



MAPLE LEAF FOODS INC.

Management's Discussion and Analysis

For the Year Ended
December 31, 2025

Management's Discussion and Analysis

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Management's Discussion and Analysis

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

March 5, 2026

1. THE BUSINESS

Maple Leaf Foods Inc. ("Maple Leaf Foods" or the "Company") is a leading, protein-focused consumer packaged goods company headquartered in Mississauga, Ontario. It proudly produces responsibly made, delicious food under powerhouse brands that include Maple Leaf®, Maple Leaf Prime®, Maple Leaf Natural Selections®, Maple Leaf Mighty Protein™, Musafir™, Schneiders®, Mina® Halal, Greenfield Natural Meat Co.®, LightLife® and Field Roast™. Committed to Raising the Good in Food and bringing customers protein with purpose, Maple Leaf Foods delivers shared value for all its stakeholders by leading the way in safety and sustainability, building loved brands, operating with excellence, developing extraordinary talent, and broadening its impact through innovation and geographic reach. The Company employs approximately 9,600 people. The Company's shares trade on the Toronto Stock Exchange (MFI). The address of the Company's registered office is 6897 Financial Dr., Mississauga, Ontario, L5N 0A8, Canada.

On October 1, 2025 the Company completed the spin-off of its pork operations including its hog production operations and primary pork processing. The results of the pork operations have been presented as discontinued operations in the Company's Consolidated Statement of Earnings for the year ended December 31, 2025. Prior period information has been restated to reflect this classification. Further information regarding the spin-off transaction was included in the Company's Management Information Circular dated May 1, 2025 and filed on SEDAR+.

2. SUMMARY OF 2025 FOURTH QUARTER RESULTS

The following table summarizes the Company's key financial metrics for the fourth quarters ended December 31, 2025 and December 31, 2024:

(\$ millions except earnings per share) (Unaudited)	As at or for the three months ended December 31,		
	2025	2024	Change
Sales ⁽ⁱ⁾	\$ 991.2	\$ 917.1	8.1%
Gross profit ⁽ⁱ⁾	\$ 158.4	\$ 143.5	10.4%
Selling, General and Administrative Expenses ⁽ⁱ⁾	\$ 93.2	\$ 90.0	3.6%
Earnings (Loss) from Continuing Operations ⁽ⁱ⁾	\$ (34.4)	\$ 6.4	nm ⁽ⁱⁱⁱ⁾
Earnings	\$ 391.2	\$ 53.5	nm ⁽ⁱⁱⁱ⁾
Earnings (Loss) per Basic Share from Continuing Operations ⁽ⁱ⁾	\$ (0.28)	\$ 0.05	nm ⁽ⁱⁱⁱ⁾
Earnings per Basic Share	\$ 3.14	\$ 0.43	nm ⁽ⁱⁱⁱ⁾
Adjusted Operating Earnings ⁽ⁱ⁾⁽ⁱⁱⁱ⁾	\$ 67.2	\$ 52.8	27.3%
Adjusted EBITDA ⁽ⁱ⁾⁽ⁱⁱⁱ⁾	\$ 117.3	\$ 108.3	8.3%
Adjusted EBITDA Margin ⁽ⁱ⁾⁽ⁱⁱⁱ⁾	11.8%	11.8%	0 bps
Adjusted EBT ⁽ⁱ⁾⁽ⁱⁱⁱ⁾	\$ 54.6	\$ 27.8	96.4%
Adjusted Earnings per Share ⁽ⁱ⁾⁽ⁱⁱⁱ⁾	\$ 0.32	\$ 0.18	77.8%
Free Cash Flow ⁽ⁱⁱⁱ⁾	\$ 69.8	\$ 129.8	(46.2)%

⁽ⁱ⁾ Quarterly amounts for 2024 have been restated to exclude discontinued operations related to the pork operations.

⁽ⁱⁱ⁾ Refer to section 27. Non-IFRS Financial Measures of this document for the definition of these non-IFRS measures and ratios.

⁽ⁱⁱⁱ⁾ Not meaningful.

Sales for the fourth quarter of 2025 were \$991.2 million compared to \$917.1 million last year, an increase of 8.1%. Prepared Foods sales increased by 6.1% driven by pricing and improved mix, which were partially offset by increased trade promotions. Poultry sales increased by 13.1% driven by improved channel mix tied to retail and foodservice volume growth and pricing, which were partially offset by increased trade promotions.

Gross profit for the fourth quarter of 2025 was \$158.4 million (gross margin⁽ⁱ⁾ of 16.0%) compared to \$143.5 million (gross margin⁽ⁱ⁾ of 15.6%) last year. The increase in gross profit was driven by favourable Poultry channel mix, improved operating efficiencies, and pricing impacts which were partially offset by input cost inflation and higher trade promotion costs.

Selling, General and Administrative ("SG&A") expenses for the fourth quarter of 2025 were \$93.2 million compared to \$90.0 million last year. The increase in SG&A expenses was primarily driven by higher variable compensation.

Loss from continuing operations for the fourth quarter of 2025 was \$34.4 million (\$0.28 loss per basic share from continuing operations), compared to earnings of \$6.4 million (\$0.05 earnings per basic share from continuing operations) last year. Loss from continuing operations was impacted by the same factors as noted above for gross profit and SG&A, a non-cash impairment of plant protein intangible assets and higher income tax expense, partly offset by a non-cash settlement gain on a pension annuity purchase, reduced interest expense due to lower debt levels, and lower restructuring charges.

Earnings for the fourth quarter of 2025 were \$391.2 million (\$3.14 earnings per basic share) compared to \$53.5 million (\$0.43 earnings per basic share) last year. The increase was driven by the factors noted above for the decrease in earnings from continuing operations and the foregone earnings from the divested business, which were more than offset by a gain from the disposal of the pork operations.

Adjusted Operating Earnings for the fourth quarter of 2025 were \$67.2 million compared to \$52.8 million last year, and Adjusted Earnings per Share for the fourth quarter of 2025 was \$0.32 compared to \$0.18 last year. The increase was driven by factors consistent with those noted above for gross profit and SG&A.

Adjusted EBITDA for the fourth quarter was \$117.3 million, compared to \$108.3 million last year, driven by factors consistent with those noted above for Adjusted Operating Earnings. Adjusted EBITDA Margin for the fourth quarter of 2025 was 11.8%, flat to last year, also driven by factors consistent with those noted above.

Adjusted Earnings Before Taxes ("Adjusted EBT") for the fourth quarter of 2025 was \$54.6 million compared to \$27.8 million last year, driven by factors noted above.

Free Cash Flow for the fourth quarter of 2025 was \$69.8 million compared to \$129.8 million in the prior year. Free Cash Flow decreased due to lower cash earnings as a result of the spin-out of the pork operations, income tax refunds in the prior year and higher maintenance capital expenditures, partially offset by lower interest payments.

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

3. FINANCIAL AND OPERATING REVIEW

Spin-off Transaction

On October 1, 2025 the Company completed the spin-off of its pork operations, which have been presented as discontinued operations in the Company's Consolidated Statements of Earnings. The continuing operations of the Company are comprised of two operating units, Prepared Foods and Poultry, which account for approximately 75% and 25% of sales, respectively.

Factors Impacting Company Performance

Key factors influencing company performance include market costs of inputs including raw materials and the consumer market environment which can influence the effectiveness of changes in pricing.

The Company sources raw materials including pork, poultry, and beef, as well as packaging and ingredients predominantly from the Canadian and U.S. markets. The costs of these inputs is impacted by inflation, local and global market prices of commodities and other inputs. The Company has a long term supply agreement with Canada Packers Inc. ("Canada Packers"), its spun-off pork operations to secure the supply of pork, and its integrated poultry operations, which operate within the Canadian supply management system, provide a secure supply of poultry. The company also uses hedging strategies where appropriate to manage some of these fluctuations.

The Company operates in the retail, foodservice, and industrial sales channels in Canada and internationally. The Company's pricing and sales volumes are impacted by general economic factors impacting consumers, changes in the competitive and regulatory landscape.

Seasonality

Over time the business tends to see consistent sales levels in the second quarter through the fourth, with typically lower sales in the first quarter of each year. Strong demand for grilled meat products positively affects categories such as wieners and fresh sausages in the summer, while back-to-school promotions support increased sales of sliced meats and lunch items in the fall. Higher demand for turkey and ham products occurs in the spring and fourth quarter holiday seasons.

Summary of Annual Results

(\$ millions except earnings per share) (Unaudited)	As at or for the Year Ended December 31,		
	2025	2024	Change
Sales ⁽ⁱ⁾	\$ 3,912.7	\$ 3,633.4	7.7 %
Gross profit ⁽ⁱ⁾	\$ 662.8	\$ 557.3	18.9 %
Selling, General and Administrative Expenses ⁽ⁱ⁾	\$ 397.4	\$ 391.7	1.5 %
Earnings (Loss) from Continuing Operations ⁽ⁱ⁾	\$ 43.9	\$ (11.9)	nm ⁽ⁱⁱⁱ⁾
Earnings	\$ 541.6	\$ 96.6	nm ⁽ⁱⁱⁱ⁾
Earnings (Loss) per Basic Share from Continuing Operations ⁽ⁱ⁾	\$ 0.35	\$ (0.10)	nm ⁽ⁱⁱⁱ⁾
Earnings per Basic Share	\$ 4.36	\$ 0.79	nm ⁽ⁱⁱⁱ⁾
Adjusted Operating Earnings ⁽ⁱ⁾⁽ⁱⁱ⁾	\$ 270.3	\$ 181.9	48.6 %
Adjusted EBITDA ⁽ⁱ⁾⁽ⁱⁱ⁾	\$ 475.7	\$ 392.7	21.1 %
Adjusted EBITDA Margin ⁽ⁱ⁾⁽ⁱⁱ⁾	12.2%	10.8%	140 bps
Adjusted EBT ⁽ⁱ⁾⁽ⁱⁱ⁾	\$ 189.6	\$ 33.0	nm ⁽ⁱⁱⁱ⁾
Adjusted Earnings per Share ⁽ⁱ⁾⁽ⁱⁱ⁾	\$ 1.09	\$ 0.15	nm ⁽ⁱⁱⁱ⁾
Free Cash Flow ⁽ⁱⁱ⁾	\$ 318.4	\$ 385.3	(17.4)%
Net Debt ⁽ⁱⁱ⁾	\$ 995.2	\$ 1,516.0	(34.4)%

⁽ⁱ⁾ 2024 amounts have been restated to exclude discontinued operations related to the pork operations.

⁽ⁱⁱ⁾ Refer to section 27. Non-IFRS Financial Measures of this document for the definition of these non-IFRS measures and ratios.

⁽ⁱⁱⁱ⁾ Not meaningful.

Sales for 2025 were \$3,912.7 million compared to \$3,633.4 million last year, an increase of 7.7%. Prepared Foods sales increased by 6.5% driven by pricing, improved mix, and volume growth, which were partially offset by higher trade promotions. Poultry sales increased by 10.8% driven by improved channel mix tied to retail and foodservice volume growth and pricing, which were partially offset by increased trade promotions.

Gross profit for 2025 increased to \$662.8 million (gross margin⁽ⁱ⁾ of 16.9%) compared to \$557.3 million (gross margin⁽ⁱ⁾ of 15.3%) last year. The increase in gross profit was driven by favourable mix in Prepared Foods and Poultry, positive operating efficiencies inclusive of benefits from the investments in the London poultry and Bacon Centre of Excellence facilities, a reduction in start-up expenses, lower depreciation, and pricing impacts which were partially offset by input cost inflation and higher trade promotion costs.

SG&A expenses for 2025 were \$397.4 million compared to \$391.7 million last year. The increase was driven by higher variable compensation and higher advertising and promotional expenses, which were partially offset by lower consulting fees.

Earnings from continuing operations for 2025 were \$43.9 million (\$0.35 earnings per basic share from continuing operations) compared to a loss of \$11.9 million (\$0.10 loss per basic share from continuing operations) last year. Earnings from continuing operations were impacted by the same factors as noted above for gross profit and SG&A, reduced interest expense due to lower debt levels and interest rates, a non-cash settlement gain on a pension annuity purchase, and lower restructuring costs, all partly offset by a non-cash impairment of plant protein intangible assets and higher income tax expense.

Earnings for 2025 were \$541.6 million (\$4.36 earnings per basic share) compared to \$96.6 million (\$0.79 earnings per basic share) last year. The increase was driven by earnings from continuing operations as noted above as well as a gain from the disposal of the pork operations, partially offset by the foregone earnings from the divested business for the fourth quarter, both of which are reflected within discontinued operations.

Adjusted Operating Earnings for 2025 were \$270.3 million compared to \$181.9 million last year, and Adjusted Earnings per Share for 2025 was \$1.09 compared to \$0.15 last year. The increase was driven by factors consistent with those noted above excluding the impact of start-up expenses.

Adjusted EBITDA for 2025 was \$475.7 million compared to \$392.7 million last year, driven by factors consistent with those noted above for Adjusted Operating Earnings excluding the reduction of depreciation expense. Adjusted EBITDA Margin for 2025 was 12.2% compared to 10.8% last year, also driven by factors consistent with those noted above.

Adjusted EBT for 2025 was \$189.6 million compared to \$33.0 million last year due to similar factors as noted above.

Free Cash Flow for 2025 was \$318.4 million compared to \$385.3 million in the prior year. Free Cash Flow decreased due to income tax refunds in the prior year and investments in working capital offset by lower interest paid and improved earnings after the removal of non-cash items.

Net Debt as at December 31, 2025 was \$995.2 million, a decrease of \$520.9 million compared to the prior year. For discussion of changes in Net Debt see section 12. Cash Flow and Financing.

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

4. SELECTED FINANCIAL INFORMATION

The following table summarizes selected financial information for the three years ended December 31:

(\$ millions except earnings per share)	2025	2024	2023
Sales ⁽ⁱ⁾	\$ 3,912.7	\$ 3,633.4	\$ 3,568.6
Earnings (loss) from continuing operations ⁽ⁱ⁾	\$ 43.9	\$ (11.9)	\$ (99.5)
Earnings (loss)	\$ 541.6	\$ 96.6	\$ (125.0)
Earnings (loss) per basic share from continuing operations ⁽ⁱ⁾	\$ 0.35	\$ (0.10)	\$ (0.82)
Earnings (loss) per diluted share from continuing operations ⁽ⁱ⁾	\$ 0.34	\$ (0.10)	\$ (0.82)
Earnings (loss) per basic share	\$ 4.36	\$ 0.79	\$ (1.03)
Earnings (loss) per diluted share	\$ 4.25	\$ 0.78	\$ (1.03)
Total assets	\$ 3,541.9	\$ 4,430.5	\$ 4,603.1
Total long-term liabilities	\$ 1,559.6	\$ 1,935.0	\$ 2,055.9
Cash dividends per share	\$ 1.51	\$ 0.88	\$ 0.84

The following table summarizes selected adjusted financial information for the three years ended December 31:

(\$ millions except EBITDA % margin, earnings per share, and RONA) ⁽ⁱⁱ⁾	2025	2024	2023
Adjusted Operating Earnings ⁽ⁱ⁾	\$ 270.3	\$ 181.9	\$ 193.7
Adjusted EBITDA ⁽ⁱ⁾	\$ 475.7	\$ 392.7	\$ 379.3
Adjusted EBITDA Margin ⁽ⁱ⁾	12.2%	10.8%	10.6%
Adjusted Earnings per Share ⁽ⁱ⁾	\$ 1.09	\$ 0.15	\$ 0.12
Net Debt	\$ 995.2	\$ 1,516.0	\$ 1,747.5
Return on Net Assets ("RONA")	8.8%	5.6%	3.2%
Free Cash Flow	\$ 318.4	\$ 385.3	\$ 89.0

⁽ⁱ⁾ 2024 and 2023 amounts have been restated to exclude discontinued operations related to the pork operations.

