



2025 Annual Report

Mission

Rooted in the regions and leveraging our collective strengths, we contribute to feeding people and bringing prosperity to farming families while ensuring that the world has a sustainable future.

Values

Honesty

Everyone acts with a constant concern for transparency, both within the company and in its relationships with member cooperatives and other stakeholders. Everyone demonstrates their ability to admit their mistakes, gives credit where it is due and seeks to avoid conflicts of interest.

Equity

Every person, like every working group, treats their partners fairly and equitably. We believe that everyone deserves to find their place in our wider network, to be appreciated and to progress within the network.

Vision

To be a driving force for our members and divisions and serve as responsible stewards of our cooperative agricultural heritage as we strive for sustainable, impactful growth.

Responsibility

Everyone fully and effectively assumes their role within Sollio Cooperative Group, specifically by ensuring the sound governance of members' shared heritage in order to ensure its sustainability, making sure to fully meet individual commitments as well as mutual and shared commitments, ensuring accountability for actions, and adhering to the sustainable development goals.

Solidarity

Inspired by a spirit of mutual assistance, we offer shared advice on how to achieve goals and complete common projects. We work together in an open and consistent way and endorse decisions affecting the common good of the company.



Sollio Cooperative Group: It's You. It's Us

We produce, we process, we sell. Women and men driven by a common purpose: Feeding people and bringing prosperity to farming families while ensuring that the world has a sustainable future.

From farm to table, Sollio Cooperative Group is there every step of the way. From growing and raising to producing, processing and serving, our daily work fuels the Canadian economy and strengthens the vitality of our regional communities.

Our three divisions, Sollio Agriculture, Sollio Retail and Sollio Food, form an integrated ecosystem, supporting the collective performance and enduring strength of our network. Our cooperative model unites us in our shared purpose of generating value that rewards its creators and the communities they sustain. It underpins the consistency of all our actions, supports sound decisions and ensures we stay on course in the years ahead.

This Annual Report reflects the collective strength of our roots, our land and, above all, our people.



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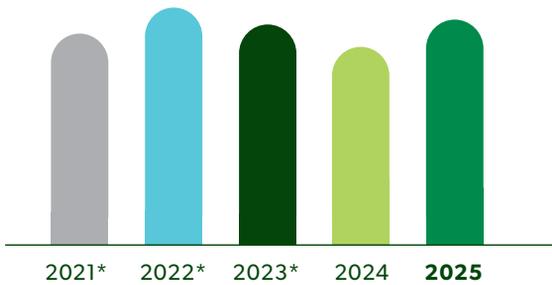


Highlights

Revenues

(in billions of dollars)

\$7.93 \$8.43 \$8.34 \$7.83 **\$8.39**



Adjusted Earnings Before Interest, Taxes, and Amortization

(in millions of dollars)

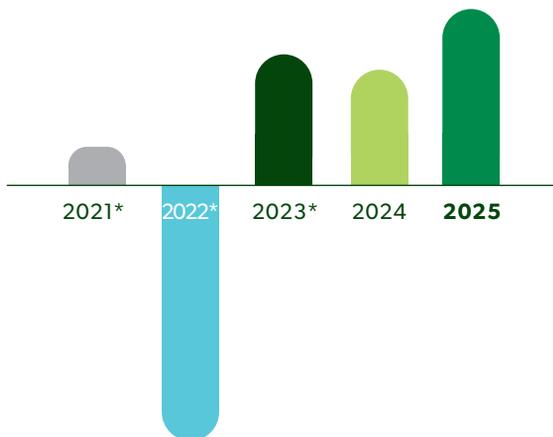
\$159 \$30 \$338 \$524 **\$562**



Earnings (loss) before patronage refunds, income taxes and discontinued operations

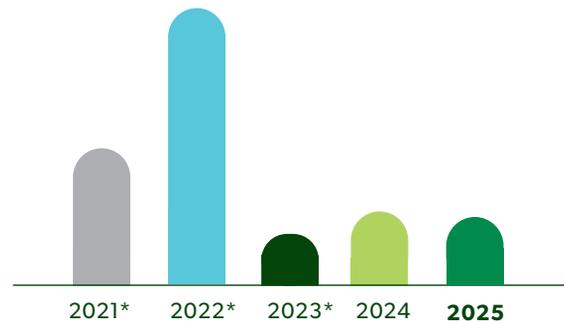
(in millions of dollars)

\$43 (\$289) \$147 \$129 **\$212**



Debt/EBITDA Ratio

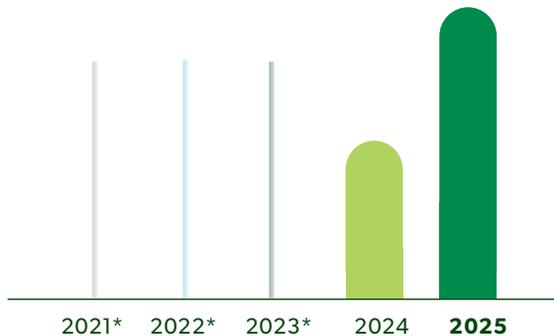
4.45 8.16 1.53 1.89 **1.88**



Patronage refunds

(in millions of dollars)

\$- \$- \$- \$17.8 **\$32.2**



Preferred shares and equity of the Cooperative

(in billions of dollars)

\$2.10 \$1.73 \$1.55 \$1.42 **\$1.28**



*Years marked with an asterisk are based on ASPE. The other years correspond to IFRS standards.
IFRS: International Financial Reporting Standards
ASPE: Accounting Standards for Private Enterprises

2025

(In thousands of dollars)

\$8,391,729

Revenues

\$562,275

Adjusted EBITDA

\$211,890

Earnings from continuing operations before patronage refunds and income taxes

\$32,163 \$

Patronage refunds

\$141,543

Net earnings for the year

\$4,288,209

Total assets

\$1,182,349

Long-term debt and lease liabilities, including current portion

\$1,280,099

Preferred shares and equity of the Cooperative

14 747

Number of employees

Board of Directors



Richard Ferland, ASC
President

David Mercier, ASC
Vice-President

Jean Bissonnette, ASC
Vice-President

Cathy Fraser
Director

Adrien Pitre, ASC
Director

* **Marc-André Roy, ASC**
Director

Patrick Soucy
Director

* **Normand Lapointe**
Director

Sophie Gendron
Director

* **Lucie Boies**
Director

* **Guy Labrecque**
Director

* **Jeannine Chartrand**
Director

Alain Laflamme
Director

Marie-Pier Béliveau
Director

Jean-Philippe Côté
Director

* **François R. Roy, ASC**
Guest director

Paule Têtu
Guest director

* Audit Committee Members

Our President
Richard Ferland



President's message

Richard Ferland

A standout year for a network at its strongest

Once again this year, Sollio Cooperative Group showed just how strong our model is and how powerful our network can be, delivering outstanding financial results while solidifying the foundations for our future.

This performance builds on the turnaround set in motion over the past few years. This success is driven by the strength of our cooperative, not favourable market conditions. We laid solid foundations through ongoing efforts to tighten operations, notch efficiency gains and optimize our asset portfolio, while revisiting our financing structure. We are positioned to train our sights back on growth projects, such as building Olymel's integrated plant in Trois-Rivières.

This success also speaks to the sheer quality and staying power of our leaders and to a highly engaged Board that draws on deep experience and a cohesive spirit to fuel informed discussions and decision-making.

But the figures only tell part of the story: our cooperative network has strengthened its finances and relationships. Our cooperative presidents are quick to share ideas on improving our business models and governance structure, reflecting the trust and openness that prevail across the network.

This synergy brings our wholesale and retail operations closer together, enhances governance and supports making high-impact decisions that demand a bold entrepreneurial approach and create long-term value.

Staying true to this collaborative spirit, we embarked on a wide-ranging review of the future of agriculture and our network. We adopted four strategic areas of focus for this collective review of our role and positioning in a rapidly transforming agricultural landscape.

Three areas of focus are now complete: the robustness of the network and member role definitions, talent availability and succession planning, and the strengths and weaknesses of our commercial offerings. Progress is being made on our fourth area of focus: optimizing the network's asset portfolio. Discussions have been candid and constructive. Our collective thinking initiative is being rolled out with due care and aims to find the best possible solution.

This has also prompted our governance to evolve to meet the challenges of tomorrow. Our governance is anchored by democratic structures, strong cooperative values and highly engaged leaders chosen from our regional cooperatives. And because Sollio's board members are appointed from our regional cooperatives, they understand our real-world conditions. Composed of members hailing from across the network, this pool of talent plays an invaluable role in succession planning and maintaining our leadership strength.

As part of the United Nations International Year of the Woman Farmer, I'm pleased to tell you that our efforts in recent years mean our network has decisively embraced women-led governance. Women are taking on ever-larger roles in our decision-making bodies. They are committed and ready to take on tomorrow's challenges. This shift is occurring naturally and strengthens our governance by making it more diverse and more representative of current-day agricultural realities.

Over the past year, we actively contributed to developing the Politique bioalimentaire 2025-2035 launched by the Québec government. Our role was to make sure the policy supports prosperity in the agri-food industry, while helping meet sectoral challenges. Producers are expected to be the policy's primary focus.

This process also helped strengthen ties with key partners, including the Ministère de l'Agriculture, des Pêcheries et de l'Alimentation, the Union des producteurs agricoles and processors. In an industry facing many challenges, partnership and dialogue are essential. An empty-chair policy is not an option.

Turning now to international relations, the Chief Executive Officer of Sollio Cooperative Group and I accompanied Olymel's teams on a mission to Japan. There, I saw firsthand how much customers appreciate the consistent quality of our pork and their strong recognition of the Canadian model. Canada has real strengths; we're recognized for our economic and banking model, our stable democracy and our agricultural and sustainability models.

Olymel pork is renowned for being a reliable, outstanding product, and this recognition reflects our producers' expertise and the value added created by our cooperative hog sector. Our international profile is a source of pride, while admirably embodying our mission to feed the world.

In closing, our cooperative is charting a confident but prudent course for the future. Many challenges remain ahead and call for continued vigilance. One need only think of today's uncertain geopolitical environment, climate change and the rise of artificial intelligence that will accelerate innovation across all sectors, prompting further consolidation and transformations in the agricultural world. The solid foundations our cooperative has established in recent years stand us in good stead to meet these many challenges.

I extend my heartfelt thanks to my colleagues on the Board for their trust, engagement, steadfast support, intellectual curiosity and keen insight.

Speaking personally and on behalf of the Board, I would also like to express my gratitude to Pascal Houle, our Chief Executive Officer, his teams and all our employees for their unflagging efforts and the outstanding results they continue to deliver.

Lastly, a very special thank-you to all our cooperative network members. Together, let's keep elevating our cooperative model and building a prosperous future for the generations to come, united by our shared goal of creating lasting value for all members to enjoy.

Management Committee



Pascal Houle, CPA
Chief Executive Officer

Alexandre St-Jacques Burke, FRM
Chief Financial Officer

M^e Josée Létourneau, ASC
General Secretary
Legal Affairs

Casper Kaastra
Executive Vice-President
Chief Executive Officer of
Sollio Agriculture

Yanick Gervais, MTax, FCPA
President and Chief
Executive Officer of Olymel

Alexandre Lefebvre, MBA
Executive Vice-President
Chief Executive Officer of BMR

Stéphane Forget, MBA, ASC
Senior Vice-President,
Public Affairs, Cooperation
& Corporate Responsibility

Saad Chafki
Senior Vice-President,
Information Technology

Marc Gauthier, MBA, CRHA
Senior Vice-President,
Human resources

Our Chief Executive Officer
Pascal Houle, CPA



A message from the Chief Executive Officer

Pascal Houle

Building momentum on solid foundations

Over the past few years, Sollio Cooperative Group has adopted a three-pronged approach grounded in discipline, focused execution and strengthening our fundamentals as the centrepiece of our strategy. That consistency has shaped how we decide, invest and act: by sharpening our priorities and focusing our efforts where value creation is strongest. Fiscal 2024–2025 came in right on track, confirming the strength of our progress to date.

In the fiscal year ended October 25, 2025, we reached a major milestone, finally exiting turnaround mode to focus on bolstering our fundamentals. Our efforts over the past few years are now yielding tangible results. We have focused on execution consistency, quality decision-making and creating long-lasting value across the network. The Cooperative, now better aligned, more robust and more agile, remains true to our mission despite economic and competitive headwinds.

Sollio Cooperative Group ended fiscal 2024–2025 in a stronger financial position. Consolidated sales totalled \$8.4 billion, whereas earnings before patronage refunds and income taxes amounted to \$211.9 million, compared with \$7.8 billion and \$129.5 million, respectively, in fiscal 2024. This growth reflects a combination of higher market prices and volumes, particularly at Sollio Food and Sollio Agriculture, along with an overall improvement in operational performance.

Contributions by division

Over the past fiscal year, our three divisions contributed significantly to Sollio Cooperative Group's overall performance.

Sollio Food contributed \$291.1 million to revenue growth through higher selling prices across most product categories, with a significant impact on fresh pork and poultry. The Division reported earnings before patronage refunds and income taxes, including corporate expenses, of \$158.2 million, up \$68.9 million compared with fiscal 2024. This growth was even more impactful in light of the specific circumstances the Division had to contend with, including a fire at a poultry processing plant and the tariffs imposed by China.

Performance was largely driven by the fresh poultry and pork production segments, buoyed by favourable market conditions. Growth was also supported by higher fresh pork sales volumes, fuelled by rising exports of chilled products to Asia and sales opportunities for certain cuts in North America.

Sollio Agriculture recorded a \$255.2 million rise in revenues, resulting from the strong performance of its crop operations, which saw higher prices and volumes across all product categories. The Division posted earnings before patronage refunds and income taxes of \$54.2 million, compared with \$31.4 million in fiscal 2024. This growth arose from improved operational performance across all sectors, as well as strategic logistics and procurement initiatives, spurring expansion in our wholesale fertilizer distribution business outside Québec. These actions helped strengthen our product offering to partners and our presence across Canada.

Lastly, Sollio Retail generated revenue growth of \$18.1 million and earnings before patronage refunds and income taxes of \$28.4 million, up slightly from the prior fiscal year. Division performance stood out for highly disciplined execution and a product offering that met the moment amid an economic environment marked by persistent pressure on non-essential household spending. This improvement was driven by an expanding customer base, driven in part by onboarding new vendors and the results of flagship projects designed to keep prices competitive and lift sales volumes.

These results speak to strong execution at each division, despite an ever-changing market environment. We adopted a deliberately prudent approach, with a clear goal: delivering sustainable, resilient performance. The headway we made in operational excellence, doing things better, more simply and more efficiently, helped deliver more predictable results and strengthen our ability to perform year in and year out.

Agility, innovation and accountability

Over and above our solid financial results, we also sharpened our organizational and operational agility. With a keen eye for market signals and member needs, we adjusted how we work while preserving the discipline Sollio Cooperative Group is known for. With this flexibility, we have the leeway to begin reinvesting while holding the line on disciplined management.

Against this backdrop, we focused on high-value initiatives to support our performance and competitive position. The \$142 million investment in the La Fernandière plant in Trois-Rivières and the launch of the *AI Accelerator* program are tangible examples of this approach, supporting value creation across the Cooperative while equipping us with tools to drive efficiency gains and strengthen our capability to harness AI to spark innovation.

At the same time, our commitment to social and cooperative responsibility remains a priority. We are focused on our environmental goal of a 25% reduction in Scope 1 and 2 greenhouse gas emissions by 2030. We also continue to invest in employee development, leadership and well-being, fully aware that people are the key to our organization's success and future.

Our work with the cooperative network, particularly through the Future Committees, enhanced our understanding of the issues facing the industry and confirmed the importance of this dialogue in informing our strategic directions. This work will strengthen our service offering and help ensure the next generation is ready to step up.

Fiscal 2026: Driving momentum and taking growth to the next level

Fiscal 2026 marks a turning point for the organization. We are transitioning from strengthening fundamentals toward development. This new stage will leverage strong financial and operational foundations: an optimized financing structure, targeted reinvestments and stronger performance mechanisms.

We are on track to exceed our \$500 million EBITDA target on a comparable historical basis, marking a major milestone in an ambitious and mature transformation.

In the same vein, we will launch a new strategic plan in the coming months to build on the gains of recent years and position Sollio Cooperative Group to pursue our next goals: strengthen our presence in priority markets, develop product offerings that are a better fit for members and partners, and step up the momentum of sustainable, responsible performance.

Working for our people

We can be proud of our track record, commitment and expertise. We work for our people: our members, our regions and our communities. Our success is clearly driven by the discipline, vigilance and the strength of our cooperative model. This solidarity, born of our values, will continue to underpin our growth and our impact.

In closing, I would like to extend my sincere thanks to the members of Sollio Cooperative Group's Board of Directors, including our President, Richard Ferland, for their unwavering support. Many thanks to the elected representatives and managers of the cooperatives across our network for their solidarity and trust over the years. My gratitude as well to our business partners, who are essential to our success.

Last but not least, I extend my heartfelt thanks to my fellow Executive Committee members and our division heads for their leadership, vision and collaborative spirit in challenging circumstances. I conclude with a special thought for all Sollio Cooperative Group and division employees: thank you for your engagement, which is so essential to fulfilling our mission and objectives.



Ferme M.B. Pelletier
Finalist
Sollio Next Generation Award
2025-2026



 **Sollio
Agriculture**TM



Casper Kaastra

Executive Vice-President and Chief Executive Officer

HIGHLIGHTS OF THE YEAR

- Sollio Agriculture achieved a record year on many fronts in fiscal 2024–2025
- Sales of \$2.560 billion
- Outstanding consolidated input sales volumes across our various networks

Sollio Agriculture achieved a record year in fiscal 2024–2025. Despite a challenging market environment, Sollio Agriculture outperformed its targets. Sales totalled \$2.560 billion, up 11% from the previous fiscal year. This growth was driven by a favourable combination of price conditions and disciplined execution of marketing strategies across our various networks.

This strong performance highlighted how we deliver sustainable value for farmers and continue to strengthen our leadership in Canada’s agricultural industry.

The significant growth in earnings before patronage refunds and income taxes was driven by great results across nearly all the business segments of our various networks nationwide. Strategic procurement and operational efficiency initiatives spurred growth in volumes and, in turn, market share, bolstering our competitive position. Our joint ventures contributed significantly, exceeding expectations in every region. We saw a major performance boost from our livestock production regional partnerships in Québec, alongside great momentum in the Atlantic provinces.

Sector review

Livestock production

Livestock production posted positive results across the country, driven largely by favourable procurement strategies and standout performance in the poultry sector, which continues to gain ground.

In Québec, our annual results exceeded expectations, reflecting a sharp year-over-year increase. In particular, this growth was driven by strong performance from our hatcheries and breeding farms.

Overall animal feed volumes were nonetheless down from the previous year, mainly in the hog sector, but also because of higher on-farm feed manufacturing, particularly for ruminants and broiler chickens. Conversely, hatchery and breeding farm volumes were up, owing in part to the integration of Entreprise Couvoir Côté, which has improved our production capacity, operating efficiency and product mix quality in the poultry sector.

In Western Canada, volumes are stable and margins are trending positively. However, volume growth in the hog sector did not fully offset declines in the dairy and ruminant sectors. Revenues were also higher in this region, fuelled mainly by grain merchandizing and rising sales linked to exclusive hog feed additives.

In Atlantic Canada, the execution of strategic initiatives for the region are, spurring better-than-expected performance. These adjustments helped secure higher returns, stronger position gains and tighter control over operating costs. Volume growth arose primarily from the poultry sector, particularly broiler chickens, reflecting the sales team’s push to carve out a higher market share in this segment. Bagged feed volumes were up, with dairy sector market share on the rise. At the same time, an operational efficiency and asset reinvestment strategy was deployed this year with the objective to enhance the client experience in this region.

Crop production

Crop production was a key growth driver nationwide over the past year, despite variable weather conditions from region to region.

In particular, this resulted from an unprecedented year in fertilizer sales, marked by record volumes and higher selling prices. Despite significant market volatility and delayed purchasing at the farm-level, our crop production operations performed very well. Bolstered by a solid competitive position, our outlook remains favourable for ongoing development of market opportunities.

In Québec, despite a rainy spring and drought conditions during the summer, we maintained our market share, with stable volumes and competitive prices. Biostimulants were up, while crop protection products retained their market share. After three years of continued representations to the federal government, the final reimbursement of tariff payments levied in 2022 on Russian fertilizers were received and redistributed to impacted networks and farmers in Eastern Canada. In Ontario and the Atlantic provinces, weather conditions supported business performance, including increased demand for crop protection products and higher overall volumes in the sector. The majority of our joint-venture retailers also posted very favourable results, with higher fertilizer volumes resulting from conditions conducive to corn and winter wheat seeding.

In Western Canada, performance exceeded expectations, particularly by leveraging our Canada-wide network, with strategic fertilizer procurement for clients in the region. This initiative helped ensure product availability at competitive values, which resulted in expanded market share and increased sales volumes. Contribution from retail joint ventures also contributed significantly to record results in this region.

Wholesale activities through Agrico delivered very strong results, with higher volumes and margins, particularly in fertilizer products. The crop protection sector also posted outstanding performance owing to strategic distribution agreements entered into during the year.

Growth in our seed business through our Maizex subsidiary continued unabated, with higher sales year over year. Corn delivered strong volumes, up sharply nationwide, led by a marked increase in Western Canada. Soybean sales were up overall, with Ontario and the Atlantic provinces notching major gains. Forage seeds also turned in outstanding results, particularly in Québec, underscoring the robust growth outlook for this product portfolio.

With regard to grain merchandizing, 2025 marked the first year under Québec's new operating model, through which Sollio Agriculture is now embedded in the grain value chain alongside the cooperatives to support merchandizing efforts with major customers. The new model helped minimize our exposure to commodity price volatility while keeping consumption markets open for the province's grain farmers.

A clear-cut strategy with well-aligned priorities

Our exceptional results were fuelled by disciplined execution of our strategic plan and our relentless focus on operational excellence in every business unit. Our priorities remain firmly anchored to the pillars of our business plan, which guide every decision and initiative we take, ensuring sustainable value creation for our members and partners.

During the year, this approach translated into a number of flagship achievements. We continued to strengthen our product mix by expanding product lines and deepening our collaboration with strategic suppliers. We secured better supply terms and strengthened the group's position by pooling volumes. At the same time, we made divestments where we needed to, to refocus capital spending in areas that deliver high value to farms and are directly tied to our core business.

Amid an uncertain global environment, we strengthened our contingency plans by diversifying suppliers and leveraging our extensive network of assets and partnerships, which enhanced our flexibility and ensured product availability on the farm. Lastly, we continued implementing our infrastructure reinvestment plan to modernize our assets and allow us to better meet the current and future needs of our members and customers. ▷

Additional highlights for the year

We took great pride in achieving our *Bien au travail* – Level 2 certification, a testament to our commitment to employee health and wellness. We continued rolling out our corporate responsibility initiatives, particularly through progress in executing our decarbonization plan and adopting of a responsible procurement policy. We made ongoing progress with our plan to optimize and harmonize our systems and processes. We also accelerated work to harness technological advances in the AgConnexion digital platform and new in-field applications.

A successful year, not just from a bottom-line perspective

Above all, this record year reflected a culture of execution, accountability and collaborative spirit that permeated our day-to-day endeavours. Improving Sollio Agriculture’s financial strength is a crucial step to set stage for our next growth phase.

In the coming year, amid rapid shifts and growing challenges in the agricultural sector, we will continue to focus on value-added initiatives for farmers. We are forging ahead with confidence to leverage our clear-sighted vision, strong balance sheet and enviable market position to seize on the opportunities ahead and plan how we will take our growth to the next level.

I extend my heartfelt thanks to all our employees for their invaluable engagement in bringing our performance to life. I would also like to thank Sollio Cooperative Group’s Chief Executive Officer Pascal Houle and the entire Board of Directors for their vision and unwavering support.

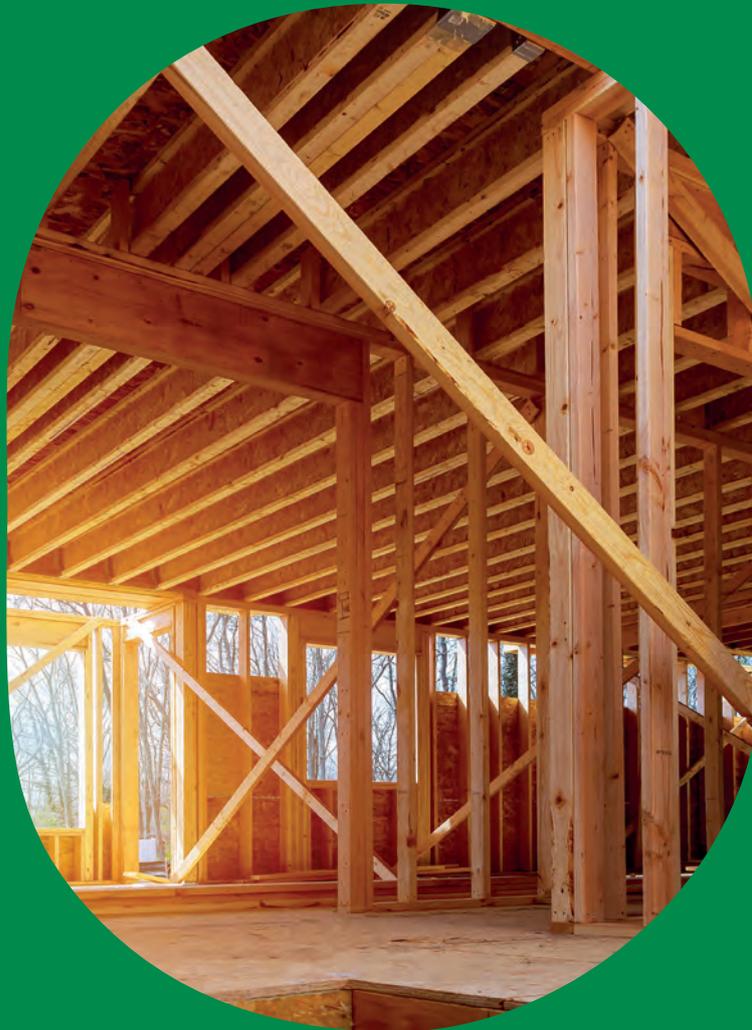
Our distribution network





Ferme Silvercrest
Finalist
Sollio Next Generation Award
2025-2026







Alexandre Lefebvre, MBA

Executive Vice-President and Chief Executive Officer

HIGHLIGHTS OF THE YEAR

- Sales of \$968.2 million
- Better-than-expected results, despite volatile economic conditions
- New Québec and Ontario vendors actively recruited

In 2025, BMR reported strong results, with \$968.2 million in sales. Despite an uncertain economic environment, BMR held its own, showing a proven ability to successfully navigate a number of daunting challenges.

For the past two years, Canada's construction and renovation industry has been dealing with a highly volatile environment. Housing starts have fallen to an all-time low. Even with eight key interest rate cuts since June 2024, consumer confidence remains weak, amid trade tensions that have prompted many businesses to invest in the United States.

In 2025, housing starts saw a modest recovery, which unfolded unevenly across the country. With unemployment at a nine-year peak, outside the recent pandemic, distributors and retailers faced tougher competition, which forced them to adopt agile and innovative tactics to maintain their market share. Yet, the outlook for our sector still reflects favourable economic fundamentals over the long term.

While industry sales were generally lower, BMR's results exceeded expectations. Our strong performance was largely due to a slate of major strategic initiatives that made our organization more competitive and efficient. Through disciplined management and continuous improvement of operations, we strengthened our financial stability, made long-term investments in promising flagship projects, ramped up productivity and enhanced service quality for our customers. Lastly, BMR invested heavily in its vendor rebate programs to continue providing support in this challenging economic environment.

Performance, profitability and growth

While holding the line on rigorous day-to-day operations management, the BMR team continued to roll out a number of initiatives set out in our *Destination 2028, Our Road to Success* strategic plan, aimed at improving performance and profitability across BMR.

BMR came out on top as the fastest-growing industry player thanks in no small part to aggressive strategic acquisitions by our vendors to execute on their commitment and vision for driving growth. More than 20 new vendors in Québec and Ontario joined the banner this year, attesting to the sheer appeal and staying power of our business model. This expansion strengthens our position in Eastern Canada.

BMR has taken another step by streamlining its product offering while picking up the pace of private label roll-outs network-wide. Drawing on our A.R.E.N.A. Alliance partnership, this strategy has entailed launching 500 new products to sustainably deliver a more appealing product offering and a stronger competitive position. In some product categories, our private labels now account for up to 40% of sales, an outstanding achievement fuelled by growing consumer buy-in. The announcement that BMR-brand paint would be back on the shelves in spring 2026 was met with enthusiasm, and this flagship project is clearly poised to meet customer and vendor expectations alike.

We have also begun integrating Lefebvre & Benoit. This major phase resulted in implementing operational and organizational synergies designed to fully harness the two organizations' complementary strengths. Integration will continue in 2026, as we look to deepen the way we collaborate in driving Group performance and growth.

With the support of Sollio Cooperative Group, we have launched artificial intelligence projects to unlock operational efficiency gains, fine-tune internal processes and support clearer, more agile decision-making. Our AI projects are laying the foundation for a sustainable digital transformation to spur network performance and create value for all of our vendors.

Lastly, we made a priority of advancing our PRO transition by implementing tangible initiatives aimed at better serving the needs of contractors and construction professionals. One such initiative consists in developing a “PRO” mobile app dedicated to professionals and a new PRO entrance and counter designed to enhance the in-store experience and accelerate the path to purchase. These innovations, unveiled at our Trade Show, will be rolled out in 2026, marking a bold step in strengthening our value proposition for this strategic customer base.

Focus on corporate responsibility

BMR continued to implement the three-year corporate responsibility plan launched in 2024, which guides our environmental, social and governance actions across the network. Our progress included running an electric delivery truck pilot project and launching our new employer brand, “Building a Solid Future.” We also strengthened our responsible procurement policy and stepped up community support through more donations and sponsorships.

