



CANADA PACKERS INC.

Consolidated Financial Statements

For the fiscal years ended December 27, 2025 and December 28, 2024

Consolidated Financial Statements

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Canada Packers Inc.

Opinion

We have audited the consolidated financial statements of Canada Packers Inc. (the Company), which comprise:

- the consolidated balance sheets as at December 27, 2025 and December 28, 2024
- the consolidated statements of earnings for the fiscal years then ended
- the consolidated statements of other comprehensive income for the fiscal years then ended
- the consolidated statements of changes in shareholders' equity or net parent investment for the fiscal years then ended
- the consolidated statements of cash flows for the fiscal years then ended
- and notes to the consolidated financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 27, 2025 and December 28, 2024, and its consolidated financial performance and its consolidated cash flows for the fiscal years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

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

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



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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the fiscal year ended December 27, 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Evaluation of the existence and accuracy of revenue

Description of the matter

We draw your attention to Note 3(m) and 20 of the financial statements. The Company recorded \$1,836,402 thousand of revenue for the year ended December 27, 2025. The Entity recognizes revenue at the fair value of consideration received or receivable. For all revenue transactions, revenue is recognized when control of the goods has transferred, being at the point the customer receives or accepts the product. The customer may receive product either through delivery or by pick-up.

Why the matter is a key audit matter

We identified the evaluation of the existence and accuracy of revenue as a key audit matter. We identified this as a key audit matter because it required significant auditor effort given the high volume of transactions and magnitude of the revenue balance. Further, information technology (IT) professionals with specialized skills and knowledge were required to evaluate the design and test the operating effectiveness of certain controls within the Entity's revenue process.

How the matter was addressed in the audit

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

- We involved IT professionals with specialized skills and knowledge, who assisted in evaluating the design and testing the operating effectiveness of certain automated controls.
- Testing a sample of revenue transactions throughout the period by comparing the recorded sale to supporting documentation.
- For a sample of revenue transactions recorded near year end, we assessed whether the timing of revenue recognized was appropriate based on supporting documentation that evidenced delivery or by evaluating the reasonableness of management's estimated delivery periods using external information.

Other Information

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

- the information included in Management's Discussion and Analysis



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

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

We obtained the information included in Management's Discussion and Analysis as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



We also:

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

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

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



- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

The engagement partner on the audit resulting in this auditor's report is David Brendan Power.

Vaughan, Canada

March 3, 2026

Consolidated Balance Sheets

<i>(In thousands of Canadian dollars)</i>	Notes	As at December 27, 2025	As at December 28, 2024
ASSETS			
Cash		\$ 54,280	\$ 24,389
Accounts receivable	4	100,637	85,570
Inventories	5	83,780	99,333
Biological assets	6	162,821	158,903
Prepaid expenses and other assets		8,839	11,557
Total current assets		\$ 410,357	\$ 379,752
Property and equipment	7	324,512	317,406
Right-of-use assets	8	85,191	83,982
Investment property		6,900	6,900
Other long-term assets		5,511	4,971
Intangible assets		858	840
Deferred tax assets	12	607	681
Goodwill	9	90,000	—
Total long-term assets		\$ 513,579	\$ 414,780
Total assets		\$ 923,936	\$ 794,532
LIABILITIES AND SHAREHOLDERS' EQUITY or NET PARENT INVESTMENT			
Accounts payable and accruals		\$ 120,251	\$ 92,894
Current portion of lease obligations	10	24,409	20,844
Income taxes payable		2,492	1,358
Dividends payable		6,839	—
Other current liabilities		29	6,568
Total current liabilities		\$ 154,020	\$ 121,664
Lease obligations	10	64,316	66,462
Long-term debt	11	396,015	900
Deferred tax liability	12	35,895	42,439
Post-employment benefits	13	964	—
Other long-term liabilities		742	—
Total long-term liabilities		\$ 497,932	\$ 109,801
Total liabilities		\$ 651,952	\$ 231,465
Shareholders' equity or net parent investment			
Share capital	14	\$ 230,931	\$ —
Contributed surplus		702	—
Treasury stock	14	(777)	—
Retained earnings		41,658	—
Net parent investment	15	—	565,664
Accumulated other comprehensive loss		(530)	(2,597)
Total shareholders' equity or net parent investment		\$ 271,984	\$ 563,067
Total liabilities and shareholders' equity or net parent investment		\$ 923,936	\$ 794,532

Commitments and Contingencies (Note 21), Subsequent Events (Note 24)

See accompanying Notes to the Consolidated Financial Statements.

On behalf of the Board of Directors of Canada Packers Inc.:



DENNIS ORGAN



MICHAEL VELS

Consolidated Statements of Earnings

Fiscal years ended <i>(In thousands of Canadian dollars, except share amounts)</i>	Notes	December 27, 2025	December 28, 2024
Sales		\$ 1,836,402	\$ 1,658,528
Cost of goods sold		1,583,632	1,427,711
Gross profit		\$ 252,770	\$ 230,817
Selling, general and administrative expenses		80,974	65,574
Earnings before the following:		\$ 171,796	\$ 165,243
Other expenses		13,681	12,218
Earnings before interest and income taxes		\$ 158,115	\$ 153,025
Interest expense	19	10,346	4,538
Earnings before income taxes		\$ 147,769	\$ 148,487
Income tax expense	12	41,447	40,234
Earnings		\$ 106,322	\$ 108,253
Earnings per share attributable to common shareholders:			
Basic earnings per share	16	\$ 3.58	\$ 3.64
Diluted earnings per share		\$ 3.57	\$ 3.64
Weighted average number of shares (thousands)			
Basic	16	29,737	29,737
Diluted		29,778	29,737

See accompanying Notes to the Consolidated Financial Statements.

Consolidated Statements of Other Comprehensive Income

Fiscal years ended (In thousands of Canadian dollars)	<i>Notes</i>	December 27, 2025	December 28, 2024
Earnings		\$ 106,322	\$ 108,253
Other comprehensive income (loss)			
Actuarial gains (losses) that will not be reclassified to profit or loss			
(Net of tax recovery of \$0.1 million and \$0.0 million)		(239)	—
Total items that will not be reclassified to profit or loss		\$ (239)	\$ —
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)		(25)	(293)
Change in unrealized gains and losses on cash flow hedges			
(Net of tax of \$0.7 million and tax recovery \$0.7 million)	17	2,092	(1,898)
Total items that will or may be reclassified subsequently to profit or loss		\$ 2,067	\$ (2,191)
Total other comprehensive income (loss)		\$ 1,828	\$ (2,191)
Comprehensive income		\$ 108,150	\$ 106,062

See accompanying Notes to the Consolidated Financial Statements.

Consolidated Statements of Changes in Shareholders' Equity or Net Parent Investment

(In thousands of Canadian dollars)	Notes	Share capital	Retained Earnings	Contributed Surplus	Funding by Maple Leaf Foods	Accumulated other comprehensive income (loss) ⁽ⁱ⁾		Treasury stock	Total Shareholders' Equity or Net Parent Investment
						Accumulated foreign currency translation adjustment	Unrealized gains and losses on cash flow hedges		
Balance at December 28, 2024		\$ —	\$ —	\$ —	\$ 565,664	\$ (1,410)	\$ (1,187)	\$ —	\$ 563,067
Earnings		—	48,736	—	57,586	—	—	—	106,322
Other comprehensive income		—	(239)	—	—	(25)	2,092	—	1,828
Share-based compensation expense		—	—	702	2,683	—	—	—	3,385
Net movement in funding		—	—	—	22,900	—	—	—	22,900
Issuance of shares		648,833	—	—	(648,833)	—	—	—	—
Dividend declared		—	(6,839)	—	—	—	—	—	(6,839)
Return of capital		(417,902)	—	—	—	—	—	—	(417,902)
Treasury stock purchased		—	—	—	—	—	—	(777)	(777)
Balance at December 27, 2025		\$ 230,931	\$ 41,658	\$ 702	\$ —	\$ (1,435)	\$ 905	\$ (777)	\$ 271,984

(In thousands of Canadian dollars)	Notes	Funding by Maple Leaf Foods	Accumulated other comprehensive income (loss) ⁽ⁱ⁾		Total Shareholders' Equity or Net Parent Investment
			Accumulated foreign currency translation adjustment	Unrealized gains and losses on cash flow hedges	
Balance at December 30, 2023		\$ 486,162	\$ (1,117)	\$ 711	\$ 485,756
Earnings		108,253	—	—	108,253
Other comprehensive income		—	(293)	(1,898)	(2,191)
Share-based compensation expense		3,980	—	—	3,980
Deferred taxes on share-based compensation		(120)	—	—	(120)
Net movement in funding		(32,611)	—	—	(32,611)
Balance at December 28, 2024		\$ 565,664	\$ (1,410)	\$ (1,187)	\$ 563,067

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

See accompanying Notes to the Consolidated Financial Statements.

