



MAPLE LEAF FOODS INC.

Management's Discussion and Analysis

For the Third Quarter Ended

September 30, 2023

Management's Discussion and Analysis

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Management's Discussion and Analysis

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

November 1, 2023

1. FINANCIAL OVERVIEW

(\$ millions except earnings per share) (Unaudited)	As at or for the Three months ended September 30,			As at or for the Nine months ended September 30,		
	2023	2022	% Change	2023	2022	% Change
Sales	\$ 1,245.0	\$ 1,231.9	1.1 %	\$ 3,689.6	\$ 3,553.5	3.8 %
Net (Loss)	\$ (4.3)	\$ (229.5)	98.1 %	\$ (115.7)	\$ (270.4)	57.2 %
Basic Loss per Share	\$ (0.04)	\$ (1.86)	97.8 %	\$ (0.95)	\$ (2.18)	56.4 %
Adjusted Operating Earnings ⁽ⁱ⁾	\$ 70.5	\$ 24.1	192.2 %	\$ 135.7	\$ 63.9	112.5 %
Adjusted (Loss) Earnings per Share ⁽ⁱ⁾	\$ 0.13	\$ (0.01)	nm ⁽ⁱⁱⁱ⁾	\$ 0.01	\$ 0.02	nm ⁽ⁱⁱⁱ⁾
Adjusted EBITDA - Meat Protein Group ⁽ⁱ⁾	\$ 138.4	\$ 100.9	37.2 %	\$ 341.0	\$ 302.6	12.7 %
Adjusted EBITDA - Plant Protein Group ⁽ⁱ⁾	\$ (9.4)	\$ (24.3)	61.3 %	\$ (33.0)	\$ (85.0)	61.2 %
Free Cash Flow ⁽ⁱ⁾⁽ⁱⁱ⁾	\$ 139.9	\$ 92.9	50.6 %	\$ 160.3	\$ 55.1	190.9 %
Construction Capital ⁽ⁱ⁾				\$ 51.5	\$ 713.6	(92.8)%
Net Debt ⁽ⁱ⁾				\$ (1,769.5)	\$ (1,522.2)	(16.2)%
Adjusted EBT ⁽ⁱ⁾	\$ 25.1	\$ 8.4	198.8 %	\$ 17.8	\$ 26.2	(32.1)%

⁽ⁱ⁾ Refer to section 19. Non-IFRS Financial Measures of this document for the definition of these non-IFRS measures.

⁽ⁱⁱ⁾ Certain comparative figures have been restated to conform with current year presentation.

⁽ⁱⁱⁱ⁾ Not meaningful.

Sales for the third quarter of 2023 were \$1,245.0 million compared to \$1,231.9 million last year, an increase of 1.1%. Sales growth in the Meat Protein Group was mostly offset by a 16.4% sales decline in the Plant Protein Group. For more details on sales performance by operating segment, please refer to section 2. Operating Review.

Year-to-date sales for 2023 were \$3,689.6 million compared to \$3,553.5 million last year, an increase of 3.8%. Meat Protein Group sales grew 4.3% which more than offset the 14.5% decline in the Plant Protein Group during the same period.

Net loss for the third quarter of 2023 was \$4.3 million (\$0.04 loss per basic share) compared to a loss of \$229.5 million (\$1.86 loss per basic share) last year. The prior year net loss included a \$190.9 million one-time non-cash impairment charge related to the Plant Protein Group, as well as a \$31.5 million decrease in the fair value of biological assets compared to a \$0.3 million increase in 2023. The Meat Protein Group showed improved commercial results and pork market conditions, partly offset by cost inflation, along with increased start up costs⁽ⁱ⁾. The Plant Protein Group delivered improved margins along with lower Selling, General, and Administrative ("SG&A") spending as the segment continues to reduce costs as part of its short term strategy. In addition, current year results were negatively impacted by higher interest expense with increased rates and higher debt largely to fund strategic capital expenditures, and by income tax expenses, which were a recovery in the prior year.

Year-to-date net loss for 2023 was \$115.7 million (\$0.95 loss per basic share) compared to loss of \$270.4 million (\$2.18 loss per basic share) last year due to similar factors as noted above, with the exception of increased pork market headwinds for the year to date.

Adjusted Operating Earnings for the third quarter of 2023 were \$70.5 million compared to \$24.1 million last year, and Adjusted Earnings per Share for the third quarter of 2023 was \$0.13 compared to loss of \$0.01 last year. The increase was a result of improved commercial results and pork market conditions, partly offset by cost inflation.

Year-to-date Adjusted Operating Earnings for 2023 were \$135.7 million compared to \$63.9 million last year, and Adjusted Earnings per Share for 2023 were a loss of \$0.01 compared to earnings of \$0.02 last year due to similar factors as noted above, with the exception of increased pork market headwinds for the year to date.

Adjusted Earnings Before Taxes ("Adjusted EBT") for the third quarter of 2023 were \$25.1 million compared to \$8.4 million last year. Adjusted EBT was driven by improved commercial performance and pork market conditions, partly offset by cost inflation in the Meat Protein Group, as well as improved margins in the Plant Protein group. This was partly offset by higher interest expense with increased rates and higher debt largely to fund strategic capital expenditures.

Year-to-date Adjusted EBT for 2023 were a loss of \$17.8 million compared to earnings of \$26.2 million last year due to similar factors as noted above with the exception of increased pork market headwinds for the year to date.

For further discussion on key metrics and a discussion of results by operating segment, refer to section 2. Operating Review below.

⁽ⁱ⁾ Refer to section 19. Non-IFRS Financial Measures

2. OPERATING REVIEW

Maple Leaf Foods has two reportable segments. These segments offer different products, with separate organizational structures, brands, and financial and marketing strategies. The Company's chief operating decision makers regularly review internal reports for these businesses. Performance of the Meat Protein Group is based on profitable revenue growth, Adjusted Operating Earnings, Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA"), and Adjusted Earnings Before Taxes ("Adjusted EBT") while the performance of the Plant Protein Group in the short term is focused on obtaining Adjusted EBITDA neutral results.

The following table summarizes the Company's sales, gross profit (loss), Selling, General and Administrative expenses ("SG&A"), Adjusted Operating Earnings, Adjusted EBITDA, Adjusted EBITDA Margin, and Adjusted EBT by operating segment for the three months ended September 30, 2023 and September 30, 2022.

(\$ millions) ⁽ⁱ⁾ (Unaudited)	Three months ended September 30, 2023				Three months ended September 30, 2022			
	Meat Protein Group	Plant Protein Group	Non-Allocated ⁽ⁱⁱ⁾	Total	Meat Protein Group	Plant Protein Group	Non-Allocated ⁽ⁱⁱ⁾	Total
Sales	\$ 1,211.0	36.4	(2.5)	\$ 1,245.0	\$ 1,194.5	43.6	(6.2)	\$ 1,231.9
Gross profit (loss)	\$ 143.5	(2.2)	4.5	\$ 145.9	\$ 125.6	(9.8)	(33.3)	\$ 82.5
Selling, general and administrative expenses	\$ 83.0	11.9	—	\$ 94.9	\$ 82.9	19.9	—	\$ 102.8
Adjusted Operating Earnings⁽ⁱⁱⁱ⁾	\$ 84.6	(14.1)	—	\$ 70.5	\$ 53.6	(29.5)	—	\$ 24.1
Adjusted EBITDA⁽ⁱⁱⁱ⁾	\$ 138.4	(9.4)	—	\$ 129.0	\$ 100.9	(24.3)	—	\$ 76.7
Adjusted EBITDA Margin⁽ⁱⁱⁱ⁾	11.4 %	(25.7)%	n/a	10.4 %	8.5 %	(55.6)%	n/a	6.2 %
Adjusted EBT⁽ⁱⁱⁱ⁾	\$ 39.4	(14.3)	—	\$ 25.1	\$ 40.5	(32.1)	—	\$ 8.4

⁽ⁱ⁾ Totals may not add due to rounding.

⁽ⁱⁱ⁾ Non-allocated includes eliminations of inter-segment sales and associated cost of goods sold, changes in the fair value of biological assets and derivatives, and non-allocated costs which are comprised of expenses not separately identifiable to reportable segments or are not part of the measures used by the Company when assessing a segment's operating results.

⁽ⁱⁱⁱ⁾ Refer to section 19. Non-IFRS Financial Measures of this document for the definition of these non-IFRS measures.

The following table summarizes the Company's sales, gross profit (loss), SG&A, Adjusted Operating Earnings, Adjusted EBITDA, Adjusted EBITDA Margin, and Adjusted EBT by operating segment for the nine months ended September 30, 2023 and September 30, 2022.

(\$ millions) ⁽ⁱ⁾ (Unaudited)	Nine months ended September 30, 2023				Nine months ended September 30, 2022			
	Meat Protein Group	Plant Protein Group	Non-Allocated ⁽ⁱⁱ⁾	Total	Meat Protein Group	Plant Protein Group	Non-Allocated ⁽ⁱⁱ⁾	Total
Sales	\$ 3,591.6	110.5	(12.5)	\$ 3,689.6	\$ 3,444.1	129.3	(19.8)	\$ 3,553.5
Gross profit (loss)	\$ 354.2	(7.3)	(31.0)	\$ 315.9	\$ 392.5	(26.2)	(42.8)	\$ 323.6
Selling, general and administrative expenses	\$ 264.0	39.8	—	\$ 303.8	\$ 258.9	77.0	—	\$ 335.9
Adjusted Operating Earnings⁽ⁱⁱⁱ⁾	\$ 182.8	(47.1)	—	\$ 135.7	\$ 162.3	(98.4)	—	\$ 63.9
Adjusted EBITDA⁽ⁱⁱⁱ⁾	\$ 341.0	(33.0)	(0.6)	\$ 307.4	\$ 302.6	(85.0)	—	\$ 217.6
Adjusted EBITDA Margin⁽ⁱⁱⁱ⁾	9.5%	(29.8)%	n/a	8.3%	8.8%	(65.7)%	n/a	6.1%
Adjusted EBT⁽ⁱⁱⁱ⁾	\$ 66.3	(47.8)	(0.6)	\$ 17.8	\$ 132.3	(106.1)	—	\$ 26.2

⁽ⁱ⁾ Totals may not add due to rounding.