Favourable outlook for 2026

As borrowing costs ease lower, and consumer and business confidence gradually picks up, the construction and renovation industry stands to bounce back in 2026. BMR is confident and laser-focused as it heads into the recovery. Bolstered by a strong network and financial position, and a clear-cut strategy, the organization has all the tools it needs to carve out a solid position. Grounded in the strength of our cooperative model and the commitment of our teams, BMR is a leader poised to drive the industry’s recovery and sustainable growth. This is a direct result of the wide range of initiatives implemented in recent years, our commitment to effectively serving and actively recruiting vendors, and our ability to adapt to economic cycles with agility.

I would like to thank our vendors and network cooperatives for making last year’s achievements possible. Many thanks, as well, to Sollio Cooperative Group’s Chief Executive Officer Pascal Houle. I extend my heartfelt thanks to all the members of our team for their outstanding commitment and accomplishments. Together, we are making BMR a large and successful organization.

Our distribution network







Yanick Gervais, MTax, FCPA
President and Chief Executive Officer

HIGHLIGHTS OF THE YEAR

- Net sales of \$4.86 billion
- Net earnings significantly higher than expected despite a challenging environment
- Construction underway on the new integrated plant at Trois-Rivières

In fiscal 2024–2025, Olymel recorded sales of nearly \$4.9 billion, with earnings before patronage refunds and income taxes rising \$78.8 million year over year to \$262.1 million and breaking the third-highest record in the organization’s history set a year earlier.

Olymel’s ambitious vision and drive to innovate have proven the effectiveness of our business model. Though faced with various disruptions, the organization delivered a standout performance. The results for the past fiscal year reflect our ability to navigate market realities, create value and continue strengthening the organization for long-term success.

Poultry sector

Fresh poultry

The poultry sector’s performance was highly favourable compared with 2024, mainly due to the fresh poultry sector’s results. Higher selling prices and a good mix of value-added products improved the sector’s margin and profitability despite lower volumes. The fresh poultry market remains well-positioned, and Olymel intends to capitalize on the growing popularity of dark meat products, which reached record prices during the year.

Processed poultry

The processed poultry sector’s results were constrained by a decline in volumes resulting from the fire at the Oakville plant in October 2024, even with co-manufacturers helping to bridge the production gap. On the upside, the additional costs of such joint arrangements were covered by the preliminary compensation received from the insurer.

The plant partially resumed operations in July 2025. We are making strides with a steady recovery that is putting this strategic facility on a promising path forward.

Hog sector

The hog sector was down from 2024 but saw higher net sales, and its overall results remain competitive.

Fresh pork and hog production

The fresh pork environment remains particularly challenging, prompting a continued focus on advancing our optimization initiatives. Two factors that weighed heavily on this sector during the fiscal year were higher supply costs and the additional tariffs imposed by China on Canadian pork.

Fortunately, the market diversification strategy we implemented in recent years has clearly paid off. Yet, the Chinese market remains essential for by-product valorization, despite the tariffs, prompting us to keep tabs on international trade discussions.

Offsetting these adverse factors were rigorous efforts to rein in operating costs, a favourable U.S. exchange rate and a positive volume effect for Olymel.

The hog production sector saw a banner year, with results significantly outperforming fiscal 2024, driven by strong selling prices, softer feed costs and a favourable exchange rate.

Processed pork

While shy of last year's performance, processed pork sector results remain satisfactory. The difference resulted primarily from lower volumes and slimmer margins owing to procurement costs, as in the fresh pork sector. However, our mix of value-added products and a favourable exchange rate helped take the edge off.

Progress on key projects

In addition to delivering solid results, the organization was able to complete flagship projects and advance a number of major construction projects in 2025.

The most significant event was undoubtedly the start of construction on our new integrated plant in Trois-Rivières, a \$142 million investment. Leveraging cutting-edge technology, artificial intelligence and automation, this project underscores our determination to innovate and stay ahead of the curve. This next-generation plant, which is scheduled to be operational in late spring 2026, will help streamline processes, expand production capacity and accelerate growth.

A series of other flagship projects also reached key milestones during the year. We continued to implement the enterprise resource planning (ERP) system, while a human resources information system (HRIS) roll-out helped manage our employees more efficiently. In addition, our logistics infrastructure was strengthened by the commissioning of our new Boucherville distribution centre, which can accommodate 28,000 pallets. This modern facility boosts our warehousing capacity, facilitates distribution to North American markets and drives operational efficiency gains. Together, these key initiatives support our business model and elevate the partner and customer experience.

We also invested heavily to fast-track automation across our plants, freeing our teams to focus on higher value-added work. This process transformation is helping to improve productivity and tighten security, while also spurring skills development within the organization.

Lastly, Olymel has embarked on a major transition to artificial intelligence, rolling out innovative projects to unlock the full potential of AI and sharpen decision-making. We successfully completed an initial project to automate fulfilment of recurring customer orders after over 30 years of handling them manually. The solution combines predictive models with complex business rules to improve volume accuracy, support more reliable decision-making and optimize truck loads. A number of other projects are already in motion and are slated for launch in the next year.

Upping our game: launching new products and a branding refresh

In 2025, the Olymel brand was boldly refreshed in the marketplace. Sporting a more modern and more visible design, our brand is now positioned with the profile it deserves. We have introduced our new identity and are proud to see our products with the updated Olymel branding in an ever-growing number of points of sale. This branding refresh strategy is producing tangible results, with stronger product recognition and a brand that customers trust. ▷

Innovation was the driving force behind our endeavours throughout the year. We launched new products attuned to consumer trends and retailer expectations. The market for ready-to-cook products has seen outstanding growth, meeting rising consumer demand for convenient options. Introducing new cuts and recipes has raised the profile of pork, chicken and turkey products. For fresh pork, we launched the new Angel Craft brand for the Japanese market and added the well-known Nagano brand to our portfolio.

Our sales rose across Asian markets, including Japan, South Korea and Taiwan, while our value-added products carved out new markets in Canada.

We are pleased to see some Canadian customers enthusiastically embracing the “Buy Canadian” movement amid the current U.S. tensions. A number of retailers have expanded our shelf space, significantly strengthening our presence and footprint here at home.

Preparing for a leadership transition

After 25 years with our wonderful organization, including 15 years at La Fernandière and 10 years at Olymel, I recently announced my decision to leave my current role in July. It has been a tremendous honour to lead a major Québec business that is recognized worldwide. Olymel will always hold a special place in my heart.

In my everyday work, I have brought steadfast commitment to the success of our organization for the employees who drive it, the producers who own it and the people we serve. I am proud of all we’ve accomplished and fully confident that under the leadership of our next CEO, Daniel Rivest, Olymel will scale new heights in its development journey.

Since its launch one year ago, the transition plan has been, and will continue to be, implemented in a structured manner to ensure continuity, stability and a highly efficient handover of responsibilities without disrupting the organization’s performance. With this in mind, I will remain engaged with Olymel over the next year, supporting management on specific initiatives or projects.

Conclusion

Fiscal 2025 marked a turning point in Olymel’s journey. Our unwavering execution and clear priorities were evident in the results we delivered, the strides we made on key projects and the agility our teams showed in a demanding environment.

As we turn to the future, these achievements afford us a confident outlook. In 2026, we will double down with a renewed focus on operational excellence and continuous business optimization.

I extend my heartfelt thanks to all the teams for their commitment and dedication. Thank you to our partners, the Olymel Board and everyone who helps bring Olymel’s success to life. I would also like to thank Sollio Cooperative Group Chief Executive Officer Pascal Houle and Olymel Chair Richard Ferland for their support.

As Olymel celebrates its 35th anniversary in 2026, this milestone will be a unique opportunity to reflect on just how far we’ve come and continue pursuing our mission to feed the world with the same blend of passion and responsibility.

Our brands





Ferme Bec-O Lanctôt
Finalist
Sollio Next Generation Award
2025-2026



Ferme Silvercrest
Finalist
Sollio Next Generation Award
2025-2026

Financial position





Alexandre St-Jacques Burke, FRM
Chief Financial Officer

Enhancing our agility and unlocking new possibilities

Building on years of sustained effort to streamline and strengthen our financial structure, Sollio Cooperative Group pressed on with its strategic priorities amid continued economic uncertainty and volatility, and generated adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) of \$562.3 million.

During the fiscal year, we launched a series of flagship initiatives to improve our financial flexibility, execute on our strategic directions and develop our capability to capture opportunities in an ever-changing landscape.

One such initiative was the transition to International Financial Reporting Standards (IFRS) for the presentation of our consolidated financial statements. This transition will strengthen the Cooperative's financial credibility with investors, lenders and financial analysts, and open up more diverse sources of financing.

At the same time, our capital optimization approach came to fruition, including our first foray into the capital markets. Since the start of fiscal 2025, two senior unsecured bond issuances were carried out, while preferred investment shares were bought back in full shortly after our fiscal year-end. This new source of capital, drawing on a wider, more readily accessible investor base, will give us the means to reach our goals beyond 2026 with greater certainty.

Market trends

In fiscal 2025 once again, we saw just how sensitive our business segments are to market conditions, amid macroeconomic and trade uncertainty caused, in particular, by persistent U.S. tariff threats and Chinese tariffs on Canadian exports. In accordance with our risk management strategy, the Cooperative used derivative financial instruments to cushion the impact of market-driven volatility on our results.

Foreign exchange and interest rates

Throughout fiscal 2025, the U.S. dollar remained strong against its Canadian counterpart, with the median U.S. exchange rate up 2.9% from fiscal 2024. The fiscal year was marked by bouts of volatility, arising in part from changes in interest-rate expectations and uncertain trade relations. Meanwhile, the Japanese yen rose approximately 3.5% on an average annual basis against the Canadian dollar from fiscal 2024. These foreign exchange changes had a favourable impact on exports.

Fiscal 2025 was dominated by further policy rate cuts by the Bank of Canada, with its target rate dipping to 2.25% by the end of October 2025. Falling interest rates, coupled with reductions in the Cooperative's debt ratios, gradually eased pressure on financing costs.

Commodity prices

In fiscal 2025, agricultural inputs generally settled into a more normalized range compared with fiscal 2023, even as volatility persisted. For reference, the average annual price of corn stood at approximately \$4.39 per bushel in fiscal 2025, up slightly from \$4.23 in fiscal 2024. This was still significantly lower than in fiscal 2023, when the average price was \$5.66. Overall, feed costs faced less pressure than during the 2022–2023 peak.

In the pork market, average annual cut-out prices climbed roughly 9% compared with fiscal 2024, positively impacting Sollio Food's selling prices and procurement costs and creating long-anticipated tailwinds for the hog sector.

Domestic economic conditions

In fiscal 2025, Canadian and Québec economic growth was modest. Consumer spending continued, albeit more cautiously, with a tighter focus on basic necessities and value propositions. Elevated household debt and mortgage rates above 4% reined in renovation plans, notably hampering Sollio Retail's recovery.

Review of key financial highlights for fiscal 2025

The Cooperative's consolidated sales totalled \$8.4 billion in fiscal 2025, up \$563.7 million or 7% from fiscal 2024. This growth was driven by sales gains across all divisions. Rising sales and expanding margins accelerated capital deployment into strategic initiatives, such as the Sollio Food plant in Trois-Rivières.

Even with increased investment-capital deployment, net financing costs totalled \$74.0 million for the period ended October 25, 2025, down \$1 million from \$75 million for the same period in 2024, despite the shift during the year from preferred investment shares to long-term debt. The decline resulted from a lower average cost of funds, owing to stronger debt ratios and Bank of Canada policy rate cuts.

Other income and expenses include the "Share of earnings of joint ventures," namely businesses over which Sollio Cooperative Group has joint control. This share amounted to \$80.4 million in 2025, compared with \$88.6 million in the previous fiscal year. The decrease resulted mainly from the consolidation of one joint arrangement within Olymel, which was accounted for under the equity method and had a significant share of earnings in 2024 related to a gain recognized.

Consolidated statement of financial position

As at October 25, 2025, Sollio Cooperative group recorded total assets of \$4.3 billion, up \$128.6 million over year. The growth resulted primarily from current assets, reflecting higher Sollio Agriculture inventory values driven by price gains and the timing of fertilizer deliveries. Non-current assets also rose \$47.8 million due to investments in property, plant and equipment and intangible assets, as well as to shares in earnings of equity-accounted investments that were up from a year earlier.

As at October 25, 2025, total debt, including the current portion, amounted to \$861.7 million, up \$42.9 million compared with as at October 26, 2024. This improvement resulted from an initial issuance of senior unsecured bonds with a notional amount of \$200 million, partially offset by the repayment of a subsidiary's term credit in May 2025.

In fiscal 2026, we intend to continue the work to strengthen our fundamentals that we began a few years ago. Drawing on more diverse sources of financing and decisive moves to strengthen our capital structure, the Cooperative has built greater flexibility to navigate the challenging economic environment. Together, these decisions have enhanced our ability to safeguard performance, develop our divisions and meet future needs with agility, whether through investments and innovation or by seizing growth opportunities, all while remaining true to our cooperative mission.



Risks and uncertainties

Sollio Cooperative Group operates in an environment that presents risks and uncertainties related to the nature of its operations, its business model, and the economic, regulatory and competitive environment.

Economic conditions and competition

Sollio Cooperative Group operates in an environment characterized by economic volatility, inflation, changes in interest rates, currency and commodity price fluctuations, shipping costs, and competition. These factors can influence margins, sales volumes, business planning and investment decisions. Changes in policies and regulatory frameworks, including those governing certain markets in Canada, may also affect market predictability.

To overcome these challenges, Sollio relies on diversifying its operations, carefully gathering business and regulatory intelligence, optimizing operations, and building a deeper understanding of its markets. The Cooperative has discussions with authorities and various stakeholders to stay informed of the latest developments and help advance industry thought leadership.

Human resources

The organization's ability to achieve its goals is dependent on workforce availability, stability and expertise. Staffing shortages, recruitment issues, strikes and the availability of foreign workers may impact certain operations.

Sollio Cooperative Group implements succession planning, skills development, knowledge transfer and targeted process automation initiatives. The Cooperative also promotes collaborative sharing of expertise and efforts across its divisions, sectors and cooperative network to maintain consistent practices.

Information technology and cybersecurity

Greater reliance on information systems exposes Sollio to risks involving cybersecurity, technological disruptions and data protection. These risks can affect business continuity and stakeholder confidence. Oversight of such risks is provided through governance, monitoring and control mechanisms. In a market environment where rapidly changing technologies are shaping practices and expectations, the Cooperative uses technological tools to support productivity, decision-making and operational efficiency. The organization has also begun incorporating artificial intelligence applications as part of a structured plan.



The Cooperative identifies the key risks to which it is exposed, and those risks are monitored by management and the Board of Directors. While metrics are implemented to limit their impacts, certain risk factors may influence goal attainment by Sollio Cooperative Group.

Business continuity and supply chain

Operations can be affected by supply chain disruptions, availability of inputs or external events. The Cooperative maintains long-term relationships with its suppliers, keeps close tabs on market conditions and diversifies its procurement sources to mitigate dependency risks.

It also builds responsible procurement practices into its processes, helping to strengthen supply chain resilience and creating consistency with its cooperative values.

Food safety and animal health

Food safety and animal health incidents could give rise to operational, financial and reputational impacts for the organization. As a result, Sollio Cooperative Group applies recognized standards, maintains controls throughout the value chain and works with authorities and industry partners to prevent risks and limit their impacts.

Environment and climate change

Climate change and pressure on natural resources may affect operations and procurement. The Cooperative has set greenhouse gas emission reduction targets and monitors its environmental actions to support operational resilience and meet stakeholder expectations.

Reputation

Sollio's cooperative model is based on rigorous governance and ethical practices, which are essential to maintaining member trust and safeguarding the Cooperative's reputation. To this end, the organization offers ethics training, and educates its employees about, and provides them with means to report, conflicts of interest.



Ferme de Ste-Victoire
Finalist
Sollio Next Generation Award
2025-2026



Consolidated financial statements

As at October 25, 2025

Management's responsibility for consolidated financial statements

The consolidated financial statements and other financial information included in the Annual Report of Sollio Cooperative Group for the year ended October 25, 2025 are management's responsibility and have been approved by the Board of Directors. This responsibility involves the selection of appropriate accounting policies as well as the use of sound judgment in the establishment of reasonable and fair estimates in accordance with International Financial Reporting standards (IFRS).

Management maintains accounting and internal control systems designed to provide reasonable assurance regarding the accuracy, relevance and reliability of financial information, as well as the efficient and orderly conduct of the Cooperative's affairs. The internal auditors evaluate all its systems on an ongoing basis and regularly report their findings and recommendations to management and the Audit Committee.

Chief Executive Officer,

Pascal HOULE, CPA

Montréal, January 28, 2026

The Board of Directors ensures that management assumes its responsibilities with respect to financial reporting and the review of the consolidated financial statements and Annual Report, mainly through its Audit Committee consisting of independent directors. The Audit Committee holds regular meetings with the internal and external auditors and with management representatives to discuss the application of internal controls and reviews the consolidated financial statements and other matters related to financial reporting. The Audit Committee reports and submits its recommendations to the Board of Directors. Ernst & Young LLP, the auditors appointed by the members, have audited the consolidated financial statements and their report appearing hereinafter indicates the scope of their audit and their opinion thereon.

Chief Financial Officer,

Alexandre ST-JACQUES BURKE, FRM

Independent auditor's report

To the members of Sollio Cooperative Group

Opinion

We have audited the consolidated financial statements of Sollio Cooperative Group and its subsidiaries [the "Cooperative"], which comprise the consolidated statement of financial position as at October 25, 2025, and the consolidated statement of earnings, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Cooperative as at October 25, 2025 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

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 consolidated financial statements* section of our report. We are independent of the Cooperative in accordance with the ethical requirements that are relevant to our audit of the consolidated 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.

Emphasis of matter – Comparative information

We draw attention to note 31 to the consolidated financial statements which describes that the Cooperative adopted International Financial Reporting Standards on October 27, 2024, with a transition date of October 29, 2023. These standards were applied retrospectively by management to the comparative information in these consolidated financial statements, including

the consolidated statements of financial position as at October 26, 2024 and October 29, 2023, and the consolidated statement of earnings, comprehensive income, change in equity and cash flows for the year ended October 26, 2024, and related disclosures. Our opinion is not modified in respect of this matter.

We were not engaged to report on the comparative information, and as such, it is unaudited.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Cooperative'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 Cooperative or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Cooperative's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 these consolidated 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 consolidated 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 Cooperative'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 Cooperative'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 consolidated 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 Cooperative to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Cooperative as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We 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.

Montréal, Canada
January 28, 2026

*Ernst & Young LLP*¹

¹ CPA auditor, public accountancy permit no. A122471



A member firm of Ernst & Young Global Limited

Consolidated statements of financial position

<i>(in thousands of Canadian dollars, unless otherwise stated)</i>	Notes	October 25, 2025	October 26, 2024	October 29, 2023
		\$	\$	\$
ASSETS				
Current assets				
Cash		19,447	4,003	8,042
Restricted cash		12,027	12,772	-
Accounts receivable	6, 27	545,100	559,531	516,832
Inventories	7	803,939	680,373	703,370
Biological assets	8	181,239	184,579	160,904
Other current investments	11, 27	5,611	12,112	5,917
Other current assets	10, 27	57,823	90,987	93,810
		1,625,186	1,544,357	1,488,875
Non-current assets				
Equity-accounted investments	9	441,137	407,392	420,409
Other investments	11, 27	47,524	48,884	50,311
Defined benefit assets	22	70,041	60,850	53,838
Right-of-use assets	15	338,075	375,065	300,417
Property, plant and equipment	12	1,168,569	1,051,399	1,097,921
Biological assets	8	18,607	19,222	16,125
Intangible assets	13	317,248	312,476	341,155
Goodwill	14	225,217	211,806	166,744
Deferred income tax asset	21	34,180	70,383	746
Share purchase option related to non-controlling shareholders	18	-	38,506	1,713
Other assets	10, 27	2,425	19,259	26,440
		2,663,023	2,615,242	2,475,819
Total assets		4,288,209	4,159,599	3,964,694
LIABILITIES AND EQUITY				
Current liabilities				
Bank borrowings	16	14,304	22,943	11,605
Accounts payable and accrued liabilities	17, 27	978,759	884,703	794,102
Current portion of share redemption obligations related to non-controlling shareholders	18	2,448	2,246	38,599
Share redemptions payable	18, 23	481,528	8,037	7,607
Other current liabilities	19, 27	197,593	117,375	271,933
Current portion of lease obligations	15	51,948	60,260	50,491
Current portion of long-term debt	20	39,753	83,513	141,507
		1,766,333	1,179,077	1,315,844
Non-current liabilities				
Share redemption obligations related to non-controlling shareholders	18	383,426	431,433	256,703
Lease obligations	15	283,006	310,139	236,632
Long-term debt	20	807,642	712,339	436,474
Defined benefit obligations	22	67,003	61,984	57,574
Deferred income tax liability	21	20,352	25,846	66,119
Other liabilities	19	48,855	28,911	48,024
		1,610,284	1,570,652	1,101,526
Total liabilities		3,376,617	2,749,729	2,417,370
EQUITY				
Members' capital	23	315,983	885,053	1,153,577
Reserve		604,404	535,145	411,512
Accumulated other comprehensive loss		(14,111)	(8,739)	(19,927)
Equity of the Cooperative		906,276	1,411,459	1,545,162
Non-controlling interests		5,316	(1,589)	2,162
Total equity		911,592	1,409,870	1,547,324
Total liabilities and equity		4,288,209	4,159,599	3,964,694

Commitments and contingencies (note 29)

Subsequent events (note 30)

The notes are an integral part of the consolidated financial statements.

On behalf of the Board,

 Richard FERLAND
 Director

 Guy LABRECQUE
 Director

Consolidated statements of earnings

<i>(in thousands of Canadian dollars, unless otherwise stated)</i>	Notes	October 25, 2025	October 26, 2024
		\$	\$
Revenues	25, 27	8,391,729	7,828,050
Cost of sales	27	6,007,631	5,541,078
Selling and administrative expenses	25, 27	2,140,807	2,086,947
Net financial expenses	25	73,960	75,048
Foreign exchange losses		609	5,722
Net losses	25	48,703	85,394
<hr/>			
Earnings for the year from continuing operations before shares of earnings, interest and dividend income from other investments, patronage refunds and income taxes		120,019	33,861
Share of earnings of joint ventures		80,360	88,577
Share of earnings of associates		9,434	6,485
Interest and dividend income from other investments	27	2,077	574
Earnings for the year from continuing operations before patronage refunds and income taxes		211,890	129,497
Patronage refunds	26	32,163	17,790
Income taxes (recovery)	21	53,321	(92,922)
Earnings for the year from continuing operations		126,406	204,629
Net earnings (loss) related to discontinued operations	5	15,137	(22,403)
Net earnings for the year		141,543	182,226
Attributable to:			
Members of the Cooperative		134,638	185,977
Non-controlling interests		6,905	(3,751)
		141,543	182,226

The notes are an integral part of the consolidated financial statements.

Consolidated statements of comprehensive income

<i>(in thousands of Canadian dollars, unless otherwise stated)</i>	Notes	October 25, 2025	October 26, 2024
		\$	\$
Net earnings for the year		141,543	182,226
Other comprehensive income (loss)			
Items that may be reclassified to net earnings:			
Change in fair value of derivative instruments designated as cash flow hedges (net of deferred tax recovery of \$1,920, \$300 in 2024)	24	(5,372)	11,188
Items that will not be reclassified to net earnings:			
Actuarial gains (net of deferred taxes of \$2,242, nil in 2024)	22	6,275	1,337
Total other comprehensive income		903	12,525
Comprehensive income		142,446	194,751
Attributable to:			
Members of the Cooperative		135,541	198,502
Non-controlling interests		6,905	(3,751)
		142,446	194,751

The notes are an integral part of the consolidated financial statements.

Consolidated statements of changes in equity

(in thousands of Canadian dollars, unless otherwise stated)	Notes	Equity of the Cooperative			Equity attributable to non-controlling interests	Total equity
		Members' capital	Reserve	Accumulated other comprehensive income (loss)		
				Unrealized gains and losses on cash flow hedges		
		\$	\$	\$	\$	\$
As at October 29, 2023		1,153,577	411,512	(19,927)	2,162	1,547,324
Net earnings (losses)		-	185,977	-	(3,751)	182,226
Other comprehensive income (loss)		-	1,337	11,188	-	12,525
Comprehensive income (loss)		-	187,314	11,188	(3,751)	194,751
Shares issued	23	9,745	-	-	-	9,745
Shares redeemed	23	(270,232)	-	-	-	(270,232)
Reclassification of preferred shares to liabilities	23	(8,037)	-	-	-	(8,037)
Dividends		-	(59,280)	-	-	(59,280)
Adjustment – deferred income taxes of joint arrangements		-	(4,401)	-	-	(4,401)
As at October 26, 2024		885,053	535,145	(8,739)	(1,589)	1,409,870
Net earnings		-	134,638	-	6,905	141,543
Other comprehensive income (loss)		-	6,275	(5,372)	-	903
Comprehensive income (loss)		-	140,913	(5,372)	6,905	142,446
Shares issued	23	26,037	-	-	-	26,037
Shares redeemed	23	(221,284)	(7,406)	-	-	(228,690)
Reclassification of preferred shares to liabilities	23	(373,823)	-	-	-	(373,823)
Dividends		-	(64,248)	-	-	(64,248)
As at October 25, 2025		315,983	604,404	(14,111)	5,316	911,592

The notes are an integral part of the consolidated financial statements.

Consolidated statements of cash flows

<i>(in thousands of Canadian dollars, unless otherwise stated)</i>	Notes	October 25, 2025	October 26, 2024
		\$	\$
OPERATING ACTIVITIES			
Earnings for the year from continuing operations		126,406	204,629
Income taxes (recovery)	21	53,321	(92,922)
Patronage refunds	26	32,163	17,790
Net financial expenses	25	73,960	75,048
Non-cash items:			
Amortization	25	175,235	192,592
Net losses		94,208	93,971
Foreing exchanges losses (gains)		(148)	3,403
Change in fair value of derivative financial instruments	24	(2,363)	15,424
Change in unrealized fair value of biological assets	8	(93)	9,303
Change in defined benefits		2,103	(1,248)
Share of earnings of joint ventures		(80,360)	(88,577)
Share of earnings of associates		(9,434)	(6,485)
Income taxes recovered (paid)		14,628	(33,877)
Net change in non-cash balances related to operating activities	28	35,983	(171,913)
Changes due to discontinued operations		(1,584)	(4,791)
Cash flows related to operating activities		514,025	212,347
INVESTING ACTIVITIES			
Business acquisitions, net of cash	4	(28,854)	-
Shares acquired from non-controlling shareholders		(2,497)	(8,542)
Additions to property, plant and equipment, intangible assets and biological assets	8, 12, 13	(212,840)	(120,285)
Proceeds from disposals of property, plant and equipment, intangible assets and biological assets	8, 12, 13	30,673	43,460
Acquisitions of other investments		(5,212)	(1,699)
Proceeds from disposals of equity-accounted investments	9	-	21,733
Proceeds from disposals of other investments	11	10,559	8,442
Interest received		2,632	3,622
Dividends received from joint ventures and associates	9	58,381	68,896
Government assistance received		1,351	499
Change in restricted cash		745	(12,772)
Changes due to discontinued operations		43,132	820
Cash flows related to investing activities		(101,930)	4,174
FINANCING ACTIVITIES			
Net change in bank borrowings	16	(8,639)	13,821
Principal repayment of lease obligations	15	(58,011)	(51,162)
Proceeds from issuance of long-term debt	20	203,288	270,310
Repayment of long-term debt	20	(39,329)	(110,660)
Net change in credit facility	20	(84,140)	65,167
Proceeds from issuance of other liability	19	22,335	-
Interest paid		(77,290)	(80,971)
Transaction costs		(7,098)	(4,251)
Share issuance proceeds	23	6,586	6,140
Shares redeemed	23	(233,294)	(274,234)
Patronage refunds paid	26	(17,790)	-
Dividends paid		(61,007)	(59,280)
Changes due to discontinued operations	5	(42,262)	4,560
Cash flows related to financing activities		(396,651)	(220,560)
Net increase (decrease) in cash related to continuing operations		16,158	(4,628)
Net increase (decrease) in cash related to discontinued operations		(714)	589
Cash, beginning of year		4,003	8,042
Cash, end of year		19,447	4,003

The notes are an integral part of the consolidated financial statements.

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

1) Incorporation and nature of business

Sollio Cooperative Group ("Sollio") was established under a special act of the Province of Québec (Canada). Its head office is located at 9001 De l'Acadie Boulevard, Suite 200, Montréal, Québec, Canada.

As at October 25, 2025, Sollio operated through three divisions (together, the "Cooperative"): Food, Agriculture and Retail. The Food Division focuses on hog production and the processing and marketing of pork and poultry products. The Agriculture Division provides farmers with goods and services to support their farming operations. The Retail Division brings together distribution and marketing operations for hardware products and construction materials, as well as services related to these product lines.

2) Presentation principles

Basis of presentation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Previously, they were prepared in accordance with Part II of the CPA Canada Handbook – Accounting, "Accounting Standards for Private Enterprises" ("ASPE").

Fiscal 2025 is the first year for which IFRS have been applied. The comparative financial information as well as the opening consolidated statement of financial position have been restated to reflect the application of IFRS. Note 31 summarizes the impact of first-time adoption on the Cooperative's consolidated financial statements. This note also presents a reconciliation between the comparative figures prepared under ASPE and the comparative figures prepared under IFRS, i.e., a reconciliation of the consolidated statements of earnings for the year ended October 26, 2024 and a reconciliation of the consolidated statements of financial position as at October 29, 2023 and October 26, 2024.

