



CANADA PACKERS INC.

Condensed Consolidated Interim Financial Statements

For the Third Quarter Ended

September 30, 2025

Condensed Consolidated Interim Financial Statements

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Condensed Consolidated Interim Balance Sheets

(In thousands of Canadian dollars)
(Unaudited)

	Notes	As at September 30, 2025	As at September 30, 2024	As at December 31, 2024
ASSETS				
Cash	13	\$ 54,328	\$ 14,998	\$ 18,777
Accounts receivable	4	112,856	73,992	82,141
Inventories	5	89,326	101,765	99,333
Biological assets	6	155,165	114,662	158,903
Prepaid expenses and other assets		6,135	5,454	11,557
Total current assets		\$ 417,810	\$ 310,871	\$ 370,711
Property and equipment		319,325	328,539	317,406
Right-of-use assets		81,328	80,209	83,982
Investment property		6,900	—	6,900
Other long-term assets		5,015	4,996	4,971
Intangible assets		892	906	840
Goodwill	2	90,000	—	—
Total long-term assets		\$ 503,460	\$ 414,650	\$ 414,099
Total assets		\$ 921,270	\$ 725,521	\$ 784,810
LIABILITIES AND SHAREHOLDER'S EQUITY or NET PARENT INVESTMENT				
Accounts payable and accruals		\$ 113,245	\$ 95,934	\$ 83,853
Current portion of lease obligations		23,113	19,519	20,844
Income taxes payable		932	753	1,358
Related party loan	12	18,000	—	—
Other current liabilities		864	1,845	6,568
Total current liabilities		\$ 156,154	\$ 118,051	\$ 112,623
Lease obligations		62,311	63,640	66,462
Employee benefits		1,856	—	—
Long-term debt	13	768	859	900
Deferred tax liability		27,247	34,729	41,758
Total long-term liabilities		\$ 92,182	\$ 99,228	\$ 109,120
Total liabilities		\$ 248,336	\$ 217,279	\$ 221,743
Shareholder's equity or net parent investment				
Share capital	8, 9, 13	\$ 648,833	\$ —	\$ —
Contributed surplus		271	—	—
Retained earnings		24,610	—	—
Net parent investment	7	—	509,189	565,664
Accumulated other comprehensive loss		(780)	(947)	(2,597)
Total shareholder's equity or net parent investment		\$ 672,934	\$ 508,242	\$ 563,067
Total liabilities and shareholder's equity or net parent investment		\$ 921,270	\$ 725,521	\$ 784,810

Subsequent Events (Note 13)

See accompanying Notes to the Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Interim Statements of Earnings

<i>(In thousands of Canadian dollars)</i> <i>(Unaudited)</i>	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Sales	\$ 481,803	\$ 420,158	\$ 1,406,994	\$ 1,234,520
Cost of goods sold	418,617	372,588	1,219,806	1,097,992
Gross profit	\$ 63,186	\$ 47,570	\$ 187,188	\$ 136,528
Selling, general and administrative expenses	20,517	18,421	57,383	50,986
Earnings before the following:	\$ 42,669	\$ 29,149	\$ 129,805	\$ 85,542
Other expense	5,634	442	11,155	2,453
Earnings before interest and income taxes	\$ 37,035	\$ 28,707	\$ 118,650	\$ 83,089
Interest expense	1,002	1,185	3,295	3,278
Earnings before income taxes	\$ 36,033	\$ 27,522	\$ 115,355	\$ 79,811
Income tax expense	10,443	8,094	32,200	22,134
Earnings	\$ 25,590	\$ 19,428	\$ 83,155	\$ 57,677

See accompanying Notes to the Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Interim Statements of Other Comprehensive Income

<i>(In thousands of Canadian dollars)</i> <i>(Unaudited)</i>	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Earnings	\$ 25,590	\$ 19,428	\$ 83,155	\$ 57,677
Other comprehensive income (loss)				
Actuarial losses that will not be reclassified to profit or loss (Net of tax recovery of \$0.3 million and \$0.3 million)	(959)	—	(959)	—
Total items that will not be reclassified to profit or loss	\$ (959)	\$ —	\$ (959)	\$ —
Items that are or may be reclassified subsequently to profit or loss:				
Change in accumulated foreign currency translation adjustment (Net of tax of \$0.0 million and \$0.0 million; 2024: \$0.0 million and \$0.0 million)	\$ 129	\$ 2,063	\$ 740	\$ 1,316
Change in unrealized gains and (losses) on cash flow hedges (Net of tax of \$0.0 million and \$0.4 million; 2024: \$0.2 million and \$(0.2) million)	(203)	519	1,077	(659)
Total items that are or may be reclassified subsequently to profit or loss	\$ (74)	\$ 2,582	\$ 1,817	\$ 657
Total other comprehensive income (loss)	\$ (1,033)	\$ 2,582	\$ 858	\$ 657
Comprehensive income	\$ 24,557	\$ 22,010	\$ 84,013	\$ 58,334