⁽ⁱⁱ⁾ Non-allocated includes eliminations of inter-segment sales and associated cost of goods sold, changes in the fair value of biological assets and derivatives, and non-allocated costs which are comprised of expenses not separately identifiable to reportable segments or are not part of the measures used by the Company when assessing a segment's operating results.

⁽ⁱⁱⁱ⁾ Refer to section 19. Non-IFRS Financial Measures of this document for the definition of these non-IFRS measures.

Meat Protein Group

The Meat Protein Group is comprised of prepared meats, ready-to-cook and ready-to-serve meals, snack kits, value-added fresh pork and poultry products that are sold to retail, foodservice and industrial channels, and agricultural operations in pork and poultry. The Meat Protein Group includes leading brands such as Maple Leaf®, Maple Leaf Prime®, Maple Leaf Natural Selections®, Schneiders®, Schneiders® Country Naturals®, Mina®, Greenfield Natural Meat Co.®, and other leading regional brands.

Sales for the third quarter of 2023 increased 1.4% to \$1,211.0 million compared to \$1,194.5 million last year. Sales growth was driven by pricing action implemented in prior quarters to reflect higher input costs, mix-shift and favourable foreign exchange. These factors were partly offset by lower volumes.

Year-to-date sales for 2023 increased 4.3% to \$3,591.6 million compared to \$3,444.1 million last year. Sales growth was driven by factors consistent with those mentioned above.

Gross profit for the third quarter of 2023 was \$143.5 million (gross margin⁽ⁱ⁾ of 11.8%) compared to \$125.6 million (gross margin⁽ⁱ⁾ of 10.5%) last year. Gross profit was positively impacted by pricing action to catch up to inflation, and improved pork market conditions including in Japan, partially offset by cost inflation, lower volume, and startup expenses. Gross profit for the third quarter included start-up expenses of \$24.1 million (2022: \$11.0 million) associated with Construction Capital projects, which are excluded in the calculation of Adjusted Operating Earnings.

Year-to-date gross profit for 2023 was \$354.2 million (gross margin⁽ⁱ⁾ of 9.9%) compared to \$392.5 million (gross margin⁽ⁱ⁾ of 11.4%) last year. Gross profit was negatively impacted by pork market headwinds, cost inflation, start up expenses, and lower volume, partially offset by pricing action to address inflation. Gross profit year to date included start-up expenses of \$92.7 million (2022: \$28.7 million) associated with Construction Capital projects, which are excluded in the calculation of Adjusted Operating Earnings.

SG&A expenses for the third quarter of 2023 were consistent with the prior year, at \$83.0 million compared to \$82.9 million last year.

Year-to-date SG&A expenses for 2023 were \$264.0 million compared to \$258.9 million last year. The slight increase in SG&A expenses was driven by higher people costs from stabilizing staffing levels and discretionary spend, partially offset by lower advertising and promotional expenses.

Adjusted Operating Earnings for the third quarter of 2023 were \$84.6 million compared to \$53.6 million last year, driven by factors noted above.

Year-to-date Adjusted Operating Earnings for 2023 were \$182.8 million compared to \$162.3 million last year, consistent with factors noted above.

Adjusted EBITDA for the third quarter of 2023 were \$138.4 million compared to \$100.9 million last year, driven by factors consistent with those noted above as well as benefits from the London poultry plant and Bacon Centre of Excellence. Adjusted EBITDA Margin for the third quarter was 11.4% compared to 8.5% last year, driven by factors consistent with those noted above.

Year-to-date Adjusted EBITDA for 2023 were \$341.0 million compared to \$302.6 million last year, driven by factors consistent with those noted above. Year-to-date Adjusted EBITDA Margin for 2023 was 9.5% compared to 8.8% last year, also driven by factors consistent with those noted above.

During the third quarter of 2023 the Meat Protein Group Adjusted EBT were \$39.4 million compared to \$40.5 million last year, driven by factors consistent with those noted above, as well as a \$28.5 million increase in interest expense as a result of increased interest rates and higher debt, and increased depreciation expense all related to continued capital investment.

Year-to-date Adjusted EBT were \$66.3 million compared to \$132.3 million last year, driven by factors consistent with those noted above, as well as an \$84.1 million increase in interest expense as a result of increased interest rates and higher debt, and increased depreciation expense all related to continued capital investment.

Plant Protein Group

The Plant Protein Group is comprised of refrigerated plant protein products, premium grain-based protein, and vegan cheese products sold to retail, foodservice and industrial channels. The Plant Protein Group includes the leading brands Lightlife® and Field Roast™.

Sales for the third quarter of 2023 decreased 16.4% to \$36.4 million compared to \$43.6 million last year. Excluding the impact of foreign exchange, sales decreased 18.5%, driven by lower volumes across all channels, partially offset by pricing action implemented in prior quarters to mitigate inflation.

Year-to-date sales for 2023 decreased 14.5% to \$110.5 million compared to \$129.3 million last year. Excluding the impact of foreign exchange, sales decreased 18.5%, consistent with factors noted above.

Gross profit for the third quarter of 2023 was a loss of \$2.2 million (gross margin loss⁽ⁱ⁾ of 5.9%) compared to a loss of \$9.8 million (gross margin loss⁽ⁱ⁾ of 22.5%) last year. The improvement in gross margin was driven by operational improvements, higher pricing, and reduction in start-up expenses, partially offset by lower volumes. Gross profit for the third quarter of 2022 included start-up expenses of \$0.2 million associated with Construction Capital projects which are excluded in the calculation of Adjusted Operating Earnings that were not repeated in the third quarter of 2023.

Year-to-date gross profit for 2023 was a loss of \$7.3 million (gross margin loss⁽ⁱ⁾ of 6.6%) compared to a loss of \$26.2 million (gross margin loss⁽ⁱ⁾ of 20.2%) last year. The increase in gross profit was also driven by factors consistent with those noted above. Year-to-date gross profit for 2022 included start-up expenses of \$4.8 million associated with Construction Capital projects which are excluded in the calculation of Adjusted Operating Earnings, that were not repeated in 2023.

SG&A expenses for the third quarter of 2023 were \$11.9 million (32.6% of sales) compared to \$19.9 million (45.5% of sales) last year. The decrease in SG&A was largely driven by lower advertising and promotional expenses and lower headcount expenses.

Year-to-date SG&A expenses for 2023 were \$39.8 million (36.0% of sales) compared to \$77.0 million (59.5% of sales) last year. The decrease in SG&A was driven by factors consistent with those noted above, and well as lower consulting costs.

Adjusted Operating Earnings for the third quarter of 2023 were a loss of \$14.1 million compared to a loss of \$29.5 million last year. The improvement in Adjusted Operating Earnings is consistent with the factors noted above.

Year-to-date Adjusted Operating Earnings for 2023 were a loss of \$47.1 million compared to a loss of \$98.4 million last year. The improvement in Adjusted Operating Earnings is consistent with the factors noted above.

Adjusted EBITDA for the third quarter of 2023 were a loss of \$9.4 million compared to a loss of \$24.3 million last year, driven by factors consistent with those noted above. Adjusted EBITDA Margin for the third quarter was a loss of 25.7% compared to a loss of 55.6% last year, also driven by factors consistent with those noted above.

Year-to-date Adjusted EBITDA for the third quarter of 2023 were a loss of \$33.0 million compared to a loss of \$85.0 million last year, driven by factors consistent with those noted above. Year-to-date Adjusted EBITDA Margin for the third quarter was a loss of 29.8% compared to a loss of 65.7% last year, also driven by factors consistent with those noted above.

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

⁽ⁱⁱ⁾ Refer to section 19. Non-IFRS Financial Measures of this document for the definition of these non-IFRS measures.

3. RESTRUCTURING AND OTHER RELATED COSTS

During the three months ended September 30, 2023, the Company recorded restructuring and other related costs of \$4.1 million (2022: \$2.3 million). The \$4.1 million consists of \$4.3 million (2022: \$0.3 million) in the Plant Protein Group and a net reversal of \$0.2 million (2022: \$2.0 million) in the Meat Protein Group.

Of the \$4.3 million (2022: \$0.3 million) in the Plant Protein Group, \$2.5 million (2022: \$0.0 million) is related to asset impairments, \$0.2 million (2022: \$0.0 million) is related to inventory write-offs, and \$1.6 million (2022: \$0.3 million) is related to severance and other

employee related costs, as the Company continues to change focus and reorganize SG&A and manufacturing operations in response to slower than previously anticipated segment growth.

Of the net reversal of \$0.2 million (2022: \$2.0 million) in the Meat Protein Group, \$0.2 million (2022: \$1.6 million) of costs related to accelerated depreciation, \$1.6 million (2022: \$0.0 million) related to other cash costs and decommissioning costs, and a net reversal of \$2.0 million (2022: \$0.4 million) related to severance and other employee costs related to the closures of the Brampton and Toronto poultry plants and the previously announced future closure of the Schomberg poultry plant.

During the nine months ended September 30, 2023, the Company recorded restructuring and other related costs of \$22.9 million (2022: \$24.4 million). The \$22.9 million consists of \$15.5 million (2022: \$19.0 million) in the Plant Protein Group and \$7.4 million (2022: \$5.4 million) in the Meat Protein Group.

Of the \$15.5 million (2022: \$19.0 million) in the Plant Protein Group, \$7.5 million (2022: \$15.9 million) is related to asset impairments, \$4.6 million (2022: \$0.0 million) is related to inventory write-offs, \$3.3 million (2022: \$3.1 million) is related to severance and other employee related costs, and \$0.1 million (2022: \$0.0 million) is related to decommissioning and other cash costs, as the Company changes focus and reorganizes SG&A and manufacturing operations in response to slower than previously anticipated segment growth.