⁽ⁱⁱ⁾ Refer to section 27. Non-IFRS Financial Measures of this document for the definition of these non-IFRS measures and ratios.

For a discussion of factors that caused changes in the business between 2023 and 2024, please refer to the sections entitled financial and operating review in the Company's Management's Discussion and Analysis for the year ended December 31, 2024.

5. COMPANY VISION AND STRATEGIC PLAN

As a purpose-driven company, Maple Leaf Foods has an inspiring vision to become the most sustainable protein company on Earth. Driven by this vision, together with its purpose to Raise the Good in Food, the Company believes in creating shared value by delivering commercial and financial results that sustain the business, while engaging in social issues, advocating for solutions and building trust with stakeholders in order to contribute to positive societal outcomes that make the planet a better place. The Company's vision and purpose are deeply embedded within the organization and inform its decision-making and strategies which evolve over time.

With the spin-off of its pork operations completed on October 1, 2025, Maple Leaf Foods is solely focused on delivering its full potential as a protein-focused consumer packaged goods company that is differentiated by its leadership in sustainability and driven by the strength of its leading brands, its diversified protein portfolio, its North American footprint, and its sharpened focus on innovation.

The Company's Strategic Blueprint outlines how Maple Leaf Foods intends to capitalize on the growing demand for protein and deliver shared value to its stakeholders by Leading the Way, Building Loved Brands, Broadening its Impact, Operating with Excellence and Developing Extraordinary Talent.

The Company intends to execute its Strategic Blueprint through the following initiatives:

- Capitalize on the growing global demand for protein by leveraging its brand building and manufacturing capabilities.
- Invest in its leading brands to maintain relevance in an evolving consumer environment.
- Accelerate the pace of innovation to meet consumers where they are and anticipate their evolving needs.
- Leverage its leadership in sustainability as a key point of differentiation.
- Expand its geographic reach in the U.S. market where it is positioned for growth.
- Sharpen its cost focus by advancing its operational excellence playbook and the next phase of its "Fuel for Growth" initiative.

The Company's capital allocation strategy is anchored by three priorities: investing in growth and operational efficiency, maintaining a resilient, investment-grade balance sheet, and returning excess capital to shareholders. The amount of capital returned to shareholders and the specific tool chosen will depend on the Company's financial performance, strategic priorities, near-term capital needs, and relevant governance and tax considerations.

6. RESTRUCTURING AND OTHER RELATED COSTS

For the year ended December 31, 2025 the Company recorded restructuring and other related costs of \$12.7 million. This included \$13.1 million as part of the Company's Fuel for Growth initiative including continued restructuring of the commercial and operational teams, reorganization of other administrative functions post the spin-off of the Company's pork operations, and re-organization of plant leadership structures totalling \$9.7 million in severance and other employee costs. This also included charges of \$3.4 million related to the closure of the Brantford, Ontario facility including accelerated depreciation, inventory impairments and a reversal of severance charges previously accrued. The remaining reversals related to employee costs from the Brampton, Toronto, St. Mary's and Schomberg poultry plants.

For the year ended December 31, 2024, the Company recorded restructuring and other related costs of \$19.9 million. This included \$21.2 million as part of the Company's Fuel for Growth initiative including the reorganization of the commercial and operational teams for a total of \$11.6 million in severance and other employee related costs, and \$9.6 million related to the closure of the Brantford, Ontario facility. The costs associated with the Brantford closure included accelerated depreciation and severance and other employee related costs. The Company also recorded a \$2.1 million severance reversal, and \$0.9 million in decommissioning charges associated with the previously announced Ontario poultry plant closures.

7. INTEREST EXPENSE AND OTHER FINANCING COSTS

Interest expense and other financing costs for 2025 were \$95.2 million compared to \$158.1 million in the prior year. The decrease was mainly due to reduced borrowing levels, largely driven by debt repayment upon the spin-off of the Company's pork operations as well as lower interest rates under the Company's credit facility. Refer to section 9. Capital Resources and Liquidity of this document for further details.

8. INCOME TAXES

The Company's effective rate of income tax in 2025 of 57.6% differs from the Canadian statutory tax rate of 26.2% primarily due to the Company not recognizing a deferred tax recovery on losses of its Plant Protein subsidiary and the de-recognition of a portion of the deferred tax asset previously recorded in respect of tax losses incurred in prior years. The effective rate of tax expense in 2024 of 43.0% differed from the Canadian statutory tax rate of 26.2% primarily due to the Company not recognizing a deferred tax recovery on losses of its Plant Protein subsidiary. The effective tax rate in 2025 used in determining Adjusted Earnings per Share is 28.6% (2024: was 42.1%). The effective tax rate in determining the Adjusted Earnings per Share in 2025 and 2024 differed from the Canadian statutory tax rates primarily due to the reasons described above. In 2025 the effective rate of tax expense on restructuring and impairment charges used in the computation of Adjusted Earnings per Share is 1.8%. In 2024 the effective rate of tax recovery on restructuring charges used in the computation of Adjusted Earnings per Share was 25.1%.

9. CAPITAL RESOURCES AND LIQUIDITY

The consumer foods industry in which the Company operates is generally characterized by high sales volume and high turnover of inventories and accounts receivable. In general, accounts receivable and inventories are readily convertible into cash. Investment in working capital is affected by fluctuations in the price of raw materials as well as seasonal and other market-related fluctuations. The Company has consistently generated a strong base level of operating cash flow which provides a base of underlying liquidity that the Company supplements with credit facilities and cash on hand to provide longer-term funding and to finance fluctuations in working capital levels.

The Company's cash balance as at December 31, 2025 was \$143.4 million (2024: \$175.9 million). Cash is held in demand and short-term investment deposits with Canadian financial institutions having long-term debt ratings of A or higher.

The composition of long-term debt is shown below:

(\$ thousands)	As at December 31,	
	2025	2024
Revolving line of credit	\$ 312,966	\$ 652,000
U.S. term credit Tranche 1	274,420	381,030
Canadian term credit Tranche 2	550,000	350,000
Canadian term credit Tranche 3	—	300,000
Government loans	5,609	6,208
Supplier financing	3,615	6,167
Deferred financing charges	(8,021)	(3,448)
Total long-term debt	\$ 1,138,589	\$ 1,691,957
Current	\$ 2,096	\$ 301,478
Non-current	1,136,493	1,390,479
Total long-term debt	\$ 1,138,589	\$ 1,691,957

As at January 1, 2024 the Company had a syndicated sustainability-linked credit facility (the "Credit Facility") which consisted of a \$1,300.0 million unsecured committed revolving line of credit maturing June 29, 2027, and three unsecured committed term facilities for \$400.0 million (Tranche 3), \$350.0 million (Tranche 2) and US\$265.0 million (Tranche 1) maturing June 20, 2024, June 29, 2026 and June 29, 2027, respectively. 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 which was fully repaid at its maturity.

On October 1, 2025, immediately prior to completion of the spin-off transaction, the Company's pork operations entered into a four year secured credit agreement which consisted of \$415 million in aggregate principal amount of term loans, and a \$200 million revolving facility. \$415 million in term loans was drawn on this facility. This facility also had capacity for up to \$50 million in letters of credit, on which \$0.6 million was drawn. This facility, belonging to Canada Packers, was then derecognized as part of the spin-off transaction. The facility was in compliance with all covenants at the time of derecognition.

Upon closing of the spin-off of the Company's pork operations, the Company's existing Credit Facility was amended, and the unsecured committed revolving line of credit was reduced to \$1,200.0 million and extended to mature on October 1, 2030; the unsecured committed term facility (Tranche 1) was reduced to US\$200.0 million and extended to mature on October 1, 2029; and the unsecured committed term facility (Tranche 2) was increased to \$550.0 million and extended to mature on October 1, 2028.

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, 2025 the Company had drawn letters of credit of \$9.4 million on the Credit Facility (2024: \$9.1 million).

The Credit Facility requires the maintenance of certain covenants. As at December 31, 2025, 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 (2024: \$105.0 million). As at December 31, 2025, \$37.2 million in letters of credit had been issued thereon (2024: \$47.6 million).

As at December 31, 2025, the Company has one non-interest bearing government loan of \$5.6 million (2024: \$6.2 million) outstanding and maturing in 2033. The facility is committed.

On May 31, 2024, the Company renewed its accounts 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 (2024: \$150.0 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, 2025, trade accounts receivable being serviced under this program amounted to \$212.1 million (2024: \$129.2 million). As consideration for the sale of its trade receivables, the Company will receive cash advances of \$150.0 million (2024: \$91.2 million) and notes receivable in the amount of \$62.1 million (2024: \$38.0 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, 2025, the Company recorded a net payable in the amount of \$54.0 million (2024: \$59.8 million net payable). The facility is accounted for as an off-balance sheet transaction in accordance with IFRS 9 and 10 Accounting Standards.

The Securitization Facility is subject to certain restrictions, including the maintenance of covenants. The Company was in compliance with all of the requirements of this facility as at December 31, 2025. If the Securitization Facility were to be terminated, the Company would recognize the related amounts on the Company's balance sheets and consider alternative financing if required.

10. CAPITAL EXPENDITURES

Capital expenditures for 2025 were \$126.4 million compared to \$94.1 million last year. The increase in capital expenditures was largely driven by the timing of maintenance projects.

The Company currently estimates its capital expenditures for 2026 to be in the range of \$160 million to \$180 million, largely focused on maintenance and productivity enhancement investments.

11. NORMAL COURSE ISSUER BID

On March 11, 2025 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 7.3 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 March 13, 2025 and will terminate on March 12, 2026. Under this bid, during the year ended December 31, 2025, 0.7 million shares at an average price of \$28.75 per share were repurchased for cancellation.

In the first quarter of 2026, the Company intends to file with the TSX a notice of intention to commence an NCIB for its common shares for a 12-month period, which, subject to acceptance by the TSX, would permit the Company to purchase for cancellation up to 9.99% of its public float for such term.

12. CASH FLOW AND FINANCING

Cash and cash equivalents were \$143.4 million at the end of 2025, compared to \$175.9 million in 2024. The decrease in cash and cash equivalents for the year ended December 31, 2025 was primarily due to dividend payments, additions to long term assets and interest payments, and repayments of the credit facility partially offset by earnings after removing non-cash items.

Cash Flow from Operating Activities

Cash provided by operating activities for the fourth quarter of 2025 was \$113.6 million compared to \$155.9 million in 2024.

Approximately \$25.0 million of the decrease was driven by discontinued pork operations in the fourth quarter. The remainder of the change was mainly due to income tax refunds received in the prior year and timing of working capital, partially offset by lower interest payments and higher earnings after the removal of non-cash items from continuing operations.

Cash provided by operating activities for 2025 was \$435.5 million compared to \$464.9 million in 2024. This includes the impacts of discontinued operations which resulted in an approximately \$39.9 million increase in cash inflow prior to spin-off. The remainder of the change was mainly due to timing of working capital and income tax refunds received in the prior year, partially offset by earnings after the removal of non-cash items and lower interest payments.

Cash Flow from Investing Activities

Cash used in investing activities for the fourth quarter of 2025 was \$58.1 million compared to cash used of \$21.1 million in 2024. The change was mainly due to increased investment in long-term assets and closing costs on the spin-out transaction incurred in the current period.

Cash used in investing activities for 2025 was \$119.7 million compared to cash used of \$82.5 million in 2024. The change was mainly due to increased investment in long-term assets and closing costs on the spin-out transaction incurred in the current period, partly offset by higher proceeds on sale of long-term assets.

Cash Flow from Financing Activities

Cash used in financing activities for the fourth quarter of 2025 was \$124.5 million compared to \$140.7 million in 2024. The change was mainly due to the payment of a special dividend in the fourth quarter of 2025, and share repurchases partly offset by lower net debt repayments in the current year.

Cash used in financing activities for 2025 was \$348.3 million compared to \$409.8 million in 2024. The change was primarily due to the payment of a special dividend in the fourth quarter of 2025, and share repurchases under the NCIB, partially offset by lower net debt repayments and proceeds from the exercise of stock options.

13. CONTRACTUAL OBLIGATIONS

The following table provides information about certain of the Company's significant contractual obligations as at December 31, 2025. This table presents the undiscounted cash flows payable in respect of financial liabilities and commitments.

Undiscounted payments due by fiscal year:

	Due within 1 year	Due between 1 and 3 years	Due between 3 and 5 years	Due after 5 years	Total
Financial liabilities					
Accounts payable and accruals	\$ 514,585	—	—	—	\$ 514,585
Debt	2,612	553,408	275,643	315,707	1,147,370
Foreign exchange contracts	850	—	—	—	850
Interest rate swaps	5,656	1,642	—	—	7,298
Lease obligations	19,382	30,357	23,352	33,545	106,636
Other liabilities	17,020	2,947	—	—	19,967
Total	\$ 560,105	588,354	298,995	349,252	\$ 1,796,706

Management expects its cash flow, cash on hand, and available sources of financing provide the Company with resources to finance ongoing business requirements and its planned capital expenditure program for at least the next 12 months. Additional details concerning financing are set out in Note 16 and Note 20 of the Consolidated Financial Statements.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Through the normal course of business, the Company is exposed to financial and market risks that have the potential to affect its operating results. In order to manage these risks, the Company operates under risk management policies and guidelines which govern the management of price and market risk in the foreign exchange, interest rate, and commodity markets, as well as funding and investing activities.

The Company uses derivative financial instruments to manage price and market risk associated with core operating exposures and does not engage in significant trading activity of a speculative nature.

The Company's Risk Management Committee meets frequently to discuss current market conditions, review current risk management programs and trading activity, and approve any new hedging or trading strategies.

There have been no material changes to the Company's risk management activities for its continuing operations during the year ended December 31, 2025. As a result of the pork operations spin-off, the Company no longer manages risks arising from raising and procuring hogs or to certain currencies associated with pork export sales.

Financial Instruments

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

Cash and cash equivalents	Fair value through profit or loss
Accounts receivable	Amortized cost
Notes receivable	Amortized cost
Accounts payable and accruals	Amortized cost
Long-term debt	Amortized cost
Derivative instruments ⁽ⁱ⁾	Fair value through profit or loss
Portfolio investments	Fair value through other comprehensive income

⁽ⁱ⁾ Some 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 fair value through other comprehensive income.

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:

(\$ thousands)	2025			2024		
	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
Interest rate swaps	\$ 400,000	3,042	4,825	\$ 400,000	5,285	5,429
		\$ 3,042	\$ 4,825		\$ 5,285	\$ 7,047
Fair value hedges⁽ⁱⁱⁱ⁾						
Foreign exchange contracts	\$ —	\$ —	\$ —	\$ 73,942	\$ 6	\$ 2,533
Commodity contracts	\$ —	—	—	\$ 70,822	450	—
		\$ —	\$ —		\$ 456	\$ 2,533
Derivatives not designated in a formal hedging relationship						
Interest rate swaps	\$ 225,469	\$ —	\$ 2,473	\$ —	\$ —	\$ —
Foreign exchange contracts	\$ 46,324	—	850	\$ 95,547	1,138	679
Commodity contracts	\$ 65,185	2,526	—	\$ 118,568	1,665	—
		\$ 2,526	\$ 3,323		\$ 2,803	\$ 679
Total fair value		\$ 5,568	\$ 8,148		\$ 8,544	\$ 10,259
Current ^{(ii)(iv)}		\$ 4,206	\$ 6,506		\$ 5,776	\$ 6,765
Non-current ⁽ⁱⁱ⁾		1,362	1,642		2,768	3,494
Total fair value		\$ 5,568	\$ 8,148		\$ 8,544	\$ 10,259

⁽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, 2025, the above fair value of current assets has been decreased by \$0.4 million (December 31, 2024: \$1.1 million), and the above fair value of current liabilities has decreased by \$0.0 million (December 31, 2024: \$0.0 million) on the Consolidated Balance Sheets, representing the difference in the fair market value of exchange traded commodity contracts and the initial margin requirements. The difference in margin requirements and fair market value is net settled in cash each day with the futures exchange and is recorded within cash and cash equivalents.

