factors. The contributions that have been made to support ongoing plan obligations have been recorded in the respective asset or liability accounts on the Consolidated Balance Sheets. Actuarial valuations for the Company's defined benefit pension plans are completed based on the regulations in place in the jurisdictions where the plans operate.

Information about the Company's defined benefit plans as at December 31, in aggregate, are as follows:

	Other post-retirement			Other post-retirement		
	benefits	Pension	2024 Total	benefits	Pension	2023 Total
Plan assets						
Fair value, beginning of year	\$ —	927,484	\$ 927,484	\$ —	877,861	\$ 877,861
Interest income	—	42,316	42,316	—	43,559	43,559
Actuarial gains (losses) ⁽ⁱ⁾	—	2,225	2,225	—	65,813	65,813
Employer contributions	—	7,224	7,224	—	7,641	7,641
Employee contributions	—	3,218	3,218	—	3,371	3,371
Benefits paid	—	(65,946)	(65,946)	—	(68,919)	(68,919)
Administrative costs	—	(2,076)	(2,076)	—	(1,842)	(1,842)
Fair value, end of year	\$ —	914,445	\$ 914,445	\$ —	927,484	\$ 927,484
Accrued benefit obligations:						
Balance, beginning of year	\$ (36,100)	(927,343)	\$ (963,443)	\$ (35,948)	(892,643)	\$ (928,591)
Current service cost	(30)	(10,933)	(10,963)	(24)	(10,232)	(10,256)
Interest cost	(1,592)	(42,341)	(43,933)	(1,756)	(44,600)	(46,356)
Benefits paid from plan assets	—	65,946	65,946	—	68,919	68,919
Benefits paid directly from the Company	2,834	1,838	4,672	2,848	1,881	4,729
Actuarial gains (losses) - experience	261	(9)	252	300	(1,495)	(1,195)
Actuarial gains (losses) - financial assumptions	—	(158)	(158)	(1,520)	(45,952)	(47,472)
Employee contributions	—	(3,218)	(3,218)	—	(3,371)	(3,371)
Special termination benefits	—	(950)	(950)	—	—	—
Curtailments	—	(891)	(891)	—	—	—
Settlements	—	—	—	—	150	150
Balance, end of year	\$ (34,627)	(918,059)	\$ (952,686)	\$ (36,100)	(927,343)	\$ (963,443)
Unfunded	\$ (34,627)	(26,042)	\$ (60,669)	\$ (36,100)	(26,501)	\$ (62,601)
Funded ⁽ⁱⁱ⁾	—	(892,017)	(892,017)	—	(900,842)	(900,842)
Total benefit obligations	\$ (34,627)	(918,059)	\$ (952,686)	\$ (36,100)	(927,343)	\$ (963,443)
Other	\$ —	(1,725)	\$ (1,725)	\$ —	(1,452)	\$ (1,452)
Accrued net benefit obligations, end of year	\$ (34,627)	(5,339)	\$ (39,966)	\$ (36,100)	(1,311)	\$ (37,411)

⁽ⁱ⁾ Return on plan assets greater than discount rate.

⁽ⁱⁱ⁾ Includes wholly and partially funded plans.

Amounts Recognized in the Consolidated Balance Sheet consist of:

	2024	2023
Employee benefit assets	\$ 22,429	\$ 26,785
Employee benefit liabilities	62,395	64,196
Accrued net benefit liability, end of year	\$ (39,966)	\$ (37,411)

Pension benefit expense recognized in earnings:

	2024	2023
Current service cost - defined benefit	\$ 10,933	\$ 10,232
Current service cost - defined contribution and multi-employer plans	19,272	19,046
Net interest cost	25	1,041
Administrative costs	2,076	1,842
Curtailment ⁽ⁱ⁾	891	—
Special termination benefits ⁽ⁱ⁾	950	—
Settlements ⁽ⁱ⁾	—	(150)
Net pension benefit expense	\$ 34,147	\$ 32,011

(i) Included in restructuring for the year.

For the year ended December 31, 2024, the Company expensed salaries of \$900.0 million (2023: \$903.1 million), excluding pension and other post-retirement benefits.

Amounts recognized in other comprehensive income (loss) (before income taxes):

	2024	2023
Actuarial gain	\$ 2,508	\$ 16,713

The significant actuarial assumptions adopted in measuring the Company's accrued benefit obligations were as follows:

	2024	2023
Period end discount rate	4.60%	4.60%
Rate of salary increase	2.75%	2.75%

Plan assets were comprised of:

	As at December 31,	
	2024	2023
Equity securities	9%	11%
Debt securities	77%	72%
Real estate and infrastructure	13%	16%
Other investments and cash	1%	1%
	100%	100%

As at December 31, 2024, the Company's plans were invested in pooled funds which hold underlying equity, debt and other securities and are not quoted in an active market.

Other post-retirement benefits expense recognized in earnings:

	2024	2023
Current service cost	\$ 30	\$ 24
Interest cost	1,592	1,756
Other post-retirement benefits expense	\$ 1,622	\$ 1,780

Impact of changes in major assumptions:

Actuarial Assumption	Increase (decrease) in defined benefit obligations					
	Sensitivity		Total pensions	Other post-retirement benefits	Total	
Period end discount rate	4.60 %	0.25 % decrease	\$ 25,805	780	\$ 26,585	
		0.25 % increase	\$ (23,032)	(737)	\$ (23,769)	
Rate of salary increase	2.75 %	0.50 % increase	\$ 1,621	N/A	\$ 1,621	
Mortality	100% of 2014 Private Sector Canadian Pensioners' Mortality Table, projected generationally using Scale MI-2017	Increase of 1 year in expected lifetime of plan participants	\$ 26,557	1,313	\$ 27,870	
Defined benefit obligation inputs:				Measurement dates:		
2024 expense				December 31, 2023		
Balance sheet				December 31, 2024		

The average expected maturity of the pension obligations is 11.7 years (2023: 11.7 years).

The Company expects to contribute \$36.1 million to pension plans in 2025, inclusive of defined benefit plans, defined contribution plans and multi-employer plans.

Governance and Risk Management

The Company administers its pension plans through its Board of Directors. The Company's Board of Directors has established a governance structure and delegated to the Audit Committee and the Pension Investment Advisory Committee all aspects of the investment of the funds. The Company's Board of Directors has delegated to the Pension Policy and Administration Committee the authority to make amendments to the documents that govern the pension plans of an administrative or compliance nature, that relate to collective bargaining agreements entered into by the Company or that have a minimal financial impact on the plans.

In fulfilling their responsibilities, the Audit Committee and the Pension Investment Advisory Committee may delegate functions or responsibilities to, or otherwise utilize employees of the Company where appropriate. The Audit Committee and the Pension Investment Advisory Committee may rely on independent experts for certain aspects of the funds' operations. The Audit Committee or the Pension Investment Advisory Committee, as appropriate, retain responsibility and utilize suitable personnel for such activities and monitor the activities undertaken by the selected personnel.

The plan assets are invested primarily in well-diversified pooled funds that meet the constraints set out in legislation of the jurisdictions in which the plans operate. Further diversification criteria set out in investment funds' governing documents require the division of investments between equities and fixed income. There are no significant concentrations of risks.

Multi-Employer Plan

The Company contributes to the Canadian Commercial Workers Industry Pension Plan which is a multi-employer defined benefit plan for employees who are members of the United Food and Commercial Workers Canada union. This is a large-scale plan for union workers of multiple companies across Canada. Adequate information to account for these contributions as a defined benefit plan in the Company's statements is not available due to the size and number of contributing employers in the plan. Included in the pension benefit expense is \$0.2 million (2023: \$0.9 million) related to payments into this plan. The Company expects to contribute \$0.1 million into this plan in 2025.