Of the \$7.4 million (2022: \$5.4 million) in the Meat Protein Group, \$2.4 million (2022: \$4.1 million) of costs related to accelerated depreciation, \$1.0 million (2022: \$0.0 million) related to asset impairment, \$4.4 million (2022: \$0.0 million) related to other cash costs and decommissioning costs, and a net reversal of \$0.9 million (2022: \$1.3 million) related to severance and other employee costs related to the closures of Brampton, Toronto and St. Mary's poultry plants and the previously announced future closure of the Schomberg poultry plant. The remaining amount of \$0.5 million (2022: \$0.0 million) was related to employee related costs for other organizational restructuring initiatives.

4. INCOME TAXES

In the third quarter and the nine months ended September 30, 2023, the Company's effective rate of tax recovery differs from the Canadian statutory tax rate of 26.2% primarily due to the Company not recognizing a deferred tax recovery on losses of its Plant Protein subsidiary. The effective rates of tax expense in determining Adjusted Earnings per Share in the third quarter and the nine months ended September 30, 2023 are 36.5% and 92.3%, respectively. The effective tax rates in determining the Adjusted Earnings per Share in the third quarter and for the nine months differ from the Canadian statutory tax rate primarily due to the reason described above. In the third quarter and the nine months ended September 30, 2023, the effective tax rates on restructuring charges used in the computation of Adjusted Earnings per Share are 1.1% (expense) and 8.3% (recovery), respectively.

In the third quarter and the nine months ended September 30, 2022, the Company's effective rate of tax recovery differs from the Canadian statutory tax rate of 26.2% primarily due to the non-deductible impairment of goodwill charge and the Company not recognizing a deferred tax recovery on losses of its Plant Protein subsidiary incurred after March 31, 2022. The effective rates of tax expense in determining Adjusted Earnings per Share in the third quarter and the nine months ended September 30, 2022 are 113.0% and 91.5%, respectively. The effective tax rates in determining the Adjusted Earnings per Share in the third quarter and for the nine months ended September 30, 2022 differ from the Canadian statutory tax rate primarily due to the reasons described above.

5. CAPITAL RESOURCES

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

The Company's cash balance as at September 30, 2023 was \$204.6 million (September 30, 2022: \$106.2 million; December 31, 2022: \$91.1 million). Cash is held in demand and short-term investment deposits with Canadian financial institutions having long-term debt ratings of A or higher.

The composition of long-term debt is shown below:

(\$ thousands) (Unaudited)	As at September 30, 2023	As at September 30, 2022	As at December 31, 2022
Revolving line of credit	\$ 863,400	\$ 905,084	\$ 999,523
U.S. term credit Tranche 1	359,367	366,177	358,664
Canadian term credit Tranche 2	350,000	350,000	350,000
Canadian term credit Tranche 3	400,000	—	—
Government loans	7,219	7,102	7,027
Deferred financing charges	(5,883)	—	(4,800)
Total long-term debt	\$ 1,974,103	\$ 1,628,363	\$ 1,710,414
Current	\$ 398,685	\$ 712	\$ 921
Non-current	1,575,418	1,627,651	1,709,493
Total long-term debt	\$ 1,974,103	\$ 1,628,363	\$ 1,710,414
Construction Capital⁽ⁱ⁾ included in total long-term debt	\$ 50,013	\$ 678,635	\$ 9,461

⁽ⁱ⁾ Refer to section 19. Non-IFRS Financial Measures of this document for the definition of this non-IFRS measure.

On June 20, 2023, the Company amended its existing syndicated sustainability-linked credit facility (the "Credit Facility") by adding an additional \$400.0 million unsecured committed term credit tranche maturing June 20, 2024, and adjusting the financial covenants to facilitate access to the new tranche. In February 2023, the financial covenants were amended to reflect the extended effect of the post-pandemic economy.

On June 29, 2022, the Company renewed the Credit Facility by extending the maturity date of the \$1,300.0 million unsecured committed revolving line of credit to June 29, 2027, and extending the maturity dates of the US\$265.0 million and \$350.0 million unsecured committed term credit facilities to June 29, 2027 and June 29, 2026, respectively.

The Credit Facility can be drawn in Canadian or U.S. dollars and bears interest payable monthly, based on Banker's Acceptance and Prime rates for Canadian dollar loans and based on the Secured Overnight Financing Rate ("SOFR") for U.S. dollar loans. The Credit Facility is intended to meet the Company's funding requirements for capital investments in addition to providing appropriate levels of liquidity for general corporate purposes. The interest rate on the Credit Facility may be adjusted up or down by a maximum of 5 basis points based on the Company's performance compared to specified sustainability targets.

In addition to the drawings on the revolving facility and the term credit, as at September 30, 2023 the Company had drawn letters of credit of \$9.0 million on the Credit Facility (September 30, 2022: \$8.4 million; December 31, 2022: \$8.9 million).

The Credit Facility requires the maintenance of certain covenants. As at September 30, 2023, the Company was in compliance with all of these covenants. The primary financial covenant requires that the Company maintain a net debt to capitalization ratio below a specified threshold.

The Company has additional uncommitted credit facilities for issuing letters of credit up to a maximum of \$105.0 million (September 30, 2022: \$125.0 million; December 31, 2022: \$125.0 million). As at September 30, 2023, \$46.7 million in letters of credit had been issued thereon (September 30, 2022: \$58.6 million; December 31, 2022: \$58.9 million).

The Company has various government loans on specific projects. As at September 30, 2023, these loans are non-interest bearing facilities (September 30, 2022: 0.0%; December 31, 2022: 0.0%). These specific facilities are repayable over various terms and are maturing from 2024 to 2033. As at September 30, 2023, \$7.2 million (September 30, 2022: \$7.1 million; December 31, 2022: \$7.0 million) was outstanding. All of these facilities are committed.

On June 24, 2022, the Company amended its accounts receivable securitization facility (the "Securitization Facility") by extending the maturity to June 24, 2024. The maximum cash advance available to the Company under the Securitization Facility is \$135.0 million (September 30, 2022: \$135.0 million; December 31, 2022: \$135.0 million). The Securitization Facility provides cash funding with a proportion of the Company's receivables being sold, and provides the Company with competitively priced financing and further diversifies its funding sources. Under the Securitization Facility, the Company has sold certain of its trade accounts receivable, with very limited recourse, to an unconsolidated third-party trust financed by an international financial institution with a long-term AA- debt rating, for cash and short-term notes back to the Company. The receivables are sold at a discount to face value based on prevailing money market rates. The Company retains servicing responsibilities for these receivables.

As at September 30, 2023, the Company had \$116.2 million (September 30, 2022: \$196.3 million; December 31, 2022: \$171.1 million) of trade accounts receivable serviced under the Securitization Facility. In return for the sale of its trade receivables, the Company will receive cash of \$80.5 million (September 30, 2022: \$135.0 million; December 31, 2022: \$132.6 million) and notes receivable in the amount of \$35.7 million (September 30, 2022: \$61.3 million; December 31, 2022: \$38.5 million). The notes receivable are non-interest

bearing and are settled on the settlement dates of the securitized accounts receivable. Due to the timing of receipts and disbursements, the Company may, from time to time, also record a receivable or payable related to the Securitization Facility. As at September 30, 2023, the Company recorded a net payable in the amount of \$54.5 million (September 30, 2022: \$0.0 million net payable; December 31, 2022: \$10.1 million net receivable) in accounts payable and accruals. The facility is accounted for as an off-balance sheet transaction in accordance with International Financial Reporting Standards ("IFRS").

The Securitization Facility is subject to certain restrictions, including the maintenance of covenants. The Company was in compliance with all of the requirements of this facility as at September 30, 2023. If the Securitization Facility were to be terminated, the Company would recognize the related amounts on the unaudited condensed consolidated interim balance sheets ("Consolidated Interim Balance Sheets") and consider alternative financing if required.

6. CAPITAL EXPENDITURES

Capital expenditures for the third quarter of 2023 were \$50.5 million compared to \$76.3 million in the third quarter of last year and year-to-date capital expenditures for 2023 were \$155.9 million compared to \$255.3 million last year. The decrease in capital expenditures was primarily attributable to the completion of the construction of the London, Ontario poultry facility and expansions in raised without antibiotics hog barns partially offset by investments to increase further processed poultry capacity at the Prepared Meats facility in Brampton, Ontario.

The Company currently estimates its capital expenditures for 2023 will be approximately \$200 million, down from previous expectations mainly due to timing of projects and disciplined capital management. Additionally the Company estimates its capital expenditures for 2024 will be in the range of \$170 million to \$190 million, based on expected timing of projects and continued discipline in capital management.

7. NORMAL COURSE ISSUER BID

On May 20, 2023 the Toronto Stock Exchange ("TSX") accepted the Company's notice of intention to commence a Normal Course Issuer Bid ("NCIB"), allowing the Company to repurchase, at its discretion, up to 7.2 million common shares in the open market or as otherwise permitted by the TSX, subject to the normal terms and limitations of such bids. Common shares purchased by the Company are cancelled. The program commenced on May 25, 2023 and will terminate on May 24, 2024, or on such earlier date as the Company completes its purchases pursuant to the notice of intention. Under this bid, during the three and nine months ended September 30, 2023, no shares were repurchased for cancellation.

On May 20, 2022 the TSX accepted the Company's notice of intention to commence a NCIB, allowing the Company to repurchase, at its discretion, up to 7.5 million common shares in the open market or as otherwise permitted by the TSX, subject to the normal terms and limitations of such bids. Common shares purchased by the Company are cancelled. The program commenced on May 25, 2022 and terminated on May 24, 2023. During the nine months ended September 30, 2023, 0.6 million (2022: 1.2 million) shares at an average price of \$26.06 (2022: \$22.97) per share were repurchased for cancellation. Under this bid, during the three months ended September 30, 2022, 1.2 million shares at an average price of \$22.97 per share were repurchased for cancellation.

On May 20, 2021 the TSX accepted the Company's notice of intention to commence a NCIB, allowing the Company to repurchase, at its discretion, up to 7.5 million common shares in the open market or as otherwise permitted by the TSX, subject to the normal terms and limitations of such bids. Common shares purchased by the Company are cancelled. The program commenced on May 25, 2021 and terminated on May 24, 2022. Under this bid, during the three and nine months ended September 30, 2022, no shares were repurchased for cancellation.