See accompanying Notes to the Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Interim Statements of Changes in Shareholder's Equity or Net Parent Investment

(In thousands of Canadian dollars) (Unaudited)	Notes	Accumulated other comprehensive income (loss) ⁽ⁱ⁾							Total Shareholder's Equity or Net Parent Investment
		Share Capital	Retained Earnings	Contributed Surplus	Funding by Maple Leaf Foods	Accumulated foreign currency translation adjustment	Unrealized gains and losses on cash flow hedges		
Balance at December 31, 2024		\$ —	\$ —	\$ —	\$ 565,664	\$ (1,410)	\$ (1,187)	\$ 563,067	
Earnings		—	25,569	—	57,586	—	—	83,155	
Other comprehensive income		—	(959)	—	—	740	1,077	858	
Share-based compensation expense	10	—	—	271	2,683	—	—	2,954	
Net movement in funding		—	—	—	22,900	—	—	22,900	
Issuance of shares	8	648,833	—	—	(648,833)	—	—	—	
Balance at September 30, 2025		\$ 648,833	\$ 24,610	\$ 271	\$ —	\$ (670)	\$ (110)	\$ 672,934	

(In thousands of Canadian dollars) (Unaudited)	Notes	Accumulated other comprehensive income (loss) ⁽ⁱ⁾				Total Net Parent Investment
		Funding by Maple Leaf Foods	Accumulated foreign currency translation adjustment	Unrealized gains and losses on cash flow hedges		
Balance at December 31, 2023		\$ 486,162	\$ (1,117)	\$ 711	\$ 485,756	
Earnings		57,677	—	—	57,677	
Other comprehensive (loss) income		—	1,316	(659)	657	
Share-based compensation expense	10	3,162	—	—	3,162	
Net movement in funding		(39,010)	—	—	(39,010)	
Balance at September 30, 2024		\$ 507,991	\$ 199	\$ 52	\$ 508,242	

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

See accompanying Notes to the Condensed Consolidated Interim Financial Statements.

Condensed Consolidated Interim Statements of Cash Flows

(In thousands of Canadian dollars) (Unaudited)	Notes	Three months ended September 30,		Nine months ended September 30,	
		2025	2024	2025	2024
CASH PROVIDED BY (USED IN):					
Operating activities					
Earnings		\$ 25,590	\$ 19,428	\$ 83,155	\$ 57,677
Add (deduct) items not affecting cash:					
Change in fair value of biological assets	6	4,885	(3,717)	(3,439)	(20,372)
Depreciation		13,185	12,528	37,191	37,383
Share-based compensation	10	545	1,166	2,954	3,162
Deferred income tax expense		5,453	2,553	7,153	6,888
Current income tax expense		4,990	5,541	25,047	15,246
Interest expense		1,002	1,185	3,295	3,278
Loss (gain) on disposal of long-term assets		236	(1,383)	326	(1,521)
Change in fair value of non-designated derivatives		2,176	2,918	(191)	21
Impairment of property and equipment		—	—	473	—
Income taxes paid		(1,765)	(1,113)	(3,421)	(2,129)
Interest paid on lease obligations		(1,002)	(1,185)	(3,295)	(3,277)
Proceeds from insurance claims on operating items		—	—	3,047	1,547
Other		(3,450)	(1,130)	817	(1,406)
Change in non-cash operating working capital		(12,793)	(2,787)	6,637	(11,845)
Cash provided by operating activities		\$ 39,052	\$ 34,004	\$ 159,749	\$ 84,652
Investing activities					
Additions to long-term assets		\$ (10,584)	\$ (8,445)	\$ (26,255)	\$ (21,142)
Proceeds from sale of long-term assets, net		16	1,809	706	2,257
Proceeds from insurance claim		4,000	—	6,000	877
Cash used in investing activities		\$ (6,568)	\$ (6,636)	\$ (19,549)	\$ (18,008)
Financing activities					
Net transfers to parent		\$ (3,150)	\$ (17,510)	\$ (109,138)	\$ (48,133)
Net (decrease) increase in long-term debt		(26)	—	(131)	859
Proceeds from related party loan	12, 13	18,000	—	18,000	—
Payment of lease obligations		(4,768)	(4,649)	(13,380)	(13,883)
Cash provided by (used in) financing activities		\$ 10,056	\$ (22,159)	\$ (104,649)	\$ (61,157)
Increase in cash and cash equivalents		42,540	5,209	35,551	5,487
Cash and cash equivalents, beginning of period		11,788	9,789	18,777	9,511
Cash and cash equivalents, end of period		\$ 54,328	\$ 14,998	\$ 54,328	\$ 14,998

See accompanying Notes to the Condensed Consolidated Interim Financial Statements.