13. INCOME TAXES

The components of income tax expense were as follows:

	2024	2023
Current tax (recovery) expense		
Current year	\$ 13,619	\$ (104,608)
	\$ 13,619	\$ (104,608)
Deferred tax (recovery) expense		
Origination and reversal of temporary differences	\$ 31,701	\$ 87,259
Change in tax rates	(1,050)	(300)
	\$ 30,651	\$ 86,959
Total income tax expense (recovery)	\$ 44,270	\$ (17,649)

Reconciliation of Effective Tax rate

Income tax expense varies from the amount that would be computed by applying the combined federal and provincial statutory income tax rates as a result of the following:

	2024	2023
Income tax expense (recovery) according to combined statutory rate of 26.2% (2023: 26.2%)	\$ 36,907	\$ (37,368)
Increase (decrease) in income tax resulting from:		
Unrecognized income tax benefit of losses	5,737	14,444
Tax rate differences in other jurisdictions	1,340	2,697
Non-taxable portion of capital gains	(1,326)	—
Manufacturing and processing credit	(995)	477
Non-deductible expenses and transaction costs	2,213	696
Share based compensation	1,639	1,321
Adjustments to tax expense related to tax audit resolutions	(630)	(200)
Remeasurement of deferred tax assets and liabilities	(550)	54
Other	(65)	230
	\$ 44,270	\$ (17,649)

Income Tax Recognized in Other Comprehensive Income (Loss)

	2024	2023
Revaluation surplus	\$ —	\$ 10,600
Derivative instruments	(5,449)	(2,690)
Pension adjustments	600	4,400
	\$ (4,849)	\$ 12,310

Deferred Tax Assets and Liabilities

Recognized Deferred Tax Assets and Liabilities

The Company has recognized deferred tax assets in the amount of approximately \$119.1 million (2023: \$135.8 million), relating primarily to future deductions for employee benefits, tax losses and deductions carried forward, and restructuring expenses. These deferred tax assets are recorded based on the Company's estimate that it will earn sufficient taxable profits to fully utilize its tax losses in the appropriate carry over periods.

The Company has recognized deferred tax liabilities in the amount of approximately \$397.7 million (2023: \$391.1 million), relating primarily to claims for tax depreciation in excess of accumulated book depreciation, cash basis farming adjustments, and the excess of book value over the tax cost of intangible assets.

	As at December 31,	
	2024	2023
Deferred tax assets:		
Tax losses and deductions carried forward	\$ 85,587	\$ 120,315
Accrued liabilities	4,903	4,466
Employee benefits	10,013	9,075
Other	18,605	1,942
	\$ 119,108	\$ 135,798
Deferred tax liabilities:		
Property and equipment	\$ 317,875	\$ 312,213
Cash basis farming	32,496	32,870
Goodwill and other intangible assets	47,286	46,064
	\$ 397,657	\$ 391,147
Classified in the Consolidated Financial Statements as:		
Deferred tax assets	\$ 46,588	\$ 40,854
Deferred tax liability	\$ 325,137	\$ 296,203

Unrecognized Deferred Tax Assets

At December 31, 2024, the Company has unrecognized deferred tax assets of \$51.0 million (2023: \$37.0 million).

Unrecognized Deferred Tax Liabilities

Deferred tax is not recognized on the unremitted earnings of subsidiaries and other investments as the Company is in a position to control the reversal of the temporary difference and it is probable that such differences will not reverse in the foreseeable future. The unrecognized temporary difference at December 31, 2024 for the Company's subsidiaries was \$931.1 million (2023: \$852.2 million).

Pillar Two Income Taxes

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Company operates. The legislation will be effective for the Company's financial year beginning on January 1, 2024. The Company has performed an assessment of its potential exposure to Pillar Two income taxes.

This assessment is based on the most recent information available regarding the financial performance of the constituent entities in the Company. Based on the assessment performed, the Pillar Two effective tax rates in all jurisdictions in which the Company operates are above 15% and management is not aware of any circumstances under which this might change. Therefore, the Company does not expect a potential exposure to Pillar Two top-up taxes.

14. GOODWILL

The net carrying value for goodwill was \$477.4 million as at December 31, 2024 (2023: \$477.4 million) with the full amount allocated to Meat Protein CGU group.

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

- Cash inflows and outflows were projected based on the Company's long-term business plan. Cash flows for a further perpetual period were extrapolated using a growth rate of 2.0% for the Meat Protein CGU group (2023: 2.0%).
- The business plan contains forecasts based on past experience of actual operating results in conjunction with anticipated future growth opportunities. While the forecast does assume some base business expansion, the primary engine of growth is strategic in nature and is consistent with the projects and expectations as articulated in the Company's strategic plan and outlook.
- The discount rate applied in determining the recoverable amount of the Meat Protein CGU group was 9.7% (2023: 10.0%). The discount rate was estimated based on the weighted average cost of capital of the Meat Protein CGU group and other competitors in the industry.

The values assigned to the key assumptions represent Management's assessment of future trends in the industries in which the CGU groups operate and are based on both external and internal sources and historical trend data.

There were no impairment charges recorded in 2024 and 2023.

15. INTANGIBLE ASSETS

	As at December 31,	
	2024	2023
Definite life	\$ 154,625	\$ 161,880
Indefinite life	184,901	183,249
Total intangible assets	\$ 339,526	\$ 345,129

	Definite life				
	Software in use	Software in process	Recipes	Customer relationships	Total
Cost	\$ 196,213	1,769	35,869	143,079	\$ 376,930
Accumulated amortization	(152,557)	—	(19,488)	(50,260)	(222,305)
Net balance, December 31, 2024	\$ 43,656	1,769	16,381	92,819	\$ 154,625

	Software in use	Software in process	Recipes	Customer relationships	Total
Cost	\$ 191,121	3,669	33,798	135,625	\$ 364,213
Accumulated amortization	(144,632)	—	(17,007)	(40,694)	(202,333)
Net balance, December 31, 2023	\$ 46,489	3,669	16,791	94,931	\$ 161,880

The changes in net carrying amounts of definite life intangibles during 2024 and 2023 were as follows:

	Software in use	Software in process	Recipes	Customer relationships	Total
Net balance, December 31, 2023	\$ 46,489	\$ 3,669	\$ 16,791	\$ 94,931	\$ 161,880
Additions	—	7,779	—	—	7,779
Transfers	9,690	(9,690)	—	—	—
Amortization	(12,482)	—	(1,204)	(6,930)	(20,616)
Foreign currency translation	7	11	794	4,818	5,630
Disposals	(48)	—	—	—	(48)
Net balance, December 31, 2024	\$ 43,656	\$ 1,769	\$ 16,381	\$ 92,819	\$ 154,625

	Software in use	Software in process	Recipes	Customer relationships	Total
Net balance, December 31, 2022	\$ 50,977	\$ 3,600	\$ 18,263	\$ 103,111	\$ 175,951
Additions	—	8,378	—	—	8,378
Transfers	8,308	(8,308)	—	—	—
Amortization	(12,787)	—	(1,255)	(6,864)	(20,906)
Foreign currency translation	(5)	(1)	(217)	(1,316)	(1,539)
Disposals	(4)	—	—	—	(4)
Net balance, December 31, 2023	\$ 46,489	\$ 3,669	\$ 16,791	\$ 94,931	\$ 161,880

Amortization

Amortization is recorded through cost of goods sold or SG&A depending on the nature of the asset.

Borrowing Costs

For the year ended December 31, 2024, there were \$0.1 million (2023: \$0.3 million) borrowing costs capitalized, using an average rate of 7.5% (2023: 6.8%).

Indefinite Life Intangibles

Indefinite life intangible assets are comprised of trademarks and poultry production quota. The Company expects to renew the registration of the trademarks and poultry quota at each expiry date indefinitely and expects these assets to generate economic benefit in perpetuity. As such, the Company assessed these intangibles to have indefinite useful lives.