The Company did not adopt an Automatic Share Purchase Plan ("ASPP") in connection with the NCIB that it put in place in on May 20, 2023. As at September 30, 2023, there was no obligation for the repurchase of shares (September 30, 2022: \$30.5 million, December 31, 2022: \$30.0 million) recognized under an ASPP.

8. CASH FLOW AND FINANCING

Cash and cash equivalents were \$204.6 million at the end of the third quarter of 2023, compared to \$106.2 million at the end of the third quarter of 2022, and \$91.1 million as at December 31, 2022. The increase in cash and cash equivalents for the nine months ended September 30, 2023 was primarily due to cash earnings and loans drawn on the Credit Facility, partially offset by investment in long-term assets, interest payments and dividend payments.

Cash Flow from Operating Activities

Cash provided by operating activities for the third quarter of 2023 was \$115.2 million compared to \$75.5 million in 2022. The increase was mainly due to improved earnings and reduced investment in working capital, partially offset by higher interest and restructuring payments.

Cash provided by operating activities for the first nine months of 2023 was \$93.9 million compared to \$7.0 million in 2022. The increase was mainly due to working capital improvement and lower income tax payments, partially offset by higher interest and restructuring payments.

Cash Flow from Investing Activities

Cash used in investing activities for the third quarter of 2023 was \$42.4 million compared to \$85.6 million in 2022. The decrease was mainly due to lower investment in long-term assets as London poultry construction completed and proceeds from sale of a poultry facility in St. Mary's, Ontario.

For the first nine months of 2023, cash used in investing activities was \$148.6 million compared to \$274.3 million in 2022. The decrease was mainly due to lower investment in long-term assets as London poultry construction completed and proceeds from sale of a poultry facility in St. Mary's, Ontario.

Cash Flow from Financing Activities

Cash used in financing activities for the third quarter of 2023 was an outflow of \$25.1 million compared to an inflow of \$23.3 million in 2022. The change was primarily due to no drawings on the Credit Facility in the current quarter, partially offset by share repurchases under its NCIB program in the third quarter of 2022.

For the first nine months of 2023, cash provided by financing activities was \$168.2 million compared to \$211.5 million in 2022. The decrease was primarily due to lower drawings on the Credit Facility, and proceeds from sales of treasury shares (purchases in the prior year), partially offset by fewer share repurchases under its NCIB program.

9. GOODWILL

On September 30, 2022, the Company performed impairment testing on the Plant Protein Cash Generating Unit ("CGU") group. This test was triggered by the changes in macro-economic conditions which resulted in a significant increase in the discount rate of the Plant Protein CGU. This resulted in the Company recognizing non-cash impairment charges of \$190.9 million related to goodwill during the third quarter of 2022, which represents 100% of the goodwill that was assigned to the Plant Protein CGU group.

Additional details are set out in Note 9 of the Consolidated Interim Financial Statements.

10. FINANCIAL INSTRUMENTS

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

During the three months ended September 30, 2023, the Company recorded a pre-tax gain of \$2.6 million (2022: gain of \$7.3 million) on non-designated financial instruments held for trading.

During the nine months ended September 30, 2023, the Company recorded a pre-tax loss of \$9.4 million (2022: gain of \$23.0 million) on non-designated financial instruments held for trading.

During the three months ended September 30, 2023, the pre-tax amount of hedge ineffectiveness recognized in cost of goods sold was a loss of \$0.0 million (2022: gain of \$0.0 million).

During the nine months ended September 30, 2023, the pre-tax amount of hedge ineffectiveness recognized in cost of goods sold was a loss of \$0.0 million (2022: gain of \$0.0 million).

The table below sets out fair value measurements of derivative financial instruments as at September 30, 2023 using the fair value hierarchy:

(\$ thousands) (Unaudited)	Level 1	Level 2	Level 3	Total
Assets:				
Foreign exchange contracts	\$ —	774	—	\$ 774
Interest rate swaps	—	2,231	—	2,231
	\$ —	3,005	—	\$ 3,005
Liabilities:				
Foreign exchange contracts	\$ —	574	—	\$ 574
Commodity contracts ⁽ⁱ⁾	80	—	—	80
	\$ 80	574	—	\$ 654

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

There were no transfers between levels for the three and nine months ended September 30, 2023 and September 30, 2022.

Determination of fair value and the resulting hierarchy requires the use of observable market data whenever available and is consistent with the methodology used in the Company's 2022 Annual Audited Consolidated Financial Statements. 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)

During the three months ended September 30, 2023, a gain of \$0.5 million, net of tax of \$0.2 million, was released to net loss from accumulated other comprehensive income (loss) and included in the net change for the year (2022: loss of \$0.1 million, net of tax of \$0.0 million).

During the nine months ended September 30, 2023, a gain of \$8.8 million, net of tax of \$3.0 million, was released to net loss from accumulated other comprehensive income (loss) and included in the net change for the year (2022: loss of \$0.8 million, net of tax of \$0.3 million).

During the three months ended September 30, 2023, the loss on the net investment hedge recorded in other comprehensive income (loss) was \$7.2 million, net of tax of \$1.3 million (2022: loss of \$20.8 million, net of tax of \$3.9 million).

During the nine months ended September 30, 2023, the loss on the net investment hedge recorded in other comprehensive income (loss) was \$0.6 million, net of tax of \$0.1 million (2022: loss of \$26.4 million, net of tax of \$5.0 million).

11. TRANSACTIONS WITH RELATED PARTIES

The Company sponsors a number of defined benefit, defined contribution and post-retirement benefit plans. During the three and nine months ended September 30, 2023, the Company contributed \$6.5 million and \$22.9 million (2022: \$7.8 million and \$23.9 million) to these plans.

The Company's largest shareholder is McCain Capital Inc. ("MCI"). The Company has been informed that Mr. Michael H. McCain, Executive Chairman of the Board, is the controlling shareholder of MCI. For the three and nine months ended September 30, 2023, the Company received services from MCI and companies directly or indirectly owned by MCI in the amount of \$0.1 million and \$0.5 million (2022: \$0.2 million and \$1.8 million), which represented the market value of these transactions. As at September 30, 2023, \$0.1 million (September 30, 2022: \$0.1 million; December 31, 2022: \$0.1 million) was owed to MCI and companies directly or indirectly owned by MCI relating to these transactions.

McCain Financial Advisory Services ("MFAS"), is an entity jointly controlled by individuals including Mr. Michael H. McCain. For the three and nine months ended September 30, 2023 and 2022, the Company provided services to and received services from MFAS for a nominal amount which represented the market value of the transactions.

12. SHARE CAPITAL

As at October 26, 2023, there were 122,471,191 common shares issued and outstanding.

13. OTHER MATTERS

On November 1, 2023, the Board of Directors approved a quarterly dividend of \$0.21 per share, \$0.84 per share on an annual basis, payable December 29, 2023 to shareholders of record at the close of business December 8, 2023. Unless indicated otherwise by the Company at or before the time the dividend is paid, the dividend will be considered an eligible dividend for the purposes of the "Enhanced Dividend Tax Credit System". The Board of Directors has also approved the issuance of common shares from treasury at a two percent discount under the Company's Dividend Reinvestment Plan ("DRIP"). Under the DRIP, investors holding the Company's common shares can receive common shares instead of cash dividend payments. Further details, including how to enroll in the program, are available at <https://www.mapleleaffoods.com/investors/stock-information/>.

14. MAPLE LEAF CENTRE FOR ACTION ON FOOD SECURITY

The Maple Leaf Centre for Action on Food Security (the "Centre") is the primary expression of the Company's sustainability strategy pillar of better communities. The Centre is a registered charity working to reduce food insecurity through collaboration with other organizations and individuals, through advocating for critical policies and investing in programs required to make sustainable improvements in food security. Additional information regarding the Centre is available on its website at <https://www.feedopportunity.com>.