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, 2025 and 2024 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, 2025, the Company recorded a loss of \$1.1 million (2024: gain of \$3.2 million - restated to exclude discontinued operations) 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, 2025 using the fair value hierarchy:

(\$ thousands)	Level 1	Level 2	Level 3	Total
Assets:				
Commodity contracts ⁽ⁱ⁾	\$ 2,526	—	—	\$ 2,526
Interest rate swaps	—	3,042	—	3,042
	\$ 2,526	3,042	—	\$ 5,568
Liabilities:				
Foreign exchange contracts	\$ —	850	—	\$ 850
Interest rate swaps	—	7,298	—	7,298
	\$ —	8,148	—	\$ 8,148

⁽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, 2025. 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.

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 Adjusted 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 a track record of dividend growth and 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 of the Consolidated Financial Statements.

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 collectability 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 historical trends other than changes associated with the spin-off of the company's pork operations.

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 of the Consolidated Financial Statements. The Company does, however, conduct a significant amount of business with a small number of large grocery retailers. The Company's three largest customers as at December 31, 2025 comprise approximately 41.2% (2024 three largest customers representing 41.0%) 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 of the Consolidated Financial Statements. 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 over-the-counter 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 over-the-counter 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 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, 2025, the Company had available undrawn committed credit of \$876.7 million (2024: \$638.9 million) under the terms of its principal banking arrangements as described in Note 16 of the Consolidated Financial Statements. These banking arrangements are subject to certain covenants and other restrictions.

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, 2025, the Company had variable-rate debt of \$1,137.4 million with a weighted average interest rate of 4.8% (2024: \$1,683.0 million at a weighted average interest rate of 6.4%). 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 4.7% (2024: \$400.0 million at a weighted average interest rate of 5.7%). In addition, the Company was exposed to floating interest rates on its accounts receivable securitization program. As at December 31, 2025, the cash advance received pursuant to this program was \$150.0 million at a weighted average interest rate of 3.3% (2024: \$141.8 million at a weighted average interest rate of 3.9%). The maximum amount available to the Company under these programs is \$150.0 million (2024: \$150.0 million).

As at December 31, 2025, the Company had fixed-rate debt of \$5.6 million (2024: \$6.2 million) with a weighted average effective interest rate of 3.7% (2024: 3.7%). 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.

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 currency to which the Company is exposed to is the U.S. dollar.

The Company uses foreign exchange forward contracts to manage foreign exchange transaction exposures. The Company uses cross-currency interest rate swaps to manage certain foreign denominated borrowings when appropriate.

Commodity Price Risk

The Company is exposed to price risk related to commodities such as meat products, fuel, and certain other raw materials. 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 on operating results.

The Company applies the "own use exception" classification to certain contracts that are entered into for the purpose of procuring commodities to be used in production and are not recognized on the Consolidated Balance Sheets until delivery.

For a comprehensive discussion on the Company's risk management practices and derivative exposures, please refer to Note 20 of the Consolidated Financial Statements.

15. EMPLOYEE BENEFIT PLANS

The Company operates both defined contribution and defined benefit plans, including defined benefit pension programs for Canadian employees which are either final salary plans, career salary plans, service-based plans, or a combination thereof. 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 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 as reported in the Consolidated Financial Statements. 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.

The assets of the defined benefit plans are invested primarily in pooled funds that are subject to fluctuations in market prices. Discount rates used to measure plan liabilities are based on long-term market interest rates. Fluctuations in these market prices and rates can impact pension expense and funding requirements. The investment return before expenses on the Company's defined benefit pension plan assets was a gain of 2.5% in 2025 compared to a gain of 4.8% in 2024.

The cost of pensions and other post-retirement benefits earned by employees is actuarially determined using the projected unit credit method calculated on service and Management's best estimate of salary escalation, retirement ages of employees and expected health care costs. Management employs external experts to advise them when deciding upon the appropriate estimates to use to value employee benefit plan obligations and expenses. These estimates are determined at the beginning of each year and re-evaluated if changes in factors influencing the plan and market conditions indicate that there may be a significant effect on the Company's Consolidated Financial Statements.

As part of the spin-off transaction, a separate pension plan was established for the pork operations. This pension plan is effectively responsible for the defined benefit pension obligations related to the employees of pork operations and a prorated portion of the pension assets based on the solvency liabilities attributable to the employees of pork operations. The Company has therefore derecognized a net pension liability of \$1.9 million which represents the fair value of assets and liabilities at the date of spin-off that were part of or will be transferred to the separate plan. These assets and obligations will be fully transferred from the established pension plan pending final regulatory approval.

On December 1, 2025, the pension plan purchased buy-out annuities for approximately 4,200 participants with a premium of \$494.0 million. The buy-out effectively eliminates all further legal or constructive obligations for the portion of the benefits provided under the Company's defined benefit pension plans. As a result of the transaction, the Company recognized a one-time settlement gain of \$35.5 million as other income in the Consolidated Statement of Earnings. The insurer will issue individual policies and begin making monthly pension payments in 2026.

During 2025, the Company recorded a net pre-tax loss of \$0.5 million through other comprehensive income (loss) related to the re-measurement of plan assets and liabilities. This included a pre-tax gain from continuing operations of \$17.0 million related to the changes in actuarial assumptions used in determining the defined benefit obligations, offset by a pre-tax loss from continuing operations of \$17.5 million related to the differences between plan asset returns compared to the discount rate.

During 2024, the Company recorded a pre-tax gain of \$2.5 million through other comprehensive income (loss) related to the re-measurement of plan assets and liabilities. This includes a pre-tax gain of \$2.2 million related to differences between plan asset returns compared to the discount rate.

The Company's contributions are funded through cash flows generated from operations. Management anticipates that future cash flows from operations will be sufficient to fund expected future cash contributions. The Company's contributions to defined benefit plans during 2025 were \$11.0 million (2024: \$9.1 million).

The Company expects to contribute \$29.3 million to the pension plans in 2026, inclusive of defined benefit, defined contribution and multi-employer plans.

16. TRANSACTIONS WITH RELATED PARTIES

Transactions between the Company and its consolidated entities have been eliminated in the Company's Consolidated Financial Statements.

The Company sponsors a number of defined benefit, defined contribution and post-retirement benefit plans. During the year ended December 31, 2025, the Company contributed \$34.3 million (2024: \$31.1 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:

(\$ thousands)	2025	2024
Short-term employee benefits		
Salaries, bonuses, and fees	\$ 19,236	\$ 12,062
Company car allowances	298	374
Other benefits	383	623
Total short-term employee benefits	\$ 19,917	\$ 13,059
Severance benefits	—	1,238
Post-employment benefits	508	537
Share-based compensation	14,502	11,251
Total remuneration	\$ 34,927	\$ 26,085

During the year ended December 31, 2025, Key Management Personnel of the Company exercised 0.5 million share options (2024: 0.1 million share options) granted under the Maple Leaf Foods share option plans for an amount of \$13.0 million (2024: \$2.5 million).

Transactions with Other Related Parties

Canada Packers Inc

On October 1, 2025, the Company completed the spin-off of its pork operations resulting in a loss of control. Following the transaction, the Company's former pork operations form the operations of Canada Packers, an independent public Canadian company, listed on the TSX. The Company retained a 16% interest and significant influence over Canada Packers and entered into a supply agreement, along with other agreements with Canada Packers. These agreements serve to provide the Company with access to a stable supply of pork products used in its operations.

Although the Company holds less than 20% of the equity shares of Canada Packers the Company exercises significant influence by virtue of director presence on the board of directors of Canada Packers and material transactions through the terms of the agreements signed as part of the spin-off.

The following are the transactions, subsequent to loss of control, with Canada Packers:

	For the year ended December 31, 2025
Sales to	\$ 18,528
Purchases from	\$ 89,913
Dividends received from	\$ 1,094
Share of associate's total comprehensive income	\$ 3,862

Sales are provided to Canada Packers for ham boning services as well as brokerage, intellectual property licensing, and information services. Purchases from Canada Packers are for pork products.

The following amounts were outstanding at the reporting date:

	As at December 31, 2025
Accounts receivable	\$ 6,305
Accounts payable and accruals	\$ 3,639

Outstanding balances as at December 31, 2025 are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivable or payable.

McCain Capital Inc. & McCain Financial Advisory Services

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, 2025, the Company received services from MCI and companies directly or indirectly owned by MCI in the amount of \$0.9 million (2024: \$0.8 million), which represented the market value of these transactions with MCI. As at December 31, 2025, \$0.3 million (2024: \$0.2 million) was owed to MCI and companies directly or indirectly owned by MCI relating to these transactions.

McCain Financial Advisory Services ("MFAS") is owned by Mr. Michael H. McCain. For the years ended December 31, 2025 and 2024, the Company provided services to and received services from MFAS for a nominal amount which represented the market value of the transactions.

17. GOVERNMENT INCENTIVES

During the year ended December 31, 2025, the Company recognized government incentives totaling \$0.8 million (2024: \$20.3 million).

During the year ended December 31, 2025, the Company recognized \$0.5 million (2024: \$15.0 million) of government incentives as a reduction in the cost of related assets. Of this amount, \$0.2 million was received from the Government of Manitoba to assist with energy efficiency initiatives, and \$0.3 million from the Government of Canada for the expansion of further processed poultry processing capacity.

During the year ended December 31, 2025, the Company recognized \$0.3 million (2024: \$5.3 million) of government incentives in earnings. Of this amount, the Company received a \$0.2 million rebate from the Government of Manitoba for energy efficiency initiatives. In addition, the Company received \$0.1 million in other incentives.

The Company currently recognizes \$5.6 million (2024: \$6.2 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 16 of the Consolidated Financial Statements.

18. SHARE CAPITAL

As at December 31, 2025, there were 124,618,727 voting common shares issued and outstanding (2024: 123,835,056). As at February 24, 2026, there were 124,642,411 voting common shares issued and outstanding.

In the first three quarters of 2025, the Company declared and paid cash dividends of \$0.24 (2024: \$0.22) per common share. In the fourth quarter of 2025 after the spin-off of the pork operations, the Company declared and paid a quarterly cash dividend of \$0.19 (2024: \$0.22) per common share and a special dividend of \$0.60 (2024: \$0.00) per common share. These represented a total annual dividend of \$1.51 (2024: \$0.88) per common share and total dividends of \$188.1 million (2024: \$108.5 million).

19. OTHER MATTERS

On January 12, 2026, the Board of Directors approved an increase in the quarterly dividend from \$0.19 per share to \$0.21 per share, or \$0.84 per share on an annual basis. With this increase, the dividend payment for the first quarter of 2026 will be \$0.21 per common share, payable on March 31, 2026, to shareholders of record at the close of business on March 9, 2026. 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. For those 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/>.

20. SUMMARY OF QUARTERLY RESULTS

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

	Fourth Quarter		Third Quarter		Second Quarter		First Quarter	
(\$ millions except earnings per share and margin) (Unaudited)	2025	2024	2025	2024	2025	2024	2025	2024
Sales ⁽ⁱ⁾	\$ 991.2	\$ 917.1	\$ 1,010.5	\$ 935.5	\$ 1,004.2	\$ 932.1	\$ 906.7	\$ 848.8
Gross Profit ⁽ⁱ⁾	\$ 158.4	\$ 143.5	\$ 162.8	\$ 140.2	\$ 187.4	\$ 146.4	\$ 154.1	\$ 127.3
SG&A ⁽ⁱ⁾	\$ 93.2	\$ 90.0	\$ 101.5	\$ 96.8	\$ 99.6	\$ 105.8	\$ 103.1	\$ 99.1
Earnings (Loss) from Continuing Operations ⁽ⁱ⁾	\$ (34.4)	\$ 6.4	\$ 23.3	\$ (1.8)	\$ 39.0	\$ (4.5)	\$ 16.0	\$ (12.0)
Earnings (Loss) Per Share from Continuing Operations ⁽ⁱ⁾								
Basic	\$ (0.28)	\$ 0.05	\$ 0.19	\$ (0.01)	\$ 0.31	\$ (0.04)	\$ 0.13	\$ (0.10)
Diluted	\$ (0.28)	\$ 0.05	\$ 0.18	\$ (0.01)	\$ 0.31	\$ (0.04)	\$ 0.13	\$ (0.10)
Earnings (Loss)	\$ 391.2	\$ 53.5	\$ 43.1	\$ 17.7	\$ 57.8	\$ (26.2)	\$ 49.6	\$ 51.6
Earnings (Loss) Per Share								
Basic	\$ 3.14	\$ 0.43	\$ 0.35	\$ 0.14	\$ 0.47	\$ (0.21)	\$ 0.40	\$ 0.42
Diluted	\$ 3.06	\$ 0.43	\$ 0.34	\$ 0.14	\$ 0.46	\$ (0.21)	\$ 0.40	\$ 0.42
Adjusted Earnings per Share ⁽ⁱ⁾⁽ⁱⁱ⁾	\$ 0.32	\$ 0.18	\$ 0.21	\$ (0.01)	\$ 0.33	\$ 0.06	\$ 0.21	\$ (0.06)
Adjusted Operating Earnings ⁽ⁱ⁾⁽ⁱⁱ⁾	\$ 67.2	\$ 52.8	\$ 62.4	\$ 40.4	\$ 83.6	\$ 54.4	\$ 57.0	\$ 34.3
Adjusted EBITDA ⁽ⁱ⁾⁽ⁱⁱ⁾	\$ 117.3	\$ 108.3	\$ 111.7	\$ 93.8	\$ 130.8	\$ 105.3	\$ 115.8	\$ 85.3
Adjusted EBITDA Margin ⁽ⁱ⁾⁽ⁱⁱ⁾	11.8 %	11.8 %	11.1 %	10.0 %	13.0 %	11.3 %	12.8 %	10.0 %

⁽ⁱ⁾ Quarterly amounts for 2024 have been restated to exclude discontinued operations related to the pork operations.

⁽ⁱⁱ⁾ Refer to section 27. Non-IFRS Financial Measures of this document.

Variability in quarterly sales can be attributed to changes in pricing, volume, sales mix, and the impact of foreign currency.

Changes in quarterly earnings from continuing operations can be attributed to similar factors as for sales, variations in input costs, operating efficiencies, restructuring and other related costs, changes in the fair value of derivative and non-derivative financial instruments, provision adjustments, impairment losses, gains and losses on disposal of assets, and changes in interest rates and long-term debt.

For an explanation and analysis of quarterly results, refer to the Company's Management's Discussion and Analysis for each of the respective quarterly periods which are filed on SEDAR+ and also available on the Company's website at www.mapleleaffoods.com.

21. 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.