Consolidated Statements of Cash Flows

Fiscal years ended (In thousands of Canadian dollars)	Notes	December 27, 2025	December 28, 2024
CASH PROVIDED BY (USED IN):			
Operating activities			
Earnings		\$ 106,322	\$ 108,253
Add (deduct) items not affecting cash:			
Change in fair value of biological assets	6	\$ (12,638)	\$ (63,581)
Depreciation		49,809	49,739
Share-based compensation	18	3,385	3,980
Deferred income tax expense	12	14,568	12,671
Current income tax expense	12	26,879	27,563
Interest expense	19	10,346	4,538
Loss on disposal of long-term assets		288	545
Insurance settlement recognized in income		—	(1,809)
Change in fair value of non-designated derivatives		477	(1,192)
Impairment of property and equipment		484	—
Change in value of long-term assets		—	4,993
Income taxes paid		(2,695)	(2,132)
Interest paid	19	(8,380)	(4,538)
Debt financing costs	11	(4,301)	—
Proceeds from insurance claims on operating items		3,047	1,547
Other		(3,733)	120
Change in non-cash operating working capital		25,042	(23,381)
Cash provided by operating activities		\$ 208,900	\$ 117,316
Investing activities			
Additions to long-term assets		\$ (38,914)	\$ (30,596)
Proceeds from sale of long-term assets, net		823	3,020
Proceeds from insurance claim		6,000	877
Cash used in investing activities		\$ (32,091)	\$ (26,699)
Financing activities			
Net transfers to parent		\$ (109,139)	\$ (58,485)
Proceeds of long-term debt	11	415,000	900
Repayment of long-term debt		(15,000)	—
Payment of lease obligations	10	(19,100)	(18,154)
Return of capital		(417,902)	—
Purchase of treasury shares		(777)	—
Proceeds from related party loan	23	18,000	—
Repayment of related party loan	23	(18,000)	—
Cash used in financing activities		\$ (146,918)	\$ (75,739)
Increase in cash and cash equivalents		29,891	14,878
Cash and cash equivalents, beginning of year		24,389	9,511
Cash and cash equivalents, end of year		\$ 54,280	\$ 24,389

See accompanying Notes to the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

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

Fiscal years ended December 27, 2025 and December 28, 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, and other international markets.

Before July 28, 2025, the business that is now operated as Canada Packers' consisted of the "Pork Operations", that were at the time 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).

The predecessors to the Company - one being a corporation also named Canada Packers Inc. ("Subco") and the other being a corporation named 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' 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 the Company. 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.

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 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. References herein to the Company or Canada Packers include (1) prior to July 28, 2025, the Pork Operations, (2) on and after July 28, 2025, but prior to October 1, 2025, Subco (as a predecessor to the Company), and (3) on and after October 1, 2025, Canada Packers as an independent, publicly listed company, in each case except where the context otherwise requires. For additional information regarding the Spin-Off, please see "The Arrangement" section of the Management Information Circular of Maple Leaf Foods dated May 1, 2025 and filed on SEDAR+ on May 12, 2025 (the "Circular").

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

2. BASIS OF PREPARATION

The Consolidated Financial Statements present the Consolidated Balance Sheets and the Consolidated Statements of Changes in Shareholders' Equity or Net Parent Investment as at December 27, 2025 and December 28, 2024, and the Consolidated Statements of Earnings, the Consolidated Statements of Other Comprehensive Income, and the Consolidated Statements of Cash Flows for the years ended December 27, 2025 and December 28, 2024 and related explanatory notes.

(a) Statement of Compliance

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

The Consolidated Financial Statements were authorized for issue by the Board of Directors on March 3, 2026.

(b) Basis of Measurement

The Consolidated Financial Statements have been prepared on a going concern basis under the historical cost method except as detailed in the accounting policies in Note 3. The accounting policies have been applied consistently to all periods presented in these consolidated financial statements.

(c) Fiscal Year

Canada Packers' fiscal year ends on the Saturday closest to the last day of December, typically resulting in a 52-week year, but occasionally giving rise to an additional week, resulting in a 53-week year. The 2025 and 2024 financial years both contained 52 weeks.

(d) Functional and Presentation Currency

The Consolidated Financial Statements are presented in Canadian dollars, which is Canada Packers' functional currency.

(e) Shared Resources Allocation

Until October 1, 2025, Canada Packers was dependent upon certain shared support services performed by Maple Leaf Foods. Management applied significant judgment and assumptions in measuring the portion of the total service of which they were the recipient. Such judgments included the assessment of the volume of transactions, the percentage of time spent on an activity, and the relative usage of the service or underlying asset of Maple Leaf Foods, as well as what activities were the most appropriate to use to determine the cost allocation.

3. MATERIAL ACCOUNTING POLICIES

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

(a) Principles of Consolidation

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

All intercompany accounts and transactions have been eliminated on consolidation.

(b) Goodwill

The estimated carrying value of goodwill attributable to Canada Packers was determined as at July 28, 2025, initially measured at cost. After initial recognition, goodwill is measured at cost, less any accumulated impairment losses as a result of impairment testing, which is conducted annually in the fourth quarter or when circumstances indicate that its carrying amount may not be recoverable. Goodwill is tested for impairment at the cash-generating unit ("CGU") group level through a comparison of the carrying amount and the recoverable amount. 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, and terminal growth rates. These assumptions could affect Canada Packers' future results if the current estimates of future performance and fair values change.

(c) Fair Value Measurement

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

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

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

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

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

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

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

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Notes 6, 9, 13, 17 and 18.

(d) Financial Instruments

Canada Packers' financial assets, upon initial recognition, are measured at fair value and are classified as Fair Value through Profit or Loss ("FVTPL"), Fair Value through Other Comprehensive Income (Loss) ("FVTOCI"), or amortized cost. The classification is determined at initial recognition and is dependent on the business model in which a financial asset is managed and the characteristics of the contractual cash flows. Subsequent reclassification may only occur on the first day of the reporting period following a change to the business model. The classification of Canada Packers' financial assets is disclosed in Note 17.

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

Canada Packers records a loss allowance of expected credit losses for financial assets that are measured at amortized cost. At each reporting date, Canada Packers 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, Canada Packers measures the loss allowance at an amount equal to the 12-month expected credit losses.

(e) Hedge Accounting

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

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

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

When hedge accounting is permitted, the hedging relationship may be designated as a cash flow hedge or a fair value hedge. For most cash flow hedges, the change in fair value of the hedging instrument is recorded, to the extent it is effective, in other comprehensive income (loss) until the hedged item affects earnings. If the cash flow hedge is a forecast transaction that results in the recognition of a non-financial asset or liability, Canada Packers removes that amount from the cash flow hedge reserve and includes it directly in the initial cost or other carrying amount of the asset or the liability. In a fair value hedge, the change in fair value of the hedging derivative is offset in the Consolidated Statements of Earnings by the change in fair value of the hedged item relating to the hedged risk.

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

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

(f) Inventories

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

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 of inventory. In many cases, product produced by Canada Packers turns quickly and inventory on-hand values are low, thus reducing the risk of inventory obsolescence. However, code or "best before" dates are very important in the determination of the 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.

(g) Biological Assets

Biological assets consist of live hogs. For the purposes of valuation, these assets are categorized as either parent stock or commercial stock. Parent stock represents animals held and bred for the purpose of generating commercial stock and to replace parent stock nearing the end of its productive cycle. Commercial stock is held for the purposes of further processing or eventual sale, at which point

it becomes inventory. The fair value of commercial stock is determined based on market prices of livestock of similar age, breed, and genetic merit, less costs to sell the assets, including estimated costs necessary to transport the assets to market. Where reliable market prices of parent stock are not available, they are valued at cost less accumulated depreciation and any accumulated impairment losses. No active market exists for parent stock as they are rarely sold. Hog parent stock is depreciated on a straight-line basis over two to three years after considering residual values.

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

(h) Impairment or Disposal of Long-Lived Assets

Canada Packers reviews long-lived assets or asset groups held and used, including property and equipment and intangible assets subject to amortization, for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. For the purposes of impairment testing, the Company operates as a single CGU, as the Company's assets generate cash inflows that are not largely independent of one another. The recoverable amount is the greater of its value in use and its fair value less cost to sell.

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

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

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

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

(i) Property and Equipment

Property and equipment, with the exception of land, is recorded at cost less accumulated depreciation and any net accumulated impairment losses. Land is carried at cost and not depreciated. Construction-in-process assets are capitalized during construction and depreciation commences when the asset is available for use. Depreciation related to assets used in production is recorded in inventory and cost of goods sold. Depreciation related to non-production assets is recorded through selling, general, and administrative expenses. Depreciation is calculated on a straight-line basis, after taking into account residual values, over the following expected useful lives of the assets:

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

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

(j) Right-of-use Assets and Lease Obligations

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

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

An ROU asset is measured at the amount of the initial lease obligation and adjusted for any lease payments made at or before the commencement date of the lease less any incentives, initial direct costs, or the estimate of costs to restore the ROU asset at the conclusion of the lease term. ROU assets are depreciated on a straight-line basis over the shorter of the useful life of the underlying

asset consistent with Canada Packers' depreciation policy for property and equipment as disclosed in Note 3(i), or the lease term. If it is reasonably certain at the commencement of the lease arrangement that Canada Packers will exercise its purchase option or otherwise obtain ownership of the underlying asset at the end of the lease term, the ROU asset is depreciated over the useful life of the underlying asset.

