

TSX: MFI

www.mapleleaffoods.com



Investor Contact:

Investor.Relations@MapleLeaf.com

Media Contact:

Media.Hotline@MapleLeaf.com

Maple Leaf Foods Reports First Quarter 2025 Financial Results

Maple Leaf Foods reports Revenue growth of 8.2%, Adjusted EBITDA of \$166 million or 13.4%, and reaffirms its fiscal 2025 guidance

Mississauga, Ontario, May 8, 2025 - Maple Leaf Foods Inc. ("Maple Leaf Foods" or the "Company") (TSX: MFI) today reported its financial results for the first quarter ended March 31, 2025.

"In the first quarter, we continued to build on our momentum, delivering sales growth of over 8% and Adjusted EBITDA of \$166 million, a 43% increase compared to the same period last year," said Curtis Frank, President and Chief Executive Officer of Maple Leaf Foods. "Robust sales growth across Prepared Foods, Poultry, and Pork demonstrates significant progress across all areas of our business, as we delivered Adjusted EBITDA margin of 13.4%, representing a year-over-year improvement of 330 basis points."

"Looking ahead to the rest of the year, we remain focused on executing our priorities - driving profitable growth, achieving our Adjusted EBITDA outlook to meet or exceed \$634 million, and completing the spin-off of our Pork operations," continued Mr. Frank.

"2025 marks the beginning of a bold new chapter as we advance our strategic blueprint and take the next steps to unlock Maple Leaf Foods as a focused, purpose-driven and protein-centric consumer packaged goods company, and unleash Canada Packers as a global leader in sustainably produced, premium quality, value-added pork products. Both companies will be uniquely positioned to meet the world's growing demand for sustainable protein, creating value for all our stakeholders," concluded Mr. Frank.

First Quarter 2025 Highlights

- Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA"⁽ⁱ⁾) grew to \$166 million, a 42.9% increase from the first quarter of last year, with Adjusted EBITDA margin increasing from 10.1% to 13.4% for the same period.
- Sales were \$1,241 million for the first quarter, compared to \$1,147 million for the same period last year, an increase of 8.2%. Sales in the Prepared Foods, Poultry, and Pork operating units⁽ⁱⁱ⁾ increased by 7.1%, 6.0%, and 12.0% respectively.
- Earnings for the first quarter of 2025 were \$50 million (\$0.40 per basic share) broadly consistent with \$52 million (\$0.42 per basic share) last year, with the first quarter of 2024 seeing a more significant benefit from the accounting impact of the mark to market valuation of biological assets. Adjusted Earnings per Share for the first quarter of 2025 was \$0.43 compared to \$0.04 last year.
- Net Debt(i) was \$1,554 million, with Net Debt to trailing twelve months Adjusted EBITDA(i) of 2.6x, improving from 2.7x at the end of the fourth quarter of 2024 and 3.7x at the same time a year ago.

Update on the the Creation of Two Independent Public Companies

- On July 9, 2024, Maple Leaf Foods announced the planned separation of its Pork operations as a standalone public company to be called Canada Packers Inc. and work on the separation of the two companies is well underway.
- The Management Information Circular will be filed on May 12, 2025 and the Company has scheduled a meeting of shareholders on June 11, 2025 to approve the transaction, which would allow closing to occur as soon as the closing conditions are satisfied, putting the transaction on pace to close in the second half of 2025 as expected.

Outlook

- For the full year 2025, the Company continues to expect:
 - Revenue growth in the mid-single-digit range;
 - Adjusted EBITDA⁽ⁱ⁾ growth over 2024, which is expected to meet or exceed \$634 million;
 - To maintain an investment-grade balance sheet⁽ⁱⁱⁱ⁾; and
 - Capital expenditures to be within a range of \$175 million to \$200 million, largely focused on maintenance capital.

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

⁽ⁱⁱ⁾ Maple Leaf has reorganized its operating units as further defined in the section titled Financial Highlights.

⁽ⁱⁱⁱ⁾ Maple Leaf defines investment grade leverage as typically operating below 3.0x Net Debt to Trailing Twelve Months Adjusted EBITDA.

Financial Highlights

As part of the restructuring of its commercial and supply chain operations during 2024, the Company split its prepared foods operations into two operating units; Prepared Foods which encompasses its prepared meats and plant protein categories, and Poultry which encompasses its fresh poultry category.

Maple Leaf Foods now consists of three operating units: Prepared Foods, Poultry, and Pork which represent approximately 55%, 20%, and 25% of total Company revenue respectively

(\$ millions except earnings per share) (Unaudited)	As at or for the three months ended March 31,		
	2025	2024	Change
Sales ⁽ⁱ⁾	\$ 1,241.3	\$ 1,147.3	8.2 %
Gross profit	\$ 217.8	\$ 226.3	(3.8)%
Selling, general and administrative expenses	\$ 114.8	\$ 110.0	4.4 %
Earnings	\$ 49.6	\$ 51.6	(3.9)%
Basic Earnings per Share	\$ 0.40	\$ 0.42	(4.8)%
Adjusted Operating Earnings ⁽ⁱⁱ⁾	\$ 95.7	\$ 53.0	80.8 %
Adjusted EBITDA ⁽ⁱⁱ⁾	\$ 166.3	\$ 116.4	42.9 %
Adjusted EBITDA Margin ⁽ⁱⁱ⁾	13.4%	10.1%	330 bps
Adjusted EBT ⁽ⁱⁱⁱ⁾	\$ 74.7	\$ 10.4	nm ⁽ⁱⁱⁱ⁾
Adjusted Earnings per Share ⁽ⁱⁱⁱ⁾	\$ 0.43	\$ 0.04	nm ⁽ⁱⁱⁱ⁾
Free Cash Flow ⁽ⁱⁱⁱ⁾	\$ (13.6)	\$ 73.6	nm ⁽ⁱⁱⁱ⁾
Net Debt ⁽ⁱⁱⁱ⁾	\$ 1,553.7	\$ 1,722.8	(9.8)%

⁽ⁱ⁾ Quarterly amounts for 2024 have been adjusted to eliminate new sales agreements entered into during the year that contained an expectation of repurchase, which had previously been reported as external sales.