Notes to the Condensed Consolidated Interim Financial Statements

(Tabular amounts in thousands of Canadian dollars unless otherwise indicated)

Three and nine months ended September 30, 2025 and 2024

1. THE BUSINESS

Canada Packers Inc. ("Canada Packers" or the "Company") is a global leader in sustainably produced, premium quality, value-added pork products, built on a legacy of excellence and innovation. It is among North America's largest producers of Raised Without Antibiotic ("RWA") pork and is a key supplier of RWA and conventional pork products to customers in Canada, the U.S., Japan, China and other international markets.

Before July 28, 2025 Canada Packers' business consisted of the "Pork Operations", which were previously operated by Maple Leaf Foods Inc. ("Maple Leaf Foods") and its affiliates. The Pork Operations consisted of, among other things, agricultural and hog production operations, primary pork processing, and a national and global sales and distribution network for fresh and frozen pork products, and included all the assets and liabilities pertaining thereto that were held, directly or indirectly, by Maple Leaf Foods and its affiliates (but excluding the ham boning operations at the Lagimodiere prepared meats facility).

Canada Packers Inc. ("Subco") and 16923534 Canada Inc. ("Newco") were incorporated under the Canada Business Corporations Act (the "CBCA") on December 9, 2024 and April 17, 2025, respectively, in connection with Maple Leaf Foods Inc. spin-off of the Pork Operations into an independent, publicly traded company, pursuant to an arrangement under section 192 of the CBCA (the "Spin-Off"). In connection with the Spin-Off, Subco and Newco amalgamated on October 1, 2025 under the CBCA to form an amalgamated entity named Canada Packers Inc.. For the period from the date of its incorporation to July 28, 2025, Subco did not conduct any business activities other than those required for its formation. For the period from the date of its incorporation to October 1, 2025, Newco did not conduct any business activities other than those required for its formation. See "Subsequent Events" in these Financial Statements for further details.

The purpose of the Spin-Off was to separate Maple Leaf Foods into two independent, publicly listed companies: Maple Leaf Foods and Canada Packers. Upon the completion of the Spin-Off, the assets and liabilities of the Pork Operations were held by Canada Packers, and Maple Leaf Foods shareholders ("MLF Shareholders") received, for each common share of Maple Leaf Foods (each, a "MLF Common Share") held before the Spin-Off, one MLF Common Share and 0.2 of a common share of Canada Packers, with Maple Leaf Foods retaining a 16.0% ownership interest in Canada Packers. References herein to Maple Leaf Foods, where the context requires, refer only to the non-Canada Packers activities of Maple Leaf Foods. For additional information regarding the Spin-Off, please see "The Arrangement" of the Management Information Circular of Maple Leaf Foods filed on SEDAR+ on May 12, 2025 (the "Circular"), and the Subsequent Events note elsewhere in the Condensed Consolidated Interim Financial Statements.

The address of Canada Packers' registered office is 6985 Financial Dr., Suite 201, Mississauga, Ontario, L5N 0A1, Canada.

The Condensed Consolidated Interim Financial Statements were authorized for issue by the Board of Directors on November 4, 2025.

2. BASIS OF PREPARATION

The financial statements present the historical Condensed Consolidated Interim Balance Sheets and the Condensed Consolidated Interim Statements of Changes in Shareholder's Equity or Net Parent Investment as at September 30, 2025, 2024, and December 31, 2024, the Condensed Consolidated Interim Statements of Earnings, the Condensed Consolidated Interim Statements of Other Comprehensive Income, and the Condensed Consolidated Interim Statements of Cash Flows for the three and nine months ended September 30, 2025 and 2024, and related explanatory notes (the "Condensed Consolidated Interim Financial Statements").

The estimated carrying value of goodwill attributable to Canada Packers and the fair value of net employee benefits associated with various defined benefit plans was determined as at July 28, 2025, and recognized on the Condensed Consolidated Interim Balance Sheet as an increase to net parent investment.

The accounting policies used to prepare the Condensed Consolidated Interim Financial Statements are further disclosed in the Company's 2022-2024 Annual Audited Combined Carve-Out Financial Statements ("Combined Carve-Out Financial Statements").

3. MATERIAL ACCOUNTING POLICIES

The Condensed Consolidated Interim Financial Statements should be read in conjunction with the Company's 2022-2024 Annual Audited Combined Carve-Out Financial Statements, except as noted above.

(a) Statement of Compliance

The Condensed Consolidated Interim Financial Statements have been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* ("IAS 34") as issued by the International Accounting Standards Board ("IASB") and using the accounting policies, determination of significant estimates and judgments, and corresponding accounting treatments as described in the Company's 2022-2024 Annual Audited Combined Carve-Out Financial Statements.