Canada Packers remeasures the lease obligation and ROU asset as a result of modifications to a lease arrangement.

Estimates are used to determine the incremental borrowing rate of a lease when the interest rate implicit in the lease is not readily available. Prior to October 1, 2025, all funding for Canada Packers was managed centrally by Maple Leaf Foods, and Maple Leaf Foods was contractually obligated to make the lease payments to the lessor. Canada Packers applies its own incremental borrowing rate from October 1, 2025 onwards. Both are determined using a model which incorporates Maple Leaf Foods' or Canada Packers' 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 were reviewed and updated quarterly.

Canada Packers also applies significant judgment 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 Canada Packers 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 Canada Packers' operations.

(k) Employee Benefit Plans

Before October 1, 2025, substantially all employees of Canada Packers participated in either a defined contribution or defined benefit plan sponsored by Maple Leaf Foods. As the plans are sponsored by Maple Leaf Foods, the assets and obligations of the plans were the responsibility of Maple Leaf Foods, and were excluded from the Consolidated Balance Sheets of Canada Packers. As of October 1, 2025, Canada Packers established its own pension plans with substantially the same terms, and accounts for the assumption of the defined benefit pension assets and obligations related to Canada Packers employees, subject to regulatory approval.

Defined Benefit Plans

The cost of pensions and other post-retirement benefits earned by the direct and indirect employees of Canada Packers is recognized in the Consolidated Statements of Earnings. The cost is actuarially determined using the projected unit credit method prorated on service and management's best estimate of salary escalation, retirement ages of employees, mortality rates, inflation and expected health care costs. Changes in these assumptions could affect future pension expense. 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 Canada Packers 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.

Defined Contribution Plans

Canada Packers' obligations for contributions to employee defined contribution plans are recognized in the Consolidated Statements of Earnings in the periods during which services are rendered by employees.

(l) Share-Based Compensation

Certain employees of Canada Packers have been granted stock options, restricted share units ("RSUs") and performance share units ("PSUs"). Under the Canada Packers' Share Option Plan in effect as at December 27, 2025, the Company may grant options to its employees to purchase shares of common stock. Under the Canada Packers Restricted Share Unit Plan in effect as at December 27, 2025, the Company may grant RSUs and PSUs to its employees, entitling employees to receive common shares or cash at the option of Canada Packers.

Canada Packers applies the fair value method of accounting for share-based compensation. The fair value at grant date of stock options is estimated using the Black-Scholes option-pricing model. The fair value of RSUs are measured based on the fair value of the underlying shares on the grant date. The fair value of PSUs are measured based on the fair value of the underlying shares on the grant date and expected achievement of performance conditions. Compensation cost is recognized on a straight-line basis over the expected vesting period of the share-based compensation. Canada Packers estimates the number of units expected to vest at the grant date and revises the estimate as necessary if subsequent information indicates that the actual number of units vesting differs significantly from the original estimate. Each grant is accounted for based on the expected settlement method at the time of issue. The expectation is re-evaluated at the end of each reporting period. Share-based compensation expense for direct and indirect employees of Canada Packers is recognized in the Consolidated Statements of Earnings and allocated based on services provided.

Options, RSUs, and PSUs are granted from time to time by the board of directors of Canada Packers. The vesting conditions for options, RSUs, and PSUs are specified by the board of directors of Canada Packers and may include the continued service of the employee with the Company and/or other criteria based on measures of the Company's performance.

Before October 1, 2025, the share-based compensation expense related to grants of options, RSUs and PSUs by Maple Leaf Foods with common shares of Maple Leaf Foods underlying such options, RSUs and PSUs. In connection with the completion of the Spin-Off on October 1, 2025, the RSUs and PSUs granted to Canada Packers employees were amended so that the "Share" underlying such

RSUs and PSUs refers to a Canada Packers share rather than a Maple Leaf Foods share. Pursuant to the Separation Agreement, Maple Leaf Foods' obligation in respect of the RSUs and PSUs held by Canada Packers employees became an obligation of Canada Packers. In addition, Maple Leaf Foods stock options held by Canada Packers employees were exchanged for Canada Packers stock options.

(m) Revenue Recognition

Canada Packers recognizes revenue for all sales at the fair value of the consideration received or receivable. For all revenue transactions, revenue is recognized when control of the goods has transferred, being at the point the customer receives or accepts the product. There are no significant financing components associated with Canada Packers' payment terms.

Canada Packers generally does not accept returns of spoiled products from customers. For product that may not be returned, Canada Packers, in certain cases, provides customers with allowances to cover any damage or spoilage, and such allowances are deducted from sales.

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

(n) Borrowing Costs

Borrowing costs are primarily comprised of interest on Canada Packers' indebtedness. Borrowing costs are capitalized when they are attributable to the acquisition, construction, or production of a qualifying asset. Canada Packers defines qualifying assets as any asset that requires more than six months to prepare for its intended use. Borrowing costs attributable to qualifying assets are calculated using Canada Packers' average borrowing cost. Borrowing costs that are not attributable to a qualifying asset are expensed in the period in which they are incurred and reported within interest expense in the Consolidated Statements of Earnings.

(o) Income Taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in the Consolidated Statements of Earnings, except to the extent that it relates to items recognized directly in other comprehensive income (loss).

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

Canada Packers uses the asset and liability method of accounting for income taxes. Accordingly, deferred tax assets and liabilities are recognized for the deferred tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years when those temporary differences are expected to be recovered or settled in the manner in which those temporary differences are expected to be recovered or settled through sale or continued use. In addition, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in both earnings and comprehensive income in the period in which the enactment or substantive enactment takes place.

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

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

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

(p) Translation of Foreign Currencies

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

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

(q) 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 is assessing the impact of adoption on the Consolidated Financial Statements.

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

4. ACCOUNTS RECEIVABLE

	As at December 27, 2025	As at December 28, 2024
Trade receivables	\$ 83,626	\$ 62,762
Less: Allowance for doubtful accounts	(1,971)	(1,257)
Net trade receivables	\$ 81,655	\$ 61,505
Value-added tax receivable	2,735	1,809
Government receivable	—	3,000
Related party receivables ⁽ⁱ⁾	12,444	7,916
Other receivables	3,803	11,340
	\$ 100,637	\$ 85,570

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

The aging of trade receivables is as follows:

	As at December 27, 2025	As at December 28, 2024
Current	\$ 70,077	\$ 44,277
Past due 0-30 days	9,898	12,320
Past due 31-60 days	1,338	1,679
Past due > 60 days	2,313	4,486
	\$ 83,626	\$ 62,762

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 Canada Packers. 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 was directly attributable to Canada Packers, and 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 \$11.0 million at December 28, 2024.

As of July 28, 2025, Canada Packers no longer participates in Maple Leaf Foods' securitization program, and as a result, as at December 27, 2025, trade receivables are no longer derecognized by the Company.

5. INVENTORIES

	As at December 27, 2025		As at December 28, 2024
Raw materials	\$ 7,196	\$	7,958
Work in process	4,541		7,032
Finished goods	57,821		73,468
Packaging	4,210		2,525
Spare parts	10,012		8,350
	\$ 83,780	\$	99,333

For the year ended December 27, 2025, inventory in the amount of \$1,634.0 million (December 28, 2024: \$1,359.7 million) was expensed through cost of goods sold.

As at December 27, 2025, inventories have been reduced by \$4.2 million (December 28, 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

	Hog stock			
	Commercial	Parent	Total	
Balance at December 28, 2024	\$ 124,356	34,547	\$ 158,903	
Additions and purchases	436,534	7,218	443,752	
Depreciation	—	(9,332)	(9,332)	
Change in fair value realized	(12,543)	—	(12,543)	
Change in fair value unrealized	25,181	—	25,181	
Further processing and sales	(443,140)	—	(443,140)	
Balance at December 27, 2025	\$ 130,388	\$ 32,433	\$ 162,821	

	Hog stock			
	Commercial	Parent	Total	
Balance at December 30, 2023	\$ 69,048	36,054	\$ 105,102	
Additions and purchases	433,760	8,620	442,380	
Depreciation	—	(10,127)	(10,127)	
Change in fair value realized	51,038	—	51,038	
Change in fair value unrealized	12,543	—	12,543	
Further processing and sales	(442,033)	—	(442,033)	
Balance at December 28, 2024	\$ 124,356	34,547	\$ 158,903	

Hog stock is comprised of approximately 1.0 million hogs as at December 27, 2025 (December 28, 2024: 0.9 million). During the years ended December 27, 2025 and December 28, 2024 substantially all hog stock was directly transferred to Canada Packers' primary processing operations.

The change in fair value of commercial hog stock was a gain of \$12.6 million as at December 27, 2025 (December 28, 2024: gain of \$63.6 million) recorded in cost of goods sold.

The fair value measures of commercial hog stock have been categorized as a Level 3 fair value based on inputs to the valuation techniques used. There were no transfers between levels for the years ended December 27, 2025 and December 28, 2024.