15. SUMMARY OF QUARTERLY RESULTS

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

(\$ millions) ^{(i)(iv)} (Unaudited)	Third Quarter		Second Quarter		First Quarter		Fourth Quarter	
	2023	2022	2023	2022	2023	2022	2022	2021
Sales								
Meat Protein Group	\$1,211.0	\$1,194.5	\$1,236.7	\$1,160.2	\$1,143.9	\$1,089.4	\$1,149.6	\$1,085.2
Plant Protein Group	36.4	43.6	36.7	40.8	37.4	44.9	40.0	45.5
Non-allocated ⁽ⁱⁱ⁾	(2.5)	(6.2)	(3.7)	(5.9)	(6.4)	(7.7)	(4.1)	(10.2)
Total Sales	\$1,245.0	\$1,231.9	\$1,269.7	\$1,195.1	\$1,174.9	\$1,126.6	\$1,185.5	\$1,120.5
Gross Profit								
Meat Protein Group	\$ 143.5	\$ 125.6	\$ 120.2	\$ 136.0	\$ 90.5	\$ 131.0	\$ 82.2	\$ 152.2
Plant Protein Group	(2.2)	(9.8)	(1.8)	(10.1)	(3.3)	(6.3)	(10.3)	(10.0)
Non-allocated ⁽ⁱⁱ⁾	4.5	(33.3)	(24.7)	(38.7)	(10.8)	29.2	28.7	0.1
Total Gross Profit	\$ 145.9	\$ 82.5	\$ 93.6	\$ 87.2	\$ 76.4	\$ 153.9	\$ 100.6	\$ 142.3
SG&A								
Meat Protein Group	\$ 83.0	\$ 82.9	\$ 91.7	\$ 87.3	\$ 89.2	\$ 88.6	\$ 80.0	\$ 80.2
Plant Protein Group	11.9	19.9	14.4	26.3	13.5	30.8	15.8	39.8
Total SG&A	\$ 94.9	\$ 102.8	\$ 106.2	\$ 113.6	\$ 102.7	\$ 119.5	\$ 95.9	\$ 120.0
Net Earnings (Loss)	\$ (4.3)	\$ (229.5)	\$ (53.7)	\$ (54.6)	\$ (57.7)	\$ 13.7	\$ (41.5)	\$ 1.9
Earnings (Loss) Per Share								
Basic	\$ (0.04)	\$ (1.86)	\$ (0.44)	\$ (0.44)	\$ (0.48)	\$ 0.11	\$ (0.34)	\$ 0.02
Diluted	\$ (0.04)	\$ (1.86)	\$ (0.44)	\$ (0.44)	\$ (0.48)	\$ 0.11	\$ (0.34)	\$ 0.01
Adjusted Operating Earnings⁽ⁱⁱⁱ⁾								
Meat Protein Group	\$ 84.6	\$ 53.6	\$ 62.2	\$ 57.7	\$ 36.0	\$ 51.0	\$ 28.0	\$ 77.8
Plant Protein Group	(14.1)	(29.5)	(16.3)	(34.0)	(16.7)	(34.9)	(26.2)	(47.8)
Total Adjusted Operating Earnings	\$ 70.5	\$ 24.1	\$ 45.9	\$ 23.6	\$ 19.3	\$ 16.1	\$ 1.8	\$ 30.0
Adjusted EBITDA⁽ⁱⁱⁱ⁾								
Meat Protein Group	\$ 138.4	\$ 100.9	\$ 115.3	\$ 104.1	\$ 87.3	\$ 97.5	\$ 76.1	\$ 120.7
Plant Protein Group	(9.4)	(24.3)	(11.6)	(30.0)	(12.0)	(30.7)	(20.4)	(43.9)
Non-allocated ⁽ⁱⁱ⁾	—	—	(0.6)	—	—	—	(0.5)	(0.4)
Total Adjusted EBITDA	\$ 129.0	\$ 76.7	\$ 103.1	\$ 74.1	\$ 75.3	\$ 66.8	\$ 55.3	\$ 76.3
Adjusted EBITDA Margin⁽ⁱⁱⁱ⁾								
Meat Protein Group	11.4 %	8.5 %	9.3 %	9.0 %	7.6 %	9.0 %	6.6 %	11.1 %
Plant Protein Group	(25.7)%	(55.6)%	(31.7)%	(73.6)%	(32.1)%	(68.4)%	(51.0)%	(96.6)%
Total Adjusted EBITDA Margin	10.4 %	6.2 %	8.1 %	6.2 %	6.4 %	5.9 %	4.7 %	6.8 %

⁽ⁱ⁾ Totals may not add due to rounding.

⁽ⁱⁱ⁾ Non-allocated includes eliminations of inter-segment sales and associated cost of goods sold, and non-allocated costs which are comprised of income and expenses not separately identifiable to reportable segments or are not part of the measures used by the Company when assessing a segment's operating results.

⁽ⁱⁱⁱ⁾ Refer to section 19. Non-IFRS Financial Measures of this document.

^(iv) Certain comparative figures have been restated to conform with current year presentation.

Fluctuations in quarterly sales can be attributed to changes in pricing, volume, sales mix, and the impact of foreign exchange translation.

Fluctuations in quarterly net earnings can be attributed to similar factors as noted above, pork and poultry industry processing margins, restructuring and other related costs, operating efficiencies, changes in the fair value of derivative and non-derivative financial instruments and biological assets, transitional costs incurred, provision adjustments, impairment losses, gains/losses on disposal of assets, changes in interest rates and long-term debt, and changes in tax regulations.

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

16. SIGNIFICANT ACCOUNTING POLICIES

(a) Change in Accounting Policy

Except as described below, the accounting policies applied in these Consolidated Interim Financial Statements are the same as those applied in the 2022 Consolidated Financial Statements.

The Company has changed its policy for the measurement of investment properties to the fair value model, as permitted under *IAS 40 Investment Property*, as at January 1, 2023. The Company previously recorded investment properties at historical cost. The fair value of these assets differs significantly from historical cost. Measuring Investment Property at cost is therefore no longer the most reliable measure of the value of these assets. Therefore, a change in accounting policy from historical cost to fair value provides more relevant and reliable information of the value of these assets.

Under the fair value model, investments are initially measured at cost and subsequently measured at fair value. Fair value is determined based on available market evidence. If market evidence is not readily available in less active markets, the Company uses alternative valuation methods such as recent transaction prices or anticipated cash flows. Gains and losses from changes in the fair value are recognized in Other Comprehensive Income within Revaluation Surplus in the period in which they arise.

The comparative period has been restated to reflect the retrospective change in accounting policy, and as a result, effective January 1, 2022, Investment Property, Deferred Income Tax Liabilities, and Revaluation Surplus were increased by \$3.4 million, \$0.7 million, and \$2.7 million, respectively.

(b) Accounting Standards Adopted During the Period

Beginning on January 1, 2023, the Company adopted certain International Financial Reporting Standards ("IFRS") and amendments. As required by *IAS 34 Interim Financial Reporting* and *IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors*, the nature and the effect of these changes are disclosed below:

Disclosure Initiative – Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

Beginning on January 1, 2023, the Company adopted the amendments to *IAS 1 Presentation of financial statements and IFRS Practice Statement 2 Making Materiality Judgements*. These amendments help companies provide useful accounting policy disclosures. The adoption of these amendments did not have a material impact on the Consolidated Interim Financial Statements.

Definition of Accounting Estimates (Amendments to IAS 8)

Beginning on January 1, 2023, the Company adopted the amendments to *IAS 8 Accounting policies, changes in accounting estimates and errors*. These amendments require the disclosure of material accounting policy information rather than disclosing significant accounting policies and clarifies how to distinguish changes in accounting policies from changes in accounting estimates. The adoption of the amendments did not have a material impact on the Consolidated Interim Financial Statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

Beginning on January 1, 2023, the Company adopted the amendments to *IAS 12 Income taxes*. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of *IAS 12* so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The adoption of the amendments did not have a material impact on the Consolidated Interim Financial Statements.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

Beginning on January 1, 2023, the Company adopted the amendments to *IAS 1 Presentation of financial statements*. The amendments address inconsistencies with how entities classify current and non-current liabilities. It serves to address whether debt and other liabilities with an uncertain settlement date should be classified as current or non-current in the Consolidated Balance Sheets. The adoption of the amendments did not have a material impact on the Consolidated Interim Financial Statements.

Non-Current Liabilities with Covenants (Amendments to IAS 1)

Beginning on January 1, 2023, the Company adopted the amendments to *IAS 1 Presentation of financial statements*. The amendments improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to

compliance with covenants. The adoption of the amendments did not have a material impact on the Consolidated Interim Financial Statements.

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

Beginning on January 1, 2023, the Company adopted the amendments to *IFRS 16 Leases*. The amendments added subsequent measurement requirements for sale and leaseback transactions with variable payments. The adoption of the amendments did not have a material impact on the Consolidated Interim Financial Statements.

International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12)

Beginning April 1, 2023, the Company adopted amendments to *IAS 12 Income Taxes*. This introduced a temporary exception to the requirements to recognize and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes and targeted disclosure requirements for affected entities. The adoption of the amendments did not have a material impact on the Consolidated Interim Financial Statements.

(c) Accounting Pronouncements Issued But Not Yet Effective

Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

On May 23, 2023, the IASB issued *Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)*. The amendments require an entity to provide additional disclosures about its supplier finance arrangements. The amendments are effective for annual periods beginning on or after January 1, 2024. The Company intends to adopt this amendment in its Consolidated Interim Financial Statements for the annual period beginning January 1, 2024. The adoption of this amendment is not expected to have a material impact on the Consolidated Interim Financial Statements.

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

17. INTERNAL CONTROLS OVER FINANCIAL REPORTING

There has been no change in the Company's internal control over financial reporting during the period beginning on July 1, 2023 and ended on September 30, 2023, that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

18. OUTLOOK

Maple Leaf Foods is a leading consumer protein company, supported by a portfolio of market leading brands. Over the last several years, the Company has developed a foundation to pursue compelling growth vectors across its business and to create value for all stakeholders.

Meat Protein Group

In Meat Protein, the Company's strategy is to drive profitable growth. Given the unprecedented market dynamics, marked by a challenging post-pandemic economy, the conflict in Europe, high inflation and significant market disruption, Maple Leaf Foods expects that its Meat Protein Group will achieve the following:

- Mid-single digit sales growth in 2023, supported by brand leadership, and growth in international markets.
- Adjusted EBITDA Margin expansion to a 14% - 16% target range once markets normalize.

Plant Protein Group

- In late 2021, the Company announced that it was re-evaluating its outlook for the Plant Protein Group and launching a comprehensive review of the overall plant protein category. This decision was driven by a pronounced slowdown in growth rates in the category, particularly in the second half of the year, which fueled the Company's imperative to identify and thoroughly assess the causes, near and long-term trends, and overall implications. The Company's analysis to date confirms that the very high category growth rates previously predicted by many industry experts are unlikely to be achieved given current customer feedback, experience, buy rates and household penetration. Based on this information, the Company believes that the category will continue to grow at more modest, but still attractive rates. The Company estimates that the category will grow at an average annual rate of 10% to 15%, making it a \$6 billion to \$10 billion market by 2030. Accordingly, the Company has pivoted its strategy and investment thesis for the Plant Protein Group and has set a new goal to deliver neutral Adjusted EBITDA in the latter half of 2023. Work is ongoing to implement this pivot. The Company expects steady Adjusted EBITDA improvement to continue throughout the year.

Capital

- The Company currently estimates its capital expenditures for 2023 will be approximately \$200 million, down from previous expectations mainly due to timing of projects and disciplined capital management. Additionally the Company estimates its capital expenditures for 2024 will be in the range of \$170 million to \$190 million, based on expected timing of projects and continued discipline in capital management.
- The Company expects the London, Ontario poultry facility to start to deliver approximately \$100 million annually of additional Adjusted EBITDA once fully ramped up which is expected to be by the end of 2023. Additionally, the Company expects the Bacon Centre of Excellence in Winnipeg, Manitoba to contribute approximately \$30 million annually of additional Adjusted EBITDA once fully ramped up by the end of 2023.