The Company expects the following for fiscal 2026:

- Mid-single-digit increase in revenue from 2025, driven by execution of proven growth strategies, including leveraging leadership in Sustainable Meats, investing in our portfolio of consumer-leading brands, accelerating the pace of impactful innovation, expanding reach in the U.S. market, and deeper integration into customer strategies along with strong and growing consumer demand for protein.
- Adjusted EBITDA⁽ⁱ⁾ of approximately \$520 - \$540 million, driven by revenue growth and margin improvement from operational discipline and the benefits from the Company's Fuel for Growth initiative.
- Maintain an investment-grade balance sheet with Net Debt to Trailing Twelve Months Adjusted EBITDA⁽ⁱ⁾ below 3.0x supported by strong free cash flow and prudent capital allocation.
- Disciplined capital investment of approximately \$160 - \$180 million in spend focused on maintenance and productivity enhancement investments.
- Dividend growth of approximately 10% with the quarterly dividend increasing from \$0.19 to \$0.21 per share, underscoring Maple Leaf Foods' commitment to delivering shareholder returns.

Maple Leaf Foods recognizes that macro-economic factors may continue to strongly influence the 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 2026 guidance could be impacted by these conditions.

®Refer to Section 27. Non-IFRS Financial Measures of this document for the definition of these non-IFRS measures and ratios.

22. ENVIRONMENT

Maple Leaf Foods is committed to maintaining high standards of environmental responsibility and positive relationships in the communities where it operates. It operates within the framework of a policy entitled "Our Environmental Sustainability Commitment" that is approved by the Board of Directors' Safety and Sustainability Committee (the "SSC"). The Environmental Sustainability Commitment can be found on the Company's website.

The Company's environmental program is monitored on a regular basis by the SSC, including compliance with regulatory requirements and the use of internal environmental specialists and external environmental experts. The Company continues to invest in environmental infrastructure related to water, waste, energy, and air emissions to ensure that environmental standards continue to be met or exceeded, while implementing procedures to reduce the impact of operations on the environment.

The Company has a syndicated sustainability-linked credit facility (the "Credit Facility") which consists of a \$1,200.0 million unsecured committed revolving line of credit maturing October 1, 2030, a US\$200.0 million unsecured committed term facility (Tranche 1) maturing October 1, 2029, and a \$550.0 million unsecured committed term facility (Tranche 2) maturing October 1, 2028, with pricing subject to adjustment of up to 5 basis points based on performance against specified sustainability targets, aligning the Company's financing structure with its environmental objectives.

Expenditures related to current environmental requirements are not expected to have a material effect on the financial position or earnings of the Company. However, it is possible that events could occur causing environmental expenditures to be significant and have a material adverse effect on the Company's financial condition or results of operations. Such events could include, but not be limited to, additional environmental regulation or the occurrence of an adverse event at one of the Company's locations. Refer to section 23. Risk Factors of this document. The Company currently has a provision of \$1.9 million related to expected environmental remediation costs. As a large food company there are health, environmental, and social issues that go beyond short-term profitability that the Company believes must shape its business if it is to realize a sustainable future. Increasingly, moving beyond compliance to materially reducing the Company's environmental footprint is critical to addressing mounting planetary environmental issues and realizing increased operating efficiencies and cost reductions.

Maple Leaf Foods is advancing work on a number of fronts to accelerate reductions across its key environmental performance indicators for greenhouse gas emissions (Scope 1-3) as well as waste, water, and energy use within its manufacturing operations. These actions include: deploying a sustainability execution task force, executing ambitious on-the-ground action plans across its network, and advancing several longer-term large-scale high impact projects, including scaling up its regenerative agriculture initiatives and investments, and sustainability-focused manufacturing projects.

Science-Based Targets

Science-Based Targets ("SBT"s) provide companies with a pathway to specify how much and how quickly companies are expected to reduce GHG emissions to meet the requirements of the global Paris Climate Accord. On September 9, 2019, the Science-Based Target initiative ("SBTi") approved Maple Leaf Foods' SBTs for GHG emissions reduction. The SBTi verified the Company's comprehensive carbon inventory that was developed in accordance with the internationally accepted Greenhouse Gas Protocol as developed by the World Resources Institute and World Business Council for Sustainable Development. Maple Leaf Foods committed to reduce its absolute Scope 1 and 2 GHG emissions by 30% and its Scope 3 GHG emissions by 30% per 1,000kg of production by 2030 against a 2018 baseline.

The Company manages its sustainability goals through a combination of prioritizing avoidance and reductions in its greenhouse gas emissions, and purchasing high-impact environmental project verified emissions reduction credits to offset currently unavoidable emissions. Through this methodology, the Company neutralizes its Scope 1 & 2 emissions and a portion of its Scope 3 greenhouse gas emissions.

Details on the Company's environmental performance and carbon strategy can be found in the Company's 2024 Integrated Report that is available on the Company's website.

23. RISK FACTORS

In carrying out its business and operations, the Company faces many risks. Many of these risks are described below, including those risks that the Company currently considers to be most material. These risk factors, along with other risks and uncertainties not currently known to the Company, or that the Company currently considers immaterial, could materially and adversely affect the Company's

performance, operating results and ability to pay dividends or return capital to shareholders. Such risks could cause actual events to differ materially from those described in any forward-looking statements, including any financial outlook, targets or goals. Many of the risks are beyond the Company's control and, in spite of any efforts the Company may make to manage or mitigate its risk exposure, there is no guarantee that such risk management or mitigation activities will be successful. Readers should carefully consider the risk factors set out below, along with the other information contained in this document and the Company's other public filings before making an investment decision.

Risks Associated with the Recently Completed Spin-Off of Canada Packers

On October 1, 2025, the Company successfully completed the spin-off of its pork operations into a stand alone public company known as Canada Packers Inc. ("Canada Packers")

With the completion of the spin-off of its pork operations, the Company now operates as a more focused protein company with primary exposure to poultry and prepared foods. As a result, the Company has reduced revenue and earnings diversification and may be more vulnerable to adverse developments affecting its remaining business operations, including the risks factors listed herein.

Consequently, the Company may experience the loss of operational, commercial and financial synergies previously realized in the integrated business; potential operational disruptions as the Company adjusts to its new structures, processes and dynamics with Canada Packers; downscaling risks which could impair the Company's ability to maintain competitiveness; market risks, as the spin-off might affect stock performance and valuation; and separation risks as the Company seeks to implement the changes necessary to operate independently which could materially affect cash flow and results of operations. Based on these and other factors, the Company may be unable to achieve the anticipated long-term strategic and financial advantages of operating as a more focused business, which could adversely affect its financial condition, results of operations and cash flows.

Following the completion of the spin-off of its pork operations, the Company, directly or indirectly, owns or controls approximately 16.0% of the issued and outstanding common shares of Canada Packers and has a significant commercial relationship with Canada Packers through a supply agreement between the Company and Canada Packers. The Company will therefore continue to be exposed to risks associated with the pork operations business in those respects. In addition, the Company will be highly dependent on Canada Packers for its supply of fresh and frozen pork required for its Prepared Foods operations, including Raised Without Antibiotic ("RWA") pork that may not be easily sourced from other suppliers. Any disruption in Canada Packers' ability to supply the Company with pork for its Prepared Foods business could have a material impact on the Company's business and operations as a result.

Canadian Tax Considerations Related to the Spin-off of Canada Packers

In connection with the spin-off of the pork operations by way of a plan of arrangement (the "Arrangement") to form Canada Packers, the Company entered into an arrangement agreement (the "Arrangement Agreement") in connection with which the Company or Canada Packers, as applicable, agreed to indemnify the other party for certain losses suffered or incurred in connection with breaches of tax-related covenants. Any indemnification claim against the Company or Canada Packers (on its own account or as a successor in interest) pursuant to the provisions of the Arrangement Agreement could be substantial, may not be able to be satisfied and may have a material adverse effect upon the Company or Canada Packers, as applicable.

Further in connection with the spin-off transaction, the Company applied for and received advance income tax rulings (collectively the "Tax Ruling") from the Canada Revenue Agency (the "CRA"). The Tax Ruling requires, among other things, that the Arrangement comply with all requirements of the public company "butterfly" rules in Section 55 of the Tax Act. Although the Arrangement was structured to comply with these rules, there are certain requirements of these rules that depend on events occurring after the Arrangement is completed or that may not be within the control of Maple Leaf Foods or Canada Packers. If these requirements are not met, Maple Leaf Foods and/or Canada Packers would recognize a taxable gain in respect of the Arrangement. If incurred, these tax liabilities could be substantial and could have a material effect on the financial position of Maple Leaf Foods and/or Canada Packers. In addition, if such requirements are not met due to an act, an omission, or a transaction entered into by Maple Leaf Foods and/or Canada Packers, Maple Leaf Foods and/or Canada Packers, as applicable, could be required to indemnify the other party under the terms of the Arrangement Agreement, as described above.

Global Market and Economic Conditions

The Company's business operations and financial condition are materially affected by global market and economic conditions, including associated government actions ranging from global conflicts to tariffs and other trade barriers. These conditions can contribute to inflationary pressures; increased costs; tariff and non-tariff barriers to trade; changes in customer and consumer behaviour; disruption in global and local supply chains, limiting the availability of key inputs for the Company's operations as well as its ability to ship products to market; disruptions in international trade and access to markets; operational restrictions; reduced ability to execute product innovation initiatives; counterparty credit risk; and volatility in financial and commodity markets. Global tension and trade instability have increased as a result of armed conflicts around the world and the increased tariff action instigated by the United States. Geopolitical dynamics continue to shift and evolve creating underlying uncertainty and potentially increasing the effect of the other risks described in this Management Discussion and Analysis.

International Trade

The Company exports its finished products to customers outside of Canada and imports various inputs and ingredients from other jurisdictions. To the extent that the Company is dependent on imports or exports for its business, it is subject to inherent risks associated with international trade, including: change in the free flow of food products between countries; fluctuations in currency values; discriminatory fiscal policies; unexpected changes in local regulations and laws; and the uncertainty of enforcement of remedies in foreign jurisdictions. The America First trade policy implemented by President Trump has added a layer of unpredictability to global tariff rates and resulting trade patterns. While Canada's food industry is largely, for now, excluded from U.S. tariffs, the unpredictability of U.S. trade policy and discussions on renewing the Canada-U.S.-Mexico Trade Agreement (the "CUSMA"), which are expected to start in July 2026, continue to undermine economic uncertainty and cause disruptions to global supply chains and trade flows. In addition to on-going changes to U.S. tariff practices, trade relations between Canada and other foreign jurisdictions could change if foreign jurisdictions impose tariffs, quotas, trade barriers, or other similar restrictions on the Company's international sales, or introduce subsidies for competing agricultural products. International trade and the associated access to markets can be influenced by geopolitical events and disputes between Canada and other countries beyond the Company's control. 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 business, operations, financial performance (including the ability to deliver its 2026 guidance) and future growth plans could be significantly impacted by further developments in the trade and tariff relationship between Canada and the U.S. The disruption that could be caused by these discussions, the potential or actual imposition of, and increases in the rate or scope of such tariffs or trade restrictions or similar measures could adversely impact the profitability of the business, financial conditions and results of operations.

In 2025, when the U.S. threatened to impose tariffs on Canada, the Company deployed a task force to identify mitigation strategies as well as near-term potential opportunities to manage the risk of U.S. tariffs and Canadian retaliatory tariffs. Approximately 11% of the Company's sales are attributable to U.S. sales. As the Company has production facilities in the U.S., approximately 7% of the Company's sales are products produced in Canada and shipped to and sold in the U.S. which could be subject to any new tariffs. As poultry is typically not sold into the U.S. due to the Canadian supply management system and plant protein is produced and primarily sold in the U.S., they are not expected to be materially adversely impacted by tariff action. In Prepared Foods, in the event of new tariffs that would impact the Company's business, the Company intends to focus on its Canadian customers and consumers to capture momentum with the "buy Canadian" sentiment, while working with its U.S. customers on strategies to continue to serve their needs. Tariffs and the threat of tariffs could also have an amplifying or mitigating effect on other risk factors such as consumer and competitor behaviour and competitiveness, foreign exchange rates and inflationary pressures. However, there can be no assurances regarding the Company's ability to mitigate the impact of tariffs and trade restrictions on our business, financial conditions and results of operations.

In addition, and as discussed under the subheading "Livestock Health and Risks Associated with Animal Disease", the threat of the spread of animal disease could result in significant disruption of international trade in the meat protein business, as governments use international trade barriers as a tool to help manage the spread of such diseases. All of these risks could result in increased costs or decreased revenues, either of which could have a material adverse effect on the Company's financial condition and results of operations.

Competition and the Activities of Competitors, Customers and Consumers

The food industry is intensely competitive. In many product categories in which the Company operates there are low barriers to entry. Competition is based on factors such as product availability, product quality and taste, price, brand recognition, product variety, product packaging and design, shelf space, reputation, nutritional and other claims, effective promotions, and the ability to target changing consumer preferences. The Company may experience price pressure as a result of, among other things, competitors' promotional effort and strategies to increase market share, as well as in product categories characterized by low capacity utilization.

Competitive pressures from existing competitors, as well as new entrants into various markets could result in reduced sales, margins, profits, and market share, all of which could have a material adverse effect on the Company's financial condition and results of operations.

Overall, the Company's ability to increase revenue and execute its business strategy depends in part on its ability to cost-effectively attract new customers and consumers and retain existing customers and consumers. If the Company is unable to do this, its business, financial condition and operating results may be materially adversely affected. Further, if customers or consumers do not perceive the Company's product offerings to be of sufficient value and quality, or if it fails to offer new and relevant product offerings, it may not be able to attract or retain customers or engage existing customers so that they continue to purchase products.

The Company competes with other companies who may have greater financial and other resources, lower operating costs and/or lower cost of capital. In some instances, this could force the Company to lower prices, resulting in lower profitability or, in the alternative, cause it to lose market share if it fails to lower prices. Consumers may also choose to trade-down to lower priced competitive products, including private label products, in the face of inflationary pressures which could put pressure on the Company's performance. In addition, some competitors may be more innovative, have more resources and/or be able to bring new products to market faster. This could put the Company at a disadvantage in keeping up with the pace of innovation and ability to introduce new products that appeal to evolving consumer trends.

Overall, these competitive pressures, together with customer and consumer behaviour, could cause the Company to lose market share, which may require it to lower prices, increase marketing and advertising expenditures, and/or increase the use of discounting or promotional campaigns, each of which could adversely affect its margins, could result in a decrease in its operating results and profitability and cause it to miss the growth targets it has set.

Product Pricing

The Company's profitability is dependent, in large part, on the Company's ability to make pricing decisions regarding its products that, on one hand encourage consumers to buy, yet on the other hand recoup development and other costs associated with those products. Products that are priced too high will not sell and products priced too low will not generate an adequate return. In an inflationary environment, there can also be a misalignment between the impact of rising cost pressures on the Company's operations and inputs, and its ability to price in the market to maintain its margins. Accordingly, any failure by the Company to properly price its products could have a material adverse effect on the Company's financial condition and results of operations.

Food Safety, Customer and Consumer Liability and Product Recalls

The Company is subject to risks that affect the food industry in general, including risks posed by food spoilage, accidental contamination, product tampering, consumer product liability, and the potential costs and disruptions of a product recall. The Company's products are susceptible to contamination by organisms that can cause illness, or pathogens, such as certain strains of *Escherichia coli* (E.coli), *Salmonella* and *Listeria*. There is a risk that these pathogens could be present in certain products produced by the Company. The Company actively manages these risks by maintaining strict and rigorous controls and processes in its manufacturing facilities and distribution systems and by maintaining prudent levels of insurance. However, the Company cannot assure that such systems, even when working effectively, will eliminate the risks related to food safety. The Company could be required to recall certain of its products in the event of contamination or adverse test results or as a precautionary measure, similar to other recalls initiated in the past. There is also a risk that not all of the product subject to the recall will be properly identified, or that the recall will not be successful or not be enacted in a timely manner. Any product contamination could subject the Company to product liability claims, claims for economic losses by customers and others in the supply chain, adverse publicity and government scrutiny, investigation or intervention, resulting in increased costs and decreased sales. Many of these costs and losses are not covered by insurance. Any of these events could have a material adverse impact on the Company's financial condition and results of operations.