(b) 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. Canada Packers has yet to assess the impact of adoption on the Condensed Consolidated Interim Financial Statements.

All other IFRS pronouncements and amendments issued but not yet effective have been assessed by Canada Packers and are not expected to have a material impact on the Condensed Consolidated Interim Financial Statements.

4. ACCOUNTS RECEIVABLE

	As at September 30, 2025	As at September 30, 2024	As at December 31, 2024
Trade receivables	\$ 89,988	\$ 50,875	\$ 59,333
Less: Allowance for doubtful accounts	(1,764)	(439)	(1,257)
Net trade receivables	\$ 88,224	\$ 50,436	\$ 58,076
Government receivable	—	3,000	3,000
Related party receivables ⁽ⁱ⁾	17,452	11,058	7,916
Other receivables	7,180	9,498	13,149
	\$ 112,856	\$ 73,992	\$ 82,141

⁽ⁱ⁾ See "Related Party Transactions" elsewhere in these financial statements.

The aging of trade receivables is as follows:

	As at September 30, 2025	As at September 30, 2024	As at December 31, 2024
Current	\$ 61,834	\$ 42,914	\$ 40,848
Past due 0-30 days	18,638	4,258	12,320
Past due 31-60 days	6,196	1,581	1,679
Past due > 60 days	3,320	2,122	4,486
	\$ 89,988	\$ 50,875	\$ 59,333

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

Until July 28, 2025, Canada Packers participated in Maple Leaf Foods' securitization program that required the sale of trade receivables to be treated as a sale from an accounting perspective and as a result, trade receivables sold under this program were derecognized by the Company (the "Securitization Facility"). The Securitization Facility provided cash funding with a proportion of the receivables being sold, and provided competitively priced financing and further diversified Maple Leaf Foods' funding sources. Under the Securitization Facility, certain trade accounts receivable were sold, 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 receivable back to Maple Leaf Foods. The receivables were sold at a discount to face value based on prevailing money market rates. Maple Leaf Foods retained servicing responsibilities for these receivables.

Until July 28, 2025, a portion of the receivables under the Securitization Facility were directly attributable to Canada Packers. The proportionate share of cash due to Canada Packers was adjusted to zero through net parent investment to reflect Maple Leaf Foods' centralized cash management system which is further discussed in Note 12. The proportionate share of notes receivable were recorded as an intercompany receivable from Maple Leaf Foods because Canada Packers did not have a legal right to the notes receivable. Trade accounts receivable being serviced under this program attributable to Canada Packers amounted to \$11.8 million at September 30, 2024, and \$11.0 million at December 31, 2024. The notes receivable were settled on the settlement dates of the securitized accounts receivable.

Subsequent to July 28, 2025, Canada Packers no longer participated in Maple Leaf Foods' securitization program, and as a result, trade receivables were no longer derecognized by the Company as at September 30, 2025.

5. INVENTORIES

	As at September 30, 2025	As at September 30, 2024	As at December 31, 2024
Raw materials	\$ 8,546	\$ 10,995	\$ 7,958
Work in process	5,838	4,930	7,032
Finished goods	62,111	69,339	73,468
Packaging	3,468	8,138	2,525
Spare parts	9,363	8,363	8,350
	\$ 89,326	\$ 101,765	\$ 99,333

For the three months ended September 30, 2025, inventory in the amount of \$391.4 million (2024: \$330.9 million) was expensed through cost of goods sold. For the nine months ended September 30, 2025, inventory in the amount of \$1,129.0 million (2024: \$1,020.1 million) was expensed through cost of goods sold.

As at September 30, 2025, inventories have been reduced by \$3.9 million (September 30, 2024: \$2.9 million; December 31, 2024: \$3.0 million) as a result of write-downs to net realizable value. The write-downs are included in the amount expensed through cost of goods sold.

6. BIOLOGICAL ASSETS

The change in fair value of commercial hog stock for the three months ended September 30, 2025 was a loss of \$4.9 million (2024: gain of \$3.7 million). The change in fair value of commercial hog stock for the nine months ended September 30, 2025 was a gain of \$3.4 million (2024: gain of \$20.4 million). This was recorded in cost of goods sold.

The fair value measures of commercial hog stock have been categorized as a Level 3 fair value based on inputs to the valuation techniques used. There were no transfers between levels for the three and nine months ended September 30, 2025 and September 30, 2024.

7. NET PARENT INVESTMENT

Until July 28, 2025, Canada Packers was not a stand-alone entity for consolidated financial statement reporting purposes. As such, there was no separate share capital, retained earnings, or other components of equity.

Net parent investment represents Maple Leaf Foods' interest in the recorded net assets of Canada Packers in its capacity as the parent entity. In exchange for the Pork Operations net assets and liabilities being transferred to the corporation, Canada Packers issued shares, recognizing share capital equal to the net parent investment at the time of transfer.