The changes in net carrying amounts of indefinite life intangibles during 2024 and 2023 were as follows:

	Indefinite life		
	Trademarks	Quota	Total
Net balance, December 31, 2023	\$ 120,354	\$ 62,895	\$ 183,249
Foreign currency translation	4,894	—	4,894
Transfer to assets held for sale	—	(1,869)	(1,869)
Disposals	—	(1,373)	(1,373)
Net balance, December 31, 2024	\$ 125,248	\$ 59,653	\$ 184,901
	Trademarks	Quota	Total
Net balance, December 31, 2022	\$ 121,619	\$ 62,991	\$ 184,610
Foreign currency translation	(1,265)	—	(1,265)
Disposals	—	(96)	(96)
Net balance, December 31, 2023	\$ 120,354	\$ 62,895	\$ 183,249

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

CGU Group	As at December 31,	
	2024	2023
Meat Protein	\$ 123,073	\$ 126,315
Plant Protein	61,828	56,934
	\$ 184,901	\$ 183,249

The Company performs annual impairment testing on its indefinite life intangible assets. Annual impairment testing, consistent with the impairment testing for goodwill as described in Note 14, involves determining the recoverable amount of each indefinite life intangible asset and comparing it to the net carrying value.

The recoverable amount of trademarks is calculated using the royalty savings approach, which involves present valuing the royalties earned by similar trademarks. The key assumptions used in this determination are:

	2024	2023
Royalty rate	1.0 - 6.0%	1.0 - 6.0%
Terminal growth rate	2.0 - 3.0%	2.0 - 3.0%
Discount rate	9.7% - 10.9%	10.0 - 12.4%

16. PROVISIONS

	Restructuring and other related costs					Total
	Legal	Environmental	Severance and other employee related	Site closing and other cash costs		
Balance at December 31, 2023	\$ —	2,041	9,846	—	\$ 11,887	
Charges	—	—	16,259	1,397	17,656	
Reversals	—	—	(2,374)	—	(2,374)	
Cash payments	—	(63)	(7,508)	(1,206)	(8,777)	
Foreign currency translation	—	—	2	—	2	
Balance at December 31, 2024	\$ —	1,978	16,225	191	\$ 18,394	
Current					\$ 14,482	
Non-current					3,912	
Total at December 31, 2024					\$ 18,394	

	Restructuring and other related costs					Total
	Legal	Environmental	Severance and other employee related	Site closing and other cash costs		
Balance at December 31, 2022	\$ 630	2,370	43,388	—	\$ 46,388	
Charges	—	—	6,851	3,984	10,835	
Reversals	(200)	(207)	(5,537)	(935)	(6,879)	
Cash payments	(430)	(122)	(34,820)	(3,047)	(38,419)	
Foreign currency translation	—	—	(36)	(2)	(38)	
Balance at December 31, 2023	\$ —	2,041	9,846	—	\$ 11,887	
Current					\$ 9,846	
Non-current					2,041	
Total at December 31, 2023					\$ 11,887	

Restructuring and Other Related Costs

For the year ended December 31, 2024, the Company recorded restructuring and other related costs of \$19.9 million. Of this, \$11.6 million related to the reorganization of its commercial and operations teams and was comprised of \$11.2 million in severance and other employee related costs, and \$0.4 million in other cash costs. A further \$9.6 million related to the announced closure of the Company's further processed poultry facility in Brantford, Ontario and comprised of \$6.4 million in severance and other employee costs and \$3.2 million in accelerated depreciation. The Company recorded \$0.9 million in decommissioning expenses related to the previously announced closures of the Brampton, Toronto, St. Mary's and Schomberg plants. This was offset by a reversal of \$2.1 million in severance and other employee costs. The Company also incurred \$0.3 million in severance charges related to previous organizational initiatives, offset by a \$0.4 million reversal of asset impairment charges.

For the year ended December 31, 2023, the Company recorded restructuring and other related costs of \$23.7 million. Of this, \$15.4 million related to organizational changes in the plant protein business, and was comprised of \$7.3 million in asset impairment, \$4.7 million in inventory impairment, \$3.2 million in severance and other employee related costs, and \$0.2 million related to decommissioning and other cash costs. A further \$7.8 million related to the previously announced closures of the Brampton, Toronto, St. Mary's and Schomberg facilities, was comprised of \$5.8 million in other cash costs and decommissioning expense, \$3.8 million in accelerated depreciation, \$1.0 million in asset impairments, partly offset by net reversals of \$2.8 million in severance and other employee costs. The remainder related to other previous organizational initiatives.

17. LONG-TERM DEBT

	As at December 31,	
	2024	2023
Revolving line of credit	\$ 652,000	\$ 843,400
U.S. term credit Tranche 1	381,030	350,873
Canadian term credit Tranche 2	350,000	350,000
Canadian term credit Tranche 3	300,000	400,000
Government loans	6,208	7,147
Supplier financing	6,167	4,202
Deferred financing charges	(3,448)	(4,807)
Total long-term debt	\$ 1,691,957	\$ 1,950,815
Current	\$ 301,478	\$ 400,735
Non-current	1,390,479	1,550,080
Total long-term debt	\$ 1,691,957	\$ 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 \$350.0 million (Tranche 2) and US\$265.0 million (Tranche 1) maturing June 29, 2026 and June 29, 2027, respectively. On June 20, 2023, the Credit Facility was amended by adding an additional \$400.0 million unsecured committed term credit (Tranche 3) maturing June 20, 2024, and adjusting the financial covenants to facilitate access to the new tranche. On April 30, 2024 the Company amended its Credit Facility, downsizing Tranche 3 to \$300.0 million, and extending 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 Canadian Overnight Repo Rate Average ("CORRA") and Prime rates for Canadian dollar loans and based on the Secured Overnight Financing Rate ("SOFR") for U.S. dollar loans. The Credit Facility is intended to meet the Company's funding requirements for capital investments in addition to providing appropriate levels of liquidity for general corporate purposes. The interest rate on the Credit Facility may be adjusted up or down by a maximum of 5 basis points based on the Company's performance compared to specified sustainability targets.

In addition to the borrowings on the revolving facility and the term credit, as at December 31, 2024 the Company had drawn letters of credit of \$9.1 million on the Credit Facility (2023: \$9.4 million).

The Credit Facility requires the maintenance of certain covenants. As at December 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 (2023: \$105.0 million). As at December 31, 2024, \$47.6 million in letters of credit had been issued thereon (2023: \$46.7 million).

As at December 31, 2024, the Company has one non-interest bearing government loan of \$6.2 million (2023: \$7.1 million) still outstanding and maturing in 2033. The facility is committed.

The Company's estimated average effective cost of borrowing for 2024 was approximately 7.5% (2023: 7.0%). Required repayments of long-term debt are as follows:

2025	\$ 302,612
2026	353,018
2027	1,034,979
2028	1,949
2029 and thereafter	3,825
Total required repayments of long-term debt	\$ 1,696,383

The following table reconciles the changes in cash flows from financing activities for long-term debt for the period in the respective years:

	As at December 31,	
	2024	2023
Total long-term debt, beginning of period	\$ 1,950,815	\$ 1,710,414
Revolving and term credit facilities - net drawings (repayments)	\$ (291,400)	\$ 248,586
Government loans - net issuance/(repayments)	(1,185)	276
Supplier financing new issuance	2,886	4,202
Supplier financing repayments	(1,282)	—
Payment of financing fees	(2,324)	(3,378)
Total cash flow from long-term debt financing activities	\$ (293,305)	\$ 249,686
Foreign exchange revaluation	\$ 30,518	\$ (12,500)
Other non-cash changes	3,929	3,215
Total non-cash changes	\$ 34,447	\$ (9,285)
Total long-term debt, end of period	\$ 1,691,957	\$ 1,950,815

18. LEASE OBLIGATIONS

Changes in the balance of lease obligations during 2024 and 2023 were as follows:

	As at December 31,	
	2024	2023
Total lease obligations, beginning of period	\$ 180,317	\$ 182,890
Payments	(40,626)	(39,021)
Interest	8,273	6,070
Additions	42,354	33,263
Dispositions, retirements, and other	(2,930)	(2,690)
Foreign currency translation	404	(195)
Total lease obligations, end of period	\$ 187,792	\$ 180,317
Current	\$ 39,900	\$ 38,031
Non-current	147,892	142,286
Total lease obligations, end of period	\$ 187,792	\$ 180,317

Total cash outflows arising from lease obligations during 2024 and 2023 were as follows:

	As at December 31,	
	2024	2023
Payment of lease obligations in Financing Activities	\$ 32,353	\$ 32,951
Payment of lease interest expense in Operating Activities	8,273	6,070
Total cash outflow of leases	\$ 40,626	\$ 39,021

The maturity of contractual undiscounted lease obligation payments are as follows:

Due within 1 year	\$ 40,707
Due between 1 and 3 years	70,156
Due between 3 and 5 years	51,158
Due after 5 years	54,142
Total lease obligation payments	\$ 216,163

The Company does not face a significant liquidity risk in regard to its lease obligations. See Note 21.