Cyber Security and Overall Management of the Company's Information Systems

The Company relies on its own information technology systems, as well as those of its third-party service providers, vendors and strategic partners, in all areas of its business and operations. These systems are subject to an increasing number of sophisticated cyber threats. The methods used to obtain unauthorized access, disable or degrade service or sabotage systems are constantly evolving. In the past, the Company experienced a cybersecurity incident that disrupted its business and operations, interfered with its ability to access critical data, resulted in a breach of sensitive information and exposed it to a ransom demand that it refused to pay. While the Company was able to continue to operate through the event, it did impact operations and had an economic impact on the Company's financial performance. The Company has taken even further steps to protect itself, but it is not immune to a future attack. Any cybersecurity event could result in Maple Leaf Food's ability to operate, maintain business continuity, protect its intellectual property (including trade secrets) and achieve its strategic objectives, and its operations, financial position and reputation could be negatively affected. It could also compromise the personal or confidential information of its employees and other third parties which could expose the Company to additional legal claims and regulatory action. As well, such an event could also impact third parties such as vendors or customers, leading to potential liabilities or compensation to those parties.

The Company maintains policies, processes, and procedures to address capabilities, performance, security, and system availability including resiliency and disaster recovery for systems, infrastructure, and data. Security protocols, along with information technology security policies, address compliance with information technology security standards, including those relating to information belonging to the Company's customers, employees and suppliers. The Company actively monitors, manages, and continues to enhance its ability to mitigate cyber risk through its enterprise-wide programs. However, there is no assurance that any of these measures will be successful.

The Company regularly implements process improvement initiatives to simplify, assess and harmonize its systems and processes to optimize performance and reduce the risk of errors in financial reporting. There cannot be any guarantee that any such changes will improve current processes or operating results or reduce the risk of errors in financial reporting. Any of these failures could have a material adverse impact on the Company's financial condition and results of operations.

Data and Privacy

In the normal course of business, the Company and its third-party service providers collect, store, use, destroy and, where appropriate, disclose, sensitive and confidential data and information, such as the personal information of its customers and employees, proprietary and confidential information related to the Company's business and affairs. Data, analytics and technology are becoming increasingly relevant to the Company's business operations and strategy, for instance, informing and enhancing product offerings and. The Company must ensure the integrity, reliability and security of this information in a manner compliant with applicable privacy laws. Any fraudulent, malicious or accidental breach of data security could result in unintentional disclosure of, or unauthorized access to, customers, suppliers, employees or other confidential or sensitive data or information, which could potentially result in additional costs

to the Corporation to enhance security or to respond to occurrences, violations of privacy or other laws or regulations, penalties or litigation. In addition, such incidents could also adversely impact the Corporation's brand and reputation, attract investigations by government bodies and materially impact its business and financial results. Should any of these risks materialize, the Company may experience material adverse impacts on its strategic objectives, financial performance and operations, including decreased sales and competitive positioning, loss of reputation, regulatory non-compliance, potential litigation, and business and reporting disruptions.

Geopolitical Instability

The Company is exposed to risks arising from geopolitical instability, including wars, tensions between nations, insurrections, and political and economic instability, all of which may have broader impacts on, among other things, the global economy, international trade, access to markets, commodity prices, supply chains, interest rates, exchange rates and customer and consumer patterns. This risk intersects with, contributes to and may amplify many of the other risks discussed in this "Risk Factors" section. For example, the war in the Ukraine impacted commodity markets, including the price and availability of key crops, feed and other supplies essential to the Company's business. The impact of these events and other geopolitical instability may have a material adverse effect on the business and operations of the Company and its financial performance.

Consolidation of Operations and Focus on Protein

Over the last several years, the Company has increasingly consolidated its operations into fewer facilities, and continues to look at opportunities to ensure it has a competitive footprint. Most recently this included closure of the Brantford, Ontario Further Processed Poultry facility and migration of production to other plants, and the completion of the London Poultry processing plant which replaced several of its older smaller scale plants in Ontario. As a result of these and other consolidation initiatives, there is a risk that unforeseen disruption in such facilities could have a greater effect on the operations of the Company as a whole. Such risks that are made greater by consolidation include equipment failure, utility interruption, supply shortages, labour disruptions, health and safety incidents, regulatory actions, severe weather, or other natural or human-made events. Consolidation of such production may mean that the company may not have alternative sites available to absorb or offset lost capacity, which could adversely affect operating results, cash flows, and reputation

Livestock Health and Risks Associated with Animal Disease

The Company's operations and the demand for the Company's products can be significantly affected by outbreaks of disease among hogs and poultry (collectively "livestock") or attributed to livestock whether it occurs within the Company's production operations or in the operations of third parties. Such diseases could adversely impact the health of the Company's own livestock and the health of the livestock of its suppliers. As well, an animal disease outbreak may reduce the availability of livestock for the Company's operations.

Governments may combat the spread of disease during outbreaks with measures that include among other things restrictions on the movement of meat and livestock between jurisdictions which results in supply excesses and shortages and price volatility which in some cases reaches extreme levels. In 2018, there was an outbreak of African Swine Fever in China which has continued to spread across various countries around the world. While restrictions have been put in place by the foreign jurisdictions to contain the spread of the disease in hog populations, there can be no assurance the outbreak will be contained or that the outbreak will not spread to areas that supply the Company with live hogs or that additional restrictions will be put in place that will impede the Company's access to other markets or create volatile market conditions. In addition, there have been notable outbreaks of high pathogenic avian influenza which threatened poultry populations and put pressure on the poultry system in Canada. While industry and governments responded quickly in efforts to try to contain the spread of the disease, it continues to create a risk for the Company's poultry operations, and may influence consumers perspectives on the safety of the food system. Diseases such as these, and others, could have a material adverse impact on the Company's operations and financial condition.

The Company monitors flock health status and has strict bio-security procedures and employee training programs throughout its operations and ensures that animals receive veterinary medications as required. However, there is no guarantee these processes will be successful in protecting the Company's livestock and its sources of supply. In addition, not all livestock procured by the Company may be subject to these processes, as a significant volume of livestock processed by the Company is purchased from independent third parties. In addition to risks associated with maintaining the health of the Company's livestock, any outbreak of disease elsewhere in the world could reduce consumer confidence in the meat products affected by the particular disease and generate adverse publicity.

The Company has developed an internal contingency plan for dealing with animal disease occurrences and/or a more broad-based pandemic. It has taken steps to support the Canadian government in enhancing both the country's prevention measures and preparedness plans. There can be no assurance, however, that these prevention measures or plans will be successful in minimizing or containing the impact of an outbreak of animal disease. Accordingly, there can be no assurance that an outbreak of animal disease in Canada or elsewhere will not have a material adverse effect on the Company's financial condition and results of operations.

Further, the Company's risk analysis indicates that climate change could have an impact on the health of livestock. See the subheading entitled "Climate Change" for additional details on the potential intersection of animal health with climate change risks.

Supply Chain and Manufacturing

The Company is subject to a number of supply chain and manufacturing risks, which risks can be exacerbated by other risks described in this section. Manufacturing risks include, but are not limited to: the possibility of tariffs; delays in delivery of critical components which could hamper the Company's production process; shortages in raw materials and key inputs due to demand surges or production bottlenecks; disruption in distribution; and pricing of commodities and raw materials (inflationary pressure). The Company runs complex and highly automated facilities, interruption in the supply or equipment or technical support for this equipment could have a material adverse effect on its ability to operate at desired efficiencies (or at all at some facilities). The Company also relies on intricate supply chains across its business lines, some of which are dependent upon third parties. The Company has neither operational nor financial control over these suppliers, which are essential to the Company's business. Failure by the Company to operate at certain minimum levels could also result in service penalties from customers if the Company is not able to fulfil the order it receives, or could risk losing customers. Disruption in the supply chain for indirect or direct goods, or failure in the Company's manufacturing processes could have a material adverse effect on its business operations and financial performance.

Overall successful management of the Company's supply chain is critical to the Company's success. The efficiency and cost of logistics, distribution and storage services plays an important role in this. Costs of these services can be influenced by fuel costs and energy rates that can be passed on to the Company which in turn has implications for its cost of goods and ability to pass along these increased costs. Further, insufficient supply of products due to supply chain or distribution inefficiencies threatens the Company's ability to meet customer demands while over capacity threatens the Company's ability to generate competitive profit margins and effectively execute its capital projects and business plans. Accordingly, any failure by the Company to properly manage the Company's supply chain could have a material adverse effect on the Company's financial condition and results of operations. Further, these disruptions can impact the Company's logistics and its ability to fill customer orders.

Cost Savings and Efficiency Gains

The Company is pursuing multiple cost savings opportunities across the areas of production, procurement, commercial and logistics that are expected to generate efficiencies and cost savings. Cost savings expectations are based on a number of assumptions and the outcomes are difficult to predict. A variety of factors would affect the realization of some or all of the expected cost savings and efficiency gains, including but not limited to anticipated business strategies, marketing strategies, product development, ability to adapt to business trends, general economic conditions and lack of sustainability of the cost savings over time. Actual results of implementing these cost saving and efficiency initiatives may differ materially from current estimates. It is also possible that continued efforts to implement these initiatives will divert management attention from other parts of the business. If these initiatives are not successful it could have a material adverse effect on the Company's business, operations and financial performance, including its ability to deliver its short and long-term goals.

Availability and Quality of Ingredients

The Company's ability to secure a continuing supply of ingredients at competitive prices depends on many factors beyond its control, such as the number and size of farms that grow the source crops (for plant protein ingredients), the risks associated with farming businesses (including poor harvests impacting the quality of the crops) for feedstock generally, changes in national and world economic conditions and the Company's ability to forecast its ingredient requirements. The ingredients used in the Company's plant protein products are vulnerable to adverse weather conditions and natural disasters, such as floods, droughts, frosts, earthquakes, hurricanes and pestilence. Adverse weather conditions and natural disasters can lower crop yields and reduce crop size and quality, which in turn could reduce the available supply of, or increase the price of, quality ingredients. In addition, the Company may purchase some ingredients outside of the U.S. or Canada, and the availability of such ingredients may be affected by events in other countries. The Company also competes with other food producers in the procurement of ingredients, and this competition may increase in the future if consumer demand increases. If supplies of quality ingredients are reduced or there is greater demand for such ingredients from the Company and others, it may not be able to obtain sufficient supply that meets the Company's quality standards on favorable terms, or at all, which could impact the Company's ability to supply products to distributors and retailers and may adversely affect its business, growth plans, results of operations and financial condition.

Availability and Access to Capital

The ability of the Company to secure short-term and long-term financing on terms acceptable to the Company is critical to fund business growth and manage its liquidity. The failure or inability of the Company to secure short-term and long-term financing in the future on terms that are commercially reasonable and acceptable to the Company could have a significant impact on the Company's opportunity for growth. Even if the Company does successfully raise additional capital when needed, if it issues equity securities, investors will be diluted, and if it raises additional debt, it will be further leveraged and could be subject to restrictive covenants, such as restrictions on paying dividends or being required to pledge assets.

Reputation and Public Opinion

The Company is committed to its vision of becoming the most sustainable protein company on earth and by making meaningful progress on its sustainability commitments. The Company strongly values its reputation as a credible, responsible corporate citizen with a track record of creating shareholder value. Maintaining a positive reputation in the eyes of its customers, consumers, communities, governments, regulatory bodies and the general public is important to its continued success.

The potential for deterioration of the Company's reputation may arise in many contexts and for many different reasons. For example, general public disillusionment with corporate environmental performance could expose it to allegations of greenwashing, even if it is taking appropriate actions. Media coverage related to food inflation, pricing allegations and litigation, could have negative implications for the Company's reputation. Reputational risk cannot be managed in isolation from other forms of risk. For example, any real or perceived quality or safety concerns, whether or not ultimately based on fact and whether or not involving the Company (such as incidents involving competitors, or the way in which products are handled by customers, consumers or others in the distribution chain after they leave the control of the Company), could cause negative publicity and reduced confidence in the Company, its brand or its products, which could in turn harm its reputation and operating results. Any loss of confidence on the part of consumers in the Company's products, brands, the ingredients it uses or in the safety and quality of its products would be difficult and costly to overcome.

The growing use of social and digital media by the Company, its consumers and third parties increases the speed and extent that information or misinformation and opinions can be shared. Negative publicity about the Company, its brands, or its products on social or digital media could seriously damage its reputation. If the Company does not maintain the favorable perception of its brands, the Company's sales and earnings could be negatively impacted.

The Company is also subject to the activities of animal activists. Activist activities may spread information and misinformation about the Company and its operations in a variety of ways, including through protests and attempts to disrupt operations, as well as through various communication strategies, including the use of media and social media. These activities could adversely impact the reputation of the Company. Further, activist activities and protests may at times create health and safety risks to animals, the people working at the Company's plants, and to the protesters themselves.

Overall, negative public opinions or shifts in opinion whether about the Company, its brands, its industry or the overall environment in which it operates could materially adversely affect its reputation, business, strategy and operations, as well its financial condition and results of operations. Reputational risk intersects with many of the Company's other risks, and may therefore amplify these risks.

Trademarks and Intellectual Property

The Company utilizes intellectual property in its business. Its registered and unregistered trademarks are valuable assets that reflect the goodwill of its brands and consumers' favorable perception of its products. The Company has invested a significant amount of money in establishing, promoting and protecting its brands. It also relies on proprietary methods, processes and techniques in its manufacturing operations and copyright protection in its sales and marketing materials to develop and maintain its competitive position. The Company's continued success depends, to a significant degree, upon its ability to protect and preserve its intellectual property rights.

The Company also licenses certain of its trademarks and other intellectual property for use by third parties. In an effort to preserve its trademark rights, it enters into license agreements with these third parties that govern the use of the trademarks and contain limitations on their use. There is no assurance that these efforts to monitor the use of its trademarks by licensees will be sufficient to ensure that the licensees will abide by the terms of their licenses. In the event that its licensees fail to do so, its trademark rights could be diluted.

The Company relies primarily on confidentiality agreements, its Code of Conduct and intellectual property law to protect its proprietary rights. Confidentiality arrangements with its employees and certain of its consultants, contract employees, suppliers, vendors and independent contractors, including some of its co-manufacturers who use its formulations to manufacture its products, generally require that all non-public information made known to them be kept strictly confidential. Further, some of its formulations have been developed by or with suppliers and co-manufacturers. As a result, the Company does not hold exclusive rights to some formulations and may not be able to prevent others from using similar formulations.

The Company cannot be certain that the steps it has taken to protect its intellectual property rights are adequate, that its intellectual property rights can be successfully defended and asserted in the future or that third parties will not infringe upon, misappropriate or challenge any such rights. In addition, its trademark rights and related registrations may be challenged in the future and could be canceled or narrowed. Failure to protect its trademark rights could prevent it in the future from using certain brands or from challenging third parties who use names and logos similar to its trademarks, which may in turn cause consumer confusion or negatively affect consumers' perception of its brands and products. The Company may not be successful in enforcing its trademarks or challenging confusingly similar trademarks used by third parties. Intellectual property disputes and proceedings and infringement claims may result in a significant distraction for management and significant expense, which may not be recoverable regardless of whether the Company is successful. Such proceedings may be protracted with no certainty of success, and an adverse outcome could subject the Company to liabilities, force it to cease use of certain trademarks or other intellectual property or force it to enter into licenses with others. Any one of these occurrences may have an adverse effect on its business, financial condition and results of operations.