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

⁽ⁱⁱⁱ⁾ Not meaningful.

Sales for the first quarter of 2025 were \$1,241.3 million compared to \$1,147.3 million last year, an increase of 8.2%. Prepared Foods sales increased by 7.1% driven by volume growth and improved product mix, pricing, and favourable foreign exchange impacts related to US sales, which were partially offset by increased trade promotions. Poultry sales increased by 6.0% driven by improved channel mix tied to retail volume growth and reduced industrial sales. Pork sales increased by 12.0% due to an increase in the number of hogs processed and higher average hog weights, favourable foreign exchange impacts, and higher market pricing.

Gross profit for the first quarter of 2025 decreased to \$217.8 million (gross margin of 17.5%) compared to \$226.3 million (gross margin of 19.7%) last year. The decrease in gross profit was driven by a reduction in mark to market valuation of biological assets and unrealized losses on commodity futures contracts, as well as increased trade promotions. These factors were partially offset by improved pork market conditions, favourable volume and mix impacts in Prepared Foods and Poultry, operating efficiencies inclusive of benefits from the investments in London poultry and Bacon Centre of Excellence facilities, and lower start-up expenses.

Selling, General and Administrative ("SG&A") expenses for the first quarter of 2025 were \$114.8 million compared to \$110.0 million last year. The increase in SG&A expenses was primarily driven by higher advertising and promotional expenses, and higher variable compensation.

Earnings for the first quarter of 2025 were \$49.6 million (\$0.40 per basic share) broadly consistent with \$51.6 million (\$0.42 per basic share) last year. Earnings were impacted by the same factors as noted above for gross profit and SG&A, as well as reduced interest expense, lower other expenses, and incremental costs associated with the upcoming spin-off of the Pork operations which were recorded outside of Adjusted Operating Earnings.

Adjusted Operating Earnings for the first quarter of 2025 were \$95.7 million compared to \$53.0 million last year. The increase was driven by factors consistent with those noted above for gross profit and SG&A expenses, excluding the impact of unrealized mark to market valuation adjustments and start-up costs.

Adjusted EBITDA for the first quarter was \$166.3 million, compared to \$116.4 million last year, driven by factors consistent with those noted above for Adjusted Operating Earnings along with lower other expense, largely a result of timing and non-recurring items. Adjusted EBITDA Margin was 13.4% compared to 10.1% last year, also driven by factors consistent with those noted above.

Adjusted Earnings Before Taxes ("Adjusted EBT") for the first quarter of 2025 were \$74.7 million compared to \$10.4 million last year, due to similar factors as noted above for Adjusted EBITDA, along with a reduction in interest expense.

Adjusted Earnings per Share for the first quarter of 2025 was \$0.43 compared to \$0.04 last year, consistent with factors noted above for Adjusted EBT.

Free Cash Flow for the first quarter of 2025 was an outflow of \$13.6 million compared to an inflow of \$73.6 million in the prior year. Free Cash Flow decreased largely as a result of timing of investment in seasonal working capital offsetting increased cash earnings and lower interest payments.

Net Debt as at March 31, 2025 was \$1,553.7 million, a decrease of \$169.1 million compared to the prior year.

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

Other Matters

On May 7, 2025, the Board of Directors approved a quarterly dividend of \$0.24 per share (an increase of \$0.02 per share from the 2024 first quarter dividend), \$0.96 per share on an annual basis, payable June 30, 2025, to shareholders of record at the close of business on June 6, 2025. Unless indicated otherwise by the Company at or before the time the dividend is paid, the dividend will be considered an eligible dividend for the purposes of the "Enhanced Dividend Tax Credit System". The Company's Dividend Reinvestment Plan ("DRIP") permits eligible shareholders to direct their cash dividends to be reinvested in additional common shares of the Company. The Company eliminated the 2% discount on the treasury shares issued under the DRIP beginning in 2025. Therefore, for shareholders who wish to reinvest their dividends under the DRIP, Maple Leaf Foods intends to issue common shares from treasury at a price equal to 100% of the weighted average closing price of the shares for the five trading days preceding the dividend payment date. Full details of the DRIP, including how to enroll in the program, are available at <https://www.mapleleaffoods.com/>.

Conference Call

A conference call will be held at 8:00 a.m. ET on May 8, 2025, to review Maple Leaf Foods' first quarter financial results. To participate in the call, please dial 416-945-7677 or 1-888-699-1199. For those unable to participate, playback will be made available an hour after the event at 289-819-1450 or 1-888-660-6345 (Passcode: 62945#).

A webcast of the first quarter conference call will also be available at: <https://www.mapleleaffoods.com/investors/events-and-presentations/>.

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

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

Outlook

Maple Leaf Foods is a leading protein company built on a powerful portfolio of brands, with a leading voice in sustainability and food security. The Company continues to execute against its strategic Blueprint, which defines how it intends to advance its vision to be the Most Sustainable Protein Company on Earth and deliver on its commercial and financial objectives. A key deliverable in 2025 is the execution of the previously announced spin-off of the Pork Operations, unlocking value for all stakeholders by creating two robust, independent public companies: Maple Leaf Foods as a protein focused consumer packaged goods company, and Canada Packers as a leading global pork company. Until the spin-off is completed, the Company continues to look at its business on a holistic basis.