The following amounts were recognized in the Consolidated Statements of Earnings (Loss) pertaining to leases:

	As at December 31,	
	2024	2023
Variable rent expense ⁽ⁱ⁾	\$ 5,344	\$ 5,281
Short-term rent expense ⁽ⁱⁱ⁾	\$ 6,954	\$ 8,598

⁽ⁱ⁾ Relates to property taxes and common area maintenance on buildings which are calculated annually. These payments make up 13.2% (2023: 13.5%) of fixed payments made in the year.

⁽ⁱⁱ⁾ Pertains primarily to leases of property, equipment and vehicles with a contract term of less than one year.

Right-of-use assets associated with the Company's lease obligations are described in Note 9.

19. OTHER CURRENT LIABILITIES

	Notes	As at December 31,	
		2024	2023
Derivative instruments	21	\$ 6,765	\$ 2,501
Contract liabilities		17,333	14,388
Other		13,489	16,085
		\$ 37,587	\$ 32,974

20. SHARE CAPITAL

(Thousands of shares)	Common Shares		Treasury Shares	
	2024	2023	2024	2023
Balance at December 31	122,534	121,680	170	868
Distributions under share-based compensation plans	89	343	(89)	(298)
Exercise of share options	108	315	—	—
Shares repurchased	—	(608)	—	—
Dividend reinvestment	1,023	404	—	—
Sale of treasury shares	—	400	—	(400)
Balance at December 31	123,754	122,534	81	170

Common Shares

The authorized share capital consists of an unlimited number of common shares, an unlimited number of non-voting common shares, and an unlimited number of preference shares. These shares have no par value.

The holders of common shares are entitled to receive dividends as declared from time to time, and they are entitled to one vote per share at meetings of the Company.

Treasury Shares

Treasury shares is comprised of shares purchased by a trust in order to satisfy the requirements of the Company's Restricted Share Unit Plan, as described in Note 24.

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 terminated on May 24, 2024. Under this bid, 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 year ended December 31, 2023 0.6 million shares at an average price of \$26.06 per share were repurchased for cancellation.

21. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Capital

The Company's objective is to maintain a robust, cost-effective capital structure that ensures resilience, supports its long-term growth strategy, and maximizes operating flexibility. In allocating capital to investments to support its earnings goals, the Company establishes internal hurdle return rates for capital initiatives. Capital projects are generally financed with internal cash flows and senior debt where required.

The Company uses leverage in its capital structure to reduce the cost of capital. The Company's goal is to achieve primary credit ratios that provide access to investment-grade credit pricing and terms. The Company measures its credit profile using a number of metrics, some of which are non-IFRS measures, primarily cash and cash equivalents, less long-term debt and bank indebtedness ("Net Debt") and earnings before interest, taxes, depreciation and amortization ("EBITDA").

In addition to credit facilities and equity, the Company uses leases and a very limited recourse accounts receivable securitization program as additional sources of financing.

The Company has maintained a stable dividend distribution that is based on a long-term sustainable earnings base. From time to time, the Company has purchased shares for cancellation pursuant to normal course issuer bids and to satisfy awards under its Restricted Share Unit Plan described in Note 24.

There have been no material changes to the Company's risk management activities during the year ended December 31, 2024.

Financial Instruments

The Company's financial assets and liabilities are classified into the following categories:

Cash and cash equivalents	FVTPL
Accounts receivable	Amortized cost
Notes receivable	Amortized cost
Accounts payable and accruals	Amortized cost
Long-term debt	Amortized cost
Derivative instruments ⁽ⁱ⁾	FVTPL
Investments	FVTOCI

⁽ⁱ⁾ These derivative instruments may be designated as cash flow hedges, fair value hedges or net investments in foreign operations hedges as appropriate. Derivatives designated as cash flow hedges are classified as FVTOCI.

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 December 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	\$ 46,746	\$ —	\$ 1,618	\$ 27,860	\$ 962	\$ —
Interest rate swaps	\$ 400,000	5,285	5,429	\$ 350,873	1,073	—
		\$ 5,285	\$ 7,047		\$ 2,035	\$ —
Fair value hedges⁽ⁱⁱⁱ⁾						
Foreign exchange contracts	\$ 73,942	\$ 6	\$ 2,533	\$ 3,467	\$ 24	\$ 13
Commodity contracts	\$ 70,822	450	—	\$ 2,924	424	—
		\$ 456	\$ 2,533		\$ 448	\$ 13
Derivatives not designated in a formal hedging relationship						
Foreign exchange contracts	\$ 95,547	\$ 1,138	\$ 679	\$ 98,588	\$ 1,305	\$ 806
Commodity contracts	\$ 118,568	1,665	—	\$ 48,927	—	1,682
		\$ 2,803	\$ 679		\$ 1,305	\$ 2,488
Total fair value		\$ 8,544	\$ 10,259		\$ 3,788	\$ 2,501
Current ^{(ii)(iv)}		\$ 5,776	\$ 6,765		\$ 3,788	\$ 2,501
Non-current ⁽ⁱⁱⁱ⁾		2,768	3,494		—	—
Total fair value		\$ 8,544	\$ 10,259		\$ 3,788	\$ 2,501

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

⁽ⁱⁱ⁾ The current portion of derivative assets and liabilities are recorded in prepaid expenses and other assets and other current liabilities, respectively, in the Consolidated Balance Sheets. The non-current portion of derivative assets and liabilities are recorded in other long-term assets and other long-term liabilities, respectively, in the Consolidated Balance Sheets.

⁽ⁱⁱⁱ⁾ The carrying amount of the hedged items in the Consolidated 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 December 31, 2024, the above fair value of current assets has been increased by \$1.1 million (December 31, 2023: \$2.3 million), and the above fair value of current liabilities has decreased by \$0.0 million (December 31, 2023: \$1.7 million) on the Consolidated Balance Sheets, representing the difference in the fair market value of exchange traded commodity contracts and the initial margin requirements. The difference in margin requirements and fair market value is net settled in cash each day with the futures exchange and is recorded within cash and cash equivalents.

The Company's financial assets and liabilities include accounts receivable, notes receivable and accounts payable and accruals for which fair value approximates the carrying value due to their short-term nature.

The carrying value of long-term debt as at December 31, 2024 and 2023 approximates its fair value. The fair value of the Company's long-term debt has been classified as Level 2 in the fair value hierarchy and was estimated based on discounted future cash flows using current rates for similar financial instruments subject to similar risks and maturities.

The Company's cash and cash equivalents, and derivative instruments are recorded at fair value. The fair value of cash and cash equivalents approximates carrying value due to the short-term nature of the assets and has been classified as Level 1 in the fair value hierarchy. The fair values of the Company's interest rate and foreign exchange derivative instruments were estimated using current market measures for interest rates and foreign exchange rates. Commodity futures and commodity options contracts are exchange-traded and over-the-counter. Fair value is determined based on exchange prices and other observable market data.

Net gains and losses on financial instruments recognized at fair value through profit or loss consist of realized and unrealized gains and losses on derivatives that were de-designated or were otherwise not in a formal hedging relationship.

For the year ended December 31, 2024, the Company recorded a gain of \$13.9 million (2023: loss of \$8.5 million) on financial instruments recognized at fair value through profit or loss.