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

The quality index adjustment is a value adjustment based on the relative quality of a processed hog based on the lean yield (being the ratio between muscle and fat content) and total weight. Quality adjustments during the year ranged from 6.7% to 7.2% (2024: 6.7% to

7.1%). A higher (lower) quality adjustment percentage will result in an increase (decrease) to the fair market value of the commercial hog stock.

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

7. PROPERTY AND EQUIPMENT

Property and equipment recorded in the Consolidated Balance Sheets comprises:

	Land	Buildings	Machinery and equipment	Under construction	Total
Cost	\$ 15,300	399,316	416,031	16,421	\$ 847,068
Accumulated depreciation	—	(183,859)	(338,697)	—	(522,556)
Net balance, December 27, 2025	\$ 15,300	215,457	77,334	16,421	\$ 324,512

	Land	Buildings	Machinery and equipment	Under construction	Total
Cost	\$ 15,300	376,707	411,500	11,647	\$ 815,154
Accumulated depreciation	—	(171,516)	(326,232)	—	(497,748)
Net balance, December 28, 2024	\$ 15,300	205,191	85,268	11,647	\$ 317,406

Changes in net carrying amounts of property and equipment and impairment during the years ended December 27, 2025 and December 28, 2024 were as follows:

	Land	Buildings	Machinery and equipment	Under construction	Total
Net balance, December 28, 2024	\$ 15,300	205,191	85,268	11,647	\$ 317,406
Additions	—	—	—	38,828	38,828
Transfers from under construction	—	23,124	10,910	(34,034)	—
Impairment	—	—	(484)	—	(484)
Depreciation	—	(12,811)	(17,315)	—	(30,126)
Other ⁽ⁱ⁾	—	(47)	(1,045)	(20)	(1,112)
Net balance, December 27, 2025	\$ 15,300	215,457	77,334	16,421	\$ 324,512

	Land	Buildings	Machinery and equipment	Under construction	Total
Net balance, December 30, 2023	\$ 16,568	215,465	82,509	15,918	\$ 330,460
Additions	—	—	—	30,596	30,596
Transfers from under construction	108	12,943	21,647	(34,698)	—
Depreciation	—	(12,239)	(17,761)	—	(30,000)
Transfers to investment property	(1,220)	(5,680)	—	—	(6,900)
Revaluation of land and building	(156)	(4,836)	—	—	(4,992)
Other ⁽ⁱ⁾	—	(462)	(1,127)	(169)	(1,758)
Net balance, December 28, 2024	\$ 15,300	205,191	85,268	11,647	\$ 317,406

⁽ⁱ⁾ Includes disposals, reclassifications, foreign currency translation and other adjustments.

Borrowing Costs

As at December 27, 2025, borrowing costs of \$0.5 million were capitalized (December 28, 2024: \$0.4 million).

8. RIGHT-OF-USE ASSETS

Canada Packers enters into lease arrangements for barns, buildings, vehicles, machinery and equipment as part of its daily operations. Building and barn leases include the rental of office space, warehouse facilities and barns. These leases vary in length and are typically greater than 3 years and may include renewal options.

Employee vehicle leases have an initial term of 3 years. When leases of employee vehicles mature, a residual value guarantee is required to be paid to the lessor for the value of the leased vehicle at the end of the lease term. As at December 27, 2025, Canada Packers' residual value guarantees on employee vehicles totaled \$1.3 million (December 28, 2024: \$1.2 million).

Machinery and equipment leases include the rental of trailers, barn equipment and packaging equipment. These leases vary in duration and structure and typically do not exceed 10 years.

Right-of-use assets recorded in the Consolidated Balance Sheets comprises:

	Barns	Buildings	Vehicles	Machinery and equipment	Total
Cost	\$ 146,516	1,847	4,050	8,024	\$ 160,437
Accumulated depreciation	(71,584)	(878)	(2,678)	(106)	(75,246)
Net balance, December 27, 2025	\$ 74,932	969	1,372	7,918	\$ 85,191

	Barns	Buildings	Vehicles	Machinery and equipment	Total
Cost	\$ 136,774	1,640	3,933	13	\$ 142,360
Accumulated depreciation	(55,159)	(1,413)	(1,797)	(9)	(58,378)
Net balance, December 28, 2024	\$ 81,615	227	2,136	4	\$ 83,982

Changes in the net balance of right-of-use assets during the years ended December 27, 2025 and December 28, 2024 were as follows:

	Barns	Buildings	Vehicles	Machinery and equipment	Total
Net balance, December 28, 2024	\$ 81,615	\$ 227	2,136	4	\$ 83,982
Additions	11,138	1,123	664	8,011	20,936
Depreciation	(17,744)	(330)	(1,370)	(96)	(19,540)
Disposals and other adjustments	(77)	(51)	(58)	(1)	(187)
Net balance, December 27, 2025	\$ 74,932	\$ 969	1,372	7,918	\$ 85,191

	Barns	Buildings	Vehicles	Machinery and equipment	Total
Net balance, December 30, 2023	\$ 63,437	\$ 532	2,767	3	\$ 66,739
Additions	39,489	48	737	4	40,278
Depreciation	(17,941)	(339)	(1,328)	(2)	(19,610)
Disposals and other adjustments	(3,370)	(14)	(40)	(1)	(3,425)
Net balance, December 28, 2024	\$ 81,615	\$ 227	2,136	4	\$ 83,982

Lease obligations associated with Canada Packers' right-of-use assets are disclosed in Note 10.

9. GOODWILL

As part of the separation from Maple Leaf Foods, Canada Packers recognized goodwill of \$90.0 million during the third quarter of 2025 with the full amount allocated to a single CGU group. Goodwill was allocated to Canada Packers based on the estimated relative fair values of Canada Packers and Maple Leaf Foods.

Canada Packers performs its annual test for impairment of goodwill in the fourth quarter. Canada Packers evaluates long-lived assets including property and equipment, leaseholds, right-of-use assets, intangible assets, and goodwill for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset group may not be fully recoverable. These assessments are performed more frequently than the annual requirement if specific triggering events occur.

Canada Packers performs its annual impairment test by comparing the carrying amount of its CGU group to its recoverable amount. The recoverable amount is determined based on fair value less costs of disposal, utilizing a discounted cash flow model. Given the reliance on significant unobservable inputs, including internal multi-year financial projections, this valuation is classified as a Level 3 measurement within the fair value hierarchy. The key assumptions applied in assessing the fair value included the following:

- Canada Packers projected sales, operating margins and cash flows for a four year period. Cash flows for a further perpetual period were extrapolated using a growth rate of 2.0%.
- Forecasted cash flows are derived from historical operating performance and management's expectations regarding future growth opportunities.
- The discount rate used in determining the recoverable amount was 9.6%. The discount rate was estimated based on the weighted average cost of capital of the CGU group and other competitors in the industry.

Based on this assessment, the recoverable amount for the CGU group was determined to be in excess of its carrying amount. Accordingly, no impairment loss was recognized for the fiscal year ended December 27, 2025.

10. LEASE OBLIGATIONS

Changes in the balance of lease obligations during the years ended December 27, 2025 and December 28, 2024 were as follows:

	For the year ended	
	December 27, 2025	December 28, 2024
Total lease obligations, beginning of period	\$ 87,306	\$ 68,787
Payments	(23,695)	(22,754)
Interest	4,595	4,538
Additions	20,937	40,279
Disposals and other adjustments	(471)	(3,514)
Foreign currency translation	53	(30)
Total lease obligations, end of period	\$ 88,725	\$ 87,306
Current	\$ 24,409	\$ 20,844
Non-current	\$ 64,316	\$ 66,462
Total lease obligations, end of period	\$ 88,725	\$ 87,306

Total cash outflows arising from lease obligations are as follows:

	For the year ended	
	December 27, 2025	December 28, 2024
Payment of lease obligations in Financing Activities	\$ 19,100	\$ 18,216
Payment of lease interest expense in Operating Activities	4,595	4,538
Total Cash Outflow of Leases	\$ 23,695	\$ 22,754

The maturity of contractual undiscounted lease obligation payments as at December 27, 2025 are as follows:

Due within 1 year	\$	26,473
Due between 1 and 3 years		43,464
Due between 3 and 5 years		22,732
Due after 5 years		7,798
Total lease obligation payments	\$	100,467

Canada Packers does not face a significant liquidity risk in regard to its lease obligations. See Note 17.

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

	For the year ended			
	December 27, 2025		December 28, 2024	
Variable rent expense ⁽ⁱ⁾	\$	2,332	\$	1,787
Short-term rent expense ⁽ⁱⁱ⁾	\$	5,493	\$	5,687

⁽ⁱ⁾ Pertains to property taxes and common area maintenance on buildings which are calculated annually. These payments make up 9.8% (December 28, 2024: 7.9%) of fixed payments made in the year.

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

Right-of-use assets associated with Canada Packers' lease obligations are disclosed in Note 8.