The Cooperative has prepared these financial statements in accordance with IFRS 1, *First-time Adoption of International Financial Reporting Standards*. These consolidated financial statements have been prepared using the historical cost method, except for certain biological assets, namely hog commercial livestock, and certain financial instruments, which are measured at fair value.

Year-end

The Cooperative's year-end is the last Saturday of October. The years ended October 25, 2025 and October 26, 2024 comprised 52 weeks.

Currency

The Corporation's functional and presentation currency is the Canadian dollar.

Approval of the consolidated financial statements

The consolidated financial statements of the Cooperative were approved and authorized for issue by the Board of Directors on January 28, 2026.

3) Material accounting policies

a) Basis of consolidation

The consolidated financial statements include the accounts of Sollio and its subsidiaries (together, the "Cooperative"). A subsidiary is an entity controlled by Sollio. Control is achieved when Sollio is exposed, 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.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Cooperative's the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those of the Cooperative. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Cooperative are fully eliminated on consolidation. A change in the ownership interest in a subsidiary, without a loss of control, is accounted for as an equity transaction.

The most significant subsidiaries of the Cooperative are as follows:

Name	Description	% of ownership and voting rights
Olymel L.P. ¹	Hog production and processing and marketing of pork and poultry products	81.2%
Agrico Canada L.P.	Distribution and marketing of agricultural inputs	100%
Agronomy Company of Canada Ltd.	Distribution and marketing of agricultural inputs	100%
Entreprise Agricole AMQ s.e.c.	Distribution and marketing of animal nutrition products	100%
Maizex Seeds Inc. ²	Production and marketing of seeds	97.9%
Sollio Agriculture L.P.	Supply of agriculture-related goods and services	100%
Standard Nutrition Inc.	Distribution and marketing of animal nutrition products	100%
TerminalGrains.Ag s.e.c.	Operation of a grain terminal	80%
Groupe BMR inc. ³	Distribution and marketing of hardware products and construction materials	100%
BMR Détail s.e.c.	Marketing of hardware products and construction materials	100%
L&B Group GP	Distribution and marketing of hardware products and construction materials	70%

¹ 81.4% as at October 26, 2024 and 84.2% as at October 29, 2023.

² 95.8% as at October 26, 2024 and 93.8% as at October 29, 2023.

³ Groupe BMR inc. was wound up into Sollio Cooperative Group on October 1, 2025.

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

3) Material accounting policies

b) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of a business combination is the consideration transferred, measured at acquisition-date fair value, and the amount of any non-controlling interests in the acquiree (or the fair value of share redemption obligations related to non-controlling shareholders) and any previously held interest. For each business combination, the Cooperative elects to measure the non-controlling interests in the acquiree at the proportionate share of the acquiree's identifiable net assets. Directly related acquisition costs are expensed as incurred and presented under "Selling and administrative expenses."

The Cooperative concludes that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to generate revenue.

When the Cooperative acquires a business, it assesses the financial assets acquired and financial liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and other pertinent conditions as at the acquisition date. Any contingent consideration is measured at fair value, and subsequent changes in fair value are recognized in profit or loss.

Goodwill is initially measured at cost, which is the excess of the aggregate of the consideration transferred and the amount of non-controlling interests (or the fair value of share redemption obligations related to non-controlling shareholders), and any previous interest held over the net fair value of the identifiable assets acquired and liabilities assumed. If the fair value of net assets acquired is in excess of the amount of the consideration transferred, the Cooperative reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the consideration transferred, then the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Cooperative's CGUs or group of CGUs that are expected to benefit from synergies of the combination, irrespective of whether other assets or liabilities of the acquiree have been assigned to those units.

If goodwill has been allocated to a CGU and the Cooperative disposes of an operation within that unit, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and measured on the basis of the relative values of the operation disposed of and the portion of the CGU retained.

c) Restricted cash

The Cooperative makes margin deposits with registered brokers in connection with its exchange-traded futures contracts. These deposits are required by the broker and by the clearing agency as a financial guarantee to cover the daily changes in open positions.

Amounts deposited cannot be freely withdrawn by the Cooperative until the related positions are closed. As a result, they are considered restricted cash. Changes in restricted cash are presented under investing activities in the consolidated statements of cash flows.

d) Inventories

Inventories are recognized at the lower of cost and net realizable value. Costs include direct raw materials costs and, if applicable, direct labour costs as well as overhead costs incurred in bringing the inventories to their present location and condition. The cost of inventories is mainly determined using the average cost method. Net realizable value is the estimated selling price of inventories, less the estimated costs of completion and the estimated costs necessary to make the sale.

The Cooperative recognizes amounts received under agreements with suppliers as a reduction in the price of the suppliers' products and presents them as a reduction of the cost of related inventories in the consolidated statement of financial position when it is probable that such discounts will be received.

e) Government assistance

Government assistance is accounted for as a reduction in related costs in the year the costs are incurred and when the Cooperative has reasonable assurance that the conditions of the government programs are being met. When government assistance relates to assets, it is deducted from the balance of those assets and amortized on the same basis.

f) Equity-accounted investments

An associate is an entity over which the Cooperative has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities would require the unanimous consent of the parties sharing control.

The earnings of associates and joint ventures are recognized using the equity method in these consolidated financial statements, except where the interest or investment is classified as held for sale, in which case it is recognized in accordance with IFRS 5. Under the equity method, the interest or investment is initially recognized at cost. The carrying amount of the interest or investment is then adjusted to recognize changes in the Cooperative's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the interest or investment and is not tested for impairment separately.

The consolidated statement of earnings reflects the Cooperative's share of the results of operations of the associate or joint venture. Where there is a change recognized directly in equity in the financial statements of the associate or joint venture, the Cooperative recognizes its share of this change, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Cooperative and the associate or joint venture are eliminated to the extent of the Cooperative's investment or interest in the associate or joint venture.

The Cooperative's share of earnings of an associate and a joint venture is shown on the face of the consolidated statement of earnings and represents profit or loss after tax and after non-controlling interests in the subsidiaries of the associate or joint venture.

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

3) Material accounting policies

f) Equity-accounted investments (cont'd)

Certain associates and joint ventures have different year-end dates, mainly at the end of August or September. When necessary, adjustments are made to bring accounting policies in line with those of the Cooperative.

g) Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities would require the unanimous consent of the parties sharing control.

When an entity of the Cooperative undertakes its activities as part of a joint operation, the Cooperative, as joint operator, recognizes in relation to its interest in a joint operation:

- Its assets, including its share of any assets held jointly;
- Its liabilities, including its share of any liabilities incurred jointly;
- Its revenues from the sale of its share of the output arising from the joint operation;
- Its share of the revenues from the sale of the output by the joint operation; and
- Its share of any expenses incurred jointly.

h) Property, plant and equipment

Property, plant and equipment are initially recognized at cost, or at fair value if acquired as part of a business combination, net of related government grants. Only borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized.

Cost (other than land), less the asset's residual value, is amortized on a straight-line basis over its estimated useful life as follows:

Assets	Estimated useful life
Pavement (included in buildings)	10 to 15 years
Buildings	30 to 50 years
Machinery and equipment	3 to 25 years
Other	
Automotive equipment	3 to 25 years
Leasehold improvements	Lease term

The estimated useful lives, residual values and amortization method are reviewed at the end of each reporting period, and the effect of any change in estimates is accounted for prospectively.

i) Intangible assets

Intangible assets primarily consist of trademarks, customer lists, production rights and exclusive supply rights, software and information technology projects, and financial support. These assets are initially recognized at cost, or at fair value if acquired in a business combination, and amortized on a straight-line basis over their estimated useful lives. Only borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized.

Intangible assets with indefinite useful lives, including certain trademarks and certain production rights, are not amortized and are tested for impairment annually.

Intangible assets with finite useful lives are amortized on a straight-line basis as follows:

Assets	Useful life
Trademarks	10 to 20 years
Customer lists	10 to 21 years
Exclusive supply rights	5 to 10 years
Software and information technology projects	3 to 8 years
Financial support	5 to 10 years

Research costs are recognized as an expense in the consolidated statement of earnings in the year in which they are incurred. Software and information technology projects are internally generated intangible assets arising from development.

The amount initially recognized for an internally generated intangible asset is the sum of expenditure incurred from the date when the intangible asset first meets the recognition criteria. When no internally generated intangible asset can be recognized, the development expenditures are recognized in profit or loss in the period in which they are incurred.

After initial recognition, internally generated intangible assets are carried at their cost, less any accumulated amortization and any accumulated impairment losses, using the same method as for separately acquired intangible assets.

Costs incurred to configure or personalize software as part of a cloud computing arrangement can only be recognized in intangible assets if the operations generate an intangible asset controlled by the entity and that meets the relevant recognition criteria. As a result, if these costs do not meet the recognition criteria, they are expensed during the fiscal year.

The estimated useful lives, residual values and amortization method are reviewed at the end of each reporting period, and the effect of any change in estimates is accounted for prospectively.

j) Borrowing costs

The Cooperative capitalizes borrowing costs when they are directly attributable to the acquisition, construction or production of a qualifying asset, as part of the cost of that asset. The Cooperative defines a qualifying asset as an asset that takes at least 12 months to get ready for its intended use or sale, and it can be property, plant and equipment or an intangible asset. Other borrowing costs are expensed in the period in which they are incurred.

k) Biological assets

Biological assets are measured at fair value less costs to sell, except if the fair value cannot be reliably measured. In such case, they are recognized at cost, less amortization and impairment losses. A reliable measure of fair value is used as soon as it becomes available. Gains and losses related to these remeasurements are recorded in net earnings under "Cost of sales." Fair value is based on estimates, particularly of hog prices, foreign exchange rates and the cost per weight of animals at maturity. Differences with actual values may impact future results.

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

3) Material accounting policies

k) Biological assets (cont'd)

The Cooperative's biological assets include live hogs, poultry and eggs, including breeding livestock and commercial livestock. Breeding livestock, intended for breeding or replacement, is measured at amortized cost, in the absence of an active market. Commercial hog livestock, intended for sale or processing, is measured at fair value less costs to sell, based on market prices for comparable livestock. Commercial poultry livestock is measured at cost, in the absence of an active market.

Hog breeding livestock is amortized on a straight-line basis over a period of six litters, and poultry breeding livestock is amortized over six to eight months, taking into account the residual value.

The estimated useful lives and residual values are reviewed at the end of each reporting period, and the effect of any change in estimates is accounted for prospectively.

l) Financial instruments

Classification, recognition and measurement

Financial assets and liabilities are recognized in the Cooperative's consolidated statement of financial position when the entity becomes a party to the contractual provisions of the instruments. They are initially measured at fair value. Transaction costs that are directly attributable to acquisition or issue of financial assets or liabilities (other than financial assets and liabilities measured at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or liabilities, as applicable, at initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets or liabilities measured at fair value through profit or loss are immediately recognized in net earnings.

Subsequently, the Cooperative recognizes its financial instruments in accordance with the accounting basis prescribed by the category in which the financial instrument was classified at initial recognition:

	Financial assets and liabilities at fair value through profit or loss	Financial assets and liabilities at amortized cost	Financial assets and liabilities at fair value through other comprehensive income
Financial instruments ²	<ul style="list-style-type: none"> • Derivative financial instruments¹ • Embedded derivative financial instruments • Notes receivable and shares • Share purchase options related to non-controlling shareholders • Share redemption obligations related to non-controlling shareholders • Financial guarantee contracts 	<ul style="list-style-type: none"> • Trade receivables • Notes receivable, preferred shares and balances of sale price receivable • Government assistance receivable • Bank borrowings • Trade payables and accrued liabilities • Rental liability • Accrued interest on long-term debt • Patronage refunds and dividends payable on common shares • Long-term debt • Contingent consideration • Share redemptions payable 	<ul style="list-style-type: none"> • Derivative financial instruments¹

¹ Gains and losses resulting from changes in the fair value of derivative financial instruments are presented in net earnings, except when the financial instrument is designated as a hedging instrument, in which case the effect is recorded in comprehensive income.

² Interest income and expenses from financial assets and liabilities are recognized under "Net financial expenses" in the consolidated statement of earnings, except for interest and dividend income from "Other investments," which are recognized under "Interest and dividend income from other investments." Where gains and losses are related to disposals, they are recognized under "Net gains on disposal and write-down of assets."

Other investments

Notes receivable, shares and balances of sale price receivable are classified based on the contractual cash flow characteristics associated with the asset and the business model within which they are held. When the contractual cash flows of these instruments are not solely payments of principal and interest on the principal amount outstanding, the assets are accounted for at fair value through profit or loss. Where the contractual cash flows are solely such payments and the assets are held to collect contractual cash flows, the assets are measured at amortized cost.

Share purchase options and redemption obligations related to non-controlling shareholders

The Cooperative has historically granted options to non-controlling shareholders entitling them to sell their shares to the Cooperative on a future date for a specified price, thereby creating a redemption obligation. In addition, the Cooperative also holds an option carrying the right to acquire the shares of non-controlling shareholders at a future date for a fixed price. IFRS provides no specific guidance on how to account for these share purchase options and redemption obligations related to non-controlling shareholders. The Cooperative has determined that IAS 32 prevails in assessing how to account for these purchase options and redemption obligations. Accordingly, shares subject to an option to sell are recognized as acquired, with no non-controlling interest recognized, and redemption obligations and purchase options are recognized at fair value.

Share redemption obligations related to non-controlling shareholders represent the price to be paid by the Cooperative to purchase the non-controlling interests in some of its subsidiaries. The price to be paid is based mainly on the projected future earnings of these entities from the date the options become exercisable. Given the source of estimation uncertainty regarding future earnings, the Cooperative used the estimate that it deemed most probable at the end of the fiscal year, as well as various other assumptions, including the discount rate and capital investments.

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

3) Material accounting policies

1) Financial instruments (cont'd)

A stochastic model is used to value the options. The fair value determined using the stochastic model is based on estimates, which include the entity's value, volatility rate, risk-free rate and dividend rate. These financial instruments are measured at fair market value, and the change in this fair value is recognized under "Net losses on remeasurement of share purchase options and redemption obligations."

Financial guarantee contracts

The Cooperative accounts for a financial guarantee contract as a financial liability if it requires the Cooperative to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

At initial recognition, a financial guarantee contract is measured at fair value, which is generally the estimated value of expected cash outflows based on the terms of the contract. Any subsequent changes in fair value are recognized in net earnings.

Derecognition of financial assets and liabilities

The Cooperative derecognizes a financial asset when the contractual rights to cash flows related to the asset expire or when the contractual rights to cash flows are transferred to a third party, for instance through a securitization program.

When the Cooperative transfers its rights to receive the cash flows from an asset through such a program, it evaluates the extent to which it retains the risks and rewards of ownership of the asset. When the Cooperative transfers substantially all the risks and rewards of ownership of the asset, it derecognizes the asset.

Financial liabilities are derecognized when the Cooperative's obligations are discharged, cancelled or expire.

Derivative financial instruments when hedge accounting is applied

In accordance with its risk management strategy, the Cooperative uses derivative financial instruments to manage foreign currency risk, and risks related to purchase and selling prices for certain commodities, as well as debt-related foreign exchange and interest-rate risk. Derivative financial instruments consist of foreign exchange contracts, cross-currency interest rate swaps, interest rate swaps as well as commodity and currency forward contracts, swaps and options. The Cooperative does not use derivative financial instruments for speculative purposes.

Under hedge accounting, the Cooperative documents all hedging relationships between hedging instruments and hedged items, as well as its strategy for using hedges and its risk-management objective.

In accordance with hedge accounting for derivative financial instruments designated as cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognized in other comprehensive income, under cash flow hedge reserve, while the ineffective portion is immediately recognized in net earnings. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The effective portion of the hedge recorded in accumulated other comprehensive income is recognized in profit or loss in the same period as the hedged item affects profit or loss. Derivative financial instruments hedging foreign exchange risk related to sales in foreign currencies are recognized in net earnings under "Revenues," whereas those hedging debt-related interest-rate and foreign currency risk are recognized under "Net financial expenses."

When a cash flow hedge is discontinued, the amounts previously recognized in accumulated other comprehensive income are reclassified to profit or loss in periods when the variability in the cash flows of the hedged item affects profit or loss.

The following derivative financial instruments qualify for hedge accounting and are reported on a fair value basis in the consolidated statements of financial position:

Foreign exchange contracts

The Cooperative often sells commodities outside Canada, mainly in U.S. dollars and Japanese yen. To protect these transactions against foreign exchange fluctuations, the Cooperative uses foreign exchange forward contracts.

Interest rate swaps covering debt

The Cooperative has various debt bearing interest at a variable rate based on benchmark interest rates such as the Canadian prime rate or U.S. prime rate plus a premium, CORRA or SOFR. In order to manage the risk of changes in interest rates on debt, the Cooperative uses interest rate swaps to set the rate.

Cross-currency interest rate swaps covering debt

The Cooperative drawn portion of its credit facility in the form of SOFR advances in U.S. dollars and uses cross-currency interest rate swaps covering debt denominated in U.S. dollars to manage the risk of changes in foreign exchange rates and interest rates for its foreign currency debt.

Derivative financial instruments when hedge accounting is not applied

The following derivative financial instruments do not qualify for hedge accounting and are reported on a fair value basis in the consolidated statements of financial position:

Foreign exchange contracts

The Cooperative uses foreign exchange forward contracts to cover bank account balances in U.S. dollar.

Commodity and currency forward contracts and swaps

The Cooperative often buys grain, fertilizer and construction materials, and sells hog products. The Cooperative uses foreign exchange contracts and commodity contracts to cover certain future price risks for these commodities.

Commodity and currency options

The Cooperative also uses options to manage foreign currency risk. The options give the Cooperative the right but not the obligation to exercise them at a predetermined rate before the option expiry date.

Embedded derivative financial instruments

The Cooperative, through agreements with its creditors, holds prepayment options on its senior unsecured bonds. Gains and losses resulting from changes in the fair value of these embedded derivative financial instruments are presented under "Net financial expenses."

Fair value of financial instruments

In accordance with IFRS 13, "Fair Value Measurement," the Cooperative considers the following fair value hierarchy, which reflects the significance of the inputs used in measuring its financial instruments:

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

3) Material accounting policies

l) Financial instruments (cont'd)

Fair value measurements of assets and liabilities recorded in the consolidated financial statements, or whose fair value is presented in the notes to the consolidated financial statements, is classified using the following hierarchy:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities;
- **Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (e.g., prices) or indirectly (e.g., derived from prices);
- **Level 3:** unobservable inputs used to measure the asset or liability, based on internal assumptions and not on market inputs.

m) Revenue recognition

The Cooperative accounts for a contract with a customer only when all of the following criteria are met:

- The parties to the contract have approved the contract and are committed to perform their respective obligations;
- The entity can identify each party's rights regarding the goods or services to be transferred;
- The entity can identify the payment terms for the goods or services to be transferred;
- The contract has commercial substance; and
- It is probable that the entity will collect the consideration to which it is entitled in exchange for the goods or services to be transferred to the customer.

The Cooperative recognizes revenues for all sales at the fair value of the consideration received or receivable. The primary types of revenues provided by the Cooperative, by division, are as follows:

Division	Types of revenue
Food	Distribution and sale of fresh and processed meats under various brands to retail and restaurant customers, food wholesalers or export customers, and sale of by-products to industrial customers.
Agriculture	Distribution and sale of livestock production products (feed and poultry sector), crop production (fertilizer, seeds and crop protection products) and administrative, procurement and agricultural input management services.
Retail	Distribution and sale of hardware and construction materials, and services to vendors.

Sale of goods

These revenues are recognized when the customer takes control of the goods, which is generally when the goods leave the Cooperative's facilities, except for export sales for which revenues are recognized upon receipt of the goods by the customer. Products may be received by customers upon delivery or taking possession of them at the Cooperative's facilities. There are no material financing elements related to the Cooperative's payment terms.

Sales incentives granted to customers represent rebates, patronage refunds or promotional incentives. They are generally contingent on achieving volume thresholds, volume growth or other contractually planned promotional activities. These amounts of variable consideration are presented as a reduction of sales. To estimate the variable consideration present in a contract, the Cooperative applies the most likely amount or expected value method. The method selected, which is expected to better predict the amount of variable consideration, depends primarily on the number of volume thresholds in the contract. The most likely amount method is used for contracts that are subject to a single volume threshold, whereas the expected value method is used for contracts with more than one volume threshold. The Cooperative then applies the requirements for constraining estimates of variable consideration to determine the amount of variable consideration that can be included in the transaction price and recognized in revenues. A refund liability is recognized for expected future rebates (i.e., the amount not included in the transaction price). The Cooperative subsequently reassesses the estimate of these incentives based on actual customer performance with respect to the agreed-upon conditions and recognizes any required adjustment prospectively in sales.

A provision for estimate returns policy is in place. The Cooperative uses the expected value method to estimate variable consideration given the large number of contracts with similar characteristics. These amounts of variable consideration are presented as a reduction of sales. The Cooperative then applies the requirements for constraining estimates of variable consideration to determine the amount of variable consideration that can be included in the transaction price and recognized in revenues. A return liability is recognized for products expected to be returned (i.e., the amount not included in the transaction price). An asset (and corresponding adjustment to cost of revenues) for the right to recover products from customers is also recognized.

Deferred revenues are amounts invoiced for goods whose sale has not yet been recognized. Certain prepayment agreements between the Cooperative and its customers bear interest. Deferred revenues are usually recognized as sales in the subsequent fiscal year.

Shipping revenues

The transportation component for the delivery of goods is considered a separate performance obligation only when the control of goods is transferred to the client before delivery and the transportation component is managed and re-invoiced by the Cooperative. The Cooperative recognizes shipping revenues when the service is rendered. The shipping component for the delivery of goods is considered a separate performance obligation only when control of the good is transferred to the customer prior to delivery, where shipping is managed and re-invoiced by the Cooperative. The Cooperative recognizes shipping revenues when the service is rendered.

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

3) Material accounting policies

m) Revenue recognition (cont'd)

Services revenues

To a lesser extent, the Cooperative provides administrative, procurement and management services related to agricultural inputs under agreements with certain of its joint ventures. The Cooperative also charges its Retail Division franchised vendors for banner fees, which include advertising and marketing costs. These revenues are calculated based on each vendor's annual purchase volume.

In most cases, services are provided over a short period of time, and revenues are recognized when the services are rendered.

n) Foreign currency translation

Foreign currency transactions are translated to the functional currency by applying the exchange rate prevailing at the date of the transaction. Foreign exchange gains and losses on translation of monetary assets and liabilities denominated in foreign currencies are included in the consolidated statement of earnings under "Foreign exchange losses."

o) Employee future benefits

The Cooperative offers defined contribution pension plans and defined benefit pension plans to some of its employees.

Defined contribution pension plans

Under its defined contribution pension plans, the Cooperative pays fixed contributions to participating employees' pension plans and has no legal or constructive obligation to pay any further amounts. Obligations for contributions to defined contribution pension plans are recognized as employee benefits in the consolidated statements of earnings when the contributions become due.

Defined benefit pension plans and other post-employment benefits

Defined benefit pension plans are based on either average career earnings, average final earnings or a flat pension. Certain pension benefits are indexed according to economic conditions.

Defined benefit pension plan costs are determined using actuarial methods and are accounted for using the accrued benefit method prorated on service, which incorporates management's best estimates of future salary levels, other cost escalations, retirement ages of employees, and other actuarial factors. Defined benefit pension costs, recognized in the consolidated statements of earnings as salaries and employee benefits, mainly include the following:

- Service costs provided in exchange for employee services rendered during the period;
- Prior service costs recognized at the earlier of (a) when the employee benefit plan is amended or (b) when restructuring costs are recognized;
- Curtailment or settlement gain or loss.

Interest on net defined benefit liability or asset, recognized in the consolidated statements of earnings as net financial expenses, is determined by multiplying the net defined benefit liability or asset by the discount rate used to determine the defined benefit obligation.

Remeasurements of the net defined benefit liability or asset are recognized immediately in other comprehensive income and are reflected in reserve. Remeasurements consist of the following:

- Actuarial gains and losses arising from changes in financial and demographic actuarial assumptions used to determine the defined benefit obligation or from experience adjustments to liabilities;
- The difference between actual return on plan assets and anticipated interest income on plan assets included as part of the interest on net defined benefit liability or asset calculation;
- Changes in the net benefit asset ceiling or in the minimum funding liability.

Recognition of a net benefit asset is limited under certain circumstances to the amount recoverable, which is primarily based on the extent to which the Cooperative can unilaterally reduce future contributions to the plan. In addition, an adjustment to the net benefit asset or liability can be recorded to reflect a minimum funding liability in a certain number of the Cooperative's pension plans.

The Cooperative uses insurance contracts for the payment of certain employee future benefits. When these contracts transfer significant risk to the insurer, they are not recognized as plan assets; the amount of benefits covered by these contracts is deducted from the defined benefit liability. Annuities purchased without a transfer of commitments remain underlying assets of the pension plan; in such case, the expected amount of benefits is kept in the defined benefit liability.

The Cooperative also offers other post-employment benefits to certain retired employees. Other post-employment benefits offered by the Cooperative to these retired employees include health care benefits and life insurance. The cost of group health insurance plans for retired employees is calculated using the same accounting policy as used for defined benefit pension plans. Post-employment plans, i.e., plans relating to the maintenance of group insurance for long-term disability, offer benefits that do not vest or accumulate. Accordingly, a defined benefit liability is recognized when the event that obligates the Cooperative occurs. The expenses related to the various plans are settled by the Cooperative as they become due.

p) Patronage refunds

The amount and terms of payment of patronage refunds are determined by the Board of Directors at fiscal year-end. Patronage refunds are calculated based on members' purchased volumes for the year. Patronage refunds are recognized under "Patronage refunds" in the consolidated statement of earnings in the year to which they relate. Cash-based patronage refunds payable are recognized in the consolidated statement of financial position as patronage refunds payable under "Other current liabilities," and share-based patronage refunds are recognized under "Members' capital."

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

3) Material accounting policies

q) Income taxes

Current income taxes are recognized with respect to amounts expected to be paid or recovered based on tax rates and laws that have been enacted or substantively enacted at the consolidated statement of financial position date.

Deferred income tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities and their respective tax bases. Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect of a change in enacted or substantively enacted tax rates on deferred income tax assets and liabilities is recognized in earnings in the period in which the change occurs. A deferred tax asset is recognized initially when it is probable that future taxable income will be sufficient to use the related tax benefits and may be reduced subsequently, if necessary, to an amount that is more likely than not to be realized. A deferred tax expense or benefit is recognized either in other comprehensive income or directly in equity to the extent that it relates to items that are recognized in other comprehensive income or directly in equity in the same or a different period.

In the course of the Cooperative's operations, there are a number of uncertain tax positions due to the complexity of certain transactions and to the fact that related tax interpretations and legislation are continually changing. When a tax position is uncertain, the Cooperative recognizes an income tax benefit or reduces an income tax liability only when it is probable that the tax benefit will be realized in the future or when the income tax liability is no longer probable.

r) Leases

Leased assets are land and buildings, machinery and equipment and automotive equipment. Right-of-use assets are measured at cost less accumulated amortization and impairment and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred and payments made before the lease commencement date less any lease incentives. The term of the lease consists of the initial lease term and any additional period for which it is reasonably certain that the Cooperative will exercise its extension option. Variable lease payments that do not depend on an index or rate are expensed during the period in which the event or condition that triggers the payment occurs.

Right-of-use assets are amortized over the shorter of the lease term or the useful life of the underlying asset as follows:

Type of lease	Initial term
Land and buildings	2 to 35 years
Machinery and equipment	2 to 5 years
Automotive equipment	2 to 7 years

Interest on lease liabilities is recorded in the consolidated statements of earnings as net financial expenses and principal payments on the lease liability are presented as part of financing activities in the consolidated statements of cash flows. The Cooperative applies recognition exemptions for short-term leases and leases of low-value assets.

The Cooperative assesses each sale and leaseback transaction to determine whether the transfer of the asset is a sale within the meaning of IFRS 15. In particular, this assessment takes into consideration the transfer of control of the asset to the buyer and any clauses that may prevent the sale.

i) Transaction qualified as a sale

When the transfer qualifies as a sale in accordance with IFRS 15, the Cooperative derecognizes the underlying asset and recognizes a right-of-use asset equal to the portion of retained rights of use under the lease and recognizes a lease liability for future lease payments in accordance with IFRS 16. The Cooperative recognizes a gain or loss on disposal only for the portion of the rights of use transferred to the buyer. The gain or loss is measured as the difference between (i) the consideration received and (ii) the portion of the carrying amount of the asset that relates to the rights of use transferred.

Where the consideration received or lease payments are not fairly priced, the Cooperative adjusts the transaction to reflect market terms. Any adjustment is typically recognized as (i) a rent prepayment (if the consideration exceeds the fair price) or (ii) additional financing recognized under "Rental liability" (if the consideration is less than the fair price).

ii) Transaction that does not qualify as a sale

Where the transfer does not qualify as a sale under IFRS 15, the Cooperative continues to recognize the underlying asset, with no derecognition permitted. The Cooperative recognizes the cash received as a financial liability in accordance with IFRS 9 under "Rental liability" and accounts for payments made to the buyer-lessor as interest expense and a repayment of the liability using the effective interest method, rather than as lease payments under IFRS 16.

s) Environmental costs

The Cooperative recognizes a provision for estimated future remediation costs for its sites to meet the government requirements applicable to sites identified as contaminated when such costs can be reliably measured. Estimates of the expected future remediation costs for these sites are based on the Cooperative's past experience with site remediation and on other factors, such as the contamination status and location of the sites, and the experience of the contractors performing environmental assessments and remediation work. To measure the initial liability, estimated future cash flows are discounted using a pre-tax rate that reflects market conditions with respect to the time value of money and the risks specific to that liability.