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

	Level 1	Level 2	Level 3	Total
Assets:				
Foreign exchange contracts	\$ —	1,144	—	\$ 1,144
Commodity contracts ⁽ⁱ⁾	2,115	—	—	2,115
Interest rate swaps	—	5,285	—	5,285
	\$ 2,115	6,429	—	\$ 8,544
Liabilities:				
Foreign exchange contracts	\$ —	4,830	—	\$ 4,830
Interest rate swaps	—	5,429	—	5,429
	\$ —	10,259	—	\$ 10,259

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

There were no transfers between levels for the year ended December 31, 2024. Determination of fair value and the resulting hierarchy requires the use of observable market data whenever available. The classification of a financial instrument in the hierarchy is based upon the lowest level of input that is significant to the measurement of fair value. For financial instruments that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

Accumulated other comprehensive income (loss)

The Company estimates that \$0.8 million, net of tax of \$0.3 million, of the unrealized loss included in accumulated other comprehensive income (loss) will be reclassified into 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 year ended December 31, 2024 a gain of \$3.6 million net of tax of \$1.2 million was released to earnings from accumulated other comprehensive (loss) income and included in the net change for the year (2023: gain of \$11.3 million net of tax of \$3.9 million).

The risks associated with the Company's financial instruments and policies for managing these risks are detailed below.

Market Risk

Interest Rate Risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates.

The Company's interest rate risk arises from long-term borrowings issued at fixed rates that create fair value interest rate risk and variable-rate borrowings that create cash flow interest rate risk. In addition, the Company's cash balances are typically invested in short-term interest-bearing assets.

The Company manages its interest rate risk exposure by using a mix of fixed and variable-rate debt and periodically using interest rate derivatives to achieve the desired proportion of variable to fixed-rate debt.

As at December 31, 2024, the Company had variable-rate debt of \$1,683.0 million with a weighted average interest rate of 6.4% (2023: \$1,944.3 million at a weighted average interest rate of 8.2%). The Company effectively converted \$400.0 million of the variable-rate debt to fixed-rate debt using interest rate swaps with a weighted average interest rate of 5.7% (2023: \$350.9 million at a weighted average interest rate of 4.7%). In addition, the Company was exposed to floating interest rates on its accounts receivable securitization program. As at December 31, 2024, the cash advance received pursuant to this program was \$141.8 million at a weighted average interest rate of 3.9% (2023: \$135.0 million at a weighted average interest rate of 5.7%). The maximum amount available to the Company under these programs is \$150.0 million (2023: \$135.0 million).

As at December 31, 2024, the Company had fixed-rate debt of \$6.2 million (2023: \$7.1 million) with a weighted average effective interest rate of 3.7% (2023: 3.8%). Changes in market interest rates cause the fair value of long-term debt with fixed interest rates to fluctuate but do not affect earnings, as the Company's debt is carried at amortized cost and the carrying value does not change as interest rates change.

As at December 31, 2024, 22.2% (2023: 17.2%) of the Company's outstanding debt and revolving accounts receivable securitization program were not exposed to interest rate movements, after including the effect of interest rate swaps.

The Company's designated interest rate swaps are accounted for as cash flow hedges to reduce variability of floating rate interest payments of variable-rate debt. These interest rate swaps settle periodically against CORRA and mature in 2027.

The critical terms of designated interest rate swaps and the associated hedged items are similar. The Company performs a quantitative assessment of the effectiveness, and it is expected that the value of the interest rate swaps and the value of the corresponding hedged items will systematically change in opposite directions in response to movements in the underlying interest rates. Sources of hedge ineffectiveness include the effect of the counterparty and the Company's own credit risk on the fair value of the interest rate swaps and a lack of access to negative benchmark interest rates on the Company's borrowings.

The change in fair values of interest rate hedges used as the basis for recognizing ineffectiveness for the year ended December 31, 2024 and 2023 were as follows:

	2024		2023	
	Hedging instruments	Hedged items	Hedging instruments	Hedged items
Cash flow hedges	\$ (144)	\$ 85	\$ 1,073	\$ (1,073)

Amounts recognized in the Consolidated Statements of Other Comprehensive Income (Loss) as at December 31, consist of:

	2024		2023	
	Continuing hedges	Discontinued hedges	Continuing hedges	Discontinued hedges
Cash flow hedges				
Balance, beginning of year	\$ 1,073	\$ 2,878	\$ 16,755	\$ —
Eligible change in fair value of interest rate swaps	(1,158)	(2,878)	(15,682)	2,878
Balance, end of year	\$ (85)	\$ —	\$ 1,073	\$ 2,878

It is estimated that, all else constant, an adverse hypothetical 10.0% change in the variable interest rate would result in a decrease in the fair value of the Company's interest rate swaps of \$2.5 million, with a decrease in earnings before taxes of \$0.0 million and a decrease in other comprehensive income (loss) of \$2.5 million.

Foreign Exchange Risk

Foreign exchange risk refers to the risk that the value of financial instruments or cash flows will fluctuate due to changes in foreign exchange rates.

The Company's foreign exchange risk arises primarily from transactions in currencies other than Canadian dollars, including sales and purchases in foreign currencies, foreign denominated borrowings, and investments in foreign operations. The primary currencies to which the Company is exposed to are the U.S. dollar and the Japanese yen.

The Company uses foreign exchange forward contracts to manage foreign exchange transaction exposures. The Company uses forward contracts which are accounted for as fair value hedges to minimize the price risk assumed under forward priced contracts with suppliers. The Company also uses forward contracts which are accounted for as cash flow hedges as well as non-designated derivative instruments to minimize the price risk of anticipated transactions. The Company uses cross-currency interest rate swaps to manage certain foreign denominated borrowings when appropriate.

The critical terms of foreign exchange forward contracts and the associated hedged items are similar. The Company performs a quantitative assessment of the effectiveness, and it is expected that the value of the forward contracts and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying exchange rates. The main source of hedge ineffectiveness in these hedging relationships is the effect of the counterparty and the Company's own credit risk on the fair value of the foreign exchange contracts, which is not reflected in the fair value of the hedged item. Other sources of ineffectiveness include differences in the underlying terms of the foreign exchange contracts and the hedged items.

The Company's designated foreign exchange forward contracts mature within one year. The average exchange rate of the Company's U.S. dollar denominated contracts is 1.39 Canadian dollars per U.S. dollar (2023: 1.37).

As at December 31, 2024, the Company had US\$265.0 million (2023: US\$265.0 million) of U.S. dollar-denominated borrowings that were drawn on the Credit Facility of which US\$245.2 million (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).

The loss on the net investment hedge recorded in other comprehensive income (loss) for the year ended December 31, 2024 was \$24.2 million, net of tax of \$4.5 million (2023: gain of \$6.6 million, net of tax of \$1.2 million).

The critical terms of the designated U.S. dollar-denominated borrowings and the associated hedged items are the same. The

Company performs a qualitative assessment of the effectiveness, and it is expected that the value of the designated U.S. dollar-denominated borrowings and the value of the corresponding hedged items will systematically change in opposite direction in response to movements in the underlying exchange rates. There are no sources of hedge ineffectiveness.