For the full year 2025, the Company expects:

- Mid-single-digit revenue growth.
- Significant improvement from 2024 Adjusted EBITDA, which is expected to meet or exceed \$634 million, supported by:
 - a full year of benefits related to the London poultry and Bacon Centre of Excellence large capital projects, as well as benefits from the further processed poultry expansion at the Walker Road plant;
 - continuing to adapt to the consumer environment, supported by brand and revenue management plans to optimize volume and mix and capitalize on growing consumer demand for protein;
 - a return to more normal levels of profitability in the Pork operating unit; and
 - the Company's *Fuel for Growth* initiative which will accelerate Maple Leaf's cost reduction focus and competitive edge through supply chain savings, SG&A reductions, and completion of a strategic manufacturing review.
- Continued focus on using Free Cash Flow to further strengthen the balance sheet, facilitating more choice for capital allocation in the future:
 - focus remains on maintaining an investment-grade balance sheet⁽¹⁾;
 - capital expenditures will remain disciplined and within a range of \$175 million to \$200 million, with approximately \$130 million comprised of maintenance capital, and the remainder being growth capital; and

- initiatives to create value for shareholders including; executing the spin-off of Canada Packers, recent announcement of a nine per cent increase in the annual dividend and the elimination of the discount on the Company's dividend reinvestment plan, as well as evaluating future capital allocation alternatives.

Maple Leaf Foods recognizes that macro-economic factors continue to strongly influence the current operating environment, creating uncertainty and potential volatility. This has a number of implications for the Company's business, including the influence these dynamics have on consumer sentiment, supply chain activity, access to markets, barriers to trade, and foreign exchange rates. The Company leverages its data-driven insights to stay close to these evolving circumstances and is confident in the resilience of its brands, business model and strategy to manage through prevailing economic conditions. At the same time, it recognizes that its ability to deliver its 2025 guidance could be impacted by these conditions, including the impact of tariffs between Canada and the U.S. The Company is continuing to closely monitor the evolving tariff landscape so that it is prepared to adapt quickly as circumstances change. It has already adapted to changes in consumer sentiment that have emerged, including launching brand campaigns in Canada that respond to the "buy Canadian" movement. Refer to section 23. Risk Factors in the Company's Management's Discussion and Analysis for the year ended December 31, 2024 as filed on SEDAR+.

⁽¹⁾Maple Leaf defines investment grade leverage as typically operating below 3.0x Net Debt to Trailing Twelve Months Adjusted EBITDA

Non-IFRS Financial Measures

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

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

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

The table below provides a reconciliation of earnings before income taxes as reported under IFRS in the Consolidated Interim Financial Statements to Adjusted Operating Earnings, Adjusted EBITDA and Adjusted EBT for the three months ended March 31, 2025 as indicated below. Management believes that these non-IFRS measures are useful in assessing the performance of the Company's ongoing operations and its ability to generate cash flows to fund its requirements.

(\$ millions) ⁽ⁱ⁾ (Unaudited)	Three months ended March 31,	
	2025	2024
Earnings before income taxes	\$ 70.6	\$ 73.8
Interest expense and other financing costs	29.6	42.1
Other expense	1.2	1.2
Restructuring and other related costs (reversals)	1.5	(0.7)
Earnings from operations	\$ 103.0	\$ 116.3
Start-up expenses from Construction Capital ⁽ⁱⁱ⁾	1.4	11.4
Increase in fair value of biological assets	(16.4)	(69.1)
Decrease (increase) in derivative contracts	7.8	(5.6)
Adjusted Operating Earnings	\$ 95.7	\$ 53.0
Depreciation and amortization ⁽ⁱⁱⁱ⁾	62.6	65.0
Items included in other income (expense) representative of ongoing operations ^(iv)	8.0	(1.5)
Adjusted EBITDA	\$ 166.3	\$ 116.4
Adjusted EBITDA Margin^(v)	13.4%	10.1%
Interest expense and other financing costs	(29.6)	(42.1)
Interest income	0.7	1.0
Depreciation and amortization	(62.6)	(65.0)
Adjusted EBT	\$ 74.7	\$ 10.4

⁽ⁱ⁾ Totals may not add due to rounding.

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

⁽ⁱⁱⁱ⁾ Depreciation included in start-up expenses and restructuring and other related costs is excluded from this line.

^(iv) Primarily includes certain costs associated with sustainability projects, gains and losses on the impairment and sale of long-term assets, and other miscellaneous expenses.

^(v) Amounts for 2024 have been adjusted to eliminate sales agreements that contained an expectation of repurchase, which had previously been reported as external sales.

Adjusted Earnings per Share

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

(\$ per share) (Unaudited)	Three months ended March 31,	
	2025	2024
Basic earnings per share	\$ 0.40	\$ 0.42
Restructuring and other related costs ⁽ⁱ⁾	0.01	0.00
Items included in other expense not considered representative of ongoing operations ⁽ⁱⁱ⁾	0.06	0.00
Start-up expenses from Construction Capital ⁽ⁱⁱⁱ⁾	0.01	0.07
Change in fair value of biological assets	(0.10)	(0.42)
Change in unrealized and deferred fair value on derivatives	0.05	(0.03)
Adjusted Earnings per Share^(iv)	\$ 0.43	\$ 0.04

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

⁽ⁱⁱ⁾ Primarily includes legal fees, vacancy costs on investment property, and transaction related costs, net of tax.

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

^(iv) Totals may not add due to rounding.

Construction Capital

Construction Capital, a non-IFRS measure, is used by Management to evaluate the amount of capital resources invested in specific strategic development projects that are not yet operational. It is defined as investments and related financing charges in projects over \$50 million that are related to longer-term strategic initiatives, with no returns expected for at least 12 months from commencement of construction and the asset is re-categorized from Construction Capital once operational. There were no Construction Capital projects during the three months ended March 31, 2025 or March 31, 2024 as all projects had been completed and recategorized as regular property and equipment.