Execution of Capital Projects and Deployment of Maintenance Capital

The Company has recently completed multiple capital projects. The successful completion and ramp up of these projects is dependent on a number of factors and the returns from these projects may change depending on many factors. The Company's ability to take on new projects may be negatively impacted by available cash flow, availability and cost of labour, materials and equipment, contractor non-performance, and cost of engineering, construction and other consulting services. The Company may incur financing costs during the planning and construction phases of its growth projects, but the expected cash flows from the projects will not materialize until after they are completed. To the extent projects are completed significantly behind schedule or over budget, its business operations and results may be adversely affected. Delays in realizing the returns on capital investment could have an impact on the Company's ability

to reach its financial targets, meet conditions associated with grants or concessions previously secured for the projects and to fully execute its business strategy.

The Company's network of assets also requires ongoing investment in maintenance capital. Failure to adequately invest in preventative maintenance and other maintenance capital requirements may adversely impact the Company's operations, resulting in increased shutdowns and manufacturing disruptions, which could have a material adverse impact on the Company's financial condition and results of operations.

Climate Change

The potential effects of climate change could have a material impact on the Company and its operations, such risks include a range of physical, financial, compliance and reputational risks. As part of its sustainability strategy and vision to be the most sustainable protein company on earth, the Company has set environmental footprint reduction targets and has executed certain energy efficiency and GHG emission reduction projects. While the Company takes steps to assess the commercial viability of these initiatives, there is no assurance that the ongoing costs of these initiatives will continue to be economic. As new laws, regulations and industry standards related to emission reductions continue to evolve, it is possible that the Company's practices, processes and facilities will require significant modifications in order to comply. Further, it is possible that the changes necessary to reduce emissions will not be feasible or that the costs will be material, either of which could have a material adverse effect on the Company's operations and financial position.

Climate change considerations, including emissions associated with the Company's meat protein business, may also create reputational risk for the Company and challenge its ability to maintain market share for its meat protein products if consumers seek alternative, lower-carbon protein alternatives. The Company attempts to mitigate this risk through its emission reduction strategies.

Maple Leaf Foods has conducted a physical climate risk assessment and climate scenario analysis, working with an independent third-party consultant, to better understand the climate-related risks and potential impacts to its livestock, assets, supply chain, and operations. This assessment focused on extreme temperatures, freeze-thaw (i.e., number of ice days), water stress and extreme wind and rainfall. These hazards were identified as most relevant to the business based on historical impacts, industry and academic reports and internal consultation with various internal functions, including operations, commodities management, sustainability, finance and risk management. Using global climate models, the Company identified the exposure of its assets, operations and supply chain to these hazards. Based on the results of this assessment, the main potential physical risks to the Company's business include:

- Extreme temperature days (over 30°C) are projected to increase across the Company's Canadian locations, particularly in Manitoba and Ontario, which have implications for processing and livestock health
- All regions in which the Company operates have medium to high risk of water stress due to temperature rise and increased drought risk, which can impact the availability of feed and water resources for sanitation
- All Canadian regions will experience a medium / high risk of extreme rain by 2030 under a 4°C scenario, which increases the risk of asset damage or operational disruptions
- The risk of freeze-thaw cycles impacting Maple Leaf Foods operations reduces over time in all Canadian regions due to overall temperature increase

Using this information, the Company has prioritized where it should focus its physical risk mitigation efforts. Current efforts to mitigate these risks include: diversifying its sourcing regions, maintaining temperature-controlled barns, maintaining contingency plans and protocols for extreme weather and transportation of livestock, insurance of assets and reducing water consumption as part of the Company's environmental footprint reduction goals. There is no guarantee that these risk mitigation efforts will be effective.

Strategic Risk Management

Successful identification and management of the strategic risks facing the Company from time to time is critical to the Company's success. Among other things, these risks include changes in technology, the food industry, customers, consumers, and competitors, including the impact of developments in other industries such as the pharmaceutical and weight-loss industries. As the Company invests in its branding advertising, and marketing strategies, there is no guarantee that such investments will be successful in generating the anticipated return on investment. Failure to properly adapt to changes in strategic risks could have a material adverse effect on the Company's financial condition and results of operations.

Return of Capital to Shareholders is Not Guaranteed

The Company has a history of maintaining a normal course issuer bid in place which it may use to re-purchase its shares for cancellation. However, in recent years, the Company has reduced such purchases, and there can be no assurance that the Company will continue with share repurchases. The Company also pays dividends and reviews its dividend policy at least annually. The payment of dividends is at the discretion of the Board of Directors and there can be no assurance that the Company will maintain or increase its dividend payments in the future. Failure to continue with share repurchases and/or failure to pay or increase dividends may have a material adverse effect on the Company's share price.

Trading Price Volatility

The Company's common shares trade on the Toronto Stock Exchange. The trading price of our shares in the open market is subject to volatility and cannot be predicted. Our shareholders may not be able to resell their shares at or above the price at which they purchased their shares due to such trading price fluctuations. The trading price could fluctuate significantly in response to factors both related and unrelated to our operating performance and/or future prospects, including, but not limited to our general economic conditions, changes in interest rates, inflation, the potential imposition of duties, tariffs or trade restrictions, results of public companies similar to the Company, the Company's dividend policy, share repurchase practices and other factors.

Business Acquisitions and Divestitures

The Company continues to review opportunities for strategic growth through acquisitions. Any acquisitions may involve large transactions or realignment of existing investments, and present financial, managerial and operational challenges, which, if not successfully overcome, may reduce the Company's profitability. These risks include: the diversion of Management's attention from existing core businesses; difficulties integrating or separating personnel, financial, and other systems; adverse effects on existing business relationships with suppliers and customers; inaccurate estimates of the rate of return on acquisitions or investments; inaccurate estimates of fair value made in the accounting for acquisitions and amortization of acquired intangible assets, which could reduce future reported earnings; potential loss of customers or key employees of acquired businesses; and indemnities and potential disputes with the buyers or sellers. Any of these items could materially adversely affect the Company's financial condition and results of operations.

The Company may, from time to time, determine that certain aspects of its operations are not required to be owned to support its core business operations and may seek to sell an operation if it believes it can realize sufficient value from its sale. Such a sale may divert Management's attention from existing core businesses during the sale process, create difficulties in separating personnel, financial, and other systems, and cause adverse effects on existing business relationships with suppliers and customers. Any of these items could materially adversely affect the Company's financial condition and result in a reduction of earnings beyond the earnings of any operation to be sold.

Pension Plan Assets and Liabilities

In the normal course of business, the Company provides post-retirement pension benefits to its employees under both defined contribution and defined benefit pension plan arrangements. The funded status of the plans significantly affects the net periodic benefit costs of the Company's pension plans and the ongoing funding requirements of those plans. Among other factors, changes in interest rates, mortality rates, early retirement rates, and the market value of plan assets can affect the level of plan funding required, increase the Company's future funding requirements, and cause volatility in the net periodic pension cost as well as the Company's financial results. Any increase in pension expense or funding requirements could have a material adverse impact on the Company's financial condition and results of operations.

Commodities and Hedging Strategies

The Company is a purchaser of, and its business is dependent on, certain commodities in the course of normal operations, such as feed grains, livestock, plant protein ingredients, and energy, such as oil-based fuel, natural gas, and electricity. Commodity prices are subject to fluctuation and such fluctuations are sometimes severe.

The Company may use commodity futures and options for hedging purposes to reduce the effect of changing prices in the short term, but such hedges may not be successful in mitigating this commodity price risk and may, in some circumstances, subject the Company to loss. On a longer-term basis, the Company attempts to manage the risk of increases in commodities and other input costs by increasing the prices it charges to its customers or switching to alternatives; however, no assurance can be given that customers will continue to purchase the Company's products if prices rise or that alternatives may be available or less costly. Any fluctuations in commodity prices that the Company is unable to properly hedge or mitigate could have a material adverse effect on the Company's financial condition and results of operations.

Poultry Supply Management

Under Canada's system of supply management, the Company's poultry operations are required to source substantially all live poultry for processing from Canadian farms which are collectively subject to restrictions on production under a quota system. Furthermore, the price at which the live poultry is available is also controlled. Any lack of balance between the supply management quotas, available processing capacity and the demand for meat, may adversely impact the performance of the Company's poultry business and as a consequence, the Company's overall performance. It is also possible that the supply management system could limit the future availability of live poultry for processing impeding the Company's growth in the market or could create a circumstance where excesses impact the price of poultry meat without a corresponding adjustment to the controlled live poultry price. Furthermore, any dismantling of the supply management system could have negative effect on individual producers and disrupt the availability of live poultry in Canada. In that event, the Company may not be able to find alternative sources of live supply which could have a material adverse effect on the Company's financial condition and results of operations.

Legal Matters

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, intellectual property, product quality and safety, marketing and labeling of products, environmental matters (including those relating to greenwashing) 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 and that ruling has been upheld by the Ontario Court of Appeal. Subsequent to year end, the plaintiffs sought leave to appeal the Ontario Court of Appeal's latest ruling to the Supreme Court of Canada. 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 authorize a separate class action making allegations related to meat pricing in Quebec, which application was dismissed in late 2025. 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.

The Company maintains typical insurance coverages for a company of its size and nature. As a result, insurance coverage may be available for some claims. However, in some circumstances, legal claims may not be covered by insurance or the insurance coverage may not be sufficient to cover the claimed losses. Further, even if an action is settled within insurance limits, this can result in increases to the Company's insurance premiums or adversely affect its ability to secure insurance coverage.

Legal liability risks may also increase depending on the jurisdiction. For example, the United States tends to be a more litigious environment and more unpredictable in terms of damages awards compared to Canada. As the Company looks to expand its sales in the United States, it may be exposed to increased litigation risk. Further, there is an increasing trend for customers to try to impose broad contractual indemnification obligations on suppliers like the Company. The Company seeks to mitigate this risk by negotiating more reasonable contractual terms, including limitations on liability. However, it is not always successful in negotiating such commercially reasonable terms, in which case it is faced with a decision to accept the increased liability exposure or to lose the business, either of which could materially adversely affect the Company's financial condition and results of operations.

Reliance on Other Manufacturers

The Company relies on contract manufacturers for production of some of its products for reasons such as, seasonal peak demand, unavailability of specialized equipment, or efficiency in the case of low volume product lines. Failure by suppliers and providers to deliver goods and services essential to the Company's operations could have a material adverse effect on the Company, its operations and financial results. Acceptable contract manufacturers may not always be available which could result in higher production costs, additional capital requirements or lost sales. While the Company maintains a strict quality and food safety protocol and monitoring regime, any deficiencies could result in product liability, recalls or other consequence that could negatively impact the Company's reputation and could have a material adverse effect on the Company's financial condition and results of operations.

Regulation

The Company's operations are subject to extensive regulation by government agencies in the countries in which it operates, including: the Canadian Food Inspection Agency, Health Canada, Environment and Climate Change Canada, and provincial governments in Canada; and the United States Food and Drug Administration, the United States Department of Agriculture and the U.S. Health Department in the U.S. These agencies regulate the processing, packaging, storage, distribution, exporting, advertising, and labeling of the Company's products, including food safety standards. In addition, they regulate animal welfare and transportation. The Company's manufacturing facilities and products are subject to inspection by federal, provincial, and local authorities. The Company is also subject to labelling, advertising and marketing laws in all jurisdictions in which it sells products which vary from jurisdiction to jurisdiction.

The Company maintains robust internal compliance programs to ensure adherence to all laws and regulations and to maintain all permits and licenses relating to its operations and exports. Nevertheless, given the complexity and evolution of the regulatory landscape, there can be no full assurance that the Company is in compliance with all such laws and regulations and has all necessary permits and licenses at all given times or that the Company will be able to comply with such laws and regulations, permits, and licenses in the future. Failure by the Company to comply with applicable laws, regulations, permits, and licenses could subject the Company to civil remedies, including lawsuits, fines, injunctions, recalls or seizures, as well as potential criminal sanctions, which could have a material adverse effect on the Company's reputation, financial condition, and results of operations.

The regulatory environment in Canada and abroad regularly evolves, exposing the Company to risks associated with monitoring and maintaining compliance. Governments regularly consider regulatory proposals relating to food safety, food labelling, packaging and recycling, novel foods, drug residues, and food ingredients. If adopted, these could increase the Company's costs or expose the

Company to increased liability exposure. To mitigate against this, the Company maintains an internal government and regulatory affairs program that monitors developments in Canada and key markets.

As new regulations are enacted or as changes occur in the interpretation, implementation or enforcement of any existing regulations, the Company could experience increased operating costs, additional compliance costs, and challenges to claims, labeling and marketing. The Company may be unable to pass on the cost increases associated with such increased regulatory burden to its customers without incurring volume loss as a result of higher prices. Any of these events could have a material adverse effect on the Company's financial condition and results of operations.

Foreign Currencies

A portion of the Company's revenues and costs are either denominated in, or directly linked to, other currencies (primarily U.S. dollars). In periods when the Canadian dollar has appreciated both rapidly and materially against the U.S. dollar, revenues linked to same are immediately reduced, while the Company's ability to change prices or realize natural hedges may lag the immediate currency change. The effect of such sudden changes in exchange rates can have a significant immediate impact on the Company's earnings. Due to the diversity of the Company's operations, normal fluctuations in other currencies do not generally have a material impact on the Company's profitability in the short term due to either natural hedges and offsetting currency exposures (for example, when revenues and costs are both linked to other currencies) or the ability in the near term to change prices of its products to offset adverse currency movements. However, as the Company competes in international markets, and faces competition in its domestic markets from U.S. competitors, significant changes in the Canadian to U.S. dollar exchange rate can have, and have had, significant effects on the Company's relative competitiveness in its domestic and international markets, as well as on its financial condition and results of operations.

Consumer Trends

Success of the Company depends in part on the Company's ability to respond to market trends and produce innovative products that anticipate and respond to the changing tastes and dietary habits of consumers. From time-to-time certain products can be deemed to be more or less healthy, and this can impact consumer buying patterns. The Company's failure to anticipate, identify, or react to these changes or to innovate with new products that appeal to consumer preferences could result in declining demand and prices for the Company's products. Consumers may be affected by a variety of economic factors, such as employment rates, interest rates, tariffs, taxes and/or inflationary pressures, which impact their buying patterns. For example, in high inflation times, consumers may trade down to lower cost products, including shifting from branded products to private label which may put pressure on the Company's sales, volume and mix. These factors could have a material adverse effect on the Company's financial condition and results of operations.

Environmental Regulation and Risks

The Company's operations are subject to extensive environmental laws and regulations pertaining to the discharge of materials into the environment (including GHGs) and the handling and disposition of wastes (including solid and hazardous wastes) or otherwise relating to protection of the environment. Failure to comply could have serious consequences, such as criminal as well as civil penalties, liability for damages, and negative publicity for the Company. No assurances can be given that additional environmental issues relating to presently known matters or identified sites or to other matters or sites will not require additional expenditures, or that requirements applicable to the Company or levies or taxes assessed against the Company will not be altered in ways that will require the Company to incur significant additional costs. In addition, certain facilities of the Company have been in operation for many years and, over time, the Company and other prior operators of such facilities may have generated and disposed of waste which is or may be considered to be hazardous. Future discovery of previously unknown contamination of property underlying or in the vicinity of the Company's present or former properties or manufacturing facilities and/or waste disposal sites could require the Company to incur material unforeseen expenses. Occurrences of any such events could have a material adverse effect on the Company's financial condition and results of operations.