The change in fair values of foreign exchange hedges used as the basis for recognizing ineffectiveness for the year ended December 31, 2024 and 2023 were as follows:

	2024		2023	
	Hedging instruments	Hedged items	Hedging instruments	Hedged items
Cash flow hedges	\$ (1,618)	\$ 1,602	\$ 962	\$ (962)
Fair value hedges	\$ (2,527)	\$ 2,533	\$ 12	\$ (13)
Net investment in foreign operations	\$ (24,722)	\$ 24,722	\$ 4,015	\$ (4,015)

Amounts recognized in the Consolidated Statements of Other Comprehensive Income (Loss) as at December 31, consist of:

	2024		2023	
	Continuing hedges	Discontinued hedges	Continuing hedges	Discontinued hedges
Cash flow hedges				
Balance, beginning of year	\$ 962	\$ —	\$ 518	\$ —
Eligible change in fair value of foreign exchange contracts	(2,564)	—	444	—
Balance, end of year	\$ (1,602)	\$ —	\$ 962	\$ —

	2024		2023	
	Continuing hedges	Discontinued hedges	Continuing hedges	Discontinued hedges
Net investment in foreign operations				
Balance, beginning of year	\$ 4,015	\$ (10,289)	\$ (3,776)	\$ (10,289)
Eligible change in fair value of U.S. denominated drawings	(28,737)	—	7,791	—
Balance, end of year	\$ (24,722)	\$ (10,289)	\$ 4,015	\$ (10,289)

Gains (losses) related to the Company's outstanding designated derivative financial instruments recorded in the Consolidated Statements of Earnings (Loss) as at December 31, were as follows:

	2024		2023	
	Effective portion ⁽ⁱ⁾⁽ⁱⁱ⁾	Ineffective portion ⁽ⁱ⁾	Effective portion ⁽ⁱ⁾⁽ⁱⁱ⁾	Ineffective portion ⁽ⁱ⁾
Cash flow hedges				
Foreign exchange contracts	\$ —	\$ (16)	\$ —	\$ (18)
Fair value hedges				
Foreign exchange contracts	\$ (2,539)	\$ 7	\$ 311	\$ 8

⁽ⁱ⁾ Gains (losses) are recorded in cost of goods sold in the Consolidated Statements of Earnings (Loss).

⁽ⁱⁱ⁾ The effective portion recognized in earnings for cash flow hedges represents the accumulated other comprehensive income (loss) released to the Consolidated Statements of Earnings (Loss) due to early termination of hedging relationships. The effective portion recognized in earnings for fair value hedges represents the change in fair value of hedging instruments; the change in the hedged items is recorded at the inverse of the associated hedging instruments within cost of goods sold in the Consolidated Statements of Earnings (Loss).

It is estimated that, all else constant, an adverse hypothetical 10.0% change in the value of the Canadian dollar against all relevant currencies would result in a decrease in the fair value of the Company's foreign exchange forward contracts of \$17.5 million, with a decrease in earnings before taxes of \$12.7 million and a decrease in other comprehensive income (loss) of \$4.8 million. The impact on earnings before taxes does not include the offsetting impact of the foreign exchange risk inherent in the transactions being hedged.

Commodity Price Risk

The Company is exposed to price risk related to commodities such as live hogs, fuel, and purchases of certain other agricultural commodities used as raw materials, including feed grains. The Company uses fixed price contracts with suppliers as well as exchange-traded and over-the-counter futures and options to manage its exposure to price fluctuations.

The Company uses futures contracts which are accounted for as fair value hedges as well as non-designated derivative instruments to minimize the price risk assumed under forward priced contracts with suppliers. The Company also uses futures contracts which are accounted for as cash flow hedges as well as non-designated derivative instruments to minimize the price risk of anticipated transactions.

The critical terms of the futures contracts and the associated hedged items are similar. The Company performs a quantitative assessment of the effectiveness, and it is expected that the value of the futures contracts and the value of the corresponding hedged items will systematically change in opposite directions in response to movements in the underlying commodity prices. Hedge ineffectiveness in these hedging relationships is due to timing differences in the term of the futures contracts and the hedged items.

The Company's designated commodity futures contracts mature within one year. The outstanding designated commodity futures contracts as at December 31, were as follows:

	2024		2023	
	Average Price (USD)	Volume (000's)	Average Price (USD)	Volume (000's)
Fair value hedges				
Hog contracts ⁽ⁱ⁾	\$ 90.28	546	\$ 82.40	27

⁽ⁱ⁾ Hog contracts' unit of measure is cwt.

The change in fair values of commodity hedges used as the basis for recognizing ineffectiveness for the year ended December 31, 2024 and 2023 were as follows:

	2024		2023	
	Hedging instruments	Hedged items	Hedging instruments	Hedged items
Fair value hedges	\$ 450	\$ (450)	\$ 424	\$ (424)

Gains (losses) related to the Company's outstanding designated derivative financial instruments recorded in the Consolidated Statements of Earnings (Loss) as at December 31, were as follows:

	2024		2023	
	Effective portion ⁽ⁱ⁾⁽ⁱⁱ⁾	Ineffective portion ⁽ⁱ⁾	Effective portion ⁽ⁱ⁾⁽ⁱⁱ⁾	Ineffective portion ⁽ⁱ⁾
Fair value hedges				
Hog contracts	\$ 26	\$ —	\$ 281	\$ —

⁽ⁱ⁾ Gains (losses) are recorded in cost of goods sold in the Consolidated Statements of Earnings (Loss).

⁽ⁱⁱ⁾ The effective portion recognized in earnings for fair value hedges represents the change in fair value of hedging instruments; the change in the hedged items is recorded at the inverse of the associated hedging instruments within cost of goods sold in the Consolidated Statements of Earnings (Loss).

It is estimated that, all else constant, an adverse hypothetical 10.0% change in market prices of the underlying commodities would result in a decrease in the fair value of underlying outstanding derivative contracts of \$4.4 million, with a decrease in earnings before taxes of \$4.4 million. The impact on earnings before taxes does not include the offsetting impact of the commodity price risk inherent in the transactions being hedged.

Credit Risk

Credit risk refers to the risk of losses due to failure of the Company's customers and counterparties to meet their payment obligations.

In the normal course of business, the Company is exposed to credit risk from its customers, substantially all of which are in the retail, foodservice, and industrial channels. The Company performs ongoing credit evaluations of new and existing customers' financial condition and reviews the collectibility of its trade accounts receivable and other receivables in order to mitigate any possible credit losses. The Company records a loss allowance of expected credit losses for financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance at an amount equal to the lifetime expected credit losses if the credit risk on its financial assets has increased significantly since initial recognition. If credit risk has not significantly increased since initial recognition, the Company measures the loss allowance at an amount equal to the 12-month expected credit losses. Average accounts receivable days sales outstanding for the year is consistent with historic trends.

Management believes concentrations of credit risk with respect to accounts receivable are limited due to the generally high credit quality of the Company's major customers, the large number and geographic dispersion of smaller customers, and the operation of the accounts receivable securitization facility as described in Note 27. The Company does, however, conduct a significant amount of business with a small number of large grocery retailers. The Company's two largest customers as at December 31, 2024 comprise approximately 23.6% (2023: two largest customers representing 23.5%) of total sales.

The Company is also exposed to credit risk on its notes receivable from an unconsolidated structured entity in respect of the accounts receivable securitization program as described in Note 27. Management believes that this credit risk is limited by the long-term AA- debt rating held by the financial institution financing the third-party trust. The Company is exposed to credit risk on its cash and cash equivalents (comprising primarily of deposits with Canadian chartered banks) and non-exchange-traded derivative contracts. The Company mitigates this credit risk by transacting primarily with counterparties that are major international financial institutions with long-term debt ratings of A or higher. The Company's maximum exposure to credit risk at the balance sheet date consisted primarily of the carrying value of non-derivative financial assets and non-exchange-traded derivatives with positive fair values.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The contractual undiscounted cash flows payable in respect of financial liabilities as at the balance sheet date, were as follows:

	December 31, 2024				Total
	Due within 1 year	Due between 1 and 3 years	Due between 3 and 5 years	Due after 5 years	
Financial liabilities					
Accounts payable and accruals	\$ 561,179	—	—	—	\$ 561,179
Debt	302,612	1,387,997	1,949	3,825	1,696,383
Foreign exchange contracts	4,830	—	—	—	4,830
Interest rate swaps	1,935	3,494	—	—	5,429
Lease obligations	40,707	70,156	51,158	54,142	216,163
Other liabilities	30,822	1,711	—	—	32,533
Total	\$ 942,085	1,463,358	53,107	57,967	\$ 2,516,517

The Company manages liquidity risk by monitoring forecasted and actual cash flows, minimizing reliance on any single source of credit, maintaining sufficient undrawn committed credit facilities and managing the maturity profiles of financial assets and financial liabilities to minimize re-financing risk.

As at December 31, 2024, the Company had available undrawn committed credit of \$638.9 million (2023: \$447.2 million) under the terms of its principal banking arrangements as described in Note 17. These banking arrangements are subject to certain covenants and other restrictions.