Net Debt

The following table reconciles Net Debt to amounts reported under IFRS in the Company's Consolidated Interim Financial Statements and calculates the Net Debt to trailing twelve months Adjusted EBITDA ratio as at March 31 as indicated below. The Company calculates Net Debt as cash and cash equivalents, less current and long-term debt and bank indebtedness. Management believes this measure is useful in assessing the amount of financial leverage employed.

(\$ thousands) (Unaudited)	As at March 31,	
	2025	2024
Cash and cash equivalents	\$ 119,051	\$ 206,393
Current portion of long-term debt	\$ (302,009)	\$ (401,538)
Long-term debt	(1,370,701)	(1,527,665)
Total debt	\$(1,672,710)	\$(1,929,203)
Net Debt	\$(1,553,659)	\$(1,722,810)
Adjusted EBITDA	\$ 166,347	\$ 116,446
Trailing twelve months Adjusted EBITDA⁽ⁱ⁾	\$ 603,125	\$ 468,738
Net Debt to trailing twelve months Adjusted EBITDA	2.6	3.7

⁽ⁱ⁾ Trailing twelve months includes Q2 2024, Q3 2024, Q4 2024 and Q1 2025 for 2025; and Q2 2023, Q3 2023, Q4 2023 and Q1 2024 for 2024.

Free Cash Flow

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

(\$ thousands) (Unaudited)	Three months ended March 31,	
	2025	2024
Cash provided by operating activities	\$ 9,883	\$ 87,325
Maintenance Capital ⁽ⁱ⁾	(23,240)	(13,436)
Interest paid and capitalized related to Maintenance Capital	(270)	(263)
Free Cash Flow	\$ (13,627)	\$ 73,626

⁽ⁱ⁾ Maintenance Capital is defined as non-discretionary investment required to maintain the Company's existing operations and competitive position. For the three months ended March 31, 2025, total capital spending of \$24.9 million (2024: \$23.8 million) shown on the Consolidated Interim Statements of Cash Flows is made up of Maintenance Capital of \$23.2 million (2024: \$13.4 million), and Growth Capital of \$1.7 million (2024: \$10.4 million). Growth Capital is defined as discretionary investment meant to create stakeholder value through initiatives that for example, expand margins, increase capacities or create further competitive advantage.

Return on Net Assets ("RONA")

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

Forward-Looking Statements

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

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

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

- the terms, timing, receipt of all approvals, expected structure, expected benefits, risks, costs, dis-synergies and tax implications associated with the spin-off including the timely receipt of an advance tax ruling from the CRA in form and substance satisfactory to the Company;
- the anticipated future financial performance of the businesses following the spin-off, including post separation business structure, the operationalization of the proposed agreements to be entered into between the companies, and the ability of each company to execute their respective business and sustainability strategies;
- the entry into the tax matters agreement with Messrs. M H McCain, J McCain and McCain Capital Inc. (the "McCain Parties") and the satisfaction of the conditions of such agreement and future voting support for the spin-off;
- assumptions about the economic environment, including the implications of tariffs, inflationary pressures on customer and consumer behaviour, supply chains, global conflicts and competitive dynamics;
- expected future cash flows and the sufficiency thereof, sources of capital at attractive rates, future contractual obligations, future financing options, renewal of credit facilities, compliance with credit facility covenants, and availability of capital to fund growth plans, operating obligations and dividends;
- future performance, including future financial objectives, goals and targets, category growth analysis, expected capital spend and expected SG&A expenditures, global pork market dynamics, Japan export market margin outlook, labour markets, and inflationary pressures (including the ability to price for inflation);
- potential for a recurrence of a cybersecurity incident on the Company's systems, business and operations, as well as the ability to mitigate the financial and operational impacts, the success of remediation and recovery efforts, the implications of data breaches, and other ongoing risks associated with cybersecurity;
- the execution of the Company's business strategy, including the development and expected timing of business initiatives, brand expansion and repositioning, plant protein category investment and performance, market access in China and Japan, capital allocation decisions (including investment in share repurchases under a NCIB) and investment in potential growth opportunities and the expected returns associated therewith;
- the impact of international trade conditions, tariffs and markets on the Company's business, including access to markets, global conflict and other social, economic and political factors that affect trade;
- implications associated with the spread of foreign animal disease (such as African Swine Fever ("ASF")) and other animal diseases such as Avian Influenza;
- competitive conditions and the Company's ability to position itself competitively in the markets in which it competes;
- capital projects, including planning, construction, estimated expenditures, schedules, approvals, expected capacity, in-service dates and anticipated benefits of construction of new facilities and expansions of existing facilities;
- the Company's dividend policy, including future levels and sustainability of cash dividends, the tax treatment thereof and future dividend payment dates;
- the impact of commodity prices and foreign exchange impacts on the Company's operations and financial performance, including the use and effectiveness of hedging instruments;
- operating risks, including the execution, monitoring and continuous improvement of the Company's food safety programs, animal health initiatives, cost reduction initiatives, and service levels (including service level penalties);
- the implementation, cost and impact of environmental sustainability initiatives, the ability of the Company to achieve its sustainability objectives, changing climate and sustainability laws and regulation, changes in customer and consumer expectations related to sustainability matters, as well as the anticipated future cost of remediating environmental liabilities;
- the adoption of new accounting standards and the impact of such adoption on the financial position of the Company;
- expectations regarding pension plan performance, including future pension plan assets, liabilities and contributions; and
- developments and implications of actual or potential legal actions.