Consolidating Customer Environment

Continued consolidation within the retail industry, including among supermarkets, warehouse clubs and food distributors, has resulted in an increasingly concentrated retail base and increased the Company's exposure to loss of certain customers. These consolidations have produced large, sophisticated customers with increased buying power who are more capable of operating with reduced inventories, opposing price increases, and demanding lower pricing, increased promotional programs and specifically tailored products. These customers also may use shelf space currently used for the Company's products for their own private label products. Because of these trends, the Company's volume growth could slow or it may need to lower prices or increase promotional spending for its products, any of which could adversely affect financial results. Additionally, these large customers may demand more favorable terms that may expose the Company to greater risks, including uncapped indemnification and no limitation of liability provisions. Such terms may obligate the Company to pay significant amounts in connection with potential losses arising from claims and related legal proceedings, and any such claims could also affect the Company's reputation and relationship with customers.

The Company generally does not have long-term sales agreements or other contractual assurances as to future sales to customers, including these major customers. The Company's business could be materially adversely affected and suffer significant decreases in sales and operating profit from the loss of one or more of its larger customers or if its larger customers' plans, markets, and/or financial condition should change significantly. For example, if its customers cannot access sufficient funds or financing, then they may delay,

decrease, or cancel purchases of the Company's products, or delay or fail to pay for previous purchases. The loss of a significant customer or a material reduction in sales to, or adverse change to trade terms with, a significant customer could materially and adversely affect the Company's product sales, financial condition and results of operations.

Seasonality and Changes in Promotional Activities

The Company experiences fluctuations in quarterly results due to seasonal features of its business. For example, raw material input costs and consumer purchasing patterns are impacted by seasonal factors, including weather and holidays. As a result, seasonality could cause results of operations for an interim financial period to fluctuate and not be indicative of full-year results. Failure to effectively manage inventories, promotional activities and business results to take into account this seasonality, could adversely affect the Company's overall performance and results of operations.

Unpredictable Catastrophic Events

Catastrophes can be caused by various natural and unnatural events including hurricanes, windstorms, earthquakes, hailstorms, explosions, severe winter weather, fires, regional or global pandemics, hostilities, terrorist acts, riots, crashes and derailments. The incidence and severity of catastrophes are inherently unpredictable. The frequency and intensity of natural catastrophic events may continue to increase as a result of climate change and other factors. The Company's financial condition and results of operations could be materially adversely affected and it may experience an abrupt interruption of activities caused by unforeseeable and/or catastrophic events. The Company's operations may be subject to losses resulting from such disruptions including with respect to property, financial assets, trading positions and key personnel. If its business continuity plans cannot be put into action or do not take such events into account, losses may further increase. See "Climate Change" above and "Weather" below.

Weather

Weather conditions and changes in climate and other long-term trends may have a material effect on the availability and prices of the commodities the Company uses. Adverse weather conditions can also impact crop health which has implications for the quality, cost for the inputs for the Company's plant protein products, as well as animal feed in its meat business. Weather conditions, including extreme heat and extreme cold, can also pose safety concerns for workers and animals which can affect the Company's operations. In addition, weather conditions may also influence the Company's ability to complete capital projects on time, potentially resulting in delays and increasing costs of such capital projects.

Employees, Contractors and Labour Relations

The Company and its subsidiaries have approximately 9,600 full-time and part-time employees, which include salaried and union employees, many of whom are covered by collective agreements. The Company's success is dependent on its ability to recruit and retain employees. Insufficient supply of qualified personnel and/or high turnover adversely impacts operations, and may reduce output and result in the Company being unable to fill customer orders. The Company's employees are located in various jurisdictions, each such jurisdiction having differing employment laws. While the Company maintains systems and procedures to comply with the applicable requirements, there is a risk that failures or lapses by individual managers could result in a violation or cause of action that could have a material adverse effect on the Company's financial condition and results of operations. Furthermore, if a collective agreement covering a significant number of employees or involving certain key employees were to expire or otherwise cease to have effect leading to a work stoppage, there can be no assurance that such work stoppage would not have a material adverse effect on the Company's financial condition and results of operations. For example, the Company is engaged in ongoing collective bargaining at certain facilities. Any labour disruption, including a strike, lockout or protracted work stoppage, could materially disrupt production, delay product shipments, increase labour costs and reduce revenues or have a material adverse effect on the Company.

The loss of one or more key personnel could have a material adverse effect on the Company's financial condition and results of operations. The Company may fill some vacancies with foreign workers through international programs which has the potential to raise human rights considerations and could also expose the Company to vulnerabilities as a result of changes in immigration laws and policies. The Company takes a variety of steps to ensure human rights are protected and respected through its recruitment processes, including only utilizing certified recruiting firms. Tight labour markets may impact the Company's ability to attract and retain talent, and adapt to employee work preferences may continue to be a challenge into the future.

Health and Safety

Maintaining a healthy and safe workforce is critical to the success of the Company. It maintains a rigorous system to maintain a safe and injury free workplace. However, there is no guarantee that these systems will prevent incidents from occurring which could have implications for the operating results. As well, there are risks to the Company created by widespread health pandemics. These threats include: maintaining the health and welfare of the workforce, the ability to bring in foreign workers which are a critical part of the overall workforce as a result of restrictions to prevent the spread of pandemics, and higher costs associated with protective measures necessary to maintain worker safety and the safety of overall operations of the Company. In instances of community spread of a pandemic, it is increasingly difficult for the Company to maintain a healthy workplace which could require extraordinary measures to be taken to mitigate the risk of spread at the workplace and the potential for operations to be suspended. Failure to maintain a safe and healthy workplace could have a material adverse effect on the financial condition and results of operations of the Company.

24. CRITICAL ACCOUNTING ESTIMATES

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 financial 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. 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, 9, 10, 11, 13, 14, 20, and 24 of the Consolidated Financial Statements.

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 (refer to Note 28 of the Consolidated Financial Statements).

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.

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. The Company also exercises significant judgement over whether an equity investment is an investment in

associate and whether or not the Company has control over the associate. In determining whether the Company has retained control, it evaluates whether it has the power over the relevant activities, exposure or rights to variable returns, and the ability to use its power to affect those returns. An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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.

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 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.

25. CHANGE IN ACCOUNTING POLICIES

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.

26. DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management, under the direction and supervision of the Company's Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining disclosure controls and procedures. These controls and procedures are designed to provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, is accumulated and communicated to Management in a timely manner so that information required to be disclosed by the Company under securities legislation is recorded, processed, summarized and reported within the time periods specified in applicable securities legislation. Management, under the direction and supervision of the Company's Chief Executive Officer and Chief Financial Officer, is also responsible for establishing and maintaining internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

As required by National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings, the Company's Chief Executive Officer and Chief Financial Officer have evaluated, or caused to be evaluated under their supervision, the effectiveness of the Company's internal control over financial reporting and disclosure controls and procedures as at December 31, 2025 and have concluded that such controls and procedures are effective.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

There have been no changes in the Company's internal control over financial reporting that occurred during the period beginning on January 1, 2025, and ended on December 31, 2025, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

27. 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 Twelve Months 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 Financial Statements to Adjusted Operating Earnings, Adjusted EBITDA and Adjusted EBT for the years ended December 31, as indicated below. Management believes that these non-IFRS measures are useful in assessing the performance of the Company's ongoing operations and its ability to generate cash flows to fund its requirements.

	For the year ended December 31,		
	2025	2024 ⁽ⁱⁱ⁾	2023 ⁽ⁱⁱ⁾
(\$ millions) ⁽ⁱ⁾ (Unaudited)			
Earnings (loss) before income taxes	\$ 103.6	\$ (8.3)	\$ (116.0)
Interest expense and other financing costs	95.2	158.1	148.8
Other expense (income)	(30.2)	(4.1)	9.7
Impairment of intangible assets	85.0	—	—
Restructuring and other related costs	12.7	19.9	23.7
Equity loss (earnings) of associate	(0.9)	—	—
Earnings from operations	\$ 265.4	\$ 165.6	\$ 66.4
Start-up expenses from Construction Capital ⁽ⁱⁱⁱ⁾	3.3	20.6	122.3
Decrease (increase) in derivative contracts	1.6	(4.3)	5.0
Adjusted Operating Earnings	\$ 270.3	\$ 181.9	\$ 193.7
Depreciation and amortization ^(iv)	196.1	209.3	196.6
Items included in other income (expense) representative of ongoing operations ^(v)	9.3	1.5	(11.0)
Adjusted EBITDA	\$ 475.7	\$ 392.7	\$ 379.3
Adjusted EBITDA Margin	12.2%	10.8%	10.6%
Interest expense and other financing costs	(95.2)	(158.1)	(148.8)
Interest income	5.2	7.6	4.2
Depreciation and amortization	(196.1)	(209.3)	(196.6)
Adjusted EBT	\$ 189.6	\$ 33.0	\$ 38.0

⁽ⁱ⁾ Totals may not add due to rounding.

⁽ⁱⁱ⁾ Amounts for 2024 and 2023 have been restated to exclude discontinued operations related to the pork operations.

⁽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 including depreciation and other temporary expenses required to ramp-up production.

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

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

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 earnings per basic share and is adjusted on the same basis as Adjusted Operating Earnings. The table below provides a reconciliation of earnings per basic share as reported under IFRS in the Consolidated Financial Statements to Adjusted Earnings per Share for the years ended December 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 December 31,			Twelve months ended December 31,		
	2025	2024	2023	2025	2024	2023
Earnings (loss) per basic share from continuing operations	\$ (0.28)	\$ 0.05	\$ (0.19)	\$ 0.35	\$ (0.10)	\$ (0.82)
Impairment of intangible assets	0.72	—	—	0.72	—	—
Restructuring and other related costs ⁽ⁱ⁾	0.04	0.07	—	0.08	0.12	0.14
Items included in other expense (income) not considered representative of ongoing operations ⁽ⁱⁱ⁾	(0.17)	0.05	—	(0.09)	0.03	0.02
Start-up expenses from Construction Capital ⁽ⁱⁱⁱ⁾	—	0.01	0.18	0.02	0.12	0.75
Change in unrealized and deferred loss (gain) on derivative contracts	0.01	(0.01)	0.02	0.01	(0.03)	0.03
Adjusted Earnings per Share^(iv)	\$ 0.32	\$ 0.18	\$ 0.01	\$ 1.09	\$ 0.15	\$ 0.12

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

⁽ⁱⁱ⁾ Primarily includes legal fees, vacancy costs on investment property, settlement gain on purchased buy-out annuities, spin-off transaction related costs and costs associated with "Fuel for Growth", 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.

Net Debt

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

(\$ thousands) (Unaudited)	As at December 31,		
	2025	2024	2023
Cash and cash equivalents	\$ 143,409	\$ 175,908	\$ 203,363
Current portion of long-term debt	\$ (2,096)	\$ (301,478)	\$ (400,735)
Long-term debt	(1,136,493)	(1,390,479)	(1,550,080)
Total debt	\$(1,138,589)	\$(1,691,957)	\$(1,950,815)
Net Debt	\$ (995,180)	\$(1,516,049)	\$(1,747,452)
Adjusted EBITDA⁽ⁱ⁾	\$ 475,715	\$ 553,224	\$ 427,588
Net Debt to Trailing Twelve Months Adjusted EBITDA	2.1	2.7	4.1

⁽ⁱ⁾ 2025 Adjusted EBITDA is from continuing operations and 2024 and 2023 are presented as originally stated.

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 December 31,		
	2025	2024	2023
Cash provided by operating activities	\$ 113,605	\$ 155,904	\$ 83,012
Maintenance Capital ⁽ⁱ⁾	(43,531)	(25,862)	(19,235)
Interest paid and capitalized related to Maintenance Capital	(254)	(260)	(377)
Free Cash Flow	\$ 69,820	\$ 129,782	\$ 63,400

(\$ thousands) (Unaudited)	Twelve months ended December 31,		
	2025	2024	2023
Cash provided by operating activities	\$ 435,455	\$ 464,920	\$ 176,883
Maintenance Capital ⁽ⁱ⁾	(116,138)	(78,571)	(86,602)
Interest paid and capitalized related to Maintenance Capital	(936)	(1,007)	(1,267)
Free Cash Flow	\$ 318,381	\$ 385,342	\$ 89,014

⁽ⁱ⁾ Maintenance Capital is defined as non-discretionary investment required to maintain the Company's existing operations and competitive position. Total capital spending of \$125.3 million (2024: \$95.5 million, 2023: \$198.2 million) shown on the Consolidated Statements of Cash Flows is made up of Maintenance Capital of \$116.1 million (2024: \$78.6 million, 2023: \$86.6 million), and Growth Capital of \$9.2 million (2024: \$16.9 million, 2023: \$111.6 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.

For the three months ended December 31, total capital spending of \$48.4 million (2024: \$29.2 million, 2023: \$41.8 million) is made up of Maintenance Capital of \$43.5 million (2024: \$25.9 million, 2023: \$19.2 million), and Growth Capital of \$4.9 million (2024: \$3.3 million, 2023: \$22.6 million).

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, investments, 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.

Quarterly Non-IFRS Financial Measures

	Three months ended December 31,		Three months ended September 30,		Three months ended June 30,		Three months ended March 31,	
(\$ millions) ⁽ⁱ⁾⁽ⁱⁱ⁾ (Unaudited)	2025	2024	2025	2024	2025	2024	2025	2024
Earnings (loss) before income taxes	\$ (9.9)	\$ 8.5	\$ 35.0	\$ (0.9)	\$ 54.1	\$ (3.1)	\$ 24.3	\$ (12.8)
Interest expense and other financing costs	17.6	34.6	24.0	39.9	25.1	42.4	28.5	41.2
Other expense (income)	(33.2)	(2.0)	0.3	3.0	5.9	(5.6)	(3.3)	0.5
Impairment of intangible assets	85.0	—	—	—	—	—	—	—
Restructuring and other related costs	6.5	12.4	2.0	1.4	2.7	6.9	1.5	(0.7)
Equity loss (earnings) of associate	(0.9)	—	—	—	—	—	—	—
Earnings from operations	\$ 65.2	\$ 53.4	\$ 61.3	\$ 43.4	\$ 87.8	\$ 40.6	\$ 51.1	\$ 28.2
Start-up expenses from Construction Capital ⁽ⁱⁱⁱ⁾	0.4	0.9	0.7	3.9	0.8	4.4	1.4	11.4
(Increase) decrease in derivative contracts	1.6	(1.5)	0.4	(7.0)	(5.0)	9.5	4.6	(5.3)
Adjusted Operating Earnings	\$ 67.2	\$ 52.8	\$ 62.4	\$ 40.4	\$ 83.6	\$ 54.4	\$ 57.0	\$ 34.3
Depreciation and amortization ^(iv)	48.2	50.7	48.6	55.6	49.2	50.8	50.1	52.2
Items included in other income (expense) representative of ongoing operations ^(v)	1.9	4.8	0.7	(2.2)	(2.0)	0.1	8.7	(1.2)
Adjusted EBITDA	\$ 117.3	\$ 108.3	\$ 111.7	\$ 93.8	\$ 130.8	\$ 105.3	\$ 115.8	\$ 85.3
Adjusted EBITDA Margin	11.8 %	11.8 %	11.1 %	10.0 %	13.0 %	11.3 %	12.8 %	10.0 %
Interest expense and other financing costs	(17.6)	(34.6)	(24.0)	(39.9)	(25.1)	(42.4)	(28.5)	(41.2)
Interest income	3.0	4.8	0.8	1.0	0.6	0.8	0.7	1.0
Depreciation and amortization	(48.2)	(50.7)	(48.6)	(55.6)	(49.2)	(50.8)	(50.1)	(52.2)
Adjusted EBT	\$ 54.6	\$ 27.8	\$ 40.0	\$ (0.8)	\$ 57.2	\$ 13.0	\$ 37.9	\$ (7.1)

⁽ⁱ⁾ Totals may not add due to rounding.