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

3) Material accounting policies

t) Impairment of assets

Financial assets

The Cooperative recognizes a loss allowance for expected credit losses for financial assets measured at amortized cost, which consist of trade receivables, certain notes receivable and balances of sale price receivable. For trade receivables, the Cooperative applies the simplified approach and recognizes an allowance for expected credit losses from initial recognition at an amount equal to the instrument's lifetime expected credit losses. The allowance is determined using a provision matrix that is based on historical credit loss experience, adjusted to reflect current conditions and forward-looking information that is reasonably available. In particular, the matrix takes into account the age of accounts, customer risk profiles, payment terms and, where applicable, guarantees.

For notes receivable and balances of sale price receivable measured at amortized cost, the general approach is used. Under this approach, the Cooperative measures the loss allowance at an amount equal to the 12-month expected credit losses. At each subsequent reporting date, the Cooperative measures the loss allowance at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition.

Associates and joint ventures

If there is objective evidence that the Cooperative's investment or interest in an associate or joint venture is impaired, an impairment test is performed to determine whether recognition of an impairment loss related to the Cooperative's interest or investment is required. All of the carrying amount of the interest or investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount (the higher of the value in use and the fair value less costs of disposal) with its carrying amount. Impairment losses are recorded in the share of earnings. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the interest or investment subsequently increases.

Property, plant and equipment, intangible assets and right-of-use assets

At each reporting date, the Cooperative reviews the carrying amounts of its property, plant and equipment, its intangible assets and its right-of-use assets with finite lives to determine whether there is any indication that these assets are impaired. If such evidence exists, an estimate of the recoverable amount of the asset is made to determine the amount of any impairment loss. When the asset does not generate cash flows that are independent of those generated by other assets, the Cooperative estimates the recoverable amount of the CGU to which the asset belongs. Corporate assets are also allocated to individual CGUs; or, they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation method can be determined. Intangible assets with indefinite useful lives are tested for impairment at least once per year and whenever there is an indication that the asset may be impaired.

The recoverable amount is the higher of the fair value less costs of disposal and the value in use. In assessing value in use, the estimated future cash flows are discounted by applying a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimated future cash flows have not been adjusted.

A reversal of an impairment loss may be recognized on property, plant and equipment and intangible assets with finite lives, if there is a favourable change in estimates used to determine the asset's recoverable amount since the last impairment loss and the new recoverable amount is greater than the current carrying amount.

Goodwill

Goodwill is tested for impairment annually, at the end of the fiscal year, and whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

Any goodwill impairment is determined by comparing the recoverable amount of CGU, or group of CGUs to which the goodwill relates, to its carrying amount. CGUs' recoverable amount is determined based on the higher of the value in use or the fair value less costs of disposal with respect to the impairment tests performed. Fair value less costs of disposal is the price that would be received to sell an asset in an arm's length transaction. Value in use is calculated using the discounted cash flows for the next five fiscal years plus one final year. Budgets for the next fiscal year are approved by management of the Cooperative and its Board of Directors, and strategic plans that include 5-year projections are approved by management. A perpetual growth rate is used for cash flows beyond the period covered by budgets and strategic plans. The discount rate used by the Cooperative is a pre-tax rate derived from the weighted average cost of capital pertaining to each CGU, which reflects the current market assessment of (i) the time value of money, and (ii) the risk specific to the assets for which the future cash flow estimates have not been risk-adjusted. The perpetual growth rate is determined with regard to the specific markets in which the CGUs participate. When the recoverable amount of a CGU is less than its carrying amount, an impairment loss is recognized. Goodwill impairment losses cannot be reversed in subsequent periods.

In some cases, the Cooperative may use the most recent detailed recoverable amount calculation to reach an annual impairment test conclusion for a CGU to which goodwill has been allocated, provided all of the following criteria are met: (i) the assets and liabilities making up the CGU have not changed significantly since the most recent calculation; (ii) the most recent recoverable amount calculation exceeded the carrying amount by a substantial margin; and (iii) an analysis of events that have occurred and circumstances that have changed since that calculation shows the likelihood that the current recoverable amount would be less than the carrying amount to be remote. Where all of the criteria are not met, a new recoverable amount calculation is carried out.

u) Non-current assets held for sale and discontinued operations

Non-current assets (and disposal groups) classified as held for sale are not amortized and are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if it is expected that their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. When the Cooperative is committed to a sale plan involving a loss of control of a subsidiary, it classifies the assets and liabilities of that subsidiary as held for sale when the criteria set out above are met, regardless of whether the Cooperative retains a non-controlling interest in its former subsidiary after the sale.

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

3) Material accounting policies

u) Non-current assets held for sale and discontinued operations (cont'd)

A discontinued operation is a component of an entity that either has been disposed of or is classified as held for sale and that:

- (a) represents a separate major line of business or geographical area of operations;
- (b) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or
- (c) is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount representing net earnings after tax from discontinued operations in the consolidated statement of earnings.

v) Significant estimates and judgments

The preparation of consolidated financial statements requires the Cooperative's management to make estimates and assumptions that affect the amounts reported. Management periodically reviews its estimates, which are based on management's knowledge of current events and on the measures that the Cooperative may take in the future. Actual results may differ from these estimates.

The most significant accounting estimates made by the Cooperative in preparing the consolidated financial statements, i.e., those that present a significant risk of causing a significant adjustment to the carrying amount of assets and liabilities during the subsequent fiscal year, were as follows:

i) Biological assets

Fair value measurements of the commercial hog livestock have been classified as Level 3 fair values based on the inputs and valuation techniques used. Management uses estimates over the future hog and grain prices, foreign exchange rates, and estimated weight and cost of hogs at maturity in the determination of fair value. To the extent that actual values differ from estimates, biological assets and earnings will be affected in future periods. Information about the valuation techniques and inputs used in fair value measurements of the biological assets of commercial hog livestock is disclosed in note 8.

ii) Fair value of share redemption obligations related to non-controlling shareholders

The fair value measurements of share redemption obligations related to non-controlling shareholders are also classified in Level 3. As they cannot be derived from observable market data, the inputs to these models rely on estimates. A stochastic model is used to value options, and the price to be paid is based mainly on the projected future earnings of these entities from the date the options become exercisable. To the extent that these estimates differ from the values realized, the measured liability and net earnings will be affected in future periods. Changes in assumptions about the inputs to these models could affect the fair value of share redemption obligations related to non-controlling shareholders. Information about the valuation techniques and inputs used in fair value measurements of share redemption obligations related to non-controlling shareholders is disclosed in note 18.

w) Accounting standards issued but not yet applied

- IFRS 18, "Presentation and Disclosure in Financial Statements" (replacing IAS 1, "Presentation of Financial Statements"), which sets out additional requirements and guidance on the presentation of financial statements, particularly on how information is presented in the statement of earnings and the statement of cash flows.

The Cooperative will apply this amendment as of fiscal 2028 and has not completed the assessment of the impact of these changes on its consolidated financial statements.

The Cooperative is currently assessing the impact that adopting this new standard will have on its consolidated financial statements.

- IFRS 9, "Financial Instruments," and IFRS 7, "Financial Instruments: Disclosures."

On May 30, 2024, the IASB issued amendments to IFRS 9, "Financial Instruments," and IFRS 7, "Financial Instruments: Disclosures," to clarify the date of recognition and derecognition of some financial assets and liabilities and to add disclosure requirements. The amendment applies to annual periods beginning on or after January 1, 2026.

The Cooperative will apply the amendment as of fiscal 2027 and has not completed the assessment of the impact of these changes on its consolidated financial statements.

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

4) Business acquisitions

Food Division

On May 13, 2024, a subsidiary of the Cooperative acquired an additional 50% interest in one of its joint ventures, which it held jointly with a group of related minority shareholders. As it now holds a 100% interest in this entity operating in the slaughtering and marketing of hogs, the subsidiary has control over the entity.

This acquisition was made in connection with the exercise of a share exchange option set out in the partnership agreement of the Cooperative's subsidiary. In exchange for the additional interest, the Cooperative's subsidiary issued units of its capital to the group of minority shareholders, based on a contractually pre-determined value in the agreement. As a result, 5,105,310 units of the subsidiary's capital were issued, with a fair value of \$45,000, granting an additional interest of 3.2% to the group of minority shareholders and diluting Sollio's interest in that subsidiary as a result. As at the transaction date, this exchange option was a derivative financial instrument valued at \$36,500 and was recognized under "Share redemption obligations related to non-controlling shareholders." The subsidiary of the Cooperative also waived receipt of a note receivable amounting to \$38,389 [\$30,133 in 2024], which was payable by the acquiree and is added to the consideration transferred.

Since the business combination was achieved in stages, the Cooperative was required to remeasure the fair value of equity interests held in the joint venture immediately prior to the acquisition date. The fair value of these interests was measured at \$8,500, and considering the negative carrying amount of the investment of \$7,548, a \$16,048 gain was recognized under "Net gains on disposal and write-down of assets." The investment held immediately prior to the transaction was also part of the consideration transferred. This combination generated goodwill of \$44,787, which is non-deductible for tax purposes and will be allocated to the Food CGU.

The total value of net assets acquired is detailed as follows:

	2024	2025 adjustments to PPA	2025
	\$	\$	\$
Net assets acquired			
Cash	2,648	-	2,648
Other current assets	5,257	-	5,257
Property, plant and equipment	6,188	-	6,188
Intangible assets	9,758	-	9,758
Goodwill	44,787	11,901	56,688
Deferred income tax asset	875	3,355	4,230
Total assets acquired	69,513	15,256	84,769
Note payable	9,744	15,256	25,000
Note payable to the Cooperative's subsidiary	8,256	(8,256)	-
Other current liabilities	4,380	-	4,380
Total liabilities assumed	22,380	7,000	29,380
Total net assets acquired	47,133	8,256	55,389
Consideration paid	47,133	8,256	55,389
Units of capital issued	45,000	-	45,000
Note receivable waived	30,133	8,256	38,389
Value of the investment held	8,500	-	8,500
Derecognition of the share exchange option	(36,500)	-	(36,500)

On May 1, 2025, an agreement between the parties was signed, confirming the notes payable to shareholders upon acquisition of control by the Cooperative's subsidiary on May 13, 2024. Under this agreement, the note payable to the group of minority shareholders was set at \$25,000, while the balance of the note payable to the subsidiary was cancelled in the consolidated financial statements. Following these agreements, all the disputes related to the acquisition were settled and the purchase price allocation (PPA) was finalized, resulting in increases of \$11,901 in goodwill and \$3,355 in deferred income tax assets.

Another group of minority shareholders exercised its subscription option, triggered by the exercise of the share exchange option, and acquired 248,000 units of the subsidiary's capital for a cash amount of \$1,915.

As the shares held by the minority shareholders are classified as financial liabilities, the issuance of \$45,000 in units of the subsidiary was reflected in share redemption obligations related to non-controlling shareholders at the consolidated financial statement level, which was remeasured at fiscal year-end.

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

4) Business acquisitions

Agriculture Division

On September 12, 2025, a subsidiary of the Cooperative acquired an additional 50% interest in one of its joint ventures. As it now holds a 100% interest in this entity operating in the marketing of agricultural inputs, the subsidiary has control over the entity.

The value of net assets acquired and consideration transferred are detailed as follows:

	Total
	\$
Net assets acquired	
Cash	514
Current assets	7,593
Property, plant and equipment	9,197
Intangible assets	36
Goodwill	1,510
Total assets acquired	18,850
Current liabilities	5,267
Long-term debt	2,069
Deferred income tax liability	1,514
Total liabilities assumed	8,850
Total net assets acquired	10,000
Consideration paid	10,000
Cash	5,000
Value of the investment held	5,000

Since the business combination was achieved in stages, the Cooperative remeasured the fair value of equity interests held in this joint venture immediately prior to the acquisition date. The fair value of these interests was measured at \$5,000. Considering the carrying amount of the investment of \$1,766, a \$3,234 gain was recognized in "Net gains on disposal and write-down of assets."

On October 31, 2024, the Cooperative acquired 54% of the shares of an associate in the poultry sector for a consideration of \$9,112. The Cooperative already held a 46% interest in this entity. As a result, on that same date, control of the entity was obtained and it was consolidated in the consolidated financial statements.

The value of net assets acquired and consideration transferred are detailed as follows:

	Total
	\$
Net assets acquired	
Current assets	4,704
Property, plant and equipment	23,080
Intangible assets	16,000
Total assets acquired	43,784
Current liabilities	3,606
Long-term debt	21,734
Deferred income tax liability	1,569
Total liabilities assumed	26,909
Total net assets acquired	16,875
Consideration paid	16,875
Cash	9,112
Value of the investment held	7,763

Since the business combination was achieved in stages, the Cooperative remeasured the fair value of equity interests held in this associate immediately prior to the acquisition date. The fair value of these interests was measured at \$7,763. Considering the carrying amount of the investment of \$5,732, a \$2,031 gain was recognized in "Net gains on disposal and write-down of assets." The Cooperative repaid the subsidiary's long-term debt of \$21,734 following the acquisition.

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

5) Discontinued operations

On April 25, 2025, a subsidiary of the Cooperative operating a maritime grain export terminal in Québec sold all its non-current assets for a total amount of \$25,000. These assets were not classified as held for sale as at October 26, 2024, and the sale resulted in a reclassification of earnings to discontinued operations. As it was a separate component of the Cooperative, this sale put a definitive end to the remaining grain export operations. On March 31, 2025, the subsidiary received \$17,944 in government assistance receivable related to the construction of these assets. This transaction resulted in a \$22,725 net gain. Of this amount, a gain of \$13,472 resulted from the renegotiation of the subsidiary's debt payable to its creditors. For fiscal 2024, the earnings of an Agriculture Division subsidiary operating in grain marketing in Ontario were also included in discontinued operations.

The following table details the net earnings (loss) relating to discontinued operations:

	2025	2024
	\$	\$
Revenues	9,318	9,571
Cost of sales	3,370	4,989
Selling and administrative expenses	8,026	11,690
Net financial expenses	3,050	10,608
Net losses on disposal and write-down of assets	-	8,217
Gains on disposal	(22,725)	-
	(8,279)	35,504
Earnings (loss) before earnings from other investments and income taxes	17,597	(25,933)
Interest and dividend income from other investments	101	366
Earnings (loss) before income taxes	17,698	(25,567)
Income taxes (recovery)	2,561	(3,164)
Net earnings (loss) for the year	15,137	(22,403)

6) Accounts receivable

	2025	2024	2023
	\$	\$	\$
Trade receivables	502,420	493,461	465,300
Expected credit losses	(8,611)	(10,264)	(13,818)
	493,809	483,197	451,482
Commodity taxes receivable	27,025	32,016	31,964
Income taxes receivable	24,266	44,318	33,386
	545,100	559,531	516,832

The Cooperative has implemented a trade receivables securitization program to enhance its cash and financing management. Under this program, certain trade receivables were sold to an external party. The Cooperative receives cash, net of a premium paid as consideration.

As at October 25, 2025, in accordance with the agreement, trade receivables amounting to \$130,000 [\$115,000 in 2024 and 2023] were disposed of. The Cooperative incurred costs of \$5,088 [\$6,505 in 2024] in the fiscal year related to these disposals. These trade receivables were sold without recourse or collateral and therefore derecognized from the consolidated statements of financial position.

7) Inventories

Inventories are as follows:

	2025	2024	2023
	\$	\$	\$
Raw materials and supplies	373,020	341,953	359,624
Finished goods	430,919	338,420	343,746
	803,939	680,373	703,370

The cost of inventories recognized as an expense includes an amount of \$5,437,040 [\$4,816,285 in 2024].

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

8) Biological assets

	Hog stock		Poultry stock		Total
	Commercial	Breeding	Commercial	Breeding	
	\$	\$	\$	\$	\$
Balance as at October 29, 2023	153,036	16,125	2,864	5,004	177,029
Additions and purchases	659,942	11,767	36,362	7,902	715,973
Amortization	-	(3,291)	-	-	(3,291)
Change in fair value – realized	34,691	-	-	-	34,691
Change in fair value – unrealized	(9,303)	-	-	-	(9,303)
Disposals	-	(5,379)	-	-	(5,379)
Transfer to inventories	(661,502)	-	(36,670)	(7,747)	(705,919)
Balance as at October 26, 2024	176,864	19,222	2,556	5,159	203,801
Additions and purchases	625,148	5,615	41,908	12,347	685,018
Amortization	-	(3,010)	-	-	(3,010)
Change in fair value – realized	9,303	-	-	-	9,303
Change in fair value – unrealized	93	-	-	-	93
Disposals	-	(3,220)	-	-	(3,220)
Transfer to inventories	(640,272)	-	(41,689)	(10,178)	(692,139)
Balance as at October 25, 2025	171,136	18,607	2,775	7,328	199,846

As at October 25, 2025, commercial hog stock consisted of approximately 1.2 million animals [1.3 million in 2024 and 1.2 million in 2023].

As at October 25, 2025, hog breeding stock consisted of 63,888 sows [66,503 sows in 2024 and 68,593 sows in 2023].

As at October 25, 2025, poultry stock consisted of approximately 0.7 million birds and 4.0 million eggs [0.6 million and 3.7 million as at October 26, 2024 and 0.7 million and 3.9 million as at October 29, 2023].

Commercial hog stock

Fair value measurements of the commercial stock have been classified as Level 3 fair values based on the inputs and valuation techniques used. There were no transfers between levels for the year ended October 25, 2025. The Cooperative uses the market comparison method to determine the fair value of its commercial livestock. The measurement model is based on the market price of a hog inventory with the same age, weight, breed and genetic composition characteristics. The market price is based on the U.S.-dollar price of cut-outs, adjusted for foreign exchange rate, weight conversion, dressing percentage carcass yield and specific significant unobservable inputs, including a quality 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 (ratio of muscle to fat content) and total weight. Quality adjustments during the year ranged from 5.8% to 7.2% [4.7% to 7.2% in 2024]. A higher (lower) quality adjustment percentage would result in an increase (decrease) in the fair market value of commercial stock.

The adjustments described above for converting the U.S. market price to the Canadian market price experience minimal fluctuation. Higher (lower) market adjustments would result in an increase (decrease) in the fair market value of the commercial stock.

The Cooperative is exposed to risks arising from environmental changes as well as changes in hog and grain prices. The Cooperative manages environmental risks, such as disease outbreaks, by diversifying its hog sites across Canada.

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

9) Equity-accounted investments

	2025	2024	2023
	\$	\$	\$
Equity-accounted investments			
Joint ventures (i)	287,789	255,916	260,323
Associates (ii)	153,348	151,476	160,086
	441,137	407,392	420,409

i) Joint ventures

	2025	2024	2023
	\$	\$	\$
Food Division – ownership interests ranging from 20% to 50% (20% to 50% in 2024 and 20% to 67.7% in 2023)	61,705	43,777	45,820
Agriculture Division – 50% ownership interests	197,913	187,628	192,539
Retail Division – ownership interests ranging from 40% to 50%	28,171	24,511	21,964
	287,789	255,916	260,323

The Cooperative holds no interest in joint ventures whose share of earnings exceeds 10% of the Cooperative's earnings before the shares of earnings of joint ventures, income taxes and patronage refunds [one 50% interest in a joint venture of the Cooperative having a carrying amount of \$38,478 in 2024]. For the year ended October 25, 2025, an interest in a joint venture held by a subsidiary of the Cooperative recognized a share of loss whose value exceeded its carrying amount at that same date. As the Cooperative has committed to provide financial support to this entity, the \$3,014 excess of its share of losses over the carrying amount [one interest in a joint venture totalling \$1,534 in 2024 and two interests in joint ventures totalling \$33,915 in 2023] was recognized in "Other liabilities."

ii) Associates

	2025	2024	2023
	\$	\$	\$
Food Division – ownership interests ranging from 8.9% to 39.4% [6.8% to 47.2% in 2024 and 8.9% to 39.4% in 2023]	117,321	113,209	111,883
Agriculture Division – ownership interests ranging from 16.5% to 25% [16.5% to 46% in 2024 and 2023]	17,088	22,388	24,161
Retail Division – 40% ownership interests [40% in 2024, from 20% to 40% in 2023]	4,859	4,589	13,650
Oil sector company – 7.6% ownership interest	14,080	11,290	10,392
	153,348	151,476	160,086

Over the past two fiscal years, the Cooperative held no investments in associates whose share of earnings exceeded 10% of the Cooperative's earnings before the share of earnings of associates, income taxes and patronage refunds.

A \$1,750 note receivable was converted into an investment in an associate during fiscal 2024.

On July 2, 2024, a Retail Division subsidiary sold all of the shares it held in an associate for a consideration of \$31,733. The consideration included a \$10,000 balance of sale, receivable in \$2,000 annual instalments over a five-year period, representing a present value of \$8,393. The sale contract provides for a contingent consideration payable that may result in a \$2,000 maximum annual repayment to the acquirer for the subsidiary if certain partner vendors do not maintain a minimum purchase volume from the acquirer in each of the five years following the transaction. The Cooperative estimated the fair value of the contingent consideration payable related to this contingency to be \$4,196 and recorded it under "Other liabilities" in the consolidated statement of financial position. This transaction resulted in a \$15,840 net gain, which was recorded under "Net gains on disposal and write-down of assets" in the consolidated statement of earnings.

As at October 25, 2025, the carrying amount of the contingent consideration payable in respect of this contingency was \$3,486 and was recorded in "Other liabilities" on the consolidated statement of financial position [\$4,286 as at October 26, 2024]. A \$1,000 net gain was recognized during the year under "Other net losses" upon remeasurement of future cash flows. The remainder of the change resulted from discounting the remaining obligation.

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

10) Other assets

	Notes	2025 \$	2024 \$	2023 \$
Derivative financial instruments	24	5,394	15,742	16,010
Embedded derivative financial instrument		2,085	-	-
Government assistance receivable		443	18,154	19,507
Prepaid expenses		41,912	45,712	56,695
Property, plant and equipment held for sale	12	10,414	30,638	28,038
		60,248	110,246	120,250
Other current assets		57,823	90,987	93,810
Other assets		2,425	19,259	26,440

11) Other investments

	2025 \$	2024 \$	2023 \$
Actifs financiers évalués au coût amorti			
Non-voting and non-participating preferred shares, redeemable in accordance with a specified schedule, annual dividends of 4%	15,000	15,000	15,000
Non-interest bearing note receivable, repayable in annual instalments of \$3,000 and a final payment of \$4,000, maturing in October 2024	-	4,000	6,846
Non-interest bearing balance of sale price receivable, repayable by annual instalments of \$2,000, maturing in July 2029 (note 9)	6,973	8,535	-
Non-interest bearing balance of sale price receivable, maturing in January 2027	2,835	-	-
Balance of sale price receivable, bearing interest at 5.25%, maturing in April 2026	1,000	-	-
Non-interest bearing balance of sale price receivable, maturing in October 2024	-	2,192	-
Other notes receivable, bearing interest at rates ranging from 0% to 8.0% in 2025 and 2024 [0% to 8.7% in 2023], with no maturity or maturing on demand, from April 2026 to February 2032 [from October 2024 to October 2037 in 2024 and 2023]	7,563	10,422	12,415
	33,371	40,149	34,261
Current portion of financial assets measured at amortized cost	(5,611)	(12,112)	(5,317)
	27,760	28,037	28,944
Financial assets measured at fair value through profit or loss			
Non-interest bearing notes receivable, with no maturity	7,463	7,971	10,485
Note receivable, bearing interest at the prime rate plus 0.5%, with no maturity	600	675	600
Non-voting and non-participating preferred shares of joint ventures	7,840	7,840	6,490
Other shares	3,861	4,361	4,392
	19,764	20,847	21,967
Current portion of financial assets measured at fair value through profit or loss	-	-	(600)
	19,764	20,847	21,367
Total			
Other investments – current portion	5,611	12,112	5,917
Other investments	47,524	48,884	50,311
	53,135	60,996	56,228

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

12) Property, plant and equipment

	Land and buildings	Machinery and equipment	Assets under construction	Others	Total	Assets held for sale
	\$	\$	\$	\$	\$	\$
COST						
As at October 29, 2023	1,120,246	1,103,367	34,822	83,637	2,342,072	28,038
Additions	19,724	33,123	26,935	26,110	105,892	-
Business acquisitions (note 4)	3,751	2,417	-	20	6,188	-
Disposals	(8,962)	(82,069)	(9,674)	(12,233)	(112,938)	(21,788)
Transfers and reclassifications	(43,851)	(52,591)	(5,944)	746	(101,640)	24,388
Balance as at October 26, 2024	1,090,908	1,004,247	46,139	98,280	2,239,574	30,638
Additions	28,140	48,096	90,786	13,916	180,938	-
Business acquisitions (note 4)	21,810	9,852	-	615	32,277	-
Disposals	(18,578)	(26,971)	-	(6,623)	(52,172)	(20,224)
Transfers and reclassifications	25,659	20,410	(38,636)	2,580	10,013	-
Balance as at October 25, 2025	1,147,939	1,055,634	98,289	108,768	2,410,630	10,414
ACCUMULATED AMORTIZATION						
As at October 29, 2023	(356,313)	(832,638)	-	(55,200)	(1,244,151)	-
Amortization	(37,510)	(54,036)	-	(6,720)	(98,266)	-
Disposals	3,321	66,504	-	3,465	73,290	-
Transfers and reclassifications	29,367	52,411	-	(826)	80,952	-
Balance as at October 26, 2024	(361,135)	(767,759)	-	(59,281)	(1,188,175)	-
Amortization	(24,450)	(42,539)	-	(9,264)	(76,253)	-
Disposals	7,007	12,139	-	6,359	25,505	-
Transfers and reclassifications	(110)	(1,366)	-	(1,662)	(3,138)	-
Balance as at October 25, 2025	(378,688)	(799,525)	-	(63,848)	(1,242,061)	-
NET CARRYING AMOUNT						
As at October 29, 2023	763,933	270,729	34,822	28,437	1,097,921	28,038
As at October 26, 2024	729,773	236,488	46,139	38,999	1,051,399	30,638
As at October 25, 2025	769,251	256,109	98,289	44,920	1,168,569	10,414

During the year ended October 25, 2025, the Cooperative capitalized borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset in the amount of \$2,618 [\$2,294 in 2024 and nil in 2023].

In the normal course of operations, to optimize its business locations, the Cooperative decided to sell property, plant and equipment with a total net carrying amount of \$10,414 [\$30,638 in 2024 and \$28,038 in 2023].

The infrastructure related to grain export activities resulted in negative cash flows again in 2024. As a result, the Cooperative determined that there were indicators that the carrying amount of these assets was no longer recoverable and that it exceeded the recoverable amount of the CGU, and therefore conducted an impairment test. Based on the results of the impairment test, the Cooperative determined that the recoverable amount was less than the carrying amount. As a result, an impairment loss of \$8,217 was recorded by the subsidiary of the Cooperative in "Net gains (losses) on disposal and write-down of assets" related to earnings from discontinued operations (see note 5) for fiscal 2024.

On October 1, 2024, there was a fire at a plant in the Food Division. An impairment loss for these assets amounting to \$8,575 [\$12,257 in 2024] was recognized and reported under "Net gains on disposal and write-down of assets" in the consolidated statement of earnings. During fiscal 2025, the Cooperative received insurance proceeds totalling \$65,000 [\$5,000 in 2024] to cover a portion of the operating losses incurred and reimburse a portion of plant reconstruction costs. An amount of \$45,505 [\$8,577 in 2024] was recognized under "Gains arising from insurance benefits" in the consolidated statement of earnings, with the difference directly netted against expenses under "Operating costs" in the consolidated statement of earnings.

In December 2023, the Cooperative closed a plant in its Food Division and therefore classified the assets as available-for-sale. In August 2025, a \$750 offer to purchase was submitted and accepted. An additional impairment loss of \$9,059 [\$1,214 in 2024] was recognized.

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

12) Property, plant and equipment

In 2025, the fair value of assets held for sale was revised to reflect new market conditions. This remeasurement resulted in the recognition of \$5,841 in additional losses reported under "Net gains on disposal and write-down of assets" in the consolidated statement of earnings.

During fiscal 2024, the Food Division decided to terminate a project for which certain costs were capitalized. An impairment loss of \$5,948 was recognized and reported under "Net gains on disposal and write-down of assets" in the consolidated statement of earnings as at October 26, 2024.

13) Intangible assets

	Trademarks	Customer lists	Exclusive supply rights	Production rights	Software and information technology projects	Financial support	Total
	\$	\$	\$	\$	\$	\$	\$
COST							
As at October 29, 2023	122,598	257,434	99,846	2,125	69,790	11,227	563,020
Additions	-	-	-	-	7,482	5,886	13,368
Business acquisitions (note 4)	9,758	-	-	-	-	-	9,758
Write-offs	-	-	(18,558)	-	(418)	(1,043)	(20,019)
Balance as at October 26, 2024	132,356	257,434	81,288	2,125	76,854	16,070	566,127
Additions	-	-	-	-	21,822	5,640	27,462
Business acquisitions (note 4)	-	21	-	16,000	15	-	16,036
Disposals	-	-	-	-	(67)	-	(67)
Write-offs	-	-	(427)	-	(30)	(3,023)	(3,480)
Balance as at October 25, 2025	132,356	257,455	80,861	18,125	98,594	18,687	606,078
ACCUMULATED AMORTIZATION							
As at October 29, 2023	(23,236)	(106,223)	(52,688)	-	(35,724)	(3,994)	(221,865)
Amortization	(1,306)	(17,342)	(8,441)	(5)	(7,741)	(2,666)	(37,501)
Write-downs	(14,118)	-	-	-	-	-	(14,118)
Write-offs	-	-	18,558	-	232	1,043	19,833
Balance as at October 26, 2024	(38,660)	(123,565)	(42,571)	(5)	(43,233)	(5,617)	(253,651)
Amortization	(1,306)	(17,487)	(8,091)	(5)	(8,237)	(3,364)	(38,490)
Disposals	-	-	-	-	57	-	57
Write-offs	-	-	427	-	273	2,554	3,254
Balance as at October 25, 2025	(39,966)	(141,052)	(50,235)	(10)	(51,140)	(6,427)	(288,830)
NET CARRYING AMOUNT							
As at October 29, 2023	99,362	151,211	47,158	2,125	34,066	7,233	341,155
As at October 26, 2024	93,696	133,869	38,717	2,120	33,621	10,453	312,476
As at October 25, 2025	92,390	116,403	30,626	18,115	47,454	12,260	317,248

During fiscal 2025, the Cooperative, via a subsidiary in its Agriculture Division, sold production rights with a negligible carrying amount for a consideration of \$4,872 [\$6,352 in 2024]. As a result, a gain in the corresponding amount was recorded under "Net gains on disposal and write-down of assets."