Canada Packers was part of Maple Leaf Foods and did not have its own capital management objectives and targets. The objectives for capital management were set in conjunction with the overall Maple Leaf Foods' capital management objectives.

8. SHARE CAPITAL

Canada Packers is authorized to issue an unlimited number of common shares.

During the period ended September 30, 2025, Canada Packers Inc. issued 1,000 common shares to Maple Leaf Foods as part of the purchase price for the Pork Operations and related assets transferred under the Separation Agreement (filed on SEDAR+ on October 1, 2025). The common shares were issued fully paid and non-assessable, representing the portion of the purchase price delivered in equity rather than cash. See "Subsequent Events" elsewhere in these Condensed Consolidated Interim Financial Statements for capital returned to Maple Leaf Foods, and the issuance of additional shares.

Basic and diluted earnings per share are not presented as they would not be meaningful for the periods presented. See "Subsequent Events" elsewhere in these Condensed Consolidated Interim Financial Statements for a description of Canada Packers' capital structure after the Spin-Off was completed.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

The fair values and notional amounts of derivative financial instruments as at September 30 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	\$ 20,675	\$ —	\$ 148	\$ 14,265	\$ 71	\$ —
		\$ —	\$ 148		\$ 71	\$ —
Fair value hedges⁽ⁱⁱⁱ⁾						
Foreign exchange contracts	\$ 12,530	\$ 67	\$ 160	\$ 20,817	\$ 44	\$ 33
Commodity contracts	\$ 12,667	\$ —	\$ 909	\$ 18,345	\$ 359	\$ —
		\$ 67	\$ 1,069		\$ 403	\$ 33
Derivatives not designated in a formal hedging relationship						
Foreign exchange contracts	\$ 97,193	\$ 103	\$ 481	\$ 91,758	\$ 334	\$ 214
Commodity contracts	\$ 102,545	\$ 2,291	\$ —	\$ 15,717	\$ 389	\$ —
		\$ 2,394	\$ 481		\$ 723	\$ 214
Total fair value^{(iii)(iv)(v)}		\$ 2,461	\$ 1,698		\$ 1,197	\$ 247

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

⁽ⁱⁱ⁾ Derivative assets and liabilities are recorded in prepaid expenses and other assets and other current liabilities, respectively, in the Condensed Consolidated Interim Balance Sheets.

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

^(iv) Derivatives are short-term and will impact profit or loss at various dates within the next 12 months.

^(v) As at September 30, 2025, the above fair value of current assets has decreased by \$1.6 million (September 30, 2024: decreased by \$0.7 million; December 31, 2024: increased by \$2.3 million), and the above fair value of current liabilities has decreased by \$0.9 million (September 30, 2024: increased by \$1.2 million; December 31, 2024: nominally changed) on the Condensed Consolidated Interim Balance Sheets, representing the difference in the fair market value of exchange traded commodity contracts and the initial margin requirements. The difference in margin requirements and fair market value was net settled in cash by Maple Leaf Foods each day with the futures exchange and was recorded within net parent investment up to July 28, 2025.

During the three months ended September 30, 2025, Canada Packers recorded a pre-tax gain of \$1.3 million (2024: loss of \$0.6 million) on non-designated financial instruments held for trading.

During the nine months ended September 30, 2025, Canada Packers recorded a pre-tax gain of \$8.6 million (2024: gain of \$8.4 million) on non-designated financial instruments held for trading.

During the three months ended September 30, 2025, hedge ineffectiveness resulted in a gain of \$0.1 million (2024: hedge ineffectiveness was negligible).

During the nine months ended September 30, 2025 and 2024, hedge ineffectiveness was negligible.

The table below sets out fair value measurements of derivative financial instruments as at September 30, 2025 using the fair value hierarchy:

(\$ thousands)	Level 1	Level 2	Level 3	Total
Assets:				
Foreign exchange contracts	\$ —	\$ 170	\$ —	\$ 170
Commodity contracts ⁽ⁱ⁾	\$ 1,382	\$ —	\$ —	\$ 1,382
	\$ 1,382	\$ 170	\$ —	\$ 1,552
Liabilities:				
Foreign exchange contracts	\$ —	\$ 789	\$ —	\$ 789
	\$ —	\$ 789	\$ —	\$ 789

⁽ⁱ⁾ Level 1 Commodity Contracts are net settled and recorded as a net asset or liability on the Condensed Consolidated Interim Balance Sheets.

There were no transfers between levels for the three months ended September 30, 2025 and 2024.