11. LONG-TERM DEBT

Long-term debt consists of the following:

	For the year ended			
	December 27, 2025		December 28, 2024	
	Book value	Face value	Book value	Face value
Term loan	\$ 396,015	\$ 400,000	\$ —	\$ —

On October 1, 2025, Canada Packers entered into a four-year senior secured credit agreement maturing on October 1, 2029 ("the Credit Agreement") with a syndicate of Canadian financial institutions led by Bank of Montreal, under which it had the capacity to incur indebtedness of up to \$615.0 million, consisting of \$415.0 million in aggregate initial principal amount of term loans ("Term Loan") and a \$200.0 million revolving credit facility ("Revolving 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 December 27, 2025, \$400.0 million (December 28, 2024: \$nil) is outstanding under the Term Loan and no amount was drawn under the Revolving Facility. Approximately \$0.6 million (December 28, 2024: \$nil) letters of credit were outstanding.

Pursuant to its Credit Agreement, Canada Packers is required to maintain compliance with certain covenants and was in compliance with such covenants as at December 27, 2025.

During the year ended December 27, 2025, Canada Packers repaid \$15.0 million of the Term Loan. The repayment resulted in a permanent reduction of the total borrowing capacity by \$15.0 million. Any future principal repayments will similarly result in a permanent reduction of the borrowing capacity available under the Term Loan. Canada Packers' effective cost of borrowing was approximately 5.4% for the year ended December 27, 2025 (December 28, 2024: nil).

During the year ended December 27, 2025, Canada Packers capitalized deferred financing fees of \$4.3 million related to the Credit Agreement.

Canada Packers recorded cash interest expense and amortization of deferred financing fees on the Term Loan during the year ended December 27, 2025 of \$3.8 million (December 28, 2024: \$nil) and \$0.3 million (December 28, 2024: \$nil), respectively.

12. INCOME TAXES

The components of income tax expense were as follows:

	For the year ended	
	December 27, 2025	December 28, 2024
Current tax expense		
Current year	\$ 26,879	\$ 27,563
	\$ 26,879	\$ 27,563
Deferred tax expense		
Origination and reversal of temporary differences	\$ 14,568	\$ 12,671
	\$ 14,568	\$ 12,671
Total income tax expense	\$ 41,447	\$ 40,234

Reconciliation of Effective Tax Rate

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

	For the year ended	
	December 27, 2025	December 28, 2024
Income tax expense according to combined statutory rate of 26.4% (2024: 26.4%)	\$ 39,013	\$ 39,230
Increase (decrease) in income tax resulting from:		
Tax rate differences in other jurisdictions	696	594
Manufacturing and processing credit	(562)	(537)
Share-based compensation	225	344
Non-deductible expenses and transactional costs	1,075	447
Withholding tax	730	—
Other	270	156
	\$ 41,447	\$ 40,234

Income Tax Recognized in Other Comprehensive Income (Loss)

	For the year ended	
	December 27, 2025	December 28, 2024
Derivative instruments	\$ (726)	\$ 667
Pension adjustments	(86)	—
	\$ (812)	\$ 667

Deferred Tax Assets and Liabilities

Recognized Deferred Tax Asset and Liabilities

Canada Packers has recognized deferred tax assets in the amount of approximately \$1.3 million (2024: \$2.1 million), primarily relating to non-deductible expenses and other. These deferred tax assets are recorded based on Canada Packers' estimate that it will earn sufficient taxable profits to fully utilize the future deductions.

Canada Packers has recognized deferred tax liabilities in the amount of approximately \$36.6 million (2024: \$43.8 million), relating primarily to claims for tax depreciation in excess of accumulated book depreciation, mark-to-market adjustments of biological assets, and cash basis farming adjustments.

	As at December 27, 2025		As at December 28, 2024
Deferred tax assets:			
Employee benefits	105		828
Financial instruments	—		417
Other	1,173		817
	\$ 1,278	\$	2,062
Deferred tax liabilities:			
Property and equipment	\$ 22,759	\$	8,608
Cash basis farming	7,279		31,951
Biological assets	6,218		3,261
Financial Instruments	310		—
	\$ 36,566	\$	43,820
Classified in the consolidated financial statements as:			
Deferred tax asset	\$ 607	\$	681
Deferred tax liability	\$ 35,895	\$	42,439

Unrecognized Deferred Tax Assets and Liabilities

Canada Packers has no unrecognized deferred tax assets or liabilities as at December 27, 2025 and December 28, 2024.

13. EMPLOYEE BENEFITS

Canada Packers sponsors a pension plan for Canadian employees containing defined contribution and defined benefit provisions. The plan requires contributions to be made to separately administered funds. The plan is governed by the pension laws of Manitoba.

Prior to October 1, 2025, substantially all employees of Canada Packers participated in either a defined contribution or defined benefit plan sponsored by Maple Leaf Foods. Only the current service cost for defined benefit plans has been allocated to the Company, including the current service cost for employees of Canada Packers and a share of service cost allocated to participating employees that indirectly provide support to the Company.

As part of the Spin-Off, a pension plan was established by the Company. The pension plan is effectively responsible for the the defined benefit pension obligation related to the employees of Canada Packers and a prorated portion of the pension assets based on the solvency liabilities attributable to those employees while employees of Maple Leaf Foods. The Company has therefore recognized a net pension liability of \$0.5 million which represents the fair value of assets and liabilities at at the inception of the separate plan. These assets and obligations will be fully transferred from the established pension plan pending final regulatory approval.

Information about the Company's defined benefit plans as at December 27, 2025, in aggregate, are as follows:

	December 27, 2025	
Plan Assets (in millions)		
Fair value, beginning of year	\$	—
Plan assets transferred on July 28, 2025		63,492
Interest income		1,409
Actuarial gains		1,122
Employer contributions		1,221
Employee contributions		666
Benefits paid		(193)
Fair value, end of year	\$	67,717
Accrued benefit obligations:		
Balance, beginning of year	\$	—
Benefit obligations transferred on July 28, 2025		64,032
Current service cost		1,287
Interest cost		1,441
Employee contributions		666
Actuarial losses - financial assumptions		1,448
Benefits paid from plan assets		(193)
Balance, end of year	\$	68,681
Accrued liability, end of year	\$	(964)

Amounts recognized in the Consolidated Balance Sheet consist of:

	December 27, 2025	
Employee benefit assets	\$	—
Employee benefit obligations		(964)
Accrued liability, end of year	\$	(964)

Pension benefit expense recognized in earnings:

	December 27, 2025	
Current service cost - defined benefit	\$	1,287
Current service cost - defined contribution		2,088
Net interest cost		32
Net pension expense	\$	3,407

Salary expenses excluding pension and other post-retirement benefits of the direct employees of Canada Packers for the year ended December 27, 2025 were \$261.1 million (2024: \$255.7 million). In addition, salary expenses excluding pension and other post-retirement benefits that has been allocated related to employees that indirectly provided support to Canada Packers were \$11.5 million (2024: \$20.2 million).

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

	December 27, 2025
Actuarial loss	\$ (326)

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

	December 27, 2025
Period end discount rate	5.10 %
Rate of salary increase	2.75 %

Plan assets were comprised of:

	December 27, 2025
Equity securities	17.00 %
Debt securities	50.00 %
Real estate	32.00 %
Other investments and cash	1.00 %
	100.00 %

Impact of changes in major assumptions:

Actuarial Assumption		Increase (decrease) in defined benefit obligations	
		Sensitivity	Net Pension Obligation
Period end discount rate	5.10 %	0.25 % decrease	\$ 4,045
		0.25 % increase	\$ (3,562)
Rate of salary increase	2.75 %	0.50 % increase	\$ 657
Mortality	100% of 2014 Private Sector Canadian Pensioners' Mortality Table, projected generationally using Scale MI-2017	Increase of 1 year in expected lifetime of plan participants	\$ 1,365

The average expected maturity of the pension obligation is 25.7 years.

The Company expects to contribute \$4.9 million to pension plans in 2026, inclusive of defined benefit plans and defined contribution plans.

14. SHARE CAPITAL

(Thousands of shares)	Common Shares		Treasury Shares	
	December 27, 2025	December 28, 2024	December 27, 2025	December 28, 2024
Beginning Balance	—	—	—	—
Common Shares Issued	29,737	—	—	—
Purchase of Treasury Shares	(50)	—	50	—
Ending Balance	29,687	—	50	—

Common Shares

Canada Packers is authorized to issue an unlimited number of common shares without par value.

On July 28, 2025, Canada Packers issued 1,000 common shares to Maple Leaf Foods in satisfaction of 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 as fully paid and non-assessable, representing the portion of the purchase price delivered in equity rather than cash.

In connection with the Spin-Off, the Company issued approximately 29.7 million common shares to Maple Leaf Foods and the shareholders of Maple Leaf Foods on a pro-rata basis.

Treasury Shares

Treasury shares is comprised of shares purchased by a trust in order to satisfy the requirements of the Company's Restricted Share Unit Plan, as described in Note 18.

15. NET PARENT INVESTMENT

Until July 28, 2025, Canada Packers was not a standalone 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 represented 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 and related assets being transferred to the Company, Canada Packers issued shares, recognizing share capital equal to the net parent investment at the time of transfer.

16. EARNINGS PER SHARE

Basic earnings per share ("EPS") is calculated by dividing earnings by the weighted average number of shares outstanding during the period.