During fiscal 2024, a review of the Food Division's trademarks was conducted, resulting in an impairment test based on a discounted cash flow analysis. Based on the results of this impairment test, the Cooperative determined that the fair value of the trademark was less than the carrying amount of \$11,613. An impairment loss corresponding to this amount was recognized and reported under "Net gains on disposal and write-down of assets" in the consolidated statement of earnings. The Food Division also made the strategic decision to discontinue use of another trademark with a carrying amount of \$2,505. An impairment loss corresponding to this amount was recognized and reported under "Net gains on disposal and write-down of assets" in the consolidated statement of earnings.

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

14) Goodwill

	2025	2024
	\$	\$
Net carrying amount – opening balance	211,806	166,744
Business acquisitions (note 4)	13,411	45,062
Net carrying amount – closing balance	225,217	211,806

Goodwill and intangible assets with indefinite useful lives are allocated to CGUs as follows:

CGUs and Group of CGUs	2025		2024		2023	
	Intangible assets with indefinite useful lives	Goodwill	Intangible assets with indefinite useful lives	Goodwill	Intangible assets with indefinite useful lives	Goodwill
	\$	\$	\$	\$	\$	\$
Food CGU	40,598	143,439	40,598	131,539	44,956	86,477
Agriculture CGU	18,079	63,125	2,079	61,614	2,079	61,614
Retail CGU – Commercial and Industrial Clients	12,817	-	12,817	-	12,817	-
Retail Group of CGUs – Distribution	36,518	18,653	36,518	18,653	36,518	18,653
Total	108,012	225,217	92,012	211,806	96,370	166,744

Intangible assets with indefinite useful lives consisted of trademarks [\$89,933 in 2025 and 2024 and \$94,291 in 2023] and production rights [\$18,079 in 2025 and \$2,079 in 2024 and 2023]. These assets are not subject to amortization.

As the Cooperative meets the criteria for exemption from IAS 36, the recoverable amount determined as at October 26, 2024 was used for all impairment tests performed as at October 25, 2025. As a result, the assumptions used to determine the recoverable amount were the same in 2025 and 2024.

The fair values used in goodwill impairment testing measurements are determined using valuation techniques based on unobservable inputs. As a result, these fair values are classified in Level 3 of the fair value hierarchy under IFRS 13.

Food Division

For the Food CGU, the recoverable amount was determined based on fair value less costs of disposal for fiscal 2024, whereas value in use was used for the test performed in 2023.

For the 2023 test, future cash flows for the next five fiscal years set out in the Cooperative's most recent budgets and strategic plans were used. Cash flows for subsequent years were based on 2.5% growth, within the expected range of inflation in Canada, with food product price growth slightly outpacing the consumer price index. A pre-tax discount rate of 9.56% was used. For the 2024 test, which used fair value less costs of disposal, multiples of operating performance of comparable entities, adjusted to reflect the risk specific to the Food CGU, transaction metrics and other financial information available were used. No reasonably possible change in any of these assumptions would cause a carrying amount to exceed the recoverable amount.

Agriculture Division

For the Agriculture CGU, the recoverable amount was determined based on value in use, which was calculated using the next five years' expected future cash flows in its most recent budgets and strategic plans. Cash flows for subsequent years are based on 2% growth, within the expected range of Canadian long-term inflation. A pre-tax discount rate of 10% was used in 2024 [11% in 2023]. No reasonably possible change in any of these assumptions would cause a carrying amount to exceed the recoverable amount.

Retail Division

The Retail Division includes a number of CGUs. For the Retail Group of CGUs – Distribution, the recoverable amount was determined based on value in use, which was calculated using the next five years' expected future cash flows in its most recent budgets and strategic plans. Cash flows for subsequent years are based on 2.5% growth, within the expected range of long-term inflation in Canada, supported by growth in Québec housing start forecasts. A pre-tax discount rate of 8.41% was used in 2024 [8.06% in 2023]. No reasonably possible change in any of these assumptions would cause a carrying amount to exceed the recoverable amount.

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

15) Right-of-use assets and lease obligations

The following table details the right-of-use assets:

	Land and buildings	Machinery and equipment	Automotive equipment	Total
	\$	\$	\$	\$
COST				
Balance as at October 29, 2023	226,461	46,434	27,522	300,417
Additions	109,074	7,714	15,037	131,825
Transfer to property, plant and equipment and reclassifications	(5)	(3,699)	(14)	(3,718)
Write-offs	257	(512)	-	(255)
Balance as at October 26, 2024	335,787	49,937	42,545	428,269
Additions	29,772	4,104	2,680	36,556
Disposals	(8,568)	-	(1,920)	(10,488)
Transfers to property, plant and equipment and reclassifications	-	(2,234)	(5,800)	(8,034)
Write-offs	(617)	186	-	(431)
Balance as at October 25, 2025	356,374	51,993	37,505	445,872
ACCUMULATED AMORTIZATION				
Balance as at October 29, 2023	-	-	-	-
Amortization	(44,062)	(4,845)	(4,627)	(53,534)
Transfers to property, plant and equipment and reclassifications	-	1	2	3
Write-offs	280	47	-	327
Balance as at October 26, 2024	(43,782)	(4,797)	(4,625)	(53,204)
Amortization	(46,182)	(5,976)	(5,324)	(57,482)
Disposals	800	-	451	1,251
Transfers to property, plant and equipment and reclassifications	-	147	1,385	1,532
Write-offs	93	15	(2)	106
Balance as at October 25, 2025	(89,071)	(10,611)	(8,115)	(107,797)
NET CARRYING AMOUNT				
Balance as at October 29, 2023	226,461	46,434	27,522	300,417
Balance as at October 26, 2024	292,005	45,140	37,920	375,065
Balance as at October 25, 2025	267,303	41,382	29,390	338,075

The following table sets out the Cooperative's lease obligations:

	2025	2024
	\$	\$
Balance at beginning of year	370,399	287,123
Additions	35,888	133,606
Disposals	(12,222)	-
Payments	(80,719)	(72,969)
Interest	22,469	21,309
Modifications	(861)	1,330
Balance at end of year	334,954	370,399
Current portion	51,948	60,260
	283,006	310,139

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

15) Right-of-use assets and lease liabilities

The following table shows the amounts recognized in the Cooperative's consolidated statement of earnings:

	2025	2024
	\$	\$
Amortization of right-of-use assets	57,482	53,534
Interest on lease liabilities	22,469	21,309
Expenses relating to short-term leases or leases of low-value assets and variable rents	38,422	43,385
Gain arising from sale and leaseback transactions	2,907	352
Total amounts recognized in the statement of earnings	121,280	118,580

The following table shows the total cash outflows arising from lease liabilities of the Cooperative:

	2025	2024
	\$	\$
Payment of lease liabilities	58,250	51,660
Payment of lease interest expense	22,469	21,309
Payment of expenses relating to short-term leases or leases of low-value assets and variable rents	38,422	43,385
Total cash outflow for leases	119,141	116,354

(Undiscounted) contractual lease payments expected for lease liabilities in the coming years are as follows:

	\$
2026	66,641
2027	55,676
2028	47,342
2029	40,765
2030	26,125
2031 and thereafter	244,966

16) Bank borrowings

Bank borrowings consist of a subsidiary's demand credit facility.

The demand credit facility is renewable annually, authorized for bank borrowings, advances, letters of credit and standby letters of credit and has an authorized maximum of \$30,000, subject to a maximum of \$6,000 for letters of credit and standby letters of credit. As at October 25, 2025, \$14,304 was drawn down [\$22,943 in 2024 and \$11,605 in 2023]. The credit facility bore interest at the prime rate of 4.70% as at October 25, 2025 [5.95% in 2024 and 7.20% in 2023]. The Cooperative is joint and several guarantor for all amounts owing under this agreement.

17) Accounts payable and accrued liabilities

	2025	2024	2023
	\$	\$	\$
Trade payables and accrued liabilities	945,440	867,356	763,115
Accrued interest on long-term debt	5,739	2,693	10,667
Commodity and withholding taxes payable	12,532	11,516	10,924
Income taxes payable	15,048	3,138	9,396
	978,759	884,703	794,102

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

18) Share purchase options and redemption obligations related to non-controlling shareholders

	Notes	2025	2024
		\$	\$
Share purchase options related to non-controlling shareholders			
Opening balance		38,506	1,713
Change in fair value		(18,679)	36,793
Option exercised		(19,827)	-
		-	38,506
Share redemption obligations related to non-controlling shareholders			
Opening balance		433,679	295,302
Change in fair value		77,323	131,976
Units issued with redemption options	4	-	45,000
Option exercised		(125,128)	(38,599)
Closing balance		385,874	433,679
Current portion		(2,448)	(2,246)
		383,426	431,433

Food Division

A non-controlling shareholder of one of the Cooperative's subsidiaries, holding 5.6% [5.6% in 2024 and 5.7% in 2023] of the units of said subsidiary, has an option to sell, on or after April 30, 2028, all of its units to the Cooperative's subsidiary, which is obligated to redeem such units or transfer this obligation to its limited partners. The Cooperative is ultimately responsible for the total redemption of units upon refusal by the other limited partners to redeem such units. The selling price represents the higher of the subsidiary's fair value and a fair value based on a fixed multiple, as well as adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA") and debt at the time of sale. The sale of the units and the payment of their sale price may be made in a maximum of three equal and consecutive annual instalments, or sooner, under the terms of the agreement. Any time on or after April 30, 2029, the Cooperative will also have the option to purchase all or a portion of these same shares at the same price as the option to sell, with a floor price of \$150,000.

Another non-controlling shareholder of one of the Cooperative's subsidiaries, holding 2.8% [2.8% in 2024, 2.9% in 2023] of the units of said subsidiary, has an option to sell, on or after December 31, 2027, all of its units to the Cooperative, which is obligated to redeem. The selling price represents the fair value at the time of the transaction. Units may be sold and their sale price paid in a maximum of three equal and consecutive annual instalments, or sooner, under the terms of the agreement. As of December 31, 2027, the Cooperative will also have the option to purchase all or a portion of these same shares at the same price as the option to sell, plus a 20% premium.

A group of non-controlling shareholders of one of the Cooperative's subsidiaries, holding 5.9% [5.8% in 2024 and 2.6% in 2023] of the units of said subsidiary, had an option to sell, dating back to December 31, 2023, 2.5% of its units to the Cooperative, which had been obligated to redeem or require its subsidiary to redeem such units. The sale price was calculated based on a formula considering the issue price, the share of earnings and the distributions paid in respect of those units. The Cooperative also held an option to purchase these shares for the same price as the option to sell, plus a 20% premium. This group also had an option to exchange all of its shares it held in a joint venture with the Cooperative's subsidiary for a number of shares of the subsidiary based on a pre-determined formula. This option valued at \$36,500 was exercised on May 13, 2024 resulting in the business combination disclosed in note 4.

As a result of these new shares, the group also had an option to sell, on or after October 29, 2030, 3.2% of its units to the Cooperative, which was subject to the same repayment terms, such option having an initial value of \$45,000. The Cooperative also held an option to purchase those shares, which was subject to the same redemption formula as the redemption obligation but with an additional 20% premium on both those shares and the shares already held. During fiscal 2025, the Cooperative exercised its option to purchase all the shares of this non-controlling group of shareholders. As a result, the Cooperative derecognized \$19,827 from its option to purchase balance and \$125,128 from its redemption obligation balance. An amount of \$107,705 was presented in the consolidated statement of financial position under "Share redemptions payable" and will be paid 60 days after the approval of the subsidiary's 2025 financial statements.

Another group of non-controlling shareholders of one of the Cooperative's subsidiaries, holding 4.5% [4.4% in 2024 and 4.6% in 2023] of the units of such subsidiary, has had an option to sell, since April 30, 2021, all or 50% of its units to the Cooperative, which is obligated to redeem them. Prior to October 30, 2026, the sale price for the units is calculated based on a formula considering the issue price, the share of earnings and distributions paid in respect of such units. After that date, the sale price represents the higher of the value calculated using the formula before October 30, 2026 and fair market value. In the event the option is partially exercised, the remaining units may be redeemed on or after the fifth anniversary of the date of the first notice of partial exercise of the units. The units may be sold and their sale price paid in a maximum of two equal and consecutive annual instalments, or sooner, under the terms of the agreement, if the options are exercised on or before October 30, 2026, whereas the units may be sold and their sale price paid in a maximum of three equal and consecutive annual instalments, or sooner, if the options are exercised after October 30, 2026. The Cooperative also holds an option to purchase those shares as of October 30, 2026 for the same price as the option to sell at the same date. During fiscal 2025, this group of shareholders exercised a subscription option, triggered by the exercise of the exchange option of another non-controlling group of shareholders (note 4), and acquired 248,000 shares of the subsidiary for a cash amount of \$1,915, such that no dilution resulted from the transaction.

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

18) Share purchase options and redemption obligations related to non-controlling shareholders

Retail Division

A group of non-controlling shareholders holding 30% of the shares of a subsidiary has an option to sell, after the fiscal year ending October 31, 2026, all or a portion of its interests to the Cooperative via a subsidiary. The sale price represents the higher of \$145,000 less debt as at the transaction date and fair value based on a fixed multiple, as well as adjusted EBITDA and debt at the time of the sale. In the event the option is partially exercised, the shares comprising the remaining interests may be redeemed over multiple fiscal years up to a maximum of three times.

Via its subsidiary, the Cooperative has an option to purchase all or a portion of the interests on or after October 31, 2026 under the terms of the agreement.

Agriculture Division

A group of non-controlling shareholders holding 2.1% [4.2% in 2024 and 6.3% in 2023] of the shares of a subsidiary has had an option to sell, since July 3, 2023, all of its shares to the Cooperative. This option will expire on July 3, 2026. The units may be sold and their sale price paid in a maximum of three annual instalments, or sooner, under the terms of the agreement. An initial instalment representing one third of the remaining interest was exercised in June 2024, as well as a second instalment in June 2025. The redemption price was based on the fair value of the subsidiary, with a floor price.

19) Other liabilities

	Notes	2025	2024	2023
		\$	\$	\$
Rental liabilities		25,391	3,549	-
Derivative financial instruments		20,958	26,376	22,242
Patronage refunds and dividends payable on common shares		18,963	17,790	-
Financial guarantee contracts		5,000	5,000	5,000
Contingent consideration	9	3,486	4,268	-
Deferred revenues		155,763	77,691	242,756
Environmental liabilities		12,506	10,078	9,109
Provision for termination benefits		-	-	6,935
Provision for interests in joint ventures	9	3,014	1,534	33,915
Other		1,367	-	-
		246,448	146,286	319,957
Other current liabilities		197,593	117,375	271,933
Other liabilities		48,855	28,911	48,024

During fiscal 2023, the Food Division announced the closure of plants. The total amount of termination benefits was recorded in 2023 under accrued liabilities in the amount of \$6,935 and was paid in fiscal 2024.

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

20) Long-term debt

	2025	2024	2023
	\$	\$	\$
Credit facility, ¹ drawn under margin loans and SOFR advances at rates ranging from 4.04% to 4.09% as at October 25, 2025 [5.78% to 6.10% in 2024 and 6.64% to 6.70% in 2023], maturing in June 2029	283,195	367,335	302,168
Term credit ² of subsidiaries, secured by movable and immovable hypothecs on certain agricultural assets with a carrying amount of \$181,269 [\$146,877 in 2024], maturing in June 2028. The agreement requires interest rate risk to be fully hedged using derivative financial instruments. The net effective fixed rate, including the impact of interest rate swaps, ranged from 4.75% to 4.95% as at October 25, 2025 [4.84% to 5.30% in 2024]	270,000	270,000	-
Senior unsecured notes, with a par value of \$200,000, bearing interest at 6%, payable semiannually, maturing in July 2030	202,085	-	-
Term credit, ³ secured by movable and immovable hypothecs on most of the assets, comprising two instalments bearing interest at a fixed rate of 5.29% [6.50% in 2024 and 2023] for a notional amount of \$60,000 and a fixed rate of 4.64% for a notional amount of \$40,000, repayable in seven annual principal payments of \$8,571 and \$5,714	71,429	85,715	100,000
Term credit of a subsidiary, secured by an immovable hypothec on certain assets having a carrying amount of \$133,395 in 2023, drawn down as margin loans at the prime rate plus 1%, representing a rate of 8.20%, repaid in December 2023	-	-	95,151
Term credit of a subsidiary, secured by an immovable hypothec on the universality of this subsidiary's property having a carrying amount of \$39,822 in 2024 [\$47,249 in 2023], bearing interest at a fixed rate of 12.0% for an instalment of \$24,900 and at a fixed rate of 13.0% for an instalment of \$3,000. The principal amount and capitalized interest were repaid in May 2025	-	48,909	42,623
Term credit from a joint operation, secured by a right to payment under a lease having a carrying amount of \$20,000, bearing interest at a variable rate less 0.25%, that is, 5.20% as at October 25, 2025 [6.70% in 2024, 7.95% in 2023], repayable in monthly principal instalments of \$99 and a final amount of \$4,332 in September 2026	5,415	6,597	6,375
Loan, bearing interest at a fixed rate of 3.50% [5.25% in 2024 and 2023], repayable on demand	22,800	19,512	17,220
Non-interest bearing note payable of a subsidiary with no specific terms of repayment	-	-	7,000
Note payable of a subsidiary, bearing interest at the fixed rate of 6%, repaid in November 2023	-	-	6,296
Other non-interest borrowings [borrowings bearing interest at rates ranging from 5.25% to 5.95% in 2024 and 0% to 7.20% in 2023], without maturity [maturing in January 2026 in 2023]	800	937	2,084
	855,724	799,005	578,917
Transaction costs	(8,329)	(3,153)	(936)
	847,395	795,852	577,981
Current portion of long-term debt	39,753	83,513	141,507
	807,642	712,339	436,474

¹ The Cooperative had an overall revolving credit facility of \$1,100,000 in 2025, 2024 and 2023, secured by movable and immovable hypothecs on most of its assets. The Cooperative can use this credit facility as follows: Canadian-dollar margin loans [\$30,060, \$139,020 and \$83,117 in 2025, 2024 and 2023, respectively] and/or US-dollar margin loans [US\$3,590, US\$2,720 and US\$2,925 in 2025, 2024 and 2023, respectively], US-dollar SOFR advances [US\$175,047, US\$161,395 and US\$157,054 in 2025, 2024 and 2023, respectively] and standby letters of credit. The interest rate is based on a rate schedule that varies based on a financial ratio calculated quarterly on a consolidated basis. On December 22, 2023, the Cooperative amended and renewed its overall credit facility agreement for a period of 3 years. On June 23, 2025, the Cooperative amended and renewed its overall credit facility agreement for a period of 4 years.

² The term credit was issued on December 22, 2023, with an initial instalment of \$95,000, and included a \$175,000 portion under a deferrable issuance option pending the achievement of certain milestones stipulated in the agreement. A second instalment of \$80,500 was issued on January 19, 2024, and the final instalment of \$94,500 was issued on May 31, 2024. On June 23, 2025, the Cooperative amended and renewed its overall term credit agreement for a period of 3 years.

³ On November 3, 2025, this term credit was renegotiated to \$100,000, bearing interest at a fixed rate of 5.10%, repayable in annual principal instalments of \$10,000, commencing in November 2026.

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

20) Long-term debt

The Cooperative's long-term debt is subject to compliance with certain financial ratios based on the Cooperative's consolidated financial statements. As at October 25, 2025, the Cooperative was in compliance with these financial ratios.

Assuming there are no lender-granted extensions or debt renegotiations, principal repayments on long-term debt for the coming fiscal years will be as follows:

	\$
2026	42,795
2027	14,418
2028	284,418
2029	297,613
2030	216,480
Total	855,724

21) Income taxes (recovery)

Income tax expense is detailed as follows:

	2025	2024
	\$	\$
Current income taxes	23,346	12,614
Deferred income taxes	29,975	(105,536)
Income taxes (recovery)	53,321	(92,922)

Income tax expense (recovery) differs from the amount that would be calculated by applying the combined federal and provincial statutory income tax rates as a result of the following:

	2025	2024
	\$	\$
Income taxes, calculated at Canadian statutory rates of 26.3% (26.3% in 2024)	47,304	29,399
Differences attributable to the following:		
Tax effect of expenses that are not deductible for income tax purposes	3,128	602
Dividends and non-taxable portion of capital gains	(6,964)	(25,577)
Taxable investments in associates	(19,451)	(21,100)
Purchase options and redemption obligations related to non-controlling shareholders	26,007	25,087
Reversal of valuation allowance	-	(102,639)
Income tax adjustments in respect of prior years	608	392
Other	2,689	914
Income taxes (recovery)	53,321	(92,922)

Income tax expenses (recovery) recognized in other comprehensive income are as follows:

	2025	2024
	\$	\$
Change in fair value of derivative instruments designated as cash flow hedges	(1,920)	(300)
Actuarial gains	2,242	-
	322	(300)

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

21) Income taxes (recovery)

The tax effect of temporary differences that give rise to a deferred tax asset or liability was as follows:

	Consolidated statements of financial position			Consolidated statements of earnings	
	2025	2024	2023	2025	2024
	\$	\$	\$	\$	\$
Deferred tax assets (liabilities)					
Property, plant and equipment	(60,511)	(45,428)	(72,528)	(14,377)	27,100
Equity-accounted investments	(31,201)	(27,070)	(21,409)	(4,130)	(5,661)
Intangible assets	27,955	16,826	5,432	3,858	10,519
Deferred tax losses	61,943	75,623	14,489	(13,680)	61,134
Expenses deductible in subsequent years	9,761	11,844	6,217	1,126	5,627
Net defined benefit asset (liability)	147	1,274	4,701	1,115	(3,427)
Research and development costs carried forward	5,021	12,288	(289)	(7,267)	12,577
Derivative financial instruments	-	(54)	-	(1,866)	(354)
Right-of-use assets	(68,165)	(91,973)	(18,205)	23,808	(73,768)
Lease liabilities	68,055	86,366	10,952	(18,311)	75,414
Biological assets	-	1,823	-	(1,823)	1,823
Other	823	3,018	5,267	1,572	(5,448)
	13,828	44,537	(65,373)	(29,975)	105,536

Changes in the net deferred tax asset are as follows:

	2025	2024
	\$	\$
Balance at beginning of year	44,537	(65,373)
Recorded in earnings	(29,975)	105,536
Recorded in other comprehensive income	(322)	300
Business acquisitions (note 4)	272	875
Other	(684)	3,199
	13,828	44,537
Deferred tax assets	34,180	70,383
Deferred tax liabilities	(20,352)	(25,846)
	13,828	44,537

As at October 25, 2025, non-capital losses amounting to \$211,779 for federal purposes [\$280,440 for provincial purposes] had been accumulated in the Cooperative and certain subsidiaries. These losses expire from 2035 to 2045. As at October 26, 2024, non-capital losses amounting to \$262,758 for federal purposes [\$327,734 for provincial purposes] had been accumulated. A deferred income tax asset was recognized for these losses as at October 25, 2025 and October 26, 2024. As at October 28, 2023, non-capital losses amounting to \$313,575 for federal purposes [\$372,456 for provincial purposes] had been accumulated. Of these losses, an amount of \$269,879 for federal purposes [\$328,760 for provincial purposes] had not been recognized as a deferred income tax asset.

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

22) Employee future benefits

Employee future benefits consist mainly of retirement plans whose obligations under defined benefit plans are based on years of service and final salary. Pension benefits are adjusted according to a formula based on fund returns and the consumer price index. The Cooperative provides certain employees with other long-term benefits, which cover life and health insurance premium payments for retired employees. These other long-term benefits are not capitalized and are presented as other plans.

The Cooperative measures its defined benefit plan obligations and the fair value of plan assets at each year-end. Actuarial valuations for funding purposes of pension plans and other post-employment benefit (OPEB) plans are performed on a one- to three-year basis. Pension committees made up of employer and employee representatives have fiduciary responsibility for certain plans. The defined benefit pension and other post-employment benefit plans expose the Cooperative to actuarial risks such as interest rate, longevity, investment and inflation risk. Accordingly, the Cooperative's investment policy sets out a diversified portfolio mix whose bond component is structured to match the timing and amount of expected benefit payments.

Information on the Cooperative's pension plans and OPEB plans is as follows:

i) Defined benefit pension and other post-employment benefit plan agreements

The following table reconciles the changes in the defined benefit obligation and post-employment benefits:

	2025		2024	
	Pension plans	OPEB plans	Pension plans	OPEB plans
	\$	\$	\$	\$
Defined benefit obligations – opening balance	177,116	15,586	154,630	13,797
Employer current service cost	5,854	1,114	5,534	1,024
Employee contributions	166	-	282	-
Benefits paid	(6,694)	(1,042)	(10,096)	(1,150)
Benefits paid on settlement	-	-	538	-
Interest on defined benefit obligations	8,487	760	8,693	792
Gains arising from settlements and curtailments	-	-	(538)	-
Past service costs	670	79	-	-
	185,599	16,497	159,043	14,463
Actuarial losses arising from changes in economic assumptions	-	325	18,435	1,420
Actuarial losses arising from changes in demographic assumptions	311	-	379	-
Actuarial losses (gains) arising from experience	(181)	296	(740)	(297)
Defined benefit obligations – closing balance	185,729	17,118	177,117	15,586

The following table reconciles changes in defined benefit plan assets:

	2025	2024
	\$	\$
Plan assets – opening balance	191,569	164,691
Employer contributions	3,138	6,798
Employee contributions	166	282
Benefits paid	(6,694)	(10,096)
Benefits paid on settlement	-	538
Administrative fees paid	(358)	(581)
Interest on plan assets	9,105	9,285
Actual return on plan assets in excess of amounts recognized in net interest	8,959	20,652
Plan assets – closing balance	205,885	191,569

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

22) Employee future benefits

Plan assets consist of:

	2025	2024
	%	%
Equity securities		
U.S. and global equity funds	34.4	29.7
Fixed income funds	22.8	31.7
Tangible asset funds	17.3	16.9
Long-term bonds	10.1	-
Canadian equity funds	9.0	14.7
Annuity buy-in insurance contracts	6.4	7.0
	100.0	100.0

Plan assets include equity funds whose fair value is based on quoted prices in an active market, as well as bonds, annuity buy-in insurance contracts and tangible assets, whose fair value is not quoted in an active market.

The following table shows the net defined benefit asset (liability) for all pension and OPEB plans:

	2025		2024		2023	
	Pension plans	OPEB plans	Pension plans	OPEB plans	Pension plans	OPEB plans
	\$	\$	\$	\$	\$	\$
Defined benefit obligations	(185,729)	(17,118)	(177,117)	(15,586)	(154,630)	(13,797)
Defined benefit assets	205,885	-	191,569	-	164,691	-
Net defined benefit asset (liability)	20,156	(17,118)	14,452	(15,586)	10,061	(13,797)

The following table shows the net defined benefit asset (liability) as presented in the consolidated statement of financial position, representing the net position of each plan:

	2025	2024	2023
	\$	\$	\$
Defined benefit obligations	(67,003)	(61,984)	(57,574)
Defined benefit assets	70,041	60,850	53,838
Net defined benefit asset (liability)	3,038	(1,134)	(3,736)

The following table details the pension benefit cost (income) components recognized in the consolidated statement of earnings:

	2025	2024
	\$	\$
Employer current service cost	6,968	6,558
Gains arising from settlements and curtailments	-	(538)
Actuarial losses (gains)	309	(118)
Interest on defined benefit obligations	9,247	9,485
Interest on assets	(9,105)	(9,285)
Administrative fees	483	706
Past service costs for the year	749	-
Defined benefit cost	8,651	6,808

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

22) Employee future benefits

The Cooperative expects to make \$4,436 in contributions to the defined benefit plans over the next fiscal year.

The following table sets out the remeasurement of the net defined benefit liability (asset) recognized in other comprehensive income (loss):

	2025	2024
	\$	\$
Actuarial losses on defined benefit obligations	442	19,315
Actual return on plan assets in excess of amounts recognized in net interest	(8,959)	(20,652)
Remeasurement of net defined benefit liability (asset)	(8,517)	(1,337)

The following table reconciles the changes in the net defined benefit asset (liability):

	2025	2024
	\$	\$
Net defined benefit asset (liability) – opening balance	(1,134)	(3,736)
Defined benefit cost	(8,651)	(6,808)
Employer contributions	3,138	6,798
Employer-paid premiums and benefits	1,168	1,275
Remeasurement of net defined benefit liability (asset) recognized in other comprehensive income (loss)	8,517	1,337
	3,038	(1,134)

The weighted average duration of the defined benefit obligations related to pension arrangements was 14.5 years as at October 25, 2025 [14.2 years in 2024].

The key actuarial assumptions used to determine the Cooperative's pension benefit obligation and cost were as follows :

	2025		2024	
	Pension plans	OPEB plans	Pension plans	OPEB plans
Benefit cost				
Discount rate	4.80%	4.78%	5.70%	5.70%
Rate of compensation increase	3.60%	n/a	3.50%	n/a
Defined benefit obligations				
Discount rate	4.80%	4.59%	4.80%	4.79%
Rate of compensation increase	3.60%	n/a	3.60%	n/a
Health care cost trend rate in following year	n/a	4.76%	n/a	4.95%
Ultimate health care cost trend rate	n/a	3.71%	n/a	3.70%

A 1% change in one of the following significant actuarial assumptions would have the following impact, all other actuarial assumptions remaining unchanged:

	Change in assumption	Pension benefit obligations as at October 25, 2025
Increase (decrease) in:		\$
Discount rate	(1%)	31,163
Inflation rate	1%	14,119
Health care cost trend rate	1%	1,055

ii) Defined contribution pension plans

The Cooperative provides certain employees with defined contribution pension plans. Contributions to these plans are based on a percentage of salaries. Contributions to defined contribution pension plans, representing the cost recognized, amounted to \$23,366 for the year ended October 25, 2025 [\$21,206 in 2024].