Determination of fair value and the resulting hierarchy requires the use of observable market data whenever available. The classification of a financial instrument in the hierarchy is based upon the lowest level of input that is significant to the measurement of fair value. For financial instruments that are recognized at fair value on a recurring basis, Canada Packers determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

Accumulated other comprehensive income (loss)

Canada Packers estimates that \$0.1 million, net of tax of a nominal tax amount, of the unrealized loss included in accumulated other comprehensive income (loss) will be reclassified into earnings within the next 12 months. The actual amount of this reclassification will be impacted by future changes in the fair value of financial instruments designated as cash flow hedges. The actual amount reclassified could differ from this estimated amount.

During the three months ended September 30, 2025, a loss of \$0.2 million, net of tax of \$0.1 million, was released to earnings from accumulated other comprehensive income (loss) and included in the net change for the year (2024: a loss of \$0.5 million, net of tax of \$0.2 million).

During the nine months ended September 30, 2025, a loss of \$1.4 million, net of tax of \$0.5 million, was released to earnings from accumulated other comprehensive income (loss) and included in the net change for the year (2024: a gain of \$0.2 million, net of tax of \$0.1 million).

10. SHARE-BASED COMPENSATION

The following relates to the employees of Canada Packers who participate in the Maple Leaf Foods share-based compensation plans, and all of which relate to Maple Leaf Foods shares. See "Subsequent Events" elsewhere in these Financial Statements for further information on Canada Packers stock options, Restricted Share Units ("RSUs") and Performance Share Units ("PSUs").

Stock Options

A summary of the status of Maple Leaf Foods' outstanding stock options granted to the direct employees of Canada Packers as at September 30, 2025 and 2024, and changes during the periods are presented below:

	2025		2024	
	Options outstanding	Weighted average exercise price	Options outstanding	Weighted average exercise price
Outstanding at January 1	169,650	\$ 23.57	87,600	\$ 24.15
Granted	37,500	\$ 24.64	75,750	\$ 22.95
Exercised	(8,800)	\$ 22.95	—	\$ —
Outstanding at September 30	198,350	\$ 23.80	163,350	\$ 23.59
Options currently exercisable	75,800	\$ 23.87	29,200	\$ 24.15

All outstanding stock options vest and become exercisable over a period not exceeding five years (time vesting) from the date of grant. The outstanding options have a term of seven years.

At grant date, each option series is measured at fair value based on the Black-Scholes formula. Expected volatility is estimated by considering historic average share price volatility. The inputs used in this model for the options granted during the nine months ended September 30, 2025 and 2024 are shown in the table below⁽ⁱ⁾:

	2025	2024
Share price at grant date	\$25.22	\$22.99
Exercise price	\$24.64	\$22.95
Expected volatility	30.8%	32.1%
Option life (in years) ⁽ⁱⁱ⁾	4.5	4.5
Expected dividend yield	4.5%	4.6%
Risk-free interest rate ⁽ⁱⁱⁱ⁾	2.5%	3.6%

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

⁽ⁱⁱ⁾ Expected weighted average life.

⁽ⁱⁱⁱ⁾ Based on Government of Canada bonds.

There were no stock options granted during the three months ended September 30, 2025 and 2024. The fair value of options granted during the three and nine months ended September 30, 2025 were \$nil and \$0.2 million (2024: \$nil and \$0.3 million). Canada Packers recognized share-based compensation expense for employees during the three and nine months ended September 30, 2025 of less than \$0.1 million and \$0.1 million (2024: \$0.1 million and \$0.2 million).

In addition, share-based compensation expense relating to current and prior year options has been allocated to participating employees that indirectly provide support to Canada Packers based on time spent for the three and nine months ended September 30, 2025 in the amounts of \$0.1 million and \$0.6 million (2024: \$0.3 million and \$0.7 million).

Share-based compensation expense is recorded in selling, general and administrative expenses in the Condensed Consolidated Interim Statements of Earnings.

Restricted Share Units and Performance Share Units

A summary of the status of Maple Leaf Foods' RSUs and PSUs plans granted to employees of Canada Packers as at September 30, 2025, and changes during these periods is presented below:

	2025		2024	
	Share units outstanding	Weighted average fair value at grant	Share units outstanding	Weighted average fair value at grant
Outstanding at January 1	259,708	\$ 21.05	139,464	\$ 23.16
Granted	68,060	\$ 22.96	150,244	\$ 20.58
Distributed	(39,959)	\$ 24.51	(16,210)	\$ 24.18
Forfeited	(12,653)	\$ 27.11	(18,465)	\$ 23.80
Outstanding September 30	275,156	\$ 21.35	255,033	\$ 21.50

All of the Maple Leaf Foods' outstanding RSUs granted to direct employees of Canada Packers are accounted for in Canada Packers financial statements as equity-settled awards, as the obligation to settle the awards belongs to Maple Leaf Foods.