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

- expectations and assumptions concerning the timing and completion of the spin-off, including securing all necessary shareholder, court, and other third party approvals; future voting support for the spin-off; implications of the risks, benefits, costs, dis-synergies, tax structure, future business performance of each company; the impact of the operationalization of the proposed agreements to be entered into between the companies; and ability of each company to execute their respective business and sustainability strategies to generate returns;
- expectations and assumptions as to the timely receipt of an advance tax ruling from the CRA in form and substance satisfactory to the Company which is not altered or withdrawn; satisfaction of the conditions necessary to proceed with tax matters agreement; compliance by Maple Leaf Foods, Canada Packers and "specified shareholders", as defined in the

Income Tax Act ("ITA"), with the rules related to butterfly transactions under the ITA both before and after the completion of the spin-off;

- expectations regarding the adaptations in operations, supply chain, customer and consumer behaviour, economic patterns (including but not limited to global pork markets), foreign exchange rates, tariffs and other international trade dynamics, access to capital, and potential structural changes in global economic patterns;
- the competitive environment, associated market conditions (including tariffs) and market share metrics, category growth or contraction, the expected behaviour of competitors and customers and trends in consumer preferences;
- the success of the Company's business strategy and the relationship between pricing, inflation, volume and sales of the Company's products;
- prevailing commodity prices (especially in pork and feed markets), implications of tariffs, interest rates, tax rates and exchange rates;
- potential impacts related to cybersecurity matters, including security costs, the potential for a future incident, the risks associated with data breaches, the availability of insurance, the effectiveness of remediation and prevention activities, third party activities, ongoing impacts, customer, consumer and supplier responses and regulatory considerations;
- the economic condition of and the sociopolitical dynamics between Canada, the U.S., Japan and China, and the ability of the Company to access markets and source ingredients and other inputs in light of global sociopolitical disruption, and the ongoing impact of global conflicts on inflation, trade and markets;
- the spread of foreign animal disease (including ASF and Avian Influenza), preparedness strategies to manage such spread, and implications for all protein markets;
- the availability of and access to capital to fund future capital requirements and ongoing operations;
- expectations regarding participation in and funding of the Company's pension plans;
- the availability of insurance coverage to manage certain liability exposures;
- the extent of future liabilities and recoveries related to legal claims;
- prevailing regulatory, tax and environmental laws; and
- future operating costs and performance, including the Company's ability to achieve operating efficiencies and maintain sales volumes, turnover of inventories and turnover of accounts receivable.

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

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

- the spin-off not proceeding as expected (within the expected timeline or at all), including as a result of the conditions of the transaction, including receipt of all third-party consents and approvals, not being satisfied;
- the spin-off not delivering the intended benefits, including the ability of the separated companies to each succeed as a standalone publicly trading company;
- unanticipated effects of the announcement of the spin-off, and/or changes in transaction structure, on the market price for the Company's securities or the financial performance of the Company;
- the results of each of the separated companies' execution of their respective business plans, the degree to which benefits are realized or not and the timing to realize those benefits, including the implications on the financial results of each;
- failure to satisfy the conditions contained in the tax matters agreement with the McCain Parties;
- failure to receive an advance tax ruling from the CRA on terms acceptable to the Company in form and substance satisfactory to the Company, that is not altered or withdrawn;
- failure of the Company, Canada Packers or a "specified shareholder," as defined in the ITA, to comply with the rules related to butterfly transactions under the ITA which could result in significant tax becoming payable by the Company and/or Canada Packers;
- failure to satisfy the conditions to secure voting support for the spin-off;
- potential structural changes in global economic patterns which may have implications for the operations and financial performance of the Company, as well the ongoing implications for macro socio-economic trends, trade action and global conflict;
- macro economic trends, including inflation, consumer behaviour, recessionary indicators, labour availability and labour market dynamics and international trade trends, including tariffs, duties and global pork markets;
- the results of the Company's execution of its business plans, the degree to which benefits are realized or not, and the timing associated with realizing those benefits, including the implications on cash flow;

- competition, market conditions, and the activities of competitors and customers, including the expansion or contraction of key categories, inflationary pressures, pork market dynamics and Japan export margins;
- cybersecurity and maintenance and operation of the Company's information systems, processes and data, recovery, restoration and long term impacts of the cybersecurity event, the risk of future cybersecurity events, actions of third parties, risks of data breaches, effectiveness of business continuity planning and execution, and availability of insurance;
- the health status of livestock, including the impact of potential pandemics;
- international trade and access to markets and supplies, as well as social, political and economic dynamics, including global conflicts;
- operating performance, including manufacturing operating levels, fill rates and penalties;
- availability of and access to capital, and compliance with credit facility covenants;
- decisions respecting the return of capital to shareholders;
- the execution of capital projects and investment in maintenance capital;
- food safety, consumer liability and product recalls;
- climate change, climate regulation and the Company's sustainability performance;
- strategic risk management;
- acquisitions and divestitures;
- fluctuations in the debt and equity markets;
- fluctuations in interest rates and currency exchange rates;
- pension assets and liabilities;
- cyclical nature of the cost and supply of hogs and the competitive nature of the pork market generally;
- the effectiveness of commodity and interest rate hedging strategies;
- impact of changes in the market value of the biological assets and hedging instruments;
- the supply management system for poultry in Canada;
- availability of plant protein ingredients;
- intellectual property, including product innovation, product development, brand strategy and trademark protection;
- consolidation of operations and focus on protein;
- the use of contract manufacturers;
- reputation;
- weather;
- compliance with government regulation and adapting to changes in laws;
- actual and threatened legal claims;
- consumer trends and changes in consumer tastes and buying patterns;
- environmental regulation and potential environmental liabilities;
- consolidation in the retail environment;
- employment matters, including complying with employment laws across multiple jurisdictions, the potential for work stoppages due to non-renewal of collective agreements, recruiting and retaining qualified personnel, reliance on key personnel and succession planning;
- pricing of products;
- managing the Company's supply chain;
- changes in International Financial Reporting Standards and other accounting standards that the Company is required to adhere to for regulatory purposes; and
- other factors as set out under the heading "Risk Factors" in the Company's Management Discussion and Analysis for the year ended December 31, 2024.