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

23) Members' capital

The Cooperative's members' capital is variable and unlimited with regard to the number of shares issuable. The rights, restrictions and conditions relating to each type of share are determined by the Board of Directors. The members' capital consists of:

Class A preferred shares

Class A preferred shares, with a par value of \$1, non-voting and redeemable at their par value upon a decision of the Board of Directors. These shares are issued upon the conversion of common shares held by members who do not fulfill the commitments of their contracts with the Cooperative or if the contract commitments are not renewed.

Preferred investment shares

Series 1 – FSTQ preferred investment shares with a par value of \$100, non-voting and redeemable at their par value upon a decision of the Board of Directors on or after October 24, 2022. They carry an annual, cumulative and preferential dividend. No dividends may be declared and distributed on such shares until the dividends on the Cooperative Investment Plan shares have been declared in accordance with the applicable provisions.

Series 2 – CRCD preferred investment shares with a par value of \$100, non-voting and redeemable at their par value upon a decision of the Board of Directors on or after October 24, 2022. They carry an annual, cumulative and preferential dividend. No dividends may be declared and distributed on such shares until the dividends on the Cooperative Investment Plan shares have been declared in accordance with the applicable provisions.

Series 3 – ESSOR preferred investment shares with a par value of \$100, non-voting and redeemable at their par value upon a decision of the Board of Directors on or after October 24, 2022. They carry an annual, cumulative and preferential dividend. No dividends may be declared and distributed on such shares until the dividends on the Cooperative Investment Plan shares have been declared in accordance with the applicable provisions.

Series 4 – FONDACTION preferred investment shares with a par value of \$100, non-voting and redeemable at their par value upon a decision of the Board of Directors on or after October 24, 2022. They carry an annual, cumulative and preferential dividend. No dividends may be declared and distributed on such shares until the dividends on the Cooperative Investment Plan shares have been declared in accordance with the applicable provisions.

Series 5 – FSTQ preferred investment shares with a par value of \$100, non-voting and redeemable at their par value upon a decision of the Board of Directors on or after October 24, 2022. They carry an annual, cumulative and preferential dividend. No dividends may be declared and distributed on such shares until the dividends on the Cooperative Investment Plan shares have been declared in accordance with the applicable provisions.

Series 6 – 2017 preferred investment shares with a par value of \$100, non-voting and redeemable at their par value upon a decision of the Board of Directors on or after June 1, 2020. They carry an annual, cumulative and preferential dividend. No dividends may be declared and distributed on such shares until the dividends on the Cooperative Investment Plan shares have been declared in accordance with the applicable provisions.

Series 7 – 2019 preferred investment shares with a par value of \$100, non-voting and redeemable at their par value upon a decision of the Board of Directors on or after November 1, 2022. They carry an annual, cumulative and preferential dividend. No dividends may be declared and distributed on such shares until the dividends on the Cooperative Investment Plan shares have been declared in accordance with the applicable provisions.

Series 8 – 2020 preferred investment shares with a par value of \$100, non-voting and redeemable at their par value upon a decision of the Board of Directors on or after October 1, 2023. They carry an annual, cumulative and preferential dividend. No dividends may be declared and distributed on such shares until the dividends on the Cooperative Investment Plan shares have been declared in accordance with the applicable provisions.

Cooperative Investment Plan preferred shares

Preferred shares with a par value of \$10, issued upon enrolment of the Cooperative employees in the Cooperative Investment Plan, carrying an annual dividend at a rate determined by the Board of Directors, redeemable at their par value by the Cooperative upon a decision of the Board of Directors on or after the fifth anniversary of their issuance.

Common shares

Class A common shares, with a par value of \$25. Holding such shares is an essential condition to qualify as a member and obtain voting rights. These shares are redeemable at their par value upon a decision of the Board of Directors.

Class AA common shares, with a par value of \$25. Holding such shares is an essential condition to qualify as a member of the pork chain and obtain voting rights. These shares are redeemable at their par value upon a decision of the Board of Directors.

Class B-1 common shares, with a par value of \$1, non-voting and redeemable at their par value upon a decision of the Board of Directors, starting the day after the fifth anniversary of their issuance. However, the Board of Directors may not redeem Class B-1 common shares if there are any outstanding Class D-1 common shares. These shares were issued to members as partial payment of patronage refunds.

Class D-1 common shares, with a par value of \$1, non-voting and redeemable at their par value upon a decision of the Board of Directors, starting the day after the fifth anniversary of their issuance. These shares were issued to members as partial payment of patronage refunds.

Class P-1 common shares, with a par value of \$1, non-voting and redeemable at their par value upon a decision of the Board of Directors, starting the day after the fifth anniversary of their issuance. The redemption date must also coincide with that for Class D-1 common shares issued during the same year. These shares were issued to members as partial payment of patronage refunds.

Class P-2, Series 1–298 common shares, with a par value of \$25, non-voting and redeemable at their par value upon a decision of the Board of Directors. However, the Board of Directors may not redeem Class P-2 common shares if there are any common shares outstanding other than Class B-1, D-1 or P-1 common shares. These shares were issued to members as Class AA common share dividends.

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

23) Members' capital

Common shares (cont'd)

Class P-100 common shares, with a par value of \$1, non-voting and redeemable at their par value upon a decision of the Board of Directors. These shares were issued to members as dividends.

Class P-200 common shares, with a par value of \$1, non-voting and redeemable at their par value upon a decision of the Board of Directors. These shares were issued to members as dividends.

Class auxiliary members common shares, with a par value of \$25, non-voting and redeemable at their par value upon a decision of the Board of Directors.

At year-end, the issued and fully paid shares were as follows:

	Number			Amount		
	2025	2024	2023	2025	2024	2023
				\$	\$	\$
Preferred shares						
Class A	336,818	379,629	436,318	337	380	437
Series 1 – FSTQ investment shares	400,000	450,000	500,000	40,000	45,000	50,000
Series 2 – CRCD investment shares	400,000	450,000	500,000	40,000	45,000	50,000
Series 3 – ESSOR investment shares	40,000	45,000	50,000	4,000	4,500	5,000
Series 4 – FONDACTION investment shares	200,000	225,000	250,000	20,000	22,500	25,000
Series 5 – FSTQ investment shares	200,000	225,000	250,000	20,000	22,500	25,000
Series 6 – 2017 investment shares	-	180,000	2,000,000	-	18,000	200,000
Series 7 – 2019 investment shares	2,400,000	2,700,000	3,000,000	240,000	270,000	300,000
Series 8 – 2020 investment shares	-	1,350,000	1,500,000	-	135,000	150,000
Cooperative Investment Plan						
Series 2018, redeemable as of 2024, 3.75%	-	-	760,655	-	-	7,607
Series 2019, redeemable as of 2025, 3.5%	-	803,734	803,934	-	8,037	8,039
Series 2020, redeemable as of 2026, 3.5%	982,299	985,230	985,530	9,823	9,852	9,855
Series 2021, redeemable as of 2027, 4.0%	1,000,049	1,002,754	1,002,954	10,000	10,028	10,030
Series 2022, redeemable as of 2028, 4.5%	894,564	896,241	896,441	8,946	8,962	8,964
Series 2023, redeemable as of 2029, 5.0%	973,445	973,445	-	9,734	9,734	-
Series 2024, redeemable as of 2030, 4.5%	995,528	-	-	9,955	-	-
	8,822,703	10,666,033	12,935,832	412,795	609,493	849,932
Transaction costs	-	-	-	-	(7,406)	(7,447)
	8,822,703	10,666,033	12,935,832	412,795	602,087	842,485
Preferred shares reported as share redemptions payable	(4,622,299)	(803,734)	(760,655)	(373,823)	(8,037)	(7,607)
	4,200,404	9,862,299	12,175,177	38,972	594,050	834,878
Common shares						
Class A	30,966	30,852	30,735	774	772	769
Class AA	2,710	2,630	2,640	68	66	66
Class B-1	41,488,346	41,488,346	42,321,752	41,489	41,489	42,322
Class D-1	205,115,564	216,422,287	243,220,438	205,116	216,421	243,220
Class P-1	2,128,610	4,781,508	4,788,356	2,128	4,781	4,788
Class P-2	265	257	258	7	7	7
Class P-100	22,686,318	22,724,135	22,776,775	22,686	22,724	22,777
Class P-200	4,729,221	4,729,221	4,737,281	4,729	4,729	4,737
AUXILIARY MEMBERS	570	560	530	14	14	13
	276,182,570	290,179,796	317,878,765	277,011	291,003	318,699
	280,382,974	300,042,095	330,053,942	315,983	885,053	1,153,577

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

23) Members' capital

Transactions during the year were as follows:

	Number		Amount	
	2025	2024	2025	2024
			\$	\$
Preferred shares				
Balance at beginning of year	10,666,033	12,935,832	602,087	842,485
Issued:				
Cooperative Investment Plan – Series 2024 (Series 2023 in 2024)	995,528	973,445	9,955	9,734
	995,528	973,445	9,955	9,734
Redeemed:				
Class A	(42,811)	(56,689)	(43)	(57)
Cooperative Investment Plan – Series 2018	-	(760,655)	-	(7,607)
Cooperative Investment Plan – Series 2019	(803,734)	(200)	(8,037)	(2)
Cooperative Investment Plan – Series 2020	(2,931)	(300)	(29)	(3)
Cooperative Investment Plan – Series 2021	(2,705)	(200)	(28)	(2)
Cooperative Investment Plan – Series 2022	(1,677)	(200)	(16)	(2)
Series 1 – FSTQ investment shares	(50,000)	(50,000)	(5,000)	(5,000)
Series 2 – CRCO investment shares	(50,000)	(50,000)	(5,000)	(5,000)
Series 3 – ESSOR investment shares	(5,000)	(5,000)	(500)	(500)
Series 4 – FONDACTION investment shares	(25,000)	(25,000)	(2,500)	(2,500)
Series 5 – FSTQ investment shares	(25,000)	(25,000)	(2,500)	(2,500)
Series 6 – 2017 investment shares	(180,000)	(1,820,000)	(18,000)	(182,000)
Series 7 – 2019 investment shares	(300,000)	(300,000)	(30,000)	(30,000)
Series 8 – 2020 investment shares	(1,350,000)	(150,000)	(135,000)	(15,000)
Transaction costs (reversal)	-	-	7,406	41
	(2,838,858)	(3,243,244)	(199,247)	(250,132)
	8,822,703	10,666,033	412,795	602,087
Cooperative Investment Plan, redeemable within one year, Series 2020 (Series 2019 in 2024)	(982,299)	(803,734)	(9,823)	(8,037)
Investment shares, redeemable within one year, Series 1 to Series 5 and Series 7	(3,640,000)	-	(364,000)	-
Balance at end of year	4,200,404	9,862,299	38,972	594,050

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

23) Members' capital

	Number		Amount	
	2025	2024	2025	2024
			\$	\$
Common shares				
Balance at beginning of year	290,179,796	317,878,765	291,003	318,699
Issued:				
Class A	754	359	18	9
Class AA	80	30	2	1
Class D-1	16,061,750	-	16,062	-
Class P-2	8	3	-	-
AUXILIARY MEMBERS	10	30	-	1
	16,062,602	422	16,082	11
Transferred:				
Class B-1	-	(833,406)	-	(833)
Class D-1	-	833,406	-	833
	-	-	-	-
Redeemed:				
Class A	(640)	(242)	(16)	(6)
Class AA	-	(40)	-	(1)
Class D-1	(27,368,473)	(27,631,557)	(27,367)	(27,632)
Class P-1	(2,652,898)	(6,848)	(2,653)	(7)
Class P-2	-	(4)	-	-
Class P-100	(37,817)	(52,640)	(38)	(53)
Class P-200	-	(8,060)	-	(8)
	(30,059,828)	(27,699,391)	(30,074)	(27,707)
Balance at end of year	276,182,570	290,179,796	277,011	291,003

Fiscal 2025

On January 22, 2025, the Cooperative's Board of Directors resolved to redeem 10% of the initial number issued for each series of preferred investment shares and all of Series 6 – 2017 preferred shares, or 785,000 shares, for a cash consideration of \$78,500. Dividends of \$2,027 were declared and paid in cash on March 3, 2025 on these preferred investment shares before their redemption.

On September 3, 2025, the Cooperative's Board of Directors resolved to:

- redeem 10% of all preferred investment shares initially issued, or 455,000 shares, for a cash consideration of \$45,500. Dividends of \$263 were declared and will be paid in cash on November 3, 2025 on these preferred investment shares before their redemption.
- redeem all 2,100,000 of Series 7 – 2019 preferred investment shares for a cash consideration of \$210,000. Dividends of \$1,722 were declared and will be paid in cash on November 3, 2025 on Series 7 – 2019 preferred investment shares before their redemption.
- redeem all 1,085,000 of Series 1 to 5 preferred investment shares for a cash consideration of \$108,500. Dividends of \$916 were declared and will be paid in cash on November 3, 2025 on Series 1 to 5 preferred investment shares before their redemption.
- redeem all 1,200,000 of Series 8 – 2020 preferred investment shares for a cash consideration of \$120,000. Dividends of \$3,965 were declared and paid in cash on October 1, 2025 on Series 8 preferred investment shares before their redemption.
- authorize a preferred share issue pursuant to the Cooperative Investment Plan, Series 2025, as of November 30, 2025, under which 1,320,000 preferred shares were issued for a total consideration of \$13,200. On September 3, 2025, the Board of Directors also resolved to redeem, on or after November 30, 2025, 982,299 preferred shares issued under the Cooperative Investment Plan, Series 2020, for a consideration of \$9,823.

These shares are reported under "Share redemptions payable" in the consolidated statement of financial position as at October 25, 2025.

On November 14, 2024, the Board of Directors resolved to redeem 29,957,189 Class D-1 and Class P-1 common shares issued in 2015 and 2016, and 42,811 Class A preferred shares, with the same reference years, for a cash consideration of \$30,000. The payment was made on July 30, 2025.

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

23) Members' capital

Fiscal 2024

On December 14, 2023, the Cooperative's Board of Directors resolved to redeem 10% of each series of preferred investment shares, or 805,000 shares, for a cash consideration of \$80,500. Dividends of \$1,494 were declared and paid in cash on January 19, 2024 on investment shares before their redemption.

On January 16, 2024, the Board of Directors resolved to repurchase 27,629,237 Class D-1 common shares issued in 2012 and 2013, and 56,689 Class A preferred shares, with the same reference years, for a cash consideration of \$27,686. The payment was made on August 7, 2024.

On April 24, 2024, the Cooperative's Board of Directors resolved to redeem 1,620,000 Series 6 – 2017 preferred investment shares for a cash consideration of \$162,000. Dividends of \$1,485 were declared and paid in cash on May 31, 2024 on Series 6 – 2017 investment shares before their redemption.

On September 5, 2024, the Board of Directors authorized a preferred share issue pursuant to the Cooperative Investment Plan, Series 2024, as of November 30, 2024, under which 995,528 preferred shares were issued for a total consideration of \$9,955. On September 5, 2024, the Board of Directors also resolved to redeem, on or after November 30, 2024, 803,734 preferred shares issued under the Cooperative Investment Plan, Series 2019, for a consideration of \$8,037.

24) Financial instruments

a) Risk management objectives and policies

In the normal course of business, the Cooperative is exposed to a variety of financial risks: currency, interest rate, credit, liquidity and price risk. The Cooperative's financial risk management is mainly controlled by its Financial Risk Management Department under policies designed to identify, assess and hedge its risk exposures. These policies establish control mechanisms, appropriate risk limits and monitor compliance with these limits. They are revised to take into account changes in the Cooperative's market and business environment. These policies prohibit speculative transactions.

As part of its hedging strategy, the Cooperative uses various derivative financial instruments. These instruments are used exclusively for risk management purposes.

b) Foreign currency risk

The Cooperative's sales and purchases often involve foreign transactions. In addition, a portion of the Cooperative's credit facility is drawn down by way of US-dollar SOFR advances. The Cooperative's policy is to maintain purchase costs and selling prices of its business operations, and to hedge its long-term debt against foreign exchange fluctuations by taking derivative financial instrument positions. To hedge these transactions against foreign exchange fluctuations, the Cooperative uses foreign exchange forward contracts, currency swaps and foreign currency debt swaps.

The Cooperative uses forward contracts to buy and sell foreign currencies, which it designates as cash flow hedges. No hedge ineffectiveness was recognized, as the underlying risk is fully aligned with the risk component being hedged.

Forward contracts to buy and sell foreign currencies and currency swaps are also used by the Cooperative but not designated as hedging instruments. These contracts are used to hedge foreign sales and purchases that are not hedged by financial instruments eligible for hedge accounting, risks related to purchases of fertilizers and building materials in foreign currencies, as well as changes in pork prices.

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

24) Financial instruments

b) Foreign currency risk (cont'd)

The following table sets out the foreign currency forward contracts and currency swaps, with maturities of one year or less, in effect at the end of the reporting period:

Currency	Type	Notional amount – foreign currency			Notional amount – Canadian dollar			Fair value at year-end		
		2025	2024	2023	2025	2024	2023	2025	2024	2023
	Designated as a hedging instrument				\$	\$	\$	\$	\$	\$
USD	Sale	489,500	570,750	600,000	670,819	773,684	810,451	(7,375)	(11,549)	(20,005)
YEN	Sale	5,590,730	10,440,000	-	52,844	100,991	-	195	5,188	-
EUR	Purchase	4,620	-	-	7,274	-	-	216	-	-
	Not designated as a hedging instrument									
USD	Sale	190,924	104,402	111,709	267,561	144,826	154,795	(3,428)	(1,611)	(1,503)
USD	Purchase	145,855	146,555	90,061	204,401	203,301	124,797	2,205	4,589	3,680
YEN	Sale	7,649,649	-	6,671,342	70,147	-	61,862	(212)	-	(265)
YEN	Purchase	4,763,897	-	1,505,000	43,685	-	13,887	(49)	-	85

As at October 25, 2025, a hypothetical adverse 1.0% change in the value of the Canadian dollar against all relevant currencies would result in a \$5,496 decrease in the fair value of the Cooperative's foreign exchange forward contracts, a \$499 decrease in earnings before patronage refunds and income taxes, and a \$4,997 decrease in comprehensive income (other comprehensive income). The impact on earnings before income taxes does not include the offsetting impact of the foreign currency risk inherent in the transactions being hedged.

To manage risks related to changes in foreign exchange rates in respect of long-term debt, the Cooperative uses derivative financial instruments to set the Canadian-dollar amount of instalments on debt denominated in U.S. dollars. As at October 25, 2025, debt amounting to US\$175,047 [US\$161,395 in 2024] was hedged using foreign currency debt agreements. These financial instruments serve to hedge the impact of changes in foreign exchange rates for a Canadian-dollar equivalent amount of \$245,000 [\$220,000 in 2024] of this debt. As at October 25, 2025, the fair value of these swaps was positive \$325 [positive \$170 in 2024 and positive \$78 in 2023]. As at October 25, 2025, the cash flow hedge related to this foreign currency risk was assessed to be effective. No hedge ineffectiveness was recognized, as the underlying risk is fully aligned with the risk component being hedged.

The following table shows the effect of these cash flow hedges on the consolidated statements of earnings and comprehensive income:

	2025		2024	
	Reclassification to earnings of realized losses (gains) on financial instruments	Gains (losses) recognized in the consolidated statement of comprehensive income	Reclassification to earnings of realized losses (gains) on financial instruments	Gains recognized in the consolidated statement of comprehensive income
	\$	\$	\$	\$
Foreign exchange contracts	17,783	(18,387)	7,064	6,580
Cross-currency interest rate swaps	(4,452)	4,607	(808)	901

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

24) Financial instruments

c) Interest rate risk

Interest rate risk relating to financial assets and liabilities results from changes in interest rates that the Cooperative may experience. The Cooperative believes that notes receivable, bank borrowings and obligations under variable-rate long-term debt give rise to cash flow risk, as the Cooperative could be adversely affected in the event of changes in interest rates. As at October 25, 2025, after taking into account the hedging instruments, long-term debt consisted of 87% fixed-rate debt [75% in 2024] and 13% floating-rate debt [25% in 2024].

Some of the Cooperative's credit facilities bear interest at floating rates based on CORRA and SOFR reference rates. Centralized treasury management aims to match and bring about an appropriate combination of fixed- and variable-rate borrowings to minimize the impact of interest rate fluctuations. Furthermore, to hedge its long-term debt against interest rate fluctuations, the Cooperative uses interest rate swaps.

As at October 25, 2025, interest rate swaps under which the Cooperative receives interest at the variable daily compounded CORRA rate of 2.51% in 2025 [3.81% in 2024] on a notional amount of \$445,000 [\$445,000 in 2024] were in effect. The Cooperative pays interest at fixed rates ranging from 2.83% to 3.36% [2.83% to 4.06% 2024]. These swaps provide for monthly net settlement of interest received and paid. These swaps mature from June 2028 to September 2034 [from December 2026 to September 2034 in 2024]. As at October 25, 2025, these swaps had a negative fair value of \$9,692 [negative fair value of \$2,849 in 2024]. As at October 29, 2023, these swaps had a positive fair value of \$8,279, but hedge accounting was not applied to these positions.

As at October 25, 2025, the cash flow hedge related to interest rate risk was assessed to be effective. No hedge ineffectiveness was recognized, as the underlying risk is fully aligned with the risk component being hedged.

	2025		2024	
	Reclassification to earnings of realized losses (gains) on financial instruments	Gains (losses) recognized in the consolidated statement of comprehensive income	Reclassification to earnings of realized losses (gains) on financial instruments	Gains (losses) recognized in the consolidated statement of comprehensive income
	\$	\$	\$	\$
Interest rate swaps	1,409	(8,252)	(2,016)	(833)

As at October 25, 2025, a hypothetical adverse 1.0% change in variable interest rates, after the effect of hedge accounting, assuming all other variables remain constant, would result in a \$1,136 increase in financial expenses and a corresponding decrease in earnings before patronage refunds and income taxes attributable to the unhedged portion of variable-rate debt and a \$4,450 increase in comprehensive income (other comprehensive income) attributable to the change in interest rate swaps.

d) Price risk

The Cooperative has commodity price risk exposures related, in particular, to pork, grain, fertilizer and timber prices. Extreme price volatility results from constant changes in supply markets. The Cooperative's policy is to maintain purchase costs and selling prices of its business operations by hedging its positions using derivative financial instruments. To hedge these transactions against commodity price fluctuations, the Cooperative uses forward contracts, and commodity swaps and options. These contracts are not designated as hedging instruments for accounting purposes.

The following table shows the amounts relating to these contracts:

	2025		2024		2023	
	Notional amount	Fair value at year-end	Notional amount	Fair value at year-end	Notional amount	Fair value at year-end
	\$	\$	\$	\$	\$	\$
Commodity swaps and sale contracts	342,883	4,630	232,006	(2,587)	54,052	4,177
Commodity swaps and purchase contracts	130,195	(2,578)	93,405	(2,853)	38,153	(758)
Net position – Sale	212,688	2,052	138,601	(5,440)	15,899	3,419

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

24) Financial instruments

e) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the Cooperative by failing to discharge its obligations. The maximum exposure to credit risk for the Cooperative is equal to the carrying amount of the following financial instruments:

i) Trade receivables

In the normal course of business, the Cooperative evaluates the financial position of its customers on a regular basis and examines the credit history of new customers. To protect itself against financial losses related to credit risk, the Cooperative has a policy that sets out credit conditions for various areas of operations. Specific credit limits are set for each sector and customer and reviewed periodically. The Cooperative establishes the allowance for expected credit losses taking into account specific credit risk, historical customer trends and industry macroeconomic industry information. In addition, the Cooperative holds security on the assets and investments of certain customers in the event of default.

The Cooperative believes its credit risk exposure to trade receivables and notes receivable to be minimal due to customer and sector diversification. There were no trade receivables representing more than 10% of the total trade receivables balance as at October 25, 2025, October 26, 2024 and October 29, 2023. For the years ended October 25, 2025, October 26, 2024 and October 29, 2023, no customers represented more than 10% of total consolidated sales.

The Cooperative considers a customer to be in default when there is objective evidence that the customer is unable to fulfill its contractual obligations. A payment that is considered to be past due within normal collection periods by nature of product and/or a qualitative event provides a basis for concluding that a trade receivable is to be included in the allowance for expected credit losses or written off.

ii) Derivatives

Credit risk related to derivative financial instruments is limited to unrealized gains, if any. The Cooperative is likely to incur losses if parties fail to meet their commitments related to these instruments. However, the Cooperative considers the risk of such failures to be low, as it deals exclusively with highly rated financial institutions.

iii) Financial guarantees

The Cooperative also has additional credit risk exposures to some of its joint ventures and network member cooperatives under guarantee or inventory buy-back commitments. These potential liabilities are detailed in note 29. The value of the related obligations is determined based on the risk of default of the joint ventures and network member cooperatives, the duration of commitments and the collection rate in the case of inventory buy-back commitments.

iv) Notes and balances of sale price receivable and redeemable preferred shares

The Cooperative is also exposed to credit risk related to notes receivable, typically with its joint ventures, and balances of sale price receivable from external parties. Provisions for credit risk are established for assets at amortized cost based on the risk of default of the joint ventures and any such external parties, and the terms of such agreements. In recent years, the Cooperative experienced no significant losses related to credit risk.

f) Liquidity risk

Liquidity risk is the risk that the Cooperative will encounter difficulty in meeting its obligations associated with financial liabilities and lease liabilities. The Cooperative is exposed to liquidity risk primarily through its debt, lease liabilities, derivative financial instruments and accounts payable.

The Cooperative manages this risk by drawing up detailed financial projections and prioritizing long-term projects through strategic planning. Treasury management at the consolidated level requires constant monitoring of expected cash inflows and outflows based on the Cooperative's consolidated financial position projections. Liquidity risk is evaluated using historical volatility, seasonal needs, current financial obligations and long-term debt obligations.

Items included in accounts payable and accrued liabilities, derivative financial instruments and redeemable preferred shares have terms of less than one year. For additional information on maturities of lease liabilities, bank loans, redemption obligations related to non-controlling shareholders, lease liability and long-term debt, see notes 15, 16, 18, 19 and 20, respectively.

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

24) Financial instruments

g) Other derivative financial instruments

The Cooperative also trades derivative financial instruments with its members and joint ventures to enable them to hedge market risks related to grain marketing and hog production operations. As consideration, the Cooperative entered into swaps and forward contracts for hogs, various grains, feed and currencies with financial institutions and in the markets. Gains and losses on these contracts are recognized under "Cost of sales."

The following table shows the amounts relating to contracts with members and joint ventures as described above:

	2025		2024	
	Notional amount	Fair value	Notional amount	Fair value
	\$	\$	\$	\$
Commodity sale swaps	16,477	758	14,240	142
Commodity swaps and purchase contracts	61,778	(946)	67,876	892
Currency swaps and purchase contracts	116,422	1,693	130,262	2,961
Net position – Purchase	161,723	1,505	183,898	3,995

The following table shows the amounts relating to contracts with financial institutions and to exchange-traded contracts as described above:

	2025		2024	
	Notional amount	Fair value	Notional amount	Fair value
	\$	\$	\$	\$
Commodity sale contracts	61,562	645	68,067	(692)
Commodity purchase swaps	16,402	(653)	14,192	(93)
Currency swaps and sale contracts	117,733	(1,298)	129,644	(2,342)
Net position – Sale	162,893	(1,306)	183,519	(3,127)

The tables above show the notional amounts of the derivative financial instruments. These amounts correspond to the contractual amount used as a reference to calculate payment amounts. Notional amounts are generally not exchanged by counterparties and do not reflect the Cooperative's exposure in the event of default. No positions were taken in this regard as at October 29, 2023.

h) Fair value of financial instruments

Fair value is the amount 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. The Cooperative has determined the fair values of some of its financial assets and financial liabilities with short-term maturities to be equivalent to their carrying amounts. These financial instruments include cash and restricted cash, trade receivables, trade payables and accrued liabilities, dividends payable on common shares, accrued interest on long-term debt and bank borrowings.

The carrying amounts of long-term debt, contingent consideration and government assistance receivable approximate their fair values. The fair value of the Cooperative's long-term debt was estimated based on discounted future cash flows using prevailing rates for similar financial instruments with comparable risks and maturities (Level 2 inputs).

The fair value of derivative financial instruments as at October 25, 2025, October 26, 2024 and October 29, 2023 are disclosed in the tables above. The fair value of the derivative financial instruments reflects the estimated amounts the Cooperative would receive (or pay) to terminate open contracts at year-end. The prices obtained by the Cooperative's bankers are compared with closing capital market prices (Level 2 inputs).

The carrying amounts of notes receivable and balances of sale price at amortized cost approximate their fair values, as they have short-term maturities, bear interest at rates comparable to market rates or have terms and conditions similar to what would have been transacted (Level 2 and Level 3 inputs).

The fair value of share purchase options and share redemption obligations related to non-controlling shareholders is determined using Level 3 inputs.

There were no transfers between levels of the fair value hierarchy during the year ended October 25, 2025. Determination of fair value and the resulting hierarchy requires the use of observable market inputs 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. Changes in Level 2 and Level 3 fair values are analyzed by the Cooperative at each reporting period, and reports explaining the causes of the fair value movements are presented to management.