There were 35,815 RSUs and 32,245 PSUs granted to employees of Canada Packers during the nine months ended September 30, 2025 (2024: 107,824 RSUs and 42,420 PSUs granted). The fair value of RSUs and PSUs granted to employees of Canada Packers during the three and nine months ended September 30, 2025, were \$0.4 million and \$1.7 million (2024: \$0.5 million and \$2.6 million).

Expenses for the three and nine months ended September 30, 2025 relating to current and prior year RSUs and PSUs granted to employees of Canada Packers, were \$0.3 million and \$1.0 million (2024: \$0.3 million and \$0.8 million). No RSUs or PSUs were cash settled during the periods presented.

In addition, share-based compensation expense relating to current and prior year RSUs and PSUs has been allocated to participating employees that indirectly provide support to Canada Packers based on time spent for the three and nine months ended September 30, 2025 in the amounts of \$0.1 million and \$1.2 million (2024: \$0.5 million and \$1.4 million).

Share-based compensation expense is recorded in selling, general and administrative expenses on the Condensed Consolidated Interim Statements of Earnings.

The key assumptions used in the valuation of fair value of RSUs and PSUs granted during the nine months ended September 30, 2025 and 2024 are shown in the table below⁽ⁱ⁾:

	2025	2024
Expected RSU life (in years)	3.0	2.5
Forfeiture rate	16.1%	11.9%
Risk-free discount rate	2.5%	3.9%

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

11. GEOGRAPHIC AND CUSTOMER PROFILE

Information About Geographic Areas

The following summarizes sales by country of origin:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Canada	\$ 232,578	\$ 180,451	\$ 654,996	\$ 569,319
Japan	116,163	99,947	330,392	286,239
U.S.	41,723	39,575	120,335	123,080
Other	91,339	100,185	301,271	255,882
Sales	\$ 481,803	\$ 420,158	\$ 1,406,994	\$ 1,234,520

Information About Major Customers

For the three and nine months ended September 30, 2025 and 2024, Canada Packers did not report sales to any non-related customers in excess of 10.0% of sales.

For the three months ended September 30, 2025, Canada Packers reported sales to Maple Leaf Foods representing 26.0% (2024: 23.1%) of total sales. For the nine months ended September 30, 2025, Canada Packers reported sales to Maple Leaf Foods representing 25.0% (2024: 23.0%) of total sales. See "Related Party Transactions" elsewhere in these Financial Statements for the amount of related party sales.

12. RELATED PARTY TRANSACTIONS

The Condensed Consolidated Interim Financial Statements include transactions between Canada Packers and Maple Leaf Foods. During the periods covered by the Condensed Consolidated Interim Financial Statements, Maple Leaf Foods was a related party, as Maple Leaf Foods was the ultimate parent company and controlled Canada Packers up to the effective time of the Spin-Off, October 1, 2025. Transactions between these companies have been recorded at their historical exchange amounts.

Up to July 28, 2025, Canada Packers participated in a centralized cash management system with Maple Leaf Foods. Substantially all receipts and disbursements were processed through Maple Leaf Foods' centralized cash sweep accounts. The net result of processing all cash transactions through these cash sweep accounts is that cash was not allocated to Canada Packers. Instead, it was presented under net parent investment in the Condensed Consolidated Interim Balance Sheets. Beginning October 1, 2025, Canada Packers will instead rely on its own credit and financing arrangements. See "Subsequent Events" in these Financial Statements for further details.

As part of the Spin-Out process and pursuant to the Separation Agreement, Canada Packers borrowed \$18.0 million from Maple Leaf Foods on July 28, 2025. The amount was non-interest bearing, and repayable as part of the Spin-Off. As of November 4, 2025, this amount was repaid in full. See "Subsequent Events" in these Financial Statements for further details.

Normal trading amounts due from or to Maple Leaf Foods were recorded in accounts receivable or accounts payable on the Condensed Consolidated Interim Balance Sheets, respectively. Related party receivables and payables are settled on negotiated terms consistent with industry practices.

The following summarizes accounts receivable from and payable to Maple Leaf Foods:

	As at September 30, 2025	As at September 30, 2024	As at December 31, 2024
Accounts receivable from Maple Leaf Foods	\$ 17,452	\$ 11,058	\$ 7,916
Accounts payable due to Maple Leaf Foods	\$ 8,787	\$ —	\$ —

Up to July 28, 2025, Canada Packers received corporate administrative support functions including human resources, finance, legal and other corporate support from Maple Leaf Foods and was dependent on Maple Leaf Foods' ability to perform these functions. As a result, costs were included for these shared services based on direct usage when identifiable, or allocated based on a reasonable estimate of the utilization of services. Compensation costs including pension expense and share-based compensation expense related to participating employees that indirectly provide support to Canada Packers have been allocated based on time spent. These allocated costs may not be indicative of how Canada Packers would have operated had it been a standalone company. The allocated costs have been recorded in either cost of goods sold or selling, general and administrative expenses, depending on the nature of the support, in the Condensed Consolidated Interim Statements of Earnings.