Diluted earnings per share is calculated by adjusting the weighted-average number of shares outstanding for the impact of dilutive potential shares.

The following table presents Canada Packers' basic and diluted earnings per share for the year end December 27, 2025 and December 28, 2024:

<i>(in thousands)</i>	December 27, 2025	December 28, 2024
Basic earnings per share:		
Earnings	\$ 106,322	108,253
Weighted average number of shares outstanding - basic ⁽ⁱ⁾	29,737	29,737
EPS - basic	\$ 3.58	\$ 3.64
Diluted earnings per share:		
Earnings	\$ 106,322	\$ 108,253
Weighted average number of shares outstanding - basic ⁽ⁱ⁾	29,737	29,737
Dilutive potential shares	41	—
Weighted average number of shares outstanding - diluted	29,778	29,737
EPS - diluted	\$ 3.57	\$ 3.64

⁽ⁱ⁾ The common shares issued at spinoff have been used for comparative periods as the Company had no common shares outstanding prior to the Spin-Off. For periods prior to the spinoff, it is assumed there were no dilutive equity instruments as there were no equity awards of Canada Packers outstanding prior to the Spin-Off.

17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Capital

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

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

The Company intends to maintain a stable dividend distribution.

There have been no material changes to the Company's risk management activities during the year ended December 27, 2025.

Prior to July 28, 2025, 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 Maple Leaf Foods' overall capital management objectives.

Financial Instruments

Canada Packers' financial assets and liabilities are classified into the following categories:

Cash	FVTPL
Accounts receivable, including due to related parties	Amortized cost
Accounts payable and accruals, including due to related parties	Amortized cost
Long-term debt	Amortized cost
Derivative instruments ⁽ⁱ⁾	FVTPL

⁽ⁱ⁾ These derivative instruments may be designated as cash flow hedges or fair value hedges as appropriate. Derivatives designated as cash flow hedges are classified as FVTOCI.

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

The fair values and notional amounts of derivative financial instruments as at December 27, 2025 and December 28, 2024 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	\$ 67,702	\$ 921	\$ —	\$ 46,746	\$ —	\$ 1,618
Interest rate swaps	\$ 160,000	\$ 562	\$ 268	\$ —	\$ —	\$ —
		\$ 1,483	\$ 268		\$ —	\$ 1,618
Fair value hedges⁽ⁱⁱⁱ⁾						
Foreign exchange contracts	\$ 11,415	\$ 182	\$ 7	\$ 73,942	\$ 6	\$ 2,533
Commodity contracts	\$ 10,435	\$ —	\$ 57	\$ 70,822	\$ 450	\$ —
		\$ 182	\$ 64		\$ 456	\$ 2,533
Derivatives not designated in a formal hedging relationship						
Foreign exchange contracts	\$ 92,271	\$ 717	\$ 83	\$ 91,585	\$ 362	\$ 1,139
Commodity contracts	\$ 28,431	\$ 611	\$ —	\$ 89,136	\$ 2,499	\$ —
		\$ 1,328	\$ 83		\$ 2,861	\$ 1,139
Total fair value^{(iii)(iv)(v)}		\$ 2,993	\$ 415		\$ 3,317	\$ 5,290
Current		\$ 2,432	\$ 408		\$ 3,317	\$ 5,290
Non-current		\$ 561	\$ 7		\$ —	\$ —
Total fair value^{(iii)(iv)(v)}		\$ 2,993	\$ 415		\$ 3,317	\$ 5,290

⁽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, other long-term assets and other current liabilities, 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) Derivatives are short-term and will impact profit or loss at various dates within the next 12 months.

^(v) As at December 27, 2025, the above fair value of current assets has increased by \$0.1 million (December 28, 2024: increased by \$2.3 million), and the above fair value of current liabilities has decreased by \$0.1 million (December 28, 2024: nominally changed) in 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 was net settled in cash by Canada Packers each day with the futures exchange and was recorded within net parent investment before July 28, 2025, and within cash and cash equivalents after July 28, 2025.

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

The Company's cash and derivative instruments are recorded at fair value. The fair value of cash 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 foreign exchange derivative instruments were estimated using current market measures for 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 27, 2025, Canada Packers recorded a gain of \$10.8 million (2024: gain of \$8.5 million) on financial instruments recognized at fair value through profit and loss.

The tables below set out fair value measurements of derivative financial instruments using the fair value hierarchy:

(\$ thousands)	As at December 27, 2025			
	Level 1	Level 2	Level 3	Total
Assets:				
Foreign exchange contracts	\$ —	\$ 1,821	\$ —	\$ 1,821
Commodity contracts ⁽ⁱ⁾	\$ 554	\$ —	\$ —	\$ 554
Interest rate swaps	\$ —	\$ 562	\$ —	\$ 562
	\$ 554	\$ 2,383	\$ —	\$ 2,937
Liabilities:				
Foreign exchange contracts	\$ —	\$ 90	\$ —	\$ 90
Interest rate swaps	\$ —	\$ 268	\$ —	\$ 268
	\$ —	\$ 358	\$ —	\$ 358
(\$ thousands)	As at December 28, 2024			
	Level 1	Level 2	Level 3	Total
Assets:				
Foreign exchange contracts	\$ —	\$ 368	\$ —	\$ 368
Commodity contracts ⁽ⁱ⁾	\$ 2,949	\$ —	\$ —	\$ 2,949
	\$ 2,949	\$ 368	\$ —	\$ 3,317
Liabilities:				
Foreign exchange contracts	—	5,290	—	5,290
	\$ —	\$ 5,290	\$ —	\$ 5,290

⁽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 27, 2025 and December 28, 2024.

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

Accumulated other comprehensive income (loss)

The Company estimates that \$0.5 million, net of tax of \$0.2 million, of the unrealized gain 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 affected by future changes in the fair value of financial instruments designated as cash flow hedges. The actual amount reclassified could differ from this estimated amount.

During the year ended December 27, 2025, a loss of \$1.5 million net of tax recovery of \$0.5 million, was released to earnings from accumulated other comprehensive income (loss) and included in the net change for the year (December 28, 2024: a gain of \$0.2 million, net of tax of \$0.1 million).

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 is exposed to interest rate risk on its Term Loan, which bears interest at floating rates. 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.

The Company's designated interest rate swaps are accounted for as cash flow hedges to reduce variability of floating rate interest payments of variable-rate debt. These interest rate swaps settle periodically against CORRA and mature in 2028. The critical terms of designated interest rate swaps and the associated hedged items are similar. The Company performs a quantitative assessment of the effectiveness, and it is expected that the value of the interest rate swaps and the value of the corresponding hedged items will systematically change in opposite directions in response to movements in the underlying interest rates. Sources of hedge ineffectiveness include the effect of the counterparty and the Company's own credit risk on the fair value of the interest rate swaps and a lack of access to negative benchmark interest rates on the Company's borrowings.

The change in fair values of interest rate hedges used as the basis for recognizing ineffectiveness for the year ended December 27, 2025 and December 28, 2024 were as follows:

	December 27, 2025		December 28, 2024	
	Hedging Instruments	Hedged Items	Hedging instruments	Hedged items
Cash flow hedges	\$ 293	\$ (293)	—	—

Amounts recognized in the Consolidated Statements of Other Comprehensive Income as at December 27, 2025 and December 28, 2024, consist of:

	2025	2024
Cash flow hedges		
Balance, beginning of year	\$ —	\$ —
Interest rate swaps	293	—
Balance, end of year	\$ 293	\$ —

It is estimated, that, all else constant, a hypothetical 10% change in the variable interest rate would result in the following:

(\$ thousands)	December 27, 2025					
	10% Adverse Change			10% Favourable Change		
	Change in FV	Change in Earnings	Change in OCI	Change in FV	Change in Earnings	Change in OCI
Cash flow hedges	\$ (1,171)	\$ —	\$ (1,171)	\$ 1,171	\$ —	\$ 1,171
	\$ (1,171)	\$ —	\$ (1,171)	\$ 1,171	\$ —	\$ 1,171

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. The primary currencies to which the Company is exposed are the U.S dollar and the Japanese yen.

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

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

The Company's designated foreign exchange forward contracts mature within one year. The average exchange rate of the Company's designated U.S. dollar denominated contracts for the year ended December 27, 2025 is 1.38 Canadian dollars per U.S. dollar (December 28, 2024: 1.39).