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

24) Financial instruments

i) Capital management

Through its capital management, the Cooperative aims to ensure business sustainability, fine-tune its financial structure to unlock cost savings and generate returns for members. To maintain or adjust this structure, the Cooperative may issue or redeem units, dispose of certain assets to reduce its indebtedness or adjust the amounts paid to members. The Cooperative has not significantly changed its strategy regarding the management of its capital structure since the past fiscal year.

The Cooperative's capital structure consists of members' capital, bank borrowings, long-term debt, share redemption obligations related to non-controlling shareholders, lease obligations, derivative financial instruments relating to long-term debt and cash.

The Cooperative is not governed by any specific regulatory capital requirements, except for certain restrictions contained in its financing agreements, particularly with respect to authorized investments, transactions between related entities, and declaring and paying out dividends or making other distributions.

As at October 25, 2025 and October 26, 2024, the capital structure was as follows:

	2025	2024	2023
	\$	\$	\$
Bank borrowings	14,304	22,943	11,605
Share redemption obligations related to non-controlling shareholders	385,874	433,679	295,302
Long-term debt	847,395	795,852	577,981
Lease obligations	334,954	370,399	287,123
Net financial instruments hedging risks relating to long-term debt	9,367	2,679	(8,357)
Cash	(19,447)	(4,003)	(8,042)
Net liability	1,572,447	1,621,549	1,155,612
Equity of the Cooperative	906,276	1,411,459	1,545,162

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

25) Revenues, operating expenses and net losses

	2025	2024
	\$	\$
Revenues		
Revenues from the sale of goods	8,285,156	7,725,864
Services revenues	49,059	48,217
Shipping revenues	42,732	41,785
Other revenues	14,782	12,184
	8,391,729	7,828,050
	2025	2024
	\$	\$
Selling and administrative expenses		
Salaries and employee benefits	1,172,774	1,129,877
Amortization of property, plant and equipment (note 12)	76,253	98,266
Amortization of right-of-use assets (note 15)	57,482	53,534
Amortization of biological assets (note 8)	3,010	3,291
Amortization of intangible assets (note 13)	38,490	37,501
Operating costs (supplies, energy expenses and maintenance)	459,464	427,487
Professional fees	74,113	97,193
Other expenses	259,221	239,798
	2,140,807	2,086,947
Net financial expenses¹		
Interest on bank borrowings	494	-
Interest on lease liabilities (note 15)	22,469	21,309
Interest on long-term debt	47,697	52,120
Realized interest on interest rate swaps	1,409	(2,016)
Net interest on defined benefit plan obligations (note 22)	142	200
Interest on deferred revenues	-	1,451
Other interest expense	2,375	1,966
Amortization of transaction costs	1,921	2,016
Interest income	(2,547)	(1,998)
	73,960	75,048
Net losses		
	2025	2024
	\$	\$
Net gains on disposal and write-down of assets	(3,568)	(4,408)
Net losses on remeasurement of share purchase options and redemption obligations (note 18)	96,002	95,183
Gains arising from insurance benefits (note 12)	(45,505)	(8,577)
Other net losses	1,774	3,196
	48,703	85,394

¹ Financial expenses capitalized to property, plant and equipment and intangible assets for fiscal 2025 amounted to \$2,618 [\$2,294 in 2024].

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

26) Patronage refunds

In accordance with the legislation governing the Cooperative, during their November 12, 2025 meeting, the directors declared patronage refunds amounting to \$32,124 [\$17,790 in 2024]. They resolved that the patronage refunds are to be paid in the following proportions:

	2025	2024
	\$	\$
Cash	16,062	17,790
Class D-1 common shares	16,062	-
	32,124	17,790

An adjustment of \$39 related to the previous fiscal year was made during the current fiscal year.

27) Related parties

Balances and transactions between the Cooperative and its subsidiaries and joint operations that are related parties have been eliminated on consolidation and have not been disclosed in this note. Note 2 details the nature of the Cooperative's relationship with its subsidiaries.

The Cooperative enters into commercial transactions with its joint ventures in the normal course of business. These transactions are detailed as follows:

	2025	2024
	\$	\$
Consolidated statement of earnings		
Revenues	1,058,526	1,302,904
Cost of sales	485,027	479,828
Interest and dividend income from other investments	80	49

	2025	2024	2023
	\$	\$	\$
Consolidated statement of financial position			
Assets			
Accounts receivable	53,462	84,527	112,000
Other investments	7,500	9,125	8,409
Liabilities			
Accounts payable and accrued liabilities	11,990	23,707	9,257
Deferred revenues	100,340	40,154	108,260
Note payable	-	-	7,000

Other investments with joint ventures are detailed as follows:

	2025	2024	2023
	\$	\$	\$
Non-interest bearing notes receivable, with no maturity	6,500	7,850	7,009
Non-interest bearing notes receivable, repayable under the terms of the agreement	400	600	800
Notes receivable, bearing interest at the prime rate plus 0.5%, with no maturity	600	675	600
	7,500	9,125	8,409

The Cooperative enters into transactions with its associates in the normal course of business. These transactions are detailed as follows:

	2025	2024
	\$	\$
Consolidated statement of earnings		
Revenues	79,052	100,953
Cost of sales	5,090	60,183
Selling and administrative expenses	1,056	11

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

27) Related parties

	2025	2024	2023
	\$	\$	\$
Consolidated statement of financial position			
Assets			
Accounts receivable	614	2,645	4,574
Financial instruments	1,311	1,286	-
Other investments	16,524	16,577	17,187
Liabilities			
Accounts payable and accrued liabilities	566	1,414	2,811

Other investments with associates are detailed as follows:

	2025	2024	2023
	\$	\$	\$
Notes receivable, bearing interest at 5.7% [6.95% in 2024 and 5.91% in 2023], with no repayment terms	1,524	1,577	2,187
Non-voting and non-participating preferred shares	15,000	15,000	15,000
	16,524	16,577	17,187

Key management personnel of the Cooperative comprises the members of the Board of Directors and the Executive Board. The remuneration of key management personnel is detailed as follows:

	2025	2024
	\$	\$
Board of Directors		
Salaries and fees	1,788	1,601
Executive Board		
Salaries and short-term incentives	13,321	12,717
Long-term incentive compensation	8,628	3,518
Other post-employment benefits	3,023	2,161
	24,972	18,396

Executive compensation consists of base compensation, certain benefits and variable incentive compensation that is calculated based on the Cooperative's financial performance and individual performance. Variable incentive compensation has two components. A first short-term component is based on target financial criteria relating to annual budget goals and individual performance criteria. A second long-term component is based on increasing the value of the Cooperative's equity over three-year cycles.

28) Supplemental information to consolidated statements of cash flows

Net change in non-cash balances related to operating activities:

	2025	2024
	\$	\$
Accounts receivable	(7,866)	(9,345)
Inventories	(120,681)	25,037
Biological assets	3,340	(32,978)
Prepaid expenses	4,983	(6,708)
Accounts payable and accrued liabilities	78,135	17,146
Deferred revenues	78,072	(165,065)
	35,983	(171,913)

As at October 25, 2025, additions to property, plant and equipment include \$1,175 [\$8,193 in 2024] that had not yet been disbursed as at the reporting date.

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

29) Commitments and contingencies

a) Guarantee contracts

The Cooperative has guaranteed loans from financial institutions to certain of its Agriculture Division joint ventures and to network member cooperatives with a maximum amount of \$51,700. The balance of these loans as at October 25, 2025 amounted to \$68.5 million [\$57.4 million in 2024 and \$39.8 million in 2023]. A guarantee account, held in the Cooperative's name and funded from its own bank accounts, was opened for these guarantees and had a balance of \$2,750 as at October 25, 2025 [\$2,750 in 2024 and 2023]. No liabilities were recognized under these guarantees for the years ended October 25, 2025, October 26, 2024 and October 29, 2023, and historically, the Cooperative has never been required to pay compensation under such agreements.

The Cooperative has also guaranteed loans from financial institutions to some of its Food Division joint ventures. The maximum value of these commitments amounted to \$5,000 as at October 25, 2025 [\$5,000 in 2024 and 2023], which represented the fair value of these commitments based on the historical earnings of these joint ventures, and was presented under "Other liabilities" (note 19).

b) Buy-back agreements

Under inventory buy-back agreements, the Cooperative has undertaken with financial institutions to buy back, at cost or at a price based on market value, the inventories of certain of its franchised stores, when they are in default, up to the amount drawn down under the line of credit granted by the financial institutions to these same stores. However, under these agreements, the Cooperative has not committed to remedy any shortfall that may arise if the value of inventories is less than the amount of advances. As at October 25, 2025, the commitment amount, representing the lower of these franchised stores' financing balance and inventory value, stood at \$26.4 million [\$42.7 million in 2024 and \$39.0 million in 2023].

The Cooperative also undertook, through comfort letters to financial institutions, to buy back at cost the inventories of some of its crop production joint ventures, when they are in default, up to the amount drawn down under the line of credit and other financing granted by financial institutions to these same joint ventures. However, under these agreements, the Cooperative has not committed to remedy any shortfall that may arise if the value of inventories is less than the amount of advances. As at October 25, 2025, the commitment amount, representing the lower of these joint ventures' financing balance and inventory value, stood at \$73.3 million [\$46.7 million in 2024 and \$21.9 million in 2023]. No liabilities were recognized under these guarantees for the years ended October 25, 2025, October 26, 2024 and October 29, 2023, and historically, the Cooperative has never been required to pay compensation under such agreements.

30) Subsequent events

On November 3, 2025, the Cooperative issued \$300,000 in senior unsecured notes, bearing interest at a rate of 5.875% payable semiannually, maturing in November 2032. This issuance facilitated the redemptions of preferred investment shares disclosed in note 23.

On November 19, 2025, the Cooperative converted all of its outstanding Class B-1 common shares into Class D-1 common shares.

On January 21, 2026, the Board of Directors declared a dividend of \$5,567. The dividend will be paid in cash in the amount of \$2,783 and by way of Class P-200 common shares in an amount of \$2,784. It also resolved to redeem 34,947,455 Class D-1, P-1 and P-100 common shares issued in 2016 and 2017, and 52,545 Class A preferred shares, with the same reference years, for a cash consideration of \$35,000.

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

31) First-time adoption of IFRS

The consolidated financial statements for the year ended October 25, 2025 have been prepared by the Cooperative in accordance with IFRS for the first time. For the periods up to and including the year ended October 26, 2024, the Cooperative prepared its consolidated financial statements in accordance with Accounting Standards for Private Enterprises ("ASPE"). Accordingly, the Cooperative has prepared consolidated financial statements in accordance with IFRS applicable as at October 25, 2025, together with comparative figures for the year ended October 26, 2024, as described in the summary of material accounting policies. In preparing the consolidated financial statements, the opening consolidated statement of financial position was prepared as at October 29, 2023, the date of the Cooperative's transition to IFRS. This note explains the main adjustments made to its consolidated financial statements.

IFRS 1 requires that all IFRS be applied retrospectively. However, there are certain exemptions that require elections to be made.

First-time adoption exemptions

Mandatory exceptions applied by the Cooperative

- **Derecognition of financial assets and liabilities:** The criteria for derecognition of financial assets and financial liabilities per ASPE prior to the transition date have not been revised in accordance with IFRS.
- **Deferred income tax related to leases:** IAS 12, "Income taxes," offers an exemption to the requirement to recognize a deferred tax asset or liability under certain specific circumstances. Despite this exemption, at the IFRS transition date, the Cooperative is required to recognize a deferred tax asset—to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized—and a deferred tax liability for all deductible and taxable temporary differences associated with right-of-use assets and lease liabilities.

Other optional exemptions adopted by the Cooperative

- **Business combinations:** IFRS 3, "Business combinations," has not been applied to acquisitions of subsidiaries that are considered businesses under IFRS or acquisitions of investments in associates or interests in joint ventures that closed prior to October 29, 2023. Applying this exemption means that the ASPE carrying amounts of assets and liabilities required to be accounted for under IFRS are their deemed cost at the acquisition date. All measurements subsequent to the acquisition date are in accordance with IFRS. Assets and liabilities that do not qualify for recognition under IFRS are excluded from the opening IFRS consolidated statement of financial position. The Cooperative has not accounted for any assets or liabilities not recognized under ASPE or excluded amounts previously recognized as a result of IFRS accounting requirements. IFRS 1 also requires the carrying amount of goodwill under ASPE to be used in the opening IFRS consolidated statement of financial position (except for any impairment-related adjustment). Based on the Cooperative's particular circumstances, the carrying amount of goodwill under ASPE was used in the IFRS consolidated statement of financial position. In accordance with IFRS 1, the Cooperative tested goodwill for impairment at the transition date.
- **Leases:** The Cooperative elected to apply the simplified approach to the recognition of the right-of-use asset and the lease liability. It has availed itself of the practical expedients available, in particular:
 - o For leases previously classified as operating leases, determine the lease obligation based on the remaining future payments using its incremental borrowing rate at the IFRS transition date and recognize an equivalent right-of-use asset, adjusted by the amount of prepaid or accrued lease payments relating to that lease recognized in the consolidated statement of financial position immediately before the IFRS transition date.
 - o To not reassess whether an existing contract is, or contains, a lease at the transition date.
 - o Apply IAS 36, "Impairment of assets," to right-of-use assets at the IFRS transition date. No impairment has been identified.
 - o Use hindsight to determine the lease terms of contracts containing options to extend or terminate the lease.
 - o Recognize short-term leases and leases of low-value assets as an expense on a straight-line basis.
 - o Treat leases with remaining terms of 12 months or less at the transition date as short-term leases.
- **Borrowing costs:** The Cooperative elected to apply the requirements of IAS 23 prospectively. More specifically, under ASPE, the Cooperative had elected to expense borrowing costs for qualifying assets that took a long period of preparation. As of fiscal 2024, these costs are capitalized and amortized over the useful life of the asset.

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

Consolidated statement of financial position As at October 29, 2023

Explanatory notes	ASPE	ASPE adjustments	Derivative financial instruments (a)	Leases (b)	Redemption options and obligations (c)
ASSETS					
Current assets					
Cash and cash equivalents	7,305	-	-	-	-
Cash	-	-	-	-	-
Restricted cash	-	-	-	-	-
Accounts receivable	484,243	-	-	-	-
Inventories	700,828	-	-	-	-
Agricultural inventories	148,678	-	-	-	-
Biological assets	-	-	-	-	-
Income taxes receivable	33,386	-	-	-	-
Prepaid expenses	57,153	-	-	-	-
Derivative financial instruments	7,653	-	78	-	-
Government assistance receivable – current portion	1,346	-	-	-	-
Other current investments	5,917	-	-	-	-
Property, plant and equipment held for sale	7,158	-	-	-	-
Other current assets	-	-	-	-	-
	1,453,667	-	78	-	-
Non-current assets					
Interests in joint arrangements	239,718	18,372	-	-	-
Investments in entities subject to significant influence	183,176	(19,097)	-	-	-
Equity-accounted investments	-	-	-	-	-
Other investments	56,140	-	-	-	-
Government assistance receivable	18,161	-	-	-	-
Biological assets	16,125	-	-	-	-
Property, plant and equipment	1,118,579	-	-	(33,231)	-
Property, plant and equipment held for sale	20,880	-	-	-	-
Derivative financial instruments	8,279	-	-	-	-
Defined benefit assets	41,788	-	-	-	-
Right-of-use assets	-	-	-	300,417	-
Intangible assets	341,109	-	-	-	-
Deferred income tax asset	746	-	-	-	-
Goodwill	252,150	(42,723)	-	-	-
Share purchase option related to non-controlling shareholders	-	-	-	-	1,713
Other assets	-	-	-	-	-
	2,296,851	(43,448)	-	267,186	1,713
Total assets	3,750,518	(43,448)	78	267,186	1,713

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

Biological assets	Employee future benefits	Classification of joint arrangements	Goodwill impairment	Business acquisition	Other	Presentation adjustments	IFRS
d)	e)	f)	g)	h)	i)	j)	
-	-	-	-	-	-	(7,305)	-
-	-	737	-	-	-	7,305	8,042
-	-	-	-	-	-	-	-
-	-	(732)	-	-	(65)	33,386	516,832
-	-	2,542	-	-	-	-	703,370
(148,678)	-	-	-	-	-	-	-
160,904	-	-	-	-	-	-	160,904
-	-	-	-	-	-	(33,386)	-
-	-	(458)	-	-	-	(56,695)	-
-	-	-	-	-	-	(7,731)	-
-	-	-	-	-	-	(1,346)	-
-	-	-	-	-	-	-	5,917
-	-	-	-	-	-	(7,158)	-
-	-	-	-	-	-	93,810	93,810
12,226	-	2,089	-	-	(65)	20,880	1,488,875
-	-	(5,029)	-	-	2,608	(255,669)	-
-	-	-	-	-	661	(164,740)	-
-	-	-	-	-	-	420,409	420,409
-	-	(2,224)	-	-	(3,604)	(1)	50,311
-	-	-	-	-	-	(18,161)	-
-	-	-	-	-	-	-	16,125
-	-	12,661	-	-	(88)	-	1,097,921
-	-	-	-	-	-	(20,880)	-
-	-	-	-	-	-	(8,279)	-
-	12,044	7	-	-	-	(1)	53,838
-	-	-	-	-	-	-	300,417
-	-	46	-	-	-	-	341,155
-	-	179	-	-	-	(179)	746
-	-	-	(42,682)	-	-	(1)	166,744
-	-	-	-	-	-	-	1,713
-	-	-	-	-	-	26,440	26,440
-	12,044	5,640	(42,682)	-	(423)	(21,062)	2,475,819
12,226	12,044	7,729	(42,682)	-	(488)	(182)	3,964,694

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

Consolidated statement of financial position As at October 29, 2023

Explanatory notes	ASPE	ASPE adjustments	Derivative financial instruments (a)	Leases (b)	Redemption options and obligations (c)
LIABILITIES AND EQUITY					
Current liabilities					
Bank borrowings	12,190	-	-	-	-
Accounts payable and accrued liabilities	790,122	-	-	230	-
Deferred revenues	242,756	-	-	-	-
Income taxes payable	9,396	-	-	-	-
Derivative financial instruments	1,187	-	21,055	-	-
Redeemable preferred shares - current portion	7,607	-	-	-	-
Current portion of share redemption obligations related to non-controlling shareholders	-	-	-	-	2,099
Share redemptions payable	-	-	-	-	-
Other current liabilities	-	-	-	-	-
Obligations under capital leases – current portion	10,803	-	-	(10,803)	-
Current portion of lease obligations	-	-	-	50,491	-
Current portion of long-term debt	140,297	-	-	-	-
	1,214,358	-	21,055	39,918	2,099
Non-current liabilities					
Share redemption obligations related to non-controlling shareholders	-	-	-	-	256,703
Obligations under capital leases	14,395	-	-	(14,395)	-
Lease obligations	-	-	-	236,632	-
Long-term debt	431,177	-	-	-	-
Deferred credit	31,307	-	-	(31,307)	-
Other liabilities	33,643	9,109	-	-	-
Defined benefit obligations	59,882	-	-	-	-
Deferred income tax liability	58,679	-	-	7,253	-
	629,083	9,109	-	198,183	256,703
Total liabilities	1,843,441	9,109	21,055	238,101	258,802
EQUITY					
Members' capital	1,153,577	-	-	-	-
Contributed surplus	20,039	-	-	-	-
Reserve	586,129	(52,557)	(1,050)	29,085	(111,918)
Accumulated other comprehensive loss	-	-	(19,927)	-	-
Equity of the Cooperative	1,759,745	(52,557)	(20,977)	29,085	(111,918)
Non-controlling interests	147,332	-	-	-	(145,171)
Total equity	1,907,077	(52,557)	(20,977)	29,085	(257,089)
Total liabilities and equity	3,750,518	(43,448)	78	267,186	1,713

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

Biological assets	Employee future benefits	Classification of joint arrangements	Goodwill impairment	Business acquisition	Other	Presentation adjustments	IFRS
d)	e)	f)	g)	h)	i)	j)	
-	-	(585)	-	-	-	-	11,605
-	-	1,439	-	-	(153)	2,464	794,102
-	-	-	-	-	-	(242,756)	-
-	-	-	-	-	-	(9,396)	-
-	-	-	-	-	-	(22,242)	-
-	-	-	-	-	-	(7,607)	-
-	-	-	-	36,500	-	-	38,599
-	-	-	-	-	-	7,607	7,607
-	-	-	-	-	-	271,933	271,933
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	50,491
-	-	1,210	-	-	-	-	141,507
-	-	2,064	-	36,500	(153)	3	1,315,844
-	-	-	-	-	-	-	256,703
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	236,632
-	-	5,295	-	-	-	2	436,474
-	-	-	-	-	-	-	-
-	-	-	-	-	5,272	-	48,024
-	(2,499)	191	-	-	-	-	57,574
-	-	-	-	-	366	(179)	66,119
-	(2,499)	5,486	-	-	5,638	(177)	1,101,526
-	(2,499)	7,550	-	36,500	5,485	(174)	2,417,370
-	-	-	-	-	-	-	1,153,577
-	-	-	-	-	(20,039)	-	-
12,226	14,543	179	(42,682)	(36,500)	14,066	(9)	411,512
-	-	-	-	-	-	-	(19,927)
12,226	14,543	179	(42,682)	(36,500)	(5,973)	(9)	1,545,162
-	-	-	-	-	-	1	2,162
12,226	14,543	179	(42,682)	(36,500)	(5,973)	(8)	1,547,324
12,226	12,044	7,729	(42,682)	-	(488)	(182)	3,964,694

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

Consolidated statement of financial position As at October 26, 2024

Explanatory notes	ASPE	ASPE adjustments	Derivative financial instruments (a)	Leases (b)	Redemption options and obligations (c)
ASSETS					
Current assets					
Cash and cash equivalents	16,429	-	-	-	-
Cash	-	-	41	-	-
Restricted cash	-	-	-	-	-
Accounts receivable	509,105	-	584	-	-
Inventories	677,768	-	-	-	-
Agricultural inventories	191,459	-	-	-	-
Biological assets	-	-	-	-	-
Income taxes receivable	42,693	-	-	-	-
Prepaid expenses	64,236	-	-	-	-
Derivative financial instruments	8,206	-	5,360	-	-
Government assistance receivable – current portion	1,074	-	-	-	-
Investments – current portion	12,112	-	-	-	-
Property, plant and equipment held for sale	12,283	-	-	-	-
Other current investments	-	-	-	-	-
Other current assets	-	-	-	-	-
	1,535,365	-	5,985	-	-
Non-current assets					
Interests in joint arrangements	230,025	22,394	-	-	-
Investments in entities subject to significant influence	175,637	(23,825)	-	-	-
Equity-accounted investments	-	-	-	-	-
Other investments	54,313	-	-	-	-
Government assistance receivable	17,081	-	-	-	-
Biological assets	19,222	-	-	-	-
Property, plant and equipment	1,049,372	-	-	(27,998)	-
Property, plant and equipment held for sale	18,355	-	-	-	-
Derivative financial instruments	2,178	-	-	-	-
Defined benefit assets	60,265	-	-	-	-
Right-of-use assets	-	-	-	375,065	-
Intangible assets	302,678	-	-	-	-
Deferred income tax asset	66,557	2,671	466	-	-
Goodwill	252,425	(42,723)	-	-	-
Share purchase option related to non-controlling shareholders	-	-	-	-	38,506
Other assets	-	-	-	-	-
	2,248,108	(41,483)	466	347,067	38,506
Total assets	3,783,473	(41,483)	6,451	347,067	38,506

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

Biological assets	Employee future benefits	Classification of joint arrangements	Goodwill impairment	Business acquisition	Other	Presentation adjustments	IFRS
d)	e)	f)	g)	h)	i)	j)	
-	-	-	-	-	-	(16,429)	-
-	-	305	-	-	-	3,657	4,003
-	-	-	-	-	-	12,772	12,772
-	-	(826)	-	-	-	50,668	559,531
-	-	2,605	-	-	-	-	680,373
(191,459)	-	-	-	-	-	-	-
184,579	-	-	-	-	-	-	184,579
-	-	-	-	-	1,625	(44,318)	-
-	-	(184)	-	-	(18,342)	(45,710)	-
-	-	-	-	-	-	(13,566)	-
-	-	-	-	-	-	(1,074)	-
-	-	-	-	-	-	(12,112)	-
-	-	-	-	-	-	(12,283)	-
-	-	-	-	-	-	12,112	12,112
-	-	-	-	-	-	90,987	90,987
(6,880)	-	1,900	-	-	(16,717)	24,704	1,544,357
-	-	(4,283)	-	-	7,780	(255,916)	-
-	-	-	-	-	(336)	(151,476)	-
-	-	-	-	-	-	407,392	407,392
-	-	(2,225)	-	-	(3,204)	-	48,884
-	-	-	-	-	-	(17,081)	-
-	-	-	-	-	-	-	19,222
-	-	11,897	-	692	17,525	(89)	1,051,399
-	-	-	-	-	-	(18,355)	-
-	-	-	-	-	-	(2,178)	-
-	575	10	-	-	-	-	60,850
-	-	-	-	-	-	-	375,065
-	-	41	-	9,758	-	(1)	312,476
-	-	179	-	875	178	(543)	70,383
-	-	-	(42,682)	44,787	-	(1)	211,806
-	-	-	-	-	-	-	38,506
-	-	-	-	-	-	19,259	19,259
-	575	5,619	(42,682)	56,112	21,943	(18,989)	2,615,242
(6,880)	575	7,519	(42,682)	56,112	5,226	5,715	4,159,599

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

Consolidated statement of financial position As at October 26, 2024

Explanatory notes	ASPE	ASPE adjustments	Derivative financial instruments (a)	Leases (b)	Redemption options and obligations (c)
LIABILITIES AND EQUITY					
Current liabilities					
Bank borrowings	23,653	-	274	-	-
Accounts payable and accrued liabilities	873,424	-	237	230	-
Deferred revenues	77,691	-	-	-	-
Income taxes payable	3,138	-	-	-	-
Derivative financial instruments	9,756	-	11,594	-	-
Share redemptions payable	-	-	-	-	-
Patronage refunds payable	17,790	-	-	-	-
Current redeemable preferred shares	8,037	-	-	-	-
Current portion of share redemption obligations related to non-controlling shareholders	-	-	-	-	2,246
Other current liabilities	-	52	-	493	-
Obligations under capital leases – current portion	12,376	-	-	(12,376)	-
Current portion of lease obligations	-	-	-	60,260	-
Current portion of long-term debt	82,180	-	-	-	-
	1,108,045	52	12,105	48,607	2,246
Non-current liabilities					
Share redemption obligations related to non-controlling shareholders	-	-	-	-	431,433
Obligations under capital leases	6,022	-	-	(6,022)	-
Lease obligations	-	-	-	310,139	-
Long-term debt	706,933	-	-	-	-
Deferred credit	27,940	-	-	(27,940)	-
Other liabilities	5,939	10,026	-	3,056	-
Defined benefit obligations	65,344	-	-	-	-
Derivative financial instruments	5,027	-	-	-	-
Deferred income tax liability	17,936	-	-	5,184	-
	835,141	10,026	-	284,417	431,433
Total liabilities	1,943,186	10,078	12,105	333,024	433,679
EQUITY					
Members' capital	885,053	-	-	-	-
Contributed surplus	19,360	-	-	-	-
Reserve	742,787	(51,561)	3,085	14,068	(200,522)
Accumulated other comprehensive loss	-	-	(8,739)	-	-
Equity of the Cooperative	1,647,200	(51,561)	(5,654)	14,068	(200,522)
Non-controlling interests	193,087	-	-	(25)	(194,651)
Total equity	1,840,287	(51,561)	(5,654)	14,043	(395,173)
Total liabilities and equity	3,783,473	(41,483)	6,451	347,067	38,506

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

Biological assets	Employee future benefits	Classification of joint arrangements	Goodwill impairment	Business acquisition	Other	Presentation adjustments	IFRS
d)	e)	f)	g)	h)	i)	j)	
-	-	(984)	-	-	-	-	22,943
-	50	1,358	-	-	-	9,404	884,703
-	-	-	-	-	-	(77,691)	-
-	-	-	-	-	-	(3,138)	-
-	-	-	-	-	-	(21,350)	-
-	-	-	-	-	-	8,037	8,037
-	-	-	-	-	-	(17,790)	-
-	-	-	-	-	-	(8,037)	-
-	-	-	-	-	-	-	2,246
-	-	-	-	-	(1)	116,831	117,375
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	60,260
-	-	1,333	-	-	-	-	83,513
-	50	1,707	-	-	(1)	6,266	1,179,077
-	-	-	-	-	-	-	431,433
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	310,139
-	-	5,405	-	-	-	1	712,339
-	-	-	-	-	-	-	-
-	-	-	-	-	4,863	5,027	28,911
-	(3,589)	228	-	-	-	1	61,984
-	-	-	-	-	-	(5,027)	-
-	291	-	3,356	-	(378)	(543)	25,846
-	(3,298)	5,633	3,356	-	4,485	(541)	1,570,652
-	(3,248)	7,340	3,356	-	4,484	5,725	2,749,729
-	-	-	-	21,135	(21,135)	-	885,053
-	-	-	-	-	(19,360)	-	-
(6,880)	3,823	179	(46,038)	34,977	41,237	(10)	535,145
-	-	-	-	-	-	-	(8,739)
(6,880)	3,823	179	(46,038)	56,112	742	(10)	1,411,459
-	-	-	-	-	-	-	(1,589)
(6,880)	3,823	179	(46,038)	56,112	742	(10)	1,409,870
(6,880)	575	7,519	(42,682)	56,112	5,226	5,715	4,159,599