The Company cautions readers that the foregoing list of factors is not exhaustive.

Readers are further cautioned that some of the forward-looking information, such as statements concerning future capital expenditures, Adjusted EBITDA expectations, Adjusted EBITDA Margin expansion, and the Company's ability to achieve its financial targets or projections may be considered to be financial outlooks for purposes of applicable securities legislation. These financial outlooks are presented to evaluate potential future earnings and anticipated future uses of cash flows and may not be appropriate for other purposes. Readers should not assume these financial outlooks will be achieved.

More information about risk factors can be found under the heading “Risk Factors” in the Company's Annual Management's Discussion and Analysis for the year ended December 31, 2024, that is available on SEDAR+ at www.sedarplus.ca. The reader should review such section in detail.

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

Management's Estimates on the Pork Business spin-off, and related Non-IFRS measures

The following table presents Management's preliminary estimates of certain financial information regarding Canada Packers and the business that will be retained after the separation by Maple Leaf Foods. These preliminary estimates have not been audited or reviewed by any third party, have been derived from internal management reporting, and reflect sales, cost and expense allocations, including with respect to corporate expenses, as well as other estimates and adjustments, each of which is preliminary in nature and subject to change.

Management believes that these preliminary estimates are useful in providing an indication of the relative size of the businesses upon separation. Each of these figures is expected to be refined prior to the separation, with full financial details to be presented in the management information circular to be filed in connection with the transaction.

Last twelve months ended March 31, 2025

<i>(in millions of Canadian dollars) (unaudited)</i>	Canada Packers	Maple Leaf Foods⁽ⁱ⁾	Eliminations	Consolidated Maple Leaf Foods Inc.
Sales (IFRS)	\$ 1,717 ⁽ⁱⁱ⁾	\$ 3,685 ⁽ⁱⁱⁱ⁾	\$ (412) ^(iv)	\$ 4,989 ^(v)
Estimate of potential impact of separation ^(vi)	(50)	53		
Pro Forma Sales	\$ 1,667	\$ 3,738		
Adjusted EBITDA	\$ 177 ^(vii)	\$ 426 ^(viii)	—	\$ 603 ^{(v),(ix)}
<i>Adjusted EBITDA Margin^(x)</i>	10.3%	11.6%	—%	12.1%
Estimate of potential impact of separation ^(xi)	~\$(19)	~\$8		
Pro Forma Adjusted EBITDA^(xii)	~\$158	~\$434		
<i>Pro Forma Adjusted EBITDA margin^(xiii)</i>	~10%	~12%		
Estimate of potential market normalization impact ^(xiv)	~\$40 - 50			
Pro Forma normalized Adjusted EBITDA^(xv)	~\$200			
<i>Pro Forma normalized Adjusted EBITDA Margin^(xvi)</i>	~12%			

Notes

- (i) Refers to the business that will be retained after the separation by Maple Leaf Foods Inc.
- (ii) Represents management's preliminary estimate of sales (both to Maple Leaf Foods and to external third parties) attributable to the business that will be transferred to Canada Packers in the separation for the period presented.
- (iii) Represents management's preliminary estimate of sales attributable to the business that will be retained by Maple Leaf Foods after the separation for the period presented.
- (iv) Primarily represents management's preliminary estimate of sales from Canada Packers to Maple Leaf Foods for the period presented.
- (v) Calculated by adding the previously reported results for the year ended December 31, 2024 to results for the three months ended March 31, 2025 and subtracting results for the three months ended March 31, 2024. These results are reported in the Company's MD&A filed on SEDAR and SEDAR+ for the year ended December 31, 2024, the quarter ended March 31, 2025 and the quarter ended March 31, 2024.
- (vi) Represents management's preliminary estimate of the potential impact on Sales of Canada Packers and Maple Leaf Foods (as defined in note (i) above), respectively, if the separation had occurred on March 31, 2024. Primarily relates to management's preliminary estimate of the change in sales as a result of the anticipated impact of the supply agreement and other contractual arrangements expected to be entered into in connection with the separation.
- (vii) Represents management's preliminary estimate of the portion of consolidated Adjusted EBITDA attributable to Canada Packers for the period presented. As noted above, this estimate is subject to change and is expected to be refined prior to the separation.
- (viii) Represents management's preliminary estimate of the portion of consolidated Adjusted EBITDA attributable to Maple Leaf Foods (as defined in note (i) above) for the period presented. As noted above, this estimate is subject to change and is expected to be refined prior to the separation.