The change in fair values of foreign exchange hedges used as the basis for recognizing ineffectiveness for the years ended December 27, 2025 and December 28, 2024 were as follows:

	December 27, 2025		December 28, 2024	
	Hedging Instruments	Hedged Items	Hedging instruments	Hedged items
Cash flow hedges	\$ 921	\$ (921)	\$ (1,618)	\$ 1,602
Fair value hedges	\$ 176	\$ (191)	\$ (2,527)	\$ 2,532

Amounts recognized in the Consolidated Statements of Other Comprehensive Income for the years ended December 27, 2025 and December 28, 2024 were as follows:

	December 27, 2025	December 28, 2024
Cash flow hedges		
Balance, beginning of year	\$ (1,602)	\$ 962
Eligible change in fair value of foreign exchange contracts	\$ 2,523	\$ (2,564)
Balance, end of year	\$ 921	\$ (1,602)

Gains (losses) related to the Company's designated derivative financial instruments recorded in the Consolidated Statements of Earnings for the years ended December 27, 2025 and December 28, 2024 were as follows:

	December 27, 2025		December 28, 2024	
	Effective portion ⁽ⁱ⁾⁽ⁱⁱ⁾	Ineffective portion ⁽ⁱ⁾	Effective portion ⁽ⁱ⁾⁽ⁱⁱ⁾	Ineffective portion ⁽ⁱ⁾
Cash flow hedges				
Foreign exchange contracts	\$ —	\$ 16	\$ —	\$ (16)
Fair value hedges				
Foreign exchange contracts	\$ 2,703	\$ (21)	\$ (2,539)	\$ 7

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

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

It is estimated that, all else constant, a hypothetical 10% change in the value of the Canadian dollar against all relevant currencies would result in the following:

(\$ thousands)	December 27, 2025					
	10% Adverse Change			10% Favourable Change		
	Change in FV	Change in Earnings	Change in OCI	Change in FV	Change in Earnings	Change in OCI
Cash flow hedges	\$ (6,678)	\$ —	\$ (6,678)	\$ 6,678	\$ —	\$ 6,678
Fair value hedges	\$ (1,124)	\$ (1,124)	\$ —	\$ 1,124	\$ 1,124	\$ —
Non-designated	\$ (5,429)	\$ (5,429)	\$ —	\$ 5,300	\$ 5,300	\$ —
	\$ (13,231)	\$ (6,553)	\$ (6,678)	\$ 13,102	\$ 6,424	\$ 6,678

Commodity Price Risk

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

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

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

The Company's designated commodity futures contracts mature within one year. The outstanding designated commodity futures contracts as at December 27, 2025 and December 28, 2024 were as follows:

	December 27, 2025		December 28, 2024	
	Average Price (USD)	Volume (000's)	Average Price (USD)	Volume (000's)
Fair value hedges				
Hog contracts ⁽ⁱ⁾	\$ 94	81	\$ 90	546

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

The change in fair values of commodity hedges used as the basis for recognizing ineffectiveness for the years ended December 27, 2025 and December 28, 2024 were as follows:

	December 27, 2025		December 28, 2024	
	Hedging instruments	Hedged items	Hedging instruments	Hedged items
Fair value hedges	\$ (57)	\$ 57	\$ 450	\$ (450)

Gains (losses) related to Canada Packers' designated derivative financial instruments recorded in the Consolidated Statements of Earnings for the years ended December 27, 2025 and December 28, 2024 were as follows:

	December 27, 2025		December 28, 2024	
	Effective portion ⁽ⁱ⁾⁽ⁱⁱ⁾	Ineffective portion ⁽ⁱ⁾	Effective portion ⁽ⁱ⁾⁽ⁱⁱ⁾	Ineffective portion ⁽ⁱ⁾
Fair value hedges				
Hog contracts	\$ (508)	\$ —	\$ 26	\$ —

- (i) Gains (losses) are recorded in cost of goods sold in the Consolidated Statements of Earnings.
- (ii) The effective portion recognized in earnings for fair value hedges represents the change in fair value of hedging instruments; the change in the hedged items is recorded at the inverse of the associated hedging instruments within cost of goods sold in the Consolidated Statements of Other Comprehensive Income.

It is estimated that, all else constant, a hypothetical 10% change in market prices of the underlying commodities would result in the following:

(\$ thousands)	December 27, 2025					
	10% Adverse Change			10% Favourable Change		
	Change in FV	Change in Earnings	Change in OCI	Change in FV	Change in Earnings	Change in OCI
Fair value hedges	\$ 1,049	\$ 1,049	\$ —	\$ (1,049)	\$ (1,049)	\$ —
Non-designated	\$ (2,056)	\$ (2,056)	\$ —	\$ 2,056	\$ 2,056	\$ —
	\$ (1,007)	\$ (1,007)	\$ —	\$ 1,007	\$ 1,007	\$ —

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, food service, and industrial channels. The Company performs ongoing credit evaluations of new and existing third-party customers' financial condition and reviews the collectability of its trade accounts receivable and other receivables in order to mitigate any possible credit losses as part of its processes. 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 trade accounts receivable days sales outstanding for the year is consistent with historic trends.

Management believes concentrations of credit risk with respect to trade accounts receivable is limited due to the generally high credit quality of the Company's major customers, the large number and geographic dispersion of smaller customers, and insurance policies entered into to reduce its risk.

The Company is also exposed to credit risk on its non-exchange-traded derivative contracts. The Company mitigates this credit risk by transacting primarily with counterparties that are major international financial institutions with long-term debt ratings of A or higher. The Company's maximum exposure to credit risk at the balance sheet date consisted primarily of the carrying value of non-derivative financial assets and non-exchange-traded derivatives with positive fair values.

Liquidity Risk

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

(\$ thousands)	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	120,251	—	—	—	120,251
Long-term debt	—	—	400,000	—	400,000
Foreign exchange contracts	90	—	—	—	90
Commodity contracts	57	—	—	—	57
Interest rate swaps	261	7	—	—	268
Lease obligations	26,473	43,464	22,732	7,798	100,467
Supplier financing	143	593	—	—	736
Dividend payable	6,839	—	—	—	6,839
Other liabilities	141	—	—	—	141
	\$ 154,255	\$ 44,064	\$ 422,732	\$ 7,798	\$ 628,849

The Company manages liquidity risk by monitoring forecasted and actual cash flows, and by maintaining sufficient access to credit through the Credit Facilities.

18. SHARE-BASED COMPENSATION

Prior to October 1, 2025, certain employees of the Company participated in Maple Leaf Foods' incentive plan which included stock options, RSUs, and PSUs. On October 1, 2025, in connection with the Spin-Off, the Company established its own share-based compensation plans. In connection with the completion of the Spin-Off, RSUs and PSUs held by Canada Packers employees issued under Maple Leaf Foods' incentive plans were amended so that the "Share" underlying such RSUs and PSUs refers to a common share of Canada Packers and the aggregate value of such RSUs and PSUs was the same immediately before and immediately after the effective time of the Spin-Off. Pursuant to the Separation Agreement, Maple Leaf Foods' obligation in respect of the RSUs and PSUs held by Canada Packers employees became an obligation of Canada Packers. In addition, stock options held by Canada Packers employees issued under Maple Leaf Foods' incentive plans were exchanged for stock options of Canada Packers, which Canada Packers stock options had the same aggregate in-the-money value as the aggregate in-the-money value of the Maple Leaf Foods stock options immediately prior to the effective time of the Spin-Off.

Stock Options

A summary of the status of outstanding stock options granted to the direct employees of Canada Packers as at December 27, 2025 and December 28, 2024, and changes during these periods are presented below:

	December 27, 2025		December 28, 2024	
	Options outstanding	Weighted average exercise price	Options outstanding	Weighted average exercise price
Opening Balance	169,650	\$ 23.57	87,600	\$ 24.15
Granted by Maple Leaf Foods	37,500	\$ 24.64	82,050	\$ 22.95
Exercised - Maple Leaf Foods	(8,800)	\$ 22.95	—	\$ —
Forfeited - Maple Leaf Foods	(3,450)	\$ 23.57	—	\$ —
Cancelled by Maple Leaf Foods	(194,900)	\$ 23.81	—	\$ —
Canada Packers options exchanged at Spin-Off	457,661	\$ 10.15	—	\$ —
Granted	641,100	\$ 15.47	—	\$ —
Ending Balance	1,098,761	\$ 13.25	169,650	\$ 23.57
Options currently exercisable	177,993	\$ 10.17	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.

The number of options outstanding as at December 27, 2025 is as follows:

Range of exercise prices	Options outstanding			Options currently exercisable		Options subject to time vesting only	
	Number outstanding	Weighted average exercise price	Weighted average remaining term of options (in years)	Number exercisable	Weighted average exercise price	Number outstanding	Weighted average exercise price
\$ 9.78 to \$ 15.47	1,098,761	\$ 13.25	6.1	177,993	\$ 10.17	920,768	\$ 13.85

The number of options outstanding as at December 28, 2024 was as follows:

Range of exercise prices	Options outstanding			Options currently exercisable		Options subject to time vesting only	
	Number outstanding	Weighted average exercise price	Weighted average remaining term of options (in years)	Number exercisable	Weighted average exercise price	Number outstanding	Weighted average exercise price
\$ 20.28 to \$ 25.10	169,650	\$ 23.57	5.7	29,200	\$ 24.15	140,450	\$ 23.45

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 years ended December 27, 2025 and December 28, 2024 are shown in the table below⁽ⁱ⁾:

	Granted by Canada Packers - 2025	Granted by Maple Leaf Foods - 2025	Granted by Maple Leaf Foods - 2024
Share price at grant date	\$15.69	\$25.22	\$22.99
Exercise price	\$15.47	\$24.64	\$22.95
Expected volatility	27.6%	30.8%	32.1%
Option life (in years) ⁽ⁱⁱ⁾	4.5	4.5	4.5
Expected dividend yield	6.3%	4.5%	4.6%
Risk-free interest rate ⁽ⁱⁱⁱ⁾	3.0%	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.