⁽ⁱⁱ⁾ Quarterly amounts for 2025 and 2024 have been restated to exclude discontinued operations related to the pork operations.

⁽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 including depreciation and other temporary expenses required to ramp-up production.

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

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

28. FOURTH QUARTER FINANCIAL STATEMENTS

Consolidated Statements of Earnings

(In thousands of Canadian dollars, except share amounts)	Three months ended December 31,		Twelve months ended December 31,	
	2025	2024 ⁽ⁱ⁾	2025	2024 ⁽ⁱ⁾
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Sales	\$ 991,242	\$ 917,050	\$ 3,912,665	\$ 3,633,404
Cost of goods sold	832,827	773,589	3,249,899	3,076,055
Gross profit	\$ 158,415	\$ 143,461	\$ 662,766	\$ 557,349
Selling, general and administrative expenses	93,226	90,049	397,383	391,733
Earnings before the following:	\$ 65,189	\$ 53,412	\$ 265,383	\$ 165,616
Restructuring and other related costs	6,503	12,356	12,713	19,922
Other expense (income)	(33,180)	(1,990)	(30,212)	(4,133)
Impairment of intangible assets	85,000	—	85,000	—
Equity loss (earnings) of associate	(888)	—	(888)	—
Earnings before interest and income taxes	\$ 7,754	\$ 43,046	\$ 198,770	\$ 149,827
Interest expense and other financing costs	17,610	34,594	95,191	158,124
Earnings (loss) before income taxes	\$ (9,856)	\$ 8,452	\$ 103,579	\$ (8,297)
Income tax expense	24,555	2,020	59,634	3,570
Earnings (loss) from continuing operations	\$ (34,411)	\$ 6,432	\$ 43,945	\$ (11,867)
Earnings from discontinued operations	425,644	47,104	497,685	108,466
Earnings	\$ 391,233	\$ 53,536	\$ 541,630	\$ 96,599
Earnings (loss) per share attributable to common shareholders:				
Basic earnings per share	\$ 3.14	\$ 0.43	\$ 4.36	\$ 0.79
Diluted earnings per share	\$ 3.06	\$ 0.43	\$ 4.25	\$ 0.78
Basic earnings (loss) per share from continuing operations	\$ (0.28)	\$ 0.05	\$ 0.35	\$ (0.10)
Diluted earnings (loss) per share from continuing operations	\$ (0.28)	\$ 0.05	\$ 0.34	\$ (0.10)
Weighted average number of shares (millions):				
Basic	124.6	123.5	124.2	123.0
Diluted	128.0	124.6	127.4	124.3

⁽ⁱ⁾ 2024 amounts have been restated to exclude discontinued operations related to the pork operations.

Consolidated Statements of Other Comprehensive Income (Loss)

(In thousands of Canadian dollars)	Three months ended December 31, Twelve months ended December 31,			
	2025	2024 ⁽ⁱ⁾	2025	2024 ⁽ⁱ⁾
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Earnings	\$ 391,233	\$ 53,536	\$ 541,630	\$ 96,599
Other comprehensive (loss) income				
Actuarial gain (loss) that will not be reclassified to profit or loss (Net of tax of \$1.6 million and \$0.1 million; 2024: \$2.4 million and \$0.6 million)	\$ (4,248)	\$ (6,885)	\$ (378)	\$ 1,908
Change in revaluation surplus (Net of tax of \$1.2 million and \$1.2 million; 2024: \$0.0 million and \$0.0 million)	3,263	—	3,263	—
Share of other comprehensive income of associates (Net of tax of \$0.0 million and \$0.0 million; 2024: \$0.0 million and \$0.0 million)	115	—	115	—
Total items that will not be reclassified to profit or loss	\$ (870)	\$ (6,885)	\$ 3,000	\$ 1,908
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 and \$0.0 million; 2024: \$0.0 million and \$0.0 million)	\$ —	\$ (4,082)	\$ (3,371)	\$ (4,082)
Change in accumulated foreign currency translation adjustment (Net of tax of \$0.0 million and \$0.0 million; 2024: \$0.0 million and \$0.0 million)	(4,711)	23,080	(17,686)	30,392
Change in foreign exchange on long-term debt designated as a net investment hedge (Net of tax of \$0.5 million and \$2.3 million; 2024: \$3.3 million and \$4.5 million)	3,244	(17,885)	12,658	(24,237)
Change in cash flow hedges (Net of tax of \$0.2 million and \$0.4 million; 2024: \$0.1 million and \$0.2 million)	627	(47)	(1,247)	(3,763)
Share of other comprehensive income of associates (Net of tax of \$0.0 million and \$0.0 million; 2024: \$0.0 million and \$0.0 million)	40	—	40	—
Total items that are or may be reclassified subsequently to profit or loss	\$ (800)	\$ 1,066	\$ (9,606)	\$ (1,690)
Other comprehensive (loss) income from continuing operations	\$ (1,670)	\$ (5,819)	\$ (6,606)	\$ 218
Other comprehensive (loss) income from discontinued operations ⁽ⁱ⁾ (Net of tax of \$0.0 million and \$0.1 million; 2024: \$0.5 million and \$0.7 million)	(4)	(1,599)	625	(2,145)
Total other comprehensive loss	\$ (1,674)	\$ (7,418)	\$ (5,981)	\$ (1,927)
Comprehensive income	\$ 389,559	\$ 46,118	\$ 535,649	\$ 94,672

⁽ⁱ⁾ 2024 amounts have been restated to exclude discontinued operations related to the pork operations.

Consolidated Statements of Cash Flows

(In thousands of Canadian dollars)	Three months ended December 31,		Twelve months ended December 31,	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Audited)	(Audited)
CASH PROVIDED BY (USED IN):				
Operating activities				
Earnings	\$ 391,233	\$ 53,536	\$ 541,630	\$ 96,599
Add (deduct) items not affecting cash:				
Change in fair value of biological assets	—	(43,210)	(3,440)	(63,582)
Depreciation and amortization	48,187	64,883	234,926	265,173
Share-based compensation	5,215	4,296	23,419	21,910
Deferred income tax (recovery) expense	2,291	17,738	(37,577)	30,651
Current income tax expense	22,264	3,097	127,714	13,619
Interest expense and other financing costs	17,610	35,793	98,486	162,600
Gain on sale of long-term assets	(3,169)	(6,466)	(14,305)	(9,299)
Impairments	85,104	538	87,261	667
Change in fair value of long-term assets	5,932	10,707	5,932	5,669
Gain on buy-out of pension annuities	(35,530)	—	(35,530)	—
Gain on disposal of Canada Packers	(428,879)	—	(428,879)	—
Equity earnings of associate	(888)	—	(888)	—
Change in net pension obligation	(1,523)	1,953	1,164	5,063
Net income taxes (paid) refunded	3,595	31,197	(2,890)	75,712
Interest paid, net of capitalized interest	(17,979)	(34,926)	(97,337)	(148,925)
Change in provision for restructuring and other related costs	3,720	8,025	(5,226)	6,570
Change in derivatives margin	(797)	(2,764)	856	2,235
Cash settlement of derivatives	—	2,878	—	—
Other	926	(10,512)	(10,150)	(6,499)
Change in non-cash operating working capital	16,293	19,141	(49,711)	6,757
Cash provided by operating activities	\$ 113,605	\$ 155,904	\$ 435,455	\$ 464,920
Investing activities				
Additions to long-term assets	\$ (48,443)	\$ (29,205)	\$ (125,296)	\$ (95,489)
Interest paid and capitalized	(279)	(289)	(1,008)	(1,128)
Proceeds from sale of long-term assets	5,612	8,433	21,616	14,081
Dividends from associate	1,094	—	1,094	—
Other	(16,056)	—	(16,056)	—
Cash used in investing activities	\$ (58,072)	\$ (21,061)	\$ (119,650)	\$ (82,536)
Financing activities				
Dividends paid	\$ (96,511)	\$ (21,803)	\$ (177,789)	\$ (86,679)
Net decrease in long-term debt	27,740	(110,893)	(102,593)	(290,981)
Payment of lease obligation	(3,463)	(8,026)	(28,336)	(32,353)
Exercise of stock options	939	—	27,178	2,498
Purchase of treasury shares	(4,948)	—	(9,042)	—
Payment of financing fees	(5,958)	—	(6,506)	(2,324)
Repurchase of shares	(10,002)	—	(18,938)	—
Disposal of pork operations	(32,278)	—	(32,278)	—
Cash used in financing activities	\$ (124,481)	\$ (140,722)	\$ (348,304)	\$ (409,839)
Decrease in cash and cash equivalents	\$ (68,948)	\$ (5,879)	\$ (32,499)	\$ (27,455)
Cash and cash equivalents, beginning of period	212,357	181,787	175,908	203,363
Cash and cash equivalents, end of period	\$ 143,409	\$ 175,908	\$ 143,409	\$ 175,908

29. FORWARD-LOOKING STATEMENTS

This document contains, and the Company's oral and written public communications often contain, "forward-looking information" within the meaning of applicable securities law. These statements are based on current expectations, estimates, projections, beliefs, judgments and assumptions based on information available at the time the applicable forward-looking statement was made and in light of the Company's experience combined with its perception of historical trends. Such statements include, but are not limited to, statements with respect to objectives and goals, in addition to statements with respect to beliefs, plans, targets, goals, objectives, expectations, anticipations, estimates, and intentions. Often, but not always, 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", or positive or negative variations of such words 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.

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

- expected operational and financial performance of the Company's business in Poultry and Prepared Foods following the spin-off of its pork operations (the "Spin-Off"), including the post separation business structure, processes and dynamics, the operationalization of the transaction agreements entered into between the Company and Canada Packers Inc. ("Canada Packers");
- the degree of dependence on Canada Packers as its primary supplier of pork for its Prepared Foods operations;
- the Company's ability to realize the anticipated benefits and efficiencies from the Spin-Off;
- the Company's ability to manage increased business concentration and reduced diversification;
- the timing and impact of operational restructuring and cost-reduction initiatives;
- the Company's ability to pursue a disciplined, investor focused approach to capital allocation while driving mid-single digit revenue growth and continued Adjusted EBITDA margin expansion;
- the Company's fiscal 2026 outlook, including its expected outlook for Sales, Adjusted EBITDA, the Company's balance sheet, Net Debt to Trailing Twelve Months Adjusted EBITDA, capital investments and dividend growth and the anticipated drivers thereof;
- expectations 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, labour markets, and inflationary pressures (including the Company's ability to price for inflation);
- the 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, innovation, category performance, capital allocation decisions (including investment in share repurchases under a NCIB or other returns of capital) and investment in 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 animal disease;
- competitive conditions and the Company's ability to position itself competitively in the markets in which it competes;
- potential capital projects, including planning, construction, estimated expenditures, schedules, approvals, and the anticipated benefits thereof;
- 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 expected 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:

- the benefits and impacts of the Spin-Off being realized, including the projected risks, costs, dis-synergies, and tax consequences;
- 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;
- the ability of Canada Packers to meet the Company's demand for pork for its Prepared Foods operations, including pork that meets the Company's sustainability requirements and claims;
- expectations regarding the adaptations in operations, supply chain, customer and consumer behaviour, economic patterns, 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, implications of tariffs, interest rates, tax rates and exchange rates;
- 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;
- geopolitical conditions 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 extent of potential outbreaks and/or spread of animal disease 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.

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 delivering the anticipated long-term strategic and financial advantages for the Company, and the degree to which benefits are realized or not and the timing to realize those benefits, including the implications on the Company's financial condition, results of operations and cash flows;
- continued exposure to risks associated with the pork operations business and inability of Canada Packers to supply the Company with an adequate volume of pork to support its Prepared Foods operations, particularly pork that meets its sustainability and product claim requirements;

- 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;
- potential structural changes in global market and economic conditions which may have implications for the operations and financial performance of the Company, as well the ongoing implications for macro socio-economic trends, trade instability and global tensions;
- 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
- developments in international trade and access to markets and supplies, as well as social, political and economic dynamics, including global conflicts;
- competition, market conditions, and the activities of competitors, customers and consumers, including the expansion or contraction of key categories, inflationary pressures and the Company's ability to secure pricing and appeal to evolving consumer trends;
- pricing of products;
- cybersecurity and maintenance and operation of the Company's information systems, policies, 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;
- geopolitical instability;
- the Company's inability to successfully and efficiently adjust operations to account for consolidated production;
- 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;
- the health status of livestock, including the impact of potential pandemics;
- successful management of the Company's supply chain;
- cost savings and efficiency gains;
- operating performance, including manufacturing operating levels, fill rates and penalties;
- availability and quality of ingredients, including plant protein ingredients;
- availability of and access to capital, and compliance with credit facility covenants;
- fluctuations in the debt and equity markets;
- food safety, consumer liability and product recalls;
- reputation and public opinion;
- intellectual property, including product innovation, product development, brand strategy and trademark protection;
- the execution of capital projects and deployment of maintenance capital;
- climate change, climate regulation and the Company's sustainability performance;
- strategic risk management;
- decisions respecting the return of capital to shareholders;
- share trading price volatility;
- acquisitions and divestitures;
- pension plan assets and liabilities;
- the effectiveness of commodity and interest rate hedging strategies;
- impact of changes in the market value of hedging instruments;
- the supply management system for poultry in Canada;
- actual and threatened legal claims;
- the use of contract manufacturers;
- compliance with government regulation and adapting to changes in laws;
- fluctuations in interest rates and currency exchange rates;
- consumer trends and changes in consumer tastes and buying patterns;
- environmental regulation and potential environmental liabilities;

- consolidation in the retail environment;
- consolidation of operations and focus on protein
- seasonality and changes in promotional activities;
- unpredictable catastrophic events;
- weather;
- 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;
- workplace health and safety; and
- changes in International Financial Reporting Standards and other accounting standards that the Company is required to adhere to for regulatory purposes.

Readers are further cautioned that some of the forward-looking information, such as statements concerning future capital expenditures, revenue growth expectations, Adjusted EBITDA expectations, Adjusted EBITDA Margin expansion, and expected leverage ratios, and the Company's ability to achieve its financial targets or projections may be considered to be financial outlook for purposes of applicable securities legislation. Our financial outlook is 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 that the Company's financial outlook will be achieved.

Many factors could cause our actual results, performance, achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements herein, including, without limitation, the factors found under the heading "Risk Factors" in this MD&A. The reader should review such section in detail. Additional information concerning the Company, including the Company's Annual Information Form for the year ended December 31, 2025, is available under the Company's profile on the System for Electronic Data Analysis and Retrieval ("SEDAR+") at www.sedarplus.ca.

The Company cautions that the foregoing list of risk factors and uncertainties is not exhaustive and other factors could also adversely affect its results. The Company operates in a highly competitive and rapidly changing environment in which new risks often emerge. It is not possible for management to predict all risks, nor assess the impact of all risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Readers are urged to consider the risks, uncertainties and assumptions carefully in evaluating the forward-looking information and are cautioned not to place undue reliance on such information. The forward-looking information contained in this document represents management's expectations as of the date of this document (or as of the date they are otherwise stated to be made) and are subject to change after such date. Maple Leaf disclaims any intention, obligation or undertaking to update or revise any forward-looking information, whether written or oral, as a result of new information, future events or otherwise, except as required under applicable securities laws.