- (ix) *For a definition of Adjusted EBITDA (consolidated), and a reconciliation of Adjusted EBITDA (consolidated) for the periods described in note (v) above to consolidated net income for such periods, see the Company's MD&A filed on SEDAR and SEDAR+ for the year ended December 31, 2024, the quarter ended March 31, 2025 and the quarter ended March 31, 2024.*
- (x) *Defined as Adjusted EBITDA divided by Sales. This metric is subject to change and is expected to be refined prior to the separation in the same manner as the metrics from which this metric is derived, as noted above.*
- (xi) *Represents management's preliminary estimate of the potential impact on Adjusted EBITDA of Canada Packers and Maple Leaf Foods (as defined in note (i) above), respectively, if the separation had occurred on March 31, 2024. Primarily relates to management's preliminary estimate of (1) a change in Adjusted EBITDA of Canada Packers and an offsetting change in Adjusted EBITDA of Maple Leaf Foods as a result of the anticipated impact of the supply agreement and other contractual arrangements expected to be entered into in connection with the separation, (2) public company costs that would have been incurred by Canada Packers, and (3) a reallocation of certain SG&A expenses between Canada Packers and Maple Leaf Foods. As noted above, this estimate is subject to change and is expected to be refined prior to the separation.*
- (xii) *Defined as Adjusted EBITDA plus management's preliminary estimate of the potential impact of the separation described in, and subject to the qualifications described in, note (xi) above.*
- (xiii) *Defined as Pro Forma Adjusted EBITDA, as described in note (xii) above divided by Pro Forma Sales. This metric is subject to change and is expected to be refined prior to the separation in the same manner as the metrics from which this metric is derived, as noted above.*
- (xiv) *Presented for illustrative purposes only, based on management estimates and assumptions, to indicate what the potential impact on Pro Forma Adjusted EBITDA may have been if market conditions during the period presented had reflected normal market conditions, defined as the 5-year pre-pandemic (2015 – 2019) average ("Normal Market Conditions"). Actual market conditions during the period presented were materially different from Normal Market Conditions, and there can be no assurance that actual Pro Forma Adjusted EBITDA would have been impacted in the manner shown if Normal Market Conditions had existed during the period presented, or that actual future market conditions will reflect Normal Market Conditions. This metric is not intended to be indicative of potential financial results for any future period.*
- (xv) *Defined as Pro Forma Adjusted EBITDA, as described in note (xi) above, plus management's preliminary estimate of the potential impact if market conditions during the period presented had reflected Normal Market Conditions, subject to the qualifications described in note (xiv) above. This metric is presented for illustrative purposes only and is not intended to be indicative of potential financial results for any future period.*
- (xvi) *Defined as Pro Forma normalized Adjusted EBITDA, as described in note (xiv) above, divided by Pro Forma Sales. This metric is presented for illustrative purposes only and is based on management estimates and assumptions. This metric is subject to change and is expected to be refined prior to the separation in the same manner as the metrics from which this metric is derived, as noted above. Actual market conditions during the period presented were materially different from Normal Market Conditions, and there can be no assurance that actual Pro Forma Adjusted EBITDA Margin would have been impacted in the manner shown if Normal Market Conditions had existed during the period presented, or that actual future market conditions will reflect Normal Market Conditions. This metric is not intended to be indicative of potential financial results for any future period.*

Adjusted EBITDA, Pro Forma Adjusted EBITDA, and Pro Forma normalized Adjusted EBITDA, and related margins, as presented in the table above, are non-IFRS metrics and do not have a standardized meaning prescribed by IFRS. Consequently, they may not be comparable to similarly titled measures presented by other publicly traded companies and should not be construed as an alternative to other financial measures determined in accordance with IFRS.

About Maple Leaf Foods Inc.

Maple Leaf Foods 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 Company employs approximately 13,500 people and does business primarily in Canada, the U.S. and Asia. The Company is headquartered in Mississauga, Ontario and its shares trade on the Toronto Stock Exchange (MF1).

Consolidated Interim Balance Sheets

(In thousands of Canadian dollars)
(Unaudited)

	As at March 31, 2025	As at March 31, 2024	As at December 31, 2024
ASSETS			
Cash and cash equivalents	\$ 119,051	\$ 206,393	\$ 175,908
Accounts receivable	181,547	168,994	170,919
Notes receivable	38,684	32,564	37,978
Inventories	628,145	584,134	553,398
Biological assets	187,881	180,281	169,399
Income and other taxes recoverable	2,474	83,365	7,551
Prepaid expenses and other assets	40,009	43,620	42,342
Assets held for sale	20,900	—	22,769
Total current assets	\$ 1,218,691	\$ 1,299,351	\$ 1,180,264
Property and equipment	2,095,247	2,224,502	2,123,167
Right-of-use assets	155,606	169,145	160,922
Investments	12,859	16,029	12,763
Investment property	42,588	57,144	42,588
Employee benefits	27,200	32,557	22,429
Other long-term assets	23,938	22,303	24,918
Deferred tax asset	48,586	41,980	46,588
Goodwill	477,353	477,353	477,353
Intangible assets	335,571	344,938	339,526
Total long-term assets	\$ 3,218,948	\$ 3,385,951	\$ 3,250,254
Total assets	\$ 4,437,639	\$ 4,685,302	\$ 4,430,518
LIABILITIES AND EQUITY			
Accounts payable and accruals	\$ 548,443	\$ 590,696	\$ 561,179
Current portion of provisions	11,344	6,586	14,482
Current portion of long-term debt	302,009	401,538	301,478
Current portion of lease obligations	39,893	39,928	39,900
Income taxes payable	20,752	1,788	2,595
Other current liabilities	34,876	25,518	37,587
Total current liabilities	\$ 957,317	\$ 1,066,054	\$ 957,221
Long-term debt	1,370,701	1,527,665	1,390,479
Lease obligations	142,698	154,863	147,892
Employee benefits	62,351	62,230	62,395
Provisions	2,768	2,037	3,912
Other long-term liabilities	6,521	1,202	5,205
Deferred tax liability	322,531	317,978	325,137
Total long-term liabilities	\$ 1,907,570	\$ 2,065,975	\$ 1,935,020
Total liabilities	\$ 2,864,887	\$ 3,132,029	\$ 2,892,241
Shareholders' equity			
Share capital	\$ 900,871	\$ 878,852	\$ 897,839
Retained earnings	611,327	628,549	587,393
Contributed surplus	20,159	7,750	12,482
Accumulated other comprehensive income	43,826	45,305	43,994
Treasury shares	(3,431)	(7,183)	(3,431)
Total shareholders' equity	\$ 1,572,752	\$ 1,553,273	\$ 1,538,277
Total liabilities and equity	\$ 4,437,639	\$ 4,685,302	\$ 4,430,518