22. INTEREST EXPENSE AND OTHER FINANCING COSTS

	2024	2023
Interest on borrowings from credit facility	\$ 141,140	\$ 134,996
Interest on lease obligations	8,273	6,070
Interest on securitized receivables	6,620	6,365
Interest on government loans	246	250
Amortization of deferred financing charges	3,683	3,371
Credit facility standby fees and other interest	3,766	2,768
	\$ 163,728	\$ 153,820
Interest paid and capitalized	(1,128)	(2,969)
	\$ 162,600	\$ 150,851

Interest paid during the year ended December 31, 2024 was \$150.1 million (2023: \$153.4 million).

23. EARNINGS (LOSS) PER SHARE

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

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

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

Year ended December 31,	2024			2023		
	Earnings	Weighted average number of shares ⁽ⁱ⁾	EPS	Loss	Weighted average number of shares ⁽ⁱ⁾	EPS
Basic	\$ 96,599	123.0	\$ 0.79	\$ (124,976)	121.8	\$ (1.03)
Effect of dilutive securities ⁽ⁱⁱ⁾		1.3			—	
Diluted	\$ 96,599	124.3	\$ 0.78	\$ (124,976)	121.8	\$ (1.03)

⁽ⁱ⁾ In millions.

⁽ⁱⁱ⁾ Excludes the effect of approximately 6.3 million (2023: 5.5 million) stock options and restricted share units that are anti-dilutive for the twelve months ended December 31, 2024.

24. SHARE-BASED PAYMENT

Under the Maple Leaf Foods Share Option Plans in effect as at December 31, 2024, the Company may grant options to its employees and employees of its subsidiaries to purchase shares of common stock. Under the Maple Leaf Foods Restricted Share Unit Plan in effect as at December 31, 2024, the Company may grant RSUs and PSUs to its employees and employees of its subsidiaries entitling employees to receive common shares or cash at the Company's option. Options, RSUs, and PSUs are granted from time to time by the Human Resources and Compensation Committee or by the Board of Directors on the recommendation of the Human Resources and Compensation Committee. The vesting conditions for options, RSUs, and PSUs are specified by the Board of Directors and may include the continued service of the employee with the Company and/or other criteria based on measures of the Company's performance.

Under the Company's Share Purchase and Deferred Share Unit Plans, eligible Directors may elect to receive their retainer and fees in the form of DSUs or as common shares of the Company.

Stock Options

A summary of the status of the Company's outstanding stock options as at December 31, 2024 and 2023, and changes during these years are presented below:

	2024		2023	
	Options outstanding	Weighted average exercise price	Options outstanding	Weighted average exercise price
Outstanding, beginning of year	6,537,050	\$ 26.83	6,099,680	\$ 26.82
Granted	1,793,850	\$ 22.95	1,057,700	\$ 24.63
Exercised	(108,200)	\$ 23.08	(620,330)	\$ 23.02
Forfeited	(156,300)	\$ 24.76	—	\$ —
Expired	(767,200)	\$ 30.20	—	\$ —
Outstanding, end of year	7,299,200	\$ 25.62	6,537,050	\$ 26.83
Options currently exercisable	4,797,900	\$ 26.63	4,618,500	\$ 27.34

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.

The number of options outstanding as at December 31, 2024, is as follows:

Range of exercise prices	Options outstanding			Options currently exercisable		Options subject to time vesting only	
	Number outstanding	Weighted average exercise price	Weighted average remaining term of options (in years)	Number exercisable	Weighted average exercise price	Number outstanding	Weighted average exercise price
\$ 20.28 to \$ 25.10	4,766,100	\$ 23.66	4.4	2,498,700	\$ 24.06	2,267,400	\$ 23.23
\$ 26.38 to \$ 28.38	1,806,800	\$ 28.07	2.8	1,572,900	\$ 28.07	233,900	\$ 28.07
\$ 30.22 to \$ 32.75	726,300	\$ 32.38	0.2	726,300	\$ 32.38	—	\$ —
Total Options	7,299,200	\$ 25.62	3.6	4,797,900	\$ 26.63	2,501,300	\$ 23.68

The number of options outstanding as at December 31, 2023, is as follows:

Range of exercise prices	Options outstanding			Options currently exercisable		Options subject to time vesting only	
	Number outstanding	Weighted average exercise price	Weighted average remaining term of options (in years)	Number exercisable	Weighted average exercise price	Number outstanding	Weighted average exercise price
\$ 22.52 to \$ 25.10	3,280,050	\$ 24.07	4.3	2,051,800	\$ 23.83	1,228,250	\$ 24.46
\$ 26.38 to \$ 28.38	1,853,600	\$ 28.07	3.8	1,163,300	\$ 28.34	690,300	\$ 27.61
\$ 30.22 to \$ 32.75	1,403,400	\$ 31.65	0.7	1,403,400	\$ 31.65	—	\$ —
Total Options	6,537,050	\$ 26.83	3.4	4,618,500	\$ 27.34	1,918,550	\$ 25.59

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 year ended December 31, 2024 and 2023 are shown in the table below⁽ⁱ⁾:

	2024	2023
Share price at grant date	\$22.99	\$24.88
Exercise price	\$22.95	\$24.63
Expected volatility	32.1%	31.9%
Option life (in years) ⁽ⁱⁱ⁾	4.5	4.4
Expected dividend yield	4.6%	4.1%
Risk-free interest rate ⁽ⁱⁱⁱ⁾	3.6%	3.1%

⁽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 year ended December 31, 2024 was \$7.9 million (2023: \$5.4 million). Expenses relating to current and prior year options were \$6.4 million (2023: \$5.2 million).

Restricted Share Units and Performance Share Units

The awards granted under the 2006 Plan are satisfied either by shares to be purchased on the open market by a trust established for that purpose or cash at the time of vesting.

Under the 2006 Plan, one common share of the Company may be distributed for each RSU, and these units vest strictly over time. The PSUs are subject to both time and performance vesting. The PSUs provide the holder with up to two RSUs based on the achievement

of predetermined Company performance targets. All outstanding RSUs and PSUs under the 2006 Plan vest over a period of approximately one to three years from the date of grant.

A summary of the status of the Company's RSU plans (including PSUs) as at December 31, 2024 and 2023 and changes during these periods is presented below:

	2024		2023	
	Share units outstanding	Weighted average fair value at grant	Share units outstanding	Weighted average fair value at grant
Outstanding, beginning of year	2,018,396	\$ 23.87	1,881,158	\$ 23.93
Granted	1,861,351	\$ 19.39	886,860	\$ 21.65
Exercised	(262,532)	\$ 24.08	(639,053)	\$ 20.94
Forfeited	(392,225)	\$ 22.94	(110,569)	\$ 24.06
Outstanding, end of year	3,224,990	\$ 21.38	2,018,396	\$ 23.87

The fair value of RSUs and PSUs granted during the 2024 was \$31.5 million (2023: \$16.7 million). Expenses for the year ended December 31, 2024 relating to current and prior year RSUs and PSUs, were \$15.1 million (2023: \$6.2 million), of which \$1.1 million (2023: \$1.0 million) will be paid in cash and the remainder settled in shares.

A portion of the outstanding RSUs and PSUs will be settled in cash. The total liability recorded for these units is \$1.7 million (2023: \$1.1 million).

The key assumptions used in the valuation of fair value of RSUs and PSUs granted during the year are shown in the table below⁽ⁱ⁾:

	2024	2023
Expected RSU life (in years)	2.6	3.1
Forfeiture rate	12.5%	13.0%
Risk-free discount rate	4.0%	3.3%

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

Deferred Share Units

If an eligible Director elects to receive their retainer and fees as common shares of the Corporation, the Company purchases shares at market rates on behalf of the participating Directors.

In 2013, the Company adopted a new share purchase and Deferred Share Unit plan (the "2013 DSU Plan"), which replaced the Company's existing share purchase and deferred share unit plan. The 2013 DSU Plan allows the Company, at its discretion, the flexibility to satisfy DSUs in common shares, either issued from treasury or purchased by the Company on the open market.