The ongoing effects of the post-pandemic economy induced supply chain disruptions and the war in Ukraine are unpredictable and may impact a number of factors that drive growth in the business, including:

- Agricultural commodity and foreign exchange markets;
- Inflationary cost pressures;
- Disruptions in the global supply chain;
- Availability of labour; and
- Demand for products and changes in product mix.

The execution of the Company's financial and operational priorities are embedded in a commitment to deliver shared value for the benefit of all stakeholders. The Company's guiding pillars to be the "Most Sustainable Protein Company on Earth" include Better Food, Better Care, Better Communities, Better Planet and are core to how Maple Leaf Foods conducts itself. To that end, the Company's priorities include:

- *Better Food* - leading the real food movement and transitioning key brands to 100% "raised without antibiotics".
- *Better Care* - further advancement of animal care, after achieving our transition of all sows under management to open housing systems in 2021, we have an ongoing program to convert any new sow barns that we acquire.
- *Better Communities* - investing a minimum of approximately 1% of pre-tax profit to advance sustainable food security.
- *Better Planet* - continuing to amplify its commitment to carbon neutrality, while focusing on eliminating waste in any resources it consumes, including food, energy, water, packaging, and time.

19. NON-IFRS FINANCIAL MEASURES

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

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

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

The table below provides a reconciliation of earnings (loss) before income taxes as reported under IFRS in the Consolidated Interim Financial Statements to Adjusted Operating Earnings, Adjusted EBITDA and Adjusted EBT for the three and nine months ended September 30, 2023 as indicated below. Management believes that these non-IFRS measures are useful in assessing the performance of the Company's ongoing operations and its ability to generate cash flows to fund its cash requirements, including the Company's capital investment program.

(\$ millions) ⁽ⁱ⁾ (Unaudited)	Three months ended September 30, 2023				Three months ended September 30, 2022			
	Meat Protein Group	Plant Protein Group	Non-Allocated ⁽ⁱⁱ⁾	Total	Meat Protein Group	Plant Protein Group	Non-Allocated ⁽ⁱⁱ⁾	Total
(Loss) earnings before income taxes	\$ 53.6	(18.5)	(35.3)	\$ (0.2)	\$ 39.4	(223.0)	(48.2)	\$ (231.8)
Interest expense and other financing costs	—	—	40.5	40.5	—	—	14.5	14.5
Impairment of goodwill	—	—	—	—	—	190.9	—	190.9
Other expense (income)	7.0	0.2	(0.6)	6.6	1.2	2.1	0.5	3.7
Restructuring and other related costs	(0.2)	4.3	—	4.1	2.0	0.4	—	2.3
Earnings (loss) from operations	\$ 60.5	(14.1)	4.5	\$ 50.9	\$ 42.6	(29.7)	(33.3)	\$ (20.3)
Start-up expenses from Construction Capital ⁽ⁱⁱⁱ⁾	24.1	—	—	24.1	11.0	0.2	—	11.2
Change in fair value of biological assets	—	—	(0.3)	(0.3)	—	—	31.5	31.5
Unrealized and deferred loss (gain) on derivative contracts	—	—	(4.3)	(4.3)	—	—	1.8	1.8
Adjusted Operating Earnings	\$ 84.6	(14.1)	—	\$ 70.5	\$ 53.6	(29.5)	—	\$ 24.1
Depreciation and amortization	60.8	4.9	—	65.7	48.5	5.2	—	53.8
Items included in other income (expense) representative of ongoing operations ^(iv)	(7.0)	(0.2)	—	(7.3)	(1.2)	—	—	(1.2)
Adjusted EBITDA	\$ 138.4	(9.4)	—	\$ 129.0	\$ 100.9	(24.3)	—	\$ 76.7
Adjusted EBITDA Margin	11.4 %	(25.7)%	n/a	10.4 %	8.5 %	(55.6)%	n/a	6.2 %
Interest expense and other financing costs	(40.4)	(0.1)	—	(40.5)	(11.9)	(2.6)	—	(14.5)
Interest income	2.3	—	—	2.3	—	—	—	—
Depreciation and amortization	(60.8)	(4.9)	—	(65.7)	(48.5)	(5.2)	—	(53.8)
Adjusted EBT	\$ 39.4	(14.3)	—	\$ 25.1	\$ 40.5	(32.1)	—	\$ 8.4

⁽ⁱ⁾ Totals may not add due to rounding.

⁽ⁱⁱ⁾ Non-allocated includes eliminations of inter-segment sales and associated cost of goods sold, and non-allocated costs which are comprised of income and expenses not separately identifiable to reportable segments or are not part of the measures used by the Company when assessing a segment's operating results.

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

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

(\$ millions) ⁽ⁱ⁾ (Unaudited)	Nine months ended September 30, 2023				Nine months ended September 30, 2022			
	Meat Protein Group	Plant Protein Group	Non-Allocated ⁽ⁱⁱ⁾	Total	Meat Protein Group	Plant Protein Group	Non-Allocated ⁽ⁱⁱ⁾	Total
(Loss) earnings before income taxes	\$ 72.5	(63.2)	(143.3)	\$ (133.9)	\$ 123.7	(315.2)	(77.8)	\$ (269.4)
Interest expense and other financing costs	—	—	109.6	109.6	—	—	33.0	33.0
Impairment of goodwill	—	—	—	—	—	190.9	—	190.9
Other expense	10.2	0.6	2.7	13.5	4.6	2.2	2.1	8.8
Restructuring and other related costs	7.4	15.5	—	22.9	5.4	19.0	—	24.4
Earnings (loss) from operations	\$ 90.1	(47.1)	(31.0)	\$ 12.1	\$ 133.6	(103.1)	(42.8)	\$ (12.3)
Start-up expenses from Construction Capital ⁽ⁱⁱⁱ⁾	92.7	—	—	92.7	28.7	4.8	—	33.4
Change in fair value of biological assets	—	—	28.4	28.4	—	—	42.1	42.1
Unrealized and deferred loss (gain) on derivative contracts	—	—	2.6	2.6	—	—	0.7	0.7
Adjusted Operating Earnings	\$ 182.8	(47.1)	—	\$ 135.7	\$ 162.3	(98.4)	—	\$ 63.9
Depreciation and amortization	168.4	14.7	—	183.1	144.9	13.5	—	158.4
Items included in other income (expense) representative of ongoing operations ^(iv)	(10.2)	(0.6)	(0.6)	(11.4)	(4.6)	(0.1)	—	(4.7)
Adjusted EBITDA	\$ 341.0	(33.0)	(0.6)	\$ 307.4	\$ 302.6	(85.0)	—	\$ 217.6
Adjusted EBITDA Margin	9.5%	(29.8)%	n/a	8.3%	8.8%	(65.7)%	n/a	6.1%
Interest expense and other financing costs	(109.4)	(0.2)	—	(109.6)	(25.4)	(7.6)	—	(33.0)
Interest income	3.1	—	—	3.1	—	—	—	—
Depreciation and amortization	(168.4)	(14.7)	—	(183.1)	(144.9)	(13.5)	—	(158.4)
Adjusted EBT	\$ 66.3	(47.8)	(0.6)	\$ 17.8	\$ 132.3	(106.1)	—	\$ 26.2

⁽ⁱ⁾ Totals may not add due to rounding.

⁽ⁱⁱ⁾ Non-allocated includes eliminations of inter-segment sales and associated cost of goods sold, and non-allocated costs which are comprised of income and expenses not separately identifiable to reportable segments or are not part of the measures used by the Company when assessing a segment's operating results.

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

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

Adjusted Earnings per Share

Adjusted Earnings per Share, a non-IFRS measure, is used by Management to evaluate financial operating results. It is defined as basic earnings per share and is adjusted on the same basis as Adjusted Operating Earnings. The table below provides a reconciliation of basic earnings per share as reported under IFRS in the Consolidated Interim Financial Statements to Adjusted Earnings per Share for the three and nine months ended September 30, as indicated below. Management believes this basis is the most appropriate on which to evaluate financial results as they are representative of the ongoing operations of the Company.

(\$ per share) (Unaudited)	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Basic loss per share	\$ (0.04)	\$ (1.86)	\$ (0.95)	\$ (2.18)
Impairment of goodwill	—	1.54	—	1.54
Restructuring and other related costs ⁽ⁱ⁾	0.03	0.01	0.17	0.17
Items included in other expense not considered representative of ongoing operations ⁽ⁱⁱ⁾	0.01	0.02	0.03	0.03
Start-up expenses from Construction Capital ⁽ⁱⁱⁱ⁾	0.15	0.07	0.57	0.21
Change in fair value of biological assets	—	0.19	0.17	0.25
Change in unrealized and deferred fair value on derivatives	(0.03)	0.01	0.02	—
Adjusted Earnings per Share^(iv)	\$ 0.13	\$ (0.01)	\$ 0.01	\$ 0.02

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

⁽ⁱⁱ⁾ Primarily includes legal fees and settlements, gains or losses on investment property, and transaction related costs, net of tax.

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

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

Construction Capital

Construction Capital, a non-IFRS measure, is used by Management to evaluate the amount of capital resources invested in specific strategic development projects that are not yet operational. It is defined as investments and related financing charges in projects over \$50.0 million that are related to longer-term strategic initiatives, with no returns expected for at least 12 months from commencement of construction and the asset is re-categorized from Construction Capital once operational. The current balance of Construction Capital includes investment in increased further processed poultry capacity in the Prepared Meats facility in Brampton, Ontario. Investments in capacity at the Walker Drive facility in Brampton, Ontario, and the plant protein facility in Indianapolis, Indiana were moved out of construction capital upon completion during the first quarter of 2022, and the London Poultry facility was moved out of construction capital during the fourth quarter of 2022 when commercial production began. The following table is a summary of Construction Capital activity and debt financing for the periods indicated below.