Consolidated Interim Statements of Earnings

(In thousands of Canadian dollars, except share amounts) (Unaudited)	Three months ended March 31,	
	2025	2024 ⁽ⁱ⁾
Sales	\$ 1,241,293	\$ 1,147,291
Cost of goods sold	1,023,519	920,951
Gross profit	\$ 217,774	\$ 226,340
Selling, general and administrative expenses	114,807	110,033
Earnings before the following:	\$ 102,967	\$ 116,307
Restructuring and other related costs (reversals)	1,503	(725)
Other expense	1,233	1,157
Earnings before interest and income taxes	\$ 100,231	\$ 115,875
Interest expense and other financing costs	29,646	42,083
Earnings before income taxes	\$ 70,585	\$ 73,792
Income tax expense	21,022	22,241
Earnings	\$ 49,563	\$ 51,551
Earnings per share attributable to common shareholders:		
Basic earnings per share	\$ 0.40	\$ 0.42
Diluted earnings per share	\$ 0.40	\$ 0.42
Weighted average number of shares (millions):		
Basic	123.8	122.5
Diluted	125.3	123.6

⁽ⁱ⁾ Quarterly amounts for 2024 have been adjusted. See Note 16 in the condensed consolidated interim financial statements as filed on SEDAR+ at www.sedarplus.ca.

Consolidated Interim Statements of Other Comprehensive Income

(In thousands of Canadian dollars)
(Unaudited)

Three months ended March 31,

	2025	2024
Earnings	\$ 49,563	\$ 51,551
Other comprehensive income		
Actuarial gains that will not be reclassified to profit or loss (Net of tax of \$1.4 million; 2024: \$2.2 million)	\$ 4,134	\$ 6,605
Total items that will not be reclassified to profit or loss	\$ 4,134	\$ 6,605
Items that are or may be reclassified subsequently to profit or loss:		
Change in accumulated foreign currency translation adjustment (Net of tax of \$0.0 million; 2024: \$0.0 million)	(27)	7,710
Change in foreign exchange on long-term debt designated as a net investment hedge (Net of tax of \$0.0 million; 2024: \$1.2 million)	113	(6,612)
Change in cash flow hedges (Net of tax of \$0.0 million; 2024: \$0.2 million)	(254)	(3,622)
Total items that are or may be reclassified subsequently to profit or loss	\$ (168)	\$ (2,524)
Total other comprehensive income	\$ 3,966	\$ 4,081
Comprehensive income	\$ 53,529	\$ 55,632

Consolidated Interim Statements of Changes in Total Equity

(In thousands of Canadian dollars) (Unaudited)	Accumulated other comprehensive income (loss)								
	Share capital	Retained earnings	Contributed surplus	Foreign currency translation adjustment ⁽ⁱ⁾	Unrealized gains and losses on cash flow hedges ⁽ⁱⁱ⁾	Unrealized gains on fair value of investments ⁽ⁱⁱ⁾	Revaluation surplus	Treasury shares	Total equity
Balance at December 31, 2024	\$897,839	587,393	12,482	14,545	(1,257)	(6,641)	37,347	(3,431)	\$ 1,538,277
Earnings	—	49,563	—	—	—	—	—	—	49,563
Other comprehensive income (loss) ⁽ⁱⁱ⁾	—	4,134	—	86	(254)	—	—	—	3,966
Dividends declared (\$0.24 per share)	3,032	(29,763)	—	—	—	—	—	—	(26,731)
Share-based compensation expense	—	—	5,777	—	—	—	—	—	5,777
Deferred taxes on share-based compensation	—	—	1,900	—	—	—	—	—	1,900
Balance at March 31, 2025	\$900,871	611,327	20,159	14,631	(1,511)	(6,641)	37,347	(3,431)	\$ 1,572,752

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

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

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

Consolidated Interim Statements of Cash Flows

(In thousands of Canadian dollars)
(Unaudited)

Three months ended March 31,

2025 2024

CASH PROVIDED BY (USED IN):

Operating activities

Earnings	\$ 49,563	\$ 51,551
Add (deduct) items not affecting cash:		
Change in fair value of biological assets	(16,411)	(69,143)
Depreciation and amortization	63,654	65,853
Share-based compensation	5,777	5,298
Deferred income tax (recovery) expense	(3,717)	19,936
Current income tax expense	24,739	2,305
Interest expense and other financing costs	29,646	42,083
Gain on sale of long-term assets	(10,612)	(311)
Impairment of property and equipment and right-of-use assets	866	—
Change in fair value of non-designated derivatives	1,122	(4,665)
Change in net pension obligation	719	1,067
Net income taxes (paid) refunded	(1,365)	2,982
Interest paid, net of capitalized interest	(28,573)	(40,477)
Change in provision for restructuring and other related costs	(4,263)	(3,260)
Change in derivatives margin	(1,611)	2,316
Cash settlement of derivatives	—	(2,150)
Other	5,148	3,093
Change in non-cash operating working capital	(104,799)	10,847
Cash provided by operating activities	\$ 9,883	\$ 87,325

Investing activities

Additions to long-term assets	\$ (24,852)	\$ (23,813)
Interest paid and capitalized	(280)	(355)
Proceeds from sale of long-term assets	13,004	865
Cash used in investing activities	\$ (12,128)	\$ (23,303)

Financing activities

Dividends paid	\$ (26,731)	\$ (21,661)
Net decrease in long-term debt	(19,782)	(30,885)
Payment of lease obligation	(8,092)	(8,446)
Payment of financing fees	(7)	—
Cash used in financing activities	\$ (54,612)	\$ (60,992)

(Decrease) increase in cash and cash equivalents

Cash and cash equivalents, beginning of period	175,908	203,363
Cash and cash equivalents, end of period	\$ 119,051	\$ 206,393