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

Consolidated statement of earnings Year ended October 26, 2024

Explanatory notes	ASPE	Restatement of discontinued operations	Derivative financial instruments a)	Leases b)	Redemption options and obligations c)
Revenues	7,843,601	(9,259)	1,285	-	-
Cost of sales	5,522,741	(1,356)	-	(1,108)	-
Selling and administrative expenses	2,104,720	(11,496)	(5,561)	(7,112)	-
Net financial expenses	69,335	(11,012)	(2,012)	20,183	-
Net losses on disposal and write-down of assets	13,962	(8,246)	-	5,148	-
Losses on revaluation of interest rate swaps	5,058	-	(833)	-	-
Gains arising from insurance benefits	(8,577)	-	-	-	-
Foreign exchange losses	-	-	5,722	-	-
Net losses	-	-	-	-	95,183
Earnings for the year from continuing operations before shares of earnings, interest and dividend income from other investments, patronage refunds and income taxes	136,362	22,851	3,969	(17,111)	(95,183)
Share of earnings of joint ventures	54,195	-	-	-	-
Share of earnings of associates	6,108	-	-	-	-
Interest and dividend income from other investments	941	(366)	-	-	-
Earnings for the year from continuing operations before patronage refunds and income taxes	197,606	22,485	3,969	(17,111)	(95,183)
Patronage refunds	17,790	-	-	-	-
Income tax (recovery)	(93,982)	3,164	(166)	(2,069)	-
Earnings for the year from continuing operations	273,798	19,321	4,135	(15,042)	(95,183)
Net loss related to discontinued operations	(3,082)	(19,321)	-	-	-
Net earnings for the year	270,716	-	4,135	(15,042)	(95,183)
Attributable to:					
Members of the Cooperative	230,323	-	4,135	(15,017)	(51,064)
Non-controlling interests	40,393	-	-	(25)	(44,119)
	270,716	-	4,135	(15,042)	(95,183)

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

Biological assets	Employee future benefits	Classification of joint arrangements	Goodwill impairment	Business acquisition	Other	Presentation adjustments	IFRS
d)	e)	f)	g)	h)	i)	j)	
-	-	(561)	-	-	(7,016)	-	7,828,050
19,106	-	(1,901)	-	-	(4,529)	8,125	5,541,078
-	11,619	1,557	-	-	1,345	(8,125)	2,086,947
-	147	451	-	-	(2,042)	(2)	75,048
-	-	-	-	(16,048)	(400)	5,584	-
-	-	-	-	-	-	(4,225)	-
-	-	-	-	-	-	8,577	-
-	-	-	-	-	-	-	5,722
-	-	-	-	-	-	(9,789)	85,394
(19,106)	(11,766)	(668)	-	16,048	(1,390)	(145)	33,861
-	-	746	-	30,133	3,503	-	88,577
-	-	-	-	-	377	-	6,485
-	-	-	-	-	-	(1)	574
(19,106)	(11,766)	78	-	46,181	2,490	(146)	129,497
-	-	-	-	-	-	-	17,790
-	291	78	3,356	-	(3,593)	(1)	(92,922)
(19,106)	(12,057)	-	(3,356)	46,181	6,083	(145)	204,629
-	-	-	-	-	-	-	(22,403)
(19,106)	(12,057)	-	(3,356)	46,181	6,083	(145)	182,226
(19,106)	(12,057)	-	(3,356)	46,181	6,083	(145)	185,977
-	-	-	-	-	-	-	(3,751)
(19,106)	(12,057)	-	(3,356)	46,181	6,083	(145)	182,226

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

Consolidated statement of comprehensive income Year ended October 26, 2024

Explanatory notes	ASPE	Derivative financial instruments a)	Leases b)	Redemption options and obligations c)
Net earnings for the year	270,716	4,135	(15,042)	(95,183)
Other comprehensive income				
Items that may be reclassified to net earnings:				
Change in fair value of derivative instruments designated as cash flow hedges (net of deferred tax recovery of \$300)	-	11,188	-	-
Items that will not be reclassified to net earnings:				
Actuarial gains	-	-	-	-
Total other comprehensive income	-	11,188	-	-
Comprehensive income (loss)	270,716	15,323	(15,042)	(95,183)
Attributable to:				
Members of the Cooperative	230,323	15,323	(15,017)	(51,064)
Non-controlling interests	40,393	-	(25)	(44,119)
	270,716	15,323	(15,042)	(95,183)

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

Biological assets	Employee future benefits	Goodwill impairment	Business acquisition	Other	Presentation adjustments	IFRS
d)	e)	g)	h)	i)	j)	
(19,106)	(12,057)	(3,356)	46,181	6,083	(145)	182,226
-	-	-	-	-	-	11,188
-	1,337	-	-	-	-	1,337
-	1,337	-	-	-	-	12,525
(19,106)	(10,720)	(3,356)	46,181	6,083	(145)	194,751
(19,106)	(10,720)	(3,356)	46,181	6,083	(145)	198,502
-	-	-	-	-	-	(3,751)
(19,106)	(10,720)	(3,356)	46,181	6,083	(145)	194,751

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

Reconciliation notes

ASPE adjustments

During the transition to IFRS, the Cooperative identified items that it categorizes as errors that have been corrected in the opening balances.

Goodwill impairment

For the Western Canada Animal Feed CGU, the recoverable amount was determined as at October 29, 2023 based on value in use, which was higher than fair value less costs of disposal. Value in use was calculated using pre-tax cash flows from budgets and strategic plans for the next five fiscal years. Cash flows for the terminal year were based on 2% growth, within the expected range of Canadian long-term inflation. A pre-tax discount rate of 11.9% was used. As the recoverable amount was less than the carrying amount in the October 29, 2023 test, a write-down of \$42,723 was recognized, representing all of the goodwill of this CGU. No intangible assets with indefinite useful lives were associated with this CGU. As this CGU was considered a separate reporting unit under ASPE and indicators of impairment existed, the impairment loss should have been recognized by the Cooperative in fiscal 2023.

Environmental provision

An environmental provision, based on current issues prior to the transition date, met the criteria for recognition under ASPE. The impact of the adjustment consisted of a reduction of \$9,109 as at October 29, 2023 [\$10,078 as at October 26, 2024] in the reserve and a corresponding increase in the environmental provision.

Classification of associates and joint ventures

Three entities formerly classified as entities subject to significant influence should have been classified as interests in joint arrangements since the Cooperative has joint control over them. Accordingly, these entities were reclassified as joint ventures as at the transition date.

In addition, following the classification of discontinued operations in 2025, the consolidated statement of earnings for the fiscal year ended October 26, 2024 was restated to reflect the classification of discontinued operations specific to grain exports.

IFRS reconciliations

a) Derivative financial instruments, hedge accounting and foreign currency translation

IFRS require all derivative financial instruments to be recognized in the consolidated statement of financial position at fair value from the date of initial recognition, irrespective of whether they are designated as hedging instruments. Any change in fair value is subsequently recognized based on the documentation and effectiveness of the hedging relationships as required by IFRS 9.

Foreign exchange forward contracts

Under ASPE, the foreign exchange forward contracts entered into by the Cooperative to manage its exposure to foreign currency risk were designated as hedging instruments but were not recognized in the consolidated statement of financial position until the hedged transaction occurred.

At the transition date, the Cooperative recognized its foreign exchange forward contracts at fair value in the consolidated statement of financial position with the consideration recognized in other comprehensive income.

Interest rate swaps

Under ASPE, interest rate swaps were not designated as hedging instruments, and any changes in fair value were recognized directly in the consolidated statement of earnings under "Losses on revaluation of interest rate swaps." Under IFRS, the Cooperative has designated these swaps as cash flow hedging instruments. The effective portion of any changes in fair value was recognized in other comprehensive income and reclassified to the consolidated statement of earnings under "Realized interest on interest rate swaps" when the hedged cash flows affect earnings.

Cross-currency interest rate swaps covering debt

Under ASPE, cross-currency interest rate swaps entered into by the Cooperative to manage its exposure to foreign exchange and interest rate risk were designated as hedging instruments but were not recognized in the consolidated statement of financial position until the hedged transaction occurred.

At the transition date, the Cooperative accounted for its cross-currency interest rate swaps at fair value in the consolidated statement of financial position, with the consideration recognized in other comprehensive income.

b) Leases

Under ASPE, leases are classified as either capital or operating leases. When substantially all the benefits and risks incident to ownership of the leased property had been transferred to the Cooperative, capital leases were recognized as assets under capital leases and presented within property, plant and equipment. The liability was recognized in obligations under capital leases.

Under IFRS 16, "Leases", a lessee applies a single recognition and measurement model to all leases, except those with lease terms of 12 months or less and leases of low-value assets, and recognizes a lease obligation equal to the present value of future lease payments and a right-of-use asset representing the right to use the underlying asset.

At the transition date for operating leases:

- The lease obligation was measured at the present value of the remaining lease payments, discounted using the Cooperative's incremental borrowing rate at that date.
- Right-of-use assets were measured at an amount equal to the lease liability.

At the transition date, the values previously presented in "Property, plant and equipment" and "Obligations under capital leases" were reclassified to "Right-of-use assets" and "Lease obligations," respectively, in the consolidated statement of financial position.

Additionally, in accordance with ASPE, payments under operating leases were expensed on a straight-line basis over the term of the leases and recognized under operating expenses in the consolidated statement of earnings. Under IFRS 16, right-of-use assets are amortized and the amortization presented under cost of sales and under selling and administrative expenses in the consolidated statement of earnings, and interest on lease obligations is presented under financial expenses in the consolidated statement of earnings.

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

Sale and leaseback agreements

Under ASPE, the Cooperative recognized a sale and leaseback transaction by derecognizing the asset from its consolidated statement of financial position upon disposal. Any gain or loss resulting from this disposal was recognized in accordance with ASPE guidance, and the lease simultaneously entered into was recognized in accordance with the treatment for leases. A portion of the gain was deferred and amortized over the term of the lease.

For sale and leaseback agreements entered into prior to the transition date, deferred gains recognized under ASPE as deferred credits in the consolidated statement of financial position have been reclassified directly to the reserve at transition date. The right-of-use asset and the corresponding lease liability have been recognized and measured in the same manner as for the other leases.

For sale and leaseback agreements entered into after the transition date, the Cooperative applies IFRS 16 in conjunction with IFRS 15. When a transaction meets the definition of a sale, the gain on disposal is recognized immediately but only for the portion of the rights actually transferred to the buyer-lessor, with any untransferred portion recognized as a reduction of the value of the right-of-use asset. For a sale and leaseback agreement entered into after the date of initial application, the Cooperative decreased its gain on disposal recognized in the consolidated statement of earnings and reversed the deferred gain.

c) Share redemption obligations and options related to non-controlling shareholders

At the transition date, the Cooperative recognized a financial liability for its obligation to redeem the shares of non-controlling shareholders, as such shareholders hold options allowing them to require the Cooperative to redeem their units. Under ASPE, this obligation did not meet the recognition criteria to be recognized as a liability in the consolidated statement of financial position. The non-controlling interest was previously reported in the consolidated statement of financial position within the Cooperative's equity.

At the transition date, these obligations were initially measured at fair value, with the consideration recognized as a reduction of the reserve, and are subsequently measured at fair value through profit or loss. As a result, changes in estimates of the fair value are recognized immediately in net earnings and presented under "Net losses on remeasurement of share purchase options and redemption obligations."

At the transition date, the Cooperative also recognized at fair value a derivative financial asset for the share purchase stock related to non-controlling shareholders in accordance with IFRS 9. Under ASPE, these options were not recorded as assets as the concept of embedded derivatives did not exist. At the transition date, these options were recognized at fair value under "Share purchase option related to non-controlling shareholders" in the consolidated statement of financial position with the consideration recognized in the reserve. The option is subsequently measured at fair value through profit or loss with changes in fair value recognized in "Net losses on remeasurement of share purchase options and redemption obligations."

d) Biological assets

Under ASPE, livestock (commercial hog stock) was carried in agricultural inventories at the lower of cost and fair value less costs of disposal. Under IAS 41, "Agriculture", these assets constitute a separate asset class, "biological assets", which are required to be carried at their fair value less costs of disposal unless fair value cannot be measured reliably. As a result of this change, the Cooperative's commercial hog livestock biological assets will be periodically remeasured at fair value less costs of disposal. These changes in fair value are recognized in cost of sales.

Breeding livestock (hog and poultry stock) was recognized at amortized cost under ASPE. Under IFRS, it is also recognized at amortized cost, but hog stock has been reclassified as non-current biological assets and poultry stock, as current biological assets. Livestock (commercial hog and poultry stock) previously presented in agricultural inventories has been reclassified as current biological assets.

e) Employee future benefits

Under ASPE, defined benefit obligations were measured using an actuarial approach at the reporting date. For funded plans, the Cooperative used the actuarial valuation prepared for funding purposes; for unfunded plans, the accrued benefit method prorated on service was applied. Service costs, financial costs, and remeasurements and other items, including actuarial gains and losses, were recognized immediately in earnings (loss).

Under IFRS, measurement is also based on the accrued benefit method prorated on service, but treatment differs materially:

- Only service cost and net interest on the net defined benefit liability (asset) are recognized in profit or loss;
- Remeasurements of the net liability (asset) (actuarial gains and losses, return on plan assets above the expected return and changes in the effect of the asset ceiling) are recognized immediately in other comprehensive income, with no subsequent recycling to profit or loss; and
- The discount rate is based exclusively on the investment-grade corporate bond market, which differs from using the expected return on plan assets, an option permitted under ASPE.

At the transition date, the cumulative effect was recognized in the reserve in the consolidated statement of financial position.

f) Classification of joint arrangements

Upon analysis of the rights and obligations arising from the Cooperative's joint arrangement partnership agreements, it was determined that two investments must be treated as joint operations under IFRS 11, "Joint Arrangements". Based on the other facts and circumstances, the Cooperative has rights to the assets and assumes obligations for the liabilities rather than rights to the net assets. ASPE uses a different classification and terminology; these investments were previously classified as joint ventures. These reclassifications led to the application of proportionate consolidation rather than equity accounting. At the transition date, this change in accounting policy resulted in the investments being derecognized and the Cooperative's shares of the related assets, liabilities, income and expenses being aggregated on a line-by-line item basis.

g) Goodwill impairment

Under ASPE, goodwill was allocated to reporting units identified by the Cooperative. The ASPE definition of a reporting unit is different from the IFRS definition of a cash-generating unit. At the transition date, the Cooperative determined its cash-generating units (CGUs) in accordance with IAS 36 and reallocated goodwill to these CGUs. The impairment tests required under IFRS 1 and IAS 36 identified that the recoverable amount of one CGU (Retail – Commercial and Industrial Clients) was less than its carrying amount, resulting in the recognition of a goodwill write-down directly in the reserve as at October 29, 2023.

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

For the Retail CGU – Commercial and Industrial Customers, the recoverable amount was determined as at October 29, 2023 based on fair value less costs of disposal, as it exceeded value in use. This was accomplished by using multiples of the operating performance of comparable entities adjusted to reflect CGU-specific risks, transaction metrics and other financial information available. As the recoverable amount was less than the carrying amount in the test as at October 29, 2023, a write-down of \$42,682 was recognized, representing all of the goodwill of this CGU.

h) Business acquisition

Under ASPE, related party business acquisitions may be carried at the carrying amount of the transferred assets or at the exchange amount based on certain criteria.

Under IFRS, when a related party is involved in the acquisition of a joint venture, the accounting and measurement of this related party transaction must comply with IFRS 3, "Business Combinations". As discussed above in the "First-time adoption exemptions" section, the Cooperative has elected not to restate business combinations that occurred prior to the transition date.

For the acquisition of a joint venture completed by the Food Division during the year ended October 26, 2024, the Cooperative adjusted the carrying amounts of certain assets and liabilities initially recognized at the carrying amount to reflect their fair value at the acquisition date, as required by IFRS 3. The Cooperative also reviewed the value of the consideration transferred to recognize it at its fair value.

The differences between the two accounting frameworks are reconciled as follows:

	2024 ASPE	IFRS adjustments	2024 IFRS
	\$	\$	\$
Net assets acquired			
Cash	2,648	-	2,648
Other current assets	5,257	-	5,257
Property, plant and equipment	5,496	692	6,188
Intangible assets	-	9,758	9,758
Goodwill	-	44,787	44,787
Deferred income tax asset	-	875	875
Total assets acquired	13,401	56,112	69,513
Note payable	9,744	-	9,744
Note payable to the Cooperative's subsidiary	8,256	-	8,256
Other current liabilities	4,380	-	4,380
Total liabilities assumed	22,380	-	22,380
Total net assets acquired	(8,979)	56,112	47,133
Consideration paid	(8,979)	56,112	47,133
Units of capital issued	23,865	21,135	45,000
Note receivable waived	-	30,133	30,133
Value of the investment held	(7,548)	16,048	8,500
Derecognition of the share exchange option	-	(36,500)	(36,500)
Loss on related party exchange (reserve)	(25,296)	25,296	-

i) Other adjustments

Financial guarantee contracts

Following an analysis of their terms, certain financial guarantee contracts were recognized as financial liabilities in accordance with IAS 32 and IFRS 9. IFRS require such commitments to be recognized at their fair value, representing the estimated cash outflows under the terms of the contracts. Subsequent changes in fair value are recognized in profit or loss.

Cloud computing implementation costs

Under ASPE, cloud computing implementation costs incurred were capitalized as "Prepaid expenses" in accordance with AcG 20, Customer's accounting for cloud computing arrangements, and were amortized over the term of the licence.

In accordance with IAS 38, "Intangible assets," and the March 2021 IFRS Interpretations Committee decision on "Configuration or Customisation Costs in a Cloud Computing Arrangement," those costs can only be capitalized if they create a resource controlled by the reporting entity that meets the definition of an intangible asset. Where those criteria are not met, costs are recognized as an expense when the services are received. Accordingly, amounts previously capitalized as prepaid expenses were expensed upon adoption of IFRS.

Notes to consolidated financial statements

(in thousands of Canadian dollars, unless otherwise stated)

Borrowing costs

At the IFRS transition date, the Cooperative applied IAS 23, "Borrowing costs". This standard requires borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, which takes a substantial period of time to get ready for its intended use, to be capitalized as part of the cost of that asset. Under ASPE, borrowing costs were recognized entirely in financial expenses in the consolidated statement of earnings. As a result, for the year ended October 26, 2024, the amount of borrowing costs to be capitalized was deducted from financial expenses and recognized in property, plant and equipment.

Contributed surplus

Under ASPE, certain past related party transactions had an impact on contributed surplus. Under IFRS, the amounts would have been recognized directly in the reserve. As a result, the contributed surplus balance was fully reversed in the reserve as at October 29, 2023 and October 26, 2024.

j) Presentation adjustments

For consistency with the line items used in the consolidated statement of financial position and the consolidated statement of earnings under IFRS, the presentation reclassifications were reflected in the "Presentation adjustments" column.

Available-for-sale assets

Under ASPE, certain assets that the Cooperative intended to dispose of were presented in the consolidated statement of financial position as long-lived assets given that the mandatory short-term classification did not exist under that framework.

At the transition date, the Cooperative reclassified certain non-current assets to assets held for sale under "Other current assets" in accordance with the requirements of IFRS 5, "Non-current assets held for sale and discontinued operations". Under this standard, an asset is classified as held for sale when it is available for immediate sale in its present condition and its sale is highly probable.

This reclassification had no impact on equity, as the carrying amount of assets under ASPE was already fair value less costs of disposal, as required by IFRS 5.

Reconciliations to the consolidated statement of cash flows for the year ended October 26, 2024

	ASPE	Restatement of discontinued operations	IFRS adjustments	IFRS
	\$	\$	\$	\$
Cash flows related to operating activities	100,759	(4,791)	116,379	212,347
Cash flows related to investing activities	10,930	820	(7,576)	4,174
Cash flows related to financing activities	(99,132)	4,560	(125,988)	(220,560)
Net increase (decrease) in cash related to continuing operations	12,557	-	(17,185)	(4,628)
Net increase in cash related to restated discontinued operations	-	589	-	589
Net increase (decrease) in cash related to reported discontinued operations	(3,433)	3,433	-	-
Cash, beginning of year	7,305	-	737	8,042
Cash, end of year	16,429	4,022	(16,448)	4,003

Upon adoption of IFRS, certain consolidated statement of cash flows components were presented differently from ASPE, resulting in changes in the presentation of cash flows between operating, investing and financing activities. The net change in cash reported under IFRS was lower as a result of the reclassification of a portion of the cash to restricted cash.

Cash flows related to operating activities were higher resulting mainly from the reclassification to cash flows related to financing activities of interest paid and the principal component of payments related to lease liabilities. In addition, certain items have been reclassified within operating cash flows to separately present taxes paid and changes in biological assets.

Cash flows related to investing activities were lower largely as a result of the change in restricted cash.

2026, International Year of Women Farmers!

The United Nations declared 2026 the International Year of the Woman Farmer. On this occasion, let us highlight the essential roles that women play in all agri-food systems, from production to trade. Their contribution is essential and fundamental to the development and prosperity of our sector.





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Antigonish
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Plessisville

**Scotian Gold
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d'Irlande**
Saint-Adrien-d'Irlande

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**La Coop
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Saint-Côme-Linière

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Sainte-Justine

La Coop Sainte-Marthe
Sainte-Marthe

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Coopérative d'utilisation de matériel agricole de St-Jean-de-Dieu
Saint-Jean-de-Dieu

Coopérative d'utilisation de matériel agricole de Weedon
Weedon

Coopérative d'utilisation de matériel agricole des Rivières
Sainte-Thècle

Coopérative d'utilisation de matériel agricole du Coteau
Isle-Verte

Coopérative d'utilisation de matériel agricole du Haut-Saint-Laurent
Saint-Anicet

Coopérative d'utilisation de matériel agricole du Saguenay
Saguenay

Coopérative d'utilisation de matériel agricole Estrie-Mont
Saint-Joachim-de-Shefford

Coopérative d'utilisation de matériel agricole Franco-Agri
Sainte-Anne-de-Prescott (Ontario)

Coopérative d'utilisation de matériel agricole Jeannoise
Saint-Gédéon

Coopérative d'utilisation de matériel agricole l'Achigan
L'Épiphanie

Coopérative d'utilisation de matériel agricole Lamy
Saint-Hubert

Coopérative d'utilisation de matériel agricole Les Ressources
Yamachiche

Coopérative d'utilisation de matériel agricole Petite Montagne
Saint-Joseph-de-Beauce

Coopérative d'utilisation de matériel agricole Porte de la Beauce
Saint-Isidore

Coopérative d'utilisation de matériel agricole Tournesol
Sainte-Marie

Coopérative d'utilisation de matériel agricole de Bellechasse
Saint-Gervais

Coopérative d'utilisation de matériel agricole de La Durantaye
La Durantaye

Coopérative d'utilisation de matériel agricole de la Montagne du diable
Mont-Saint-Michel

Coopérative d'utilisation de matériel agricole de la Petite-Nation et de la Lièvre
Plaisance

Coopérative d'utilisation de matériel agricole de la région de l'Estrie
Coaticook

Coopérative d'utilisation de matériel agricole de Leclercville
Leclercville

Coopérative d'utilisation de matériel agricole de Matane
Saint-Luc

Coopérative d'utilisation de matériel agricole de St-Éloi
Saint-Éloi

Coopérative d'utilisation de matériel agricole Boréale
Saint-Isidore Hébertville

Coopérative d'utilisation de matériel agricole Saint-Vallier
Saint-Vallier

Coopérative d'utilisation de matériel agricole de St-Sylvère
Deschaillons

Coopérative d'utilisation de matériel agricole des Aulnaies
Saint-Jean-Port-Joli

Coopérative d'utilisation de matériel agricole du Haut du Lac
Normandin

Coopérative d'utilisation de matériel agricole Duncan
Saint-Nazaire-d'Acton

Coopérative d'utilisation de matériel agricole Kamouraska-Ouest
Rivière-Ouelle

Coopérative d'utilisation de matériel agricole l'Oie Blanche
Saint-Pierre

Coopérative d'utilisation de matériel agricole de Rouville
Carignan

Coopérative d'utilisation de matériel agricole de la Horton
Saint-Michel-du-Squatec

Coopérative d'utilisation de matériel agricole Les Rameaux de la Baie-des-Chaleurs
New Richmond

Coopérative d'utilisation de matériel agricole des Hauts-reliefs
Saint-Adrien

Coopérative d'utilisation de matériel agricole de St-Norbert
Saint-Norbert

Coopérative d'utilisation de matériel agricole de Warwick
Warwick

Coopérative d'utilisation de matériel agricole de Charlevoix
Saint-Urbain







Laitue St-Jacques
Finalist
Sollio Next Generation Award
2025-2026

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- Annex -



SOLLIO GROUPE COOPÉRATIF
Consolidated statements of financial position
As at October 25, 2025
(in thousands of dollars)

	CONSOLIDATED	UNRESTRICTED SUBSIDIARIES	CONSOLIDATION ADJUSTMENTS	CONSOLIDATED EXCLUDING UNRESTRICTED
ASSETS				
Current assets				
Cash	19,447	5,640	-	13,807
Restricted cash	12,027	-	-	12,027
Accounts receivable	545,100	3,250	-	541,850
Inventories	803,939	339	-	803,600
Biological assets	181,239	3,082	-	178,157
Other current investments	5,611	-	-	5,611
Other current assets	57,823	488	-	57,335
	<u>1,625,186</u>	<u>12,799</u>	<u>-</u>	<u>1,612,387</u>
Non-current assets				
Advance to Sollio Ag	-	175,000	175,000	-
Investment in quota entities	-	-	43,774	43,774
Equity-accounted investments	441,137	-	-	441,137
Other investments	47,524	21,618	17,598	43,504
	<u>488,661</u>	<u>196,618</u>	<u>236,372</u>	<u>55,671</u>
Defined benefit assets	70,041	-	-	70,041
Right-of-use assets	338,075	1,390	-	336,685
	-	-	-	-
Property, plant and equipment	1,168,569	22,358	-	1,146,211
	-	-	-	-
Biological assets	18,607	-	-	18,607
	-	-	-	-
Intangible assets	317,248	12,751	-	304,497
Goodwill	225,217	-	-	225,217
Deferred income tax asset	34,180	469	-	33,711
Other assets	2,425	-	-	2,425
	<u>4,288,209</u>	<u>246,385</u>	<u>236,372</u>	<u>3,805,452</u>
LIABILITIES AND EQUITY				
Current liabilities				
Bank borrowings	14,304	-	-	14,304
Accounts payable and accrued liabilities	978,759	4,540	-	974,219
Current portion of share redemption obligations related to non-controlling shareholders	2,448	-	-	2,448
Share redemptions payable	481,528	-	-	481,528
Other current liabilities	197,593	-	-	197,593
Current portion of lease obligations	51,948	244	-	51,704
Current portion of long-term debt	39,753	-	-	39,753
	<u>1,766,333</u>	<u>4,784</u>	<u>-</u>	<u>1,761,549</u>
Non-current liabilities				
Share redemption obligations related to non-controlling shareholders	383,426	-	-	383,426
Lease obligations	283,006	851	-	282,155
Long-term debt	807,642	174,439	175,000	808,203
Defined benefit obligations	67,003	-	-	67,003
Deferred income tax liability	20,352	28	-	20,324
Other liabilities	48,855	4,911	-	43,944
	<u>3,376,617</u>	<u>185,013</u>	<u>175,000</u>	<u>3,016,604</u>
EQUITY				
Members' capital	315,983	52,589	52,589	315,983
Contributed surplus	-	39	39	-
Reserve	604,404	12,662	12,662	604,404
Accumulated other comprehensive loss	(14,111)	(3,918)	(3,918)	(14,111)
Equity of the Cooperative	906,276	61,372	61,372	906,276
Non-controlling interests	5,316	-	-	5,316
	<u>4,288,209</u>	<u>246,385</u>	<u>236,372</u>	<u>3,805,452</u>

SOLLIO GROUPE COOPÉRATIF
Consolidated statements of earnings
As at October 25, 2025
(in thousands of dollars)

	CONSOLIDATED	UNRESTRICTED SUBSIDIARIES	CONSOLIDATION ADJUSTMENTS	CONSOLIDÉ EXCLUANT QUOTAS
Revenues	8,391,729	36,925	11,361	8,366,165
Cost of sales	6,007,631	24,871	-	5,982,760
Selling and administrative expenses	2,140,807	7,755	-	2,133,052
Net financial expenses	73,960	139	9,370	83,191
Foreign exchange losses	609	-	-	609
Net losses (gains)	48,703	(4,903)	-	53,606
Earnings for the year from continuing operations before shares of earnings, interest and dividend income from other investments, patronage refunds and income taxes	120,019	9,063	1,991	112,947
Shares of subsidiaries	-	-	7,197	7,197
Share of earnings of joint ventures	80,360	-	-	80,360
Share of earnings of associates	9,434	-	-	9,434
Interest and dividend income from other investments	2,077	-	-	2,077
Earnings for the year from continuing operations before patronage refunds and income taxes	211,890	9,063	9,188	212,015
Patronage refunds	32,163	-	-	32,163
Income taxes	53,321	1,866	-	51,455
Earnings for the year from continuing operations	126,406	7,197	9,188	128,397
Net earnings related to discontinued operations	15,137	-	-	15,137
Net earnings for the year	141,543	7,197	9,188	143,534
Earnings attributable to non-controlling interests	6,905	-	-	6,905
EARNINGS ATTRIBUTABLE TO MEMBERS OF THE COOPERATIVE	134,638	7,197	9,188	136,629
Change in fair value of derivative instruments designated as cash flow hedges	(5,372)	(1,162)	-	(4,210)
Actuarial gains	6,275	-	-	6,275
COMPREHENSIVE INCOME	142,446	6,035	9,188	145,599
COMPREHENSIVE INCOME ATTRIBUTABLE TO NON- CONTROLLING INTEREST	6,905	-	-	6,905
COMPREHENSIVE INCOME ATTRIBUTABLE TO MEMBERS OF THE COOPERATIVE	135,541	6,035	9,188	138,694
Net financial expenses	73,960	139	9,370	83,191
Adjusted interest income	(2,547)	(9,540)	-	6,993
Gross financial expenses	76,507	9,679	9,370	57,458
Amortization expense	175,235	796	-	174,439
Consolidated EBITDA	542,520	5,095	-	537,425