(\$ thousands) (Unaudited)	2023	2022
Property and equipment and intangibles at January 1	\$ 2,663,985	\$ 2,554,483
Other capital and intangible assets at January 1 ⁽ⁱ⁾	2,654,419	1,811,164
Construction Capital at January 1	\$ 9,566	\$ 743,319
Additions	8,822	54,776
Transfers from Construction Capital	—	(182,210)
Construction Capital at March 31	\$ 18,388	\$ 615,885
Additions	18,896	49,903
Construction Capital at June 30	\$ 37,284	\$ 665,788
Additions	14,213	47,789
Construction Capital at September 30⁽ⁱⁱ⁾	\$ 51,497	\$ 713,577
Other capital and intangible assets at September 30 ⁽ⁱ⁾	2,581,318	1,957,932
Property and equipment and intangibles at September 30	\$ 2,632,815	\$ 2,671,509
Construction Capital debt financing^{(iii)(iv)}	\$ 50,013	\$ 678,635

⁽ⁱ⁾ Other capital and intangible assets consists of property and equipment and intangibles that do not meet the definition of Construction Capital.

⁽ⁱⁱ⁾ As at September 30, 2023, the net book value of Construction Capital includes \$0.7 million related to intangible assets (September 30, 2022: \$3.3 million; December 31, 2022: \$0.0 million).

⁽ⁱⁱⁱ⁾ Does not include \$1,024.3 million in capital that has been transferred out but is still in the start-up stage (2022: \$265.2 million).

^(iv) Assumed to be fully funded by debt to the extent that the Company has Net Debt outstanding. Construction Capital debt financing excludes interest paid and capitalized.

Net Debt

The following table reconciles Net Debt to amounts reported under IFRS in the Company's Consolidated Interim Financial Statements as at September 30, as indicated below. The Company calculates Net Debt as cash and cash equivalents, less long-term debt and bank indebtedness. Management believes this measure is useful in assessing the amount of financial leverage employed.

(\$ thousands) (Unaudited)	As at September 30,	
	2023	2022
Cash and cash equivalents	\$ 204,598	\$ 106,199
Current portion of long-term debt	\$ (398,685)	\$ (712)
Long-term debt	(1,575,418)	(1,627,651)
Total debt	\$(1,974,103)	\$(1,628,363)
Net Debt	\$(1,769,505)	\$(1,522,164)

Free Cash Flow

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

(\$ thousands) (Unaudited)	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Cash provided by operating activities	\$ 115,161	\$ 75,499	\$ 93,871	\$ 6,998
Maintenance Capital ⁽ⁱ⁾	25,190	17,491	67,368	48,360
Interest paid and capitalized related to Maintenance Capital	(404)	(63)	(890)	(236)
Free Cash Flow⁽ⁱⁱ⁾	\$ 139,947	\$ 92,927	\$ 160,349	\$ 55,122

⁽ⁱ⁾ Maintenance Capital is defined as non-discretionary investment required to maintain the Company's existing operations and competitive position. For the three and nine months ended September 30, 2023, total capital spending of \$51.3 million and \$156.4 million (2022: \$78.5 million and \$257.8 million) shown on the Consolidated Statements of Cash Flows is made up of Maintenance Capital of \$25.2 million and \$67.4 million (2022: \$17.5 million and \$48.4 million), and Growth Capital of \$26.1 million and \$89.0 million (2022: \$61.1 million and \$209.4 million). Growth Capital is defined as discretionary investment meant to create stakeholder value through initiatives that for example, expand margins, increase capacities or create further competitive advantage.

⁽ⁱⁱ⁾ Certain comparative figures have been restated to conform with current year presentation.

Return on Net Assets ("RONA")

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

Quarterly Non-IFRS Financial Measures

(\$ millions) ⁽ⁱ⁾ (Unaudited)	Three months ended June 30, 2023				Three months ended June 30, 2022			
	Meat Protein Group	Plant Protein Group	Non-Allocated ⁽ⁱⁱ⁾	Total	Meat Protein Group	Plant Protein Group	Non-Allocated ⁽ⁱⁱ⁾	Total
(Loss) earnings before income taxes	\$ 22.5	(23.2)	(63.0)	\$ (63.7)	\$ 46.4	(55.1)	(50.0)	\$ (58.6)
Interest expense and other financing costs	—	—	37.6	37.6	—	—	10.8	10.8
Other expense	1.7	0.2	0.7	2.6	1.9	0.1	0.5	2.5
Restructuring and other related costs	4.3	6.8	—	11.0	0.4	18.7	—	19.0
Earnings (loss) from operations	\$ 28.4	(16.3)	(24.7)	\$ (12.6)	\$ 48.6	(36.4)	(38.7)	\$ (26.4)
Start-up expenses from Construction Capital ⁽ⁱⁱⁱ⁾	33.8	—	—	33.8	9.0	2.3	—	11.3
Change in fair value of biological assets	—	—	27.5	27.5	—	—	50.0	50.0
Unrealized and deferred loss (gain) on derivative contracts	—	—	(2.8)	(2.8)	—	—	(11.3)	(11.3)
Adjusted Operating Earnings	\$ 62.2	(16.3)	—	\$ 45.9	\$ 57.7	(34.0)	—	\$ 23.6
Depreciation and amortization	54.8	4.9	—	59.7	48.3	4.1	—	52.4
Items included in other income (expense) representative of ongoing operations ^(iv)	(1.7)	(0.2)	(0.6)	(2.5)	(1.9)	(0.1)	—	(1.9)
Adjusted EBITDA	\$ 115.3	(11.6)	(0.6)	\$ 103.1	\$ 104.1	(30.0)	—	\$ 74.1
Adjusted EBITDA Margin	9.3 %	(31.7)%	n/a	8.1 %	9.0 %	(73.6)%	n/a	6.2 %
Interest expense and other financing costs	(37.5)	(0.1)	—	(37.6)	(8.3)	(2.5)	—	(10.8)
Interest income	0.8	—	—	0.8	—	—	—	—
Depreciation and amortization	(54.8)	(4.9)	—	(59.7)	(48.3)	(4.1)	—	(52.4)
Adjusted EBT	\$ 23.8	(16.5)	(0.6)	\$ 6.7	\$ 47.5	(36.6)	—	\$ 10.9

(\$ millions) ^(f) (Unaudited)	Three months ended March 31, 2023				Three months ended March 31, 2022			
	Meat Protein Group	Plant Protein Group	Non-Allocated ^(f)	Total	Meat Protein Group	Plant Protein Group	Non-Allocated ^(f)	Total
(Loss) earnings before income taxes	\$ (3.5)	(21.4)	(45.0)	\$ (69.9)	\$ 37.8	(37.1)	20.4	\$ 21.0
Interest expense and other financing costs	—	—	31.6	31.6	—	—	7.7	7.7
Other expense	1.5	0.2	2.6	4.3	1.5	—	1.1	2.6
Restructuring and other related costs	3.3	4.5	—	7.7	3.0	—	—	3.0
Earnings (loss) from operations	\$ 1.3	(16.7)	(10.8)	\$ (26.3)	\$ 42.3	(37.1)	29.2	\$ 34.4
Start-up expenses from Construction Capital ^(f)	34.8	—	—	34.8	8.7	2.2	—	10.9
Change in fair value of biological assets	—	—	1.1	1.1	—	—	(39.3)	(39.3)
Unrealized and deferred loss (gain) on derivative contracts	—	—	9.7	9.7	—	—	10.1	10.1
Adjusted Operating Earnings	\$ 36.0	(16.7)	—	\$ 19.3	\$ 51.0	(34.9)	—	\$ 16.1
Depreciation and amortization	52.7	4.9	—	57.7	48.0	4.2	—	52.3
Items included in other income (expense) representative of ongoing operations ^(v)	(1.5)	(0.2)	—	(1.7)	(1.5)	—	—	(1.5)
Adjusted EBITDA	\$ 87.3	(12.0)	—	\$ 75.3	\$ 97.5	(30.7)	—	\$ 66.8
Adjusted EBITDA Margin	7.6 %	(32.1)%	n/a	6.4 %	9.0 %	(68.4)%	n/a	5.9 %
Interest expense and other financing costs	(31.5)	(0.1)	—	(31.6)	(5.2)	(2.5)	—	(7.7)
Depreciation and amortization	(52.7)	(4.9)	—	(57.7)	(48.0)	(4.2)	—	(52.3)
Adjusted EBT	\$ 3.0	(17.0)	—	\$ (14.0)	\$ 44.3	(37.4)	—	\$ 6.9

(\$ millions) ⁽ⁱ⁾ (Unaudited)	Three months ended December 31, 2022				Three months ended December 31, 2021			
	Meat Protein Group	Plant Protein Group	Non-Allocated ⁽ⁱⁱ⁾	Total	Meat Protein Group	Plant Protein Group	Non-Allocated ⁽ⁱⁱ⁾	Total
(Loss) earnings before income taxes	\$ (0.4)	(29.4)	0.2	\$ (29.6)	\$ 67.8	(49.9)	(10.7)	\$ 7.3
Interest expense and other financing costs	—	—	23.0	23.0	—	—	6.5	6.5
Other expense (income)	0.5	(0.4)	5.5	5.5	3.0	0.1	4.2	7.3
Restructuring and other related costs	2.1	3.6	—	5.7	1.2	—	—	1.2
Earnings (loss) from operations	\$ 2.2	(26.2)	28.7	\$ 4.7	\$ 72.0	(49.8)	0.1	\$ 22.3
Start-up expenses from Construction Capital ⁽ⁱⁱⁱ⁾	25.8	—	—	25.8	5.8	2.0	—	7.7
Change in fair value of biological assets	—	—	(27.0)	(27.0)	—	—	(0.3)	(0.3)
Unrealized and deferred loss (gain) on derivative contracts	—	—	(1.7)	(1.7)	—	—	0.2	0.2
Adjusted Operating Earnings^(iv)	\$ 28.0	(26.2)	—	\$ 1.8	\$ 77.8	(47.8)	—	\$ 30.0
Depreciation and amortization ^(iv)	48.6	5.4	—	54.0	45.9	4.1	—	49.9
Items included in other income (expense) representative of ongoing operations ^(v)	(0.5)	0.4	(0.5)	(0.6)	(3.0)	(0.1)	(0.4)	(3.5)
Adjusted EBITDA^(iv)	\$ 76.1	(20.4)	(0.5)	\$ 55.3	\$ 120.7	(43.9)	(0.4)	\$ 76.3
Adjusted EBITDA Margin^(iv)	6.6 %	(51.0)%	n/a	4.7 %	11.1 %	(96.6)%	n/a	6.8 %
Interest expense and other financing costs	(20.9)	(2.2)	—	(23.0)	(4.0)	(2.5)	—	(6.5)
Depreciation and amortization	(48.6)	(5.4)	—	(54.0)	(45.9)	(4.1)	—	(49.9)
Adjusted EBT	\$ 6.7	(28.0)	(0.5)	\$ (21.7)	\$ 70.8	(50.5)	(0.4)	\$ 19.9

⁽ⁱ⁾ Totals may not add due to rounding.