The fair value of options granted during the year ended December 27, 2025 was \$1.5 million (2024: \$0.4 million). Canada Packers recognized share-based compensation expense for employees during the twelve months ended December 27, 2025 of \$0.2 million (December 28, 2024: \$0.3 million).

In addition, share-based compensation expense relating to current and prior year Maple Leaf Foods options has been allocated to participating employees that provided support to Canada Packers as at July 28, 2025 in the amounts of \$0.6 million (December 28, 2024: \$1.0 million).

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

Restricted Share Units and Performance Share Units

During the year ended December 27, 2025, Canada Packers purchased 50,000 common shares for the purpose of satisfying the requirements of the Company's Restricted Share Unit and Performance Share Unit plan.

A summary of the status of RSUs and PSUs granted to employees of Canada Packers as at December 27, 2025 and December 28, 2024, and changes during these periods is presented below:

	December 27, 2025		December 28, 2024	
	Share units outstanding	Weighted average fair value at grant	Share units outstanding	Weighted average fair value at grant
Opening Balance	259,708	\$ 21.05	139,464	\$ 23.16
Granted by Maple Leaf Foods	68,060	\$ 22.96	154,344	\$ 19.90
Distributed - Maple Leaf Foods	(39,959)	\$ 22.86	(13,758)	\$ 24.14
Forfeited - Maple Leaf Foods	(16,909)	\$ 25.36	(20,342)	\$ 24.01
Cancelled by Maple Leaf Foods at Spin-Off	(270,900)	\$ 21.03	—	\$ —
Canada Packers share units granted at Spin-Off ⁽ⁱ⁾	634,499	\$ 13.84	—	\$ —
Granted	24,190	\$ 13.52	—	\$ —
Forfeited	(1,824)	\$ 13.69	—	\$ —
Ending Balance	656,865	\$ 13.81	259,708	\$ 21.05

⁽ⁱ⁾ Share units held by Company employees prior to the Spin-Off were replaced with Canada Packers share units with similar valuation and contractual terms.

All of the outstanding RSUs granted to direct employees of Canada Packers are accounted for in the Consolidated Financial Statements as equity-settled awards.

There were 35,815 RSUs and 32,245 PSUs granted by Maple Leaf Foods and 12,095 RSUs and 12,095 PSUs granted by Canada Packers to employees of Canada Packers during the twelve months ended December 27, 2025 (December 28, 2024: 108,589 RSUs and 45,755 PSUs granted). The fair value of RSUs and PSUs granted to employees of Canada Packers during the twelve months ended December 27, 2025, was \$1.9 million (December 28, 2024: \$2.7 million).

Expenses for the twelve months ended December 27, 2025 relating to current and prior year RSUs and PSUs granted to employees of Canada Packers, was \$1.3 million (December 28, 2024: \$1.0 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 as at July 28, 2025 in the amounts of \$1.2 million (December 28, 2024: \$1.6 million).

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

The key assumptions used in the valuation of fair value of RSUs and PSUs granted during the year ended December 27, 2025 and December 28, 2024 are shown in the table below⁽ⁱ⁾:

	Granted by Canada Packers - 2025	Granted by Maple Leaf Foods - 2025	Granted by Maple Leaf Foods - 2024
Expected RSU life (in years)	2.4	3.0	2.5
Forfeiture rate	0.0%	16.1%	12.0%
Risk-free discount rate	2.7%	2.5%	3.8%

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

19. INTEREST EXPENSE

	For the year ended	
	December 27, 2025	December 28, 2024
Interest on borrowings from credit facility	\$ 5,348	\$ —
Interest on lease obligations	4,595	4,600
Amortization of deferred financing fees	316	—
Other interest	87	(62)
	\$ 10,346	\$ 4,538

Interest paid during the year ended December 27, 2025 was \$8.4 million (December 28, 2024: \$4.5 million).

20. GEOGRAPHIC AND CUSTOMER PROFILE

Information About Geographic Areas

The following summarizes sales by country:

	For the year ended			
	December 27, 2025		December 28, 2024	
	Sales	% of Total Sales	Sales	% of Total Sales
Canada	\$ 853,198	46.5 %	\$ 762,135	46.0 %
Japan	429,781	23.4 %	388,585	23.4 %
U.S.	159,940	8.7 %	156,743	9.4 %
Other	393,483	21.4 %	351,065	21.2 %
Sales	\$ 1,836,402	100.0 %	\$ 1,658,528	100.0 %

Information About Major Customers

For the years ended December 27, 2025 and December 28, 2024, Canada Packers did not report sales to any non-related customers in excess of 10.0%.

For the year ended December 27, 2025, Canada Packers reported sales to Maple Leaf Foods representing 24.0% (2024: 23.2%) of total sales. See Note 23 in these Consolidated Financial Statements for the amount of related party sales.

21. COMMITMENTS AND CONTINGENCIES

Canada Packers may be named as a defendant in legal actions and is subject to various risks and contingencies arising in the normal course of business. Management believes that the outcome of these uncertainties will not have a material adverse effect on the Canada Packers' financial position.

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

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

22. GOVERNMENT INCENTIVES

	For the year ended	
	December 27, 2025	December 28, 2024
Government incentives recognized as:		
Reduction in the related expenses in earnings ⁽ⁱ⁾	\$ —	\$ 3,348
Reduction to the cost of assets	742	1,373
Total government incentives recognized	\$ 742	\$ 4,721

(i) Canada Packers received \$3.0 million under the Canadian AgriStability program during the year ended December 28, 2024 related to the 2023 program year. No funding was received during the year ended December 27, 2025, as the Company did not qualify for AgriStability support based on its 2024 program year income.

23. RELATED PARTY TRANSACTIONS

Transactions with Maple Leaf Foods

The Consolidated Financial Statements include transactions between Canada Packers and Maple Leaf Foods. Maple Leaf Foods was the parent company of Canada Packers until October 1, 2025 when the Spin-Off was completed. After October 1, 2025, Maple Leaf Foods retains a significant ownership interest of 16.0% in Canada Packers. Transactions between these companies have been recorded at their historical exchange amounts.

Until 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 Consolidated Balance Sheets. Beginning October 1, 2025, Canada Packers started to rely on its own credit and financing arrangements. See Note 11 "Long-Term Debt" in these Consolidated Financial Statements for further details.

Historically all debt had been held by Maple Leaf Foods in arrangements with third parties and was not recorded for each respective operating unit within Maple Leaf Foods. For the purpose of the Consolidated Financial Statements, no debt or related interest expense was allocated as the debt was not deemed to pertain specifically to Canada Packers, and Canada Packers did not assume the debt of Maple Leaf Foods upon separation. In addition, Maple Leaf Foods entered into certain interest rate swaps to hedge the variability in interest rate risk. As these swaps were directly associated with the interest expense of Maple Leaf Foods, which had not been allocated, neither these derivatives nor the related gains or losses were allocated to Canada Packers. As a result, interest expense and financing costs may have differed significantly from the interest expense and financing costs Canada Packers might have incurred if it had operated as an independent group prior to July 28, 2025.

On July 28, 2025, the Company borrowed \$18.0 million from Maple Leaf Foods, without interest. It was repaid as part of the Spin-Off.

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

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

	As at December 27, 2025	As at December 28, 2024
Accounts receivable from Maple Leaf Foods	12,444	7,916
Accounts payable due to Maple Leaf Foods	11,094	—

Until 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 Consolidated Statements of Earnings. Information technology costs including 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 began receiving 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.

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:

	For the year ended	
	December 27, 2025	December 28, 2024
Sales to Maple Leaf Foods	\$ 441,302	\$ 384,321
Purchases from Maple Leaf Foods, including fees	\$ 72,258	\$ 55,207

Other Supplier

Canada Packers' chief executive officer is member of the board of directors of a supplier that provides an immaterial amount of equipment and services to the Company.

Transactions with Key Management Personnel

Key Management Personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of Canada Packers directly or indirectly.

Remuneration of Key Management Personnel of Canada Packers comprises the following expenses:

	2025	2024
Short-term employee benefits		
Salaries, bonuses, and fees	\$ 4,105	\$ 3,725
Other benefits	226	140
Total short-term employee benefits	\$ 4,331	\$ 3,865
Severance benefits	—	256
Post-employment benefits	121	149
Share-based benefits	2,226	2,277
Total remuneration	\$ 6,678	\$ 6,547

24. SUBSEQUENT EVENTS

On December 31, 2025, the Company paid a dividend of \$0.23 per share on 29,736,736 common shares outstanding on December 10, 2025, totaling \$6.8 million. The dividend was considered an eligible dividend for the purposes of the "Enhanced Dividend Tax Credit System".

On March 3, 2026, the Board of Directors approved a quarterly dividend of \$0.23 per share, or \$0.92 per share on an annual basis, payable on March 31, 2026, to shareholders of record at the close of business on March 11, 2026. The dividend will be considered an eligible dividend for the purposes of the "Enhanced Dividend Tax Credit System."