Expenses for the year ended December 31, 2024 were \$1.5 million (2023: \$1.5 million).

A summary of the status of the Company's outstanding DSUs as at December 31, 2024 and 2023, and changes during these years are presented below:

Units outstanding	2024	2023
Outstanding, beginning of year	338,799	371,771
Additions: granted	52,478	46,658
Additions: dividends reinvested	11,434	11,268
Exercised	(164,965)	(90,898)
Outstanding, end of year	237,746	338,799

25. GEOGRAPHIC AND CUSTOMER PROFILE

Information About Geographic Areas

The following summarizes sales by country of origin:

	2024	2023
Canada ⁽ⁱ⁾	\$ 3,620,720	\$ 3,584,260
U.S.	528,671	538,297
Japan	388,585	364,457
China	65,663	68,376
Other	291,407	285,823
Sales	\$ 4,895,046	\$ 4,841,213

⁽ⁱ⁾ Adjusted, see Note 30.

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

	As at December 31,	
	2024	2023
Canada	\$ 2,862,830	\$ 3,023,577
U.S.	303,349	285,085
Other	234	451
Total non-current assets⁽ⁱ⁾	\$ 3,166,413	\$ 3,309,113

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

Information About Major Customers

For the year ended December 31, 2024, the Company reported sales to two customers representing 12.1% and 11.5% (2023: 12.0% and 11.5%) of total sales. No other sales were made to any one customer that represented in excess of 10.0% of total sales.

26. GOVERNMENT INCENTIVES

During the year ended December 31, 2024, the Company recognized government incentives totaling \$20.3 million (2023: \$9.9 million).

During the year ended December 31, 2024, the Company recognized \$15.0 million (2023: \$4.9 million) of government incentives as a reduction in the cost of related assets. Of this amount, \$6.9 million was received from the Government of Ontario and \$2.0 million from the Government of Canada to assist with the design, development and construction of the London, Ontario poultry facility. In addition, the Company received \$3.2 million from the Government of Canada to adapt to market changes resulting from the implementation of recent international trade agreements, and \$2.0 million from the Government of Canada for the expansion of further processed poultry processing capacity. The Company also received \$0.9 million in other incentives.

During the year ended December 31, 2024, the Company recognized \$5.3 million (2023: \$5.0 million) of government incentives in earnings (loss). Of this amount, \$3.0 million of ongoing incentives were received from the Government of Canada to support the Company's agricultural business. An additional \$1.3 million of Scientific Research and Experimental Development (SR&ED) tax incentive was received from the Government of Canada. In addition, the Company received \$1.0 million in other incentives.

The Company currently recognizes \$6.2 million (2023: \$7.1 million) of government debt on the Consolidated Balance Sheets from the Government of Canada to assist in innovation within the agricultural sector in Canada. Refer to Note 17.

27. COMPOSITION OF THE COMPANY

Unconsolidated Structured Entity

The Company, as part of a securitization agreement, sells a portion of its receivables to an unconsolidated third-party trust.

On May 31, 2024, the Company renewed its account receivable securitization facility (the "Securitization Facility") extending its maturity to May 31, 2026. The maximum cash advance available to the Company under the Securitization Facility is \$150.0 million (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 December 31, 2024, trade accounts receivable being serviced under this program amounted to \$129.2 million (2023: \$112.7 million). As consideration for the sale of its trade receivables, the Company will receive cash advances of \$91.2 million (2023: \$79.4 million) and notes receivable in the amount of \$38.0 million (2023: \$33.2 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 December 31, 2024, the Company recorded a net payable in the amount of \$59.8 million in accounts payable and accruals (2023: \$55.6 million in accounts payable and accruals).

The Company's maximum exposure to loss due to its involvement with a structured entity is equal to the current carrying value of the interest in the notes receivable due from the structured entity. The Company has not recognized any income or losses with its interest in unconsolidated structured entities for the year ended December 31, 2024 and 2023.

28. RELATED PARTY TRANSACTIONS

The Company sponsors a number of defined benefit, defined contribution and post-retirement benefit plans. During the year ended December 31, 2024, the Company contributed \$31.1 million (2023: \$30.6 million) to these plans.

Key Management Personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly, including any external director of the Company.

Remuneration of Key Management Personnel of the Company is comprised of the following expenses:

	2024	2023
Short-term employee benefits		
Salaries, bonuses, and fees	\$ 12,062	\$ 10,650
Company car allowances	374	348
Other benefits	623	370
Total short-term employee benefits	\$ 13,059	\$ 11,368
Severance benefits	1,238	2,254
Post-employment benefits	537	740
Share-based compensation	11,251	7,198
Total remuneration	\$ 26,085	\$ 21,560

During the year ended December 31, 2024, Key Management Personnel of the Company exercised 0.1 million share options (2023: 0.6 million share options) granted under the Maple Leaf Foods share option plans for an amount of \$2.5 million (2023: \$14.3 million).

The Company's largest shareholder is McCain Capital Inc. ("MCI"). The Company has been informed that Mr. Michael H. McCain, Executive Chair of the Company, is the controlling shareholder of MCI. For the year ended December 31, 2024, the Company received services from MCI and companies directly or indirectly owned by MCI in the amount of \$0.8 million (2023: \$1.1 million), which represented the market value of these transactions with MCI. As at December 31, 2024, \$0.2 million (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 year ended December 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.

29. COMMITMENTS AND CONTINGENCIES

The Company has been named as a defendant in several legal actions and is subject to various risks and contingencies arising in the normal course of business. Management is of the opinion that the outcome of these uncertainties will not have a material adverse effect on the Company's financial position.

In the normal course of its operations, the Company becomes involved in various legal and regulatory actions relating to its commercial activities and relationships, construction activities, employment matters, product liabilities, and other matters. Even if the Company is not found liable for these claims, the cost of defending these actions may be material.

Among the legal matters in which the Company is involved is an ongoing investigation by the Competition Bureau into the Canadian bread industry, including alleged price fixing and related securities disclosure issues. The investigation covers a time horizon that includes the period when the Company was the majority shareholder of Canada Bread Company, Limited ("Canada Bread"). The Company sold its interest in Canada Bread, which was a stand-alone public company, to Grupo Bimbo in 2014. There are also class

action proceedings related to the bread pricing allegations. In Ontario, the Ontario Superior Court has determined on two occasions that the bread class action proceeding should not be certified against Maple Leaf Foods; however, the plaintiffs and Canada Bread are appealing the latest ruling. In 2024, Grupo Bimbo and Canada Bread launched a stand alone claim against the Company. The Company has consistently maintained that there was no wrongdoing while it was a shareholder of Canada Bread and is mounting a strong defense in all these matters. In late 2023, the plaintiffs in the Quebec bread pricing class action filed an application to certify a separate class action making allegations related to meat pricing in Quebec which has not yet progressed to the certification stage. The final outcome of the investigation, the class actions, and the Grupo Bimbo actions or any future claims cannot be predicted with certainty or reliably estimated. Unfavourable resolution of these or other legal matters could have a material adverse effect on the Company, its financial condition and its reputation.

In the normal course of business, the Company and its subsidiaries enter into sales commitments with customers, and purchase commitments with suppliers. These commitments are for varying terms and can provide for fixed or variable prices. The Company believes that these contracts serve to reduce risk, and does not anticipate that losses will be incurred on these contracts.

The Company entered into a number of contracts related to the construction of new and expanded facilities. As at December 31, 2024 these contract commitments were approximately \$0.5 million (2023: \$8.0 million).

30. ADJUSTMENT OF COMPARATIVE INFORMATION

Prior year sales and cost of goods sold have both been adjusted to reduce each balance by \$26.7 million from the previously published amounts in order to eliminate agreements that contained an expectation of repurchase and had previously been reported as external sales and cost of goods sold.

	2023		
	As reported	Change	As adjusted
Sales	\$ 4,867,928	\$ (26,715)	\$ 4,841,213
Cost of goods sold	4,416,554	(26,715)	4,389,839
Gross profit	\$ 451,374	—	\$ 451,374