Information technology costs including the Canada Packers' share of using Maple Leaf Foods' software intangible assets, were allocated primarily on a relative usage or access basis.

Beginning July 28, 2025, Canada Packers received certain selling, general and administrative services, from Maple Leaf Foods in exchange for a mix of variable and fixed fees as agreed under the Supply Agreement, Transition Services Agreement and Long-Term Services Agreement, which were filed on SEDAR+ on October 1, 2025.

In addition, beginning July 28, 2025, Maple Leaf Foods has provided ham-boning services to Canada Packers under the Supply Agreement, the cost of which is recognized in cost of goods sold and inventory.

The following summarizes transactions with Maple Leaf Foods:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Sales to Maple Leaf Foods	\$ 125,060	\$ 96,975	\$ 351,131	\$ 283,295
Purchases from Maple Leaf Foods	\$ 21,400	\$ 13,359	\$ 54,454	\$ 40,932

13. SUBSEQUENT EVENTS

On October 1, 2025, the Spin-Off was completed and Maple Leaf Foods Shareholders received, for each MLF common share held as of the September 30, 2025 record date, one MLF common share and 0.2 of a Canada Packers common share, with Maple Leaf Foods retaining a 16.0% ownership interest in Canada Packers. Following the Spin-Off, Canada Packers is now a separate independent, publicly traded company under the ticker symbol "CPKR" on the Toronto Stock Exchange. As of the date hereof, 29,736,736 Canada Packers shares are outstanding, of which 24,978,677 were distributed pro-rata to Maple Leaf Foods Shareholders and 4,758,059 of which were retained by Maple Leaf Foods in connection with completion of the Spin-Off. In connection with completion of the Spin-Off, 198,350 Maple Leaf Foods stock options were exchanged for 457,661 Canada Packers stock options. In addition, 275,156 Maple Leaf Foods RSUs and PSUs were amended so that (i) the "Share" underlying each such RSU and PSU refers to a Canada Packers common share, (ii) the aggregate number of RSUs and PSUs outstanding was equal to 634,499 RSUs and PSUs, and (iii) Maple Leaf Foods' obligations in respect of such RSUs and PSUs became obligations of Canada Packers.

In contemplation of the separation of the Pork Operations from Maple Leaf Foods pursuant to the Spin-Off, Canada Packers entered into the Spin-Off Agreements to transfer the Pork Operations to Canada Packers and provide a framework for its relationship with Maple Leaf Foods after completion of the Spin-Off. The material Spin-Off Agreements were filed on SEDAR+ on October 1, 2025.

As part of the Spin-Out process and pursuant to the Separation Agreement, Canada Packers borrowed \$18.0 million from Maple Leaf Foods on July 28, 2025. The amount was non-interest bearing, and repayable as part of the Spin-Off. As of November 4, 2025, this amount had been repaid in full.

On October 1, 2025, Canada Packers entered into a four-year senior secured credit agreement ("the Credit Agreement") with a syndicate of Canadian financial institutions led by Bank of Montreal, under which it has the capacity to incur indebtedness of up to \$615.0 million, consisting of \$415.0 million in aggregate principal amount of term loans and a \$200.0 million revolving credit facility. Borrowings under the credit agreement may be drawn in Canadian or U.S. dollars and bear interest payable monthly, based on Canadian Prime Loan, Canadian Overnight Repo Rate Average ("CORRA"), Secured Overnight Financing Rate ("SOFR") or US Base Rate rates, depending on the borrowings made. Letters of credit are available under the Credit Agreement in an aggregate amount of up to \$50.0 million. As of November 4, 2025, \$415.0 million is outstanding under the term loans and no amount was drawn under the revolving credit facility. Approximately \$0.7 million letters of credit were outstanding.

Canada Packers received net proceeds from borrowings under the Credit Agreement net of debt issuance costs. In connection with the borrowings, Canada Packers used the net proceeds of such indebtedness to repay its outstanding indebtedness owing to Maple Leaf Foods, and to effect a return of capital of \$417.3 million to Maple Leaf Foods.

After the Spin-Off, Canada Packers will no longer rely on Maple Leaf Foods' central cash management and financing program and will instead rely on its own credit and financing arrangements.

On November 4, 2025, the Board of Directors approved a quarterly dividend of \$0.23 per share, \$0.92 per share on an annual basis, payable on December 31, 2025, to shareholders of record at the close of business on December 10, 2025. Unless indicated otherwise by the Company at or before the time the dividend is paid, the dividend will be considered an eligible dividend for the purposes of the "Enhanced Dividend Tax Credit System."