⁽ⁱⁱ⁾ Non-allocated includes eliminations of inter-segment sales and associated cost of goods sold, and non-allocated costs which are comprised of income and expenses not separately identifiable to reportable segments or are not part of the measures used by the Company when assessing a segment's operating results.

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

^(iv) Certain comparative figures have been restated to conform with current year presentation.

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

20. FORWARD-LOOKING STATEMENTS

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

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

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

- assumptions that the major disruptions that influenced the early post-COVID-19 pandemic recovery, have largely resolved and are unlikely to recur with the same severity;

- expected future cash flows and the sufficiency thereof, sources of capital at attractive rates, future contractual obligations, future financing options, renewal of credit facilities, compliance with credit facility covenants, and availability of capital to fund growth plans, operating obligations and dividends;
- future performance, including future financial objectives, goals and targets, category growth analysis, expected capital spend and expected SG&A expenditures, global pork market dynamics, Japan export market margin outlook, labour markets, inflationary pressures (including the ability to price for inflation);
- potential for a recurrence of a cybersecurity incident on the Company's systems, business and operations, as well as the ability to mitigate the financial and operational impacts, the success of remediation and recovery efforts, the implications of data exfiltration, and other ongoing risks associated with cybersecurity;
- the execution of the Company's business strategy, including the development and expected timing of business initiatives, brand expansion and repositioning, plant protein category investment and performance, market access in China and Japan, capital allocation decisions (including investment in share repurchases under the NCIB) and investment in potential growth opportunities and the expected returns associated therewith;
- the impact of international trade conditions and markets on the Company's business, including access to markets, implications associated with the spread of foreign animal disease (such as African Swine Fever ("ASF")) and other animal diseases such as Avian Influenza, as well as other social, economic and political factors that affect trade, including the war in Ukraine;
- competitive conditions and the Company's ability to position itself competitively in the markets in which it competes;
- capital projects, including planning, construction, estimated expenditures, schedules, approvals, expected capacity, in-service dates and anticipated benefits of construction of new facilities and expansions of existing facilities;
- the Company's dividend policy, including future levels and sustainability of cash dividends, the tax treatment thereof and future dividend payment dates;
- the impact of commodity prices and foreign exchange impacts on the Company's operations and financial performance, including the use and effectiveness of hedging instruments;
- operating risks, including the execution, monitoring and continuous improvement of the Company's food safety programs, animal health initiatives, cost reduction initiatives, and service levels (including service level penalties);
- the implementation, cost and impact of environmental sustainability initiatives, the ability of the Company to achieve its sustainability objectives, changing climate and sustainability laws and regulation, changes in customer and consumer expectations related to sustainability matters, as well as the anticipated future cost of remediating environmental liabilities;
- the adoption of new accounting standards and the impact of such adoption on the financial position of the Company;
- expectations regarding pension plan performance, including future pension plan assets, liabilities and contributions; and
- developments and implications of actual or potential legal actions.

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

- expectations regarding the adaptations in operations, supply chain, customer and consumer behaviour, economic patterns (including but not limited to global pork markets), foreign exchange rates, international trade dynamics and access to capital, including possible presence or absence of structural changes associated with economic recovery since the pandemic;
- the competitive environment, associated market conditions and market share metrics, category growth or contraction, the expected behaviour of competitors and customers and trends in consumer preferences;
- the success of the Company's business strategy, including execution of the strategy in the Meat Protein Group, the execution of the Adjusted EBITDA neutral strategy for the Plant Protein Group and the relationship between pricing, inflation, volume and sales of the Company's products;
- prevailing commodity prices (especially in pork and feed markets), interest rates, tax rates and exchange rates;
- potential ongoing impacts of the cybersecurity incident, the potential for a future incident, the risks associated with data exfiltration, the availability of insurance, the effectiveness of remediation and prevention activities, third party activities, ongoing impacts, customer, consumer and supplier responses and regulatory considerations;
- the economic condition of and the sociopolitical dynamics between Canada, the U.S., Japan and China, and the ability of the Company to access markets and source ingredients and other inputs in light of global sociopolitical disruption, and the ongoing impact of the war in Ukraine on international relations, trade and markets;

- the spread of foreign animal disease (including ASF and Avian Influenza), preparedness strategies to manage such spread, and implications for all protein markets;
- the availability of and access to capital to fund future capital requirements and ongoing operations;
- expectations regarding participation in and funding of the Company's pension plans;
- the availability of insurance coverage to manage certain liability exposures;
- the extent of future liabilities and recoveries related to legal claims;
- prevailing regulatory, tax and environmental laws; and
- future operating costs and performance, including the Company's ability to achieve operating efficiencies and maintain sales volumes, turnover of inventories and turnover of accounts receivable.

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

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

- presence or absence of adaptations or structural changes arising since the economic recovery from the pandemic which may have implications for the operations and financial performance of the Company, as well the ongoing implications for macro socio-economic trends;
- macro economic trends, including inflation, recessionary indicators, labour availability and labour market dynamics and international trade trends (including global pork markets);
- the results of the Company's execution of its business plans, the degree to which benefits are realized or not, and the timing associated realizing those benefits, including the implications on cash flow;
- competition, market conditions, and the activities of competitors and customers, including the expansion or contraction of key categories. pork market dynamics and Japan export margins;
- cybersecurity and maintenance and operation of the Company's information systems, processes and data, recovery, restoration and long term impacts of the cybersecurity event, the risk of future cybersecurity events, actions of third parties, risks of data exfiltration, effectiveness of business continuity planning and execution, and availability of insurance;
- the health status of livestock, including the impact of potential pandemics;
- international trade and access to markets and supplies, as well as social, political and economic dynamics, including the war in Ukraine;
- operating performance, including manufacturing operating levels, fill rates and penalties;
- availability of and access to capital, and compliance with credit facility covenants;
- decision respecting the return of capital to shareholders;
- the execution of capital projects, including cost, schedule and regulatory variables, all of which impact expected returns on investment;
- food safety, consumer liability and product recalls;
- climate change, climate regulation and the Company's sustainability performance;
- strategic risk management, including execution of the Adjusted EBITDA neutral strategy in the plant protein segment;
- acquisitions and divestitures;
- fluctuations in the debt and equity markets;
- fluctuations in interest rates and currency exchange rates;
- pension assets and liabilities;
- cyclical nature of the cost and supply of hogs and the competitive nature of the pork market generally;
- the effectiveness of commodity and interest rate hedging strategies;
- impact of changes in the market value of the biological assets and hedging instruments;
- the supply management system for poultry in Canada;
- availability of plant protein ingredients;
- intellectual property, including product innovation, product development, brand strategy and trademark protection;

- consolidation of operations and focus on protein;
- the use of contract manufacturers;
- reputation;
- weather;
- compliance with government regulation and adapting to changes in laws;
- actual and threatened legal claims;
- consumer trends and changes in consumer tastes and buying patterns;
- environmental regulation and potential environmental liabilities;
- consolidation in the retail environment;
- employment matters, including complying with employment laws across multiple jurisdictions, the potential for work stoppages due to non-renewal of collective agreements, recruiting and retaining qualified personnel, reliance on key personnel and succession planning;
- pricing of products;
- managing the Company's supply chain;
- changes in International Financial Reporting Standards and other accounting standards that the Company is required to adhere to for regulatory purposes; and
- other factors as set out under the heading "Risk Factors" in the Company's Management Discussion and Analysis for the year ended December 31, 2022.

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

Readers are further cautioned that some of the forward-looking information, such as statements concerning future capital expenditures, Adjusted EBITDA Margin growth in the Meat Protein Group, and Adjusted EBITDA target in the Plant Protein Group (including the timing, pace and impact of restructuring activities), may be considered to be financial outlooks for purposes of applicable securities legislation. These financial outlooks are presented to evaluate potential future earnings and anticipated future uses of cash flows and may not be appropriate for other purposes. Readers should not assume these financial outlooks will be achieved.

More information about risk factors can be found under the heading "Risk Factors" in the Company's Annual Management's Discussion and Analysis for the year ended December 31, 2022, that is available on SEDAR+ at www.sedarplus.ca. The reader should review such section in detail. Additional information concerning the Company, including the Company's Annual Information Form, is available on SEDAR+ at www.sedarplus.ca.

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

21. ABOUT MAPLE LEAF FOODS INC.

Maple Leaf Foods is a carbon neutral⁽ⁱ⁾ company with a vision to be the most sustainable protein company on earth, responsibly producing food products under leading brands including Maple Leaf®, Maple Leaf Prime®, Maple Leaf Natural Selections®, Schneiders®, Schneiders® Country Naturals®, Mina®, Greenfield Natural Meat Co.®, Lightlife® and Field Roast™. The Company employs approximately 14,000 people and does business primarily in Canada, the U.S. and Asia. The Company is headquartered in Mississauga, Ontario and its shares trade on the Toronto Stock Exchange (MFI).

⁽ⁱ⁾ See the Company's 2022 Integrated Report that is available on the Maple Leaf Foods website at https://www.mapleleaffoods.com/wp-content/uploads/sites/6/2023/06/MLF-2022-Integrated-Report_Final.pdf